

Interim Report 1 January – 31 March 2021

Record quarter with strong organic growth in Labtech

1 JANUARY – 31 MARCH 2021 (3 MONTHS)

- Net sales increased by 65 percent to SEK 1,736m (1,053), of which organic growth amounted to 54 percent and acquired growth amounted to 17 percent.
- EBITA increased by 209 percent to SEK 326m (106), corresponding to an EBITA-margin of 18.8 percent (10.0).
- Profit after tax increased by 318 percent to SEK 226m (54).
- Earnings per share amounted to SEK 2.01 (0.48). Earnings per share for the last 12 months amounted to SEK 6.16 (4.63).
- Cash flow from operating activities amounted to SEK 184m (80).
- The equity ratio was 48 percent (46).
- Return on working capital (P/WC) amounted to 122 percent (103).
- Two acquisitions were completed after the end of the reporting period, Vision Ophthalmology Group and Helathcare 21. The acquisitions are expected to add annual net sales of SEK 2,400m and EBITA of approximately SEK 310m. The acquisitions have been financed through new credits of SEK 2,250m and new share issue of 7,951,958 Class B-shares.



SEKm	3 months ending			12 months ending	
	31-Mar-21	31-Mar-20	change	31-Mar-21	31-Dec-20
Net sales	1,736	1,053	65%	5,956	5,273
EBITA	326	106	209%	1,022	802
EBITA-margin, %	18.8%	10.0%		17.2%	15.2%
Profit before tax	287	69	313%	877	659
Profit for the period	226	54	318%	692	520
Earnings per share before dilution, SEK	2.01	0.48	319%	6.16	4.63
Earnings per share after dilution, SEK	2.00	0.48	317%	6.14	4.61

ADDLIFE IN BRIEF

AddLife is an independent provider in Life Science that offers high-quality products, services and advice to both the private and public sector in Europe. The Group is divided into two business areas: Labtech and Medtech. The Group comprises some 70 operating subsidiaries that provide equipment, instruments, medical devices and reagents, as well as advice and technical support to customers primarily in healthcare, research and academia, along with the food and pharmaceutical industries.

CONFERENCE CALL

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

The teleconference will be at 10:00 a.m. on 28 April 2021

If you wish to participate via teleconference, [please follow this link>>](#)

Or call in (only sound) +46 8 505 376 58 Conferens-ID: 321 695 644#

The presentation is also available on [AddLife YouTube >>](#)

Strong start to the year and two strategic acquisitions

The world is still under the grip of the COVID-19 pandemic. Major challenges remain: high rates of infection, new mutations, strained health services and slow vaccination rates. At AddLife, we do our best to contribute to health services and improve people's lives in various ways.

Our subsidiaries continue to do a great job of generating business and responding to the needs of our customers. Sales rose 65 percent in the first quarter to SEK 1,736m, including organic growth of 54 percent. COVID-19 related sales accounted for SEK 620m and organic growth excluding COVID-19 amounted to 4 percent. EBITA increased by 209 percent to SEK 326m and we strengthened the EBITA margin to 18.8 percent.

The business situation is relatively unchanged from the previous quarter, influenced by the efforts of various countries to reduce and manage the infection while increasing the pace of vaccinations. This quarter saw a third wave of the pandemic, and several countries have introduced new lockdowns in various ways to limit the spread of the infection. The pressure on hospital intensive care units is high and health services have once again had to reallocate resources. As a result, the start of elective surgery and other planned care came to a standstill again in the quarter, with growing care queues as a result.

Since the start of the pandemic, sales in all markets have been strong in our diagnostics companies. This quarter, sales of COVID-19 tests in particular have been successful on our previously installed instruments. Our research companies in the Nordic countries and Italy also had a strong quarter in terms of sales, and activity related to virus research is high. Demand from pharmaceutical customers not focusing on Covid-19 is stable and sales of our own advanced analytical instruments have been positive during the quarter.

Sales of medical devices to the health services have been relatively stable in the quarter. Lower demand in elective surgery has been offset by sales of other medical devices and COVID-19 related personal protective equipment. As the infection situation improves, we expect healthcare services to re-prioritise and increase activity to treat those patients still waiting for surgery.

Net sales in our home care companies were somewhat weaker in the quarter. The companies continued to experience challenges related to trying out and installing products on-site for customers. However, accessibility increased somewhat in March thanks to vaccinations among the elderly population.



Increased acquisition activity through two strategic acquisitions after the end of the quarter

After the end of the quarter, we completed two major acquisitions, Vision Ophthalmology Group (VOG) and Healthcare 21 (HC21). Together, the acquisitions are expected to increase our annual net sales by more than 40 percent, corresponding to approximately SEK 2.4 billion, to approximately SEK 7.6 billion and EBITA is expected to increase by about 38 percent to approximately SEK 1.1 billion.

,

Our new acquisitions, VOG and HC21, give us access to larger markets, more customers and more segments. We are all excited about the opportunities that both of these acquisitions bring.

The acquired companies will form their own subgroups with existing management and will belong to the Medtech business area. The acquisitions make AddLife a true European player with more than half of net sales in markets outside the Nordic region.

The acquisition of VOG, which has net sales of about EUR 70m, is a strategic acquisition that adds ophthalmology (eye surgery), a new and very attractive therapeutic area to AddLife's product portfolio. Operating in Switzerland, Germany, the UK and Poland, the group provides products, services and advice on eye surgery, such as treatment of cataracts and glaucoma. VOG sells products from leading manufacturers and own branded products, as well as customised surgical kits manufactured by the company in Germany.

We have been looking at the ophthalmology segment for a long time as it has all the key characteristics to fit in with our business model. Ophthalmology is a global and attractive growth market that is driven by technological development and an aging population with chronic diseases. Through the acquisition of VOG we get access to a well established and attractive supplier base, as well as solid customer relationships in markets that have a population of over 200 million people. The acquisition establishes us as an independent European player in an interesting niche with good opportunities for both organic and acquired growth.

Just five days later, we completed the acquisition of an even larger European independent Life Science distributor, HC21, with net sales of approximately EUR 150m. The acquisition establishes us in Ireland and the UK, with a combined market estimated at about SEK 137 billion. The acquisition is strategic since HC21 provides a stable position and critical mass for continued growth in two of Europe's most attractive Life Science markets.

We see great similarities between our business model, operations and culture and that of HC21. HC21 is a leading independent distributor in 15 different therapeutic areas, focusing on selected niches with an emphasis on value creation. They also have an attractive supplier network, which we hope will open up new opportunities in other markets. Given HC21's strong market position, AddLife becomes an even more attractive partner for leading suppliers in our product areas in Europe. We also see the acquisition as creating opportunities to sell our own products in Ireland and the UK. HC21 has around 450 employees, and is about the same size that AddLife was at the time of the listing in March 2016.

In conclusion, we are all excited about the opportunities that both of these acquisitions bring us. We gain access to larger markets, more customers and more segments. We will also be able to broaden AddLife's internal network, strengthen our supplier relationships and increase opportunities to sell our own products in new markets. The network effects are significant and we have created an even stronger platform to add more companies to our group and continue our value-creating growth journey as a successful niche player in Life Science in Europe.



Kristina Willgård

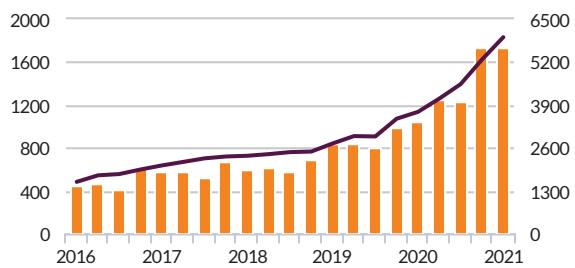
President and CEO

Group development in the quarter

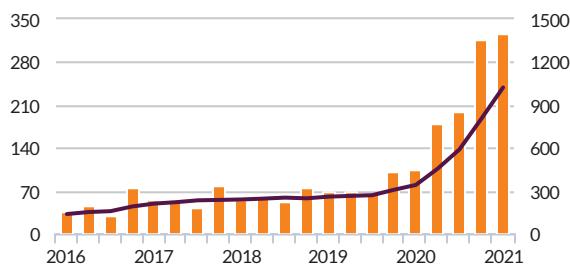
Net sales in the quarter increased by 65 percent to SEK 1,736m (1,053). Organic growth was 54 percent and acquired growth totalled 17 percent. Exchange rate changes had a negative impact on net sales of 6 percent, corresponding to SEK 62m. Net sales related to COVID-19 accounted for SEK 620m and organic growth, excluding COVID-19 amounted to 4 percent. EBITA increased by 209 percent to SEK 326m (106) and EBITA-margin amounted to 18.8 percent (10.0). The higher margin is due increased volumes and restrained costs. Exchange rate changes had a negative effect on EBITA, corresponding to SEK 11m.

Net financial items amounted to SEK -4m (-5) and profit after financial items amounted to SEK 287m (69). Profit after tax for the quarter increased with 319 percent amounting to SEK 226m (54) and the effective tax rate was 21 percent (22).

NET SALES (SEKM)



EBITA (SEKM)



█ Quarter
— Rolling 12 months

█ Quarter
— Rolling 12 months

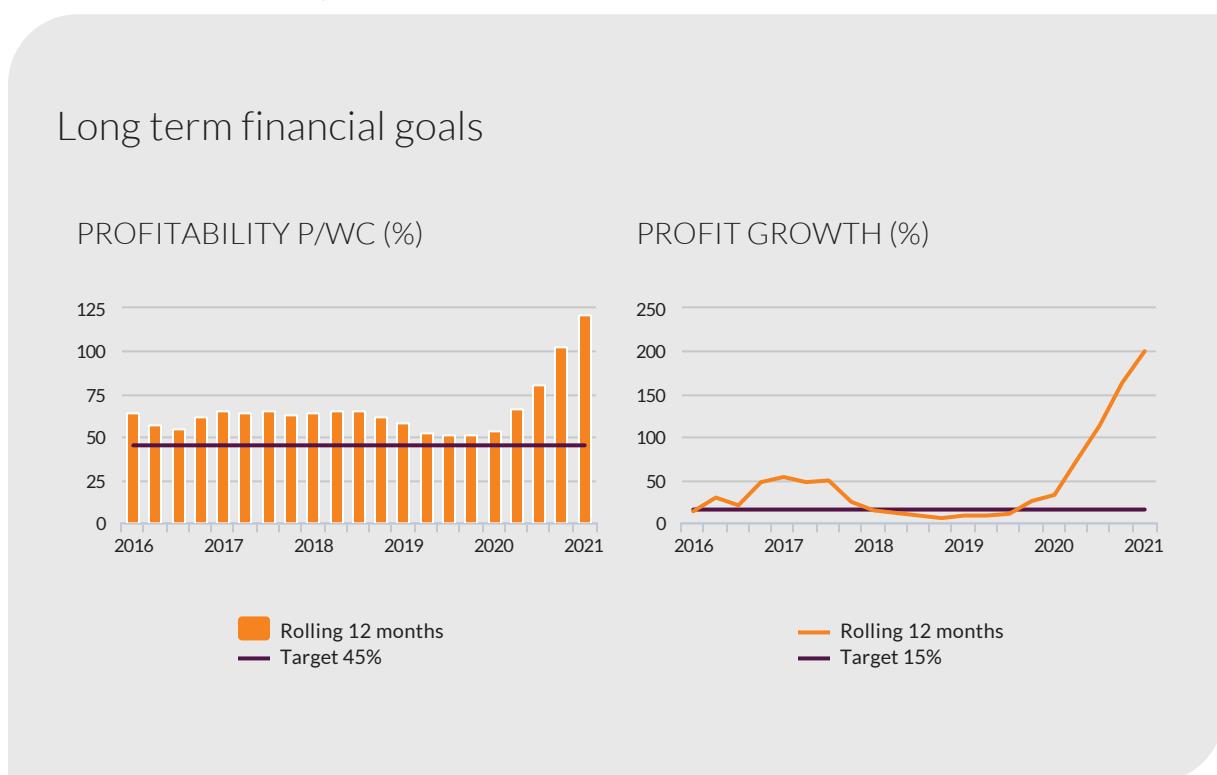
Financial position and cash flow

At the end of the interim period, the equity ratio stood at 48 percent (46). Equity per share totalled SEK 19.14 (16.73) and the return on equity at the end of the interim period was 39 percent (31). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 122 percent (103). The increase is mainly due to the increased EBITA result.

The Group's interest-bearing net debt at the end of the interim period totalled SEK 548m (700), including pension liabilities of SEK 80m (81) and leasing liabilities of SEK 215m (233). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions and leasing liability, totalled 0.2 compared to 0.4 at the beginning of the financial period.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 1,147m (1,006) on 31 March 2021.

Cash flow from operating activities reached SEK 184m (80) during the interim period. The increase comes from the strong result but is counteracted by increased tied-up working capital, especially trade receivables. Acquisitions of companies amounted to SEK 6m (66). Investments in non-current assets during the interim period amounted to SEK 25m (23). Disposals of non-current assets amounted to SEK 1m (2). Repurchase and disposal of treasury shares amounted to SEK 0m (31). Exercised and issued call options amounted to SEK 5m (0).



Acquisitions

Acquisitions completed from the 2020 financial year are distributed among the Group's business areas as follows:

Acquisitions	Time	Net Sales, SEKm*	Number of employees*	Business area
EuroClone S.p.A, Italy	January 2020	280	58	Labtech
TechniPro PulvoMed Pty Ltd, Australia	September, 2020	13	5	Medtech
Ropox A/S, Denmark	October, 2020	95	73	Medtech
Dach Medical Group Holding AG, Austria	October, 2020	145	23	Medtech
Zafe Care Systems AB, Sweden	October, 2020	35	21	Medtech
Biomedica Italia s.r.l (SIAD Healthcare), Italy	December, 2020	80	17	Medtech
		648	197	
Acquisitions after the end of the interim period	Time	Net Sales, SEKm*	Number of employees*	Business area
Vision Ophthalmology Group GmbH, Germany	April, 2021	700	190	Medtech
Healthcare 21 Group, Ireland	April, 2021	1,700	450	Medtech
		2,400	640	

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

The fair value of not yet paid contingent consideration for acquisitions made during previous periods is calculated to SEK 83m, which is approximately 85 percent of the maximum outcome. The outcome depends on the results achieved in the companies and has a set maximum level. No acquisitions were made during the interim period. An additional contingent consideration of SEK 6m has been paid regarding the acquisition of Euroclone during year 2020.

Acquisitions after the end of the interim period

Two acquisitions were completed since the end of the interim period:

On 7 April 2021, it was announced that AddLife AB (publ) entered into an agreement to acquire all shares in Vision Ophthalmology Group GmbH (VOG), a leading European distributor and manufacturer of ophthalmology and eye surgery products, with operations in Switzerland, Germany, the United Kingdom and Poland. The deal closed on 8 April 2021 and VOG will be 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 12 April 2021, another acquisition, 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.

Acquisition analyses for VOG and HC21 are being prepared and preliminary acquisition analyses will be provided as of the second quarter of 2021.

Pro forma 2020 financial statements

Below are the pro forma figures for AddLife for the 2020 financial year including the acquisitions of VOG and HC21. The accounts are prepared under the assumption that both companies were fully owned throughout the 2020 financial year. The amounts included for VOG and HC21 respectively refer to unaudited figures for the 2020 financial year and have been adjusted to reflect normalised operations without one-off restructuring costs, Covid-19 related sales, change in distribution business and interest on shareholder loans. The figures do not include any synergies or transaction costs. Moreover, IFRS

16 Leases was not taken into account for the acquired companies in the pro forma balance sheet and income statement. Amortisation of acquisition-related intangible assets and acquisition-related financing costs have been estimated. The balance sheet has been restated to reflect acquisition-related intangible assets and accrued liabilities to credit institutions related to the acquisitions. In calculating earnings per share, the two new issues completed in connection with the acquisitions were taken into account.

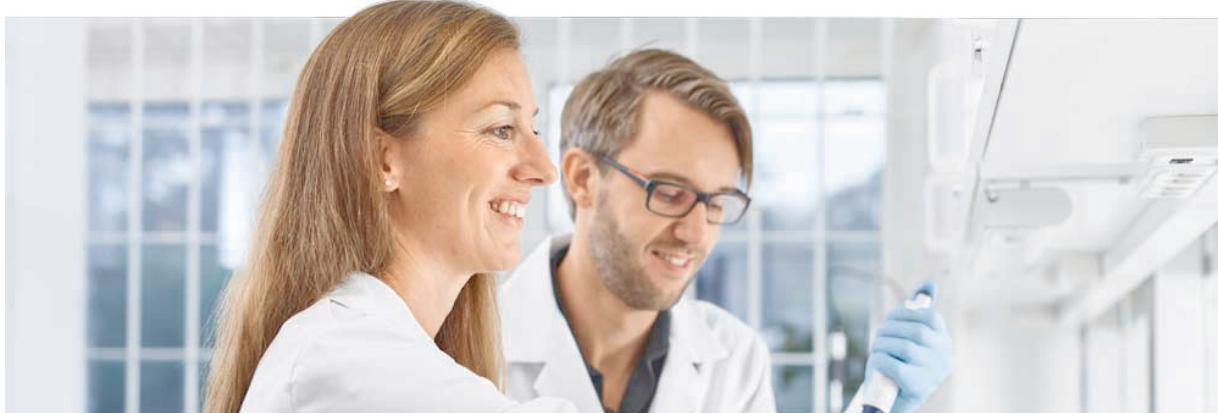
Income statement	AddLife 2020	Proforma 2020
Net sales	5,273	7,615
Cost of sales	-3,455	-4,790
Gross profit	1,818	2,824
Other external costs	-1,146	-1,998
Operating profit	672	826
Financial income and expenses	-13	-65
Profit after financial items	659	761
Tax	-139	-156
Profit for the period	520	605
EBITDA	946	1,305
EBITA	802	1,120
EBITA margin	15.2%	14.7%
Earnings per share before dilution	4.63	4.98
Average number of outstanding share, '000	112,127	121,578
Balance sheet	AddLife 2020	Proforma 2020
Intangible assets	2,003	6,509
Other non-current assets	454	546
Current assets	1,693	2,640
TOTAL ASSETS	4,150	9,695
Equity	1,890	3,457
Interest bearing liabilities	916	4,218
Non-interest bearing liabilities	1,344	2,020
TOTAL EQUITY AND LIABILITIES	4,150	9,695
Financial net liabilities	700	3,897
Net debt/equity ratio	0.4	1.1
Equity ratio	46%	36%
Financial net liabilities/EBITDA	0.7	3.0

Employees

At the end of the interim period, the number of employees was 1,128, compared to 1,112 at the beginning of the financial year. The average number of employees for the last 12-month period was 1,045 (927).

Labtech

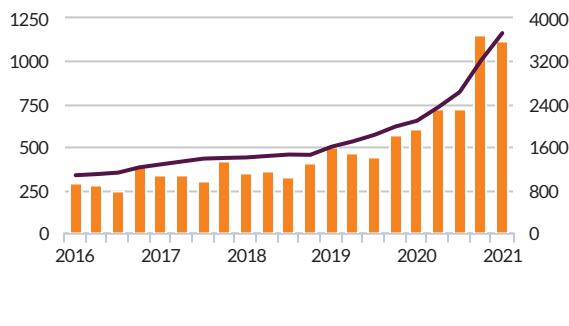
Companies in the Labtech business are active in the market areas diagnostics, biomedical research and laboratory equipment.



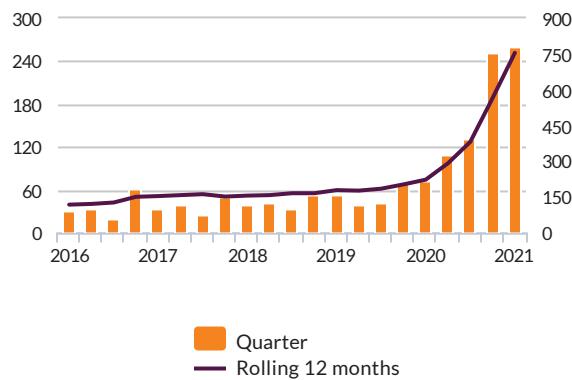
MSEK	3 months ending			12 months ending	
	31-Mar-21	31-Mar-20	change	31-Mar-21	31-Dec-20
Net sales	1,125	611	84%	3,726	3,212
EBITA	262	72	263%	755	565
EBITA-margin, %	23.2%	11.8%		20.3%	17.6%

Labtech's net sales increased by 84 percent in the first quarter to SEK 1,125m (611), which is entirely organic growth, however exchange rate changes had a negative effect of 6 percent. Net sales related to COVID-19 accounted for SEK 540m and organic growth, excluding COVID-19 amounted to 8 percent. EBITA increased by 263 percent to SEK 262m (72), corresponding to an EBITA-margin of 23.2 percent (11.8).

NET SALES (SEKM)



EBITA (SEKM)



The third pandemic wave with increased spread of infection drove up sales and earnings for the Labtech business area.

All countries are conducting COVID-19 testing and our diagnostics companies continued to sell large volumes of COVID-19 tests ("PCR tests") for the previously installed base of instruments during the quarter. In the quarter, we also sold point-of-care instruments and COVID-19 tests in several countries to private actors, who either issue travel certificates for international travel, or test staff for specific jobs.

A few hospital customers have built up some inventory of COVID-19 tests for the coming quarter, but we nevertheless expect the high demand for tests to continue until the pandemic has been contained by ongoing vaccinations. Sales of blood gas analysis samples have also been high in the quarter as the number of critically ill COVID-19 patients in hospital

intensive care units increased once again. Volumes for other diagnostic tests have been relatively stable.

Sales and activity have been high in our niche research companies, mainly in the Nordic region and in Italy. Researchers are focusing on virus research and on products for gene sequencing of new COVID-19 mutations. Activity has remained at normal levels for our pharmaceutical customers and sales are stable. In the quarter, sales of our own advanced instruments were strong, particularly in Europe and Asia outside China.

Medtech

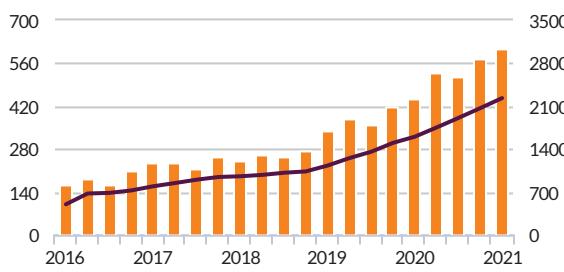
Companies in the Medtech business provides medical device products within the medtech market and assistive equipment within home healthcare.



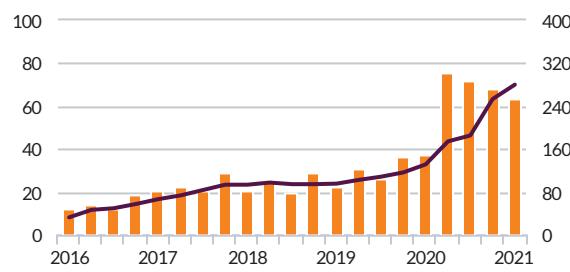
MSEK	3 months ending			12 months ending	
	31-Mar-21	31-Mar-20	change	31-Mar-21	31-Dec-20
Net sales	611	442	38%	2,230	2,061
EBITA	64	37	77%	280	253
EBITA-margin, %	10.6%	8.3%		12.9%	12.3%

For the quarter, Medtech's net sales increased by 38 percent to SEK 611m (442), including organic growth of 2 percent and acquired growth of 41 percent, while exchange rate fluctuations had a negative effect of 5 percent. Net sales related to COVID-19 accounted for SEK 80m and organic growth, excluding COVID-19 decreased with 4 percent. EBITA rose 77 percent to SEK 64m (37) and EBITA margin amounted to 10.6 percent (8.3).

NET SALES (SEKM)



EBITA (SEKM)



Quarter
— Rolling 12 months

Quarter
— Rolling 12 months

Medtech's businesses had relatively stable overall sales of medical devices in the quarter, but with large differences between different product segments. Sales of personal protective equipment to Nordic customers have normalised as hospitals largely have inventory to meet their own needs. In Central Europe, however, we have had large one-off sales of protective equipment. Elective surgery activity has been low in the quarter in all markets. According to official statistics in Sweden, about 50% fewer operations than normal were performed this quarter, and in Central and Eastern Europe cardiac surgery has decreased by between 25-50%, depending on the procedure. In the first quarter, the challenges for our homecare companies increased again due to reduced opportunities for testing and installations of various assistive devices. Overall, sales were stable as activity increased in March thanks to vaccinations of the elderly population.

Net sales by business area

Quarterly data, SEKm	2021				2020
	Q1	Q4	Q3	Q2	Q1
Labtech	1,125	1,156	727	718	611
Medtech	611	575	514	530	442
AddLife Group	1,736	1,731	1,241	1,248	1,053

EBITA by business area

Quarterly data, SEKm	2021				2020
	Q1	Q4	Q3	Q2	Q1
Labtech	262	253	131	109	72
Medtech	64	68	72	76	37
Parent Company and Group items	0	-5	-4	-4	-3
EBITA	326	316	199	181	106
Depreciation intangible assets	-35	-38	-30	-30	-32
Operating profit	291	278	169	151	74
Finance income and expenses	-4	-2	-4	-2	-5
Profit after financial items	287	276	165	149	69

Net sales by business area

SEKm	3 months ending			12 months ending	
	31-Mar-21	%	31-Mar-20	31-Mar-21	31-Dec-20
Labtech	1,125	84	611	3,726	3,212
Medtech	611	38	442	2,230	2,061
AddLife Group	1,736	65	1,053	5,956	5,273

EBITA and EBITA-margin by business area and operating profit for the group

SEKm	3 months ending			12 months ending		
	31-Mar-21	%	31-Mar-20	%	31-Mar-21	31-Dec-20
Labtech	262	23.2	72	11.8	755	565
Medtech	64	10.6	37	8.3	280	253
Parent Company and Group items	0		-3		-13	-16
EBITA	326	18.8	106	10.0	1,022	802
Depreciation intangible assets	-35		-32		-133	-130
Operating profit	291	16.8	74	7.0	889	672
Finance income and expenses	-4		-5		-12	-13
Profit after financial items	287		69		877	659

Net sales by revenue type

SEKm	3 months ending		12 months ending	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Dec-20
<i>Products</i>				
Labtech	918	459	2,784	2,325
Medtech	560	384	1,986	1,810
The Group	1,478	843	4,770	4,135
<i>Instruments</i>				
Labtech	164	103	770	709
Medtech	46	48	225	227
The Group	210	151	995	936
<i>Service</i>				
Labtech	43	49	172	178
Medtech	5	10	19	24
The Group	48	59	191	202
Total	1,736	1,053	5,956	5,273

Consolidated income statement, condensed

Income statement SEKm	3 months ending		12 months ending	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Dec-20
Net sales	1,736	1,053	5,956	5,273
Cost of sales	-1,113	-684	-3,884	-3,455
Gross profit	623	369	2,072	1,818
Selling expenses	-263	-228	-909	-874
Administrative expenses	-69	-60	-282	-273
Research and Development	-8	-6	-26	-24
Other operating income and expenses	8	-1	34	25
Operating profit	291	74	889	672
Financial income and expenses	-4	-5	-12	-13
Profit after financial items	287	69	877	659
Tax	-61	-15	-185	-139
Profit for the period	226	54	692	520
<i>Attributable to:</i>				
<i>Equity holders of the Parent Company</i>	226	54	690	518
<i>Non-controlling interests</i>	0	0	2	2
Earnings per share (EPS) before dilution, SEK	2.01	0.48	6.16	4.63
Earnings per share (EPS) after dilution, SEK	2.00	0.48	6.14	4.61
Average number of shares after repurchases '000s	112,490	112,612	112,207	112,127
Number of shares at end of the period, '000	112,491	111,737	112,491	112,487
EBITA	326	106	1,022	802
Depreciations included in operating expenses				
- property, plant and equipment	-38	-35	-147	-144
- intangible non-current assets from acquisitions	-30	-27	-113	-110
- other intangible non-current assets	-5	-5	-20	-20

Statement of comprehensive income

SEKm	3 months ending		12 months ending	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Dec-20
Profit for the period	226	54	692	520
Components that may be reclassified to profit for the period				
Foreign currency translation differences for the period	51	10	-41	-82
Components that will not be reclassified to profit for the period				
Revaluations of defined benefit pension plans	-	-	-5	-5
Tax attributable to items not to be reversed in profit or loss	-	-	1	1
Other comprehensive income	51	10	-45	-86
Total comprehensive income	277	64	647	434
<i>Attributable to:</i>				
<i>Equity holders of the Parent Company</i>	276	63	645	432
<i>Non-controlling interests</i>	1	1	2	2

Consolidated Balance sheet, Condensed

SEKm	31-Mar-21	31-Dec-20	31-Mar-21
Goodwill	1,113	1,100	1,025
Other intangible non-current assets	895	903	841
Property, plant and equipment	424	434	383
Financial non-current assets	23	20	25
Total non-current assets	2,455	2,457	2,274
Inventories	707	640	520
Current receivables	982	837	738
Cash and cash equivalents	364	216	90
Total current assets	2,053	1,693	1,348
Total assets	4,508	4,150	3,622
Total equity	2,162	1,890	1,509
Interest-bearing provisions	112	110	109
Non-interest-bearing provisions	154	161	134
Non-current interest-bearing liabilities	224	242	190
Non-current non-interest-bearing liabilities	1	1	1
Total non-current liabilities	491	514	434
Non-interest-bearing provisions	10	9	7
Current interest-bearing liabilities	576	564	893
Current non-interest-bearing liabilities	1,269	1,173	779
Total current liabilities	1,855	1,746	1,679
Total equity and liabilities	4,508	4,150	3,622

Statement of change in Group equity

Statement of change in Group equity, SEKm	1 Jan 21 – 31 Mar 21			1 Jan 20 – 31 Dec 20		
	Equity excl. non- controlling interests	Non- controlling interests	Total equity	Equity excl. non- controlling interests	Non- controlling interests	Total equity
Amount at beginning of period	1,882	8	1,890	1,467	9	1,476
Exercised and issued call options	-5	-	-5	58	-	58
Repurchase of treasury shares	-	-	-	-31	-	-31
Disposal of treasury shares	-	-	-	12	-	12
Dividend	-	-	-	-56	-3	-59
Non-controlling interests	-	0	0	-	0	0
Total comprehensive income	276	1	277	432	2	434
Amount at the end of the period	2,153	9	2,162	1,882	8	1,890

Cash flow statement, condensed

Cash flow statement, condensed SEKm	3 months ending		12 months ending	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Dec-20
Profit after financial items	287	69	877	659
Adjustment for items not included in cash flow	103	68	315	280
Income tax paid	-36	-20	-113	-97
Changes in working capital	-170	-37	-25	108
Cash flow from operating activities	184	80	1,054	950
Net investments in non-current assets	-24	-21	-87	-84
Acquisitions and disposals	-6	-66	-285	-345
Cash flow from investing activities	-30	-87	-372	-429
Dividend paid to shareholders	-	-	-57	-57
Exercised and issued call options	-5	-	53	58
Repurchase and disposal of treasury shares	-	-31	12	-19
Other financing activities	-19	26	-399	-354
Cash flow from financing activities	-24	-5	-391	-372
Cash flow for the period	130	-12	291	149
Cash and cash equivalents at beginning of period	216	99	90	99
Exchange differences on cash and cash equivalents	18	3	-17	-32
Cash and cash equivalents at end of the period	364	90	364	216

Key financial indicators

	12 months up until				
	31-Mar-21	31-Dec-20	31-Mar-20	31-Dec-19	31-Dec-18
Net sales, SEKm	5,956	5,273	3,687	3,479	2,482
EBITA, SEKm	1,022	802	341	305	245
EBITA margin, %	17.2%	15.2%	9.2%	8.8%	9.9%
Profit growth, EBITA, %	200%	163%	32%	25%	5%
Return on working capital (P/WC), %	122%	103%	54%	51%	62%
Profit for the period, SEKm	692	520	161	142	129
Return on equity, %	39%	31%	11%	10%	16%
Financial net liabilities, SEKm	548	700	1,102	902	882
Financial net liabilities/EBITDA, multiple	0.5	0.7	2.3	2.1	3.3
Net debt/equity ratio, multiple	0.2	0.4	0.7	0.6	0.9
Equity ratio, %	48%	46%	42%	45%	35%
Average number of employees	1,045	1,004	927	903	620
Number of employees at end of the period	1,128	1,112	1,003	932	873

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

Key ratio definitions can be found [here](#).

Key financial indicators per share

	12 months up until				
	31-Mar-21	31-Dec-20	31-Mar-20	31-Dec-19	31-Dec-18
Earnings per share (EPS), SEK	6.16	4.63	1.43	1.28	1.29
Diluted EPS, SEK	6.14	4.61	1.43	1.28	1.29
Cash flow per share from operating activities, SEK	9.40	8.47	3.39	3.61	1.76
Shareholders' equity per share, SEK	19.14	16.73	13.34	13.07	9.08
Average number of shares after repurchases, '000s	112,207	112,127	112,431	111,083	100,458
Average number of shares adjusted for repurchases and dilution, '000s	112,670	112,652	112,751	111,297	100,458
Number of shares outstanding at end of the period, '000s	112,491	112,487	111,737	112,237	102,586

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

Parent company

The Parent Company's net sales for the interim period amounted to SEK 14m (11) and profit after financial items amounted to SEK 1m (-1). At the end of the interim period, the Parent Company's net financial debt amounted to SEK 223m (726). The share capital at the end of the interim period was SEK 58m (58).

Income statement

SEKm	3 months ending		12 months ending	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Dec-20
Net sales	14	11	44	41
Administrative expenses	-15	-13	-63	-61
Operating profit/loss	-1	-2	-19	-20
Interest income/expenses and similar items	2	1	10	9
Profit/loss after financial items	1	-1	-9	-11
Appropriations	-	-	135	135
Profit/loss before taxes	1	-1	126	124
Income tax expense	0	0	-26	-26
Profit/loss for the period	1	-1	100	98

Balance sheet

Balance sheet, SEKm	31-Mar-21	31-Dec-20	31-Mar-21
Intangible non-current assets	0	0	0
Tangible non-current assets	0	0	0
Non-current financial assets	2,017	2,100	2,146
Total non-current assets	2,017	2,100	2,146
Current receivables	359	343	126
Total current assets	359	343	126
Total assets	2,376	2,443	2,272
Equity	1,230	1,233	1,123
Untaxed reserves	96	96	56
Interest-bearing long-term liabilities	55	76	45
Non-interest-bearing long-term liabilities	1	1	2
Total long-term liabilities	56	77	47
Interest-bearing short-term liabilities	946	987	1,029
Non-interest-bearing short-term liabilities	48	50	17
Total short-term liabilities	994	1,037	1,046
Total equity and liabilities	2,376	2,443	2,272

Fair values on financial instruments

SEKm	31-Mar-21			31-Dec-20		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives measured at fair value through profit or loss	0	0	-	0	0	-
Total financial assets at fair value per level	0	0	-	0	0	-
Derivatives measured at fair value through profit or loss	0	0	-	2	2	-
Contingent considerations	83	0	83	86	-	86
Total financial liabilities at fair value per level	83	0	83	88	2	86

The fair value and carrying amount are recognized in the balance sheet as shown in the table above.

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

Contingent considerations

SEKm	3 months ending		12 months ending	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Dec-20
Carrying amount, opening balance	86	18	31	18
Acquisitions during the period	-	14	58	72
Consideration paid	-6	-	-6	-
Revaluation through profit or loss	-	-	1	1
Reversed through profit or loss	-	-	0	0
Interest expenses	1	-	1	0
Exchange differences	2	-1	-2	-5
Carrying amount, closing balance	83	31	83	86

Pledged assets and contingent liabilities in the Group

SEKm	31-Mar-21	31-Dec-20	31-Mar-20
Contingent liabilities	41	41	43

Reconciliation key ratios

		Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.		
		31-Mar-21	31-Dec-20	31-Mar-20
Return on equity	Profit/loss for the period (roll 12 months)	692	520	161
	Average equity	1,779	1,683	1,480
Return on equity	692/1,779= 39%	520/1,683=31%	161/1,480=11%	
Return on working capital (P/WC)		EBITA in relation to average working capital.		
		31-Mar-21	31-Dec-20	31-Mar-20
EBITA		1,022	802	341
Average working capital (WC)		836	781	632
P/WC	1,022/836=122%	802/781=103%	341/632=54%	
EBITA		Operating profit before amortization of intangible assets.		
		31-Mar-21	31-Dec-20	31-Mar-20
Operating profit (12 months rolling)		889	672	225
Amortization of intangible assets		133	130	116
EBITA	1,022	802	341	
EBITA margin		Operating profit before amortization of intangible assets.		
		31-Mar-21	31-Dec-20	31-Mar-20
EBITA		1,022	802	341
Net sales		5,956	5,273	3,687
EBITA margin	1,022/5,956=17.2%	802/5,273=15.2%	341/3,687=9.2%	

Definitions

EBITA

Operating profit before amortization of intangible assets.

EBITDA

Operating profit before depreciation and amortization

Equity per share

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

Cash flow per share

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

Net debt/equity ratio

Financial net liabilities in relation to shareholders' equity

Earnings per share (EPS)

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

Profit growth EBITA

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

Financial net liabilities

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

Equity ratio

Equity as a percentage of total assets.

The key figures presented above are central in order to understand and evaluate AddLifes business and financial position. The key figures are presented in the "[Key financial indicators](#)" table and they are commented on in other parts of interim report.

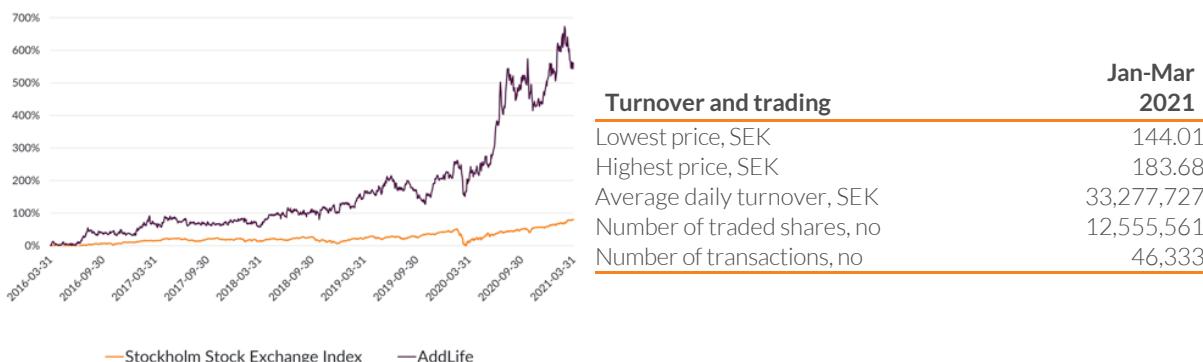
The comparison figures for income and expense items relate to values for the period January–March 2020 and for balance sheet items as at 31 December 2020 if nothing else is stated.

The Share

The share capital at the end of the interim period amounted to SEK 58 million (58).

The number of repurchased own shares amounts to 2,007,149 Class B, corresponding to 1.8 percent of the total number of shares and 1.3 percent of the votes. The average purchase price for shares held in treasury amounts to SEK 52.12 per share. The average number of treasury shares held during the interim period was 2,007,970 (2,332,428). The share price at 31 March 2021 was SEK 157.00 and the most recent price paid for the AddLife share on 27 April 2021 was SEK 213.00.

SHARE DEVELOPMENT IN ADDLIFE



AddLife has three outstanding call option programmes totalling 2,574,000 Class B shares. Issued call options for treasury shares have resulted in a calculated dilution effect based on average share price for the interim period of approximately 0.7 percent (0.3). 880 options from the 2017/2021 program have been exercised during the interim period, corresponding to 3,696 B-shares. The remaining 55,323 options outstanding at the beginning of the interim period 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	Percentage
					Exercise period
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
2018/2022	170,000	714,000	0.6%	56.00	16 Jun 2021 - 28 Feb 2022
Total	635,000	2,574,000			

On 31 March 2021, the number of shareholders amounted to 10,091, where of 56 percent are Swedish owners with respect to capital share. The 10 biggest shareholders controlled 55 percent of number of capital and 64 percent of votes.

Shareholders 2021-03-31	Class A-shares	Class B-shares	Share in %	
			of capital	of votes
Roosgruppen AB	2,156,572	3,893,759	5.28	16.32
Tom Hedelius	2,066,572	23,140	1.83	13.26
Verdipapirfond Odin	0	10,562,084	9.22	6.77
SEB Fonder	0	10,107,137	8.83	6.48
NTC Fidelity Funds Northern Trust	0	8,475,535	7.40	5.43
Swedbank Fonder	0	7,938,201	6.93	5.09
State Street Bank & Trust Company	0	7,263,316	6.34	4.65
J.P. Morgan Chase & Co	0	4,480,196	3.91	2.87
Handelsbanken fonder	0	2,813,121	2.46	1.80
Sandrew AB	0	2,800,000	2.45	1.79
Total the 10 biggest shareholders	4,223,144	58,356,489	54.65	64.46
Other shareholders	391,992	49,519,518	43.60	34.25
Total outstanding shares	4,615,136	107,876,007	98.25	98.71
Repurchased own shares Class B	-	2,007,149	1.75	1.29
Total registered shares	4,615,136	109,883,156	100.00	100.00

Source: Euroclear

Accounting policies

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

Alternative performance measures

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

Transactions with related parties

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

Events after the end of the interim period

On 7 April 2021, AddLife acquired all shares in Vision Ophthalmology Group GmbH (VOG), a leading European distributor and manufacturer in ophthalmology (eye surgery), with operations in Switzerland, Germany, the UK and Poland. VOG has a turnover of approximately EUR 70m and has 190 employees. For more information on the acquisition of VOG, see [Acquisitions](#).

On 12 April 2021, AddLife signed an agreement to acquire all the shares of Healthcare 21 Group, HC21, a leading independent Life Science distributor with operations in Ireland and the UK. HC 21 has sales of approximately EUR 171m and around 450 employees. For more information on the acquisition of HC21, see [Acquisitions](#).

In connection with the acquisitions, additional credit facilities of SEK 2 250m were obtained from Handelsbanken. The credit agreement is for 12 months with an option to extend for up to an additional 24 months.

Two new issues of class B shares were carried out in conjunction with the two acquisitions. The newly issued shares have been used to pay for the acquisitions, in accordance with the mandate given to the Board of Directors at the Annual General Meeting in May 2020. The first issue was carried out on 7 April 2021 and included 3,862,216 class B shares. The first share issue increased AddLife's share capital by SEK 1,966,870.07. The second issue was carried out on 12 April 2021 and included 4,089,742 class B shares. As a result of the second share issue, AddLife's share capital was increased by SEK 2,082,739.85. After the two new issues, the share capital amounts to SEK 62,358,949.47. The total number of shares amounts to 122,450,250, with the number of class A shares unchanged at 4,615,136, while the number of class B shares increased from 109,883,156 to 117,835,114. Shares held in treasury have decreased from 2,007,149 to 507,149 class B shares after 1,500,000 class B shares were used as part of the payment for the shares in Vision Ophthalmology Group.

No other events of significance to the Group occurred after the end of the interim period.

Risks and uncertainties

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

Conference call

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

The teleconference will be at 10:00 a.m. on 28 April 2021

If you wish to participate via teleconference, [please follow this link>>](#)

Or call in (only sound) +46 8 505 376 58 Conferens-ID: 321 695 644#

The presentation is also available on [AddLife YouTube >>](#)

Financial calendar

- The Annual General Meeting (AGM) of AddLife AB (publ) will be held on 5 May 2021, Stockholm
- The interim report for 1 January - 30 June 2021 will be published on 15 July 2021
- The interim report for 1 January - 30 September 2021 will be published on 22 October 2021
- The year-end report for 1 January - 31 December 2021 will be published on 3 February 2022

For further information, please contact:

Kristina Willgård, President and CEO, +46 70 510 12 23

Martin Almgren, CFO, +46 70 228 15 45

This information is information that AddLife AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 7:45 a.m. CET on 28 April, 2021.

AddLife AB (publ), Box 3145, Brunkebergstorg 5, SE-103 62 Stockholm. info@add.life, www.add.life, org.nr. 556995-8126