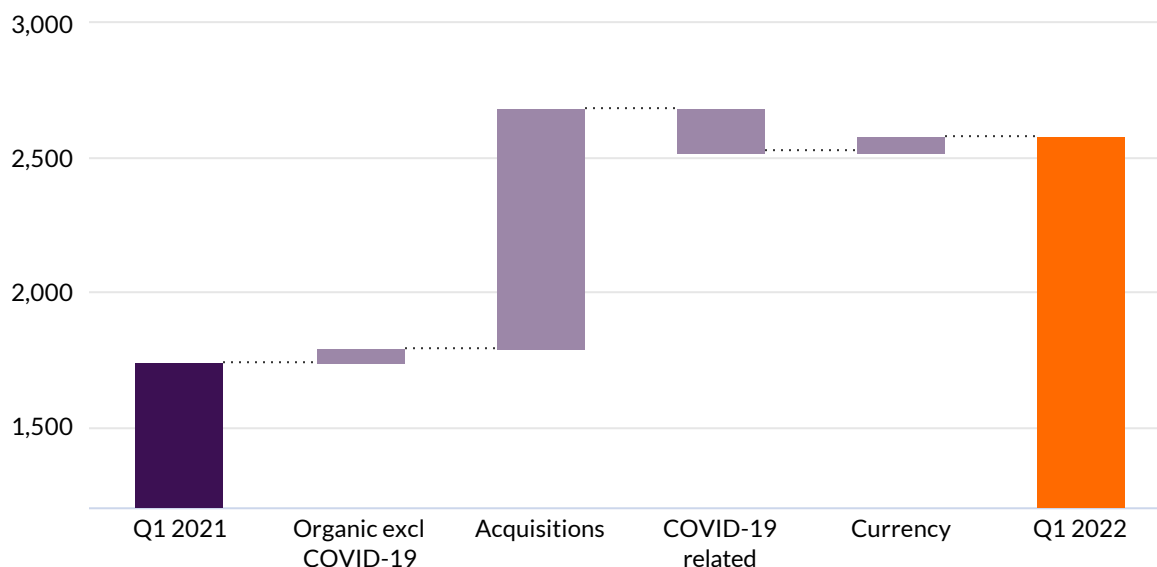
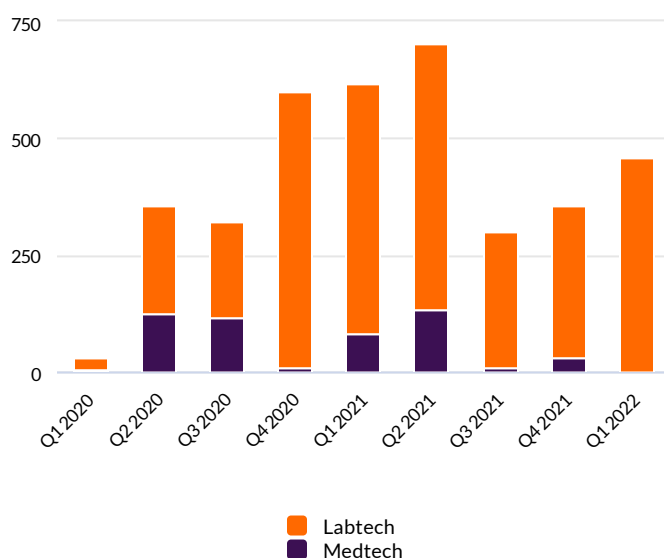


## Group development in the quarter

Net sales in the quarter increased by 49 percent to SEK 2,579m (1,736). The organic sales decreased by 6 percent and acquired growth totalled 51 percent. Exchange rate changes had a positive impact of 4 percent on net sales in the quarter.

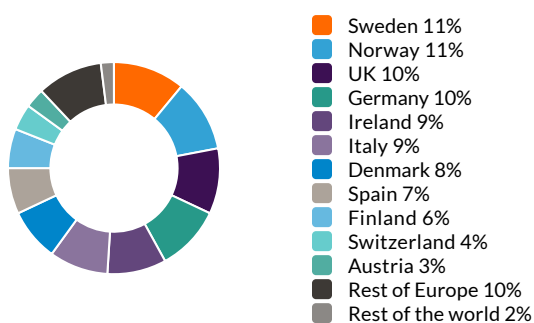


Net sales related to COVID-19 accounted for SEK 459m (620) and organic growth, excluding COVID-19 amounted to 5 percent. EBITA increased by 34 percent to SEK 435m (326) and EBITA-margin amounted to 16.9 percent (18.8). Exchange rate changes had a positive effect on EBITA, corresponding to SEK 12m.



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 restrictions in our societies.

Net financial items amounted to SEK -49m (-4) and profit after financial items amounted to SEK 289m (287). The increased negative net financial items is due to interest costs related to the acquisitions and exchange rate fluctuations. Profit after tax for the quarter decreased marginally to SEK 225m (226) and the effective tax rate was 22 percent (21).



Sales in the Nordic markets amounted to 36 percent of total net sales compared to 49 percent last year (full year 2021). The change in geographical markets is due to the acquisitions in Europe during 2021-2022.

The war in Ukraine has not had a significant economic impact on the financial reports, but it can not be ruled out that this will happen in the future. We follow market developments closely, where we notice rising inflation, higher raw material and shipping costs and greater uncertainty about interest rate developments.

## Financial position and cash flow

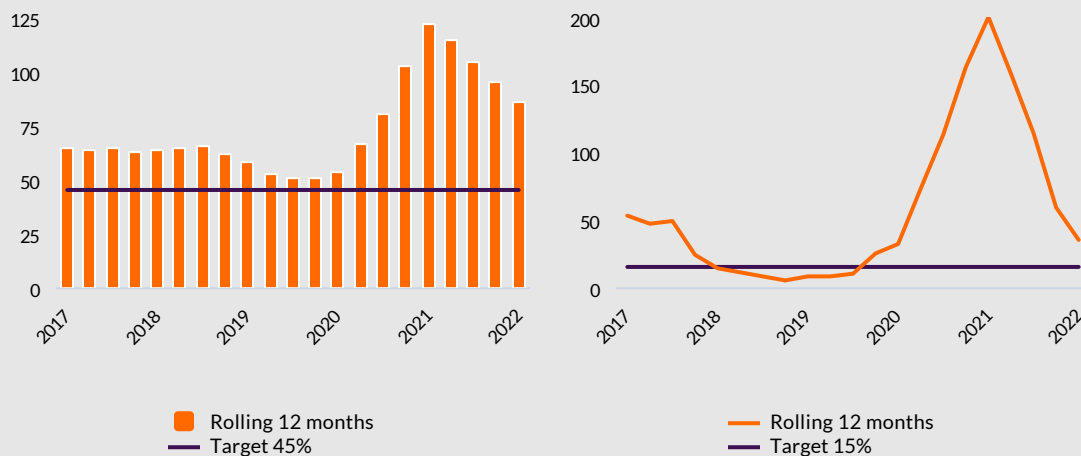
At the end of the quarter, the equity ratio stood at 37 percent (40). Equity per share totalled SEK 37,35 (35,14) and the return on equity at the end of the quarter was 19 percent (22). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 86 percent (95). The slight decrease is mainly due to a relatively higher working capital, due to acquisitions.

The Group's interest-bearing net debt at the end of the quarter totalled SEK 4,983m (3,870), including pension liabilities of SEK 81m (82) and leasing liabilities of SEK 372m (339). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions and leasing liability, totalled 1.0 compared to 0.9 at the beginning of the interim period. In connection with the accession of MBA Incorporado S.L, new loans of EUR 98.5m were taken out, whereof EUR 39.5m were used for debt settlement. 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 844m (674) on 31 March 2022.

Cash flow from operating activities reached SEK 332m (184) during the quarter. The change is mainly due to an improved result adjusted for depreciation and amortisation and reduced capital tied up in working capital compared with previous year. Acquisitions of companies amounted to SEK 501m (6). Investments in non-current assets during the quarter amounted to SEK 60m (24). The increase is attributable to investments in instruments for rental to customers. Disposals of non-current assets amounted to SEK 3m (1). Repurchase of treasury shares amounted to SEK 49m (0). Exercised, issued and repurchased call options amounted to SEK 0m (5).

## Long term financial goals



## Acquisitions

Acquisitions completed from the 2021 financial year are distributed among the Group's business areas as follows:

Acquisitions	Time	Net Sales, SEKm*	Number of employees*	Business area
AddVision, 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
Fischer Medical ApS, Denmark	November, 2021	60	12	Medtech
Camanio AB, Sweden	December, 2021	13	18	Medtech
MBA Incorporado S.L, Spain	January, 2022	670	285	Medtech
Business from Telia Health Monitoring, Sweden	March, 2022	4	8	Medtech
		<b>3,287</b>	<b>994</b>	

Acquisitions after the end of the interim period	Time	Net Sales, SEKm*	Number of employees*	Business area
O'Flynn Medical Ltd, Ireland	April, 2022	64	36	Medtech
BioCat GmbH, Germany	April, 2022	90	20	Labtech
		<b>154</b>	<b>56</b>	

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

Two acquisitions were completed during the quarter:

On December 20, 2021, an agreement was signed to acquire the operations from Telia Health Monitoring to the Medtech business area. Telia Health Monitoring develop and provides a digital platform solution that enables self-monitoring by patients with chronic diseases. Access took place on March 1, 2022 and the business, with sales of SEK 4m, and its 8 employees, have been integrated into Camanio.

On December 22, 2021, an agreement was signed to acquire all the shares in MBA Incorporate S.L, a leading Spanish orthopaedic and trauma surgery business. MBA is acquired from Atlanta Private Equity, which owns approximately 75 percent, and a number of minority shareholders, which own 25 percent. The final purchase price amounts to a total of EUR 59 million after debt settlement and is financed through extended credit facilities. MBA will operate as a separate

subgroup and will be part of the Medtech business area. The acquisition was completed and the shares accessed on January 20, 2022. MBA has annual net sales of approximately SEK 670m and 285 employees.

The effect of the acquisitions completed during the quarter on the AddLife Group's net sales was SEK 195m, on EBITA SEK 39m, on operating profit SEK 29m and on profit after tax for the interim period SEK 20m.

According to the preliminary acquisition analyses, the assets and liabilities included in the acquisitions carried out during the financial year 2022 were as follows:

<b>Fair value</b>	<b>Total</b>
Intangible non-current assets	450
Other non-current assets	418
Inventories	261
Other current assets	397
Deferred tax liability/tax asset	-101
Other liabilities	-1,053
Acquired net assets	372
Goodwill	275
Consideration <sup>1</sup>	647
Less: cash and cash equivalents in acquired businesses	-175
Contingent consideration not yet paid	-
<b>Effect on the Group's cash and cash equivalents</b>	<b>472</b>

<sup>1</sup> 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. Transaction costs for the acquisitions totalled SEK 4m and are recognised as selling expenses. Revaluation of liabilities for contingent consideration added costs of SEK 4m during the quarter, which is recognised as other operating costs. An additional contingent consideration of SEK 31m has been paid during the quarter regarding the acquisition of Euroclone and Ropox during year 2020.

## Employees

At the end of the quarter, the number of employees was 2,119, compared to 1,802 at the beginning of the financial year. During the quarter, the completed acquisitions have led to an increase of 293 employees. The average number of employees for the last 12-month period was 1,772 (1,548).