

INTERIM REPORT 2023 | Q1



FOR A CIRCULAR AUTO PARTS INDUSTRY

Events in the first quarter of 2023

We began the year on a strong note by entering the French market in January through the acquisition of dismantling companies Coram Auto SAS and Beck Export Automobile SAS.

In February, we announced the acquisition of Ådalens Bildemontering AB, a leading Swedish company specializing in dismantling and sales of vehicle parts for cars, motorcycles and trucks. This strengthens our position in the central and northern regions of Sweden.

During February, we also finalized the agreement with Nordic Capital, which now serves as Autocirc's primary owner. This lays the groundwork for continuing our ambitious expansion plans.

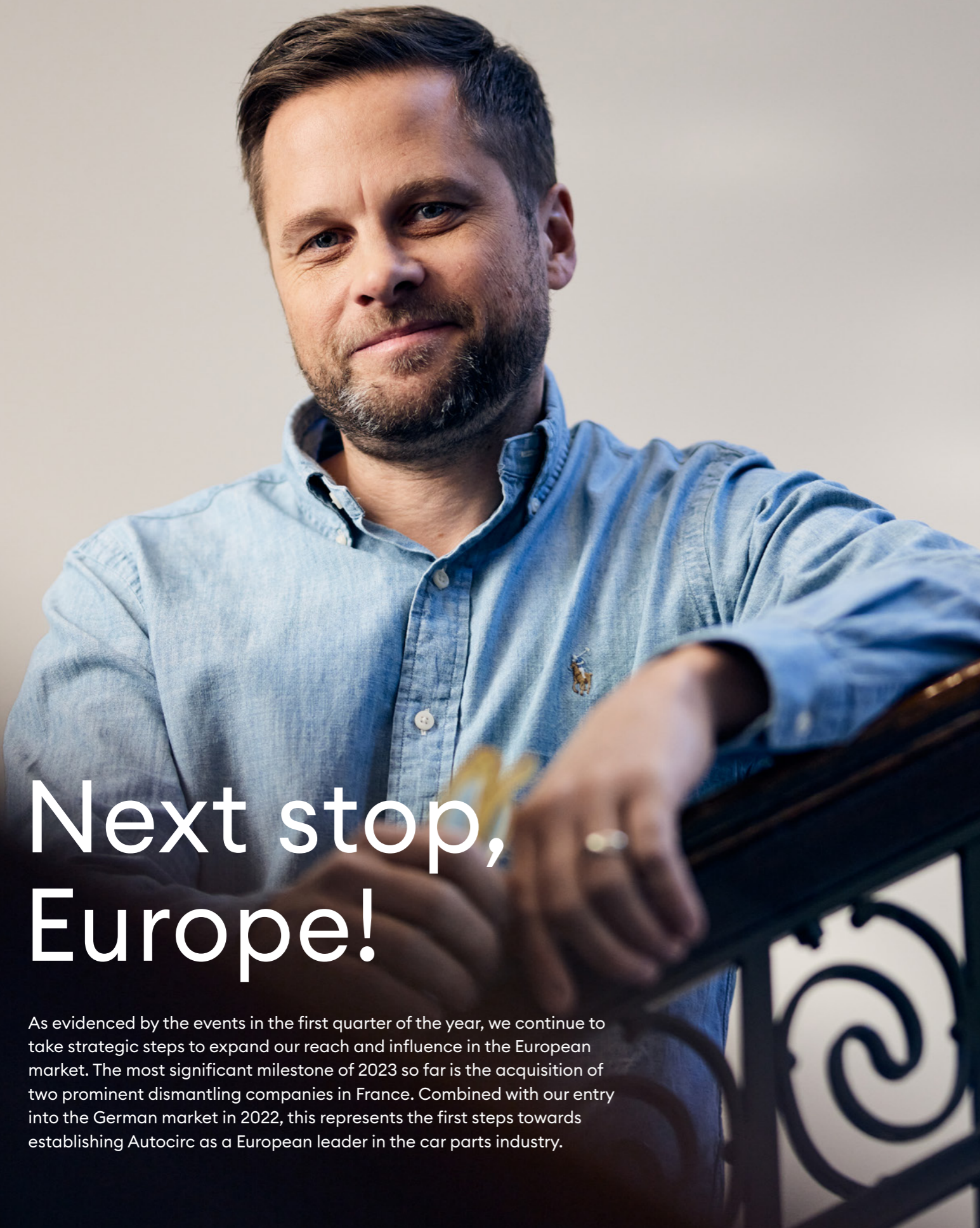
In March, we acquired two Norwegian dismantling companies, Rogaland Bildeler AS and Delehuset AS. In addition to strengthening our position in Norway, Delehuset's specialization in truck parts also makes us a more complete supplier of spare parts to the automotive industry.

Events after the first quarter of 2023

In April and May, we continued to expand through two Nordic acquisitions that considerably enhance our influence in the vehicle parts sector. The Swedish STS Group is a leading remanufacturer of transmissions in Europe, consisting of subsidiaries STS AB (Scandinavian Transmission Service), LBM Autoparts AB and Vaihteistokeskus Oy in Finland. Additionally, we acquired RM-Trucks Oy, a Finnish company specializing in dismantling, machinery and sales of spare parts for heavy vehicles.



Comments from our CEO



Next stop, Europe!

As evidenced by the events in the first quarter of the year, we continue to take strategic steps to expand our reach and influence in the European market. The most significant milestone of 2023 so far is the acquisition of two prominent dismantling companies in France. Combined with our entry into the German market in 2022, this represents the first steps towards establishing Autocirc as a European leader in the car parts industry.

“We are now increasing our focus on organic growth by leveraging the synergies within our group of successful independent companies.”

Financial performance

We have had a continuously strong market development in the first quarter of 2023, and we expect the demand for reused car parts to continue increasing. However, the previously high prices for scrap metal have slightly decreased, resulting in lower sales revenues in this segment.

During this first quarter, we have had the pleasure of announcing five new companies as members of Autocirc. In addition to these acquisitions, we also finalized the agreement with Nordic Capital as the new majority owner of Autocirc. This established a solid financial platform and the necessary capital for continued growth.

In addition to the growth achieved through acquisitions, we are now increasing our focus on organic growth by leveraging the synergies within our group of successful independent companies.

The majority of our business units have shown strong performance in the beginning of the year. The gross profit is somewhat impacted by increased costs for the purchase of vehicles and parts. Additionally, we are experiencing higher costs related to personnel stemming from both our new growth initiatives and the overall pressure on salary expenses caused by inflation.

Our company, UBD Cleantech, is nearing the finalization of the development of its renovation process. This has required some investments and restructuring costs. The expected benefits from this project are anticipated in the financial results during the second half of 2023.

Risk and risk management

The main risks associated with our group are outlined in detail in our Annual & Sustainability Report for 2022.

Throughout the first quarter of 2023, we have primarily been affected by increasing interest rates. This development was expected, and proactive measures were taken to bolster our equity ratio by injecting new capital. This strategic move has strengthened us and established a solid foundation for future expansion.

Energy prices have continued to fluctuate, but the cost level was slightly lower than anticipated and had a limited impact on our overall results. Nevertheless, we experienced indirect negative impacts from higher freight costs across all segments.

In these uncertain times, businesses across various industries are facing turbulence. We are however confident in the resilience of our organization. As investments are postponed, our offering becomes even more attractive as both individuals and companies tend to keep and repair their vehicles rather than buying new ones. This trend positions us favorably in the market and contributes to our continued success.

”As we continue to grow, so does our value chain and its flow of component reuse and remanufacture.”

ESG achievements

For complete review of our ESG achievements during 2022, see our Annual & Sustainability Report for 2022. This includes a report of our climate performance, visualizing our carbon emissions as well as energy and water intensity. Furthermore, we explain how our group’s activities align with the taxonomy.

According to our calculations, 95% of our total revenue for 2022 falls under the taxonomy’s eligibility criteria. Our analysis shows no areas where our activities fail to meet the technical criteria or significantly harm any of the other objectives. While we cannot currently guarantee alignment for all screening criteria, we are confident that we are moving in the right direction. This means that 95% of our revenue stems from activities classified as environmentally sustainable and listed as economic activities. Going forward, our focus will be on ensuring continued alignment with the taxonomy.

We started the year by conducting training sessions on the handling of electric cars and batteries. The purpose of this training was to enhance internal competence in safely managing damaged electric cars within our operations. The training was conducted in multiple rounds and received positive feedback from participants.

In the first quarter, we also made progress on our project involving small-scale renovation of body parts and headlights. This collaborative effort between our dismantlers and workshops began in 2022 and continued with new tests and time studies in 2023. We are happy to announce that, in addition to offering reused parts, we can now provide locally produced renovated products to our customers. This aims to further increase reuse and strengthen our circular business model.

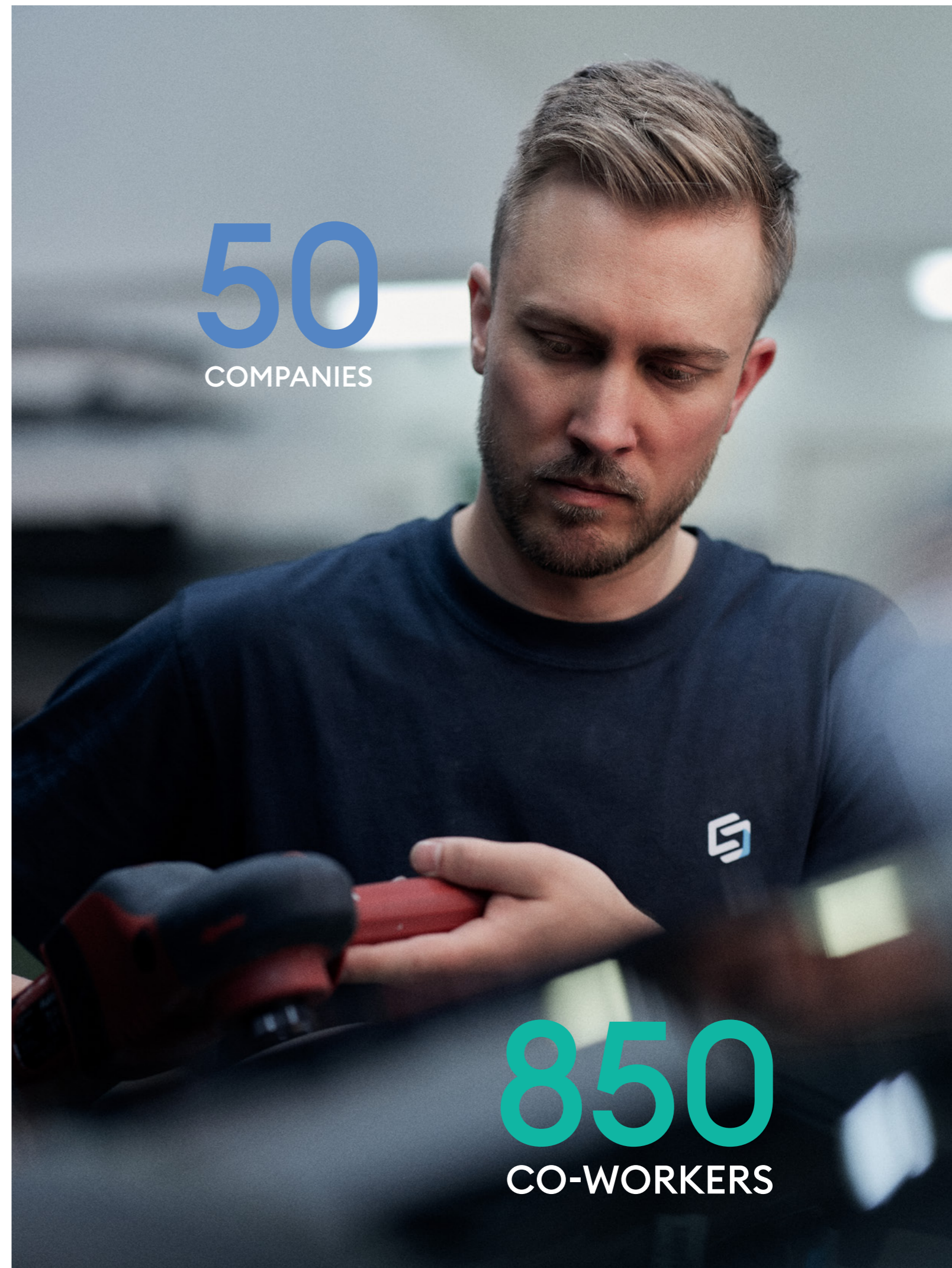
Looking ahead

We continue to follow through on our growth strategy and are ready to shift our focus towards Europe. We are confident in our organisation, which has continued to deliver impressive results despite a turbulent global operating environment.

The Autocirc Group now consists of more than 50 companies and 850 co-workers. As we continue to grow, so does our value chain and its flow of component reuse and remanufacture. By further optimising our shared platform, we create new opportunities for dismantlers, core traders, remanufacturers and workshops to streamline their processes and collaborate to increase the availability of used car parts.

By connecting companies that specialize in every aspect of the reuse, repurpose, remanufacture and recycling of vehicle parts, we are paving the way for a circular future.

Johan Livered
CEO of Autocirc
Borås, May 2023



50
COMPANIES

850
CO-WORKERS



Financial summary

Jan – Mar

Net sales for the Group amounted to SEK 426 million (230), an increase of 86% compared to the corresponding period last year. Acquired sales have contributed with SEK 135 million on net sales and organic sales by SEK 61 million. The Group's earnings before depreciation and amortisation amounted to SEK 50 million, equating to an EBITDA margin of 11,6% (18,0%). The quarterly earnings before depreciation have continued to be affected by a higher cost structure through acquisitions and increased cost for premises as well as one-off costs. Non-recurring items burdened the quarterly profit mainly relating to building up the organisation. After adjustment on non-recurring items the underlying earnings before depreciation and amortisation amounted to SEK 65 million, which resulted in an underlying adjusted EBITDA margin of 15,2% (19,8%).

PF LTM

Net sales for the Group amounted to SEK 1776 million. Acquired sales have contributed with SEK 409 million. The Group's earnings before depreciation and amortisation amounted to SEK 217 million, equating to an EBITDA margin 12,2%. The earnings before depreciation have been affected by a higher cost structure through acquisition and increased volumes as well as one-off costs. Non-recurring items that burdened the profit mainly relating to acquisitions and building up the organisation. After adjustment of non-recurring items the underlying earnings before depreciation and amortisation amounted to SEK 273 million, which resulted in an underlying EBITDA margin of 15,4%.

Financial position

Autocirc Group AB placed a bond in the market during Q2 2022. The total aggregated nominal amount of the Initial Bond is SEK 1 billion with the possibility of issuing additional Bonds up to the maximum aggregated amount of SEK 1,5 SEK billion. The bond is listed on the corporate bond list of Frankfurt Open Market.

The term of the bond is three years with an interest rate of 3-months STIBOR + 875 basis point. All conditions in the form of covenants are fulfilled as per 23-03-31.

Complete Terms and Conditions can be found on our homepage:
<http://autocirc.com/wp-content/uploads/2022/07/Project-Circularity-Terms-and-Conditions.pdf>

In addition, Autocirc AB have a super senior revolving credit facility which at the end of Q1 2023 was 275 MSEK.

Financial summary	Q1			PF LTM ¹⁾	Full-year
	2023	2022	Δ%		
SEKm					2022
Net Sales	426	230	86%	1776	1084
Organic growth	61	-	-	283	156
Acquired growth	135	-	-	409	476
Gross Profit	260	137	89%	1082	677
EBITDA	50	41	20%	217	126
EBITDA-margin, %	11,6%	18%	-	12,2%	11,6%
Adjusted EBITDA	65	45	43%	273	175
Adj. EBITDA-margin, %	15,2%	19,8%	-	15,4%	16,1%
EBITA	31	34	-9%	138	68
EBITA-margin, %	7,2%	14,8%	-	7,7%	6,3%
Adjusted EBITA	43	38	12%	194	117
Adj. EBITA-margin, %	10,0%	16,7%	-	10,9%	10,8%
Cash flow from operating activities	-62	8	-833%	-38	-38
Adjusted Cash flow from operating activities	53	29	85%	262	140
Cash conversion	82%	63%	-	96%	83%
Net Debt/ Adj. EBITDA	5,3x	-	-	5,3x	-

¹⁾ These are alternative performance measures. Refer to Note 20 for definitions.

Income statements

Consolidated statements				
kSEK	Notes	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Operating income etc.				
Revenue	6	416 075	226 056	1 069 681
Change in inventories of products in progress, finished goods and work in progress		2 282	–	1 348
Other operating income		7 787	3 609	12 906
Total operating income etc.		426 144	229 665	1 083 935
Operating expenses				
Raw materials and consumables		-30 975	-5 165	-6 016
Goods for resale		-135 571	-87 155	-401 147
Other external expenses		-95 498	-40 046	-233 514
Employee benefit expenses		-113 748	-55 749	-316 283
Depreciation, amortisation and impairment of tangible and intangible fixed assets		-21 645	-7 215	-57 941
Other operating expenses		-850	-235	-731
Total operating expenses		-398 287	-195 565	-1 015 632
Operating profit/loss		27 857	34 100	68 303
Gain (loss) from financial items:				
Gain (loss) from participation in associates and joint ventures		-35	30	70
Gain (loss) from other securities and receivables classified as fixed assets		–	6	2
Finance income	7	461	211	2 533
Finance costs	8	-85 837	-8 747	-99 794
Profit/Loss after financial items		-57 554	25 600	-28 886
Tax expense		-10 377	-8 550	-50 115
Earnings for the interim period/year		-67 931	17 050	-79 001

Other comprehensive income

Consolidated statements				
kSEK	Notes	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Profit/Loss for the year				
Exchange differences on translating foreign operations		-10 084	331	16 835
Other comprehensive income for the interim period/year, net of tax		-10 084	331	16 835
Total comprehensive income for the interim period/year		-78 015	17 381	-62 166
Earning for the interim period/year attributable to:				
Owners of the parent		-67 940	16 960	-79 116
Non-controlling interest		9	90	115
		-67 931	17 050	-79 001
Total comprehensive income for the interim period/year attributable to:				
Owners of the parent		-79 377	17 238	-62 415
Non-controlling interest		1 362	143	249
		-78 015	17 381	-62 166

Balance sheets

Consolidated statements				
kSEK	Notes	2023-03-31	2022-03-31	2022-12-31
ASSETS				
Fixed assets				
Intangible fixed assets				
Capitalised expenditure for development and similar work		120	6 401	145
Trademarks		403	485	411
Rights to tenancy and similar rights		1 432	-	1 021
Goodwill	11	1 719 247	765 162	1 283 246
Total intangible fixed assets		1 721 202	772 048	1 284 823
Tangible fixed assets				
Land and buildings		74 897	183 603	51 413
Right of use assets	12	508 720	134 932	431 881
Plant and machinery		53 756	15 132	48 539
Equipment, tools, fixtures and fittings		54 229	31 967	44 632
Construction in progress		2 932	2 029	969
Total tangible fixed assets		694 534	367 663	577 434
Financial fixed assets				
Shares in associated companies		3 852	-	2 504
Receivables from associates and joint ventures		60	-	60
Other participation interests		1 768	-	1 713
Other long-term securities		307	1 796	4 974
Deferred tax assets		-	231	-
Other long-term receivables		7 059	2 371	1 163
Total financial fixed assets		13 046	4 398	10 414
Total fixed assets		2 428 782	1 144 109	1 872 671

Consolidated statements				
kSEK	Notes	2023-03-31	2022-03-31	2022-12-31
Current assets				
Inventories etc.				
Finished products and goods for resale		258 484	120 915	182 943
Work in progress		19 020	8 253	-
Advance payments to suppliers		2 943	172	-
Total inventories etc		280 447	129 340	182 943
Current receivables				
Trade and other receivables		106 161	82 073	108 789
Receivables from group companies		40 349	-	21 003
Current tax receivable		726	423	957
Contract and other receivables		39 080	8 784	20 713
Prepaid expenses and accrued income		59 149	12 620	23 501
Total current receivables		245 465	103 900	174 963
Cash and cash equivalents		167 818	189 466	168 962
Total current assets		693 730	422 706	526 868
TOTAL ASSETS		3 122 512	1 566 815	2 399 539

Balance sheets

Consolidated statements				
kSEK	Notes	2023-03-31	2022-03-31	2022-12-31
EQUITY AND LIABILITIES				
Equity				
Share capital		516	516	516
Other contributed capital		51 175	51 175	51 175
Reserves		8 489	3 574	19 926
Earnings brought forward		684 740	267 404	333 750
Earnings for the interim period/year		-67 931	17 050	-79 001
Equity attributable to owners of the parent company		676 989	339 719	326 366
Non-controlling interest		2 497	1 119	1 135
Total equity		679 486	340 838	327 501
Non-current liabilities				
Warranty provision		320	320	320
Pensions and other employee obligations		8 869	246	8 020
Bond loans	13	964 981	-	962 885
Liabilities to credit institutions		123 127	627 320	14 991
Lease liabilities	14	468 882	119 547	404 268
Deferred tax liabilities		22 332	9 471	18 222
Other liabilities		444 234	171 778	273 910
Total non-current liabilities		2 032 745	928 682	1 682 616
Current liabilities				
Bank overdraft facilities		6 843	116 144	-
Liabilities to credit institutions		9 543	2 948	87 750
Lease liabilities		52 832	16 810	39 880
Advance payments from customers		1 646	4 861	5 928
Trade and other payables		73 098	44 626	74 071
Current tax liabilities		22 684	10 997	36 955
Other liabilities		112 486	56 059	81 156
Accrued expenses and deferred income		131 149	44 850	63 682
Total current liabilities		410 281	297 295	389 422
Total liabilities		2 443 026	1 225 977	2 072 038
TOTAL EQUITY AND LIABILITIES		3 122 512	1 566 815	2 399 539

Consolidated statement of changes in equity

Group	Notes	Share capital	Other components of equity	Reserves	Retained earnings	Total attributable to owners of parent	Non-controlling interest	Total equity
Opening balance								
2022-01-01		516	51 175	3 225	139 302	194 218	886	195 104
Shareholders' contribution					128 210	128 210		128 210
Transactions with owners		-	-	-	128 210	128 210	-	128 210
Profit/loss for the period					16 960	16 960	90	17 050
Other comprehensive profit/loss for the period				331		331	143	474
Total comprehensive income/(loss) for the period				331	16 960	17 291	233	17 524
Balance at								
2022-03-31		516	51 175	3 556	284 472	339 719	1 119	340 838
Shareholders' contribution					66 353	66 353		66 353
Transactions with owners		-	-	-	66 353	-	-	66 353
Profit/loss for the period					-96 076	-96 076	25	-96 051
Other comprehensive profit/loss for the period				16 370		16 370	-9	16 361
Total comprehensive income/(loss) for the period				16 370	-96 076	-79 706	16	-79 690
Balance at								
2022-12-31		516	51 175	19 926	254 749	326 366	1 135	327 501
Opening balance								
2023-01-01		516	51 175	19 926	254 749	326 366	1 135	327 501
Shareholders' contribution					430 000	430 000		430 000
Transactions with owners		-	-	-	430 000	430 000	-	430 000
Profit/loss for the period					-67 940	-67 940	9	-67 931
Other comprehensive profit/loss for the period				-11 437			1 353	-10 084
Total comprehensive income/(loss) for the period				-11 437	-67 940	-79 377	1 362	-78 015
Balance at								
2023-03-31		516	51 175	8 489	616 809	676 989	2 497	679 486

Cash flow statements

Consolidated statements				
kSEK	Notes	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Operating activities				
Profit/Loss after financial items		-57 554	25 600	-28 886
Non-cash adjustment		27 842	7 689	59 340
Income tax paid		-20 176	-8 191	-26 565
Cash flow from operating activities before changes in working capital		-49 888	25 098	3 889
Changes in working capital:				
Change in inventories		-27 339	-1 517	-32 097
Change in trade and other receivables		-15 759	7 615	-14 792
Change in trade and other payables		31 416	-22 798	5 306
Net cash flow from operating activities		-61 570	8 398	-37 694
Investing activities				
Acquisition of participations in subsidiaries net of cash acquired		-357 531	-274 171	-824 887
Acquisition of intangible fixed assets		-	-	-615
Acquisition of tangible fixed assets		-2 863	-105 636	-19 578
Disposal of tangible fixed assets		-	6 219	189 230
Cash flow from investing activities		-360 394	-373 588	-655 850
Financing activities				
Shareholders' contribution received		430 000	89 710	156 063
New borrowings and lease liabilities		-	365 096	1 036 631
Repayment of borrowings and lease liabilities		-16 023	-53 945	-367 838
Change in bank overdraft facilities		6 843	64 448	-51 696
Cash flow from financing activities		420 820	465 309	773 160
Cash flow for the period		-1 144	100 119	79 616
Cash and cash equivalents at the beginning of the period		168 962	89 346	89 346
Cash and cash equivalents at end of period		167 818	189 465	168 962

Income statements

Parent company				
kSEK	Notes	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
<i>Operating income etc.</i>				
Total operating income etc.		0	0	0
<i>Operating expenses</i>				
Goods for resale		-	-	-1 957
Other external expenses		-898	-	-
Total operating expenses		-898	0	-1 957
Operating profit		-898	0	-1 957
<i>Gain (loss) from financial items:</i>				
Other interest income and similar items	7	53 460	-	42 029
Interest expense and similar items	8	-58 476	-	-59 456
Profit after financial items		-5 914	0	-19 384
Profit/loss and total comprehensive income for the interim period/year		-5 914	0	-19 384



Balance sheets

Parent company				
kSEK	Note	2023-03-31	2022-03-31	2022-12-31
ASSETS				
Financial fixed assets				
Participations in group companies	18	869 892	245 529	439 892
Receivables from group companies		941 421	-	900 692
Total financial fixed assets		1 811 313	245 529	1 340 584
Total fixed assets		1 811 313	245 529	1 340 584
Current assets				
Current receivables				
Receivables from group companies		31 061	25	4 257
Total current receivables		31 061	25	4 257
Cash and bank		300	-	43 069
Total current assets		31 361	25	47 326
TOTAL ASSETS		1 842 674	245 554	1 387 910

Balance sheets

Parent company				
kSEK	Note	2023-03-31	2022-03-31	2022-12-31
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		516	516	516
Total restricted equity		516	516	516
Non-restricted equity				
Share premium		51 175	51 175	51 175
Profit (loss) brought forward		799 039	193 860	388 423
Profit (loss) for the year		-5 914	-	-19 384
Total non-restricted equity		844 300	245 035	420 214
Total equity		844 816	245 551	420 730
Non-current liabilities				
Bond loans	13	964 981	-	962 885
Total long-term liabilities/Total non-current liabilities		964 981	0	962 885
Current liabilities				
Trade and other payables		-	-	236
Liabilities to group companies		-	3	-
Accrued expenses and deferred income		32 877	-	4 059
Total current liabilities		32 877	3	4 295
Total liabilities		997 858	3	967 180
TOTAL EQUITY AND LIABILITIES		1 842 674	245 554	1 387 910

Notes to the interim consolidated financial statements

NOTE 1 Nature of operations

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

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

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

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

The Interim Financial Statements were approved for issue by the Board of Directors on 31 May 2023.

NOTE 3 New Standards adopted at 1 January 2023

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

NOTE 4 Significant accounting policies

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

NOTE 5 Estimates and judgements

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

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

Statement of changes in equity

Parent company	Note	Share capital	Share premium	Profit or loss brought forward	Net profit/loss for the period	Total equity
Balance at						
2022-01-01		516	51 175	193 862	-2	245 551
Transfer of previous years profit or loss				-2	2	-
Balance at						
2022-03-31		516	51 175	193 860	0	245 551
Shareholders' contribution				194 563		194 563
Profit/loss for the period					-19 384	-19 384
Balance at						
2022-12-31		516	51 175	388 423	-19 384	420 730
Opening balance						
2023-01-01		516	51 175	388 423	-19 384	420 730
Transfer of previous years profit or loss				-19 384	19 384	-
Shareholders' contribution				430 000		430 000
Transactions with owners						
		-	-	410 616	-	410 616
Profit/loss for the period					-5 914	-5 914
Balance at						
2023-03-31		516	51 175	799 039	-5 914	844 816

Cash flow statements

Parent company				
kSEK	Notes	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Operating activities				
Profit/loss after financial items		-5 914	-	-19 384
Cash flow from operating activities before changes in working capital		-5 914	0	-19 384
Changes in working capital:				
Change in trade and other receivables		-26 804	-	-4 232
Change in trade and other payables		28 582	-	4 292
Net cash flow from operating activities		-4 136	0	-19 324
Investing activities				
Group loan paid		-40 729	-	-900 692
Acquisition of participations in subsidiaries net of cash acquired		-430 000	-	-155 863
Cash flow from investing activities		-470 729	0	-1 056 555
Financing activities				
Shareholders' contribution received		430 000	-	156 063
New borrowings		2 096	-	962 885
Cash flow from financing activities		432 096	0	1 118 948
Cash flow for the period				
		-42 769	0	43 069
Cash and cash equivalents at end of period		43 069	-	-
Cash and cash equivalents at end of period		300	0	43 069

NOTE 6 Revenue

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

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

	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Sweden	212 193	130 388	636 101
Norway	58 218	17 680	111 952
Finland	28 549	21 711	71 846
Europe excl countries above	107 995	51 098	231 889
Other countries	9 120	5 179	17 893
Total	416 075	226 056	1 069 681

NOTE 7 Finance income

	Group		
	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Interest income	328	192	1 026
Exchange gains	218	41	1 414
Exchange losses	-134	-23	-53
Other finance income	49	1	146
Total	461	211	2 533
	Parent company		
	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Interest income from group companies	53 460	-	42 029
Total	53 460	0	42 029

NOTE 8 Finance costs

	Group		
	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Interest expenses for leasing arrangements	6 633	2 696	17 435
Interest expenses, bond loans	58 476	-	59 456
Exchange losses	5 418	434	-
Other interest expenses	13 504	3 951	12 528
Other financial expenses	1 806	1 666	10 375
Total	85 837	8 747	99 794
	Parent company		
	2023-01-01 2023-03-31	2022-01-01 2022-03-31	2022-01-01 2022-12-31
Interest expenses, bond loans	58 476	-	59 456
Total	58 476	-	59 456

There is no interest to group companies

NOTE 9 Acquisitions**Acquisition of 6 companies**

During the period January - March 2023 the group acquired 100% of the equity instruments of 6 legal companies with businesses in dismantling and recycling, thereby obtaining control. The companies are based in Sweden, Norway and France. The table below summarizes the purchase price paid for these companies as well as the fair value of acquired assets and assumed liabilities which are reported on the date of acquisition.

	Sweden 2023-03-31	Norway 2023-03-31	France 2023-03-31	Total 2023-03-31
Purchase price				
Amount settled in cash	75 000	92 773	225 348	393 121
Fair value of contingent consideration	21 000	35 294	112 674	168 968
Total sum	96 000	128 067	338 022	562 089
Recognized amounts of identifiable net assets				
Cash and cash equivalents	11 223	1 387	22 981	35 591
Total non-current assets	24 869	2 810	27 875	55 554
Total current assets	13 479	16 774	97 789	128 042
Loans	-4 732	-	-28 610	-33 342
Deferred tax liabilities	-2 502	-139	-132	-2 773
Trade and other payables	-8 241	-6 311	-51 191	-65 743
Identifiable Net Assets	34 096	14 521	68 712	117 329
Goodwill on acquisition	61 904	113 546	269 310	444 760
Consideration transferred settled in cash	75 000	92 773	225 348	393 121
Cash and cash equivalents acquired	-11 223	-1 387	-22 981	-35 591
Net cash outflow on acquisition	63 777	91 386	202 367	357 530
Acquisition costs charged to expenses	1 593	4 448	1 760	7 801
Net payment on acquisition	65 370	95 834	204 127	365 331

Acquisition-related costs

Acquisition-related costs amounting to SEK 7 801 thousand are not included as part of consideration transferred and have been recognized as an expense in the consolidated statement of profit or loss, as part of other expenses and as well as in the ongoing operations in the cash flow statement.

Goodwill

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

The companies contribution to the Group results

The acquired companies incurred a profit (before tax) of SEK 10 660 thousand to the reporting date. Revenue for the months when the companies have been within the group to 31 of March 2023 was SEK 73 054 thousand. If the companies had been acquired on 1 January 2023, revenue for the Group would have been SEK 471 230 thousand, and profit (before tax) for the year would have increased by SEK 2 727 thousand.

Acquisitions after Q1 2023

After the end of the period the Group has made 6 legal acquisitions for which the purchase price analysis are not finalized and therefore not presented in this report.

NOTE 10 Segment reporting

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

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

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

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

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

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

Interim period 2023-01-01 – 2023-03-31

	Sweden	Norway	Finland	France	Others	IFRS 16	Intercompany transactions	Total
Revenue								
Revenue, external	210 387	66 104	29 241	54 196	56 147			416 075
Revenue, inter-company	21 691	814	-	3 166	1 456			27 127
Elimination of inter-company revenue within the segment	-14 469	-703	-	-3 166	-68		-8 721	-27 127
Change in inventories of products in progress, finished goods and work in progress	92	2 190	0	0	0			2 282
Other operating income	2 665	1 035	2 083	1 122	882			7 787
Segment total revenue	220 366	69 440	31 324	55 318	58 417	-	-8 721	426 144
Segment operating profit	20 564	2 194	-716	5 121	-5 212	5 906	0	27 857
Segment assets	1 268 611	593 588	121 067	402 185	228 341	508 720	0	3 122 512
Segment liabilities	131 383	93 783	33 208	171 126	1 495 101	518 208	0	2 442 809

Interim period 2022-01-01 – 2022-03-31

	Sweden	Norway	Finland	Others	IFRS16	Intercompany transaction	Total
Revenue							
Revenue, external	158 897	17 383	19 094	30 682	-	-	226 056
Revenue, inter-company	3 903	1 470	672	-	-	-	6 045
Elimination of inter-company revenue within the segment	-3 864	-	-221	-	-	-1 960	-6 045
Other operating income	1 485		1 941	183			3 609
Segment total revenue	160 421	18 853	21 486	30 865	-	-1 960	229 665
Segment operating profit	35 785	1 146	2 879	-7 610	1 900	-	34 100
Segment assets	109 523	19 378	19 401	1 283 580	134 933	-	1 566 815
Segment liabilities	93 598	9 193	13 839	972 990	136 357	-	1 225 977

Interim period 2022-01-01 – 2022-12-31

	Sweden	Norway	Finland	Others	IFRS16	Intercompany transaction	Total
Revenue							
Revenue, external	685 677	141 623	67 029	175 352	-	-	1 069 681
Revenue, inter-company	31 531	594	12 902	41 492	-	-	86 519
Elimination of inter-company revenue within the segment	-25 172	-436	-9 432	-25 560	-	-25 919	-86 519
Other operating income	7 031	1 131	7 763	7 195	-8 867	-	14 253
Segment total revenue	699 067	142 912	78 262	198 479	-8 867	-25 919	1 083 934
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

NOTE 11 Goodwill

Changes in the carrying amount for goodwill is as follows:

	Group		
	2023-03-31	2022-03-31	2022-12-31
Balance brought forward	1 283 246	478 186	478 186
Aquisitions through business combinations	443 301	295 861	784 594
Exchange rate differences	-7 300	-8 885	20 466
Balance carried forward	1 719 247	765 162	1 283 246
Carrying amount	1 719 247	765 162	1 283 246

NOTE 12 Right of use assets

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

	Group		
	2023-03-31	2022-03-31	2022-12-31
Accumulated cost brought forward	477 173	207 550	207 550
Aquisitions through business combinations	91 103	-	121 234
Aquisitions	2 525	-	-
Reclassifications	-	-	209 611
Sales/disposals	-	-	-12 353
Exchange rate differences	-2 847	-4 929	3 301
Effect from changed incremental borrowing rate	-	-52 170	-52 170
Accumulated cost carried forward	567 954	150 451	477 173
Accumulated depreciation brought forward	-45 292	-11 134	-11 134
Sales/disposals	-	-	2 360
Depreciation for the interim period/year	-13 942	-4 385	-36 518
Accumulated depreciation carried forward	-59 234	-15 519	-45 292
Carrying amount	508 720	134 932	431 881

	Amount	Remaining term	Group		
			2023-03-31	2022-03-31	2022-12-31
<i>Right of use assets</i>					
Buildings	2	2–20 years	486 482	131 658	418 931
Machinery	2	1–4 years	7 530	2 207	4 347
Vehicles	2	0–3 years	14 708	1 067	8 603
Total balance			508 720	134 932	431 881
<i>Lease liabilities</i>					
Long term			468 882	119 547	404 268
Short term			52 832	16 810	39 880
Total balance			521 714	136 357	444 148

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

	2023-01-01	2022-01-01	2022-01-01
	2023-03-31	2022-03-31	2022-12-31
<i>Depreciation of Right of use assets</i>			
Buildings	12 532	4 073	33 193
Machinery	589	118	1 249
Vehicles	821	194	2 076
Finance charges	6 633	2 697	17 435
Total amount	20 575	7 082	53 953

NOTE 13 Bond loans

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

The bond is listed in Frankfurt. The term of the bond is three years and interest is market-based. All conditions in the form of covenants are fulfilled as of 2023-03-31.

Complete Terms and Conditions can be found on our homepage:

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

NOTE 14 Deferred tax assets and liabilities

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

Changes during year:	Recorded in				
	2023-01-01	From acquisitions	Other comprehensive income	Profit or loss	2023-03-31
Tangible fixed assets	-	1 019	-	-	1 019
Right of use assets	88 967	-	-	15 829	104 796
Lease liabilities	-91 495	-	-	-15 979	-107 474
From untaxed reserves	20 970	1 754	-	-	22 724
Provisions	-	-	-	1 487	1 487
Unused tax losses carried forward	-220	-	-	-	-220
	18 222	2 773	-	1 337	22 332

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

NOTE 15 Pledged assets and contingent liabilities

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

Pledged assets	Group	
	2023-03-31	2022-12-31
Pledged shares in subsidiaries	690 144	308 486
Assets with ownership reservations	46 014	31 267
Others	173	353
Amount	736 331	340 106
Contingent liabilities		
Bank guarantee	5 450	5 450
Others	5 592	4 012
Amount	11 042	9 462

NOTE 16 Related party transactions

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

	Group		
	2023-03-31	2022-03-31	2022-12-31
Sales of goods and services between subsidiaries	27 126	-	86 519
Rent of premises from related party	9 729	2 505	25 805
Contracted managing director from related party	717	17	55
Other contracted staff from related party	117	72	2 553
		-	
Liabilities to related party	8 667	-	17 140
Claims on related parties	462	-	-

NOTE 17 Fair value measurement of financial instruments

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

	Group		
	2023-03-31	2022-03-31	2022-12-31
Earn-outs	475 608	141 890	308 355

Bond loan, fair value as of March 31, 2023: 103,25% of the nominal amount 1 000 MSEK

The bond loan is reported at amortized cost with information of the fair value as of March 31, 2023. The fair value of the bond loan is at level 1.

NOTE 18 Shares in subsidiary

The parent company holds shares in the following subsidiary:

Name	Corp. Id No	Domicile	Number of shares	Parent company		
				2023-03-31	2022-03-31	2022-12-31
Autocirc AB	559214-4314	Borås, Sweden	1032	869 892	245 529	439 892
				2023-03-31	2022-03-31	2022-12-31
Balance brought forward				439 892	245 529	245 529
Shareholders' contribution				430 000	0	194 363
Balance carried forward				869 892	245 529	439 892
Total balance carried forward				869 892	245 529	439 892

NOTE 19 Significant events after the reporting period

In April 2023 the acquisition of the Finish dismatlers, legal company RM Trucks and LB Teknik OY, has been finalised. In May 2023 the remanufacturing legal entities, VSV AB, Scandinavian Transmission Service AB, LBM Autoparts AB and Vaihteistokeskus Oy

were acquired. Additionally two new legal entities have been formed; Autocirc AS and Arctic Bildemontering AS to further strengthen the group presence in Norway.

NOTE 20 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.

