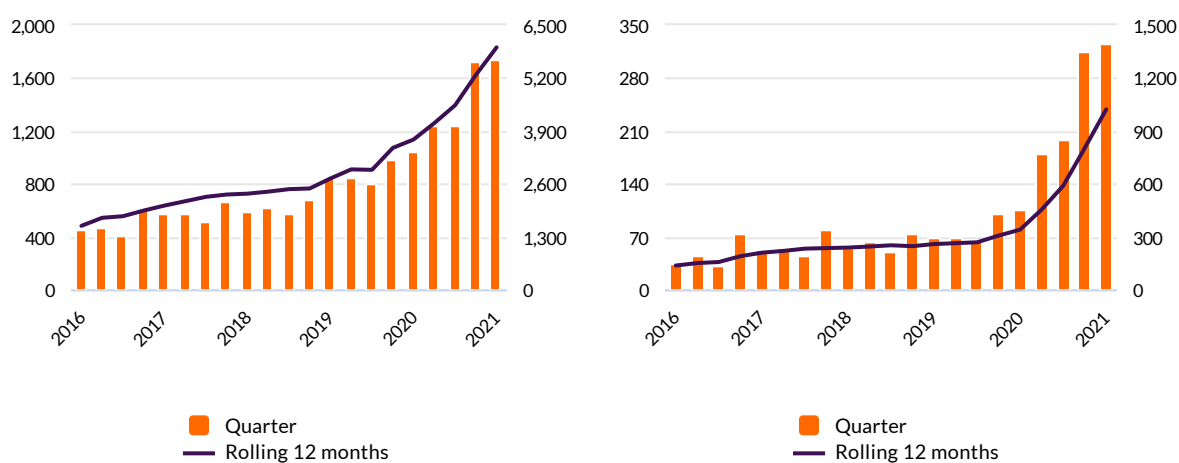


Group development in the quarter

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).



Financial position and cash flow

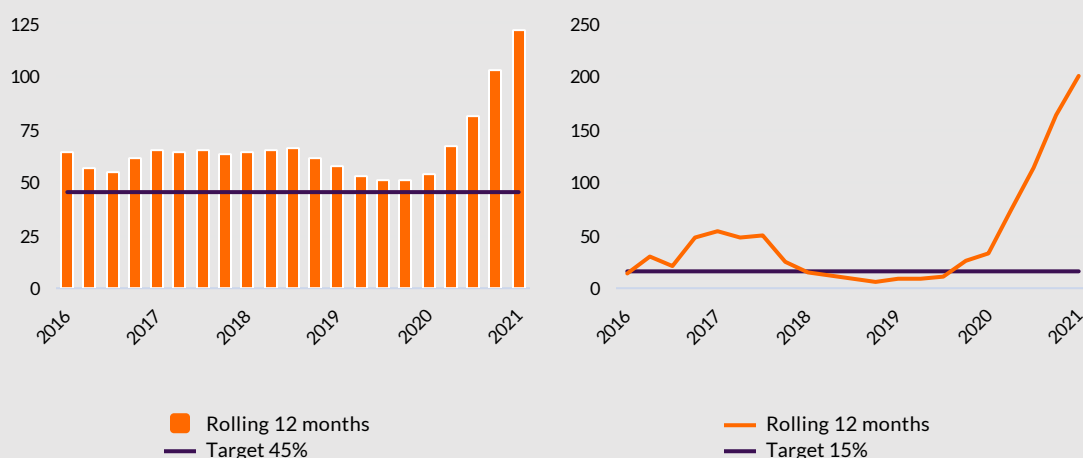
At the end of the interim period, the equity ratio stood at 48 percent (46). Equity per share totalled SEK 19.14 (16.73) and the return on equity at the end of the interim period was 39 percent (31). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 122 percent (103).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

Long term financial goals



Acquisitions

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

Acquisitions	Time	Net Sales, SEKm*	Number of employees*	Business area
EuroClone S.p.A, Italy	January 2020	280	58	Labtech
TechniPro PulvoMed Pty Ltd, Australia	September, 2020	13	5	Medtech
Ropox A/S, Denmark	October, 2020	95	73	Medtech
Dach Medical Group Holding AG, Austria	October, 2020	145	23	Medtech
Zafe Care Systems AB, Sweden	October, 2020	35	21	Medtech
Biomedica Italia s.r.l (SIAD Healthcare), Italy	December, 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).