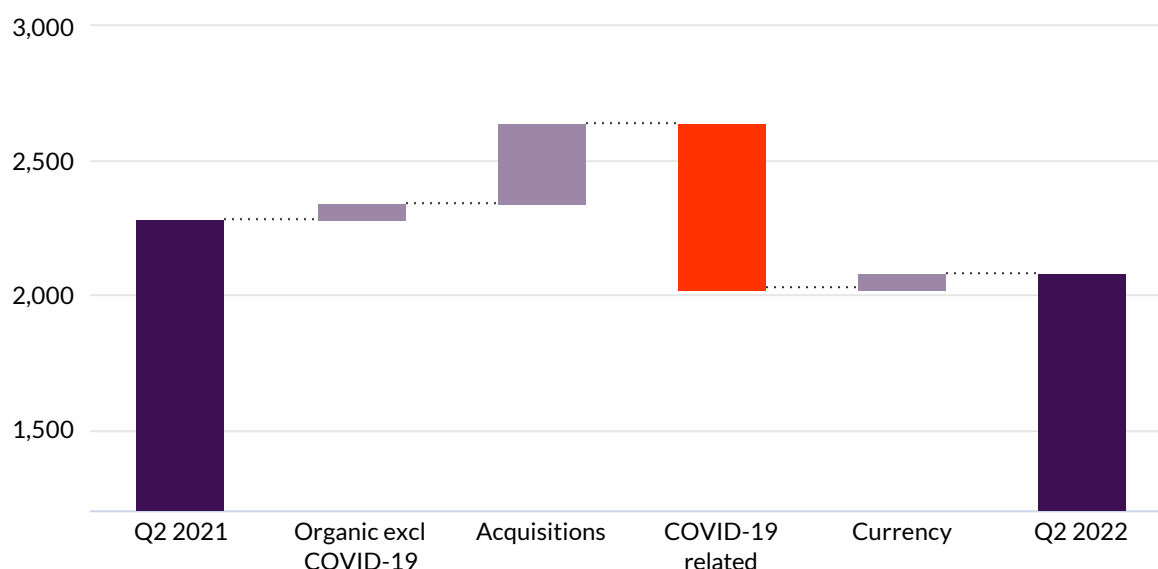


## Group development in the quarter

Net sales in the quarter decreased by 9 percent to SEK 2,079m (2,276). The acquired growth totalled 13 percent and organic growth, excluding COVID-19 amounted to 4 percent. Net sales related to COVID-19 decreased significantly to SEK 87m (704). Exchange rate changes had a positive impact of 2 percent on net sales in the quarter, corresponding to SEK 57m.

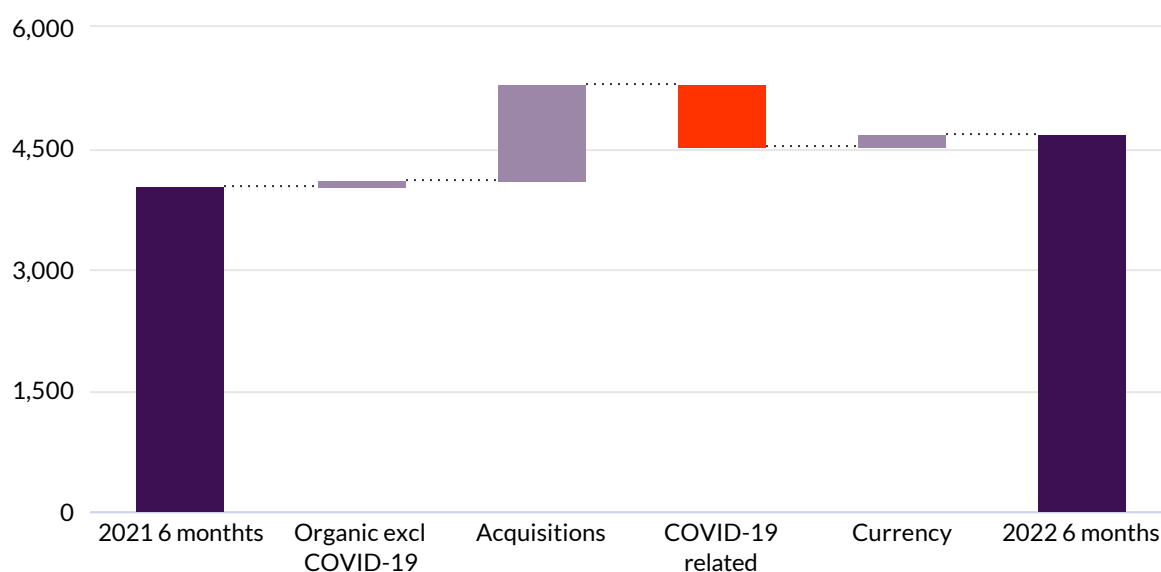


EBITA decreased by 28 percent to SEK 240m (332) and EBITA-margin amounted to 11.6 percent (14.6). Development cost regarding digital solutions for self-monitoring has had a negative impact on the result of SEK 11m in the Medtech business area. Exchange rate changes had a positive effect on EBITA, corresponding to SEK 6m.

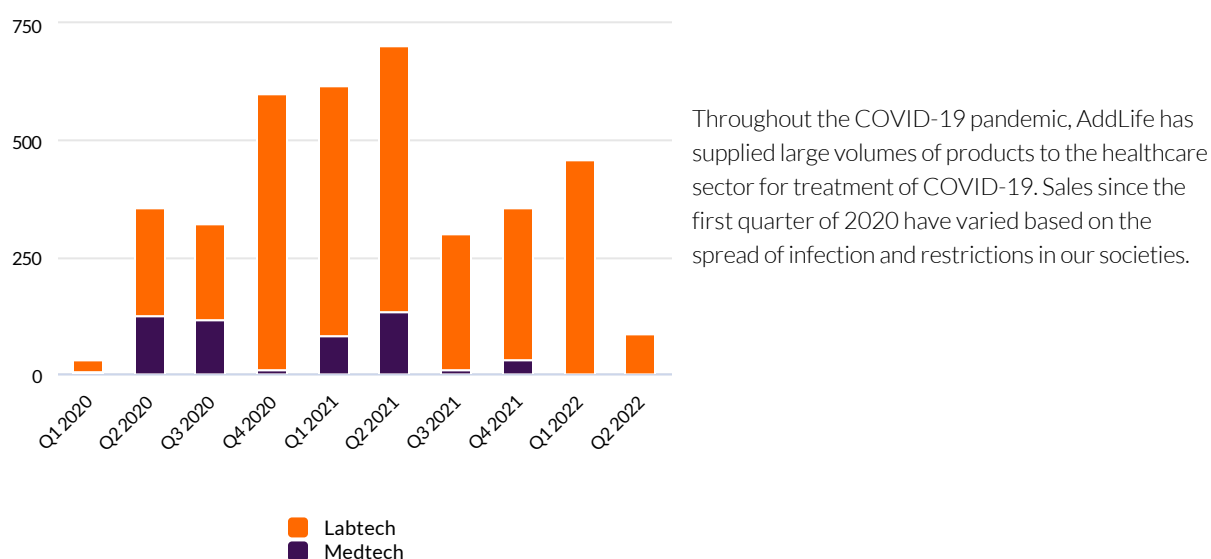
Net financial items amounted to SEK -44m (-16) and profit after financial items amounted to SEK 94m (237). The increased negative net financial items is due to interest costs related to the acquisitions and exchange rate fluctuations. Interest expenses amounted to SEK 22m and exchange rate losses to SEK 27m. Exchange rate losses are related to recalculation of loans and contingent considerations in foreign currencies. Profit after tax for the quarter decreased by 57 percent to SEK 76m (178) and the effective tax rate was 19 percent (25). The decreased effective tax rate is due to non-deductible transaction related costs in the quarter last year.

## Group development in the interim period

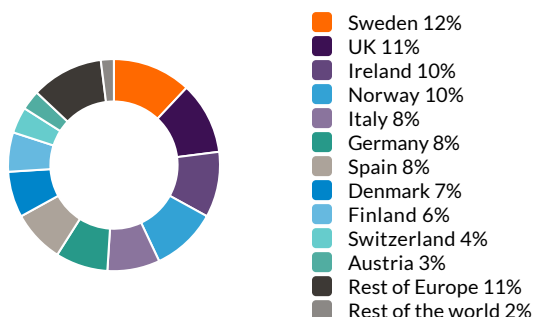
Net sales in the interim period increased by 16 percent to SEK 4,658m (4,012). Acquired growth totalled 30 percent and organic growth, excluding COVID-19 amounted to 3 percent. Net sales related to COVID-19 decreased significantly to SEK 546m (1,323). Exchange rate changes had a positive impact on net sales of 3 percent, corresponding to SEK 148m.



EBITA increased by 3 percent to SEK 675m (658) and EBITA-margin amounted to 14.5 percent (16.4). Development cost regarding digital solutions for self-monitoring has had a negative impact on the result of SEK 14m in the Medtech business area. Exchange rate changes had a positive effect on EBITA, corresponding to SEK 21m.



Net financial items amounted to SEK -93m (-20) and profit after financial items amounted to SEK 383m (524). The increased negative net financial items is due to interest costs related to the acquisitions as well as exchange rate losses. Interest expenses amounted to SEK 43m and exchange rate losses to SEK 52m. Exchange rate losses are related to recalculation of loans and contingent considerations in foreign currencies. Profit after tax decreased with 26 percent amounting to SEK 301m (404) and the effective tax rate was 21 percent (23).



Sales in the Nordic markets amounted to 35 percent of total net sales compared to 49 percent last year (full year 2021). The change in geographical markets is due to the acquisitions in Europe during 2021-2022.

The war in Ukraine has not had a significant economic impact on the financial reports, but it can not be ruled out that this will happen in the future. We follow market developments closely, where we notice rising inflation, higher raw material and shipping costs and greater uncertainty about interest rate developments.

## Financial position and cash flow

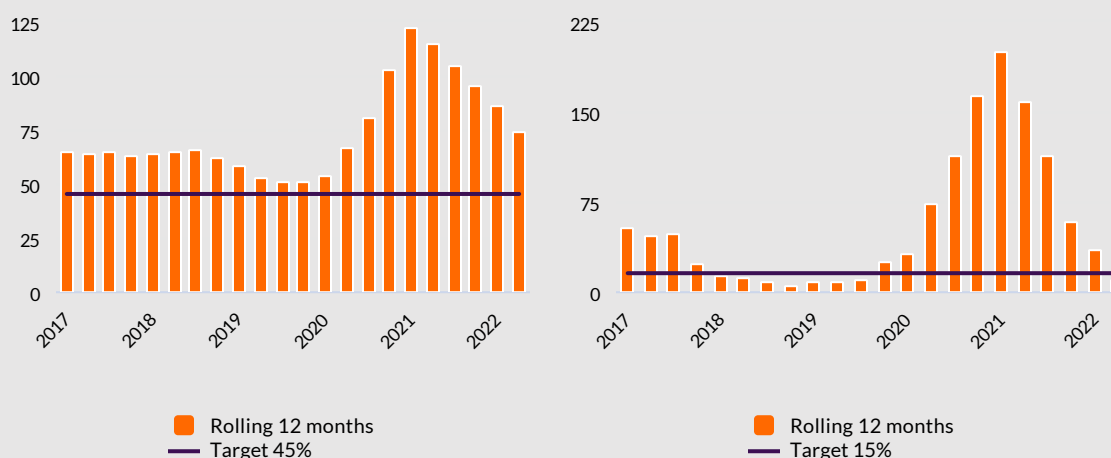
At the end of the interim period, the equity ratio stood at 36 percent (40). Equity per share totalled SEK 37.30 (35.14) and the return on equity at the end of the quarter was 14 percent (22). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 74 percent (95). The slight decrease is mainly due to a relatively higher working capital, due to acquisitions.

The Group's interest-bearing net debt at the end of the interim period totalled SEK 5,557m (3,870), including pension liabilities of SEK 67m (82) and leasing liabilities of SEK 365m (339). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions and leasing liability, totalled 1.2 compared to 0.9 at the beginning of the interim period. The acquisitions made during the last few years have been financed through increased debt. In connection with the accession of MBA Incorporado S.L, new loans of EUR 98.5m were taken out, whereof EUR 39.5m were used for debt settlement. The credit agreement runs for 12 months with an extension option of up to a further 24 months. The group has good margin in the covenants according to the bank agreements and we intend to lower net debt through own cash flow.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 448m (674) on June 30, 2022.

Cash flow from operating activities reached SEK 538m (384) during the interim period. The change is mainly due to improved working capital compared with previous year. Acquisitions of companies amounted to SEK 796m (2,514). Net investments in non-current assets during the interim period amounted to SEK 128m (64). The increase is attributable to investments in instruments for rental to customers. Repurchase of treasury shares amounted to SEK 49m (0). Exercised, issued and repurchased call options amounted to SEK 5m (-5). Dividend paid to the parent company's shareholders amounted to SEK 243m (183).

## Long term financial goals



## Acquisitions

Acquisitions completed from the 2021 financial year are distributed among the Group's business areas as follows:

Acquisitions	Time	Net Sales, SEKm*	Number of employees*	Business area
AddVision, 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
MBA Incorporado S.L, Spain	January, 2022	670	285	Medtech
Business from Telia Health Monitoring, Sweden	March, 2022	4	8	Medtech
O'Flynn Medical Ltd, Ireland	April, 2022	64	36	Medtech
BioCat GmbH, Germany	April, 2022	90	20	Labtech
JK Lab Nordic AB, Sweden	July, 2022	24	6	Labtech
		<b>3,465</b>	<b>1,056</b>	

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

Four acquisitions were completed during the interim period:

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. Access took place on March 1, 2022 and the business, with sales of SEK 4m, and its eight employees, have been integrated into Camanio.

On December 22, 2021, an agreement was signed to acquire all the shares in MBA Incorporado 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 final purchase price amounts to a total of EUR 59 million after debt settlement and is 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.

On 1 April 2022, AddLife acquired all shares in the Irish company O'Flynn Medical Ltd. O'Flynn Medical is an independent

distributor offering product sales, rental and technical services to the hospital sector, private customers and nursing homes in Ireland. The company will become part of the Healthcare 21 Group, which AddLife acquired to the business area Medtech in 2021. O'Flynn has sales of approximately EUR 6.4 million and 36 employees.

On 1 April 2022, AddLife acquired all shares in the German company BioCat GmbH to the Labtech business area. BioCat is a specialized distributor of products and services to the life science research market with annual revenues of EUR 9 million and has 20 employees. The company is located in Germany but also has sales in Austria and Switzerland.

The effect of the acquired companies completed during the interim period on the AddLife Group's net sales was SEK 438m, on EBITA SEK 86m, on operating profit SEK 63m and on profit after tax for the interim period SEK 41m. Had the acquisitions, been completed on January 1, 2022, their impact would have been approximately SEK 479m on net sales, on EBITA SEK 94m and on operating profit SEK 69m and SEK 46m on profit after tax.

According to the preliminary acquisition analyses, the assets and liabilities included in the acquisitions carried out during the financial year 2022 were as follows:

<b>Fair value</b>	<b>Total</b>
Intangible non-current assets	560
Other non-current assets	443
Inventories	271
Other current assets	445
Deferred tax liability/tax asset	-128
Other liabilities	-985
Acquired net assets	606
Goodwill	354
Consideration <sup>1</sup>	960
Less: cash and cash equivalents in acquired businesses	-194
Contingent consideration not yet paid	-16
<b>Effect on the Group's cash and cash equivalents</b>	<b>750</b>

<sup>1</sup> 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. Transaction costs for the acquisitions totalled SEK 12m and are recognised as selling expenses. Revaluation of liabilities for contingent consideration added costs of SEK 4m during the interim period, which is recognised as other operating costs. An additional contingent consideration of SEK 31m has been paid during the interim period regarding the acquisition of Euroclone and Ropox during year 2020.

## Employees

At the end of the interim period, the number of employees was 2,194, compared to 1,802 at the beginning of the financial year. During the interim period, the completed acquisitions have led to an increase of 349 employees. The average number of employees for the last 12-month period was 1,943 (1,191).