

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

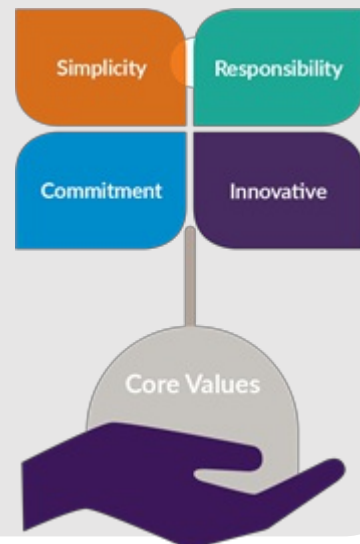
To improve people's lives by being a leading, value-creating player in Life Science

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.



7,993

NET SALES
SEKm

1,273

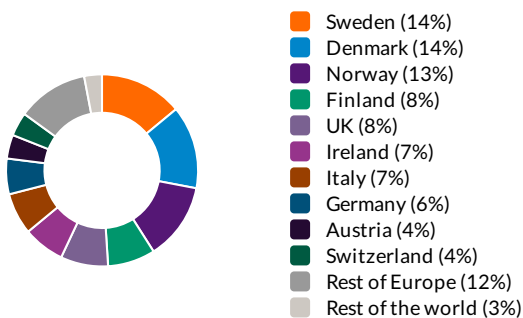
EBITA
SEKm

1,010

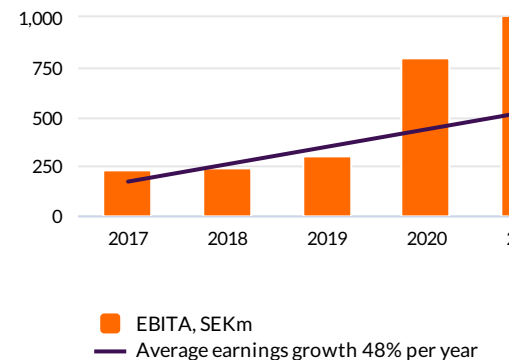
OPERATING
CASH FLOW SEKm

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

COMMENTS BY THE CEO

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

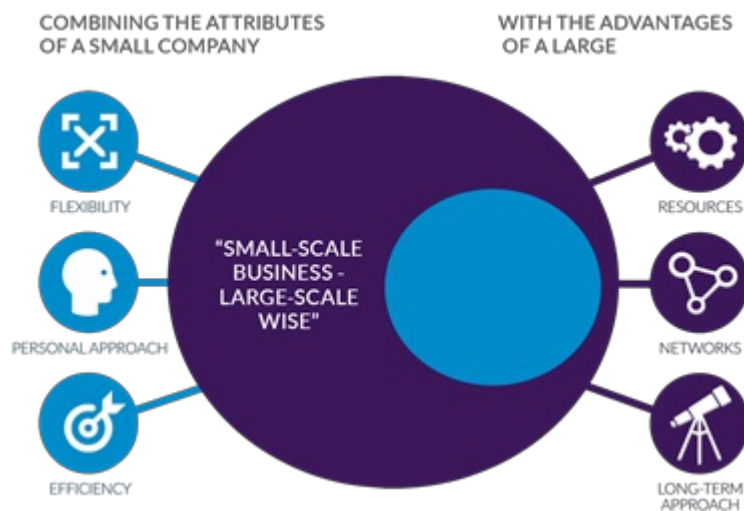
President and CEO

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, and in the fields of biomedical research and laboratory analysis, diagnostics such as blood gas analysis, medical technology, such as surgery and welfare technology.

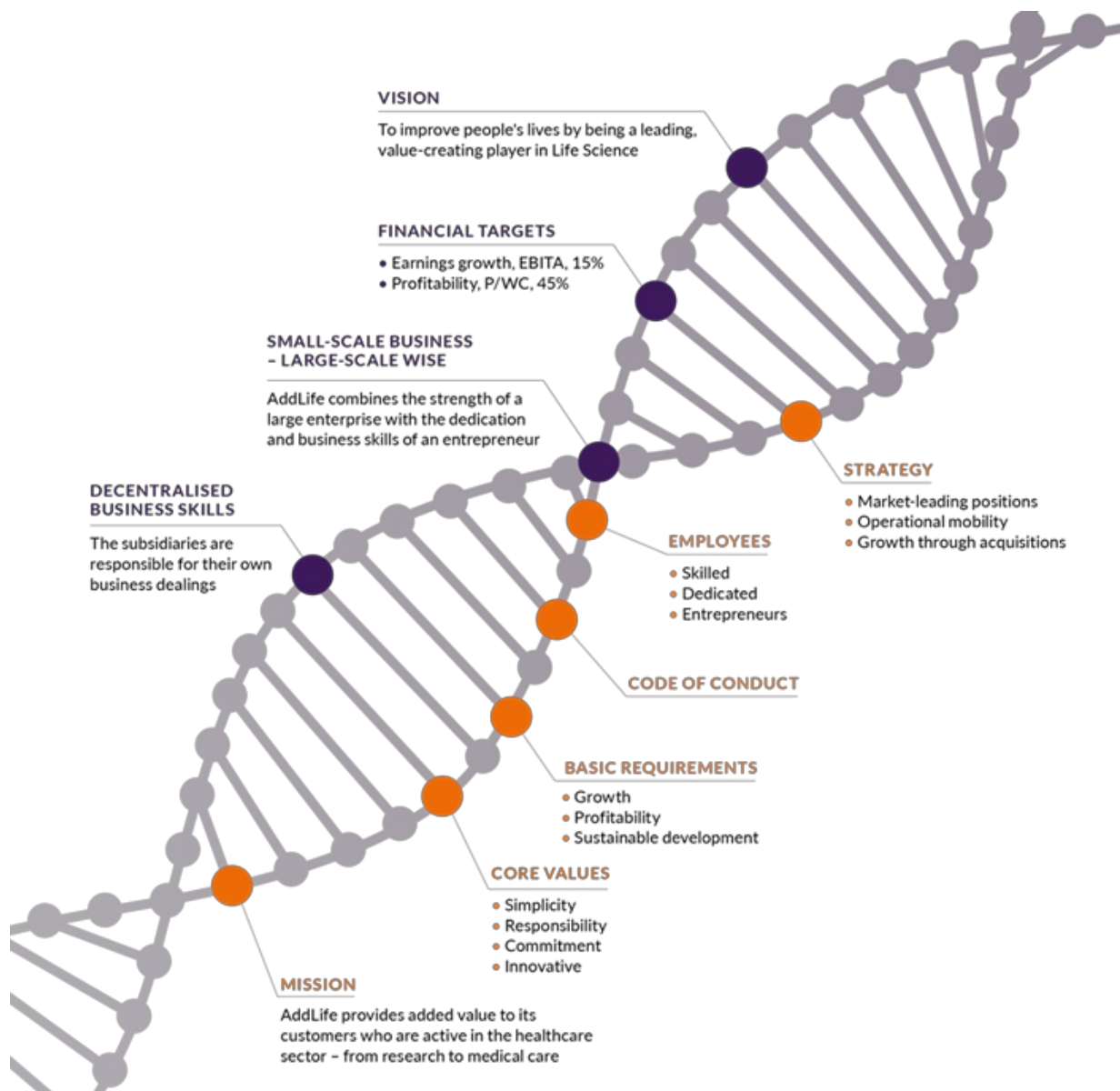
Customer contacts in our operating subsidiaries

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

FINANCIAL TARGETS

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.



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

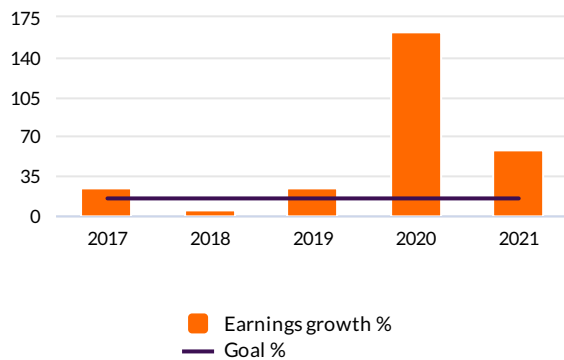
Kristina Willgård
President and CEO



Earnings Growth EBITA, 15 percent

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

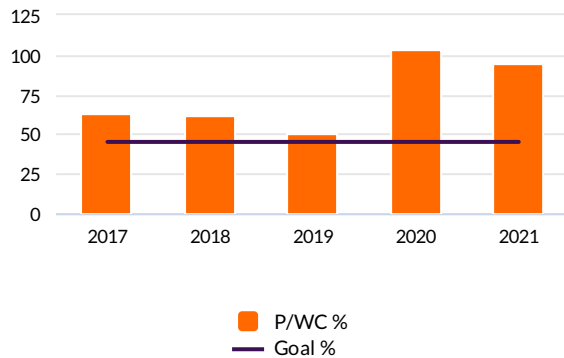
EARNINGS GROWTH



Profitability 45 percent

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

P/WC

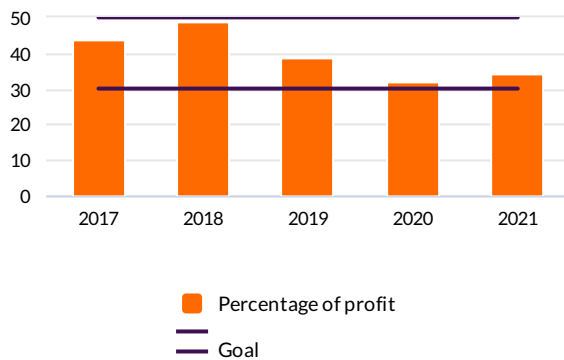


95 %
P/WC 2021

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

MARKET

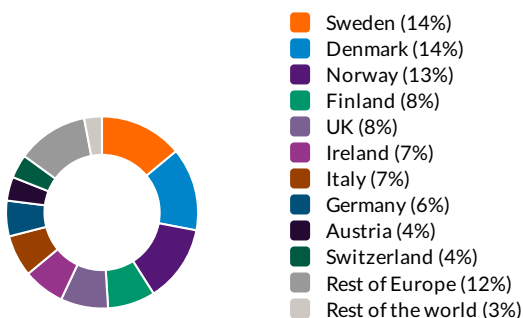
Leading player in the European Life Science market

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

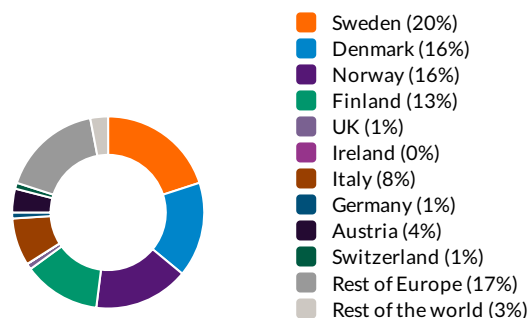


The European expansion strengthens both existing and new supplier relationships and creates a larger internal network with increased opportunities to sell our own and other companies' products in new markets. Sales in markets outside the Nordic region accounted for 51 percent of net sales in 2021, compared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

NET SALES PER MARKET 2021

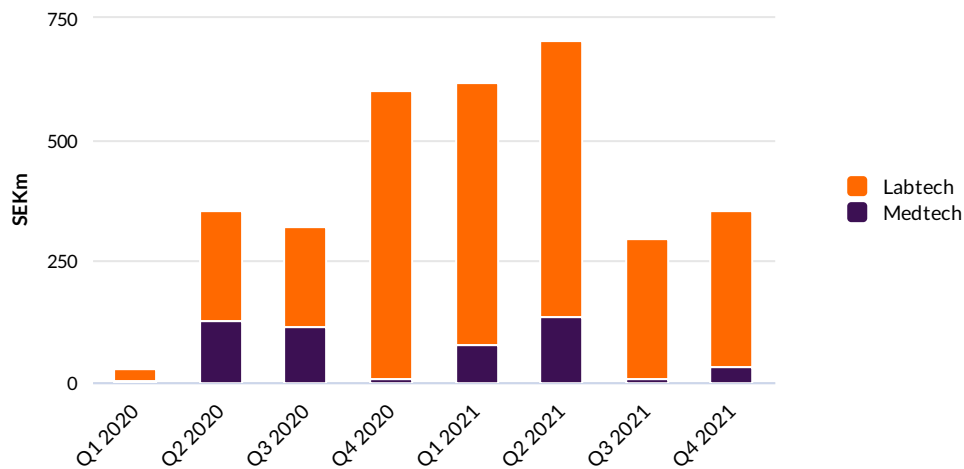


NET SALES PER MARKET 2020



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.

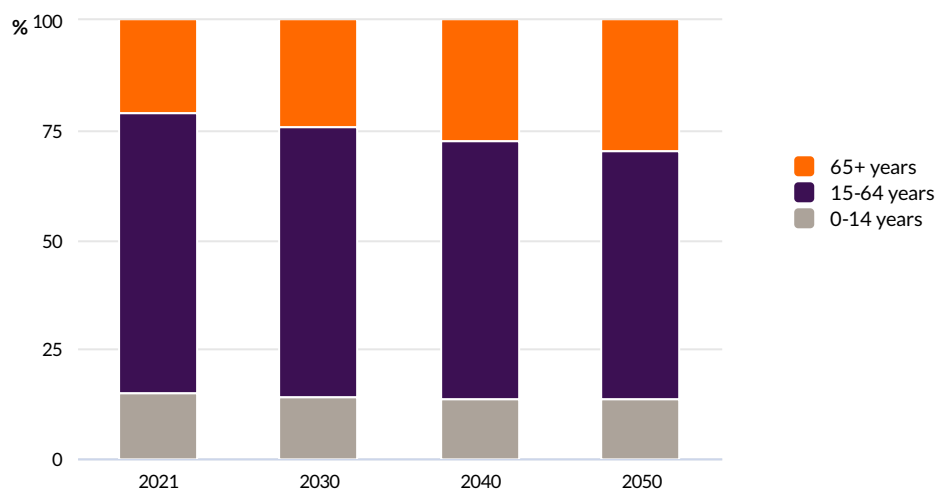
In 2021, healthcare queues continued to increase, especially in elective surgery. From a political perspective, several countries in Europe have initiated financial support to increase the number of surgeries, although the delayed care looks different from country to country and will differ in time. 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

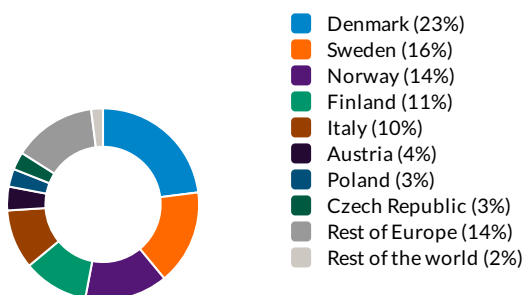
Business area Labtech

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



BUSINESS AREA

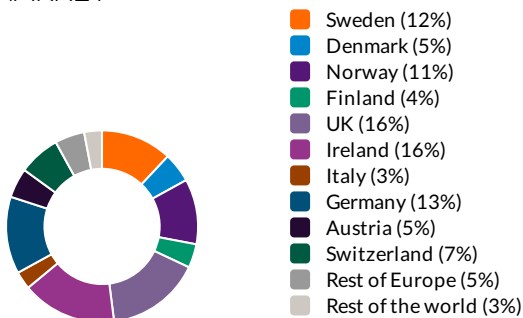
Business area Medtech

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



ACQUISITIONS

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	Ireland	April	1,700	450	Medtech
Bio-Connect Group	Netherlands	September	140	31	Labtech
Fischer Medical ApS	Denmark	November	60	12	Medtech
Camano 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.

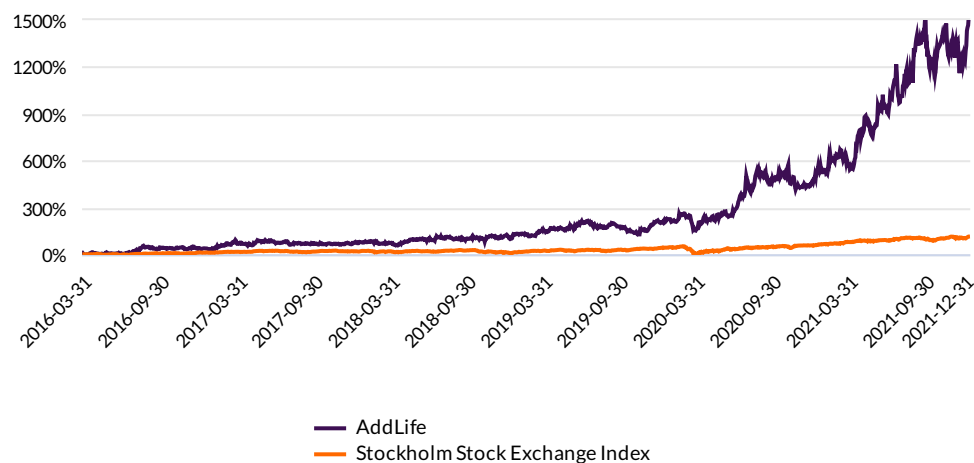


THE SHARE

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, %	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

THE SHARE

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.



- 1 Attractive non-cyclical market**
- 2 Cash flow finances growth**
- 3 Clear strategy to create additional growth**
- 4 Strong market position and long contract terms**

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.