

ANNUAL & SUSTAINABILITY REPORT 2023



A woman with long dark hair and glasses, wearing a dark jacket, is shown in profile from the chest up. She is looking towards the right, where the front of a dark-colored car is visible. The car's headlights and a horizontal light bar are illuminated with a bright orange glow. The background is a dark, cloudy sky at dusk or dawn, with a soft blue and purple light. The overall mood is futuristic and sustainable.

We believe in a circular auto parts industry, where we take advantage of what we already have instead of using more of the planet's limited resources.

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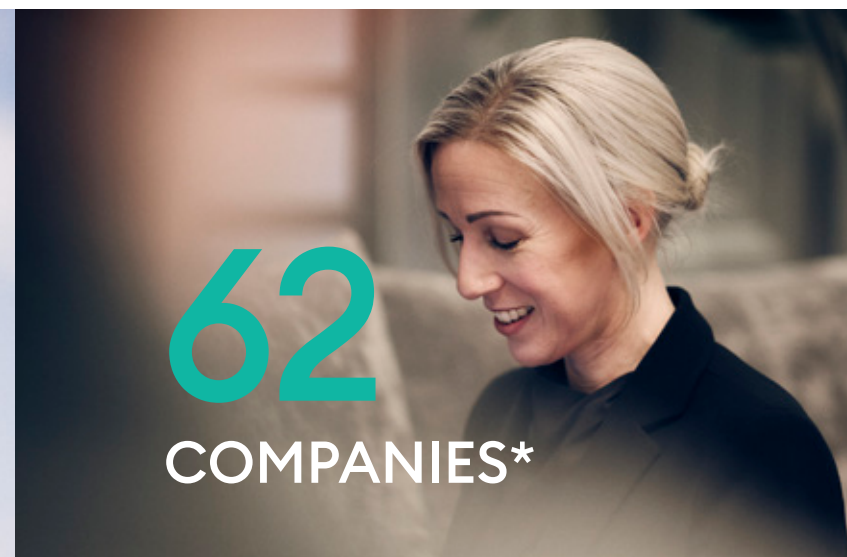
2023 Highlights



1042 EMPLOYEES



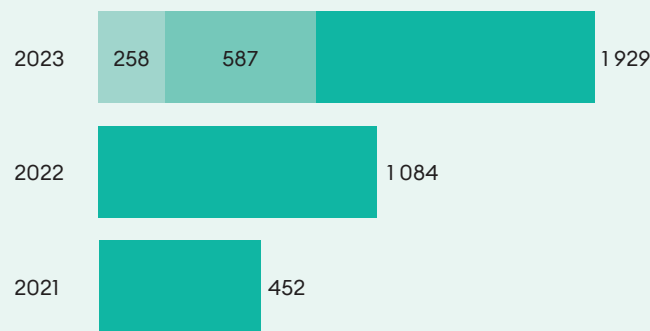
1,9 BILLION IN SALES**



- We finalised the agreement with Nordic Capital as the new majority shareholder in Autocirc. This established a solid financial platform and foundation for our continued growth in Europe.
- Entry into the French market by acquiring two car dismantling companies in Paris and Saint-Etienne. Both belonging to the French dismantling chain Caréco. This establishment was later complemented by the acquisition of another Caréco car dismantling company in Reims.
- In June we introduced Autocirc Group AB's bond on the Nasdaq Stock Exchange in Stockholm. During the autumn, the bond loan was increased on two occasions.
- The establishment of our new centralised warehouse outside Oslo means that we reach 80% of our Norwegian customers within 24 hours and has an improved capacity to serve all our markets.
- Continued investment in our central organisation including key recruitments in finance, group accounting, cash management, business development and IT & Tech.
- A new ESG strategy was adopted. We also implemented a channel for whistleblowing and updated our Code of Conduct as well as our policy regarding Equal Treatment.
- Petteri Saarinen was appointed as Chairman of the Board. He has proven experience of successful international business management.
- A total of 15 companies, including subsidiaries, were acquired during the year. The acquisitions have, in addition to entering a new market, also meant a strategic enhancement of our value chain as their business focus include heavy vehicles, remanufacturing and transport and towing.

* This number includes our head office and country organisations
 ** The company follows the business proforma earnings based on consolidated earnings, in which all acquired companies are included in full for the reporting period. Adjusted EBITDA refers to EBITDA excluding acquisition costs incurred during the year.

TOTAL REVENUE OF THE GROUP, MSEK



- Total revenue
- Acquired revenue
- Organic revenue

+78%

INCREASE IN REVENUE
Compared to previous year

11,3%

EBITDA-MARGIN
2022: 11,6%

217
MSEK

EARNINGS BEFORE DEPRECIATION



The sun fuels our battery reuse project

The Esse Solar Energy Park, our partnership project with Esse Elektro-Kraft and the municipality of Pedersöre in Finland, delivered its first kilowatt to the grid in July 2023. The plant is now running at full capacity and produces up to 1 MWP of electricity, which is equivalent to a small hydropower plant. This is enough to power the neighbouring Autocirc Battery Recycling facility, where we are already working to find new solutions for reusing electric car batteries.



Partnerships for reuse

During 2023, we signed co-operation agreements with several of the leading insurance companies in both Norway and Finland. This form of co-operation is new for both markets. Together, we strive to increase the use of spare parts from redeemed cars in damage repairs.



One step closer to using remanufactured parts in new production

We are now investigating the possibility of integrating remanufactured gearboxes in the production of new trucks. Our subsidiary company Scandinavian Transmission Service AB is collaborating with the Royal Institute of Technology (KTH) and Scania in an innovative research project investigating the possibilities of overcoming both technical and legal challenges of reusing parts in new production.



We are sponsoring the electric transition in racing

The STCC (Scandinavian Touring Car Championship) is a pioneer in the electrification of racing. In 2024, the first national championship with electric cars is held in Sweden. Autocirc is involved as a sponsor to encourage the transition to fossil-free motor racing.

Our purpose:

To change an industry

The car is one of humanity’s most important innovations. The freedom that fast and flexible transport gives us is a prerequisite for a modern society outside the cities. At the same time, we must work harder to reduce the car’s climate footprint – at all levels. Today, the majority of all car repairs are carried out with newly produced parts. We want to change this. Our aim is to enable a transition where we reuse, remanufacture and recycle already existing car parts in a more efficient way. This will reduce both waste and the need to extract the planet’s limited resources to produce new parts.

The automotive parts industry is largely made up of specialised, smaller companies operating independently in a fragmented market. This limits the availability of spare parts and the ability to trade between countries. To make a sustainable transition possible, we need to do things the opposite way. There is great potential in consolidating and streamlining the market. That is why cooperation is the greatness of our business model. We are more than 60 companies in eight business areas, such as vehicle dismantling, renovation and workshops. Together, we work to create a circular flow where we maximise the benefit of each car part.

The result is that more vehicle repairs can be carried out with already used car parts. The parts that cannot be reused as they are or remanufactured to new condition can create value in other ways. For example, batteries from electric cars can be used to store energy and contribute to society’s electricity supply, and we are constantly improving the recycling of materials that can then be used in new production. Every step we take towards our vision of a circular automotive parts industry reduces the waste of resources and lowers CO2 emissions.

Our values lead the way

Entrepreneurship

We are curious, creative and commercial in everything we do. We are driven by our will to find solutions that bring us closer to our vision of a circular automotive parts industry.

Collaboration

We actively share knowledge between employees and companies to make our business model stronger. We treat each other and our partners with respect and trust, creating long-term relationships.

Sustainability

We will make reuse the obvious choice, for both the industry as well as for consumers. We incorporate social and environmental responsibility into our decisions and strategies and strive for an inclusive, respectful, and sustainable workplace.



“Today, the majority of all car repairs are carried out with newly produced parts. We want to change this.”

Our journey has been fast, because we are working for something that cannot wait

In just five years, we have become the biggest in Northern Europe in the reuse of car parts. By acquiring leading companies in the automotive parts industry, we have created an influential position where we can contribute to real change and accelerate the sustainable transition in our industry.

From the beginning to the biggest in Northern Europe

2019

Autocirc is founded to create a platform for cooperation within the fragmented auto parts industry.

2020

Autocirc completes its first acquisition, embarking on an ambitious growth journey to become a comprehensive group focused on the reuse, remanufacturing, repurposing, and recycling of auto parts.

2021

Expansion continues in Northern Europe as Autocirc acquires companies in Sweden, Norway, Finland, and the UK.

2022

Autocirc expands into additional business areas and acquisitions in Poland and Germany provide access to new markets.

2023

Autocirc enters the French market and enhances logistics with a new central warehouse in Norway, supporting efficient deliveries throughout Northern Europe.



A business model without end

In our circular business model, there is no end point - only new potential. When a vehicle arrives at one of our dismantlers, it is classified as waste. Through our work, we can instead ensure that each vehicle part creates benefit in a circular flow. This is how it works.

A platform for circularity

It all starts with a vehicle. It could be a crashed car which, after consultation with the insurance company, is considered too expensive to repair. These are called Total Loss Vehicles (TLV). Alternatively, it is an older vehicle that has reached its final stage. These are called End-of-Life Vehicles (ELV).

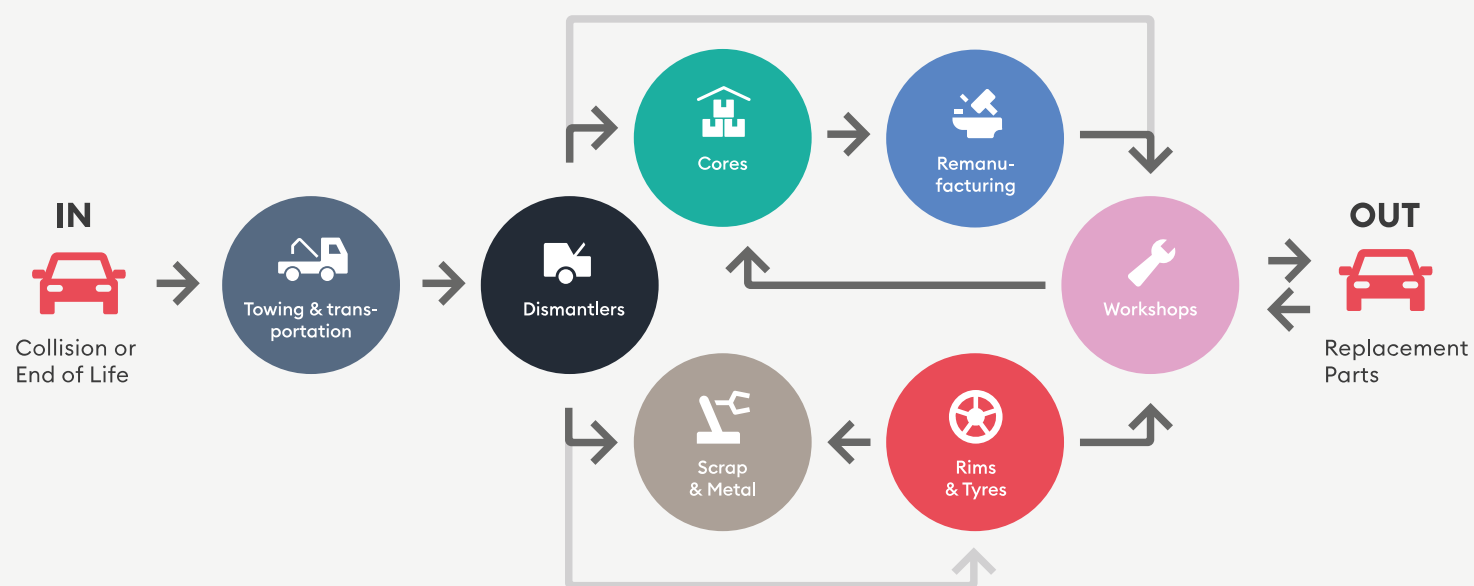
First, we tow the vehicles to one of our dismantling facilities. There the vehicles are disassembled so that each part can be carefully evaluated. A newer crash-damaged car may often have many undamaged parts that can be reused. The parts that cannot be reused directly can, in many cases, be remanufactured and restored for reuse. In

cases where remanufacturing is not possible, the part is recycled instead, so that the raw material can be used in the production of new vehicle parts or other products.

Through our business areas we create a circular flow where the benefit from each car part is maximised. The result is an increased availability of sustainable alternatives to newly produced spare parts. In our workshops, we close the circle by repairing vehicles with used car parts. The replaced parts are sent to the right specialists within the Autocirc group, thus contributing to the circular flow - and a world where reuse is the norm.

A co-operation without borders

The vehicle fleet is different in different parts of Europe. Certain types of cars and spare parts for example, are more common in France than in Sweden, which can create a local shortage of parts. Our concept is the solution. Since we are present in several major markets in Europe we can deliver across borders and create conditions for an even more efficient reuse in the auto parts industry.



Our business areas

Our business is based on creating even greater benefit, even further. Through eight different business areas, we create a comprehensive platform in a circular flow where we reuse, remanufacture and recycle car parts.

Transportation & Towing

The first step in our circular business model is to transport vehicles to our dismantling facilities.

Remanufacturing

Vehicle parts are remanufactured by our specialists in order to reach the same performance level as when they were new. Broken components are replaced and rigorous tests guarantee quality of the parts.

Scrap & Metal

Once everything is dismantled, what remains of the vehicle is the body. It consists of metals like steel and aluminum – and quite a few meters of cable that contains copper. These metals can be recycled over and over again without deteriorating in quality.

Dismantling

Dismantling is at the heart of our business. A modern car consists of thousands of parts that we carefully evaluate and sort for reuse, remanufacturing or recycling.

Rims & Tyres

We have companies specialising in the renovation of rims and tyres so that these can be reused. Alternatively, the rims and tyres are prepared for recycling and converted into raw materials.

Cores

Vehicle parts in need of remanufacturing are purchased, stored and then distributed in larger volumes. Since we are then able to remanufacture many similar parts at the same time we can manage this more effectively and to a lower cost.

Workshops

Our workshops repair vehicles with used or remanufactured parts. They contribute to the circular flow by ensuring that the parts being replaced end up at the right specialists for reuse, remanufacturing or recycling.

Battery Reuse

We reuse batteries from electric cars as energy storage, where we connect several batteries together and install them in movable containers used to support local electricity grids.

Our subsidiaries



Dismantling

Alingsås Bildelar AB (SE)

Established: 1969.
Employees: 24.
Sales 2023: MSEK 37.

2023

Arctic Bildemontering AS (NO)

Established: 2023.
Employees: 3.
Sales 2023: MSEK 0,1.

Autodemontering TT AB (SE)

Established: 1979.
Employees: 22.
Sales 2023: MSEK 41.

Autopalsta OY (FI)

Established: 1969.
Employees: 10.
Sales 2023: MSEK 13,7.

2024

Auto-Pièces SAS Louhans (FR)

Established: 1992.
Employees: 23.
Sales 2022: MSEK 36.

2023

Auto-Pièces SAS Reims (FR)

Established: 1979.
Employees: 27.
Sales 2023: MSEK 103.

Autoverwertung Kerstingjöhänner GmbH (DE)

Established: 1970.
Employees: 16.
Sales 2023: MSEK 22.

2023

Beck Export Automobile B E A SAS (FR)

Established: 1977.
Employees: 37.
Sales 2023: MSEK 86.

Bergen Bildemontering AS (NO)

Established: 2023
Employees: 6.
Sales 2023: MSEK 4.

Bildelslagret i Lidköping AB (SE)

Established: 1991.
Employees: 11.
Sales 2023: MSEK 22,8.

Bildelslagret i Trollhättan AB (SE)

Established: 2015.
Employees: 8.
Sales 2023: MSEK 20.

2024

C.A.P.O. SAS Pontarlier (FR)

Established: 1986.
Employees: 19.
Sales 2022: MSEK 39,6.

2023

Coram Auto SAS (FR)

Established: 1984.
Employees: 69.
Sales 2023: MSEK 204,4.

2023

Delehuset AS (NO)

Established: 2013.
Employees: 5.
Sales 2023: MSEK 19.

Erikssons Bildelsättervinning & Verkstad AB (FI)

Established: 1994.
Employees: 36.
Sales 2023: MSEK 51.

Frykmalm i Karlstad AB & Karlstad Bildemontering (SE)

Established: 1974.
Employees: 20.
Sales 2023: MSEK 25,5.

Jämtlands Bildemontering AB (SE)

Established: 1978.
Employees: 26.
Sales 2023: MSEK 42,5.

Kungsåra Bildemontering AB (SE)

Established: 1966.
Employees: 31.
Sales 2023: MSEK 110.

2023

LB Teknik OY (FI)

Established: 1990.
Employees: -
Sales 2023: MSEK 0,67.

Magnus Bildemontering AB (SE)

Established: 1993.
Employees: 14,5.
Sales 2023: MSEK 17,8.

Norrbottnens Bildemontering AB (SE)

Established: 1973.
Employees: 28.
Sales 2023: MSEK 54,2.

Osamyyntti AF OY (FI)

Established: 1986.
Employees: 16.
Sales 2023: MSEK 30,3.

Redox Bildelar AB (SE)

Established: Beginning of 1980s.
Employees: -
Sales 2023: MSEK 8,6.

Riihimäen Auto-Osat OY (FI)

Established: 1962.
Employees: 4.
Sales 2023: MSEK 3.

2023

RM Trucks OY (FI)

Established: 1959.
Employees: 24.
Sales 2023: MSEK 72,7.

2023

Rogaland Bildeler AS (NO)

Established: 1962.
Employees: 19.
Sales 2023: MSEK 48.

Skjeberg Biloppuggeri AS (NO)

Established: 2015.
Employees: 6.
Sales 2023: MSEK 8,2.

Svensk Bilättervinning AB (SE)

Established: 2001.
Employees: 17.
Sales 2023: MSEK 29.

Svenssons Bildemontering AB (SE)

Established: 1991.
Employees: 26.
Sales 2023: MSEK 34.

Trondheim Bil-Demontering AS (NO)

Established: 1989.
Employees: 21.
Sales 2023: MSEK 50,5.

Trøndelag Bildeler AS (NO)

Established: 2019.
Employees: 10.
Sales 2023: MSEK 20,6.

Vimmerby Bildemontering AB (SE)

Established: 1998.
Employees: 18,75.
Sales 2023: MSEK 37.

Växjö Bildemontering AB (SE)

Established: 1972.
Employees: 13.
Sales 2023: MSEK 30,7.

Walters Bildelar AB (SE)

Established: 1998.
Employees: 29.
Sales 2023: MSEK 78.

2023

Ådalens Bildemontering AB (SE)

Established: 1980.
Employees: 45.
Sales 2023: MSEK 51,7.

Østfold Bildemontering AS (NO)

Established: 1984.
Employees: 36.
Sales 2023: MSEK 89.



Scrap & Metal

2023

JM Gjenvinning AS (NO)

Established: 2019.
Employees: 1.
Sales 2023: MSEK 0,5

Rewinner AB (SE)

Established: 2018.
Employees: -
Sales 2023: MSEK 0,066.



Cores

Premier Components UK LTD (UK)

Established: 1992.
Employees: 46.
Sales 2023: MSEK 135.



Rims & Tyres

Redox Miljöhantering AB (SE)

Established: 1994.
Employees: 14.
Sales 2023: MSEK 36,4.



Workshops

Bil & Skadeservice AB (SE)

Established: 1976.
Employees: 52.
Sales 2023: MSEK 94.

Mickes Lackservice AB (SE)

Established: 2002.
Employees: 19.
Sales 2023: MSEK 37,7.



Remanufacture

2023

LBM Autoparts AB (SE)

Established: 1991.
Employees: 8.
Sales 2023: MSEK 27,2.

Nordic Motor Center AB (SE)

Established: 2009.
Employees: 5.
Sales 2023: MSEK 35,8.

RE-PART Sp. Z o.o (PL)

Established: 2015.
Employees: 9.
Sales 2023: MSEK 14,3.

2023

Scandinavian Transmission Service AB (SE)

Established: 1969.
Employees: 31.
Sales 2023: MSEK 43,5.

Styrdon i Sverige AB (SE)

Established: 2016.
Employees: 1 consultant.
Sales 2023: MSEK 0,004.

UBD Cleantech AB (SE)

Established: 1970.
Employees: 33.
Sales 2023: MSEK 23,7.

2023

Vaihteistokeskus OY (FI)

Established: 2018.
Employees: 2.
Sales 2023: MSEK 9.



Transportation & Towing

2023

Autonkuljetus Sjöberg OY (FI)

Established: 2012.
Employees: 19.
Sales 2023: MSEK 57.

Bergen Bilhjelp AS (NO)

Established: 2005.
Employees: 25.
Sales 2023: MSEK 48,2.

2023

Bärgningstjänsten Sverige AB (SE)

Established: 2000.
Employees: 32.
Sales 2023: MSEK 45,5.

Erikssons Bilbärgning AB (FI)

Established: 1987.
Employees: 8.
Sales 2023: MSEK 14,7.

2023

Hinaus Sjöberg OY (FI)

Established: 1996.
Employees: 18.
Sales 2023: MSEK 30,3.

2023

Hinaus Sjöberg Itä-Suomi OY (FI)

Established: 2012.
Employees: 3.
Sales 2023: MSEK 3,2.

2023

Konekuljetus Sjöberg OY (FI)

Established: 2012.
Employees: 1.
Sales 2023: MSEK 0,9.

Voss Bilbergning AS (NO)

Established: 2005.
Employees: 4.
Sales 2023: MSEK 7,4.



We are Autocirc

We are more than 1000 persons who go to work every day to contribute to a smarter use of the planet's resources. Here is a short introduction to some of the persons who lay the foundation for our success.

Sonja Jareteg

Head of Group Accounting

It is extremely exciting to be part of a business and organisation that is growing and developing. In my role, I am responsible for supporting all of the Group's legal entities in their monthly reporting, while ensuring that we meet the reporting requirements of our owners and other stakeholders. I find it inspiring to be actively involved in shaping and implementing the processes and ways of working that are crucial to our future expansion and success.



Jonas Schiff

CEO, Bil- & Skadeservice

Our contribution to Autocirc as a group is our specialisation in collision damage. We have many co-operation agreements with car companies that do not have the expertise for this type of work themselves. We also work with Tesla and Mercedes, where we have gone through a specific process to become an authorised workshop. As part of Autocirc, we operate in a wider context and contribute to the reuse of car parts through our work.



Camilla Fridell

CEO, Jämtlands Bildemontering

Being part of a large business group has many advantages. There is a lot of expertise and experience within the group that we can benefit from, but above all, our transition in terms of sustainability is progressing rapidly thanks to Autocirc's strategy, goals and support. For example, in 2022 we installed a new water treatment plant. This means that water from our production facility is collected in a large tank and purified so that all environmentally harmful particles are taken care of before being discharged into the municipal sewer. In addition, we have built a new modern dismantling hall with four dismantling spots, one of which is specially adapted for electric cars. Our other premises have also been adapted and improved from a work environment perspective.




Bjarte Kaldestad

Country Manager, Autocirc Norway

Working towards a circular economy in the automotive industry and showing that we can get there not only in Norway but also at an European level is very motivating. In the role of Country Manager in Norway, I have been given an exciting opportunity to be involved from the start and build up the business. My work includes everything from acquisition processes with all that this entails to supporting and developing the existing operations here in Norway. The biggest thing that has happened in the past year is our new central warehouse in Vestby, outside Oslo. It is a strategic hub for trade in the Nordic region and Europe. In the long term, we will also build up an organisation that can support our Norwegian operations even better, but also relieve the head office in Borås.



CEO Johan Livered



“We have become an even clearer driving force for sustainable change”

In 2023, we made several important investments that advance our position. Our largest acquisitions to date continued to strengthen our presence in Europe. At the same time, we developed our central organisation, creating even better conditions for growth and cooperation.

From your perspective as CEO, how would you describe 2023 for Autocirc?

“It has been a fantastic year of both growth and investments in our central organisation. Our ambition for 2023 was to bring in a more capital-rich owner. The deal was finalised in February and Nordic Capital became the new majority shareholder. Thus, Autocirc took a step into a new phase in which we can continue our European expansion on an even more solid financial foundation.

“We are already a front-runner of the Nordic region. In 2023, we strengthened that position while creating a platform for growth in Germany and France. We made fewer acquisitions, but they were the largest ever in terms of size. For example, our three acquisitions in France correspond with turnover on par with the entire Finnish market. In the future, I believe we will look back on this year as a milestone for Autocirc.

“Of course, 2023 also brought challenges. Global turmoil has had a strong impact on the financial markets, leading to higher interest rates. However, the future is bright and we have strong confidence in our business and organisation. In times like these, our offering becomes even more attractive as more people opt to keep and repair their vehicles instead of buying new ones. To meet this need, we are continuing to develop our operations and to create even closer cooperation between our companies. For example, in 2023 we began a major project in Central Europe for the refurbishment of car parts – an area that will become increasingly important for us.”

How has the market developed over the past year?

“There is clear and growing demand for used car parts. This trend became stronger in 2023 due to economic uncertainty and

a strong interest in cost-effective and environmentally friendly alternatives. Our good organic growth in all markets shows that our business model is meeting this demand with increasing efficiency. A development in the market that had a limited, but negative impact on our result is declining metal prices, which have now returned to a more typical level after skyrocketing during the pandemic.”

A repair carried out with a refurbished car part instead of a new one corresponds to a 75% reduction in carbon dioxide emissions. How are you pushing the trend towards more reuse?

“Our vision is to reach circularity in the car parts industry. Our strategy for getting there is multifaceted, but a key issue is availability of alternatives to new car parts. We’re operating in a market with

“Our vision is to reach circularity in the car parts industry. Our strategy for getting there is multifaceted, but a key issue is availability of alternatives to new car parts.”

shortages: there is always more demand than we can supply. Our presence in several markets can make a big difference here. Economies of scale in our business aren't only a matter of volume, but also of how we can create a match between markets in order to better meet demand.

“When it comes to making car parts available for reuse, another important factor is collaboration – both within Autocirc and with external partners. During the year, we focused on making better use of the expertise of our nearly 60 companies and improving how we work together. We've also deepened our cooperation with leading insurance companies in our Nordic markets.

“In parallel with our own work, there is tremendous force from social developments and political initiatives at the European level. For example, a new EU directive is in the pipeline that will require car manufacturers to actively push for reuse. These are very positive signs, both for the environment and for our business model. Sustainability is clearly the way forward.”

In 2024, what will be most important for Autocirc?

“Continuing our expansion in Europe is our primary goal. We are also looking forward to establishing new partnerships and continuing our development projects in order to become an even clearer driving force for sustainable change in the car parts industry. For example, our Battery Reuse business area in Finland has the potential both to improve our circular value chain and to introduce new business opportunities in the form of mobile energy storage. Together with several leading players in the auto industry, we're also part of the exciting RISE initiative, called “The Circular Car”. The goal is to develop work methods for sustainable transitions in both the short and long term in various areas, from legislation to circular design and renovation.

“In late 2023, we launched an ESG strategy for our sustainability initiatives, and moving forward, the strategy will be a key part of that work. Regarding the area of ESG, we are also actively working to stay up to date and prepare for future legislation, such as the Corporate Sustainability Reporting Directive (CSRD). In that area, we are already actively working to prepare for the new requirements.”

What makes Autocirc unique and how will that contribute to achieving the 2024 targets?

“First of all, our partnerships: we unite so many companies, with all the expertise that entails, and successfully link up with industry-leading partners. Another significant difference between us and other players is how we constantly seek out ways to be even better at utilising all parts and materials of the car. We don't just reuse what works – we go the extra mile to refurbish parts that don't work.

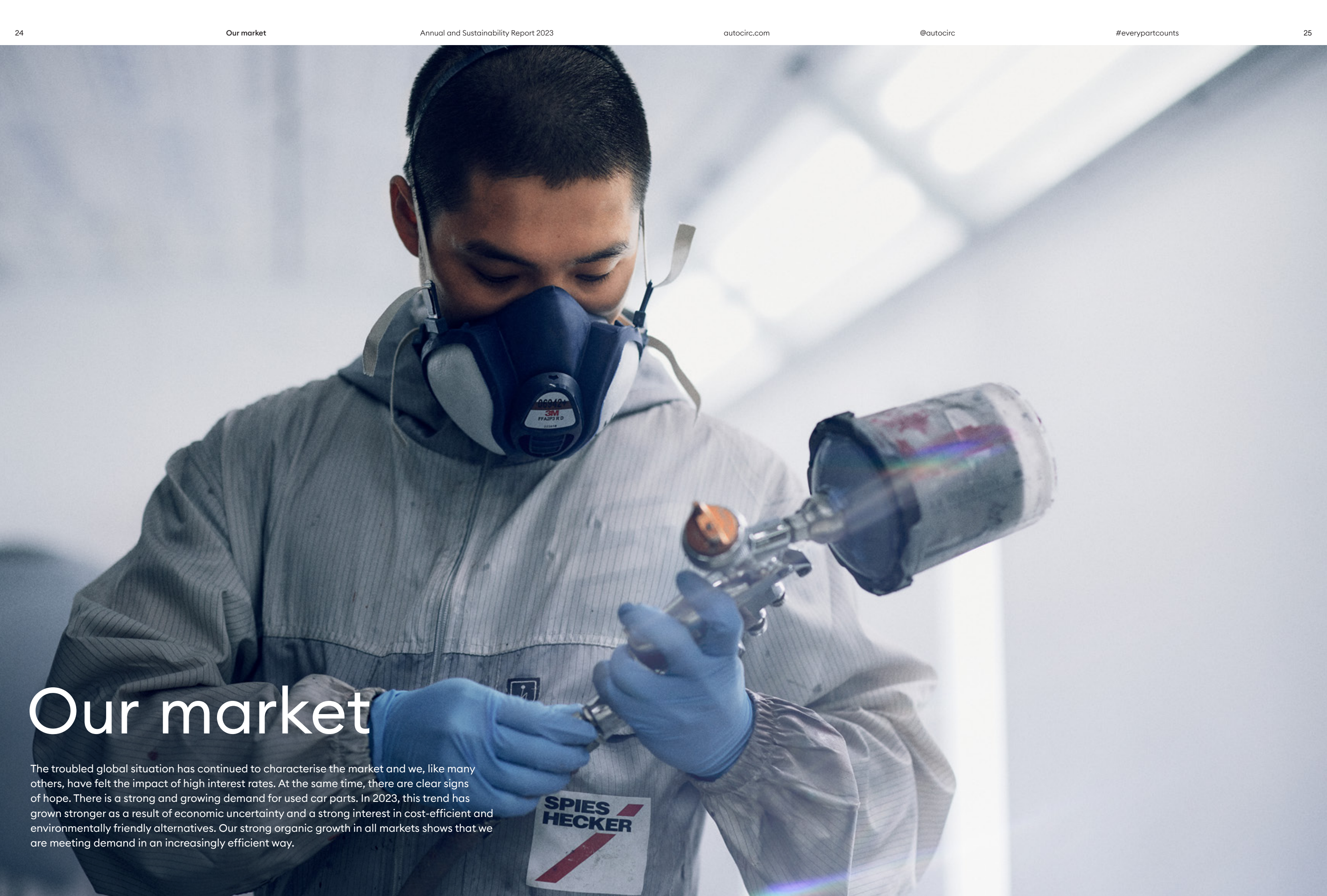
“But of course, the people are most important of all. Our companies are characterised by dedication and a desire to constantly develop, and this is inspiring to see. By scaling up and becoming even more efficient in our cooperation, we will be able to shift into the next gear as we work towards a sustainable transition.”

Johan Livered
CEO

Borås, March 2024



“Economies of scale in our business aren't only a matter of volume, but also of how we can create a match between markets in order to better meet demand.”



Our market

The troubled global situation has continued to characterise the market and we, like many others, have felt the impact of high interest rates. At the same time, there are clear signs of hope. There is a strong and growing demand for used car parts. In 2023, this trend has grown stronger as a result of economic uncertainty and a strong interest in cost-efficient and environmentally friendly alternatives. Our strong organic growth in all markets shows that we are meeting demand in an increasingly efficient way.

A word from our CFO

Expansion continued thanks to new capital

The entry of Nordic Capital as our new majority owner provided a strong boost of energy, enabling our growth to continue. In addition to acquisitions that both broaden and strengthen our operations, we have also invested in our internal structure, recruiting key competences to our finance department.

In February 2023 we concluded the transaction which saw Nordic Capital take over from our Alder, our previous majority owner. The deal represents a significant shift for Autocirc, where a strong injection of capital put us in a position to acquire a number of major European companies. At the same time, the move placed added demands on our organisation, as well as on our governance and financial reporting processes. In response to these new conditions, we have broadened and strengthened expertise in our financial organisation over the past year, and have placed even greater emphasis on quality in consolidation, follow-up and solvency. Your undersigned CFO was recruited to Autocirc in August 2023, bringing valuable experience from previous assignments for venture capital companies to the table. A new internal department for consolidation is set to reinforce our finance department even further. The new department features a business development and follow-up controller, as well as a cash management controller; these are both new functions in the Autocirc organisation.

In order to put ourselves in the position to make acquisitions, we chose to raise additional capital through our bond. This brought in SEK 350 million, and the fact that

we were paid the equivalent of 104.5 per cent of the nominal value of the bond testifies to the strength of confidence that exists in Autocirc, and to the potential in our business model.

“A strong injection of capital put us in a position to acquire major European companies.”

Growth through acquisitions and start-ups.

Strategic acquisitions over a number of years have enabled us to establish a leading position in vehicle dismantling, backed by widespread geographical presence in the Nordic region. In 2023 we focused on extending our coverage through acquisitions in a number of our other business areas, including Vehicle Transport & Towing, and Refurbishment. In accordance with our strategy, we have also established stronger presence in Europe via three major acquisitions in France.

In parallel with our company acquisitions, we have established three new units in Norway that we run ourselves. While these investments naturally affect our profits in the short term, they place us in a highly favourable position for the future.



Market conditions favouring the second-hand market

The high rate of inflation and the rise in the cost of borrowing have led to a decline in sales of new cars. This benefits us in the short term, given that more people are choosing to keep their existing vehicles for longer, which stimulates the demand for spare parts. At the same time, however, it means that competition for vehicles to dismantle has become tougher and that prices have been forced up. We have taken a proactive approach in this regard by entering into agreements with leading insurance companies on our Nordic markets so as to increase the influx of collision-damaged vehicles for our dismantling centres.

Our freight and transport costs rose in 2023 at the same time as the price of metal stabilised at a lower level in the wake of the increases initiated during the pandemic. These factors had a negative impact on our profits.

Tougher requirements on reporting and safety

As from 2024 we will be subject to the EU's Corporate Sustainability Reporting Directive (CSRD), which is intended to strengthen enterprises' reporting of sustainability issues such as environmental impact, social responsibility and corporate governance. Autocirc is also subject to the new EU Directive NIS2, whose objectives include ensuring that all companies that provide any measure of social benefit maintain a superior standard of cybersecurity. Over the past year, we began the preparations necessary to make sure that we can comply with the requirements these directives entail.

Gunilla Andersson
CFO

Borås, Mars 2024



Financial summary

The Group's total turnover amounted to SEK 1,929 (1,084) million, an increase of 78 per cent compared to the same period last year. Acquired turnover contributed SEK 587 million to the total turnover and SEK 258 million to organic turnover. The Group's profit before depreciation and amortisation amounted to SEK 217 million, which corresponds to an EBITDA margin of 11.3 (11.6) per cent.

Profit before depreciation and amortisation was negatively affected by inflation on the majority of cost items, including the price of vehicle purchases.

Non-recurring items that affect profits primarily relate to the structuring of the organisation, processes and systems. After adjustment for non-recurring items, the underlying profit before depreciation and amortisation totalled SEK 278 million, which corresponds to an underlying adjusted EBITDA margin of 14.4 (16.1) per cent.

12-month rolling (pro forma)

The Group's total turnover amounted to SEK 2,181 million. Acquired turnover contributed SEK 841 million. The Group's profit before depreciation and amortisation totalled SEK 278 million, which corresponds to an EBITDA margin of 12.7 per cent. The profit before depreciation and amortisation is affected by higher acquisition costs, as well as non-recurring costs for the development of the organisation and processes. After adjustment for non-recurring items, the underlying profit before depreciation and amortisation totalled SEK 339 million, which corresponds to an underlying adjusted EBITDA margin of 15.5 per cent.

Financial position

Autocirc Group AB launched a bond on the market during Q2 2022. The total aggregate nominal sum of the initial bond

is SEK 1 billion, with the option of issuing additional bonds up to the maximum aggregate value of SEK 1.5 billion. During the autumn of 2023, the Group utilised an additional SEK 330 million: SEK 130 million in October and SEK 200 million in November. The bond is listed on the Frankfurt Open Market list of corporate bonds. As of 16 June 2023, the bond has also been accepted for trading on Nasdaq STO Corporate Bonds. The maturity period of the bond is 3 years, with an interest rate of the 3-month STIBOR +8.75 basis points. All terms and conditions of the agreement are fulfilled at 31 December 2023.

To read the full terms and conditions, see:

<https://autocirc.com/investor/>

In addition, Autocirc AB has a super-superior revolving credit facility which, at year end, was unutilised and valued at SEK 250 million.

Financial summary

SEKm	2023	2022	Δ%	PF LTM 1)
Total Revenue	1 929	1 084	78%	2 181
Organic growth	258		-	255
Acquired growth	587		-	841
Gross Profit	1 176	671	81%	1 373
EBITDA	217	126	82%	278
EBITDA-margin, %	11,3%	11,6%	-	12,7%
Adjusted EBITDA	278	175	66%	339
Adj. EBITDA-margin, %	14,4%	16,1%	-	15,5%
EBITA	87	68	42%	148
EBITA-margin, %	4,5%	6,3%	-	6,8%
Adjusted EBITA	148	117	34%	208
Adj. EBITA-margin, %	17,7%	10,7%	-	9,5%
Cash flow from operating activities	-105	-38	202%	-105
Adjusted Cash flow from operating activities	174	140	0%	234
Cash conversion	62%	80%	-	69%
Net Debt/Adj. EBITDA	5,21x	-	-	5,21x



Our strategy

Our aim is to build a group capable of transforming the European car parts industry. To achieve this, we need to continue our ambitious growth while we also refine our co-operation in order to create even stronger synergies, both between the companies within Autocirc but also with external partners.

Report from our Nordic country organisations

The purpose of our country organisations is to have local presence on our largest markets and further support our companies on these markets. In 2023 we have continued to implement this structure and have

organisations established in Sweden, Finland and Norway. We have also started to build up a country organisation in France, with HR and finance functions in order to manage local laws and regulations.



Autocirc Sweden



In 2023, we focused on honing and standardising our operations. We established the structure of what we call AWO – the Autocirc Way of Operation. We gathered up the best processes from the companies within Autocirc Sweden and created a methodology for the entire Group to use – simply put, a way to share knowledge between our companies so that everyone can take the fastest route to the most efficient work method. AWO is strongly inspired by the Lean philosophy, in which clear management of goals and visuals paired with a high level of employee participation contribute to increased productivity.

As a natural continuation of our growth strategy, we have also acquired companies that make our offering even stronger and more comprehensive. With STS Group (Scandinavian Transmission Service) as a part of Autocirc, we are now a leader in powertrain remanufacturing. STS supplies original parts to some of the auto industry's biggest brands, such as Volvo Cars, Scania and Ford.

The STS Group also includes LBM Autoparts AB, which specialises in cost-effective and eco-friendly repair solutions

for the aftermarket. With headquarters and a logistics centre in Stenungsund, sales offices in Germany and the subsidiary Vaihteistokeskus Oy in Finland, their position is strong in several markets. This is further strengthened by the fact that we have established a close cooperation between LBM and our Nordic heavy dismantling operations – a clear example of the potential of our work model, with collaboration between companies in several countries.

During the year, we also acquired Bärningstjänsten i Sverige AB. Their leading position and expertise in roadside assistance, salvage as well as transport of vehicles and machinery will be an important asset that makes our offering even more comprehensive. The fact that they also have established collaborations with organisations such as the police, emergency services and several insurance companies entails great potential for Autocirc as a group.

During the last quarter of the year, we also strengthened the management organisation for Autocirc Sweden. This prepares us to continue our work moving forward with even better support and resources for companies in the Swedish market.



Marcus Wigren
Autocirc Sverige AB
Country Manager Sweden
Borås, March 2024

Autocirc Norway



We are in a continued phase of expansion in Norway. When we summarise 2023, several investments stand out and contribute to a stable platform for Autocirc's operations, both in Norway and in Northern Europe. Examples include the newly built central warehouse outside Oslo, several acquisitions that strengthen our offering and the new undertakings we have carried out to create a position that covers the Norwegian market.

In early 2023, we made two strategic acquisitions: Rogaland AS and Delehuset AS. Both specialise in dismantling vehicles that have been damaged in collisions and in reselling quality-assured parts and components. Rogaland's focus on cars and Delehuset's focus on trucks make us an even more comprehensive supplier of spare parts to the auto industry locally and internationally.

In June, we established our first in-house dismantling operation: Bergen Bildemontering. The strategy to start our own businesses where gaps exist in the market is another way to strengthen our position and in 2024 we plan to open another car dismantling centre, this time in Tromsø.

The single biggest event in 2023 was our new central warehouse opening in Vestby. With 10,000 square metres of warehouse space and a strategic location in the outskirts of Oslo, the facility is already a key hub for our logistics processes – and will become increasingly important as we scale up our operations.

In the autumn, we established a partnership with one of Norway's leading insurance companies to secure access to cars damaged in collisions. Thanks to the three-year agreement, we now handle about 60% of their cars on the Norwegian market. We have also initiated the collection of car bodies both internally at our Norwegian operations and externally through partners for delivery to our companies in Poland and the UK. This is an important step in our efforts to maximise the use of every car part, and the development of this initiative will be one of our primary focuses going forward.



Bjarte Kaldestad
Autocirc Norge AS
Country Manager Norway
 Tromsø, March 2024

Autocirc Finland



Kenneth Långbacka
Autocirc Finland OY
Country Manager Finland
 Esse, March 2024

In 2023, we continued to develop our business in Finland. This took place through acquisitions that broaden and strengthen our offering, and through partnerships that help us come closer to our vision of a circular automotive parts industry. We also invested in our facilities to improve our dismantling and storage capacity.

The acquisition of RM-Trucks OY was the first significant event of the year. Connecting with one of Finland's leading heavy-duty dismantlers allowed us to quickly advance our position in the area and contribute to better access to used original parts for heavy vehicles in our Nordic markets. This was followed by the acquisition of Hinaus Sjöberg OY, an industry-leading group in salvage and car transport with operations throughout Finland as well as internationally. The acquisition strengthens Autocirc's salvage and transport offering and bolsters our ability to carry out smart, efficient logistics in the Finnish market.

In June, we took a crucial step towards a more sustainable auto parts industry by entering a unique partnership with one of Finland's leading insurance companies. Through this cooperation, we are establishing a new way for the Finnish market to use redeemed cars. The goal is to enable a significant increase in the number of collision repairs carried out with used rather than new car parts. This will benefit multiple stakeholders:

the insurance company and their customers, Autocirc and our operations, and not least, the environment.

We also continued to improve our logistics and increase our dismantling capacity. Extensions, renovations and expansion of storage spaces at several of our facilities are paving the way for more efficient handling, while plans are progressing for a new central warehouse in the Helsinki area.

Our renewable energy and energy storage projects continue to generate significant interest. Our collaborative project, Esse Solar & Energy Park, became operational in July 2023; so far, it has delivered electricity equivalent to around 330 MWh. Meanwhile, our Autocirc Battery Recycling business area has taken decisive steps forward – the first energy storage units have already begun to have an impact on the energy market.

With these key elements in place, we are looking forward to a promising 2024, in which we will continue to build and develop our circular business model in close cooperation with our partners.



Vice President/COO Jennica Thorin

“Our culture of learning guides the way.”

In 2023, we invested in our central organisation and developed the collaboration between our companies and with external partners. Sharing work methods and experiences has allowed us to improve our processes, strengthen our position and prepare for continued growth.

From your perspective as Chief Operating Officer, how would you describe 2023 for Autocirc?

“The stand-out feature of the year is our shift from a small central organisation to a new and bigger structure, tailored to the needs of a multinational group. Our goal has always been to foster the entrepreneurial spirit of the companies we acquire, and to allow the previous owners to advance business with our support. That is still the strategy, but as we grow, it is natural to invest in our ability to serve the companies from a centralized position. We have successfully recruited highly competent people, and as a result, we are in a favourable position with the right resources for developing our working model, while equipping us for continued growth.

“Collaboration is a key word and constant focus for us, because we are convinced that it is essential for developing our business. We are part of a broader context and must work together, both within the Group and with external partners, to maximise our impact. During the year, we signed cooperation agreements with leading insurance companies in our respective markets to assist them with returning parts to the market by handling their redeemed vehicles. We are also involved in several groundbreaking projects in reuse and recycling. We are now frequently approached by various stakeholders who are curious about us, our mindset and opportunities for cooperation. It is clear that we have taken a stronger position in our industry.”

How has the organisation developed over the past year?

“First, we have fully implemented the country organisation structure. Since we must comply with national regulations in all of our markets, this is an efficient way to have control while allowing us to work even closer with the companies to create synergies within Autocirc. This is particularly important as we acquire bigger and bigger companies in Europe.

“In France, we’ve started to build a stronger country organisation, including financial and HR resources. This is because the

market there is very different from the Nordic countries, where we can share resources to a greater extent.

“In Finland, we appointed a new Country Manager: Kenneth Långbacka. He was most recently COO of Autocirc Finland and thus already has a deep understanding of both our business and the industry overall.

“The Board has also been strengthened with a new chairman: Petteri Saarinen, who brings significant experience and fresh perspectives that will be highly valuable as we take the next step to accelerate the transformation to a sustainable auto parts industry.”

In only five years, Autocirc has grown to nearly 60 companies. What challenges and opportunities has that entailed?

“We want to grow quickly in order to have the best possible geographic coverage. Instead of a centralised approach, in which we transport cars to a big facility, this allows us to dismantle them near to where they were taken out of use. Then we can send individual parts where they are needed, which saves many heavy and unnecessary transports. Our geographic coverage also allows us to provide better support to our partners across borders. The challenge of rapid growth is simply time – we would like to do even more to support our companies.”

How have you developed cooperation between the companies?

“Internally, we’ve had a heavy emphasis on how we can learn from each other to become even better and more efficient – classic best practice. Our companies have different conditions and if you divide the activities into processes, you can evaluate them individually and share good examples with each other. Autocirc has almost 60 companies, which means we have a lot of useful knowledge in the organisation – including what worked

well and what was less successful. In addition, everyone is very receptive and interested in developing. We are truly an organisation with a culture of learning. When we make an acquisition, our existing companies in the same niche are curious to access their knowledge and see if there is anything to learn. Similarly, our acquisitions have the chance to develop as brand new doors open up through our network. What unites us and facilitates cooperation between the companies is that everyone feels they are working with a common purpose: to change society in a sustainable direction.”

In 2024, what will be most important for Autocirc?

“We have to continue to work on streamlining and on how we can all make sure every car part is as useful as possible. Taking this to the next level is challenging, but for example, we’re looking into collaborations with different partners to generate greater value from materials that are currently going to landfills. There are players who are interested in new uses for raw materials – for example, maybe discarded car glass could become a resource for producing greenhouses.

“Another important component is how we can develop communication about the results of our work. The automotive industry overall is actively working with sustainability, including manufacturers and those of us in the car parts industry, but that rarely reaches the public. We need consumers to understand that it is actually better to reuse a car part than to buy a new one. Because of societal developments, people’s attitudes are beginning to shift in that direction, but we want this to happen even faster.”

Jennica Thorin
Vice VD/Operativ chef



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:

As we are working in the field of sustainability in the automotive industry, economic fluctuations can have a significant impact on our business. These risks can be both directly and indirectly linked to the economic cycle and its impact on consumer behaviour, investment levels and business opportunities.

Risk management:

The Group's customer portfolio and geographical diversity contribute to risk diversification. We are actively engaged in monitoring the business environment and developing strategies for adaptation in order to deal with a changing market and changing conditions in the future. To manage these risks, it is important for us to have a flexible business model and thought through risk management strategy. This can include diversification of revenue streams, cost control, strategic planning for financing, and

keeping up to date with market trends and regulatory changes. Actively researching and understanding customers' businesses helps us understand changes early on.

2. Industry changes

Likelihood: Likely



Consequence: High



Risk:

Changes in the industry can bring potential risks. These changes are often driven by technological advances changing consumer behaviour, environmental regulations and global economic trends. Rapid technological advances, particularly in electrification of vehicles, autonomous vehicles and digitalisation, can render existing products or services obsolete.

Risk management:

Navigating these risks requires us to be flexible and agile in our strategic planning. This means continuously monitoring market trends, investing in talented people and development, diversifying our product and service offerings, and maintaining strong partnerships and networks within the industry. To stay at the forefront of innovation and sustainability practices

is also crucial to remain relevant and competitive in a rapidly changing industry.

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. We notice that our costs have increased during the year and we will consequently conduct a cost review to identify potential savings to mitigate the rise in costs. We will also be cautious and ensure that we do not initiate too many new projects under these circumstances. It is crucial that we

reach decisions based on relevant information and that we have a thoroughly implemented project structure.

4. IT and information security

Likelihood: Medium



Consequence: High



Risk:

In the automotive industry, especially for a company like Autocirc working with sustainability in the automotive aftermarket, there are several specific risks in IT and information security. These risks are not only limited to the traditional threats facing most businesses but also include unique challenges linked to the specific nature of the industry and technological advances. We

are equally vulnerable to attacks by malware and ransomware as other industries. These attacks can lead to business disruption, loss of critical data, and in the worst case, total shutdown of the business. It is also crucial that IT systems are robust and reliable. Disruptions in these systems can lead to operational interruptions, which directly affect service levels and customer satisfaction.

Risk management:

Managing these risks requires a comprehensive strategy that includes regular risk assessment, updated and proactive security policy, continuous training of staff regarding security threats, and a robust incident response plan. It is also important to regularly liaise with suppliers and partners to ensure that the entire supply chain is secure.

Operational risks

5. Ensuring long-term competence

Likelihood: Medium



Consequence: High



Risk:

There is a risk of not being able to attract and recruit the necessary skills needed to be able to run a competitive business. This could affect the overall productivity and growth of the group. Inefficient recruitment processes can result in an imbalance between skills and professional roles, which can have a negative effect on the company's success. Our ability to attract the right expertise is crucial for ensuring skilled colleagues, fostering a positive working environment and achieving our business objectives.

Risk management:

We can reduce the risk by having a recruitment process in place. By defining clear job requirements, evaluating effective recruitment channels, conducting thorough interviews and by prioritizing candidate experience we ensure successful hires. We can also ensure long-term competence by enabling internal career paths, working continuously with succession planning and implementing of local trainee programs.

6. Health and Safety

Likelihood: Unlikely



Consequence: Low



Risk:

Within our group, there are tasks and elements that can entail risks such as handling chemicals, working with machines and lifting devices, heavy traffic in the area, heavy lifting, working at height etc. In addition to that, risks of increased mental illness have generally increased in society, which potentially also increases the risk of mental illness in the workplace.

Risk management:

We have implemented training regarding the work environment for all managers in the group. By ensuring that there are implemented local guidelines, aligned with national legislations as minimum, regarding the work environment and work safety we increase knowledge and awareness among employees regarding safety regulations and routines.

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:

We have developed a code of conduct for suppliers within our group. The code defines what we expect our suppliers to value within their own operations and within their own chain of supply. In the Code of Conduct we have identified the minimum level in terms of: business ethics, human rights and labour conditions, and climate, environment and sustainability. We see our Code of Conduct as a tool to ensure that

our suppliers meet the standards and quality that we require.

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 and treasury policy. It contains information on our various instructions and other documentation that offer guidance and support our ongoing financial management work. We have also developed a Financial Handbook which 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.

8. Impairment of acquisition-related intangible assets

Likelihood: Likely



Consequence: Medium



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.

9. 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:

We are actively monitoring the interest rate market and adjusting our debt structure within the framework of our agreement, where the aim is to optimise our interest costs while maintaining central exposure. The group has established principles for managing interest rate risks, which entail that the debt portfolio should be subject to a variable interest rate.

10. 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.

11. 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. As a step to limit the risk, an annual credit insurance policy is signed.

12. Foreign exchange risk

Likelihood: Medium



Consequence: Low



Risk:

Risks related to currency exposure and transaction exposure.

Risk management:

As part of our international expansion and strategic acquisitions of foreign companies, managing currency risk has become an increasingly important part of our financial strategy. Our goal is to minimize the financial risks arising from currency fluctuations, which is crucial to ensuring the value of our investments and the long-term profitability of the company. To achieve this, we have established a policy for

currency management. We have also set up special currency accounts for our foreign companies to efficiently manage and protect them against undesirable currency movements.

Compliance risks

13. General Data Protection Regulation

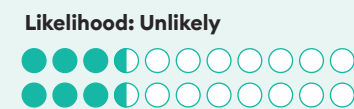


Risk: We are required to comply with data protection laws in the countries in which Autocirc operates. The EU's General Data Protection Regulation, GDPR, has introduced stricter penalties for breaches of the regulation. Failure to comply with data protection laws can lead to fines and serious consequences, 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 internal processes. Within the Group, there is ongoing work to ensure proper handling of personal data in accordance with legislation and internal processes.

14. Corruption and non-compliance with competition law



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

Risk management: 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 continue to focus on reducing handling of cash within the group, as this is a recognised risk factor. We have clear guidelines on how to handle violations of our Code of Conduct and the law, and we

offer an anonymous whistleblowing channel that employees and stakeholders can use to report suspected offenses.

Climate risks

15. Transition to a low-carbon economy



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.

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 valuable. We also identify risks associated with future investments to fulfil the requirements of a low-emission economy. To ensure that we are prepared for this transition, it will be important that we, in conjunction with inventory exchange and investments, understand the future requirements

to be able to invest in technology that meets these demands. We should also actively co-operate with our work group and expertise around new technology so that we are prepared when the transition occurs.

16. Physical climate risks



Risk: Through our latest climate risk analysis, which was conducted in conjunction with our taxonomy calculations, we have identified our short-term risks within the group. These are primarily related to wildfires, floods, heavy rainfall, heat stress, and heatwaves.

Risk management: To ensure that our operations are well prepared for the identified climate risks, we have determined that the following activities need to be carried out at each facility:

1. Attempt to understand to what extent each facility is currently prepared for applicable risks.
2. If necessary, evaluate potential adaptation measures that can be implemented.
3. Implement adaptation measures.



Sustainability Report 2023

In a world challenged by complex environmental and social issues, it is crucial for companies to actively promote sustainability. At Autocirc, we want to fulfil our responsibility to protect future generations. In this report, we share our initiatives to create a more sustainable automotive parts industry. We will also be honest about the challenges we have faced and identify opportunities for improvement. We want to be transparent and inspire others in the industry to move in our direction towards a sustainable future.

Sustainability Report

This sustainability report constitutes the Sustainability Report in accordance with Chapter 6, Section 6 of the Swedish Annual Accounts Act. It is the Board of Directors that is responsible for the sustainability report.

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75%
LESS CO₂*



A circular vision

Sustainability is a fundamental part of our business concept and we are driven by a desire to be a pioneer in the industry. Below we describe some of the key initiatives and values that demonstrate our commitment to a sustainable automotive parts industry:

Circular economy and reuse:

We are working to achieve a circular economy by actively promoting the reuse and refurbishment of car parts. By extending the life cycle of vehicle components, we minimise waste and reduce the need for new production.

Energy and resource efficiency:

We continuously seek and implement energy- and resource-efficient practices to reduce our climate impact and limit the use of non-renewable resources.

Cooperation with suppliers and partners:

We aim to establish and maintain long-term relationships with suppliers and partners who share our passion for sustainability. We work together to improve the entire supply chain and reduce its overall impact on the environment.

”By extending the life cycle of vehicle components, we minimise waste and reduce the need for new production.”

* Choosing the right spare parts can make an incredible difference to our overall climate impact. Repairs that reuse parts reduce CO₂ emissions by as much as 75% compared to using new parts, according to IVL Swedish Environmental Research Institute.

Vision and transparent reporting

We have established a well-defined vision for our sustainability initiatives in order to take responsibility and work towards continuous improvements. We also provide transparent reporting on our progress and performance in sustainability.

Our commitment to sustainability is characterised by an understanding of the Sustainable Development Goals (SDG) 12 and 13:



SDG 12: Responsible consumption and production

Sustainable consumption and production is at the heart of our business. We strive to reduce our impact by promoting a circular economy and reusing car parts. By offering refurbished and reused parts, we aim to extend the life of vehicles, thus reducing the need for new production. We focus on reducing waste and resource use by embracing a sustainable business model in the automotive

parts industry based on reuse, remanufacturing and recycling.

By working towards a circular economy and with responsible process methods, we aim to be part of leading the industry's development in responsible consumption and production.

SDG 13: Climate action

We work actively to reduce our own and the industry's climate impact and support sustainable climate action. We seek and invest in processes that reduce emissions in our operations.

However, our commitment extends beyond simply following the Sustainable Development Goals – it is a driving force that guides our decisions and initiatives.

Through climate-smart methods and projects, we want to contribute to reducing the total climate impact of the automotive industry.





“Perhaps the largest single event was the adoption of our first ESG strategy, which marks an important point in our long-term work with sustainability.”

“An ambitious strategy for a sustainable future.”

Over the course of 2023 we continued to make significant progress towards our vision of a circular automotive parts industry. For example, we have developed an ESG strategy and started preparing for CSRD reporting. We have also boosted our commitment to ethics, responsibility and transparency in our operations.

In short, the year has been distinguished by positive development. Perhaps the largest single event was the adoption of our first ESG strategy, which marks an important point in our long-term work with sustainability. This strategy lays down guidelines for integrating sustainability in every part of our business, with a view to accelerating the circular transition within the automotive parts sector. Over and above the ESG strategy, I would like to mention the following highlights from 2023:

CSRD and materiality analysis

Other important projects launched during the year comprised the preparations for the future CSRD reporting and the introduction of the first version of a double materiality assessment. This enhances our capacity to report in a way that is both meaningful for and relevant to Autocirc and our stakeholders.

Climate risk analysis and biodiversity

The taxonomy project we initiated during the year has paved the way for an in-depth analysis of climate risk, and we have also completed a review in compliance with the OECD Minimum Safeguards and DNSH (Do No Significant Harm) criteria. The intention here is to reinforce our commitment to the environment and ensure accurate and transparent reporting.

HRDD report for the Norwegian segment

We have prepared our first HRDD (Human Rights Due Diligence) report for our Norwegian Segment, pursuant to the provisions of the Norwegian Transparency Act. This emphasises our commitment to respecting and promoting human rights in Norway, and we will be implementing it in all other areas of our business in 2024.

Updating policy documents

We have revised and created new versions of the following key policy documents: our Code of Conduct, Code of Conduct for Suppliers and Partners, and Equal Treatment Policy. These documents clarify our corporate culture and underpin our commitment to ethics and responsible operation.

Implementation of Group-wide whistleblower channel

In order to promote an open and transparent corporate culture, we have introduced a Group-wide whistleblower channel, which not only makes it possible to report any irregularity safely and anonymously, but also boosts our capacity to respond proactively to any challenges detected.

These measures are of particular importance to our business and to our objective of taking on the role of a driving force for sustainability and responsibility within the automotive parts sector. We are looking forward to continuing to build on this platform in order to make additional strides in our work to benefit the climate and future generations.

Hanna Wadsten
ESG & Quality Manager
Borås, March 2024

Sustainability milestones in 2023

2023 saw several important local achievements that bring us closer to our vision of a circular auto parts industry. We are proud to have achieved results that are not only positive for the environment but also for our society and our customers and stakeholders.

Training in electric vehicle management for staff

We continued to strengthen our expertise in electric vehicle dismantling by training our staff in both Sweden and Finland in the efficient and safe handling of electric vehicles. By investing in training, we strengthen our offer while creating a safer working environment for our employees.

Local remanufacturing of car parts

During the year, we implemented a project to remanufacture car parts at a small-scale locally. By remanufacturing and reusing car parts locally, we can offer our customers a more sustainable alternative to newly produced car parts while reducing our environmental impact and promoting a circular economy.

Opening of solar park in Finland

Together with our partners, we took a major step towards renewable energy supply by opening a solar park in Finland. By producing renewable energy locally, we reduce our climate impact while strengthening our independence and long-term sustainability.

Ongoing updates to the vehicle fleet to reduce emissions

We continued our efforts to reduce emissions by updating our vehicle fleet with electric cars, electric hybrids and vehicles with better Euro classification. By replacing older vehicles with more environmentally friendly alternatives, we are reducing our climate impact and creating a more sustainable vehicle fleet.

Increasing the share of virtual meetings

As a means of reducing our climate impact, we have increased the share of virtual meetings. By using digital meeting platforms and communication we have reduced the need for travel and thus our transport emissions.

Local switch to renewable heating through pellets

We have taken an important step to reduce our climate impact by replacing heating systems that use oil. By using renewable energy sources such as pellets for heating, we reduce our greenhouse gas emissions and create a more sustainable energy supply.

Local optimisation of logistics reduces emissions

We have actively worked on internal and external logistics to reduce transport distances and the use of fossil fuels. Through more efficient processes and smart route optimisation, we are reducing our environmental impact and contributing to a more sustainable transport infrastructure.

Better packing instructions for more efficient transport

We have actively worked locally to improve the packing instructions for our transports in order to package and transport less air. By optimising the load in each transport, we reduce the number of trips and therefore our emissions per delivery.

Training in EcoDriving and analysis of driving behaviour

We have implemented EcoDriving training and actively analysed the driving behaviour of our drivers to minimise idling and contribute to more fuel-efficient driving. By optimising our driving patterns, we reduce not only our fuel consumption but also our greenhouse gas emissions.

Replacement of existing lighting with LEDs and fluorescent tubes

An important measure for reducing our energy consumption has been to continuously replace existing lighting with energy-efficient LED lamps and fluorescent tubes. This has not only reduced our electricity consumption but also improved the working environment for our employees.

Installation of motion detectors and shutting down machines

We have installed motion detectors and introduced procedures to shut down machines during breaks and weekends. By eliminating unnecessary operations, we are reducing our energy consumption and significantly improving our energy efficiency.

Insulation of premises to reduce heat loss

To reduce heat loss and improve our energy efficiency, we have carried out extensive insulation updates in our premises. Ensuring that heat stays where it is needed allows us to reduce our heating costs and minimise our environmental impact.

Planning repairs reduces heat waste

We have planned our repair work to be carried out in the spring and summer months, when the need for heating is lower and doors and gates can be kept open without affecting the indoor climate. In this way, we minimise heat loss and optimise our energy use.

Production planning for better fill rates in paint booths

By improving our production planning and optimising our workflows, we strive to always keep our paint booths full. Not stopping and starting production unnecessarily means we minimise waste and avoid unnecessary energy consumption.

New water treatment plant for reuse of process water

We have invested in a new treatment plant at our car dismantling facility in Östersund to clean and reuse process water. This reduces our water consumption and minimises our environmental impact.

Internal spare parts portal for reusing parts

In 2023, our workshop group Bil- och Skadeservice created an internal local spare parts portal where parts too fine to be thrown away can be reused to repair other damages. The aim is to preserve quality and safety while minimizing the need for new deliveries and contributing to resource efficiency.

Charitable organisations and sponsorships of local associations and athletes

We support and sponsor several local associations and athletes, contributing to the community and to activities that promote health and well-being. We also continued to contribute to various charitable organisations such as Rätts Barnen and Barncancerfonden through Team Rynkeby.

Reusing cardboard boxes as packaging material.

We have introduced a procedure for reusing cardboard boxes, involving shredding them and using them as packing material for our deliveries. By repurposing the boxes, we are reducing our need for new packaging materials and minimising our waste.

Trainees from Transportgymnasiet and adult education centres.

We welcomed trainees from both Transportgymnasiet and adult education centres through workplace-based learning. By offering internships, we are giving young people and adults an opportunity to gain valuable work experience and to develop their knowledge and skills in the automotive industry. This is an investment not only in individuals, but also in the future labour force and the development of society.

EU taxonomy in practice

What is taxonomy?

The taxonomy is an EU key component that aims to provide a common framework for defining which economic activities contribute to the Union's sustainability objectives. The taxonomy is designed to guide the classification and identification of sustainable business principles and investments that support the green transition and social sustainability.

How does it work?

The taxonomy is based on a scientific method to determine whether an economic activity is environmentally sustainable. Its impact is assessed against six overarching environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

Important criteria for sustainable activities

For an economic activity to be classified as sustainable under the taxonomy, it must meet certain basic criteria. These include not causing significant damage in relation to the six environmental objectives and meeting social requirements, such as respect for human rights and decent working conditions.

What does the taxonomy mean for us?

We see the taxonomy as a guide to help us clearly define, measure and improve our sustainability performance. We are committed to integrating its principles into our efforts to contribute to sustainable and responsible business in our sectors and industries.

Description of taxonomy project

Taxonomy project 2023

In autumn 2023, we launched a comprehensive initiative to thoroughly review and improve our sustainability practices. The primary purpose was to conduct a second-opinion review of our existing taxonomy calculations; to conduct a gap analysis against the Minimum Safeguard Requirements; and to evaluate the Do No Significant Harm (DNSH) criteria for both climate adaptation (Appendix A) and biodiversity and ecosystems (Appendix D).

Second-opinion Review

We conducted a thorough review of our existing taxonomy calculations to ensure their accuracy and compliance with current guidelines and standards. Not only did this enable a critical review of our sustainability data; it also allowed for the identification of opportunities to improve and streamline our calculation methods.

Gap analysis against Minimum Safeguard Requirements

Our gap analysis against the Minimum Safeguard Requirements aimed to ensure that our sustainability practices meet the minimum requirements for protecting human health, the environment and society. This evaluation was key to identifying areas where we could strengthen our current methods to ensure compliance with the minimum requirements.

DNSH evaluation, appendix A & D:

In accordance with the requirements for climate adaptation (Appendix A), we have developed a climate risk and vulnerability assessment for Autocirc identifying short- and long-term risks for each site within the Group. The assessment also resulted in an action plan for handling and acting on the identified risks going forward.

In accordance with the requirements for biodiversity and ecosystems concerning the preparation of the environmental impact assessment, we can conclude that we follow the DNSH on the occasions when valid authorisations exist for facilities covered by the EIA Directive (facilities that might have an environmental impact).

These assessments enabled a detailed review of our sustainability data towards climate adaptation and biodiversity/ecosystems, as well as the identification of opportunities for improvement in both areas.



Reporting under the EU Taxonomy Regulation

For 2023, Autocirc must report the scope of eligibility and alignment for two of the six environmental objectives (climate change mitigation and climate change adaptation) as well as eligibility for the remaining environmental objectives. We are choosing to illustrate alignment for all environmental objectives where criteria for significant contribution and do no significant harm are published.

Identification and assessment of activities covered by the taxonomy

Relevant economic activities for Autocirc have been assessed based on the Taxonomy Regulation (EU 2020/852) and related delegated acts. The current version of the taxonomy includes all of Autocirc's main economic activities. The threshold for assessing relevant economic activities is that the activities generate or will generate external revenue, net sales in the consolidated income statement. The following relevant economic activities were identified in the assessment:

- Depollution and dismantling of end-of-life products, Annex II, 2.6
- Sorting and material recovery of non-hazardous waste, Annex II, 2.7
- Repair, refurbishment and remanufacturing, Annex II, 5.1
- Manufacture of automotive and mobility components, Annex I, 3.18
- Collection and transport of hazardous waste, Annex III, 2.1
- Freight transport services by road, Annex I, 6.6
- Storage of electricity, Annex I, 4.10
- Sale of second-hand goods, Annex II, 5.4
- Transport by motorbikes, passenger cars and light commercial vehicles, Annex I, 6.5
- Acquisition and ownership of buildings, Annex I, 7.7

The relevant business segments have been analysed to evaluate the compliance requirements of the activities against the alignment requirements in terms of both significant contributions and the principles according to Do No Significant Harm (DNSH).

For the principles DNSH regarding climate change adaptation (Appendix A) and biodiversity and ecosystems (Appendix D), a project was carried out in the autumn with third parties, aiming to understand the requirements and assess alignment, as described above. Through the project results, Autocirc is compliant with the DNSH for climate change adaptation (Appendix A) with the development of a robust climate risk and vulnerability assessment, in accordance with Appendix A. As a result, we have clear guidance going forward on our risks and on what must be done to strengthen our climate change adaptation. Regarding biodiversity and ecosystems (Appendix D), Autocirc was found to comply with the DNSH, as the valid permits are held for the facilities covered by the EIA Directive (facilities that may have a negative environmental impact).

Scattered results were identified for the rate of compliance with the criteria for significant contributions and the principles on DNSH. The Taxonomy work ahead section presents areas for improvement for achieving alignment in the future.

Assessment of compliance with the minimum protection measures was carried out in the above-mentioned project with third parties. We identified that the work on Human Rights needs to be strengthened in order to ensure alignment. In 2023, neither Autocirc nor its subsidiaries have been convicted in any legal cases regarding human rights, corruption, tax or unfair competition.



Review of identified economic activities and description of alignment

Depollution and dismantling of end-of-life products

Applies to Autocirc companies that dismantle vehicles. Revenues, CapEx and OpEx have been identified for activities related to the depollution and dismantling of end-of-life vehicles. The activity fulfils both significant contribution and principles of DNSH by ensuring that the waste (material) comes from authorised collection points and is managed with a focus on reuse. The operating licence and regular inspections by the supervisory authorities ensure a safe and environmentally sound way of working with waste, which is also a requirement.

Sorting and material recovery of non-hazardous waste

Applies to Autocirc companies that focus on material recovery, i.e. activities handling end-of-life tyres as well as scrap and metal. Revenues, CapEx and OpEx have been identified. The activity fulfils both significant contribution and DNSH principles as waste is managed according to existing legal requirements and environmental permits, originates from depollution and dismantling-related activities, and through the activities, at least 50% of the collected material is converted to secondary raw material.

Repair, refurbishment and remanufacturing

Within Autocirc we work with remanufacturing of vehicle components, which we refer to remanufacturing within NACE code C32 (Other manufacturing). We justify it by the fact that remanufacturing is a relatively new phenomenon, which the authors of NACE agree with. In the introduction to the explanation of Class C (page 114 of the standard), “remanufacturing” is described as, among other things:

“rebuilding or remanufacturing of machinery (e.g. automobile engines, see 29.10)”, which we choose to use. Revenues, CapEx and OpEx have been identified for activities related to remanufacturing within Autocirc.

The activity fulfils both the significant contribution and the DNSH principles as the activities aim to extend the lifetime of incoming components and have waste management procedures for those products that do not meet the requirements for remanufacturing. The products sold are subject to purchase agreements and comply with EU legislation on restriction of the use of hazardous substances.

Manufacture of automotive and mobility components

The economic activity is referred to our workshops. The activity is limited to zero-emission mobile devices and the reporting of revenue, CapEx and OpEx against this activity has required splitting the repairs between zero-emission and other vehicles. The activity fulfils both the significant contribution and the DNSH principles as the workshops repair, among other things, zero emission vehicles and work actively with reused and refurbished parts during repairs.

Collection and transport of hazardous waste

We operate in the field of vehicle towing. Some of these vehicles are so damaged that they are classified as waste and must be deregistered and disposed of. As the business segment transported vehicles classified as both waste as well as non-waste, we have mapped revenue streams and identified revenues and OpEx for this activity. Investments in transport vehicles were reported as CapEx.

Freight transport services by road

Our business also includes the transport of new and used vehicles. This revenue has been separated from vehicle towing. Revenues and OpEx for this activity have been identified and investments in transport vehicles have been reported as CapEx.

Storage of electricity

Our joint venture Autocirc Battery Recycling AB is included in the consolidated accounts and is therefore included in our taxonomy reporting. Within Autocirc Battery Recycling AB, there will be future activities in electricity storage, which is referred to in the above mentioned economic activity. There are only startup costs for the activity in 2023, which means we can only report CapEx and OpEx for 2023, and no revenue.

Sale of second-hand goods

The economic activity presented in the taxonomy focuses primarily on the sale of second-hand goods, which refers to the Group's companies that carry out core unit processing. Revenues, CapEx and OpEx have been identified here.

Transport by motorbikes, passenger cars and light commercial vehicles

Autocirc leases vehicles in accordance with IFRS 16, in which the associated CapEx is calculated against this activity.

Acquisition and ownership of buildings

Autocirc leases properties according to IFRS 16 where the associated CapEx is reported against this activity. Furthermore, Autocirc owns a small number of properties within the group where revenues are received from subsidiaries. As all revenues are eliminated at group level, only CapEx can be reported.

Accounting principles

Turnover

The taxonomy uses the same definition of turnover as the Accounting Directive (2013/34/EU) on the annual financial statements, consolidated financial statements and related reports (Article 2(5)), i.e. ‘normal’ turnover.

OpEx

Operating expenses refer to direct costs that are not recognised as assets:

- Research and development
- Building renovation
- Short-term leases
- Maintenance and repair
- All other direct expenses pertaining to the daily maintenance of property, plant and equipment carried out by the company or a third party contracted for this purpose, and that are necessary to ensure the continuous and proper functioning of these assets.

CapEx

The taxonomy uses the same definition of CapEx (capital expenditure) as IFRS. Capital expenditure refers to: Additions to property, plant and equipment and intangible assets during the financial year before depreciation, amortization and revaluations, including impairments, for the financial year and excluding changes in fair value.

Additions to property, plant and equipment and intangible assets resulting from business combinations.

Capital expenditure includes costs recognised under the following categories:

- IAS 16 Property, Plant and Equipment, paragraph 73(e) (i) and (iii).
- IAS 38 Intangible Assets, paragraph 118(e) (i).
- IAS 40 Investment Property, paragraph 76(a) and (b) (for fair value).
- IAS 40 Investment Property, paragraph 79(d) (i) and (ii) (for cost).
- IAS 41, Agriculture, paragraph 50(b) and (e).
- IFRS 16 Leases, paragraph 53(h).

Leases that do not result in recognition of the right to use the asset shall not be considered as capital expenditure. However, leases that are recognised in the balance sheet may be relevant for recognising, for example, property or leased cars.

CapEx has been defined for 2023 as:

CapEx category a) is defined according to the EU as “Capital expenditure for assets or processes related to Taxonomy-eligible economic activities” (sales-related CapEx). In other words, if there is a revenue, an investment is often linked to that revenue. In that case, this investment should be included in category A. For all CapEx related to economic activities except Storage of electricity, Annex I, 4.10, this definition is used.

For Storage of electricity, Annex I, 4.10 this definition has been used:

Capex category c) is defined according to the EU as capital expenditures related to the acquisition of production from Taxonomy-eligible economic activities and individual measures that enable the target activities to become sustainable or lead to reduced greenhouse gas emissions (non-sales-related CapEx). In other words, investments that are not linked to one's revenue, but that are still in the taxonomy.

Double counting has been avoided by ensuring that only external sales as well as separate cost components have been included in the summary of the relevant activities.



Taxonomy – Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Taxonomy – Turnover

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Financial year 2023	Year			Substantial contribution criteria					
	Code (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (Taxonomy-aligned)

Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%	-	-	-	-	-	-
Of which enabling	0	0%	-	-	-	-	-	-
Of which transitional	0	0%	-	-	-	-	-	-

A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	
Depollution and dismantling of end-of-life products	CE 2.6	1195	63%	N/EL	N/EL	N/EL	EL	EL	N/EL
Sorting and materil recovery of non-hazardous waste	CE 2.7	38	2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Repair, refurbishment and remanufacturing	CE 5.1	138	7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Manufacture of automotive and mobility components	CCM 3.18	15	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Collection and transport of hazardous waste	PPC 2.1	86	4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Freight transport services by road	CCM 6.6	61	3%	EL	EL	N/EL	N/EL	N/EL	N/EL
Storage of electricity	CCM 4.10	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL
Sale of second-hand goods	CE 5.4	135	7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1 667	87%	4%	3%	-	67%	78%	-
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		1 667	87%	4%	3%	-	67%	78%	-

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy- non-eligible activities	256	13%
TOTAL	1 923	100%

DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)*	Category enabling activity (19)	Category transitional activity (20)
Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

-	-	-	-	-	-	-	0%	-	-
-	-	-	-	-	-	-	0%	E	-
-	-	-	-	-	-	-	0%	-	T

Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	-	-	-
-	Y	Y	Y	-	Y	N	-	-	-
-	Y	Y	-	-	Y	N	-	-	-
Y	Y	Y	Y	-	-	N	-	-	-
-	Y	Y	Y	Y	Y	N	-	E	-
-	Y	Y	-	Y	Y	N	-	-	-
N	Y	-	N	Y	-	N	-	-	T
-	Y	Y	-	Y	Y	N	-	E	-
N	Y	Y	N	-	-	N	-	-	-
N	Y	-	N	Y	-	N	-	-	T
N	Y	-	-	-	-	N	-	-	-

Taxonomy work ahead

Based on our calculations and mapping, we identify the following activities as essential to achieving alignment in terms of significant contributions, DNSH principles and minimum safeguards.

Alignment with criteria for significant contribution (alignment) and DNSH

We are currently identifying shortcomings in our internal vehicle fleet (M, N & L) to achieve alignment as we do not meet the requirements in terms of CO2 emission limits, Euro classes and tyres. This needs to be addressed in order to achieve alignment going forward. We also identify that in connection with the setting of requirements for logistics suppliers in the sale of used goods, we need to develop a strategy to reduce greenhouse gas emissions from transport along the value chain.

We also need to work actively with our property portfolio in order to meet the requirements in terms of EPC class, PED class and ventilation.

Minimum safeguards

Minimum safeguards under Article 18 of the Taxonomy concern: Human Rights, Anti-Corruption & Bribery, Tax and Free and Fair Competition. To ensure human rights compliance in our supply chain, we need to conduct a group-wide analysis in accordance with our internal Human Rights Due Diligence (HRDD) process.

Autocirc's preparation for CSRD and double materiality assessment

What is the Corporate Sustainability Reporting Directive (CSRD)?

CSRD in brief - the next level of sustainability reporting

The Corporate Sustainability Reporting Directive (CSRD) is an EU directive that builds on and replaces the current Non-Financial Reporting Directive (NFRD). It aims to expand the scope and quality of sustainability information provided by companies, thereby making it easier to review their social and environmental impact. Below we describe CSRD in more detail.

Extension of the reporting scope:

One of the key aspects of CSRD is the scope of reporting. Companies will now be required to report on a range of sustainability criteria, including social, environmental and economic aspects, providing a more complete picture of their sustainability

performance. Reporting will be based on a double materiality assessment developed by companies themselves. Double materiality assessment in CSRD is a strategic approach to evaluate and report on companies' performance and impacts from financial, non-financial, internal and external perspectives. The analysis model focuses on identifying and assessing the company's dual responsibilities towards both economic stakeholders and society at large.

Standardised reporting:

The CSRD aims to introduce standardised reporting requirements to improve the comparability of sustainability information and make it more comprehensible to investors, stakeholders and the public. This will facilitate a more effective analysis of companies' sustainability performances.

Integration of digital tools:

The CSRD introduces digital reporting through the European Single Electronic Format (ESEF), allowing for uniform and interoperable management of sustainability information. This digital transformation aims to improve the accessibility and usability of sustainability reports.

Positive challenges:

The CSRD makes sustainability reporting not only an obligation, but also an opportunity. Businesses will be driven to consider sustainability in their strategic decision-making processes and to communicate these efforts in a way that strengthens their brand and stakeholder relations.



What is our process going forward?

Our CSRD preparations

We are in an exciting phase of preparation for CSRD reporting, and our approach is holistic and forward-looking. Our work going forward involves collaborating across several key areas internally to ensure that our reporting not only fulfils the requirements, but also makes a meaningful contribution to us as a company.

Close dialogue with auditors

A cornerstone of our preparation strategy is a close dialogue with our auditors. By involving them early and continuously, we are confident that our reporting will be in line with the standard and that we will identify and address any challenges at an early stage.

Choice of reporting system

We see a need to invest in a reporting system to facilitate our work going forward. A strategic choice of reporting system will be crucial for the smooth collection, analysis and presentation of data. We will conduct a comprehensive evaluation of available systems to choose the one that best suits our needs and allows us to effectively meet the CSRD requirements.

Development of reporting manuals:

An important part of our work going forward is to design detailed reporting manuals. They will help everyone internally and ensure that our reporting is consistent and clear. By establishing clear processes and guidelines, we are building a solid foundation for our work with sustainability reporting.

Development of internal controls:

To ensure that our data is reliable and complies with established standards, we will implement internal controls. This means carefully scrutinising data collection, validating sources and implementing processes to deal with any errors or discrepancies. Internal controls will be an integral part of our CSRD structure to ensure that our data is accurate and of high quality.

Internal training in CSRD:

To ensure that all employees, specifically those with responsibility for reporting, are well informed about the CSRD requirements and our reporting strategy, we plan to implement internal training programmes. They will include training in the specific requirements and expectations of the CSRD. By integrating these efforts into our preparatory strategy, we are striving to be well prepared to meet and fulfil the CSRD requirements.



A strategy for the future -Driving the future for a circular autopart industry

In June 2023, we launched a comprehensive and targeted process to develop our ESG strategy. The strategy represents a central part of our commitment to sustainability and responsible business. The process has been structured and focused on several key areas to ensure that our organisation achieves a high standard of environmental, social and governance (ESG) performance going forward.

Circularity: Maximise use of submitted materials

We aim to increase the utilisation rate of submitted materials by improving and refining our processes and practices. By promoting a circular economy, we want to minimise waste and maximise resource efficiency. This is a key component of our commitment to a sustainable future.

Decarbonisation: Highlight environmental benefits and carbon avoidance

We are moving towards full transparency on our environmental benefits and carbon avoidance. By clearly highlighting and communicating these efforts, we aim to inspire and engage our stakeholders and the industry overall.

Decarbonisation: Adaptation to 1.5°C target and energy efficiency

We are adapting our internal practices, processes and partnerships to support the objectives of the Paris Agreement and minimise our impact on the climate. Our focus is on meeting and exceeding the 1.5°C target by reducing our emissions and energy consumption to contribute to the transition to zero emissions.

Environmental management: Preserve nature and minimise impact

We continue to ensure that our operations not only comply with strict environmental standards, but also actively contribute to preserving biodiversity, protecting water resources and minimising pollution.

Social responsibility: Promote employee health, safety and diversity

We view social responsibility as a core component of our business. By strengthening employee health and safety and by promoting diversity, equal opportunities

and skills development in our organisation, we aim to create an inclusive work environment in which each individual can thrive and flourish.

Governance: Ensure good business ethics and sustainability reporting

Our strategy also includes strong leadership and good business ethics. We actively work to ensure a secure supply chain and high standards for sustainability reporting. By actively striving to meet taxonomy requirements, we strengthen our commitment to being a responsible and reliable partner.

This ESG strategy represents not only our commitment to minimising negative impacts, but also to being a positive force for sustainable development. By following it, we are aiming to create a future in which successful business and sustainability go hand in hand. Our actions today leave a mark for generations to come, and we are ready to both take responsibility and inspire others to work towards a sustainable future.

KEY DATA – Autocirc Group 2020, 2021, 2022 & 2023

	2023	2022	2021	2020
Number of reporting companies	60	40	18	6
Scope 1* emissions, tCO ₂ e	10 445,9	4 112,7	1 403,4	453
Scope 2** emissions, tCO ₂ e	630,5	348,4	407,2	189
Scope 3*** emissions, tCO ₂ e	n/a****	15 070,7	6 309,81	n/a
Group CO ₂ e intensity (tCO ₂ e/revenue SEK million)*****	5,76	4,1	2,8	5,1
Water consumption, m ³	19 786	13 460,7	8575	922
Water intensity within the Group (m ³ /revenue SEK million)	10,29	12,4	17,94	7,32
Energy consumption, MWh	10 894,9	6 344,1	2 798	556
Energy intensity within the Group (MWh/revenue SEK million)	5,67	5,9	5,85	4,41
Total number of employees	1042	671	286	54
Number of female employees	142	85	41	5
% female employees	14%	13%	14%	9%
Number in management teams	144	101	50	n/a
Number of female participants in management teams	31,5	23	12	n/a
% female participants in management teams	22%	23%	24%	n/a
Sickness absence %	2,7%	4,5%	4,7%	2,8%
Certifications	47% of companies certified within group (different types of certifications).	60% of companies certified within group (different types of certifications).	50% of companies certified within group (different types of certifications).	ISO 9001: 25% units ISO 14001: 50% of units

* Scope 1 is our direct emissions, which include emissions from internal combustion of fossil fuels.

** Scope 2 includes emissions (indirect) from purchased electricity, steam, heating and cooling. We used the location-based method of calculation, which reflects the average emissions intensity of the grid on which the energy consumption occurs (calculated using primarily grid-average emission factor data).

*** Scope 3 concerns other indirect emissions, from purchased materials, product use, waste management, business travel, etc. that the organisation does not own or control.

**** For 2023, we were not able to collect data on Scope 3 due to other priorities.

***** CO₂e intensity relates to Scope 1 & 2 emissions.

In summary, during 2023 the CO₂e intensity has increased, which is mainly due to an increased share of salvage companies within the group. These companies are intensive in scope 1 emissions, which contributed to the overall increase. On the other hand, water use decreased, which can be linked to water conservation measures and more efficient use of resources. Despite acquisitions of companies in the renovation segment, which are often energy-intensive, energy intensity has decreased within the Group although the reduction is not particularly large. Though with marginal, this positive outcome is a result of energy efficiency measures within the group.

A positive, albeit marginal change has occurred in the gender distribution within the Group. In terms of sick leave, we are seeing a positive trend, possibly due to the fading of the pandemic. It should also be mentioned that for 2023, we have developed a new calculation model for calculating sick leave, which may have affected the result.

The proportion of certified companies in the Group has decreased, due primarily to acquisitions of companies in segments in which certification is uncommon, such as towing businesses.

On a sustainable basis/Governance

We have a strong commitment to an ethical and responsible corporate culture. To ensure compliance and good practice, we previously established three key policy documents:

- Code of Conduct
- Suppliers and business partner Code of Conduct
- Equal treatment policy

During 2023, we revised and updated these documents, which the Board approved in December 2023. The new versions entered into force on 1 January 2024. A brief description of each document is presented below.

Code of Conduct

Our Code of Conduct is at the heart of our business and sets out the basic principles and values expected of all employees. It covers areas such as behaviour at work, the environment and sustainability, and business integrity. Through compliance with the Code of Conduct, we aim to create a work environment in which ethics and responsibility permeate every aspect of our business.

Suppliers and business partner Code of Conduct

We have introduced a Supplier Code of Conduct that sets out our expectations for their ethics, labour conditions, environmental responsibility and business practices. By working closely with our suppliers, we aim to create a sustainable and responsible supply chain.

Equal treatment policy

We believe in a workplace in which diversity and inclusion are not only encouraged but are also core values. Our Equal treatment policy is an important tool for creating a work environment where every individual, regardless of gender, has equal rights and opportunities. We strive for gender equality at all levels of the organisation and promote a culture where diversity is seen as an asset.

Whistleblowing service

We recently implemented a whistleblowing channel that will enable employees and other stakeholders to report any irregularities or ethical breaches safely and confidentially. The channel is an important part of our commitment to transparency, privacy and ethical business conduct as set out in our governing documents. Through implementation, we aim to create a culture in which everyone feels safe to make their voices heard and where any concerns can be identified and addressed quickly and effectively.

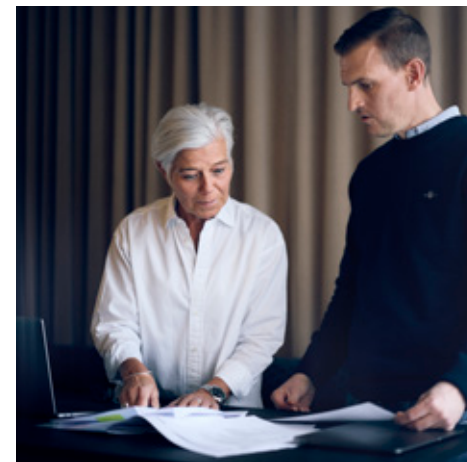


People and Culture

A workplace for everyone

As a global group, diversity is a natural part of our business. We aim to foster an inclusive work environment where every employee has equal opportunities and conditions, differences are embraced, and the attitude that diversity is enriching prevails. We must build skilled teams and have leadership

that reflects the values of the Group and society in order to best serve our customers. The Group's equal treatment policy describes how we should act in order to contribute to diversity and an even gender distribution, and to eliminate discrimination.



The start of something bigger

As our Group grows, there are higher demands on our work to develop our employees and leadership. As a step in creating a solid foundation in these areas and building a structure for continued growth as a Group, in 2023 we added new resources through the new roles of Head of People and Culture at Group level and an HR Manager in our French country organisation. These resources ensure the presence of an overall framework and governance for how we work with People and Culture and that our subsidiaries receive the necessary guidance and support. Through well-established frameworks and support, we create

favourable conditions to be an attractive employer and to promote our business and growth.



Focus: Health and safety

Effective health and safety processes create a safe work environment that enhances employee satisfaction by prioritising well-being. Reduced accidents and illnesses lead to lower costs and higher productivity, resulting in cost efficiency and a positive, satisfied workforce.

Knowledge and awareness are essential for proactive and professional health and safety management. As a first step in increasing knowledge, during the year we trained all managers in the Swedish companies in national work environment legislation and also created tools for Swedish

managers to enable effective and systematic work environment management. Similar training programmes will be carried out in Norway and Finland in the coming years.

Norwegian Transparency Act

Åpenhetsloven, the Norwegian Transparency Act, forms a central part of Norway's legal framework and was adopted on 1 July 2022 to promote openness and transparency in both the public and private sectors. Under the act, companies must identify and manage their risks and negative impacts on human rights and labour conditions throughout the value chain, and publish a public report in summer 2023.

To meet these requirements, in spring 2023 we developed a process to identify and manage any risks and negative impacts on human rights and labour conditions in our operations and supply chain. Our Human Rights Due Diligence (HRDD) process was designed to ensure that human rights are respected and protected throughout our supply chain.

The process is divided into several steps:

1. Identification of suppliers: We mapped and identified all suppliers involved in our operations and supply chain.
2. Screening of risks in key supplier segments: We conducted a thorough screening of risks in key supplier segments to identify potential threats to human rights.
3. Identification of suppliers in risk segments: Suppliers identified as high risk underwent a specific audit.
4. Desk audit of identified suppliers: We conducted a desk audit of these high-risk suppliers to thoroughly assess their compliance with human rights and labour conditions.
5. Survey for non-approved suppliers: For suppliers that did not meet the requirements of the desk audit, we conducted a survey to further investigate and address any shortcomings and areas for improvement.

Through this structured HRDD process, we aim to ensure that all suppliers comply with high standards in terms of human rights and labour conditions, and that any risks are effectively identified and managed.

According to the analyses we conducted in the spring, we see that our suppliers, apart from those who did not choose to participate in the in-depth analysis, are not exposed to risks related to non-compliance with human rights and decent labour conditions, given the processes and policies they currently have in place. However, the level of maturity in the relevant and analysed area is somewhat low for some of the Group's suppliers, which can be attributed to the use of smaller local suppliers. We see that this kind of reporting and dialogue with our suppliers will help put the topic on the agenda while we develop together with our suppliers in the continued work. The report also sets out our work going forward in this area.

Auditor's opinion on the statutory sustainability report

To the general meeting of Autocirc Group AB (publ), reg. no. 559267-3478.

Duties and responsibilities

The Board of Directors is responsible for the sustainability report for the year 2023 on pages 14-15 and 44-81 and that it has been prepared in accordance with the Annual Accounts Act.

and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

Statement

A sustainability report has been prepared.

Gothenburg on the date shown in our electronic signature
Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorised Public Accountant

Focus and scope of the review

Our review has been conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing



Financial Summary



Directors' report

The Board of Directors and the CEO hereby present the Annual and Sustainability Report for 2023 for Autocirc Group AB, with corporate identity number 559267-3478, and with headquarter in Borås. A statutory sustainability report has been prepared as a separate report from the directors' report in accordance with the Swedish Annual Accounts Act, Chapter 6, and can be found on pages 14–15 and 44–81 of this document.

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 Europe, including in Sweden, Finland, Norway, UK, Germany, Poland and France. 2023 has been marked by organic growth, acquisition, and continued start-up of the organisation. During the year, Autocirc grew from fifty companies (including the Parent Company) to a total of seventy seven legal companies. Total operating income have risen from SEK 1 084 million, to SEK 1 929 million, with an organic growth amounting to 24%.

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.

Sound corporate governance

Autocirc Group AB is a public Swedish corporation headquartered in Borås. Autocirc strives to implement effective corporate governance processes to ensure that the business creates long-term value for shareholders, employees, and other stakeholders.

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 2023 financial year. A year in which our ownership structure changed through Nordic Capital's acquisition of the company on February 2, 2023

The Annual General Meeting

The Annual General Meeting (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.

The 2023 Annual General Meeting was held on May 23, 2023, in Borås, and the following decisions were made at this meeting:

Robert Wagman, Johan Livered, Mattias Pettersson, Joakim Lundvall, Owe Xie, and Andreas Näsвик were elected to the Board of Directors. Robert Wagman was elected as the Chairman of the Board until the next Annual General Meeting.

The Board of Directors and the CEO were granted discharge from liability.

At an extraordinary general meeting on July 5, 2023, it was decided that board remuneration shall be paid to the following board members, Robert Wagman, Owe Xie and Joakim Lundvall.

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 seven members, including a Chairman and a Vice Chairman. 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.

The Board has a Compensation Committee that held a meeting in 2023 and an Audit Committee that also held a meeting in 2023. Both committees have guidelines and instructions for the separate work they perform on behalf of the Board. 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.

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.

During the 2023 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 2023 featured decisions on acquisition investments and decisions on the structure of the organisation and its governance.

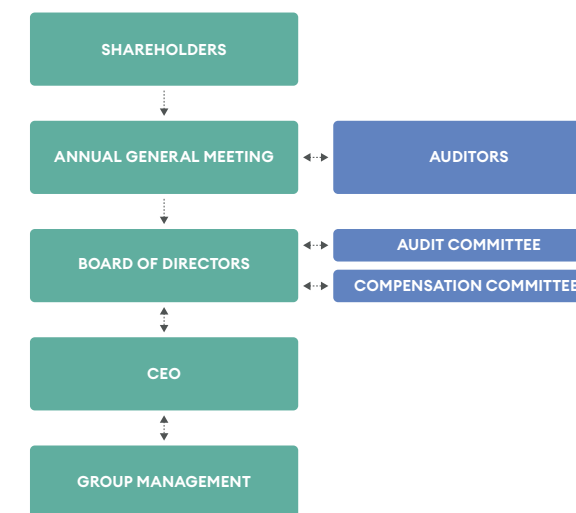
Board committees and structure

For enhanced internal control, an Audit Committee was established in 2023. The purpose of the Audit Committee is to strengthen governance and compliance related to financial reporting. Reporting on, among other things, the auditor’s review of the company’s financial reporting, the company’s internal controls, and risk management is made to the Audit Committee. Two representatives from the Board have been appointed to the Audit Committee. The company’s CFO, the company’s auditor, and the Group Accounting Manager also participate in the meetings. The auditor is responsible for examining the company’s annual report and accounts as well as the management of the Board and the CEO. After each fiscal year, the auditor shall submit an audit report and a group audit report to the Annual General Meeting. Autocirc Group’s auditor for the year has been PWC with Ulrika Ramsvik as the lead auditor. The audit committee annually evaluates the work and independence of the auditor.

The board has also established a separate committee for compensation to senior executives at Autocirc. The committee will also work on HR processes and leadership development within the group.

At the constitutive board meeting on May 23, 2023, the following decisions were made: Robert Wagman was elected as the Chairman of the Board, Owe Xie and Magnus Hammarström to the Audit Committee with Owe Xie as Chairman, and Robert Wagman and Magnus Hammarström to the Compensation Committee with Robert Wagman as Chairman. In conjunction with the change of Chairman of the Board in November 2023, Robert Wagman was replaced by Petteri Saarinen. Robert Wagman remains on the board as Vice Chairman.

Autocirc, owned by the private equity firm Nordic Capital, is a corporate group that operates with a decentralized business model. Autocirc aims to be an owner where the entrepreneurs in the subsidiaries can continue to develop and operate their companies in the same spirit as before, and where the group offers opportunities 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 aims to build an ecosystem and connect the flow of parts in the value chain to drive profitability and maximize extracted value/reuse in each part. Autocirc creates long-term and sustainable value growth by building a group of companies with good profitability, stable cash flows, strong market position, and the ability to continuously develop.



Board of Directors

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



Petteri Saarinen

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

Background:

Petteri's most recent position was as CEO of Finnish company LEDIL Group. In December 2023, he was elected as executive Chairman of the Board for Autocirc Group. In addition to this role, Petteri holds board positions at Consilium Safety Group AB, Nordic Capital, and Oy Verman Ab Group. He has more than 25 years of experience in successfully implementing international growth projects, turnarounds, and change management with successful exit transactions. In his strategic and leadership roles across various businesses, Petteri has been active in family businesses through medium-sized private equity firms to large global conglomerates.



Robert Wagman

Vice Chairman of the Board
Elected Vice Chairman of the Board in November 2023.

Background:

Robert 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. Robert 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 Recopart 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.



Andreas Näsвик

Board member
Elected Board member in 2023.

Background:

Andreas has previously worked with corporate finance and private equity investments at Deutsche Bank and Goldman Sachs. He is currently a board member at Sortera AB and ProGlove AG, and he has previously been a board member at Lindor AB, Consilium AB, and Cary Group. Andreas is a partner at Nordic Capital Advisors.

Group Management Team

Autocirc's Group Management Team is made up of the following four individuals:



Johan Livered

Chief Executive Officer (CEO)
CEO since 2020.

Background:

Born in 1977. Johan studied economics at The University of Borås and Central Queensland University. Number of shares 58,405,734. Prior to his time at Autocirc, Johan has held positions as CEO of VEGE Group BV and as CEO of Atracco AB and Recopart AB. Through his previous professional roles, Johan has developed deep experience of management work in large organizations.



Jennica Thorin

Chief Operating Officer (COO)
COO since 2021.

Background:

Prior to her role at Autocirc, Jennica was CEO of Recopart 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.



Gunilla Andersson

Chief Financial Officer (CFO)
CFO since 2023.

Background:

Gunilla comes from a position as CFO at Mentice AB. She has also held roles as interim CFO at Aleris Group, SKF Motion Technologies, and Optigroup. Her experiences with private equity firms have provided her with solid expertise in financial management at the group level.



Mattias Pettersson

Chief M&A
Chief 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.

The Group Management Team meets regularly and deals with issues relating to corporate governance, reporting, organisation and strategy. The Team 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 the Group Management Team is responsible for the management of the company.

Comparative overview

Multi-year review Group					
		2023	2022	2021	2019/2020
Net sales	kSEK	1 888 883	1 069 681	432 677	51 265
Profit (loss) after financial items	kSEK	-181 871	-28 886	11 234	-1 237
Balance sheet total	kSEK	3 709 316	2 309 279	968 748	138 363
Solidity	%	25,6	14,2	20,1	36,1

Multi-year review Parent company					
		2023	2022	2021	2019/2020
Net sales	kSEK	11 516	0	0	0
Profit (loss) after financial items	kSEK	-30 742	-19 384	-2	0
Balance sheet total	kSEK	2 549 915	1 387 909	245 554	103 225
Solidity	%	47,9	30,3	100,0	100,0

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. In 2022 the Russia invasion in Ukraine shook the western European world and this war still continues. The market in 2023 continued to experience high inflationary pressure, putting pressure on the margins for Autocirc. Based on our contracts with insurance companies we have experienced good inflow of cars and we have been able to continue Autocirc's offering of circular spare parts and supply the aftermarket with a stable, locally produced, and uninterrupted flow of sustainable spare parts also in 2023.

Ownership structure

Autocirc Group is 100% owned by Autocirc Industriutveckling AB. The ownership ratio has remained unchanged during the year. However, the majority owner of Autocirc Industriutveckling AB has changed when Nordic Capital acquired all shares from Alder II AB in February 2023 through the company Circauto BidCo AB, which is owned by Nordic Capital together with part of Autocirc's management.

Significant events during the financial year

Sales for the Group rose by 77 % to SEK 1 889 million (1 070). Organic sales growth was 24% for the full year, with the remaining growth attributable to acquisitions. Recognized operating profit amounted to SEK 39,6

million (68,3), giving an operating margin of 2,1%. Post-tax earnings totaled SEK -196,1 million (-79,0). Cash flow from operating activities was negative by SEK -136,2 million (-37,7). The year-on-year impact is mainly related to increased financial cost offset by improved business performance.

Acquisitions made by the Group in 2023 included: Autonkuljetus Sjöberg Oy, AU-TO-PIECES SAS, Beck Export Automobile B E A SAS, Bärningstjänsten Sverige AB, Coram Auto SAS, Delehuset AS, Hinaus Sjöberg Oy, Hinaus Sjöberg Itä-Suomi Oy, JM Gjøvning AS, Konekuljetus Sjöberg Oy, LBM Autoparts AB, LB Teknik Oy, RM Trucks Oy, Rogaland Bildeler AS, STS Scandinavian Transmission Service AB, Vaihteistokeskus Oy, Sustainable Transmission Solutions Group AB and Ådalens Bildemontering AB. During the year, the Group also acquired the previously sold real estate companies Industrisamhället Väg 11 AB and Autocirc Finland Fastigheter OY. To further strengthen our presence in Norway a dismantling company has been started up, Arctic Autodemontering AS in Tromsø and a joint distribution center, Autocirc AS in Vestby.

Financial Position

During Q2 2022 Autocirc Group AB (publ) 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 was listed in Frankfurt. The bond is, as of June 16th 2023, admitted for trading on Nasdaq STO

Corporate Bonds. The term of the bond is three years with an interest rate of 3-month STIBOR + 875 interest points. During the fall of 2023, the bond loan has been tapped on two occasions by 130 and 200 MSEK respectively, which means that the total outstanding loan as of the end of December is 1,330 MSEK. All conditions in the form of covenants are fulfilled as of 2023-12-31.

Complete terms and conditions can be found on the Autocirc homepage: <https://autocirc.com/investor/>

In addition, Autocirc AB has a super senior revolving credit facility of SEK 250 million, whereof utilized 0 SEK by year end.

In 2023, the head office has been expanded and now consists of a total of 21 employees. The organization has been strengthened with the following roles; Marketing Manager, HR Manager, M&A Project Manager, Business Controller, Solution Architect, Cash Management Controller, two Group Accountant and two business developers to the Swedish segment organization. During February 2024, the organisation was further strengthened with a Financial Accountant.

Significant events after the end of the financial year

The Group's growth journey is continuing in 2024. In February 2024, French companies C.A.P.O SAS and Auto Pieces Louhans SAS

were acquired. During March we signed an agreement to buy GBD-Grønvolds Bildemontering AS in Norway with closing in April 2024.

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 2024, 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.

Risks and uncertainties

Autocirc's results and financial position is affected by a number of risks. The identified risks are categorized into external, operational, financial, legal compliance and climate risks. Autocirc monitors risks regularly and weighs probability against impact as a part of Autocirc's responsibility towards the 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. Examples of this are inflation, political decisions or current events such as military conflicts in our surroundings. External risks can to some extent be reduced and managed through careful analysis and strategic path choices. The market for reuse, remanufacture and recycling, which is Autocirc's main market, has historically been 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, competence, 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. It is possible to reduce the level of risk and achieve cost-effective financing by securing and controlling risks centrally. In order to minimize 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 interpretation of financial procedures throughout the Group and in all internal and external financial reporting. In addition to the Handbook we have regular work sessions, finance conference and reviews.

Financial risk management

In order to minimize the financial risks and improve and structure the financial control and reporting within the Autocirc Group, we have drawn up a finance and treasury policy. Description of the financial risks to which the Group is exposed are described in note 53.

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 recognize 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.

Appropriation of earnings

The following profits brought forward are to be decided upon by the annual general meeting (SEK):

Share premium reserve	51 175 385
Retained earnings	1 194 039 493
Result for the year	-24 952 121
	1 220 262 757
The board of directors propose the total result brought forward is appropriated as follows:	
to be brought forward	1 220 262 757
	1 220 262 757

Statement of profit or loss

kSEK	Notes	Group		Parent company	
		2023-01-01 2023-12-31	2022-01-01 2022-12-31	2023-01-01 2023-12-31	2022-01-01 2022-12-31
<i>Operating income and capitalized expenses etc.</i>					
Revenue	2, 3	1 888 832	1 069 681	11 516	-
Change in inventories of products in progress, finished goods and work in progress/Changes in inventories		-	1 348	-	-
Work performed by the group/parent company for its own use and capitalized		6 338	-	-	-
Other operating income	4	33 840	12 906	-	-
Total operating income and capitalized expenses etc.		1 929 010	1 083 935	11 516	0
<i>Operating expenses</i>					
Raw materials and consumables		-251 061	-6 016	-	-
Goods for resale		-461 343	-401 147	-	-
Other external expenses	5, 6	-428 973	-233 514	-16 955	-1 957
Employee benefit expenses	7, 8, 9	-568 635	-316 283	-754	-
Depreciation, amortisation and impairment of tangible and intangible fixed assets/non-financial assets		-130 317	-57 941	-	-
Impairment of goodwill	10	-47 446	-	-	-
Other operating expenses	11	-1 615	-731	-	-
Total operating expenses		-1 889 390	-1 015 632	-17 709	-1 957
Operating result		39 620	68 303	-6 193	-1 957
<i>Gain (loss) from financial items:</i>					
Gain from participation in associates and joint ventures		-352	70	-	-
Finance income	12	18 469	2 533	-	-
Finance costs	13	-239 608	-99 794	-	-
Gain from other securities and receivables classified as fixed assets		-	2	-	-
Other interest income and similar items	12	-	-	123 829	42 029
Interest expense and similar items	13	-	-	-148 378	-59 456
Result after financial items		-181 871	-28 886	-30 742	-19 384
Appropriations	14	-	-	5 790	-
Tax expense	15	-14 258	-50 115	-	-
Result for the year		-196 129	-79 001	-24 952	-19 384
Result for the year attributable to:					
Owners of the parent		-196 099	-79 116		
Non-controlling interest/Minority shareholding		-30	115		

Statement of other comprehensive income

kSEK	Notes	Group		Parent company	
		2023-01-01 2023-12-31	2022-01-01 2022-12-31	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Result for the year		-196 129	-79 001	-24 952	-19 384
Other comprehensive income:					
Exchange differences on translating foreign operations		-1 549	16 835	-	-
Other comprehensive income for the year, net of tax		- 1 549	16 835	-	-
Total comprehensive income for the year		-197 678	-62 166	-24 952	-19 384
Comprehensive income for the year attributable to:					
Shareholders of the parent company		- 197 912	-62 415		
Non-controlling interest		234	249		
		-197 678	-62 166		

Statement of financial position/balance sheet

kSEK	Notes	Group		Parent company	
		2023-12-31	2022-12-31	2023-12-31	2022-12-31
ASSETS					
Fixed assets/Non-current assets					
Intangible fixed assets/Intangible assets					
Capitalised expenditure for development and similar work	16	9 314	145	-	-
Software, licences and similar rights	17	992	411	-	-
Rights to tenancy and similar rights	18	876	1 021	-	-
Goodwill	19, 52	1 705 473	1 192 986	-	-
Total intangible fixed assets		1 716 655	1 194 563	0	0
Tangible fixed assets/Property, plant and equipment					
Land and buildings	20	178 900	51 413	-	-
Right of use assets	21	630 966	431 881	-	-
Cost of improvement to leasehold property	22	13 779	-	-	-
Plant and machinery	23	172 122	48 539	-	-
Equipment, tools, fixtures and fittings	24	52 930	44 632	-	-
Construction in progress and advance payments for tangible fixed assets/PPE	25	41 976	969	-	-
Total tangible fixed assets/PPE		1 090 673	577 434	0	0
Financial fixed assets/Financial non-current assets					
Participations in group companies	27	-	-	1 264 892	439 892
Receivables from group companies	28	-	-	1 263 066	900 692
Participations in associates companies	29	2 156	2 504	-	-
Receivables from associates and joint ventures		-	60	-	-
Other participation interests	30	-	1 713	-	-
Other long-term securities	31	5 780	4 974	-	-
Other long-term receivables	33	6 486	1 163	-	-
Total financial fixed assets/Financial non-current assets		14 422	10 414	2 527 958	1 340 584
Deferred tax assets	32	7 916	-	-	-
Total fixed assets/Total non-current assets		2 829 666	1 782 411	2 527 958	1 340 584
Current assets					
Inventories etc.	34				
Inventories		407 968	182 943	-	-
Total inventories etc		407 968	182 943	0	0
Current receivables					
Trade and other receivables	35	170 641	108 789	-	-
Receivables from group companies	28	30 818	21 003	20 959	4 257
Receivables from associates and joint ventures		1 110	-	-	-
Current tax receivable		26 721	957	-	-
Contract and other receivables		75 519	20 713	882	-
Prepaid expenses and accrued income	36	16 753	23 501	-	-
Total current receivables		321 562	174 963	21 841	4 257
Cash and cash equivalents/Cash and bank	37				
		150 120	168 962	116	43 069
Total current assets		879 650	526 868	21 957	47 326
TOTAL ASSETS		3 709 316	2 309 279	2 549 915	1 387 910

Statement of financial position/balance sheet

kSEK	Notes	Group		Parent company	
		2023-12-31	2022-12-31	2023-12-31	2022-12-31
EQUITY AND LIABILITIES					
Equity	38				
<i>Restricted equity*</i>					
Share capital		516	516	516	516
Total restricted equity*				516	516
<i>Non-restricted equity*</i>					
Other contributed capital	56	51 175	51 175	-	-
Share premium		-	-	51 175	51 175
Reserves		9 370	19 926		
Profit (loss) brought forward		1 080 938	333 750	1 194 039	388 423
Profit (loss) for the year		-196 099	-79 001	-24 952	-19 384
Total non-restricted equity*				1 220 263	420 214
Equity attributable to owners of the parent		945 900	326 366		
Non-controlling interest		3 637	1 135		
Total equity		949 537	327 501	1 220 779	420 730
Non-current liabilities					
Warranty provision	39	195	320	-	-
Pensions and other employee obligations	39	5 226	8 020	-	-
Other provisions	39	1 078	-	-	-
Bond loans	40	1 315 769	962 885	1 315 769	962 885
Liabilities to credit institutions	41	60 731	14 991	-	-
Lease liabilities	6, 41	550 285	404 268	-	-
Deferred tax liabilities	32	44 236	18 222	-	-
Other liabilities	42, 52	274 923	183 650	-	-
Total non-current liabilities		2 252 443	1 592 356	1 315 769	962 885
Current liabilities					
Bank overdraft facilities	43	1 929	-	-	-
Liabilities to credit institutions	41	15 340	87 750	-	-
Lease liabilities	6	102 752	39 880	-	-
Advance payments from customers		10 331	5 928	-	-
Trade and other payables		132 316	74 071	190	236
Liabilities to group companies		40	-	6 198	-
Current tax liabilities		31 074	36 955	-	-
Other liabilities	44	119 424	81 156	336	-
Accrued expenses and deferred income	45	94 130	63 682	6 643	4 058
Total current liabilities		507 336	389 422	13 367	4 294
Total liabilities		2 759 779	1 981 778	1 329 136	967 179
TOTAL EQUITY AND LIABILITIES		3 709 316	2 309 279	2 549 915	1 387 909

* Classification of the Restricted and Non-restricted equity refers to the parent company according to The Annual Accounts Act.

Consolidated statement of change in equity

kSEK	Notes	Share capital	Other contributed capital	Reserves	Result brought forward	Total attributable to owners of parent	Non-controlling interest	Total equity
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
Result for the year		-	-	-	-79 116	-79 116	115	-79 001
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	38	516	51 175	19 926	254 749	326 367	1 135	327 501
Balance at 2023-01-01		516	51 175	19 926	254 749	326 367	1 135	327 501
Shareholders' contribution		-	-	-	825 000	825 000	919	825 919
Transactions with non-controlling interest		-	-	-	-	-	1 379	1 379
Transactions with owners		-	-	-	825 000	825 000	2 298	827 298
Diversion within equity		-	-	-8 654	8 654	-	-	-
Result for the year		-	-	-	-196 099	-196 099	-30	-196 129
Correction of errors	52	-	-	-89	-7 465	-7 554	-30	-7 584
Other comprehensive income		-	-	-1 813	-	-1 813	264	-1 549
Total comprehensive income for the year		-	-	-10 556	-194 910	-205 466	204	-205 262
Balance at 2023-12-31	38	516	51 175	9 370	884 839	945 900	3 637	949 537

Parent company's statement of changes in equity

kSEK	Notes	Share capital	Share premium	Result brought forward	Result for the year	Total equity
Balance at 2022-01-01		516	51 175	193 862	-2	245 551
Reclassification of result from previous year		-	-	-2	2	-
Shareholders' contribution		-	-	194 563	-	194 563
Result for the year		-	-	-	-19 384	-19 384
Balance at 2022-12-31	38	516	51 175	388 423	-19 384	420 730
Balance at 2023-01-01		516	51 175	388 423	-19 384	420 730
Transfer previous year's result		-	-	-19 384	19 384	-
Shareholders' contribution		-	-	825 000	-	825 000
Result for the year		-	-	-	-24 952	-24 952
Balance at 2023-12-31	38	516	51 175	1 194 039	-24 952	1 220 779

Cash flow statements

kSEK	Notes	Group		Parent company	
		2023-01-01 2023-12-31	2022-01-01 2022-12-31	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Result after financial items*	12, 13	-181 870	-28 886	-30 742	-19 384
Non-cash adjustment	49	198 149	59 340	8 451	-
Income tax paid		-47 960	-26 565	-	-
Cash flow from operating activities before changes in working capital		-31 681	3 889	-22 291	-19 384
<i>Changes in working capital:</i>					
Change in inventories		-101 290	-32 097	-	-
Change in trade and other receivables		-12 032	-14 792	-17 585	-4 232
Change in trade and other payables		8 798	5 306	9 073	4 292
Net cash flow from operating activities		-136 205	-37 694	-30 803	-19 324
Investing activities					
Group loan paid		-	-	-358 913	-900 692
Acquisition of participations in subsidiaries net of cash acquired incl contingent considerations paid	51	-693 096	-824 887	-825 000	-155 863
Acquisition of intangible fixed assets	17, 18	-509	-615	-	-
Acquisition of tangible fixed assets	20, 23, 24, 25	-141 284	-19 578	-	-
Sale of tangible fixed assets	20, 23, 24	21 126	189 230	-	-
Cash flow from investing activities		-813 763	-655 850	-1 183 913	-1 056 555
Financing activities	50				
Shareholders contribution received		825 000	156 063	825 000	156 063
New borrowings and lease liabilities		357 516	1 036 631	346 763	962 885
Repayment of borrowings and lease liabilities**		-253 319	-367 838	-	-
Change in bank overdraft facilities		1 929	-51 696	-	-
Cash flow from financing activities		931 126	773 160	1 171 763	1 118 948
Cash flow for the year		-18 842	79 616	-42 953	43 069
Cash and cash equivalents at the beginning of the year		168 962	89 346	43 069	-
Cash and cash equivalents at year-end		150 120	168 962	116	43 069

* See Note 12 & 13 for interest received and paid

** Of which amortization of leasing debts amounts to 98,594 (51,136)



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NOT 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 parts, service/repair and freight. As the majority relates to parts sales, no such division (as required by IFRS 8) has been made. Operations are primarily conducted in Sweden but also in Finland, the UK, Norway, Germany, Poland and France.

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 going concern assumption

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 Sustainability and 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. The Autocirc Industriutveckling AB is as of February 2023 acquired by Circauto BidCo AB which is owned by Nordic Capital and partly 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 that is listed for trading on the Frankfurt Stock Exchange and the Nasdaq Stockholm Stock Exchange.

The consolidated financial statements for the year ended December 31, 2023 (including comparative figures) were approved for issuance by the Board of Directors on March 22th, 2024.

Correction of errors

The correction of errors relates to the recognition of acquisitions in 2021 and 2022 and to accounting of IFRS 16 in 2019 - 2022. To comply with the accounting principle correction of errors in prior years corresponding comparison periods have been adjusted by recalculating affected items retrospectively, when possible. For more information please see note 52.

New and updated standards and interpretations

New standards applied as of January 1, 2023

There are no amendments entered into force on January 1st, 2023 that had a material impact on the Group's financial 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 2023. 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 functional 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 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", which does not reach the quantified limit amounts for separate reporting, has been added. The main income for this segment relates to the sale of core parts as well as intra-group sales related to property rentals and services provided to the main operating segments.

Revenues

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

The Group recognizes revenue according to the five-step model specified in IFRS 15.

- 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 primarily 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 from freights 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. An impairment of goodwill is not reversed. See Note 19.

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.

Internally developed assets

Internally developed intangible assets refer to the development of a control system for the power supply of batteries.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the group intends to and has sufficient resources to complete the project
- the group has the ability to use or sell the software
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on the project development along with an appropriate portion of relevant overheads.

Accounting in subsequent periods

All intangible fixed assets, including capitalised internally developed 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
- * Control system for the power supply: 5 years

Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing at least annually.

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.

- * Buildings and land: 10–50 years
- * Machinery and other technical installations: 7-50 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.

The lease payments are discounted with the lease agreement's implicit interest. If this interest rate cannot be determined easily, which is normal is the case for the group's leasing agreement, the group's marginal is used borrowing rate, which is the interest that the group would have to pay to borrow the necessary funds to purchase an asset of similar value as the right-of-use asset in a similar economic environment with similar terms and collateral.

The right-of-use assets are valued at acquisition value and includes the following:

- the initial valuation of the lease liability and
- payments made at or before the time it leased the asset is made available to the lessee

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.

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

Goodwill, which has an indeterminate useful life, is not written off 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. A write-down is made with the amount by which the asset's reported value exceeds its recoverable amount.

When assessing the need for impairment, assets are grouped at the lowest levels where there are substantially independent cash flows (cash-generating units). For assets (other than goodwill) that have previously been written down, an assessment is made on each balance sheet date as to whether a reversal should be 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.

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 2022, with the addition that The Group has harmonised the inventory valuation principle across the group for all companies defined as product category dismantling, in order to more accurately reflect the actual acquisition cost of purchased cars for Dismantling. This has had a positive impact on the inventory balance at year end of mSEK 32.4.

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, as described above. 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 actual EBITDA for the current year in addition to the forecasted EBITDA for the coming year which is also used for the proceeding years. As the Autocirc group follow up and manage it's operation based on segment by Country are this to be considered as the cash generating units.

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 according to the Annual Accounts Act (ÅRL) and RFR 2 Accounting for legal entity..

The parent company's accounting and valuation principles consistent with the Group's except as stated 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 8, 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. For categorization according to IFRS 15, see note 3 Segment reporting.

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

	2023	2022
Sweden	794 803	636 101
Norway	273 817	111 952
Finland	197 200	71 846
France	173 005	-
Germany	45 259	5 336
Poland	51 555	4 459
Europe excluding countries above	299 645	222 094
Other countries outside Europe	53 548	17 893
Total net sales	1 888 832	1 069 681

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 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 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", which does not reach the quantified limit amounts for separate reporting, has been added. The main income for this segment relates to the sale of core parts as well as intra-group sales related to property rentals and services provided to the main operating segments.

Segment information for the reporting period is as follows:

	2023							
	Sweden	Norway	Finland	France	Others	IFRS 16	Intercompany transactions	Total
Income								
Net Sales, external customers	919 009	301 085	213 966	281 286	173 486	-	-	1 888 832
Net Sales, inter-company	61 298	5 342	20 918	11 355	16 707	-	-14 364	101 256
Elimination of inter-company net sales within the segment	-53 099	-4 033	-20 218	-11 355	-1 981	-	-10 570	-101 256
Change in inventories of products in progress, finished goods and work in progress	5	-	86	-	-	-	-	91
Work performed by the group for its own use and capitalized	6 338	-	-	-	-	-	-	6 338
Other operating income	18 906	2 165	3 183	8 163	1 341	-	-	33 758
Total operating income	952 457	304 559	217 935	289 449	189 553	-	-24 934	1 929 019
Segment operating profit	58 830	17 342	3 409	3 169	-66 865	23 735	-	39 620
Segment assets	1 242 213	572 704	389 116	399 641	478 059	627 583	-	3 709 316
Segment liabilities	206 364	107 803	92 612	100 158	1 599 805	653 037	-	2 759 779

	2022							
	Sweden*	Norway	Finland	Others*	IFRS 16	Intercompany transactions	Total	
Income								
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	1 080 186	495 523	107 700	193 989	431 881	-	2 309 279	
Segment liabilities	149 166	62 187	18 776	1 310 028	441 621	-	1 981 778	

*See Note 52 for Correction in prior periods

NOTE 7 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	Group	
	2023	2022
	4 915	8 573
Salaries and wages - other employees	403 402	227 638
Pensions, defined contribution plan - board and managing director	1 299	1 176
Pensions, defined contribution plan - other employees	31 847	19 400
Other statutory social security contributions	101 341	56 769
Total	542 804	313 556

Costs and obligations regarding pensions and the like to the board, CEO and former board and CEO:

Guidelines

From 2023 Autocirc Group AB pays a yearly remuneration to the chairman and members of the board.

For executive management, the general meeting has decided on the following guidelines regarding remuneration. Remuneration

to executive the director and other senior executives consist of basic salary, other benefits, pension etc. Pension benefits and other benefits for executives the director and other senior executives are excluded as part of the total compensation. No pension obligations are met for board members who do not have permanent employment in a group company.

NOTE 8 Average number of employees

	Group			
	2023-12-31		2022-12-31	
	Average number of employees	Whereof men	Average number of employees	Whereof men
Sweden	548	466	427	402
Norway	140	131	112	95
Finland	150	135	68	66
France	133	106	-	-
United Kingdom	46	41	48	43
Poland	9	8	4	4
Germany	16	13	15	13
Total	1042	900	674	623

NOTE 9 Split by gender

Of the group's total board members (including subsidiaries) 230 (2022: 167), 67 (2022: 46) are women. Of the group's managing directors (including subsidiaries) 67 (2022: 40), 5 (2022: 8) are women.

NOTE 10 Impairment of goodwill

For indefinite assets an impairment test is performed on an annual basis as well as if there are indications of impairments during the year. The impairment is made on the cash generated units which in the Autocirc Group are identified as segments. The valuation is based on the business plan over a forecasted period of five years. In 2023, the recovery value for Germany, included in the segment Other, was not met and we do not see a market recovery in the near future, whereby a write-down was made impacting the income statement. See note 19

NOTE 11 Other operating expenses

	Group		Parent company	
	2023	2022	2023	2022
	1 498	547	-	-
Capital loss, non-current assets	117	146	-	-
Other expenses	-	38	-	-
Total	1 615	731	-	-

NOTE 12 Finance income

	Group		Parent company	
	2023	2022	2023	2022
	18 469	1 026	123 829	42 029
Exchange gain	-	1 414	-	-
Exchange losses	-	-53	-	-
Other financial income	-	146	-	-
Total	18 469	2 533	123 829	42 029
Including interest from group companies	-	-	123 798	41 792

NOTE 13 Finance costs

	Group		Parent company	
	2023	2022	2023	2022
	-34 870	-17 435	-	-
Interest expenses, bond loans	-139 861	-59 456	-139 861	-59 456
Other interest expenses	-21 704	-12 528	-	-
Exchange gains	1 732	-	-	-
Exchange losses	-32 194	-	-	-
Bank expenses	-4 128	-	-	-
Other financial expenses	-8 583	-10 375	-8 517	-
Total	-239 608	-99 794	-148 378	-59 456

NOTE 14 Appropriations

	Group	
	2023	2022
	5 790	-
Total	5 790	0

NOTE 15 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 -7,8% (2022: -173,5%) and recorded tax expense in profit or loss as follows:

	Group		Parent company	
	2023	2022	2023	2022
Net loss/profit for the year before tax	-181 871	-28 886	-24 952	-19 384
Domestic tax rate for the parent company	20,6%	20,6%	20,6%	20,6%
Expected tax expense	37 465	5 951	5 140	3 993
Adjustment for tax rate differences in foreign jurisdictions	2 409	-1 165	-	-
Other taxable income	-2 043	-27 274	-	-
Tax-exempt income	6 923	63	-	-
Non tax-deductible expenses	-15 272	-5 951	-	-
Adjustment of prior years' tax	1 599	-346	-	-
Deferred tax asset on losses carry-forward not recognised	-46 780	-22 732	-5 140	-3 993
Used loss carried-forward not previously recorded as assets	1 441	1 339	-	-
Actual tax expense in profit or loss	-14 258	-50 115	0	0
Income tax on profit for the year consists of:				
<i>Current tax</i>				
On profit for the year	-14 317	-41 324	-	-
Adjustment prior years' tax	1 599	-346	-	-
<i>Deferred tax</i>				
Change in temporary differences	-1 512	-8 445	-	-
Used losses carried-forward	-28	-	-	-
Actual tax expense in profit or loss	-14 258	-50 115	0	0

Income tax expense is calculated according to Swedish tax rate amounting to 20,6% (2022: 20,6%). The effective tax rate for the Group amounted to -7,8 % (2022: -173,5%).

Tax losses carried forward in the Group amounts to 70 320 kSEK (24 981 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 16 Capitalised expenditure for development and similar work

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

	Group	
	2023-12-31	2022-12-31
	2 029	1 227
Acquired through business combinations	36	20
Acquisitions	9 271	-
Sales/disposals	-430	-
Exchange differences	-312	-
Reclassification among fixed assets	-	782
Accumulated cost carried forward	10 594	2 029
Accumulated depreciation brought forward	-1 884	-1 227
Sales/disposals	430	-
Exchange differences	201	-
Reclassification among fixed assets	-	-550
Depreciation for the year	-27	-107
Accumulated depreciation carried forward	-1 280	-1 884
Residual value	9 314	145

NOTE 17 Software, licenes and similar rights

The movements in the net carrying amount of Software, licenes and similar rights are as follows:

	Group	
	2023-12-31	2022-12-31
Accumulated cost brought forward	667	552
Acquired through business combinations	1 692	-
Acquisitions	-	115
Exchange differences	56	-
Reclassification among fixed assets	406	-
Accumulated cost carried forward	2 821	667
Accumulated amortisation brought forward	-256	-124
Acquired through business combinations	-824	-
Exchange differences	-211	-
Reclassification among fixed assets	-406	-
Amortisation for the year	-132	-132
Accumulated amortisation carried forward	-1 829	-256
Carrying amount	992	411

NOTE 18 Rights to tenancy and similar rights

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

	Group	
	2023-12-31	2022-12-31
Accumulated cost brought forward	1 211	-
Acquired through business combinations	56	711
Acquisitions	509	500
Exchange differences	33	-
Reclassification among fixed assets	501	-
Accumulated cost carried forward	2 310	1 211
Accumulated amortisation brought forward	-190	-
Exchange differences	-57	-
Reclassification among fixed assets	-768	-
Amortisation for the year	-419	-190
Accumulated amortisation carried forward	-1 434	-190
Carrying amount	876	1 021

NOTE 19 Goodwill

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

	Group	
	2023-12-31	2022-12-31*
Accumulated cost brought forward	1 192 986	406 426
Acquired through business combinations	604 460	766 094
Additional goodwill through acquisitions	10 103	-
Exchange differences	-25 367	20 466
Reclassification**	-29 613	-
Accumulated cost carried forward	1 752 919	1 192 986
Accumulated impairment losses brought forward	-	-
Impairment losses for the year	-47 446	-
Accumulated impairment losses carried forward	-47 446	0
Carrying amount	1 705 473	1 192 986

* See note 52 for Correction of errors in prior periods.

** An excess value in recovery vehicles has been identified in an acquisition carried out in 2022. Only vehicles that existed at the time of acquisition have been included in the calculation and the adjustment of the acquisition analysis has been reported as a changed assessment. Deferred tax has been taken into account.

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments (i. e. Cash Generating Units, 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 amount:

Goodwill allocated to operating segments	Carrying amount*		Sensitivity analysis regarding applied WACC	
	2023-12-31	2022-12-31	+1%	-1%
Sweden	812 542	660 962	-72 700	83 300
Norway	429 172	365 580	-33 700	39 500
Finland	158 517	37 741	-16 200	21 700
France	215 994	-	-18 600	20 700
Others	89 248	128 703	-7 400	8 700
	1 705 473	1 192 986	-148 600	173 900

* see note 52 Correction of errors in prior periods.

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using 2% growth rate. 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.

	Discount rates	
	2023	2022
Sweden	15%	8%
Norway	15%	6%
Finland	15%	6%
France	15%	-
Others	15%	6%
	15%	7%

NOTE 20 Land and buildings

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

	Group	
	2023-12-31	2022-12-31
	61 182	4 598
Acquired through business combinations*	98 712	300 242
Acquisitions	97 256	2 471
Sales/disposals	-5 098	-
Exchange differences	-4 804	166
Reclassification among fixed assets	-9 253	-246 295
Accumulated cost carried forward	212 838	61 182
Accumulated depreciation brought forward	-9 769	-851
Acquired through business combinations*	-23 836	-43 585
Sales/disposals	4 825	-
Reclassification among fixed assets	-	36 684
Exchange differences	760	-
Depreciation for the year	-5 918	-2 017
Accumulated depreciation carried forward	-33 938	-9 769
Residual value	178 900	51 413

* Including reclassification from right-of-use assets net 27 733 kSEK in 2023, see note 21. Total added value for the Group net 25 157 kSEK regarding previously leased properties.

NOTE 21 Right-of-use assets

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

	Group	
	2023-12-31	2022-12-31
Balance brought forward	477 173	207 550
Correction of errors*	14 512	-
Added contracts through business combinations	149 275	121 234
This year's added contracts	119 880	-
This year's changes of contracts	36 441	-
Reclassification to land & buildings	-29 071	209 611
Cancelled contracts	-9 073	-12 353
Exchange rate differences	-10 366	3 301
Effect from changed incremental borrowing rate	-	-52 170
Balance carried forward	748 771	477 173

NOTE 21 Right-of-use assets (Continuation)

Accumulated depreciation brought forward	-45 292	-11 134
Correction of errors*	-5 616	-
Reclassification to land & buildings	1 338	-
Cancelled contracts	6 596	2 360
Exchange rate differences	1 782	-
Depreciation for the year	-76 613	-36 518
Accumulated depreciation carried forward	-117 805	-45 292
Residual value	630 966	431 881

* During the year the Group has implemented a new consolidation system to manage accounting according to IFRS 16. The effect of this, related to previous years have been reported in equity, while the current year's effect is reported through the income statement.. See note 52.

			Group	
			2023-12-31	2022-12-31
<i>Right of use assets</i>	Amount	Remaining term		
Buildings	82	2–20 år	596 352	418 931
Machinery	50	1–4 år	13 087	4 347
Vehicles	52	0–3 år	21 527	8 603
Total balance			630 966	431 881
<i>Lease liabilities</i>				
Long term			550 285	404 268
Short term			102 752	39 880
Total balance			653 037	444 148

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

	Group	
	2023-01-01 2023-12-31	2022-01-01 2022-12-31
<i>Depreciation of Right of use assets</i>		
Buildings	65 539	33 193
Machinery	4 269	1 249
Vehicles	6 804	2 076
Total amount	76 612	36 518
<i>Finance charges</i>	34 870	17 435
Total amount	34 870	17 435

NOTE 22 Cost of improvement to leasehold property

The movements in the net carrying amount of improvement to leasehold property are as follows:

	Group	
	2023-12-31	2022-12-31
Accumulated cost brought forward	-	-
Acquired through business combinations	2 067	-
Acquisitions	9 087	-
Sales/disposals	-	-
Exchange differences	-155	-
Reclassification among fixed assets	9 253	-
Accumulated cost carried forward	20 252	0
Accumulated depreciation brought forward	-	-
Acquisition of subsidiaries	-1 613	-
Exchange differences	-47	-
Reclassification among fixed assets	-3 968	-
Depreciation for the year	-845	-
Accumulated depreciation carried forward	-6 473	0
Residual value	13 779	0

NOTE 23 Machinery and other technical equipment

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

	Group	
	2023-12-31	2022-12-31
Acquired through business combinations	125 238	18 200
Acquisitions	165 863	117 076
Sales/disposals	45 887	7 890
Exchange differences	-26 006	-17 928
Reclassification among fixed assets*	-7 962	-
Accumulated cost carried forward	29 613	-
Accumulated cost carried forward	332 633	125 238
Accumulated depreciation brought forward	-76 699	-5 763
Acquisition of subsidiary	-69 649	-72 932
Sales/disposals	19 257	12 238
Exchange differences	2 735	-
Depreciation for the year	-36 155	-10 242
Accumulated depreciation carried forward	-160 511	-76 699
Residual value	172 122	48 539

* An excess value has been identified in assets related to acquisition made in 2022. The excess value has only been calculated on assets that existed at the time of acquisition and this matter is handled as a changed assessment. Deferred tax has been considered. See note 19.

NOTE 24 Equipment, tools, fixtures and fittings

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

	Group	
	2023-12-31	2022-12-31
Accumulated cost brought forward	154 583	20 050
Acquired through business combinations	51 985	131 865
Acquisitions	15 475	8 249
Sales/disposals	-9 599	-4 799
Exchange differences	-437	-
Reclassification among fixed assets	-7 293	-782
Accumulated cost carried forward	204 714	154 583
Accumulated depreciation brought forward	-109 950	-2 631
Acquisition of subsidiary	-38 106	-102 305
Sales/disposals	6 675	3 172
Exchange differences	438	-
Reclassification among fixed assets	5 142	550
Depreciation for the year	-15 983	-8 736
Accumulated depreciation carried forward	-151 784	-109 950
Residual value	52 930	44 632

NOTE 25 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 as follows:

	Group	
	2023-12-31	2022-12-31
Accumulated cost brought forward	969	-
Acquired through business combinations	8 124	-
Acquisitions	8 958	969
Reclassification from inventory	18 500	-
Exchange differences	-961	-
Reclassification among fixed assets	6 386	-
Accumulated cost carried forward	41 976	969
Residual value	41 976	969

NOTE 26 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:

2023-12-31	Amortised cost	Fair value through profit or loss	Total
Financial assets			
	2 156	0	2 156
Other long-term securities	5 780	0	5 780
Other long-term receivables	6 486	0	6 486
Other long-term financial assets	14 422	0	14 422
Other short-term financial assets	75 519	0	75 519
Trade and other receivables	170 641	0	170 641
Receivables from owner companies	30 818	0	30 818
Cash and cash equivalent	150 120	0	150 120
Total financial assets	441 520	0	441 520

2023-12-31	Fair value through profit or loss	Other liabilities (amortised cost)	Total
Financial liabilities			
	0	1 315 769	1 315 769
Liabilities to credit institutions	0	76 072	76 072
Other long-term liabilities	0	462 865	462 865
Trade and other payables	0	374 932	374 932
Contingent consideration	304 590	0	304 590
Total financial liabilities	304 590	2 229 638	2 534 228

2022-12-31	Amortised cost	Fair value through profit or loss	Total
Financial assets			
Participations in associate companies	2 504	0	2 504
Receivables from associates and joint ventures	60	0	60
Other participation interests	1 713		1 713
Other long-term securities	4 974	0	4 974
Other long-term receivables	1 163	0	1 163
Other long-term financial assets	10 414	0	10 414
Other short-term financial assets	20 713	0	20 713
Trade and other receivables	108 789	0	108 789
Receivables from owner companies	21 003	0	21 003
Accrued income	7 777	0	7 777
Cash and cash equivalent	168 962	0	168 962
Total financial assets	337 658	0	337 658

2022-12-31	Fair value through profit or loss	Other liabilities (amortised cost)	Total
Financial liabilities			
	0	962 885	962 885
Liabilities to credit institutions	0	102 741	102 741
Other long-term liabilities	0	4 888	4 888
Trade and other payables	0	74 071	74 071
Contingent consideration*	218 095	0	218 095
Total financial liabilities	218 095	1 144 585	1 362 680

A description of the group's financial instrument risks, including risk management objectives and policies is given in Note 50.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 51.

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value, which is the same as the book 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, 2023: 105,1% of nominal value 1 330 000 kSEK.

* See Note 52 for Corrections in prior periods.

NOTE 27 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 % 2023	Share % 2022
Autocirc AB	559214-4314	Sweden	1 032	100	100
Autocirc Norge AS	929 132 718	Norway	1	100	100
Autocirc Finland OY	3254902-2	Finland	2 500	100	100
Autocirc France SAS	948 023 619	France	10	100	100
Premier European Group Lmted	05660873	UK	986	100	100
Autocirc AS	931 353 098	Norway	2 100	100	-
Autocirc Denmark ApS	44 077 450	Denmark	40 000	100	-
Autocirc Deutschland GmbH	HRB 114 799B	Germany	25 000	100	-
Autocirc Fastigheter AB	559428-4134	Sweden	25 000	100	-
Autocirc Fastighets Finland Oy AB	3143662-4	Finland	100	100	-
Autocirc Sverige AB	559394-3490	Sweden	25 000	100	100
Auto-Pièces SAS	315 280 156	France	2 000	100	-
Arctic Bildemontering AS	931 353 950	Norway	2 100	100	-
Autocirc Battery Recycling Finland	3298276-6	Finland	2 000	80	-
Autonkuljetus Sjöberg Oy	2507869-9	Finland	100	100	-
AB Svenssons Förvaltning i Vä	556650-8619	Sweden	1 000	100	100
Perseger Fastigheter AB	559018-7240	Sweden	500	100	100
PSNB Fastigheter AB	559333-1803	Sweden	500	100	100
MM A-S Fastigheter AB	556990-3015	Sweden	1 000	100	100
Karleby Invest AB	559018-6176	Sweden	500	100	100
Østfold Bildemontering Eiendom AS	935 468 949	Norway	1 250	100	100
Autocirc Immobilie GmbH	HRB 245252B	Germany	25 000	100	100
Alingsås Bildelar AB	556130-6399	Sweden	666	100	100
Arotfenno OY (Osamyntti AF)	0938910-4	Finland	4 840	100	100
Autodemontering TT AB	556197-4923	Sweden	2 000	100	100
Autopalsta OY	0204272-2	Finland	100	100	100
Beck Export Automobile BEA SAS	331 564 841	France	4 500	100	-
Bergen Bildemontering AS	986 842 926	Norway	30	100	100
Bergen Bilhjelp AS	930 193 305	Norway	33	100	100
Bil & Skadeservice i Klippan AB	556558-1351	Sweden	1 000	100	100
Bildelslagret i Lidköping AB	556427-7019	Sweden	5 000	100	100
Bildelslagret i Trollhättan AB	559003-0689	Sweden	1 000	100	100
Bärgningstjänsten Sverige AB	556596-9127	Sweden	1 000	100	-
Coram Auto SAS	331 495 820	France	500	100	-
Delehuset AS	911 948 974	Norway	1 000	100	-
Erikssons Bilbärgning Oy	0198498-8	Finland	100	98	98
	2783768-7	Finland	100	97	97

Name/domicile	Reg no	Domicile	Number of shares	Share % 2023	Share % 2022
Frykmalm i Karlstad AB	556186-6426	Sweden	4 000	100	100
Hinaus Sjöberg Itä-Suomi Oy	2507860-5	Finland	100	100	-
Hinaus Sjöberg Oy	2040272-8	Finland	100	100	-
Industrisamhället Väg 11 AB	559272-8744	Sweden	250	100	-
JM Gjenvinning AS	923 143 890	Norway	30	100	-
Jämtlands Bildemontering AB	556423-8052	Sweden	100	100	100
Karlstad Bildemontering AB	556190-4466	Sweden	100	100	100
Kerstingjohänner GmbH	HRB 34115	Germany	3	100	100
Konekuljetus Sjöberg Oy	2507873-6	Finland	100	100	-
Kungsåra Bildemontering AB	556158-0811	Sweden	1 000	100	100
LBM Autoparts AB	556836-4540	Sweden	500	100	-
LB Teknik Oy	828687-5	Finland	50	100	-
Magnus Bildemontering AB	556496-7338	Sweden	1 000	100	100
Mickes Lackservice AB	556630-6212	Sweden	1 000	100	100
Nordic Motor Center AB	556758-6895	Sweden	1 000	100	100
Norrbottnens Bildemontering AB	556233-8961	Sweden	1 000	100	100
Redox Bildelar AB	556477-6861	Sweden	1 000	100	100
Redox Miljöhantering AB	556517-9461	Sweden	1 000	100	100
RE-PART Sp. z o. o	KRS 0000549966	Poland	100	100	100
Rewinner AB	559144-0952	Sweden	500	100	100
Riihimäen OY	3203799-1	Finland	2 500	100	100
RM-Trucks Oy	0917597-4	Finland	100	100	-
Rogaland Bildeler AS	980 579 263	Norway	7 322	100	-
Skjeberg Biloppuggeri AS	916 110 928	Norway	1 000	100	100
Styrdon i Sverige AB	559061-9150	Sweden	500	100	100
Scandinavian Transmission Service AB	556130-9526	Sweden	1 000	100	-
Sustainable Transmission Solutions Group AB	559375-6454	Sweden	250	100	-
Svensk Bilåtervinning AB	556544-5953	Sweden	1 000	100	100
Svenssons Bildemontering AB	556433-9397	Sweden	1 000	100	100
Trondheim Bil-Demontering AS	927 506 580	Norway	100	100	100
Trøndelag Bildeler AS	922 674 337	Norway	30	100	100
UBD Cleantech AB	556141-1561	Sweden	3 000	100	100
Vaihteistokeskus Oy	2940861-6	Finland	100	100	-
Vimmerby Bildemontering AB	556396-4138	Sweden	5 000	100	100
Voss Bilberging AS	919 315 881	Norway	1 000	100	100
Växjö Bildemontering AB	556169-7516	Sweden	1 000	100	100
	556336-9981	Sweden	1 004	100	100
Ådalens Bildemontering AB	556203-7720	Sweden	3 495	100	
Østfold Bildemontering AS	984 290 756	Norway	2 420	100	100

NOTE 27 Participations in group companies (Continuation)

Name/domicile	Reg no	Domicile	Number of shares	Share % 2023	Share % 2022
The parent company holds shares in the following subsidiary:					
Autocirc AB	559214-4314	Sweden	1 032	100	100

The movements in the net carrying amount of during the year:

	Parent company	
	2023-12-31	2022-12-31
Accumulated cost brought forward	439 892	245 529
Obtained shareholder contributions	825 000	194 363
Accumulated cost carried forward	1 264 892	439 892
Residual value	1 264 892	439 892

NOTE 28 Receivables from Owner companies/Group companies

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Long-term receivables				
	-	-	900 692	25
New receivables	-	-	388 728	900 692
Payment/amortisation	-	-	-26 354	-25
Accumulated receivables carried forward	0	0	1 263 066	900 692
Residual value	0	0	1 263 066	900 692

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Short-term receivables				
	21 003	-	4 257	25
New receivables	69 974	21 003	336 040	31 392
Payment/amortisation	-60 159	-	-319 338	-27 160
Accumulated receivables carried forward	30 818	21 003	20 959	4 257
Residual value	30 818	21 003	20 959	4 257

NOTE 29 Participations in associates and joint ventures

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

	Group	
	2023-12-31	2022-12-31
Investment in joint venture	2 156	2 504
Total investments accounted for using the equity method	2 156	2 504

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

	2023	2022
		-352
Total share of profit from equity accounted investments	-352	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
	3298270-7	1 000	45	2 156

NOTE 30 Participation in other companies

	Group	
	2023-12-31	2022-12-31
Acquisitions	1 713	821
Reclassification	-	892
Reclassification	-1 713	-
Accumulated cost carried forward	0	1 713

NOTE 31 Other long-term securities

	Group	
	2023-12-31	2022-12-31
Acquired through business combinations	4 974	821
Reclassification	3 557	4 153
Reclassification	-2 751	-
Accumulated cost carried forward	5 780	4 974
Residual value	5 780	4 974

NOTE 32 Deferred taxes

Deferred taxes arising from temporary differences are summarised as follows:

Changes during year:	Recorded in:				
	2023-01-01	Acquisitions	Equity	Profit or loss	2023-12-31
Deferred tax assets					
Unused tax losses carried forward	220	-	-	-28	192
Right of use assets	-88 967	-	-	-40 430	-129 397
Lease liabilities regarding right-of-use assets	91 495	-	2 536	43 090	137 121
Amount	-	-	-	-	7 916
Deferred tax liabilities					
Untaxed reserves	-20 970	-5 351	-	2 140	-24 181
Tangible fixed assets	-	-13 917	-	2 204	-11 713
Current assets	-	-	-	-8 233	-8 233
Translation difference	-	174	-	-283	-109
Amount	-18 222	-19 094	2 536	-1 540	-44 236

Changes during year:	Recorded in:				
	2022-01-01	Acquisitions	Equity	Profit or loss	2022-12-31
Deferred tax assets					
Unused tax losses carried forward	220	-	-	-	220
Right of use assets	-	-	-	-88 967	-88 967
Lease liabilities regarding right-of-use assets	-	-	-	91 495	91 495
Deferred tax liabilities					
Untaxed reserves	-3 505	-6 492	-	-10 973	-20 970
Amount	-3 285	-6 492	-	-8 445	-18 222

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

NOTE 33 Other long-term receivables

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Accumulated receivables brought forward	1 163	512	-	-
Acquired through business combinations	2 634	651	-	-
Payment/amortisation	-1 775	-	-	-
Reclassification	4 464	-	-	-
Accumulated receivables carried forward	6 486	1 163	0	0
Residual value	6 486	1 163	0	0

NOTE 34 Inventories etc.

Inventories consist of the following:

	Group	
	2023-12-31	2022-12-31
	108 690	21 593
Products in process	18 228	8 472
Finished products	273 262	148 656
Goods in transit	7 788	4 222
Carrying amount	407 968	182 943

During autumn 2023 Autocirc has implemented a consistent inventory model for the business area Dismantling. This model takes three different components into consideration, ie vehicles on the yard, parts in stock and scrap. Vehicles on the yard is purchased cars not yet started in the dismantling process counted as number of vehicles valued to average purchase price. Parts in stock is using the "SBR Sveriges bilskrotares riksförbund" base for split into spare parts. The spare parts are valued based on the average price for purchased vehicles divided to the spare parts in inventory considering price and time in warehouse. The last component is scrap, divided into number of bodies and catalysts in ton. For 2023, the inventory valuation model has impacted the inventory value in balance sheet by 32,4 mSEK.

NOTE 35 Trade and other receivables

Trade and other receivables consist of the following:

	Group	
	2023-12-31	2022-12-31
	173 352	108 861
Allowance for credit losses	-2 711	-72
Trade receivables	170 641	108 789

Note 50 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. IFRS9 is applied for provision of expected losses.

NOTE 36 Prepaid expenses and accrued income

	Group	
	2023-12-31	2022-12-31
	700	9 372
Prepaid insurance costs	3 051	1 734
Accrued income	6 273	7 777
Other prepaid expenses	6 729	4 618
Carrying amount	16 753	23 501

*During the year the Group has implemented a new system to manage accounting according to IFRS16. The system handles prepaid rents according to IFRS16, why there is a discrepancy between the years.

NOTE 37 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
- SEK	5 270	75 678	116	43 069
- EUR	82 553	24 030	-	-
- GBP	8 012	7 860	-	-
- PLN	815	194	-	-
- NOK	53 321	61 200	-	-
- USD	81	-	-	-
- DKK	67	-	-	-
<i>All amount above are valued according to the closing exchange rate as of December 31st, 2023.</i>	150 120	168 962	116	43 069

NOTE 38 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.

	2023-12-31	2022-12-31
- 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 contributions received from owners is reported within *Balanced income including profit for the year*.

Reserves

Reserves consists of exchange differences.

NOTE 39 Provisions

Group	Pensions	Warranties	Other	Total
Carrying amount 1 January 2022	-	-	-	-
Additional provisions	8 020	320	-	8 340
Carrying amount 31 December 2022	8 020	320	0	8 340
Additional provisions	-	195	1 078	1 078
Amount utilised	-2 794	-320	-	-2 919
Carrying amount 31 December 2023	5 226	195	1 078	6 499

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 40 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 was listed in Frankfurt. The bond is, as of June 16th 2023, admitted for trading on Nasdaq STO Corporate Bonds. The term of the bond is three years and interest is market-based. All conditions in the form of covenants are fulfilled as of 2023-12-31.

As per 2023-12-31 the outstanding bond loan amounted to 1 330 mSEK, in accordance to effective interest method transaction costs related to the bond loan have been capitalised and amount to 31 mSEK and allocation of these transaction costs for year 2023 affect the result by 8,5 mSEK, reported as finance cost.

Complete Terms and Conditions can be found on our homepage: <https://autocirc.com/investor/>

NOTE 41 Liabilities to credit institutions

Liabilities due after more than five years are as follows.

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
	3 849	1 913	-	-
Lease liabilities	481 461	183 022	-	-
	485 310	184 935	0	0

Changes during the year

	2023-01-01	Hire-purchase contracts	Covid-related liabilities	Other liabilities to credit institutions	Repayment Revolving Credit Facility	Change in existing liabilities	2023-12-31
Liabilities to credit institutions, short- and longterm	102 741	16 274	19 328	8 354	-85 000	14 374	76 071

NOTE 42 Other liabilities, non-current

Other liabilities consist of the following:

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Other non-current liabilities				
Contingent considerations*	263 326	170 433	-	-
Other	11 597	13 217	0	0
Total	274 923	183 650	0	0

There are no debts due for payment later than five years.

* See Note 52 for Correction in prior periods.

NOTE 43 Bank overdraft facility

The Group has an overdraft facility with Nordea of mSEK 250, whereof utilized 0. Availability period: The period from and including the date of the SSRCF (the date being 17 June 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). The interest rate is market-based. The group also has an overdraft facility in France, which has been partially utilized.

	Group	
	2023-12-31	2022-12-31
	250 000	-
	12 760	-
	1 929	-

* converted to SEK at the closing rate

NOTE 44 Other liabilities, current

Other liabilities consist of the following:

Other current liabilities	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Contingent considerations	41 264	47 662	-	-
Other	78 160	33 494	336	-
Total	119 424	81 156	336	0

NOTE 45 Accrued expenses and deferred income

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
	71 414	44 126	40	-
Interest	10 069	4 622	6 153	3 758
Property costs	1 002	854	-	-
Prepaid income	994	715	-	-
Year-end procedures	4 318	1 407	300	-
Acquisition costs	-	570	-	-
Other	6 333	11 388	150	300
Carrying amount	94 130	63 682	6 643	4 058

NOTE 46 Pledged assets and contingent liabilities

	Group		Parent company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Pledged assets				
<i>To secure own liabilities:</i>				
<i>Liabilities to credit institutions</i>				
Property mortgage	5 750	-	-	-
Floating charge	9 480	-	-	-
Pledged shares in subsidiaries	1 046 922	308 486	1 264 892	439 892
Assets with ownership reservations	90 565	31 267	-	-
Other pledged assets	670	353	-	-
Total	1 153 387	340 106	1 264 892	439 892
Contingent liabilities				
Bank guarantee in favour of group companies	11 171	5 450	-	-
Bank guarantee	6 060	-	-	-
Other contingent liabilities	356	4 012	-	-
Total	17 587	9 462	0	0

NOTE 47 Information about the group

The parent company is owned at 100% by Autocirc Industriutveckling AB, reg no 559267-3452 with domicile in Stockholm. 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 48 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	
	2023-12-31	2022-12-31
	101 256	86 519
	37 854	25 805
	9 679	55
	3 592	2 553
	167	-
	696	-
	30 818	21 003
	7 116	17 140

NOTE 49 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	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
	177 763	57 941	-	-
Foreign exchange losses/gains	18 492	-1 581	-	-
Change in provisions	-5 874	2 980	-	-
Share in associated company's results	352	-	-	-
Finance costs	9 986	-	8 451	-
Capital result on disposal of non-financial assets	-2 570	-	-	-
Total adjustments	198 149	59 340	8 451	0

NOTE 50 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 2023	962 885	102 741		321 572	444 145	1 831 343
Cash flows:						
- Repayments	-	-154 725	-	-	-98 594	-253 319
- Proceeds	346 763	8 823	1 929	-	-	357 515
Non-cash:						
- Reclassification	6 121	119 232	-	-218 095	307 486	214 744
Balance at 31 December 2023	1 315 769	76 071	1 929	103 477	653 037	2 150 283

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	-42 000	-367 839	-51 696	-	-	-461 535
- Proceeds	1 000 000	41 436	-	-	-	1 041 436
Non-cash flow adjustments:						
- Reclassification	4 885	158 923	-	177 342	248 546	589 696
Balance at 31 December 2022	962 885	102 741	-	321 572	444 145	1 831 343

NOTE 51 Business combinations**Acquisitions 2023**

During the period January - December 2023 the group acquired 100% of the equity instruments of 18 companies with business in dismantling and recycling, thereby obtaining control. The companies are based in Sweden, Finland, Norway and France. The table below summarizes the purchase price paid for these companies as well as the fair value of acquired assets and assumed liabilities which are reported on the date of acquisition. Coram Auto SAS in France is considered a significant acquisition and is reported in its own column. Coram Auto SAS was acquired on 25 January 2023. Asset acquisitions are not included in the summary below.

The details of the business combination are as follows:

	Coram Auto SAS	Sweden	Norway	Finland	Other France	Total
	2023-12-31	2023-12-31	2023-12-31	2023-12-31	2023-12-31	2023-12-31
Fair value of consideration transferred						
Amount settled in cash	152 110	170 302	92 773	218 878	145 644	779 707
Promissory note loan	-	10 000	-	-	-	10 000
Fair value of contingent consideration	-	51 500	35 294	40 150	6 842	133 786
Total	152 110	231 802	128 067	259 028	152 486	923 493

	Coram Auto SAS	Sweden	Norway	Finland	Other France	Total
	2023-12-31	2023-12-31	2023-12-31	2023-12-31	2023-12-31	2023-12-31
Recognised amounts of identifiable net assets						
Cash and cash equivalents	19 992	25 056	1 387	78 098	21 610	146 143
Total non-current assets	16 763	45 612	2 810	26 373	25 263	116 821
Current assets	66 237	52 514	16 745	37 297	45 367	218 160
Loans	-18 680	-15 512	-	-	-16 700	-50 892
Deferred tax liabilities	-	-7 147	-140	-3 201	-3 037	-13 525
Trade and other payables	-29 668	-31 486	-6 311	-22 551	-32 252	-122 268
Identifiable net assets	54 644	69 037	14 288	116 016	40 251	294 439
Excess value in tow trucks (net of tax)	-	7 209	-	17 587	-	24 796
Goodwill on acquisition	97 466	155 555	113 779	125 425	112 235	604 460
Consideration transferred settled in cash	152 110	170 302	92 773	218 878	145 644	779 707
Cash and cash equivalents acquired	-19 992	-25 056	-1 387	-78 098	-21 610	-146 143
Net cash outflow on acquisition	132 118	145 246	91 386	140 780	124 034	633 564
Acquisition costs charged to expenses	4 320	4 571	6 135	8 325	574	23 925
Net payment on acquisition	136 438	149 817	97 521	149 105	124 608	657 489

Acquisition-related costs

Acquisition-related costs amounting to kSEK 23 925 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 acquired companies contribution to the Group results

The companies had a profit (before tax) of kSEK 24,018 up to the reporting date. The income for the months in which the companies have been included the group until 31 December 2023 was kSEK 587,220. If the company had been acquired on 1 January 2023, the revenue for the group would have been kSEK 2,136,171 (of which Coram Auto SAS kSEK 215,128) and this year's profit (before tax) would have increased by kSEK 53,950 (of which Coram Auto SAS kSEK 4,869).

Acquisitions of real estate companies

As of December 2023, the group repurchased two property companies, which sold during 2021 and where the group conducts operations in Finland, to a corresponding market value of a total of SEK 53 million. Property companies are not included in the above list as they constitute asset acquisitions.

Acquisitions 2024

During 2024 the Group has made 2 additional acquisitions for which the purchase price analysis are not finalized and therefore not presented in this report.

NOTE 52 Correction of errors in prior periods

Correction of goodwill and earn outs (2021 & 2022). Within the closing procedures for 2023 we discovered inconsistency in our treatment of earnouts with relation to acquisitions. These corrections (kSEK 90 260 in total) are made due to correction of valuation methodology.

	2021-12-31	Correction amount*	2021-12-31***
Goodwill	406 426	-71 600	478 186
Other liabilities	65 470	-71 600	137 230

	2022-12-31	Correction amount**	2022-12-31***
Goodwill	1 192 986	-90 260	1 283 246
Other liabilities	183 650	-90 260	273 910

* Premier European Group Ltd, UBD Cleantech AB

** Premier European Group Ltd, UBD Cleantech AB, Bil & Skadeservice i Klippan AB

*** Previous reporting, published at <https://autocirc.com/investor>

Correction of IFRS 16 (2019 - 2022)

During the year the Group has implemented a new system to manage accounting according to IFRS 16. The effect of this, related to previous years have been reported in equity, while 2023 year's effect is reported through income statement.. The total effect of this year's opening balance regarding previous years is shown below:

Leased assets	8 896
Deferred tax on lease	1 716
Accrual/deferral adjustment on lease	-7 437
Total impact on assets	3 175
Reserves (translation differences)	-89
Retained earnings	-7 465
Retained earnings minority	-30
Long-term lease liabilities	-12 096
Short-term lease liabilities	22 855
Total impact on Equity and liabilities	3 175

NOTE 53 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 25. 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 take place in each country's local currency, which is why the transaction risk is considered low. We have established special currency accounts for both our Swedish and our foreign companies to effectively manage and protect them against unwanted exchange rate movements. The translation exposure that the group faces is the conversion to the group's accounting currency, SEK. Exposure to foreign exchange rates is mainly denominated in euros (EURO), Norwegian kroner (NOK), Polish zlotys (PLN) and pounds sterling (GBP).

Foreign currency denominated 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
Assets	424 459	127 075	495 631	32 700
Liabilities	-359 268	-57 546	-294 890	-3 929
Total exposure	65 191	69 529	200 741	28 771
2022-12-31				
Assets	225 301	122 017	387 382	27 779
Liabilities	-132 852	-63 869	-189 228	-1 058
Total exposure	92 449	58 148	198 154	26 721

If the SEK had weakened/strengthened against the EUR by 10 % (2022: 10 %), GBP by 10% (2022: 10 %), NOK by 10% (2022: 10 %) and PLN by 10% (2022:10%) respectively then this would have had the following impact for the Group:

	Profit for the year				
	EUR	GBP	NOK	PLN	Total
	6 519	6 953	20 074	2 877	36 423
2022-12-31	9 245	5 815	19 815	2 672	37 547

NOTE 53 Financial instruments risk (Continuation)**Interest rate sensitivity**

The Group's policy is to minimize the exposure to interest rate risk in the cash flow in the case of long-term financing. During the second quarter of 2022, the group placed a bond on the market. The amount amounted to SEK 1 billion with the option to increase to SEK 1.5 billion. During the fourth quarter of 2023, the bond was extended on two occasions by a total of mSEK 330, both times at a premium. The bond was first listed on the Frankfurt Stock Exchange. As of June 16, 2023, it is listed for trading on Nasdaq STO Corporate Bonds. The terms of the are three years and the interest rate 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 %
33 033	-33 033	33 033	-33 033
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.

Credit risk is managed at group level, with the exception of credit risk regarding outstanding accounts receivable. Each group company is responsible for following up and analyzing the credit risk for each new customer. In cases where there is no independent credit assessment, a risk assessment is made of the customer's creditworthiness where their financial position is taken into account as well as previous experience and other factors. Individual risk limits are established on internal or external credit assessments in accordance with the limits set by the board. Use of credit limits is monitored regularly. Credit terms vary between 10 and 30 days, although cash on delivery is widely used. The customer credit terms negotiated with the customers are subject to an internal approval process that takes into account the credit rating scorecard.

Service and repair customers are mainly various insurance 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 collective basis 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 previous 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 2023 was determined as follows:

2023-12-31	Trade receivables days past due					Total
	Current	1 - 30 days	More than 30 days	More than 60 days	More than 90 days	
	107 025	39 910	13 168	2 213	11 036	173 352
Expected credit loss	-78	-619	-143	-7	-1 863	-2 711
Trade receivables, net	106 947	39 291	13 025	2 206	9 172	170 641

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. The cash pool that exists within the group ensures a good level of liquidity for the entire group. 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 31st, 2023 the group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

2023-12-31	Current		Non-current	
	within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	53 712	53 712	321 668	481 461
Liabilities to credit institutions	9 232	11 510	50 490	4 840
Bank overdraft	-	1 929	-	-
Other liabilities	43 448	10 000	257 292	-
Bond loans	84 000	84 000	1 399 769	-
Accrued expenses	24 118	363	-	-
Trade and other payables	115 072	27 575	-	-
Total	329 582	189 089	2 029 219	486 301

NOTE 53 Financial instruments risk (Continuation)

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

2022-12-31	Current		Non-current	
	within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	30 718	30 718	186 146	183 022
Liabilities to credit institutions	-	87 750	13 078	1 913
Other liabilities	81 156	2 500	271 410	-
Bond loans	60 000	60 000	1 142 885	-
Accrued expenses	37 030	44 126	-	-
Trade and other payables	74 071	-	-	-
Total	282 975	225 094	1 613 519	184 935

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

NOTE 54 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:

2023-12-31	Level 1	Level 2	Level 3	Total
Financial liabilities				
Contingent consideration (note 23)	-	-	304 590	304 590
Total liabilities	-	-	304 590	304 590
Net fair value	-	-	304 590	304 590

2022-12-31	Level 1	Level 2	Level 3	Total
Financial liabilities				
Contingent consideration (note 23)*	-	-	218 095	218 095
Total liabilities	-	-	218 095	218 095
Net fair value	-	-	218 095	218 095

Fair value of Bond loans as of December 31, 2023: 105,1% of nominal value 1 330 MSEK.

Bond loans are recognised at amortised cost with disclosure of the fair value per December 31, 2023. The fair value for the bond loans are at Level 1.

Fair value of financial instruments

The finance department reports directly to the chief financial officer (CFO).

Valuation processes and changes in fair value are discussed within the valuation team at least annually in connection with the Group's balance sheet day.

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 mSEK 305 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 2022	141 785
Correction of errors*	-90 260
Acquired through business combination	171 570
Contingent consideration, paid	-5 000
Amount recognised in profit or loss	-
Balance at 31 December 2022	218 095
Acquired through business combination	133 957
Translation differences	2 750
Contingent consideration, paid	-50 212
Amount recognised in profit or loss	-
Balance at 31 December 2023	304 590
Total amount included in profit or loss for unrealised losses on Level 3 instruments	
- other operating income	-
- other operating expenses	-

* see note 52 correction of errors

NOTE 55 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 leverage 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 ma-

kes 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.

NOTE 56 Appropriations of earnings

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

Share premium reserve	51 175 385
Profit brought forward	1 194 039 493
Result for the year	-24 952 121
	1 220 262 757

The board of directors propose that total profit brought forward is appropriated as follows:

to be carried forward	1 220 262 757
------------------------------	----------------------

NOTE 57 Post-reporting date events

The adjustment occurred between December 31st, 2023 reporting date, the Q4 interim report and the annual report for 2023, is related to discovered inconsistent treatment of earnouts with relation to the acquisition in France. This correction (mSEK 11 in total) is made due to correction of valuation methodology and is affecting other liability as well as goodwill.

In February 2024, French companies C.A.P.O SAS and Auto Pieces Louhans SAS were acquired. During March we signed an agreement to buy GBD-Grønvolds Bildemontering AS in Norway with closing in April 2024.

NOTE 58 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 59 Authorisation of financial statements

The consolidated financial statements for the year ended 31 December 2023 (including comparatives) were approved for publication by the board of directors on March 22th, 2024.

The group's profit and loss statements and balance sheets will be submitted to the annual general meeting 2024-05-24 for approval.

Borås, 22 mars, 2024

Johan Livered Petteri Saarinen Robert Louis Wagman Joakim Lundvall

Mattias Petterson Owe Xie Andreas Näsvik

Our audit report was issued on 28th March 2024.

Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik



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 2023 except for the corporate governance statement on pages 86-91. The annual accounts and consolidated accounts of the company are included on pages 85-148 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 and the group as of 31 december 2023 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 2023 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. Our opinions do not cover the corporate governance statement on pages 86-91. 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 adopt the statements of profit or loss/income statements and statements of financial position/balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

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. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matters

Impairment test Goodwill

In the consolidated balance sheet, goodwill is reported at a value of MSEK 1,705. Goodwill is not written off but is tested annually for im-

pairment or when there is an indication of the need for impairment. If the determined recoverable amount is less than the book value, there is a need for a write-down. The recoverable amount for goodwill is determined by calculating the asset's value in use, and company management must therefore make subjective assessments and estimates about, among other things, future growth and margin development, which implies uncertainty.

Impairment tests are based on estimates and judgments from company management, which is why we have assessed this as a key audit matter in our audit. We refer to the company's accounting principles note 1 and note 19.

How the area has been considered in the audit

In our audit, we have reviewed how the management's examination of the need for write-downs has taken place. Among other things, we have carried out the following audit procedures:

- *Reviewed the company's applied calculation model with the help of PwC's internal specialists in company valuation.*
- *Evaluated the company's process for establishing forecasted cash flows.*
- *Evaluated the reasonableness of the discount rate used with the help of PwC's internal specialists in business valuation.*
- *Has randomly evaluated the reasonableness of the input data in the calculation model regarding forecasted cash flow.*
- *Have performed sensitivity analysis on the output of the model by adjusting certain parameters in the input and assessed the sensitivity of the calculations.*
- *Verified that identified write-down needs have been reported in the income statement.*
- *Examined whether sufficient information is provided in the annual report in accordance with IFRS.*

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-85. The Board of Directors and the Managing Director are responsible for this 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 Director's 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 intend 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 Director's and the Managing Director of Autocirc Group AB (publ) for the year 2023 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

Director's 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 Director's 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' 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.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 86-91 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Autocirc Group AB (publ) by the general meeting of the shareholders on the 23 may 2023 and has been the company's auditor since 2020.

Gothenburg the 28 march 2024

Öhrlings PricewaterhouseCoopers AB

Ulrika Ramsvik
Authorized Public Accountant

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 2023 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:

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