ANNUAL REPORT 2021

AddLife

www.add.life

Table of contents

A leading player in Life Science

AddLife is a listed Swedish Medtech company active on the European market. AddLife owns and acquires companies in niche segments with offerings aimed primarily at the healthcare sector, from research to medical care.

The Group's entrepreneur-driven subsidiaries offer high-quality, cost-effective solutions and products to both the private and public sectors. The product portfolio consists partly of self-manufactured products and partly of products made by other manufacturers. The service portfolio includes advisory service, product service and training in all markets where the subsidiaries operate. With this approach AddLife creates added value for customers throughout Europe and builds long-term growth for the group. AddLife currently has a presence in over 25 countries in Europe.

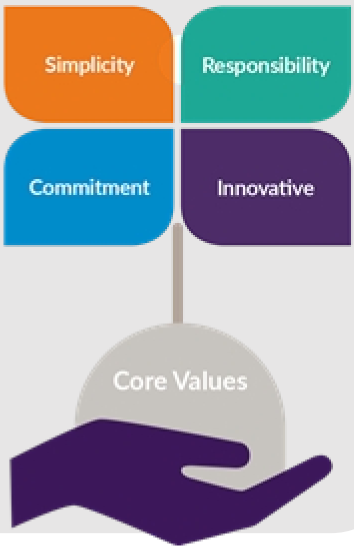
Quick guide to AddLife

- Operates in the European Life Sciences market
- Develops and acquires profitable, market-leading, niche companies with offerings aimed primarily at the healthcare sector, from research to medical care
- Deploys an entrepreneur-driven organisational model with subsidiaries that operate as independent businesses.
- The subsidiaries are divided into two business areas, Labtech and Medtech
- The AddLife share is listed on NASDAQ Stockholm, Nordic Large Cap list

VISION
To improve people's lives by being a leading, value-creating player in Life Science

MISSION
AddLife provides added value to its customers who are active in the healthcare sector, from research to medical care. This is done by offering high-quality, cost-effective solutions of services and products to both the private and public sectors in Europe

CORE VALUES
AddLife's core values are: Simplicity – Responsibility – Commitment – Innovative. AddLife's success is built on a well-supported corporate culture throughout the group. The group's core values governs AddLife's entrepreneurial business model.



THE YEAR IN SHORT

AddLife 2021

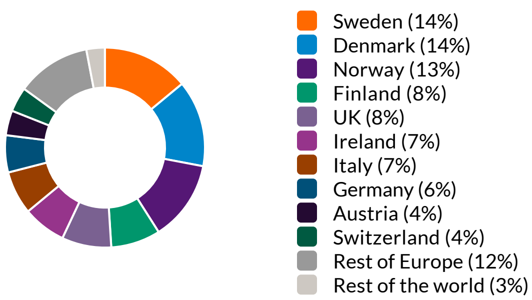
2021 was a successful year for AddLife, with seven acquisitions and an all-time high in revenue and profit. The acquisitions are expected to contribute total annual sales of approximately SEK 3,300 million. The COVID-19 pandemic has continued to have a significant impact on the Life Science market and the business situation. Sales increased by 52 percent, of which organic growth amounted to 11 percent.

52 %
SALES GROWTH

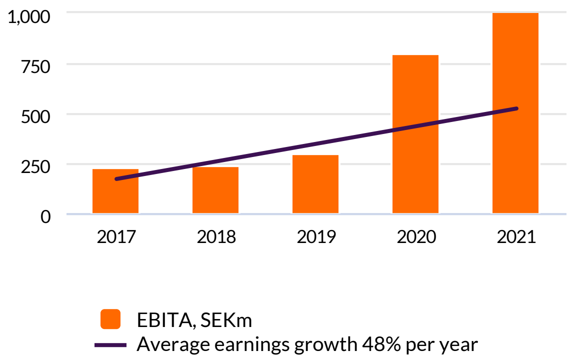
7,993	1,273	1,010
NET SALES SEKm	EBITA SEKm	OPERATING CASH FLOW SEKm

The significant increase in sales in combination with continued good cost control led to a positive earnings effect where EBITA increased by 59 percent compared with 2020. The result has generated a strong positive operating cash flow, which enables further investments in acquisitions and development for future growth.

ADDLIFE NET SALES BY MARKET 2021



EARNINGS GROWTH



The business situation in all markets was affected by the COVID-19 pandemic. The companies within Labtech have delivered large quantities of COVID-19 tests. The increase in sales within Medtech is primarily driven by acquisitions as we had limited sales of COVID-19 related products in the business area.

LABTECH

4,373

NET SALES SEKm

MEDTECH

3,625

NET SALES SEKm

Paving the way for further profitable growth

2021 was a busy year for AddLife, with seven acquisitions and an all-time high in revenue and profit. The COVID-19 pandemic has continued to have a significant impact on the Life Science market and the business situation.

What are your thoughts on the past year?
It was a successful year for AddLife. Our growth was outstanding and our expansion through strategic acquisitions will add value for the group going forward. Strong sales growth came partly from COVID-19 sales but also from the acquisitions. Revenue increased by 52 percent to almost SEK 8 billion and drove a 59 percent rise in EBITA. Our cash flow of more than SEK 1 billion gives us the scope to continue investing in both acquisitions and organic growth. Our companies did a fantastic job in generating business and responding to our customers' changing needs.

The Labtech business demonstrated strong growth, largely due to high sales of COVID-19 related products in the first half of the year, but also due to increased demand in non-COVID-19 segments. Thanks to solid contributions from our new acquisitions, we also had strong growth within Medtech. In total, we completed seven acquisitions that will add more than SEK 3.2 billion to our annual net sales and helped cement us as a European force in Life Science. Four of the year's acquisitions were outside the Nordics.

Do you foresee the European expansion continuing in 2022 and beyond?
Since floating on the stock exchange in 2016 AddLife has evolved from a group of 24 Nordic companies with combined sales of SEK 1.9 billion into a group of 80 companies spread across numerous European markets and with sales of SEK 8 billion. Our European businesses are now larger by revenue than our Nordic operations, which opens up many new opportunities for us. We certainly do see scope for further expansion in selected niches, both in the Nordic region and in Europe more widely.

What are your thoughts about integrating new acquisitions into the AddLife culture?
Our starting point when selecting acquisitions is that they are a good match for our culture, and the businesses we acquire evaluate us on the same basis. Sometimes they have competing offers on the table, yet they choose us because our cultures overlap and because they see us as a long-term owner that can provide the impetus and resources to accelerate their development. They understand we are business builders, not merely investment managers. And they know how our business model works: we achieve what we do together.

Teamwork is at the heart of the AddLife culture alongside our entrepreneurial spirit and decentralised organisation. There will always be some differences between, say, a Finnish company and a Spanish one, but the key point is we have the same basic philosophy, based on curiosity and a desire to work together. The companies we acquire share those values with us. We speak the same language.

What are your overall expectations for 2022?
We purposely reinvested some of our income from COVID-19 related sales in acquisitions, which will position us to continue delivering growth in the years ahead. We have always known that our COVID-19 based sales will decrease once the pandemic ends and that growth in other areas has to fill the gap.

We expect the pandemic to ease significantly from 2022 onwards and for growth to come instead from non-COVID-19 product segments, and we are well prepared for that. There is huge pent-up demand in our core business due to long waiting lists for elective surgeries, for example. We are also enthusiastic about the opportunities our recent acquisitions will bring in terms of access to larger markets, a wider customer base and more segments. As well as strengthening our ability to sell our products in new markets, the new additions will expand collaboration in our internal network. Furthermore, we have now created an even stronger platform to be able to add more companies to the group and generate value as a niche player in European Life Science.

You often stress the importance of people to AddLife's success. How happy are you with the organisation as it is today?
AddLife has a well-established corporate culture with committed employees who do a fantastic job every day. AddLife Academy plays an essential role in developing our culture and engaging and training our employees. We are a person-oriented organisation that seeks to encourage and engage talents. Expanding internationally and building our platform across multiple markets has of course been challenging, but we have succeeded thanks to the high level of knowledge and the strength of our organisation.

I am also pleased that we have continued to deliver strong profitability at a time of rapid growth. We speak a lot about the need to succeed in our day-to-day activities to ensure we generate the cash flow we need to continue expanding. AddLife's development since 2016 is proof that our decentralised business model with entrepreneurial business acumen really works.

We have never been so strong, both on the market and as an organisation, as we are currently. I am full of confidence that AddLife is well-positioned for future value creation and sustainable growth.

At the start of 2022, you announced you would step down as CEO. What led you to make that move after such a successful year?
I have had the privilege of leading AddLife's journey from a spin-off from Addtech in 2016 to a large-cap company on Nasdaq Stockholm that is a leading European Life Science company in selected niches. I am proud to have been CEO of the group and to have worked with all my fantastic colleagues during these years. It is a demanding job and stepping aside makes sense on a personal level. I wanted to leave at a time of strength, and that is truly the case for AddLife today. We have a solid platform, a strong management team, and so many great companies with exciting prospects, talented managers and employees.

We have never been so strong, both on the market and as an organisation, as we are currently. Ultimately, working in Life Sciences is about people, and making life better for others, and it's been a privilege to have had that opportunity with AddLife. I am full of confidence that AddLife is well-positioned for future value creation and sustainable growth.

At the time of writing, the war is raging in Ukraine following Russia's invasion. AddLife has donated medical equipment to Ukraine to a value of approximately SEK 7 million for emergency and intensive care. I would especially like to thank our committed employees who made this initiative possible. I once again feel proud and humbled that AddLife can contribute to improving people's lives in various ways.

Kristina Willgård

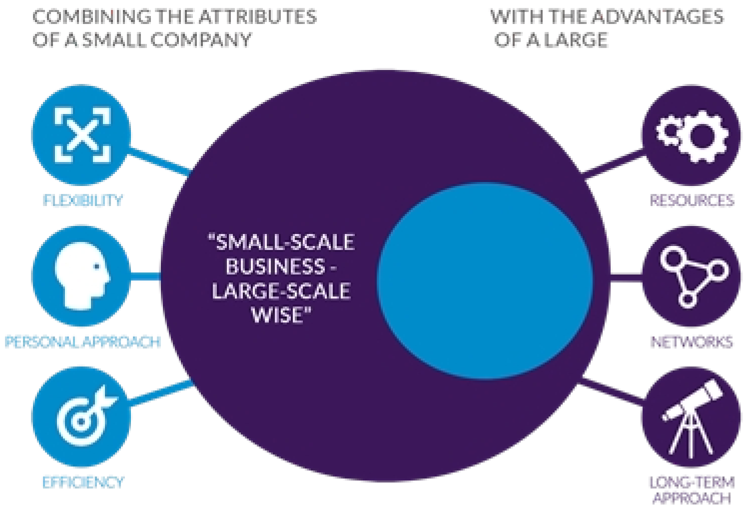
President and CEO

BUSINESS MODEL

Long-term profitable growth

AddLife develops and acquires profitable market-leading companies within Life Science. Our goal is to achieve long-term growth and sustainable development.

AddLife combines the strength of a large enterprise with the dedication and business skills of an entrepreneur. The parent company is an active owner with a focus on each subsidiary to promote growth and improve profitability. The subsidiaries are responsible for their own business activities within the context of the requirements that the group sets for growth, profitability and sustainable development.



The combination of the strength of a large enterprise with the commitment and business skills of the entrepreneur is an important factor for success for the AddLife group

An entity that works

We combine the advantages of the subsidiaries, such as flexibility, a personal approach and efficiency with AddLife's aggregate resources, networks and industrial expertise. AddLife is an active owner that prioritises business development together with the companies. In this way the group can optimise long-term sustainable growth and profitability. Our decentralised corporate structure also entails less dependence on individual customers and suppliers.

Market leader in selected niches

The Life Science market is large and relatively fragmented and overall, AddLife has a small market share in Europe. We are active in several attractive niches in various product segments and have established stable and growing sales in these areas. We are currently the market leader in several specific niches, in different geographies, nd in the fields of biomedical research and laboratory analysis, diagnostics such as blood gas analysis, medical technology, such as surgery and welfare technology.

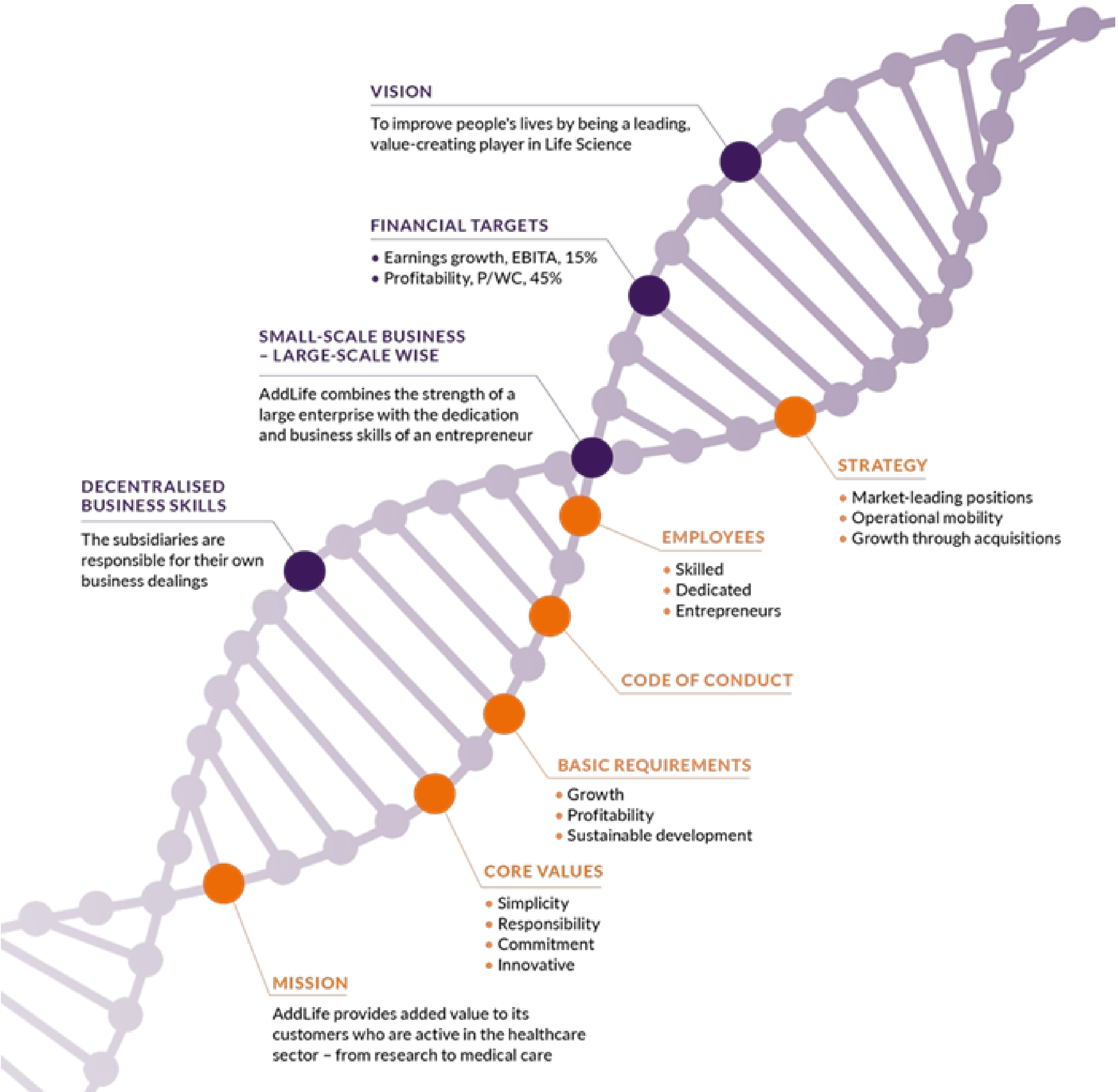
Customer contacts in our operating subsidiaries

All contacts and business relationships with customers take place in our operating subsidiaries, not through AddLife. Our customers, which can be found in both the private and public sectors, are primarily hospitals, homecare, laboratories within the healthcare sector, research, colleges, universities and the food and pharmaceutical industries. The majority can be found in the public sector, where sales take place through public procurement.

SMALL-SCALE BUSINESS - LARGE-SCALE WISE

AddLife's organisation is decentralised and entrepreneur-driven. Each subsidiary is responsible for its own business activities within the context of the requirements for growth, profitability and sustainable development set by the group. At the same time they have access to AddLife's collective resources, networks and expertise through the parent company. The parent company ensures financial stability, while providing tools and resources designed to help the subsidiaries to run their businesses more easily and efficiently. The parent company also runs the business school, AddLife Academy, that all employees attend and which has an important unifying function. The combination of the strength of a large enterprise with the commitment and business skills of the entrepreneur is an important factor for success for the AddLife group.

AddLife´s DNA



STRATEGY

Achieving sustainable growth

At AddLife we build our strategic approach on three basic actions that provide a platform for our activities. The strategy help us take the right decisions to ensure we operate sustainably and achieve our ambitious financial targets.

1. Lead the market

Market leadership in selected niches is important to achieve stable earnings growth and sustainable profitability. To achieve this goal, our businesses seek to:

- Create value and build positions in selected niches
- Be qualified suppliers and advisors to our customers in selected areas
- Build sales based on close relationships with customers, manufacturers and suppliers and the delivery of market-leading products

2. Be agile and mobile

Operational mobility is an agile approach that enables AddLife to create better conditions for business and profitability growth. To achieve this goal:

- Our subsidiaries act with speed and flexibility so they can seize new business opportunities
- We deploy active ownership to develop our subsidiaries and the business as a whole

3. Grow through acquisitions

Acquisitions are important to achieve our financial targets for long-term profit growth. To achieve this goal:

- We continuously search for new Life Science companies with the conditions to take leading niche positions
- We have a successful acquisition process for integration and development
- We acquire companies to maintain and further develop them in the long term

Long-term financial targets

Profit Growth 15% and high profitability double the earnings
The profit target, measured in EBITA, is long term growth of 15 percent per year. A yearly growth of 15 percent will double the profit in five years. The growth will be generated both organic and through acquisitions. Through our high profitability, P/WC 45 percent, we can finance the acquisitions with our own funds.

48%
ANNUAL EARNINGS
2016-2021

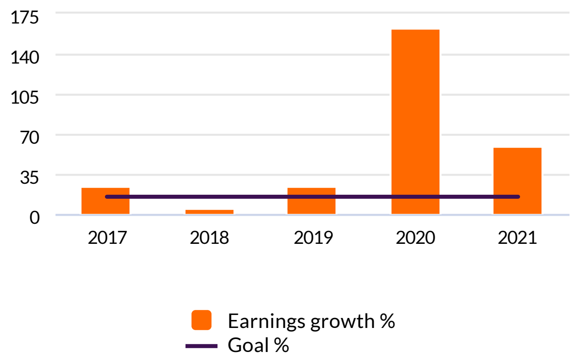
The goal is to double AddLife's profit in five years and to finance growth with the company's own funds through high profitability

Kristina Willgård
President and CEO

Earnings Growth EBITA, 15 percent

Earnings growth (EBITA) in the long term shall be 15 percent per year.

EARNINGS GROWTH

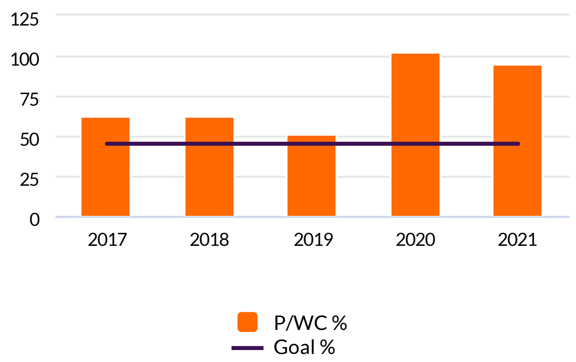


59 %
EARNINGS
GROWTH 2021

Profitability 45 percent

Profitability shall exceed 45 percent, measured as the ratio between operating profit (EBITA) and working capital (P/WC).

P/WC

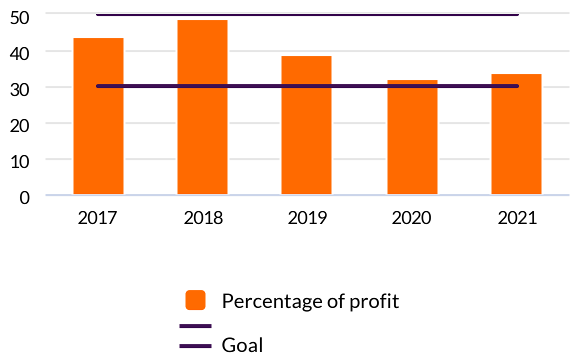


95 %
P/WC 2021

Dividend Policy 30-50 percent

AddLife's dividend policy entails a goal of a dividend corresponding to 30–50 percent of the group's average profit after tax. Investment needs and other factors that the company's board considers important are taken into account.

DIVIDEND



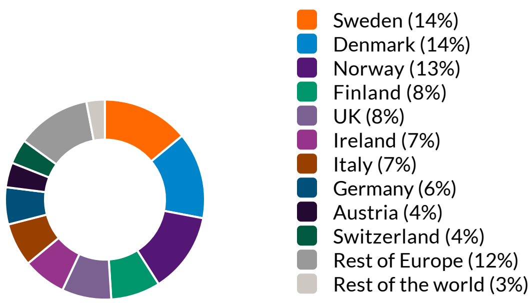
2.00
SEK/SHARE
2021

Leading player in the European Life Science market

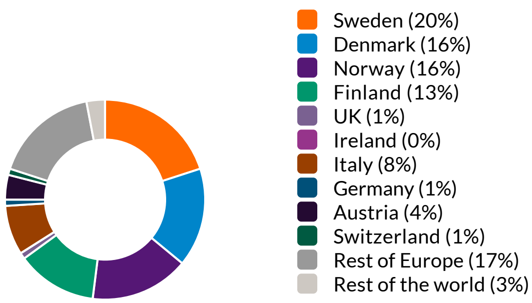
In recent years AddLife has, through several strategic acquisitions, developed from a Nordic into a European player.

The European expansion strengthens both existing and new supplier relationships and creates a larger internal network with increased opportunities to sell our own and other companies' products in new markets. Sales in markets outside the Nordic region accounted for 51 percent of net sales in 2021, compared to 35 percent in the previous year.

NET SALES PER MARKET 2021

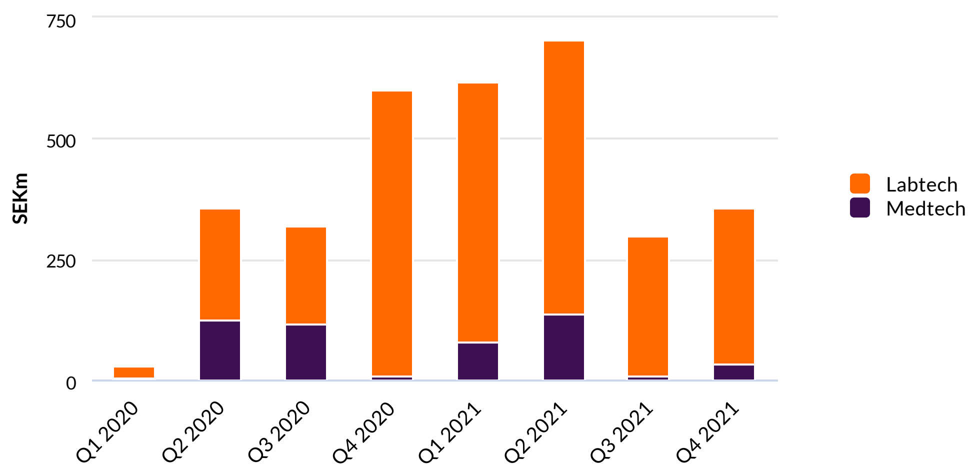


NET SALES PER MARKET 2020



Interest in diagnostics and viral research has increased during the COVID-19 pandemic. This has been reflected in increased sales in the Labtech business area, while the Medtech business area has experienced limited positive impact from pandemic-related sales. Medtech has been affected by canceled surgeries and challenges with testing and installation of homecare products.

COVID-19 RELATED NET SALES



Throughout the COVID-19 pandemic, AddLife has supplied large volumes of products to the healthcare sector for treatment of COVID-19. Since the first quarter of 2021 sales varied based on the spread of infection and restrictions in our communities.

Market overview

According to Medtech Europe [1], the European medtech market is worth about EUR 140 billion and has grown in total, more than 2 percent per year over the past decade. The market is fragmented and of Europe's 33,000 medical technology companies, 95 percent are small and medium-sized enterprises. Large international players and smaller niche companies usually sell products under their own brands and control the entire chain from production to distribution. The market also has distributors who, like AddLife, offer products from several manufacturers.

In Europe, an average of about 11 percent of GDP per country is spent on healthcare services. Just under 8 percent of the total cost of healthcare services is spent on medical device products. Common to all AddLife markets is that both medical care and academic research are primarily financed by public funding. This means that most transactions are carried out through procurement. In many markets, public procurement procedures are becoming larger in scope, often with long contract periods. This situation may be a threat for smaller players while also creating new opportunities. Currently, there is also a trend shifting from price-based evaluation towards models in which sustainability, quality of service and support are gaining in significance for the customer.

The pandemic is impacting the sector and industry in the long-term

Healthcare services in Europe are dominated by public providers in a regulated sector that sometimes can be perceived as conservative. During the pandemic, the sector had to adapt and act with short notice to meet the changing need for care.

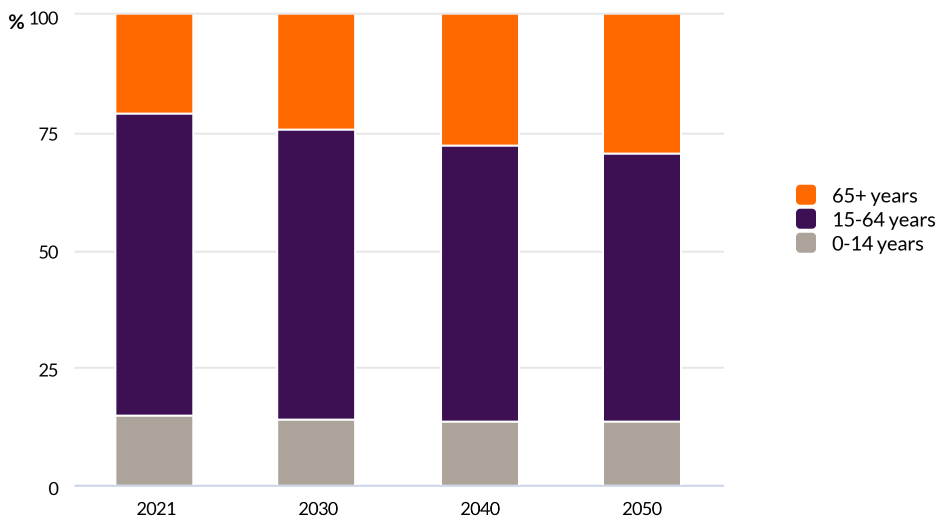
The increased focus on healthcare services has led to more and major funding initiatives and increased health budgets in most countries, as well as from the EU. Many of these efforts have been directed at pandemic-related areas such as vaccination programs or expanded opportunities for testing the population for COVID-19. Other areas are also covered, such as increased digitalisation and initiatives to reduce healthcare queues.

In 2021, healthcare queues continued to increase, especially in elective surgery. From a political perspective, several countries in Europe have initiated financial support to increase the number of surgeries, although the delayed care looks different from country to country and will differ in time. For example, around six million patients were in line for elective healthcare services in the NHS in England in November 2021. Of these, 300,000 patients had already been waiting for over a year, compared to a queue of 1,600 before the pandemic. The UK has decided to invest GBP 8 billion over the next three years to increase capacity and reduce healthcare queues [2].

Growing, aging population

Although population growth in Europe is expected to decrease over the next decade, falling by just under 1 percent by 2050, the number of people over 65 will continue to increase. The proportion of people above the age of 65 in Europe is expected to reach about 29 percent in 2050, compared with the current 20 percent of the population. In the Nordic countries, population growth is expected to reach 9 percent by 2050 and the proportion over 65 will then be 25 percent. One reason for this increased longevity is that many people are staying healthy as they age. At the same time, however, the proportion of patients with chronic illnesses and/or multiple diagnoses is increasing. All factors considered, a larger and older population is expected to increase the need for healthcare and social care, which will be a challenge in most countries.

POPULATION STRUCTURE OF EUROPEAN COUNTRIES (EU-27)



Source: Eurostat 2021 [3]

One effect of the increased need for elderly care is that the homecare area will grow as healthcare providers streamline their operations. Homecare can encompass areas such as medical care, diagnostics and treatment at home, as well as various assistive technologies, housing adaptation and monitoring. This gives the patient the opportunity to live at home longer, which is expected to provide a higher quality of life for the individual.

Digitalisation enables new business opportunities

There is a clear trend towards digitalisation in the market that has accelerated during the pandemic. For example, there has been growth in connected patient monitoring, connected laboratory instruments and web-based analysis services. Digitalisation provides new ways to collect, share and analyse data, driven by development in information and communication technology, as well as the availability of smart phones, tablets and laptops.

Patient-centered care is made possible by digital tools, which mean that the patient personally plays an active role in their own treatment, thereby gaining a better understanding of their condition and relevant treatments.

Digitalisation also affects healthcare provider procedures for purchasing and implementing services. Purchase-related service such as training, user support and product maintenance will therefore become increasingly important.

Growing application area for diagnostics

The diagnostics market is growing in several areas because of technological developments that have made testing methodology both less expensive and easier to use. Another area of interest is the individual tests that identify a certain genetic marker to determine what medicine will be most effective, for example for a cancer patient. This is known as personalised medicine. Yet another example is the growing need for rapid tests to address issues related to increasingly widespread antibiotics resistance. In clinical chemistry, prices for standardised tests at central laboratories are subject to high competition. Meanwhile, a decentralisation trend is shifting towards point-of-care analyses, which are often performed on a hospital ward or at an outpatient care facility. This decentralisation is expected to continue within an array of niches, where the need for rapid test results is crucial for continued patient treatment. Diagnostics will eventually also be made possible long term, through home monitoring, where patients take certain tests and share them digitally with the healthcare provider.

Product and market requirements

There are a number of entry barriers in the market, such as public procurement requirements, stringent demands for product safety, regulatory compliance and monitoring. In Europe, medical device products are regulated by EU directives and regulations. Products must be CE-certified before they can be marketed in Europe.

New EU regulations were implemented in 2021 for medical devices, MDR. For *In Vitro* Diagnostic products, the regulation, IVDR, will be phased in from 2022. For some products, this may require renewed testing for CE-certification, which may be both expensive and challenging for small operators with limited resources and lead to larger global players opting out of smaller, local markets.

In the Nordic region, there is greater focus on sustainability in the sector. Unlike many other markets, procurement processes often refer to a Code of Conduct. Customers require suppliers to comply with international declarations and legislation in areas such as human rights, child labour or corruption. More detailed sustainability criteria influencing the assessment of products in procurement are still only sporadic, but requirements are expected to increase over time.

---

[1] Medtech Europe, The European Medical Technology Industry in figures 2021
https://www.medtecheurope.org/resource-library/medtech-europes-facts-and-figures-2021/
[2] NHS waiting-list backlog will take years to clear
https://www.bbc.com/news/health-60305502
[3] Eurostat
https://ec.europa.eu/eurostat

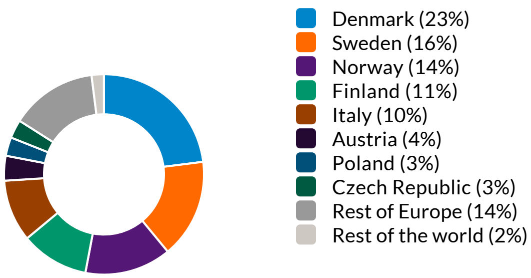
BUSINESS AREA

Business area Labtech

The Labtech business area provides products, solutions and services in fields such as diagnostics, biomedical research and laboratory analysis. Customers include hospitals, research laboratories, pharmaceutical companies, and food industry groups, primarily in the Nordics and rest of Europe.

Labtech subsidiaries work closely with customers and suppliers through highly developed local sales and service organisations. The companies have strong market positions and highly qualified personnel.
The business area offers products and solutions, including equipment, consumables and reagents, that are used to diagnose disease or to conduct research. It also provides training and technical service to facilitate effective equipment use. As a distributor, we have the possibility to respond quickly to a changing market and to deliver customer-tailored solutions. About 75 percent of sales originated from public procurement processes in 2021.

LABTECH NET SALES BY MARKET



LABTECH IN FIGURES

Net sales: 4,373 SEKm
EBITA: 977 SEKm
Employees: 765
Share of net sales: 55%

Market trend in 2021

Growth in the Labtech business area was strong in 2021, primarily due to high sales of COVID-19 products as well as by increased demand for non-COVID goods.

The pandemic's third wave increased infection spread, which drove up sales and earnings for the Labtech business area. Testing operations were ongoing in all countries and our diagnostics companies sold large volumes of PCR tests for COVID. The companies' ability to offer solutions from multiple suppliers to assure customers' access to products became a competitive advantage. The spread of infection fell sharply throughout Europe in the end of the second quarter as vaccination rates increased, resulting in a gradual decrease in sales of COVID-19 related products.

A fourth pandemic wave in the autumn brought a return to widescale testing in the Nordic region and the Labtech diagnostics companies returned to sell large volumes of PCR tests. Demand for our products was high, especially on our patient-friendly PCR platform that provides a result within 20 minutes. Customers included public and private actors in a range of industries, including offshore and airports. By contrast, turnover decreased in Central and Eastern Europe due to lower test volumes and reduced COVID test prices. Future sales of tests are entirely depending on how the pandemic develops in terms of new mutations and the different governments' sampling requirements. Despite challenges arising from the heavy focus on COVID, Labtech companies also recorded higher sales of other tests on their installed base of molecular and microbiological instruments. Sales of blood gas analysis reagents remained high throughout the year.

Labtech's research companies reported higher sales, with an increase in demand for laboratory reagents used for cell therapy and cancer immunology. A strong scientific focus on virus research and solutions for gene sequencing of new COVID-19 mutations increased revenue. Sales of own-brand advanced instruments performed well, especially in Europe, the US, and Asia outside China. However, the public health restrictions implemented during the fourth pandemic wave forced the closure of research laboratories in several countries and prompted a number of customers to delay planned purchases.

In September 2021, the Benelux-based Bio-Connect Group joined the Labtech business area. The acquisition strengthens our presence in north-west Europe and creates increased collaboration opportunities with other Labtech companies.

LABTECH'S STRENGTHS

- Dedicated and highly qualified employees with many years of experience in their segment
- High-quality products, service, training programmes and advisory services
- Long-term collaboration with leading suppliers and exclusive distribution rights
- Strong technical service organisation with local support

LABTECH'S PRODUCT SEGMENTS

- Haematology
- Pathology
- Point-of-care (POC) diagnostics
- Cell biology
- Genetics
- Microbiology
- Virology
- Molecular biology
- Clinical chemistry
- Immunology
- Consumables
- Analytical instruments

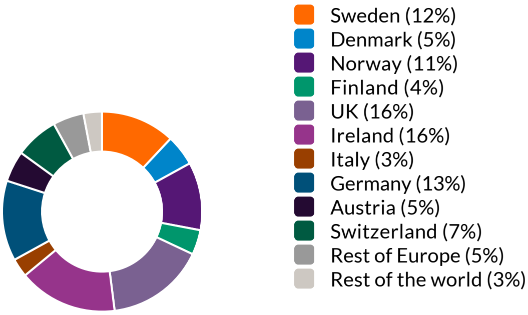
BUSINESS AREA

Business area Medtech

In the Medtech business area, the subsidiaries offer products and services in the field of medical technology, as well as assistive equipment for use in homecare. Medtech's offering mainly focuses on public funded healthcare care, homecare and social care in Europe.

The subsidiaries in the Medtech business area actively maintain a local presence and awareness, with the global reach of the group. Healthcare services today address national interests, with common and global challenges. Consequently, the need for products and services is essentially similar, regardless of geographic market. The companies offer their own products, a broad selection of products from other suppliers, and services such as training, support and service. The product line ranges from simple consumables to advanced instruments for surgical procedures, as well as welfare technology, and assistive technology for the elderly and disabled. All in all, the product range requires a solid foundation of medical knowledge to guide the customers. Around 90 percent of sales take place through public procurement procedures.

MEDTECH NET SALES BY MARKET



MEDTECH IN FIGURES

Net sales: 3,625 SEKm
EBITA: 310 SEKm
Employees: 1,030
Share of net sales: 45%

Market trend in 2021

The business situation for our Medtech companies was effected by the pandemic during the year. For most of 2021, healthcare services were focused on treating COVID-19 patients, with elective surgery standing back. As restrictions in our markets have eased, we have seen an increase in activity, which slowed again at the end of the year with the fourth wave. Organic growth, excluding COVID-19 related products, was 2 percent for the year.

Sales of medtech equipment were relatively stable during the year, but with large differences between the product segments. Sales of personal protective equipment normalised during the year as hospitals largely had inventory to meet their needs. Activity in elective surgery was generally low throughout the year in all markets, but our companies increased sales of medical device products of other types instead. At the same time, several companies have been actively working to increase margins, both through price increases to compensate for higher raw material and freight costs and by terminating less profitable supplier contracts.

At the start of the year, our homecare companies saw challenges due to reduced opportunities for testing and installing various assistive devices. In the second quarter, customers opened up and sales increased. There is major interest in the market for both our digital solutions and other assistive technology, but due to the recurring restrictions during the fourth quarter, the pace of investment declined once again.

As a result of the pandemic, Europe's healthcare services are facing major challenges with long healthcare queues and a growing and ageing population, which will require significant investment in healthcare services in the long term.

In 2021, six acquisitions were completed in the business area; AddVision (formerly Vision Ophthalmology Group), Healthcare 21 Group (HC21), Fischer Medical, Camanio, Telia Health Monitoring and MBA Incorporado.

The largest acquisitions in the business area in 2021 were Healthcare 21, AddVision and MBA Incorporado. These acquisitions have provided significant growth in Europe, opening up new and larger markets, such as the UK, with more customers and new product segments, including ophthalmology, eye surgery. During the year, sales in markets outside the Nordic region accounted for almost 70 percent of net sales, compared with just under 20 percent the previous year. The expansion strengthens both existing and new supplier relationships and creates a larger internal network with increased opportunities to sell our own products in new markets.

MEDTECH'S STRENGTHS

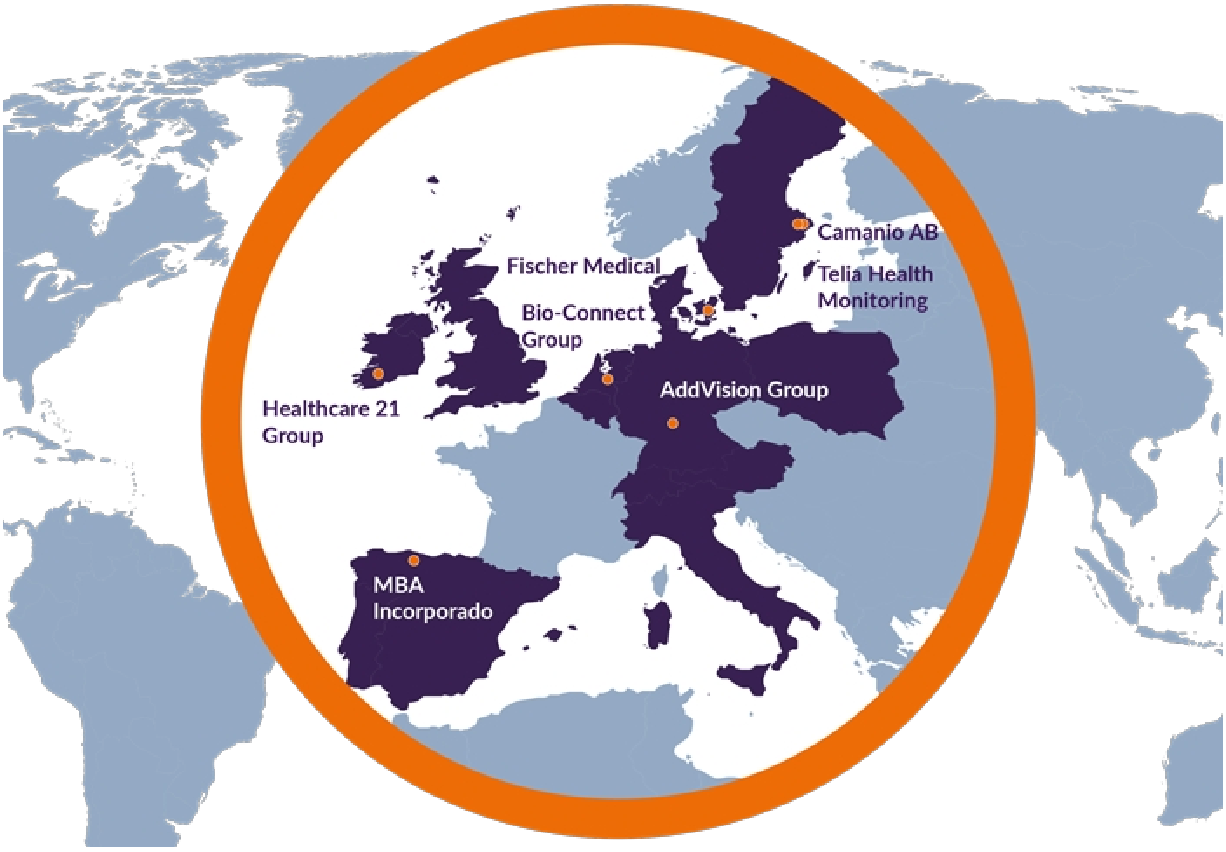
- Employees with extensive medical experience, local knowledge and a high level of service, as well as product developers in welfare technology
- Broad range including both in-house developed products and products from other manufacturers
- Great flexibility regarding customised solutions, as well as cutting edge expertise in public procurement procedures
- European distribution and service network for the Group's own products and services, as well as the products and services of other suppliers

MEDTECH'S PRODUCT SEGMENTS

- Intensive care
- Endoscopy
- Interventional radiology
- Surgery
- Ophthalmology
- Orthopaedics
- Respiration
- Wound care
- Welfare technology
- Assistive devices for kitchen and bathroom
- Assistive technology for disabled children

Acquisitions 2021

Growth at AddLife is achieved in part through corporate acquisitions, which are an important component of AddLife's strategy. We are constantly looking for interesting companies to acquire and further develop in the long term. AddLife is an active owner and an attractive alternative for those who want to sell their companies.



We are constantly searching for interesting new companies that can strengthen our existing operations and want to grow with us. New companies provide a presence in new markets, complement existing product and service offerings and, perhaps most importantly, add talented employees with a strong understanding of business acumen and their area of operation.

Over the years AddLife has acquired many companies and we have a successful process for integration and development of acquired companies. We supply financial stability, resources and tools that make it easier and more efficient to run the business.

We are looking for profitable companies with growth potential, a high level of knowledge and technological content, and well-established supplier relationships or strong brands within selected niches. The companies usually continue under their own brands, but are integrated into AddLife's corporate culture and financial governance model. The companies are further developed through active and committed ownership to promote sustainable growth. Our corporate culture is based on value-governed leadership with extensive freedom, a high degree of self-determination and personal responsibility. Within the group we actively work in networks that provide opportunities to share experiences between the companies. Our business school, AddLife Academy, offers all employees various types of skill development.

Acquisitions during the year

In 2021, AddLife completed seven acquisitions, two of which were completed after the end of the fiscal year. The acquisitions are expected to add about SEK 3,300 million to annual sales, along with about 1,000 employees.

AddVision Group

In April all shares were acquired in AddVision Group, formerly Vision Ophthalmology Group, a leading European distributor and product manufacturer and service provider in ophthalmology and eye surgery, with operations in Switzerland, Germany, the UK and Poland. The acquisition is strategically important and adds a new therapeutic area to AddLife's product portfolio. Ophthalmology is an attractive global growth market that is driven by technological development, as well as a growing, ageing population with chronic diseases. The company has a turnover of approximately SEK 700 million and around 190 employees. The company is included in the Medtech business area.

Healthcare 21 Group

The acquisition of Healthcare 21 Group, HC21, in April, was a strategic milestone that established AddLife in Ireland and the UK. HC21 is a leading, independent distributor that offers high-quality products and adds value with clinical expertise and service to public and private customers. The acquisition is in line with AddLife's strategy of expanding in relevant niches in Europe. HC21 gives us access to an attractive customer base in clinical segments where we have a high level of expertise. HC21 conducts business in 15 therapeutic segments, with 50 percent of sales relating to products for emergency care, primary and homecare, diagnostics, surgery and service. The group has long supplier relationships with manufacturers of renowned brands, with 95 percent of the agreements being exclusive.
The corporate culture of HC21 is similar to AddLife, with a strong entrepreneurial spirit and a decentralised, customer-oriented responsibility for the business, combined with shared, strategic functions such as finance and support. HC21 has a turnover of approximately SEK 1,700 million and 450 employees. The group is included in the Medtech business area.

Bio-Connect Group

In September, all shares were acquired in Bio-Connect Group, operating in Benelux. Bio-Connect markets a wide-ranging portfolio of leading brands from mainly research-oriented suppliers in Life Science, diagnostics, pharmaceutical and veterinary. In addition, the company is a full-service provider to key customers for niche products for research and reagents for diagnostics. The customers are mainly university and hospital laboratories as well as privately and publicly funded research organisations. Bio-Connect has a turnover of approximately EUR 140 million and 31 employees in the Netherlands and Belgium. The company is included in the Labtech business area.

Fischer Medical

In November, all shares were acquired in Danish Fischer Medical, specialising in advanced surgery and representing renowned suppliers from around the world. The company is a distributor of instruments and implants for orthopaedic surgery and gynaecology. With its service focus and high level of product expertise, it is a natural fit for AddLife. Fischer Medical has sales of approximately SEK 60 million and 12 employees. The business operates with its own sales force in Denmark and Sweden with additional sales in Norway and Finland. The company is included in the Medtech business area.

Camanio

In December, all shares were acquired in Camanio, a Swedish provider of digital healthcare and social care, focusing on individualised care at home. Camanio develops and operates an innovative digital healthcare platform and related services. The platform connects the patient, relatives and healthcare professionals based on the individual's needs. The acquisition marks an important stage in AddLife's development in the field of digitalised services. The company had sales of approximately SEK 13 million in 2020 and has 18 employees. The company is included in the Medtech business area.

MBA Incorporado

An agreement was signed in December to acquire all shares in MBA, a leading Spanish player in orthopaedics and traumatology. The acquisition of MBA strengthens AddLife's position in advanced surgery and is in line with its strategy of expanding into relevant niches in Europe. MBA offers high-quality products, and adds value for the customer with its high level of clinical expertise and service to public and private customers. The company has operations in Spain, Portugal and Italy. MBA has a strong position among regional and local hospitals, where service and support are competitive advantages. MBA's corporate culture is characterised by an entrepreneurial spirit and a strong customer focus. MBA has sales of approximately SEK 670 million and 285 employees. The acquisition was completed in January 2022. The company is included in the Medtech business area.

Telia Health Monitoring

In December a contract was signed for the acquisition of the business from Telia Health Monitoring, which develops and provides a digital platform that enables self-monitoring by patients with chronic diseases. The acquisition reinforces AddLife's strategy to be a driving force in the development of digital healthcare and social care. The business has a turnover of SEK 4 million, and its seven employees will be integrated into Camanio. The acquisition was finalised on 1 March 2022. The company is included in the Medtech business area.

Acquisitions	**Country**	**Time**	**Net Sales, SEKm***	**Number of employees***	**Business area**
AddVision (Vision Ophthalmology Group GmbH)	Germany	April	700	190	Medtech
Healthcare 21 Group	Irland	April	1,700	450	Medtech
Bio-Connect Group	Netherlands	September	140	31	Labtech
Fischer Medical ApS	Denmark	November	60	12	Medtech
Camanio AB	Sweden	December	13	18	Medtech
			2,613	**701**	

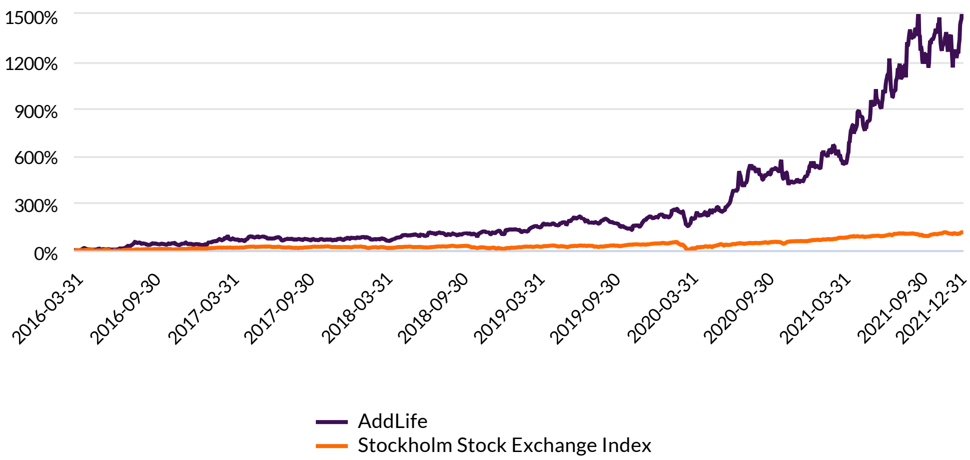
Acquisitions accessed after the end of the financial year	**Country**	**Time**	**Net Sales, SEKm***	**Number of employees***	**Business area**
MBA Incorporado S.L	Spain	January	670	285	Medtech
Verksamhet från Telia Health Monitoring	Sweden	March	4	7	Medtech
			674	**292**	

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

The AddLife share

The AddLife share was listed on NASDAQ Stockholm, Nordic Mid Cap list, on 16 March 2016. The Company's market capitalisation on 31 December 2021 was SEK 46,703 million (16,488). From January 3, 2022, AddLife's share has been moved to the Large Cap segment. On 31 December 2021 the number of shareholders amounted to 13,879 (7,501).

SHARE DEVELOPMENT IN ADDLIFE



Market performance of the share and turnover

AddLife increased 183 percent in value during the financial year. The OMX Stockholm index on the Stockholm Stock Exchange changed 14 percent in the corresponding period. The highest price paid during the year was SEK 390.00 and was noted on 17 September 2021. The lowest was SEK 146.20 on 2 January 2021. The final price paid before the end of the financial year was SEK 381.40. During the financial year from 1 January to 31 December 2021, 57.9 million (20.0) shares were traded with an aggregate value of approximately SEK 15,633.3 million (2,256.9). Broken down by trading day, an average of 229,050 (79,467), AddLife shares were traded at an average value of about SEK 61.8 million (9.0). The average number of transactions per day amounted to 1,616 (528).

Dividend policy

The Board of Directors of AddLife aims to propose a dividend equivalent to 30-50 percent of profit after tax. When determining dividends, the Company’s Board considers investment needs and other factors that it deems relevant.

OWNER STRUCTURE

- Swedish institutions and mutual funds (43.8%)
- Foreign investors (42.4%)
- Swedish private investors (13.9%)

Shareholder	Proportion of capital, %	Proportion of votes, %
Roosgruppen AB	3.99	14.84
Tom Hedelius	1.71	12.62
SEB Fonder	8.98	6.70
State Street Bank & Trust Company	8.48	6.33
Swedbank Fonder	7.05	5.27
Verdipapirfond Odin	5.58	4.16
Handelsbanken fonder	5.03	3.75
BNY Mellon NA (Former Mellon)	4.49	3.36
NTC Fidelity Funds Northern Trust	4.39	3.28
AMF - Försäkring och Fonder	3.67	2.74
Total 10 major shareholders	**53.37**	**63.05**

Four reasons to own shares in AddLife

1. Attractive non-cyclical market

The laboratory and medical technology market is relatively insensitive to economic fluctuations. Growth tends to be stable and is mainly driven by population growth and an ageing population. These trends increase the demand for AddLife's healthcare and research products. Historically, the markets where we operate have grown at an annual rate of 2-4 percent.

2. Cash flow finances growth

AddLife's growth is profitable. Our subsidiaries are strongly cash-generative, which creates scope for direct yield and gives financial muscle for acquisitions and investments.

3. Clear strategy to create further growth

AddLife has substantial experience of acquisitions and operates an established process to identify candidates and complete successful transactions. The aim is for acquired companies to continue to develop based on their strengths and with the support of a financially strong owner with a solid understanding of the market. Acquisitions are fully integrated into the group and contribute to profit growth according to relevant financial targets.

4. Strong market position and long contract terms

AddLife's subsidiaries have strong sales organisations with high technological expertise and long-term customer relationships. Our broad product portfolio creates advantages of scale and value for the group.

Our focus on sustainability

Sustainability is a central part of AddLife's vision to improve people's life by being a leading, value-creating player in Life Sciences.

Rising healthcare needs and costs for a growing and ageing population will drive a change in healthcare. Interconnected devices, advances in data-analytics and AI will support the transition from acute treatment to support lifelong well-being and early diagnostics. Transparency on human rights, labor rights and business ethics of suppliers and business partners is increasingly baseline criteria for some of our stakeholders. Meanwhile, all sectors in society must contribute to tackling the challenge of climate change and resource scarcity.

AddLife aims to be flexible and agile to meet these changing expectations and keep delivering on our vision. The organisation is decentralised and entrepreneurial, which is an essential part of our culture.

In 2021 we conducted a new materiality assessment to better understand the sustainability topics that influence our ability to create lasting value for customers, employees, investors, suppliers and society at large For more information, see Materiality assessment

Several topics have evolved since the 2017 materiality assessment, and now a shift of expectations is foreseen with more focus on environmental impact. The materiality assessment also shows that AddLife and the stakeholders are more aligned regarding the prioritised topics. The assessment not only informs the topics addressed in this sustainability report, but it will also be the backbone for our plan to integrate sustainability more deeply in our business, including setting targets and KPIs that will be announced in 2022.

SUSTAINABILITY REPORT 2021

AddLife has prepared a sustainability report for the 2021 financial year that covers the parent company AddLife AB (publ) company ID no. 556995-8126 and its 100 subsidiaries. The board of directors approved the sustainability report at the same time that it signed the 2021 annual report. No standard template for sustainability reporting has been applied in full. The purpose of the sustainability report is to provide an overarching description of AddLife's business from the perspective of sustainability and to inform about the sustainability aspects that are necessary to understand the company's development, position, and performance, as well as the consequences of its operations. AddLife's sustainability report is integrated in part into the annual report. AddLife's business model and Strategy for sustainable growth for sustainable growth can be found on pages 6-10 in the printed annual report. Pages 6-10 and 25-38 comprise AddLife's statutory sustainability report.

Our role in the value chain

Integrating responsible business practices is an essential part of how we do business, and how we deliver business value. We address our impacts in relationships throughout the value chain, as producer and distributor, an employer as well as in our role as a market participant. Since 2018 our approach to sustainability has been through the lens of three pillars.

Our role as distributor represents approximately 80 percent of our sales. Sourcing raw material and production lies largely with a third-party. Our impact on the environment is therefore mainly indirect. We work with suppliers whose production facilities are located all over the world. Through well-established relationships with these partners, we aim to positively influence their thinking across areas such as material choice, product development, logistics and efficient production, human and labor rights and business ethics. We monitor risks by supplier evaluation and encourage change through close dialogues

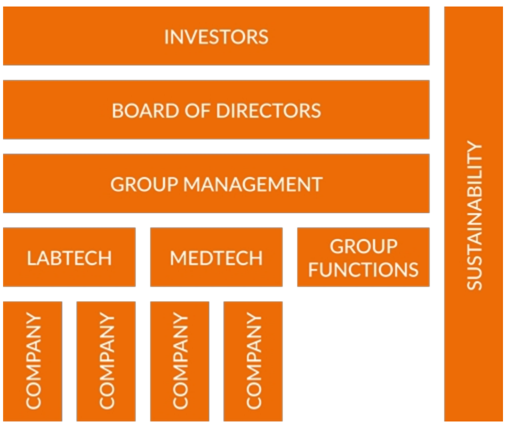
In our role as producer, which corresponds to approximately 20 percent of sales, we can control the supply chain and choice of material to a greater degree.

Our subsidiaries are responsible for obtaining and delivering the products they sell. Consequently, efficient logistics and warehouse management are essential, which helps both reduce environmental impact and increase profitability.

The dedication of each employee makes AddLife's success possible. We offer all employees the opportunity to grow, to thrive and to be challenged. As employers, we take responsibility for creating a safe and positive work environment. We want to attract and retain employees who support our core values and who have the right skills to grow our business. Our employees are continually trained in our corporate culture and can hone their business skills through the courses offered at our business school, AddLife Academy.

As a market participant, it is important for us to maintain high ethical conduct. All our employees have a duty to understand and reflect expectations as outlined in our Code of Conduct in their work and relationships with others. We also expect our suppliers to respect internationally recognised principles of business conduct that cover environmental protection, human and labour rights, business ethics and workplace health and safety. Compliance with our code of conduct is evaluated in ongoing contractual relationships.

Each subsidiary is responsible for its own business activities within the context of the requirements for growth, profitability and sustainable development as set by the Group. Our decentralized model, which is part of our DNA, also entails complexity. Local responsibility and entrepreneurship, combined with a wide range of company sizes makes it challenging to have a "one size fits all" model. Thus, rather than having an independent sustainability function, our sustainability approach is integrated across the different group elements and requires to be adapted case-by-case.



The UN's Sustainable Development Goals (SDGs) are a 17-point plan up to 2030, for ending extreme poverty, fighting inequality and injustice and protecting the planet. Achieving these global goals

requires significant effort at all levels of society, not least in business,
which has a critical role to play as a change agent. Based on our materiality assessment and stakeholder dialogue, we have identified three areas where we can contribute most to the SDGs.

3. Good Health and Well-being

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

3.B Support the research and development of vaccines and medicines for the communicable and noncommunicable diseases, provide access to affordable essential medicines and vaccines, and provide access to medicines for all.

8. Decent Work and Economic Growth

8.3 Promote decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.4 Improve resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation.

12. Responsible Consumption and Production

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities

Governance

AddLife has a shared group approach regarding governance through our common values and culture.

Our business model encourages a mixed model of central and local management of sustainability risks and opportunities, often by policies and management systems where effectiveness is monitored through different activities.

AddLife is less exposed to non-financial risks in product development and production due to low share of own manufacturing. Still, the group faces risks in managing sourcing of suppliers and their operations. We also have, to some extent liabilities for the products put on the market.

Regarding environmental risks, AddLife has low direct upstream impact and manage the indirect ones through dialogue, influence and choice of suppliers. Logistics is a prioritised area for future assessment of indirect impact.

Our operations are subject to external review and monitoring by the Swedish Financial Supervisory Authority and Nasdaq Stockholm.

Focus area	Pillar	Risk covered	Policy & management systems	Monitoring effectiveness
Environmental risks in operations	Responsible producer and distributor	- Emissions - Hazardous waste - Packaging	- Local environmental policies - Local sustainability strategies - Green car policy (to be implemented) - ISO 14001 (26% of operational companies)	- Central sustainability report system (to be implemented)
Product safety	Responsible producer and distributor	-Incorrect instrument results - Incorrect product use, impacting patient or professionals health - Incorrect or lack of required product certifications	- ISO 9001 - ISO 13485 72% of operating companies have one or both - Certifications (CE, MDR, IVDR)	- System of Field Safety Notices - Field Safety Corrective Actions - Whistleblower function
Product lifecycle	Responsible producer and distributor	- Single-use products - Waste - Premature disposal of instruments and products	- Instrument maintenance extends product life span - Local reuse and recycling procedures -Local refurbishment business	n/a
Occupational health and safety	Responsible employer	- Employee health, safety and well-being - Workplace accidents - Psycho-social work environment	- ISO 45001 - Occupational health and safety procedures - Evaluation of risks	- Annual employee survey - External audits - Whistleblower function
Talent management	Responsible employer	- Recruitment and retention	- Incentive programs - Annual appraisal meeting (79% of operating companies and 70% of all employees) - AddLife Academy	- Company target process - Annual employee survey - Central representation in subsidiary boards
Ethical business practices	Responsible market participant	- Human and labor rights - Discrimination - Corruption and bribery by employees - Third-party misconduct - Export controls/ Trade sanctions	- Code of Conduct - Supplier and customer agreements - Insider trading policy - Local policies and regulations - Insider log	- Whistleblower function - Supplier evaluations - External audits - Central review: Companies' internal control - M&A: DD and target background check
Long-term growth	Responsible market participant	- Short term focus overrules strategy, vision and long term profitability	- Dividend policy - Company target processes	- Sustainability report - Materiality assessment and stakeholder dialogue

Responsible producer and distributor

AddLife's role in the value chain, mainly as a distributor, implies to both have a close dialogue with many customers on local level as well as to chose and influence among global leading suppliers. This is a unique opportunity to support a sustainable transition with our partners and together develop solutions that could also have a positive business impact.

The 2021 materiality assessment combined with the stakeholder dialogues shows that product quality and service, responsible sourcing and business model innovation are prioritised areas for Addlife for future growth. We will continue working with the material topics during 2022. For example, we will identify most relevant focus areas, integrate these into strategy and create concrete actions and KPIs.

In parallel with the materiality assessment, AddLife has evaluated how to strengthen the measurement of sustainability data, to increase transparency and enable future comparison. Implementation to be completed during 2022.

The majority of AddLife's product range is produced by leading suppliers around the world. As a distributor, we mainly have an indirect impact on matters such as choice of materials, raw materials, packaging and terms of employment. None of the Group's Swedish subsidiaries engage in activities that require a permit or notification under the Swedish Environmental Code. None of the foreign subsidiaries engage in activities subject to equivalent requirements for notification or permits. None of the Group's companies are engaged in any environment-related disputes.

AddLife aims to work closely with suppliers to achieve long-term and sustainable development. The goal is for all suppliers to live up to AddLife's code of conduct and environmental requirements.

Furthermore, AddLife encourages suppliers to respect fundamental human rights and to treat employees in accordance with the ILO declaration on fundamental principles and rights at work.

ENVIRONMENT AND SOCIAL CONDITIONS

57

CORRECTIVE MEASURES FOR PRODUCTS

Number of notices (FSN and FSCA) from suppliers that entailed corrective actions for products

Target	2021	2020	2019
0	57	50	33

SUPPLIER EVALUATION NEW SUPPLIERS

66%

Target	2021	2020	2019
100%	66%	54%	63%

Products must be CE-certified before they can be marketed in Europe. The new EU directive for medical devices, MDR, was implemented in 2021 and the new EU directive for in vitro diagnostics products, IVDR, has been delayed. For some products, these new directives may require renewed testing for CE-certification, which may be both expensive and challenging for small operators with limited resources and cause larger global players to opt out of smaller local markets.

During the year, AddLife has managed the MDR implementation well, without loosing any supplier due to non-compliance. AddLife is working proactively through industry organisations to stay up to date regarding the IVDR implementation, though each company in the group is responsible for handling their suppliers and processes. Our subsidiaries continually work to assess new and existing suppliers. During 2022, AddLife will implement a new sustainability management system, which will be mandatory for all subsidiaries. This will allow an improved monitoring of the group's sustainability performance. AddLife also aims to increase the sustainability requirements for our suppliers across all companies in the group and improve the assessment of material or alternatives to material of our own manufactured products.

The market situation during 2021 has still been complicated due to the pandemic. AddLife's has been one of the key players to successfully supply the health systems with much needed diagnostic tests and other critical products, despite challenges in logistics, supply chain etc.

Due to strategic acquisitions, with large implications on the group's market presence, the foreseen geographic mapping of supply chain has not been completed.

ACTIVITIES COMPLETED DURING THE YEAR

- Developed the process for evaluation and approval of new suppliers
- Introduction of green car policy
- Evaluation of sustainability management system

OUTLOOK 2022

- Implementation of common supplier sustainability evaluation
- Implementation of green car policy
- Implementation of sustainability management system

Responsible employer

The AddLife Group is characterized by strong entrepreneurial energy with dedicated employees who are driven to improve both themselves and the company they work for. Employees are our most important resource and AddLife values secure forms of employment, a good work environment and individual growth opportunities.

The 2021 materiality assessment combined with the stakeholder dialogues shows that employee health and well-being and talent retention and attraction are prioritised areas for Addlife for future growth. We will continue working with the material topics during 2022. For example, we will identify most relevant focus areas, integrate these into strategy and create concrete actions and KPIs.

Our ambition is to keep and, when possible, strengthen our entrepreneurial culture which gives our employees freedom with responsibility, proffessional growth and contribute to AddLife's success. Apart from this we proactively work continued improvement of work environment, equal opportunities and zero tolerance against discrimination and harassment.

We conduct employee surveys to identify areas for improvement at the group level, in the subsidiaries and in work groups. In this year's employee survey, 1,512 people (84%) responded, compared with 828 people (85%) in 2020. A review is carried out at each company to prioritise activities by workplace. The survey also follows up the employee index, which is an important sustainability goal that measures the work environment with respect to health, safety, well-being.

Work environment is important and we have a zero vision regarding work-related accidents and illnesses.

AddLife has high business ethics standards and zero tolerance for discrimination. This year's employee survey shows that the relative number of cases of discrimination is unchanged. Our ambition is to continue to improve in this area and during 2022 we will implement a new Code of Conduct with strengthen focus on this topic, with training for all employees. We will also review the whistleblower function and increase the awareness of it.

WORKPLACE

(safety, health and well-being)

3,90

EMPLOYEE INDEX

Maximum outcome 5.0

Target	2021	2020	2019
4.30	3,90	4.04	4.08

DISCRIMINATION AND HARASSMENT

4%

EMPLOYEES EXPERIENCED DISCRIMINATI

Target	2021	2020	2019
0	4% (60)	4% (36)	2% (12)

WOMEN/MEN

45/55%
EMPLOYEES TOTAL

40/60%
GROUP MANAGEMENT

50/50%
BOARD OF DIRECTORS

Employees will be given equal opportunities regardless of gender, age, ethnic or national affiliation, religion, sexual orientation, or disability. The employee survey is used to ensure that any discrimination is revealed and remedied.

ACTIVITIES COMPLETED DURING THE YEAR

- Strengthened the AddLife Academy organisation
- Continued the digitalisation of AddLife Academy
- Started roll-out of group common IT platform
- Leadership trainings with focus on value-based conflict management

OUTLOOK FOR 2022

- Update Code of Conduct and implement digital Code of Conduct training with refreshment for all employees
- Continue implementation of group common IT platform
- Review the whistleblower function

AddLife Academy

Corporate culture and business skills

Our own business school, AddLife Academy, is key to success and central to the development of employees and thus to the entire group. Here we build our common values.

AddLife's most important resource is the employees. Their competence development varies according to the companies' size and operations. From a group perspective, AddLife ensures training in basic areas linked to corporate culture and business acumen that all employees should know and apply in their everyday lives. As an employee, the first contact with AddLife Academy is through the introduction course Vision & Corporate Philosophy. The course lays the foundation for what AddLife is, our common values and ground, code of conduct, financial sustainability and a first approach to basic requirements for growth, profitability and sustainable development. The course is mandatory regardless of the role in the company. Furthermore, AddLife Academy offers 10 different standardised trainings to ensure competence development within the group:

- Leadership
- Sales 1
- Sales 2
- Soft selling
- Negotiating skills
- Public procurement
- Digital customer meetings
- Presentation skills
- Marketing
- Finance

A part from these corporate trainings within AddLife Academy, most subsidiaries also offer local formation to employees according to their business context. Thus, AddLife Academy serves as both a minimum formation for all employees, as well as offering specialised training for specific competences. In addition, the specialised training courses serves as a forum where participants within same professional category from different subsidiaries meet, discuss and share knowledge.

Furthermore, AddLife Academy also carries out tailor-made projects based on the needs of the companies. Examples of projects during 2021 are the implementation of a new sales process, training in value-based sales and coaching of management teams. The combination of both standardised and tailor-made training is a unique value-add. In 2021, the standardised program in AddLife Academy was expanded and there is a continuous development and improvement of what we offer. Most training was conducted digitally, through online-meeting platforms. In the near future AddLife will further improve the academy by updating with a new learning management system which will make the digital training more interactive, easy to follow up and flexible for the employees. In 2021, about 1,340 employees participated in AddLife Academy. The average corporate learning time per employee was eight hours, excluding local held training. We have had 3,230 course participants since start 2016.

Responsible market participant

AddLife has set high standards for how we should act and operate, with high business ethics standards. Consequently, we attach great importance to ensuring employee awareness and knowledge of our code of conduct.

The 2021 materiality assessment combined with the stakeholder dialogues shows that patient well-being, long term growth and sustainable development and ethical business practices are prioritised areas for Addlife for future growth. We will continue working with the material topics during 2022. For example, we will identify most relevant focus areas, integrate these into strategy and create concrete actions and KPIs.

AddLife proactively works with suppliers and customers and interacts with society to drive the sustainability from a business relevant perspective.

As a serious market participant, AddLife takes responsibility for the entire transaction towards customers and society. In this way, we create a sustainable delivery chain by ensuring compliance with ethical guidelines, national and international laws and regulations. AddLife wants to serve as a role model and during the COVID-19 pandemic we have carefully maintained an ethical approach with respect to allocation of products, but also about pricing. This in a market situation of huge supply challenges.

Across companies and markets, AddLife is present and active in various industry organisations to ensure and influence a high standard of ethics and best outcome for patients. This also includes a commitment to the existing operating guidelines for interaction with healthcare professionals according to each association, for example Swedish Medtech.

Within the group, 72 percent of our operating companies have an ISO certification, usually within quality and occupational health. 26 percent has the environmental management certificate, ISO 14001.

CODE OF CONDUCT

86%

EMPLOYEES AWARE OF ADDLIFE'S CODE OF CONDUCT

Target	2021	2020	2019
100%	86%	83%	86%

INCIDENTS OF CORRUPTION

0

Target	2021	2020	2019
0	0	0	0

Zero tolerance towards corruption, bribery or unfair anti-competitive actions is core to our company culture. This is our commitment to the society and the people whose lives we strive to improve. It is also a commitment to our suppliers, who entrust their brand to us, and to our customers, who rely on fair and long-term partner relations.

Our code of conduct supports the UN Global Compact, ILO core conventions and OECD Guidelines for Multinational Enterprises, which are integrated in our business.

72 %
ISO
CERTIFICATION

AddLife's goal is that 100 percent of all employees shall be aware of and trained in the code of conduct. In 2021 the awareness was 86 percent and approximately 90 percent have been trained. Around 10 percent of the employees have participated in a refreshment course, which leaves room for improvement. To reach these goals, and to further equip our employees, we have an ambition to launch several initiatives. For example, improve our code of conduct training inside the AddLife Academy as well as digitalise the introductory and a new refreshment training.

We will also improve our existing whistleblower function, making it more visible for employees and partners. In 2021, one complaint was received through this function, though not related to code of conduct breach.

During the year, AddLife has contributed to greater awareness of the importance of diagnostic information and enabled health systems to manage and follow-up the pandemic. The advantages from different diagnostic tests, for example patient benefits and system cost savings, will be further spread through AddLife in collaboration with other industry organisations.

ACTIVITIES COMPLETED DURING THE YEAR

- Majority of new employees have received code of conduct training
- Increased number of ISO certifications

OUTLOOK 2022

- Develop code of conduct training
- Update and improve awareness of whistleblower function

Materiality assessment

The materiality assessment provides guidance in the choice of content in this sustainability report, the strategic direction and how to integrate sustainability throughout AddLife's business.

Materiality is the point at which a sus tainability topic becomes rele vant to the ability to create lasting value. In 2021, a future-focused assessment to see how priorities are evolving was conducted. The assessment allows better understanding of expectations from customers, employees, investors, suppliers and society, how sustainability influences the strategic direction and the group's impacts on people and the planet to 2030.

AddLife's most material topics are issues that substantively:

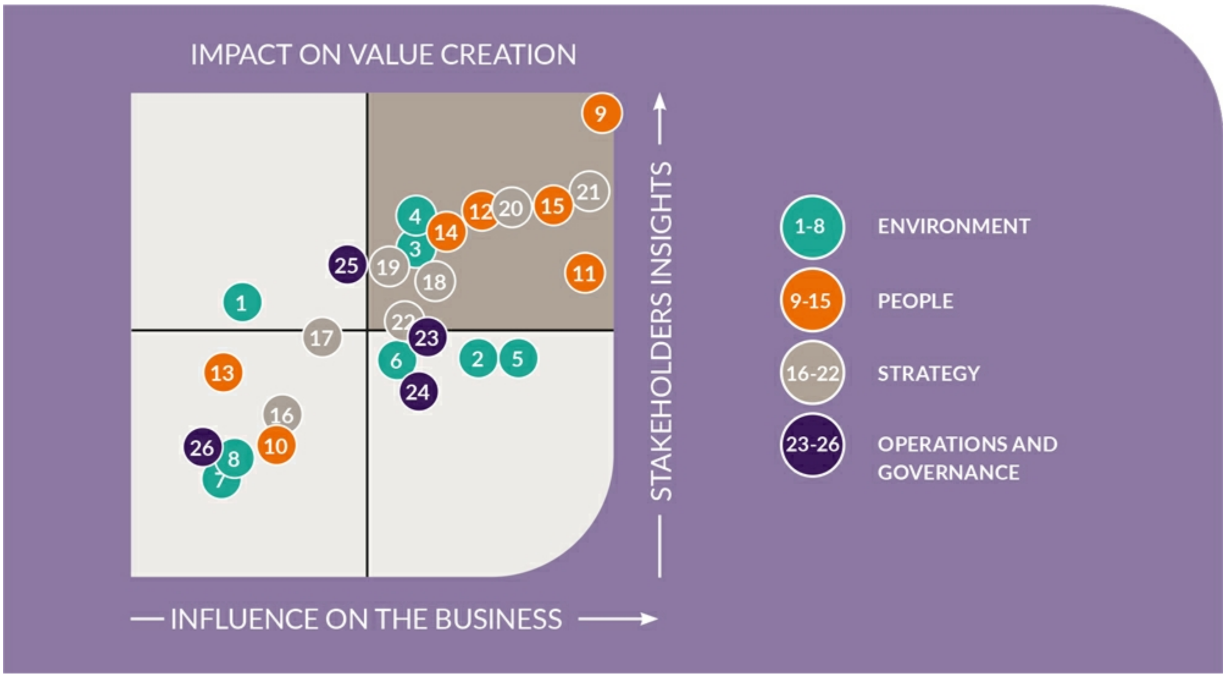
- Reflect the significant economic, environmental and social impacts
- Influence the ability to create last ing value, build trust and reduce risks
- Influence stakeholders' perception of AddLife's performance and ability to deliver value to them

The process engaged group management, internal experts, customers, suppliers, employees and representatives of society and comprised of five steps:

- Navigating 2030 – Reviewed research on how the industry will be influenced by four macrotrends to 2030—Access to resources, Demographic shifts, A changing environment, and an Interconnected world.
- Internal ranking and weighting – 15 internal experts weighted and ranked 26 topics across four areas relating to environmental and people impacts, strategic imperatives and operations and governance.
- Deep-dive interviews and surveys – By combining 16 stakeholder interviews, 16 responses to customer and supplier surveys and the insights from employee survey, a validation and adjustment of the ranking and additional knowledge was added.
- Strategize – The outcome of the assessment will serve as foundation for integration that will be announced in 2022.

Our top six take-aways:

1. Sustainability is set to increase in importance, driven by investor, employee and customer expectations and changing business landscape.
2. Environment-related topics and their influence on the ability to create value are expected to increase.
3. Talent management, responsible sourcing and material traceability influence AddLife's ability to create value. Their importance to stakeholders is not as high.
4. Stakeholders hold AddLife accountable for monitoring and assessing supplier sustainability risks.
5. AddLife's purpose and ability to contribute to society are important to attracting new talent. Skills development is key to retaining and empowering talent.
6. Expectations from employees on the importance of work-life balance and wellbeing are high.



ENVIRONMENT

1. Energy use and efficiency

2. Climate impact along the supply chain

3. Plastics

4. Packaging

5. Responsible sourcing

6. Circularity

7. Water efficiency

8. Biodiversity loss and ecosystems

PEOPLE

9. Product quality and service

10. Community involvement

11. Talent attraction and retention

12. Employee health and well-being

13. Occupational health & safety

14. Diversity and inclusion

15. Patient well-being

STRATEGY

16. Fair pricing

17. Ethical marketing and labelling

18. Multi-stakeholder collaboration

19. Product and service innovation

20. Business model innovation

21. Long-term growth and sustainable development

22. Access to healthcare

OPERATIONS AND GOVERNANCE

23. Data protection and privacy

24. Human and labor rights

25. Ethical business practices

26. Taxes paid

EU Taxonomy report 2021

This is AddLife's first EU Taxonomy Report, based on EU regulations to establish a framework that facilitates sustainable investment ("EU taxonomy"). The aim of the EU taxonomy is to establish common definitions for and reporting about which economic activities are in line with the EU's 2030 Sustainable Development Goals.

The EU taxonomy describes which sectors should report, which economic activities "should be covered by the taxonomy" (within its scope) and which business operations meet the technical review criteria to be "compliant with the taxonomy requirements" in accordance with EU goals.

AddLife's business operations are mainly associated with economic activities that are not currently covered by the EU Taxonomy Regulation.

Key ratios	**Total 2021 (SEKm)**	**Proportion of Taxonomy eligible economic activities (%)**	**Proportion of Taxonomy non-eligible economic activities (%)**
Net sales	7,993.0	0.0	100.0
Capex	754.3	0.0	100.0
Opex	33.5	0.0	100.0

Accounting principles

The proportion of the business operations that are environmentally sustainable according to the EU Taxonomy Regulation should be reported using three financial ratios. To calculate the three ratios, net sales, capital expenditure (capex) and operating expenditure (opex) have to be identified according to the taxonomy.

Net sales

Net sales is the part of the net sales derived from products or services

Capital expenditure

The reporting of total capital expenditure refers to additions to tangible assets during the year before depreciation, write-ups and write-downs, and excluding changes in fair value. Tangible assets arising from business combinations are also included. See Notes 15 and 16.

Operating expenditure

In the context of the EU taxonomy and the Regulation, operating expenditure is defined as direct non-capitalised expenditure relating to research and development (R&D), building renovation activities, short-term leases, maintenance and repairs, and direct costs related to the day-to-day maintenance of assets, i.e. not the total operating costs, but only costs relating to the maintenance of the assets. Only R&D, repairs and maintenance are included in this report, as all other areas are considered to be insignificant.

1 January 2021 – 31 December 2021

The Board of Directors and Chief Executive Officer for AddLife AB (publ), Company Registration No. 556995-8126, hereby present the annual report and consolidated financial statements for the 2021 financial year. The Corporate Governance report is part of the administration report and is presented on pages 53-67. The Company's sustainability report is incorporated into the annual report and Consolidated Financial Statements on pages 6-10 and 25-38.

Operations

AddLife is a Swedish-listed medical technology company operating mainly in the European market and consisting of 83 operating subsidiaries in the Labtech and Medtech business areas. The Group has 1,802 employees in 27 countries and offers high-quality, cost-effective solutions and products. The product portfolio consists partly of self-manufactured products and partly of products that are made by other manufacturers. The service portfolio includes advice, service and education.

The customers are primarily active in the healthcare sector – from research to medical care. AddLife currently has a presence in about 30 countries, mainly in the Nordic region, Central and Eastern Europe, as well in China and Australia. AddLife shares have been listed on Nasdaq Stockholm since March 2016.

Key events during the year

The COVID-19 pandemic had a significant impact on the Life Science market throughout 2021. The business situation of our companies has been affected by efforts in all countries to contain and manage the spread of infection, the pressure on health service intensive care units and other restrictions resulting from the pandemic.

The testing capacity built up in the latter part of 2020 has remianed into this year, and there has been a high demand for PCR testing across Europe, particularly in the context of increased disease transmission. For our diagnostics companies, this has meant sales of large volumes of tests of new and previously installed instruments. Virus research activity has, for most of the year, been high, which has had a positive impact on our research companies. Demand from pharmaceutical customers not focusing on COVID-19 was stable, as were sales of our own advanced analytical instruments.

The strong growth in Medtech was driven by two strategic acquisitions carried out in April: Healthcare 21 and AddVision. The acquisitions bring annual net sales of around SEK 2.4 billion and make AddLife a significant European player, with more than half of its sales in markets outside the Nordic region. For large part of the year, there was limited activity in elective surgery, due to the need for the healthcare service to prioritise the care of COVID-19 patients and reallocate resources. During the autumn, the number of surgeries increased, however mutations of the COVID-19 virus and increased spread of infection at the end of the year, decreased activity once again.

During the year our companies in homecare had difficulties delivering because of infection control measures in eldercare. At the same time, the demographic trend of a growing, ageing population, as well as technological developments, also continued to drive underlying growth. At the end of the year we made two acquisitions in welfare technology, which together strengthen AddLife's position in digital health, with the aim of becoming a driving force in tomorrow's digital healthcare and social care.

The COVID-19 pandemic during the year has clarified the opportunities that AddLife has to make a difference by helping to benefit both patients and society. AddLife's offering to healthcare services is attractive on the market and we will continue to offer new treatment options, proactive diagnostics, technical aids and digital solutions for both institutional care and care at home. There is a large backlog of patients waiting for care in all countries in the wake of the pandemic, which is expected to take a long time to manage.

Acquisitions

AddLife is constantly looking for companies to acquire and is engaged in discussions with several potential companies. Seven acquisitions were completed, whereof five were closed during the financial year. The year's acquisitions were in both the Labtech and Medtech business areas.

AddLife philosophy for acquisitions:

- The subsidiaries can make smaller add-on acquisitions to strengthen operations within their niche
- The business areas can expand and build market and/or product positions in selected market segments
- The business areas can add new market segments in areas where we see opportunities to gain market leadership

The following acquisitions were completed during the year:

- On April 7, 2021, all shares was acquired in AddVision 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 homecare. 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 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. he 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.

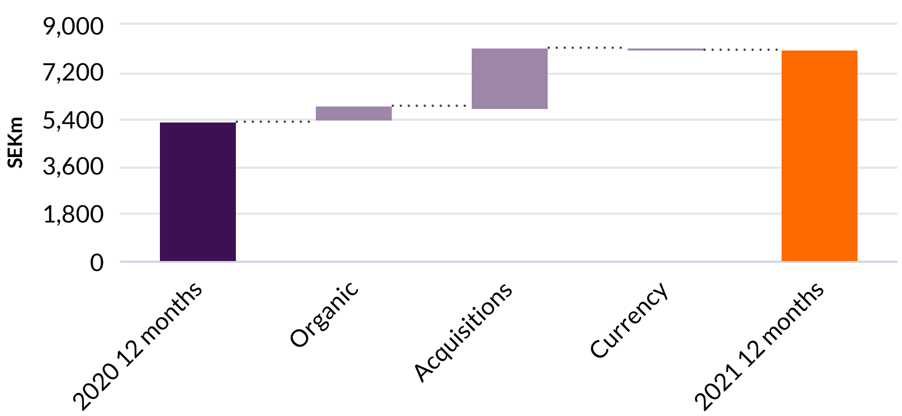
The total purchase price for this year's five acquisitions is SEK 5,057 million. The effect of the acquisitions completed during the financial year on the AddLife Group's net sales was SEK 1,750m, on EBITA SEK 211m, on operating profit SEK 73m and on profit after tax for the interim period SEK 26m. Had the acquistions, been completed on January 1, 2021, their impact would have been aproximately SEK 2,530m on net sales, on EBITA SEK 309m and on operating profit SEK 112m and SEK 48m on profit after tax. During the year a total of 896 (197) employees joined AddLife through acquisitions.

Financial development during the year

Net sales and profit

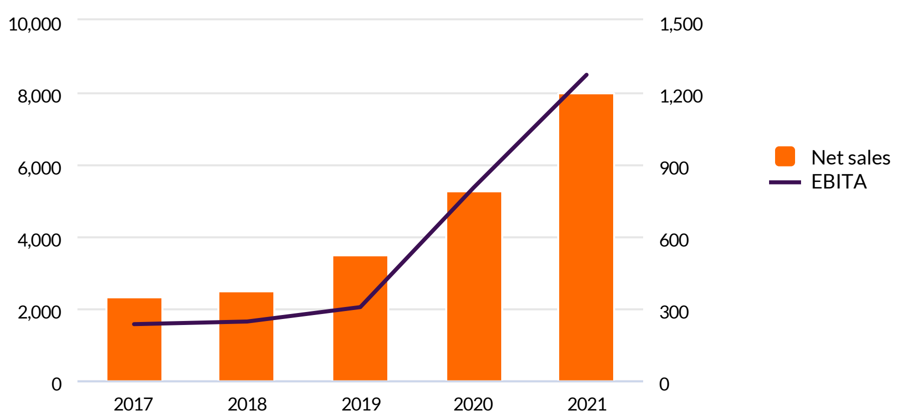
The AddLife Group's net sales increased by 52 percent (52) and totalled SEK 7,993 million (5,273). Organic growth was 11 percent (38), acquired growth was 43 percent (17) and exchange rate fluctuations had a negative impact of 2 percent (3), corresponding to SEK 104 million (121).

NET SALES 12 MONTHS



During the financial year, EBITA increased by 59 percent (163) to SEK 1,273 million (802) and the EBITA margin reached 15.9 percent (15.2). Transaction costs amounting to SEK 32 million and stamp duty of SEK 24 million related to acquired shares is included in the result as sales costs. EBITA excluding acquisition-related costs amounted to SEK 1,329 million with an EBITA margin of 16.6 percent. The higher margin is due to increased volumes and continued restrained costs. xchange rate changes had a negative effect on EBITA of 2 percent (6), corresponding to SEK 16 million (17).

NET SALES AND EBITA



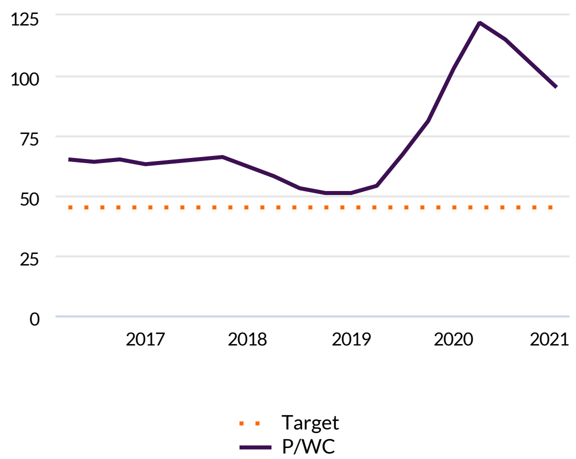
Net financial expenses was SEK -69 million (-13) and profit after financial items increased by 41 percent to SEK 927 million (659). Profit after tax rose by 39 percent (265) for the financial year to SEK 721 million (520) and the effective tax rate was 22 percent (21). Earnings per share before dilution for the financial year amounted to SEK 6.03 (4.63).

Profitability, financial position and cash flow

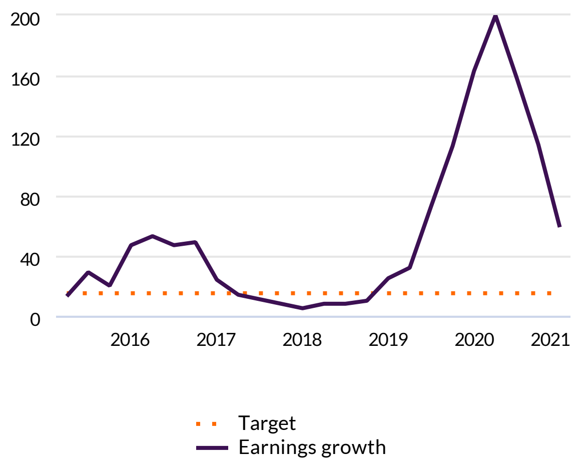
Return on equity at the end of the financial year was 22 percent (31). Return on capital employed totalled 31 percent (25). The equity ratio at the close of the financial year was 40 percent (46). Equity per share, excluding non-controlling interests, totalled SEK 35.14 (16.73).

Return on working capital (P/WC) totalled 95 percent (103). The long-term P/WC target for the Group and all of its companies is 45 percent. The profitability benchmark P/WC ratio encourages high operating profit and low levels of tied-up capital. When combined with the growth target of 15 percent, this creates conditions that promote long-term profitable growth for the companies and the Group. Average working capital, which when calculating P/WC includes inventories with the addition of the net of accounts receivable and accounts payable, amounted to SEK 1,347 million (781) at the end of the financial year.

P/WC



EARNINGS GROWTH



The Group's interest-bearing net debt at the close of the financial year stood at SEK 3,870 million (700), including pension liabilities of SEK 82 million (81), as well as lease liabilities of SEK 339 million (233). The net debt/equity ratio, calculated on the basis of financial net liabilities including provisions for pensions and lease liabilities, totalled 0.9 (0.4).

Cash and cash equivalents, consisting of cash and bank balances together with approved but non-utilised credit facilities, totalled SEK 674 million (1,006) on 31 December 2021. The Group's available credit facilities amounted to SEK 4,083 million (1,492) as of 31 December 2021.

Cash flow from operating activities reached SEK 1,010 million (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 2,843 million (345). Investments in non-current assets reached SEK 143 million (91) during the financial year. Disposals of non-current assets totalled SEK 9 million (7). Repurchase of treasury shares amounted to SEK 0 million (31). Issued and exercised call options totalled SEK 9 million (58). A dividend of SEK 183 million (56) was paid.

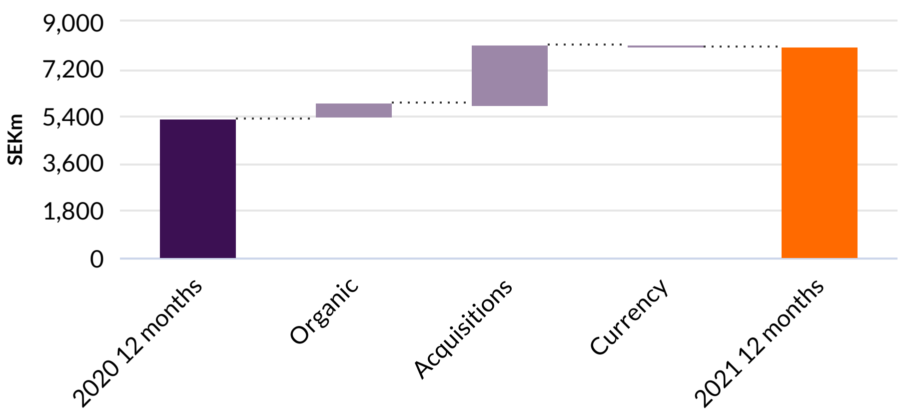
Business areas

AddLife's operations during the financial year were organised in two business areas: Labtech and Medtech.

Labtech

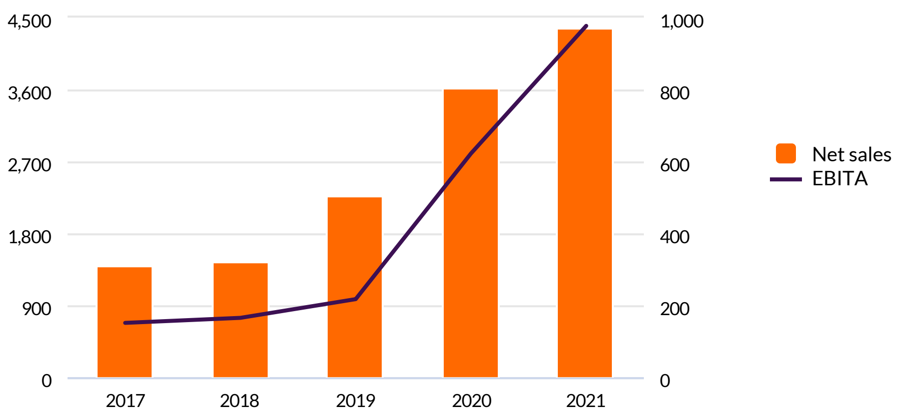
Net sales rose by 21 (62) percent during the financial year to SEK 4,373 million (3,619). Organic growth was 22 percent, acquired growth was 2 percent and exchange rate fluctuations had a negative impact of 3 percent.

NET SALES 12 MONTHS



EBITA rose by 57 percent (187) to SEK 977 million (622) and EBITA margin amounted to 22.3 percent (17.2).

LABTECH - NET SALES AND EBITA

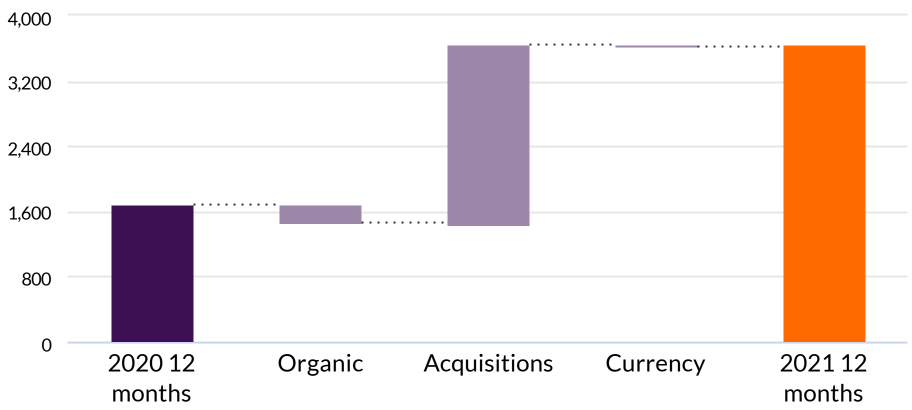


The Labtech business area has undergone strong growth in all geographic markets during the year. The increase for the diagnostics companies is mainly related to sales of certified COVID-19 tests and other tests such as blood gas analysis, used in the hospital ICU units. Research companies have had strong demand for COVID-19 related productsas well as virus research in general.

Medtech

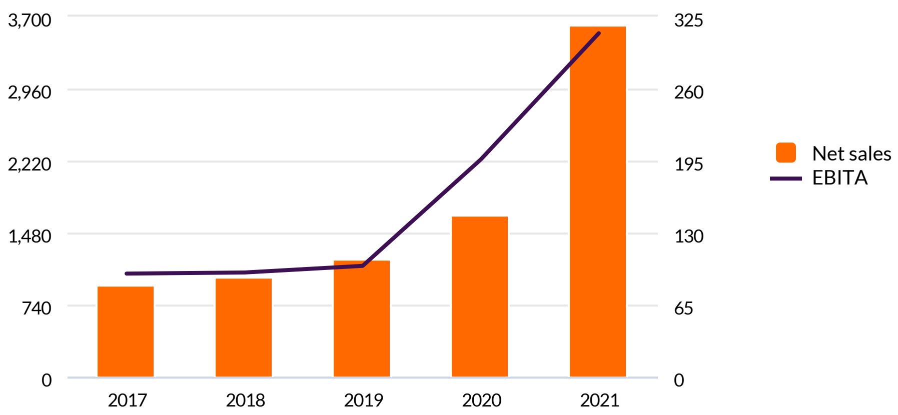
During the financial year net sales totalled SEK 3,625 million (1,659), an increase of 119 percent (37). Organic growth was 5 percent, acquired growth was 126 percent and exchange rate fluctuations had a positive impact of 1 percent.

MEDTECH NET SALES 12 MONTHS



EBITA rose by 58 percent to SEK 310 million (196), corresponding to an EBITA margin of 8.6 percent (11.8).

MEDTECH - NET SALES AND EBITA

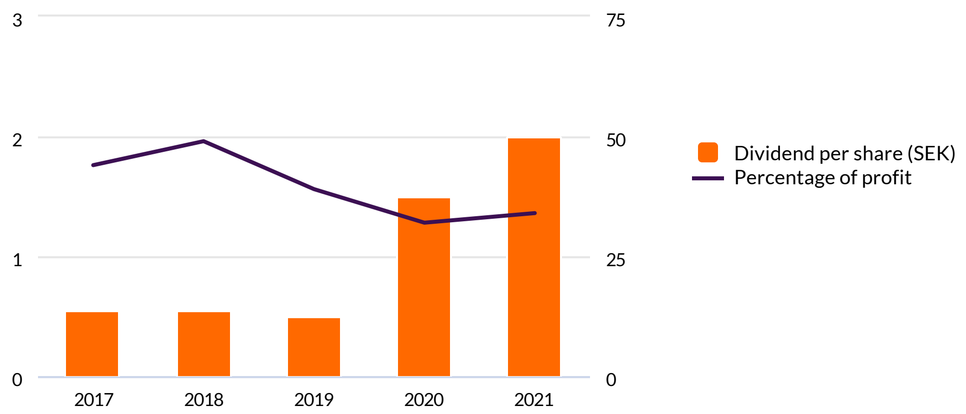


The strong growth in the Medtech business was mainly driven by the two strategic acquisitions completed in April. The number of elective surgeries has been on a lower level than normal, with lower demand for non-COVID-19 related product as a result.

Dividend

AddLife's dividend policy is to pay a dividend equivalent to 30-50 percent of average consolidated profit after tax over a business cycle. The Board has resolved to propose that the AGM in May 2022 pay a dividend of SEK 2.00 (1.50) for the 2021 financial year. Please refer to note 37 for proposal for profit distribution.

DIVIDEND



Historical data for dividend per share have been restated based on a new issue and share split. The conversion factor is 4.041.

Risks and uncertainties

AddLife works with risk management on both a strategic and operational level. Risk management involves identifying and measuring risks and preventing them from occurring, as well as continually making improvements to reduce future risks. Our risk management focuses on business risks, financial risks and other potentially significant risks such as legal risks. The AddLife Group has policies and guidelines that provide responsible managers with tools to identify deviations that could develop into risks. The level of risk in the operations is systematically followed up in monthly reports, in which negative deviations or risks are identified and remedied.

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. The external factors that are most important for AddLife are the economic situation, combined with the market, competition and public procurement and political decisions.

In addition AddLife is affected by financial risks such as transaction exposure, translation exposure, financing and interest rate risk, as well as credit and counterparty risk. See Note 4 for a more detailed description of how AddLife manages financial risks.

Risk/description	Management
Economic cycle and market trends	
Demand for AddLife's services is greatly influenced by macroeconomic factors beyond the control of the Company, such as conditions in the global capital market, the state of the economy in general, public finances and events such as the ongoing pandemic. Factors such as business investments, public sector investment, the volatility and strength of the capital market and inflation affect the	AddLife's subsidiaries are active on a large, or to some extent non-cyclical market, which generally makes the Group less sensitive to economic fluctuations. The strength in AddLife's business model can also be found in the ability of the subsidiaries to retain their flexibility, but

Risk/description	Management
business and economic climate. A weakening of these conditions on some or all of the markets in which AddLife operates could have material adverse effects on the Company's business, financial condition and results of operations. A significant share of the Company's sales are made to publicly funded activities in medical care, research and health services. Weakened public finances could have a negative impact on AddLife's business and results of operations.	with stable funding from the parent company, which makes it simpler to adjust and respond to changes in the market.
Public procurement and political decisions	
Political decisions in the Nordic countries have resulted in a decline in the number of contract customers because of the consolidation of regions into larger entities. As a result public tenders are now larger and contract periods have often been extended. This change has resulted in an increase in both pressure on prices and competition, while making it difficult for smaller operators in the market to participate in public procurement processes. Furthermore, because the industry is consolidating on the supply side and larger merged suppliers have a broader offering, at the same time that purchase contracts are becoming broader in scope, there is a risk that niche operators like the Company may be unable to participate in the procurement process.	Since agreements covered by public procurement constitute a significant part of AddLife's net sales, there is a strong focus on these in the organization and at the subsidiaries. Great effort is put into preparing and ensuring that the procurement requirements are met, as well as training.
Technological development	
AddLife is exposed to the risk that the various subsidiaries in the AddLife Group may not be able to implement new technology or adapt the product range and business model in time to be able to take advantage of the benefits of new or existing technology. The costs associated with keeping up with product and technological advances may be high and influenced by factors that are fully or partially outside of AddLife's control. Moreover, the level and timing of future operating expenses and capital requirements could significantly differ from current estimates.	There is a strong focus on proactive business development within the subsidiaries, as well as a focus on future technological adaptation with new acquisitions. In several of the subsidiaries major initiatives in research and development are underway, and collaborations with business partners are initiated as needed to ensure technological developments. Regarding distribution of third-party products, there is a strong ongoing collaboration with suppliers with respect to technological developments.
Customers	
AddLife has a large number of customers of varying sizes, some of whom are public and some private operators. Because of the number of customers and the Group structure, agreements with customers vary in character with regard to factors such as contract length, warranties, liability limitations and scope, which may cause difficulties in centrally forecasting the operations and development of the different subsidiaries. In some customer relationships there are no written customer agreements, which could result in legal uncertainty regarding the content of the agreement. Moreover, there is a risk that such variation could result in unforeseen liability exposure for AddLife, especially in cases where no standard terms and conditions are applicable for the agreements, or in cases where no specific limitations of liability have been incorporated into the agreements.	Although there are contractual risks associated with the scattered customer base that AddLife subsidiaries have, there are also advantages. An individual subsidiary may be dependent in the short term on a single customer, but AddLife as a Group is not dependent on any single customer and no customer accounts for more than about xx percent of sales. This is a strength in the AddLife business model.
Suppliers	
Over the past few years, the industry has undergone consolidation, where the number of suppliers is decreasing. Thus there is a risk that	In a longer perspective, AddLife is not dependent on any single supplier for the

Risk/description	Management
AddLife will lose suppliers that are important for the Company. In order to deliver products, AddLife depends on external suppliers who must meet the terms of the agreements regarding matters such as volume, quality and delivery date. Incorrect, delayed or missing deliveries could in turn cause AddLife's deliveries to be delayed or incorrect. AddLife has agreements with a large number of suppliers over which the Company cannot exercise control nor can it have full insight into their operations. Consequently, AddLife is exposed to the risk that suppliers could act in a way that could harm AddLife. The majority of the Group's supplier agreements have been entered into in accordance with the supplier's terms of agreement and are thus often supplier-friendly.	survival of the business. The Company's largest supplier amounts to approximately 7 (7) percent of net sales for 2021. AddLife works strategically with the larger suppliers and conducts regular supplier evaluations, with the aim that all suppliers will live up to the AddLife Code of Conduct.
Acquisitions	
AddLife has historically completed several acquisitions. Strategic acquisitions will continue to be an important component of AddLife's growth strategy. However, there is a risk that AddLife will not be able to identify acquisition targets or to carry out strategic acquisitions because of, for example, competition with other acquirers or lack of financing. Acquisitions generally entail integration risks. In addition to company-specific risks, the acquired company's relationships with important customers, key personnel and suppliers could be adversely affected. Integration involves risks relating to the ability to retain skills and to the possibility of creating a common culture. There is also a risk that the integration process may take longer than expected and that unforeseen costs associated with the consolidation of operations may arise. Moreover, expected synergies may totally or partially fail to arise. Moreover, acquisitions could expose AddLife to unknown obligations. Acquisitions usually involve not only the assumption of all of the assets of the acquired company, but also its obligations. There is a risk that not all potential obligations or commitments have been identified prior to the acquisition, or that the seller lacks the financial ability to compensate AddLife in the event of a breach of warranty.	AddLife constantly pursues acquisitions to ensure that there is an inflow of interesting objects for the Group. AddLife has many years of experience of acquisitions and has a structured process for both acquisition work and integration of completed acquisitions. Guarantees to limit the risk of unknown obligations are one of the tools used in contract negotiation.
Organisational risk	
AddLife applies a decentralised organisational model, which means that subsidiaries in the Group are largely responsible for and conduct business independently. Corporate governance in a decentralised organisation places high demands on financial reporting and monitoring and deficiencies in reporting and monitoring entail a risk of inadequate operational control. The decentralised organisational model has historically been an advantage for the Group. However, there is a risk that the organisational model will prove to be less suitable for meeting any future market challenges that should arise. Moreover, the lack of specialist expertise in the various subsidiaries, such as regarding financial knowledge, could result in incorrect business decisions and slow decision making.	Group Management controls, checks and monitors the business in the subsidiaries, primarily by serving as Chairman of the Board of the companies and by continually monitoring developments. In addition, AddLife works with weekly follow-up of orders received, monthly reporting and follow-up of financial developments in all subsidiaries, which means that the parent company has good insight into and understanding for current and future challenges and opportunities.
Ability to recruit and retain staff	
AddLife's continued success depends on experienced employees with specific skills. There are key personnel both among senior executives and among the Group's employees in general. There is a risk that one	AddLife invests time and energy into in-house skills development through AddLife Academy. The aim for each acquisition is for key personnel

Risk/description	Management
or several senior executives or other key personnel could leave the AddLife Group on short notice.	to remain in the acquired companies and continue to pursue both personal growth and growth of the company within the framework of the Group. AddLife conducts an annual employee survey and follows up the results to ensure that employees are provided with the conditions necessary for personal growth and job satisfaction. AddLife also has an incentive programme for senior management.
Product liability	
AddLife's business entails risk associated with product liability. AddLife could be subject to product liability claims if the products that are produced or purchased cause personal injury or property damage. There is a risk that such product liability claims are not fully covered by AddLife's insurance policy. If a product is defective, AddLife may be forced to recall it. In such a situation there is a risk that AddLife cannot make corresponding claims against its own suppliers to receive compensation for the costs incurred by AddLife due to the defective product.	AddLife works continually with suppliers to increase product safety and ensure that products meet the quality requirements that are in place. AddLife regularly reviews its insurance coverage to reduce the risk of unforeseen expenses. AddLife's own products are subjected to ongoing quality assessment and follow-up.
Environmental risk	
New environmental legislation linked to transports and product materials could have an impact on sales for AddLife's subsidiaries. AddLife owns a few properties and according to the Swedish Environmental Code, a property owner is responsible for any pollution or other environmental damage, with responsibility for remediation, which may also include damage caused by previous operations.	AddLife's subsidiaries are primarily engaged in commerce and businesses that have a limited direct environmental impact. At the time of each acquisition, earlier environmental impact are noted and reviewed, and contractual protection is negotiated.

Remuneration

Principles for remuneration to senior executives

The Board of Directors intends to propose to the Annual General Meeting in May 2022 that the guidelines for remuneration to senior executives remain unchanged compared with what was decided at the AGM in May 2021:

The guidelines apply to remuneration agreed after the Annual General Meeting 2021 and amendments to agreed remuneration made thereafter. The guidelines do not apply to remuneration resolved by the general meeting. For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines. The provisions regarding the Company also apply to the Group where appropriate.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that AddLife offers competitive remuneration, which these guidelines make possible. Total remuneration should be on market terms and competitive and relate to responsibility and authority.

Types of remuneration, etc.

Remuneration shall be on market terms and may consist of the following components: fixed salary, any variable salary according to separate agreements, pension and other benefits. The general meeting can also, irrespective of these guidelines, resolve on, among other things, share and share price-related remuneration.

Fixed salary

The fixed salary shall consist of fixed cash salary and be reviewed annually. The fixed salary shall be competitive and reflect the position requirements with respect to qualifications, responsibilities, complexity and the manner in which it serves to reach the business objectives. The fixed salary shall also reflect the performance of the senior executive and thus be individual and differentiated.

Variable salary

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable salary when fulfilling agreed performance criteria. Any variable salary shall consist of an annual variable cash salary and may amount to a maximum of 40 percent of the fixed annual salary. The variable salary shall be linked to one or several predetermined and measurable criteria, which can be financial, such as consolidated earnings growth, profitability and cash flow, or non-financial, such as individual goals designed to promote the Company's business strategy and long-term interests. Because the goals link the senior executives' remuneration to the Company's earnings, they promote implementation of the Company's business strategy, long-term interests and competitiveness. The terms and bases of calculation for variable remuneration shall be determined annually. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The extent to which the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The Board is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company. The terms for variable remuneration shall be designed so that the Board of Directors, under exceptional financial conditions, may limit or refuse to pay variable remuneration if such a measure is deemed reasonable.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once per year and individual. Resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

Pension

For the CEO, pension benefits, including health insurance, shall be defined contribution with premiums not exceeding 30 percent of the fixed annual salary. For other senior executives, pension benefits, including health insurance, shall be defined contribution unless the senior executive is subject to defined benefit pension under mandatory collective agreement provisions. Premiums for defined contribution pensions are to be in the form of the Swedish alternative ITP plan, according to a "premium ladder" as stated in AddLife's pension policy, or premiums are not to exceed 30 percent of the fixed annual salary. Variable remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions applicable to the senior executive (applies to Sweden and defined contribution pension).

Other benefits

Other benefits, which may include, for example, company car, travel benefits, cleaning benefits and health insurance, shall be on market terms and only constitute a limited part of the total remuneration. Premiums and other costs associated with such benefits may amount to a maximum of 10 percent of the fixed annual salary.

Termination of employment

For the CEO and other members of Group Management, the notice period shall be six months in case of termination by the senior executive. In case of termination by the Company the maximum notice period shall be 12 months. In case of termination by the Company, severance pay may be payable in an amount corresponding to a maximum of twelve months' fixed salary less any remuneration received from new employments or assignments. Employees who give notice to terminate employment are not entitled to severance pay. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed salary at the time of termination of employment and amount to not more than 60 percent of the fixed salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than 24 months following termination of employment.

Fees to Board members

AddLife's Board members elected by the general meeting may, in specific cases and for limited time, be remunerated for services beyond Board work within their respective areas of expertise. A fee on market terms for these services (including services rendered by a Company wholly owned by a Board member) shall be paid, provided that such services contribute to the implementation of AddLife's business strategy and long-term interests, including its sustainability. Such consultant's fee may, for each Board member, in no case exceed twice the annual Directors' fee.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Preparation and decision-making process

The Board of Directors has established a Remuneration Committee. The Committee's duties include preparing principles for remuneration to Group Management and the Board of Directors' decision to propose guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting for resolution. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to Group Management, the application of the guidelines to senior executives as well as the current remuneration structures and compensation levels in the Company. Remuneration to the CEO shall be decided by the Board of Directors in line with approved policies following preparation and recommendation by the Remuneration Committee. Remuneration to other senior executives shall be decided by the CEO in line with approved policies and after consultation with the Remuneration Committee. The CEO and other members of Group Management do not participate in the Board of Directors' discussions and decisions on remuneration-related matters that pertain to them.

Derogation from these guidelines

The Board of Directors may decide to derogate from these guidelines, in whole or in part, if in a specific case there is special cause and such a derogation is necessary to safeguard the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee's duties include preparing the Board of Directors' decisions on remuneration matters, including decisions to derogate from these guidelines.

Employees, research and development and environment

Employees

At the end of the financial year AddLife had 1,802 employees, compared with 1,112 at the beginning of the financial year. Completed acquisitions increased the number of employees by 701 (197). The average number of employees in 2021 was 1,548 (1,004).

	2021	2020
Average number of employees	1,548	1,004
of which are men	55%	53%
of which are women	45%	47%
Age distribution		
up to 29 years	10%	9%
30-49 years	54%	54%
50 years and older	36%	37%
Average age	45	45

AddLife Academy provides a training for our employees, builds a shared value system and ensures the supply of leaders in the Group. In 2021, the number of trainings have increased significantly with participants from more countries, which has been possible thanks to the digitalisation stared in 2020. Among other, we have had training in sales and leadership to increase the degree of professionalism of our employees. AddLife Academy has also had tailor-made training in marketing and finance.

Research and development

The Group conducts its own research and development to a limited extent, mainly within Biolin in the Labtech business area.

Environment

None of the Group's Swedish subsidiaries engage in activities that require a permit or notification under the Swedish Environmental Code. None of the foreign subsidiaries engage in activities subject to equivalent requirements for notification or permits. None of the Group's companies are engaged in any environment-related disputes.

Parent company

The operations of the Parent Company AddLife AB comprise Group Management, business area management, consolidated reporting and financial management.

The Parent Company's net sales amounted to SEK 51 million (41) and the loss after financial items was SEK 18 million (-11). Balance sheet appropriations include Group contributions received of SEK 259 million (181) and Group contributions paid of SEK -136 million (-5). Cash flow from investment activities totalled SEK -4,265 million (70). The Parent Company's financial net debt at the close of the financial year stood at SEK 3,122 million (407).

Share capital, share repurchases, incentive programmes and dividends

On 31 December 2021, the Parent Company's share capital amounted to SEK 62,358,949 divided into the number of shares shown below with a nominal value of SEK 0.51 per share.

During the year, two new issues of B shares, totaling 7,951,958, were completed, which were used to pay for Healthcare 21 and AddVision Group in accordance with the Board's mandate from the Annual General Meeting in May 2020. The total number of shares amounts to 122,450,250, where of Class A shares are unchanged at 4,615,136 and the number of Class B shares has increased from 109,883,156 to 117,835,114. Shares in own custody have decreased from 2,007,149 to 507,149 Class B shares after 1,500,000 Class B shares were used as part of payment for the shares in AddVision Group.

On 31 December 2021 the number of stockholders was 13,879 (7,501).

The Company's class B shares are listed on Nasdaq Stockholm. Two owners each control 10 percent or more of the voting rights. They are RoosGruppen AB (Håkan Roos through companies) with an ownership stake corresponding to 14.84 percent of votes, and Tom Hedelius, who owns shares corresponding to 12.62 percent of votes.

According to Chapter 6, Section 2a of the Swedish Annual Accounts Act, listed companies are required to disclose specific circumstances that may affect the possibility of a take-over of the Company through a public offer for shares in the Company. In the event that the Company is delisted from Nasdaq Stockholm, or that shareholders other than the current principal shareholders may acquire more than 50 percent of the capital or voting rights, the granted credit framework for an overdraft facility at Handelsbanken of SEK 700 million may be terminated.

Repurchase of treasury shares and incentive programs

In May 2021 the AGM authorised the Board of Directors during the period up until the 2022 AGM to buy back a maximum of ten percent of all shares in the Company.

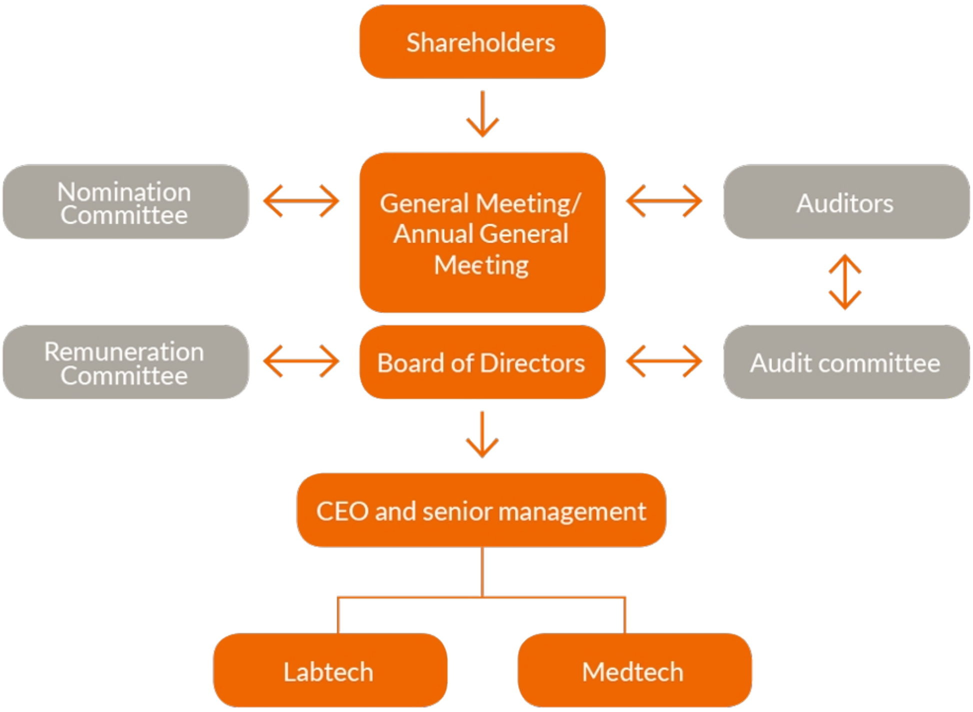
The repurchased shares are intended to cover the Company's commitment to outstanding call options programs. During the financial year, 0 (500,000) class B treasury shares were repurchased. The average number of class B treasury shares held during the financial year was 895,322 (2,370,836). During the year, 1,500,000 B shares in own custody were used as payment for the shares in AddVision Group. At year-end the number of class B treasury shares was 497,489 (2,010,845) with an average purchase price of SEK 52.12 (52.12). The shares account for 0.4 percent (1.8) of shares issued and 0.3 percent (1.3) of votes.

At year-end AddLife had four outstanding call option programs. Outstanding call options during the financial year resulted in an estimated dilutive effect based on the period's average share price of approximately 0.5 percent (0.1).

The Board intends to propose to the Annual General Meeting in May 2022 an incentive program based on the same, or substantially similar, model as was approved at the AGM in 2021.

Corporate Governance Principles

AddLife is a public limited liability Company whose class B shares were listed on Nasdaq Stockholm on 16 March 2016, for which reason the Company complies with the Swedish Code of Corporate Governance (the "Code"). The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. The Code is part of self-regulation by the Swedish business community and is based on the principle of "comply or explain". This means that companies are not obliged to apply every rule in the Code, but are allowed the freedom to choose alternative solutions provided that the reasons for any deviation is explained. AddLife has two deviations from the code to report for the 2021 financial year. The deviations and related explanations are presented in the section on the Nomination Committee. This corporate governance report has been reviewed by the auditor. The corporate governance report is available on the Company's website under Investors, www.add.life/en/investors/corporate-governance/



As of 31 December 2021, the Company had 13,789 shareholders, the 15 largest of whom controlled 63 percent of the share capital and 70 percent of the votes. At the end of the financial year, Swedish investors accounted for 58 percent of shareholders, and foreign investors owned 42 percent of the share capital. The proportion of legal entities was 86 percent, while natural persons accounted for 14 percent of the share capital. Roosgruppen AB (Håkan Roos through companies) and Tom Hedelius are the only shareholders with a direct or indirect shareholding in the Company representing at least one tenth of the voting rights for all shares in the Company.

Articles of Association

According to the Articles of Association, the Company's name is AddLife AB and it is a public Company. The Company's most recent financial year extended from 1 January – 31 December. The Company's principal business is "to directly or through a wholly or partially owned subsidiary engage in trading with and produce mainly medical equipment and products, and to pursue other compatible business". The Board of Directors is based in Stockholm and shall comprise at least four and no more than six members. Notice of the Annual General Meeting shall be published in Post- och Inrikes Tidningar (official Swedish gazette) and on the Company's website. The issuance of the Notice of the Annual General Meeting shall be advertised in the Swedish newspaper Svenska Dagbladet.

The most recently recorded Articles of Association, adopted at the Annual General Meeting on 5 May 2021, are available in their entirety on the Company's website under investors, www.add.life/en/investors/corporate-governance/articles-of-association/

Compliance with applicable rules for trading

No violations of any applicable stock exchange rules occurred in 2021 and AddLife's operations were conducted in accordance with good practices in the stock market.

Division of responsibilities

The purpose of corporate governance is to establish a clear division of roles and responsibilities between shareholders, the Board of Directors, the Board's committees and Senior Management. Corporate governance within AddLife is based on applicable legislation, primarily the Swedish Companies Act, the listing agreement with Nasdaq Stockholm, the Swedish Code of Corporate Governance (the "Code") and internal guidelines and regulations.

Share structure and shareholders

On 31 December 2021 share capital in AddLife AB amounted to SEK 62,358,949. There were a total of 122,450,250 shares in the Company, including 4,615,136 Class A shares and 117,835,114 Class B shares. The nominal value of each share was SEK 0.51. Each Class A share carries ten votes and each Class B share carries one vote. Only the Class B share is listed on Nasdaq Stockholm.

AddLife´s Board of Directors

According to AddLife's Articles of Association, the Board of Directors must consist of four to six members. Members are elected annually at the AGM for the period extending until the end of the next AGM. There is no limitation on how long a member may serve on the Board of Directors.

Responsibility and work of the Board of Directors

The duties of the Board of Directors are set forth in the Swedish Companies Act, AddLife's Articles of Association and the Code. In addition to this, the work of the Board of Directors is guided by the Rules of Procedure for the Board of Directors, which is adopted by the Board of Directors. The Board of Directors has adopted written rules of procedure governing its work and internal division of labour, including its committees, decision-making procedures within the Board, the Board's meeting procedure and the Chairman's duties. The Board of Directors has also issued instructions for the CEO and instructions for financial reporting to the Board. In addition, the Board has adopted a number of policies for the Group's operations such as the Financial Policy, Communications Policy and Code of Conduct. The Board supervises the work of the CEO through ongoing monitoring of operations over the year and is responsible for the organisation, management and guidelines of the management of the Company's affairs being suitably designed and for the Company maintaining good internal control and effective systems for the monitoring and control of the Company's operations, as well as compliance with the legislation and regulations applicable to the Company's operations. The Board of Directors is also responsible for establishing, developing and monitoring the Company's targets and strategies, decisions on acquisitions and divestments of operations, major investments and appointments and remuneration to Group Management. The Board of Directors and the CEO present the annual accounts to the Annual General Meeting.

An annual evaluation of the work of the Board of Directors shall be performed under the leadership of the Chairman of the Board and the Nomination Committee shall be informed of the outcome of the evaluation. The Board of Directors shall continuously evaluate the work of the CEO. This matter shall be addressed individually each year with no member of Company management being in attendance. Moreover, the Board of Directors shall evaluate and assess any significant appointments which the CEO may have outside of the Company. Under the leadership of the Chairman of the Board, the annual evaluation of the work of the Board was carried out in November 2020, and the Nomination Committee was informed of the outcome of the evaluation.

JOHAN SJÖ

Chairman of the Board since 2015

Born in: 1967
Education: M.Sc. Econ
Professional experience: Senior Advisor Nordstjernan AB. Former Chief Executive Officer Addtech AB, senior management at Bergman & Beving AB and Alfred Berg ABN AMRO
Significant appointments: Chairman of the Board of Alligo AB, Momentum Group AB and OptiGroup AB. Member of the board of Camfil AB and M2 Asset Management AB
Independent in relation to AddLife and its senior management: Yes
Independent in relation to major shareholders: Yes
Holdings of shares in AddLife: 14,400 Class A shares and 90,000 Class B shares

STEFAN HEDELIUS

Board member since 2015

Born in: 1969
Education: University studies in finance, various international executive education programmes
Professional experience: Chief Executive Officer of Human Care HC AB, former Chief Executive Officer of NOTE AB and senior positions within Scandinavian Airlines and Ericsson
Significant appointments: Member of the board of Momentum Group AB and Alligo AB
Independent in relation to AddLife and its senior management: Yes
Independent in relation to major shareholders: No
Holdings of shares in AddLife: 24,964 Class A shares and 4,568 Class B shares

EVA NILSAGÅRD

Board member since 2015

Born in: 1964
Education: M.Sc. Econ
Professional experience: Chief Financial Officer Plastal and Vitrolife AB. Senior positions at Volvo Group, AstraZeneca Group and SKF
Significant appointments: Chairman of the Board for Spermosens AB and Diagonal Bio AB. Member of the Board for Bufab AB, Irras AB, Hansa Biopharma AB, Nimbus Group AB, Xbrane Biopharma AB, Aktiebolaget Svensk Exportkredit, Nanexa AB and eEducation Albert AB
Independent in relation to AddLife and its senior management: Yes
Independent in relation to major shareholders: Yes
Holdings of shares in AddLife: 5,568 Class B shares and 4,000 Class B shares through endowment insurance

BIRGIT STATTIN NORINDER

Board member since 2015

Born in: 1948
Education: MPharmacy and Bachelor of Arts
Professional experience: Former Chief Executive Officer Prolifix, Senior Vice President Worldwide Product Development Pharmacia & Upjohn. Leading positions in eg Glaxo and the Astra Group as well as chairman and board member of several international Biotech companies
Significant appointments: Member of the board of Nanexa, Oasmia Pharmaceutical and Jettesta
Independent in relation to AddLife and its senior management: Yes
Independent in relation to major shareholders: Yes
Holdings of shares in AddLife: 12,636 Class B shares (including related party holdings)

EVA ELMSTEDT

Board member since 2021

Born in: 1960
Education: Bachelor's degree in Economics and Computer Science
Professional experience: Previous experience as EVP Global Services and member of the management team of Nokia Networks and Nokia Siemens Networks and senior positions at Ericsson, the operator 3 and Semcon
Significant appointments: Chairman of the Board of Arelion, Omegapoint, Proact IT Group and Semcon AB. Member of the Board of Arjo, Elanders and Smart Eye
Independent in relation to AddLife and its senior executives: Yes
Independent in relation to major shareholders: Yes
Holdings of shares in AddLife: 3,000 Class B shares adn 1,000 Class B shares through endowment insurance

HÅKAN ROOS

Board member since 2015

Born in: 1955
Education: M.Sc. Econ
Professional experience: Previously Chief Executive Officer of Hallbergs Guld AB and Procurator AB
Significant appointments: Chairman of the Board of RoosGruppen AB and Gadelius Japan. Member of the board of OptiGroup AB and Sandå Sverige AB
Independent in relation to AddLife and its senior management: Yes
Independent in relation to major shareholders: No
Holdings of shares in AddLife: 2,165,644 Class A shares and 2,824,727 Class B shares

Information regarding shareholdings as of February 28, 2022.

The Board of Directors' Rules of Procedure

The Rules of Procedure for the Board of Directors shall annually be evaluated, updated and adopted. If the Board establishes any internal committees, the Board's rules of procedure shall specify the duties and decision-making powers delegated to committees by the Board and how the committees are to report to the Board.

The Board of Directors shall hold regular meetings in accordance with a program specified in the Rules of Procedures and such program shall include predetermined decision points and other points if necessary. During the financial year, the Board of Directors held 16 minuted meetings, 10 of which were held before the 2021 AGM and 6 after the AGM. The Board members' attendance is shown in the above table.

At its regular meetings, the Board of Directors addressed the predetermined points on the table at each Board meeting in accordance with the Board's rules (such as the CEO's report on operations, financial reporting, investments and projects).

Board member	Board meetings	Remuneration committee	Audit committee	Independent in relation to the company	Independent in relation to major shareholders
Total number of meetings	*16*	*1*	*5*		
Johan Sjö (Chairman of the board)	16	1	5	Yes	Yes
Birgit Stattin Norinder	16		5	Yes	Yes
Eva Nilsagård	16		5	Yes	Yes
Håkan Roos	16		5	Yes	No
Stefan Hedelius	16	1	5	Yes	No
Andreas Göthberg	9		1	Yes	Yes
Eva Elmstedt	6		4	Yes	Yes

Remuneration Committee

Provisions for the establishment of a Remunerations Committee are included in the Code. The Company applies the Code and, as a result, AddLife's Board of Directors has established a Remu- nerations Committee.

The Board has appointed a Remunerations Committee consisting of Johan Sjö (chairman) and Håkan Roos. The Remu- nerations Committee has prepared a proposal for principles for remuneration to senior executives. The proposal has been discussed by the Board of Directors and will be presented to the Annual General Meeting for resolution. Based on the decision of the Annual General Meeting, the Board then determines the remuneration of the CEO. The CEO shall not be involved in discussions of her own remuneration. The Remunerations Committee sets the remuneration of other members of Group management based on proposals from the CEO. The Board of Directors shall be informed of the Remuneration Committee's decision. The Remuneration Committee then has the task of monitoring and evaluating application of the guidelines for remuneration to senior management as decided by the Annual General Meeting. The Committee shall also monitor and evalu- ate programs of variable remuneration to the Group Manage- ment in progress and those completed during the year.

The Remunerations Committee held one meeting during the financial year. All Committee members were present at the meeting.

Audit committee

Provisions for the establishment of an Audit Committee are included in the Companies Act and the Code. The Company applies the Code and, as a result, AddLife's Board of Directors has established an Audit Committee consisting of all of the Board members. The Committee's work shall be conducted as an integral part of the Board of Directors' regular meetings. Eva Nilsagård is the appointed chairman of the Audit Committee.

Johan Sjö, Birgit Stattin Norinder, Eva Elmstedt and Eva Nilsagård are independent in relation to the Company and Group Management as well as in relation to the Company's major shareholders, and Johan Sjö, Birgit Stattin Norinder and

Eva Nilsagård are skilled in accounting or auditing. Without impacting the Board of Directors' responsibilities and tasks in general, the Audit Committee shall monitor the Company's financial reporting, monitor the effectiveness of the Company's internal control and risk management with respect to financial reporting, keep informed about the audit of the financial statements, review and monitor the auditor's impartiality and independence and pay special attention to whether the auditors provide the Company with services other than auditing services, and assist in the preparation of proposals for the Annual General Meeting for the election of auditors. In connection with the meeting at which the Board of Directors adopts the annual financial statements, the Board shall receive a report from the Company's external auditors and be briefed on this. The Board of Directors shall on such occasion also have a briefing with the auditors without the presence of the CEO or any other member of the Company Management.

The Audit Committee has had five meetings in 2021 in connection with publication of the interim reports and one additional meeting. In addition, AddLife's risk matrix was discussed and the Company's external auditors reported on the interim review.

In connection with the adoption of the annual accounts for 2021 at the Board meeting in February 2022, the Board received a review and a report from the Company's external auditors.

Remuneration to the Board of Directors

Fees to the Chairman and directors shall be resolved on by the General Meeting. In accordance with a decision by the Annual General Meeting on 5 May 2021, the full-year fees to each of the elected Board members amounts to SEK 300,000, and SEK 600,000 to the Chairman. The chairman of the Audit Committee is paid a fee of SEK 50,000 for the full year. In accordance with the decision, the total full-year fees payable amount to SEK 2,150,000.

AddLife´s group management

The CEO, Kristina Willgård, shall manage the operations in accordance with the Companies Act and within the framework established by the Board of Directors. The work and role of the CEO and the division of duties between the Board of Directors and the CEO are detailed in a written set of instructions set out by the Board of Directors ("Instructions to the CEO"). The Board of Directors continuously evaluates the work of the CEO. In consultation with the Chairman, the CEO has prepared the information needed to make decisions at Board meetings and has presented reports and reasoned proposals for decisions.

The CEO shall lead the work of the group management and make decisions in consultation with the other members of the group management. In addition to Kristina Willgård, group management also includes Martin Almgren, CFO and Business Area Manager Medtech, Peter Simonsbacka, Business Area Manager Labtech, Ulrika Hellman, Head of M&A and Ove Sandin, Senior Advisor. Martin Almgren will leave his position as CFO. Martin has during the year replaced Ove Sandin, previous Business Area Manager Medtech, who is now Senior Advisor. Christina Rubenhag has been reqruited as new CFO and will start her position during the second quarter 2022. Group management has regular business reviews under the management of the CEO.

Operational organisation

During the financial year, the Group's operations were organised into two business areas – Labtech and Medtech. Operations are conducted in subsidiaries in the Nordic region, Central and Eastern Europe, Australia and China. Each operating Company has a board of directors in which the Company's CEO and senior executives from the business area are represented. Each company president reports to a business division manager or business area manager, who, in turn reports to the CEO for AddLife AB.

KRISTINA WILLGÅRD

CEO

Born in: 1965
Member of Group Management since: 2015
Education: M.Sc. Econ
Professional experience: CFO Addtech AB, finance director Ericsson AB, CFO Netwise, CFO Frontec, Business controller Spendrups and Auditor Arthur Andersen
Other appointments: Member of the Board of Addnode Group AB and Mölnlycke AB
Holdings of shares in AddLife: 4,608 Class A shares and 415,052 Class B shares (including related party holdings) as well as call options corresponding with 290,600 Class B shares

MARTIN ALMGREN

CFO and Business Area Manager Medtech

Born in: 1976
Member of Group Management since: 2015
Education: M.Sc. Econ
Professional experience: Group Financial Controller Addtech AB, Group Accounting Manager Nefab AB, auditor EY
Holdings of shares in AddLife: 211,600 Class B shares as well as call options corresponding with 203,150 Class B shares

ULRIKA HELLMAN

Head of M&A

Born in: 1969
Member of Group Management since: 2021
Education: M.Sc. Econ
Professional experience: Strategy and M&A Sandvik Materials Technology AB, Client Executive Swedbank Large Corporates & Institutions, Head of TMT-team Swedbank Corporate Finance, Director Group M&A Telia Company, KPMG Corporate Finance, Analyst/Institution Broker SBC Warburg
Holdings of shares in AddLife: Call options corresponding with 17,000 Class B shares

PETER SIMONSBACKA

Business Area Manager Labtech

Born in: 1960
Member of Group Management since: 2017
Education: Engineer
Professional experience: Business area manager in Addtech Nordic AB, CEO BergmanLabora AB and Business area manager Mettler-Toledo AB
Other appointments: Chairman of the Board for Swedish Labtech
Holdings of shares in AddLife: 75,456 Class B shares as well as call options corresponding with 203,150 Class B shares

OVE SANDIN

Senior Advisor, former Business Area Manager Medtech

Born in: 1958
Member of Group Management since: 2019
Education: M.Sc. Engineering
Professional experience: CEO Triolab AB, Nordic Business Manager GN ReSound, CEO GN ReSound AB, Product Manager 3M, Engineer Thoracic medicine, Sahlgrenska University Hospital
Holdings of shares in AddLife: 15,512 Class B shares as well as call options corresponding with 153,000 Class B shares

Information regarding shareholdings as of 28 February 2022

General Meeting

The Annual General Meeting is the highest decision-making body in which shareholders exercise their voting rights. The Annual General Meeting resolves on the annual report, divi- dends, appointments to the Board of Directors, election of audi- tor, compensation to the Board of Directors and remuneration to the auditor, as well as other issues in accordance with the Swedish Companies Act and the Articles of Association. Further information about the Annual General Meeting and minutes from the meetings are available on the Company's website. The Company does not apply any special arrangement in relation to the functions of the General Meeting due to any article in the Articles of Association, or as far as the Company is aware of, any shareholders' agreement.

Information about the 2021 Annual General Meeting is available on the Company's website:

www.add.life/en/investors/corporate-governance/general-meeting/

Right to participate at the General Meeting and shareholders' right of initiative

Shareholders registered in the share register maintained by Euro- clear five days before the General Meeting and who, by the date specified in the Notice of the General Meeting, have informed the Company of their intention to attend, are eligible to partici- pate in the General Meeting and to vote for the number of shares held. Shareholders may attend the Meeting in person or by proxy, and may be accompanied by a maximum of two assis- tants. Shareholders' assistants may accompany them at a General Meeting if the shareholders provide notification thereof in accordance with the procedure for shareholder registration.

In addition to notifying AddLife, shareholders whose shares are nominee registered at a bank or other nominee must request that their shares be temporarily registered under their own names in the share register maintained by Euroclear to be eligible to participate in the Meeting. Shareholders should inform their nominees in good time before the record date. Shareholders seeking to have a matter addressed at a General Meeting must submit a written request to the Board. The request must normally be received by the Board no later than one week before the earliest point at which the notice of the Meeting may be issued under the Companies Act. Every shareholder that submits a request within the required time has the right to have the issue brought before the General Meeting.

Annual General Meeting 2021

AddLife's Annual General Meeting was held on Thursday, 5th of May 2021 in Stockholm. In all, 110 shareholders were present at the meeting, in person or by proxy, representing 65.21 percent of the votes and 56.15 percent of capital. Chairman of the Board Johan Sjö was elected to serve as chairman of the AGM. The meeting was conducted in accordance with sections 20 and 22 of the Act (2020: 198) on temporary exemptions to facilitate the conduct of general and association meetings, meaning that shareholders may exercise their voting rights at the meeting only by postal voting.

The Annual General Meeting 2021 resolved:

- To adopt the financial statements for 2020
- A dividend of SEK 1.50 per share, irrespectively of class of shares, was declared.
- To carry forward the available funds
- To discharge the Board of Directors and Chief Executive Officer from liability for the past financial year
- To re-elect board members Johan Sjö, Håkan Roos, Birgit Stattin Norinder, Eva Nilsagård and Stefan Hedelius
- To elect Eva Elmstedt as member of the Board
- To re-elect Johan Sjö to serve as chairman of the Board
- To elect the audit firm KPMG AB to serve as auditor

- To implement a long-term incentive scheme under which the participants will have the opportunity to acquire call options at market prices for shares repurchased by AddLife AB
- To authorise the Board of Directors to acquire, prior to the next AGM, a maximum number of Class B shares so that the Company's own holdings of shares in AddLife does not exceed 10 percent of all shares in the Company at any time
- To authorise the Board of Directors to resolve on a new issue of up to 10 percent of the number of Class B shares for use as payment in acquisitions

The AGM's other resolutions are presented in the complete minutes from the AGM, which together with other information about the 2021 AGM can be found at www.add.life/en/investors/corporate-governance/general-meeting/

Extra Annual General Meeting 2020

On Thursday, November 19, 2020, an Extra General Meeting was held in Stockholm. At the meeting, 76 shareholders were represented, in person by proxy or by postal ballot. These represented 60.81 percent of the votes and 49.57 percent of the capital. Johan Sjö, Chairman of the Board, was elected Chairman of the Meeting.

The Extra Annual General Meeting 2020 resolved:

- To distribute SEK 0.50 per share to shareholders, regardless of class of shares

Annual General Meeting 2022

AddLife's 2022 Annual General Meeting will be held on Thursday 5 May in Stockholm.

Shareholders who wish to participate in the Annual General Meeting must:

- be entered in the shareholders' register kept by Euroclear Sweden AB as of Wednesday 27 April 2022; and
- notify the Company's head office at AddLife AB (publ.), Box 3145, SE-103 62 Stockholm, Sweden, via the Company's webste, www.add.life/en/investors or by e-mail to info@add.life, no later than by Wednesday 27 April 2022. Such notice must contain the shareholder's name, personal identification number (organisation number), address, telephone number, the
number of shares as well as any attending counsel, maximum two.

Shareholders who have had their shares registered under a trustee must, in order to exercise voting rights at the meeting, temporarily register their shares in their own name. Such changes in registration must be completed by Thursday 29 April 2022.

Proposal for the Annual General Meeting 5 May 2022:

- Dividend of SEK 2.00 per share for the financial year 2021.

The Board has also decided to propose to the Annual General Meeting the following:

- Incentive program aimed at people in senior positions
- A mandate for the Board of Directors to decide on acquisition and transfer of own shares
- A mandate for the Board of Directors to resolve on a new share issue of up to 10 percent of the number of shares

For additional information about the 2022 AGM please see AddLife's website:

www.add.life/en/investors/corporate-governance/general-meeting/

Internal control of financial reporting

The Board of Directors has established operating procedures with instructions on internal financial reporting. All interim reports and press releases are published on AddLife's website, www.add.life directly adjacent to the announcement.

The Board of Directors' and the CEO's responsibility for internal control is regulated by the Companies Act. The Board of Directors' responsibilities are also regulated in the Code and the Annual Accounts Act. The Board of Directors has overall responsibility for ensuring that the Group has an effective system for management and internal control. This responsibility includes annually evaluating the financial reporting the Board receives and stipulating the content and format of these reports to ensure their quality. This requirement means that the financial reporting must fulfil its purpose and comply with applicable accounting rules and other requirements incumbent on listed companies. The Chief Financial Oficer (CFO) has presented reports to the Board on the Group's internal control.

Control environment

AddLife builds and organises its business on the basis of decentralised responsibility for profitability and earnings.

In decentralised operations, the basis for internal control consists of a well-established process aimed at defining targets and strategies for each business. Internal guidelines and policies approved by the Board communicate defined decisionmaking channels, powers of authority and responsibilities. The Group's foremost financial control documents include its financial policy, financial manual and instructions for each financial closing. A Group-wide reporting system with related analysis tools is used for the Group's closing procedures. On a more general level, all operations within the AddLife Group are conducted in accordance with the Group's Code of Conduct.

Risk assessment

AddLife has established procedures for managing risks that the Board of Directors and senior management have deemed essential for the internal control of the Company's financial reporting.
The Board holds the opinion that the Group's exposure to a variety of market and customer segments, and the fact that the operations are conducted in over 80 operating companies, entail significant risk diversification. The risk assessment shall be based on the Group's income statement and balance sheet to identify the risk of significant errors. For the AddLife Group as a whole, the greatest risks are linked to the reported value of intangible assets in relation to acquisitions, inventories and revenue.

Control activities

Control activities include transaction related controls such as spending authorisation and investments, as well as clear disbursement procedures, but can also be analytical controls performed by the Group's controllers and central finance and accounting function. Controllers and financial managers at all levels of the Group play a key role in creating the right environment for transparent and accurate financial reporting. The key roles place high demands on integrity, competence and abilities of individuals.

In order to ensure an efficient exchange of knowledge and experience between the financial functions, regular financial conferences will be held where current issues will be discussed. An important overall control activity is the monthly performance review performed via the internal reporting system and analysed and commented on in the internal work of the Board. The performance review includes reconciliation against set targets and previously achieved results, as well as the review of a number of important key figures.

Each year a "self-assessment" is performed of all Group companies with respect to internal control issues. Companies comment on how important issues have been handled, such as the terms of business in customer contracts, customer credit ratings, valuation and documentation of inventories, payment procedures, documentation and analysis of financial statements and compliance with internal policies and procedures. An accepted minimum level must be established for critical issues and processes, which all companies are expected to meet. Each company's response should be validated and commented on by the relevant company's external auditor in connection with the regular audit. The responses should subsequently be compiled and analysed, after which they are presented to the business area and Group Management teams. The result of the self-evaluations will be taken into account in the planning of the following year's self-evaluations and external auditing.

In addition to the "self-assessment" work, an in-depth analysis of internal control in six of the operating companies was conducted during the year. This work is referred to as an "analysis of internal control" and is performed by the companies' business controllers and colleagues from the Parent Company's finance function.

The companies' key processes and their control activities have been identified and tested. The external auditors have read the records of the internal control in connection with their audit of the companies. The process is expected to provide a good basis to identify and assess the internal controls within the Group.

KPMG provided the Board with a review and accounted for its assessment of the Group's internal control process.

Review, information and communication

The Board has received monthly comments from the CEO regarding the business situation and the development of the operations. The Board has discussed the quarterly financial statements before these have been published. The Board has received updates on the work on internal controls and its outcome. The Board has also read the assessment made by KPMG of the Group's internal control processes. The outcome of the internal control has been analysed by the Group's CFO together with the business controller. An assessment has been made of the improvement measures to be implemented in the various companies. The boards of the various Group companies have been informed of the outcome of the internal control in each company and the improvement measures that should be implemented. The business controller will then continuously follow up the work during the following year together with the Boards of Directors of the Group companies.

Governing guidelines, policies and instructions are available on the Group's intranet. The documents are regularly updated as needed. Changes are communicated separately via email and at meetings for controllers and financial managers.

For internal information via the intranet, access to the documents is controlled through authorisations. The Group's employees are divided into various groups whose access to information differs. All financial guidelines, policies and instructions are available for each company's CEO and CFO, business area managers, business controllers and the central finance staff. Access to Group financial data is also controlled centrally through authorisation.

Internal audit

In light of the risk assessment described above and the structure of control activities, including the process of the "self-evaluation" and the in-depth analysis of the internal control, the Board of Directors has chosen to not have a dedicated internal audit function.

Nomination Committee

Nomination Committee duties

The Nomination Committee's mandate from the Annual General Meeting is to evaluate the composition and work of the Board of Directors as well as to submit proposals to the AGM for the Chair of the AGM, Directors and Chairman of the Board, auditors, remuneration to directors who are not employed by the Company, election, where appropriate, of a registered auditing firm and auditors' fees, as well as principles for election of members to the Nomination Committee.

Nomination Committee members receive no compensation from the Company for the work of the Committee. The Nomination Committee had two meetings where minutes were taken prior to the 2022 AGM at which all members were present. The complete proposals of the Nomination Committee to the AGM are presented in the notice to attend the meeting and on the Company's website.

Composition of the Nomination Committee

In accordance with the Code, the Company shall have a Nomination Committee. On 1 September 2016 the AGM adopted principles for appointing the Nomination Committee. Consequently, the Annual General Meeting does not decide on these principles and the Nomination Committee mandate annually, unless the principles or the mandate are to be changed. The Nomination Committee consists of representatives of the five largest known shareholders by vote as of 30 September each year, as well as the Chairman of the Board of Directors, who is also tasked with convening the first meeting of the Nomination Committee. The Nomination Committee appoints a Chairman from among its members. The composition of the Nomination Committee shall be announced not later than six months before the Annual General Meeting.

In accordance with the above, the Nomination Committee comprises these appointed members: Johan Sjö, Chairman of the Board, Stefan Hedelius (appointed by Tom Hedelius), Håkan Roos (appointed by RoosGruppen AB), Hans Christian Bratterud (appointed by Odin Fonder), Christofer Geijer (appointed by SEB Investment Management) and Celia Grip (appointed by Swedbank Robur Fonder). The composition of the Nomination Committee was announced in conjunction with the presentation of the interim report for the third quarter on 22 October 2021. One Nomination Committee member is a Board member and two members are not independent of the Company's major shareholders. Håkan Roos is Chairman of the Nomination Committee.

The Nomination Committee shall prepare proposals for the Chairman of the Meeting, Board members, remuneration to each of the Board members, the Board members and the Chairman of the Board, as well as the election of a registered firm of auditors and audit fees. The Nomination Committee's proposals to the AGM will be presented in the notice to attend the meeting and on the Company's website. Nomination Committee members receive no compensation from the Company for the work of the Committee. However, the Company is responsible for costs associated with the execution of the Nomination Committee. The Company did not pay any expenses associated with the Nomination Committee's mandate during the year.

Deviations

The Company has two deviations from rule 2.4 of the Code regarding the composition of the Nomination Committee. According to the Code, a Board member should not serve as the chair of the Nomination Committee and at most one Board member should be dependent in relation to the company's major shareholders. Explanation: The Nomination Committee has determined that it is appropriate that the Chairman of the Nomination Committee is the member who represents the largest group of shareholders. The Nomination Committee has also deemed it appropriate that two Board members, who are dependent in relation to major shareholders, are included in the Nomination Committee as they have good knowledge of both the company and other shareholders.

Diversity policy

The Nomination Committee uses 4.1 in the Code as its diversity policy. This means that AddLife's Board of Directors shall consist of a well-balanced mix of skills, experience and background that is important for responsibly and successfully managing AddLife's strategic work. To achieve this, knowledge of Life Science, corporate governance, compliance with rules and regulations, financing and financial analysis and remuneration issues is desirable. In addition, diversity regarding age, gender, education and other professional backgrounds is taken into account.

The goal is to have a Board with good diversity and gender equality. No Board member shall be discriminated against based on religion, ethnic background, age, gender, sexual orientation, disability or for other reasons.

Audit

In accordance with the Articles of Association, a registered auditing firm shall be elected as auditor. KPMG was re-elected as the Company's auditor at the Annual General Meeting on 5 May 2021 for the period until the 2022 Annual General Meeting.

The auditor in charge is Håkan Olsson, aided by Jonas Eriksson. KPMG audits AddLife AB and the majority of its subsidiaries.

The Company's auditors follow an audit plan that includes integrating comments from the Board, and reporting their findings to Company management teams, Group Management and to AddLife's Board of Directors, both during the audit and in connection with the approval of the annual accounts. The Company's auditors also attend the Annual General Meeting, describing and commenting on the audit process.

The independence of the external auditors is regulated by special instructions approved by the Board of Directors, which show the areas for which the external auditors may be engaged on matters beyond the regular audit process. KPMG regularly assesses its independence in relation to the Company and delivers annual written statements to the Board of Directors that the audit firm is independent of AddLife. During the current financial year, KPMG has performed advisory assignments concerning corporate acquisitions. The total fee for KPMG's services in addition to auditing for the 2021 financial year was SEK 4.3 million (1.0).

Quarterly review by auditors

AddLife's nine-month report was reviewed by the Company's auditors during the 2021 financial year.

Håkan Olsson Reising

Auditor in charge, Authorised Public Accountant, Stockholm

Auditor for the company since: January 2017
Born in: 1961
Other assignments: EQT, Bergman & Beving AB, Lagercrantz Group AB and ABB AB

Jonas Eriksson

Assistant Auditor, Authorised Public Accountant, Stockholm

Auditor for the company since: March 2015
Born in: 1974
Other assignments: Audit of Beijer Alma AB, Synsam AB, SinterCast AB, Knowit AB and Swedol AB

Consolidated Income Statement

SEKm	Note	2021	2020
Net sales	5,6	7,992.6	5,273.3
Cost of goods sold		-5,136.0	-3,454.9
Gross profit		**2,856.6**	**1,818.4**
Selling expenses	11	-1,485.5	-873.6
Administrative expenses	11,30	-388.1	-272.9
Research and development	11	-33.5	-23.9
Other operating income	10,30	99.8	84.3
Other operating expenses	10	-53.0	-59.8
Operating profit	**4–11,17,30**	**996.3**	**672.5**
Financial income	12,30	96.7	0.7
Finance costs	12,30	-165.8	-14.2
Net financial items		**-69.1**	**-13.5**
Profit/loss before taxes		**927.2**	**659.0**
Income tax expense	14	-206.6	-139.3
PROFIT FOR THE YEAR		**720.6**	**519.7**
Attributable to:			
Equity holders of the Parent Company		718.6	517.8
Non-controlling interests		2.0	1.9
Earnings per share (SEK)	34	6.03	4.63
Diluted EPS (SEK)		6.01	4.61

Consolidated statement of comprehensive income

SEKm	2021	2020
Profit for the year	**720.6**	**519.7**
Components that will be reclassified to profit of the year		
Foreign currency translation differences for the year	72.5	-81.7
Components that will not be reclassified to profit of the year		
Revaluations of defined benefit pension plans	0.6	-5.0
Tax attributable to items not to be reversed in profit or loss	-0.1	1.1
Other comprehensive income	**73.0**	**-85.6**
Total comprehensive income for the year	**793.6**	**434.1**
Attributable to:		
Equity holders of the Parent Company	790.7	432.5
Non-controlling interests	2.9	1.6

Consolidated Balance Sheet

SEKm	Note	2021-12-31	2020-12-31
ASSETS			
Non-current assets			
Intangible non-current assets	15	7,191.2	2,002.8
Property, plant and equipment	16	627.2	433.6
Financial assets	18	8.7	8.8
Non-current receivables	18	7.4	7.0
Deferred tax assets	14	11.2	5.0
Total non-current assets		**7,845.7**	**2,457.2**
Current assets			
Inventories	20	1,188.5	640.2
Tax assets		23.9	0.3
Accounts receivable	21	1,088.8	755.2
Prepaid expenses and accrued income	22	56.5	46.4
Other receivables		47.0	34.3
Cash and cash equivalents		345.3	216.0
Total current assets		**2,750.0**	**1,692.4**
TOTAL ASSETS		**10,595.7**	**4,149.6**
EQUITY AND LIABILITIES			
Shareholder's equity	23		
Share capital		62.4	58.3
Other contributed capital		2,653.9	1,134.3
Reserves		22.1	-49.5
Retained earnings, including profit for the year		1,546.8	739.0
Equity attributable to equity holders of the Parent Company		**4,285.2**	**1,882.1**
Non-controlling interests		5.7	8.2
Total equity		**4,290.9**	**1,890.3**
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	18,27	563.9	99.6
Non-current lease liability	17,18	223.9	142.0
Non-current non-Interest-bearing liabilities	18	2.1	1.2
Provisions for pensions	25	81.5	80.5
Non-current provisions	26	31.9	29.5
Deferred tax liabilities	14	489.4	161.5
Total non-current liabilities		**1,392.7**	**514.3**
Current liabilities			
Current interest-bearing liabilities	18,28	3,193.6	473.0
Current lease liability	17,18	120.7	91.2
Accounts payable	18	796.2	648.8
Tax liabilities		109.5	81.1
Other liabilities		302.2	231.4
Accrued expenses and deferred income	29	380.2	210.1
Current provisions	26	9.7	9.4
Total current liabilities		**4,912.1**	**1,745.0**
Total liabilities		**6,304.8**	**2,259.3**
TOTAL EQUITY AND LIABILITIES		**10,595.7**	**4,149.6**

Consolidated statement of changes in equity

SEKm	Share capital	Other contributed capital	Reserves	Retained earnings, including profit for the year	Equity attributable to shareholders of the Parent	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE 2020-01-01	**58.3**	**1,134.3**	**31.9**	**242.4**	**1,466.9**	**9.3**	**1,476.2**
Profit for the year	–	–	–	517.8	517.8	1.9	519.7
Foreign currecy translation differens for the year	–	–	-81.4	–	-81.4	-0.3	-81.7
Actuarial effects on defined benefit plan	–	–	–	-5.0	-5.0	–	-5.0
Tax attributable to other comprehensive income	–	–	–	1.1	1.1	–	1.1
Other comprehensive income	**–**	**–**	**-81.4**	**-3.9**	**-85.3**	**-0.3**	**-85.6**
Total comprehensive income	**–**	**–**	**-81.4**	**513.9**	**432.5**	**1.6**	**434.1**
Transactions with owners							
Dividend	–	–	–	-56.2	-56.2	-2.7	-58.9
Call options	–	–	–	58.2	58.2	–	58.2
Repurchase of treasury shares	–	–	–	-19.3	-19.3	–	-19.3
EQUITY, CLOSING BALANCE 2020-12-31	**58.3**	**1,134.3**	**-49.5**	**739.0**	**1,882.1**	**8.2**	**1,890.3**

SEKm	Share capital	Other contributed capital	Reserves	Retained earnings, including profit for the year	Equity attributable to shareholders of the Parent	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE 2021-01-01	**58.3**	**1,134.3**	**-49.5**	**739.0**	**1,882.1**	**8.2**	**1,890.3**
Profit for the year	–	–	–	718.6	718.6	2.0	720.6
Foreign currecy translation differens for the year	–	–	71.6	–	71.6	0.9	72.5
Actuarial effects on defined benefit plan	–	–	–	0.6	0.6	–	0.6
Tax attributable to other comprehensive income	–	–	–	-0.1	-0.1	–	-0.1
Other comprehensive income	**–**	**–**	**71.6**	**0.5**	**72.1**	**0.9**	**73.0**
Total comprehensive income	**–**	**–**	**71.6**	**719.1**	**790.7**	**2.9**	**793.6**
Transaction with owners							
Non-cash issue	4.1	1,520.9	–	–	1,525.0	–	1,525.0
Issue expenses	–	-1.3	–	–	-1.3	–	-1.3
Dividend	–	–	–	-182.9	-182.9	-5.4	-188.3
Call options	–	–	–	-9.4	-9.4	–	-9.4
Disposal of treasury shares	–	–	–	281.0	281.0	–	281.0
EQUITY, CLOSING BALANCE 2021-12-31	**62.4**	**2,653.9**	**22.1**	**1,546.8**	**4,285.2**	**5.7**	**4,290.9**

Consolidated statement of cash flows

SEKm	Notes	2021	2020
OPERATING ACTIVITIES			
Profit before taxes		927.2	659.0
Adjustment for items not included in cash flow	32	449.1	280.4
Income tax paid		-252.5	-97.0
Cash flow from operating activities before changes in working capital		**1,123.8**	**842.4**
Cash flow from changes in working capital			
Changes in inventories		52.8	-119.1
Changes in operating receivables		18.3	-170.6
Changes in operating liabilities		-184.7	397.4
Cash flow from operating activities		**1,010.2**	**950.1**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		-101.4	-62.7
Disposal of property, plant and equipment		9.3	7.8
Acquisition of intangible assets		-42.5	-29.5
Disposal of intangible assets		-	0.8
Acquisition of operations	33	-2,843.3	-345.1
Divestment of operations		0.0	0.0
Cash flow from investing activities		**-2,977.9**	**-428.7**
FINANCING ACTIVITIES			
Borrowings	32	2,649.4	265.2
Repayments on loans	32	-259.6	-614.4
Repurchase and disposal of treasury shares		-	-19.3
Call options		-9.4	58.2
Issue expenses		-1.3	-
Other financing		-119.8	-3.3
Dividend paid to equity holders of the Parent Company		-183.0	-56.2
Dividend paid to non-controlling interests		-5.4	-2.7
Cash flow from financing activities		**2,070.9**	**-372.5**
Cash flow for the year		**103.2**	**148.9**
Cash and cash equivalents at beginning of year		216.0	99.1
Exchange differences on cash and cash equivalents		26.1	-32.0
Cash and cash equivalents at year-end		345.3	216.0

Parent Company Income Statement

SEKm	Notes	2021	2020
Net sales		50.5	40.7
Administrative expenses	7–9,11	-67.9	-60.6
Operating profit		**-17.4**	**-19.9**
Interest income and similar items	12	42.3	14.3
Interest expense and similar items	12	-42.9	-5.4
Profit after financial items		**-18.0**	**-11.0**
Year-end appropriations	13	99.3	135.4
Profit before tax		**81.3**	**124.4**
Income tax expense	14	-15.2	-25.8
Profit for the year		**66.1**	**98.6**

Parent Company Statement of comprehensive income

SEKm	2021	2020
Profit for the year	**66.1**	**98.6**
Other comprehensive income	**-**	**-**
Comprehensive income for the year	**66.1**	**98.6**

Parent Company Balance Sheet

SEKm	Note	2021-12-31	2020-12-31
ASSETS			
Intangible non-current assets	15	0.3	0.1
Property, plant and equipment	16	0.5	0.6
Non-current financial assets			
Interests in Group companies	19	389.1	389.1
Receivables from Group companies	19	6,588.9	1,709.2
Total non-current financial assets		**6,978.0**	**2,098.3**
Total non-current assets		**6,978.8**	**2,099.0**
Current assets			
Current receivables from Group companies		403.9	339.6
Prepaid expenses and accrued income	22	2.4	1.8
Cash and cash equivalents		–	1.5
Total current assets		**406.3**	**342.9**
TOTAL ASSETS		**7,385.1**	**2,441.9**
EQUITY AND LIABILITIES	23		
Shareholder's equity			
Restricted equity			
Share capital		62.4	58.3
Unrestricted equity			
Share premium reserve		2,653.9	1,134.3
Retained earnings		129.5	-57.7
Profit for the year		66.1	98.6
Total equity		**2,911.9**	**1,233.5**
Untaxed reserves	24	119.9	95.9
Liabilities			
Liabilities to Group companies		234.9	76.2
Total non-current liabilities		**234.9**	**76.2**
Current interest-bearing liabilities	28	3,121.7	408.8
Current liabilities to Group companies		960.4	583.5
Accounts payable		4.0	2.7
Tax liabilities		6.4	17.3
Other liabilities		4.0	2.6
Accrued expenses and deferred income	29	21.9	21.4
Total short-term liabilities		**4,118.4**	**1,036.3**
Total liabilities		**4,353.3**	**1,112.5**
TOTAL EQUITY AND LIABILITIES		**7,385.1**	**2,441.9**

Parent Company Statement of Cash Flows

SEKm	Note	2021	2020
Profit after financial items		-18.0	-11.0
Adjustment for items not included in cash flow	32	12.8	-21.1
Income tax paid		-26.1	-5.7
Cash flow from operating activities before changes in working capital		**-31.3**	**-37.8**
Cash flow from changes in working capital			
Increase/decrease other current receivables		-0.6	14.0
Increase/decrease accounts payable		1.3	0.5
Increase/decrease other current operating liabilities		262.0	201.1
Cash flow from operating activities		**231.4**	**177.8**
INVESTING ACTIVITIES			
Investments in intangible non-current assets		-0.3	0.0
Investments in tangible non-current assets		-0.1	-0.7
Acquisition of operations		0.0	0.0
Investmens in other non-current financial assets		-2,739.5	70.9
Cash flow from investing activities		**-2,739.9**	**70.2**
FINANCING ACTIVITIES			
Issue expenses		-1.3	–
Call options		-9.4	58.2
Change in overdraft	32	451.7	-463.1
Repurchase and disposal of treasury shares		–	-19.3
Borrowings		2,248.9	233.9
Repayment of loans	32	0.0	0.0
Dividend to shareholders of the Parent Company		-182.9	-56.2
Cash flow from financing activities		**2,507.0**	**-246.5**
Cash flow for the year		**-1.5**	**1.5**
Cash and cash equivalents at beginning of year		1.5	0.0
Exchange differences on cash and cash equivalents		0.0	0.0
Cash and cash equivalents at year-end		0.0	1.5

Parent Company Statement of Changes in Equity

SEKm	Restricted equity	Unrestricted equity		
	Share capital	Share premium reserve	Retained earnings, including profit for the year	Total
EQUITY, OPENING BALANCE 2020-01-01	**58.3**	**1,134.3**	**-40.5**	**1,152.1**
Profit for the year	–	–	98.6	98.6
Total comprehensive income for the year	**–**	**–**	**98.6**	**98.6**
Dividend	–	–	-56.2	-56.2
Repurchase of treasury shares	–	–	-31.0	-31.0
Disposal of treasury shares	–	–	11.7	11.7
Call options issued	–	–	58.2	58.2
EQUITY, CLOSING BALANCE 2020-12-31	**58.3**	**1,134.3**	**40.8**	**1,233.4**

SEKm	Restricted equity	Unrestricted equity		
	Share capital	Share premium reserve	Retained earnings, including profit for the year	Total
EQUITY, OPENING BALANCE 2021-01-01	**58.3**	**1,134.3**	**40.8**	**1,233.4**
Profit for the year	–	–	66.1	66.1
Total comprehensive income for the year	**–**	**–**	**66.1**	**66.1**
Non-cash issue	4.1	1,520.9	–	1,525.0
Issue expenses	–	-1.3	–	-1.3
Dividend	–	–	-182.9	-182.9
Disposal of treasury shares			281.0	281.0
Call options issued	–	–	-9.4	-9.4
EQUITY, CLOSING BALANCE 2021-12-31	**62.4**	**2,653.9**	**195.6**	**2,911.9**

Note 1 General information

AddLife AB (Parent Company) and its subsidiaries form the AddLife Group. The Group consists of 101 companies, 81 of which are operational and active mainly in the Nordic countries and Central and Eastern Europe. The Group is a leading independent supplier of equipment, instruments and reagents from leading global suppliers to customers primarily in medical care, research, colleges and universities, as well as the food and pharmaceutical industries.

AddLife AB, corporate identification number 556995-8126, is a registered limited liability company with its registered office in Stockholm, Sweden.

Note 2 Summary of important accounting policies

This section describes the comprehensive basis of preparation which has been applied in preparing the financial statements. Accounting principles for specific accounting areas and individual line items are described in the related notes.

The financial statements for the Group were prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Union (EU). Recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, was also applied. The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act, recommendation RFR 2 (Accounting for Legal Entities) and from the Swedish Financial Reporting Board. The Parent Company applies the same accounting principles as the Group, except in the cases specified in the section entitled 'Differences between the accounting policies of the Group and the Parent Company'.

Presentation of the annual report

The financial statements are in millions of Swedish kronor (SEK million) unless otherwise stated. AddLife AB's functional currency is Swedish kronor, as is the reporting currency for the Group. Assets and liabilities are recognised at historical cost, except for currency derivatives that are measured at fair value.

Assets are divided into current assets and non-current assets. An asset is considered current if it is expected to be realised within 12 months of the end of the reporting period or within the Company's operating cycle. 'Operating cycle' refers to the time elapsed from the start of production until the Company receives payment for goods or services delivered. The Group's operating cycle is judged to be less than one year. If an asset does not fulfill the current asset criterion, it is classified as a non-current asset.

Liabilities are divided into current liabilities and non-current liabilities. Current liabilities are liabilities to be paid within 12 months of the end of the reporting period or, in the case of operating liabilities only, that are expected to be paid within the operating cycle. As this takes into account the operating cycle, no non-interest-bearing liabilities, such as accounts payable or accrued staff costs, are recognised as non-current liabilities.

Receivables and liabilities, as well as income and expenses, are offset only if required or if expressly permitted under IFRS.

Differences between the accounting policies of the Group and the Parent Company

The Parent Company's and the Group's accounting policies are consistent with each other, except for the follwoing areas. The Parent Company has chosen to apply the option in RFR 2 not to apply IFRS 16 and IFRS 9. In accordance with RFR 2 possible defined benefit plans in the Parent company are reported as defined contribution plans.

New or amended accounting standards applied in 2021

The new, amended or improved standards did not have any material impact on AddLife's financial statements.

New or amended accounting standards to be applied after 2021

New, amended or improved standards to be applied in the future are not expected to have any material impact on AddLife's financial statements.

Note 3 Critical estimates and assumptions

The carrying amounts of certain assets and liabilities are based in part on estimates and assumptions. This applies particularly to impairment testing of goodwill (Note 15) and to defined benefit pension obligations (Note 25). Assumptions and estimates are continually evaluated and are based on historical experience and expectations regarding future events deemed reasonable under prevailing circumstances. Tests are performed each year to determine if goodwill is impaired. The recoverable amount for cash generating units has been determined by calculating values in use. For these calculations, certain estimates must be made.

A portion of the Group's pension obligations for salaried employees is on a defined benefit basis and is covered by collective policies with Alecta. Currently, it is impossible to obtain data from Alecta on the Group's share of obligations and plan assets, so the pension plan with Alecta must be recognised as a defined-contribution plan. The consolidation ratio reported by Alecta does not indicate any deficit, but it is not possible to obtain detailed information from Alecta about the size of the pension obligation.

The present value of pension obligations recognised as defined benefit plans depends on multiple factors determined on an actuarial basis using a number of assumptions. In establishing these assumptions, AddLife consults with actuaries. The assumptions used to determine the present value of the obligation include the discount rate and salary increases. Each change in these assumptions will affect the carrying amount of pension obligations. See also Note 25.

Changes in tax laws in the countries where AddLife operates could change the amount of tax liabilities and assets recognised. In addition, the interpretation of current tax laws can affect reported tax asset/liability. Assessments are made to determine both current and deferred tax assets/liabilities. The actual results may deviate from these estimates, in part because of changes in the business climate or the tax rules.

Note 4 Financial risk and risk management

Goals and policy for risk management

AddLife strives for structured and efficient management of the financial risks that arise in operations, which is manifest in the financial policy adopted by the Board of Directors. Financial operations are not conducted as a separate line of business, instead they are merely intended to constitute support for the business and reduce risks in financial operations. The policy stipulates goals and risks in the financial operations, and how they are to be managed. The financial policy expresses the goal of minimising and controlling financial risks. The policy defines and identifies the financial risks that arise at AddLife and how responsibility for managing these risks is distributed in the organisation. The financial risks defined in the financial policy are currency risk, interest rate risk, liquidity, financing and issuer/borrower risk. Operational risks, that is, financial risks related to operating activities, are managed by each subsidiary's management according to principles in the financial policy and subordinate process descriptions approved by the Group's Board of Directors and management. The subsidiaries within AddLife include financial derivatives with an external counterparty. Risks such as translation exposure, refinancing risk and interest rate risk are managed by the Parent Company, AddLife AB.

Currency risks

The AddLife Group conducts extensive trading in foreign countries and as such the Group has a material currency exposure, which shall be managed in a way which minimises impact on profit from exchange rate fluctuations.
The AddLife Group practices a decentralised responsibility for currency risk management, which among other things means that risk identification and risk hedging either through matching of currency flows, via currency accounts, or via forward exchange contracts is conducted at the subsidiary level. The companies are responsible for choosing the most appropriate hedging measure from a commercial and risk point of view. To minimise currency risks, matching of inflows

and outflows in the same currency shall be prioritised. Currency clauses may be used if the company finds it to be advantageous from a risk and commercial point of view. The main principle for the currency clause is 80 percent compensation for an exchange rate fluctuation of +/-2 percent. If the company determines that currency risk could have a significant impact on profits after the exposure has been reduced through matching and/or currency clauses, the company must hedge its net commercial flows using forward exchange contracts on a monthly basis. For AddLife, currency risk arises as a result of future payment flows in foreign currency, known as transaction exposure, and also because parts of the Group's equity comprise net assets in foreign subsidiaries, known as translation exposure.

Transaction exposure

Transaction exposure comprises all future contracted and forecast ingoing and outgoing payments in foreign currency. The Group's currency flows usually pertain to flows in foreign currency from purchases, sales and dividends. Transaction exposure also comprises financial transactions and balances. During financial years 2021 and 2020, the Group's payment flows in foreign currencies were distributed as follows:

	2021			**2020**		
	Currency flows, gross			Currency flows, gross		
	Inflows	Outflows	Net flows	Inflows	Outflows	Net flows
EUR	1,018.6	1,531.6	-513.0	602.6	1,181.4	-578.8
DKK	83.9	14.7	69.2	109.8	14.8	95.0
PLN	99.8	0.8	99.0	166.2	0.5	165.7
NOK	74.9	0.8	74.1	120.6	0.9	119.7
USD	136.1	566.6	-430.5	44.8	517.8	-473.0
GBP	38.2	34.9	3.3	38.2	49.2	-11.0
CHF	9.6	106.7	-97.1	7.2	57.1	-49.9

The effects of exchange rate fluctuations are reduced by buying and selling in the same currency, through currency clauses in customer contracts and, to a certain degree, by forward purchases or sales of foreign currency. Currency clauses are a common method in the industry for handling uncertainty associated with future cash flows. A currency clause means that compensation will be paid for any changes in the exchange rate that exceed a certain predefined level during the contract period. If these thresholds are not reached, for example when the exchange rate changes by less than two percentage points, no compensation is paid. The currency clauses adjust the exchange rate change between the time the order is placed and the invoice date. Currency clauses are symmetrically designed, which means that compensation is charged or credited when the exchange rate rises or declines beyond the predefined thresholds.

Of AddLife's net sales in 2021, currency clauses cover about 20 (16) percent and sales in the purchasing currency make up about 23 (28) percent. In certain transactions, there is a direct link between the customer's order and the associated purchase order, which is a good basis for effective currency risk management. However, in many cases the dates of the orders do not coincide, which may reduce the effectiveness of these measures. The companies within AddLife have reduced their currency exposure by using forward foreign exchange contracts. At the end of the 2021 financial year, there were outstanding forward foreign exchange contracts in a gross amount of SEK 55.3 million (52.9), of which EUR equalled SEK 54.0 million (45.4) and USD SEK 1.3 million (7.5). Of the total contracts of SEK 55.3 million (52.9), SEK 51.8 million (52.9) mature within six months. Hedge accounting does not apply to forward foreign exchange contracts; instead, they are classified as a financial asset/liability measured at fair value through profit or loss Currency flows in the Parent Company are mainly in Swedish kronor (SEK). To the extent that internal and external loans and investments in the Parent Company are in foreign currency, 100 percent of the capital amount is hedged.

Translation exposure

AddLife's translation exposure is not hedged at this time, with the exception of some foreign operations denominated in EUR (see hedging of the Group's net investment in foreign operations). AddLife's net assets are distributed among foreign currencies as shown below:

Net investments	2021 SEKm	2021 Sensitivity analysis[1]	2020 SEKm	2020 Sensitivity analysis[1]
EUR	3,409.9	170.5	545.7	27.3
DKK	358.8	17.9	327.4	16.4
NOK	244.5	12.2	166.8	8.3
CHF	447.5	22.4	80.2	4.0
GBP	356.2	17.8	0.5	0.0

[1] Impact of +/–5% in exchange rate on Group equity

When translating the income statement of units with a functional currency other than SEK, a translation effect arises when exchange rates vary. With the current distribution of Group companies' different functional currencies, a change of 1 percentage point in the exchange rates would have an effect on net sales and on EBITA as follows:

	2021	2020
Net sales	67.6	40.3
EBITA	10.8	5.6

The exchange rates used in the financial statements are shown in the following table:

	Average rate		Closing day rate	
Exchange rate	**2021**	**2020**	**2021-12-31**	**2020-12-31**
AUD	6.44	6.34	6.56	6.26
CHF	9.38	9.25	9.85	9.80
CNY	1.33	1.33	1.42	1.25
DKK	1.36	1.41	1.38	1.35
EUR	10.14	10.49	10.23	10.04
GBP	11.7951	11.80	12.18	11.09
NOK	1.00	0.98	1.03	0.95
PLN	2.22	2.36	2.23	2.22
USD	8.58	9.20	9.04	8.19

Financing and liquidity

The overall objective of AddLife's financing and debt management is to secure both long term and short term financing for the operations, and to minimise borrowing costs. Capital requirements must be secured through active and professional borrowing procedures involving overdraft and credit facilities. Raising of external financing is centralised to AddLife AB. Satisfactory payment capacity shall be achieved through contractual credit facilities. Excess liquidity is primarily used to pay down outstanding loans. Temporary surpluses of liquid funds are invested with as good a return as possible. Credit, interest rate and liquidity risks should be minimised when investing liquid funds. The fixed interest term and the period during which capital is tied up may not exceed six months. Only counterparties with high credit ratings are permitted. AddLife AB provides an internal bank which lends to and borrows from the subsidiaries. AddLife's current interest-bearing liabilities are shown in Note 28. AddLife Group provides a common cash pool for the countries in which the Group has significant operations. Subsidiaries in these countries have been connected to the cash pool and manage all liquidity within the framework of the cash pool accounts. In cases where there is no cash pool in the country where the subsidiary operates its business, or if an individual foreign currency account does not exist within the cash pool, the subsidiary shall deposit any excess liquidity with AddLife AB.

Temporary excess liquidity in AddLife AB may be invested in accordance with the following guidelines:

- The investment's fixed-interest term and the period during which capital is tied up may not exceed six months.

The following investments are permitted:

- Interest-bearing account at a bank with the right to immediate withdrawal, minimum credit rating of A.
- Deposits in Swedish banks with a minimum credit rating of A.

- Money market instruments (<1 year) such as treasury bills and commercial paper with credit ratings corresponding to A-1, K-1, P-1 (very high creditworthiness).

Refinancing risk

Refinancing risk is the risk of AddLife not having access to sufficient financing at any given time. The refinancing risk increases if AddLife's credit rating deteriorates or if AddLife becomes too dependent on one source of financing. If all or a large percentage of the debt portfolio falls due at one or more individual occasions it could result in the extension or refinancing of a large percentage of the loan volume having to be made on unfavourable interest and loan terms. In order to limit refinancing risk, procurement of long-term credit facilities is initiated no later than nine months before the credit facility matures. The maturity structure, including interest payments, for the Group's financial interest-bearing liabilities, is distributed over the coming years as follows:

			Matures			
	Carrying amount	Future payment amount	within 3 months	after 3 months within 1 year	after 1 year within 5 years	after 5 years
Interest-bearling liabilities	3,408.3	3,441.0	2,793.4	340.6	184.4	122.7
Additional purchase consideration	348.5	367.2	30.9	13.2	323.1	-
Accounts payable	796.2	796.2	796.2	-	-	-
Forward foreign exchange contracts	-	-	-	-	-	-

Other operating liabilities that comprise financial instruments all fall due for payment within 1 year.

Interest rate risk

Interest rate risk define that the risk of actual value on nor Future cash flows by a financial instrument varies because of restatements of market rates. The interest rate risk is regulated by ensuring that the average fixed interest term of the debt portfolio varies between 0 and 3 years. The debt portfolio consists of bank overdraft facilities with fixed interest terms of three months and outstanding external loans with remaining fixed interest terms of six months. AddLife's financial net debt as at 31 December 2021 was SEK 3,870 million (700). AddLife's net financial debt as at 31 December 2021 affects net financial items by about SEK +/- 39 million (+/–7) if interest rates change by one percentage point.

Issuer/borrower risk and credit risk

Issuer/borrower risk and credit risk are defined as the risk of AddLife's counterparties failing to fulfil their contractual obligations. AddLife is exposed to credit risk in its financial transactions, i.e. in investing its surplus liquidity and executing forward foreign exchange transactions, and in its commercial operations in connection with accounts receivable and advance payments to suppliers. Credit risk exposure consists of the carrying amount of the financial assets. To utilise its companies' detailed knowledge of AddLife's customers and suppliers, each company assesses the credit risk in its commercial transactions. New customers are assessed before credit is granted, and credit limits set are strictly enforced. Short credit periods are pursued and the absence of excessive concentration of business with individual customers and specific sectors contributes to minimising the risks. No individual customer accounts for more than 6 (4) percent of total credit exposure over a one-year period. The equivalent figure for the ten largest customers is approximately 12 (16) percent. Exposure by customer segment and geographic market is shown in the table in Note 6. Credit losses amounted to SEK 0 million (27.2) during the year, equal to 0 percent (5.1) of net sales.

Note 5 Net sales by revenue type and business area

Medtech	2021	2020
Products	3,047.7	1,477.6
Instruments	346.1	179.7
Services	231.2	2.0
Total	**3,625.0**	**1,659.3**

Labtech	2021	2020
Products	3,518.3	2,661.4
Instruments	673.0	756.2
Services	181.7	200.9
Total	**4,373.0**	**3,618.5**

2021	Labtech	Medtech	Group items	Total
Sweden	712.9	427.8	-	1,140.7
Denmark	985.8	172.3	-	1,158.1
Finland	491.3	157.1	-	648.4
Norway	601.4	407.1	-	1,008.5
United Kingdom	25.4	594.3	-	619.7
Ireland	0.4	581.5	-	581.9
Italy	450.4	105.0	-	555.4
Germany	15.4	464.8	-	480.2
Switzerland	41.8	267.1	-	308.9
Other countries	1,048.2	448.0	-5.4	1,490.8
Total	**4,373.0**	**3,625.0**	**-5.4**	**7,992.6**

2020	Labtech	Medtech	Group items	Total
Sweden	521.4	555.2	-	1,076.6
Denmark	658.7	161.7	-	820.4
Finland	522.5	181.9	-	704.4
Norway	360.9	469.2	-	830.1
United Kingdom	27.1	20.3	-	47.4
Ireland	-	-	-	-
Italy	411.9	5.2	-	417.1
Germany	20.6	31.8	-	52.4
Switzerland	31.6	-	-	31.6
Other countries	1,063.8	234.0	-4.5	1,293.3
Total	**3,618.5**	**1,659.3**	**-4.5**	**5,273.3**

Regarding other revenue types, dividends and interest income are recognised in financial items, see Note 10.

Parent Company

Of the Parent Company's net sales of SEK 50.5 million (40.7), 100 percent (100) relate to intra-group sales. Of administrative expenses in the Parent Company of SEK 67.9 million (60.6), 0 percent (0) relates to purchases from Group companies.

Accounting principle

The fair value of what has been received, or what will be received, is recognised as sales revenue. Deductions are made for value added tax, returns, discounts and price reductions.

Revenue from sales of goods and instruments

The majority of AddLife's net sales consist of sales of goods and instruments. For these, the revenue recognition takes place at a certain time, which is when control of the products has been transferred to the customer, this is normal upon delivery to the customer. Transfer of control and thus also the revenue recognition normally depends on the delivery terms. The selling company then also has no remaining significant control over the product or involvement in its management.

Rebates

Products may be sold with volume discounts, based on total sales during a certain period of time. Revenues from such agreements are calculated and reported based on experience and probability.

Sales of goods and services combined

The AddLife Group also has certain agreements that cover both goods and services. Revenues from these are reported by distributing the sales value among the various performance commitments. Revenue recognition takes place when the respective performance commitment is fulfilled. For the Group, there are usually two performance commitments at present; products (which includes hardware, installation and training) and licenses. Revenues from products are reported at a certain time. The license provides the licensee a right to access intellectual property throughout the license period and revenue is recognized over time.

Sales of services

Other services form a limited part of AddLife's operations. Services are performed for a limited period of time and are reported in the period when the service has been delivered to the counterparty.

Leasing income

Leasing income is reported on a straight-line basis in the income statement based on the terms of the leasing agreement.

Note 6 Segment reporting

The division into business areas reflects AddLife's internal organisation and reporting system. Operating segments are reported in a manner consistent with AddLife's internal reporting, which is submitted to the CEO, who has been identified as the highest executive within AddLife. AddLife reports business areas as an operating segment. AddLife reports its business areas as operating segments. The two business areas are Labtech and Medtech. This market grouping reflects a natural division of the Life Science market. AddLife uses EBITA (see definitions) as a performance measure when monitoring the business areas. Intra-Group sales are based on the same prices that an independent party would pay for the product.

Labtech

The companies in the Labtech business area operate within diagnostics and biomedical research, as well as laboratory analysis. The companies deliver directly to customers various products and solutions that include analytical instruments, equipment, microscopes, consumables and reagents, as well as software support and technical service, primarily to laboratories in medicine, research, academia and the food and pharmaceutical industries. The companies within the Labtech business area are mainly active in microbiology, clinical chemistry, coagulation, molecular biology, research, immunology, point-of-care testing, veterinary diagnostics and in the food industry. Customers are also offered training programmes in various areas to ensure that customers have the appropriate skills and to maximise user benefit for the products the Company provides.

Medtech

The companies in the Medtech business area provide medical device products within the medtech market, with a focus on surgery, thoracic medicine, neurology, wound care, anaesthesia, intensive care, ear, nose and throat, ostomies, and home healthcare.

Data by operating segment

Net sales	2021 Externally	2020 Externally
Medtech	3,625.0	1,659.3
Labtech	4,373.0	3,618.5
Group items	-5.4	-4.5
Total	**7,992.6**	**5,273.3**

EBITA	2021 EBITA	2021 EBITA margin, %	2020 EBITA	2020 EBITA margin, %
Medtech	310.1	8.6	196.0	11.8
Labtech	976.9	22.3	622.0	17.2
Group items	-13.7		-15.9	
Total	**1,273.3**		**802.1**	

Operating profit/loss, assets and liabilities	2021 Operating profit	2021 Assets[1]	2021 Liabilities[1]	2020 Operating profit	2020 Assets[1]	2020 Liabilities[1]
Medtech	85.4	8,127.2	941.2	120.9	2,135.0	407.2
Labtech	926.8	2,089.6	837.9	569.8	1,778.1	881.4
Group items	-15.9	378.9	4,525.7	-18.2	236.5	970.7
Total	**996.3**	**10,595.7**	**6,304.8**	**672.5**	**4,149.6**	**2,259.3**
Finance income and costs	-69.1			-13.5		
Profit before taxes	**927.2**			**659.0**		

[1] Does not include balances in Group accounts or financial transactions with Group companies.

Investments in non-current assets	2021 Intangible[1]	2021 Property, plant and equipment[1]	2021 Total	2020 Intangible[1]	2020 Property, plant and equipment[1]	2020 Total
Medtech	1,825.6	233.9	2,059.5	189.2	56.0	245.2
Labtech	132.6	96.1	228.7	87.6	122.3	209.9
Group items	0.3	0.1	0.4	–	6.4	6.4
Total	**1,958.5**	**330.1**	**2,288.6**	**276.8**	**184.7**	**461.5**

[1] The amounts do not include the effects of corporate acquisitions.

Depreciation/amortisation of non-current assets	2021 Intangible	2021 Property, plant and equipment[1]	2021 Total	2020 Intangible	2020 Property, plant and equipment[1]	2020 Total
Medtech	-224.7	-101.9	-326.6	-75.2	-42.0	-117.2
Labtech	-50.2	-96.7	-146.9	-52.1	-100.0	-152.1
Group items	-2.1	-2.8	-4.9	-2.4	-2.5	-4.9
Total	**-277.0**	**-201.4**	**-478.4**	**-129.7**	**-144.5**	**-274.2**

[1] Depreciation/amortisation of property, plant and equipment include depreciation/amortisation of right- of-use assets.

Significant profit or loss items, other than depreciation or amortisation, not matched by payments

	2021				2020			
	Capital gains	Change in pension liability	Other items	Total	Capital gains	Change in pension liability	Other items	Total
Medtech	-1.9	-0.7	0.4	-2.2	-0.1	0.0	-5.7	-5.8
Labtech	-1.4	-0.8	-6.0	-8.2	-3.6	-0.7	-1.3	-5.6
Group items	–	–	-22.0	-22.0	–	–	14.4	14.4
Total	**-3.3**	**-1.5**	**-27.6**	**-32.4**	**-3.7**	**-0.7**	**7.4**	**3.0**

	2021			2020		
Data by country	Net sales external	Assets[1]	Of which non-current assets	Net sales external	Assets[1]	Of which non-current assets
Sweden	1,140.7	1,465.1	1,080.9	1,076.6	1,438.6	1,074.1
Denmark	1,158.1	682.4	397.7	820.4	472.5	273.7
Finland	648.4	260.0	131.0	704.4	264.6	131.1
Norway	1,008.5	484.2	280.0	830.1	471.5	276.2
Ireland	581.9	3,272.6	2,959.3	–	–	–
Germany	480.2	2,118.5	2,020.3	52.3	2.0	0.8
Other countries	2,974.8	2,224.6	948.8	1,789.5	1,465.6	680.1
Group items and unallocated assets	–	88.3	27.3	–	34.8	21.2
Total	**7,992.6**	**10,595.7**	**7,845.3**	**5,273.3**	**4,149.6**	**2,457.2**

[1] Does not include balances in Group accounts and financial assets. External net sales are based on the customers' location, and the carrying amounts of assets are based on where the assets are located.

	2021			2020		
Investments in non-current assets	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total
Sweden	46.4	20.6	67.0	37.7	33.8	71.5
Denmark	81.7	10.8	92.5	44.1	22.6	66.7
Finland	2.9	22.0	24.9	3.4	22.6	26.0
Norway	6.6	15.9	22.5	5.1	11.0	16.1
Irland	875.8	109.7	985.5	–	–	–
Tyskland	822.6	13.3	835.9	–	0.6	0.6
Other countries	122.5	137.8	260.3	186.5	94.1	280.6
Total	**1,958.5**	**330.1**	**2,288.6**	**276.8**	**184.7**	**461.5**

The Group has no single customer whose revenues account for 10 percent of total revenue, for which reason there is no related reporting.

Note 7 Employees and employee benefits expense

Average number of employees	2021 Men	2021 Women	2021 Total	2020 Men	2020 Women	2020 Total
Sweden						
Parent Company	6	7	13	5	6	11
Other companies	135	104	239	130	98	228
Denmark	130	77	207	127	68	195
Finland	56	72	128	59	68	127
Norway	88	51	139	87	51	138
Other countries	568	510	1,078	195	243	438
Total	**983**	**821**	**1,804**	**603**	**534**	**1,137**

Salaries and remuneration	2021 Senior management	2021 of which variable	2021 Other employees	2020 Senior management	2020 of which variable	2020 Other employees
Sweden						
Parent Company	21.7	8.9	7.0	19.0	5.1	5.7
Other companies	16.1	0.0	139.1	10.7	0.0	136.1
Denmark	12.6	2.0	135.8	9.3	1.8	115.6
Finland	6.3	1.6	73.7	6.3	1.1	78.4
Norway	12.2	1.3	89.7	7.8	0.9	84.5
Other countries	43.1	7.2	461.1	22.6	3.2	171.6
Total	**112.0**	**21.0**	**906.4**	**75.7**	**12.1**	**591.9**

Salaries, remuneration and social security costs	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Salaries and other remuneration	1,017.2	653.9	28.7	24.7
Contractually agreed pensions for senior management	10.6	6.6	3.9	3.4
Contractual pensions to other	66.1	51.1	1.3	1.1
Other social security costs	165.2	115.8	9.7	8.9
Total	**1,259.1**	**827.4**	**43.6**	**38.1**

Percentage women	Group 2021-12-31	Group 2020-12-31	Parent Company 2021-12-31	Parent Company 2020-12-31
Board of Directors	14%	13%	50%	33%
Other members of senior management	30%	30%	40%	20%

Senior management are defined as Group Management, the President and Vice President of the Group's subsidiaries.

Remuneration to the Board of Directors and senior management

Preparation and decision-making process for remuneration to the Board of Directors, CEO and Group Management

The guidelines applied in the 2021 financial year for remuneration to senior management were decided by the Nomination Committee. The principle for remuneration to the Board of Directors, Chief Executive Officer (CEO) and Group Management is that remuneration should be competitive. The Nomination Committee proposes Board fees to the Annual General Meeting (AGM). Board fees are paid based on a resolution of the AGM. For committee work, remuneration is paid to the Chairman of the audit committee according to the decision of the AGM, to other members no fee is paid for committee work. For remuneration to the CEO, members of Group Management and other members of senior management in the Group, the Board of Directors has appointed a remuneration committee consisting of the Chairman of the Board and one Board member, with the CEO as the reporting member. A fixed salary, variable remuneration and conventional employment benefits as well as pension benefits are paid to the CEO, Group Management and other members of senior management. In addition, incentive programmes apply as described below. The remuneration committee adheres to the guidelines for remuneration to senior management approved by AddLife AB's AGM.

Call options for senior executives

The Group's share-based long-term incentive scheme makes it easier for senior management to acquire shares in the company. The reason for implementation of the long-term incentive scheme is to give management personnel within the AddLife Group the opportunity to learn about and work towards an increase in the value of the Company's shares through their own investment, thereby achieving greater alignment of interests between them and the Company's shareholders. The purpose of the incentive scheme is also to help senior executives to increase their shareholding in the Company over the long-term. The employees have paid a market-based premium for acquired call options on Class B shares. The option premium in the scheme was calculated by Nordea Bank by applying the established Black & Scholes measurement method. The calculations are based on the following parameters: the exercise price was set at 110 percent of the volume-weighted average price during the measurement period, volatility is based on statistical data derived from historical data, the risk-free interest rate was based on the interest rate for government bonds, maturity and exercise period under the terms of the schemes and dividend according to estimates based on the Group's dividend policy.

The programme includes a subsidy so that the employee receives the same sum as the option premium paid in the form of cash payment, i.e. salary, after two years, provided that the option owner at this point is still employed within the Group. This subsidy and the associated social security costs are accrued as personnel costs over the vesting period. AddLife has the right, but no obligation to repurchase the options when an employee terminates employment. The holder may exercise the options regardless of continued employment in the Group.

AddLife has a total of three outstanding programmes corresponding to a total of 2,110,000 shares. Outstanding call options during the financial year resulted in an estimated dilutive effect based on the year's average share price 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%	259.00	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**			

Remuneration and other benefits in 2021	Basic salary/ Board fees	Variable remuneration[1]	Other benefits	Pension costs	Total
Chairman of the Board	0.7	–	–	–	0.7
Other members of the board	1.5	–	–	–	1.5
Chief Executive Officer	5.2	3.3	0.2	1.4	10.1
Other senior executives[2]	7.6	5.6	0.4	2.4	16.0
Total	**15.0**	**8.9**	**0.6**	**3.8**	**28.3**

[1] Including remuneration for those senior executives participating in incentive programmes

[2] During the year, other members of Group Management consisted of four people.

Remuneration and other benefits in 2020	Basic salary/ Board fees	Variable remuneration[1]	Other benefits	Pension costs	Total
Chairman of the Board	0.5	–	–	–	0.5
Other members of the board	1.5	–	–	–	1.5
Chief Executive Officer	4.5	2.8	0.2	1.4	8.9
Other senior executives[2]	10.9	3.7	0.5	2.7	17.8
Total	**17.4**	**6.5**	**0.7**	**4.1**	**28.7**

[1] Including remuneration for those senior executives participating in incentive programmes

[2] During the year, other members of Group Management consisted of four people.

Board fees, SEK 000	Position	2021	2020
Johan Sjö	Chairman of the Board	0.7	0.5
Håkan Roos	Board member	0.3	0.3
Stefan Hedelius	Board member	0.3	0.3
Andreas Göthberg	Board member	–	0.3
Eva Elmstedt	Board member	0.3	–
Birgit Stattin Norinder	Board member	0.3	0.3
Eva Nilsagård	Board member	0.3	0.3
Total		**2.2**	**2.0**

The Board of Directors

The Board fees of SEK 2,200 thousand set by the Nomination Committee are distributed, as per the AGM decision, among those Board Directors who are not employed by the Parent Company.

Parent Company's CEO

Kristina Willgård, Parent Company CEO, received a fixed salary of SEK 5,173k (4,525) and SEK 3,310k (2,808) in variable pay. Variable remuneration includes SEK 910k regarding the year's cost for a subsidy for participation in the Group's incentive programme. Taxable benefits for the CEO totalling SEK 205k (208) are additional. From age 65, the CEO is covered by a defined contribution pension, the size of which depends on the outcome of pension insurance agreements. In 2021, a total of SEK 1,467k (1,439) in pension premiums, determined annually by the remuneration committee, were paid for the CEO. Variable salary is not pensionable income. Variable remuneration based on Group earnings may amount to 40 percent of fixed salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee. During 2021, the Board decided on additional variable cash compensation for the CEO, which is included in the table above. The period of notice is of 12 months on part of the Company and six months on part of the CEO. In the case of termination on the initiative of the Company, the CEO is entitled to a severance payment equivalent to one year's salary in addition to salary during the period of notice. No severance package is payable if the employee terminates the contract.

Other members of Group Management

Other members of Group Management were paid a total of SEK 7,622k (9,705) in fixed salaries and SEK 5,632k (3,727) in variable remuneration. Variable remuneration includes SEK 2,001k regarding the year's cost for a subsidy for participation in the Group's incentive programme, which was expensed during the 2021 financial year and will be paid in the coming years. Taxable benefits totalling SEK 350k (469) are additional. Persons in Group Management are covered from age 65 by pension entitlements based on individual agreements. Existing pension schemes consist of defined contribution schemes, in which the pension amount depends on the outcome of pension insurance agreements. During 2021, a total of SEK 2,442k (2,681) in pension premiums was paid for the group 'Other members of Group Management'. Variable remuneration based on Group earnings may amount to 40 percent of fixed salary.Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee. During 2021, the Board decided on additional variable cash compensation for the Group Management, which is included in the table above.The period of notice is 12 months on the part of the Company and six months on part of the employee. Severance pay is payable upon termination of employment equivalent to no more than one year's salary. Severance pay is not paid on departure at own request.

Personnel information

The Swedish Annual Accounts Act requires more information than IFRS, including information about the gender of the Board and management. Data on gender distribution refer to the situation at the end of the reporting period. Members of the Board of Directors' are directors, elected by a general meeting, in the Parent Company and in Group companies. Members of senior management' are people in Group Management and Managing Directors at Group companies.

Note 8 Remuneration to auditors

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
KPMG				
Audit assignment	6.3	3.7	1.1	0.9
Tax consultation	1.4	0.4	–	0.0
Other assignments	4.3	1.0	4.2	0.9
Total remuneration to KPMG	**12.0**	**5.1**	**5.3**	**1.8**
Other auditors				
Audit assignment	2.6	0.9	–	–
Tax consultation	2.0	0.7	–	–
Other assignments	0.3	0.2	–	–
Total remuneration to other auditors	**4.9**	**1.8**	**–**	**–**
Total remuneration to auditors	**16.9**	**6.9**	**5.3**	**1.8**

Audit assignments refers to the statutory audit of the annual and consolidated financial statements and accounting, as well as the administration of the Board of Directors and the Chief Executive Officer, along with auditing and other examinations carried out by agreement or contract. This includes other duties incumbent on the company's auditors, as well as advice or other assistance prompted by observations from such audits or the performance of other tasks

In 2021, remuneration paid to the auditing firm amounted to SEK 12.0 million, distributed between the following categories:

- Audit assignment, SEK 6.3 million, of which SEK 2.0 million refers to KPMG Sweden.
- Tax consultancy, SEK 1.4 million, of which SEK 0 million refers to KPMG Sweden.
- Other services, SEK 4.3 million, of which SEK 4.3 million refers to KPMG Sweden.

Note 9 Depreciation and amortisation

	Group		Parent Company	
	2021	**2020**	**2021**	**2020**
Depreciation and amortisation, by function				
Cost of goods sold	-57.1	-40.2	–	–
Selling expenses	-372.7	-192.5	–	–
Administrative expenses	-48.6	-41.5	-0.3	-0.2
Total	**-478.4**	**-274.2**	**-0.3**	**-0.2**

	2021	**2020**	**2021**	**2020**
Depreciation and amortisation, by asset class				
Intangible assets	-277.0	-129.7	-0.1	-0.1
Buildings and land	-1.0	-0.6	–	–
Leasehold improvements	-0.8	-0.9	–	–
Machinery	-5.4	-3.2	–	–
Equipment	-72.4	-44.8	-0.2	-0.1
Right-of-use assets for leased premises	-79.8	-58.1	–	–
Right-of-use assets for other	-42.0	-36.9	–	–
Total	**-478.4**	**-274.2**	**-0.3**	**-0.2**

Note 10 Other operating income and expenses

Group	2021	2020
Other operating income		
External services	6.3	4.4
External rental income	2.6	1.5
Gain on sale of operations and non-current assets	3.8	3.9
Exchange gains, net	6.8	–
Change in loans for contingent considerations	0.3	–
Remuneration for terminated agency	–	13.5
Capitalised work on own account	14.3	–
Other	32.2	16.5
Total	**66.3**	**39.8**
Other operating expenses		
Loss on sale of operations and non-current assets	-0.5	-0.2
Exchange losses, net	–	-7.9
Change in loans for contingent considerations	-5.9	-1.2
Other	-13.1	-6.0
Total	**-19.5**	**-15.3**

Accounting principle

Other operating income and other operating expenses include secondary activities, exchange rate differences in operating activities and gain/loss on the sale of tangible and intangible assets.

Note 11 Operating expenses

Group	2021	2020
Inventories, raw materials and consumables	4,729.9	3,174.5
Employee benefits expense	1,005.2	664.0
Depreciation and amortisation	478.4	274.2
Impairment of inventories	43.5	26.4
Impairment of account receivable	7.4	15.2
Other operating expenses	778.7	471.1
Total	**7,043.1**	**4,625.4**

Parent Company	2021	2020
Employee benefits expense	45.3	42.0
Depreciation and amortisation	0.3	0.2
Other operating expenses	22.3	18.4
Total	**67.9**	**60.6**

Accounting principle

Cost of goods sold includes expenses for finished goods i.e. cost for production and sourced products, warranty, warehousing and transportation and exchange-rate changes on payables and receivables and the effects from currency hedging. Selling expenses include expenses for brand communication, sales driving communication and costs for sales and marketing staff. Selling expenses also include the cost for impairment of trade receivables. Administration expenses include expenses for general management, controlling, human resources, shared service and IT expenses related to the named functions.

Note 12 Finance income and costs

Group	2021	2020
Interest income on bank balances	0.9	0.8
Exchange rate fluctations, net	–	4.8
Financial income	**0.9**	**5.6**
Interest expense on financial liabilities measured at amortised cost.	-52.6	-13.1
Interest expense on financial liabilities measured at fair value.	–	–
Interest expense on pension liability	-0.8	-1.2
Interest expense on lease liability	-3.5	-2.7
Exchange rate fluctations, net	-10.2	–
Other finance costs	-2.9	-2.0
Finance costs	**-70.0**	**-19.0**
Net financial items	**-69.1**	**-13.4**

Parent Company	2021	2020
Dividend income	–	–
Profit/loss from group companies	**–**	**–**
Interest income etc.:		
Interest income from Group companies	42.3	14.3
Exchange rate fluctations, net	–	3.3
Other interest income and change value of derivatives	–	–
Interest income and similiar items	**42.3**	**17.6**
Interest expense, etc.:		
Interest expense from Group companies	-0.2	-0.2
Exchange rate fluctations, net	-7.2	–
Other interest expense and change value of derivatives	-35.5	-8.6
Interest expense and similiar items	**-42.9**	**-8.8**

Accounting principle

Interest income on receivables and interest expense on liabilities are computed using the effective interest method. The effective rate is the interest rate that makes the present value of all future receipts and payments during the period of fixed interest equal to the carrying amount of the receivable or liability. Interest expenses and income include accrued amounts of any transaction costs, rebates, premiums and other differences between the original value of the item and the amount paid/received upon maturity.

Note 13 Year-end appropriations, parent company

	2021	2020
Provision made to tax allocation reserve	-24.0	-40.0
Group contribution paid	-135.6	-5.3
Group contribution received	258.9	180.7
Total	**99.3**	**135.4**

Accounting principle

Group contributions are recognised in the Parent Company in accordance with the alternative rule. Group contributions received and paid are recognised as appropriations. Tax laws in Sweden allow companies to defer tax payments by making allocations to untaxed reserves in the balance sheet via the income and expense item appropriations. In the consolidated balance sheet these are treated as temporary differences, i.e. a breakdown is made between deferred tax liability and equity. Changes in untaxed reserves are recognised in the consolidated statement of comprehensive income and broken down into deferred tax and profit for the year.

Note 14 Taxes

Group	2021	2020
Current tax for the period	-254.8	-158.4
Adjustment from previous years	7.9	7.0
Total current tax expense	**-246.9**	**-151.4**
Deferred tax	40.3	12.1
Total recognised tax expense	**-206.6**	**-139.3**

Group	2021	%	2020	%
Profit/loss before taxes	927.2		659.0	
Weighted average tax based on national tax rates	-193.7	20.9	-140.0	21.2
Tax effects of non-deductible costs/non-taxable income	-20.4	2.2	-5.7	0.9
Changed tax rate	-0.7	0.1	-1.5	0.2
Adjustments from previous years	7.9	-0.9	7.0	-1.1
Other	0.3	0.0	0.9	-0.1
Recognised tax expense	**-206.6**	**22.3**	**-139.3**	**21.1**

Deferred tax

Deferred taxes, net	2021-12-31			2020-12-31		
Group	**Receivables**	**Liabilities**	**Net**	**Receivables**	**Liabilities**	**Net**
Non-current assets	10.4	-513.5	-503.1	9.6	-193.0	-183.4
Pension provisions	8.0	0.0	8.0	8.3	0.0	8.3
Tax loss carryforwards	28.8	-1.3	27.5	34.2	-1.5	32.7
Other	18.2	-28.8	-10.6	9.0	-23.0	-14.0
Net recognised	-54.2	54.2	0.0	-56.1	56.1	0.0
Deferred taxes, net, at year-end	**11.2**	**-489.4**	**-478.2**	**5.0**	**-161.4**	**-156.4**

Deferred tax liability referring to non-current assets increased by SEK 343 million due to acquistions during the year.

Deferred tax income/cost

Group	2021	2020
Deferred tax temporary differences this year	47.1	23.3
Deferred tax due to changed tax rates this year	0.8	-0.8
Deferred tax income activated tax items this year	-7.6	-9.1
Deferred tax on used activated tax items this year	-	-1.3
Total deferred tax income/cost	**40.3**	**12.1**

Unrecognised deferred tax assets

Deductible temporary differences and tax loss carryforwards for which deferred tax assets have not been recognised in the balance sheet:

	2021-12-31	2020-12-31
Tax deficits	10.7	22.4
Potential tax benefit	2.1	4.4
Expiry dates of tax loss carryforwards:		
0 > 10 years	10.7	22.4

Deferred tax assets have not been recognised for these items, since it is not probable that the Group will utilise them against future taxable profits

Parent Company	2021	2020
Current tax for the period	-15.2	-25.8
Total current tax expense	**-15.2**	**-25.8**
Total recognised tax expense	**-15.2**	**-25.8**

Parent Company	2021	%	2020	%
Profit/loss before taxes	81.3		124.4	
Tax based on current tax rate for Parent Company	-16.8	20.6	-26.6	21.4
Tax effects of non-deductible costs/non-taxable income	-0.5	0.6	-0.4	0.3
Other	2.1	-2.6	1.2	-1.0
Recognised tax expense	**-15.2**	**18.6**	**-6.1**	**14.1**

Accounting principle

Income taxes

Tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the tax effect is also recognised in other comprehensive income or equity. Current tax refers to tax that is to be paid or refunded for the current year. This also includes adjustments of current tax attributable to prior periods.

Deferred tax is calculated using the liability method based on temporary differences between carrying amounts and tax bases of assets and liabilities. The amounts are calculated depending on how the temporary differences are expected to be settled and by applying the tax rates and tax rules enacted or announced at the end of the reporting period. Temporary differences are not taken into account in consolidated goodwill, nor in differences attributable to interests in subsidiaries or associates owned by Group companies outside Sweden that are not expected to be taxed in the foreseeable future. In the consolidated financial statements, untaxed reserves are allocated to deferred tax liability and equity. Deferred tax assets related to deductible temporary differences and tax loss carryforwards are only recognised to the extent it is likely they will reduce tax payments in the future.

Note 15 Intangible non-current assets

2021-12-31 Group	Goodwill	Supplier relationships	Customer relationships	Technology	Research and development	Software	Other intangible asset	Total
Accumulated cost								
Opening balance	1,109.6	838.7	70.3	334.3	131.3	70.1	2.7	2,557.0
Acquisitions	3,397.7	1,918.5	–	3.0	28.4	57.8	0.1	5,405.5
Investments	–	–	–	1.1	24.1	14.3	0.5	40.0
Reclassifications	–	–	–	–	-2.6	-0.5	–	-3.1
Divestments and disposals	–	–	–	–	–	-1.2	0.0	-1.2
Translation effect	30.7	18.4	0.8	3.9	2.9	1.0	0.3	58.0
Closing balance	**4,538.0**	**2,775.6**	**71.1**	**342.3**	**184.1**	**141.5**	**3.6**	**8,056.2**
Accumulated amortisation and impairment losses								
Opening balance	-10.0	-331.5	-8.2	-86.3	-67.9	-48.6	-1.7	-554.2
Acquisitions	–	–	–	–	-1.4	-31.8	-0.1	-33.3
Amortisation	–	-210.5	-7.0	-32.3	-11.5	-15.2	-0.5	-277.0
Reclassifications	–	–	–	–	2.6	0.5	–	3.1
Divestments and disposals	–	–	–	–	–	1.2	–	1.2
Translation effect	-0.2	-0.9	-0.2	-1.0	-1.5	-0.6	-0.4	-4.8
Closing balance	**-10.2**	**-542.9**	**-15.4**	**-119.6**	**-79.7**	**-94.5**	**-2.7**	**-865.0**
Carrying amount at year-end	**4,527.8**	**2,232.7**	**55.7**	**222.7**	**104.4**	**47.0**	**0.9**	**7,191.2**
Carrying amount at start of year	**1,099.6**	**507.2**	**62.1**	**248.0**	**63.4**	**21.5**	**1.0**	**2,002.8**

2020-12-31 Group	Goodwill	Supplier relationships	Customer relationships	Technology	Research and development	Software	Other intangible asset	Total
Accumulated cost								
Opening balance	982.2	689.2	51.4	297.3	110.2	63.8	2.7	2,196.8
Acquisitions	149.3	174.3	20.6	41.8	5.6	1.5	0.6	393.7
Investments	–	–	–	0.4	19.6	9.4	–	29.4
Reclassifications	–	–	–	–	-2.2	-2.3	–	-4.5
Divestments and disposals	–	–	–	–	–	-0.4	–	-0.4
Translation effect	-21.9	-24.8	-1.7	-5.2	-1.9	-1.9	-0.6	-58.0
Closing balance	**1,109.6**	**838.7**	**70.3**	**334.3**	**131.3**	**70.1**	**2.7**	**2,557.0**
Accumulated amortisation and impairment losses								
Opening balance	-10.1	-265.6	-2.8	-58.0	-54.6	-43.3	-1.3	-435.7
Acquisitions	–	–	–	–	-1.9	-0.3	-0.5	-2.7
Amortisation	–	-73.9	-5.6	-29.4	-12.7	-7.6	-0.4	-129.6
Reclassifications	–	–	–	–	1.2	0.5	–	1.7
Divestments and disposals	–	–	–	–	–	0.4	–	0.4
Translation effect	0.1	8.0	0.2	1.1	0.1	1.7	0.5	11.7
Closing balance	**-10.0**	**-331.5**	**-8.2**	**-86.3**	**-67.9**	**-48.6**	**-1.7**	**-554.2**
Carrying amount at year-end	**1,099.6**	**507.2**	**62.1**	**248.0**	**63.4**	**21.5**	**1.0**	**2,002.8**
Carrying amount at start of year	**972.1**	**423.6**	**48.6**	**239.3**	**55.6**	**20.5**	**1.4**	**1,761.1**

Goodwill distributed by business area	2021-12-31	2020-12-31
Labtech	454.3	310.9
Medtech	4,073.5	788.7
Total	**4,527.8**	**1,099.6**

	2021-12-31		2020-12-31	
Parent company	**Software**	**Total**	**Software**	**Total**
Accumulated cost				
Opening balance	0.6	0.6	0.6	0.6
Investments	0.3	0.3	–	–
At year-end	**0.9**	**0.9**	**0.6**	**0.6**
Accumulated amortisation				
Opening balance	-0.5	-0.5	-0.4	-0.4
Depreciation and amortisation	-0.1	-0.1	-0.1	-0.1
Closing balance	**-0.6**	**-0.6**	**-0.5**	**-0.5**
Carrying amount at year-end	**0.3**	**0.3**	**0.1**	**0.1**
Carrying amount at start of year	**0.1**	**0.1**	**0.2**	**0.2**

Accounting principle

An intangible asset is an identifiable nonmonetary asset, without physical substance, that is used for marketing, producing or supplying goods or services, or for rental and administration. To be recognised as an asset, it must be probable that the future economic benefits attributable to the asset will benefit the Company and that the (acquisition) cost can be calculated reliably. Additional expenditure for an intangible asset is only added to the cost if it increases future economic benefits beyond the original assessment and if the expenditure can be calculated reliably. All other expenditure is expensed as it is incurred.

Goodwill is accounted for as an intangible non-current assets with indefinable useful life. Goodwill represents the difference between the cost, in connection with a business combination, and the fair value of acquired assets, assumed liabilities and contingent liabilities. Goodwill and intangible non-current assets with indefinable useful lives are measured at cost, less any accumulated impairment losses. Goodwill and intangible non-current assets with indefinable useful lives are allocated among cash-generating units and are not amortised but are tested for impairment on an annual basis.

When acquiring businesses, supplier relations, customer relations and technology are measured at fair value. AddLife applies a model where average historical costs of acquiring equivalent assets, or discounted future cash flow, is used for valuation.

Intangible assets aside from goodwill are recognised at their original cost, less accumulated amortisation and impairment losses. Amortisation is charged primarily on a straight line basis and is based on the useful lives of the assets, which are reviewed on an annual basis. Amortisation is included in cost of sales, selling expenses or administrative expenses, depending on where in the business the assets are used.

Expenditure for development, in which the results of research or other knowledge are applied to achieve new or improved products or processes, is recognised as an asset in the balance sheet if the product is technically and commercially viable and the company has sufficient resources to complete development and subsequently use or sell the intangible asset. Other development expenditure is expensed as it is incurred.

Amortisation is charged primarily on a straight line basis and is based on the useful lives of the asset.

	Useful life
Supplier and customer relations	10 years
Software	3-5 years
Technology	5-15 years
Research and development	5-10 years
Goodwill and trademarks	indeterminable

Impairment testing of goodwilll

At 31 December 2021 AddLife's recognised goodwill amounts of SEK 4,527.8 million (1,099.6). All intangible assets with indeterminable useful life should be tested for impairment at least annually. Single assets are tested more often in case there are indications of impairment. Impairment testing is performed on the cash-generating units, which equal the business areas. When Addlife makes an acquisition, the acquired business is integrated with to the group to such an extent that it is not possible to separate assets and cash flows attributable to separate companies. The recoverable amount has been calculated based on value in use, using the discounted cash flow model. Assumptions were made concerning net sales, gross margin, overhead costs, working capital required and investments required based on previous experiences The parameters have been set based on the Group's budget for the upcoming financial year 2022 for each business area, which has been approved by the Board of Directors.

When calculating the recoverable amount for cash-generating units that contain leased assets, the choice has been made to deduct future leasing payments from the expected cash flows. The usufruct assets are included in the unit's carrying amount. In order to obtain a carrying amount for the unit that is consistent with the estimated recoverable amount, the carrying amount is reduced by the unit's leasing liability.

An annual growth rate of 2 percent (2) was assumed for cash flows beyond the budget period. Calculated residual value at the end of the useful life is included in the value in use. Cash flows were discounted using a weighted cost of capital corresponding to 8.4 percent (8.8) before tax. These calculations show that value in use significantly exceeds the carrying amount. Consequently, impairment testing indicated no impairment. No reasonable possible changes in key assumptions are expected to lead to impairment.

Each year, trademarks are tested for impairment applying the same policies as with goodwill. No events or changes in circumstances were identified that would motivate impairment testing for other intangible non-current assets that are amortised.

Note 16 Property, plant and equipment

2021-12-31 Group	Buildings & land	Investments in property belonging to third party	Machinery	Equipment	Right-of-use assets for leased premises	Right-of-use assets, other	Total
Accumulated cost							
Opening balance	41.8	13.4	96.8	446.4	270.5	128.6	997.5
Corporate acquisitions	–	3.9	19.8	322.9	151.2	31.6	529.4
Investments	0.5	3.6	4.7	92.7	48.6	34.8	184.9
Divestments and disposals	–	-0.4	-0.4	-50.1	-8.1	-22.6	-81.6
Reclassifications	–	-0.3	–	0.2	–	–	-0.1
Translation effect for the year	0.8	0.2	1.6	7.7	5.7	2.6	18.6
Closing balance	**43.1**	**20.4**	**122.5**	**819.8**	**467.9**	**175.0**	**1,648.7**
Accumulated depreciation and impairment losses							
Opening balance	-18.2	-10.2	-66.5	-299.6	-102.2	-67.1	-563.8
Corporate acquisitions	–	-3.4	-16.5	-260.0	-25.2	-5.3	-310.4
Depreciation and amortisation	-1.0	-0.8	-5.4	-72.4	-79.8	-42.0	-201.4
Divestments and disposals	–	0.4	0.4	44.1	5.3	14.1	64.3
Reclassifications	–	–	–	1.7	–	-	1.7
Translation effect for the year	-0.4	-0.2	-1.2	-5.1	-3.6	-1.4	-11.9
Closing balance	**-19.6**	**-14.2**	**-89.2**	**-591.3**	**-205.5**	**-101.7**	**-1,021.5**
Carrying amount at year-end	**23.5**	**6.2**	**33.3**	**228.5**	**262.4**	**73.3**	**627.2**
Carrying amount at start of year	**23.6**	**3.2**	**30.3**	**146.8**	**168.3**	**61.5**	**433.6**

2020-12-31 Group	Buildings & land	Investments in property belonging to third party	Machinery	Equipment	Right-of-use assets for leased premises	Right-of-use assets, other	Total
Accumulated cost							
Opening balance	15.8	12.5	46.0	327.2	196.5	103.6	701.5
Corporate acquisitions	26.6	1.2	48.9	89.8	–	–	166.5
Investments	–	0.5	2.9	57.7	88.4	34.3	183.8
Divestments and disposals	–	0.0	–	-26.7	-8.8	-5.8	-41.3
Reclassifications	–	-0.3	–	11.2	–	–	10.9
Translation effect for the year	-0.6	-0.5	-1.0	-12.8	-5.6	-3.5	-24.0
Closing balance	**41.8**	**13.4**	**96.8**	**446.4**	**270.5**	**128.6**	**997.4**
Accumulated depreciation and impairment losses							
Opening balance	-6.5	-9.2	-28.1	-219.4	-49.7	-35.9	-348.8
Corporate acquisitions	-11.3	-0.4	-36.1	-68.6	–	–	-116.4
Depreciation and amortisation	-0.6	-0.9	-3.2	-44.8	-58.1	-36.9	-144.5
Divestments and disposals	–	–	–	7.8	2.4	3.2	13.4
Reclassifications	–	–	–	15.0	–	–	15.0
Translation effect for the year	0.2	0.3	0.9	10.4	3.2	2.5	17.5
Closing balance	**-18.2**	**-10.2**	**-66.5**	**-299.6**	**-102.2**	**-67.1**	**-563.8**
Carrying amount at year-end	**23.6**	**3.2**	**30.3**	**146.8**	**168.3**	**61.5**	**433.6**
Carrying amount at start of year	**9.3**	**3.3**	**17.9**	**107.8**	**146.8**	**67.7**	**352.7**

Parent company	2021-12-31 Equipment	Total	2020-12-31 Equipment	Total
Accumulated cost				
Opening balance	0.9	0.9	0.2	0.2
Investments	0.1	0.1	0.7	0.7
At year-end	**1.0**	**1.0**	**0.9**	**0.9**
Accumulated amortisation				
Opening balance	-0.3	-0.3	-0.1	-0.1
Depreciation and amortisation	-0.2	-0.2	-0.2	-0.2
Closing balance	**-0.5**	**-0.5**	**-0.3**	**-0.3**
Carrying amount at year-end	**0.5**	**0.5**	**0.6**	**0.6**
Carrying amount at start of year	**0.6**	**0.6**	**0.1**	**0.1**

Accounting principle

Property, plant and equipment are recognised at cost, less accumulated depreciation and any impairment losses. The cost comprises the purchase price, including customs and excise duties, as well as costs directly attributable to the asset to bring it to the location in such condition that it can be used as intended by the acquisition. Discounts and the like are deducted from the purchase price. Examples of directly attributable costs included in the cost are shipping and handling, installation, legal ratification and consulting services.

Additional expenditure for an item of property, plant and equipment is only added to the cost if it increases the future economic benefits. All other expenditure, such as expenditure for repair and maintenance, is expensed on a current basis. A decisive factor as to when an incremental expenditure should be added to the cost is whether the expenditure refers to the replacement of identified components or parts thereof, in which case the expenditure is capitalised. Also, if a new component has been created, the expenditure is added to the cost. Any undepreciated carrying amounts for replaced components, or parts of components, are retired and expensed in conjunction with the replacement.

Depreciation is calculated on a straight line basis over the estimated useful life and taking account of any residual value at the end of that period. Property, plant and equipment comprising parts that have different useful lives are treated as separate components. The carrying amount of an item of property, plant and equipment is removed from the balance sheet upon retirement or disposal of the asset, or when no future economic benefits are expected to be derived from its use. Gains or losses realised upon the disposal or retirement of an asset consist of the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains or losses are recognised as other operating income or other operating expense.

	Useful life
Buildings	20-100 years
Equipment	3-5 years
Machinery	3-10 years

Right-of-use asset

Leases that are longer than 12 months and of material value are initially recognised as a right-of-use asset and a lease liability in the balance sheet. Right-of-use assets are initially recognised at cost,i.e. the original value of the lease liability as well as other prepaid expenses. After initial recognition, the right-of-use assets are recognized on current account at cost less depreciation. Leasing liabilities are initially recognised at the present value of future unpaid leasing payments. Lease payments are discounted at the incremental borrowing rate. The carrying amount is then increased by interest expense and decreased by paid lease payments. Depreciation of right-to-use assets and interest on lease liabilities are recognised through profit or loss. Payments attributable to amortisation of lease liabilities are recognised in cash flow in financing activities and payments in respect of interest as cash flow from operating activities. The lease liability for the Group's premises with indexation is calculated on the rent that applies at the end of the reporting period. The liability is adjusted in relation to the right-to-use asset. The same approach applies in the case of reassessment such as a lease term (when, for example, the earlier termination date has been passed) or in other significant events within the Group's control. Short-term and low value leases are excluded and are recognised as an expense in profit or loss.

Note 17 Leases

Maturity structure lease liabilities	Group 2021	Group 2020
Within one year	122.1	92.5
1-2 years	52.1	61.7
2-3 years	80.3	39.4
3-4 years	34.6	24.2
4-5 years	14.7	15.2
Later than 5 years	37.8	3.9
Total undiscounted lease payments	**341.6**	**236.9**
Carrying amount	**339.3**	**233.0**

Revenue and costs from lease agreements	Group 2021	Group 2020
Lease payments received	2.6	1.9
Lease costs		
Depreciation of right-of-use assets	-121.5	-95.0
Interest on lease liabilities	-3.4	-2.7
Cost for short-term leasing	-0.8	-0.6
Cost for leases of low-value	-1.2	-0.9
Total	**-126.9**	**-99.2**

Accounting principle

Lease liabilities includes the present value of the following lease payments:

- Fixed payments (including fees that are fixed in substance)
- Variable lease fees depending on an index or price
- Guaranteed residual value that the lessee expects to pay to the lessor
- The exercise price of a call option, if it is reasonably certain that the lessee will exercise the option, and
- The fine for terminating the lease, if the length of the lease reflects the assumption that the lessee will take advantage of this opportunity

Lease payments are discounted with a discount rate based on the country's underlying currency, exchange rate, length of contract and underlying interest with a supplement for company-specific risk premium. The discount rate is the same for all assets, unless a specific interest rate is specified in the agreement.

Lease payments related to short-term leases and leases of low value assets are recognized as operating expenses on a straight-line basis over the term of the lease. Full lease accounting principle can be found in note 16.

Note 18 Financial assets and liabilities – categories and fair value

Carrying amounts on financial instruments are recognised in the balance sheet according to the following tables.

2021-12-31	Financial assets/liabilities meassured at fair value through profit or loss	Financial assets/liabilities measuered at amortised cost	Total carrying amount
Financial assets	-	8.7	8.7
Non-current receivables	-	7.4	7.4
Accounts receivable	-	1,088.8	1,088.8
Cash and cash equivalents	-	345.3	345.3
Other receivables[1]	-	-	-
Total	**-**	**1,450.2**	**1,450.2**
Non-current interestbearing liabilities	302.6	261.3	563.9
Current interest-bearing liabilities	46.4	2,692.6	2,739.0
Accounts payable	-	796.2	796.2
Other liabilities[2 3]	-	2.1	2.1
Total	**349.0**	**3,752.2**	**4,101.2**

2020-12-31	Financial assets/liabilities meassured at fair value through profit or loss	Financial assets/liabilities measuered at amortised cost	Total carrying amount
Financial assets	-	8.8	8.8
Non-current receivables	-	7.0	7.0
Accounts receivable	-	755.2	755.2
Cash and cash equivalents	-	216.0	216.0
Other receivables[1]	-	-	-
Total	**-**	**987.0**	**987.0**
Non-current interestbearing liabilities	65.2	34.4	99.6
Current interest-bearing liabilities	20.6	452.4	473.0
Accounts payable	-	648.8	648.8
Other liabilities[2 3]	2.1	1.0	3.1
Total	**87.9**	**1,136.6**	**1,224.5**

[1] Part of other receivables in the consolidated balance sheet.
[2] Part of other liabilities in the consolidated balance sheet.
[3] Includes derivatives measuered at fair value through profit or loss.

Impact of financial instruments on net earnings	2021-12-31	2020-12-31
Trade receivables	3.5	-27.2
Interest-bearing liabilities	-52.6	-13.0
Total	**-49.1**	**-40.2**

	2021-12-31			2020-12-31		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives measured at fair value through profit and loss	-	-	-	-	-	-
Total financial assets at fair value per level	**-**	**-**	**-**	**-**	**-**	**-**
Derivatives measured at fair value through profit or loss	-	-	-	2.0	2.0	-
Contingent considerations	348.5	-	348.5	85.8	-	85.8
Total financial liabilities at fair value per leve	**348.5**	**0.0**	**348.5**	**87.8**	**2.0**	**85.8**

The fair value and carrying amount are recognized in the balance sheet as shown in the table above. For currency contracts and embedded derivatives, the fair value is determined on the basis of observable market data, level 2. For conditional purchase considerations, cash flow analyses, which are not based on observable market data, are carried out, level 3. For the Group's other financial assets and liabilities fair value is estimated to be the same as the carrying amount.

Contingent considerations	2021	2020
Opening carrying amount	85.8	17.9
Acquisitions during the year	251.2	71.6
Revaluation through profit and loss	6.0	1.2
Consideration paid	-6.3	-
Reversed through profit and loss	-	-
Interest expenses	8.9	-
Currency exchange differences	2.9	-4.9
Closing carrying amount	**348.5**	**85.8**

Accounting principle

Financial assets and liabilities, recognition and derecognition

Financial instruments recognised among assets in the balance sheet include cash and cash equivalents, loan receivables, accounts receivable, financial investments and derivatives. The liabilities include accounts payable, loans payable, contingent considerations and derivatives. A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the terms and conditions of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has completed its undertaking and a contractual obligation to pay exists, even if no invoice has yet been received. A financial asset (or part thereof) is removed from the balance sheet when the rights in the contract are realised or expire or the Company loses control over them. A financial liability (or part thereof) is removed from the balance sheet when the obligation in the contract is fulfilled or in some other way ceases to exist. A financial asset and a financial liability are only offset and recognised at the net amount in the balance sheet when the Company is legally entitled to offset their amounts and the Company intends to settle the items with a net amount or simultaneously realise the asset and settle the liability.

Financial assets and liabilities, measurement and classification

Financial assets are classified based on the business model in which the asset is managed and the nature of the cash flows that the asset generates.
Instruments are classified as:

- Amortised cost
- Fair value through profit or loss, and
- Fair value through other comprehensive income

Financial assets are not reclassified after initial recognition, unless the Company changes the business model for management of the financial assets.
The asset is classified at amortised cost if the financial asset is held within the framework of a business model whose aim is to collect contractual cash flows and the contractual terms of the financial asset at set points in time give rise to cash flows comprising only payments of the principal and interest on the outstanding principal. Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Gains or losses on a debt instrument after initial recognition are measured at fair value through profit or loss. The Group applies a business model that aims to collect contractual cash flows for intra-group receivables, accounts receivable, cash and cash equivalents, receivables from Group companies, accrued income and other receivables. The Group's financial assets are recognised at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses that have been recognised.

Financial assets and liabilities, measurement and classification

Financial liabilities are measured at fair value through profit or loss if they are a contingent consideration to which IFRS 3 has been applied, held for trading, or if they were initially identified as a liability at fair value through profit or loss. Other financial liabilities are measured at amortised cost. Accounts payable are measured at amortised cost. However, the expected maturity of the accounts payable is short, for which reason the liability is recognised at the nominal amount with no discount. Interest-bearing bank loans and liabilities to subsidiaries are measured at amortised cost according to the effective interest rate method. Any differences between loan amounts received (net after transaction costs) and repayment or amortisation of loans is recognised over the term of the loan.

Calculation of fair value on financial instruments

Financial instruments measured at fair value are classified in a hierarchy based on the origin of the inputs used in the evaluation. At level 1 are financial instruments with a price quoted in an active market. Level 2 comprises financial instruments whose value is determined based on observable market data, though not prices quoted in an active market. Level 3 includes using inputs, such as cash flow analyses, not based on observable market data. The Group has no financial instruments classified at level 1 at this time.

Financial assets and liabilities measured at fair value through profit or loss

This category consists of two subgroups: financial assets and liabilities held for trading, and other financial assets and liabilities that the Company initially chose to place in this category. The first group includes derivatives unless they are designated hedging instruments. The other group contains contingent considerations in conjunction with acquisitions of subsidiaries.

Financial assets are recognised at amortised cost

Loan receivables and accounts receivable are financial assets that are not derivatives, with fixed payments or with payments that can be determined, and that are not quoted on an active market. Assets in this category are measured at amortised cost. Accounts receivable are recognised at the amount expected to be recovered, after deduction for doubtful receivables, assessed individually. The expected maturities of accounts receivable are short, so they are recognised at nominal amounts without discounting. Impairment losses on accounts receivable are recognised in operating expenses.

Cash and cash equivalents

Cash and cash equivalents consist of cash and funds immediately available in banks and equivalent institutions, as well as short-term liquid investments that mature within three months of the time of acquisition and are subject to only a negligible risk of fluctuation in value. Cash and cash equivalents are recognised at nominal amounts.

Financial liabilities carried at amortised cost

Loans and other financial liabilities, such as accounts payable, are included in this category. These liabilities are measured at amortised cost. Accounts payable are measured at nominal amounts without discounting.

Derivatives and currency hedging

Foreign currency exposure related to future contractual and forecasted flows is hedged with forward exchange contracts, swaps and currency clauses in customer and supplier contracts. An embedded derivative, for example a currency clause, is disclosed separately unless closely related to its host contract. Derivatives are initially recognised at fair value, so transaction costs are charged to profit or loss for the period. After the initial recognition, the derivative instrument is measured at fair value.
Neither futures, swaps nor embedded derivatives in currency clauses are reported as hedging at this time. Increases and decreases in value are recognised as income or expense in operating profit.

Hedging of the Group's net investment in foreign operations

The Group has taken out loans denominated in foreign currency relating to the acquisition of foreign subsidiaries in order to manage the exposure in net investment. The Group applies the hedge accounting requirements of IFRS 9. The Group documents, at the inception of the hedge, the relationship between hedged items (net investments) and hedging instruments (loan in foreign currency), as well as its risk management objective and strategy for undertaking various hedge transactions. Hedge effectiveness is also documented on an ongoing basis regarding the financial relationship between the two items and the hedging ratio. Any gain or loss on the effective portion of the hedge (100%) is reported in equity through other comprehensive income. Gains and losses that have been accumulated in equity are taken to profit or loss when the foreign operation is divested as a portion of the gain or loss on disposal.

Note 19 Non-current finanical assets

	Parent Company	
Receivables from Group companies	**2021-12-31**	**2020-12-31**
Opening balance	1,709.2	1,278.0
Increase during the year	5,090.0	731.9
Decrease during the year	-210.4	-300.7
Carrying amount at year-end	**6,588.8**	**1,709.2**

Specification of interests in Group companies	**Country**	**Number of shares**	**Quotient value**	**Holding %**	**Carrying amount 2021-12-31**	**Carrying amount 2020-12-31**
AddLife Development AB	Sweden	1,000	100	100%	389.1	389.1

Interests in Group companies	Parent Company	
Accumulated cost	**2021**	**2020**
Opening balance	389.1	805.6
Acquisitions for the year	4,478.7	–
Disposals for the year[1]	-4,478.7	-416.5
Closing balance	**389.1**	**389.1**

[1] Internal sale year 2021 of Primacy Healthcare 21 Limited and AddVision Holding GmbH and year 2020 of Biomedica Holding GmbH to AddLife Development AB

Indirect ownership

Indirect ownership	**Ownership**	**Indirect ownership**	**Ownership**	**Indirect ownership**	**Ownership**
Biomedica Medizinprodukte GmbH	100%	Svan Care AB	100%	BioNordika (Denmark) A/S	100%
Biomedica Services AG	100%	Esthe-Tech AB	100%	BioNordika Bergman AS	100%
Euromed Swiss AG	100%	V-tech AB	100%	BioNordika (Sweden) AB	100%
Biomedis d.o.o.	100%	Väinö Korpinen Oy	100%	BioNordika (Finland) Oy	100%
Biomedica MP d.o.o.	100%	Triolab Oy	100%	Dach Medical Group Holding AG	100%
Biomedica Dijagnostika doo	100%	Triolab AB	100%	Dach Austria Medical Group GmbH	100%
Biomedica d.o.o.	100%	Triolab (Baltics) Oy	100%	Dach Switzerland Medical Group GmbH	100%
Biomedica Bulgaria ood	100%	LabRobot Products AB	100%	D-A-CH Germany Medical Group GmbH	100%
Biomedica Medizinprodukte Romania SRL	100%	BergmanLabora AB	100%	Hepro AS	100%
Biomedica Hungaria Kft.	100%	Biolin Scientific AB	100%	Ropox A/S	100%
Biomedica CS s.r.o.	100%	Biolin Scientific China	100%	Zafe Care Systems AB	100%
Biomedica Poland Sp. Zo.o.	100%	Biolin Scientific Oy	100%	Biomedica Italia s.r.l	100%
Biomedica Dijagnostika d.o.o.el	100%	Biolin Scientific LTD	100%	Primacy Healthcare 21 Limited	100%

Biomedica Slovakita s.r.o.	80%	Holm & Halby A/S	100%	Aquilant Northern Ireland Limited	100%
Mediplast AB	100%	Ocellus Vision Holding AG	100%	Aquilant Limited	100%
Mediplast AS	100%	Medilas AG	100%	Cardio Solutions (UK) Limited	100%
Mediplast Sataside Oy	100%	Polytech Ophthalmologie AG	100%	Aquilant Endoscopy Limited	100%
Mediplast S.r.l	100%	Polytech Domilens GmbH	100%	Healtcare Acquisitions Limited	100%
Mediplast Benelux B.V.	100%	M.E.D. Medical Products GmbH, Germany	100%	Medscope Limited	100%
Mediplast GmbH	100%	Vision Ophthalmology Holding One GmbH	100%	Tools For Living (Ireland) Limited	100%
Mediplast A/S	100%	Vision Ophthalmology Group GmbH	100%	Lyncare Systems Limited	100%
Mediplast Iberia SL	100%	Spectrum Ophthalmology Ltd	100%	Healthcare 21 (UK) Limited	100%
Hospidana A/S	100%	POLYMED Polska Sp.z.oo	75%	Healthcare 21 (DE) GmbH	100%
Fenno Medical Oy	100%	Visop Nordic AB	100%	Healthcare 21 (AT) GmbH	100%
TechniPro PulmoMed Pty Ltd	100%	SSCP Blink BidCo Ltd	100%	Primacy Healthcare 21 International Limited	100%
Fischer Medical AS	100%	Vision Pharmaceuticals Ltd	100%	Asset Tracker Solutions Limited	100%
Camanio AB	100%	MALA Holding B.V.	100%	Aquilant Scientific (ROI) Limited	100%
Bestic AB	100%	Bio-Connect B.V.	100%	Aquilant Medical (ROI) Limited	100%
Lab-Vent Controls A/S	100%	Bio-Connect Diagnostics B.V.	100%	Aquilant Pharmaceuticals Limited	100%
Immuno Diagnostics Oy	100%	Bio-Connect Services B.V.	100%	Aquilant Analytical Sciences Limited	100%
Bergman Diagnostika AS	100%	European Warehousing Services B.V.	100%	Xograph Healthcare Limited	100%
EuroClone S.p.A.	100%	Pharma-Connect B.V.	100%	Xograph Healthcare (Ireland) Limited	100%
Funksjonsutstyr AS	76%	N.V. Forlab SA	100%	Xograph Group Holdings Limited	100%

Accounting principle

Interests in Group companies are recognised in the Parent Company using the cost method, which means that transaction costs are included in the carrying amount for holdings in subsidiaries. Any changes in liabilities for contingent consideration are added to or reduce the (acquisition) cost. In the Group, transaction costs are expensed and changes in liabilities for contingent considerations are entered as income or expense. Shareholder contributions provided by the Parent Company are recognized in shares, when impairment is not required.

Note 20 Inventories

Group	2021-12-31	2020-12-31
Raw materials and consumables	43.3	33.2
Work in progress	8.3	17.5
Finished goods	1,136.9	589.5
Total	**1,188.5**	**640.2**

Cost of sales for the Group includes impairment losses for inventories of SEK 43.4 million (26.4). No significant reversals of prior impairment losses were made in 2021 or 2020.

Accounting principle

Inventories, that is, raw materials and finished goods for resale, are carried at the lower of cost and net realisable value, thereby taking into account the risk of obsolescence. The cost is calculated using the first in, first out (FIFO) principle or weighted average prices. In the case of finished and semi-finished goods manufactured in-house, the cost consists of direct manufacturing costs and a reasonable portion of indirect manufacturing costs. Normal capacity utilisation is taken into account in valuation.

Note 21 Trade receivables

Trade receivable	2021-12-31	2020-12-31
Acquisition value	1,133.8	801.1
Impairment losses	-45.0	-45.9
Carrying amount	**1,088.8**	**755.2**

Change in impairment for trade receivable	2021	2020
Opening balance	-45.9	-10.4
Acquisition of operations	-2.6	-8.3
This year's provisions/reversal of provisions	3.5	-27.2
Closing balance	**-45.0**	**-45.9**

Timing analysis of trade receivables	2021	2020
Not overdue	855.7	568.7
Overdue 1-30 days	136.0	109.3
Overdue 31-60 days	31.4	60.6
Overdue more than 60 days	110.7	62.5
of which are impaired	-45.0	-45.9
Total	**1,088.8**	**755.2**

Accounting principle

Reserve for expected credit losses – financial instruments using simplified approach
Receivables mainly consist of accounts receivable, for which the Group applies the simplified method of accounting for expected credit losses. This entails making credit loss provisions for the remaining lifetime, which is expected to be less than one year for all receivables. The Group's counterparties consist mainly of actors in the public sector, where the majority of sales are made through public procurement for which credit risk is considered very low. The expected loan losses for accounts receivables are calculated using a commission matrix which is based on past events, current conditions and forecasts for future economic conditions and the time value of the money if applicable. The Group defines defaults as being considered unlikely that the counterparty will meet its obligations due to indicators such as financial difficulties and missed payments. Notwithstanding the above, default is deemed to have taken place when the payment is 90 days past due. The Group writes off a receivable when no opportunities for additional cash flows are deemed to exist.

Note 22 Prepaid expenses and accrued income

	Group		Parent Company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Rent	9.4	6.8	0.5	0.5
Insurance premiums	7.9	3.2	1.4	0.9
Pension costs	1.7	1.6	–	–
License fees	3.8	4.4	0.4	0.3
Advance to supplier	0.0	15.0	–	–
Other prepaid expenses	26.8	9.6	0.1	0.1
Other accrued income	6.8	5.8	–	–
Total	**56.4**	**46.4**	**2.4**	**1.8**

Note 23 Shareholder's equity

Reserves	**2021-12-31**	**2020-12-31**
Translation reserve		
Opening translation reserve	-49.5	31.9
Translation effect for the year	71.6	-81.4
Closing translation reserve	**22.1**	**-49.5**

Number of shares outstanding 2021	**Class A shares**	**Class B shares**	**All share classes**
Opening balance	4,615,136	107,872,311	112,487,447
Rights issue	–	7,951,958	7,951,958
Redemption of warrants	–	13,356	13,356
Disposal of treasury shares	–	1,500,000	1,500,000
Closing balance	**4,615,136**	**117,337,625**	**121,952,761**

Number of shares outstanding 2020	**Class A shares**	**Class B shares**	**All share classes**
Opening balance	4,625,216	107,612,076	112,237,292
Conversion of shares	-10,080	10,080	–
Redemption of warrants	–	666,947	666,947
Repurchase of treasury shares	–	-500,000	-500,000
Disposal of treasury shares	–	83,208	83,208
Closing balance	**4,615,136**	**107,872,311**	**112,487,447**

Accounting principle

Shareholder’s equity

Repurchasing treasury shares occurs, and the Board normally proposes obtaining a mandate to repurchase treasury shares, which involves acquiring an amount of shares such that AddLife’s own holding at no time exceeds ten percent of all shares in the company. The purpose of the repurchase is to provide the Board with increased scope for action in its work with the Company's capital structure, to enable the use of repurchased shares as payment in acquisitions, and to secure the Company's commitments in existing incentive programmes. When treasury shares are repurchased, the entire consideration reduces retained earnings. Proceeds from the disposal of equity instruments are recognised as an increase in retained earnings, as are any transaction costs.

Translation reserve

The translation reserve includes all exchange differences that arise in translating financial statements of foreign operations prepared in a currency other than the Group's presentation currency for financial reports.

Parent company

Restricted reserves

Restricted reserves are funds that cannot be paid out as dividends. Share premium reserve A share premium reserve arises in connection with a rights issue that is subscribed at a premium and is included in unrestricted equity.

Retained earnings

Retained earnings comprises the previous year's unrestricted equity, less any provision to the statutory reserve and less any dividend paid. Together with profit for the year and the share premium reserve, retained earnings constitute the sum of unrestricted equity, that is, the amount available to be paid as dividends to shareholders.

Number of shares

The number of shares at 31 December 2021 consisted of 4,615,136 Class A shares, entitling the holders to 10 votes per share, and 117,835,114 Class B shares, entitling the holders to one vote per share. The quotient value of the share is SEK 0.51. The Company has repurchased 497,489 Class B shares, within the Company's ongoing repurchase programme. After subtracting repurchased shares, the number of Class B shares is 117,337,625 net.

Note 24 Untaxed reserves

Parent Company	2021-12-31	2020-12-31
Tax allocation reserve, allocation for tax assessment 2017	18.6	18.6
Tax allocation reserve, allocation for tax assessment 2018	11.1	11.1
Tax allocation reserve, allocation for tax assessment 2019	17.2	17.2
Tax allocation reserve, allocation for tax assessment 2020	9.0	9.0
Tax allocation reserve, allocation for tax assessment 2021	40.0	40.0
Tax allocation reserve, allocation for tax assessment 2022	24.0	–
Closing balance	**119.9**	**95.9**

Accounting principle

The Parent Company recognises untaxed reserves including deferred tax liabilities, rather than dividing them into deferred tax liabilities and equity as is done for the Group.

Note 25 Provisions for pensions and similar obligations

AddLife sponsors pension plans in the countries in which it has activities. Pension plans can be defined contribution or defined benefit plans or a combination of both. AddLife has defined benefit pension plans in Sweden. In these plans, a pension is determined mainly by the salary received at the time of retirement. Subsidiaries in other countries in the Group mainly have defined contribution pension plans.

Obligations for employee benefits, defined benefit pension plans

Pension liability as per balance sheet	**2021-12-31**	**2020-12-31**
Pension liability PRI	78.0	79.3
Other pension obligations	3.5	1.2
Total defined benefit pension plans	**81.5**	**80.5**

Obligations for defined benefits and the value of plan assets	**2021-12-31**	**2020-12-31**
Funded obligations:		
Present value of funded defined benefit obligations	–	–
Fair value of plan assets	–	–
Net debt, funded obligations	–	–
Present value of unfunded defined benefit obligations	81.5	80.5
Net amount in the balance sheet (obligation +, asset –)	**81.5**	**80.5**
Pension obligations and plan assets by country:		
Sweden		
Pension obligations	78.0	79.5
Net amount in Sweden	78.0	79.5
Germany		
Pension obligations	3.2	–
Net amount in German	3.2	–
Austria		
Pension obligations	0.3	1.0
Net amount in Austria	0.3	1.0
Net amount in the balance sheet (obligation +, asset –)	**81.5**	**80.5**

Reconciliation of net amount for pensions in the balance sheet	**2021-12-31**	**2020-12-31**
Opening balance	80.5	80.3
Corporate acquisitions	3.2	1.0
Change in accounting for pensions	-0.1	1.2
Payment of pension benefits	-2.1	-2.1
Funds contributed by employer	–	–
Translation effects	–	–
Revaluations	0.0	0.0
Gains and losses from settlements	0.0	0.1
Net amount in the balance sheet (obligation +, asset –)	**81.5**	**80.5**

Changes in the obligation for defined benefit plans recognised in the balance sheet	2021-12-31	2020-12-31
Opening balance	80.5	80.3
Corporate acquisitions	3.2	1.0
Pensions earned during the period	0.5	0.6
Interest on obligations	0.8	1.2
Benefits paid	-2.1	-2.1
Benefits earned during previous periods, vested	–	–
Transferred benefits	–	–
Revaluations:		
Gain (–)/loss (+) resulting from demographic assumptions	–	–
Gain (–)/loss (+) resulting from financial assumptions	-2.0	2.6
Experienced-based gains (–)/losses (+)	0.6	-0.2
Translation effects	–	–
Gains and losses from settlements	–	-2.9
Present value of pension obligations	**81.5**	**80.5**

Pension costs	2021	2020
Defined benefit plans		
Cost for pensions earned during the year	3.6	3.6
Interest on obligations	1.6	1.7
Total cost of defined benefit plans	5.2	5.3
Total cost of defined contribution plans	75.6	56.0
Social security costs on pension costs	8.3	7.2
Total cost of benefits after termination of employment	**89.1**	**68.5**

Allocation of pension costs in the income statement	2021	2020
Cost of goods sold	17.6	14.1
Selling and administrative expenses	69.9	52.7
Net financial items	1.6	1.7
Total pension costs	**89.1**	**68.5**

	2021	2020
Actuarial assumptions	**Sweden**	**Sweden**
The following material actuarial assumptions were applied in calculating obligations:		
Discount rate 1 January, %	1.0	1.5
Discount rate 31 December, %	1.8	1.0
Future salary increases, %	3.2	2.5
Future increases in pensions (change in income base amount), %	2.7	2.0
Employee turnover, %	10.0	10.0
Mortality table	DUS 14	DUS 14

	2021	2020
Actuarial assumptions	**Sweden**	**Sweden**
Defined benefit pension obligations at 31 December 2020		
Discount rate increases by 0.5%	-6.9	-7.3
Discount rate decreases by 0.5%	7.9	8.4
Expected life expectancy increases by 1 year	3.9	3.9

The total number of commitments included in pension liabilities is distributed as follows:		
Comprising	**2021-12-31**	**2020-12-31**
Active	12.0	12.0
Disability pensioners	0.0	0.0
Paid-up policyholders	93.0	97.0
Pensioners	79.0	77.0
The total number of commitments included in pension liabilities	**184.0**	**186.0**

Accounting principle

Defined contributrion plans

These plans are mainly retirement pension plans, disability pensions and family pensions. Premiums are paid on an ongoing basis during the year by each company to separate legal entities, such as insurance companies. The size of the premium is based on the salary. The pension cost for the period is included in profit or loss. The Group has no further obligations related to the defined contribution plans.

Obligations for retirement pensions and family pensions for salaried employees in Sweden are secured by insurance in Alecta. According to statement UFR 10 of the Swedish Financial Reporting Board, this is a defined benefit plan covering multiple employers. In the event that Alecta is unable to provide sufficient information to determine an individual company's share of the total liability and its plan assets, these pension plans are reported as defined contribution. For the 2021 financial year, the Company did not have access to information enabling it to report this plan as a defined benefit plan. Thus the pension plan according to ITP and secured by insurance in Alecta is recognised as a defined-contribution plan. The year's fees for pension insurance with Alecta totalled SEK 12.9 million (11.0). The fees for the next financial year are assessed to be in line with this year's fees. The collective consolidation rate for Alecta in December 2021 was 172 percent (148).

Defined benefit plans

AddLife has defined benefit pension plans in Sweden and cover a small number of employees. Under defined benefit pension plans, the company enters into a commitment to provide post-employment benefits based upon one or several parameters for which the outcome is not known at present. . In defined benefit pension plans, benefits are paid to current and former employees based on their salary upon retirement and the number of years of service. The Group bears the risk for payment of promised benefits. These pension plans primarily comprise retirement pensions.

Some funded and unfunded pension plans apply in Sweden. The funded pension obligations are secured by plan assets. When a plan is funded, its assets have been separated into plan assets. These plan assets can only be used for payments of benefits as per the pension agreements. The net value of the estimated present value of the obligations and the fair value of plan assets is recognised in the balance sheet, either as a provision or as a non-current financial receivable. When a surplus in a plan cannot be fully utilised, only the portion of the surplus that the Company can recover through reduced future fees or repayments is recognised. A surplus in one plan can only be used to offset a deficit in another plan if the Company is entitled to utilise a surplus in one plan to settle a deficit in another plan, or if the obligations are intended to be settled on a net basis.

The pension cost and pension obligation for defined benefit pension plans are calculated using the Projected Unit Credit Method. This method distributes the cost of pensions at the rate at which employees perform services for the Company that increase their rights to future benefits. The aim is to expense expected future pension payouts in a manner that provides an even cost over the employee's period of employment. This calculation takes into account anticipated future salary increases and anticipated inflation. The Company's obligation is calculated annually by independent actuaries. The discount rate used is equivalent to the interest rate on high-quality corporate bonds or mortgage-backed bonds with a maturity equivalent to the average maturity of the obligation and currency. For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis.

Revaluations may arise when establishing the obligation's present value and fair value on plan assets. These may arise either because the actual outcome differs from previously made assumptions (experience-based adjustments), or because assumptions were changed. These revaluations are recognised in the balance sheet and the income statement under other comprehensive income. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows.

Payroll tax is a part of the actuarial assumption and is therefore reported as part of the net obligation/asset. The portion of payroll tax calculated based on the Pension Obligations Vesting Act (Tryggandelagen) for a legal entity is stated, for reasons of simplicity, as accrued costs instead of as part of the net obligation/asset.

Tax on returns is reported in the income statement for the period the tax refers to and is thus not included in the calculation of debt. For schemes run as funds, tax is levied on returns for plan assets and reported in other comprehensive income. For schemes not run as funds or run partly as funds, tax is included in profit or loss. When the cost of a pension is determined differently in a legal entity than in the Group, a provision or claim for taxes on pension costs is recognised, such as a special employer's contribution for Swedish companies based on this difference. The present value for the provision or claim is not calculated.

Note 26 Provisions

Non-current provisions		**2021**				**2020**		
Group	**Personnel**	**Warranties**	**Other**	**Total**	**Personnel**	**Warranties**	**Other**	**Total**
Opening balance	29.5	-	-	29.5	24.0	-	-	24.0
Provisions of the year	4.2	-	-	4.2	1.8	-	-	1.8
Provisions through acquisitions	-	-	-	0.0	6.4	-	-	6.4
Amounts utilised during the year	-2.1	-	-	-2.1	-1.5	-	-	-1.5
Unutilised amounts reserved	-	-	-	0.0	-	-	-	0.0
Translation effects	0.3	-	-	0.3	-1.2	-	-	-1.2
Closing balance	**31.9**	**-**	**-**	**31.9**	**29.5**	**-**	**-**	**29.5**

Current provisions		**2021**				**2020**		
Group	**Personnel**	**Warranties**	**Other**	**Total**	**Personnel**	**Warranties**	**Other**	**Total**
Opening balance	-	4.2	5.0	9.2	-	1.2	2.0	3.2
Provisions of the year	-	3.1	-	3.1	-	1.4	3.0	4.4
Provisions through acquisitions	-	-	-	0.0	-	1.9	-	1.9
Amounts utilised during the year	-	-	-	0.0	-	-	-	0.0
Unutilised amounts reserved	-	-2.8	-	-2.8	-	-0.2	-	-0.2
Translation effects	-	0.2	-	0.2	-	-0.1	-	-0.1
Closing balance	**-**	**4.7**	**5.0**	**9.7**	**-**	**4.2**	**5.0**	**9.2**

Accounting principle

A provision is recognised in the balance sheet when the Company has a formal or informal obligation as a result of a transpired event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. If the effect is material, the provision is based on a present value calculation.

Warranties

Provisions are made for future costs resulting from warranty undertakings. The calculation is based on expenditure during the financial year for similar undertakings or the estimated costs for each undertaking.

Restructing costs

A cost for benefits in conjunction with termination of employment is recognised only if there is a formal, detailed plan to terminate employment prior to the normal date.Provisions for restructuring costs are recognised when a detailed restructuring plan has been adopted and the restructuring has either begun or been announced.

Note 27 Non-current interest-bearing liabilities

	Group	
	2021-12-31	2020-12-31
Liabilities to credit institutions:		
Maturing within 2 years	74.3	20.1
Maturing within 3 years	33.3	3.1
Maturing within 4 years	33.2	2.5
Maturing within 5 years and later	120.4	8.7
Total non-current liabilities to credit institutions	**261.2**	**34.4**
Other interest-bearing liabilities:		
Maturing within 2 years	121.6	9.2
Maturing within 3 years	133.6	11.6
Maturing within 4 years	47.5	–
Maturing within 5 years and later	–	44.4
Total non-current other interest-bearing liabilities	**302.7**	**65.2**
Total	**563.9**	**99.6**

Other interest-bearing liabilities largely consist of additional contingent considerations with estimated interest of 3.0 percent. For more information about the Group's liabilities to credit institutions, see Note 28 Current interest-bearing liabilities.

Note 28 Current interest-bearing liabilities

	Group		Parent company	
Bank overdraft facility	**2021-12-31**	**2020-12-31**	**2021-12-31**	**2020-12-31**
Approved credit limit	1,244.1	1,200.0	1,200.0	1,200.0
Unutilised portion	-789.6	-1,200.0	-748.3	-1,200.0
Credit amount unutilised	**454.5**	**–**	**451.7**	**–**
Other liabilities to credit institutions	2,692.6	452.4	2,670.0	408.8
Other interestbearing liabilities	46.5	20.6	–	–
Total	**3,193.6**	**473.0**	**3,121.7**	**408.8**

Other interest-bearing liabilities largely consist of additional contingent considerations with estimated interest of 3.0 percent.

The Group's current liabilities to credit institutions are divided among currencies as follows:

	2021-12-31		2020-12-31	
Currency	**Local currency**	**SEKm**	**Local currency**	**SEKm**
EUR	255.6	2,612.7	37.2	373.7
NOK	0.0	0.0	0.0	0.0
DKK	57.8	79.5	57.7	78.0
PLZ	0.2	0.4	0.3	0.7
Total		**2,692.6**		**452.4**

The Group's financing is primarily managed by the Parent Company AddLife AB. The Parent Company's bank overdraft facility carried 0.4 percent interest per 31 Dec. 2021.

Note 29 Accrued expenses and deferred income

	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Other deferred income	80.3	5.0	–	–
Salaries and holiday pay	190.6	144.7	17.6	18.0
Social security costs and pensions	22.6	19.2	1.8	1.8
Other accrued expenses[1]	86.8	41.2	2.5	1.6
Total	**380.3**	**210.1**	**21.9**	**21.4**

[1] Other accrued expenses mainly consist of overhead accruals.

Note 30 Related-party transactions

No transactions with related parties took place during the financial year other than remuneration to senior management. For more information see Note 7.

Note 31 Pledged assets and contingent liabilities

	Group		Parent company	
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Pledged assets	12.1	12.9	–	–
Total	**12.1**	**12.9**	**–**	**–**
Contingent liabilities				
Guarantees	27.8	29.3	–	–
Guarantee for subsidiaries[1]	–	–	41.1	41.0
Total	**27.8**	**29.3**	**41.1**	**41.0**

[1] Relates to PRI liabilities.

Accounting principle

Contingent liabilities are recognised when a possible undertaking exists stemming from past events and the existence of the undertaking is confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not entirely within the Company's control. Other obligations are also recognised as contingent liabilities if they result from past events but are not recognised as a liability or provision because it is unlikely that an outflow of resources will be required to settle the undertaking or because the size of the undertaking cannot be determined with sufficient accuracy.

Note 32 Cash flow statement

	Group		Parent company	
Adjustment for items not included in cash flow	2021	2020	2021	2020
Depreciation and amortisation	478.4	273.7	0.3	0.2
Gain/loss on sale of operations and non-current assets	-3.3	-3.7	–	–
Change in pension liability	-1.5	-0.7	–	–
Change in other provisions and accrued items	3.6	22.5	–	–
Group contributions/ dividends not paid	–	–	–	–
Other	-28.1	-11.4	12.5	-21.3
Total	**449.1**	**280.4**	**12.8**	**-21.1**

For the Group, interest received during the year totalled SEK 0.9 million (0.8), and interest paid was SEK 52.6 million (13.1).

The following adjustments were made as a result of the value of assets and liabilities in companies acquired during the year, together with adjustments such as contingent considerations paid for acquisitions made in previous years:

	2021	2020
Non-current assets	2,185.5	310.3
Inventories	565.6	103.1
Receivables	389.4	138.6
Cash and cash equivalents	139.5	68.1
Total	**3,280.0**	**620.1**
Interest-bearing liabilities and provisions	–	–
Non-interest-bearing liabilities and provisions	1,255.4	226.8
Total	**1,255.4**	**226.8**
Consideration paid	-4,917.4	-411.2
Cash and cash equivalents in acquired companies	139.5	68.1
Effect on the Group's cash and cash equivalents	4,777.9	343.1

All businesses acquired during the year were consolidated in the accounts using the acquisition method.
Cash and cash equivalents in the cash flow statement consist of cash and bank balances.The same definition applied to determine cash and cash equivalents in the balance sheet was applied in the cash flow statement.

Reconciliation of debts arising from financing activities

			Changes that do not affect cash flow				
Group	**Opening balance 2021-01-01**	**Cash flow**	**Acquisition of subsi-diaries**	**Exchange rate changes**	**Changes in fair value**	**Leases**	**Closing balance 2021-12-31**
Bank overdraft facility	0.0	394.7	59.8	–	–	–	454.5
Liabilities to credit institutions	486.8	2,226.9	226.8	13.3	–	–	2,953.8
Other interest-bearing liabilities	85.8	6.1	245.4	2.9	9.0	–	349.2
Lease liability	233.3	-120.7	152.3	–	–	79.7	344.6
Total	**771.5**	**2,507.0**	**684.3**	**16.2**	**9.0**	**79.7**	**4,102.1**

Parent Company	**Opening balance 2021-01-01**	**Cash flow**	**Exchange rate changes**	**Closing balance 2021-12-31**
Bank overdraft facility	0.0	451.7	–	451.7
Current liabilities to credit institutions	408.8	2,248.9	12.3	2,670.0
Total	**408.8**	**2,700.6**	**12.3**	**3,121.7**

Reconciliation of debts arising from financing activities

Group	Opening balance 2020-01-01	Cash flow	Changes that do not affect cash flow: Acquisition of subsi-diaries	Exchange rate changes	Changes in fair value	Leases	Closing balance 2020-12-31
Bank overdraft facility	463.2	-463.2	–	–	–	–	0.0
Liabilities to credit institutions	199.5	210.5	96.2	-19.4	–	–	486.8
Other interest-bearing liabilities	17.9	0.8	71.6	-5.7	1.2	–	85.8
Lease liability	215.7	-99.9	–	–	–	117.5	233.3
Total	**896.3**	**-351.8**	**167.8**	**-25.1**	**1.2**	**117.5**	**805.9**

Parent Company	Opening balance 2020-01-01	Cash flow	Exchange rate changes	Closing balance 2020-12-31
Bank overdraft facility	463.2	-463.2	–	0.0
Current liabilities to credit institutions	196.6	233.9	-21.7	408.8
Total	**659.8**	**-229.3**	**-21.7**	**408.8**

Note 33 Acquisitions within business areas

Acquisitions	Country	Date of acquisition	Net sales, SEKm	Number of employees[1]	Business area
EuroClone S.p.A.	Italy	January, 2020	280	58	Labtech
TechniPro PulmoMed 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

[1] Refers to conditions at the time of acquisition on a full-year basis.

According to the acquisition analyses, the acquisitions carried out during financial year 2021 were as follows:

	Fair value	of which AddVision	of which Healthcare 21 Group
Intangible non-current assets	1,966.6	820.6	889.8
Other non-current assets	219.0	53.4	162.8
Inventories	565.6	138.6	405.4
Other current assets	528.9	205.1	267.1
Deferred tax liability/tax asset	-366.7	-163.1	-156.8
Other liabilities	-1,255.4	-275.0	-923.5
Acquired net assets	1,658.0	779.6	644.8
Goodwill	3,398.9	1,234.2	2,002.0
Consideration[1]	5,056.9	2,013.8	2,646.8
Less: cash and cash equivalents in acquired businesses	-139.5	-66.7	-47.5
Less: Consideration paid with shares	-1,805.9	-1,004.3	-801.6
Contingent consideration not yet paid	-271.6	-187.4	-45.6
Effect on the Group's cash and cash equivalents	**2,839.9**	**755.4**	**1,752.1**

[1] The consideration is stated excluding acquisition expenses.

According to the acquisition analyses, the acquisitions carried out during financial year 2020 were as follows:

	Fair value
Intangible non-current assets	250.5
Other non-current assets	59.8
Inventories	103.1
Other current assets	206.7
Deferred tax liability/tax asset	-68.9
Other liabilities	-226.8
Acquired net assets	324.4
Goodwill	154.9
Consideration[1]	479.3
Less: cash and cash equivalents in acquired businesses	-68.1
Contingent consideration not yet paid	-70.3
Effect on the Group's cash and cash equivalents	**340.9**

[1] The consideration is stated excluding acquisition expenses.

All acquisition analyses, except Camanio, which was acquried in December, was determined. The unspecified amounts refer to assets and equity and are not significant.

The combined consideration for the acquisitions was SEK 5,056.9 million (479.3), of which SEK 3,398.9 million (154,9) was allocated to goodwill and SEK 1,966.6 million (250.5) to other intangible assets. The consideration consists of cash payment and shares. The transaction costs for acquisitions with a takeover date during the 2021 financial year totalled SEK 55.5 million (12.0) and are recognised in selling expenses.

The outcome of additional contingent considerations depends on the results achieved in the companies and has a set maximum level. The fair value of not yet paid contingent consideration for acquisitions made during the financial year is calculated to SEK 257.9 million. which is approximately 91 percent of the maximum outcome.

The values allocated to intangible assets, such as supplier relationships, were assessed at the discounted value of future cash flows. The amortisation period is determined by estimating the annual decrease in sales attributable to each asset.

Supplier relationships are generally amortised over a period of 10 years. The goodwill that arose in connection with the acquisitions is due to the fact that the Group's position in the current market for each acquisition is expected to be strengthened and to the knowledge gained in the acquired companies.

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.

The combined effect of the acquisitions, on consolidated net sales was SEK 1,750 million (508), while the combined effect on

EBITA was SEK 211 million (64), operating profit was SEK 73 million (51) and after-tax profit for the year was SEK 26 million (36). Had the acquisitions, been completed on 1 January 2021, their impact would have been approximately SEK 2,530 million (783) on consolidated net sales, SEK 309 million (94) on EBITA, about SEK 112 million (65) on operating profit, and about SEK 48 million (46) on profit after-tax.

Note 34 Earnings per share (EPS)

	2021	2020
Earnings per share (SEK)	6.03	4.63
Diluted EPS (SEK)	6.01	4.61

The numerators and denominators used to calculate the above EPS are derived as stated below.

Earnings per share (EPS)

Basic earnings per share is calculated by dividing the income for the period attributable to the equity holders of the Parent Company with the average number of shares. The dilution from the options is based on a calculation of how many shares could hypothetically have been purchased during the period of the exercise price. The shares that could not have been purchased lead to dilution. The dilution in the Group is a consequence of its longterm incentive programmes.

The two components are as follows:

	2021	2020
Profit for the year (SEKm)	720.6	519.7

Weighted average number of shares during the year in thousands of shares	2021	2020
Weighted average number of shares during the year, basic	119,418	112,127
The weighted average number of shares during the year, diluted	119,966	112,652

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.

Note 35 Information about the parent company

AddLife AB, corporate ID number 556995-8126, is the Parent Company of the Group.
The Company's registered office is in Stockholm, Stockholm County, Sweden, and is according to Swedish law AddLife AB a limited liability company.

Head office address:
AddLife AB (publ)
Box 3145
103 62 Stockholm, Sweden
www.add.life

Note 36 Events after the reporting period

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.

On December 20, 2021, AddLife signed an agreement to acquire Telia Health Monitoring and on March 1, 2022, the acquisition was completed. Telia Health Monitoring develops and provides a digital platform solution that enables self-monitoring by patients with chronic diseases. The business, with sales of SEK 4m and its seven employees, will be integrated into Camanio.

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

Note 37 Proposal for profit distribution

The following amounts are available for distribution by the Annual General Meeting of AddLife AB:	
Share premium reserve	2,653.9
Retained earnings	129.5
Profit for the year	66.1
Total earnings	**2,849.5**

The Board of Directors propose that the funds available for distribution be allocated as follows:	
A dividend paid to shareholders of SEK 2.00 per share[1]	243.9
To be carried forward	2,605.6

[1] Calculated based on the number of outstanding shares at the time of the release of the annual report. The number of repurchased class B shares amounts to 747,489 at the time of the release of the annual report.

The share

Share capital

On 31 December 2021 share capital in AddLife AB amounted to SEK 62,358,949. There were a total of 122,450,250 shares in the Company, including 4,615,136 Class A shares and 117,835,114 Class B shares. The nominal value of each share was SEK 0.51. Each Class A share carries ten votes and each Class B share carries one vote. All shares give the same right to dividends. Only the Class B share is listed on Nasdaq Stockholm.

Dividend policy

The Board of Directors of AddLife aims to propose a dividend equivalent to 30-50 percent of profit after tax. When determining dividends, the Company's Board considers investment needs and other factors that it deems relevant.

Conversion of shares

According to AddLife Articles of Association, owners of Class A shares have the right to have such shares converted to Class B shares. The conversion reduces the number of votes in the company. During the financial year, no (10,080) Class A shares were converted into Class B shares.

Key ratios

	2021	2020
Earnings per share (EPS) before dilution, SEK	6.03	4.63
Shareholders' equity per share, SEK	35.14	16.73
P/E ratio	63.3	31.1
Highest price during the financial year, SEK	390.00	160.00
Lowest price during the financial year, SEK	146.20	59.75
Last price paid, SEK	381.40	144.00
Market capitalisation, SEKm	46,703	16,488
Average number of shares outstanding	119,418	112,127
Number of shares outstanding at year-end	121,953	112,487
Number of shareholders at year-end	13,879	7,501

Major shareholders

Shareholder	Class A shares	Class B shares	Proportion of capital, %	votes, %
Roosgruppen AB	2,160,604	2,724,727	3.99	14.84
Tom Hedelius	2,066,572	23,140	1.71	12.62
Verdipapirfond Odin	0	10,989,726	8.98	6.70
SEB Fonder	0	10,383,700	8.48	6.33
Swedbank Fonder	0	8,635,688	7.05	5.27
NTC Fidelity Funds Northern Trust	0	6,830,008	5.58	4.16
State Street Bank & Trust Company	0	6,153,665	5.03	3.75
J.P. Morgan Chase & Co	0	5,498,848	4.49	3.36
Sandrew AB	0	5,374,002	4.39	3.28
Lannebo Fonder	0	4,489,930	3.67	2.74
HSBC Trinkhaus and Burkhardt AG	0	2,800,000	2.29	1.71
BNP Paribas SEC Services Paris	0	2,539,367	2.07	1.55
Per Säve	0	2,404,464	1.96	1.47
Livförsäkringsbolaget Skandia	0	2,104,115	1.72	1.28
Margareta Von Matérn	0	1,666,931	1.36	1.02
Total 15 largest owners	**4,227,176**	**72,618,311**	**62.77**	**70.08**
Other shareholders	387,960	44,719,314	36.82	29.62
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**

Class sizes

Number of shares	Number of shareholders	% of capital	% of number of shareholders
1 - 500	11,595	0.73	83.54
501 - 1,000	754	0.46	5.43
1,001 - 5,000	1,004	1.89	7.23
5,001 - 10,000	193	1.12	1.39
10,001 - 20,000	100	1.18	0.72
20,001- 100,000	127	4.54	0.92
100,001 -	106	90.08	0.76
Total	**13,879**	**100.00**	**100.00**

Holdings per category

Holdings by category 2021	Number of shareholders	Capital share, %
Sweidsh owners	13,261	57.63
Foreign owners	618	42.37
Total	**13,879**	**100.00**
Legal entities	855	86.09
Natural person	13,024	13.91
Total	**13,879**	**100.00**

Assurance of the Board of Director

The Board of Directors and the Chief Executive Officer deem the consolidated financial statements and annual accounts to be prepared in accordance with IFRS, as adopted by the EU, and with generally accepted accounting principles, and that they provide a true and fair overview of the financial position and results of operations of the Group and the Parent Company. The administration report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operating activities, financial position and results of operations and describes significant risks and uncertainties to which the Parent Company and the companies that comprise the Group are exposed. The other aspects of the results of operations and financial position of the Group and the Parent Company are shown in the income statements, balance sheets, cash flow statements and notes to the financial statements.

The Board approved the Parent Company's annual report and the Group's consolidated financial statements for publication on 31 March 2022. The Parent Company's and Group's respective income statements and balance sheets will be submitted for adoption to the Annual General Meeting on 5 May 2022.

Stockholm 31 March 2022

Johan Sjö
Chairman of the board

Birgit Stattin Norinder
Board member

Eva Nilsagård
Board member

Eva Elmstedt
Board member

Håkan Roos
Board member

Stefan Hedelius
Board member

Kristina Willgård
Chief Executive Officer

Our auditors' report was submitted on 31 March, 2022

KPMG AB

Håkan Olsson Reising
Authorised Public Accountant
Auditor in charge

Jonas Eriksson
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of AddLife AB, corp. id 556995-8126

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of AddLife AB (publ) for the year 2021, except for the corporate governance statement on pages 53-67. The annual accounts and consolidated accounts of the company are included on pages 39-120 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 53-67. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of acquired intangible assets and parent company's shares in group companies

See Note 15 in the annual account and consolidated accounts for detailed information, accounting policies and description of the matter.

Description of key audit matter

The carrying value of goodwill in the group is SEK 4,528 million per 31 December 2021, which represents 43 % of total assets.

At least annually, goodwill shall be subject to impairment testing which is both complex and involves significant elements of judgement from group management.

According to current regulations, the prescribed method for carrying out impairment tests involves management making forecasts for how internal as well as external conditions and plans may impact the business. Examples of such forecasts include future cash flows, which in turn require assumptions to be made about future market conditions. Another important assumption is which discount rate to use in order to correctly reflect the time value of money of forecast future cash in-flows, which carry a certain level for risk.

The carrying amount of participation in group companies in the parent company is SEK 389 million as per 31 December 2021, which represents 5 % of total assets. In the event that the participations' equity is less than the value of the participation, an impairment test is performed.

This area, therefore, involves significant levels of judgement which are in turn significant to the group's financial statements.

Response in the audit

We have inspected the company's impairment testing in order to assess whether it is in line with the prescribed methodology. Furthermore, through review of management's written plans and documentation, we have assessed the reasonableness of future cash flows and the assumed discount rate and growth rate. We have conducted discussions with management and evaluated previous year's estimates in relation to actual outcomes.

A critical part of our work has also been evaluation of the sensitivity analysis performed by management that shows how changes in the assumptions can affect the overall valuation and performance of our own sensitivity analysis.

We have also considered the disclosures in the annual accounts for completeness and assessed whether they are in line with the assumptions used by the group in its impairment testing and whether the information is sufficient to provide understanding of management's judgements.

Acquisition of Healthcare 21 Group and AddVision Group

See Note 33 in the annual account and consolidated accounts for detailed information, accounting policies and description of the matter..

Description of key audit matter

As of April 2022 AddLife AB acquired Healthcare 21 Group in Ireland and AddVision Group in Germany, which would together add revenue of SEK 2,400 million and 640 employees if the acquisitions would have taken place on January 1, 2021.

The total initial purchase price for the acquisitions amount to EUR 405 million and has been paid in cash and through share issue in AddLife AB. In both acquisitions there is a possibility for additional earn out payments based on the result up until fiscal year 2023.

The purchase price allocation involves judgement made by group management regarding what assets to recognize in the group financial statements and to what values. In addition, judgements are made regarding future payments of earn outs which results in a contingent liability of the possible earn out. The value remaining

Response in the audit

We have analyzed the purchase price allocations to assess if they are made using the correct method. We have during our work, amongst other, focused on the intangible assets and the methods of which the management has used valuating these assets are in accordance with accounting policies and established valuation techniques.

Other important parts of our work have been to assess if the assets included in the purchase price allocation exist and that all assets are included. This assessment is based on, amongst others, a review of signed agreements and reports drafted by external consultants hired by the group in connection to the acquisitions.

We have also assessed the earn out payments accounted for through management's judgement of after all recognizable assets and liabilities have been valued is accounted for as goodwill, which is not subject to depreciations but instead a yearly impairment test.

All judgements above and any potential changes in these assumptions and judgements can have a significant affect on the group's financial statements.

likelihood on future payments.

Both Healthcare 21 Group and AddVision Group are consolidated from the acquisition date, and we have received reporting from significant components within each group as part of our group audit.

We have also considered the disclosures in the annual report and assessed whether they are in line with the assumptions used by the group and whether the information is sufficient to provide understanding of the management's judgements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-38 and 128-133. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AddLife AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.
The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for AddLife AB (publ) for year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report 0p+c6gX2R22tZpE= has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of AddLife AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 53-67 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 6-10 and 25-38, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of AddLife AB (publ) by the general meeting of the shareholders on the 5 May 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2015/2016.

Stockholm den 31 March 2022

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant
Auditor in charge

KPMG AB

Jonas Eriksson
Authorized Public Accountant

AddLife

Multi-year overview

SEKm, unless stated otherwise	2021	2020	2019	2018	2017	2016
Net sales	7,993	5,273	3,479	2,482	2,333	1,938
Operating profit	996	672	196	168	166	148
Financial income and expenses	-69	-13	-14	-10	-8	-6
Profit after financial items	927	659	182	158	158	142
Profit for the year	721	520	142	129	120	112
Intangible non-current assets	7,191	2,003	1,761	1,465	1,153	870
Property, plant and equipment	627	434	353	110	75	68
Financial assets	9	9	24	48	13	11
Inventories	1,189	640	452	408	271	252
Other receivables	1,235	848	586	575	368	361
Cash equivalents	345	216	99	61	11	15
Total assets	**10,596**	**4,150**	**3,274**	**2,668**	**1,891**	**1,577**
Equity attributable to the shareholders	4,285	1,882	1,467	931	748	717
Non-controlling interests	6	8	9	1	–	–
Interest-bearing liabilities and provisions	4,216	916	1,001	943	600	381
Non-interest-bearing liabilities and provisions	2,089	1,344	798	794	543	479
Total equity and liabilities	**10,596**	**4,150**	**3,274**	**2,668**	**1,891**	**1,577**
EBITA	1,273	802	305	245	234	189
EBITA margin, %	15.9	15.2	8.8	9.9	10.0	9.7
Earnings growth EBITA, %	58.8	162.8	24.7	4.7	24.0	47.0
Capital employed	8,509	2,806	2,477	1,874	1,347	1,098
Working capital, yearly average	1,347	781	598	397	369	304
Financial net liabilities	3,870	700	902	882	588	366
Operating margin, %	12.5	12.8	5.6	6.8	7.1	7.6
Profit margin, %	11.6	12.5	5.2	6.4	6.8	7.3
Return on equity, %	22	31	10	16	17	21
Return on capital employed, %	31	25	9	11	13	15
Return on working capital (P/WC)	95	103	51	62	63	62
Equity ratio, %	40	46	45	35	40	45
Debt/equity ratio, times	1.0	0.5	0.7	1.0	0.8	0.5
Net debt/equity ratio, times	0.9	0.4	0.6	0.9	0.8	0.5
Interest coverage ratio, times	15	40	16	23	33	17
Interest-bearing net debt/EBITDA, times	2.6	0.7	1.6	3.3	2.3	1.8
Earnings per share before dilution, SEK	6.03	4.63	1.28	1.29	1.19	1.22
Cash flow per share, SEK	8.46	8.47	3.61	1.76	2.05	1.39
Equity per share, SEK	35.14	16.73	13.07	9.08	7.43	7.06
Average number of shares, 000	119,418	112,127	111,083	100,458	101,302	97,729
Share price as at 31 December, SEK	381.40	144.00	72.25	48.54	40.57	32.78
Cash flow from operating activities	1,010	950	400	178	208	133
Cash flow from investing activities	-2,977	-429	-407	-381	-338	-198
Cash flow from financing activities	2,070	-373	42	249	125	-55
Cash flow for the year	103	149	35	46	-5	-120
Average number of employees	1,548	1,004	903	620	579	459
Number of employees at year-end	1,802	1,112	932	873	592	545

The key figures presented below are central in order to understand and evaluate AddLifes business and financial position. The key figures are presented in the Multi-year overview and commented in the administration report. The key figures that are the financial targets are commented in the section "Financial targets".

Return on equity

Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.

Return on equity measures from an ownership perspective the return that is given on the owners' invested capital.

	2021	2020
Profit/loss for the period	720.6	519.7
Average equity	3,090.6	1,683.3
Return on equity	720.6/3,090.6=23.3%	802,1/780,9=102,7%

Return on working capital (P/WC)

EBITA in relation to average working capital.

P/WC is used to analyse profitability and encourage high EBITA earnings and low working capital requirements.

	2021	2020
Operating profit before amortization of intangible assets EBITA, P	1,273.3	802.1
Average working capital, WC	1,346.9	780.9
P/WC	1,273.3/1,346.9=94.5%	802,1/780,9=102,7%

Return on capital employed

Profit after net financial items plus interest expenses plus/minus exchange rate fluctuations in percent of average capital employed.

	2021	2020
Profit/loss before taxes according to the income statement	927.2	659.0
Interest expenses note 12 (+)	56.9	17.0
Net exchange rate fluctuations, note 12	10.2	-4.8
Profit after net financial items plus exchange rate fluctuations	994.3	671.2
Capital employed yearly average	8,508.5	2,652.9
Return on capital employed	2,652.9/8,508.5=,31.2%	671.2/2,652.9=25.3%

EBITDA

Operating profit before depreciation and amortization of intangible assets and property, plant and equipment.

EBITDA is used to analyse profitability generated by operational activities.

	2021	2020
Profit/loss according to the income statement	996.3	672.5
Depreciation property, plant and equipment according to Note 16 (+)	201.4	144.5
Amortisation intangible assets according to Note 15 (+)	277.0	129.6
Operating profit before depreciation and amortisation, EBITDA	1,474.7	946.6

EBITA

Operating profit before amortization of intangible assets.

EBITA is used to analyse profitability generated by operational activities.

	2021	2020
Profit/loss according to the income statement	996.3	672.5
Amortisation intangible assets according to Note 15 (+	277.0	129.6
Operating profit before amortization of intangible assets	1,273.3	802.1

EBITA margiin

EBITA in percentage of net sales.

EBITA margin is used to analyse asset-creating generated from operational activities.

	2021	2020
Operating profit before amortization of intangible assets	1,273.3	802.1
Net sales according to the income statement	7,992.6	5,273.3
EBITA margin	1,273.3/7,992.6=,15.9%	802.1/5,273.3=15.2%

Equity per share

Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period.

	2021	2020
Shareholders' proportion of equity according to the balance sheet	4,285.2	1,882.1
Number of shares outstanding at the end of the reporting period, 000	121,953.0	112,487.0
Equity per share	4,285.2/121,953=35.14	1,882.2/112,487= 16.73

Cash flow per share

Cash flow from operating activities. divided by the average number of shares.

	2021	2020
Cash flow from operating activities	1,010.2	950.1
Average number of shares	119,418	112,127
Cash flow per share	1,010.2/119,418=8.46	950.1/112,127=8.47

Net debt/equity ratio

Financial net liabilities in relation to shareholders' equity.

Net debt/equity ratio is used to analyse financial risk.

	2021	2020
Financial net liabilities	3,870.2	699.8
Equity according to balance sheet	4,290.9	1,890.3
Net debt/equity ratio	3,870.2/4,290.9=0.9	699.8/1,890.3=0.4

Earnings per share (EPS)

Shareholders' proportion of profit/loss for the year in relation to the average number of shares outstanding.

	2021	2020
Shareholders' proportion of profit for the year according to the income statement	718.6	517.8
Average number of shares	119,418	112,127
Earnings per share (EPS)	718.6/119,418=6.03	517.8/112,127=4.63

Profit growth EBITA

This year's EBITA decreased by previous year's EBITA divided by previous year's EBITA.

Earnings growth EBITA is used to analyse asset-creating generated from operational activities.

	2021	2020
Operating profit before amortisation of intangible assets, EBITA (+)	1,273.3	802.1
Previous year's operating profit before amortization of intangible assets, EBITA (-)	-802.1	-305.2
Earnings growth EBITA	471.2	496.9
Profit growth EBITA	471.2/802.1=58.7%	496.9/305.2=162.8%

Financial net liabilities

Interest-bearing liabilities and interest-bearing provisions less cash and cash equivalents.

Net debt is used to monitor debt development and analyse financial leverage and any necessary refinancing.

According to balance sheet	2021	2020
Non-current interest-bearing liabilities	787.8	241.6
Provisions for pensions	81.5	80.5
Interest-bearing provisions	31.9	29.5
Current interest-bearing liabilities	3,314.3	564.2
Interest-bearing liabilities and provisions.	4,215.5	915.8
Cash and equivalents (–)	-345.3	-216.0
Financial net liabilities	3,870.2	699.8

Financial net liabilities/EBITDA

Financial net liabilities divided by EBITDA.

Financial net liabilities compared with EBITDA provides a key financial indicator for financial net liabilities in relation to cash-generated operating profit; i.e., an indication of the ability of the business to pay its debts. This measure is generally used by financial institutions as a measure of creditworthiness.

	2021	2020
Financial net liabilities	3,870.2	699.8
Operating profit before depreciation and amortisation, EBITDA	1,474.7	946.6
Financial net liabilities/EBITDA	3,870.2/1,474.7=2.6	699.8/946.6=0,7

Interest coverage ratio

Profit after net financial items plus interest expenses plus/minus exchange rate fluctuations in relation to interest expenses.

	2021	2020
Profit/loss before taxes according to the income statement	927.2	659.0
Interest expenses, note 12 (+)	56.9	17.0
Net exchange rate fluctuations, note 12	10.2	-4.8
Profit after net financial items excluding interest expense and exchange rate fluctuations	994.3	671.2
Interest coverage ratio	994.3/56.9=17.5	671,2/17,0=39,5

Working capital

Sum of inventories and accounts receivable, less accounts payable. Average working capital for the year is used to calculate return on working capital (P/WC).

Working capital is used to analyse how much working capital is tied up in the business.

	2021	2020
Inventories yearly average (+)	1,031.7	660.3
Accounts receivable yearly average (+)	998.0	552.8
Accounts payable yearly average (-)	-682.8	-432.2
Working capital, average (WC)	1,346.9	780.9

Operating margin

Operating profit/loss as a percentage of net sales.

	2021	2020
Profit/loss according to the income statement	996.3	672.5
Net sales according to the income statement	7,992.6	5,273.3
Operating margin	996.3/7,992.6=12.5%	672.5/5,273.3=12.8%

Equity ratio

Equity as a percentage of total assets

The equity ratio is used to analyse financial risk and shows how much of the assets are financed with equity.

	2021	2020
Equity according to balance sheet	4,290.9	1,890.3
Total assets according to balance sheet	10,595.7	4,149.6
Equity ratio	4,290.9/10,595.7=40.5%	1,890.3/4,149.6= 45.6%

Debt/equity ratio

Interest-bearing liabilities and interest-bearing provisions in relation to equity.

According to balance sheet	2021	2020
Non-current interest-bearing liabilities	787.8	241.6
Provisions for pensions	81.5	80.5
Interest-bearing provisions	31.9	29.5
Current interest-bearing liabilities	3,314.3	564.2
Interest-bearing liabilities and provisions	4,215.5	915.8
Equity according to balance sheet	4,290.9	1,890.3
Debt/equity ratio	4,215.5/4,290.9=1.0	915.8/1,890.3= 0.5

Capital employed

Total assets less non-interest-bearing liabilities and provisions

According to balance sheet	2021	2020
Deferred tax liabilities	489.4	161.5
Accounts payable	796.2	648.8
Tax liabilities	109.5	81.1
Other liabilities	302.2	231.4
Accrued expenses and deferred income	380.2	210.1
Provisions	9.7	9.4
Non-interest-bearing liabilities and provisions	2,087.2	1,342.3
Total assets according to balance sheet	10,595.7	4,149.6
Capital employed	10,595.7-2,087.2=8,508.5	4,149.6-1,342.3=2,807.3

Profit margin

Profit before taxes in percentage of net sales

	2021	2020
Profit/loss before taxes according to the income statement	927.2	659.0
Net sales according to the income statement	7,992.6	5,273.3
Profit margin	927.2/7,992.6=11.6%	659.0/5,273.3=12.5%