

Interim Report 1 January – 30 September 2021

Another strong quarter!

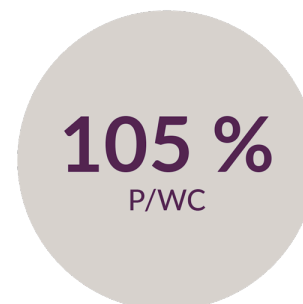
1 JULY – 30 SEPTEMBER 2021 (3 MONTHS)

- Net sales increased by 49 percent to SEK 1,850m (1,241), of which acquired growth amounted to 54 percent. The organic sales decreased by 5 percent, but excluding net sales related to COVID-19, organic growth amounted to 9 percent.
- EBITA increased by 44 percent to SEK 286m (199), corresponding to an EBITA-margin of 15.5 percent (16.1).
- Profit after tax increased by 8 percent to SEK 139m (127).
- Earnings per share amounted to SEK 1.13 (1.14).
- Cash flow from operating activities amounted to SEK 233m (183).
- One acquisition was completed during the quarter, Bio-Connect Group. The acquisition is expected to add annual net sales of SEK 140m.



1 JANUARY – 30 SEPTEMBER 2021 (9 MONTHS)

- Net sales increased by 65 percent to SEK 5,862m (3,542), of which acquired growth amounted to 46 percent. The organic sales was 22 percent, but excluding net sales related to COVID-19, organic growth amounted to 6 percent.
- EBITA increased by 94 percent to SEK 944m (486), corresponding to an EBITA-margin of 16.1 percent (13.7).
- Profit after tax increased by 80 percent to SEK 543m (301).
- Earnings per share amounted to SEK 4.58 (2.69). Earnings per share for the last 12 months amounted to SEK 6.50 (4.63).
- Cash flow from operating activities amounted to SEK 617m (391).
- The equity ratio was 40 percent (46).
- Return on working capital (P/WC) amounted to 105 percent (103).
- Three acquisitions were completed during the interim period, Vision Ophtalmology Group, Healthcare 21 Group and Bio-Connect Group. The acquisitions are expected to add annual net sales of SEK 2,540m.



SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 21	30 Sep 20	change	30 Sep 21	30 Sep 20	change	30 Sep 21	31 Dec 20
Net sales	1,850	1,241	49%	5,862	3,542	65%	7,593	5,273
EBITA	286	199	44%	944	486	94%	1,260	802
EBITA-margin, %	15.5%	16.1%		16.1%	13.7%		16.6%	15.2%
Profit before tax	180	165	8%	704	383	84%	980	659
Profit for the period	139	127	8%	543	301	80%	762	520
Earnings per share before dilution, SEK	1.13	1.14	-1%	4.58	2.69	70%	6.50	4.63
Earnings per share after dilution, SEK	1.13	1.13	0%	4.56	2.68	70%	6.47	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 22 October 2021

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

Or call in (only sound) +46 8 505 376 58 Conferens-ID: : 238 396 409#

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

Comments by the CEO

After almost two years of the COVID-19 pandemic, our communities are starting to re-open. Since the summer, many European countries have fully or partially released restrictions and fewer people are suffering from severe illness. However, the infection rates have after the end of the quarter, once again increased and in many countries discussions are ongoing about new lockdowns and third vaccine doses. After all, it feels more hopeful than in a long time that we will be able to return to a more normal life.

Sales in the third quarter increased by 49 percent to SEK 1,850 million. Acquisitions contributed SEK 672 million to the quarter, corresponding to 54 percent, while organic net sales decreased 5 percent. Adjusted for COVID-19 related sales of SEK 300 million, organic growth was 9 percent.

EBITA increased by 44 percent to SEK 286 million and the EBITA margin amounted to 15.5 percent. Accumulated for the interim period, sales increased by 65 percent to SEK 5,862 million and EBITA rose by 94 percent to SEK 944 million.

The business situation in the third quarter remained favourable, affected by the efforts of the different countries to contain and manage the infection, as the virus has not completely released its grip and the spread of infection has continued through new mutations. However, the pace of vaccination in many countries was high this quarter and a large proportion of adults are now vaccinated. The pressure on intensive care units is gradually easing. The transition in healthcare from the treatment of COVID-19 patients to the resumption of elective surgery is however, taking time and the number of surgeries in the third quarter continued to be at a significantly lower level than normal. Extreme surgery backlogs therefore continued to increase in many European countries. In the aftermath of the pandemic, it is clear how vulnerable the global supply chains are. Several of our companies have challenges with disruptions in deliveries of products from manufacturers due to shortage of raw materials and components as well as increased freight costs.

The growing and aging population in Europe and the long queues for care pose major challenges for healthcare and society in the coming years. To mitigate the economic and social impact of the COVID-19 pandemic, the EU approved huge stimulus packages, "Next Generation EU", including research and health care.



AddLife has established itself as a strong European player in selected niches in 2021. This quarter we continued our European expansion through the acquisition of the Bio-Connect Group to Labtech.

We see the effects of continued research and healthcare initiatives among our customers, with strong sales in Labtech this quarter and it is extremely encouraging to see strong growth in sales of non-COVID-19 related products and services. Despite the slowdown in the spread of infection, our diagnostics companies continued to deliver high volumes of COVID-19 tests on previously installed instruments in the third quarter. Future volumes are entirely dependent on how the spread of disease evolves and the various testing requirements needed to re-open society. We also see that increased funding for virus-related research has led to strong sales for our research companies, while demand from pharmaceutical customers that do not focus on COVID-19 has been more stable.

The strong growth in Medtech was driven by our acquisitions, which delivered as expected. Sales of COVID-19 related products have been limited during the quarter. During the first two months of the quarter, activity was low with respect to various types of treatments, especially in relation to elective surgery, resulting in weaker sales in all markets. Only in September did we see clear signs of a shift away from COVID-19 focused care and a gradual increase in the number of surgical procedures. For homecare companies, customers finally started to re-open, with good sales growth in the quarter.

Acquisitions continued in the quarter

AddLife has established itself as a strong European player in selected niches in 2021. This quarter we continued our European expansion through the acquisition of the Bio-Connect Group to Labtech. Bio-Connect, a distributor active in the Benelux countries within Life Science and Diagnostics, is also full-service provider of niche products in the life sciences. Bio-Connect has a sales of approximately SEK 140 million and 31 employees. The acquisition strengthens our presence in the Benelux countries and opens up opportunities for cooperation with our other companies in Europe that are active in the same product segment.

In 2021, we completed three acquisitions with total expected annual sales of about SEK 2,540 million and we welcomed 671 employees to the Group.

In conclusion, we sum up yet another successful quarter for AddLife. We make a difference and improve people's lives every day through the offerings in our various businesses. We look forward with confidence to the re-opening of society, especially in the healthcare sector!



Kristina Willgård

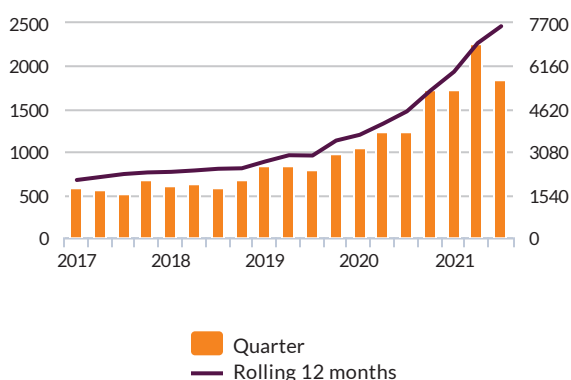
President and CEO

Group development in the quarter

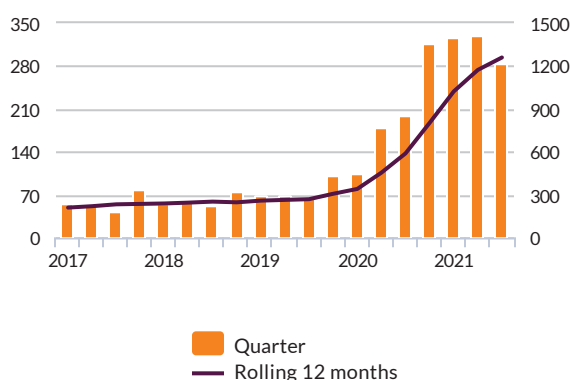
Net sales in the quarter increased by 49 percent to SEK 1,850m (1,241). The organic sales decreased by 5 percent and acquired growth totalled 54 percent. Exchange rate changes had no impact on net sales in the quarter. Net sales related to COVID-19 accounted for SEK 300m (420) and organic growth, excluding COVID-19 amounted to 9 percent. EBITA increased by 44 percent to SEK 286m (199) and EBITA-margin amounted to 15.5 percent (16.1). Exchange rate changes had a positive effect on EBITA, corresponding to SEK 1m.

Net financial items amounted to SEK -27m (-4) and profit after financial items amounted to SEK 180m (165). The increased negative net financial items is due to interest costs related to the acquisitions. Profit after tax for the quarter increased with 8 percent amounting to SEK 139m (127) and the effective tax rate was 23 percent (23).

NET SALES (SEKM)



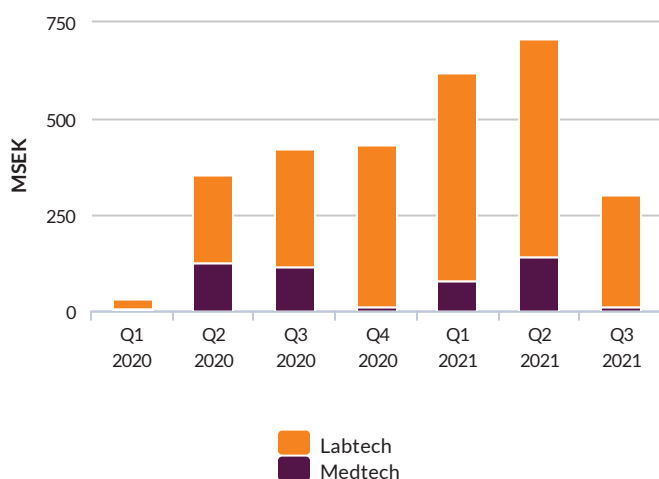
EBITA (SEKM)



Group development in the interim period

Net sales in the interim period increased by 65 percent to SEK 5,862m (3,542). Organic growth was 22 percent and acquired growth totalled 46 percent. Exchange rate changes had a negative impact on net sales of 3 percent, corresponding to SEK 109m. Net sales related to COVID-19 accounted for SEK 1,630m (805) and organic growth, excluding COVID-19 amounted to 6 percent.

COVID-19 RELATED SALES



Throughout the COVID-19 pandemic, AddLife has supplied large volumes of products to the healthcare sector for treatment of COVID-19. Sales since the first quarter of 2020 have varied based on the spread of infection and hospitals' needs to care for critically ill patients.

EBITA increased by 94 percent to SEK 944m (486) and EBITA-margin amounted to 16.1 percent (13.7). Transaction costs amounting to SEK 30m and stamp duty of SEK 24m related to acquired shares is included in the result. EBITA excluding acquisition-related costs amounted to SEK 998m with an EBITA margin of 17.0 percent. The higher margin is due to increased volumes and continued restrained costs. Exchange rate changes had a negative effect on EBITA, corresponding to SEK 18m.

Net financial items amounted to SEK -47m (-11) and profit after financial items amounted to SEK 704m (383). The increased negative net financial items is due to interest costs related to the acquisitions. Profit after tax increased with 80 percent amounting to SEK 543m (301) and the effective tax rate was 23 percent (21). The higher effective tax rate is due to non-deductible transaction related costs connected to the acquisitions.

Financial position and cash flow

At the end of the interim period, the equity ratio stood at 40 percent (46). Equity per share totalled SEK 33.46 (16.73) and the return on equity at the end of the interim period was 28 percent (31). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 105 percent (103). The increase is mainly due to the increased EBITA result but is counteracted by the increased working capital, mainly trade payables.

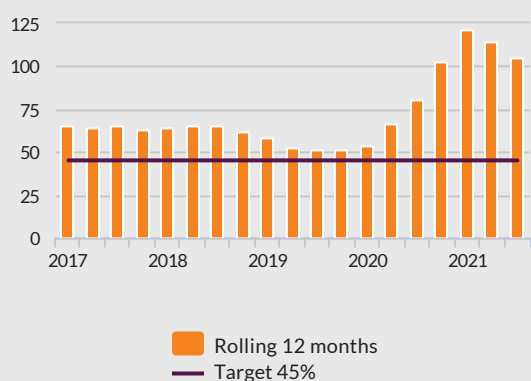
The Group's interest-bearing net debt at the end of the interim period totalled SEK 3,998m (700), including pension liabilities of SEK 77m (81) and leasing liabilities of SEK 331m (233). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions and leasing liability, totalled 1.0 compared to 0.4 at the beginning of the financial period. In connection with the two acquisitions in the second quarter, new loans of SEK 2,250m were taken out. The credit agreement runs for 12 months with an extension option of up to a further 24 months.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 525m (1,006) on 30 September 2021. The decrease is due to the financing of the acquisitions in the interim period.

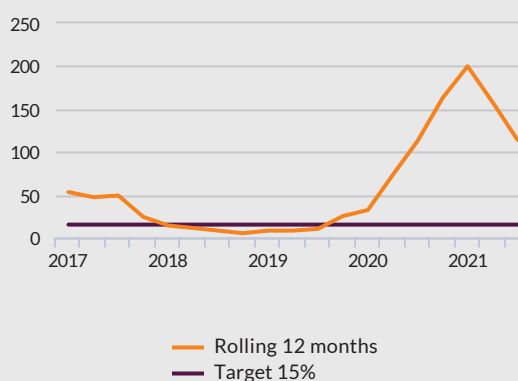
Cash flow from operating activities reached SEK 617m (391) during the interim period. The increase is due to the strong result but is counteracted by large payment of trade payables. Acquisitions of companies amounted to SEK 2,660m (74). Investments in non-current assets during the interim period amounted to SEK 99m (61). Disposals of non-current assets amounted to SEK 6m (6). Repurchase of treasury shares amounted to SEK 0m (31). Exercised, issued and repurchased call options amounted to SEK 12m (40). Dividend paid amounted to SEK 183m (0).

Long term financial goals

PROFITABILITY P/WC (%)



PROFIT GROWTH (%)



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, 2021	80	17	Medtech
Vision Ophthalmology Group GmbH, Germany	April, 2021	700	190	Medtech
Healthcare 21 Group, Ireland	April, 2021	1,700	450	Medtech
Bio-Connect Group, Netherlands	September, 2021	140	31	Labtech
		3,188	868	

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

Three acquisitions were completed during the interim period:

On April 7, 2021, all shares was acquired 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 April 8, 2021 and VOG is consolidated into AddLife from this date. The initial purchase price was EUR 165m, 50 percent of which was paid in cash and 50 percent was paid via existing repurchased and newly issued class B shares. The number of shares issued totalled 5,362,216 class B shares, of which 3,862,216 shares were newly issued class B shares and 1,500,000 class B shares were existing shares held in treasury. An additional cash purchase price of a maximum of EUR 18m may become payable by 2024 at the latest, based on financial results achieved by the business through 2023.

On April 12, 2021, all shares was acquired in Healthcare 21 Group, a leading independent life science distributor with operations in Ireland and the UK, was completed. Access to the shares took place on the same day as the acquisition date and HC21 is consolidated from this date. The initial purchase price was EUR 240m, 74 percent of which was paid in cash, financed through existing and expanded credit facilities, and approximately 26 percent was paid for using 4,089,742 newly issued class B shares in AddLife. An additional cash consideration of a maximum of EUR 5m may become payable to the management by 2024 at the latest, based on the financial results achieved by the business through 2023.

On September 1, 2021, all shares was acquired in Bio-Connect Group, for inclusion in the Labtech business area, with operations in Benelux. Bio-Connect markets and sells a wide-ranging portfolio of leading brands from mainly research-oriented suppliers in Life Science, Diagnostics, Food, Pharma and Veterinary. The company has a turnover of approximately EUR 14 million and 31 employees.

The effect of the acquisitions on the AddLife Group's net sales was SEK 1,157m, on EBITA SEK 131m, on operating profit SEK 42m and on profit after tax for the interim period SEK 8m. Had the acquisitions, been completed on January 1, 2021, their impact would have been approximately SEK 1,888m on net sales, on EBITA SEK 238m and on operating profit SEK 99m and SEK 45m on profit after tax.

The fair value of not yet paid contingent consideration for acquisitions made during the interim period is calculated to SEK 250m, which is approximately 97 percent of the maximum outcome. The outcome depends on the results achieved in the companies and has a set maximum level. An additional contingent consideration of SEK 6m has been paid during the interim period regarding the acquisition of Euroclone during year 2020.

According to the preliminary acquisition analyses, the assets and liabilities included in the acquisitions carried out during the interim period 2021 were as follows:

Fair value	Vision Ophthalmology Group	Healthcare 21 Group	Other acquisitions	Total
Intangible non-current assets	821	890	117	1,828
Other non-current assets	54	163	1	218
Inventories	139	405	2	546
Other current assets	203	267	19	489
Deferred tax liability/tax asset	-163	-157	-23	-343
Other liabilities	-275	-923	-17	-1,215
Acquired net assets	779	645	99	1,523
Goodwill	1,234	2,002	78	3,314
Consideration ¹	2,013	2,647	193	4,853
Less: cash and cash equivalents in acquired businesses	-67	-47	-15	-129
Less: Consideration paid with shares	-1,004	-802	0	-1,806
Contingent consideration not yet paid	-187	-46	-33	-266
Effect on the Group's cash and cash equivalents	755	1,752	145	2,652

¹ The consideration is stated excluding acquisition expenses.

The goodwill resulting from the acquisitions is attributable to expectations that the Group's position in the market in question for each acquisition will grow stronger and to the knowledge accumulated in the companies acquired. Fair value on shares being part of the purchase price has been decided based on average share price during an agreed measurement period. Transaction costs for the acquisitions totalled SEK 54m and are recognised as selling expenses. Revaluation of liabilities for contingent consideration added costs of SEK 6m during the interim period, which is recognised as other operating costs.

Employees

At the end of the interim period, the number of employees was 1,778, compared to 1,112 at the beginning of the financial year. During the interim period, the acquisitions have led to an increase of 671 employees. The average number of employees for the last 12-month period was 1,365 (965).

Labtech

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

As of April 1, 2021, the Biomedica companies are included as a whole in the business area Labtech. The aim is that such an allocation is more consistent with how the companies are monitored internally and will better capture the growth opportunities in the companies. All key financial indicators have been recalculated in accordance with the new breakdown. Previously, the Biomedica companies were distributed with 60 percent in Labtech and 40 percent in Medtech.

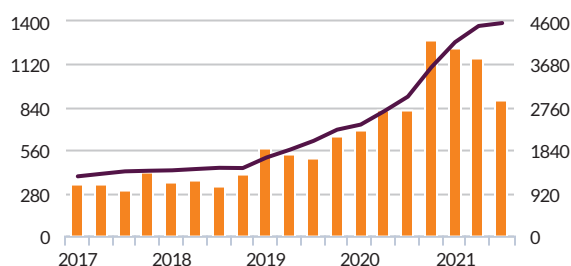


MSEK	3 months ending			9 months ending			12 months ending	
	30 Sep 21	30 Sep 20	change	30 Sep 21	30 Sep 20	change	30 Sep 21	31 Dec 20
Net sales	890	827	8%	3,284	2,336	41%	4,567	3,619
EBITA	194	146	33%	750	349	115%	1,023	622
EBITA-margin, %	21.8%	17.7%		22.8%	14.9%		22.4%	17.2%

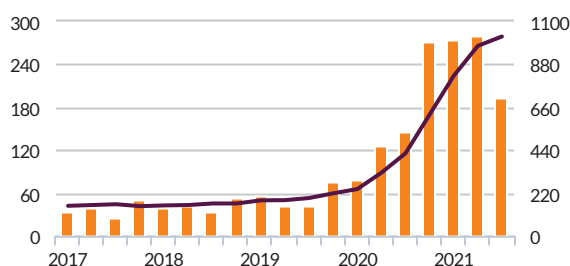
Labtech's net sales increased by 8 percent in the third quarter to SEK 890m (827), where of organic growth was 7 percent and acquired growth was 1 percent. Exchange rate changes had no impact on net sales. Net sales related to COVID-19 accounted for SEK 290m (304) and organic growth, excluding COVID-19 amounted to 14 percent. EBITA increased by 33 percent to SEK 194m (146), corresponding to an EBITA-margin of 21.8 percent (17.7).

Labtech's net sales increased by 41 percent in the interim period to SEK 3,284m (2,336), which is entirely organic growth, however exchange rate changes had a negative impact of 4 percent. Net sales related to COVID-19 accounted for SEK 1,400m (558) and organic growth, excluding COVID-19 amounted to 11 percent. EBITA increased by 115 percent to SEK 750m (349), corresponding to an EBITA-margin of 22.8 percent (14.9).

NET SALES (SEKM)



EBITA (SEKM)



■ Quarter
— Rolling 12 months

■ Quarter
— Rolling 12 months

The positive growth in the Labtech business area continued in the third quarter. As expected, sales of COVID-19-related products decreased in the quarter compared with previous quarters. At the same time, it is very encouraging that customers are starting to engage in other activities, which has resulted in strong organic growth excluding COVID-19. In September, we saw a clear normalisation and the number of physical customer visits increased in all markets. We are now finally able to start introducing new products and solutions to customers for the future.

Sales in our diagnostics companies remained high with respect to PCR tests on previously installed instruments, especially in our companies in Sweden, Denmark and Norway. Future sales of COVID-19 tests are entirely dependent on how the pandemic evolves, new mutations and different testing requirements in society. What is clear, however, is that testing will continue for a long time and become more of a "routine test" in healthcare. Discussions are ongoing in many hospitals on how to diagnose influenza, RS virus and COVID-19 in the future. Sales in the quarter excluding COVID-19-related products have been strong, particularly in areas such as genetics and oncology.

Our research companies also had a strong quarter in terms of sales, with strong demand for products used in gene sequencing of new COVID-19 mutations. However, the focus on COVID-19 is gradually decreasing in several laboratories and demand has therefore increased for the rest of our range of products. Many customers postponed their investment decisions during the pandemic, but we are now seeing increased activity in the market again. Sales of our own advanced instruments continued to be strong in the third quarter, especially in the US, Europe and Asia outside China.

The acquisition of Bio-Connect Group was completed during the quarter. Bio-Connect has an annual net sales of approximately SEK 140m. The acquisition strengthens our presence in the Benelux countries and opens up opportunities for cooperation with our other companies in Labtech.

Medtech

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

As of April 1, 2021, the Biomedica companies are included as a whole in the business area Labtech. The aim is that such an allocation is more consistent with how the companies are monitored internally and will better capture the growth opportunities in the companies. All key financial indicators have been recalculated in accordance with the new breakdown. Previously, the Biomedica companies were distributed with 60 percent in Labtech and 40 percent in Medtech.

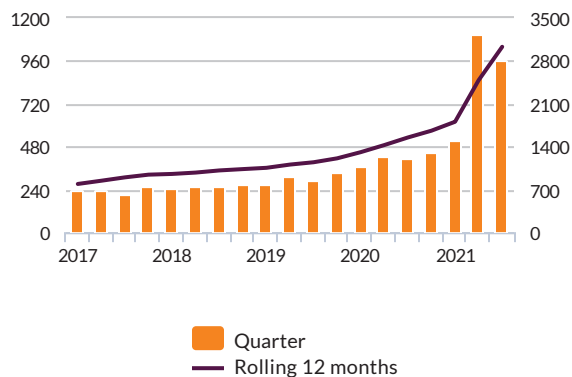


MSEK	3 months ending			9 months ending			12 months ending	
	30 Sep 21	30 Sep 20	change	30 Sep 21	30 Sep 20	change	30 Sep 21	31 Dec 20
Net sales	962	415	131%	2,582	1,210	113%	3,031	1,659
EBITA	95	57	67%	202	147	38%	251	196
EBITA-margin, %	9.9%	13.7%		7.8%	12.1%		8.3%	11.8%

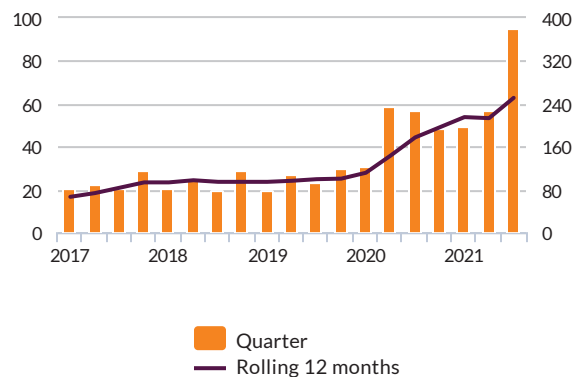
For the quarter, Medtech's net sales increased by 131 percent to SEK 962m (415), of which organic sales decreased by 28 percent and acquired growth was 159 percent. Exchange rate fluctuations had no impact on net sales in the quarter. Net sales related to COVID-19 accounted for SEK 10m (116) and organic growth, excluding COVID-19 is unchanged. EBITA increased by 67 percent to SEK 95m (57) and EBITA margin amounted to 9.9 percent (13.7).

For the interim period, Medtech's net sales increased by 113 percent to SEK 2,582m (1,210), of which organic sales decreased by 20 percent and acquired growth was 135 percent, while exchange rate fluctuations had a negative impact of 2 percent. Net sales related to COVID-19 accounted for SEK 230m (247) and organic sales, excluding COVID-19 decreased with 1 percent. EBITA rose 38 percent to SEK 202m (147) and EBITA margin amounted to 7.8 percent (12.1). Transaction costs of SEK 29m and stamp duty of SEK 24m related to the acquisitions of shares have been charged to the result. EBITA excluding acquisition-related costs amounted to SEK 255m, corresponding to an EBITA margin of 9.9 percent.

NET SALES (SEKM)



EBITA (SEKM)



The strong sales growth in the Medtech business area is mainly driven by the acquisitions of Healthcare 21 Group and Vision Ophthalmology Group, which have developed according to plan. The integration process have continued during the quarter and through the network within the group, cooperation with other AddLife subsidiaries have started.

The transition in healthcare from focusing on COVID-19 patients to other treatments and elective surgery is taking longer than expected in all countries. The number of surgical procedures in the third quarter has remained at a significantly lower level than normal. In July and August, activity was low as usual due to holidays. The situation in Denmark has also been particularly challenging, as nurses went on strike for eight weeks until the end of August. Only in September did we see clear signs of a shift away from COVID-focused care beginning in most countries. We regained access to customers and saw a gradual increase in the number of procedures and surgeries, accompanied by a corresponding increase in sales.

Regarding homecare companies, we can clearly see that customers have, to a great extent, re-opened in the quarter and sales are starting to increase. Our companies get to meet customers again, try out products and install in homes or separate residential facilities. There have also been occasional fairs in Norway where our companies have had the opportunity to showcase their offerings.

Net sales by business area

Quarterly data, SEKm	2021				2020		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	890	1,169	1,225	1,283	827	821	688
Medtech	962	1,108	512	449	415	428	367
Group items	-2	-1	-1	-1	-1	-1	-2
AddLife Group	1,850	2,276	1,736	1,731	1,241	1,248	1,053

EBITA by business area

Quarterly data, SEKm	2021				2020		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	194	280	276	273	146	125	78
Medtech	95	57	50	49	57	59	31
Parent Company and Group items	-3	-5	0	-6	-4	-3	-3
EBITA	286	332	326	316	199	181	106
Depreciation intangible assets	-79	-79	-35	-38	-30	-30	-32
Operating profit	207	253	291	278	169	151	74
Finance income and expenses	-27	-16	-4	-2	-4	-2	-5
Profit after financial items	180	237	287	276	165	149	69

As of April 1, 2021, the Biomedica companies are included as a whole in the business area Labtech. Previously, the Biomedica companies were distributed with 60 percent in Labtech and 40 percent in Medtech. All key financial indicators have been recalculated in accordance with the new breakdown.

Net sales by business area

SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 21	%	30 Sep 20	30 Sep 21	%	30 Sep 20	30 Sep 21	31 Dec 20
Labtech	890	8	827	3,284	41	2,336	4,567	3,619
Medtech	962	131	415	2,582	113	1,210	3,031	1,659
Group items	-2		-1	-4		-4	-5	-5
AddLife Group	1,850	49	1,241	5,862	65	3,542	7,593	5,273

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

SEKm	3 months ending				9 months ending				12 months ending			
	30 Sep 21	%	30 Sep 20	%	30 Sep 21	%	30 Sep 20	%	30 Sep 21	%	31 Dec 20	%
Labtech	194	21.8	146	17.7	750	22.8	349	14.9	1,023	22.4	622	17.2
Medtech	95	9.9	57	13.7	202	7.8	147	12.1	251	8.3	196	11.8
Parent Company and Group items	-3		-4		-8		-10		-14		-16	
EBITA	286	15.5	199	16.1	944	16.1	486	13.7	1,260	16.6	802	15.2
Depreciation intangible assets	-79		-30		-193		-92		-231		-130	
Operating profit	207	11.2	169	13.6	751	12.8	394	11.1	1,029	13.6	672	12.8
Finance income and expenses	-27		-4		-47		-11		-49		-13	
Profit after financial items	180		165		704		383		980		659	

Net sales by revenue type

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	31 Dec 20
<i>Products</i>						
Labtech	687	619	2,678	1,750	3,590	2,662
Medtech	763	358	2,184	1,065	2,596	1,477
Group items	-2	-1	-4	-4	-5	-5
The Group	1,448	976	4,858	2,811	6,181	4,134
<i>Instruments</i>						
Labtech	161	162	473	439	790	756
Medtech	123	57	245	145	280	180
The Group	284	219	718	584	1,070	936
<i>Service</i>						
Labtech	42	46	133	147	187	201
Medtech	76	0	153	0	155	2
The Group	118	46	286	147	342	203
Total	1,850	1,241	5,862	3,542	7,593	5,273

As of April 1, 2021, the Biomedica companies are included as a whole in the business area Labtech. Previously, the Biomedica companies were distributed with 60 percent in Labtech and 40 percent in Medtech. All key financial indicators have been recalculated in accordance with the new breakdown.

Consolidated income statement, condensed

Income statement SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	31 Dec 20
Net sales	1,850	1,241	5,862	3,542	7,593	5,273
Cost of sales	-1,190	-811	-3,785	-2,331	-4,909	-3,455
Gross profit	660	430	2,077	1,211	2,684	1,818
Selling expenses	-359	-188	-1,060	-625	-1,309	-874
Administrative expenses	-94	-64	-265	-184	-354	-273
Research and Development	-7	-5	-25	-16	-33	-24
Other operating income and expenses	7	-4	24	8	41	25
Operating profit	207	169	751	394	1,029	672
Financial income and expenses	-27	-4	-47	-11	-49	-13
Profit after financial items	180	165	704	383	980	659
Tax	-41	-38	-161	-82	-218	-139
Profit for the period	139	127	543	301	762	520
<i>Attributable to:</i>						
<i>Equity holders of the Parent Company</i>	<i>138</i>	<i>126</i>	<i>541</i>	<i>300</i>	<i>759</i>	<i>518</i>
<i>Non-controlling interests</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>1</i>	<i>3</i>	<i>2</i>
Earnings per share (EPS) before dilution, SEK	1.13	1.14	4.58	2.69	6.50	4.63
Earnings per share (EPS) after dilution, SEK	1.13	1.13	4.56	2.68	6.47	4.61
Average number of shares after repurchases, '000s	121,943	112,226	118,564	112,053	116,994	112,127
Number of shares at end of the period, '000	121,952	112,242	121,952	112,242	121,952	112,487
EBITA	286	199	944	486	1,260	802
Depreciations included in operating expenses						
- property, plant and equipment	-51	-34	-142	-105	-181	-144
- intangible non-current assets from acquisitions	-73	-24	-174	-78	-206	-110
- other intangible non-current assets	-6	-6	-19	-14	-25	-20

Statement of comprehensive income

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	31 Dec 20
Profit for the period	139	127	543	301	762	520
Components that may be reclassified to profit for the period						
Foreign currency translation differences for the period	34	0	41	-30	-11	-82
Components that can not be reclassified to profit for the period						
Revaluations of defined benefit pension plans	-	-	6	-	1	-5
Tax attributable to items not to be reversed in profit or loss	-	-	-1	-	0	1
Other comprehensive income	34	0	46	-30	-10	-86
Total comprehensive income	173	127	589	271	752	434
<i>Attributable to:</i>						
<i>Equity holders of the Parent Company</i>	<i>172</i>	<i>126</i>	<i>587</i>	<i>270</i>	<i>749</i>	<i>432</i>
<i>Non-controlling interests</i>	<i>1</i>	<i>1</i>	<i>2</i>	<i>1</i>	<i>3</i>	<i>2</i>

Consolidated balance sheet, Condensed

SEKm	30 Sep 21	31 Dec 20	30 Sep 20
Goodwill	4,427	1,100	1,007
Other intangible non-current assets	2,583	903	783
Property, plant and equipment	610	434	364
Financial non-current assets	26	20	24
Total non-current assets	7,646	2,457	2,178
Inventories	1,173	640	553
Current receivables	1,139	837	792
Cash and cash equivalents	237	216	76
Total current assets	2,549	1,693	1,421
Total assets	10,195	4,150	3,599
Total equity	4,084	1,890	1,754
Interest-bearing provisions	108	110	106
Non-interest-bearing provisions	466	161	118
Non-current interest-bearing liabilities	785	242	179
Non-current non-interest-bearing liabilities	2	1	1
Total non-current liabilities	1,361	514	404
Non-interest-bearing provisions	13	9	7
Current interest-bearing liabilities	3,343	564	605
Current non-interest-bearing liabilities	1,394	1,173	829
Total current liabilities	4,750	1,746	1,441
Total equity and liabilities	10,195	4,150	3,599

Statement of change in Group equity

Statement of change in Group equity, SEKm	1 Jan 21 – 30 Sep 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
Non-cash issue	1,524	-	1,524	-	-	-
Exercised and issued call options	-12	-	-12	58	-	58
Repurchase of treasury shares	-	-	-	-31	-	-31
Disposal of treasury shares	281	-	281	12	-	12
Dividend	-183	-5	-188	-56	-3	-59
Non-controlling interests	-	0	0	-	0	0
Total comprehensive income	587	2	589	432	2	434
Amount at the end of the period	4,079	5	4,084	1,882	8	1,890

Cash flow statement, condensed

Cash flow statement, condensed SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	31 Dec 20
Profit after financial items	179	165	704	383	980	659
Adjustment for items not included in cash flow	105	81	342	229	393	280
Income tax paid	-40	-20	-147	-52	-192	-97
Changes in working capital	-11	-43	-282	-169	-5	108
Cash flow from operating activities	233	183	617	391	1,176	950
Net investments in non-current assets	-29	-20	-93	-55	-122	-84
Acquisitions and disposals	-146	-8	-2,660	-74	-2,919	-333
Cash flow from investing activities	-175	-28	-2,753	-129	-3,041	-417
Dividend paid to shareholders	-	-	-183	-	-240	-57
Exercised and issued call options	-7	8	-12	40	6	58
Repurchase of treasury shares	-	-	-	-31	-	-31
Borrowings	-9	-120	2,669	-208	3,142	265
Repayments on loans	-1	-1	-237	-10	-841	-614
Other financing activities	-34	-20	-95	-70	-30	-5
Cash flow from financing activities	-51	-133	2,142	-279	2,037	-384
Cash flow for the period	7	22	6	-17	172	149
Cash and cash equivalents at beginning of period	224	54	216	99	76	99
Exchange differences on cash and cash equivalents	6	0	15	-6	-11	-32
Cash and cash equivalents at end of the period	237	76	237	76	237	216

Key financial indicators

	12 months up until				
	30 Sep 21	31 Dec 20	30 Sep 20	31 Dec 19	31 Dec 18
Net sales, SEKm	7,593	5,273	4,530	3,479	2,482
EBITA, SEKm	1,260	802	588	305	245
EBITA margin, %	16.6%	15.2%	13.0%	8.8%	9.9%
Profit growth, EBITA, %	114%	163%	113%	25%	5%
Return on working capital (P/WC), %	105%	103%	81%	51%	62%
Profit for the period, SEKm	762	520	348	142	129
Return on equity, %	28%	31%	22%	10%	16%
Financial net liabilities, SEKm	3,998	700	814	902	882
Financial net liabilities/EBITDA, multiple	2.8	0.7	1.1	2.1	3.3
Net debt/equity ratio, multiple	1.0	0.4	0.4	0.6	0.9
Equity ratio, %	40%	46%	49%	45%	35%
Average number of employees	1,365	1,004	965	903	620
Number of employees at end of the period	1,778	1,112	988	932	873

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

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

Key financial indicators per share

	12 months up until				
	30 Sep 21	31 Dec 20	30 Sep 20	31 Dec 19	31 Dec 18
Earnings per share (EPS), SEK	6.50	4.63	3.13	1.28	1.29
Diluted EPS, SEK	6.47	4.61	3.12	1.28	1.29
Cash flow per share from operating activities, SEK	10.05	8.47	5.06	3.61	1.76
Shareholders' equity per share, SEK	33.46	16.73	15.54	13.07	9.08
Average number of shares after repurchases, '000s	116,994	112,127	112,099	111,083	100,458
Average number of shares adjusted for repurchases and dilution, '000s	117,547	112,652	112,434	111,297	100,458
Number of shares outstanding at end of the period, '000s	121,952	112,487	112,242	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 38m (32) and loss after financial items amounted to SEK -11m (-1). At the end of the interim period, the Parent Company's net financial debt amounted to SEK 3,139m (407). The share capital at the end of the interim period was SEK 62m (58).

Income statement

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	31 Dec 20
Net sales	12	11	38	32	47	41
Administrative expenses	-16	-13	-48	-41	-68	-61
Operating profit/loss	-4	-2	-10	-9	-21	-20
Interest income/expenses and similar items	-15	2	-1	8	0	9
Profit/loss after financial items	-19	0	-11	-1	-21	-11
Appropriations	-	-	-	-	135	135
Profit/loss before taxes	-19	0	-11	-1	114	124
Income tax expense	3	0	2	0	-24	-26
Profit/loss for the period	-16	0	-9	-1	90	98

Balance sheet

Balance sheet, SEKm	30 Sep 21	31 Dec 20	30 Sep 20
Intangible non-current assets	0	0	0
Tangible non-current assets	0	0	0
Non-current financial assets	6,742	2,100	2,125
Total non-current assets	6,742	2,100	2,125
Current receivables	213	343	191
Total current assets	213	343	191
Total assets	6,955	2,443	2,316
Restricted equity	62	58	58
Unrestricted equity	2,772	1,175	1,101
Total equity	2,834	1,233	1,159
Untaxed reserves	96	96	56
Interest-bearing long-term liabilities	165	76	75
Non-interest-bearing long-term liabilities	1	1	0
Total long-term liabilities	166	77	75
Interest-bearing short-term liabilities	3,831	987	1,008
Non-interest-bearing short-term liabilities	28	50	18
Total short-term liabilities	3,859	1,037	1,026
Total equity and liabilities	6,955	2,443	2,316

Fair values on financial instruments

SEKm	30 Sep 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	-
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	339	-	339	86	-	86
Total financial liabilities at fair value per level	339	0	339	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 essentially correspond to the carrying amount.

Contingent considerations

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 21	30 Sep 20	30 Sep 21	30 Sep 20	30 Sep 21	31 dec 20
Carrying amount, opening balance	297	31	86	18	31	18
Acquisitions during the period	34	-	247	14	305	72
Consideration paid	-	-	-6	-	-6	-
Revaluation through profit or loss	4	-	6	-	7	1
Reversed through profit or loss	-	-	-	-	0	0
Interest expenses	2	-	5	-	5	0
Exchange differences	2	-	1	-1	-3	-5
Carrying amount, closing balance	339	31	339	31	339	86

Pledged assets and contingent liabilities in the Group

SEKm	30 Sep 21	31 Dec 20	30 Sep 20
Contingent liabilities	41	41	43

Reconciliation key ratios

Return on equity	Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.		
	30 Sep 21	31 Dec 20	30 Sep 20
Profit/loss for the period (roll 12 months)	762	520	350
Average equity	2,755	1,683	1,605
Return on equity	762/2,755=28%	520/1,683=31%	350/1,605=22%

Return on working capital (P/WC)	EBITA in relation to average working capital.		
	30 Sep 21	31 Dec 20	30 Sep 20
EBITA	1,260	802	588
Average working capital (WC)	1,203	781	728
P/WC	1,260/1,203=105%	802/781=103%	588/728=81%

EBITA	Operating profit before amortization of intangible assets.		
	30 Sep 21	31 Dec 20	30 Sep 20
Operating profit (12 months rolling)	1,029	672	467
Amortization of intangible assets	231	130	121
EBITA	1,260	802	588

EBITA margin	Operating profit before amortization of intangible assets.		
	30 Sep 21	31 Dec 20	30 Sep 20
EBITA	1,260	802	588
Net sales (12 months rolling)	7,593	5,273	4,530
EBITA margin	1,260/7,593=16.6%	802/5,273=15.2%	588/4,530=13.0%

Definitions

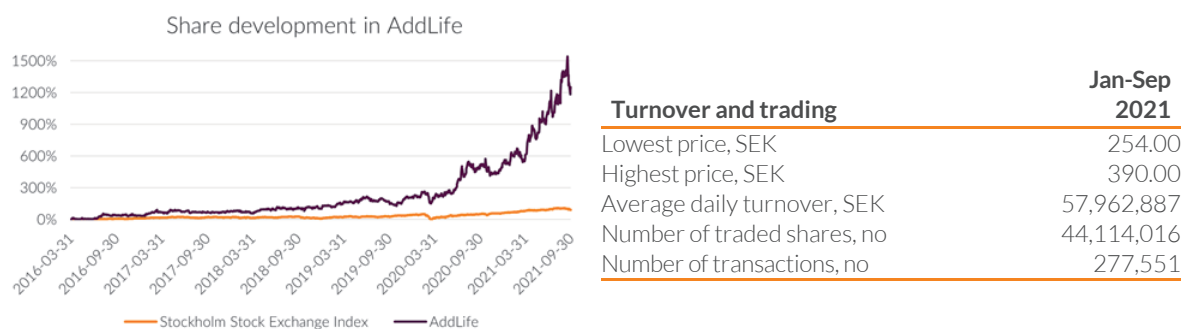
EBITA	Operating profit before amortization of intangible assets.
EBITDA	Operating profit before depreciation and amortization
Equity per share	Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period
Cash flow per share	Cash flow from operating 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.
COVID-19 related sales	Big orders of PPE and COVID-19 tests

The key figures presented above are central in order to understand and evaluate AddLife's 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. For additional information regarding chosen key ratios, please refer to AddLife's annual report 2020. The comparison figures for income and expense items relate to values for the period January–September 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 62 million (58).

The number of repurchased own shares amounts to 498,749 Class B, corresponding to 0.4 percent of the total number of shares and 0.3 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 1,029,367 (2,271,999). The share price at 30 September 2021 was SEK 321.20 and the most recent price paid for the AddLife share on 21 October 2021 was SEK 343.00.



AddLife has four outstanding call option programmes totalling 2,128,690 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 0.5 percent (0.4). 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. 2,000 share options from the 2018/2022 program have been exercised during the interim period corresponding to 8,400 B-shares and 163,550 options were repurchased at a price corresponding to market value.

Outstanding programmes	Number of warrants	Corresponding number of shares	Percentage of total number of shares	Exercise price	Exercise period
2021/2025	250,000	250,000	0.2%	259.0	10 Jun 2024 - 28 Feb 2025
2020/2024	250,000	1,000,000	0.9%	98.40	19 Jun 2023 - 28 Feb 2024
2019/2023	215,000	860,000	0.8%	76.60	20 Jun 2022 - 28 Feb 2023
2018/2022	4,450	18,690	0.0%	56.00	16 Jun 2021 - 28 Feb 2022
Total	719,450	2,128,690			

On 30 September 2021, the number of shareholders amounted to 13,686, where of 56 percent are Swedish owners with respect to capital share. The 10 biggest shareholders controlled 53 percent of number of capital and 63 percent of votes.

Shareholders 2021-09-30	Class A-shares	Class B-shares	Share in %	
			of capital	of votes
Roosgruppen AB	2,160,604	2,724,727	3.99	14.84
Tom Hedelius	2,066,572	23,140	1.71	12.62
State Street Bank & Trust Company	0	11,472,618	9.37	7.00
SEB Fonder	0	11,198,949	9.14	6.83
Swedbank Fonder	0	8,880,447	7.25	5.42
Verdipapirfond Odin	0	8,713,921	7.11	5.31
NTC Fidelity Funds Northern Trust	0	5,932,164	4.84	3.62
Handelsbanken fonder	0	5,393,279	4.40	3.29
CBNY-Fidelity over	0	3,173,372	2.59	1.94
Sandrew AB	0	2,800,000	2.29	1.71
Total the 10 biggest shareholders	4,227,176	60,312,617	52.69	62.58
Other shareholders	387,960	57,023,748	46.90	37.12
Total outstanding shares	4,615,136	117,336,365	99.59	99.70
Repurchased own shares Class B	-	498,749	0.41	0.30
Total registered shares	4,615,136	117,835,114	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 30 September, 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. For additional information regarding chosen key ratios, please refer to AddLife's annual report 2020. 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.

Nomination committee

The 2021 Annual General Meeting authorised the Board Chairman to establish a nomination committee for upcoming elections to the Board, by appointing members from among representatives of the five shareholders who controlled the largest number of votes in the Company at 30 September 2021, to serve with the Chairman on the nomination committee. In accordance with the above, the Committee comprises these appointed members: Johan Sjö, (Chairman of the Board), Stefan Hedelius (appointed by Tom Hedelius), Håkan Roos (appointed by RoosGruppen AB), Hans Christian Bratterud (appointed by Odin Fonder), Christoffer Geijer (appointed by SEB Investment Management) and Celia Grip (appointed by Swedbank Robur Fonder). Information on how to contact the Nomination Committee is available on the AddLife website, www.add.life/en/investors/

Events after the end of the interim period

No 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.

Review report

AddLife AB (publ)

Corp. id 556996-8126

Introduction

We have reviewed the condensed interim financial information (interim report) of AddLife AB (publ) as of 30 September 2021 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 22 October 2021

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant
Auditor in charge

KPMG AB

Jonas Eriksson
Authorized Public Accountant

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 22 October 2021

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

Or call in (only sound) +46 8 505 376 58 Conferens-ID: : 238 396 409#

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

Financial calendar

- The year-end report for 1 January - 31 December 2021 will be published on 4 February 2022
- The interim report for 1 January - 31 March 2022 will be published on 28 April 2022
- The Annual General Meeting (AGM) of AddLife AB (publ) will be held on 5 May 2022, 4 PM, Stockholm
- The interim report for 1 January - 30 June 2022 will be published on 15 July 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 22 October, 2021.

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