ANNUAL & SUSTAINABILITY REPORT 2022

autocirc

Contents

FOR A CIRCULAR AUTO PARTS INDUSTRY

We make sure that used auto parts get back on the road – or that materials and components can be used in completely different products and contexts. Our goal is a circular auto parts industry, where we minimise waste and maximise the availability of quality-assured automotive parts for the secondary market.

Clearing the way for sustainability

Our journey has been a rapid one, because we're working with something that cannot wait. Since we began in 2019, our workforce has grown to 671 employees and sales have risen to SEK 1,3 billion by bringing individual automotive industry operators into the Autocirc Group. Today we are a group of 42 companies that together make up the platform for a circular business model in which we optimise and repurpose used spare parts.

Over the past year, we have consolidated our position in Europe through acquisitions in Poland and Germany. We are continuing to gear up for an even faster transition and a more sustainable future.

* This number includes our headoffice and country organisations.

** The company follows the business's proforma earnings based on consolidated earnings, in which all aquired companies are included in full for the reporting period. Adjusted EBITDA refers to EBITDA excluding acquisition costs incurred during the year.

The start of something big

Autocirc was founded by Johan Livered and Mattias Pettersson in 2019. They had identified an opportunity to develop and harness the aftermarket in the auto parts industry. Bringing independent companies together within the same group allows us to link up a sector that is traditionally fragmented.

Our business aims to create a circular model in which we reuse and prolong the lifespan of used spare parts. In the long term, this means we are able to make use of the vehicle's parts for an extended period of time.

#EveryPartCounts

For Autocirc it's not a matter of reinventing the wheel, but rather building on what already exists. Linking up established, independent operators with Autocirc creates opportunities to add value via shared synergies and increase circularity for the sector as a whole. Autocirc's working model means that more auto parts are reintroduced to the spare parts market instead of being scrapped. This reduces both waste and the need to produce new parts. Parts that cannot be reused are converted into secondary raw materials with new purposes and functions in a new production cycle.

2019
Autocirc is founded by Johan Livered and Mattias Pettersson to create synergies within the fragmented automotive aftermarket.

2020
Autocirc makes its first acquisition in order to become a comprehensive aftermarket group.

2021
Expansion in Northern Europe via acquisition of companies in Sweden, Norway, Finland and the UK.

2022
Autocirc continues to grow. The business expands through more segments, and acquisitions of companies in Poland and Germany provide access to new markets.

From Borås, for the planet

Our headquarters are in Borås, Sweden, but our operations extend throughout Europe. The majority of our companies are vehicle dismantlers that, together with companies in the refurbishment, scrap and metal, tyres and rims, car transport and salvage and core trading sectors, form the platform for a circular business model. By bringing together local businesses with different qualities and areas of expertise, we take a holistic approach to the automotive aftermarket.

Auto parts that cannot be optimised and reused are converted into secondary raw materials that add value in new production cycles. In this way, we are not only contributing to the circular economy in the auto parts industry – our working model also leads to a more efficient use of the planet's resources and a reduced climate footprint in general.

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ACQUISITIONS IN 2022

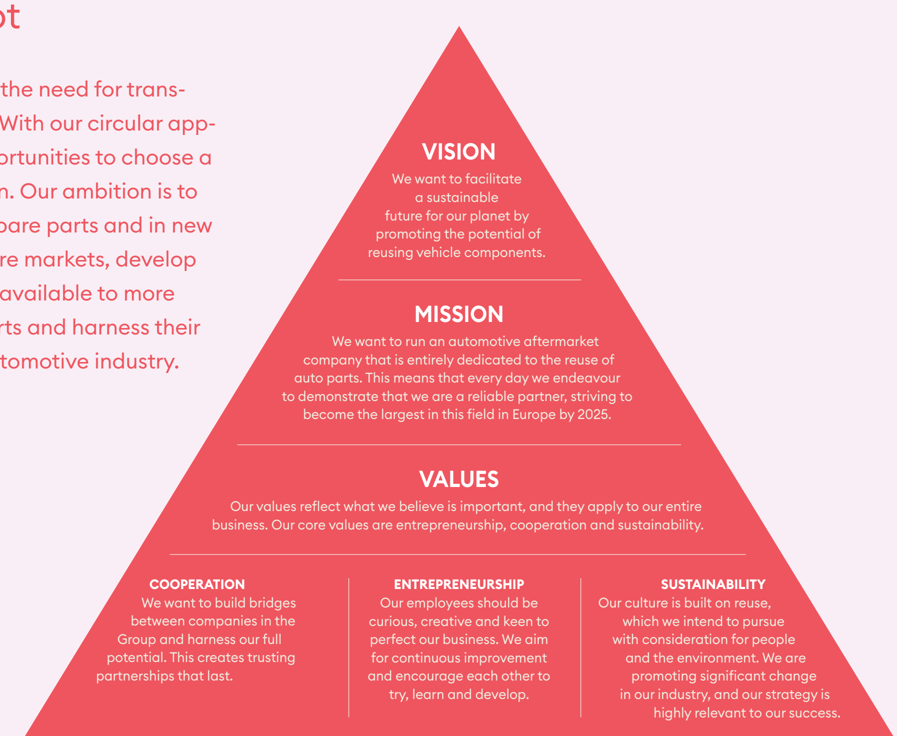
Aim and objective

Our aim is to create a circular business model in the auto parts industry by building and managing a business focused on the reuse of automotive parts. Our objective is to become the most sought-after and successful supplier of sustainable spare parts in Europe, with the ambition of being the largest in our field by 2025. And we are well on our way. Our achievements to date:

- We have been able to prove that the circularity of the ecosystem has improved considerably with Autocirc, and that there is a clear correlation between earnings and greater circularity.
- We are the largest auto parts recycling company in Northern Europe.
- We have managed to connect different parts of the ecosystem and created an effective organisational culture.
- We have raised the standard in the industry and made the secondary market the first choice.

Our business concept

A growing population increases the need for transportation, cars and vehicle repairs. With our circular approach, we want to create more opportunities to choose a better alternative to new production. Our ambition is to offer recycled auto parts, both as spare parts and in new car production. We aim to enter more markets, develop our concept and make our offering available to more people. The need to reuse spare parts and harness their full potential is not limited to the automotive industry.



Towards sustainable goals using modern methods

The Group is united by a desire to contribute to a world in which we want to grow, flourish and develop. Our business circle contributes to the UN Sustainable Development Goals, primarily Goal 12: Responsible consumption and production, and Goal 13: Climate action. We are contributing to these goals through preventive action in connection with reuse, repurposing and material recycling. In the long run, we can reduce the ecological footprint of the aftermarket for the automotive industry.

The future is the big winner in our world

We believe the aftermarket as it is will not be a sustainable solution for the future. Current demands relating to sustainability and circularity that are set to intensify going forward will mean we will need to exploit the full potential and value of products for longer than has been done in the past. Researchers agree that the circular economy will be one of the solutions in achieving Agenda 2030, the purpose of which is to ensure lasting protection for the planet and its natural resources. Our business concept is one piece of the puzzle in this work, since our motto is Reduce, Reuse, Recycle in accordance with the EU's Waste Directive. When a vehicle arrives at one of our facilities, it is classed as waste. But to us it's not waste, it's usable material. We create conditions that allow for reuse or repurposing, either immediately or via remanufacture. As part of this we aim to reduce waste and harness the full potential of reuse. We also see opportunities to use our products in new production, both of vehicles and, for example, energy storage units. We believe that as a Group we can work together towards a single goal: sustainable development and ensuring the lasting protection of the planet and its natural resources.

On the right track

To reduce our impact on the planet, we have to think along new lines, disrupt our traditional, linear economy and build a new, circular system. As a step towards reducing the constant depletion of resources, Autocirc is keen to look at the possibility of moderating resource flows and transforming new production into reuse and remanufacture, in order to reuse as much as possible of what has already been produced.

Moving forward for greater circularity

We have a head start compared with many sectors when it comes to circular thinking. Due to the high purchase price, a damaged car is always examined. The aim is to identify whether damaged parts and components can be repaired or replaced. We all need to consider opportunities for reuse and repair if we are to operate in line with the circular economy.

Maintenance and repairs are already something that our industry is actively engaged in, however we are seeing a trend in the majority of repairs now being based on new production. We want to change this behaviour, and in the long run we hope to be able to inspire our sector to do the same, i.e. build on the circular concept.

In the past the automotive aftermarket has been made up of numerous small-scale operators in a fragmented market. As a consequence, there have been limited opportunities for trade between countries, and low stock transparency despite high demand.

There is therefore great potential in consolidating and streamlining the market. By linking the value chain, we create new synergies that satisfy the supply shortages of used parts that currently characterise the market.

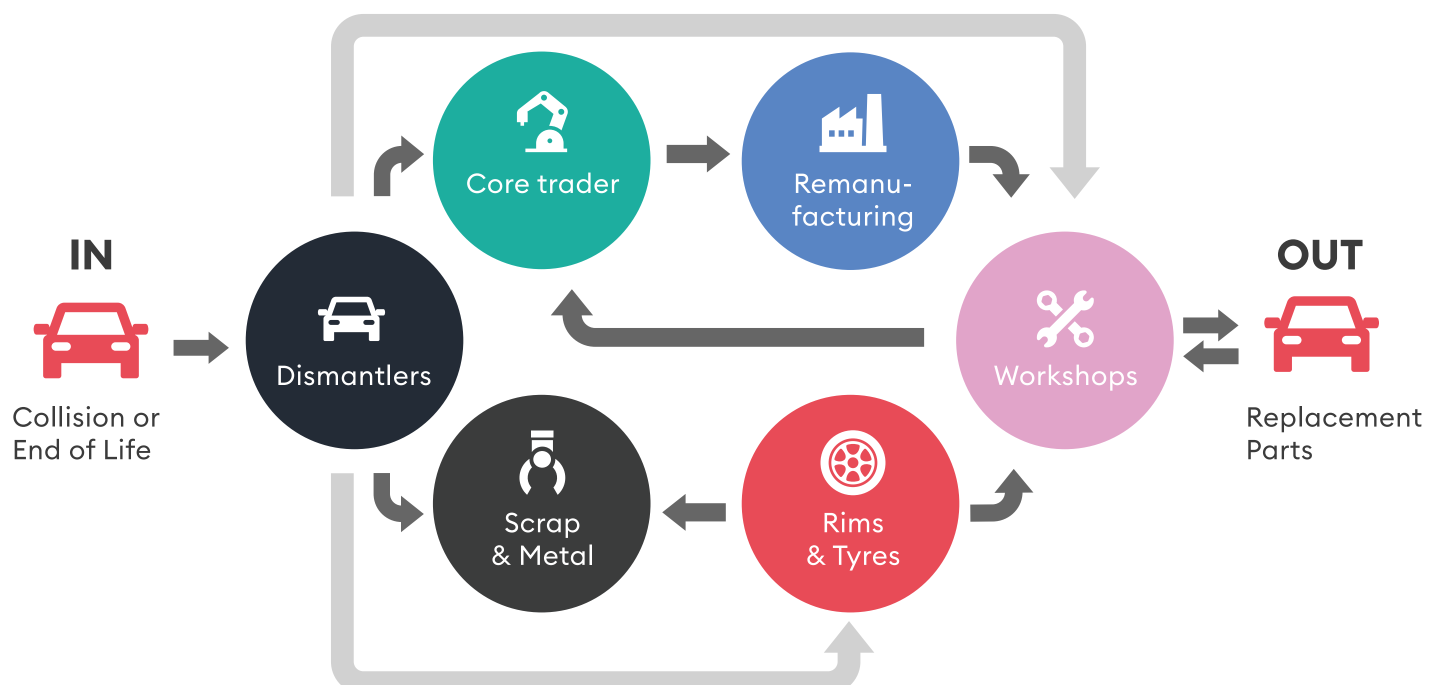
The hub in a circular reuse concept

We work in partnership with a number of independent operators, building a unique platform to link up the previously fragmented industry, in order to create circularity and supply the market with sustainable spare parts. We are strengthening the industry to reap economies of scale (e.g. via shared warehousing opportunities) by adding new companies to the platform and building an interconnected network. The network forms a circle comprising several segments: dismantlers, core traders, remanufacturers, workshops, scrap and metal traders and tyre and rim specialists.

The circular concept works like this: Input products include various types of end-of-life vehicles, such as cars that have crashed and are beyond repair, TLV (Total-Loss-Vehicle), or ELV (End-of-Life Vehicle). Initially these vehicles go to our dismantlers, who identify the parts that can be used immediately either through reuse or repurposing, and the parts that can be used after remanufacture, but also any parts that cannot be reused and instead go to material recycling.

Within the circle and as part of the concept, there are also core unit distributors who trade in parts that can be remanufactured, specialists who remanufacture parts for reuse, and scrap and metal traders who collect and sell material to reintroduce it as secondary raw materials. The circle also includes specific material processing specialists who are experts in mechanically processing end-of-life tyres in order to better prepare the components for recycling. Finally, there are workshops that also collect core units for remanufacture and are our ambassadors to the outside world, demonstrating that car repairs do not have to be based on new production.

The aim of our circular concept is to create an ecosystem in which we connect the best companies in each segment and link them to a single network. In this way, we bring the aftermarket together, building a unique Group working to achieve a shared goal: For secondhand to be the first choice.



Two parts of the value chain

Our strategy for the future can be illustrated via two different circles; the outer and the inner circle. The circles describe our growth strategy and our value-adding strategy. The outer circle 1 describes our growth strategy. By acquiring the best companies in each segment and linking them to the Group, we create opportunities to expand our platform. The inner circle 2 indicates how we create our value chain and build a complete ecosystem, which is about connecting the flow of parts across the value chain to drive profitability and maximise the reuse of each part. We refer to connecting companies to our ecosystem and generating added value between them as circular effects.

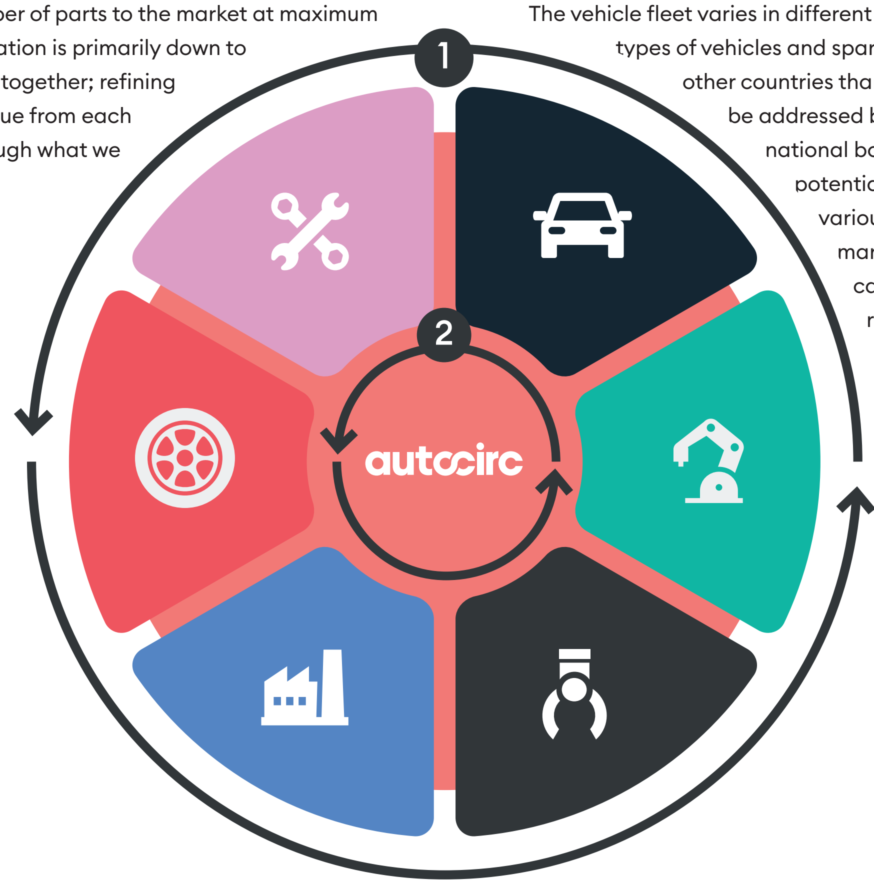
We reuse all auto parts for as long as there is demand for them on the market. This maximises profit throughout the entire value chain. By controlling significant sections of the value chain, Autocirc can return the maximum number of parts to the market at maximum profit. Overall value creation is primarily down to putting the whole chain together; refining and extracting more value from each dismantled vehicle through what we call our circular effects.

Circular effects

Our inner strategy circle 2 is about creating value and building circular effects. The most important thing for us here is to constantly come up with new ways to make our partnerships within the Group more efficient.

Through cooperation with dismantlers, core unit distributors, remanufacturers and workshops, we are creating a platform for a kind of collateral flow. Dismantlers send items for remanufacture to core unit distributors, who are then able to build up bulk items that can be forwarded to remanufacturers, with the final destination being workshops where they are used in vehicle repairs. By creating a value chain that includes dismantling, core unit processing, remanufacturing and workshops, we are establishing an ecosystem that gives added value.

The vehicle fleet varies in different parts of Europe. Certain types of vehicles and spare parts are more common in other countries than in Sweden, an issue that can be addressed by linking the market across national borders. That's why we also see potential for a consensus between the various operators in the European market and, in the long run, we can create conditions to promote reuse throughout the industry.



Our subsidiaries

Dismantlers

2022
Alingsås Bildelar AB (SE)
Established: 1969.
Employees: 29.
Sales 2022: SEK 38,6 million.

2022
Autodemontering TT AB (SE)
Established: 1979.
Employees: 23.
Sales 2022: SEK 38,7 million.

Autopalsta OY (FI)
Established: 1969.
Employees: 10.
Sales 2022: SEK 11 million.

2022
Autoverwertung Kerstingjohänner GmbH (DE)
Established: 1970.
Employees: 15.
Sales 2022: SEK 62,5 million.

2023
Beck Export Automobile (FR)
Established: 1977.
Employees: 35.
Sales 2022: SEK 80 million.

2023
Bergen Bildemontering AS (NO)
Under development

2022
Bildelslagret i Lidköping AB (SE)
Established: 1991.
Employees: 10.
Sales 2022: SEK 24,2 million.

2022
Bildelslagret i Trollhättan AB (SE)
Established: 2015.
Employees: 8.
Sales 2022: SEK 21,6 million.

2023
Coram Auto SAS (FR)
Established: 1984.
Employees: 70.
Sales 2022: SEK 191 million.

2023
Delehuset AS (NO)
Established: 2013.
Employees: 5.
Sales 2022: SEK 15 million.

Erikssons Bildelsåtervinning & verkstad AB (FI)
Established: 1994.
Employees: 29.
Sales 2022: SEK 56 million.

2022
Frykmalms i Karlstad AB & Karlstad Bildemontering (SE)
Established: 1974.
Employees: 23.
Sales 2022: SEK 32 million.

2023
JM Gjenvinning AS (NO)
Established: 2019.
Employees: –
Sales in 2022: SEK 0,9 million.

Jämtlands Bildemontering AB (SE)
Established: 1978.
Employees: 24.
Sales 2022: SEK 44,8 million.

Kungsåra Bildemontering AB (SE)
Established: 1966.
Employees: 28.
Sales 2022: SEK 114,8 million.

2022
Magnus Bildemontering AB (SE)
Established: 1993.
Employees: 11.
Sales 2022: SEK 15,5 million.

Norrbottens Bildemontering AB (SE)
Established: 1973.
Employees: 27.
Sales 2022: SEK 51,2 million.

2022
Osamyyntti AF OY (FI)
Established: 1986.
Employees: 14.
Sales 2022: SEK 26 million.

Redox Bildelar AB (SE)
Established: Beginning of the 1980s.
Employees: 11.
Sales 2022: SEK 12,8 million.

Riihimäen Auto-Osat OY (FI)
Established: 1962.
Employees: 3.
Sales 2022: SEK 2 million.

2023
Rogaland Bildeler AS (NO)
Established: 1962.
Employees: 13.
Sales 2022: SEK 40,5 million.

2022
Skjeberg Bilopphuggeri AS (NO)
Established: 2015.
Employees: 6.
Sales 2022: SEK 8,8 million.

Svensk Bilåtervinning AB (SE)
Established: 2001.
Employees: 17.
Sales 2022: SEK 30 million.

2022
Svenssons Bildemontering AB (SE)
Established: 1991.
Employees: 28.
Sales 2022: SEK 46 million.

2022
Trondheim Bil-Demontering AS (NO)
Established: 1989.
Employees: 21.
Sales 2022: SEK 48,7 million.

2022
Trøndelag Bildeler AS (NO)
Established: 2019.
Employees: 11.
Sales 2022: SEK 25,5 million

Vimmerby Bildemontering AB
Established: 1998.
Employees: 19.
Sales 2022: SEK 35,2 million.

2022
Växjö Bildemontering AB (SE)
Established: 1972.
Employees: 15.
Sales 2022: SEK 30,4 million.

2022
Walters Bildelar AB (SE)
Established: 1998.
Employees: 27.
Sales 2022: SEK 77 million.

2023
Ådalens Bildemontering AB (SE)
Established: 1980.
Employees: 48.
Sales 2022: SEK 62 million.

Østfold Bildemontering AS (NO)
Established: 1984.
Employees: 35.
Sales 2022: SEK 75 million.

Scrap & Metal

Rewinner AB (SE)
Established: 2018.
Employees: 1.
Sales 2022: SEK 28 million.

Core Traders

Premier Components UK LTD (UK)
Established: 1992.
Employees: 48.
Sales 2022: SEK 122 million.

Rims & Tyres

Redox Miljöhantering AB (SE)
Established: 1994.
Employees: 15.
Sales 2022: SEK 33,4 million.

Workshops

2022
Bil & Skadeservice AB (SE)
Established: 1976.
Employees: 51.
Sales 2022: SEK 92 million.

2022
Mickes Lackservie AB (SE)
Established: 2002.
Employees: 18.
Sales 2022: SEK 39 million.

Remanufacture

Nordic Motor Center AB (SE)
Established: 2009.
Employees: 5.
Annual sales: SEK 37,4 million

Styrdon i Sverige AB (SE)
Established: 2016.
Employees: 1 consultant.
Sales 2022: SEK 1.3 million.

UBD Cleantech AB (SE)
Established: 1970.
Employees: 28.
Sales 2022: SEK 33,3 million.

2022
RE-PART Sp. Z o.o (PL)
Established: 2015.
Employees: 5.
Sales 2022: SEK 8,5 million.

Logistics

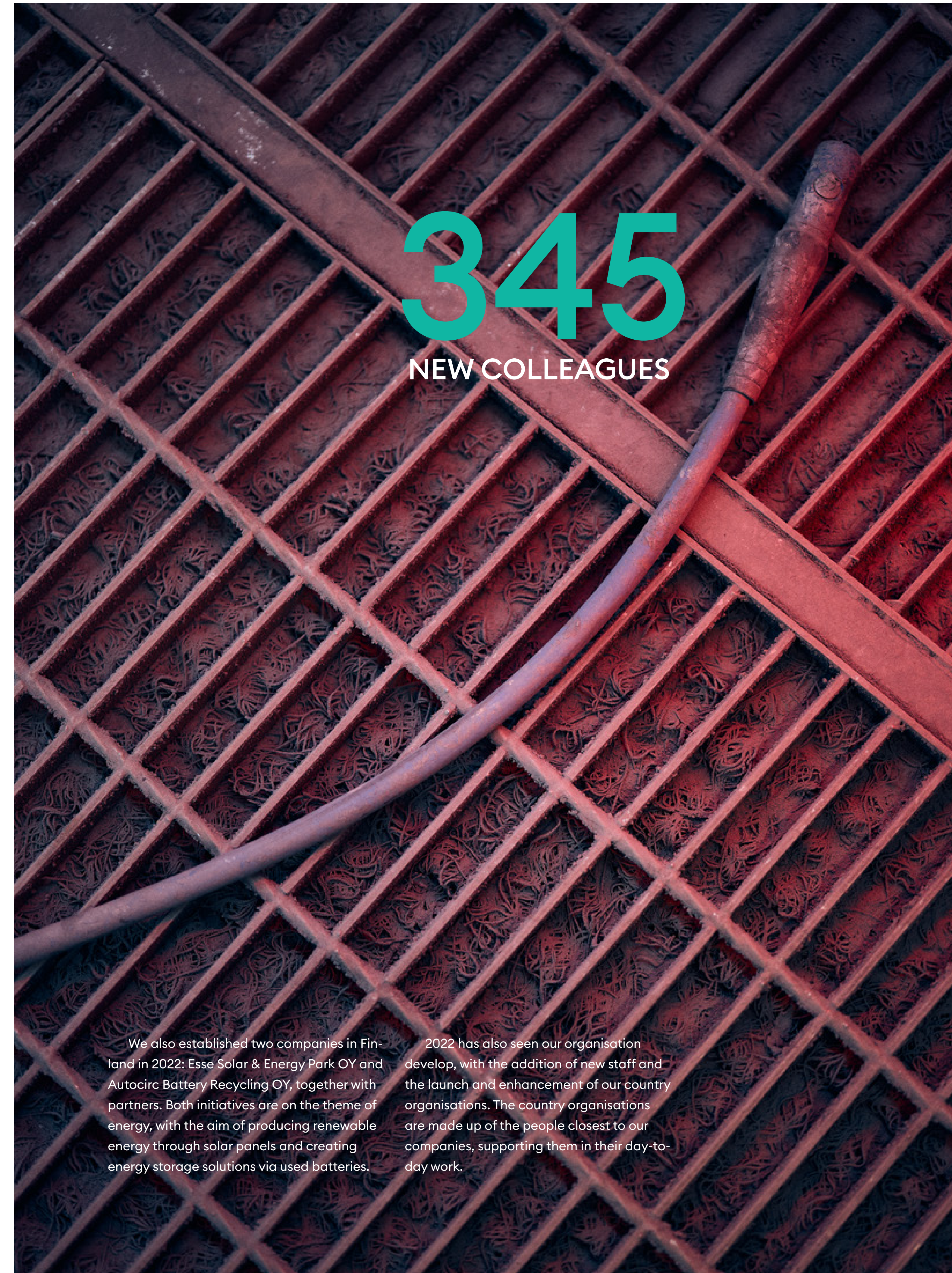
Erikssons Bilbärgning AB (FI)
Established: 1987.
Employees: 8.
Sales 2022: SEK 13 million.

2022
Bergen Bilhjelp AS (NO)
Established: 2005.
Employees: 26.
Sales 2022: SEK 40 million.

2022
Voss Bilberging AS (NO)
Established: 2005.
Employees: 5.
Sales 2022: SEK 7,4 million.

The financial year in review

Like 2021, the 2022 financial year has been one of growth. The Group has acquired 20 companies, bringing 345 new colleagues. With these acquisitions, we added several units to our Workshop segment, reinforcing our business plan and mission to increase the reuse of used spare parts in automotive repairs.



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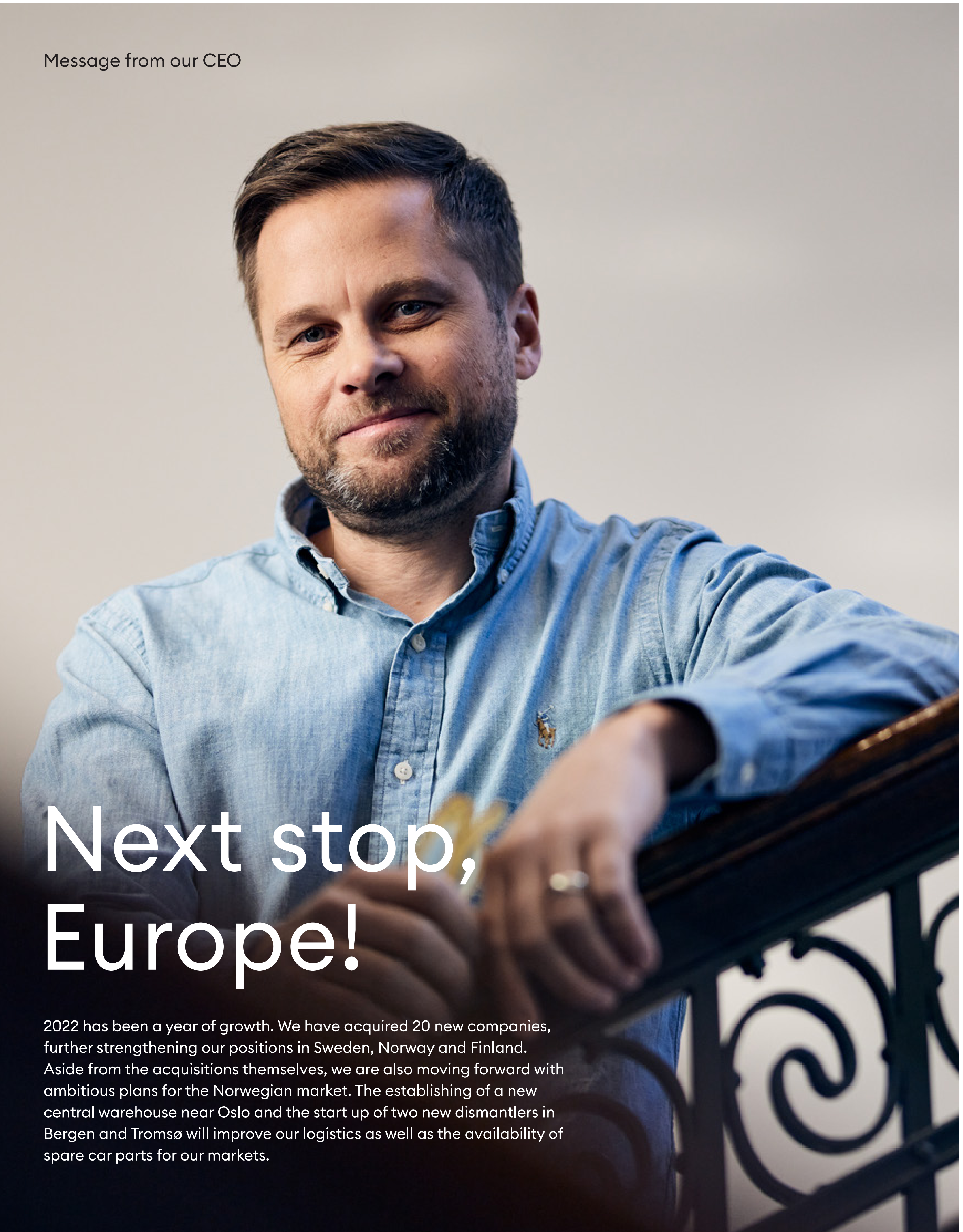
NEW COLLEAGUES

We also established two companies in Finland in 2022: Esse Solar & Energy Park OY and Autocirc Battery Recycling OY, together with partners. Both initiatives are on the theme of energy, with the aim of producing renewable energy through solar panels and creating energy storage solutions via used batteries.

2022 has also seen our organisation develop, with the addition of new staff and the launch and enhancement of our country organisations. The country organisations are made up of the people closest to our companies, supporting them in their day-to-day work.

Message from our CEO



Next stop, Europe!

2022 has been a year of growth. We have acquired 20 new companies, further strengthening our positions in Sweden, Norway and Finland. Aside from the acquisitions themselves, we are also moving forward with ambitious plans for the Norwegian market. The establishing of a new central warehouse near Oslo and the start up of two new dismantlers in Bergen and Tromsø will improve our logistics as well as the availability of spare car parts for our markets.

”We are confident in our ability to maintain a rapid pace of growth throughout the year.”

During the year and the first month of 2023, we completed our first platform acquisitions in Europe, specifically three dismantling companies in Germany and France. These acquisitions put our name firmly on the European map and represent the first steps towards establishing Autocirc as a leader in the European market.

Strength in numbers

As our pace of acquisitions reached a new level we needed to raise capital to secure our growth. In December 2022 we announced the replacement of previous main owner Alder in favor of Nordic Capital, providing a strong financial platform going forward.

During the past year we have not only focused on acquisitions of companies – we have also invested in people. Our organisation is now strengthened with country managers who focus on supporting the companies in their respective country and segment. Our central team has also grown with the addition of a Group Accounting Manager in December 2022. During the first month of 2023 we additionally welcomed a Business Developer, a Market and Communications Manager and an HR Manager to support the integration and growth of our companies.

Repurpose as a strategy

In 2022 we have worked actively on our repurpose concept. We invested in two joint ventures in Finland – Autocirc Battery Recycling Oy and Esse Solar and Energy Park Oy. The possibility of reusing spent batteries as energy storage units is particularly exciting, providing a new purpose for parts that are not reused for their original function. We are proud to be leading the way in this development project, allowing us to explore the possibilities of repurposing materials from our dismantlers for new applications.

As for our operating environment, we are seeing strong trends towards reuse in several markets. The debate on extending the life of products to save resources is more relevant than ever, and entirely consistent with our strategy. Our core offering is centered around maximizing the lifespan of car parts, and we're pleased to see that more industries are embracing this approach. The shift towards reuse creates opportunities for our business, allowing us to expand our reach and impact.

Our focus looking forward

2023 marks the continuation of our European journey, with the aim of expanding and applying our concept to new markets. We are confident in our ability to maintain a rapid pace of growth throughout the year.

One key area of focus will be streamlining the flow of component reuse and remanufacture. By optimising our shared platform, we can create new opportunities for dismantlers, core unit buyers, remanufacturers, and workshops to connect their processes and increase the availability of reused car parts.

Our mission is to create a circular economy by minimising material waste and optimising the reuse of sustainable spare parts. We are taking a long-term approach, constantly developing and improving our team and our offerings.

Johan Livered
CEO
Borås, March 2023

Our market

Initially, the situation for 2022 looked good. The market and our operating environment had largely normalised and the pandemic was more or less behind us. However, Russia's military invasion of Ukraine in February turned the situation upside down. Rising inflation, higher interest rates, the energy crisis and price increases affected both the economy and the market.

Our offering is a strong one in this turbulent environment; our products are locally available close to where they are needed and do not require raw materials to be extracted. Instead, they are ready for use without any major action required. We are therefore not experiencing any significant impact as a result of these new external conditions, but see great potential for our offering going forward.

Message from our CFO

A financial platform for continued growth

The pace of new acquisitions throughout the year highlighted the need for more capital to finance our continued expansion. Alongside our focus on growth, we also enhanced our organisation through the addition of country managers, who support and develop our companies in their respective area and segment.

We created a financial platform via a SEK 1 billion bond, which was used to repay previous bank financing and for acquisitions. The pace of our acquisitions achieved a new level, and we needed to raise new capital to secure our growth. In December 2022, we therefore signed an agreement whereby Nordic Capital replaced our previous main owner, Alder.

The transaction was completed in the first week of February 2023, and lays the foundations for continued ambitious expansion.

High demand for spare parts

Demand for spare parts was strong in 2022, and our subsidiaries experienced healthy sales levels. Issues with the supply of new cars and spare parts on the market had a positive impact on demand for our reused original parts. Sales also benefited from high prices for scrap metal, which accounted for about 15% of the Group's total sales. Meanwhile, our costs increased due to higher prices for the purchase of cars and parts.

Alongside our focus on acquisitions, we worked on strengthening our organisation and structure to ensure we are better equipped for future growth. This had an adverse impact on our margin, but is crucial if we are to boost profitability and secure growth in a controlled way without compromising on quality.

A business model withstanding turbulent times

We are still facing turbulent times, and like many others, we have been impacted in various ways. The escalating energy prices and fluctuations in the business cycle are concerning. However, our business is not a significant energy consumer, and while the increased prices have affected us, the impact has not been severe.

Although we anticipate an increase in the cost of warming up our facilities during winter, it is not expected to have a negative effect on our business. Fortunately, our organisation is robust, and during times when it's important to save money, our services become more attractive as an increased number of people choose to repair and maintain their cars instead of buying new ones.

Performance and development

The majority of our business units performed well, while we have a few companies within the Group that are currently undergoing reorganisation and development, which is associated with costs that affect the margin for the time being. Our company UBD Cleantech is continuing to develop its remanufacturing process, which involves some investment and restructuring costs.

The positive results of this project are expected to become apparent in earnings for the second half of 2023. In 2022 and the first half of 2023, the company will, however, be fully focused on developing the new production line and training staff. We see considerable potential in the UBD Cleantech facility going forward, and we believe this investment will generate strong organic growth.

Johan Rafstedt
CFO
Borås, March 2023

"In December 2022, we signed an agreement whereby Nordic Capital replaced our previous main owner, Alder."

Financial summary

Jan – Dec

Net sales for the Group amounted to SEK 1 084 million (452), an increase of 140% compared to the corresponding period last year. Acquired sales have contributed with SEK 476 million on net sales and organic sales by SEK 156 million. The Group's earnings before depreciation and amortisation amounted to SEK 126 million, equating to an EBITDA margin of 11,6% (10,9). The earning before depreciation have been affected by a higher cost structure through acquisitions and increased volume as well as one-off costs. Non-recurring items that burdened the profit mainly relating to building up the organisation. After adjustment of non-recurring items the underlying earning before depreciation and amortisation amounted to SEK 175 million, which resulted in an underlying adjusted EBITDA margin of 16,1% (15,4).

PF LTM

Net sales for the Group amounted to SEK 1 348 million.

Acquired sales have contributed with SEK 636 million. The Group's earnings before depreciation and amortisation amounted to SEK 157 million, equating to an EBITDA margin 11,6%. 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 quarterly 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 237 million, which resulted in an underlying EBITDA margin of 17,6%.

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 billion. The bond is listed on the corporate bond list of Frankfurt Open Market. The term of the bond is three years with an interest rate of 3-months STIBOR + 875 basis points. All covenant conditions have been fulfilled as of December 31, 2022.

Complete terms and conditions can be found on the Autocirc homepage: https://autocirc.com/wp-content/uploads/2023/01/Project-Circularity-AR-Terms-and-Conditions-Jan-2023-Executed1.pdf

In addition, Autocirc AB has a super senior revolving credit facility which, at the end of Q4, was SEK 165 million.

Financial summary

SEKm	2022	2021	Δ%	PF LTM 1)
Net Sales	1084	452	140%	1348
Organic growth	156	–	–	260
Acquisitions	476	–	–	636
Gross Profit	671	247	171%	848
EBITDA	126	49	142%	157
EBITDA-margin, %	11,6%	10,9%	–	11,6%
Adjusted EBITDA	175	69	142%	237
Adj. EBITDA-margin, %	16,1%	15,4%	–	17,6%
EBITA	68	28	118%	121
EBITA-margin, %	6,3%	6,2%	–	9,0%
Adjusted EBITA	117	48	128%	170
Adj. EBITA-margin, %	10,8%	10,7%	–	12,6%
Cash flow from operating activities	-38	78	-149%	-38
Adjusted Cash flow from operating activities	140	126	6%	202
Cash conversion	80%	181%	–	85%
Net Debt/ Adj. EBITDA	5,3x	–	–	5,3x

Our strategy

Our goal is to build a group capable of transforming the entire aftermarket in Europe. Achieving this ambition requires an organisation that is equipped for continued growth.

Country organisations create new opportunities

In 2022, we focused on establishing our country organisations, the purpose of which is to create clarity in our segments and develop organisations that can further support our companies. Our largest markets are currently in Sweden, Finland and Norway, and these are the locations of our first country organisations, with country managers and in some cases an additional organisation. This means we are better able to support our companies and those responsible for country-specific projects and partnerships that are important for our strategy going forward.

Autocirc Sweden

The Swedish market was significantly strengthened in 2022 with the acquisition of twelve new companies, all keen to be part of Autocirc and a more sustainable future. Through these companies, we have also had the pleasure of welcoming 243 new colleagues in Sweden. Now we have the expertise, geographical coverage and breadth to create circular effects in the areas in which we operate: dismantling, repair workshops, metal trading, remanufacturing and recycling.

Over the past year, we have upped the pace of our circular journey on many levels, both within Autocirc and together with like-minded external operators and companies. Many of these initiatives start in Sweden, which at the moment is the largest market and the most advanced country in terms of how we collaborate with repair workshops and insurance companies to reuse auto parts.

Looking ahead, these collaborations will result in more efficient processes and flows through a learning exchange within Sweden and across national borders. We will be able to demonstrate increased reuse by utilising even more parts and remanufacturing parts that are in demand. On our own and in collaboration with others, we will find new areas of use for components and improve the processing of certain fractions that we can see are not being recycled enough at present.

Furthermore, together with our partners, we will raise awareness among Swedes about the importance – and the possibility – of making sustainable choices when maintaining their cars.

Marcus Wigren
Autocirc Sverige AB
Country Manager Sweden
Borås, March 2023

Autocirc Norway

Autocirc entered the Norwegian market in 2021, and the acquisition of Østfold Bildemontering later that year helped establish our presence. In 2022, we continued to build momentum by strategically acquiring several strong Norwegian operators, including Trondheim Bildemontering, Trøndelag Bildelar, Skjeberg Bilverkstad, and Voss & Bergen Bilhjälp.

All of these are good, well-managed businesses as individual operators, and they fit perfectly into the Autocirc Group and our plans for Norway. We also decided to start up several sites in 2023, including new facilities in Bergen and Tromsø and a large central warehouse and administrative facility in Vestby, just outside Oslo.

As a result of this and our business concept and strategy, we have also become one of the most important and largest contractual partners for the major insurance companies in Norway.

We are a nationwide operator here for the purchase of scrapped vehicles, and a supplier of used auto parts for damage repairs, with the primary task of helping increase the share of used parts on the market. Norway is slightly behind Sweden and other countries in this matter, but there is considerable potential to improve the situation. There is now a strong desire among both insurance companies and the car industry to become more sustainable and increase reuse. Our primary goal is for Autocirc to be their partner of choice in achieving this.

Bjarte Kaldestad
Autocirc Norge AS
Country Manager Norway
Tromsö, March 2023

Autocirc Finland

Kenneth Långbacka
Autocirc Finland OY
COO Finland
Jakobstad, March 2023

In 2022, we made several major financial and strategic decisions based on our circular business model for efficient recycling and reuse of used auto parts, strengthening our position in the Finnish market.

We invested in our dismantling facilities to optimise them for future needs. At Erikssons, we completed a new warehouse space, and a new production line is under construction. Autopalsta in Pori made improvements to its processes and is now ready to receive more cars and dismantle a greater number of parts per car while increasing its storage space.

In Riihimäki, north of Helsinki, we opened Finland's first fixed-price, self-service centre. This is an excellent addition to our offering, and a completely new concept in Finland that contributes to increased recycling and a more sustainable environment.

Finally, just before the end of the year, we acquired Osamyynti AF, one of the largest dismantlers in Finland. The acquisition will improve our service to partners and customers both geographically and through a wider range of products.

Our investment in green electricity

We established two new companies in the autumn: Esse Solar & Energy Park OY and Autocirc Battery Recycling Finland OY. Esse Solar & Energy Park OY is building a solar farm with a capacity of 1,15 MW and is a strategically important investment as part of our efforts to be self-sufficient in green electricity. This is a significant step towards our goal. The solar farm is scheduled for completion and due to start supplying renewable electricity in the first half of 2023.

Autocirc Battery Recycling will build energy storage facilities with second-life batteries. This activity will enable us to recover batteries from our dismantled hybrid and electric cars and give them new life. This investment is also important in view of the ongoing electrification of the vehicle fleet. Our Finland operations will be responsible for the research and development of second-life batteries within the Group and produce finished energy storage systems for the market.

All these projects, and many others that we hope to announce in 2023, allow us to constantly improve our offering while building on our circular business model. Together we are strong.

Message from our Deputy CEO/COO

Circularity through cooperation

Cooperation is one of our key words. It also describes our business model perfectly, since it is centered around strategic and operational collaboration. In 2022, we established new partnerships while also strengthening our internal organisation and cooperation, creating a solid foundation for our work going forward.

We invested ambitiously in the skills, expertise and setup of our organisation. This includes the addition of country managers who support the companies in their respective regions, as well as our central team which has been strengthened with several new competencies.

Acquisitions for greater impact

We acquired 20 companies during the year. As a result, we now have better coverage across multiple segments and markets, providing us with a greater impact on the industry. We also entered the European market through acquisitions in in Germany during 2022 and in France during the early part of 2023, with plans for further European expansion already in the works.

Accelerating the sustainable transition

We are constantly monitoring industry trends and have identified electrification as a major opportunity and challenge. With the aim of becoming a leading reuse operator in Europe, we are embracing this shift by exploring new ways to utilise and recycle materials, including batteries, from electric vehicles.

In line with this objective, we have launched several exciting projects during the past year that demonstrate our commitment to a more efficient use of resources. By remaining adaptable and forward-thinking, we are well positioned to gain momentum and accelerate the sustainable transition within the car parts industry.

Reuse and repurpose

We work actively towards realising new opportunities for reuse and repurposing of materials – both through our own initiatives and by working collaboratively with partners. One example is our joint venture in Finland, Autocirc Battery Recycling Oy. This innovative project aims to develop a circular model for used batteries, minimising the need to extract new and scarce resources.

A circular future

The investments in our organisation and the initiatives in our operations all align with our greater mission of creating an aftermarket for car parts that is completely based on reuse. We look to the future with continued ambition, and remain committed to paving the way for circularity in the car parts industry.

Jennica Thorin
Deputy CEO/COO
Borås, March 2023

> ”We work actively towards realising new opportunities for reuse and repurposing of materials – both through our own initiatives and by working collaboratively with partners.”

Risks and risk management

Our definition of risk is a future event that could potentially threaten the organisation's ability to achieve its vision and its long-term goals. In order to minimise risks and their negative impact, the Group works on the basis of a process in which risks are continuously identified, managed and monitored. The identified risks are categorised into external, operational, financial, compliance and climate risks, which are assessed on a three-point scale based on consequences and likelihood.

External risks

External risks are mainly due to factors outside Autocirc's own operations. One example of this is the macroeconomic trend in the Group's main market, which can impact opportunities to achieve established goals. External risks can be mitigated and managed to some extent through careful analysis and strategic choices.

Operational risks

Operational risks arise in day-to-day operations and are mainly within Autocirc's control. Operational risks are managed through policies and guidelines, as well as clear processes and shared values.

Financial risks

Financial risks refer to risks arising from changes in financial conditions. These are managed by the Group's financial management according to the guidelines in the Financial Handbook. It is possible to reduce the level of risk and achieve cost-effective financing by securing and controlling risks centrally.

Legal compliance risks

Legal compliance risks refer to risks related to relevant legislation. Ongoing monitoring of legislation, regular compliance checks and systematic approaches reduce the risk of non-compliance with legal and regulatory requirements.

Climate risks

Climate risks refer to the economic consequences of the risks associated with an economy with low carbon dioxide emissions and physical climate risks. Climate risks can be mitigated and managed to some extent with careful analysis and strategic decisions.

External risks

1. Economic impact

Likelihood: Likely

Consequence: Low

Risk:
Downterm in the economy.

Risk management:
The market for reuse, remanufacture and recycling, which is Autocirc's main market, has historically remained stable even when economies are weak, which we are seeing signs of at the moment. Furthermore, the Group's client portfolio and geographical diversification help spread any risk exposure. We actively engage in market analysis and develop adaptation strategies to manage a market in flux and changing conditions in the future. We recognise that in a weaker economy, it can be harder to access vehicles for dismantling to meet the level of need, partly because of greater competition and partly because fewer vehicles are scrapped and are instead held onto for longer in a challenging economic climate.

2. Industry changes

Likelihood: Likely

Consequence: High

Risk:
Industry changes, both generally and specifically related to electrification and changes in vehicle components, constitute a potential risk. We recognise that these changes will happen faster than previously predicted.

Risk management:
The automotive industry is continually evolving, which has a considerable impact on us as an aftermarket operator. With a modernised vehicle fleet, there will be a need to dismantle new vehicles, which may bring new risks and requirements in terms of processes and tools. This in turn may require greater investment in training, premises and equipment for us. As a Group, we work actively to be at the forefront of the market and to fulfil our stakeholders' expectations, as well as to win market share in several different segments within the Group.

3. Inflation

Likelihood: Likely

Consequence: Medium

Risk:
Increased costs associated with inflation.

Risk management:
If costs increase due to inflation, it will be important to adapt operations to the new conditions, and introduce efficiency improvements. It is crucial that we make informed decisions on projects and that our project design is robust and comprehensively implemented.

4. Energy prices

Likelihood: Likely

Consequence: Medium

Risk:
Increased costs associated with higher energy prices.

Risk management:
In the event of increased costs associated with rising energy prices, it will be important for us to develop new processes that are more energy-efficient, specifically for the most energy-intensive processes within the Group. It is also essential for us to conserve energy and implement site-specific measures to reduce energy use. As a preventive measure, we are working on building a solar farm in Finland to produce our own green energy in the future. This is a long-term plan to minimise the risks of future energy crises.

Operational risks

5. Acquisitions

Likelihood: Likely

Consequence: Medium

Risk:
With regard to acquisitions, risks are identified in connection with the integration of companies into the Group and in circular projects.

Risk management:
Autocirc has completed 40 acquisitions since the company was founded in 2019, and we are continually honing our acquisition strategy to keep pace with our growth. Autocirc has a well-established integration model that is applied to new acquisitions, ensuring an effective onboarding process and seamless integration into the Group. To ensure effective integration into the Group's circular projects, in 2022 we focused on establishing and developing specific country organisations, which will involve closer contact and follow-up with our companies.

6. Internal expertise

Likelihood: Possible

Consequence: Medium

Risk:
We identify risks associated with the departure of key personnel and our reliance as a Group on external expertise in certain areas, as we have a lack of core skills in these areas in-house.

Risk management:
The Group strives to be an attractive employer, offering good working conditions, capable leaders and safe and secure workplaces that provide employees with opportunities for professional development. We also aim to be at the forefront in terms of industry expertise and health and safety. We place a strong emphasis on hiring core skills to reduce the need to rely on external expertise, and to maintain a good overview and allow plenty of time to start recruiting key personnel.

7. Suppliers

Likelihood: Unlikely

Consequence: Low

Risk:
Risks associated with suppliers are that they fail to fulfil the requirements set and that they are unable to deliver according to the order.

Risk management:
At the moment we work mainly with local suppliers on local contracts. We are responsible for ensuring that suppliers fulfil requirements at local level. Looking ahead, we can see that it may be necessary to work with centralised contracts and centralised assessments. This will ensure that suppliers meet the required standard and quality.

8. Health and safety

Likelihood: Unlikely

Consequence: Medium

Risk:
The working environment within our group of companies can be hazardous and involves activities that can be risky, such as handling chemicals, working with machinery and lifting devices, heavy traffic on the site, heavy lifting and working at height.

Risk management:
Autocirc's operations are subject to extensive laws and regulations aimed at ensuring a safe working environment. The management team at each workplace is responsible for health and safety, and the Group office is available to provide support. Sickness absence is monitored locally on an ongoing basis.

Financial risks

In order to minimise financial risks and improve and organise financial control and reporting within the Autocirc Group, we have developed a Financial Handbook. It contains information on our various policies, instructions and other documentation that offer guidance and support our ongoing financial management work. The Financial Handbook aims to ensure consistent interpretation and administration of financial procedures throughout the Group, and to create a consistent approach to all internal and external financial reporting.

9. Impairment of acquisition-related intangible assets

Likelihood: Unlikely

Consequence: Possible

Risk:
The risk arises when significant impairments of acquired intangible assets are required. We take a proactive approach via a capable acquisitions department and expertise in the field.

Risk management:
Companies within the Group are not regarded as separate entities, but are grouped into segments and country areas. We carry out regular tests of these on a quarterly basis under prevailing conditions. Our acquisitions department and Board of Directors have wide-ranging experience in evaluating and acquiring companies. We carefully screen all potential candidates and assess them based on clear criteria before acquisitions are completed. The Group continually monitors the general economic situation and the potential impact it may have on the Group's goodwill.

10. Interest rate risk

Likelihood: Likely

Consequence: High

Risk:
The risk is that interest rates will change and lead to higher costs. In the context of our existing bond, the risk is identified as higher for our organisation.

Risk management:
The Group has established principles for the management of interest rate risks; these mean that the debt portfolio will carry variable interest rates.

11. Liquidity risk

Likelihood: Unlikely

Consequence: High

Risk:
Risk that we do not have sufficient liquid funds to support operational activities.

Risk management:
Sufficient liquidity for operational activities must always be available for all companies in the Group. This is managed and ensured via rolling monthly forecasts for cash flows and liquidity. A further measure is the Group-wide cash pool that exists within the Group, which ensures a good level of liquidity for the entire Group.

12. Credit risk

Likelihood: Unlikely

Consequence: Low

Risk:
Credit risks associated with trade receivables.

Risk management:
Within the Group, we have historically had low bad debt losses and good customer relationships, which reduces our credit risk. To minimise exposure to credit risk associated with trade receivables, all companies in the Group age their trade receivables and identify older trade receivables that require action.

13. Foreign exchange risk

Likelihood: Possible

Consequence: Low

Risk:
Risks related to currency exposure and transaction exposure.

Risk management:
The bulk of Autocirc's transactions are conducted in the local currency of the respective country (transaction exposure). Minor exposures to fluctuations in foreign exchange rates may arise from balance sheet exposures at Group level from the non-Swedish subsidiaries. Autocirc's total currency exposure is currently very low, but is expected to increase as the Group grows. At present, currency exposure is managed through foreign currency accounts for foreign companies.

14. Insurance

Likelihood: Possible

Consequence: High

Risk:
The risk that we have not taken out the correct insurance for our activities, and the risk that our partners have not taken out the correct insurance for their areas of responsibility. If insurance cover is not obtained on the correct terms, the Group could be exposed to material uninsured losses, which could have an adverse effect on its business and financial position.

Risk management:
We take out insurance for all operations within the Group. When we acquire new companies, we ensure that their insurance cover is adequate and integrated seamlessly into the Group. Insurance is mainly managed locally, with support from our head office. We also have a joint insurance policy for the CEO and Board of Directors within Autocirc.

Compliance risks

15. General Data Protection Regulation

Likelihood: Possible

Consequence: High

Risk:
We are required to comply with data protection laws in the countries in which Autocirc operates. The EU's General Data Protection Regulation, GDPR, has introduced stricter penalties for breaches of the regulation. Failure to comply with data protection laws can lead to fines and serious consequences, such as authorities stopping the processing of personal data. The Group may also face litigation from individuals who consider that they have suffered data breaches. GDPR breaches can seriously damage reputation and affect the financial performance and position of the Group. It is therefore important that we comply with data protection laws to avoid negative impacts on our business.

Risk management:
The Code of Conduct emphasises the importance of compliance with data protection legislation and a process for this has been established at Group level. The management of each company handles GDPR implementation, monitoring and training at site.

16. Corruption and non-compliance with competition law

Likelihood: Unlikely

Consequence: High

Risk:
Group-wide risks in connection with non-compliance with legislation in the area.

Risk management:
We have carried out a study and found that risks related to corruption and non-compliance with competition law are low in our area of operations. We are focusing on eliminating cash handling within the Group, as this is a recognised risk factor. In our Code of Conduct, we have defined the principles and standards for how we behave, conduct our business and interact with stakeholders. It also describes how we combat corruption and promote fair competition. We also have clear guidelines for dealing with breaches of our Code of Conduct and the law, and we offer a whistleblowing channel which stakeholders can use to report suspected offences for further action.

Climate risks

17. Transition to a low-carbon economy

Likelihood: Likely

Consequence: Low

Risk:
We see a risk that existing technology will fail to satisfy the requirements of a future low-emission economy. This may require us to invest in new technology to ensure a smooth transition to future requirements. To manage this risk in a cost-effective way, it is important that we make regular, strategic investments in new technology. This can help us to ensure good risk management and minimise potential pressure on our finances. At the moment, we do not consider the risk to be acute, but we are working hard to keep abreast of developments in technology and their impact on our business.

Risk management:
We believe the transition to a low-carbon economy will lead to greater demand for our products, as they will be regarded as even more. We also identify risks associated with future investments to fulfil the requirements of a low-emission economy. These risks are currently managed via our vehicle strategy and by monitoring developments and adapting our operations to current conditions. It is important that we remain alert to these risks and make strategic investment decisions to ensure a successful transition to a low-emission economy.

18. Physical climate risks

Likelihood: Possible

Consequence: Low

Risk:
The effects of a changing climate are initially predicted to contribute to more extreme weather events, with chronic effects such as changes in precipitation patterns, rising average temperatures, increased erosion, landslide risk and changing wind patterns. To ensure that our businesses are not disrupted by these changes, it is important to make preparations now to tackle future challenges.

Risk management:
Actively manage our property portfolio to ensure buildings and areas are equipped for the future climate. Develop a business continuity plan in order to ensure production even when a unit is affected by extreme weather events and operational shutdowns.

For generations to come

Sustainability is at the heart of our business, and the driving force behind our efforts to promote a smarter automotive parts industry. We work with our subsidiaries to minimise material waste and optimise the reuse of sustainable spare parts. It's a business model that has longevity, not only for our customers and partners but also for future generations.

It's all in the details

When old auto parts have been given a new life and leftover materials are recycled and transformed into new products, we create a smart reuse cycle that minimises waste and reduces our ecological footprint. Every part counts. And our work for the future begins in the details.

We believe sustainability should be a fundamental and guiding principle for all activities within Autocirc. We will strive to identify sustainable solutions in everything we do and show consideration for the well-being of society and the future of our planet.

Autocirc is strongly committed to sustainable development, taking account of environmental, social and business ethics aspects. Our ambition is to create a company that is entirely dedicated to reuse, repurposing and recycling.

We strive to operate in accordance with the precautionary principle of the Environmental Code, which means that the risk of adverse effects on human health or the environment entails an obligation to take action to prevent a disruption, and it will ensure that we do not engage in anything that violates our Code of Conduct and may cause unnecessary impacts on people and the environment.

> "Our ambition is to create a company that is entirely dedicated to reuse, repurposing and recycling."

* Choosing the right spare parts can make an incredible difference to our overall climate impact. Repairs that reuse parts reduce CO_2 emissions by as much as 75% compared to using new parts, according to IVL Swedish Environmental Research Institute.

Message from our ESG & Quality Manager

A sustainable expansion

The Autocirc Group now consists of 42 companies. This rapid expansion is important in itself to the development of our sustainable business model. As our value chain grows, we get access to more parts that we can reintroduce to the market in support of our vision: a circular economy in the car parts industry.

Throughout the year, we have continued to invest in accelerating the transition towards sustainability. This includes the acquisition of companies, the recruitment of key competencies for our organisation and the initiation of new projects that promote innovation and sustainability. The focus on decreasing our environmental footprint is always at the top of our agenda, and this year we have initiated several projects that contribute to this goal.

”Throughout the year, we have continued to invest in accelerating the transition towards sustainability.”

New solar plant and battery recycling facility

In Finland, two joint ventures provide a unique potential in reducing the carbon footprint of electric vehicles and generating renewable energy. The Autocirc Battery Recycling Oy facility will focus on reusing batteries. By 2027, our calculations show a potential to save 8 075 000 kg of CO2-emissions per year through this initiative. In direct connection to the battery recycling facility, we are constructing a solar plant together with partners to provide for 100 percent of its energy use.

Protection of our environment

Another milestone in 2022 was the installation of a water treatment plant at Jämtlands Bildemontering AB, ensuring that there is no risk of releasing contaminated process water into the surrounding environment. This is a good example of how we strive to operate in accordance with the precautionary principle of the Environmental Code, which means that we take action to prevent disruptions that could lead to adverse effects on human health or the environment.

The taxonomy as a guide

Through our continued work with taxonomy calculations and number collection of emissions in the three scopes, we have a clear picture of our business operations and activities, as well as their respective emissions. The numbers show that we are heading the right way. We see the taxonomy as a valuable tool for complementing our sustainability strategy by showing us where to invest to achieve the best transition to a low-emission economy. The areas where we are focusing going forward are water and biodiversity, where we need to make an environmental impact assessment to guarantee reaching the criteria set up in the taxonomy. The water purification plant previously mentioned is one initiative that addresses exactly this area.

We also see a slight tendency pointing towards heightened carbon dioxide intensity, which is most likely due to our acquisition of companies in the vehicle transport and towing sector. This affects scope 1, which includes direct emissions from owned or controlled sources, such as greenhouse gases from vehicles and machinery.

For future generations

We have geared up to continue developing our sustainable business model at an even faster pace in the coming years. We will continue to focus on building a group that will remain viable over time while ensuring environmental, social and economic sustainability. Together with our subsidiaries, we have created a solid platform that will take us closer to a car parts industry centered entirely on reused parts. One step at a time.

Hanna Wadsten
ESG & Quality Manager
Borås, March 2023

A sustainable route to Agenda 2030

The world's natural resources are limited and economic activity is increasing rapidly on a global scale. This creates strong incentives to rethink existing patterns of manufacturing and transportation.

The UN's Sustainable Development Goals (SDGs) and Agenda 2030 aim to eradicate poverty and hunger, ensure the rights of all people are respected, achieve equality and empowerment for all women and girls and ensure lasting protection for the planet and its natural resources. Autocirc has strong links with two of the goals: 12 and 13.

People today consume far more than the planet can handle. The transition to Responsible Production and Consumption is vital if we are to have any chance of meeting the needs of future generations. Responsible Production and Consumption are therefore essential to the transition to a green economy and for sustainable development. Our work is focused on creating the conditions for sustainable consumption based on recovering and reusing products that have already been produced. By constantly optimising our processes and developing our use of resources, we are promoting sustainable consumption. By reintroducing materials to the market as secondary raw materials, we are creating the conditions for more sustainable production.

Greenhouse gas emissions continue to rise and risk leading to average global warming exceeding two degrees. We are endeavouring to increase knowledge and awareness within the Group in several ways by optimising our process flows and our use of resources. This includes our resource-efficient, energy-optimising and water-saving measures.

Memorable milestones

Here is a summary of some of our ESG achievements over the past year:

- Installation of solar panels.
- Construction of a solar farm.
- Establishment of a company whose purpose will be to build energy containers to create energy storage units.
- Updated part of vechicle fleet to Euro 6 emission standards, and replaced some of the delivery vechicles to plug-in hybrids.
- Initiated small-scale remanufacturing of parts with no previous remanufacture history.
- Substitution of chemicals in favour of environmentally friendly and fossil-free products.
- Installation of water treatment plants.
- Ensured a safe working environment under new industry conditions.
- Invested in several cardboard shredders to reduce the use of plastic in the sale of parts.

EU Taxonomy

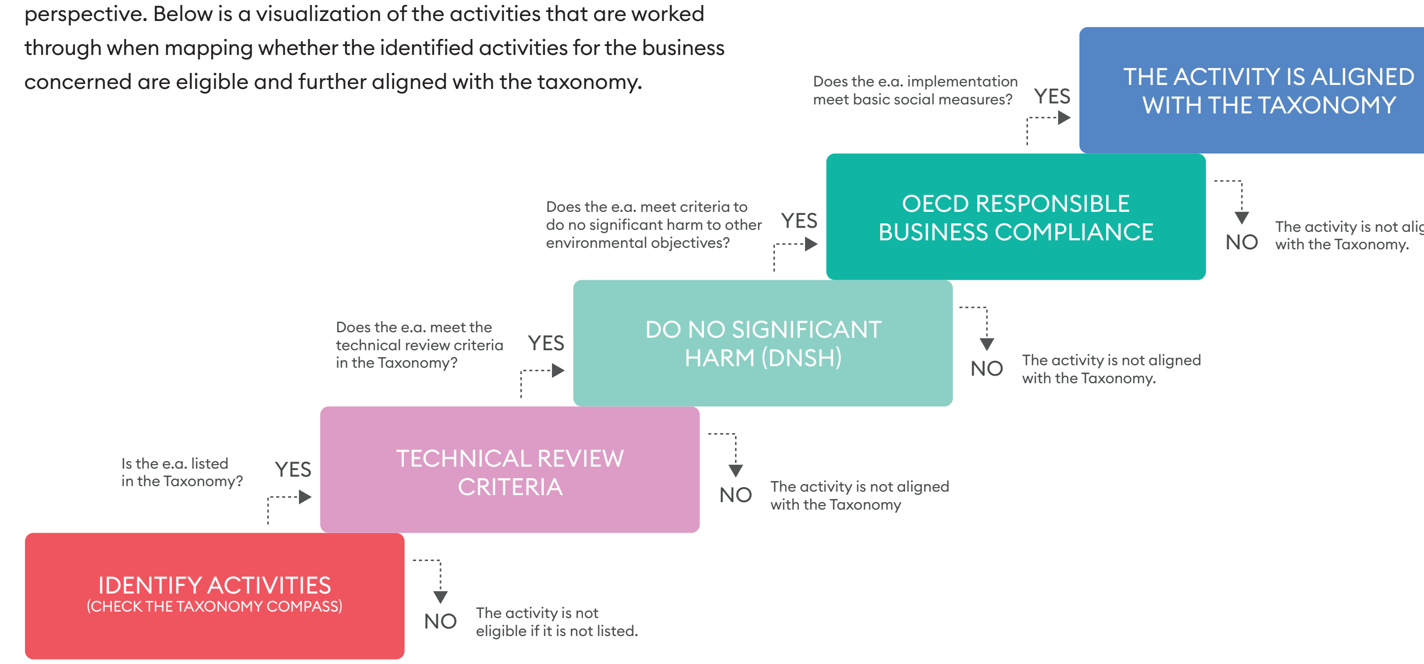
June 2020 saw the adoption of the EU Taxonomy Regulation, providing a framework for determining which economic activities can be defined as environmentally sustainable. For a particular economic activity to be classified as environmentally sustainable, it must make a substantial contribution to one or more of the six identified environmental objectives, not cause significant harm to any of the other objectives and meet certain Minimum Safeguards. It also requires compliance with more detailed conditions, known as Technical Screening Criteria, established by the European Commission in delegated acts to the Regulation. The taxonomy aims to establish a common understanding of what constitutes a green economic activity based on a number of objective criteria. It translates the EU's climate and environmental objectives for the purpose of achieving the Paris Agreement under the European Green Deal[1].

The purpose of the taxonomy is to help investors identify and compare sustainable investments.

[1] The European Green Deal is an EU initiative and one of the EU Commission's six priorities for 2019–2024 that were presented on December 11, 2019. The aim is for the EU to be the world's first climate-neutral continent by the year 2050. And it's an important element of the Commission's strategy for implementing the SDGs under the remit of Agenda 2030.

What does it mean for us?

The taxonomy's classification system for environmentally sustainable activities is consistent with Autocirc's objectives, and is therefore a valuable tool to enable us to steer our operations in the right direction. We see great value in financing the economic transition needed to achieve the Paris Agreement. We also understand the importance of defining our impact internally and externally from a quantitative perspective. Below is a visualization of the activities that are worked through when mapping whether the identified activities for the business concerned are eligible and further aligned with the taxonomy.



Situation analysis

In practice, the taxonomy involves:

1. Identifying your internal economic activities and attributing them to the activities listed in the 'Taxonomy Compass'.
2. Analysing the technical criteria for these economic activities.
3. Ensuring activities do no significant harm (DNSH) to any of the other objectives.
4. Ensuring OECD compliance for businesses.

Intensive taxonomy training

During the year, Autocirc participated in training in the taxonomy, which involved understanding how our primary economic activities match the taxonomy. The work done included general training for the Parent Company employees, identification of activities and coaching and conclusions.

The development for the numbers presented this year compared to 2021 is a more sophisticated identification of economic activity as well as clarification of whether the identified activities live up to the technical screening criteria found in the framework. Furthermore, a review of the do no significant harm (DNSH) criteria has also been carried out in order to identify/ensure if the identified activities do not go against the other objectives. Finally, the company's compliance with the OECD guidelines is mapped. Through this mapping for the Autocirc Group, the following visualization can be made.

Meets criteria and documents in place.

Does not meet criteria.

Probably meets criteria.
Not all documents are in place.

Not applicible.

Taxonomy text för Eligible Economic Activities	Activity Nr	Climate Mitiga-tion	Activity Nr	Climate Adapta-tion	Activity Nr	Water	Activity Nr	Circular Economy	Activity Nr	Pollution Preven-tion	Activity Nr	Biodiver-sity
Repair, refurbishment and remanufacturing, and sale of spareparts							2.10					
Depollution and dismantling of end-of-life products							11.6					
Material recovery from non-hazardous waste	5.9		5.9				11.6					
Close to market research, development and innovation	9.2											
Electricity generation using concentrated solar photovotaic (PV) technology	4.1											
Storage of electricity	4.10		4.10									
NOT ELIGIBLE												
Totals												

Taxonomy calculations 2022

The results of the taxonomy training during 2022 show which of our primary activities are eligible according to the taxonomy and a visualization of how alignement of screening criterias and DNSH criterias. Through this visualization, we can identify areas where we need to develop more documentation in order to ensure alignment with the technical criteria and for the DNSH criteria. This gives us good tools to formalize our agenda and our work going forward.

According to our calculations, 95% of Autocirc's total revenue for 2022 is eligible under the taxonomy. Of this percentage we do not identify, through this type of calculation, any areas where we do not meet the technical criteria or identify that our activities do any significant damage to any of the other objectives. Even as we cannot currently guarantee alignment for all screening criteria, we can say that we are on the right track. So this means that 95% of our revenue was attributable to activities that are listed as economic activities and classified as environmentally sustainable. And our work going forward will be to ensure that these are aligned with the taxonomy.

However, we consider those activities not linked to the taxonomy's green economic activities to be relevant to our value chain and the environment in general, this because these activities enable us to achieve our business objectives. As an example, we can place our transport operations in this segment, which will be incredibly central in creating smooth flows for our dismantlers to carry out the activity around "Depollution and dismantling of end-of-life products.

DNSH Climate Mitigation	DNSH Climate Adaptation	DNSH Water	DNSH Cirkular Economy	DNSH Pollution Prevetntion	DNSH Biodiversity	Social Factors	% Turnover	% Opex*	% Capex*
							24	21	15
							67	60	37
							4	3	3
							0	1	0
							0	0	0,01
							0	0	1
							5	15	43,99
							100	**100**	**100**

* Figures based on estimates

Group KEY DATA 2022

To understand, quantify and analyse the Group's ESG performance and our emissions, we collect annual data, or scorecards, from all our companies. Carbon footprint is reported by scope according to the GHG Protocol:
Scope 1 – Includes direct emissions from owned or controlled sources, such as greenhouse gases from vehicles and machinery.
Scope 2 – Includes indirect emissions from production of electricity, heat and cooling.
Scope 3 – Includes all other indirect emissions that occur within the Group's value chain.

For 2022, a value was used for the GHG Protocol calculation for the location-based method, with a figure of 22.46 tCO2e per employee from 2021 for Scope 3. The following categories were used:

- Purchased goods and services.
- Fuel- and energy-related activities not included in Scope 1 or Scope 2.
- Upstream transportation and distribution.
- Waste generated in operations.
- Business travel.
- Employee commuting.
- Downstream transportation and distribution.

	2022 (42 companies)	2021 (18 companies)	2020 (6 companies)
Scope 1 emissions, tCO_2e	4112,7	1403,4	453
Scope 2 emissions, tCO_2e	348,4	407,2	189
Scope 3 emissions, tCO_2e [2]	15 070,7 [3]	6309,8 [4 5]	n/a
Group CO_2e intensity (tCO_2e/revenue SEK million) [6]	18,1	13,2	n/a
Water consumption, m³	13460,7	8575	922
Water intensity within the Group (m3/revenue SEK million)	12,4	17,9	7,3
Energy consumption , MWh	6344.1	2798	556
Energy intensity within the Group (MWh/revenue SEK million)	5,9	5,8	4,4
% of collected material sorted	100%	100%	100%
Employees	671	286	54
Female employees	85	41	5
Number in management teams	101	50	n/a
Female participants in management	23	12	n/a
Sickness absence %	4,5%	4,7%	2,8%
Skills development among employees (% participants)	69,7%	58%	n/a
Certifications	60% of companies certified within Group (different types of certifications).	Certified facilities: 50% of units	ISO 9001: 25% units

[2] Calculated according to comprehensive GHG Protocol.
[3] Based on a GHG Protocol calculation for the location-based method, with a figure of 22.46 tCO2e per employee from 2021.
[4] The calculations show a standard value for the Group based on calculations for Norrbottens Bildemontering AB.
[5] Based on a GHG Protocol calculation for the location-based method, with a figure of 22.46 tCO2e per employee from 2021.
[6] Includes Scope 1, 2 & 3 emissions.

* Emissions source:
- Purchased goods and services
- Fuel- and Energy-Related Activities (Not included in Scope 1 or Scope 2)
- Upstream Transportation and Distribution
- Waste Generated in Operations
- Business Travel
- Employee Commuting
- Downstream Transportation and Distribution

Materiality analysis

Our materiality analysis is about working with our stakeholders to identify key sustainability issues, i.e. areas that are particularly important to work on for our business. The analysis forms the basis of our strategy.

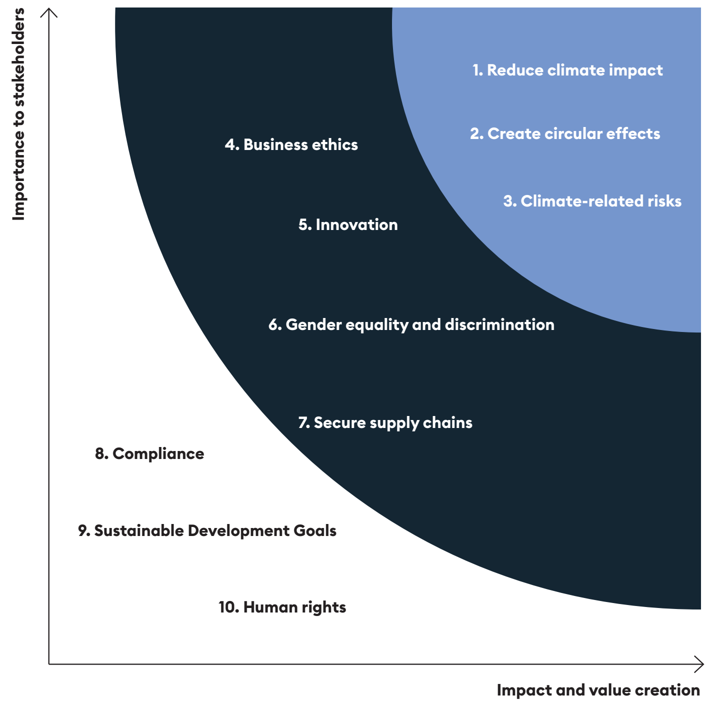
The materiality analysis presented in this report was conducted in 2021. An update will be carried out in 2023. The materiality analysis is based on an ESG perspective and an extensive list of relevant areas was drawn up internally before being sent to our stakeholders for ranking. Stakeholders' views are of great importance for Autocirc's strategic priorities.

The topics included in the materiality analysis have been selected with guidance from documents such as the UN Global Compact, SASB Materiality Map, CDC ESG toolkit, Autocirc's Code of Conduct and our own assessment.

Ten topics were identified and the Board, management and subsidiaries were asked to rank which they considered to be the most important. Stakeholder rankings of the areas were combined with Autocirc's own assessment of the significance of the area for the company's business strategy and used as coordinates in the materiality analysis.

10 essential aspects

1. **Reduce climate impact –** Endeavour to reduce the carbon footprint from our processes.
2. **Create circular effects –** Aim to create circular effects within the Group of companies.
3. **Climate-related risks –** Work on our climate risk analysis to ensure the transition to a low-emission economy and that future physical impacts of climate change do not affect us financially. Work actively with adaptation and equipping.
4. **Business ethics –** Work with our Code of Conduct and factor business ethics into operations.
5. **Innovation –** Focus on project participation in innovation and more business areas, such as being early adopters for a fossil-free work equipment fleet and the use of recycled auto parts in new car production.
6. **Gender equality and discrimination –** Work on issues and challenges related to equality and diversity and ensure equal treatment within the Group.
7. **Secure supply chain –** Ensure that we use approved suppliers who satisfy the requirements of our Code of Conduct and work actively with supplier audits.
8. **Compliance –** Ensure we comply with and monitor all the relevant laws and regulations and support our subsidiaries to do the same.
9. **SDGs –** Work with Agenda 2030 and targets for our identified focus goals 12 and 13.
10. **Human rights –** Through our circular business model, continue to contribute to better health for people globally and to a healthy internal work environment.



A strategy for the future

Autocirc is keen to be part of a more sustainable and progressive aftermarket in the automotive industry, while at the same time being mindful of our stakeholders' requirements and expectations of us. It's a balancing act that constantly challenges us to try new approaches and question the way we do things.

From an internal perspective, Autocirc prioritises creating circular effects. With a well-developed circular strategy, the majority of the other topics from our materiality analysis fall into place. By creating stronger circular effects within the Group, we become more resource efficient and able to create better opportunities for reuse and repurposing.

Ultimately, this reduces our carbon footprint and makes our work on the SDGs and human rights easier to achieve.

Stronger circular effects also help enhance the partnerships within the Group. This will in turn enable us to ensure secure supply chains, work actively on equality and against discrimination, and create a shared business ethics standard and legal compliance. Stronger circular effects and greater collaboration will enable us to improve at managing our identified climate-related risks. We will be better prepared for the serious climate impacts and risks that may arise from the transition to a low-emission economy. Innovation will be an important factor that we can work on together as a Group.

Our findings from the materiality analysis and our stakeholders' ranking reveal that all have ranked Reducing Climate Impact and Creating Circular Effects high, while the remaining topics are variously ranked. Our conclusion is therefore that Autocirc's employees and stakeholders hold the same views on what needs to be prioritised in the future, which gives us a clear indication that our strategy going forward is also shared by our stakeholders.

Sustainable foundations

We take responsibility for our business, factoring in the well-being of our employees and the environment. We are working to formalise our sustainability efforts and build a robust plan of action for the future, while actively integrating sustainability into our operations across the Group.

People first

Issues relating to sustainability, environmental impact, business ethics and control are becoming increasingly important from both a business and risk perspective. Customers are demanding sustainable products and services, while long-term partnerships with suppliers are essential for innovation and development. This is closely linked to Autocirc's work with social sustainability, and should be visible both internally and externally. In order to ensure we can offer sustainable and recycled spare parts, we must also make sure they are produced in a socially sustainable way. When we talk about social sustainability, we are referring to our responsibility for being a safe workplace with fair working conditions that comply with human rights standards for all employees.

The modern employer

Dedicated employees who have job satisfaction and develop professionally are a prerequisite for our continued success. We work continuously to create conditions both for retaining existing colleagues and recruiting new people who will contribute to continued growth and development.

We believe that in addition to being physically safe, a good work environment is also one in which stress, discrimination, victimisation, violence and threatening behaviour are prevented. We have decided to fulfil the requirements of local legislation as a minimum standard for our working environment.

In cases where we have employees who have been on sick leave for an extended period or who require support, we are proactive about making adjustments and offering rehabilitation to create the best conditions for recovery to help them return to work.

Our value-based leadership enables us to both attract and retain the best talent in the industry. We strive to be a company of responsible and proactive people who want to make a difference, be it big or small.

A workplace for everyone

We value and aim to achieve diversity and gender equality within the Group. We believe our diverse backgrounds make our team stronger, more insightful, innovative and better at solving problems. Our differences also make for a more interesting and dynamic workplace, which is motivated by commitment and a can-do attitude. The Autocirc Group aims to have a good working environment based on equality and diversity, where the integrity of each employee is protected. Autocirc strives for diversity in its workforce, with a broad range of backgrounds and an even balance between women and men in all positions within the Group. We treat all employees with dignity and respect. We offer equal opportunities, rights and obligations for all. Our Equal Treatment Policy states that discrimination or harassment based on religion, disability, sexual orientation or age will not be tolerated.

Fair working conditions and human rights

All our companies must comply with all relevant international conventions and laws relating to the safety and working conditions of employees. We provide a healthy and safe working environment and appropriate action is taken to prevent accidents and injuries.

To guarantee fair working conditions and human rights protection, we also have a responsibility to apply this in our supply chain. We support and respect human rights as set out in the UN Convention and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and we require all Group companies to do the same.

Combating various types of corruption

Autocirc does not tolerate any form of corruption, which can be defined as abuse of entrusted power for individual gain. We do not accept or conduct any business through bribery or extortion. We are proactive about preventing this from happening. Our Code of Conduct and whistleblowing function, which can be used by employees and stakeholders, represent important tools for us.

Code of Conduct

Our Code of Conduct defines the principles and standards for how we conduct ourselves, how we run our business and our interaction with our subsidiaries, colleagues, investors and suppliers. The Code of Conduct is structured according to three areas: environmental responsibility, social responsibility and business ethics.

Within these areas, we have described our approach and actions based on the potential risks and opportunities in each area. The Code of Conduct is also inspired by the UN Universal Declaration of Human Rights, ILO's convention and the UN and EU's Convention against Corruption. The purpose of the Code of Conduct is to support and ensure that everyone in the Group adheres to the standard and the expectations that are in place.

Corporate governance

Sound corporate governance that has an effective organisational structure and clear internal control and risk management process enables us to run our business with a clear focus on stated objectives. And this is how we achieve them.

Sound corporate governance

Autocirc values sound corporate governance to achieve our strategic goals, but that also maintains trusting relationships with our shareholders and other stakeholders. High standards of transparency, reliability and ethical values are guiding principles for our operations. This chapter includes information on corporate governance, set out according to the Corporate Governance Act, for the 2022 financial year.

Annual general meeting of the company

The AGM is the highest decision-making body in Autocirc's corporate governance. The AGM is held within six months of the end of the financial year and usually takes place in Borås. The AGM makes decisions on the Articles of Association and appoints Board members, a Chair of the Board and independent auditors, and decides on their fees. Furthermore, the Annual General Meeting decides on the adoption of the profit and loss account and balance sheet, the appropriation of the company's profit and discharge from liability towards the company for Board members and the CEO.

Additional general meetings of the company may be held during the financial year, for example when decisions are to be taken on the authorisation of an issue of shares, adjustments to share capital or similar. Responsibility for the management and control of the Group is shared between the shareholders via the AGM, the Board of Directors and its committees, the Chief Executive Officer and the external auditor.

Function and work of the Board of Directors

The Board of Directors is Autocirc's second highest decision-making body and is appointed by the Annual General Meeting. It currently consists of five members. Autocirc's Board of Directors is responsible for the company's organisation and operations, while the CEO is responsible for ensuring that it is managed in accordance with approved guidelines and instructions. The Board is responsible for monitoring the company's performance. The CEO is responsible for preparing information and decision-making documents for the Board and, in consultation with the Chairman of the Board, sets the agenda for Board meetings.

In addition, there are several group-wide reporting procedures and standards that ensure compliance with, and monitoring of the company's rules of procedure, instructions and policies. The duties of the Board of Directors are mainly regulated by the Companies Act and the company's Articles of Association. The rules of procedure govern how work is allocated within the Board.

The Board also adopts instructions for the committees of the Board, an instruction for the CEO and an instruction for financial reporting. The Chairman of the Board ensures that the work of the Board is carried out efficiently and in accordance with its obligations.

The Board of Directors is responsible for the organisation of Autocirc and the management of the company's affairs, which includes:

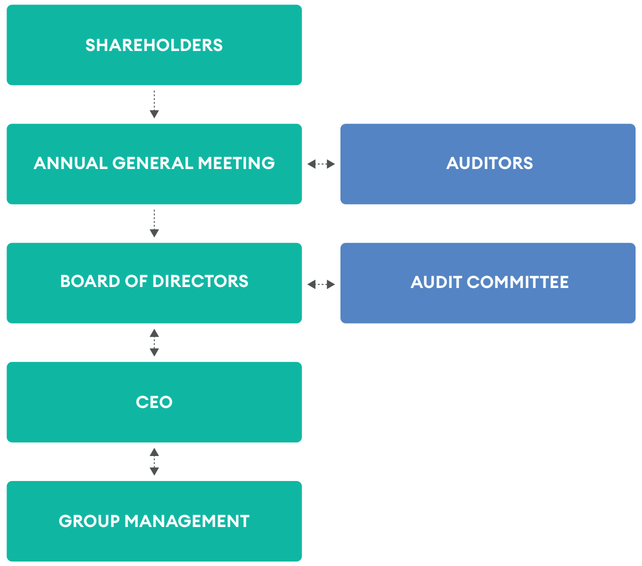
- Establishing overall, long-term strategies and objectives, budgets and business plans.
- Establishing guidelines to ensure the business creates long-term value.
- Decisions on acquisitions, investments and sales.
- Identifying how sustainability issues impact the company's risks and business opportunities.
- Ensuring appropriate monitoring and control systems are in place for both the business and the risks associated with it.
- Ensuring there is adequate control of the company's compliance with laws and other regulations relevant to its operations, and compliance with internal policies.
- Ensuring the company's disclosure of information is transparent, accurate, relevant and reliable.

During the 2022 financial year, the Board held a number of meetings which were minuted and filed. The Board of Directors monitors the work of the Chief Executive Officer by means of ongoing follow-up of the year's activities, and by ensuring that the organisation, management and internal guidelines of the company are appropriately structured and that satisfactory internal controls are in place. The Board's work in 2022 featured decisions on acquisition investments and decisions on the structure of the organisation and its governance.

Structure of reporting

The Board of Directors has decided to establish an Audit Committee, which during 2022 was a part of ordinary Board meetings. With increased focus on internal control a separate committee has been established during 2023. The purpose with the Audit Committee is to focuses on strengthening governance and monitoring linked to financial reporting. Reports will be submitted to the Audit Committee on various matters, including the auditor's review of the company's financial reporting, the company's internal control and risk management.

Reporting is conducted via the company's audit group, consisting of a representative from the Board, the company's CFO, the company's auditor and ESG & Quality Manager. The auditor examines the company's annual financial statements and the management of the Board of Directors and CEO. After the end of each financial year, the auditor must submit an auditor's report and a Group auditor's report to the Annual General Meeting. Autocirc Group's auditor during the year was PWC, with Ulrika Ramsvik as lead auditor. Every year, the Audit Committee should evaluate the work and independence of the auditor.



Board of Directors

The Board of Directors of Autocirc Group AB currently comprises five Board members and two deputies:

Rob Wagman

Chairman, Board member
Elected Chairman of the Board in 2023.

Background:
Rob is former President/CEO at Lkq Corp. which he grew into a global market leader establishing the firm as the leading distributor of aftermarket and recycled auto parts to the North American collision sector. Additionally, he led LKQ's expansion into the European repair and maintenance segment through several strategic acquisitions. Rob currently serves as a board member to a number of leading international automotive aftermarket and industrial companies.

Johan Livered

Board member, CEO & founder
Elected Board member in 2020.

Background:
Prior to his current position, Johan served as President of VEGE Group and CEO of Atracco AB and Recoport AB. Johan founded Autocirc in 2019 together with Mattias Pettersson.

Mattias Pettersson

Board member & founder
Elected Board member in 2020.

Background:
Prior to his current position, Mattias was President of Atracco AB and was a member of the European management of LKQ. Mattias founded Autocirc in 2019 together with Johan Livered.

Joakim Lundvall

Board member
Elected Board member in 2023.

Background:
Joakim has more than 13 years of private equity experience and leads the Nordic Capital Evolution advisory team. Joakim has led Nordic Capital's Frankfurt office since 2012 and works closely with the sector teams in originating and executing transactions and is responsible advisor for transactions in the DACH region. Prior to Nordic Capital Joakim founded and was operational CEO of B2B industrial equipment portal Abtrax, was CEO of Essve and then joined EQT Partners.

Owe Xie

Board member
Elected Board member in 2023.

Background:
Owe joined Nordic Capital in 2021 and is part of the Nordic Capital Evolution advisory team. Previously, Owe worked at Adelis Equity Partners in Stockholm from 2018-2021 as an Investment Associate. Prior to that he worked in the investment banking division of Morgan Stanley and Nomura in London.

Board of Management

Group management meets regularly and deals with issues relating to corporate governance, reporting, organisation and strategy. Group management prepares matters requiring a decision by the Board of Directors, and assists with the implementation of decisions from the Board. In addition to their individual responsibilities, each member of Group management is responsible for the management of the company.

Autocirc's Group management is made up of the following individuals:

Johan Livered

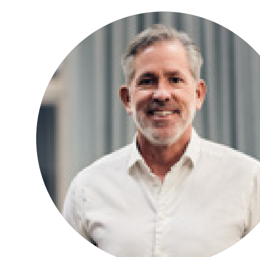
Chief Executive Officer (CEO)
CEO since 2020.

Background:
Prior to his current position, Johan served as President of VEGE Group and CEO of Atracco AB and Recoport AB. Johan founded Autocirc in 2019 together with Mattias Pettersson.

Jennica Thorin

Chief Operating Officer (COO)
COO since 2021.

Background:
Prior to her role at Autocirc, Jennica was CEO of Recoport AB and Head of Operations at Ericsson. She has also worked with business development at Atracco AB. Previous experience has given Jennica a good knowledge of the industry and experience relevant to her current position.



Johan Rafstedt

Chief Financial Officer (CFO)
CFO since 2020.

Background:
Prior to his current position, Johan was CFO at Cellmark AB and Stena Bulk AB. Johan has also been Group Business Controller at AB Volvo Penta. Previous experience has given Johan a sound knowledge of financial management at group level.

Mattias Pettersson

Head of M&A
Head of M&A since 2020.

Background:
Prior to his current position, Mattias was President of Atracco AB and was a member of the European management of LKQ. Mattias founded Autocirc in 2019 together with Johan Livered.

Financial statements

Directors' report

General information about the business

Autocirc was established in 2019, when an opportunity was identified to develop and harness the aftermarket in the auto parts industry. Bringing independent operators together under the same roof made it possible to link up a sector that is traditionally fragmented. The Group's operations aim to create a circular model in which we reuse and prolong the lifespan of used spare parts. In the long run, this means that all parts of the vehicle can be made use of for a longer period of time.

For Autocirc it's not a matter of reinventing the wheel, but rather building on what already exists. Linking up established, independent operators with Autocirc creates opportunities to add value via shared synergies and increase circularity for the sector as a whole. Autocirc's working model means that more auto parts are reintroduced to the spare parts market instead of being scrapped. This reduces both waste and the need to produce new parts. Parts that cannot be reused are converted into secondary raw materials with new purposes and functions in a new production cycle. Our strategy for the future can be described by two different circles: the outer and the inner circle, describing our growth strategy and our value-adding strategy. The outer circle describes our growth strategy. By acquiring the best companies in each segment and linking them to the Group, we create opportunities to expand our platform. The inner circle indicates how we create our value chain and build a complete ecosystem, which is about connecting the flow of parts across the value chain to drive profitability and maximise the reuse of each part. We refer to connecting companies to our ecosystem and generating added value between them as circular effects.

Autocirc is headquartered in Borås, Sweden, and its subsidiaries are currently located in Northern Europe, including in Sweden, Finland, Norway, UK, Germany and France. 2022 has been marked by organic growth, acquisition, and a start-up of the organisation. During the year, Autocirc grew from eighteen companies (including the Parent Company) to a total of fifty legal companies. Sales have risen from SEK 433 million, to SEK 1070 million, with an organic growth amounting to 39%.

Autocirc is a privately-owned group of companies that operates according to a decentralized business model. As owner, Autocirc aims to operate in a way that allows the entrepreneurs of its subsidiaries to continue developing and running their companies in the same spirit as before, with the Group offering opportunities for them to benefit from economies of scale in various areas. The Group's vision is to connect the best companies in different market segments to the Group. The Group is keen to build an ecosystem and link up elements in the value chain to drive profitability and maximize the extracted value/reuse of each part. Autocirc creates long-term, sustainable value growth by building a group of companies with good profitability, stable cash flows, a strong market position and the capacity for continuous development.

Comparative overview

Multi-year review Group

		2022	2021	2019/2020
Net sales	kSEK	1 069 681	432 677	51 265
Profit (loss) after financial items	kSEK	-28 886	11 234	-1 237
Balance sheet total	kSEK	2 399 539	968 748	138 363
Solidity	%	13,6	20,1	36,1

Multi-year review Parent company

		2022	2021	2019/2020
Net sales	kSEK	0	0	0
Profit (loss) after financial items	kSEK	-19 384	-2	0
Balance sheet total	kSEK	1 387 909	245 554	103 225
Solidity	%	30,3	100	100

Market trend

Since early 2020 the world has been facing the ongoing challenge of the pandemic, which unfortunately we have had to learn to live with. The market in 2022 experienced component shortages, long delivery times and high material costs, which is something our section of the industry has benefited from. With Autocirc's offering of circular spare parts that are not based on new pro-duction or shipping from the other side of the globe, we have been able to supply the aftermarket with a stable, locally produced, and uninterrupted flow of sustainable spare parts.

Ownership structure

Autocirc Group is wholly owned by Autocirc Industriutveckling AB. The ownership structure has remained unchanged during the year. The majority shareholder in Autocirc Industriutveckling AB has been Alder II AB. The Autocirc Industriutveckling AB was as of February 2023 acquired by Circauto BidCo AB which is owned by Nordic Capital and part of Autocirc management.

Significant events during the financial year

Sales for the Group rose by 250% to SEK 1070 million (433). Organic sales growth was 39% for the full year, with the remaining growth attributable to acquisitions. Recognized operating profit amounted to SEK 68.3 million (26,9), giving an operating margin of 6.4%. Post-tax earnings totaled SEK -79 mil-lion (-1.7). Cash flow from operating activities was negative by SEK -38 million (78). The year-on-year impact is mainly related to increased financial cost offset by improved business performance.

Acquisitions made by the Group in 2022 included: Alingsås Bildelar AB, Autodemontering TT AB, Bil & Skadeservice i Klippan, Bildelslagret i Lidköping AB, Bildelslagret i Trollhättan AB, Frykmalms i Karlstad AB, Karlstads Bildemontering AB, Magnus Bildemontering AB, Mickes Lackservice AB, Svenssons Bildemontering AB, Växjö Bildemontering AB, Walters Bildelar AB, Osamyyntti AF, Bergen Bilhjelp AS, Skjeberg Bilopphuggeri AS, Trondheim Bil-Demontering AS, Tröndelag Bildelar AS, Voss Bilbergning AS, RE-Part Sp.z.o.o and Kerstingiohänner GMBH. Additionally, Autocirc have invested in the associated company Esse Solar and Energy Park Oy and in a Joint venture company Autocirc Battery Recycling Oy.

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 1.5 billion. The bond is listed on the corporate bond list of Frankfurt Open Market. The term of the bond is three years with an interest rate of 3-months STIBOR+875 basis points. All covenant conditions have been fulfilled as of December 31, 2022.

Complete terms and conditions can be found on the Autocirc homepage:

https://autocirc.com/wp-content/uploads/2023/01/Project-Circularity-AR-Terms-and-Conditions-Jan-2023-Executed1.pdf

In addition, Autocirc AB has a super senior revolving credit facility of SEK 250 million, whereof utilized SEK 85 million.

During 2022 the head office workforce has increased from six to ten employees with the addition of an IT manager, M&A analyst, Country manager Sweden and Group accounting manager. Further on the head office have in January 2023 been strengthen with an HR manager, Chief Marketing Officer and Business Developer.

Significant events after the end of the financial year

The Group's growth journey is continuing in 2023. In January 2023, French companies Coram Auto SAS and Beck Export Automobile B E A SAS were acquired. In February 2023 we acquired the Swedish company Ådalens Bildemontering AB. In March 2023, Delehuset AS, JM Gjenvinning AS and Rogaland Bildeler AS, three companies in Norway joined the Group.

The ownership structure for Autocirc group has, as of February 2023, changed which is described above in section Ownership structure.

Future performance

Autocirc's priorities are to generate long-term adjusted EBITA growth in its existing subsidiaries through circular effects, and to continue to grow via the acquisition of profitable companies with stable cash flows and strong market positions. During the year, Autocirc intends to gradually expand its operations further in the other Nordic countries, as well as to the northern and central parts of Europe. However, Autocirc is not providing any financial forecasts for the coming year. The assessment is that Autocirc is financially well positioned for 2023, with the financial capacity to continue to operate according to its strategy and targets, which also allows for further acquisitions of new businesses in the coming years.

As a result of the pandemic, there was a worldwide shortage of spare parts and metals. This shortage is expected to worsen due to the ongoing crisis in Ukraine. Transportation costs have also increased due to the global situation. Overall, we can see that these factors are boosting demand for the Group's products, since our focus is on reuse and geographically we are located close to the market.

Risks and uncertainties

Autocirc's earnings and financial position are affected by a number of external and internal risks in the form of operational risks, financial risks, compliance risks and climate risks. Autocirc regularly monitors these risks and weighs likelihood against impact as part of Autocirc's owner responsibility in its subsidiaries, as well as part of corporate governance at Group level.

External risks

External risks are mainly due to factors outside Autocirc's own operations. One example of this is the macroeconomic trend in the Group's main market, which can impact opportunities to achieve established goals. Political decisions or current events such as pandemics and military conflicts in our region are examples of risks. External risks can be mitigated and managed to some extent through careful analysis and strategic choices. The market for reuse, remanufacture and recycling, which is Autocirc's main market, has historically remained stable even when the economy is weak. Furthermore, the Group's client portfolio and geographical diversification help spread any risk exposure. As a preventive measure, we actively engage in market analysis and develop adaptation strategies to manage a market in flux and changing conditions in the future.

Operational risks

Operational risks arise in day-to-day business operations. Operational risks are mainly within Autocirc's control. Operational risks are managed through policies and guidelines, as well as clear processes and shared values. Risks under this classification include risks related to projects, acquisitions, skills supply, suppliers or workplace conditions.

Financial risks

Financial risks refer to risks arising from changes in financial conditions. These are managed by the Group's financial management according to the guidelines in the Financial Handbook. It is possible to reduce the level of risk and achieve cost-effective financing by securing and controlling risks centrally. In order to minimise financial risks and improve financial control and reporting within the Group, we have developed a Financial Handbook. This contains information on our policies, instructions and other documentation that serves to guide and support our ongoing financial management work. The Handbook aims to ensure a consistent inter-pretation of financial procedures throughout the Group and in all internal and external financial reporting.

Financial risk management

See Note 48.

Legal compliance risks

Legal compliance risks refer to risks related to relevant legislation. Ongoing legal monitoring, regular compliance checks and systematic approaches reduce the risk of non-compliance with legal and regulatory requirements.

Climate risks

Climate risks refer to economic impacts related to the risks associated with a low-carbon economy and physical climate risks. Climate risks can be mitigated and managed to some extent with careful analysis and strategic decisions.

We believe the transition to a low-carbon economy will lead to greater demand for our products, as they will be regarded as even more attractive in that type of economy. We also recognise that we will need to invest in new technology, as existing technology may not meet the standards required in a future low-carbon economy. To ensure a smooth transition that does not put undue strain on the economy, it will be essential to make these types of investments on an ongoing basis.

The effects of a changing climate are predicted to initially contribute to more extreme weather events and its chronic effects are predicted to be changes in precipitation patterns rising average temperatures, increased erosion and landslide risk, and changing wind patterns. To ensure that our business operations are not disrupted by a changing climate, it is important to prepare now and equip ourselves with buildings and resources to meet the challenges of the future. We are also actively working on a group-wide business continuity plan to ensure delivery even in the event of unforeseen events.

Sustainability strategy (ESG)

Together with our inner- and outer-circle strategy (see above), we also identify the importance of conducting this work in a sustainable, responsible way. In so doing, we need to ensure that our growth strategies also adopt a thoughtful approach. Prior to an acquisition, we always carry out due diligence to ensure that everything is in order with the acquisition target. In connection with this, we also ensure that the business has the necessary permits for the activities it undertakes, and we carry out soil tests to ensure that the business has not contributed to soil contamination in the past. After acquisitions and when integrating companies into the Autocirc Group, we conduct an ESG review to identify possible areas for development and ensure that the company meets the level we have determined for our ESG standard. The ESG standard builds on our Code of Conduct and aims to ensure a good level and stewardship of the company once they have been integrated into the Group and into our working practices, principles and policies.

The majority of the Group's facilities are classified as facilities requiring a permit or notification. The overarching legal requirements for the Group, which also affect the majority of the facilities, are DIRECTIVE 2000/53/ EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 September 2000 on end-of-life vehicles. Operating as a vehicle dismantler requires a permit, and each country has local laws on which they base their authorisation. Furthermore, we also have facilities classified as C facilities under the Ordinance (1998:899) on Environmentally Hazardous Activities and Health Protection. Our scrap and metal trading facility also has a special permit under the Ordinance (1981:402) on Trade in Scrap Metal, as well as an associated broker's licence. Supervision of permits is carried out by the respective competent authority on a regular basis and, in many cases, annually.

Appropriation of earnings

The following profits brought forward are to be decided upon by the annual general meeteing (SEK):	
Share premium reserve	51 175 385
Retained earnings	388 423 098
Loss for the year	-19 383 604
	420 214 879
The board of directors propose the total profit brought forward is appropriated as follows:	
to be brought forward	420 214 879
	420 214 879

Statements of profit or loss/income statements

		Group		Parent company	
kSEK	**Notes**	**2022-01-01 2022-12-31**	**2021-01-01 2021-12-31**	**2022-01-01 2022-12-31**	**2021-01-01 2021-12-31**
Operating income etc.					
Revenue	2, 3	1 069 681	432 677	–	–
Change in inventories of products in progress, finished goods and work in progress/Changes in inventories		1 348	–	–	–
Other operating income	4	12 906	19 263	–	–
Total operating income etc.		1 083 935	451 940	0	0
Operating expenses					
Raw materials and consumables		-6 016	-204 630	–	–
Goods for resale		-401 147	–	-1 957	-2
Other external expenses	5, 6	-233 514	-89 296	–	–
Employee benefit expenses	7, 8, 9	-316 283	-104 426	–	–
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non-financial assets		-57 941	-22 452	–	–
Other operating expenses	10	-731	-4 273	–	–
Total operating expenses		-1 015 632	-425 077	-1 957	-2
Operating profit		**68 303**	**26 863**	**-1 957**	**-2**
Gain (loss) from financial items:					
Gain from participation in associates and joint ventures		70	–	–	–
Finance income	11	2 533	61	–	
Finance costs	12	-99 794	-15 689	–	
Gain from other securities and receivables classified as fixed assets		2	–	–	–
Other interest income and similar items	11	–	–	42 029	–
Interest expense and similar items	12	–	–	-59 456	–
Profit (loss) after financial items		**-28 886**	**11 235**	**-19 384**	**-2**
Tax expense	13	-50 115	-12 953	–	–
Profit (loss) of the year from continuing operations		**-79 001**	**-1 718**		
Profit (loss) for the year		**-79 001**	**-1 718**	**-19 384**	**-2**
Profit for the year atrributable to:					
Owners of the parent		-79 116	-1 819		
Non-controlling interest/Minority shareholding		115	101		

Statements of other comprehensive income

kSEK	Notes	Group 2022-01-01 2022-12-31	Group 2021-01-01 2021-12-31	Parent company 2022-01-01 2022-12-31	Parent company 2021-01-01 2021-12-31
Loss for the year		**-79 001**	**-1 718**	**-19 384**	**-2**
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Items that will be reclassified subesquently to profit or loss					
Exhange differences on translating foreign operations		16 835	4 513	-	-
Other comprehensive income for the year, net of tax		**16 835**	**4 513**	**-**	**-**
Total comprehensive income for the year		**-62 166**	**2 795**	**-19 384**	**-2**
Comprehensive income for the year attributable to:					
Shareholders of the parent company		-62 415	2 694		
Non-controlling interest		249	101		
		-62 166	**2 795**		

Statements of financial position/balance sheets

kSEK	Notes	Group 2022-01-01 2022-12-31	Group 2021-01-01 2021-12-31	Parent company 2022-01-01 2022-12-31	Parent company 2021-01-01 2021-12-31
ASSETS					
Fixed assets/Non-current assets					
Intangible fixed assets/Intangible assets					
Capitalised expenditure for development and similar work	14	145	–	–	–
Trademarks, software licenses and similar rights	15	411	428	–	–
Rights to tenancy and similar rights	16	1 021	–	–	–
Goodwill	17	1 283 246	478 186	–	–
Total intangible fixed assets		**1 284 823**	**478 614**	**0**	**0**
Tangible fixed assets/Property, plant and equipment					
Land and buildings	18	51 413	3 747	–	–
Right of use assets	19	431 881	196 416	–	–
Plant and machinery	20	48 539	12 437	–	–
Equipment, tools, fixtures and fittings	21	44 632	17 419	–	–
Construction in progress and advance payments for tangible fixed assets/PPE	22	969	–	–	–
Total tangible fixed assets/PPE		**577 434**	**230 019**	**0**	**0**
Financial fixed assets/Financial non-current assets					
Participations in group companies	24	–	–	439 892	245 529
Receivables from group companies	25	–	–	900 692	–
Participations in associates companies	26	2 504	–	–	–
Receivables from associates and joint ventures		60	–	–	–
Other participation interests	27	1 713	–	–	–
Other long-term securities	28	4 974	821	–	–
Deferred tax assets	29	–	220	–	–
Other long-term receivables	30	1 163	512	–	–
Total financial fixed assets/Financial non-current assets		**10 414**	**1 553**	**1 340 584**	**245 529**
Total fixed assets/Total non-current assets		**1 872 671**	**710 186**	**1 340 584**	**245 529**
Current assets					
Inventories etc.					
Finished products and goods for resale		182 943	102 841	–	–
Total inventories etc		**182 943**	**102 841**	**0**	**0**
Current receivables					
Trade and other receivables	31	108 789	50 821	–	–
Receivables from group companies	25	21 003	–	4 257	25
Current tax receivable		957	–	–	–
Contract and other receivables		20 713	6 119	–	–
Prepaid expenses and accrued income	32	23 501	9 435	–	–
Total current recievables		**174 963**	**66 375**	**4 257**	**25**
Cash and cash equivalents/Cash and bank	**33**	**168 962**	**89 346**	**43 069**	**–**
Total current assets		**526 868**	**258 562**	**47 326**	**25**
TOTAL ASSETS		**2 399 539**	**968 748**	**1 387 910**	**245 554**

Statements of financial position/balance sheets, cont.

		Group		Parent company	
kSEK	**Notes**	**2022-01-01 2022-12-31**	**2021-01-01 2021-12-31**	**2022-01-01 2022-12-31**	**2021-01-01 2021-12-31**
EQUITY AND LIABILITIES					
Equity	34				
Restricted equity					
Share capital		516	516	516	516
Total restricted equity				**516**	**516**
Non-restricted equity	**51**				
Other contributed capital		51 175	51 175	–	–
Share premium		–	–	51 175	51 175
Reserves		19 926	3 225		
Profit (loss) brought forward		333 750	141 020	388 423	193 862
Profit (loss) for the year		-79 001	-1 718	-19 384	-2
Total non-restricted equity				**420 214**	**245 035**
Equity attributable to owners of the parent		326 366	194 218		
Non-controlling interest		1 135	886		
Total equity		**327 501**	**195 104**	**420 730**	**245 551**
Long-term liabilities/Non-current liabilities					
Warranty provision	35	320	–	–	–
Pensions and other employee obligations		8 020	246	–	–
Bond loans	37	962 885	–	962 885	–
Liabilities to credit institutions	36	14 991	249 584	–	–
Lease liabilities	6, 36	404 268	176 772	–	–
Deferred tax liabilities	29	18 222	3 505	–	–
Other liabilities	38	273 910	137 230	–	–
Total long-term liabilities/Total non-current liabilities		**1 682 616**	**567 337**	**962 885**	**0**
Current liabilities					
Bank overdraft facilities	39	–	51 696	–	–
Liabilities to credit institutions	36	87 750	20 637	–	–
Lease liabilities	6	39 880	18 828	–	–
Advance payments from customers		5 928	2 285	–	–
Trade and other payables		74 071	30 982	236	–
Liabilities to group companies		–	–	–	3
Current tax liabilities		36 955	9 087	–	–
Other liabilities	40	81 156	34 812	–	–
Accrued expenses and deferred income	41	63 682	37 980	4 058	–
Total current liabilities		**389 422**	**206 307**	**4 294**	**3**
Total liabilities		**2 072 038**	**773 644**	**967 179**	**3**
TOTAL EQUITY AND LIABILITIES		**2 399 539**	**968 748**	**1 387 909**	**245 554**

Consolidated statements of change in equity

kSEK	**Notes**	**Share capital**	**Other contributed capital**	**Re-serves**	**Profit (loss) brought forward**	**Total attribu-table to owners of parent**	**Non-controlling interest**	**Total equity**
Balance at 2021-01-01		103	53 147	-1 289	-2 765	49 196	784	49 980
Shareholders' contribution					142 328	142 328		142 328
Bonus issue		413	-1 972	-	1 559	-		-
Transactions with owners		**516**	**51 175**	**-1 289**	**141 122**	**191 524**	**784**	**192 308**
Profit /Loss for the year				-	-1 820	-1 820	101	-1 719
Other comprehensive income				4 514		4 514	1	4 515
Total comprehensive income for the year			-	4 514	-1 820	2 694	102	2 796
Balance at 2021-12-31	**34**	**516**	**51 175**	**3 225**	**139 302**	**194 218**	**886**	**195 104**
Balance at 2022-01-01		**516**	**51 175**	**3 225**	**139 302**	**194 218**	**886**	**195 104**
Shareholders' contribution				-	194 563	194 563		194 563
Transactions with owners		**-**	**-**	**-**	**194 563**	**194 563**	**-**	**194 563**
Profit/Loss for the year				-	-79 116	-79 116	115	-79 001
Reclassifications								-
Other comprehensive income				16 701		16 701	134	16 835
Total comprehensive income for the year			-	16 701	-79 116	-62 414	249	-62 166
Balance at 2022-12-31	**34**	**516**	**51 175**	**19 926**	**254 749**	**326 367**	**1 135**	**327 501**

Parent company's statement of changes in equity

kSEK	Notes	Share capital	Share premium	Profit or loss brought forward	Net profit (loss) for the year	Total equity
Balance at 2021-01-01		50	51 175	52 000	-	103 225
Shareholders' contribution				142 328		142 328
Bonus issue		466	-	-466		-
Net loss for the year					-2	-2
Balance at 2021-12-31	34	516	51 175	193 862	-2	245 551
Balance at 2022-01-01		516	51 175	193 862	-2	245 551
Transfer previous year's profit				-2	2	-
Shareholders' contribution				194 563		194 563
Net loss for the year					-19 384	-19 384
Balance at 2022-12-31	34	516	51 175	388 423	-19 384	420 730

Cash flow statements

kSEK		Group		Parent company	
Profit for the year	**Notes**	**2022-01-01 2022-12-31**	**2021-01-01 2021-12-31**	**2022-01-01 2022-12-31**	**2021-01-01 2021-12-31**
Profit/Loss after financial items		-28 886	11 234	-19 384	-2
Non-cash adjustment	45	59 340	12 078	–	–
Income tax paid		-26 565	-1 313	–	–
Cash flow from operating activities before changes in working capital		3 889	21 999	-19 384	-2
Changes in working capital:					
Change in inventories		-32 097	-15 087	–	–
Change in trade and other receivables		-14 792	-10 616	-4 232	–
Change in trade and other payables		5 306	81 953	4 292	2
Net cash flow from operating activities		**-37 694**	**78 249**	**-19 324**	**0**
Investing activities					
Group loan paid		–	–	-900 692	–
Acquisition of participations in subsidiaries net of cash acquired	47	-824 887	-393 082	-155 863	-142 329
Sale of participations in subsidiaries net of cash sold	24	–	51 693	–	–
Acquisition of intangible fixed assets	15, 16	-615	-7 898	–	–
Acquisition of tangible fixed assets	18, 20, 21, 22	-19 578	-15 422	–	–
Sale of tangible fixed assets	18, 20, 21	189 230	–	–	–
Sale of financial assets		–	67	–	–
Cash flow from investing activities		**-655 850**	**-364 642**	**-1 056 555**	**-142 329**
Financing activities	46				
Shareholders' contribution received		156 063	142 329	156 063	142 329
New borrowings and lease liabilities		1 036 631	390 262	962 885	–
Repayment of borrowings and lease liabilities		-367 838	-224 678	–	–
Change in bank overdraft facilities		-51 696	51 308	–	–
Cash flow from financing activities		**773 160**	**359 221**	**1 118 948**	**142 329**
Cash flow for the year		**79 616**	**72 828**	**43 069**	**0**
Cash and cash equivalents at the beginning of the year		89 346	16 518	–	–
Cash and cash equivalents at year-end		**168 962**	**89 346**	**43 069**	**0**

Notes to the consolidated financial statements

NOTE 1 Accounting and Measurement Principles

Nature of the business

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. Operations are primarily conducted in Sweden but also in Finland, the UK, Norway, Poland and Germany.

The main accounting and measurement principles that have been used in the preparation of the financial statements are summarized below. In cases where the parent company applies deviating principles, these are listed under the Parent Company below.

General information and compliance with IFRS and the principle of survival

Autocirc Group AB with organization number 559267-3478 is a limited liability company registered in Sweden with its registered office in Borås. The address of the head office is Österlånggatan 69, 503 37 Borås.

The Group's financial statements have been prepared in accordance with the Annual Accounts Act, the Financial Reporting Council's recommendation RFR 1 Supplementary accounting rules for groups and International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements have been prepared on the condition that the Group conducts its business in accordance with the Continuing Environment.

Autocirc Group AB (publ) is a wholly-owned subsidiary of Autocirc Industriutveckling AB, which in turn is owned by Alder II AB. The Autocirc Industriutveckling AB is as of February 2023 acquired by Circauto BidCo AB which is owned by Nordic Capital and part of Autocirc 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 consolidated financial statements for the year ended December 31, 2022 (including comparative figures) were approved for issuance by the Board of Directors on March 30, 2023.

New and updated standards and interpretations
New standards applied as of January 1, 2022

The amendments that entered into force on 1 January 2022 and have therefore started to be applied this year have not had a material impact on the Group's earnings and position.

Standards, amendments and interpretations concerning existing standards that have not yet entered into force and are not applied prematurely by the Group

As of the date of approval of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards that have not yet entered into force have been published by the IASB. These have not been applied prematurely by the Group.

Management assumes that all relevant statements will be included in the Group's accounting and valuation principles when the statement becomes effective. New standards, amendments and clarifications that are neither applied nor set forth below are not expected to have a material impact on the Group's financial statements.

Significant accounting and measurement principles

Grounds for establishment

The Group's financial statements have been prepared by applying the accrual principle and on the basis of cost, with the exception of real estate, securities and derivative instruments that are revalued. Monetary amounts are expressed in Swedish currency (SEK) and rounded to the nearest thousands, except for earnings per share.

When the Parent Company applies other accounting and valuation principles, this is stated in the Parent's accounting and valuation principles below.

Basis for consolidation

In the consolidated financial statements, Autocirc Group AB (publ) and the subsidiaries' operations are consolidated until 31 December 2022. Adjustment of the financial year has been made for those subsidiaries that do not have a balance sheet date of December 31.

All intra-group transactions and balance sheet items are eliminated upon consolidation, including unrealized gains and losses on transactions between group companies. Amounts reported in subsidiaries' annual accounts have been adjusted where necessary to ensure compliance with the Group's accounting and valuation policies.

Profit and loss and other comprehensive income for subsidiaries acquired or disposed of during the year are reported from the date of the acquisition or disposal becoming effective, as applicable.

The Group attributes the comprehensive income of the subsidiaries to the parent company's owners and non-controlling interests based on their respective ownership interests.

Business acquisitions

The Group applies the acquisition method when accounting for business combinations. The remuneration transferred by the group to obtain a controlling interest in a subsidiary is calculated as the sum of the fair values at the date of acquisition of the assets transferred, the liabilities assumed and the equity instruments issued by the group, which includes the fair value of an asset or liability arising from a conditional purchase price agreement. Acquisition costs are recognised as they arise.

Acquired assets and liabilities assumed are usually measured at fair value at the date of acquisition.

Conversion of foreign currency

Functional and presentation currency

The consolidated financial statements are presented in SEK, which is also the parent company's accounting currency.

Transactions and balance sheet items in foreign currency

Transactions in foreign currency are converted into the functional currency of the respective group companies, based on the prevailing exchange rates on the transaction date (spot rate). Exchange gains and losses resulting from the settlement of such transactions and from the revaluation of monetary items at the closing rate are recognised in profit or loss.

Non-monetary items are not translated at the balance sheet date but are measured at historical cost (translated at the rate of the transaction date), except for non-monetary items measured at fair value which are translated at the exchange rate on the date on which the fair value was determined.

Foreign operations

In the consolidated financial statements, all assets, liabilities and transactions of Group companies that have a functional currency other than SEK (the Group's functional currency) are converted into SEK at the time of consolidation. The functional currency of the Group companies remained unchanged during the reporting period.

In the consolidation, assets and liabilities have been converted at the closing rate. Adjustments to goodwill and fair value arising from the acquisition of a foreign operation have been recognised as assets and liabilities in the foreign operations and translated into SEK at the closing date's rate. Income and expenses have been translated into SEK at an average rate during the reporting period. Exchange differences are reported directly against other comprehensive income and are recognised in the currency translation reserve in equity. When disposing of a foreign operation, the attributable accumulated translation differences that are recognised in equity are reclassified into profit or loss and are recognised as part of the gain or loss on disposal.

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 operiting 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 separatly 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 and Finland. 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 segements.

Revenues

The Group has two main revenue streams, sales of spare parts and service and repair. Revenue from contracts with customers is recorded in the item Net sales.

The Group recognizes revenue according to the following five-step model on each individual customer agreement:

1. Identify the contract with the customer
2. Identify performance commitments
3. Determination of the transaction price
4. Distribute the transaction price on the performance commitments
5. Recognize revenue at the time of fulfillment of the performance obligation.

Sale of goods

The Group sells used and refurbished products and, to a certain extent, newly manufactured products. The sale is recognized as income at a given time when the transfer of control has taken place. For those goods in which transport is included, there are different delivery conditions. Common delivery terms in Autocirc mean that control is handed over to the customer upon delivery from the warehouse. At this point, Autocirc assesses that it has overall handed over control according to a weight of evidence assessment when:

* the Group is entitled to payment for the asset,
* the customer has the legal ownership of the asset,
* the client has the significant risks and benefits associated with ownership of the asset;
* the customer has approved the asset, and
* The Group has transferred the physical holding to the asset.

The income from the sale of the products is recognized based on prices in contracts and the income is recognized only to the extent that a material reversal is very likely not to occur.

Service/repair

Autocirc recognizes the revenue in connection with service / repair being performed and delivered to the customer as the service and repair measures Autocirc performs are almost exclusively short actions that are performed during a day (or a maximum of a couple of days).

Guarantee commitments

According to the warranty conditions, customers can either return the product for repair or replace the product if it does not work according to the product specification. These guarantees, which constitute a kind of insurance, have not been deemed to constitute a performance obligation, so no revenue is allocated to the guarantees. The estimated cost of meeting this underwriting obligation is recognised as a provision under IAS 37 provisions, contingent liabilities and contingent assets.

Freights

Income is recognized in connection with the spare part leaving Autocirc's warehouse regardless of the delivery terms. As the delivery time is short, the revenue for the transport service is therefore recognized at the same time as the sale of the goods.

Interest income

Interest income is recognised using the effective interest rate method.

Operating expenses

Operating expenses are recognized in earnings when the service is utilized or when the event occurs. Warranty expenses are recognized when the Group enters into an obligation, which usually occurs when the product is sold.

Borrowing costs

Borrowing costs are expensed in the period in which they arise and are recorded in the item Financial expenses.

Goodwill

Goodwill represents future economic benefits arising from a business combination defined as cash generating unit (CGU) and separately accounted for. Goodwill is recognised at cost less accumulated impairment losses. In the case of a sale of a unit, the carrying amount of goodwill is included in the profit/loss incurred.

Other intangible assets

Initial recognition of other intangible assets

Brands and website

Brands and websites that meet the conditions for being reported separately in a business combination are recognized as intangible assets and are initially measured at fair value.

Accounting in subsequent periods

All intangible fixed assets with a limited useful life are measured on the basis of cost, with expenses being depreciated on a straight-line basis over the estimated useful life. The residual value and useful life are reassessed at each balance sheet date. In addition, there is an impairment test.

The following useage periods apply:

* Brands: 5 years
* Website: 5 years

Depreciation is included in the item *Depreciation and amortization of intangible and tangible fixed assets.*

Additional expenses are recognised as expenses are recognised as they arise.

When intangible assets are disposed of, capital gain is determined as the difference between the sale price and the carrying amount of the asset and is recognised in profit or loss in one of the items *Other operating income* or *Other operating expenses.*

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and amortization. The cost includes expenses that are directly attributable to the acquisition of the asset.

Additional expenses are added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only where it is likely that the future financial benefits associated with the asset will benefit the group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is removed from the balance sheet. All other forms of repair and maintenance are recognised as expenses in the comprehensive income statement in the period in which they are incurred.

Depreciation of assets, in order to distribute their cost down to the estimated residual value over the estimated useful life, is made on a straight-line basis as follows:

* Buildings and land: 10–50 years
* Machinery and other technical installations: 10-50 years
* Fixtures, tools and installations: 5-10 years

The residual values and useful life of the assets are tested at the end of each reporting period and adjusted if necessary.

The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount of the asset exceeds its assessed recoverable amount. Gains and losses on disposal are determined by comparing sales revenue with the carrying amount and are recognised in other operating income/operating expenses net in the statement of comprehensive income.

Leased assets

The Group as a lessee

The Group's leases relate essentially to machinery, vehicles, premises and IT equipment. The leases are normally written for fixed periods between 36 months up to 20 years where opportunities for extension may exist. The leases are recognized as right-of-use assets and a corresponding liability, on the date that the leased asset is available for use by the Group. Each lease payment is divided between amortization of the debt and interest. The interest is distributed over the lease period so that each accounting period is charged with an amount equal to a fixed interest rate for the liability recognized in each period. Rights of use assets are depreciated linearly over the shorter of the useful life of the asset and the length of the lease. If the Group is reasonably certain to exercise a call option, the right to exercise is written off over the useful life of the underlying asset.

Liabilities arising from leases are initially recognized at present value. Lease liabilities include the present value of the following lease payments:

- fixed fees and
- variable lease payments that depend on an index
- the strike price of an option to buy if the Group is reasonably certain to exercise such an opportunity"

Payments that will be made for reasonably safe extension options are also included in the valuation of the debt.

Lease payments are discounted at the implied interest rate of the lease. If this interest rate cannot be easily determined, as is normally the case for the Group's leases, the Group's marginal loan rate is used, which is the interest rate that the Group would have to pay to borrow the necessary funds to purchase an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and collateral.

Of use assets are measured at cost and include the following:

• the initial valuation of the lease debt and

• payments made at or before the time when the leased asset is made available to the lessee

The Group is exposed to any future increases in variable lease payments based on an index or interest rate, which is not included in the lease liability until they take effect. When adjustments to lease payments based on an index or interest take effect, the lease liability is revalued and adjusted against the right-of-use asset.

Payments attributable to short-term leases and leases for which the underlying asset has a low value are recognised as an expense on a straight-line basis over the lease term. Short-term leases are contracts with a lease term of 12 months or less. These amount to negligible amounts.

Options to extend and terminate contracts

Options to extend or terminate agreements are included in the Group's leases, primarily regarding real estate. The terms are used to maximize flexibility in the management of the agreements. Options to extend or terminate contracts are included in the asset and liability as it is reasonably certain that they will be exercised.

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."

Examination of impairment of goodwill, other intangible assets and property, plant and equipment

Goodwill, which has an indeterminate useful life, is not amortized but is tested annually, or in indication of impairment, for any impairment requirement. Assets that are depreciated are assessed for decline in value whenever events or changes in conditions indicate that the carrying amount may not be recoverable. An impairment loss is made in the amount by which the carrying amount of the asset exceeds its recoverable amount. Recoverable amount is the higher of the fair value of the asset less the cost of sales and its value in use. When assessing impairment requirements, assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) that have previously been written down, a review of whether reversals should be made at each balance sheet date is made.

Financial instruments

Recognition and measurement at the time of first recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the agreed terms of the financial instrument. The purchase and sale of financial assets and liabilities is recorded on the trade date, the date on which the Group undertakes to buy or sell the asset.

Financial assets are removed from the financial position/balance sheet statement when the contractual rights relating to the financial asset cease, or when the financial asset and all significant risks and benefits are transferred. A financial liability is removed from the financial position/balance sheet statement when it is extinguished, i.e. when it is completed, cancelled or ceases.

Classification and valuation of financial assets

Financial instruments are initially recognised at fair value plus, for an asset or financial liability that is not recognised at fair value through the income statement, transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities, such as fees and commissions. Transaction costs for financial assets and liabilities that are recognised at fair value through the income statement are expensed in the statement of comprehensive income.

The Group classifies and values all its financial assets in the category of amortised cost. The classification of financial assets depends on the Group's business model for managing financial assets and the contractual conditions for the cash flows of assets.

Assets held for the purpose of collecting contractual cash flows where these cash flows are merely principal and interest are valued at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses recognised (see Impairment of financial assets below). The Group's financial assets measured at amortised cost consist of the items Units in other enterprises, Trade receivables, Other receivables, Accrued income and Cash and cash equivalents.

Classification and valuation of financial liabilities

The Group classifies and measures its financial liabilities in the category of amortised cost and fair value through earnings. Financial liabilities measured at fair value through earnings consist of contingent earn-outs in business combinations. Financial liabilities measured at fair value through earnings are also recognised in subsequent periods at fair value and the change in value is recognised in the statement of comprehensive income.

The Group's other financial liabilities are measured after the first accounting date at amortized cost using the effective interest rate method. Financial liabilities consist of Liabilities to credit institutions, Accounts payable, Other current liabilities and Accrued expenses.

Impairment of financial assets

The Group assesses the future expected credit losses associated with assets carried at amortised cost. The Group recognizes a credit loss reserve for such expected credit losses at each reporting date. For accounts receivable, the Group applies the simplified approach to credit provision, that is, the reserve will correspond to the expected loss over the entire life of the accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on distributed credit risk characteristics and due dates. The Group uses forward-looking variables for expected credit losses. Expected credit losses are reported in the Group's statement of comprehensive income in the item Other external costs.

Accounts receivable

Trade receivables are amounts attributable to customers in respect of goods sold in operating activities. Trade receivables are classified as current assets. Accounts receivable are initially recognized at the transaction price. The Group holds accounts receivable for the purpose of collecting contractual cash flows. Accounts receivable are thus measured at subsequent accounting dates at amortised cost using the effective interest rate method.

Accounts payable

Accounts payable are financial instruments and refer to obligations to pay for goods and services that have been acquired in the course of their day-to-day operations from suppliers. Accounts payable are classified as current liabilities if they mature within one year. If not, they are recognized as long-term liabilities.
Accounts payable are initially recognised at fair value and then at amortised cost using the effective interest rate method."

Borrowing

Borrowings are initially accounted for at fair value, net of transaction costs. Borrowings are then recognised at amortised cost and any difference between the amount received (net of transaction costs) and the amount repayment is recognised in the income statement spread over the loan period, using the effective interest rate method. Borrowing costs have reduced the loan amount.

Borrowings are removed from the balance sheet when obligations have been settled, cancelled or otherwise terminated. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the remuneration paid, including transferred non-cash assets or liabilities imposed, is recognised in profit or loss account.

Borrowings are classified as short-term liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the end of the reporting period.

Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in operating activities less any applicable directly attributable point-of-sale costs. Each group company follows the accepted industry standard. The cost is distributed according to the first-in, first-out principle.

Income taxes

The tax expense for the period includes current and deferred tax. Income tax is recognised in the Group's statement of comprehensive income, except when the tax relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income and equity, respectively.

The current tax expense is calculated on the basis of the tax rules decided or effectively decided at the balance sheet date in the countries in which the parent and its subsidiaries operate and generate taxable income. Management regularly evaluates the claims made in tax returns regarding situations where applicable tax rules are subject to interpretation. The Group makes, when deemed appropriate, provisions for amounts likely to be paid to the tax authority.

Deferred tax is recognised on all temporary differences that arise between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not recognised if it arises as a result of a transaction which constitutes the initial recognition of an asset or liability which is not an acquisition of business and which, at the time of the transaction, has no recognised or tax profit. Deferred tax is calculated using tax rates (and laws) that have been decided or announced at the balance sheet date and that are expected to apply when the relevant deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that future tax surpluses are likely to be available, against which the temporary differences can be exploited.

Deferred tax assets and liabilities are set off when there is a legal right of set-off for current tax assets and liabilities and when the liabilities deferred and liabilities relate to taxes levied by the same tax authority and relate to either the same taxable entity or different taxable entities, where there is an intention to settle the balances through net payments.

Cash and cash equivalents

Cash and cash equivalents are included, both in the balance sheet and in the cash flow statement, only bank balances. Overdraft facilities are recorded in the balance sheet as loan liabilities in current liabilities.

Equity, reserves and dividends
Share capital represents the quotient value of issued shares.

Premium fund includes any premium received in connection with a new issue of share capital. Any transaction costs associated with the issue of shares are deducted from the capital, taking into account possible income tax effects. The premium fund constitutes unrestricted equity.

Other elements of equity include the following:

* Conversion reserve; contains exchange differences from the translation of financial statements for the Group's foreign operations into SEK

Retained earnings include all retained earnings for the current and previous fiscal years.

All transactions with the owners of the parent are recorded separately in equity.

Dividends to be paid to shareholders are included in the item Other liabilities when the dividends have been approved at a general meeting before the balance sheet date.

Post-employment benefits and short-term employee benefits

Post-employment benefits

The Group primarily has defined contribution pension plans. A defined contribution pension plan is a pension plan under which the enterprise pays fixed contributions to a separate legal entity. The Group has no legal or informal obligation to pay additional contributions if this legal entity does not have sufficient assets to pay all employee benefits related to the service of its employees in current or previous periods. The contributions are recognized as the cost of employee benefits in earnings when they are due.

The Group also has a pension commitment, which is secured through an endowment insurance. It is the employee who bears the current risk as well as the investment risk and the Group does not bear any risk here. Pension commitments secured by an endowment insurance are therefore classified as defined contribution pension plans, and for this reason the asset (endowment insurance) and the liability (pension promise) are not reported in the financial position report.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits and paid absences, which are expected to be settled within 12 months of the end of the financial year, are recognised as short-term liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The cost is recognized in earnings as the services are performed by the employees. The liability is recognized as an obligation regarding employee remuneration in the Group's statement of financial position.

Provisions, contingent liabilities and contingent assets

Provisions for product guarantees, legal processes, loss contracts or other claims are recognized when the Group has a legal or informal obligation as a result of a previous event, it is likely that an outflow of financial resources will be needed and the amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are valued at the amount estimated to be required to settle the existing obligation, based on the most reliable data available at the balance sheet date, including the risks and uncertainties associated with the existing obligation. In cases where there are a number of similar obligations, the probability of an outflow is determined by an overall assessment of the obligations. Provisions are discounted to their present values where the time value of money is essential.

Any indemnity that the Group is virtually certain to be able to obtain from an external party regarding the obligation is recognized as a separate asset. However, this asset cannot exceed the amount of the attributable provision.

No liability is recognized in the event that the outflow of financial resources as a result of existing obligations is unlikely. Such situations are accounted for as contingent liabilities unless the probability of an outflow of resources is extremely small.

Significant judgments in the application of accounting and valuation principles and uncertainty in estimates

When preparing financial statements, management makes a number of judgments, calculations and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management assessments and uncertainty in estimates

The Group makes estimates and assumptions about the future. The resulting estimates for accounting purposes will, by definition, rarely correspond to the actual result. The estimates and assumptions that pose a significant risk of material adjustments to the carrying amount of assets and liabilities in the following financial year are outlined below. 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 6,3% as a result of this assessment.

Obsolescence in inventories

The companies in the Group conduct annual stocktaking and analysis of inventory. Obsolete parts are disposed and scrapped.

Assessment of impairment of goodwill

Each year, the Group examines whether there is a need for impairment of goodwill in accordance with the accounting policy. The recoverable amount of the cash-generating unit has been determined by calculating the value in use. For the calculation, certain estimates must be made. The calculation is based on the average of rolling 12-month EBITDA and rolling 12-month forecasted EBITDA multiplied by acquisition multiple. As Autocirc acquires companies in different segments, we value each segment separately.

Lease debt uncertainty in estimates due to variable lease payments

Key estimates and judgments regarding the length of the lease: When determining the length of the lease, management considers all available information that provides a financial incentive to exercise an extension option, or not to exercise an option to terminate an agreement. Opportunities to extend an agreement are included in the duration of the lease only if it is reasonable to assume that the contract is extended (or not terminated). Possible future cash flows have not been included in the lease liability as it is not reasonable to assume that the agreements will be extended (or not terminated). The assessment is reassessed if there is any material event or change in circumstances that affect this assessment and the change is within the lessee's control.

Business combinations

When calculating fair values, management uses valuation techniques for the specific assets and liabilities acquired in a business combination. In particular, the fair value of contingent consideration is dependent on the outcome of several variables including the future profitability of the acquired company.

Accounting and valuation policies of the parent company

The parent company's annual report has been prepared in accordance with the Annual Accounts Act (ÅRL) and RFR 2 Accounting for Legal Entities.

The parent company's annual report is presented in the company's accounting currency, which is SEK.

The parent's accounting and valuation policies are consistent with those of the group except as set out below.

Layout forms

The income statements and balance sheets follow the layouts in the Annual Accounts Act (ÅRL). There are differences in terms, especially when it comes to financial items in the income statement and equity. The report on changes in equity has been adapted to the items that must be included in the balance sheet according to the Annual Accounts Act.

Subsidiaries, associates and joint ventures

Shares in subsidiaries are recognised at cost less any impairment losses. The cost includes acquisition-related costs and any earn-outs. When there is an indication that shares in subsidiaries have decreased in value, a calculation of the recoverable amount is made. If this is lower than the carrying amount, an impairment loss is made. Write-downs are reported in the items ""Profit from participations in Group companies

Financial instruments

IFRS 9 does not apply in the parent company. The parent company instead applies the points specified in RFR 2 (IFRS 9 Financial Instruments, pp. 3-10). Financial instruments are therefore valued at amortised cost. Within subsequent periods, financial assets acquired with the intention of being held in the short term will be accounted for in accordance with the principle of minimum value at the lower of cost and market value.

NOTE 2 Revenue

According to IFRS 15, the note to net sales shall contain a breakdown by distribution between Sales of Goods, Service/Repairs and Freight. Since the vast majority relates to the sale of goods, such a division has not been made.

The group's revenue disaggregated by primary geographical markets is as follows:

	2022	2021
Sweden	636 101	167 668
Norway	111 952	37 564
Finland	71 846	60 799
Europe, excluding countries above	231 889	150 010
Other countries	17 893	16 636
Total net sales	**1 069 681**	**432 677**

NOTE 3 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 operiting 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 separatly 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 and Finland. 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 segements.

2022

	Sweden	Norway	Finland	Others	IFRS 16	Intercom-pany trans-actions	Total
Net Sales, external customers	**685 678**	**141 623**	**67 029**	**175 352**	**–**	**–**	**1 069 682**
Net Sales, inter-company	31 531	594	12 902	41 492	–	–	86 519
Elimination of inter-company net sales 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
Total operating income	**699 068**	**142 912**	**78 262**	**198 479**	**-8 867**	**-25 919**	**1 083 935**
Segment operating profit	**52 847**	**21 276**	**3 725**	**-15 296**	**5 751**	**-**	**68 303**
Segment assets	**1 158 686**	**495 523**	**107 700**	**205 749**	**431 881**	**-**	**2 399 539**
Segment liabilities	**149 166**	**62 187**	**18 776**	**1 400 288**	**441 621**	**-**	**2 072 038**

2021

	Sweden	Norway	Finland	Others	IFRS 16	Intercom-pany trans-actions	Total
Net Sales, external customers	**268 190**	**37 117**	**57 116**	**70 254**	**–**	**–**	**432 677**
Net Sales, inter-company	3 017	1 548	550	–	–	–	5 115
Elimination of inter-company net sales within the segment	-2 286	–	–	–	–	-2 829	-5 115
Other operating income	3 229	–	7 804	8 230	–	–	19 263
Total operating income	**272 150**	**38 665**	**65 470**	**78 484**	**0**	**-2 829**	**451 940**
Segment operating profit	**25 284**	**-1 059**	**15 071**	**-15 818**	**3 205**	**-**	**26 683**
Segment assets	**79 588**	**8 371**	**22 461**	**661 918**	**196 410**	**-**	**968 748**
Segment liabilities	**70 715**	**9 773**	**19 011**	**478 546**	**195 599**	**-**	**773 644**

NOTE 4 Other operating income

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Rental income	3 186	86	–	–
Exchange gains	615	9	–	–
Capital gains non-current assets	643	6 015	–	–
Governmental grants	3 057	781	–	–
Insurance/guarantee compensation	762	–	–	–
Change in work in progress	–	295	–	–
Gain from participations in group-companies	–	11 015	–	–
Other income	4 643	1 063	–	–
Total	**12 906**	**19 264**	**0**	**0**

NOTE 5 Remuneration to auditors

	Group		Parent company	
Expensed and other amounts:	**2022**	**2021**	**2022**	**2021**
PwC				
-audit engagement	2 684	261	100	–
-audit work in addition to audit engagement	22	–	–	–
-tax consultancy	480	308	–	–
-other services	321	813	–	–
Other auditors				
-audit engagement	1 016	253	–	–
-audit work in addition to audit engagement	22	–	–	–
-tax consultancy	674	–	–	–
-other services	2 549	371	1 598	–
Total	**7 768**	**2 006**	**1 698**	**0**

NOTE 6 Leases

Lease liabilities are presented in the statement of financial position as follows:

	Group	
	2022-12-31	**2021-12-31**
Short-term lease liabilities	39 880	18 828
Long-term lease liabilities	404 268	176 772
Total	**444 148**	**195 600**

The Group has leases for rental premises, machinery and vechicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. Right-of-use assets and lease liabilities are reported separately as tangible fixed assets and liabilities in the the Balance sheets.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

	2022-12-31		
Right-of-use asset	**Buildings**	**Machinery**	**Vehicles**
No of right-of-use assets leased	66	17	46
Range of remaining term, years	2–20	1–4	0–3
Carrying amount	418 931	4 347	8 603

	2021-12-31		
Right-of-use asset	**Buildings**	**Machinery**	**Vehicles**
No of right-of-use assets leased	31	15	7
Range of remaining term, years	2–20	1–4	0–3
Carrying amount	194 213	1 368	835

Right-of-use assets have added SEK 331 thousand through acquisitions during the year, see Note 19. The group has made a changed assessment regarding the Group's incremental borrowing rate, see note 1 Significant judgements. The adjustment of the incremental borrowing rate has increased cost of interest with appr. SEK 5 million and at the same time decreased the depriciations with appr. SEK 4 million for the year. With no changed incremental borrowing rate the Right of use assets would have been SEK 71 million higher as of 2022-12-31.

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2022 were as follows:

	Minimum lease payments due				
	within 1 year	**1 to 3 years**	**3 – 5 years**	**After 5 years**	**Total**
2022-12-31					
Lease payments	61 436	111 143	75 003	183 022	430 604
Finance charges	24 389	49 196	42 418	115 284	231 287
Net present values	**85 825**	**160 339**	**117 421**	**298 306**	**661 891**
2021-12-31					
Lease payments	27 327	62 611	33 846	69 817	193 601
Finance charges	5 377	15 534	6 562	15 597	43 070
Net present values	**32 704**	**78 145**	**40 408**	**85 414**	**236 671**

NOTE 7 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	Group	
	2022-12-31	2021-12-31
Salaries - board , managing director and other officers of the company	8 573	–
Salaries and wages - other employees	227 638	68 759
Share-based payment expenses	–	–
Pensions, defined contribution plan - board and managing director	1 176	–
Pensions, defined contribution plan - other employees	19 400	5 357
Other statutory social security contributions	56 769	11 837
	313 556	**85 953**

Guidelines

Autocirc Group AB does not pay any remuneration to the chairman and members of the board.

For executive management, the general meeting has decided on the following guidelines regarding compensation. Remuneration to the CEO and other senior executives consists of basic salary, other benefits, pension, etc. Other senior executives refer to the 3 people who, together with the CEO, make up the group management.

Executive management is employed by Autocirc AB, a wholly owned subsidiary of Autocirc Group AB.

Pension benefits and other benefits to the CEO and other senior executives are paid out as part of the total remuneration.

No pension commitments are made for board members who do not have permanent employment in any group company.

NOTE 8 Average number of employees

	Group			
Expensed and other amounts:	**2022-12-31**		**2021-12-31**	
	Average number of employees	whereof men	Average number of employees	whereof men
Sweden	427	402	160	134
Norway	112	95	28	27
Finland	68	66	48	47
United Kingdom	48	43	42	39
Poland	4	4	–	–
Germany	15	13	–	–
Total	**674**	**623**	**278**	**247**

NOTE 9 Split by gender

Of the group's total board members (including subsidiaries) 167 (2021:22), 46 (2021: 6) are women. Of the group's managing directors (including subsidiaries) 40 (2021: 11), 8 (2021: 2) are women.

NOTE 10 Other operating expenses

	Group		Parent company	
	2022	2021	2022	2021
Exchange loss	547	967	–	–
Capital loss, non-current assets	146	2 973	–	–
Other expenses	38	333	–	–
Total	**731**	**4 273**	**–**	**–**

NOTE 11 Finance income

	Group		Parent company	
	2022	2021	2022	2021
Interest income	1 026	61	42 029	–
Exchange gain	1 414	–	–	–
Exchange losses	-53	–	–	–
Other financial income	146	–	–	–
Total	**2 533**	**61**	**42 029**	**0**
Including interest from group companies			41 792	–

NOTE 12 Finance costs

	Group		Parent company	
	2022	2021	2022	2021
Interest expenses for leasing arrangements	17 435	2 450	-	-
Interest expenses, bond loans	59 456	-	59 456	-
Other interest expenses	12 528	11 946	-	-
Currency losses	693	1 293		
Other financial expenses	9 682	-	-	-
Total	**99 794**	**15 689**	**59 456**	**-**
Including interest to group companies			-	-

NOTE 13 Income tax on profit for the year

The main components of income tax on profit/loss for the year and the relationship between expected tax expense is based on a effective tax rate for the group -173,5 % (2021: 115,2 %) and recorded tax expense in profit or loss as follows:

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Net loss/profit for the year before tax	-28 886	11 234	-19 384	-2
Domestic tax rate for the parent company	20,6%	20,6%	20,6%	20,6%
Expected tax expense	5 951	-2 314	3 993	0
Adjustment for tax rate differences in foreign jurisdictions	**-1 165**	**174**	**–**	**–**
Other taxable income	-27 274	-87	–	–
Tax-exempt income	63	1 516	–	–
Non tax-deductible expenses	-5 951	-6 370	–	–
Effect of change in tax rate	–	–	–	–
Adjustment of prior years' tax	-346	–	–	–
Deferred tax asset on losses carry-forward not recognised	-22 732	-5 872	-3 993	–
Used loss carried-forward not previously recorded as assets	1 339	–	–	–
Current tax expense in profit or loss	-50 115	-12 953	0	0
Income tax on profit for the year consists of:				
Current tax				
On profit for the year	-41 324	-9 668	–	–
Adjustment prior years' tax	-346	–	–	–
Deferred tax				
Change in temporary differences	-8 445	-3 285	–	–
Used losses carried-forward	–	–	–	–
Income tax expense in profit or loss	-50 115	-12 953	0	0

Income tax expense is calculated according to Swedish tax rate amounting to 20,6% (2021: 20,6%). The effective tax rate for the Group amounted to -173,5 % (2021:115,2%).

Tax losses carried forward in the Group amounts to 24 981 kSEK (32 090 kSEK). There has not been recorded any deferred tax asset related to tax losses carried forward. There are no expiration date for using these deficits.

NOTE 14 Capitalised development and similar work

The movements in the net carrying amount of capitalized development work and similar are as follows:

	Group	
	2022-12-31	**2021-12-31**
Accumulated cost brought forward	1 227	1 703
Acquired through business combinations	20	–
Mergers		
Acquisitions	–	2 248
Sales/disposals	–	-2 724
Reclassification	782	–
Accumulated cost carried forward	2 029	1 227
Accumulated depreciation brought forward	-1 227	–
Reclassification	-550	–
Depreciation for the year	-107	-1 227
Accumulated depreciation carried forward	-1 884	-1 227
Residual value	**145**	**0**

NOTE 15 Trademarks, software licences and similar rights

The movements in the net carrying amount of trademarks, software licences and similar rights are as follows:

	Group	
	2022-12-31	**2021-12-31**
Accumulated cost brought forward	552	74
Acquired through business combinations	–	6
Acquisitions	115	472
Accumulated cost carried forward	667	552
Accumulated amortisation brought forward	-124	-15
Amortisation for the year	-132	-109
Accumulated amortisation carried forward	-256	-124
Carrying amount	**411**	**428**

NOTE 16 Right to tenancy and similar rights

The movements in the net carrying amount of right to tenancy and similar rights are as follows:

	Group	
	2022-12-31	2021-12-31
Accumulated cost brought forward	–	–
Acquired through business combinations	711	–
Mergers		
Acquisitions	500	–
Accumulated cost carried forward	1 211	0
Accumulated amortisation brought forward	–	–
Amortisation for the year	-190	–
Accumulated amortisation carried forward	-190	0
Carrying amount	**1 021**	**0**

NOTE 17 Goodwill

The movements in the net carrying amount of goodwill are as follows:

	Group	
	2022-12-31	2021-12-31
Accumulated cost brought forward	478 186	42 346
Acquired through business combinations	784 594	435 840
Exchange differences	20 466	–
Accumulated cost carried forward	1 283 246	478 186
Carrying amount	**1 283 246**	**478 186**

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments (i.e. cash generating unit (CGU)) expected to benefit from the synergies of the business combinations in which the goodwill arises, as set out below, and is compared to its recoverable amout:

Goodwill allocated to operating segments	2022-12-31	2021-12-31
Sweden	739 461	363 446
Norway	365 579	43 700
Finland	37 740	17 792
Others	140 462	53 248
	1 283 246	**478 186**

The recoverable amount of each segment (i.e Cash Generating Unit, CGU) was determined based on value-in-use calculations, covering a detailed ten-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by management. The valuation is based on a business plan which is an integral part of the Group's financial planning process and represents management's best estimate of the Group's operation development. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

Implied goodwill	2022-12-31	2021-12-31	2020-01-01
Sweden	1 048 074	n/a	n/a
Norway	396 140	n/a	n/a
Finland	57 992	n/a	n/a
Others	292 683	n/a	n/a
	1 794 889		

	Growth		Discount rates	
	2022	2021	2022	2021
Sweden	5%	n/a	8%	n/a
Norway	5%	n/a	6%	n/a
Finland	5%	n/a	6%	n/a
Others	5%	n/a	6%	n/a
	5%	**n/a**	**7%**	**n/a**

Growth rates

The growth rates reflect the long-term average growth rates for the product lines and industries of the segments (all publicly available). The growth rate for online retailing exceeds the overall long-term average growth rates for Europe because this sector is expected to continue to grow at above-average rates for the foreseeable future.

Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each segment.

Cash flow assumptions

Retail segment

Management's key assumptions include stable profit margins, based on past experience in this market. The group's management believes that this is the best available input for forecasting this mature market. Cash flow projections reflect stable profit margins achieved immediately before the budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

NOTE 18 Land and buildings

The movements in the net carrying amount of land and buildings are as follows:

	Group	
	2022-12-31	**2021-12-31**
Accumulated cost brought forward	4 598	22 339
Acquired through business combinations	300 242	5 986
Acquisitions	2 471	237
Revaluation	–	-23 964
Exchange differences	166	–
Reclassification	-246 295	–
Accumulated cost carried forward	61 182	4 598
Accumulated depreciation brought forward	-851	-280
Acquired through business combinations	-43 585	–
Reclassification	36 684	–
Depreciation for the year	-2 017	-571
Accumulated depreciation carried forward	-9 769	-851
Residual value	**51 413**	**3 747**

NOTE 19 Right-of-use assets

The movements in the net carrying amount of right-of-use assets are as follows:

	Group	
	2022-12-31	**2021-12-31**
Accumulated cost brought forward	207 550	12 870
Acquired through business combinations	121 234	194 680
Reclassifications	209 611	–
Sales/disposals	-12 353	–
Exchange differences	3 301	–
Effect from changed incremental borrowing rate, *see note 6*	-52 170	–
Accumulated cost carried forward	477 173	207 550
Accumulated depreciation brought forward	-11 134	-352
Sales/disposals	2 360	–
Depreciation for the year	-36 518	-10 782
Accumulated depreciation carried forward	-45 292	-11 134
Residual value	**431 881**	**196 416**

NOTE 20 Plant and machinery

The movements in the net carrying amount of plant and machinery are as follows:

	Group	
	2022-12-31	**2021-12-31**
Accumulated cost brought forward	18 200	11 777
Acquired through business combinations	117 076	3 864
Acquisitions	7 890	3 279
Sales/disposals	-17 928	-720
Accumulated cost carried forward	125 238	18 200
Accumulated depreciation brought forward	-5 763	-724
Acquisition of subsidiary	-72 932	–
Sales/disposals	12 238	–
Depreciation for the year	-10 242	-5 039
Accumulated depreciation carried forward	-76 699	-5 763
Residual value	**48 539**	**12 437**

NOTE 21 Equipment, tools, fixtures and fittings

The movements in the net carrying amount of equipment, fixtures and fittings are as follows:

	Group	
	2022-12-31	**2021-12-31**
Accumulated cost brought forward	20 050	3 744
Acquired through business combinations	131 865	13 419
Acquisitions	8 248	2 887
Sales/disposals	-4 799	–
Reclassification	-782	–
Accumulated cost carried forward	154 582	20 050
Accumulated depreciation brought forward	-2 631	-437
Acquisition of subsidiary	-102 305	–
Sales/disposals	3 172	–
Reclassification	550	–
Depreciation for the year	-8 736	-2 194
Accumulated depreciation carried forward	-109 950	-2 631
Residual value	**44 632**	**17 419**

NOTE 22 Construction in progress and advance payments for tangible fixed assets

The movements in the net carrying amount of construction in progress and advance payments for tangible fixed assets are presented in the table on the right:

	Group	
	2022-12-31	2021-12-31
Accumulated cost brought forward	–	–
Acquisitons	969	–
Accumulated cost carried forward	969	0
Residual value	**969**	**0**

NOTE 23 Financial assets and liabilities

Categories of financial assets and financial liabilities

The group's accounting policies provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

2022-12-31	Amortised cost"	Fair value through profit or loss	Total
Financial assets			
Participations in associate companies	2 504	-	2 504
Recievables from associates and joint ventures	60	-	60
Other participation interest	1 713		1 713
Other long-term securities	4 974	-	4 974
Other long-term recievables	1 163		1 163
Other long-term financial assets	**10 414**	**-**	**10 414**
Other short-term financial assets	20 713	-	20 713
Trade and other receivables	108 789	-	108 789
Receivables from group companies	21 003		21 003
Accrued income	7 777	-	7 777
Cash and cash equivalent	168 962	-	168 962
Total financial assets	**337 658**	**-**	**337 658**

2022-12-31	Fair value through profit or loss	Other liabilities (amortised cost)	Total
Financial assets			
Bond loans	-	962 885	962 885
Liabilities to credit institutions	-	102 741	102 741
Lease liabilities	-	444 148	444 148
Other long-term liabilities	-	4 888	4 888
Trade and other payables	-	74 071	74 071
Contingent consideration	308 355	-	308 355
	308 355	**1 588 733**	**1 897 088**

2021-12-31	Amortised cost		Total
Financial assets			
Other long-term securities	821	0	821
Other long-term finacial assets	**821**		**821**
Other short-term financial assets	6 119	0	6 119
Trade and other receivables	50 821	0	50 821
Accrued income	9 435	0	9 435
Cash and cash equivalent	89 346	0	89 346
Total financial assets	**156 542**		**156 542**

2021-12-31	Fair value through profit or loss	Other liabilities (amortised cost)	Total
Financial assets			
Liabilities to credit institutions		270 221	270 221
Lease liabilities		195 599	195 599
Other long-term liabilities		3 190	3 190
Trade and other payables		30 982	30 982
Other short-term liabilities		27 312	27 312
Contingent consideration	141 540	-	141 540
Total financial liabilities	**141 540**	**527 304**	**668 844**

A description of the group's financial instrument risks, including risk management objectives and policies is given in Note 48.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 49.

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables
- cash and cash equivalent
- trade and other payables
- liabilities to credit institutions

Fair value of Bond loans as of December 31, 2022: 101% of nominal value 1 000 000 TSEK

NOTE 24 Participations in group companies

Composition of the group

Set out below details of the subsidiaries held directly by the group:

Name/domicile	Reg no	Domicile	Number of shares	Share % 2022	Share % 2021
Autocirc AB	559214-4314	Sweden	1032	100	100
Autocirc Norge AS	929132718	Norway	1	100	–
Autocirc Finland OY	3254902-2	Finland	2500	100	–
Premier European Group Lmtd	05660873	UK	986	100	100
Autocirc Sverige AB	559394-3490	Sweden	25000	100	–
AB Svenssons Förvaltning i Vä	556650-8619	Sweden	1000	100	–
Perseger Fastigheter AB	559018-7240	Sweden	500	100	–
PSNB Fastigheter AB	559333-1803	Sweden	500	100	–
MM A-S Fastigheter AB	556990-3015	Sweden	1000	100	–
Karleby Invest AB	559018-6176	Sweden	500	100	–
Østfold Bildemontering Eiendom AS	935468949	Norway	1250	100	–
Aptus 2060. GmbH	HRB 245252 B	Germany	25000	100	–
Alingsås Bildelar AB	556130-6399	Sweden	666	100	–
Arotfenno OY (Osamyyntti AF)	0938910-4	Finland	480	100	–
Autodemontering TT AB	556197-4923	Sweden	2000	100	–
Autopalsta OY	0204272-2	Finland	100	100	100
Bergen Bildemontering AS	986 842 926	Norway	30	100	–
Bergen Bilhjelp AS	930193305	Norway	33	100	–
Bil & Skadeservice i Klippan AB	556558-1351	Sweden	1000	100	–
Bildelslagret i Lidköping AB	556427-7019	Sweden	5000	100	–
Bildelslagret i Trollhättan AB	559003-0689	Sweden	1000	100	–
Erikssons Bilbärgning Oy	0198498-8	Finland	100	98	98
Erikssons Verkstad Oy	2783768-7	Finland	100	97	97
Frykmalms i Karlstad AB	556186-6426	Sweden	4000	100	–
Jämtlands Bildemontering AB	556423-8052	Sweden	100	100	100
Karlstad Bildemontering AB	556190-4466	Sweden	100	100	–
Kerstingjohänner GmbH	HRB 34115	Germany	3	100	–
Kungsåra Bildemontering AB	556158-0811	Sweden	1000	100	100
Magnus Bildemontering AB	556496-7338	Sweden	1000	100	–
Mickes Lackservice AB	556630-6212	Sweden	1000	100	–
Nordic Motor Center AB	556758-6895	Sweden	1000	100	100
Norrbottens Bildemontering AB	556233-8961	Sweden	1000	100	100
Redox Bildelar AB	556477-6861	Sweden	1000	100	100
Redox Miljöhantering AB	556517-9461	Sweden	1000	100	100
RE-PART Sp. z o. o	KRS 0000549966	Poland	100	100	–
Rewinner AB	559144-0952	Sweden	500	100	100
Riihimäen OY	3203799-1	Finland	2500	100	100
Skjeberg Bilopphuggeri AS	916 110 928	Norway	1000	100	–
Styrdon i Sverige AB	559061-9150	Sweden	500	100	100
Svensk Bilåtervinning AB	556544-5953	Sweden	1000	100	100
Svenssons Bildemontering AB	556433-9397	Sweden	1000	100	
Trondheim Bil-Demontering AS	927 506 580	Norway	100	100	–
Trøndelag Bildeler AS	922 674 337	Norway	30	100	–
UBD Cleantech AB	556141-1561	Sweden	3000	100	100
Vimmerby Bildemontering AB	556396-4138	Sweden	5000	100	100
Voss Bilberging AS	919 315 881	Norway	1000	100	–
Växjö Bildemontering AB	556169-7516	Sweden	1000	100	–
Walters Bildelar AB	556336-9981	Sweden	1004	100	–
Østfold Bildemontering AS	984 290 756	Norway	2420	100	100

The parent company holds shares in the following subsidiary:

Autocirc AB	**559214-4314**	**Sweden**	**100**	**1 032**	**100**

The movements in the net carrying amount of during the year:	Parent company	
	2022-12-31	**2021-12-31**
Accumulated cost brought forward	245 529	103 200
Obtained shareholder contributions	194 363	142 329
Accumulated cost carried forward	**439 892**	**245 529**
Residual value	439 892	245 529

NOTE 25 Receivables from group companies

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Accumulated receivables brought forward	–	–	25	–
New receivables	21 003	–	900 692	25
Payment/amortisation	–	–	-25	–
Accumulated receivables carried forward	**21 003**	**0**	**900 692**	**25**
Residual value	**21 003**	**0**	**900 692**	**25**

NOTE 26 Participations in associates and joint ventures

The carrying amount of investments accounted for using the equity method is as follows:

	Group	
	2022-12-31	2021-12-31
Accumulated cost brought forward	0	0
Investment in joint venture	2 504	0
Total investments accounted for using the equity method	**2 504**	**0**

The Group's share of profit from equity accounted investments is as follows:

	2022	2021
Investment in joint venture	0	0
Total share of profit from equity accounted investments	**0**	**0**

Investments in joint venture

The group has the following associates, where neither associate is individually material to the group:

Name	Reg no	Number of shares	Share %	Residual value
Esse Solar and Energy Park Ab	3298270-7	1 000	45	1 000

NOTE 27 Participation in other companies

	Group	
	2022-12-31	2021-12-31
Accumulated cost brought forward	821	–
Acquisitions	892	–
Accumulated cost carried forward	1 713	0
Residual value	**1 713**	**0**

NOTE 28 Other long-term securities

	Group	
	2022-12-31	2021-12-31
Accumulated cost brought forward	821	121
Acquired through business combinations	4 153	–
Acquisitions	–	700
Accumulated cost carried forward	4 974	821
Residual value	**4 974**	**821**

NOTE 29 Deferred tax assets and liabilities

Deferred taxes arising from temporary differences are summarised as follows:

Changes during year:		Recorded in			
	2022-01-01	Acquisitions	Other comprehensive income	Profit or loss	2022-12-31
Deferred tax assets					
Tangible fixed assets	220		–	–	220
Lease liabilities	–		–	91 495	91 495
Deferred tax liabilities					
Untaxed reserves	-3 505	-6 492	–	-10 973	-20 970
Right-of-use assets	–		–	-88 967	-88 967
	-3 285		**–**	**-8 445**	**-18 222**

Changes during year:		Recorded in			
	2021-01-01	Acquisitions	Other comprehensive income	profit or loss	2021-12-31
Deferred tax assets					
Tangible fixed assets	–	–	–	220	220
Deferred tax liabilities					
Untaxed reserves	-266	–	–	-3 239	-3 505
	-266	**–**	**–**	**-3 019**	**-3 285**

All deferred tax assets (excluding tax losses and other tax credits) have been recognised in the statement of financial position.

NOTE 30 Other long-term receivables

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Accumulated receivables brought forward	512	225	–	–
Acquired through business combinations	651	–	–	–
New receivables	–	287	–	–
Accumulated receivables carried forward	1 163	512	0	0
Residual value	**1 163**	**512**	**0**	**0**

NOTE 31 Trade and other receivables

Trade and other receivables consist of the following:

	Group	
	2022-12-31	2021-12-31
Trade receivables, gross	108 861	51 179
Allowance for credit losses	-72	-358
Trade receivables	**108 789**	**50 821**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Note 48 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. Both the current and comparative impairment provisions apply the IFRS 9 expected loss model.

NOTE 32 Prepaid expenses and accrued income

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Prepaid rents	9 372	1 107	–	–
Prepaid insurance costs	1 734	389	–	–
Accrued income	7 777	103	–	–
Other prepaid expenses	4 618	4 864	–	–
Other	–	2 972	–	–
Carrying amount	**23 501**	**9 435**	**0**	**0**

NOTE 33 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Cash at bank and in hand:				
- SEK	75 678	51 094	43 069	–
- EUR	24 030	7 520	–	–
- GBP	7 860	16 037	–	–
- PLN	194	–		
- NOK	61 200	14 695	–	–
	168 962	**89 346**	**43 069**	**–**

NOTE 34 Equity

Share capital

The share capital of the parent company consists only of fully paid ordinary shares with a nominal (par) value of SEK 0,005 SEK per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the parent company.

	2022-12-31	2021-12-31
Shares issued and fully paid:		
- Beginning of the year	103 200 000	103 200 000
Shares issued and fully paid	103 200 000	103 200 000
Total shares authorised at 31 December	**103 200 000**	**103 200 000**

Other contributed capital/Share premium

Proceeds received in addition to the nominal value of the shares issued during the year have been included in share premium, less registration and other regulatory fees and net of related tax benefits. Other contributed capital also includes shareholder contributions and group contribution received from owners.

Reserves

Reserves consists of exchange differences.

NOTE 35 Provisions

All provisions are considered current in the group and are classified under the heading "Provisions" in the parent company. The carrying amounts and the movements in the provisions account are as follows:

Group	Restructuring	Other	Total
Carrying amount 1 January 2021	–	–	–
Carrying amount 31 December 2021	0	0	0
Additional provisions	–	320	320
Carrying amount 31 December 2022	**0**	**320**	**0**

Provisions recognised at acquisition date in a business combination are included in additions. Provisions classified as held for sale are included within amount utilised.

Other provisions relate to various legal and other claims by customers, such as warranties for which customers are covered for the cost of repairs.

Usually, these claims are settled between 3 and 18 months from initiation, depending on the procedures used for negotiating the claims. As the timing of settlement of these claims is to a large extent dependent on the pace of negotiation with various counterparties and legal authorities, the group cannot reliably estimate the amounts that will eventually be paid in settlement after more than 12 months from the reporting date. Therefore, the amount is classified as current.

NOTE 36 Credit institutions and lease liabilities

The Group has a super senior revolving credit facility with Nordea of SEK 250 million, whereof utilised SEK 85 million.

Availability period: The period from and including the date of the SSRCF (the date being June 17, 2022) to and including the date falling thirty (30) days before the Termination Date (the earlier of i) three (3) years after the date of the SSRCF and (ii) three months prior to the bond Maturity Date, see note 37). Interest is market based.

Liabilities due after more than five years are as follows.

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Credit institutions	1 913	–	–	–
Lease liabilities	183 022	69 817	–	–
	184 935	**69 817**	**0**	**0**

NOTE 37 Bond loans

During Q2 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 term of the bond is three years and interest is market-based.

All conditions in the form of covenants are fulfilled as of December 31, 2022. Complete Terms and Conditions can be found on our homepage:

https://autocirc.com/wp-content/uploads/2023/01/Project-Circularity-AR-Terms-and-Conditions-Jan-2023-Executed1.pdf

NOTE 38 Other long-term liabilities

There are no liabilities due after more than five years.

NOTE 39 Bank overdraft facilities

Trade and other receivables consist of the following:

	Group	
	2022-12-31	2021-12-31
Bank overdraft facilities granted	0	75 000

NOTE 40 Other liabilities

Other liabilities consist of the following:

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Non-current				
Contingent considerations	47 662	14 500	–	–
Other	33 492	20 312	–	–
Total	**81 156**	**34 813**	**0**	**0**

NOTE 41 Accrued expenses and deferred income

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Employee related costs	44 126	14 713	–	–
Interest	4 622	148	3 758	–
Property costs	854	5 526	–	–
Prepaid income	715	–	–	–
Year-end procedures	1 407	–	–	–
Acquisition costs	570	1 642	–	–
Other	11 388	15 951	300	–
Carrying amount	**63 682**	**37 980**	**4 058**	**0**

NOTE 42 Pledged assets and contingent liabilities

	Group		Parent company	
Pledged assets	**2022-12-31**	**2021-12-31**	**2022-12-31**	**2021-12-31**
To secure own liabilities:				
Liabilities to credit institutions				
Property mortage	–	2 000	–	–
Floating charge	–	35 080	–	–
Pledged shares in subsidiaries	308 486	163 770	308 486	163 770
Assets with ownership reservations	31 267	–	–	–
Other pledged assets	353	–	–	–
Total	**340 106**	**200 850**	**308 486**	**163 770**
Contingent liabilities				
Bill of lading guarantee	–	1 500	–	–
Bank guarantee	5 450	400	–	–
Warranty	–	550	–	–
Other contingent liabilities	4 012	681	–	–
Total	**9 462**	**3 131**	**0**	**0**

NOTE 43 Information about the group

The parent company is owned at 100% by Autocirc Industriutveckling AB, reg no 559267-3452 with domicile in Stockholm. The Autocirc Industriutveckling AB was as of February 2023 acquired by Circauto BidCo AB, reg no 559382-5689, which is owned by Nordic Capital and part of Autocirc management.

NOTE 44 Related party transactions

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 (for transactions with key management personnel see note 6):

	Group	
	2022-12-31	**2021-12-31**
Sales of goods and services between subsidiaries	86 519	17 500
Rent of premises from related party	25 805	1 194
Contracted managing director from related party	55	20
Other contracted staff from related party	2 553	1 416
	114 932	20 130
Total	**17 140**	**1 606**

NOTE 45 Non-cash adjustments and changes in working capital

The following non-cash flow adjustments have been made before tax to arrive at cash flow from operating activities before changes in working capital:

	Group		Parent company	
	2022-12-31	**2021-12-31**	**2022-12-31**	**2021-12-31**
Depreciation and amortisation of non-financial assets	57 941	22 452	–	–
Foreign exchange losses/gains	-1 581	6 194	–	–
Change in provisions	2 980	246	–	–
Gain on disposal of non-financial assets	–	-16 814	–	–
Total adjustments	**59 340**	**12 078**	**0**	**0**

NOTE 46 Reconciliation of liabilities arising from financing activities

The changes in the group's liabilities arising from financing activities can be classified as follows:

Group	**Bond loans**	**Liabilities to credit institutions**	**Bank overdraft facilities**	**Other liabilities**	**Lease liabilities**	**Total**
Balance at 1 January 2022	**-**	**270 221**	**51 696**	**144 230**	**195 599**	**661 746**
Cash flows:						
- Repayments	-	-367 839	-51 696	-	-	-419 535
- Proceeds	995 196	41 436	-			1 036 632
Non-cash:						
- Fair value	-4 804	-	-			-4 804
- Reclassification	-	158 923		177 342	248 546	584 811
Balance at 31 December 2022	**990 392**	**102 741**	**-**	**321 572**	**444 145**	**1 858 850**

Group	**Bond loans**	**Liabilities to credit institutions**	**Bank overdraft facilities**	**Other liabilities**	**Lease liabilities**	**Total**
Balance at 1 January 2021	-	49 419	388	3 500	12 473	65 780
Cash flows:						
- Repayments	-	-	-	-	-17 977	-17 977
- Proceeds	-	42 831	51 308	140 730		234 869
Non-cash flow adjustments:						
	-	177 971	-	-	201 103	379 074
Balance at 31 December 2021	**-**	**270 221**	**51 696**	**144 230**	**195 599**	**661 746**

NOTE 47 Business combinations

Acquisitions 2022

During the period January - December 2022 the group acquired 100% of the equity instruments of 20 companies with business in dismantling and recycling, thereby obtaining control. The companies are based in Sweden, Finland, Germany, Norway and Poland. 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.

The details of the business combination are as follows:

	Sweden	Norway	Finland	Other
	2022-12-31	2022-12-31	2022-12-31	2022-12-31
Fair value of consideration transferred				
Amount settled in cash	391 815	285 338	38 258	71 219
Promissory note loan	33 500	11 438	–	–
Fair value of contingent consideration	81 500	67 041	–	21 461
Total	**506 815**	**363 817**	**38 258**	**92 680**
Recognised amounts of identifiable net assets				
Cash and cash equivalents	65 335	35 864	4 269	12 447
Total non-current assets	72 197	23 841	1 320	2 990
Current assets	86 720	28 516	11 698	11 433
Loans	-4 040	-5 057	–	-585
Deferred tax liabilties	-9 818	-3 100	-815	-7 157
Trade and other payabled	-73 560	-28 366	-747	-8 246
Identifiable net assets	**136 834**	**51 698**	**15 725**	**10 882**
Goodwill on acquisition	369 981	312 119	22 533	81 798
Consideration transferred settled in cash	399 525	285 338	38 258	71 219
Cash and cash equivalents acquired	-65 335	-35 864	-4 269	-12 447
Net cash outflow on acquisition	**334 190**	**249 474**	**33 989**	**58 772**
Acquisition costs charged to expenses	10 864	2 547	623	4 738
Net payment on acquisition	345 054	252 021	34 612	63 510

Acquisition-related costs

Acquisition-related costs amounting to kSEK 18 772 are not included as a 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 aquired companies contribution to the Group results

The companies incurred a profit (before tax) of kSEK 46 581 to the reporting date. Revenue for the months when the companies have been within the group to 31 of December 2022 was kSEK 417 821. If the companies had been acquired on 1 Januari 2022, revenue for the Group would have been kSEK 1 347 639, and profit (before tax) for the year would have increased by kSEK 78 555.

Acquisitions 2023

During 2023 the Group has made 6 additional acquistions for which the purchase price analysis are not finalized and therefore not presented in this report.

NOTE 48 Financial instruments risk

Risk management objectives and policies

The group is exposed to various risks in relation to financial instruments. The group's financial assets and liabilities by category are summarised in Note 23. The main types of risks are market risk, credit risk and liquidity risk.

The group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the group is exposed are described below.

The Group has not entered into derivatives or hedging of foreign currencies as it is not applied in the Group.

Market risk analysis

The group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the group's transactions are carried out in SEK. Exposures to currency exchange rates arise from the group's European sales and purchases, which are primarily denominated in euro (EURO), Norwegien krona (NOK) polish zloty (PLN) and Pounds Sterling (GBP).

Foreign currency denominated financial assets and liabilities which expose the group to currency risk are disclosed below. The amounts shown are those reported to key management translated into SEK at the closing rate:

	EUR	GBP	NOK	PLN
2022-12-31				
Financial assets	54 587	23 487	78 427	3 936
Financial liabilities	-67 727	-15 438	-107 650	-914
Total exposure	**-13 140**	**8 049**	**-29 223**	**3 022**
2021-12-31				
Financial assets	14 173	26 709	18 282	–
Financial liabilities	-13 868	-5 416	-5 453	–
Total exposure	**305**	**21 293**	**12 829**	**–**

If the SEK had weakened/strengthened against the EUR by 10 % (2021: 10 %), GBP by 10% (2021: 10 %), NOK by 10% (2021: 10 %) and PLN by 10% (2021:0%) respectively then this would have had the following impact, mainly related to gains/losses related to recalculation of trade payables (EUR and NOK) and trade receivables (GBP):

	EUR	GBP	NOK	PLN	Total
2022-12-31	-1 300	800	-2 922	300	-3 122
2021-12-31	30	2 200	1 200	–	3 430

Interest rate sensitivity

The group's policy is to minimise interest rate cash flow risk exposures on long-term financing. During Q2 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 term of the bond is three years and interest is market-based.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 3 %. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year		Equity	
	+ 3 %	- 3 %	+ 3 %	- 3 %
2022-12-31	26 202	-26 202	26 202	-26 202

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the group. The group is exposed to this risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

Credit risk management

The credit risk is managed on a group basis based on the group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

The Group continuously monitors the credit quality of customers based on a credit ratingscorecard. Where available, external credit ratings and/or reports on customers are obtained andused. The group's policy is to deal only with credit worthy counterparties. The credit terms range between 10 and 30 days although cash on delivery is used to great extend. The credit terms for customers as negotiated with customers are subjectto an internal approval process which considers the credit rating scorecard. The ongoing credit riskis managed through regular review of ageing analysis, together with credit limits per customer.

Service and repair customers are mainly various insurence companies with long term contract agreements mitigating the credit risk.

Trade receivables consist of a large number of customers in various industries and geographical areas.

Security

Trade receivables consist of a large number of customers in various industries and geographical areas. The group does not hold any security on the trade receivables balance.

In addition, the group does not hold collateral relating to other financial assets (eg derivative assets, cash and cash equivalents held with banks).

Trade receivables

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collectivebasis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past year respectively as well as the corresponding historical credit losses during prevouis periods. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (ie derecognised) when there is no reasonable expectation of recovery. On the above basis the expected credit loss for trade receivables as at 31 December 2022 was determined as follows:

2022-12-31	Trade receivables days past due					
	Current	1 - 30 days	More than 30 days	More than 60 days	More than 90 days	Total
Trade recievables, gross	66 713	33 166	6 495	1 027	1 460	108 861
Expected credit loss	–	–	-52	-80	–	-132
Reversed during the year	10				50	60
Trade recievables,net	66 723	33 166	6 443	947	1 510	108 789

Liquidity risk analysis

Liquidity risk is that the group might be unable to meet its obligations. The group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

As of December 31, 2022, the group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised on next page:

2022-12-31	Current		Non-current	
	within 6 months	6 to 12 months	1 to 5 years	later than 5 years
Lease liabilities	30 718	30 718	186 146	183 022
Liabilities to credit institutions	–	2 750	98 078	1 913
Bank overdraft	–	–	–	–
Other liabilities	81 156	2 500	271 410	–
Bond loans	–	–	962 885	–
Accrued expenses	37 030	44 126	–	–
Trade and other payables	74 071	–	–	–
Total	**222 975**	**80 094**	**1 518 519**	**184 935**

This compares to the maturity of the group's non-derivative financial liabilities in the previous reporting period as follows:

2021-12-31	Current		Non-current	
	within 6 months	6 to 12 months	1 to 5 years	later than 5 years
Lease liabilities	13 658	13 658	96 467	71 816
Liabilities to credit institutions	4 875	15 762	249 584	–
Bank overdraft	–	51 969	–	–
Other liabilities	22 812	12 000	137 230	–
Bond loans	–	–	–	–
Accrued expenses	27 744	10 326	–	–
Trade and other payables	30 981	–	–	–
Total	**100 070**	**103 715**	**483 281**	**71 816**

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

NOTE 49 Fair value measurement

Fair value measurement of financial instruments:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

* Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
* Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
* Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

2022-12-31	Level 1	Level 2	Level 3	Total
Financial liabilities				
Contingent consideration *(note 23)*	–	–	308 355	308 355
Total liabilities	**–**	**–**	**308 355**	**308 355**
Net fair value	**–**	**–**	**308 355**	**308 355**

2021-12-31	Level 1	Level 2	Level 3	Total
Financial liabilities				
Contingent consideration *(note 23)*	–	–	141 540	141 540
Total liabilities	**–**	**–**	**141 540**	**141 540**
Net fair value	**–**	**–**	**141 540**	**141 540**

Fair value of Bond loans as of December 31, 2022: 101% of nominal value 1 000 000 TSEK

Bond loans are recognised at amortised cost with disclosure of the fair value per December 31, 2022, The fair value for the bond loans are at Level 1.

Measurement of fair value of financial instruments

The group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the group's reporting dates.

The following valuation techniques are used for instruments categorised in Level 3:

Contingent consideration (Level 3)
The fair value of contingent consideration related to the acquisition of the subsidiaries (see Note 23) is estimated using a present value technique. The SEK 308 fair value is estimated by probability-weighting the estimated future cash outflows and in accordance with the parameters stipulated in the agreement.

Level 3 fair value measurements

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	Contingent consideration
Balance at 1 January 2021	**7 500**
Acquired through business combination	152 861
Contingent consideration, paid	-18 576
Amount recognised in profit or loss	–
Balance at 31 December 2021	**141 785**
Acquired through business combination	171 570
Contingent consideration, paid	-5 000
Amount recognised in profit or loss	–
Balance at 31 December 2022	**308 355**
Total amount included in profit or loss for unrealised losses on Level 3 instruments	
- other operating income	–
- other operating expenses	–

NOTE 50 Capital management policies and procedures

The group' s capital management objectives are:

* to ensure the group's ability to continue as a going concern
* to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.

The group's goal in capital management is to maintain a capital-to-overall financing ratio of maximum levarage ratio of 6. This is in line with the Group's covenants resulting included in the terms of the bond loan.

Management assesses the group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the group's various classes of debt. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Capital-to-overall financing ratio

The group has honoured its covenant obligations, including maintaining capital ratios, since the subordinated loan was taken out in 2022. The ratio-reduction during 2022 is primarily a result of financing the acquisition.

NOTE 51 Appropiations of earnings

The following profit/losses brought forward are to be decided upon by the annual general meeting:

Share premium reserve	51 175
Profit brought forward	388 423
Loss for the year	-19 384
	420 214

The board of directors propose that total profit brought forward is appropriated as follows:	
to be carried forward	**420 214**
	420 214

NOTE 52 Post-reporting date events

The adjustment occurred between the 31 December reporting date, Q4 report, and annual report for 2022 is related to the acquisition of Kerstingiohänner GMBH due to revaluation of the Inventory which have an impact on the goodwill calculation. Additionally 6 aquisitions have been made during Q1 2023 located in France, Sweden and Norway.

NOTE 53 Definiton 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 54 Authorisation of financial statements

The consolidated financial statements for the year ended 31 December 2022 (including comparatives) were approved for publication by the board of directors on 30 March 2023. The group's profit and loss statements and balance sheets will be submitted to the annual general meeting 2023-05-23 for approval.

Borås, March 30, 2023.

Johan Livered	**Robert Louis Wagman**	**Joakim Lundvall**
CEO	Chariman of the Board	Boardmember
Mattias Pettersson	**Owe Xie**	
Boardmember	Boardmember	

Auditor's report

To the general meeting of the shareholders of Autocirc Group AB (publ), corporate identity number 559267-3478

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Autocirc Group AB (publ) for the year 2022.The annual accounts and consolidated accounts of the company are included on pages 76-129 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1–75. The Board of Directors and the Managing Director are responsible for the other information. Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Autocirc Group AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Gothenburg the 28 April 2023

Ulrika Ramsvik
Auktoriserad revisor

Appendix

About the report

This report covers the legal entity Autocirc Group AB, company reg. no. 559567-3478.

The reporting cycle is annual and follows the calendar year. This report covers our performance for the 2022 financial and calendar year.

The sustainability report has not been externally audited. The report is available on the Autocirc website, www.autocirc.com.

For questions about this report, please contact:
Johan Rafstedt, CFO, johan.rafstedt@autocirc.com
Gisela Nordlin, CMO at gisela.nordlin@autocirc.com

Contact information
Autocirc AB
Österlånggatan 69
SE-503 37 Borås
www.autocirc.com

autocirc.com @autocirc #everypartcounts