Consolidated income statement, condensed

Income statement	3 months ending		12 months ending	
SEKm	**31 Dec 21**	**31 Dec 20**	**31 Dec 21**	**31 Dec 20**
Net sales	2,131	1,731	7,993	5,273
Cost of sales	-1,351	-1,124	-5,136	-3,455
Gross profit	**780**	**607**	**2,857**	**1,818**
Selling expenses	-426	-249	-1,486	-874
Administrative expenses	-123	-89	-388	-273
Research and Development	-9	-8	-34	-24
Other operating income and expenses	23	17	47	25
Operating profit	**245**	**278**	**996**	**672**
Financial income and expenses	-22	-2	-69	-13
Profit after financial items	**223**	**276**	**927**	**659**
Tax	-45	-57	-206	-139
Profit for the period	**178**	**219**	**721**	**520**
Attributable to:				
Equity holders of the Parent Company	*178*	*218*	*719*	*518*
Non-controlling interests	*0*	*1*	*2*	*2*
Earnings per share (EPS) before dilution, SEK	1.46	1.94	6.03	4.63
Earnings per share (EPS) after dilution, SEK	1.45	1.93	6.01	4.61
Average number of shares after repurchases '000s	121,952	112,336	119,418	112,127
Number of shares at end of the period, '000	121,953	112,487	121,953	112,487
EBITA	329	316	1,273	802
Depreciations included in operating expenses				
- property, plant and equipment	-59	-39	-201	-144
- intangible non-current assets from acquisitions	-76	-32	-250	-110
- other intangible non-current assets	-8	-6	-27	-20

Statement of comprehensive income

	3 months ending		12 months ending	
SEKm	**31 Dec 21**	**31 Dec 20**	**31 Dec 21**	**31 Dec 20**
Profit for the period	**178**	**219**	**721**	**520**
Components that may be reclassified to profit for the period				
Foreign currency translation differences for the period	31	-52	72	-82
Components that can not be reclassified to profit for the period				
Revaluations of defined benefit pension plans	-6	-5	0	-5
Tax attributable to items not to be reversed in profit or loss	1	1	0	1
Other comprehensive income	**26**	**-56**	**72**	**-86**
Total comprehensive income	**204**	**163**	**793**	**434**
Attributable to:				
Equity holders of the Parent Company	*203*	*162*	*790*	*432*
Non-controlling interests	*1*	*1*	*3*	*2*

Consolidated balance sheet, condensed

SEKm	31 Dec 21	31 Dec 20
Goodwill	4,528	1,100
Other intangible non-current assets	2,663	903
Property, plant and equipment	627	434
Financial non-current assets	27	20
Total non-current assets	**7,845**	**2,457**
Inventories	1,189	640
Current receivables	1,217	837
Cash and cash equivalents	345	216
Total current assets	**2,751**	**1,693**
Total assets	**10,596**	**4,150**
Total equity	**4,291**	**1,890**
Interest-bearing provisions	114	110
Non-interest-bearing provisions	489	161
Non-current interest-bearing liabilities	788	242
Non-current non-interest-bearing liabilities	2	1
Total non-current liabilities	**1,393**	**514**
Non-interest-bearing provisions	10	9
Current interest-bearing liabilities	3,314	564
Current non-interest-bearing liabilities	1,588	1,173
Total current liabilities	**4,912**	**1,746**
Total equity and liabilities	**10,596**	**4,150**

Statement of change in Group equity

	1 Jan 21 – 31 Dec 21			1 Jan 20 – 31 Dec 20		
Statement of change in Group equity, SEKm	**Equity excl. non-controlling interests**	**Non-controlling interests**	**Total equity**	**Equity excl. non-controlling interests**	**Non-controlling interests**	**Total equity**
Amount at beginning of period	1,882	8	1,890	1,467	9	1,476
Non-cash issue	1,524	–	1,524	–	–	–
Exercised and issued call options	-9	–	-9	58	–	58
Repurchase of treasury shares	-	–	–	-31	–	-31
Disposal of treasury shares	281	–	281	12	–	12
Dividend	-183	-5	-188	-56	-3	-59
Non-controlling interests	-	0	0	–	0	0
Total comprehensive income	790	3	793	432	2	434
Amount at the end of the period	**4,285**	**6**	**4,291**	**1,882**	**8**	**1,890**

Cash flow statement, condensed

Cash flow statement, condensed	3 months ending		12 months ending	
SEKm	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
Profit after financial items	223	276	927	659
Adjustment for items not included in cash flow	107	51	449	280
Income tax paid	-105	-45	-252	-97
Changes in working capital	168	277	-114	108
Cash flow from operating activities	**393**	**559**	**1,010**	**950**
Net investments in non-current assets	-41	-29	-134	-84
Acquisitions and disposals	-183	-259	-2,843	-333
Cash flow from investing activities	**-224**	**-288**	**-2,977**	**-417**
Dividend paid to shareholders	-	-56	-183	-56
Exercised and issued call options	3	18	-9	58
Repurchase of treasury shares	-	-	-	-31
Borrowings	-20	473	2,649	265
Repayments on loans	-23	-604	-260	-614
Other financing activities	-32	64	-127	-6
Cash flow from financing activities	**-72**	**-105**	**2,070**	**-384**
Cash flow for the period	97	166	103	149
Cash and cash equivalents at beginning of period	**237**	**76**	**216**	**99**
Exchange differences on cash and cash equivalents	11	-26	26	-32
Cash and cash equivalents at end of the period	**345**	**216**	**345**	**216**

Key financial indicators

	12 months up until			
	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Net sales, SEKm	7,993	5,273	3,479	2,482
EBITA, SEKm	1,273	802	305	245
EBITA margin, %	15.9%	15.2%	8.8%	9.9%
Profit growth, EBITA, %	59%	163%	25%	5%
Return on working capital (P/WC), %	95%	103%	51%	62%
Profit for the period, SEKm	721	520	142	129
Return on equity, %	22%	31%	10%	16%
Financial net liabilities, SEKm	3,870	700	902	882
Financial net liabilities/EBITDA, multiple	2.6	0.7	2.1	3.3
Net debt/equity ratio, multiple	0.9	0.4	0.6	0.9
Equity ratio, %	40%	46%	45%	35%
Average number of employees	1,548	1,004	903	620
Number of employees at end of the period	1,802	1,112	932	873

Key indicators include IFRS 16 from 2019, previous comparative figures have not been restated.

Key ratio definitions can be found here.

Key financial indicators per share

	12 months up until			
	31 Dec 21	**31 Dec 20**	**31 Dec 19**	**31 Dec 18**
Earnings per share (EPS), SEK	6.03	4.63	1.28	1.29
Diluted EPS, SEK	6.01	4.61	1.28	1.29
Cash flow per share from operating activities, SEK	8.46	8.47	3.61	1.76
Shareholders' equity per share, SEK	35.14	16.73	13.07	9.08
Average number of shares after repurchases, '000s	119,418	112,127	111,083	100,458
Average number of shares adjusted for repurchases and dilution, '000s	119,966	112,652	111,297	100,458
Number of shares outstanding at end of the period, '000s	121,953	112,487	112,237	102,586
Number of shares outstanding at end of the period after dilution, '000s	122,501	113,012	112,451	102,586

The number of shares from a historical perspective has been restated to take the bonus issue into account (i.e. the value of the subscription right) in the completed new share issue in 2019, as well as the share split (1:4) completed in May 2020 and has been used in all calculations of metrics for SEK per share. The conversion factor is 4.041.

Parent company

The Parent Company's net sales for the financial year amounted to SEK 51m (41) and loss after financial items amounted to SEK -18m (-11). At the end of the financial year, the Parent Company's net financial debt amounted to SEK 3,122m (407). The share capital at the end of the financial year was SEK 62m (58).

Income statement

	3 months ending		12 months ending	
SEKm	**31 Dec 21**	**31 Dec 20**	**31 Dec 21**	**31 Dec 20**
Net sales	13	9	51	41
Administrative expenses	-20	-20	-68	-61
Operating profit/loss	**-7**	**-11**	**-17**	**-20**
Interest income/expenses and similar items	0	1	-1	9
Profit/loss after financial items	**-7**	**-10**	**-18**	**-11**
Appropriations	99	135	99	135
Profit/loss before taxes	**92**	**125**	**81**	**124**
Income tax expense	-17	-26	-15	-26
Profit/loss for the period	**75**	**99**	**66**	**98**

Balance sheet

Balance sheet, SEKm	31 Dec 21	31 Dec 20
Intangible non-current assets	0	0
Tangible non-current assets	0	0
Non-current financial assets	6,978	2,100
Total non-current assets	**6,978**	**2,100**
Current receivables	407	343
Total current assets	**407**	**343**
Total assets	**7,385**	**2,443**
Restricted equity	62	58
Unrestricted equity	2,850	1,175
Total equity	**2,912**	**1,233**
Untaxed reserves	120	96
Interest-bearing long-term liabilities	235	76
Non-interest-bearing long-term liabilities	1	1
Total long-term liabilities	**236**	**77**
Interest-bearing short-term liabilities	3,946	987
Non-interest-bearing short-term liabilities	171	50
Total short-term liabilities	**4,117**	**1,037**
Total equity and liabilities	**7,385**	**2,443**

Fair values on financial instruments

	31 Dec 21			31 Dec 20		
SEKm	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives measured at fair value through profit or loss	0	0	–	0	0	–
Total financial assets at fair value per level	**0**	**0**	**–**	**0**	**0**	**–**
Derivatives measured at fair value through profit or loss	0	0	–	2	2	–
Contingent considerations	349	–	349	86	–	86
Total financial liabilities at fair value per level	**349**	**0**	**349**	**88**	**2**	**86**

The fair value and carrying amount are recognized in the balance sheet as shown in the table above.
For quoted securities, the fair value is determined on the basis of the asset's quoted price in an active market, level 1. As at the reporting date the Group had no items in this category. For currency contracts and embedded derivatives, the fair value is determined on the basis of observable market data, level 2. For contingent considerations, a cash-flow-based valuation is performed, which is not based on observable market data, level 3. For the Group's other financial assets and liabilities, fair value is estimated to essentially correspond to the carrying amount.

Contingent considerations

	3 months ending		12 months ending	
SEKm	31 Dec 21	31 Dec 20	31 Dec 21	31 dec 20
Carrying amount, opening balance	**339**	**31**	**86**	**18**
Acquisitions during the period	4	58	251	72
Consideration paid	–	–	-6	–
Revaluation through profit or loss	–	1	6	1
Reversed through profit or loss	–	–	–	0
Interest expenses	4	0	9	0
Exchange differences	2	-4	3	-5
Carrying amount, closing balance	**349**	**86**	**349**	**86**

Pledged assets and contingent liabilities in the Group

SEKm	31 Dec 21	31 Dec 20
Contingent liabilities	41	41

Reconciliation key ratios

Return on equity	Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.	
	31 Dec 21	31 Dec 20
Profit/loss for the period (roll 12 months)	721	520
Average equity	3,263	1,683
Return on equity	**721/3,263=22%**	**520/1,683=31%**

Return on working capital (P/WC)	EBITA in relation to average working capital.	
	31 Dec 21	31 Dec 20
EBITA	1,273	802
Average working capital (WC)	1,347	781
P/WC	**1,273/1,347=95%**	**802/781=103%**

EBITA	Operating profit before amortization of intangible assets.	
	31 Dec 21	31 Dec 20
Operating profit (12 months rolling)	996	672
Amortization of intangible assets	277	130
EBITA	**1,273**	**802**

EBITA margin	Operating profit before amortization of intangible assets.	
	31 Dec 21	31 Dec 20
EBITA	1,273	802
Net sales (12 months rolling)	7,993	5,273
EBITA margin	**1,273/7,993=15.9%**	**802/5,273=15.2%**

Definitions

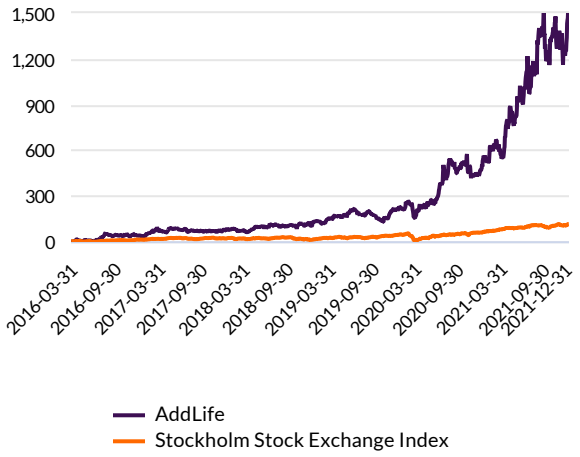
EBITA	Operating profit before amortization of intangible assets.
EBITDA	Operating profit before depreciation and amortization
Equity per share	Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period
Cash flow per share	Cash flow from operating activities, divided by the average number of shares.
Net debt/equity ratio	Financial net liabilities in relation to shareholders' equity
Earnings per share (EPS)	Shareholders' proportion of profit/loss for the year in relation to the average number of shares outstanding
Profit growth EBITA	This year's EBITA decreased by last year's EBITA divided by last year's EBITA.
Financial net liabilities	Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.
Equity ratio	Equity as a percentage of total assets.
COVID-19 related sales	Big orders of PPE and COVID-19 tests

The key figures presented above are central in order to understand and evaluate AddLifes business and financial position. The key figures are presented in the "Key financial indicators" table and they are commented on in other parts of year-end report. For additional information regarding choosen key ratios, please refer to AddLife's annual report 2020.
The comparison figures for income and expense items relate to values for the period January–December 2020 and for balance sheet items as at 31 December 2020 if nothing else is stated.

The share

The share capital at the end of the financial year amounted to SEK 62 million (58).

The number of repurchased own shares amounts to 497,489 Class B, corresponding to 0.4 percent of the total number of shares and 0.3 percent of the votes. The average purchase price for shares held in treasury amounts to SEK 52.12 per share. The average number of treasury shares held during the financial year was 895,322 (2,370,836). The share price at 30 December 2021 was SEK 381.40 and the most recent price paid for the AddLife share on 3 February 2022 was SEK 262.00.



Turnover and trading	Jan-Dec 2021
Lowest price, SEK	146.20
Highest price, SEK	390.00
Average daily turnover, SEK	61,791,786
Number of traded shares, no	57,949,667
Number of transactions, no	408,880

AddLife has three outstanding call option programmes totalling 2,110,000 Class B shares. Issued call options for treasury shares have resulted in a calculated dilution effect based on average share price for the interim period of approximately 0.5 percent (0.5). 880 options from the 2017/2021 program have been exercised during the financial year, corresponding to 3,696 B-shares. The remaining 55,323 options outstanding at the beginning of the financial year were repurchased at a price corresponding to market value. 2,300 share options from the 2018/2022 program have been exercised during the financial year corresponding to 9,660 B-shares and 167,700 options were repurchased at a price corresponding to market value.

Outstanding programmes	Number of warrants	Corresponding number of shares	Percentage of total number of shares	Exercise price	Exercise period
2021/2025	250,000	250,000	0.2%	259.0	10 Jun 2024 - 28 Feb 2025
2020/2024	250,000	1,000,000	0.9%	98.40	19 Jun 2023 - 28 Feb 2024
2019/2023	215,000	860,000	0.8%	76.60	20 Jun 2022 – 28 Feb 2023
Total	**715,000**	**2,110,000**			

On 31 December2021, the number of shareholders amounted to 13,879, where of 58 percent are Swedish owners with respect to capital share. The 10 biggest shareholders controlled 52 percent of number of capital and 62 percent of votes.

Shareholders 2021-12-31	Class A-shares	Class B-shares	Share in % of capital	Share in % of votes
Roosgruppen AB	2,160,604	2,724,727	3.99	14.84
Tom Hedelius	2,066,572	23,140	1.71	12.62
SEB Fonder	0	10,989,726	8.98	6.70
State Street Bank & Trust Company	0	10,383,700	8.48	6.33
Swedbank Fonder	0	8,635,688	7.05	5.27
Verdipapirfond Odin	0	6,830,008	5.58	4.16
Handelsbanken fonder	0	6,153,665	5.03	3.75
NTC Fidelity Funds Northern Trust	0	5,498,848	4.49	3.36
AMF - Försäkring och Fonder	0	5,374,002	4.39	3.28
BNY Mellon NA (Former Mellon)	0	4,489,930	3.67	2.74
Total the 10 biggest shareholders	**4,227,176**	**61,103,434**	**53.37**	**63.05**
Other shareholders	387,960	56,234,191	46.22	36.65
Total outstanding shares	**4,615,136**	**117,337,625**	**99.59**	**99.70**
Repurchased own shares Class B	-	497,489	0.41	0.30
Total registered shares	**4,615,136**	**117,835,114**	**100.00**	**100.00**

Source: Euroclear

Accounting policies

This year-end report was prepared in accordance with IFRS and IAS 34 Interim Financial Reporting. Information in accordance with IAS 34.16A exist, except in the financial statements and the related notes also in other parts of the year end report. The year-end report for the parent company was prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Securities Market Act (2007:528) in compliance with recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. The accounting policies and basis for calculations applied in the 2020 annual report for AddLife AB were also used in the interim report. The amendments to IFRSs applicable from 1 January, 2021 have no effects to AddLife's financial reports for the financial year ended 31 December, 2021.

Alternative performance measures

AddLife presents certain financial measures in the year-end report that are not defined according to IFRS. The Company believes that these measures provide valuable supplemental information to investors and the Company's management as they allow for evaluation of trends and the Company's performance. For additional information regarding choosen key ratios, please refer to AddLife's annual report 2020. Since all companies do not calculate financial measures in the same way these are not always comparable to measures used by other companies. These financial measures should therefore not be considered as a replacement for measurements as defined under IFRS. This report provides information in greater detail regarding definitions of financial performance measures.

Transactions with related parties

No transactions with related parties that materially affected the Group's financial position and earnings took place during the financial year.

Events after the end of the financial year

On December 22, 2021, AddLife signed an agreement to acquire all the shares in the Spanish company MBA Incorporado S.L. The agreement was signed with the majority owner and on January 20, 2022, the acquisition was completed and all shares were accessed. MBA is a leading independent orthopaedic surgery distributor with operations in Spain, Italy and Portugal. The company has a turnover of approximately EUR 67m and around 285 employees. The agreed purchase price for 100 percent of the equity amounts to EUR 111m cash. A preliminary purchase price allocation has been established:

Fair value	**MBA Incorporado S.L**
Intangible non-current assets	423
Other non-current assets	173
Inventories	270
Other current assets	304
Deferred tax liability/tax asset	18
Other liabilities	-326
Acquired net assets	862
Goodwill	286
Consideration[1]	1,148
Less: cash and cash equivalents in acquired businesses	-115
Effect on the Group's cash and cash equivalents	**1,033**

[1] The consideration is stated excluding acquisition expenses.

In connection to the acquisition, additional credits of EUR 98.5m have been raised with Handelsbanken. The credit agreement runs for twelve months with an extension option of up to a further 24 months.

Kristina Willgård has on February 3, 2022, informed AddLife AB:s Board of Directors that she plans to step down as CEO. The transition will take place when succession has been completed or during the latter part of 2022 at the latest.

No other events of significance to the Group occurred after the end of the financial year.

Risks and uncertainties

AddLife's earnings and financial position, as well as its strategic position, are affected by various internal factors within AddLife's control and various external factors over which AddLife has limited influence. AddLife's most significant external risks are the state of the economy and market trends combined with public sector contracts and policy decisions, as well as competition. The risks and uncertainties are the same as in previous periods. For more information, see the section "Risks and uncertainties" in the administration report, in AddLife's annual report 2020. The Parent Company is indirectly affected by the above risks and uncertainties through its function in the Group.

Proposal to the annual general meeting

The annual general meeting will be held in Stockholm, May 5th 2022 at 4 p.m.

AddLife's dividend policy involves an objective for a dividend corresponding to 30-50 percent of the Group's average profit after tax over a business cycle. The Board proposes that the Company should pay a dividend of SEK 2.00 per share.

The Board also decided to propose the following:

- Long-term incentive scheme aimed at senior executives.
- Board mandate to decide on new share issue up to 10 percent of the total of B shares as payment for acquisitions.
- Board mandate to buy back its own shares corresponding to a maximum of 10 percent of all shares in the Company.

Conference call

Investors, analysts and the media are invited to a conference call where CEO Kristina Willgård will present the year-end report. The presentation will be held in English and takes about 20 minutes, after which there will be an opportunity to ask questions. It will be recorded and made available online. If this is your first time using Teams, you will be asked to download an app.

The teleconference will be at 10:00 a.m. on February 4th 2022
If you wish to participate via teleconference, please follow this link>>
Or call in (only sound) +46 8 505 376 58 Conferens-ID: 862 373 160#

The presentation is also available on AddLife YouTube >>

Financial calendar

- The interim report for 1 January - 31 March 2022 will be published on 28 April 2022
- The annual general meeting (AGM) of AddLife AB (publ) will be held on 5 May 2022, 4 PM, Stockholm
- The interim report for 1 January - 30 June 2022 will be published on 15 July 2022

For further information, please contact:
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This information is information that AddLife AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 7:45 a.m. CET on February 4th, 2022.
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