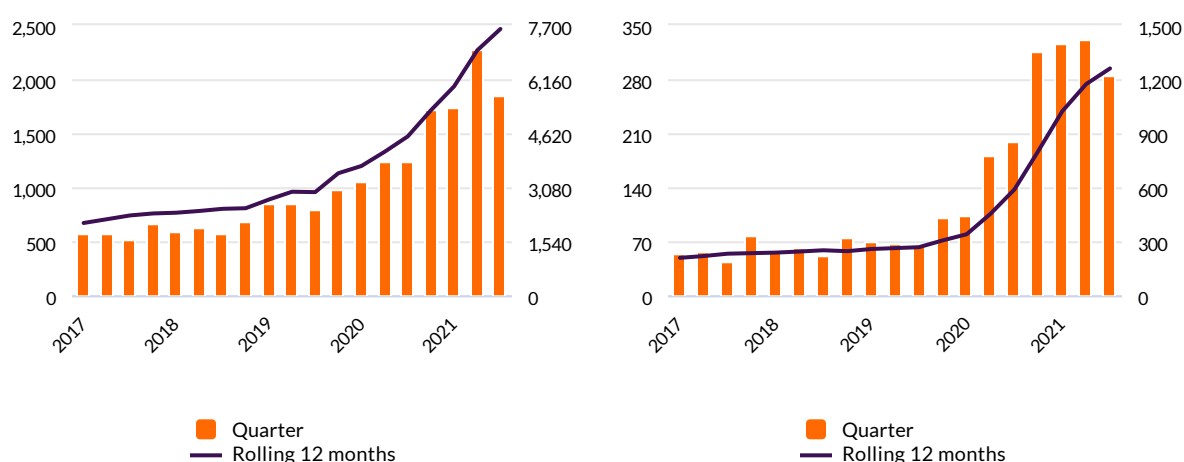


Group development in the quarter

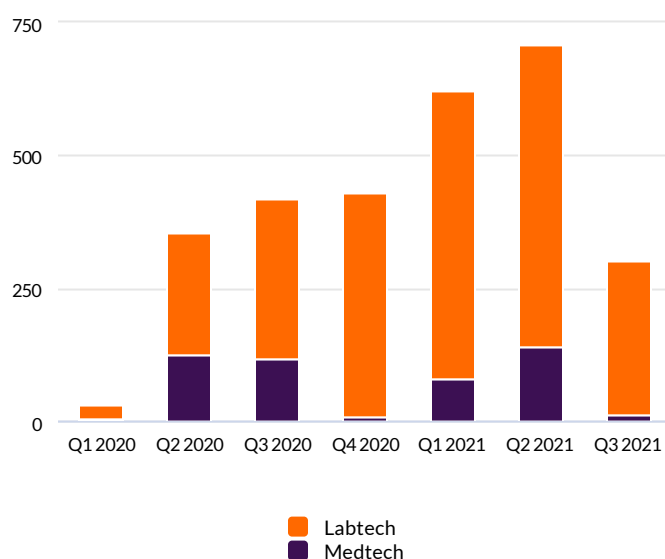
Net sales in the quarter increased by 49 percent to SEK 1,850m (1,241). The organic sales decreased by 5 percent and acquired growth totalled 54 percent. Exchange rate changes had no impact on net sales in the quarter. Net sales related to COVID-19 accounted for SEK 300m (420) and organic growth, excluding COVID-19 amounted to 9 percent. EBITA increased by 44 percent to SEK 286m (199) and EBITA-margin amounted to 15.5 percent (16.1). Exchange rate changes had a positive effect on EBITA, corresponding to SEK 1m.

Net financial items amounted to SEK -27m (-4) and profit after financial items amounted to SEK 180m (165). The increased negative net financial items is due to interest costs related to the acquisitions. Profit after tax for the quarter increased with 8 percent amounting to SEK 139m (127) and the effective tax rate was 23 percent (23).



Group development in the interim period

Net sales in the interim period increased by 65 percent to SEK 5,862m (3,542). Organic growth was 22 percent and acquired growth totalled 46 percent. Exchange rate changes had a negative impact on net sales of 3 percent, corresponding to SEK 109m. Net sales related to COVID-19 accounted for SEK 1,630m (805) and organic growth, excluding COVID-19 amounted to 6 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 hospitals' needs to care for critically ill patients.

EBITA increased by 94 percent to SEK 944m (486) and EBITA-margin amounted to 16.1 percent (13.7). Transaction costs amounting to SEK 30m and stamp duty of SEK 24m related to acquired shares is included in the result. EBITA excluding acquisition-related costs amounted to SEK 998m with an EBITA margin of 17.0 percent. The higher margin is due to increased volumes and continued restrained costs. Exchange rate changes had a negative effect on EBITA, corresponding to SEK 18m.

Net financial items amounted to SEK -47m (-11) and profit after financial items amounted to SEK 704m (383). The increased negative net financial items is due to interest costs related to the acquisitions. Profit after tax increased with 80 percent amounting to SEK 543m (301) and the effective tax rate was 23 percent (21). The higher effective tax rate is due to non-deductible transaction related costs connected to the acquisitions.

Financial position and cash flow

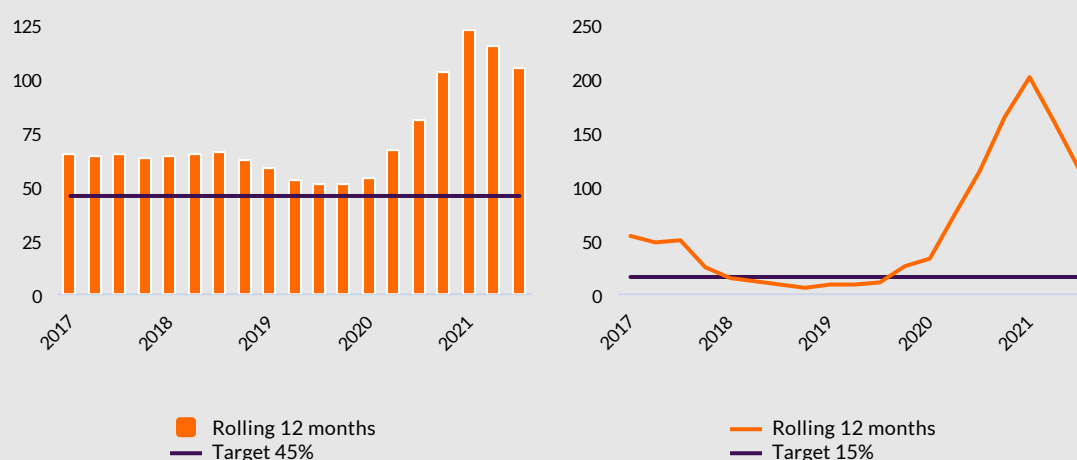
At the end of the interim period, the equity ratio stood at 40 percent (46). Equity per share totalled SEK 33.46 (16.73) and the return on equity at the end of the interim period was 28 percent (31). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 105 percent (103). The increase is mainly due to the increased EBITA result but is but counteracted by the increased working capital, mainly trade payables.

The Group's interest-bearing net debt at the end of the interim period totalled SEK 3,998m (700), including pension liabilities of SEK 77m (81) and leasing liabilities of SEK 331m (233). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions and leasing liability, totalled 1.0 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 525m (1,006) on 30 September 2021. The decrease is due to the financing of the acquisitions in the interim period.

Cash flow from operating activities reached SEK 617m (391) during the interim period. The increase is due to the strong result but is counteracted by large payment of trade payables. Acquisitions of companies amounted to SEK 2,660m (74). Investments in non-current assets during the interim period amounted to SEK 99m (61). Disposals of non-current assets amounted to SEK 6m (6). Repurchase of treasury shares amounted to SEK 0m (31). Exercised, issued and repurchased call options amounted to SEK 12m (40). Dividend paid amounted to SEK 183m (0).

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, 2021	80	17	Medtech
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
		3,188	868	

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

Three acquisitions were completed during the interim period:

On April 7, 2021, all shares was acquired in Vision Ophthalmology Group GmbH (VOG), 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.

The effect of the acquisitions on the AddLife Group's net sales was SEK 1,157m, on EBITA SEK 131m, on operating profit SEK 42m and on profit after tax for the interim period SEK 8m. Had the acquisitions, been completed on January 1, 2021, their impact would have been approximately SEK 1,888m on net sales, on EBITA SEK 238m and on operating profit SEK 99m and SEK 45m on profit after tax.

The fair value of not yet paid contingent consideration for acquisitions made during the interim period is calculated to SEK 250m, which is approximately 97 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 acquisition analyses, the assets and liabilities included in the acquisitions carried out during the interim period 2021 were as follows:

Fair value	Vision Ophthalmology Group	Healthcare 21 Group	Other acquisitions	Total
Intangible non-current assets	821	890	117	1,828
Other non-current assets	54	163	1	218
Inventories	139	405	2	546
Other current assets	203	267	19	489
Deferred tax liability/tax asset	-163	-157	-23	-343
Other liabilities	-275	-923	-17	-1,215
Acquired net assets	779	645	99	1,523
Goodwill	1,234	2,002	78	3,314
Consideration ¹	2,013	2,647	193	4,853
Less: cash and cash equivalents in acquired businesses	-67	-47	-15	-129
Less: Consideration paid with shares	-1,004	-802	0	-1,806
Contingent consideration not yet paid	-187	-46	-33	-266
Effect on the Group's cash and cash equivalents	755	1,752	145	2,652

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 54m 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 interim period, the number of employees was 1,778, compared to 1,112 at the beginning of the financial year. During the interim period, the acquisitions have led to an increase of 671 employees. The average number of employees for the last 12-month period was 1,365 (965).