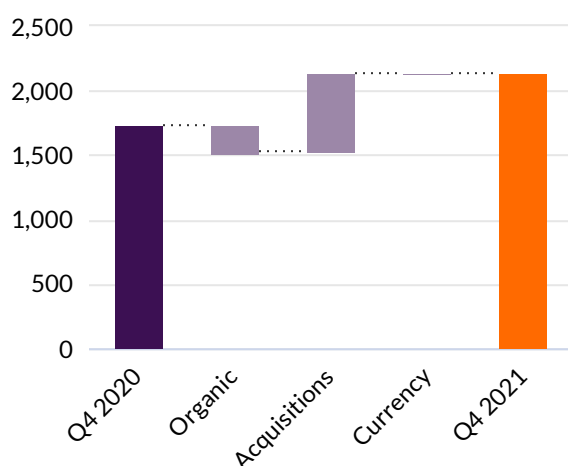


Group development in the quarter

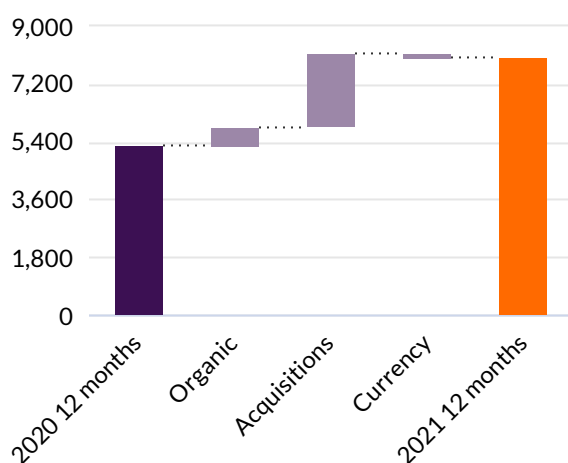
Net sales in the quarter increased by 23 percent to SEK 2,131m (1,731). The organic sales decreased by 12 percent and acquired growth totalled 35 percent. Exchange rate changes had a marginal impact on net sales in the quarter. Net sales related to COVID-19 accounted for SEK 355m (600) and organic growth, excluding COVID-19 amounted to 3 percent. EBITA increased by 4 percent to SEK 329m (316) and EBITA-margin amounted to 15.5 percent (18.2). Exchange rate changes had a positive effect on EBITA, corresponding to SEK 3m.



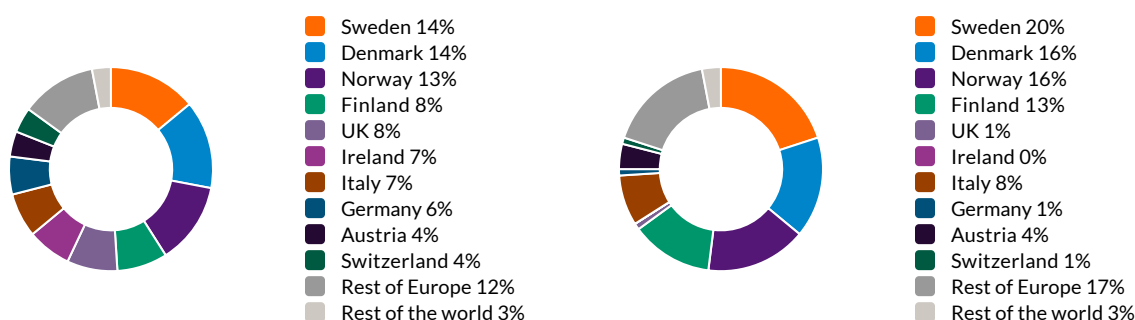
Net financial items amounted to SEK -22m (-2) and profit after financial items amounted to SEK 223m (276). The increased negative net financial items is due to interest costs related to the acquisitions. Profit after tax for the quarter decreased with 19 percent amounting to SEK 178m (219) and the effective tax rate was 20 percent (21).

Group development in the financial year

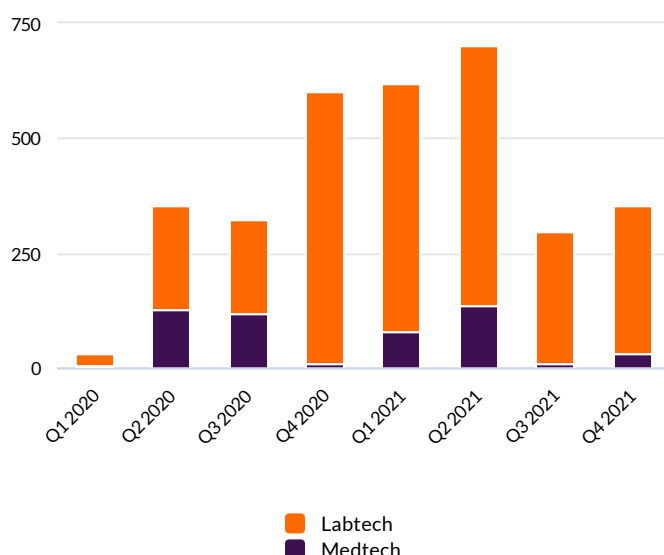
Net sales in the financial year increased by 52 percent to SEK 7,993m (5,273). Organic growth was 11 percent and acquired growth totalled 43 percent. Exchange rate changes had a negative impact on net sales of 2 percent, corresponding to SEK 104m.



Sales in the Nordic markets amounted to 49 percent of total net sales compared to 65 percent last year. The change in geographical markets is due to the acquisitions in Europe during the year.



Net sales related to COVID-19 accounted for SEK 1,976m (1,306) and organic growth, excluding COVID-19 amounted to 3 percent.



Throughout the COVID-19 pandemic, AddLife has supplied large volumes of products to the healthcare sector for treatment of COVID-19. Sales since the first quarter of 2020 have varied based on the spread of infection and restrictions in our societies.

EBITA increased by 59 percent to SEK 1,273m (802) and EBITA-margin amounted to 15.9 percent (15.2). Transaction costs amounting to SEK 32m and stamp duty of SEK 24m related to acquired shares is included in the result. EBITA excluding acquisition-related costs amounted to SEK 1,329m with an EBITA margin of 16.6 percent. The higher margin is due to increased volumes, active price adjustments and continued restrained costs. Exchange rate changes had a negative effect on EBITA, corresponding to SEK 16m.

Net financial items amounted to SEK -69m (-13) and profit after financial items amounted to SEK 927m (659). The increased negative net financial items is due to interest costs related to the acquisitions. Profit after tax increased with 39 percent amounting to SEK 721m (520) and the effective tax rate was 22 percent (21). The higher effective tax rate is due to non-deductible transaction related costs connected to the acquisitions.

Financial position and cash flow

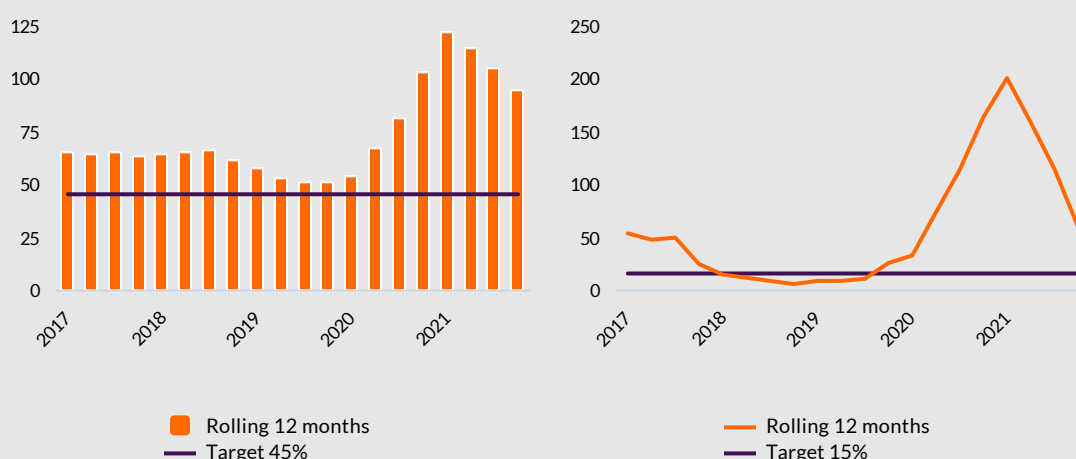
At the end of the financial year, the equity ratio stood at 40 percent (46). Equity per share totalled SEK 35.14 (16.73) and the return on equity at the end of the financial year was 22 percent (31). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 95 percent (103). The slight decrease is mainly due to a relatively higher working capital.

The Group's interest-bearing net debt at the end of the financial year totalled SEK 3,870m (700), including pension liabilities of SEK 82m (81) and leasing liabilities of SEK 339m (233). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions and leasing liability, totalled 0.9 compared to 0.4 at the beginning of the financial period. In connection with the two acquisitions in the second quarter, new loans of SEK 2,250m were taken out. The credit agreement runs for 12 months with an extension option of up to a further 24 months.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 674m (1,006) on 31 December 2021. The decrease is due to the financing of the acquisitions during the financial year.

Cash flow from operating activities reached SEK 1,010m (950) during the financial year. The increase is due to the strong result but is counteracted by large payment of trade payables. Acquisitions of companies amounted to SEK 2,843m (345). Investments in non-current assets during the financial year amounted to SEK 143m (91). Disposals of non-current assets amounted to SEK 9m (7). Repurchase of treasury shares amounted to SEK 0m (19). Exercised, issued and repurchased call options amounted to SEK 9m (58). Dividend paid to the parent company's shareholders amounted to SEK 183m (56).

Long term financial goals



Acquisitions

Acquisitions completed from the 2020 financial year are distributed among the Group's business areas as follows:

Acquisitions	Time	Net Sales, SEKm*	Number of employees*	Business area
EuroClone S.p.A, Italy	January 2020	280	58	Labtech
TechniPro PulvoMed Pty Ltd, Australia	September, 2020	13	5	Medtech
Ropox A/S, Denmark	October, 2020	95	73	Medtech
Dach Medical Group Holding AG, Austria	October, 2020	145	23	Medtech
Zafe Care Systems AB, Sweden	October, 2020	35	21	Medtech
Biomedica Italia s.r.l (SIAD Healthcare), Italy	December, 2020	80	17	Medtech
AddVision (Vision Ophthalmology Group GmbH), Germany	April, 2021	700	190	Medtech
Healthcare 21 Group, Ireland	April, 2021	1,700	450	Medtech
Bio-Connect Group, Netherlands	September, 2021	140	31	Labtech
Fischer Medical ApS, Denmark	November, 2021	60	12	Medtech
Camanio AB, Sweden	December, 2021	13	18	Medtech
		3,261	898	

Acquisitions accessed after the end of the financial year	Time	Net Sales, SEKm*	Number of employees*	Business area
MBA Incorporado S.L, Spain	January, 2022	670	285	Medtech
Business from Telia Health Monitoring, Sweden	Q1, 2022	4	8	Medtech
		674	293	

** Refers to conditions at the time of acquisition on a full-year basis.*

Seven acquisitions were completed during the financial year, of which two were not assessed by the time of the year end:

On April 7, 2021, all shares was acquired in AddVision (previous Vision Ophthalmology Group), a leading European distributor and manufacturer of ophthalmology and eye surgery products, with operations in Switzerland, Germany, the United Kingdom and Poland. The deal closed on April 8, 2021 and VOG is consolidated into AddLife from this date. The initial purchase price was EUR 165m, 50 percent of which was paid in cash and 50 percent was paid via existing repurchased and newly issued class B shares. The number of shares issued totalled 5,362,216 class B shares, of which 3,862,216 shares were newly issued class B shares and 1,500,000 class B shares were existing shares held in treasury. An additional cash purchase price of a maximum of EUR 18m may become payable by 2024 at the latest, based on financial results achieved by the business through 2023.

On April 12, 2021, all shares was acquired in Healthcare 21 Group, a leading independent life science distributor with operations in Ireland and the UK, was completed. Access to the shares took place on the same day as the acquisition date and HC21 is consolidated from this date. The initial purchase price was EUR 240m, 74 percent of which was paid in cash, financed through existing and expanded credit facilities, and approximately 26 percent was paid for using 4,089,742 newly issued class B shares in AddLife. An additional cash consideration of a maximum of EUR 5m may become payable to the management by 2024 at the latest, based on the financial results achieved by the business through 2023.

On September 1, 2021, all shares was acquired in Bio-Connect Group, for inclusion in the Labtech business area, with operations in Benelux. Bio-Connect markets and sells a wide-ranging portfolio of leading brands from mainly research-oriented suppliers in Life Science, diagnostics, food, pharma and veterinary. The company has a turnover of approximately EUR 14 million and 31 employees.

On November 1, 2021, all shares was acquired in Fischer Medical ApS to the Medtech business area. Fischer Medical is a distriutor of medical instruments and implants for orthopedic surgery and non-invasive gynecology with operations mainly in Denmark and Sweden. The company has a turnover of approximately SEK 60m and 12 employees.

On December 1, 2021, all shares in Camanio AB, was acquired, for inclusion in the Medtech business area. Camanio is a Swedish digital care technology provider specialising in individual-centred smart solutions for home care. The company reported net sales of approximately SEK 13 million in 2020 and has 18 employees.

On December 20, 2021, an agreement was signed to acquire the operations from Telia Health Monitoring to the Medtech business area. Telia Health Monitoring develop and provides a digital platform solution that enables self-monitoring by patients with chronic diseases. The business, with sales of SEK 4m, and its 8 employees, will be integrated into Camanio. Completion is expected to take place in the first quarter of 2022.

On December 22, 2021, an agreement was signed to acquire all the shares in MBA Incorporade S.L, a leading Spanish orthopaedic and trauma surgery business. MBA is acquired from Atlanta Private Equity, which owns approximately 75 percent, and a number of minority shareholders, which own 25 percent. The total purchase price for the equity amounts to EUR 111 million in cash and is being financed through extended credit facilities. MBA will operate as a separate subgroup and will be part of the Medtech business area. The acquisition was completed and the shares accessed on January 20, 2022. MBA has annual net sales of approximately SEK 670m and 285 employees.

The effect of the acquisitions completed during the financial year on the AddLife Group's net sales was SEK 1,750m, on EBITA SEK 211m, on operating profit SEK 73m and on profit after tax for the interim period SEK 26m. Had the acquisitions, been completed on January 1, 2021, their impact would have been approximately SEK 2,530m on net sales, on EBITA SEK 309m and on operating profit SEK 112m and SEK 48m on profit after tax.

The fair value of not yet paid contingent consideration for acquisitions made during the interim period is calculated to SEK 258m, which is approximately 91 percent of the maximum outcome. The outcome depends on the results achieved in the companies and has a set maximum level. An additional contingent consideration of SEK 6m has been paid during the interim period regarding the acquisition of Euroclone during year 2020.

According to the preliminary and determined acquisition analyses, the assets and liabilities included in the acquisitions carried out during the financial year 2021 were as follows:

Fair value	AddVision	Healthcare 21 Group	Other acquisitions	Total
Intangible non-current assets	821	890	256	1,967
Other non-current assets	54	163	2	219
Inventories	139	405	22	566
Other current assets	203	267	59	529
Deferred tax liability/tax asset	-163	-157	-47	-367
Other liabilities	-275	-923	-58	-1,256
Acquired net assets	779	645	234	1,658
Goodwill	1,234	2,002	163	3,399
Consideration ¹	2,013	2,647	397	5,057
Less: cash and cash equivalents in acquired businesses	-67	-47	-26	-140
Less: Consideration paid with shares	-1,004	-802	-	-1,806
Contingent consideration not yet paid	-187	-46	-39	-272
Effect on the Group's cash and cash equivalents	755	1,752	332	2,839

¹ The consideration is stated excluding acquisition expenses.

The goodwill resulting from the acquisitions is attributable to expectations that the Group's position in the market in question for each acquisition will grow stronger and to the knowledge accumulated in the companies acquired. Fair value on shares being part of the purchase price has been decided based on average share price during an agreed measurement period. Transaction costs for the acquisitions totalled SEK 56m and are recognised as selling expenses. Revaluation of liabilities for contingent consideration added costs of SEK 6m during the interim period, which is recognised as other operating costs.

Employees

At the end of the financial year, the number of employees was 1,802, compared to 1,112 at the beginning of the financial year. During the financial year, the completed acquisitions have led to an increase of 701 employees. The average number of employees for the last 12-month period was 1,548 (1,004).

During the quarter AddLife has performed senior management changes where Martin Almgren will leave the role as CFO to become Business Unit Manager for Medtech. Martin succeeds Ove Sundin, who will take the role of senior advisor. Christina Rubenhag has been recruited as new CFO and will join during the second quarter of 2022. Martin Almgren will continue as CFO until Christina Rubenhag joins the group.