

LEAX GROUP AB

Interim Financial Report

Q2 2022



INTERIM FINANCIAL REPORT Q2 2022

“STEADY PERFORMANCE DURING UNCERTAIN TIMES”

- TONY NICOL, GROUP PRESIDENT AND CEO

The quarter April–June

- Net Sales increased to SEK 539.8 million (466.2)
- Operating profit decreased to SEK 24.8 million (25.7)
- Earnings before tax (EBT) increased to SEK 21.7 million (16.7)
- Net income for the period increased to SEK 22.9 million (17.0)
- Cash flow from operating activities amounted to SEK 36.3 million (27.3)

The period January–June

- Net Sales increased to SEK 976.6 million (937.4)
- Operating profit decreased to SEK 19.0 million (50.8)
- Earnings before tax (EBT) decreased to SEK 13.3 million (32.6)
- Net income for the period decreased to SEK 15.6 million (28.8)
- Cash flow from operating activities amounted to SEK 68.7 million (57.9)

Significant events during and after the quarter

- Press release April 1, 2022, LEAX issues SEK 300 million in preference shares to AMF and SEK 108 million to current owners - intends early repayment of bond
- Press release April 7, 2022, AMF's investment in LEAX has been completed
- The acquisition of four production facilities completed April 7, 2022
- Repayment of bond completed May 5, 2022

Key Ratios, MSEK	Apr-Jun		Jan-Jun		Full year
	2022	2021	2022	2021	2021
Net Sales	539.8	466.2	976.6	937.4	1,745.1
Operating profit	24.8	25.7	19.0	50.8	58.8
EBT	21.7	16.7	13.3	32.6	15.2
Net Income	22.9	17.0	15.6	28.8	21.1
Cash flow from operating activities	36.3	27.3	68.7	57.9	137.2
Earnings per share before dilution, SEK	1.48	1.36	0.86	2.24	1.58
Earnings per share after dilution, SEK	0.90	1.36	0.52	2.24	1.58
Number of shares before dilution	12 593 750	12 593 750	12 593 750	12 593 750	12 593 750
Number of shares after dilution	20 755 126	12 593 750	20 755 126	12 593 750	12 593 750

For full key ratios table and descriptions of alternative performance measures, see page 15.

COMMENTS FROM GROUP PRESIDENT AND CEO

Steady Performance during Uncertain Times

The sales increase in the quarter was mainly driven by strong demand in electrification in Passenger cars and within General industry markets.

Sales to our largest customer end market, Commercial Vehicles, was slightly up relative to this period last year as some issues continue to persist within our customers' supply chains. Whilst the situation with global component shortages has slightly improved, ongoing disruptions are still causing disturbances, inefficient capacity utilisation and driving higher costs in our production facilities.

Our second quarter operating profit was negatively impacted by this inefficiency, and also by costs related to raise new equity and activity related to execution of our group strategy. Our underlying operating profitability remains positive apart from this and the increasing global inflationary pressures. Business activity remains near an all-time high and requests for cooperation from existing and new customers were at very strong levels throughout the quarter. Our strategic shift into new customer end markets and higher engineering content as well as our continued excellent operational performance for our existing customers has directly contributed to this increase in activity.

There remains an ongoing pandemic, a global staffing crisis in the air travel industry, the tragic situation in the Ukraine, global energy and food crises and high inflation.

These are unprecedented times, but we are pleased with our performance within the period considering the challenges we have faced.

Even within an environment of global uncertainty our quarter was highlighted by the equity investment that AMF has made in LEAX. We are proud and encouraged that AMF has joined our team and supports our vision.



Tony Nicol, Group president and CEO

THIS IS LEAX GROUP

As a supplier of systems, advanced components, and mechanical solutions, LEAX has several major end customer markets such as the Commercial vehicles, Passenger cars, Mining and construction, Agricultural and General industry. General industry comprises customers in the capital goods market that currently do not belong to LEAX other end markets. The company's products and solutions are applicable in various applications and can be adapted to the end market and the needs that arise in the customers' value chain.

LEAX supplies components and subsystems to our various end markets and focuses on highly complex and sustainable solutions.

The Group consists of nine operating companies, three real estate companies and two associated companies that individually develop and run their operations. However, the companies within LEAX cooperate to a large extent to realize the synergies that exist within the Group.

LEAX governance/follow-up and allocation of resources is based on the Group as a whole and the responsibility of the CEO. For operational purposes, the Group is divided into two business areas and three support areas. The two business areas are International and Nordics/South America. The CEO reports to the Board of Directors of LEAX. The Board consists of six members whereof three are independent both in relation to the company's major shareholders and in relation to the company and its executive management. All members are proposed by a nomination committee.

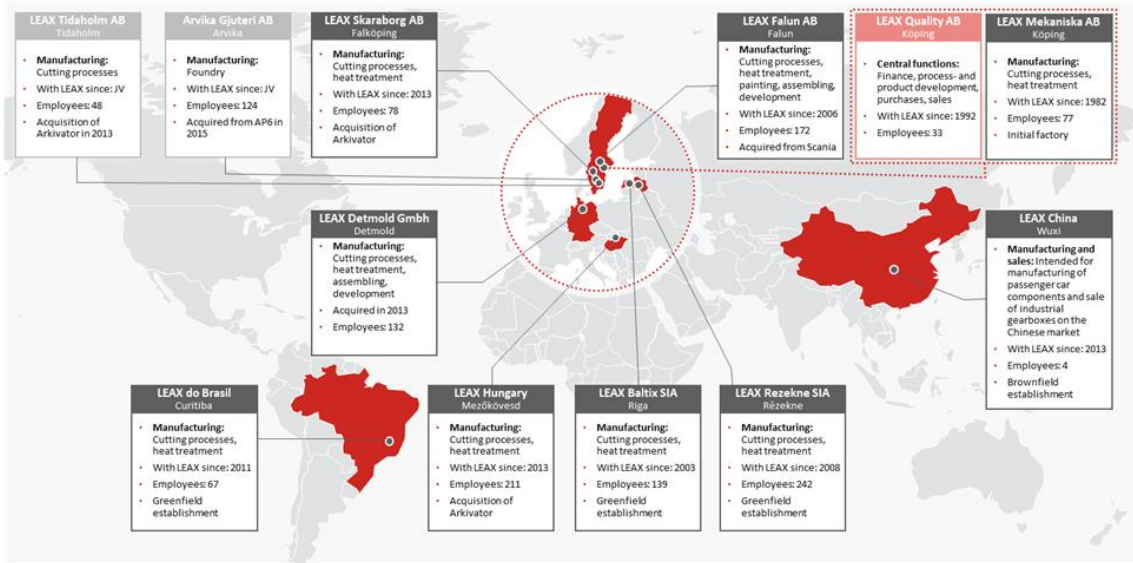
Vision and Mission

LEAX Vision is "To be a recognized leader in the design, development and industrialization of advanced manufacturing solutions and superior products for global mobility and industrial markets" and our Mission is "To exceed our customers' expectations through the continuous pursuit of excellence in every aspect of our business and by maximizing value for all stakeholders".

Strategic geographic presence

LEAX has laid the foundation for a broad product portfolio combined with a global presence to be able to deliver to its international customer base. LEAX has established the right conditions to develop the company in line with LEAX strategy. As part of the company's growth with its existing customers LEAX has established itself in geographically strategic locations. LEAX is now active on three continents: Europe, South America and Asia, with local production in Sweden, Germany, Brazil, China, Hungary and Latvia. Through the local presence, the platform is established for LEAX to develop and gain market share in South America and Asia, among others.

Overview of LEAX factories and offices



Customers in	Production in	Approximately
> 40	11	1 200
Countries (150 including indirect deliveries through customers)	Factories on three continents	LEAX employees

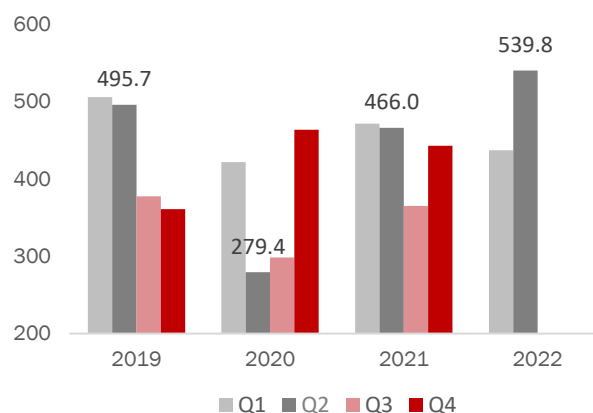
FINANCIAL INFORMATION

NET SALES

Net sales for the second quarter amounted to SEK 539.8 million (466.2) which is an increase of 15.8% compared to the same period last year. The increase derived mainly from good volumes for electric vehicles and general industry.

Net sales for the first half of the year amounted to SEK 976.6 million (937.4) which is an increase of 4.2% compared to the same period last year. The increase derived mainly from the improved volumes in the second quarter.

Net Sales per quarter, MSEK

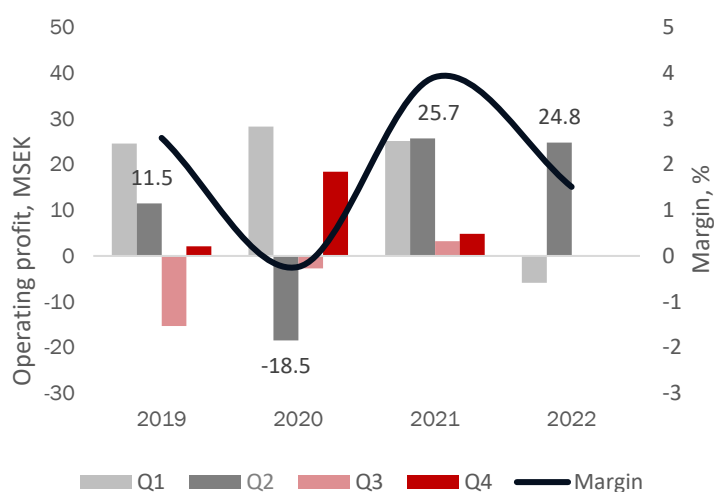


OPERATING PROFIT

In the second quarter Operating profit amounted to SEK 24.8 million (25.7) which is a decrease of 3.5% compared to same period last year. The decrease is mainly due to onetime costs related to raise equity. The underlying Operating profit is showing an increase in line with the Net sales increase.

Operating profit for the first half of the year amounted to SEK 19.0 million (50.8) which is a decrease of 62.6% compared to same period last year. The negative start of the year due to significantly lower volumes related to short notice stoppages from customers has during the second quarter evolved into a more normal and stable volume level. Moreover, we have been adjusting sales prices to compensate for cost increases in energy and raw material. The first half of the year has also been impacted by onetime costs related to raise equity.

Operating profit per quarter



FINANCIAL INCOME & EXPENSES AND EARNINGS BEFORE TAX

Net financial income and expenses for the second quarter amounted to SEK -3.1 million (-8.9) which is an improvement of 65.2%. The amount includes unrealised currency effect of SEK 4.7 million (3.1). The unrealised currency effect mainly relates to group internal loans. Net financial income and expenses for the first half of the year amounted to SEK -5.7 million (-18.2) which is an improvement of 68.7%. The amount includes unrealised currency effect of SEK 14.4 million (5.9).

Earnings before tax (EBT) for the second quarter was SEK 21.7 million (16.7) and for the first half of the year SEK 13.3 million (32.6).

INCOME TAXES

Income taxes for the first half of the year amounted to SEK -2.0 million (-3.8).

CASH FLOW

Cash flow from operating activities for the second quarter amounted to SEK 36.3 million (27.3). Cash flow from investing activities amounted to SEK -150.2 million (-15.0). During the quarter LEAX completed the acquisition of the four production facilities previously held by a company owned by the majority owners. Cash flow from financing activities amounted to SEK 119.3 million (-14.9). During the quarter new shares have been issued in the amount of SEK 408.1 million, whereof SEK 300.0 million in capital increase from AMF and SEK 108.1 million from current majority owners. The capital injection from AMF facilitated the full repayment of the bond and the investment from the majority owners was a non-cash transaction and fully financed the acquisition of the four production facilities. All four production facilities were previously under leasing contracts and reported according to IFRS 16.

Cash flow from operating activities for the first half of the year amounted to SEK 68.7 million (57.9). Cash flow from investing activities amounted to SEK -167.1 million (-55.8). Cash flow from financing activities amounted to SEK 102.4 million (-10.9).

FINANCIAL POSITION

As of June 30, 2022, the Group's balance sheet total amounted to SEK 1,729.6 million (1,545.4). The Group's equity amounted to SEK 611.2 million (193.4). During the second quarter new preference shares have been issued at an amount of SEK 408.1 million, whereof SEK 300.0 million in cash investment from AMF and SEK 108.1 million in a non-cash issue to current majority owners. The related investment of SEK 108.1 million was made in the form of four production facilities including related loans. Following this real estate investment, other right-of-use assets and leasing liabilities have been adjusted accordingly. During the quarter LEAX acquired shares in the subsidiaries LEAX Baltix SIA and LEAX Rezekne SIA from minority holders in the amount of SEK 5.5 million. LEAX capital share in each company has increased from 93.4% to 98.0%.

At the end of the period, net debt was SEK 618.5 million (950.0). The decrease is explained by the repayment of the bond loan. The Group's cash and cash equivalents amounted to SEK 15.9 million (11.8).

The Board of Directors assesses that the Group is financially stable enough to meet its obligations and continue its business for the foreseeable future.

OTHER INFORMATION

RISKS AND UNCERTAINTY FACTORS

The company does not consider that there are any material changes during the reporting period in the risks and uncertainty factors presented in the annual report. Market forecasts are based on current visibility, which is low. Uncertainty is significant due to difficulty in assessing supply chain capacity, the ongoing COVID-19 pandemic and the war in Ukraine and the company sees a continued risk caused by supply chain volatility. For information regarding the most significant risks and uncertainty factors, please read the description in the annual report for 2021.

PARENT COMPANY

LEAX Group AB directly or indirectly owns all companies in the Group. Equity amounted to SEK 512.4 million (112.8). During the second quarter new preference shares have been issued at an amount of SEK 408.1 million.

THE COMPANY'S MAJOR SHAREHOLDERS

LEAX Group AB (publ) has its registered office in Köping, Sweden. At the end of the quarter, the Berggren and Seger families directly or indirectly owned 64.3% of the shares, with a voting right of 85.4%. AMF owns 28.9% with a voting right of 4.5%. The remaining part is owned by key persons active in the group.

DIVIDEND

The dividend for the 2021 fiscal year amounted SEK 0 (0) per share. A directed dividend of SEK 0.39 per share, in total SEK 3.2 million, related to the preference shares was calculated for the period from April 7, 2022, to June 30, 2022, and settled in July.

MARKET DEVELOPMENT AND PROSPECTS

Short-term demand remains strong in most of our customer end markets, although risks remain with an ongoing pandemic, a global staffing crisis in the air travel industry, the tragic situation in the Ukraine, global energy and food crises and high inflation.

ANNUAL GENERAL MEETING

The Annual General Meeting took place May 5, 2022, at Nya Hamnvägen 4 in Köping, Sweden. In addition, an extraordinary general meeting was held on April 7, 2022, at Nya Hamnvägen 4 in Köping, Sweden.

OTHER

The functional currency of the parent company is the Swedish krona which also is the reporting currency for the group and the parent company. All amounts, if nothing else is stated, are presented in SEK million with one decimal. The amounts in tables and reports do not always sum up exactly to the total amount due to rounding. The purpose is that each amount should equal its origin and rounding differences can therefore occur.

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

THE BOARD OF DIRECTORS AND THE CEO ASSURANCE

The Board of Directors and the CEO assure that this interim report provides a true and fair view of the Group's and the parent company's operations, position and results and describes the significant risks and uncertainties facing the parent company and the companies that are part of the Group.

Köping, August 25, 2022

Roger Berggren
Chairman of the Board

Lars Davidsson
Deputy Chairman of the Board

Jonas Lundgren
Board member

Bent Wessel-Aas
Board member

Jessica Alenius
Board member

Lars Wrebo
Board member

Tony Nicol
Group President and CEO

INCOME STATEMENT FOR THE GROUP

Consolidated statement of comprehensive income for the group

<i>MSEK</i>	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net Sales	539.8	466.2	976.6	937.4	1,745.1
Other operating income	10.6	15.1	18.8	20.6	36.7
Change in work in progress and finished goods	-10.1	9.2	-11.0	11.5	21.7
Capitalized work for own account	1.5	1.5	2.3	2.4	4.1
Raw material and consumables	-264.1	-241.5	-477.9	-474.5	-875.6
Other external costs	-93.0	-71.0	-171.7	-140.9	-282.2
Employee benefits	-117.0	-113.1	-228.7	-225.2	-421.8
Depreciation, amortization and write down of fixed assets	-37.4	-41.4	-78.1	-80.0	-164.2
Other operating expenses	-5.2	-2.3	-11.8	-4.8	-13.3
Share according to the equity method	-0.1	2.7	0.4	4.4	8.2
Operating profit	24.8	25.7	19.0	50.8	58.8
Financial income	0.4	0.7	1.0	1.4	3.5
Financial expenses	-3.5	-9.6	-6.7	-19.6	-47.1
Financial income and expenses, net	-3.1	-8.9	-5.7	-18.2	-43.6
Earnings before tax, EBT	21.7	16.7	13.3	32.6	15.2
Income taxes	-3.1	0.2	-2.0	-3.8	5.9
Net income	18.6	17.0	11.3	28.8	21.1
Of which attributable to					
Owners of the parent	18.6	17.1	10.8	28.2	19.9
Non-controlling interests	0.0	-0.1	0.4	0.6	1.2
Net income	18.6	17.0	11.3	28.8	21.1
Earnings per share					
before dilution (SEK)	1.48	1.36	0.86	2.24	1.58
after dilution (SEK)	0.90	1.36	0.52	2.24	1.58
Earnings per share from continuing operations					
before dilution (SEK)	1.48	1.36	0.86	2.24	1.58
after dilution (SEK)	0.90	1.36	0.52	2.24	1.58

Consolidated statement of other comprehensive income for the group

<i>MSEK</i>	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net income	18.6	17.0	11.3	28.8	21.1
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Translation differences	9.8	3.6	9.8	5.9	-0.6
Other comprehensive income for the period	9.8	3.6	9.8	5.9	-0.6
Total comprehensive income for the period	28.4	20.5	21.1	34.6	20.5
Total comprehensive income for the period attributable to:					
Owners of the parent	28.2	20.1	20.9	34.6	20.4
Non-controlling interests	0.2	0.4	0.2	0.1	0.1
Total comprehensive income for the period	28.4	20.5	21.1	34.6	20.5

BALANCE SHEET FOR THE GROUP

Consolidated statement of financial position for the group

<i>MSEK</i>	2022	2021	2021
	Jun 30	Jun 30	Dec 31
Assets			
Intangible fixed assets	34.1	25.4	28.8
Tangible fixed assets	866.0	736.7	690.3
Other right-of-use assets	73.9	161.0	146.6
Shares in associated companies	46.6	42.3	46.2
Deferred tax asset	75.9	70.7	77.9
Non-current receivables	18.3	17.3	17.4
Other financial assets	0.1	0.1	0.1
Total fixed assets	1,114.9	1,053.5	1,007.3
Inventories	294.0	275.1	289.6
Trade receivables	243.7	150.8	154.0
Current tax assets	14.9	15.4	9.5
Other current receivables	19.8	11.3	22.6
Prepaid expenses and accrued income	22.4	27.5	18.0
Cash and cash equivalents ¹	15.9	11.8	10.6
Total current assets	610.7	491.9	504.4
Total assets	1,725.6	1,545.4	1,511.7
Equity			
Share capital	433.3	25.2	25.2
Reserves	-2.9	-6.8	-13.3
Retained earnings incl net income	182.2	175.0	166.7
Total equity attributable to owners of the parent	612.6	193.4	178.6
Non-controlling interests	2.9	7.1	7.8
Total equity	615.5	200.5	186.4
Liabilities			
Interest-bearing liabilities, non-current ¹	546.5	596.4	543.3
Other non-current liabilities	34.6	33.0	31.3
Deferred tax liabilities	12.7	14.6	4.9
Total non-current liabilities	593.9	644.0	579.5
Interest-bearing liabilities, current ¹	87.9	365.5	377.7
Advances from customers	4.8	5.7	4.5
Trade payables	233.0	189.6	239.7
Current tax liabilities	3.9	5.5	6.8
Other current liabilities	103.4	48.9	42.5
Accrued expenses and deferred income	83.3	85.6	74.6
Total current liabilities	516.2	700.9	745.8
Total liabilities	1,110.1	1,344.9	1,325.4
Total equity and liabilities	1,725.6	1,545.4	1,511.7

¹ LEAX own holdings in the bond are shown using netting, meaning they have reduced current interest-bearing liabilities for 2022 and for 2021

CHANGES IN EQUITY FOR THE GROUP

Consolidated statement of changes in equity for the group

2021	Total equity						
	MSEK	Share capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance January 1, 2021		25.2	-12.6	146.8	159.4	6.5	165.9
Comprehensive income							
Net income for the period				28.2	28.2	0.6	28.8
Other comprehensive income			5.8	–	5.8	0.1	5.9
<i>Total comprehensive income</i>			5.8	28.2	34.0	0.6	34.6
<i>Total transactions with shareholders</i>		–	–	–	–	–	–
Closing balance June 30, 2021		25.2	-6.8	175.0	193.4	7.1	200.5

2022	Total equity						
	MSEK	Share capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance January 1, 2022		25.2	-13.3	166.7	178.6	7.8	186.4
Comprehensive income							
Net income for the period				10.8	10.8	0.4	11.3
Other comprehensive income			10.5	-0.9	9.6	0.2	9.8
<i>Total comprehensive income</i>			10.5	10.0	20.4	0.7	21.1
New share issue		408.1	–	–	408.1	–	408.1
Återköp/försäljning av egna aktier		–	–	5.5	5.5	-5.5	–
<i>Total transactions with shareholders</i>		408.1	–	5.5	413.6	-5.5	408.1
Closing balance June 30, 2022		433.3	-2.9	182.2	612.6	2.9	615.5

CASH FLOW STATEMENT FOR THE GROUP

Consolidated cash flow statement for the group

MSEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating activities					
Earnings before tax	21.7	16.7	13.3	32.6	15.2
Adjustment for non-cash items	42.1	32.1	81.9	69.0	158.0
Income taxes paid	0.1	-3.2	-6.2	-5.2	-4.8
	63.8	45.7	89.0	96.4	168.3
Increase (-) /Decrease (+) of inventories	-11.2	-25.1	4.6	-31.2	-46.9
Increase (-) /Decrease (+) of operating assets	-39.3	57.1	-84.2	17.4	11.6
Increase (+) /Decrease (-) of operating liabilities	23.0	-50.4	59.3	-24.7	4.1
Cash flow from operating activities	36.3	27.3	68.7	57.9	137.2
Investing activities					
Investments in tangible and intangible fixed assets	-210.5	-19.5	-226.5	-54.1	-77.6
Investments in other right-of-use assets	-4.8	-0.7	-5.6	-7.3	-15.3
Disposals of tangible and intangible fixed assets	8.9	5.1	8.9	5.7	6.3
Acquisition of shares in subsidiaries	-5.5	–	-5.5	–	–
Disposal of other right-of-use assets	61.7	–	61.7	–	–
Cash flow from investing activities	-150.2	-15.0	-167.1	-55.8	-86.7
Financing activities					
New share issue	408.1	–	408.1	–	–
Change in overdraft facility	34.0	-9.2	37.2	-11.1	-12.3
New borrowings	65.1	20.6	71.2	20.6	22.0
Repayment of borrowings	-316.3	-16.7	-330.9	-5.7	-32.7
Amortization of lease liability	-71.5	-9.7	-83.1	-14.6	-36.7
Cash flow from financing activities	119.3	-14.9	102.4	-10.9	-59.8
Cash flow for the period	5.4	-2.6	4.0	-8.7	-9.2
Cash and cash equivalents at the beginning of the period	10.6	13.5	10.6	19.4	19.4
Translation difference on cash and cash equivalents	-0.1	1.0	1.3	1.1	0.4
Cash and cash equivalents at the end of the period	15.9	11.8	15.9	11.8	10.6

KEY RATIOS FOR THE GROUP

Key Ratios

MSEK	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
EBITDA ¹	62.3	67.1	97.0	130.8	223.0
EBITDA margin % ¹	11.5	14.4	9.9	14.0	12.8
Operating margin % ¹	4.6	5.5	1.9	5.4	3.4
EBT margin % ¹	4.0	3.6	1.4	3.5	0.9
Net Sales Growth % ¹	15.8	29.1	4.2	-46.1	0.3
Cash flow from operations ¹	-113.9	12.2	-98.4	2.1	50.6
Net Debt ¹	618.5	950.0	618.5	950.0	910.5
Net Sales by customer end markets in % ¹					
Commercial vehicles (%)	62.1	66.3	60.0	65.2	61.6
General industry (%)	18.2	18.2	20.1	17.9	19.4
Mining & construction (%)	2.5	2.1	2.8	1.9	2.1
Agriculture (%)	0.6	0.6	0.8	0.8	0.8
Passenger cars (%)	16.6	12.8	16.2	14.2	16.0
Net Debt / Equity ¹	1.0	4.7	1.0	4.7	4.9
Net Debt / EBITDA LTM ¹	3.3	4.3	3.3	4.3	4.1

¹ Non-IFRS financial measures are reconciled at the end of this report to the most directly reconcilable line items in the financial statements

NOTES

Note 1 Accounting policies

The interim report for the group has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for Legal Entities.

The group applies the International Financial Reporting Standards (IFRS) adopted by the EU and the Swedish Annual Accounts Act.

The term "IFRS" in this document includes the application of IAS and IFRS, as well as the interpretations of these standards as published by IASB's Standards Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The group and the parent company apply the same accounting policies and calculation models as in the annual report for 2021.

Governmental packages due to Covid-19 and other support are reported in the income statement under other operating income or as reduction of cost depending on the classification. The income or reduction is reported in the period in which it was received.

The bond loan has previously been non-current, but as the loan matured and was settled in May 2022, it is classified as current as of June 2021. Previously, LEAX own holdings in the bond were reported as cash and cash equivalent but as of 2021 the holdings are reported net against the bond loan under current liabilities and under long-term liabilities for 2020. These changes in the consolidated financial statements have also meant that certain key figures have been updated.

During 2021 an agenda decision was published by IFRS Interpretations Committee (IFRS IC) on configuration or customization costs in cloud computing arrangements. The consequence of the agenda decision is that some intangible assets might have to be expensed retroactively or reclassified in the balance sheet. Another consequence is that it will not be possible to capitalize future configuration or customization costs in cloud computing arrangements to the same extent as today in future financial reports. LEAX is carrying out an analysis on the full effects of IFRS IC's agenda decision. It is not considered to have any significant impact on the Group.

No other new or revised IFRS entering into force during 2022 have had any material effect on the group. The group has not applied any standards in advance, that have been published but not yet come into force. For a more detailed description of the group's applied accounting policies as well as new and coming accounting standards we refer to note 1 in the Annual Report for 2021.

Note 2 Net Sales

LEAX customers are mainly leading large multinational companies with sales and production worldwide that are active in the premium segments in their respective markets.

The Net Sales by country table is based on the customers' geographical location.

Fixed assets by country is the sum of intangible fixed assets, tangible fixed assets and other right-of-use assets.

Net Sales and Fixed assets by Country or Region

<i>MSEK</i>	2022 Apr-Jun	2021 Apr-Jun	2022 Jan-Jun	2021 Jan-Jun	2021 Jan-Dec
Net Sales by Country or Region					
Sweden	210.0	239.5	491.5	492.9	893.9
Germany	25.9	26.4	52.3	57.0	109.2
Netherlands	4.8	56.3	7.8	118.6	204.3
Rest of Europe	176.3	53.5	206.5	77.8	170.5
South America	48.7	35.5	74.0	60.2	128.0
Asia	59.4	46.0	114.3	94.6	206.7
Rest of World	14.8	9.1	29.8	17.6	32.4
	539.8	466.2	976.6	937.4	1,745.1

<i>MSEK</i>	2022 Jun 30	2021 Jun 30	2021 Dec 31
Fixed Assets by Country or Region			
Sweden	358.1	364.6	346.3
Rest of Europe	559.8	505.0	470.9
Rest of World	56.1	53.4	48.5
	974.0	923.0	865.7

Note 3 Transactions with related parties

No dividend has been paid out from LEAX Group AB (publ) during 2021 or the first half of 2022. A directed dividend of SEK 0.39 per share, in total SEK 3.2 million, related to the preference shares was calculated for the period from April 7, 2022, to June 30, 2022, and settled in July. The calculated dividend to related parties was SEK 0.8 million.

During the quarter LEAX issued new shares in the amount of SEK 108.1 million to complete the acquisition of the four production facilities previously held by a company controlled by the majority owners. The investment was a non-cash transaction and all four production facilities were previously under leasing contracts.

No other changes in transactions between LEAX and related parties which significantly have affected the company's position and earnings have taken place. For a more detailed description of the transactions with related parties we refer to note 24 in the Annual Report for 2021.

Note 4 Acquisitions

On April 7, 2022, LEAX acquired three real estate companies consisting of four production facilities already used by LEAX operation. The companies in Sweden and Germany consist of one production facility each and the company in Latvia consists of two production facilities, whereof one in Riga and one in Rezekne. See the table below for company details:

Subsidiaries, reg.no. and registered office	Number of shares	Voting and capital share %
<i>MSEK</i>		
Maskinisten 6 i Köping AB, 559331-8420, Köping, Sweden	1,000	100.0
Köpingehus GmbH, 333095-8723, Detmold, Germany	1	100.0
Kopingehus SIA, 40003690459, Riga, Latvia	60,000	100.0

The companies were acquired from a company controlled by the majority shareholders. All facilities were valued by independent external parties in the respective countries and the companies were acquired at market value. 100% of the shares in the real estate companies were acquired by LEAX Group AB and paid by issuing preference shares that gave an ownership in LEAX Group AB at 10.4% with a voting right of 1.6%.

According to the acquisition analysis, the assets and liabilities that were included in the completed acquisitions during the second quarter amounted to the following:

Acquisition analysis

<i>MSEK</i>	<i>Total</i>
Tangible fixed assets	97.3
Receivables	1.0
Other current assets	3.4
Interest-bearing liabilities	-57.2
Other liabilities	-4.1
Net assets acquired	40.3
Overvalue building & land	76.8
Deferred tax	-9.0
Acquisition value	108.1

Purchase considerations for acquisitions totalled SEK 108.1 million, of which SEK 76.8 million has been recognised as property overvalue. At the time of acquisition, where transferred compensation exceeds the fair value of acquired assets and gained liabilities reported separately, the difference is recognised as overvalue of property. The consideration in kind has been valued by external and reputable property valuers by applying for property valuation common valuation methods and valuation models, including e.g., inspections of the properties, reviews of extracts from property registers, lease agreements, tax information, detail plans and analysis of market information. The value of the property has finally been determined by negotiations at arm's length basis. The board representative of the current majority owners has not participated in the Board's decisions or discussions of this matter.

Note 5 Significant events after the end of the period

No significant events after the end of the period.

INCOME STATEMENT FOR THE PARENT COMPANY

Income statement, parent company

MSEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Other operating income	0.1	–	0.2	0.1	0.1
Other external costs	-4.6	-0.1	-7.3	-0.1	-4.0
Other operating expenses	–	0.0	-0.1	0.0	0.0
Operating profit	-4.5	-0.1	-7.2	-0.1	-3.9
Financial income and expenses, net	1.2	1.4	10.8	-1.4	-44.3
Earnings before tax, EBT	-3.3	1.3	3.6	-1.5	-48.2
Appropriations	–	–	–	–	30.7
Income taxes	–	–	–	–	4.0
Net income	-3.3	1.3	3.6	-1.5	-13.5

BALANCE SHEET FOR THE PARENT COMPANY

Balance sheet, parent company

<i>MSEK</i>	2022	2021	2021
	Jun 30	Jun 30	Dec 31
Assets			
<i>Financial fixed assets</i>			
Shares in group companies	391.7	288.7	288.7
Shares in associated companies	8.7	8.7	8.7
Receivables from group companies	431.1	425.2	405.9
Receivables from associated companies	27.8	23.0	23.6
Deferred tax assets	11.2	9.3	11.2
Other financial assets	0.0	0.0	0.0
Total fixed assets	870.5	755.0	738.1
<i>Current assets</i>			
Receivables from group companies	2.9	–	–
Prepaid expenses and accrued income	6.6	0.1	2.7
Cash and bank ¹	–	–	–
Total current assets	9.5	0.1	2.7
Total assets	880.0	755.0	740.7
Equity			
Share capital	433.3	25.2	25.2
Revaluation reserve	18.0	18.0	18.0
Retained earnings	57.6	71.1	71.1
Net income	3.6	-1.5	-13.5
Total equity	512.4	112.8	100.7
Liabilities			
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities ¹	320.8	291.9	317.0
Liabilities to group companies	19.9	32.8	19.6
Deferred tax liabilities	–	2.3	–
Total non-current liabilities	340.7	327.2	336.5
<i>Current liabilities</i>			
Current interest-bearing liabilities ¹	15.6	302.7	289.2
Liabilities to group companies	11.0	11.0	8.2
Accrued expenses and deferred income	0.3	1.5	6.0
Total current liabilities	26.9	315.2	303.5
Total liabilities	367.6	642.3	640.0
Total equity and liabilities	880.0	755.0	740.7

¹ LEAX own holdings in the bond are shown using netting, meaning they have reduced current interest-bearing liabilities for 2022 and for 2021

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

Definitions of key ratios not calculated according to IFRS for LEAX

Key ratios not calculated according to IFRS	Definition	Explanation
EBITDA	Earnings before interest, taxes, depreciation and amortisation	To improve the analysis and comparability between other EBITDA key ratios below
EBITDA margin %	EBITDA divided by Net Sales	To improve the analysis and comparability between other EBITDA key ratios below
Operating margin %	Operating profit divided by Net sales	To analyse the profitability of the operations and to compare the margin between different reporting periods
EBT margin %	Earnings before tax divided by Net Sales	To compare the margin between difference reporting periods
Net Sales Growth %	Change in net sales divided by net sales for the previous period.	To analyse LEAX growth
Cash flow from operations	Cash flow from operating activities plus cash flow from investing activities	To analyse the cash flow before external financing
Net debt	Interest-bearing liabilities reduced by cash and cash equivalents	To improve the analysis and comparability between other Net Debt key ratios below.
Net Sales by customer end markets in %	Net Sales by customer end markets in % of total Net Sales for customer end markets stated below: <ul style="list-style-type: none"> - Commercial vehicles - General industry - Mining and Constructions - Agriculture - Passenger cars 	The Group monitors sales related to end customers
Net Debt/Equity	Net Debt/Equity	LEAX monitors this key ratio as an additional way to measure the debt/ equity ratio
Net Debt/EBITDA LTM	Net Debt /EBITDA excl. for the last twelve months	LEAX monitors this key ratio to measure the debt/ equity ratio.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

The section below includes a reconciliation of the Alternative Performance Measures to the most directly reconcilable line items in the financial statements.

Key Ratios

EBITDA

Earnings before interest, taxes, depreciation and amortisation

MSEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net Sales	539.8	466.2	976.6	937.4	1,745.1
Other operating income	10.6	15.1	18.8	20.6	36.7
Change in work in progress and finished goods	-10.1	9.2	-11.0	11.5	21.7
Capitalized work for own account	1.5	1.5	2.3	2.4	4.1
Raw material and consumables	-264.1	-241.5	-477.9	-474.5	-875.6
Other external costs	-93.0	-71.0	-171.7	-140.9	-282.2
Employee benefits	-117.0	-113.1	-228.7	-225.2	-421.8
Other operating expenses	-5.2	-2.3	-11.8	-4.8	-13.3
Income from associated companies	-0.1	2.7	0.4	4.4	8.2
EBITDA	62.3	67.1	97.0	130.8	223.0

EBITDA margin %

EBITDA/Net sales

MSEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net Sales	539.8	466.2	976.6	937.4	1,745.1
EBITDA	62.3	67.1	97.0	130.8	223.0
EBITDA margin %	11.5	14.4	9.9	14.0	12.8

Operating margin %

Operating profit / Net Sales

MSEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating profit	24.8	25.7	19.0	50.8	58.8
Net Sales	539.8	466.2	976.6	937.4	1,745.1
Operating margin %	4.6	5.5	1.9	5.4	3.4

EBT margin %

EBT divided by Net Sales

MSEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net Sales	539.8	466.2	976.6	937.4	1,745.1
EBT	21.7	16.7	13.3	32.6	15.2
EBT margin %	4.0	3.6	1.4	3.5	0.9

Net Sales Growth %

Change in Net Sales compared to previous period in %

MSEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net Sales	539.8	466.2	976.6	937.4	1,745.1
Change	73.5	105.2	39.2	-802.3	-802.3
Growth %	15.8	29.1	4.2	-46.1	-15.9

Cash flow from operations

Cash flow from operating activities and cash flow from investing activities

MSEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Cash flow from operating activities	36.3	27.3	68.7	57.9	137.2
Cash flow from investing activities	-150.2	-15.0	-167.1	-55.8	-86.7
Cash flow from operations	-113.9	12.2	-98.4	2.1	50.6

Net Debt

Interest bearing liabilities, including lease liabilities, less cash and cash equivalents

MSEK	2022	2021	2022	2021	2021
	Jun 30	Jun 30	Jun 30	Jun 30	Dec 31
Interest-bearing liabilities, non-current	546.5	596.4	546.5	596.4	543.3
Interest-bearing liabilities, current	87.9	365.5	87.9	365.5	377.7
Cash and cash equivalents	15.9	11.8	15.9	11.8	10.6
Net Debt	618.5	950.0	618.5	950.0	910.5

Net Sales by customer end markets in %

Net Sales by customer end markets in % of total Net Sales for the end markets stated below:

%	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Commercial vehicles (%)	62.1	66.3	60.0	65.2	61.6
General industry (%)	18.2	18.2	20.1	17.9	19.4
Mining & construction (%)	2.5	2.1	2.8	1.9	2.1
Agriculture (%)	0.6	0.6	0.8	0.8	0.8
Passenger cars (%)	16.6	12.8	16.2	14.2	16.0
Net Sales by customer end markets in %	100.0	100.0	100.0	100.0	100.0

Net Debt/Equity

Net Debt/Equity

MSEK	2022	2021	2022	2021	2021
	Jun 30	Jun 30	Jun 30	Jun 30	Dec 31
Equity	615.5	200.5	615.5	200.5	200.5
Net Debt	618.5	950.0	618.5	950.0	910.5
Net Debt/Equity	1.0	4.7	1.0	4.7	4.5

Net Debt/EBITDA LTM

Adjusted Net Debt/Adjusted EBITDA LTM

MSEK	2022	2021	2022	2021	2021
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Net Debt	618.5	950.0	618.5	950.0	910.5
EBITDA LTM	189.1	218.8	189.1	218.8	223.0
Net Debt/EBITDA LTM	3.3	4.3	3.3	4.3	4.1

Financial calendar		Contact information
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