

Comments by the CEO

The COVID-19 pandemic has not yet released its grip on the way we live, work and socialise. Shutdowns and various restrictions are still a reality. The virus continues to spread and new mutations are detected, though during the quarter the proportion of severely ill people decreased while vaccination rates increased. We probably all have high hopes of returning to a more normal life soon. At AddLife, we continue our work to contribute to health services and improve people's lives in various ways.

Net sales in the second quarter increased by 82 percent to SEK 2,276 million. Growth through acquisitions was 63 percent and organic growth was 22 percent. COVID-19 related sales accounted for SEK 710 million and organic growth excluding COVID-19 amounted to 7 percent. COVID-19 related sales have followed the trend of the spread of the disease and were high in April, but then gradually declined in May and June. EBITA increased by 83 percent to SEK 332 million and EBITA margin amounted to 14.6 percent. Transaction costs, including stamp duty related to acquired shares, of SEK 53 million, has been charged to the result in the quarter. EBITA excluding transaction costs amounted to SEK 385 million with an EBITA margin of 16.9 percent. Accumulated for the entire interim period, sales increased by 74 percent to SEK 4,012 million and EBITA earnings increased by 129 percent to SEK 658 million.

In April, we completed our largest acquisitions to date: Healthcare 21 and Vision Ophthalmology Group. The acquisitions are expected to increase our annual sales by approximately SEK 2.4 billion. The acquired companies belong to the Medtech business area and form separate subgroups with existing management. Extensive efforts are underway to integrate the companies and in June we held the first Vision and Corporate Philosophy courses. The acquisitions entail opportunities to broaden AddLife's network, strengthen our supplier relationships and increase opportunities to sell our own products in new markets.

The acquisitions make AddLife a true European player with more than half of net sales in markets outside the Nordic region. In June, we also set up a subsidiary in Spain to sell our own Medtech products. We will now have access to larger markets, more customers and more segments. All together, our new European base provides enhanced opportunities for continued organic and acquisition-driven growth as a niche Life Science company in Europe. In order to increase our focus on acquisitions, we have strengthened our group management with Ulrika Hellman as Head of M&A.



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The business situation and demand from customers in the second quarter continued to be strongly influenced by the pandemic. Shutdowns in several countries have been eased step by step, thanks to fewer critically ill COVID-19 patients, the pressure on hospital intensive care units has decreased during the quarter. Queues for surgical procedures are long and

the resumption of elective surgery is relatively slow in many countries. We expect health services to further increase their activities after the summer to take care of the patients still waiting for various surgeries.

Demand remained strong in Labtech. Sales of COVID-19 tests in our diagnostics companies for use with previously installed instruments were high. Future volumes will depend on the development of the pandemic and changed testing requirements to gradually restart society. Our research companies also had a strong quarter in terms of sales, since activity related to virus research was high. Demand from pharmaceutical customers not focusing on COVID-19 was stable and sales of our own advanced analytical instruments made good progress during the quarter.

The strong growth in Medtech is driven by our acquisitions and our newly acquired companies delivered fully in line with expectations. The lower activity in all markets regarding various treatments, and especially in terms of elective surgery, was offset in the quarter by sales of other medical devices. Our home care companies reported delays in testing and installing products at customers's site at the beginning of the quarter, but these opportunities have grown with every passing month.

In conclusion, we sum up another successful quarter for AddLife. Our dedicated employees are doing a fantastic job every day. We continue our growth journey through a strong commitment to the vision of improving people's lives!



Kristina Willgård

President and CEO