

Västerås, July 14, 2023



# AQ Group AB (publ) Second quarter, 2023

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## Second quarter, April-June 2023 in brief

- Strong growth with good profitability
- Net sales increased by 36% to SEK 2,345 million (1,721)
- Operating profit (EBIT) increased by 90% to SEK 203 million (107)
- Profit before tax (EBT) increased by 80% to SEK 195 million (108)
- Profit margin before tax (EBT %) was 8.3% (6.3)
- Profit after tax increased by 98% to SEK 172 million (87)
- Cash flow from operating activities amounted to SEK 177 million (22)
- Earnings per share before dilution amounted to SEK 9.30 (4.71)

## Six months, January-June 2023 in brief

- Net sales increased by 37% to SEK 4,598 million (3,367)
- Operating profit (EBIT) increased by 81% to SEK 398 million (220)
- Profit before tax (EBT) increased by 69% to SEK 380 million (225)
- Profit margin before tax (EBT %) was 8.3% (6.7)
- Profit after tax increased by 84% to SEK 330 million (180)
- Cash flow from operating activities amounted to SEK 403 million (65)
- Earnings per share before dilution amounted to SEK 17.91 (9.75)
- Equity ratio was 58% (55)

## Group overview, key figures

SEK M unless otherwise stated	2023			2022				Full year
	Q1	Q2	YTD	Q1	Q2	Q3	Q4	
Net turnover	2,253	2,345	<b>4,598</b>	1,646	1,721	1,711	1,974	<b>7,053</b>
Operating profit (EBIT)	194	203	<b>398</b>	113	107	123	148	<b>491</b>
Profit before tax (EBT)	184	195	<b>380</b>	116	108	121	137	<b>482</b>
Profit for the period	159	172	<b>330</b>	93	87	100	134	<b>413</b>
Total equity	3,391	3,671	<b>3,671</b>	2,756	2,865	3,010	3,180	<b>3,180</b>
Operating margin (EBIT), %	8.6	8.7	<b>8.6</b>	6.9	6.2	7.2	7.5	<b>7.0</b>
Profit margin before tax (EBT), %	8.2	8.3	<b>8.3</b>	7.1	6.3	7.1	6.9	<b>6.8</b>
Liquid ratio, %	146	152	<b>152</b>	125	128	131	140	<b>140</b>
Debt/equity ratio, %	55	58	<b>58</b>	56	55	56	56	<b>56</b>
Return on total assets, % <sup>1)</sup>	10.9	12.1	<b>12.1</b>	10.1	9.9	10.3	10.2	<b>10.2</b>
Return on equity after tax, % <sup>1)</sup>	15.6	17.3	<b>17.3</b>	13.8	12.9	13.3	14.2	<b>14.2</b>
Number of employees in Sweden	860	862	<b>862</b>	834	853	847	851	<b>851</b>
Number of employees outside Sweden	6,716	6,868	<b>6,868</b>	6,233	6,269	6,293	6,371	<b>6,371</b>
<b>Key indicators per share, SEK</b>								
Profit for the period before dilution	8.61	9.30	<b>17.91</b>	5.04	4.71	5.41	7.27	<b>22.43</b>
Equity	185.38	200.66	<b>200.66</b>	150.65	156.62	164.52	173.82	<b>173.82</b>
Number of shares, thousands	18,294	18,294	<b>18,294</b>	18,294	18,294	18,294	18,294	<b>18,294</b>

<sup>1)</sup> Calculated based on 12 months rolling amounts.

## A word from the CEO



### High rate of change in all its simplicity

The first half of the year is going as planned. We have strong organic growth and improved profitability compared to 2022. Our net sales increase by 36% compared to the second quarter of previous year. We are increasing above all in electrification, defense industry, railways and commercial vehicles. But demand remains strong in all markets to which we are exposed. During the quarter, we have won several new customer orders for both existing and new customers in railways in Europe, India and USA as well as new projects and customer orders in commercial electric vehicles. At the same time, our customer Nova Bus has

announced the closure of its factory in USA in a little less than two years. This means a potential reduced turnover for us in USA by SEK 100 million. However, the demand for wiring systems is high so we believe that we can replace this lost volume with other new customers.

Our delivery precision to customer was 90% in the quarter, which is not good. We have several factories with ongoing improvement projects to increase capacity and productivity.

### Implemented changes during the quarter

Our rate of change is high thanks to our decentralized leadership model. During the second quarter, we have taken the decision to shut down our manufacturing unit in Falköping and have also moved the customer projects that were manufactured there to other AQ factories. Our new factories in Bulgaria and Lithuania are now fully completed and delivering as we intended. Our project to reduce working capital starts to take effect and our inventory is decreasing slightly despite a strong increase in turnover. The expansion of our wiring systems factory in Lodz, Poland is going according to plan and will be completed in the third quarter of this year. During the quarter, we have installed new energy-efficient punching machines in Finland, Estonia, Bulgaria, and put into use welding robot cells for large products in Estonia and Sweden. We have also decided on investments in four new injection molding machines to produce components for the automotive industry in Anderstorp, Sweden. These measures aim to increase our competitiveness, improving our delivery precision and our inventory turnover rate.

We are doing everything we can to work smarter, automate, increase the number of employees and acquire additional production capacity. It's great to see that our fantastic customers are so strong in their markets. We see many opportunities to continue growing organically and through acquisitions.

### Cash flow and balance sheet

During the quarter, we continued our work on increasing our inventory turnover rate. Several of our companies are showing improvements, which results in a better cash flow from operating activities, which was SEK 177 million during the quarter. We continue to have a low net debt, which enables continued investments in expanded production capacity.

### The power of AQ

AQ's employees are doing a fantastic job of delivering components and systems to demanding industrial customers. Our customers deliver world-leading products that are critical for our transition towards a more sustainable society. We are proud that we can contribute with our excellence in how to manufacture these components and systems in the most resource-efficient way possible. It is our fantastic employees who help our world-leading customers to succeed and that we through entrepreneurship, toil and forward thinking manage to create more value with each passing year. It makes me full of confidence that we will continue to grow, make a profit and have fun!

James Ahrgren  
CEO

## Group's financial position and results

### Second quarter

Net sales for the second quarter was SEK 2,345 million (1,721), an increase of SEK 624 million compared to the same period in the previous year. The total growth in the quarter was 36.3%, of which organic growth 28.2% and currency effects of 8.1%. The currency effect corresponded to SEK 139 million and was mainly driven by the currencies EUR, PLN and BGN.

During the second quarter, the increase in net sales compared to the second quarter of the previous year mainly comes from components and systems for the storage of renewable energy, wiring system for trucks, buses and vehicles in the defense industry as well as inductive components for electrification and for the marine segment.

Operating profit (EBIT) in the second quarter was SEK 203 million (107), an increase of SEK 97 million. We have continued to improve the operating profit in the units that contributed weakly to the operating profit in the corresponding period last year, and increased the efficiency in the factories that are growing strongly with new orders and projects. Net financial items in the quarter amounted to SEK -8 million (2) and was negatively affected by unrealized exchange rate losses and increased bank interest rates. The EBT margin was 8.3%.

Cash flow from operating activities was SEK 177 million (22) and has primarily been affected by the improved operating profit and our activities to improve the inventory turnover rate in our companies, while the increased accounts receivable has a negative impact.

Cash flow from investing activities was SEK -67 million (-45), which relates mainly to replacement and capacity investments of tangible assets of SEK 66 million (-43).

Cash flow from financing activities was SEK -182 million (-11) and mainly refers to repayments of bank loans and leasing liabilities of SEK -117 million and dividend of SEK -61 million (-61).

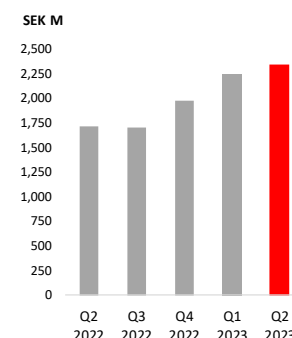
### First six months

Net sales for the first six months was SEK 4,598 million (3,367), an increase of SEK 1,231 million compared to the same period in the previous year. The total growth during the first six months was 36.5%, of which organic growth 29.6% and currency effects of 6.9%. The currency effect corresponded to SEK 234 million and was mainly driven by the currencies EUR, BGN and PLN.

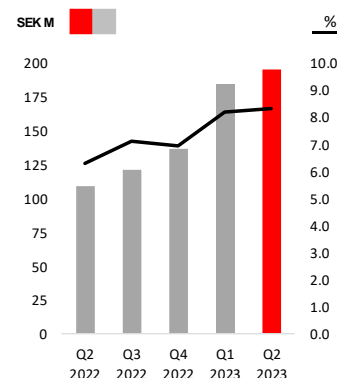
The increase in net sales is primarily attributable to our electrical cabinet factories in Bulgaria and Estonia, our wiring systems factories in Lithuania, Poland, Sweden, USA and Canada as well as our factories for inductive components globally.

Operating profit (EBIT) for the first six months was SEK 398 million (220), an increase of SEK 178 million. The organic growth has been very high throughout the first half of the year in basically all of our companies, which has resulted in higher and capacity utilization, which, together with measures in our low-performing companies, has had a positive effect on the operating result. Net financial items amounted to SEK -18 million (5) and has been negatively affected by unrealized exchange rate losses and increased bank interest rates. The EBT margin was 8.3%.

Net sales



EBT



Interest-bearing liabilities of the Group was SEK 940 million (924) and cash and cash equivalents amounted to SEK 289 million (217), which means that the Group have a net debt of SEK 651 million (707). The Group's interest-bearing liabilities without regard to leasing liabilities amounted to SEK 692 million (715), which means a net debt adjusted for leasing liabilities of SEK 403 million (498).

Cash flow from operating activities was SEK 403 million (65) and has primarily been positively affected by the improved operating profit and our activities to improve the inventory turnover rate in our companies, while the increased trade receivables have a negative effect in the other direction.

Cash flow from investing activities was SEK -133 million (-121), which relates mainly to replacement and capacity investments of tangible fixed assets of SEK -132 million (-119). The single largest investments are a new factory building and production equipment in Bulgaria of SEK 31 million and new production equipment in Lithuania of SEK 15 million.

Cash flow from financing activities was SEK -223 million (-20) and mainly refers to repayments of bank loans and leasing liabilities of SEK -160 million and dividend of SEK -61 million (-61).

Equity at the end of the period amounted to SEK 3,671 million (2,865) for the Group.

### Significant events during the first quarter

The first half of the year continues to be characterized by high organic growth, continued capacity investments in our factories and activities to increase the inventory turnover rate. In Lithuania and Bulgaria, last year's large new orders are in full serial production and the action programs in our problem companies continue to have an effect.

The Annual General Meeting on April 20 made a decision in accordance with the nomination committee's proposal to reduce the number of board members to six and re-elected board members Per Olof Andersson, Ulf Gundemark, Gunilla Spongh, Claes Mellgren and Lars Wrebo, as well as newly elected board member Kristina Willgård. Claes Mellgren was newly elected as chairman of the board. The meeting also decided to newly elect the auditing company Ernst & Young AB as auditor for the period until the end of the Annual General Meeting in 2024.

### Significant events after the end of the period

No significant events have occurred after the end of the reporting period.

### Goals

The goal of the Group is continued profitable growth. The goal is a profit margin before tax (EBT) of at least 8%. The Board of Directors is not giving any forecast for turnover or profit. Statements in this report can be perceived as forward looking and the real outcome can be significantly different.

The Board of Directors of AQ Group has set goals for the Group. The goals mean that the Group is managed towards good profit, high quality and delivery precision with strong growth with a healthy financial risk level. The dividend policy is to have dividends corresponding to about 25% of profit after tax over a business cycle. However, the Group's financial consolidation must always be considered.

	Target	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Product quality, %	100	99.6	99.6	99.6
Delivery precision, %	98	90.5	90.5	90.0
Equity ratio, %	>40	58	55	56
Profit margin before tax (EBT), %	8	8.3	6.7	6.8
Growth, %	15	36.5	26.2	28.9

## Transactions with related parties

The parent company has a related party relationship with its subsidiaries. There are some sales activities concerning goods between the operating group companies. The parent company is charging a management fee to the subsidiaries. All invoicing is according to market level prices and results in claims and debts between the companies which are settled regularly. There are some long-term loans between the parent company and a few subsidiaries. These loans are given with market level interest rates. Most companies in the Group are also part of a cash pool in the parent company. The companies are charged/given interest rates at market level.

AQ Group AB paid a dividend of SEK 61 million to its shareholders in April 2023 following a decision at the 2023 Annual General Meeting.

The 2022 Annual General Meeting decided to introduce a warrant-based incentive program for executive officers and other key personnel within AQ. The subscription price was set at SEK 351.20 per share. A total of 52,500 warrants were subscribed for in the three-year warrant-based incentive program that expires May 12, 2025. Upon redemption, each warrant entitles to one share. When the average share price during the period is higher than the established subscription price, dilution effect is calculated for the earnings per share regarding these warrants.

## Risks and uncertainties

AQ is a global company with operations in fifteen countries. Within the Group there are a number of risks and uncertainties of both operational and financial characteristics, which were more detailed described in the Annual Report of 2022. The Covid-19 pandemic and Russia's aggressive war towards Ukraine has caused huge uncertainties in the world. The political tension between Russia, Belarus and Ukraine/NATO has mainly resulted in increased energy costs and other risks and uncertainties that could have a significant impact on AQ's customers and suppliers, which in turn affect the actual outcome for AQ. In addition to the commented factors the real outcome can be affected by for example other political events, business cycle effects, currency and interest rates, competing products and their pricing, product development, commercial and technical difficulties, events linked to cyber security and IT infrastructure, delivery problems, outbreak of other virus diseases and large credit losses at our customers.

AQ has no production units in Ukraine, Russia or Belarus and no significant customers nor suppliers in these countries. The risks that are most prominent for AQ in a shorter perspective are the impacts of component shortages on delivery precision, the ongoing war between Russia and Ukraine impact on customers, personnel and suppliers, the high global inflation and currency and price risks on e.g. energy, transport and material. We constantly monitor and evaluate the situation in order to be prepared to act quickly to limit any impact on the company.

Transactions and assets and liabilities in foreign currency are managed centrally within AQ in order to create balance in the respective currency thereby achieving highest possible levelling effect within the Group in order to minimize currency differences.

AQ is not buying any direct raw material, but only semi-finished products for further production such as sheet metal of steel and aluminum, cables, insulated wire etc. The risk is minimized through customer agreements with price clauses. Raw material price risk refers to the change in the price of material and its impact on earnings. The company's purchase of materials to different processes is significant. There is a risk of sharp price increases for raw materials where the Company is not able to compensate price increases, which may affect the Company's earnings negatively.

The Group's credit risks are mainly connected to accounts receivable.

The parent company is indirectly affected by the same risks and uncertainties.

## Future reporting dates

Interim report Q3, 2023  
Year-end report, 2023

October 19, 2023, at 08:00 CEST  
February 15, 2024, at 08:00 CET

## Other information

The information in this interim report shall be made public in accordance with the EU Market Abuse Regulation and the Securities Market Act of Sweden. The information was released by CEO James Ahrgren for publication at 08:00 CEST on July 14, 2023.

AQ Group AB (publ) is listed on Nasdaq Stockholm's main market.

This report has not been reviewed by the company's financial auditors.

Further information can be given by AQ Group AB:

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Financial reports and press releases are published in Swedish and English. If there are discrepancies between the two, the Swedish version shall prevail. They are available at [www.aqgroup.com](http://www.aqgroup.com).

## Certification

The Board and the Chief Executive Officer certify that the interim report gives a true and fair overview of the Group's and the parent company's operations, financial position and performance and describes material risks and uncertainties facing the parent company and the companies that form part of the Group.

Västerås, July 14, 2023

James Ahrgren  
CEO

Claes Mellgren  
Chairman of the Board

PO Andersson  
Board member

Ulf Gundemark  
Board member

Gunilla Spongh  
Board member

Lars Wrebo  
Board member

Kristina Willgård  
Board member



# Financial reports, summary

## Summary Income Statement for the Group

SEK M	Note						R12	Full year 2022
		Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022 -Jun 2023		
Net sales	2	2,345	1,721	4,598	3,367	8,283	7,053	
Other operating income		43	46	86	83	182	180	
<b>Total income</b>		<b>2,388</b>	<b>1,767</b>	<b>4,684</b>	<b>3,451</b>	<b>8,466</b>	<b>7,232</b>	
Change in inventory and work in progress		-76	29	-74	77	-69	82	
Raw material and consumables		-1,137	-934	-2,325	-1,830	-4,255	-3,760	
Goods for resale		-19	-14	-36	-33	-84	-81	
Other external expenses		-233	-193	-480	-370	-899	-789	
Personnel costs		-615	-471	-1,165	-913	-2,101	-1,849	
Depreciation and amortisation		-72	-65	-142	-129	-273	-261	
Other operating expenses		-33	-14	-63	-33	-115	-85	
<b>Total operating costs</b>		<b>-2,184</b>	<b>-1,660</b>	<b>-4,287</b>	<b>-3,231</b>	<b>-7,797</b>	<b>-6,742</b>	
<b>Operating profit</b>		<b>203</b>	<b>107</b>	<b>398</b>	<b>220</b>	<b>669</b>	<b>491</b>	
Net financial income/expense	5	-8	2	-18	5	-32	-8	
<b>Profit before tax</b>		<b>195</b>	<b>108</b>	<b>380</b>	<b>225</b>	<b>637</b>	<b>482</b>	
Taxes		-24	-21	-49	-45	-73	-69	
<b>Profit for the period</b>		<b>172</b>	<b>87</b>	<b>330</b>	<b>180</b>	<b>564</b>	<b>413</b>	
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO</b>								
Parent company shareholders		170	86	328	178	560	410	
Non-controlling interests		2	1	3	1	4	3	
<b>EARNINGS PER SHARE, SEK</b>								
Before dilution		9.30	4.71	17.91	9.75	30.59	22.43	
After dilution		9.28	4.71	17.86	9.75	30.59	22.43	
<b>AVERAGE NUMBER OF SHARES</b>								
Before dilution, thousands		18,294	18,294	18,294	18,294	18,294	18,294	
After dilution, thousands		18,347	18,294	18,347	18,294	18,294	18,294	

## Statement of comprehensive income for the Group, summary

SEK M						R12	Full year 2022
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022 -Jun 2023		
<b>PROFIT FOR THE PERIOD</b>	<b>172</b>	<b>87</b>	<b>330</b>	<b>180</b>	<b>564</b>	<b>413</b>	
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Items that cannot be transferred to the profit for the period</b>							
Revaluation of defined benefit pension plans	0	0	0	0	0	0	
Revaluation of defined benefit pension plans, tax effect	-0	-0	-0	-0	-0	-0	
<b>Items transferred or that can be transferred to the profit</b>							
Translation difference for foreign operations	169	81	221	117	302	198	
<b>Other comprehensive income for the period after tax</b>	<b>169</b>	<b>81</b>	<b>221</b>	<b>117</b>	<b>303</b>	<b>198</b>	
<b>Comprehensive income for the period</b>	<b>340</b>	<b>168</b>	<b>552</b>	<b>297</b>	<b>867</b>	<b>611</b>	
<b>COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>							
Parent company shareholders	338	167	548	295	861	607	
Non-controlling interests	2	1	4	2	6	4	

## Summary Balance Sheet for the Group

SEK M	Note	Jun 30 2023	Jun 30 2022	Dec 31 2022
<b>ASSETS</b>				
Goodwill		419	386	395
Other intangible assets		135	158	144
Right-of-use assets		243	203	233
Tangible assets		1,150	888	1,043
Non-current receivables		5	4	5
Deferred tax assets		80	65	76
<b>Total non-current assets</b>		<b>2,033</b>	<b>1,704</b>	<b>1,896</b>
Inventories		1,610	1,525	1,629
Accounts receivable - trade		2,098	1,515	1,745
Current tax assets		30	18	22
Other receivables		141	104	106
Prepaid expenses and accrued income		99	79	76
Cash and cash equivalents		289	217	231
<b>Total current assets</b>		<b>4,267</b>	<b>3,460</b>	<b>3,808</b>
<b>TOTAL ASSETS</b>		<b>6,300</b>	<b>5,165</b>	<b>5,704</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to parent company shareholders		3,651	2,851	3,164
Non-controlling interests		20	14	16
<b>TOTAL EQUITY</b>		<b>3,671</b>	<b>2,865</b>	<b>3,180</b>
Interest-bearing liabilities to credit institutions		765	686	861
Deferred tax liabilities		89	80	90
Provisions		24	20	23
Other non-current liabilities		0	0	0
<b>Total non-current liabilities</b>		<b>878</b>	<b>787</b>	<b>973</b>
Interest-bearing liabilities to credit institutions		175	238	180
Provisions		22	14	13
Contract liabilities		123	70	94
Accounts payable - trade		888	782	862
Current tax liabilities		30	21	25
Other current liabilities		141	115	107
Accrued expenses and prepaid income		371	274	271
<b>Total current liabilities</b>		<b>1,751</b>	<b>1,513</b>	<b>1,551</b>
<b>TOTAL LIABILITIES</b>		<b>2,629</b>	<b>2,300</b>	<b>2,524</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,300</b>	<b>5,165</b>	<b>5,704</b>

## Statement of changes in Equity for the Group

SEK M	Equity attributable to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit	Subtotal		
<b>Equity, 01/01/2022</b>	<b>37</b>	<b>84</b>	<b>84</b>	<b>2,411</b>	<b>2,616</b>	<b>12</b>	<b>2,627</b>
<b>Profit for the year</b>	-	-	-	<b>178</b>	<b>178</b>	<b>1</b>	<b>180</b>
Translation differences in foreign operations	-	-0	117	-	116	1	117
Revaluation of defined benefit pension plans	-	-	-	0	0	-	0
Revaluation of defined benefit pension plans, tax effect	-	-	-	-0	-0	-	-0
<b>Other comprehensive income</b>	-	<b>-0</b>	<b>117</b>	-	<b>116</b>	<b>1</b>	<b>117</b>
<b>Comprehensive income for the year</b>	-	<b>-0</b>	<b>117</b>	<b>178</b>	<b>295</b>	<b>2</b>	<b>297</b>
Issue of warrants	-	2	-	-	2	-	2
Dividends paid	-	-	-	-61	-61	-	-61
<b>Transactions with shareholders</b>	-	<b>2</b>	-	<b>-61</b>	<b>-59</b>	-	<b>-59</b>
<b>Equity, 06/30/2022</b>	<b>37</b>	<b>86</b>	<b>201</b>	<b>2,528</b>	<b>2,851</b>	<b>14</b>	<b>2,865</b>
<b>Equity, 01/01/2023</b>	<b>37</b>	<b>86</b>	<b>280</b>	<b>2,761</b>	<b>3,164</b>	<b>16</b>	<b>3,180</b>
<b>Profit for the year</b>	-	-	-	<b>328</b>	<b>328</b>	<b>3</b>	<b>330</b>
Translation differences in foreign operations	-	-	220	-	220	1	221
Revaluation of defined benefit pension plans	-	-	-	0	0	-	0
Revaluation of defined benefit pension plans, tax effect	-	-	-	-0	-0	-	-0
<b>Other comprehensive income</b>	-	-	<b>220</b>	-	<b>220</b>	<b>1</b>	<b>221</b>
<b>Comprehensive income for the year</b>	-	-	<b>220</b>	<b>328</b>	<b>548</b>	<b>4</b>	<b>552</b>
Dividends paid	-	-	-	-61	-61	-	-61
<b>Transactions with shareholders</b>	-	-	-	<b>-61</b>	<b>-61</b>	-	<b>-61</b>
<b>Equity, 06/30/2023</b>	<b>37</b>	<b>86</b>	<b>501</b>	<b>3,027</b>	<b>3,651</b>	<b>20</b>	<b>3,671</b>

All shares, 18,294,058 pcs, are A-shares with equal voting rights and equal rights to the results. Dilution effect has been calculated during the period based on 52,500 warrants.

## Summary Cash Flow statement for the Group

SEK M	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022
Profit before tax		195	108	380	225	482
Adjustment for non cash generating items		66	63	138	131	264
Income tax paid		-28	-20	-55	-68	-91
<b>Cash flow from operating activities before change in working capital</b>		<b>233</b>	<b>151</b>	<b>463</b>	<b>287</b>	<b>655</b>
Change in inventories		74	-78	101	-167	-239
Change in trade receivables		-54	-56	-255	-163	-357
Change in other receivables		-7	-7	-40	-19	-9
Change in trade payables		-95	-19	4	55	82
Change in other liabilities		26	31	131	73	76
<b>Change in working capital</b>		<b>-56</b>	<b>-129</b>	<b>-60</b>	<b>-222</b>	<b>-447</b>
<b>Cashflow from operating activities</b>		<b>177</b>	<b>22</b>	<b>403</b>	<b>65</b>	<b>208</b>
Acquisition of intangible non-current assets		-1	-3	-1	-3	-4
Acquisition of tangible non-current assets		-66	-43	-132	-119	-284
Sale of tangible non-current assets		0	2	1	2	6
Other changes in non-current assets		0	0	0	0	0
<b>Cashflow from investing activities</b>		<b>-67</b>	<b>-45</b>	<b>-133</b>	<b>-121</b>	<b>-283</b>
New borrowings, credit institutions		-	107	-	116	234
Amortisation of loans		-88	-16	-104	-31	-62
Amortisation of loans (lease)		-28	-25	-56	-52	-103
Change in bank overdraft facilities		-5	4	-3	6	2
Payment of warrants		-	2	-	2	2
Dividends		-61	-61	-61	-61	-61
<b>Cashflow from financing activities</b>		<b>-182</b>	<b>11</b>	<b>-223</b>	<b>-20</b>	<b>12</b>
<b>Change in cash and cash equivalents for the period</b>		<b>-72</b>	<b>-12</b>	<b>47</b>	<b>-75</b>	<b>-63</b>
Cash and cash equivalents at the beginning of the year		352	223	231	283	283
Exchange rate difference in cash and cash equivalents		9	6	12	9	11
<b>Cash and cash equivalents at the end of the period</b>		<b>289</b>	<b>217</b>	<b>289</b>	<b>217</b>	<b>231</b>

## Parent company development

The parent company, AQ Group AB, focuses primarily on managing and developing the Group. As in previous years, the parent company's turnover consists almost exclusively of the sale of administrative services to subsidiaries. There are no purchases of any substance from subsidiaries.

### Summary income statement for the Parent company

SEK M	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	R12 Jul 2022 -Jun 2023	Full year 2022
Net sales		12	11	26	26	49	49
Other operating income		1	2	1	4	2	5
<b>Total income</b>		<b>13</b>	<b>14</b>	<b>27</b>	<b>30</b>	<b>51</b>	<b>53</b>
Other external expenses		-7	-5	-12	-9	-22	-19
Personnel costs		-9	-10	-17	-18	-29	-31
Depreciation and amortisation		-0	-	-0	-	-0	-0
Other operating expenses		-0	-1	-0	-1	-1	-1
<b>Total operating costs</b>		<b>-16</b>	<b>-16</b>	<b>-29</b>	<b>-28</b>	<b>-52</b>	<b>-51</b>
<b>Operating profit</b>		<b>-3</b>	<b>-2</b>	<b>-2</b>	<b>2</b>	<b>-2</b>	<b>2</b>
Net financial items	5	87	-13	84	77	60	53
<b>Earnings after net financial items</b>		<b>83</b>	<b>-15</b>	<b>82</b>	<b>78</b>	<b>59</b>	<b>55</b>
Appropriations		-	-	-	-	-2	-2
<b>Profit before tax</b>		<b>83</b>	<b>-15</b>	<b>82</b>	<b>78</b>	<b>56</b>	<b>53</b>
Taxes		1	-1	1	-2	1	-2
<b>Profit for the period</b>		<b>84</b>	<b>-16</b>	<b>82</b>	<b>76</b>	<b>58</b>	<b>51</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>							
Profit for the period		84	-16	82	76	58	51
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>84</b>	<b>-16</b>	<b>82</b>	<b>76</b>	<b>58</b>	<b>51</b>

### Second quarter

Revenues during the second quarter amounted to SEK 12 million (11) and mainly pertained to internal services. Net financial items amounted to SEK 87 million (-13). The loss for the period amounted to SEK 84 million (-16).

### First six months

Revenues during the first six months amounted to SEK 26 million (26) and mainly pertained to internal services. Net financial items amounted to SEK 84 million (77). The loss for the period amounted to SEK 82 million (76).

## Summary balance sheet for the Parent company

SEK M	Note	Jun 30 2023	Jun 30 2022	Dec 31 2022
<b>ASSETS</b>				
Tangible assets		0	-	0
Participations in group companies		1,220	1,217	1,222
Receivables from group companies		202	211	211
<b>Total non-current assets</b>		<b>1,422</b>	<b>1,428</b>	<b>1,433</b>
Accounts receivable - trade		-	0	-
Receivables from group companies		431	234	356
Current tax assets		10	5	2
Other receivables		-1	19	0
Prepaid expenses and accrued income		4	4	2
Cash and cash equivalents		53	52	62
<b>Total current assets</b>		<b>497</b>	<b>313</b>	<b>423</b>
<b>TOTAL ASSETS</b>		<b>1,919</b>	<b>1,741</b>	<b>1,856</b>
<b>EQUITY AND LIABILITIES</b>				
Restricted equity		38	38	38
Non-restricted equity		700	703	678
<b>TOTAL EQUITY</b>		<b>738</b>	<b>741</b>	<b>716</b>
<b>Untaxed reserves</b>		<b>8</b>	<b>6</b>	<b>8</b>
Interest-bearing liabilities to credit institutions		575	557	683
<b>Total non-current liabilities</b>		<b>575</b>	<b>557</b>	<b>683</b>
Interest-bearing liabilities to credit institutions		59	74	59
Interest-bearing liabilities to group companies		513	341	368
Accounts payable - trade		4	4	3
Liabilities to group companies		0	-	0
Other current liabilities		9	9	9
Accrued expenses and deferred income		14	8	10
<b>Total current liabilities</b>		<b>599</b>	<b>437</b>	<b>449</b>
<b>TOTAL LIABILITIES</b>		<b>1,174</b>	<b>994</b>	<b>1,132</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,919</b>	<b>1,741</b>	<b>1,856</b>

The non-restricted equity amounts to SEK 700 million. The changes since 31 December 2022 consist of the profit for the period of SEK 82 million and paid dividend of SEK 61 million.

## Notes to the financial statements in summary

### Note 1. Accounting principles

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable parts of the Swedish Annual Accounts Act. Information according to IAS 34.16A are presented in the financial reports and their notes as well as in other parts of the interim report. The interim report for the parent company has been prepared in accordance with Swedish Annual Accounts Act, chapter 9 Interim report. For the Group and the parent company the accounting and valuation principles applied are the same as used in the latest annual report.

Unless otherwise stated, all amounts are rounded to the nearest million. The total sum in tables and calculations do not always sum up of the parts due to rounding differences. The objective is that every interim row shall conform with the original source, which can result in rounding differences.

### Note 2. Segment reporting and breakdown of revenue

The Group operates in two business segments: *Component*, which produces transformers, wiring systems, mechanical components, punched sheet metal and injection-molded thermoplastics and *System*, which produces systems, power and automation solutions and assembles complete machines in close collaboration with the customers.

#### SEGMENT REPORTING

##### Second quarter

For the segment Component, the total net sales for the second quarter was SEK 2,006 million (1,513), of which SEK 1,859 million (1,405) are external sales. The increase of the external sales was SEK 454 million.

For the segment System, the total net sales for the second quarter was SEK 539 million (351), of which SEK 486 million (316) are external sales. The increase of the external sales was SEK 170 million.

Operating profit (EBIT) in the second quarter was SEK 166 million (66) for Component, corresponding to an increase of SEK 101 million compared to same period previous year. Operating profit (EBIT) for System was SEK 42 million (45), corresponding to a decrease of SEK 3 million compared to same period previous year.

In the column "Unallocated and eliminations" there are items which have not been allocated to the two segments, parent company and group eliminations.

Apr-Jun 2023, SEK M	Component	System	Unallocated and eliminations	Group
Net sales, external	1,859	486	-	2,345
Net sales, internal	147	53	-200	-
<b>Total net turnover</b>	<b>2,006</b>	<b>539</b>	<b>-200</b>	<b>2,345</b>
Material costs, excl. purchases own segment	-1,020	-382	171	-1,231
Depreciation	-66	-7	-0	-72
Other operating expenses/income	-754	-108	23	-838
<b>Operating profit</b>	<b>166</b>	<b>42</b>	<b>-6</b>	<b>203</b>
Net financials items	-	-	-8	-8
<b>Profit before tax</b>	<b>166</b>	<b>42</b>	<b>-13</b>	<b>195</b>

Apr-Jun 2022, SEK M	Component	System	Unallocated and eliminations	Group
Net sales, external	1,405	316	-	1,721
Net sales, internal	108	35	-143	-
<b>Total net turnover</b>	<b>1,513</b>	<b>351</b>	<b>-143</b>	<b>1,721</b>
Material costs, excl. purchases own segment	-817	-221	120	-918
Depreciation	-59	-6	-0	-65
Other operating expenses/income	-572	-79	19	-632
<b>Operating profit</b>	<b>66</b>	<b>45</b>	<b>-4</b>	<b>107</b>
Net financial items	-	-	2	2
<b>Profit before tax</b>	<b>66</b>	<b>45</b>	<b>-2</b>	<b>108</b>

### First six months

For the segment Component, the total net sales for the first six months was SEK 3,954 million (2,947), of which SEK 3,674 million (2,734) are external sales. The increase of the external sales was SEK 940 million.

For the segment System, the total net sales for the first six months was SEK 1,031 million (720), of which SEK 924 million (634) are external sales. The increase of the external sales was SEK 291 million.

Operating profit (EBIT) in the first six months was SEK 334 million (124) for Component, corresponding to an increase of SEK 210 million compared to same period previous year. Operating profit (EBIT) for System was SEK 110 million (95), corresponding to an increase of SEK 15 million compared to same period previous year.

In the column "Unallocated and eliminations" there are items which have not been allocated to the two segments, parent company and group eliminations.

Jan-Jun 2023 SEK M	Component	System	Unallocated and eliminations	Group
Net sales, external	3,674	924	-	4,598
Net sales, internal	281	107	-387	-
<b>Total net turnover</b>	<b>3,954</b>	<b>1,031</b>	<b>-387</b>	<b>4,598</b>
Material costs, excl. purchases own segment	-2,033	-713	310	-2,435
Depreciation	-129	-13	-0	-142
Other operating expenses/income	-1,459	-195	31	-1,623
<b>Operating profit</b>	<b>334</b>	<b>110</b>	<b>-46</b>	<b>398</b>
Net financial items	-	-	-18	-18
<b>Profit before tax</b>	<b>334</b>	<b>110</b>	<b>-64</b>	<b>380</b>

Jan-Jun 2022, SEK M	Component	System	Unallocated and eliminations	Group
Net sales, external	2,734	634	-	3,367
Net sales, internal	213	86	-299	-
<b>Total net turnover</b>	<b>2,947</b>	<b>720</b>	<b>-299</b>	<b>3,367</b>
Material costs, excl. purchases own segment	-1,585	-456	255	-1,786
Depreciation	-117	-12	-0	-129
Other operating expenses/income	-1,121	-157	45	-1,233
<b>Operating profit</b>	<b>124</b>	<b>95</b>	<b>0</b>	<b>220</b>
Net financial items	-	-	5	5
<b>Profit before tax</b>	<b>124</b>	<b>95</b>	<b>5</b>	<b>225</b>



## SALES DIVIDED BY SEGMENT AND GEOGRAPHICAL MARKETS

### Second quarter

The turnover divided among geographical markets in the second quarter; Sweden 25% (30), other European countries 58% (54) and other countries 17% (16).

<b>Apr-Jun 2023, SEK M</b>	<b>Component</b>	<b>System</b>	<b>Unallocated and eliminations</b>	<b>Group</b>
Sweden	381	253	12	646
Other European countries	1,256	223	-	1,479
Other countries	370	63	-	432
<b>Net sales</b>	<b>2,006</b>	<b>539</b>	<b>12</b>	<b>2,557</b>
Internal sales, eliminations	-	-	-212	-212
<b>Total net turnover</b>	<b>2,006</b>	<b>539</b>	<b>-200</b>	<b>2,345</b>

<b>Apr-Jun 2022, SEK M</b>	<b>Component</b>	<b>System</b>	<b>Unallocated and eliminations</b>	<b>Group</b>
Sweden	325	225	11	562
Other European countries	927	84	-	1,010
Other countries	261	42	-	304
<b>Net sales</b>	<b>1,513</b>	<b>351</b>	<b>11</b>	<b>1,876</b>
Internal sales, eliminations	-	-	-155	-155
<b>Total net turnover</b>	<b>1,513</b>	<b>351</b>	<b>-143</b>	<b>1,721</b>

Geographical markets are based on where AQ Group's subsidiaries have their registered office.

### First six months

The turnover divided among geographical markets in the first six months; Sweden 26% (30), other European countries 57% (53) and other countries 17% (17).

<b>Jan-Jun 2023, SEK M</b>	<b>Component</b>	<b>System</b>	<b>Unallocated and eliminations</b>	<b>Group</b>
Sweden	765	534	26	1,326
Other European countries	2,466	364	-	2,830
Other countries	723	133	-	856
<b>Net sales</b>	<b>3,954</b>	<b>1,031</b>	<b>26</b>	<b>5,012</b>
Internal sales, eliminations	-	-	-414	-414
<b>Total net turnover</b>	<b>3,954</b>	<b>1,031</b>	<b>-387</b>	<b>4,598</b>

<b>Jan-Jun 2022, SEK M</b>	<b>Component</b>	<b>System</b>	<b>Unallocated and eliminations</b>	<b>Group</b>
Sweden	635	453	26	1,115
Other European countries	1,784	165	-	1,949
Other countries	527	102	-	629
<b>Net sales</b>	<b>2,947</b>	<b>720</b>	<b>26</b>	<b>3,693</b>
Internal sales, eliminations	-	-	-325	-325
<b>Total net turnover</b>	<b>2,947</b>	<b>720</b>	<b>-299</b>	<b>3,367</b>

Geographical markets are based on where AQ Group's subsidiaries have their registered office.

### Note 3. Personnel

Number of employees (full time yearly equivalents) in the Group divided per country:

Country	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2021
Bulgaria	1,544	1,370	1,235
Poland	1,318	1,184	982
Lithuania	1,215	853	603
Sweden	862	853	792
China	604	693	632
Estonia	599	583	566
Hungary	479	477	389
Mexico	340	351	168
Finland	208	193	186
Canada	189	164	172
India	186	179	140
USA	147	166	95
Italy	17	18	19
Germany	16	20	3
Brazil	6	9	8
Serbia	0	9	8
<b>Total</b>	<b>7,730</b>	<b>7,122</b>	<b>5,998</b>

### Note 4. Business acquisitions

AQ's strategy is to grow in both segments. During the period January to June 2023, no acquisitions were made. No acquisitions were made in 2022 either.

### Note 5. Financial instruments

Financial instruments that are shown in the balance sheet include on the assets side mainly cash or cash equivalents, accounts receivable and other receivables. On the liabilities side they consist mainly of accounts payable, other payable, credit debts and provisions for additional purchase price.

Fair value is not separately shown as it is our assessment that the values shown are an acceptable estimation of the real value because of the short terms. Fair value of assets is established from market prices where those are available. Fair value is based on the listing at brokers. Similar contracts are being traded on an active market and the prices are reflecting actual transactions of comparable instruments.

The Group exceptionally uses derivatives, forward exchange agreement, to reduce currency risks. Per June 30, 2023, there are no remaining derivatives. The same applies to the corresponding period of the previous year.

### Note 6. Events after the end of the reporting period

There have been no significant events after the end of the period.

## Key figures

SEK M unless otherwise stated	2023			2022				
	Q1	Q2	YTD	Q1	Q2	Q3	Q4	Full year
<b>Operating margin, (EBIT %)</b>								
Operating profit	194	203	398	113	107	123	148	491
Net sales	2,253	2,345	4,598	1,646	1,721	1,711	1,974	7,053
Operating margin	<b>8.6</b>	<b>8.7</b>	<b>8.6</b>	<b>6.9</b>	<b>6.2</b>	<b>7.2</b>	<b>7.5</b>	<b>7.0</b>
<b>EBITDA</b>								
Profit before tax	194	203	398	113	107	123	148	491
Depreciations/amortisations	-70	-72	-142	-65	-65	-64	-67	-261
EBITDA	<b>264</b>	<b>276</b>	<b>540</b>	<b>178</b>	<b>171</b>	<b>187</b>	<b>215</b>	<b>751</b>
<b>Profit margin before tax, (EBT %)</b>								
Profit before tax	184	195	380	116	108	121	137	482
Net sales	2,253	2,345	4,598	1,646	1,721	1,711	1,974	7,053
Profit margin before tax, %	<b>8.2</b>	<b>8.3</b>	<b>8.3</b>	<b>7.1</b>	<b>6.3</b>	<b>7.1</b>	<b>6.9</b>	<b>6.8</b>
<b>Liquid ratio, %</b>								
Trade receivables	1,966	2,098	2,098	1,418	1,515	1,627	1,745	1,745
Other current receivables	248	270	270	187	203	197	204	204
Cash and cash equivalents	352	289	289	223	217	154	231	231
Current liabilities	1,761	1,751	1,751	1,459	1,513	1,513	1,551	1,551
Liquid ratio, %	<b>146</b>	<b>152</b>	<b>152</b>	<b>125</b>	<b>128</b>	<b>131</b>	<b>140</b>	<b>140</b>
<b>Debt/equity ratio, %</b>								
Total equity	3,391	3,671	3,671	2,756	2,865	3,010	3,180	3,180
Total assets	6,125	6,300	6,300	4,920	5,165	5,392	5,704	5,704
Debt/equity ratio, %	<b>55</b>	<b>58</b>	<b>58</b>	<b>56</b>	<b>55</b>	<b>56</b>	<b>56</b>	<b>56</b>
<b>Return on total assets, %</b>								
Profit before tax, rolling 12 months	550	637	637	431	426	456	482	482
Financial expenses, rolling 12 months	-52	-56	-56	-31	-43	-59	-48	-48
Total equity and liabilities, opening balance for 12 months	4,920	5,165	5,165	4,196	4,281	4,577	4,699	4,699
Total equity and liabilities, closing balance	6,125	6,300	6,300	4,920	5,165	5,392	5,704	5,704
Total equity and liabilities, average	5,522	5,732	5,732	4,558	4,723	4,984	5,202	5,202
Return on total assets, %	<b>10.9</b>	<b>12.1</b>	<b>12.1</b>	<b>10.1</b>	<b>9.9</b>	<b>10.3</b>	<b>10.2</b>	<b>10.2</b>
<b>Return on equity after tax, %</b>								
Profit for the period after tax, rolling 12 months	479	564	564	352	343	367	413	413
Total equity, opening for 12 months	2,756	2,865	2,865	2,352	2,438	2,526	2,627	2,627
Total equity, closing	3,391	3,671	3,671	2,756	2,865	3,010	3,180	3,180
Total equity, average	3,074	3,268	3,268	2,554	2,652	2,768	2,904	2,904
Return on equity after tax, %	<b>15.6</b>	<b>17.3</b>	<b>17.3</b>	<b>13.8</b>	<b>12.9</b>	<b>13.3</b>	<b>14.2</b>	<b>14.2</b>
<b>Net cash / Net debt</b>								
Cash and cash equivalents	352	289	289	223	217	154	231	231
Non-current interest bearing liabilities	860	765	765	605	686	769	861	861
Current interest bearing liabilities	181	175	175	226	238	234	180	180
Total interest bearing liabilities	1,041	940	940	831	924	1,003	1,040	1,040
Net cash / Net debt	<b>-689</b>	<b>-651</b>	<b>-651</b>	<b>-608</b>	<b>-707</b>	<b>-849</b>	<b>-810</b>	<b>-810</b>
<b>Growth, %</b>								
<b>Organic growth</b>								
Net sales	2,253	2,345	4,598	1,646	1,721	1,711	1,974	7,053
- Effect of changes in exchange rates	94	139	234	-30	-9	55	88	103
- Net sales for last year	1,646	1,721	3,367	1,307	1,361	1,306	1,498	5,471
- Net sales for acquired companies	-	-	-	98	88	-	-	185
= Organic growth	512	485	997	273	282	350	389	1,293
Organic growth divided by last year net sales, %	<b>31.1</b>	<b>28.2</b>	<b>29.6</b>	<b>20.9</b>	<b>20.7</b>	<b>26.8</b>	<b>26.0</b>	<b>23.6</b>
<b>Growth through acquisitions</b>								
Net sales for acquired companies divided by last year net sales, %	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7.5</b>	<b>6.4</b>	<b>0.0</b>	<b>0.0</b>	<b>3.4</b>

## Definitions

### Alternative key figures that are not defined according to IFRS

The interim report includes certain key figures which are not defined according to IFRS. AQ's view is that the presented key figures are essential for investors, securities analysts, and other stakeholders. Furthermore, the operating margin, cash liquidity and solidity are important measures in terms of AQ's monitoring of results, position, and liquidity. AQ's key figures not calculated in accordance with IFRS are not necessarily comparable to similar measures presented by other companies and have certain limitations as an analytical tool. They should therefore not be considered in isolation from, or as a substitute for, AQ's financial information prepared in accordance with IFRS.

#### Operating margin, EBIT %

Calculated as operating profit divided by net sales.

This key figure shows the achieved profitability in the operative business of the company. Operating margin is a useful measure to follow up profitability and efficiency of the business before deduction of tied up capital. The figure is used internally for controlling and managing the business as well as a benchmark towards other companies in the industry.

#### Profit margin before tax, EBT%

Calculated as profit before tax divided by net sales.

This key figure shows the profitability of the business before tax. Profit margin before tax is a useful measure to follow up profitability and efficiency including tied up capital. The figure is used internally for controlling and managing the business as well as a benchmark towards other companies in the industry.

#### Liquid ratio, %

Calculated as current assets (excl. inventory) divided by current liabilities.

This key figure reflects the company's short-term solvency as it sets the company's current assets (except inventory) in relation to the short-term liabilities. If the liquid ratio exceeds 100%, it means that the assets exceed the liabilities in question.

#### Debt/Equity ratio, %

Calculated as adjusted equity divided by balance sheet total.

This key figure reflects the company's financial position and its long-term solvency. To have a good equity ratio and thus a strong financial position is important for being able to manage business cycles with varying sales. To have a strong financial position is also important for managing growth.

#### Return on total assets, %

Calculated as profit/loss after financial items plus financial costs divided by the average balance sheet total.

This key figure also shows the achieved profitability in the operative business. This number complements the operating margin as it includes tied up capital. It means that the number gives information on the return the business is given in relation to the capital tied in it. (Financial investments and cash and cash equivalents are also considered and the profit they give in the form of financial income.)

#### Return on equity after tax, %

Calculated as profit/loss after tax divided by average equity including minority interest.

This is a key figure showing the return of the capital that the owners have invested in the company (including retained earnings) after other stakeholders have received their dividends. This key figure shows how profitable the company is for its owners. This return also has significance for the company's opportunities to grow in a financial balance.

#### Operating profit (EBIT), SEK M

Calculated as the profit before tax and financial items.

Operating profit shows the result generated by the operative business and is used together with operating margin and return on total assets for evaluating and managing the operative business.

### **Profit before tax / Profit after financial items (EBT), SEK M**

Calculated as the profit before tax.

The key figure shows the result generated by the operative business and financial income taking into account payments to creditors for the capital they are contributing to finance the business. The figure shows remaining profit to the owners taking into account that part of it will be deducted for tax payments.

### **EBITDA**

Calculated as the period's net operating profit with the addition of depreciations and amortization of tangible and intangible assets. The measure is used in the calculation of covenants towards the bank. EBITDA stands for "earnings before interest, taxes, depreciation and amortization".

### **Net cash/Net debt, SEK M**

Calculated as the difference between interest bearing debts and cash and cash equivalents.

This key figure is reflecting how much interest-bearing debts the Group has taking into account in cash and cash equivalents. The figure gives a good picture of the debt situation. Net cash means that cash and cash equivalents exceed interest bearing debts. Net debt means that interest bearing debts exceed cash and cash equivalents.

### **Growth, %**

The company is using two key figures to describe growth; 1) organic growth and 2) growth through acquisitions.

Organic growth is calculated as the difference between the net sales of the current period and the net sales of the previous period, excluding currency effect and net sales of acquired units. Organic growth in % is calculated as the organic growth divided by the net sales in the same period in the previous year. Growth through acquisitions is calculated as net sales of acquired companies divided by the net sales in the same period in the previous year.

Growth is an important component in the company's strategy as growth is required to be a leading actor in the markets where the company is operating. Growth is partly through acquisition and partly organic. It's important to follow up and to present the different ways of achieving growth as it is two different ways to grow. Acquisitions are done when opportunities are given to expand the business in a certain geographic market or in a certain product area (in line with the company's strategic plan). Organic growth often has the character of a continued expansion within the existing operations.

### **Dividend per share, SEK**

Dividend per share is decided at the Annual General Meeting where the annual report is approved for the fiscal year. Number of shares are the thousands of shares issued at the set date for payment of dividends.

### **Earnings per share, before/after dilution, SEK**

Income for the period attributable to equity holders of the parent company divided by the average number of shares before or after dilution. When the average share price during the period is higher than the established subscription price for subscribed warrants, dilution effect is calculated for the earnings per share.

### AQ in brief

AQ is a global manufacturer of components and systems to demanding industrial customers and is listed on Nasdaq Stockholm's main market.

The Group consists mainly of operating companies each of which develop their special skills and in cooperation with other companies, striving to provide cost effective solutions in close cooperation with the customer.

The Group headquarter is in Västerås, Sweden. AQ has, on December 31, 2022, in total 7,200 employees in Bulgaria, Poland, Lithuania, Sweden, China, Estonia, Hungary, Mexico, Finland, India, Canada, USA, Germany, Italy and Brazil.

In 2022 AQ had net sales of SEK 7 billion, and the Group has since its start in 1994 shown profit every quarter.

# WE ARE RELIABLE

## Customer focus

**Customers always come first.**

By making our customers' life easy and by giving the "little extra" we will create a long term partnership.

## Simplicity

We do our daily work without complexity and bureaucracy. Everything we do adds customer value.

## Entrepreneurial business

Companies within the AQ Group shall, based on AQ core values, run their business as entrepreneurs and strive for profitability and growth.

## Courage and respect

We have the courage to go our own way, we stand up for our positions, are prepared to make tough decisions, give constructive feedback and admit own mistakes. We treat others as we like to be treated ourselves.

## Cost efficiency

We use the most cost efficient way to fulfill our customers' demands and work with continuous improvements. Our business is production, we have a long term view and we fully commit ourselves to live up to customer expectations for quality, delivery performance, technological development and service.