

Interim report

January - June

Q2, 2023

SECOND QUARTER 2023

- Net sales amounted to EUR 50,075 thousand (61,091), a decrease of 18.0% compared with the corresponding period last year. Organic growth amounted to -14.3%.
- Operating earnings (EBIT) amounted to EUR 2,603 thousand (6,536), corresponding to an EBIT margin of 5.2% (10.7).
- Operating earnings before depreciation (EBITDA) amounted to EUR 4,151 thousand (7,898), corresponding to an EBITDA margin of 8.3% (12.9).
- Underlying earnings before depreciation (underlying EBITDA) amounted to EUR 5,398 thousand (9,209), corresponding to an underlying EBITDA margin of 10.8% (15.1).
- Order intake amounted to EUR 53,225 thousand (61,412), a decrease of 13.3% compared with the same period last year. Organic growth amounted to -10.2%.
- ViaCon intensified the efficiency work initiated in 2022. The initiative is expected to result in reduced costs, excluding non-recurring items, of approximately EUR 5-6 million in 2023, compared to the planned costs for the year.

JANUARY - JUNE 2023

- Net sales amounted to EUR 80,609 thousand (96,050), a decrease of 16.1% compared with the corresponding period last year. Organic growth amounted to -12.6%.
- Operating earnings (EBIT) amounted to EUR -998 thousand (3,779), corresponding to an EBIT margin of -1.2% (3.9).
- Operating earnings before depreciation (EBITDA) amounted to EUR 2,128 thousand (6,655), corresponding to an EBITDA margin of 2.6% (6.9).
- Underlying earnings before depreciation (underlying EBITDA) amounted to EUR 3,655 thousand (9,339), corresponding to an underlying EBITDA margin of 4.5% (9.7).
- Order intake amounted to EUR 96,555 thousand (125,631), a decrease of 23.1% compared with the same period last year. Organic growth amounted to -20.5%.
- As of January 1, 2023, the accounting currency and presentation currency is Euro.

COMMENTS FROM THE CEO

Efficiency work accelerated, after a quarter affected by delays in customers' financing solutions in connection with infrastructure projects.



Interest rate increases and high inflation during the first half of the year have entailed delays in ViaCon's customers' financing solutions for infrastructure projects. This shift in the customers' projects has had a negative impact on the quarter's turnover and results. Demand for ViaCon's solutions is still high and during the summer months ViaCon has had a clearly increasing order intake. To ensure that 2023 will also be a strong year, ViaCon has, during the quarter, intensified the efficiency work initiated in 2022.

Sales for the quarter amounted to EUR 50,075 thousand (61,091), a decrease of 18.0% on the previous year. The sales development was related to Bridges & Culverts Solutions and GeoTechnical Solutions. StormWater Solutions had a good organic growth of 8.7%. ViaCon's acquired operations have contributed to a turnover of EUR 229 thousand, but we have also chosen to leave, and divest, non-core operations with a turnover of around EUR 1,148 thousand in the corresponding period previous year. By continuing to leave product groups with low profitability, we increase our product margins. Organic growth amounted to -14.3% adjusted for divestments and acquisitions.

The operating earnings (EBIT) amounted to EUR 2,603 thousand (6,536), corresponding to an EBIT margin of 5.2% (10.7). The adjusted operating earnings amounted to EUR 3,850 thousand (7,848), corresponding to an adjusted EBIT margin of 7.7% (12.8). The operating earnings were affected by the lower sales, mainly as a result of delays in customer financing solutions. The quarter's cash flow was improved compared to the corresponding period last year, where mainly the efficiency work with improving the working capital contributed positively.

There are several infrastructure investments taking place around Europe as there is a great need to renew and expand an ageing infrastructure in many countries. Order intake during the quarter amounted to EUR 53,225 thousand (61,415), corresponding to an organic growth of -10.2 percent. Demand and order intake for 2022 was high, but unevenly distributed between the quarters.

In June, we decided to intensify the efficiency work initiated in 2022 with the aim of slimming the organization for increased agility and efficiency, which means that ViaCon will reduce the workforce by approximately 180 positions. Through this initiative we expect to reduce our costs, excluding non-recurring items, compared to the costs we had planned for in 2023 by approximately EUR 5-6 million in 2023. The savings will be visible to some extent already in the third quarter and at the end of the fourth quarter, we expect this initiative to result in sustainable efficiencies corresponding to approximately EUR 10 million on an annual basis. The non-recurring items linked to this initiative are expected to amount to EUR 2.5-3.0 million, of which EUR 1.0

million will be charged to the result in the second quarter and the remaining costs will be charged to the third and fourth quarter of 2023. These measures will strengthen ViaCon both in the short and long term.

The increase in order intake we saw during the summer combined with the ongoing efficiency work means that we, with confidence, look forward to a continued good development as the leading European supplier with more sustainable solutions compared to alternative types of materials.

Stefan Nordström
President and CEO

TEUR	APR-JUN		JAN-JUN		12 M ROLLING	FULL YEAR
	2023	2022	2023	2022	JUL 22 - JUN 23	2022
Net sales	50,075	61,091	80,609	96,050	202,999	218,440
Earnings before depreciation (EBITDA)	4,151	7,898	2,128	6,655	17,990	22,516
EBITDA margin	8.3%	12.9%	2.6%	6.9%	8.9%	10.3%
Items excluded from underlying EBITDA	1,247	1,311	1,527	2,684	3,190	4,346
Underlying earnings before depreciation (underlying EBITDA)	5,398	9,209	3,655	9,339	21,179	26,862
Underlying EBITDA margin	10.8%	15.1%	4.5%	9.7%	10.4%	12.3%
Operating earnings EBIT	2,603	6,536	-998	3,779	11,981	16,758
EBIT margin	5.2%	10.7%	-1.2%	3.9%	5.9%	7.7%
Items excluded from underlying EBIT	1,247	1,311	1,527	2,684	3,190	4,346
Underlying operating earnings (underlying EBIT)	3,850	7,848	530	6,463	15,170	21,104
Underlying EBIT margin	7.7%	12.8%	0.7%	6.7%	7.5%	9.7%
Order intake	53,225	61,412	96,555	125,631	186,691	215,767

Comments on the report

NET SALES, EARNINGS AND PROFITABILITY

APRIL - JUNE

Net sales for the Group amounted to EUR 50,075 thousand (61,091), a decrease of 18.0% compared to the corresponding period last year. During the quarter, the acquired operation in the Netherlands 2022 has contributed EUR 229 thousand to net sales. ViaCon has chosen to leave and divest non-core business with sales of around EUR 1,148 thousand in the corresponding period last year. Adjusted for currency effects, divestments and acquisitions, organic growth was -14.3% for the quarter.

The Group's operating earnings amounted to EUR 2,603 thousand (6,536), which equates to an operating margin of 5.2% (10.7). Underlying operating earnings totalled EUR 3,850 thousand (7,848), with an operating margin of 7.7% (12.8). Net sales and operating earnings for the quarter were negatively affected by increased interest rates and rising inflation, which meant delays in customers' financing of projects. Non-recurring items have burdened the quarterly profit and amounted to EUR -1,247 (-1,311) thousand.

Earnings before depreciation and amortisation amounted to EUR 4,151 thousand (7,898), equating to an EBITDA margin of 8.3% (12.9).

After adjustment of non-recurring items the underlying earnings before depreciation and amortisation amounted to EUR 5,398 thousand (9,209), which resulted in an underlying EBITDA margin of 10.8% (15.1).

The Group's net financial items amounted to EUR -6,060 thousand (-2,735). The net effect of exchange differences amounted to EUR -3,027 thousand (-272) and the interest net amounted to EUR -2,868 thousand (-2,388), of which interest expenses for lease liabilities were EUR -176 thousand (-182).

The Group's profit/loss before tax amounted to EUR -3,458 thousand (3,801) and profit/loss after tax to EUR -4,029 (2,365).

JANUARY – JUNE

Net sales for the Group amounted to EUR 80,609 thousand (96,050), a decrease of 16.1% compared to last year. The acquired operation in the Netherlands in 2022 has contributed EUR 725 thousand to net sales for the period. ViaCon has chosen to leave and divest non-core business with sales of around EUR 1,798 thousand in last year. Adjusted for currency effects, divestments and acquisitions, organic growth was -12.6%.

The Group's operating earnings amounted to EUR -998 thousand (3,779), which equates to an operating margin of -1.2% (3.9). Underlying operating earnings totalled EUR 530 thousand (6,463), with an operating margin of 0.7% (6.7). The operating earnings for the year was negatively impacted by lower sales, mainly due to delays in customers' financing of their projects. In addition, the first quarter of 2022 was an exceptional comparison period as customers placed orders to secure material availability in connection with the invasion of Ukraine. Non-recurring items have burdened the profit for the period and amounted to EUR -1,527 (-2,684) thousand. They are mainly relating to restructuring costs in connection with the intensified efficiency work.

Earnings before depreciation and amortisation amounted to EUR 2,128 thousand (6,655), equating to an EBITDA margin of 2.6% (6.9).

After adjustment of non-recurring items the underlying earnings before depreciation and amortisation amounted to EUR 3,655 thousand (9,339), which resulted in an underlying EBITDA margin of 4.5% (9.7).

The Group's net financial items amounted to EUR -9,450 thousand (-5,846). The net effect of exchange differences amounted to EUR -3,754 thousand (-987) and the interest net amounted to EUR -5,461 thousand (-4,660), of which interest expenses for lease liabilities were EUR -375 thousand (-375).

The Group's profit/loss before tax amounted to EUR -10,449 thousand (-2,067) and profit/loss after tax to EUR -10,410 thousand (-3,002).

CASH FLOW AND INVESTMENTS

JANUARY – JUNE

Cash flow from operating activities for the period was EUR -10,514 thousand (-15,777), of which the cash flow effect of the change in working capital amounted to EUR -6,678 thousand (-16,349). Cash flow for the period improved compared with the corresponding period last year, mainly due to reduced working capital.

Cash flow from investing activities totalled EUR -1,427 thousand (-3,727), of which investments in intangible and tangible assets amounted to EUR -1,567 thousand (-2,437).

FINANCIAL POSITION

The Group's net debt amounted to EUR 105,808 thousand (111,694). Adjusted net debt excluding lease liabilities amounted to EUR 95,668 thousand (100,852).

Cash and cash equivalents amounted to EUR 14,957 thousand (8,698). In addition, the Group has undrawn revolving credit facilities of EUR 5,000 thousand (5,000), which meant that cash and cash equivalents available to the Group totalled EUR 19,957 thousand (13,698).

INTENSIFIED EFFICIENCY WORK

In June, a decision was made to intensify the efficiency work initiated in 2022. ViaCon will reduce the workforce by approximately 180 positions. The initiative is expected to result in reduced costs, excluding non-recurring items, of approximately EUR 5-6 million in 2023, compared to the planned costs for 2023. The savings will be visible to some extent already in the third quarter, and at the end of the fourth quarter, the initiative is expected to result in sustainable efficiency improvements corresponding to approximately EUR 10 million on an annual basis. The non-recurring items linked to this initiative are expected to amount to EUR 2.5-3.0 million, of which EUR 1.0 million will be charged to the result in the second quarter and

the remaining costs will be charged to the third and fourth quarter of 2023.

MARKET AND OUTLOOK

ViaCon strives to strengthen its market-leading position with strengthened profitability on the European market. Through strategic priorities, ViaCon will grow the business within the Bridges & Culverts Solutions business unit, improve profitability within GeoTechnical Solutions and build the business within StormWater Solutions.

During late 2021 and in 2022, ViaCon has been affected by disruptions in supply chains, long delivery times and some raw material shortages, as well as all-time-high prices among suppliers, but the situation has stabilized during 2023. We do, however, anticipate continued market volatility and geopolitical uncertainty, which are expected to entail high levels of cost inflation and interest rates.

Demand for ViaCon's solutions remains good. However, the lead times for the customers' decision-making process are longer than before, as a result of high inflation and interest rates.

There are a large number of projects underway in Europe that aim to strengthen the economy and improve an infrastructure that is neglected, where innovative and sustainable projects in the strategic infrastructure sectors will play an important role.

Over time, profitability will be strengthened by working in a uniform manner towards the same goal and by increasing internal efficiency. ViaCon can thus become a stronger partner for all stakeholders in society and the company will further strengthen its position in terms of future solutions within each business unit. The market continues to grow in infrastructure across Europe and in addition ViaCon is gaining market shares from competing solutions.

Business units

The Group operates in three separate business units: Bridges & Culverts Solutions, GeoTechnical Solutions, and StormWater Solutions. Through these, ViaCon offers reliable and long-lasting products and solutions that are applied in various types of infrastructure projects including, amongst others, roads, railways, airports and storm water management systems.



BRIDGES & CULVERTS SOLUTIONS

The Bridges & Culverts Solutions business unit accounts for approximately 38% of the Group's total sales. The business unit offers solutions for construction, reconstruction, and relining of culverts, bridges, viaducts, grade separations, ecological crossings, tunnels etc. that are used for establishing infrastructural connections and crossings.

During the quarter, Salomeh Tafazoli took over as new Vice President, Bridges & Culverts Solutions Business Unit. Salomeh comes most recently from a position as Executive Vice President of Alimak Group's industrial division.

The business unit has a pronounced seasonal variation, with the second and third quarters normally being the strongest. There are numerous infrastructure investments around Europe as there is a great need to renew and expand an aging infrastructure in many countries.

Order intake during the second quarter was in line with the same period last year. During the summer months, the order intake increased and demand remains high. The previous year's demand and order intake was high, but unevenly distributed between the quarters. First half of 2022, order intake was record high and clearly affected by concerns about the availability of materials due to the invasion of Ukraine. This year it is of a more normal nature.

The quarter's net sales amounted to EUR 15,547 thousand (20,886), a decrease of 25.6%. Organic growth amounted to -21.0%. Earnings before depreciation amounted to EUR 678 thousand (3,605), corresponding to an EBITDA margin of 4.4% (17.3). The underlying earnings before depreciation amounted to EUR 1,216 thousand (4,561), corresponding to an underlying EBITDA margin of 7.8% (21.8). Order intake for the quarter amounted to EUR 19,863 thousand (19,788), an increase of 0.4% compared to last year. Organic growth amounted to 4.3%.

TEUR	APR-JUN		JAN-JUN		12 M ROLLING FULL YEAR	
	2023	2022	2023	2022	JUL 22 - JUN 23	2022
Net sales	15,547	20,886	25,315	30,418	77,569	82,672
Underlying earnings before depreciation (underlying EBITDA excl. IFRS 16)	1,216	4,561	-738	3,878	10,149	14,764
Underlying EBITDA margin	7.8%	21.8%	-2.9%	12.7%	13.1%	17.9%
Earnings before depreciation (EBITDA excl. IFRS 16)	678	3,605	-1,377	2,202	8,513	12,092
EBITDA margin	4.4%	17.3%	-5.4%	7.2%	11.0%	14.6%
Order intake	19,863	19,788	35,814	51,418	67,631	83,235



Net sales for the first half of the year amounted to EUR 25,315 thousand (30,418), a decrease of 16.8%. Organic growth amounted to -12.8%. Earnings before depreciation amounted to EUR -1,377 thousand (2,202), corresponding to an EBITDA margin of -5.4% (7.2). However, the underlying earnings before depreciation amounted to EUR -738 thousand (3,878), corresponding to an underlying EBITDA margin of -2.9% (12.7). Order intake for the period amounted to EUR 35,814 thousand (51,418), a decrease of 30.3% on the corresponding period last year. Organic growth amounted to -28.1%.

MARKET AND OUTLOOK

The business unit benefits from the increase in the use of ecological crossings in order to combine a high level of traffic safety (roads with fences) and protection of wildlife. In addition, many railway investments are being made as part of the total investments in infrastructure and many new high-speed lines are being built.

Renovation of older bridges, especially water bridges, through relining is increasing as the road and rail network in Europe ages (45% of Europe's motorways were built more than 40 years ago). Initiatives such as the EU's green giveaway and the EU's taxonomy are also expected to contribute to increased investment in environmentally friendly solutions.

The business unit's direct customers are road and railway contractors who work on behalf of road and railway authorities.

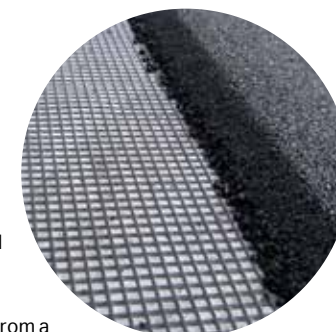


GEOTECHNICAL SOLUTIONS

The GeoTechnical Solutions business unit accounts for approximately 44% of the Group's total sales. The business unit offers customized solutions for soil reinforcement and groundwater protection and technical solutions for different areas of use, such as retaining walls, roads and railways, environmental engineering, as well as solutions with plastic pipes.

During the quarter, Andrzej Rokosz took over as new Vice President, GeoTechnical Solutions Business Unit. Andrzej comes most recently from a position as Vice President Sales for Central Europe.

Also within this business unit, we can see a seasonal variation where the peak season is normally in the second and third quarters. In the previous year, the business unit had very uneven demand and order intake with strong growth in the first half of 2022, driven by the business unit's customers needing to ensure access to materials. This year, the order intake is of a more normal nature. The sales focus continues to be on core products and solutions and to be selective in projects and thus shape the business unit's offerings to support the strategic goals. By pursuing our strategy of leaving product groups with low profitability in favor of more profitable customer solutions, we improve the business unit's product margins over time.



The quarter's net sales amounted to EUR 24,285 thousand (30,680), a decrease of 20.8%. Organic growth amounted to -17.0%. Earnings before depreciation amounted to EUR 1,046 thousand (3,004), corresponding to an EBITDA margin of 4.3% (9.8). However, the underlying earnings before depreciation amounted to EUR 1,524 thousand (3,202), corresponding to an underlying EBITDA margin of 6.3% (10.4). Order intake for the quarter amounted to EUR 25,195 thousand (30,090), a decrease of 16.3% compared to last year. Organic growth amounted to -12.5%.

Net sales for the first half of the year amounted to EUR 38,228 thousand (49,823), a decrease of 23.3%. Organic growth amounted to -19.7%. Earnings before depreciation amounted to EUR 456 thousand (2,872), corresponding to an EBITDA margin of 1.2% (5.8). The underlying earnings before depreciation amounted to EUR 952 thousand (3,422), corresponding to an underlying EBITDA margin of 2.5% (6.9). Order intake for the period amounted to EUR 43,695 thousand (54,857), a decrease of 20.3% on the corresponding period last year. Organic growth amounted to -16.7%.

TEUR	APR-JUN		JAN-JUN		12 M ROLLING FULL YEAR	
	2023	2022	2023	2022	JUL 22 - JUN 23	2022
Net sales	24,285	30,680	38,228	49,823	89,446	101,041
Underlying earnings before depreciation (underlying EBITDA excl. IFRS 16)	1,524	3,202	952	3,422	4,005	6,475
Underlying EBITDA margin	6.3%	10.4%	2.5%	6.9%	4.5%	6.4%
Earnings before depreciation (EBITDA excl. IFRS 16)	1,046	3,004	456	2,872	3,041	5,457
EBITDA margin	4.3%	9.8%	1.2%	5.8%	3.4%	5.4%
Order intake	25,195	30,090	43,695	54,857	85,768	96,930

MARKET AND OUTLOOK

The business unit benefits from the stable and relatively good investment levels in infrastructure. Also, there is growing need for landfill and other environmental solutions where ViaCon offers competitive and sustainable solutions with decades of experience.

The customers are mainly contractors in the road and construction industry as well as project owners in landfills, mines and industry.



STORMWATER SOLUTIONS

The StormWater Solutions business unit accounts for approximately 18% of the Group's total sales. The business unit designs, manufactures and supports in the installation of retention, infiltration and firewater tanks, as well as oil and sand separators. These products are indispensable in solving increasingly common problems such as floodings caused by increased rainfalls due to climate change. Such tanks are mainly used in commercial areas with large, paved surfaces where water drainage, storage and cleaning solutions are required.



The business unit's turnover and margins increased, also during the second quarter. It continues to gain market shares on its established markets and has recently expanded into a number of new markets. Although order intake during the second quarter was lower than the corresponding period last year, demand for the business unit's solutions remains high. The strategic initiatives to build up the business within StormWater Solutions are progressing according to plan.

The quarter's net sales amounted to EUR 10,243 thousand (9,525), an increase of 7.5%. Organic growth amounted to 8.7%. Earnings before depreciation amounted to EUR 1,752 thousand (762), corresponding to an EBITDA margin of 17.1% (8.0). However, the underlying earnings before depreciation amounted to EUR 1,983 thousand (920), corresponding to an underlying EBITDA margin of 19.4% (9.7). Order intake for the quarter amounted to EUR 8,167 million (11,534), a decrease of 29.2% compared to last year. Organic growth amounted to -29.4%.

Net sales for the first half of the year amounted to EUR 17,065 thousand (15,808), an increase of 8.0%. Organic growth amounted to 9.5%. Earnings before depreciation amounted to EUR 1,616 thousand (250), corresponding to an EBITDA margin of 9.5% (1.6). The underlying earnings before depreciation amounted to EUR 2,008 thousand (709), corresponding to an underlying EBITDA margin of 11.8% (4.5). Order intake for the period amounted to EUR 17,046 thousand (19,356), a decrease of 11.9% on the corresponding period last year. Organic growth amounted to -10.9%.

TEUR	APR-JUN		JAN-JUN		12 M ROLLING FULL YEAR	
	2023	2022	2023	2022	JUL 22 - JUN 23	2022
Net sales	10,243	9,525	17,065	15,808	35,985	34,727
Underlying earnings before depreciation (underlying EBITDA excl. IFRS 16)	1,983	920	2,008	709	4,336	3,036
Underlying EBITDA margin	19.4%	9.7%	11.8%	4.5%	12.0%	8.7%
Earnings before depreciation (EBITDA excl. IFRS 16)	1,752	762	1,616	250	3,746	2,381
EBITDA margin	17.1%	8.0%	9.5%	1.6%	10.4%	6.9%
Order intake	8,167	11,534	17,046	19,356	33,292	35,602

MARKET AND OUTLOOK

The business unit benefits from additional government regulations which claim to retain rainwater for irrigation, firefighting and infiltration to avoid floodings.

The end customers are investors of storage, industrial and commercial buildings but also of bigger residential buildings. The main customers are civil engineering contractors.

Other information

EMPLOYEES

The average number of employees (FTE) in the Group from January 1 to June 30, 2023 was 744 (791). On the balance sheet date, the number of employees was 761 (828), of whom 3 have been added by means of the acquisition in the Netherlands, 14 have left in connection to the disposal of Belarus.

RISK AND UNCERTAINTIES

ViaCon is subject to several operational and financial risks, which may affect parts or all of its activities. Exposure to risk is a natural part of running a business and this is reflected in ViaCon's approach to risk management. It aims to identify risks and prevent risks from occurring or to limit any damage resulting from these risks. Risks to the business can be categorised as industry, market and competitive risks, operational risks, strategic risks, sustainability risks and financial risk.

Through the Group's risk management and internal control framework, ViaCon aims to systematically identify, assess and manage risk throughout the Group. Responsibility for risk management and internal control rests primarily with the operation itself, i.e. with the CEO, managers and employees in the operational units and through the work they carry out in accordance with the roles, instructions and guidelines that apply to each of them.

The most significant risks are the economic impact on demand, access to and price variations on raw materials, risks within IT infrastructure and also geopolitical risks. Currency fluctuations and disruptions on the world's financial markets also constitute significant risks. The war in Ukraine has led to increased uncertainty regarding the Group's risks and uncertainties in general. A more detailed description of the Group's risks is found on the pages 50-52 and 79-81 in the Group's annual report for 2022.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

There were no significant events to report after the end of the period.

PARENT COMPANY

As of January 1, 2023, the Parent company has change accounting currency to Euro.

Operating earnings in the Parent Company for the period amounted to EUR -1,396 thousand (-1,736) and earnings before tax to EUR -6,546 thousand (-8,180). The Parent Company's net debt amounted to EUR 110,736 thousand (102,958) and equity amounted to EUR 7,695 thousand (20,189). Cash and cash equivalents amounted to EUR 133 thousand (0) on the balance sheet date.

OWNERSHIP STRUCTURE AND NUMBER OF SHARES

ViaCon Group AB (publ), is a wholly owned subsidiary of the Norwegian company RI Holding AS with company registration number 923 991 484. ViaCon is part of the Group SRH BridgeCo AS, Oslo, Norway, which prepares consolidated financial statements for the highest level. SRH BridgeCo AS is owned by FSN Capital V. ViaCon's management and other representatives have an indirect ownership in the ViaCon Group by owning 5.0% of the Norwegian parent company RI Holding AS.

The Parent Company's share capital amounts to EUR 45 thousand, divided into 50,100 shares.

SEASONAL VARIATIONS

ViaCon has pronounced seasonal variations during the year, which tie in with the weather conditions and vary from quarter to quarter and from year to year. In addition, the outcome is affected by customers' strategic planning of infrastructure investments over the year. The lowest net sales and operating earnings are usually reflected in the first and fourth quarters.

CHANGE OF PRESENTATION CURRENCY AND PARENT COMPANY'S ACCOUNTING CURRENCY TO EURO

The Extraordinary General Meeting on October 6, 2022, resolved to replace the accounting currency from Swedish kronor to Euro in the Parent Company from January 1, 2023. Furthermore ViaCon has determined to use Euro as the presentation currency in the consolidated financial statements from this date.

The change of accounting currency from Swedish kronor to Euro has reduced the currency exposure in both the income statement and balance sheet as well as in other comprehensive income. It will also allow the Group to better match debt with net assets. The reason for the change is the accelerating globalisation of ViaCon's operations. About 45% of the Group's net assets in subsidiaries are denominated in Euros, as well as all financing in the Parent Company.

Historical values for previously reported periods have been translated at the exchange rates in force at that time. The balance sheet has been translated at the rate on the balance sheet date and the income statement to the average rate. The Group's income statement has been adjusted with previous financial translation differences regarding loans denominated in Euros. These adjustments and the translations effect due to the change of accounting currency in the Parent Company are reported as translation effect from change of presentation currency in the consolidated statement of changes in equity.

AUDIT REVIEW

This report has not been reviewed by ViaCon's auditors.

TRANSLATION

This report is a translation of the Swedish original and in the event of inconsistency or discrepancy between the English and Swedish version of this publication, the Swedish version shall prevail.

All amounts, unless otherwise stated, are rounded to the nearest thousands. The data in parentheses refer to the previous year.

The Board of Directors and the President and CEO certify that the interim report gives a fair view of the performance of the business, position and income statements of the Parent Company and the Group, and describes the principal risks and uncertainties to which the Parent Company and the Group is exposed.

Gothenburg, August 30, 2023
ViaCon Group AB (publ)

PATRIK NOLÅKER
Chairman of the Board

KRZYSZTOF ANDRULEWICZ
Board member

ELKE ECKSTEIN
Board member

MORITZ MADLENER
Board member

ULRIK SMITH
Board member

GUNILLA SPONGH
Board member

NICLAS THIEL
Board member

STEFAN NORDSTRÖM
President and CEO

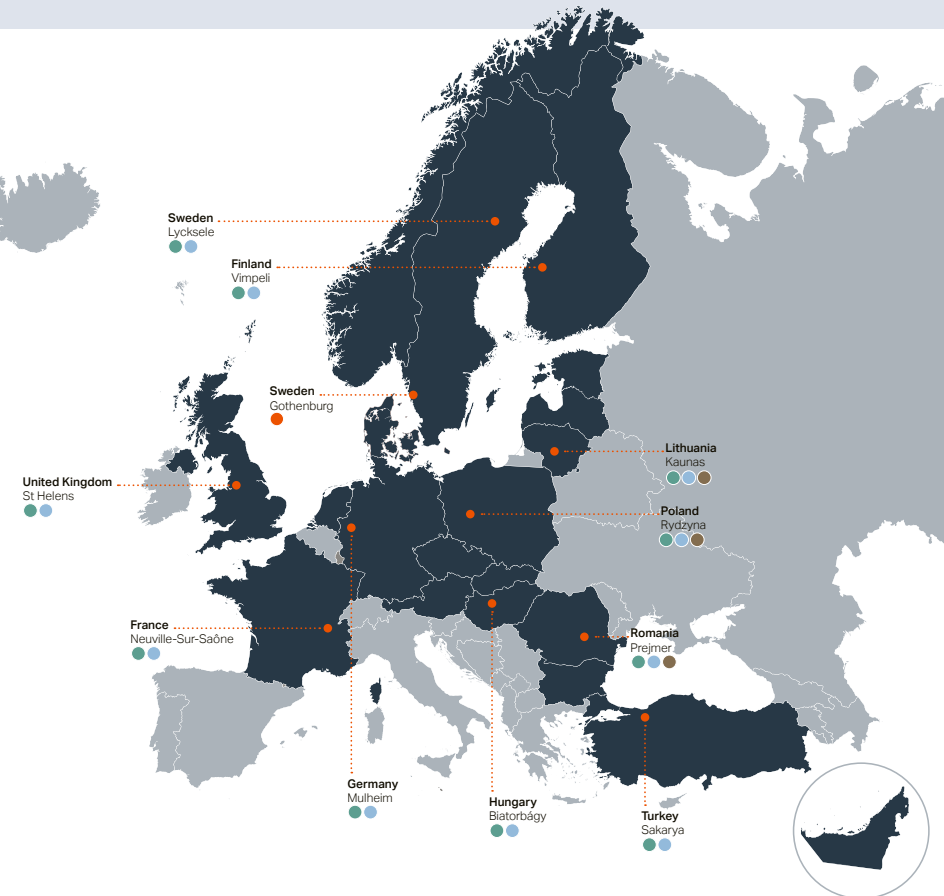
ViaCon in brief

ViaCon is a leading player in the European market with focus on production and technical sales of flexible corrugated steel structures and plastic pipes through the business units Bridges & Culverts Solutions, GeoTechnical Solutions and StormWater Solutions.

ViaCon aims at the highest standards when it comes to environmental awareness, health and safety. The solutions are designed to minimise carbon footprint with minimum disruptions of traffic at work site, hence handling negative effects on both environment and society.

ViaCon offers its customers a host of distinct state-of-the-art solutions that are long-lasting and designed to meet the challenges of a changing world. ViaCon's solutions support both its customers and the society in reaching the vital sustainable goals.

**VIACON CONSTRUCTS CONNECTIONS.
CONSCIOUSLY.**



ViaCon has identified how the Company best can contribute to UN's 17 global Sustainable Development Goals (SDGs). ViaCon can contribute positively above all to the SDGs outlined below.

8 DECENT WORK AND ECONOMIC GROWTH



ViaCon focuses on safe working environments, code of conduct and long-term employment.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



ViaCon creates value for our customers by providing them sustainable solutions tailored towards their specific needs.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



ViaCon is a trusted partner to all our stakeholders with focus on sustainable solutions during all stages of our consumption, production, transport and utilisation.

13 CLIMATE ACTION



ViaCon invests in new and existing plants and facilities to reduce emission from our own operations as well as from the use of our products. We focus on providing sustainable solutions, on recycling and training.

Consolidated income statement

TEUR	Note	APR-JUN		JAN-JUN		12 M ROLLING	FULL YEAR
		2023	2022	2023	2022	JUL 22 - JUN 23	2022
Net sales	2,4	50,075	61,091	80,609	96,050	202,999	218,440
Other operating income		184	335	469	834	1,292	1,657
Raw materials and consumables used	4	-28,119	-35,537	-45,095	-56,394	-115,997	-127,296
Personnel costs		-10,782	-9,656	-20,617	-18,968	-39,494	-37,845
Depreciation, amortisation and impairment		-1,548	-1,361	-3,126	-2,876	-6,009	-5,758
Other external expenses		-7,208	-8,335	-13,237	-14,867	-30,811	-32,440
Operating earnings		2,602	6,536	-998	3,779	11,980	16,758
Financial income		1,960	1,016	3,439	1,523	6,292	4,376
Financial expenses	4	-8,020	-3,752	-12,889	-7,369	-21,923	-16,403
Net financial items*)		-6,060	-2,735	-9,450	-5,846	-15,631	-12,027
Earnings before tax		-3,458	3,801	-10,449	-2,067	-3,651	4,731
Tax on earnings for the year		-571	-1,436	39	-936	-3,331	-4,306
Earnings for the period		-4,029	2,365	-10,410	-3,002	-6,982	426
Earnings for the period attributable to:							
Equity holders of the parent company		-4,029	2,365	-10,410	-3,002	-6,982	426
		-4,029	2,365	-10,410	-3,002	-6,982	426
<i>*) of which translation differences in net financial items</i>		-3,027	-272	-3,754	-987	-5,145	-2,378

Consolidated comprehensive income

TEUR	APR-JUN		JAN-JUN		12 M ROLLING	FULL YEAR
	2023	2022	2023	2022	JUL 22 - JUN 23	2022
Earnings for the period	-4,029	2,365	-10,410	-3,002	-6,982	426
Items that will not be reclassified to income statement in subsequent periods:						
Remeasurements of defined benefit pension plans, net of tax	-	-	-	-	153	153
Items to be reclassified to income statement in subsequent periods:						
Remeasurement of hyperinflation, net of tax	-124	-	-112	-	351	463
Exchange differences on translation of foreign operations	4,708	4,008	5,302	4,470	-795	-1,627
Other comprehensive income for the period, net of tax	4,583	4,008	5,190	4,470	-291	-1,011
Total comprehensive income for the period	554	6,373	-5,219	1,468	-7,273	-585
Total comprehensive income attributable to:						
Equity holders of the parent company	554	6,373	-5,219	1,468	-7,273	-585
	554	6,373	-5,219	1,468	-7,273	-585

Consolidated balance sheet

TEUR	Note	30 JUN 2023	30 JUN 2022	31 DEC 2022	1 JAN 2022
ASSETS					
Non-current assets					
Intangible assets		43,811	43,180	42,984	40,985
Property, plant and equipment		26,200	25,446	26,084	24,854
Right-of-use assets		9,746	11,004	9,661	11,835
Financial assets		1,153	806	986	713
Deferred tax assets		3,250	3,291	2,077	2,595
Total non-current assets		84,160	83,727	81,792	80,982
Current assets					
Inventories		21,681	32,076	18,039	22,243
Accounts receivable	4	37,596	43,055	31,076	27,017
Other current receivables		6,631	5,497	5,009	5,067
Cash and cash equivalents		14,957	8,698	28,042	19,476
Total current assets		80,865	89,326	82,166	73,803
TOTAL ASSETS		165,025	173,053	163,958	154,785
EQUITY AND LIABILITIES					
Equity					
Share capital		45	47	45	49
Other contributed capital		39,173	40,603	39,173	34,364
Other reserves		155	950	-5,147	-3,520
Retained earnings including earnings for the period		-41,747	-42,072	-30,847	-35,622
Total equity		-2,373	-471	3,225	-4,729
Liabilities					
Non-current liabilities					
Deferred tax liabilities		673	719	786	1,020
Pension obligations		628	861	628	812
Other provisions		1,584	754	820	769
Bond	3	97,891	96,808	97,421	96,141
Liabilities to credit institutions		0	98	48	198
Other non-current interest-bearing liabilities		8,288	8,615	8,133	17,000
Total non-current liabilities		109,065	107,855	107,837	115,941
Current liabilities					
Liabilities to credit institutions		13,261	12,589	12,321	2,753
Accounts payable	4	24,344	29,459	20,358	19,779
Other current interest-bearing liabilities		1,850	2,228	1,925	2,310
Other current liabilities	4	18,879	21,394	18,292	18,731
Total current liabilities		58,334	65,670	52,897	43,573
TOTAL EQUITY AND LIABILITIES		165,025	173,053	163,958	154,785

Consolidated statement of changes in equity

TEUR	30 JUN 2023	30 JUN 2022	31 DEC 2022
Opening balance as of beginning of period	3,225	-4,729	-4,729
Translation effect from change of presentation currency from SEK to EUR	-	-4,714	1,036
Comprehensive income			
Earnings for the period	-10,410	-3,002	426
Other comprehensive income net of tax	5,190	4,470	-1,011
Total comprehensive income	-5,219	1,468	-585
Transactions with shareholders			
Dividends	-378	-	-
Shareholders' contribution	-	7,503	7,503
Total transactions with shareholders	-378	7,503	7,503
Closing balance as of end of period	-2,373	-471	3,225
Attributable to:			
Equity holders of the parent company	-2,373	-471	3,225
Closing balance as of end of period	-2,373	-471	3,225

Consolidated net debt composition

TEUR	30 JUN 2023	30 JUN 2022	31 DEC 2022
Non-current interest-bearing liabilities	-106,180	-105,520	-105,602
Pension obligations	-628	-861	-628
Current interest-bearing liabilities	-15,110	-14,817	-14,247
Financial interest-bearing receivables	1,153	806	986
Cash and cash equivalents	14,957	8,698	28,042
Net debt (-)	-105,808	-111,694	-91,449

Consolidated cash flow statement

TEUR	APR-JUN		JAN-JUN		FULL YEAR
	2023	2022	2023	2022	2022
Operating activities					
Earnings after financial items	-3,458	3,801	-10,449	-2,067	4,731
Adjustments for items not included in cash flow*)	5,744	2,056	8,504	4,038	8,715
Taxes paid	-753	-954	-1,890	-1,399	-3,867
Cash flow from operating activities before changes in working capital	1,534	4,903	-3,835	572	9,580
Cash flow from changes in working capital					
Increase (-)/ Decrease (+) in inventories	1,305	-1,869	-3,693	-9,493	4,415
Increase (-)/ Decrease (+) in accounts receivable	-11,131	-13,197	-7,220	-15,687	-4,833
Increase (+)/ Decrease (-) in accounts payables	3,796	1,136	4,060	9,425	192
Change in other current receivables and liabilities	2,070	1,063	174	-594	-1,453
Cash flow from operating activities	-2,426	-7,965	-10,514	-15,777	7,900
Investing activities					
Acquisition of property, plant and equipment and intangible assets	-739	-1,163	-1,567	-2,437	-4,367
Acquisition of subsidiaries	-	-1,850	-	-1,850	-3,700
Disposal of subsidiaries	-	-	-	-	-346
Divestment of property, plant and equipment	21	116	143	560	810
Cash flow from investing activities	-719	-2,898	-1,424	-3,727	-7,603
Financing activities					
Proceeds from borrowings	1,206	257	1,593	11,940	18,339
Repayment of borrowings	-112	-270	-138	-2,088	-8,569
Dividend to Parent Company shareholders	-378	-	-378	-	-
Paid group contributions	-	-	-	-	-42
Repayment of leases liabilities	-792	-782	-1,621	-1,645	-3,336
Cash flow from financing activities	-77	-795	-544	8,206	6,392
Net increase/decrease in cash	-3,222	-11,657	-12,482	-11,297	6,689
Reconciliation of cash and cash equivalents					
Cash and cash equivalents as of beginning of the period	18,513	20,119	28,042	19,476	19,476
Cash flow for the period	-3,222	-11,657	-12,482	-11,297	6,689
Translation differences in cash and cash equivalents	-334	236	-603	519	1,877
Cash and cash equivalents at the end of the period	14,957	8,698	14,957	8,698	28,042
*) Adjustments for items not included in cash flow					
Depreciation of non-current assets	1,548	1,361	3,126	2,876	5,758
Net currency gains/ losses	2,708	862	3,462	1,199	1,757
Net financial items	779	-109	1,222	474	936
Loss on sale of subsidiaries	-	-	-	-	967
Gains and losses on sale of tangible assets etc	-17	-37	-116	-300	-303
Impairment of inventory	78	-8	140	-226	-186
Change in restructuring provisions	668	-	668	-	-
Other	-21	-12	1	17	-213
Total	5,744	2,056	8,504	4,038	8,715

Alternative Performance Measures (APM)

Earnings before depreciation (EBITDA)

TEUR	APR-JUN		JAN-JUN		12 M ROLLING	FULL YEAR
	2023	2022	2023	2022	JUL 22 -JUN 23	2022
Net sales	50,075	61,091	80,609	96,050	202,999	218,440
Operating earnings (EBIT)	2,603	6,536	-998	3,779	11,981	16,758
Depreciation, amortisation and impairment	1,548	1,361	3,126	2,876	6,009	5,758
Earnings before depreciation (EBITDA)	4,151	7,898	2,128	6,655	17,990	22,516
EBITDA margin	8.3%	12.9%	2.6%	6.9%	8.9%	10.3%

APMs are used by ViaCon for annual and periodic financial reporting to provide a better understanding of the company's underlying financial performance for the period.

Underlying EBITDA and underlying EBIT are also used by management to drive performance in terms of target setting. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the Group where relevant.

Consolidated adjusted income statement

TEUR	APR-JUN		JAN-JUN		12 M ROLLING	FULL YEAR
	2023	2022	2023	2022	JUL 22 -JUN 23	2022
Net sales	50,075	61,091	80,609	96,050	202,999	218,440
Earnings before depreciation (EBITDA)	4,151	7,898	2,128	6,655	17,990	22,516
Items excluded from underlying EBITDA	1,247	1,311	1,527	2,684	3,190	4,346
Underlying earnings before depreciation (underlying EBITDA)	5,398	9,209	3,655	9,339	21,179	26,862
Underlying EBITDA margin	10.8%	15.1%	4.5%	9.7%	10.4%	12.3%
Operating earnings EBIT	2,603	6,536	-998	3,779	11,981	16,758
Items excluded from underlying EBIT	1,247	1,311	1,527	2,684	3,190	4,346
Underlying operating earnings (underlying EBIT)	3,850	7,848	530	6,463	15,170	21,104
Underlying EBIT margin	7.7%	12.8%	0.7%	6.7%	7.5%	9.7%
Non-recurring items						
Implementation new strategy and restructuring	-	392	-	1,108	617	1,725
Capital efficiency	-	194	-	380	286	666
Acquisition	-	132	-	224	-1	222
Divestment	-	533	-	533	425	959
Restructuring and efficiency program	1,035	-	1,035	-	1,035	-
Other	212	61	492	438	828	774
Total non-recurring items	1,247	1,311	1,527	2,684	3,190	4,346

Alternative Performance Measures (APM) - cont.

Operating working capital

TEUR	30 JUN 2023	30 JUN 2022	31 DEC 2022
Inventories	21,681	32,076	18,039
Accounts receivables	37,596	43,055	31,076
Contract assets	2,334	627	1,553
Prepayment to suppliers	1,314	1,600	751
Accounts payable	-24,344	-29,459	-20,358
Contract liabilities	-3,060	-2,910	-2,055
Operating working capital (OPWC)	35,521	44,988	29,006

Consolidated liquidity

TEUR	30 JUN 2023	30 JUN 2022	31 DEC 2022
Cash and cash equivalents	14,957	8,698	28,042
Undrawn credit facilities	5,000	5,000	5,000
Total available liquidity	19,957	13,698	33,042

Consolidated adjusted net debt composition

TEUR	30 JUN 2023	30 JUN 2022	31 DEC 2022
Net debt (-)	-105,808	-111,694	-91,449
Less interest-bearing liabilities attributable to lease liabilities	10,140	10,842	10,058
Adjusted net debt (-), excluding leases liabilities	-95,668	-100,852	-81,392

Group quarterly overview

TEUR	2023		2022				2021			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income statement										
Net sales	50,075	30,534	59,783	62,607	61,091	34,959	46,113	61,659	53,030	31,068
Earnings before depreciation (EBITDA)	4,151	-2,023	8,020	7,842	7,898	-1,243	1,509	10,427	7,106	784
EBITDA margin	8.3%	-6.6%	13.4%	12.5%	12.9%	-3.6%	3.3%	16.9%	13.4%	2.5%
Underlying earnings before depreciation (underlying EBITDA)	5,398	-1,742	8,587	8,937	9,209	130	3,172	11,130	8,030	1,254
Underlying EBITDA margin	10.8%	-5.7%	14.4%	14.3%	15.1%	0.4%	6.9%	18.1%	15.1%	4.0%
Operating earnings EBIT	2,603	-3,600	6,537	6,441	6,536	-2,757	170	9,048	5,639	-429
EBIT margin	5.2%	-11.8%	10.9%	10.3%	10.7%	-7.9%	0.4%	14.7%	10.6%	-1.4%
Underlying operating earnings (underlying EBIT)	3,850	-3,320	7,104	7,537	7,848	-1,384	1,833	9,751	6,563	41
Underlying EBIT margin	7.7%	-10.9%	11.9%	12.0%	12.8%	-4.0%	4.0%	15.8%	12.4%	0.1%
Earnings for the period after tax	-4,029	-6,381	2,460	968	2,365	-5,367	-3,452	4,025	4,886	-11,596
Balance sheet										
Non-current assets	84,160	82,725	81,792	82,156	83,727	81,112	80,982	69,119	65,426	60,323
Current assets	80,865	75,569	82,166	91,764	89,326	85,808	73,803	89,483	93,587	81,809
Equity	-2,373	-2,549	3,225	-1,350	-471	-10,330	-4,729	588	-2,784	-32,209
Non-current liabilities	109,065	108,213	107,837	107,797	107,855	115,782	115,941	96,900	99,031	121,062
Current liabilities	58,334	52,630	52,897	67,473	65,670	61,468	43,573	61,114	62,766	53,280
Other										
Net debt (-)	-105,808	-101,494	-91,449	-103,387	-111,694	-108,178	-99,026	-78,813	-86,704	-103,685
Adjusted net debt (-), excluding leases liabilities	-95,668	-91,284	-81,392	-93,005	-100,852	-97,040	-87,462	-68,800	-79,043	-96,474

Segment reporting

As of January 2021, when a new organisation was implemented, the Group is divided into three different business units: Bridges & Culverts Solutions, GeoTechnical Solutions och StormWater Solutions. These three business units are the segments at which management and the Board carries out follow-ups. The chief operating decision maker in the Group is the President and CEO, who runs the operation together with the other members of the Group management

The segments' accounting policies adhere to the same policies as those applied in the preparation of the consolidated financial statements.

Key measures for management and reporting are net sales, underlying earnings before depreciation and underlying operating earnings.

The effect of IFRS 16 is applied at Group level and is not allocated to the different segments.

TEUR	Bridges & Culverts Solutions		GeoTechnical Solutions		StormWater Solutions		Not allocated items IFRS16		ViaCon Group	
	APR-JUN		APR-JUN		APR-JUN		APR-JUN		APR-JUN	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	15,547	20,886	24,285	30,680	10,243	9,525	0	0	50,075	61,091
Earnings before depreciation (EBITDA)	678	3,605	1,046	3,004	1,752	762	675	526	4,151	7,898
EBITDA margin	4.4%	17.3%	4.3%	9.8%	17.1%	8.0%			8.3%	12.9%
Non-recurring items excluded from underlying EBITDA	538	956	478	197	231	158	0	0	1,247	1,311
Underlying earnings before depreciation (underlying EBITDA)	1,216	4,561	1,524	3,202	1,983	920	675	526	5,398	9,209
Underlying EBITDA margin	7.8%	21.8%	6.3%	10.4%	19.4%	9.7%			10.8%	15.1%
Depreciation, amortisation and impairment	476	396	234	175	280	273	559	517	1,548	1,361
Operating earnings (EBIT)	202	3,210	812	2,829	1,472	489	116	9	2,603	6,536
EBIT margin	1.3%	15.4%	3.3%	9.2%	14.4%	5.1%			5.2%	10.7%
Non-recurring items excluded from underlying EBIT	538	956	478	197	231	158	-	-	1,247	1,311
Underlying operating earnings (EBIT)	740	4,165	1,290	3,026	1,704	647	116	9	3,850	7,848
Underlying EBIT margin	4.8%	19.9%	5.3%	9.9%	16.6%	6.8%			7.7%	12.8%
Non-recurring items										
Implementation new strategy and restructuring	-	209	-	105	-	77	-	-	-	392
Capital efficiency	-	102	-	49	-	43	-	-	-	194
Acquisition	-	102	-	-6	-	36	-	-	-	132
Divestment	-	533	-	-	-	-	-	-	-	533
Restructuring and efficiency program	442	-	399	-	194	-	-	-	1,035	-
Other	95	12	79	47	37	2	-	-	212	61
Total non-recurring items	538	958	478	195	231	158	-	-	1,247	1,311

Segment reporting

TEUR	Bridges & Culverts Solutions		GeoTechnical Solutions		StormWater Solutions		Not allocated items IFRS16		ViaCon Group	
	JAN-JUN		JAN-JUN		JAN-JUN		JAN-JUN		JAN-JUN	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	25,315	30,418	38,228	49,823	17,065	15,808	0	0	80,609	96,050
Earnings before depreciation (EBITDA)	-1,377	2,202	456	2,872	1,616	250	1,433	1,330	2,128	6,655
EBITDA margin	-5.4%	7.2%	1.2%	5.8%	9.5%	1.6%			2.6%	6.9%
Non-recurring items excluded from underlying EBITDA	639	1,675	496	550	393	459			1,527	2,684
Underlying earnings before depreciation (underlying EBITDA)	-738	3,878	952	3,422	2,008	709	1,433	1,330	3,655	9,339
Underlying EBITDA margin	-2.9%	12.7%	2.5%	6.9%	11.8%	4.5%			4.5%	9.7%
Depreciation, amortisation and impairment	884	778	511	384	554	557	1,177	1,156	3,126	2,876
Operating earnings (EBIT)	-2,261	1,424	-55	2,488	1,062	-307	257	175	-998	3,779
EBIT margin	-8.9%	4.7%	-0.1%	5.0%	6.2%	-1.9%			-1.2%	3.9%
Non-recurring items excluded from underlying EBIT	639	1,675	496	550	393	459	-	-	1,527	2,684
Underlying operating earnings (EBIT)	-1,623	3,100	441	3,037	1,455	152	257	175	530	6,463
Underlying EBIT margin	-6.4%	10.2%	1.2%	6.1%	8.5%	1.0%			0.7%	6.7%
Non-recurring items										
Implementation new strategy and restructuring	-	643	-	201	-	264	-	-	-	1108
Capital efficiency	-	199	-	97	-	84	-	-	-	380
Acquisition	-	139	-	38	-	47	-	-	-	224
Divestment	-	533	-	-	-	-	-	-	-	533
Restructuring and efficiency program	442	-	399	-	194	-	-	-	1035	-
Other	196	163	97	212	199	63	-	-	492	438
Total non-recurring items	639	1,678	496	548	393	458	-	-	1,527	2,684
Other disclosures										
Operating working capital assets	21,493	26,958	27,638	35,718	13,794	14,682	-	-	62,925	77,357
Operating working capital liabilities	-10,450	-10,507	-13,171	-15,930	-3,783	-5,932	-	-	-27,404	-32,369
Operating working capital (OPWC)	11,043	16,450	14,467	19,788	10,012	8,750	-	-	35,521	44,988

Segment reporting

TEUR	Bridges & Culverts Solutions		GeoTechnical Solutions		StormWater Solutions		Not allocated items IFRS16		ViaCon Group	
	12 M ROLLING	FULL YEAR	12 M ROLLING	FULL YEAR	12 M ROLLING	FULL YEAR	12 M ROLLING	FULL YEAR	12 M ROLLING	FULL YEAR
	JUN 22 - JUL 23	2022	JUN 22 - JUL 23	2022	JUN 22 - JUL 23	2022	JUN 22 - JUL 23	2022	JUN 22 - JUL 23	2022
Net sales	77,569	82,672	89,446	101,041	35,985	34,727	-	-	202,999	218,440
Earnings before depreciation (EBITDA)	8,513	12,092	3,041	5,457	3,746	2,381	2,690	2,587	17,990	22,516
EBITDA margin	11.0%	14.6%	3.4%	5.4%	10.4%	6.9%			8.9%	10.3%
Non-recurring items excluded from underlying EBITDA	1,636	2,672	964	1,018	590	656	-	-	3,190	4,346
Underlying earnings before depreciation (underlying EBITDA)	10,149	14,764	4,005	6,475	4,336	3,036	2,690	2,587	21,179	26,862
Underlying EBITDA margin	13.1%	17.9%	4.5%	6.4%	12.0%	8.7%			10.4%	12.3%
Depreciation, amortisation and impairment	1,721	1,615	938	811	1,111	1,115	2,238	2,218	6,009	5,758
Operating earnings (EBIT)	6,792	10,477	2,103	4,646	2,635	1,266	451	369	11,981	16,758
EBIT margin	8.8%	12.7%	2.4%	4.6%	7.3%	3.6%			5.9%	7.7%
Non-recurring items excluded from underlying EBIT	1,636	2,672	964	1,018	590	656	-	-	3,190	4,346
Underlying operating earnings (EBIT)	8,427	13,149	3,067	5,664	3,225	1,922	451	369	15,170	21,104
Underlying EBIT margin	10.9%	15.9%	3.4%	5.6%	9.0%	5.5%			7.5%	9.7%
Non-recurring items										
Implementation new strategy and restructuring	248	890	303	504	66	330	-	-	617	1,725
Capital efficiency	146	345	79	176	62	146	-	-	286	666
Acquisition	-1	138	0	38	-0	46	-	-	-1	222
Divestment	425	959	-	-	-	-	-	-	425	959
Restructuring and efficiency program	442	-	399	-	194	-	-	-	1,035	-
Other	374	341	185	300	269	133	-	-	828	774
Total non-recurring items	1,633	2,672	966	1,018	590	656	-	-	3,190	4,346
Other disclosures										
Operating working capital assets	14,682	20,146	11,103	19,183	11,202	12,090	-	-	36,988	51,419
Operating working capital liabilities	-8,975	-9,032	-7,102	-9,861	-1,371	-3,521	-	-	-17,448	-22,413
Operating working capital (OPWC)	5,707	11,114	4,001	9,322	9,831	8,570	-	-	19,540	29,006

Condensed income statement parent company

TEUR	APR-JUN		JAN-JUN		FULL YEAR
	2023	2022	2023	2022	2022
Net sales	-	-	-	-	-
Other operating income	2,285	1,647	4,516	3,108	8,112
Total operating income	2,285	1,647	4,516	3,108	8,112
Personnel costs	-1,903	-1,229	-3,116	-2,226	-4,164
Depreciation, amortisation and impairment	-5	-4	-9	-7	-15
Other external expenses	-1,946	-1,353	-2,787	-2,611	-8,952
Operating earnings	-1,569	-939	-1,396	-1,736	-5,019
Dividend	-	-	-	-	9,410
Financial income	355	147	683	147	49
Financial expenses	-3,029	-3,816	-5,833	-6,590	-18,629
Net financial items	-2,674	-3,670	-5,150	-6,444	-9,170
Group contribution	-	-	-	-	1,035
Earnings before tax	-4,243	-4,609	-6,546	-8,180	-13,154
Tax on earnings for the period	-	-	-	-	-
Earnings for the period	-4,243	-4,609	-6,546	-8,180	-13,154

Other comprehensive income and net income are consistent since there are no items in other comprehensive income.

Condensed balance sheet parent company

TEUR	Note	30 JUN 2023	30 JUN 2022	31 DEC 2022	1 JAN 2022
ASSETS					
Non-current assets					
Property, plant and equipment		45	41	46	-
Participations in group companies		109,762	113,764	109,758	119,095
Other non-current receivables		294	92	192	-
Total non-current assets		110,101	113,897	109,996	119,095
Current assets					
Current receivables from group companies		355	12,009	14,700	5,650
Other current receivables		9,615	690	1,001	529
Cash and cash equivalents		133	0	69	-
Total current assets		10,102	12,699	15,770	6,179
TOTAL ASSETS		120,203	126,596	125,766	125,274
EQUITY AND LIABILITIES					
Equity					
Restricted equity		45	47	45	49
Non-restricted equity		7,650	20,143	14,570	21,305
Total equity		7,695	20,189	14,615	21,354
Liabilities					
Non-current liabilities					
Bond	3	97,891	92,946	97,421	94,457
Non-current liabilities to group companies		-	0	-	7,746
Other non-current liabilities		365	114	239	-
Total non-current liabilities		98,257	93,060	97,660	102,203
Current liabilities					
Liabilities to credit institutions		10,000	10,000	10,000	-
Current liabilities to group companies		230	0	147	101
Other current liabilities and provisions		4,022	3,347	3,344	1,616
Total current liabilities		14,252	13,347	13,491	1,717
TOTAL EQUITY AND LIABILITIES		120,203	126,596	125,766	125,274

NOTE 1 ACCOUNTING PRINCIPLES

This interim report has, for the Group, been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The financial reporting for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities. The accounting policies applied are unchanged compared to those outlined in the 2022 Annual report with the following exception:

As of January 1, 2023, ViaCon has changed the Group's presentation currency from Swedish kronor to Euro, which means that all financial reports will henceforth be presented in Euros. From the same date, the Parent company has also changed the accounting currency to Euros. For reporting comparative values in previously reported periods, IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors is applied.

All amounts in EUR thousand unless otherwise stated. Figures in parentheses refer to the previous year. Some figures are rounded, and amounts might not always appear to match when added up.

NOTE 2 NET SALES BY GEOGRAPHIC REGION

The Group receives most of its income from Eastern and Western Europe. Poland is the Group's single largest market with a share of 25.6% (20.7). There is no single customer in the Group whose revenue exceeds 10% of the Group's net sales.

The table below presents the distribution of the Group's income from external customers based on the geographic market.

	JAN-JUN	
	2023	2022
Sweden	7,504	10,469
Nordic (excl. Sweden)	9,561	13,661
Baltic	11,603	16,667
Eastern Europe (excl. Baltic)	33,769	35,654
Western Europe (excl. Nordic)	17,990	17,798
Other	181	1,800
Total	80,609	96,050

NOTE 3 FINANCIAL INSTRUMENTS

Financial liabilities are recognised at amortised cost. Financial liabilities include senior covered bonds with variable interest, issued on November 4, 2021 and due in 2025, to the value of EUR 100 million. The carrying amount of the bonds on June 30, 2023 amounted to EUR 97,891 thousand (96,808) and the fair value was EUR 91,630 thousand (97,000).

The parent company has in previous periods, up until December 2022, applied hedging of net investments in euros and thus the total bond loan has not been revalued at current exchange rates. Due to the company changing its accounting currency from Swedish kronor to euros as of January 1, 2023, the company has chosen to no longer apply hedge accounting of net investment as from December 2022 and has thus taken into account the entire revaluation of the corporate bond in the parent company.

NOTE 4 TRANSACTIONS WITH RELATED PARTIES

Related companies refer to companies owned by ViaCon's ultimate parent company SRH BridgeCo AS. It primarily concerns companies within the Saferoad group, a sister group to ViaCon.

	JAN - JUN	
	2023	2022
Sales of goods, services and other		
Related companies	85	170

	JAN - JUN	
	2023	2022
Purchase of goods, services and other		
Related companies	-2	-6

	JAN - JUN	
	2023	2022
Financial expense		
Related companies	0	-333

	RECEIVABLES		LIABILITIES	
	30 JUN 2023	30 JUN 2022	30 JUN 2023	30 JUN 2022
Balance sheet				
Related companies	3	24	212	328

DEFINITIONS

Average number of employees (FTE)

The total number of hours worked divided by normal annual working hours, expressed as the number of full-time positions.

EBIT margin (operating margin)

Operating earnings after depreciation and amortisation as a percentage of net sales for the year.

EBITDA margin (EBITDA margin)

Earnings before depreciation and amortisation as a percentage of net sales for the year.

Equity

Recognised equity including non-controlling interests.

Liquidity

Liquidity consist of cash and cash equivalents, undrawn credit facilities and marketable securities.

Net cash/net debt

Interest-bearing liabilities less interest-bearing assets, all calculated at year-end.

Organic growth

Change in core business adjusted for currency effects, investments and divestments.

Working capital

Current assets less current non-interest-bearing liabilities.

Operating working capital (OPWC)

Inventories, accounts receivable, and contract assets less prepayment to suppliers, accounts payable, and contract liabilities.

Alternative performance measures (APM)

APMs are used by ViaCon for annual and periodic financial reporting to provide a better understanding of the company's underlying financial performance for the period. Underlying EBITDA is also used by management to drive performance in terms of target setting. These measured are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the Group where relevant.

Earnings before depreciation and amortisation (EBITDA)

EBITDA is operating result before depreciation and amortisation of tangible and intangible assets.

Underlying operating earnings (underlying EBIT)

Underlying EBIT is defined as EBIT adjusted for material items which are not regarded as part of underlying business performance for the period, such as costs related to acquisitions and divestments, major restructuring costs and closure costs, gains and losses of disposals of businesses and operating assets as well as other major effects of a special nature.

Underlying earnings before depreciation and amortisation (underlying EBITDA)

Underlying EBITDA is defined as EBITDA adjusted for material items which are not regarded as part of underlying business performance for the period, such as costs related to acquisitions and divestments, major restructuring costs and closure costs, gains and losses of disposals of businesses and operating assets as well as other major effects of a special nature.

Adjusted net cash/debt

Interest-bearing liabilities less interest-bearing assets, less lease liabilities, all calculated at year-end.

Operating working capital

Operating working capital include directly attributable items together with such items that can be reliably allocated to the respective segment. The items consist of inventories, accounts receivable, and contract assets less prepayment to suppliers, accounts payable, and contract liabilities.



This is information that ViaCon Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 11:30 CET on 30 August 2023.

Financial calendar

Interim report, January - September 2023	November 16, 2023
Full Year report, January - December 2023	February 23, 2024

The reports can be found on ViaCon's website at www.viacongroup.com on their date of publication.

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Presentation of the report

A live presentation of the financial results and development for the period followed by a Q&A session will be held as follows:

Date: August 30, 2023
Time: 14:00-15:00 CET
Presenters: CEO Stefan Nordström and CFO Philip Delborn
Link to webcast: ViaCon Group Q2 presentation – Finwire (<https://www.finwire.tv/webcast/viacon-group/q2-2023/>)

The session will be recorded and available to watch on-demand via the link above.