ANNUAL REPORT 2022

www.add.life

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A leading player in Life Science

AddLife is a listed Swedish Medtech company active on the European market. AddLife owns and acquires companies in niche segments with offerings aimed primarily at the healthcare sector, from research to medical care.

The Group's entrepreneur-driven subsidiaries offer high-quality, cost-effective solutions and products to both the private and public sectors. The product portfolio consists partly of self-manufactured products and partly of products made by other manufacturers. The service portfolio includes advisory service, product service and training in all markets where the subsidiaries operate. With this approach AddLife creates added value for customers throughout Europe and builds long-term growth for the group. AddLife currently has a presence in approximately 30 countries in Europe.

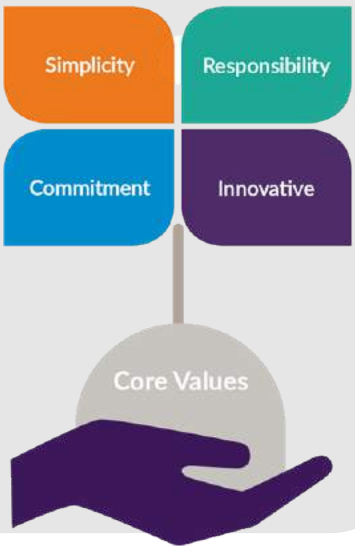
Quick guide to AddLife

- Operates in the European Life Sciences market
- Develops and acquires profitable, market-leading, niche companies with offerings aimed primarily at the healthcare sector, from research to medical care
- Deploys an entrepreneur-driven organisational model with subsidiaries that operate as independent businesses.
- The subsidiaries are divided into two business areas, Labtech and Medtech
- The AddLife share is listed on NASDAQ Stockholm, Nordic Large Cap list

VISION
To improve people's lives by being a leading, value-creating player in Life Science

MISSION
AddLife provides added value to its customers who are active in the healthcare sector, from research to medical care. This is done by offering high-quality, cost-effective solutions of services and products to both the private and public sectors in Europe

CORE VALUES
AddLife's core values are: Simplicity – Responsibility – Commitment – Innovative. AddLife's success is built on a well-supported corporate culture throughout the group. The group's core values governs AddLife's entrepreneurial business model.



THE YEAR IN SHORT

AddLife 2022

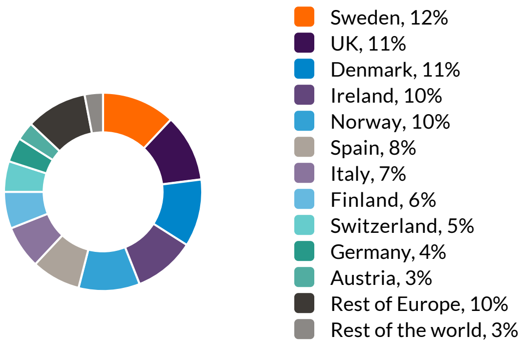
The acquisitions of recent years have established AddLife as a European player with operations in multiple niches and geographic markets. 2022 has been a year of change where our companies have demonstrated their ability to take action and continuously adapt to changing market conditions. The companies have proven to be reliable and competent partners that offer customers high delivery reliability even in times of major changes and uncertainty in deliveries and logistics flows. In summary, growth amounted to 14%, of which 4% was organic (excluding COVID-19).

14 %
SALES GROWTH

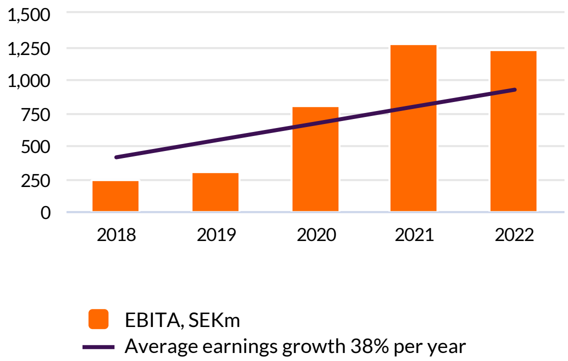
9,084	**1,221**	**909**
NET SALES SEKm	EBITA SEKm	OPERATING CASH FLOW SEKm

As expected, COVID-19-related sales have decreased significantly during the year and have been replaced by acquired growth within Medtech. The COVID-19-related sales had good margins because the additional volumes could be handled by the existing organization without increased costs, while our new acquisitions deliver more normal margins.

ADDLIFE NET SALES BY MARKET 2022



EARNINGS GROWTH



The business situation in all markets has been changing throughout the year as the pandemic has subsided. The Labtech companies delivered large amounts of COVID-19 related products at the beginning of the year. In the second half of the year, the effects of the pandemic decreased and regular operations drove growth. The increase in turnover within Medtech is mainly driven by the acquisitions of recent years, which have positioned AddLife well to support customers to meet the large healthcare backlog that has accumulated during the pandemic.

LABTECH

3,880

NET SALES SEKm

MEDTECH

5,210

NET SALES SEKm

COMMENTS BY THE CEO

AddLife has strengthened its position during 2022 and ends the year in a positive trend

AddLife ended the year with strengthened positions in the market and in a positive trend. During the year, acquisitions contributed strongly to growth and organic growth also increased in both business areas during the fourth quarter. The company delivered stable cash flow during the year. Profitability improved in the Medtech business area, which, unlike our other business area Labtech did not have major positive effects from the pandemic in the previous year. AddLife is well positioned for the market situation after the pandemic and our companies will be able to meet increasing demand in growing segments such as planned surgery, diagnostics, research and development in cell biology, as well as home care.

Leading European player with attractive positions in a stable and growing market
In recent years, AddLife has developed from a Nordic company in a few niches to a leading European player with operations in about 30 countries. The business model continues to be based on taking leading positions in selected niches. Today, we operate in a larger number of niches and geographical markets, which provides additional stability and growth potential. Market growth is good in our selected niches, driven by long-term societal trends such as an aging population and new and more efficient technologies. The market position, combined with close and long-term customer relationships, provides stable and growing demand that is relatively unaffected by economic developments and other external factors.

Companies well positioned for the market situation post pandemic
Our companies have demonstrated agility and action orientation during the pandemic and have been able to help customers meet a very high demand for COVID-19 related products while also managing significant challenges in the supply chain. The companies have proven themselves as reliable suppliers and partners during challenging times, and customer relationships have thus been strengthened. Significant additional volumes have been handled in the existing organization, which has been positive for margins but also shows capacity for future growth.

During 2022, we have been able to see the effects of the pandemic gradually diminish and at the end of the year, the healthcare system has returned to more normal operations. With this normalization, the focus in healthcare shifts to elective surgery that has been postponed during the pandemic and where a healthcare backlog has been built up with many patients on waiting lists for surgical procedures. AddLife has made significant acquisitions in surgical market segments over the past two years, and at the end of 2022, we have now, as expected, seen a clear increase in demand for products related to these procedures. Healthcare systems in large parts of Europe are suffering from a shortage of personnel, which means that it will not be possible to eliminate the backlog in the short term, but the waiting lists are expected to gradually decrease over a longer period with a larger number of completed surgical procedures.

The shortage of personnel in healthcare increases interest in efficiency-enhancing products, services, digital solutions, and home care, also an area where AddLife has positioned itself for growing demand. The pandemic has also driven increased awareness of new technologies and a larger installed base of diagnostic instruments, which is expected to have a positive effect on demand.

Strengthened organization
With recent acquisitions, AddLife has gained access to many new growth opportunities and has also added new experienced and competent international teams in the different companies. In order to capture the potential for organic growth and profitability improvements, facilitating collaborations between the companies as well as making new acquisitions, AddLife has developed and strengthened the organization within the Medtech business area where the largest acquisitions have been completed. New leading roles have been filled by international and operationally experienced personnel from companies within the group, which is in line with our culture and entrepreneurial, decentralized model.

Acquisitions, strategy, and future
In 2022, AddLife completed five acquisitions, all of which are well aligned with our business model and culture. These acquisitions have further strengthened our position in niche segments with good growth prospects including surgery, homecare and biomedical & research. During the year, analysis and prioritization of segments and geographies for future acquisitions have also been carried out.

AddLife will continue to have a clear focus on profitable niches where the group has leading positions based on a strong product offering combined with value-creating service and, increasingly, digital solutions. AddLife's profit growth (EBITA) should in the long term amount to 15 percent per year, and this should be achieved through a combination of organic and acquired growth. Since AddLife was listed on the stock exchange, we have had an average profit growth of approximately 38 percent per year.

The highest priority in the short term is to capture all the organic growth opportunities that have emerged with the recent acquisitions and to drive the activities implemented within the companies to increase profitability and cash flow. An important goal is to reduce debt while working proactively and long-term to develop our pipeline of acquisition candidates in selected niches.

In line with AddLife's long-term and historically successful model, the focus is mainly on making smaller or medium-sized acquisitions that can be added to existing operations and platforms that have recently been acquired. We have a positive view of the opportunities for attractive acquisitions in the future as valuations have generally gone down due to prevailing market conditions.

Business model and culture
The agility and ability to adapt to customer needs and market conditions that the companies within AddLife have always shown is proof of the strength of our business model and decentralized culture.

AddLife's business model and decentralized culture combine the strength of a large company with the commitment and business acumen of our local companies' employees. The parent company is an active owner, and the subsidiaries are responsible for their own business operations within the framework of the goals defined by the group for growth, profitability, and sustainable development.
Our business model and unique culture have been success factors that sets us apart from other companies for a long time. We will maintain and build on this unique strength.

Summary
During the pandemic years, AddLife made profits that we used to strengthen our positions in profitable niches through acquisitions. AddLife is now very well positioned for the post pandemic market situation and the outlook is very promising.

During 2022, the companies within the AddLife group have done a fantastic job, adapted to changing market conditions, and constantly strengthened and developed their customer offerings and relationships. I want to thank all employees for their valuable contributions during the year and congratulate the companies on their great results. The positive trend during the year is further proof of our decentralized business model with delegated responsibility and strong customer relationships. AddLife can summarize a positive 2022 with good acquired and organic growth and enters 2023 as an even stronger company.

Stocholm, March 2023

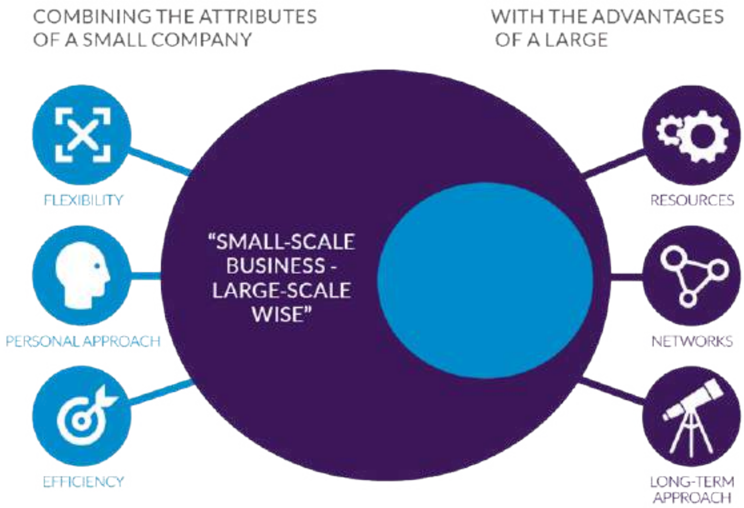
Fredrik Dalborg
President and CEO

BUSINESS MODEL

Long-term profitable growth

AddLife develops and acquires profitable market-leading companies in selected niches within Life Science. Our goal is to achieve long-term growth and sustainable development.

AddLife combines the strength of a large enterprise with the dedication and business skills of an entrepreneur. The parent company is an active owner with a focus on each subsidiary to promote growth and improve profitability. The subsidiaries are responsible for their own business activities within the context of the requirements that the group sets for growth, profitability and sustainable development.



The combination of the strength of a large enterprise with the commitment and business skills of the entrepreneur is an important factor for success for the AddLife group

An entity that works

We combine the advantages of the subsidiaries, such as flexibility, a personal approach and efficiency with AddLife's aggregate resources, networks and industrial expertise. AddLife is an active owner that prioritises business development together with the companies. In this way the group can optimise long-term sustainable growth and profitability. Our decentralised corporate structure also entails less dependence on individual customers and suppliers.

Market leader in selected niches

The Life Science market is large and relatively fragmented and overall, AddLife has a small market share in Europe. We are active in several attractive niches in various product segments and have established stable and growing sales in these areas. We are currently the market leader in several specific niches, across different geographies including: biomedical research and laboratory analysis, diagnostics such as blood gas analysis, medical technology, such as surgery and welfare technology.

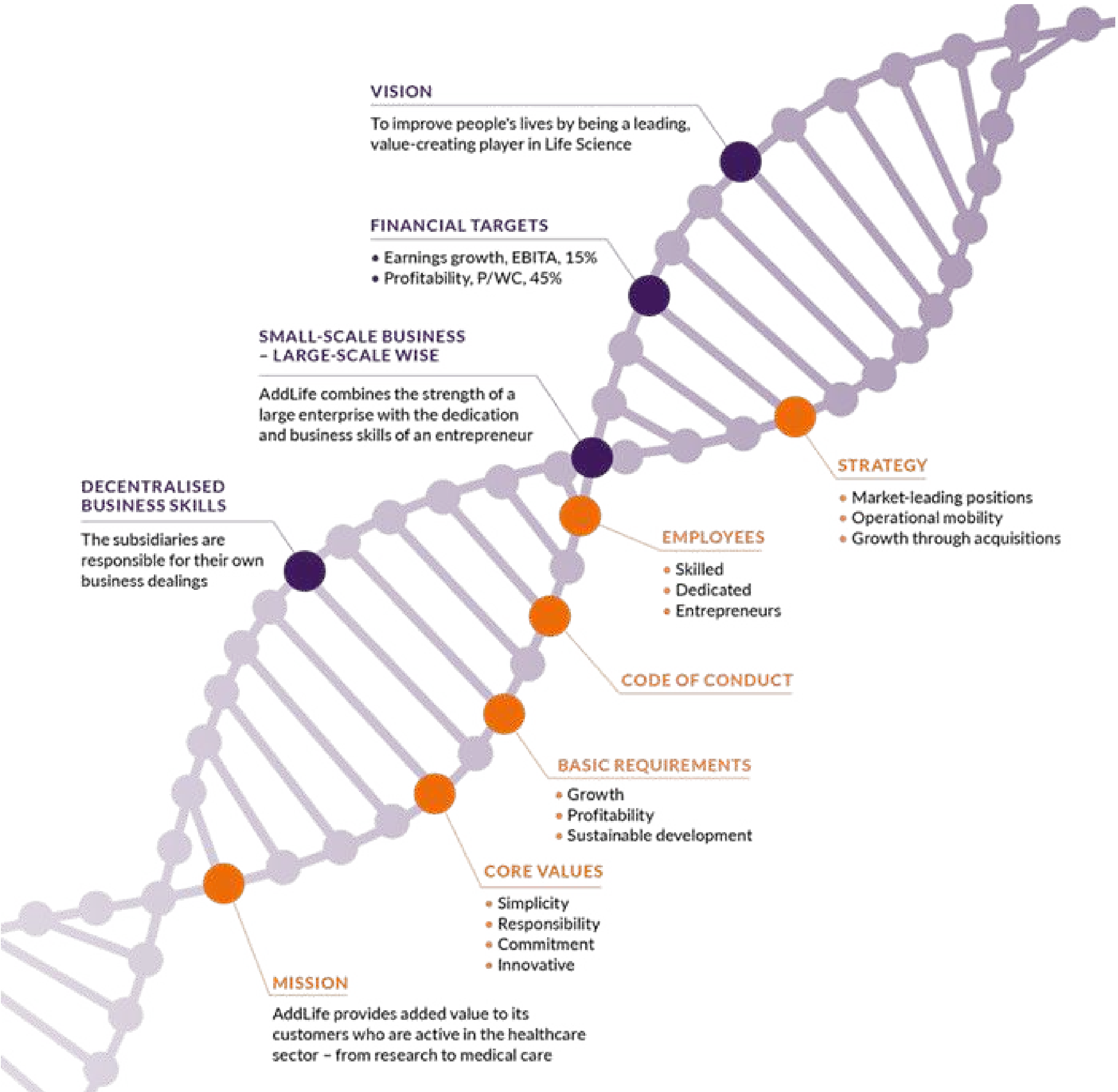
Customer contacts in our operating subsidiaries

All contacts and business relationships with customers are localized and take place in our operating subsidiaries. Our customers, which can be found in both the private and public sectors, are primarily hospitals, homecare, laboratories within the healthcare sector, research, colleges, universities and the food and pharmaceutical industries. The majority can be found in the public sector, where sales take place through public procurement.

SMALL-SCALE BUSINESS - LARGE-SCALE WISE

AddLife's organisation is decentralized and entrepreneur-driven. Each subsidiary is responsible for its own business activities within the context of the requirements for growth, profitability and sustainable development set by the group. At the same time they have access to AddLife's collective resources, networks and expertise through the parent company. The parent company ensures financial stability, while providing tools and resources designed to help the subsidiaries to run their businesses more easily and efficiently. The parent company also runs the business school, AddLife Academy, that all employees attend and which has an important unifying function. The combination of the strength of a large enterprise with the commitment and business skills of the entrepreneur is an important factor for success for the AddLife group.

AddLife´s DNA



Achieving sustainable growth

AddLife's strategy is based on three fundamental principles that form a platform for our business. The strategy helps us make the right decisions to ensure that we operate a sustainable business and achieve our ambitious financial goals.

1. Lead the market

To achieve stable profit growth and sustainable profitability, it is important to be a market leader in selected niches. To achieve this goal, our businesses strive to:

- create value and build market-leading positions in selected niches
- be a qualified supplier and advisor to our customers in selected areas
- build sales through close relationships with customers, manufacturers, and suppliers, as well as by delivering market-leading products

2. Operational mobility

Operational mobility is an agile approach that enables AddLife to create better conditions for business and profitability growth. To achieve this goal:

- our subsidiaries act with speed and flexibility so they can seize new business opportunities
- we deploy active ownership to develop our subsidiaries and the business as a whole

3. Grow through acquisitions

Acquisitions are important to achieve our financial targets for long-term profit growth. To achieve this goal:

- we continuously search for new Life Science companies with leading niche positions
- we have a successful acquisition process for integration and development
- we acquire companies to maintain and further develop them in the long-term

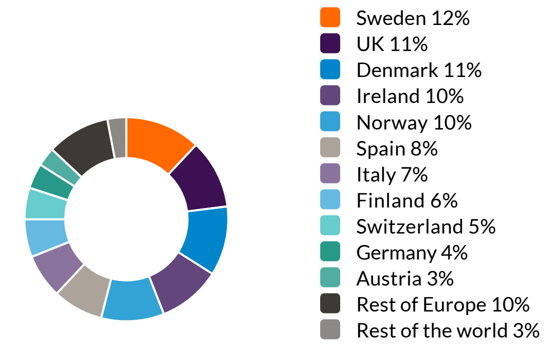
MARKET

Well positioned for the market situation post pandemic

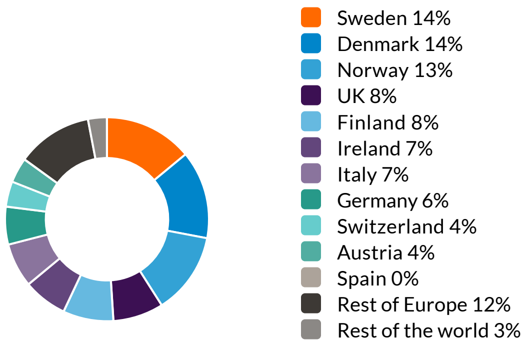
AddLife is a leading player in Life Science, well positioned for the market situation after the pandemic and with a strong presence in Europe.

The European expansion strengthens both new and existing supplier relationships, as well as creating a larger internal network with increased opportunities to sell both own and distributed products in new markets. Sales in markets outside the Nordic region accounted for 61 percent of net sales in 2022, compared to 51 percent the previous year.

NET SALES PER MARKET 2022

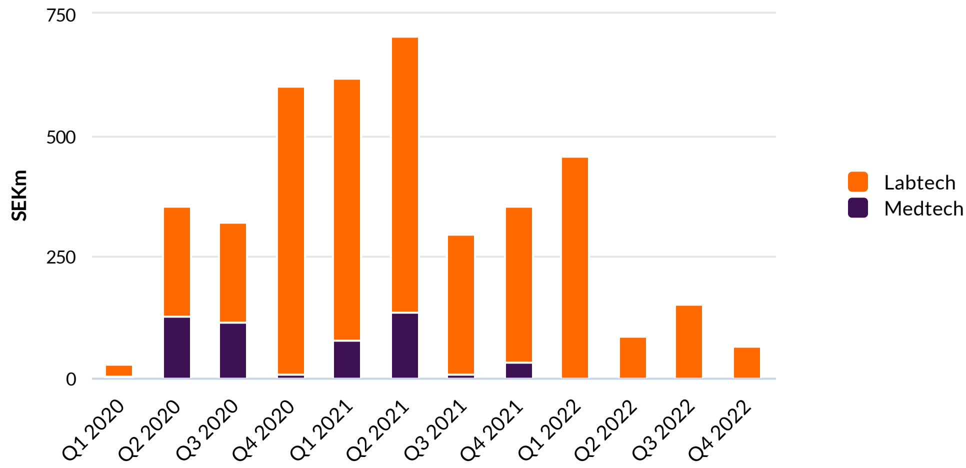


NET SALES PER MARKET 2021



During the COVID-19 pandemic, interest in diagnostics and virus research increased, resulting in continued high turnover within the Labtech business area during the first quarter. However, within the Medtech business area, the pandemic has resulted in canceled surgeries, limited access to customers, and less opportunities for testing and installing products within home care.

COVID-19 RELATED NET SALES



Throughout the COVID-19 pandemic, AddLife has supplied large volumes of products to the healthcare sector for management of COVID-19. After the first quarter of 2022, the market has entered a new phase as the effects of the pandemic gradually diminished.

Market overview

According to Medtech Europe[1], the European Medtech market amounts to approximately EUR 150 billion, which corresponds to the potential market for AddLife's entire Medtech business area and parts of the Labtech business area (IVD diagnostics). Over the past 10 years, this market has grown annually by just over 5 percent, and the five largest markets are Germany, France, the UK, Italy, and Spain. It is a fragmented market with around 34,000 medical technology companies, of which 95 percent are small and medium-sized enterprises. Large international players and sometimes smaller niche companies often sell products under their own brands and control the entire chain from manufacturing to distribution. The market also includes independent distributors who, like AddLife, offer products from several manufacturers.

In Europe, an average of 11 percent of GDP per country is spent on healthcare. Just under 8 percent of the total healthcare costs are allocated to medical technology products. A common feature of AddLife's markets is that both healthcare and academic research are largely financed with public funds. This means that a significant proportion of the business is conducted through public procurement. In many markets, public procurements are becoming larger in scope, often with long contract periods. Today, there is also a trend from price-based evaluation to models where sustainability as well as quality of service and support become increasingly important for the customer.

Healthcare is normally a high priority even in tougher times, and demand is therefore stable regardless of the economic situation.

A post pandemic market

During the first quarter of 2022, healthcare was affected by another pandemic wave, but for the rest of the year, the effects of the pandemic subsided and healthcare returned to a more normal operation.

For AddLife, a significant portion of demand has therefore shifted from COVID-19-related products to products for elective surgery. During the latter part of 2022, we have seen a shift in healthcare systems and a return to more normal operations. AddLife's companies are well positioned for this market situation when the focus is on managing the healthcare waiting list for surgical procedures that has been built up during the pandemic and when staff shortages increase the demands for process and resource efficiency.

An example of resource-efficient and high-tech product areas is minimally invasive surgery (such as laparoscopic surgery, interventional radiology, endoscopy, or robotic surgery). Several of AddLife's companies operate in these areas and see an increased demand as planned surgeries resume.

There are clear focus areas for European healthcare systems in the new post pandemic market situation. AddLife is well positioned to meet these new needs for efficiency-enhancing products, services, digital solutions, and home care.

Five focus areas in the new market situation

1. Management of healthcare backlog
The healthcare waiting lists for sugical procedures or backlog has increased throughout Europe as a result of the pandemic. During the pandemic, the backlog has gradually accumulated, and a recovery is expected to occur gradually over several years.

The situation may vary between different countries, but the overall pattern of significant healthcare backlog and staff shortages is consistent. For example, in Spain, about 750,000 people[2] were on the waiting list for surgery in June of this year, which is an increase of over 12 percent compared to the same period in 2021. In December 2022, the NHS in the UK had a waiting list of over 7.2 million initiated cases waiting for care. This is one of the healthcare systems that has been most affected in terms of planned care, as can be seen in the following statistics regarding conducted investigations and treatments:

Procedures in United Kingdom	Second pandemic year (Mar 2021 - Feb 2022) vs 2019	First pandemic year (Mar 2020 - Feb 2021) vs 2019
Cardiac (diagnostic)	-41%	-30%
Cardiac (therapeutic)	-29%	-19%
Cataract	-43%	-1%
Gastrointestinal endoscopy (diagnostic)	-46%	-21%
Gastrointestinal endoscopy (therapeutic)	-41%	-7%
Hip and knee replacement	-65%	-27%

Source: OECD Health Systems Resilience Questionnaire 2022

Almost all countries within Europe have launched various initiatives to reduce healthcare backlogs. Examples of initiatives include increased funding for healthcare, hiring new healthcare personnel, extending work hours for existing staff, increased involvement of private healthcare providers, or expanding opportunities for digital healthcare visits.

2. Shortage of healthcare personnel
The shortage of healthcare personnel is significant throughout Europe and will affect the market for a long time to come. In September 2022, WHO Europe[3] warned of a "ticking bomb" where 40 percent of doctors in one-third of the region are nearing retirement age. The pandemic has exacerbated the situation with overload and increased stress among healthcare personnel. In England, there were vacancies for about 40,000 nurses and 8,000 doctors in 2022. In the Netherlands, 61,000 open positions for healthcare personnel were reported[4]. WHO estimates that by 2030, there will be a shortage of 10 million healthcare workers globally[5].

Investments in education as well as raising the status and compensation of healthcare personnel will likely need to be implemented. In addition, measures such as changing work practices, digitized healthcare, and new forms of collaboration with private healthcare providers and suppliers will be required.

3. Accelerated digitization
The pandemic has to some extent accelerated digitization in healthcare, particularly through digital healthcare visits, but the need for improved systems and faster analysis and decision-making has also been highlighted. There is now broader acceptance that digital technology must be part of the solution for managing healthcare, such as through connected patient monitoring, connected laboratory instruments, and web-based analytics services. Digitization also enables new ways of collecting, sharing, and analyzing data.

The EU is one of the driving forces in this shift, and the recovery package that has been launched focuses, among other things, on digitization in healthcare. In May 2022, the EU Commission presented the European Health Data Space (EHDS) initiative, perhaps one of the EU's most ambitious projects to date. The aim is to enable sharing of patient data between patients and healthcare systems across Europe and to create access for secondary use of data for research and developers in the region.

Digitization also affects healthcare providers' ways of purchasing and accessing services. Services such as education, user support, and product maintenance are therefore becoming increasingly important.

Remote patient monitoring, welfare technology, and digital solutions are some of the efficiency-enhancing areas where AddLife's companies support healthcare systems in a sustainable and resource-efficient manner.

4. Focus on supply chains
Uncertainty in supply chain has been a major challenge for healthcare during the year. This uncertainty is a result of component shortages, logistics disruptions, and the geopolitical situation. In this uncertain situation, AddLife's companies have proven to be reliable suppliers, which has strengthened customer relationships in many markets. Local presence with regional production or warehousing may become an increasingly important competitive advantage in the future.

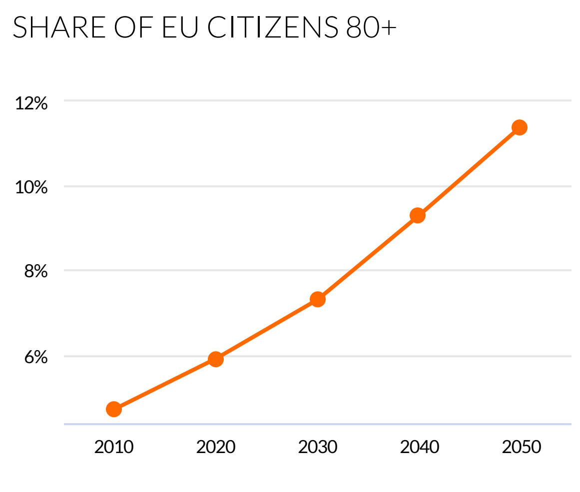
AddLife's decentralized business model, which enables rapid mobility and adaptation, creates security and value for our customers.

5. Sustainability back in focus
Sustainability issues in the healthcare sector had to some extent taken a back seat during the pandemic, as the focus has primarily been on patient care and access to healthcare products. As the effects of the pandemic decrease, we are once again seeing an increase in interest in sustainability in healthcare. In 2022, we have seen several examples of tenders with sustainability criteria, and we predict that this will increase further in the future.

AddLife has launched an updated sustainability strategy in 2022 to gradually increase focus in this area and support all ongoing initiatives in the group, such as new material choices and circular business models.

Aging population

The proportion of elderly people in Europe, especially those over 80 years old, will dramatically increase. While they accounted for 5.9% of EU citizens in 2020, this group will represent 7.3% in 2030 and will have doubled by 2050, when one in ten EU citizens will be over 80 years old. This will also increase the proportion of people with multiple and chronic illnesses. Overall, a larger and older population is expected to result in an increased need for healthcare and care services.



Source: The ageing report EU commission 2021

The area of home care is expected to grow as healthcare providers need to streamline their operations. Home care can include healthcare, diagnostics, and treatment in the home as well as various aids, housing adaptations, and monitoring. This gives the patient the opportunity to stay at home for longer, which is expected to improve their quality of life and be more cost-effective for the healthcare system. AddLife has a strong position in this area and is well prepared to continue supporting this societal development.

Growing field of diagnostics

The diagnostics market is growing, driven by technological development, which enables more types of tests and makes test methods cheaper and easier to use. AddLife's companies deliver products as well as advice, service, and other services in this growing market. An example is personalized medicine, where individual tests identify a specific genetic marker to determine which medicine will be most effective for a patient. Another example is rapid tests for increasingly widespread antibiotic resistance.

In clinical chemistry, there is strong price pressure on standardized tests performed in central laboratories. At the same time, there is a decentralization of more patient-centered analyses, which often occur in a hospital department or primary care center, and where the need for rapid test results is crucial for further patient treatment. In the future, diagnostics will also be enabled through home monitoring, where the patient themselves take certain tests whose results are shared digitally with the healthcare provider. Patient-centered diagnostics is a priority area for AddLife's companies.

Bioprocessing is a growing market where AddLife's companies, among other things, deliver products for research and within process and quality control. In the future, there are opportunities to enter into dispensing solutions or GMP (Good Manufacturing Practice) produced enzymes for the growing production of mRNA vaccines.

Product and market requirements

There are several barriers to entry in the market, such as public procurement requirements, high product safety requirements, regulatory compliance, and surveillance. In Europe, medical devices are regulated by EU directives and regulations.

New EU regulations for medical devices, MDR, and for In Vitro Diagnostic Devices, IVDR, have been delayed. In the long run, we see that these will require renewed and more complex testing of CE certification for certain products, which can be both expensive and burdensome for small businesses with limited resources and lead to larger global players choosing to exclude smaller, local markets.

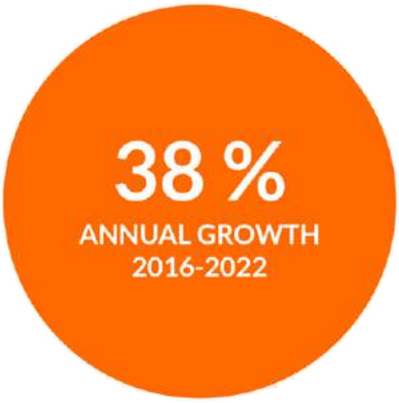
AddLife stands with Ukraine

During 2022, AddLife donated critical medical devices to a market value of around SEK 7,5m to Ukraine. The first donation in beginning of March 2022 was made in coordination with the Ukraine embassy in Stockholm and Ukraine Ministry of Foreign Affairs. The second shipment, sent at the end of the year, was made in collaboration with the Swedish NGO OperationAid to a hospital in Kharkiv. Our ambition is to continue donating critical medical aid to Ukraine on a frequent and regular basis during 2023.

[1] https://www.medtecheurope.org/wp-content/uploads/2022/09/the-european-medical-technology-industry-in-figures-2022.pdf
[2] https://www.epdata.es/datos/listas-espera-sanidad-publica/24/espana/106
[3] https://www.who.int/europe/news/item/14-09-2022-ticking-timebomb--without-immediate-action--health-and-care-workforce-gaps-in-the-european-region-could-spell-disaster
[4] https://www.hollandtimes.nl/2022-edition-8-october/healthcare-provision-under-pressure-from-staff-shortages/
[5] https://www.who.int/news/item/02-06-2022-global-strategy-on-human-resources-for-health--workforce-2030

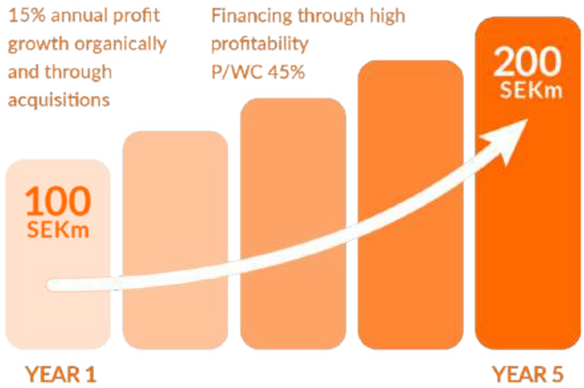
FINANCIAL TARGETS

Long-term financial targets



Profit Growth 15% and high profitability double the earnings
The profit target, measured in EBITA, is long term growth of 15 percent per year. A yearly growth of 15 percent will double the profit in five years. The growth will be generated both organic and through acquisitions. Through our high profitability, P/WC 45 percent, we can finance the acquisitions with our own funds.

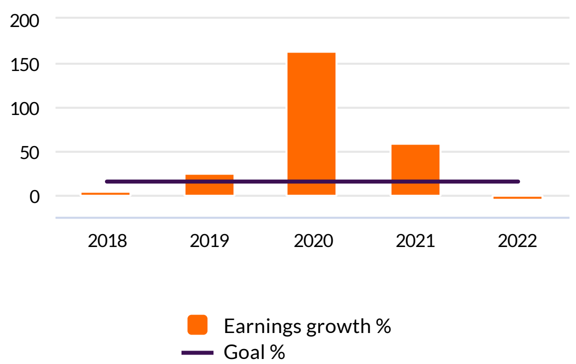
> *The goal is to double AddLife's profit in five years and to finance growth with the company's own funds through high profitability*



Earnings Growth EBITA, 15 percent

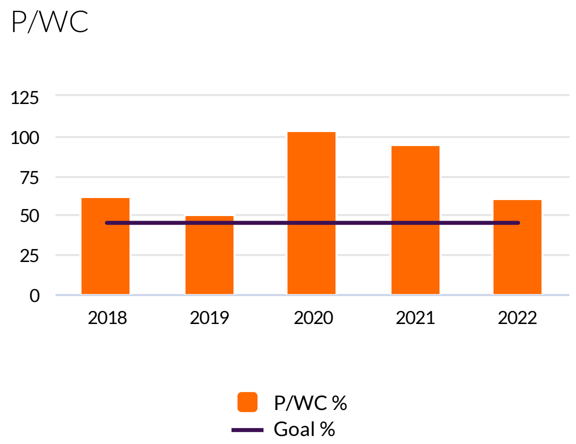
The long-term goal is for EBITA growth to reach 15 percent per year. The target for EBITA growth was not achieved in 2022 due to COVID-19 related sales having a significantly greater positive impact on results in 2021 compared to 2022.

EARNINGS GROWTH



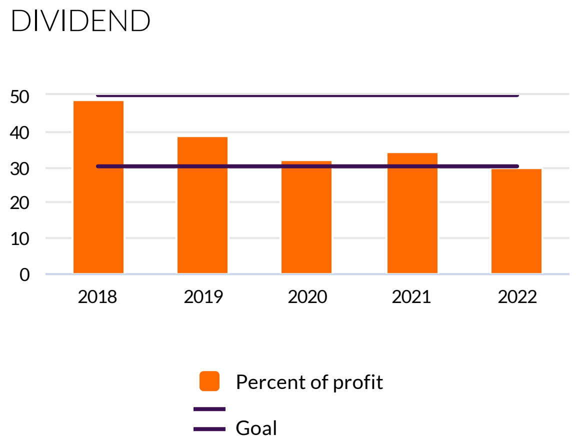
Profitability 45 percent

Profitability shall exceed 45 percent, measured as the ratio between operating profit (EBITA) and working capital (P/WC).



Dividend Policy 30-50 percent

AddLife's dividend policy entails a goal of a dividend corresponding to 30–50 percent of the group's profit after tax. Investment needs and other factors that the company's board considers important are taken into account.



Business area Labtech

The Labtech business area provides products, solutions and services in fields such as diagnostics, biomedical research and laboratory analysis. Customers include hospitals, research laboratories, pharmaceutical companies, and food industry groups, primarily in the Nordics and rest of Europe.

Labtech subsidiaries work closely with customers and suppliers through highly developed local sales and service organisations. The companies have strong market positions and highly qualified personnel.
The business area offers products and solutions, including equipment, consumables and reagents, that are used to diagnose disease or to conduct research. It also provides training and technical service to facilitate effective equipment use. As a distributor, we have the possibility to respond quickly to a changing market and to deliver customer-tailored solutions. About 75 percent of sales originated from public procurement processes in 2022.

LABTECH NET SALES BY MARKET

LABTECH IN FIGURES

Net sales: 3,880 SEKm
EBITA: 667 SEKm
EBITA margin: 17,2%
Employees: 767
Share of group net sales: 55%

Market trend in 2022

Labtech had a strong start to the year with a large proportion of COVID-19-related products, which have gradually decreased as the spread of the virus has decreased. In the latter part of the year, COVID-19 testing has mainly focused on healthcare personnel and patients in need of hospital care. Testing is expected to be performed in combination with tests for other respiratory diseases, which is why this sales will not be separately reported in the future.

As the pandemic has subsided, other parts of the business have picked up with increased demand in diagnostics, research, and drug discovery and development. However, due to the market situation, there is increased uncertainty around government-funded and academic research budgets. Demand has increased for more traditional laboratory reagents, as well as products for gene sequencing, cell therapy, and cancer immunology, and instrumentation. Sales of our own advanced instruments have had strong growth in the USA, Europe, and China. Organic growth, excluding COVID-19, was 6 percent for the full year 2022.

Staff shortages in healthcare also affect the diagnostic business and drive the need for a shift to more efficient processes. This development is evident through increasing interest in time-saving technologies and the services that our subsidiaries offer. The need for education and support is becoming increasingly important for our customers who must carry out complex operations in an environment characterized by staff shortages and high staff turnover.

AddLife can offer suppliers a strong commercial organization with local presence in 29 European countries. New distribution agreements for innovative products have been established in several countries and are expected to provide additional interesting potential for future growth.

Two acquisitions have been completed within Labtech during the year. In April, the German company BioCat was acquired, which is a specialized distributor of products and services for research in Life Science. BioCat markets and sells a broad portfolio of instruments and reagents in the rapidly growing areas of genomics, proteomics, and cell biology to research-oriented customers in universities and colleges, the pharmaceutical industry, and biotech. The acquisition strengthens AddLife's presence in Germany while opening up opportunities for collaboration with our other companies in Europe operating in the same product segment. In July, the Swedish company JK Lab was also acquired, which is a specialized distributor of instruments and services in material testing. The company has been integrated into the existing Labtech company, Bergman Labora.

Service and education - an increasingly important part of the offering

The need for training and support is increasingly important for our Labtech customers, who run complex operations in an environment of increasing demands for compliance with standards and legislation.

AddLife Danish company Holm & Halby is a leading service provider and distributor of laboratory equipment, with a dedicated and well-educated team providing extensive expertise in consulting, training and service. Every year, Holm & Halby processes 10,000 service interventions that include preventive maintenance and repairs. The company also offers added value to customers through practical training seminars. The LAF (Laminar Airflow) Driving Licence was introduced in 2012, after identifying an opportunity to educate end end-users around their health and safety in the use of biological safety cabinets. An LAF cabinet can provide protection against the potentially hazardous materials laboratory personnel work with, but complete protection is only achieved through proper use. Over the past ten years, over 800 LAF licenses have been issued, and a total of 1,100 licenses for different types of laboratory equipment.

Strong position in Europe - added value for suppliers and customers

AddLife's companies have a strong commercial organization with sales representatives, marketing resources, customer support, and service personnel in a large number of European countries. The Labtech companies conducted a joint campaign in 2022 to reach out to new suppliers and raise awareness of our strengthened European position with a presence in 29 countries. The campaign was launched in the third quarter, across social media channels and our website. It was a new and successful approach that resulted in several new contacts and opportunities for new distribution agreements for multiple companies. The campaign generated over 10,000 views on LinkedIn, and this business development approach will continue in 2023.

LABTECH'S STRENGTHS

- Dedicated and highly qualified employees with many years of experience in their segments
- High-quality products, service, training programmes and advisory services
- Long-term collaboration with leading suppliers and exclusive distribution rights
- Strong technical service organisation with local support

LABTECH'S PRODUCT SEGMENTS

- Haematology
- Pathology
- Point-of-care (POC) diagnostics
- Cell biology
- Genetics
- Microbiology
- Virology
- Molecular biology
- Clinical chemistry
- Immunology
- Consumables
- Analytical instruments

BUSINESS AREA

Business area Medtech

In the Medtech business area, the subsidiaries offer products and services in the field of medical technology, as well as assistive equipment for use in homecare. Medtech's offering mainly focuses on public funded healthcare, homecare and social care in Europe.

The subsidiaries within the Medtech business area operate through local knowledge and presence combined with the group's global reach. Today's healthcare is a national matter with global and common challenges, making the product and service needs largely equivalent regardless of the geographic market. The companies offer their own products, a wide range of products from other suppliers, as well as services such as education, support, and service. The product range spans from simple consumables to advanced instruments for surgical procedures, as well as welfare technology and aids for the elderly and persons with disabilities. Overall, the product offering requires solid medical knowledge to guide customers in the right direction. Sales are made through public procurement, accounting for approximately 90 percent of sales.

MEDTECH NET SALES BY MARKET

- UK 19%
- Ireland 17%
- Spain 14%
- Norway 9%
- Sweden 9%
- Switzerland 7%
- Germany 6%
- Denmark 4%
- Italy 3%
- Finland 3%
- Rest of Europe 2%
- Rest of the world 5%

MEDTECH IN FIGURES

Net sales: 5,210 SEKm
EBITA: 573 SEKm
EBITA margin: 11.0%
Employees: 1,433
Share of net sales: 57%

Market trend in 2022

During the beginning of the year, the Medtech industry was strongly affected by the pandemic, where the high infection rates resulted in a low number of surgeries and a growing backlog of patients waiting for surgical procedures. As the pandemic has decreased, activity within the business area has increased, although it has also been clear that healthcare systems have time for recovery. Growth within Medtech has primarily been driven by the acquisitions made over the past year, which has been a strategy to compensate for the decreased COVID-19 sales, primarily in Labtech. Organic growth, excluding COVID-19 sales, amounted to 2 percent for the full year 2022. Elective surgery activity has started to pick up during the fall, and we see increased demand primarily within orthopedics, respiration, and endoscopy, while ophthalmology and neurology have had a slower development. However, healthcare systems in large parts of Europe suffer from a shortage of personnel, which means that the waiting list for surgical procedures or backlog is still significant. A reduction in the backlog is expected to gradually occur over a longer period with a gradually increasing number of performed surgeries. Visitor restrictions have eased during the year, and customers have become more receptive to visits, which means that customer visits,product demos, seminars, trade shows, and marketing activities are now increasing. For our companies within home care, this means a greater opportunity to visit customers and users to test, customize and fit products, which is positive after more than two years of different restrictions in our markets.

Investments in the further development of digital solutions within home care have continued as planned during 2022 and impact profitability, corresponding to approximately one percentage point of the EBITA margin in Medtech. The digital solutions are now in an early commercial phase and are being implemented in several regions and municipalities in Sweden, while plans for international expansion are being formulated. Sales development was good within home care and is expected to continue to develop positively driven by a need to free up hospital beds, streamline the interaction between patients and healthcare personnel, improve clinical outcomes, and increase the quality of life for patients and users.

During the year, three acquisitions were completed for the Medtech business area. At the beginning of the year, we completed the acquisition of the Spanish company MBA Incorporado S.L, a leading independent player in orthopedic and emergency surgery with operations in Spain, Portugal, and Italy. During the year, the business within advanced surgery developed well, and the company also introduced a new product group within neurosurgery.

In March, we completed the acquisition of Telia Health Monitoring, which develops and delivers a digital platform solution that enables self-monitoring for patients with chronic diseases such as heart failure, high blood pressure, COPD, diabetes, and IBD. The business has been integrated into the subsidiary Camanio and is now called Camanio Health. The service launch has begun, and it is in an early commercial phase, while we continue to invest in its functionality.

Our largest acquisition in 2021, Healthcare 21, has completed an additional acquisition during the year; the Irish company O'Flynn Medical. O'Flynn is an independent specialist distributor that offers sales and rental of products and technical services to the hospital sector, private customers, and nursing homes in Ireland.

Qualified services help healthcare increase efficiency

Healthcare systems in large parts of Europe suffer from a lack of personnel, which means that the waiting lists of patients needing surgical procedures are long. A gradual reduction in the waiting lists is expected over a longer period of time as the number of surgical procedures increases gradually. Increasing the number of surgical procedures while managing a shortage of personnel will place high demands on healthcare systems.
In this situation, the value of being able to offer training in specific surgical methods and support during surgical procedures becomes even more valuable. Combined with this, high efficiency, speed, and reliability in deliveries become increasingly important. AddLife's Spanish company MBA Surgical Empowerment has a highly qualified and experienced team of salespeople and product specialists who can offer training and support in operating rooms. With the help of an advanced logistics system and warehouses in five strategically selected locations, delivery to MBA's customers in all markets can always be guaranteed within 24 hours. MBA also offers a loan program designed to make equipment that may be needed in emergency cases available to hospitals. With timely deliveries together with specialized support in operating rooms, MBA is committed to supporting healthcare systems in reducing patient waiting lists.

Digital solutions provide efficiency combined with improved quality of life

Digitization is an important tool that can help healthcare systems address the challenges posed by an aging population combined with staff shortages. In the field of home healthcare, AddLife is building a unique portfolio of products and services to enable a growing proportion of elderly and chronically ill people to stay at home to a greater extent and reduce their dependence on hospital care and home care services, while maintaining a good quality of life and high safety.
Camanio's remote paitent monitoring solution has been a leader in the Swedish market since 2015 and targets a range of patient groups, including heart failure, high blood pressure, COPD, diabetes, IBD, and maternity care. The patient registers their pulse, blood pressure, oxygen saturation, blood sugar, and several other diagnostic tests, which are then shared with the healthcare provider. Through the maternity care solution, Camanio offers greater safety and convenience for women who need extra follow-up during their pregnancy. The solution provides support for care plans and the possibility of remote routine checks. The midwife monitors the updates via the healthcare portal and can chat, adjust treatment, or book a physical follow-up visit if necessary. The technology provides greater safety, reduces the risk of complications, emergency visits, and unplanned admissions. Camanio is an exciting growth opportunity for AddLife through its digital offering, which simplifies processes, reduces costs, and better utilizes resources for healthcare, as well as improving quality of life for patients and users.

MEDTECH'S STRENGTHS

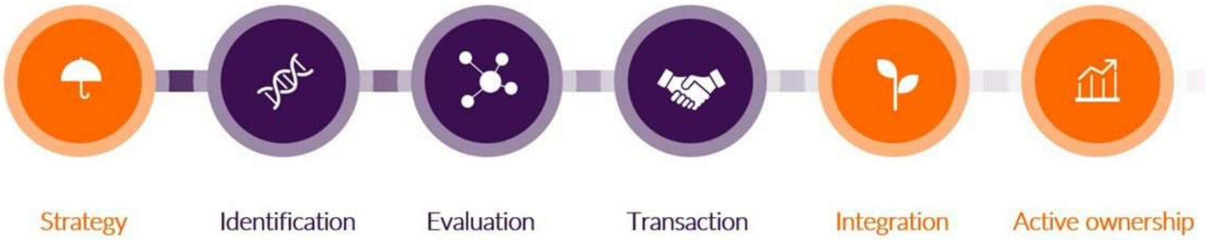
- Employees with extensive medical experience, local knowledge and a high level of service, as well as product developers in welfare technology
- Broad range including both in-house developed products and products from other manufacturers
- Great flexibility regarding customised solutions, as well as cutting edge expertise in public procurement procedures
- European distribution and service network for the Group's own products and services, as well as the products and services of other suppliers

MEDTECH'S PRODUCT SEGMENTS

- Intensive care
- Endoscopy
- Interventional radiology
- Surgery
- Ophthalmology
- Orthopaedics
- Respiration
- Wound care
- Welfare technology
- Assistive devices for kitchen and bathroom
- Assistive technology for disabled children

Acquisitions

Acquisitions are an important part of AddLife's growth strategy and we have a well-established and structured process for identifying, acquiring, integrating and developing companies. The process prior to a new acquisition can last for several years. We want a close dialogue with the owners based on our basic values and decentralized management model. Prior to an acquisition, it is also important that we have an aligned vision for the company's future.



Identification
AddLife is constantly looking for interesting companies to acquire with a common ambition to grow and develop with us. New companies add new niche markets, presence in new geographical markets and/or supplement existing product and service offerings. We are looking for well-managed European life-science companies with a strong position in a niche market. The company must have good profitability, a sustainable business model and a corporate culture aligned with ours. We also see continued commitment from management and key personnel as an important criterion.
We have an ongoing selection of interesting new companies to potentially acquire through our network of own companies, a structured in-house search process, AddLife's network at various levels and from external business advisors and brokers. Establishing a close and exclusive dialogue with the company's owner early in the process is a key objective.

Evaluation
Once a potential acquisition target has been identified and both parties agree to continue the dialogue, the process enters an evaluation phase. Potential acquisitions are evaluated based on several criteria such as market position and brand, product offering, customers, well-established supplier relationships, product/industry knowledge and technological capability, competitors, ESG (sustainability), financial position as well as key personnel's leadership style and continued commitment. It is crucial that the business is conducted in a highly engaged and responsible manner to create long-term sustainable growth and profitability, thus also of great importance in the evaluation.

Transaction
In the transaction phase, we reach an agreement on a price that makes the deal create value for both parties. We usually use an acquisition structure with an additional contingent consideration, which means that part of the total purchase price is paid out if the company reaches a certain level of profitability after the acquisition. It is also important that the acquired company's most important suppliers and partners agree to the acquisition. The agreement culminates in a share purchase agreement and, after signing, the transaction is communicated in a press release.

Limited integration
In our decentralized business model, each company has its own responsibility for strategy and results and retains its own brand and identity. The business continues to operate independently with significant freedom with responsibility. The integration is thus relatively limited and mainly consists of the introduction of AddLife's model for financial governance and AddLife's corporate culture through training in AddLife's core values, code of conduct, financial goals and sustainability. In this way, the acquired companies maintain their entrepreneurial spirit and their customer and business focus and are not burdened by administrative processes and integration projects.

Active and value-creating ownership
By being part of AddLife, the acquired company gets a long-term owner with industry knowledge who supports management through an active and committed ownership. Financial stability, resources and tools are offered to make it easier and more efficient to develop and grow the business. AddLife also supports the companies by helping to appoint a board with skills adapted to the companies' size, segment and business context.

This year's acquisitions

AddLife completed five acquisitions during 2022. The acquisitions are expected to add a total annual net sales of approximately SEK 850m and approximately 355 employees.

MBA Incorporado S.L

MBA is a leading independent player in orthopedic and emergency surgery with operations in Spain, Portugal, and Italy. The company offers solutions, high-quality products, and adds customer value through high clinical expertise and service to both public and private customers in Spain, Portugal, and Italy. The group operates in ten therapeutic segments where orthopedic implants for reconstruction of, among others, hips, knees, and shoulders, as well as products and solutions mainly for spine and neurosurgery, trauma, and anesthesia are the main areas. The corporate culture at MBA is characterized by an entrepreneurial spirit, high service level, and great customer focus.

- Time of acquisitions: January 20
- Net sales: approximately SEK 670m
- Employees: 285

Telia Health Monitoring

The operations from Telia Health Monitoring have been integrated into the subsidiary Camanio and renamed to Camanio Health. Camanio Health is a digital platform solution that enables self-monitoring for patients with chronic diseases such as heart failure, high blood pressure, COPD, diabetes, and IBD.

- Time of acquisitions: March 1
- Net sales: SEK 4m
- Employees: 8

O'Flynn Medical

O'Flynn is an independent specialist distributor offering sales and rental of products as well as technical services to the hospital sector, private customers, and nursing homes in Ireland. The company is an add-on acquisition to Healthcare 21, which AddLife acquired in 2021. The company offers medical equipment and consumables in addition to rental, reconditioning, and technical service of specialized products such as mattresses and beds. The company's strong market position in its niche strategically fits well into Healthcare 21 and provides interesting opportunities to expand within the rental market and thus become the leading supplier in Ireland.

- Time of acquisition: April 1
- Net sales: SEK 64m
- Employees: 36

BioCat GmbH

BioCat markets and sells a broad portfolio of instruments and reagents in the rapidly growing areas of genomics, proteomics, and cell biology to research-oriented customers in universities and colleges, pharmaceutical companies, and biotechs. The company distributes products and services from around 70 suppliers.
The acquisition strengthens AddLife's presence in Germany while also opening up opportunities for collaboration with our other companies in Europe that operate in the same product segment.

- Time of acquisition: April 1
- Net sales: SEK 90m
- Employees: 20

JK Lab Nordic AB

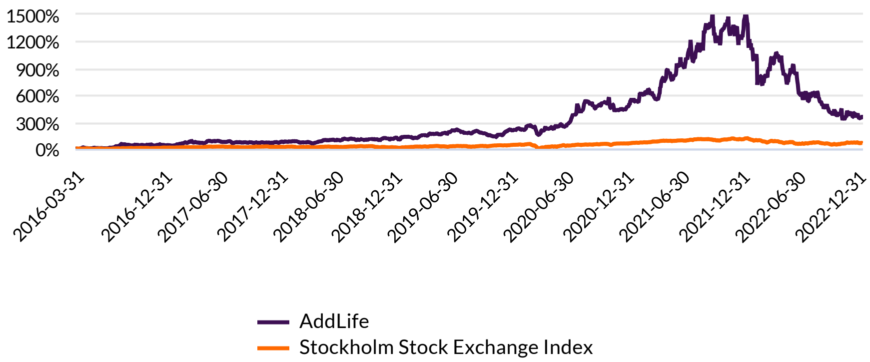
JK Lab is a specialized distributor of instruments and services in material testing. The company has been integrated into Bergman Labora.

- Time of acquisition: July 1
- Net sales: approximately SEK 24m
- Employees: 6

The AddLife share

The AddLife share was listed on NASDAQ Stockholm, Nordic Mid Cap list, on 16 March 2016. The Company's market capitalisation on 31 December 2022 was SEK 13,298 million (46,703). From January 3, 2022, AddLife's share has been moved to the Large Cap segment. On 31 December 2022 the number of shareholders amounted to 13,131 (13,789).

SHARE DEVELOPMENT IN ADDLIFE



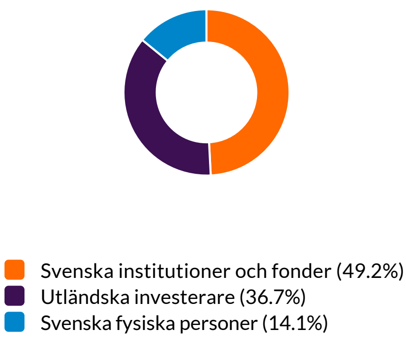
Market performance of the share and turnover

AddLife decreased 72 percent in value during the financial year. The OMX Stockholm index on the Stockholm Stock Exchange decreased 25 percent in the corresponding period. The highest price paid during the year was SEK 371.00 and was noted on January 3. The lowest was SEK 99.50 on 28 October. The final price paid before the end of the financial year was SEK 108.60. During the financial year from 1 January to 31 December 2022, 71 million (58) shares were traded with an aggregate value of approximately SEK 13,337 million (15,633). Broken down by trading day, an average of 281,731 (229,050), AddLife shares were traded at an average value of about SEK 53 million (62). The average number of transactions per day amounted to 1,622 (1,616).

Dividend policy

The Board of Directors of AddLife aims to propose a dividend equivalent to 30-50 percent of profit after tax. When determining dividends, the Company's Board considers investment needs and other factors that it deems relevant.

OWNER STRUCTURE



Shareholders 2022-12-31	Share in % of capital	Share in % of votes
Roosgruppen AB	4.3	15.1
Tom Hedelius	1.7	12.6
SEB Fonder	9.7	7.3
State Street Bank & Trust Company	7.0	5.2
AMF - Försäkring och Fonder	6.9	5.2
Verdipapirfond Odin	5.4	4.0
AP-fonden	5.3	3.9
BNY Mellon NA (Former Mellon)	4.1	3.1
Didner & George Fonder	3.3	2.5
Handelsbanken fonder	3.1	2.3
Total the 10 biggest shareholders	**50.8**	**61.2**

Source: Euroclear

Four reasons to own shares in AddLife

1. Attractive non-cyclical market

The laboratory and medical technology market is relatively insensitive to economic fluctuations. Growth tends to be stable and is mainly driven by population growth and an ageing population. These trends increase the demand for AddLife's healthcare and research products. Historically, the markets where we operate have grown at an annual rate of 2-4 percent.

2. Cash flow finances growth

AddLife’s growth is profitable. Our subsidiaries are strongly cash-generative, which creates scope for direct yield and gives financial muscle for acquisitions and investments.

3. Clear strategy to create further growth

AddLife has substantial experience of acquisitions and operates an established process to identify candidates and complete successful transactions. The aim is for acquired companies to continue to develop based on their strengths and with the support of a financially strong owner with a solid understanding of the market. Acquisitions are fully integrated into the group and contribute to profit growth according to relevant financial targets.

4. Strong market position and long contract terms

AddLife’s subsidiaries have strong sales organisations with high technological expertise and long-term customer relationships. Our broad product portfolio creates advantages of scale and value for the group.

Our focus on sustainability

Sustainability is a central part of AddLife's vision to improve people's life by being a leading, value-creating player in Life Sciences. Integrating responsible business practices is an essential part of how we do business, and how we deliver business value. We address our impacts in relationships throughout the value chain, as producer and distributor, as an employer as well as in our role as a market participant.

Increased healthcare needs and costs for a growing and aging population will lead to changes in healthcare. Connected devices, advancements in data analysis, and artificial intelligence will support the transition from acute treatment to lifelong wellbeing and early diagnosis. Transparency regarding human rights, working conditions, and business ethics of suppliers and business partners are increasingly becoming fundamental criteria for our stakeholders. At the same time, all sectors of society must contribute to solving the challenges of climate change and resource scarcity.

We aim to be flexible and agile in responding to changing expectations to continue delivering our vision. Sustainability is a central part of our vision to improve people's lives and therefore an integrated part of the long-term strategy of the business. We are committed to making a positive impact on the world through our products and services.

Each subsidiary is responsible for its own business operations within the framework of the growth, profitability, and sustainable development requirements set by the group. Our decentralized model, with about 85 operational units, more than 4,000 product suppliers, and many more product categories, also means complexity. Local responsibility and entrepreneurship, combined with a wide variation in the size and focus of the companies, make it challenging to have a uniform model that fits all companies. Thus, our sustainability work is integrated within the different parts of the group and is adapted on a case-by-case basis.

Based on our value chain and stakeholder dialogues, we have identified three sustainability areas where we as a group can primarily contribute to a long-term sustainable society. We have also identified specific goals and key figures linked to these areas.

Our sustainability goals

1. Sustainable solutions - Driver of climate smart offering
2. Sustainable culture - Attractive employer and business partner
3. Sustainable growth - Responsible market participant

Our emissions

Approximately 80 percent of our net sales is generated from our role as a distributor. Procurement of raw materials and production mainly occur with third-party suppliers. Therefore, our environmental impact is mainly indirect. We collaborate with suppliers that have production facilities all over the world. Through well-established relationships with these partners, we aim to influence areas such as material selection, product development, logistics and efficient production, human rights,

working conditions, and business ethics. We monitor risks by evaluating suppliers and trying to initiate change through close dialogue.
In our role as a producer, which accounts for approximately 20 percent of revenue, we can have greater control over the supply chain, production processes, and material selection.
The majority of our emissions are indirect and come from suppliers, distributors, and end customers. AddLife's direct emissions are estimated to account for only about 2% of the total emissions associated with our operations. Therefore, we engage in sustainable initiatives throughout the value chain to minimize the negative impact our operations have on the environment.

Illustrative example

Scope 1 emissions refer to direct emissions that arise from sources controlled by the group, primarily refer to emissions from own and leased vehicles.
Scope 2 emissions include indirect emissions that arise from the production of the energy that the group purchases and uses, for example emissions from electricity production that is used to run the group's facilities.
Scope 3 emissions include all other indirect emissions that occur in the group's value chain, including, for example, emissions from transport of raw materials and products, external production and waste management.

ACTIVITIES COMPLETED DURING 2022

- Launched new sustainability strategy based on the 2021 materiality analysis
- Implementation of management and reporting system for sustainability throughout the group
- Implemented new code of conduct including digital training for all employees
- Developed a joint evaluation model of suppliers' sustainability
- Implemented whistleblower function and carried out activities to increase awareness around this
- Increased focus on sustainability issues in acquisition and investment processes
- Increased focus on sustainability issues in the budget process for all companies
- Increased number of ISO certifications
- Implementation of green car policy

OUTLOOK 2023

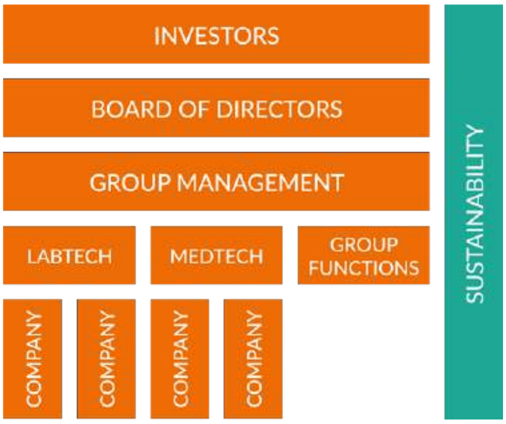
- Include sustainability targets in variable compensation
- Recurrent training in the code of conduct
- Evaluation of supply chain management systems
- Mapping of Scope 3 emissions
- Sign commitment on Science Based Targets Initiatives

Governance

As a signatory to the UN's Global Compact, we actively support human rights and conduct our business in a manner that is socially responsible and consistent with the principles of the Global Compact, the International Bill of Human Rights, the ILO's Core Conventions and the OECD's Guidelines for Multinational Enterprises.

AddLife is less exposed to direct non-financial risks in product development and production because of the low percentage of in-house manufacturing. However, the group faces risks when it comes to managing suppliers' purchases and their operations. We also have certain responsibility for the products sold on the market. When it comes to environmental risks, our direct impact is limited upstream and managed through dialogue, influence and choice of suppliers. Logistics is a priority area for future assessment of indirect impact.

AddLife has a common group strategy for governance through our values and culture.



Our business model encourages a mixed model of central and local management of sustainability risks and opportunities, often by policies and management systems where effectiveness is monitored through different activities.

Each subsidiary is responsible for its own business activities within the context of the requirements for growth, profitability and sustainable development as set by the Group. Our decentralized model, which is part of our DNA, also entails complexity. Local responsibility and entrepreneurship, combined with a wide range of company sizes makes it challenging to have a "one size fits all" model. Thus, rather than having an independent sustainability function, our sustainability approach is integrated across the different group elements and requires to be adapted case-by-case.

Our operations are subject to external review and monitoring by the Swedish Financial Supervisory Authority and Nasdaq Stockholm.

Focus area	Target	Risk covered	Policy & management systems	Monitoring effectiveness
Environmental risks in operations	Sustainable solutions	- Emissions - Hazardous waste - Packaging	- Local environmental policies - Local sustainability strategies - Green car policy - ISO 14001 (52% of operational companies)	- Central sustainability report system
Product safety	Sustainable solutions	-Incorrect instrument results - Incorrect product use, impacting patient or professionals health - Incorrect or lack of required product certifications	- ISO 9001 - ISO 13485 87% of operating companies have one or both - Certifications (CE, MDD/MDR, IVDD/IVDR)	- System of Field Safety Notices - Field Safety Corrective Actions - Whistleblower function
Product lifecycle	Sustainable solutions	- Single-use products - Waste - Premature disposal of instruments and products	- Instrument maintenance extends product life span - Local reuse and recycling procedures -Local refurbishment business	n/a
Occupational health and safety	Sustainable culture	- Employee health, safety and well-being - Workplace accidents - Psycho-social work environment	- ISO 45001 - Occupational health and safety procedures - Evaluation of risks	- Annual employee survey - External audits - Whistleblower function
Talent management	Sustainable culture	- Recruitment and retention	- Incentive programs - Annual appraisal meeting (73% of all employees) - AddLife Academy	- Annual employee survey - Central representation in subsidiary boards
Ethical business practices	Sustainable culture	- Human and labor rights - Discrimination - Corruption and bribery - Third-party misconduct - Export controls/ Trade sanctions	- Code of Conduct - Supplier and customer agreements - Insider trading policy - Local policies and regulations - Insider log	- Whistleblower function - Supplier evaluations - External audits - Central review: Companies' internal control - M&A: DD and target background check
Long-term growth	Sustainable growth	- Short term focus overrules strategy, vision and long-term profitability	- Dividend policy - Company target processes	- Sustainability report - Materiality assessment and stakeholder dialogue

Focus on the essential

The materiality assessment provides guidance in the choice of content in this sustainability report, the strategic direction and how to integrate sustainability throughout AddLife's business.

Materiality is the point at which a sustainability topic becomes relevant to the ability to create lasting value. In 2021, a future-focused assessment to see how priorities are evolving was conducted. The assessment allows better understanding of expectations from customers, employees, investors, suppliers and society, how sustainability influences the strategic direction and the group's impacts on people and the planet to 2030.

AddLife's most material topics are issues that substantively:

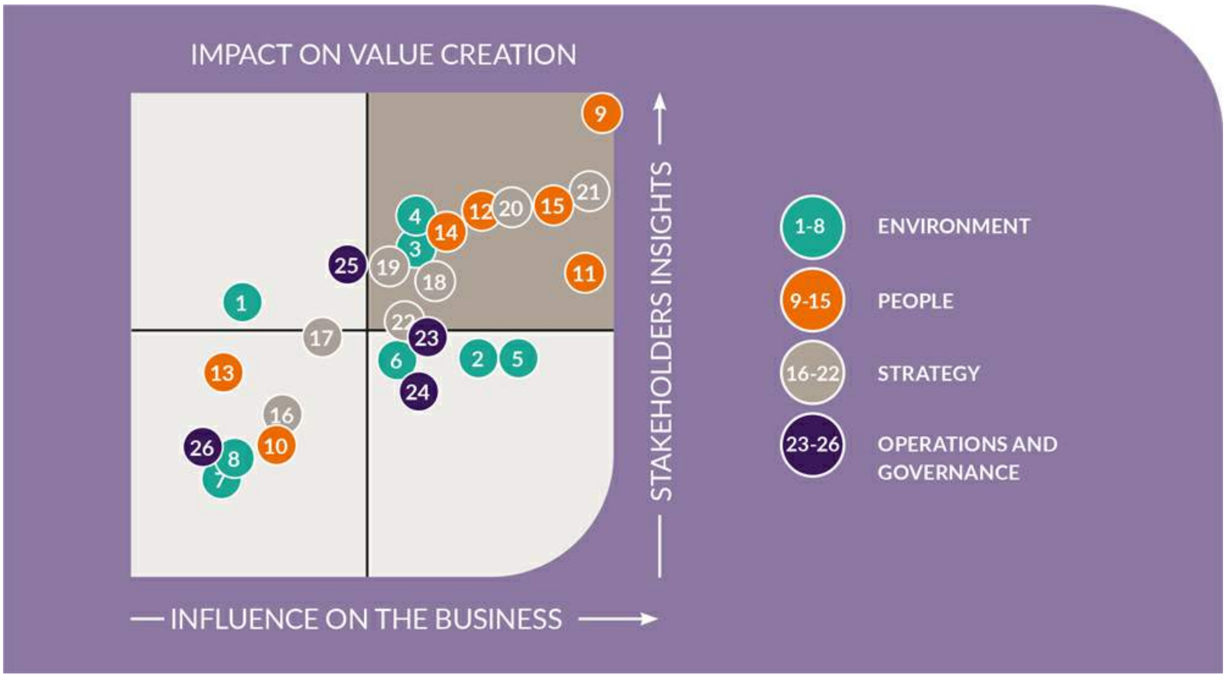
- Reflect the significant economic, environmental and social impacts
- Influence the ability to create lasting value, build trust and reduce risks
- Influence stakeholders' perception of AddLife's performance and ability to deliver value to them

The process engaged group management, internal experts, customers, suppliers, employees, investors and representatives of society and comprised of five steps:

- Navigating 2030 – Reviewed research on how the industry will be influenced by four macrotrends to 2030—Access to resources, Demographic shifts, A changing environment, and an Interconnected world.
- Internal ranking and weighting – 15 internal experts weighted and ranked 26 topics across four areas relating to environmental and people impacts, strategic imperatives and operations and governance.
- Deep-dive interviews and surveys – By combining 16 stakeholder interviews, 16 responses to customer and supplier surveys and the insights from employee survey, a validation and adjustment of the ranking and additional knowledge was added.
- Strategize – The outcome of the assessment served as foundation for our new sustainability strategy which was presented in 2022.

Our top six take-aways:

1. Sustainability is set to increase in importance, driven by investor, employee and customer expectations and changing business landscape.
2. Environment-related topics and their influence on the ability to create value are expected to increase.
3. Talent management, responsible sourcing and material traceability influence AddLife's ability to create value. Their importance to stakeholders is not as high.
4. Stakeholders hold AddLife accountable for monitoring and assessing supplier sustainability risks.
5. AddLife's purpose and ability to contribute to society are important to attracting new talent. Skills development is key to retaining and empowering talent.
6. Expectations from employees on the importance of work-life balance and well-being are high.



ENVIRONMENT

1. Energy use and efficiency
2. Climate impact along the supply chain
3. Plastics
4. Packaging
5. **Responsible sourcing**
6. Circularity
7. Water efficiency
8. Biodiversity loss and ecosystems

PEOPLE

9. **Product quality and service**
10. Community involvement
11. **Talent attraction and retention**
12. Employee health and well-being
13. Occupational health & safety
14. Diversity and inclusion
15. **Patient well-being**

STRATEGY

16. Fair pricing
17. Ethical marketing and labelling
18. Multi-stakeholder collaboration
19. Product and service innovation
20. **Business model innovation**
21. **Long-term growth and sustainable development**
22. Access to healthcare

OPERATIONS AND GOVERNANCE

23. Data protection and privacy
24. Human and labor rights
25. **Ethical business practices**
26. Taxes paid

AddLife has three overarching sustainability targets.

Sustainable solutions: Driver of climate smart offering

Through high-quality products and value-creating services, combined with climate-smart solutions, we create competitive advantages that lead us forward. Targets in this area are related to encouraging internal and external dialogues and collaborations as well as evaluation of our suppliers.

Sustainable culture: Attractive employer and business partner

The commitment and well-being of our employees enables our success. We create an inclusive organization of talented and entrepreneurial colleagues, characterized by diversity. Targets in this area are related to employee satisfaction, diversity, inclusion and different employee trainings and formation.

Sustainable growth: Responsible market participant

AddLife takes advantage of its role as a market player to drive the green transition. Targets in this area are related to encouraging customer dialogues and collaborations, acquisition and investment evaluations and environmental protection goals.

Overview KPI

AREA	SUB AREA	GOAL	RESULT 2022
Sustainable solutions	Evaluation of new suppliers	100 %	79 %
Sustainable culture	Employee satisfaction	4.3	4.0
Sustainable culture	Inclusive workspace	>90 %	79 %
Sustainable culture	Gender balance in management	40/60%	34/66%
Sustainable culture	Discrimination and harassment	0 %	4 %
Sustainable culture	Gender pay gap	0 %	14 %
Sustainable culture	Incidents of corruption	0	0
Sustainable growth	Direct emissions (scope 1 & 2) in relation to net sales (SEKm)	-25 % (2025)	n/a (2022 base year: 0,50 ton/SEKm)

Driver of climate smart offering

AddLife aims to create a competitive advantage through high-quality products and value-creating services, combined with climate-smart solutions.

Our role in the value chain, primarily as a distributor, involves both close dialogue with many customers at the local level and the selection of leading global suppliers and influence on them. This is a unique opportunity to support a sustainable transition together with our partners and develop solutions that can also have a positive impact on business operations.

Each individual subsidiary is responsible for selecting its own suppliers. Evaluating new and existing suppliers is an ongoing process, and a selection criterion is that suppliers respect fundamental human rights and treat their employees in accordance with the International Labour Organization's declaration on fundamental principles and rights at work.

87% of the Group's sales are made through subsidiaries that have ISO certification for quality, ISO 9001, and 52% of sales are made through companies that have the environmental certificate ISO 14001.

New business models with reuse of products

AddLife prioritizes and invests in circular business models that extend the lifespan of products. During the year, AddLife invested in a circular business model through the acquisition of O'Flynn Medical, the market leader in medical equipment rental in the Irish market. The company's circular model extends the lifespan of the product and offers a rental option for all equipment, including cleaning and sanitation services, as well as maintenance, repairs, and inventory management.

Sustainable business practices are a part of O'Flynn Medical's daily operations, from the decontamination unit and product and logistics strategy to the paperless office philosophy. In recent years, the company has made significant investments in building a sustainable business model.

In 2022, O'Flynn Medical was nominated for "Green Small Organization of the Year" at the Green Awards. The nomination is a recognition of the company's commitment to promote a greener, more sustainable future for Ireland. O'Flynn Medical has new solutions to launch in 2023 to further support customers with sustainable solutions.

Focus areas to meet target

Sustainability as a competitive advantage

AddLife creates competitive advantages with its high-quality products and value-creating services combined with sustainable offering. 20 percent of AddLife's revenue comes from manufacturing where we have a direct influence on the process. We encourage innovative and smart solutions to always be at the forefront and we also review current products and services to identify where changes can be made, such as material consumption, packaging, transport and recyclability.

Governance and KPIs

- Identification of climate smart solution initiatives for existing and new products which to be implemented on the local market
- Number of corrective measures for products

Partnerships

We aim to benefit healthcare systems, patients, users and healthcare employees. Partnerships are a tool for achieving these goals. By conducting dialogues with different players in the value chain we can identify which areas need improvement and push for changes in line with AddLife's long-term vision of a sustainable society.

Governance and KPIs

- Number of collaboration dialogues and initiatives with partners across the value chain

Sustainability across our supply chain

We engage in the governance of environmental and social issues throughout the supply chain. This work involves evaluation, dialogue and influencing our current suppliers as well as identifying new frontrunner alternatives. Our role in the value chain gives us a unique opportunity to support sustainable development and develop solutions with our partners to achieve a positive impact on the business.

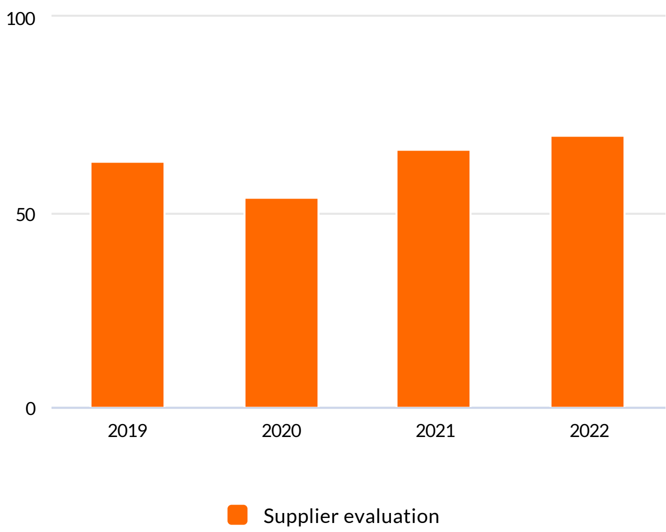
Governance and KPIs

- 100 % of suppliers evaluated according to AddLife approach
- Initiatives to reduce CO_2 across the supply chain (to be initiated)
- Share of (in relation to net sales) ISO certified companies

SHARE ISO CERTIFIED COMPANIES

87 %

SHARE OF NEW SUPPLIERS THAT HAVE BEEN EVALUATED



Attractive employer and business partner

SUSTAINABLE CULTURE

AddLife's goal is to create a culture where all employees have the opportunity to thrive and develop. Our success is built on the engagement of our employees, who are driven to improve both themselves and the company they work for.

As an employer, we take responsibility for creating a safe and positive work environment, and we have a zero-tolerance policy when it comes to work-related accidents and illnesses. We value secure employment forms and individual development opportunities. We aim to attract and retain employees who support our core values and have the right skills to develop the business. One of our most important tools in this work is our business school, AddLife Academy, where our employees receive continuous education in our corporate culture and can hone their business skills through the courses offered.

For us, high ethical standards are a given, and we value transparency and integrity. We have zero tolerance for corruption, discrimination, and other forms of behavior that are not in line with our values. Employees should be given equal opportunities regardless of gender, age, ethnic or national origin, religion, sexual orientation, or disabilities.

In 2022, we launched an updated code of conduct aimed at our employees, which supports the UN Global Compact, ILO core conventions, and OECD guidelines for multinational companies. All employees are trained in this code through our new digital education system in AddLife Academy. As an employee, one has a duty to live up to the code of conduct and reflect it in their work and relationships with colleagues and surroundings.

We conduct employee surveys to identify areas for improvement throughout the group. In this year's survey, 86% responded, compared to 84% (2021) and 85% (2020). The results for each subsidiary are communicated at the company level, with improvement-oriented follow-up activities based on outcomes. In the same survey, we also follow up on the employee index, which measures the working environment with respect to health, safety, and well-being.

Focus areas to meet target

Personal development

AddLife's ambition is to maintain and strengthen the entrepreneurial culture, which, in addition to contributing to our success, also means that our employees have freedom with responsibility and the opportunity to develop skills and careers. Within AddLife Academy, we provide digital and physical education on topics that our employees should know and apply in their daily work. It is also a platform for networking between employees from different companies and countries. Some of AddLife's subsidiaries also have complementary training initiatives regarding products, services, or specific local regulations.

Governance and KPIs

- 90% of employees taking part of AddLife Academy sustainability training
- Average corporate learning time per employee
- Number of employees participating in AddLife Academy

LEARNING TIME PER EMPLOYEE	PARTICIPANTS IN ADDLIFE ACADEMY
7 h	1,550

Diversity and inclusion

Employees must be given equal opportunities regardless of gender, age, ethnic or national affiliation, religion, sexual orientation or disability. The employee survey is, among other things, used to ensure that any discrimination is detected and remedied. In addition, we have developed a whistleblowing channel that facilitates the reporting of suspected discrimination.

Governance and KPIs

- Employee satisfaction 4.3 out of 5.0
- Share of employees that have experienced discrimination and/or harassment

EMPLOYEE SATISFACTION

4.00

Goal	2022	2021	2020
4.30	4.00	3.90	4.04

DISCRIMINATION & HARASSMENT

4 %

Goal	2022	2021	2020
0	4%	4%	4%

- 40/60% gender-balanced representation in management and senior positions

WOMEN/MEN

43/57 %

ALL EMPLOYEES

34/66 %

LOCAL MANAGEMENT GROUPS

40/60 %

GROUP MANAGEMENT

50/50 %

ADDLIFE BOARD

- 100% of managers taking part of AddLife Academy leadership
- Gender pay gap
- Share of employees that consider AddLife to be an inclusive workplace

GENDER PAY GAP

14 %

INCLUSIVE WORKPLACE

79 %

Business ethics

We create a sustainable supply chain by ensuring that ethical guidelines and national and international laws and regulations are followed. Furthermore, our zero tolerance towards corruption, bribery and unfair anti-competitive measures is a central part of our corporate culture. This is our commitment to society and the people whose lives we strive to improve. It is also a commitment to our suppliers, who entrust us with their brand, and to our customers, who rely on fair and long-term partner relationships. We strive for all our employees to know and follow our code of conduct.

Ambition

- 100% of employees completing AddLife's Code of Conduct training

Governance and KPIs

- Number of reports in whistleblowing channel
- Incidents of corruption

COMPLAINTS THROUGH WHISTLEBLOWER CHANNEL

2

INCIDENTS OF CORRUPTION

0

AddLife Academy

Competence development and corporate culture

AddLife's most important resource is its employees, and through our academy, AddLife Academy, we ensure their development and establish a common culture. The academy is central to our success and ensures a focus on our financial goals.

In 2022, 1,550 employees participated in instructor-led training within AddLife Academy. The average training time per employee was 7 hours, excluding local training in each company. Among other things, we have trained 115 leaders through our leadership program and 225 salespeople have participated in our sales training. Since its inception in 2016, 4,775 employees have participated in AddLife Academy.

The foundation of AddLife Academy is "Vision & Corporate Philosophy", a standardized training that all our employees, regardless of role, participate in. The course provides an introduction to AddLife, our common values, our code of conduct, and the basic requirements for growth, profitability, and sustainable development.

AddLife Academy also offers niche training for different roles, where we offer tools and knowledge exchange to support our employees' development and success. These are carried out with colleagues from across the group and also aim to build networks and share knowledge and experiences:

- Leadership program
- Effective sales 1
- Effective sales 2
- Soft selling
- Negotiating skills
- Public procurement
- Digital customer meetings
- Presentation skills

AddLife Academy also carries out customized projects based on the companies' needs. Examples of projects in 2022 include customer service training and coaching of management teams. The academy is also a flexible tool for AddLife with the aim of responding to changes in the external environment. During the year, 550 salespeople participated in training on pricing to address risks in a market with significant disruptions in supply chains. In finance, marketing, and HR, we have also held conferences where we gather employees from across the group with a focus on developing their respective roles and utilizing the strength within the group. We have also established cross-group networks within these groups to strengthen collaboration and knowledge exchange between the companies.

The combination of standardized and customized training provides a unique added value. In addition to these corporate training programs within AddLife Academy, most subsidiaries also offer local training for employees based on their business context. In the last quarter of 2022, AddLife implemented a digital training platform (Learning Management System "LMS"). In the future, we intend to use a combination of e-learning, digital seminars, and physical training to increase the offering and thus the total learning. In 2023, we will increase the focus on common and faster learning and also establish more networks for different roles.

Responsible market participant

For AddLife, growth and sustainability are intertwined. Without making the business more efficient from an economic and societal perspective, long-term profitability will not be achieved. We therefore work to promote new initiatives that benefit both the planet and our growth.

New materials with sustainable attributes

At AddLife, we engage in dialogues with business partners with a focus on sustainable offerings for the healthcare sector. Our sustainability efforts influence our supplier choices and our own manufacturing processes.

Our subsidiary, Mediplast, has been producing bandages in Denmark for 45 years. Over the past seven years, the focus has been on innovations to promote ecological sustainability. In 2022, Mediplast launched products that introduced bamboo materials into their range of bandages, a step towards becoming a more sustainable supplier. Bamboo is a sustainable, natural, and renewable material that also has antibacterial properties. There are several advantages that make bamboo a sustainable solution; it requires no irrigation, is grown with little or no pesticides or chemical fertilizers, and produces more oxygen than an equivalent stand of trees, which contributes positively to the balance between oxygen and carbon dioxide in the atmosphere. Mediplast delivers a wide range of sustainable bamboo bandages globally and is currently the only manufacturer in the world producing this type of bamboo bandage.

Focus areas to meet target

We support customer’s sustainability work

At AddLife, we believe that all market players have a responsibility to act based on a sustainable approach regarding environmental, social and governance issues. We therefore want to support our customers' development of sustainable procurement processes. This is achieved, among other things, by having open dialogues with different customers to showcase and benchmark different available approaches and ideas.

Governance and KPIs

- Number of sustainable procurement dialogues with customers

Sustainability through acquisition and investment processes

Another important part of securing sustainable growth is including the possible sustainability impact of acquisitions and investments. We have developed criteria to evaluate acquisitions and larger investments from a sustainability perspective which ensure that new companies and investments fit our targets.

Governance and KPIs

- 100% of new acquisitions evaluated according to AddLife criteria (to be implemented)

Long-term growth combined with environment protection

The climate is the biggest challenge of our time. At AddLife, we do not see profitability and sustainability as two separate goals; we combine long-term growth with goals to protect the environment. We believe that everyone in society must contribute to reduced emissions and we have therefore developed goals to reduce our negative impact.

Emissions 2022

- Scope 1: 3,966 ton
- Scope 2: 514 ton

SCOPE 1 & 2 EMISSIONS*

0,50 ton / SEKm

*In relation to net sales, the calculation excludes companies acquired by AddLife after January 31 2022.

Ambition

- Carbon neutral in our operations by 2030
- Commit to the Science Based Target Initiative

Governance and KPIs

- Reduction of 25% of CO_2 in relation to net sales in our direct operations
- Reduction of CO_2 in scope 3 through an activity-based approach

The UN's Sustainable Development Goals (SDGs) are a 17-point plan up to 2030, for ending extreme poverty, fighting inequality and injustice and protecting the planet. Achieving these global goals requires significant effort at all levels of society, not least in business, which has a critical role to play as a change agent. Based on our materiality assessment and stakeholder dialogue, we have identified three areas where we can contribute most to the SDGs.

3. Good Health and Well-being

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

3.B Support the research and development of vaccines and medicines for the communicable and noncommunicable diseases, provide access to affordable essential medicines and vaccines, and provide access to medicines for all.

8. Decent Work and Economic Growth

8.3 Promote decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.4 Improve resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation.

12. Responsible Consumption and Production

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

SUSTAINABILITY REPORT 2022

AddLife has prepared a sustainability report for the 2022 financial year that covers the parent company AddLife AB (publ) company ID no. 556995-8126 and its 103 subsidiaries. The board of directors approved the sustainability report at the same time that it signed the 2022 annual report. No standard template for sustainability reporting has been applied in full. The purpose of the sustainability report is to provide an overarching description of AddLife's business from the perspective of sustainability and to inform about the sustainability aspects that are necessary to understand the company's development, position, and performance, as well as the consequences of its operations. AddLife's sustainability report is integrated in part into the annual report. AddLife's business model and Strategy for sustainable growth for sustainable growth can be found on pages 6-8 in the printed annual report. Pages 6-8 and 27-44 comprise AddLife's statutory sustainability report.

EU Taxonomy report 2022

This is AddLife's EU Taxonomy Report, based on EU regulations to establish a framework that facilitates sustainable investment ("EU taxonomy"). The aim of the EU taxonomy is to establish common definitions for and reporting about which economic activities are in line with the EU's 2030 Sustainable Development Goals. The EU taxonomy describes which sectors should report, which economic activities "should be covered by the taxonomy" (within its scope) and which business operations meet the technical review criteria to be "compliant with the taxonomy requirements" in accordance with EU goals. AddLife's business operations are mainly associated with economic activities that are not currently covered by the EU Taxonomy Regulation.

Net sales				Meeting substantial contribution criteria						Meeting do no significant harm criteria									
	Activity code	2022	Share of net sales	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum social safeguards	Taxonomy aligned (%) part of net sales		Enabling or transitional activity
		SEKm	%	%						YES/NO							2022	2021	
A. TAXONOMY ELIGIBLE ACTIVITIES																			
Aligned activities																			
-		-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total aligned activities		-	**0**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Not aligned activities																			
-		-	0																
Total not aligned activities		-	**0**																
Total eligible activities		-	**0**																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Non-eligible activities		9,084	100																
TOTAL (A+B)		**9,084**	**100**																

Capex				Meeting substantial contribution criteria						Meeting do no significant harm criteria									
	Activity code	2022	Share of capex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum social safeguards	Taxonomy aligned (%) part of capex		Enabling or transitional activity
		SEKm	%	%						YES/NO							2022	2021	
A. TAXONOMY ELIGIBLE ACTIVITIES																			
Aligned activities																			
-		-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total aligned activities		-	**0**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Not aligned activities																			
-		-	0																
Total not aligned activities		-	**0**																
Total eligible activities		-	**0**																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Non-eligible activities		1,036	100																
TOTAL (A+B)		**1,036**	**100**																

Opex				Meeting substantial contribution criteria						Meeting do no significant harm criteria									
	Activity code	2022	Share of opex	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum social safeguards	Taxonomy aligned (%) part of opex		Enabling or transitional activity
		SEKm	%	%						YES/NO							2022	2021	
A. TAXONOMY ELIGIBLE ACTIVITIES																			
Aligned activities																			
-		-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total aligned activities		**-**	**0**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Not aligned activities																			
-		-	0																
Total not aligned activities		**-**	**0**																
Total eligible activities		**-**	**0**																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Non-eligible activities		81	100																
TOTAL (A+B)		**81**	**100**																

Accounting principles

The proportion of the business operations that are environmentally sustainable according to the EU Taxonomy Regulation should be reported using three financial ratios. To calculate the three ratios, net sales, capital expenditure (capex) and operating expenditure (opex) have to be identified according to the taxonomy.

Net sales
Net sales is the part of the net sales derived from products or services

Capital expenditure
The reporting of total capital expenditure refers to additions to tangible assets during the year before depreciation, write-ups and write-downs, and excluding changes in fair value. Tangible assets arising from business combinations are also included. See Notes 15 and 16.

Operating expenditure
In the context of the EU taxonomy and the Regulation, operating expenditure is defined as direct non-capitalised expenditure relating to research and development (R&D), building renovation activities, short-term leases, maintenance and repairs, and direct costs related to the day-to-day maintenance of assets, i.e. not the total operating costs, but only costs relating to the maintenance of the assets. Only R&D, repairs and maintenance are included in this report, as all other areas are considered to be insignificant.

ADMINISTRATION REPORT

1 January 2022 – 31 December 2022

The Board of Directors and Chief Executive Officer for AddLife AB (publ), Company Registration No. 556995-8126, hereby present the annual report and consolidated financial statements for the 2022 financial year. The Corporate Governance report is part of the administration report and is presented on pages 61-74. The Company's sustainability report is incorporated into the annual report and Consolidated Financial Statements on pages 6-8 and 27-44.

Operations

AddLife is a Swedish-listed medical technology company operating mainly in the European market and consisting of 83 operating subsidiaries in the Labtech and Medtech business areas. The Group has 2,219 employees in 28 countries and offers high-quality, cost-effective solutions and products. The product portfolio consists partly of self-manufactured products and partly of products that are made by other manufacturers. The service portfolio includes advice, service and education.

The customers are primarily active in the healthcare sector – from research to medical care. AddLife currently has a presence in about 30 countries, mainly in the Nordic region, Central and Eastern Europe, as well in China and Australia. AddLife shares have been listed on Nasdaq Stockholm since March 2016.

Key events during the year

When we summarize the year, we can state that the strongly positive effect of COVID-19 related sales over the past two years has, as expected, slowed down sharply in 2022. This sale generated good margins as it could be managed by the existing organization without increased costs. Thanks to several major acquisitions in 2021 and 2022, we have replaced the loss of COVID-19 sales with acquired sales to more normal margins.

At the beginning of the year, mutations of COVID-19 resulted in continued high sales of PCR tests. The Omicron variant led to high infection rates among both the general population and hospital staff, which limited the possibility of various treatments and fewer planned surgeries could be carried out. As the spread of infection decreased, healthcare facilities have shifted their focus towards gradually reducing the backlog of postponed planned surgeries that arose during the pandemic. However, this transition takes time and the increase in the number of completed surgeries has been slow due to a shortage of doctors, nurses, and other healthcare professionals. The reduction of the backlog is expected to occur gradually over a longer period, with an increased number of completed surgeries. Some countries are providing additional budget resources to reduce the backlog, and we also see that the shortage of personnel is driving an increased interest in efficiency-enhancing products, services, digital solutions, and home care.

AddLife's sales of products and services, primarily demanded by tax- and insurance-funded healthcare systems as well as within research and pharmaceutical development, have not been significantly affected by the uncertainty in the external environment. However, it has also been challenging for our company with the global supply chains during the year. Shortages of raw materials and components, as well as increased shipping prices, have caused disruptions and lead times have been unusually long in many cases. The situation has improved towards the end of the year, but we still see some uncertainty and therefore a higher capital commitment than is desirable in the long term.

Price increases from suppliers and currency effects from purchases in USD and EUR had a negative impact on gross margins. The continuous work to manage price increases is expected to continue in 2023. In general, there is good understanding and acceptance of price increases among customers, but for a smaller part of sales, a delay in price increases is expected due to longer agreements.

After a few turbulent years, which thanks to our energetic companies have resulted in large COVID-19-related sales and high profitability, we look forward to further developing the Group in 2023 under more normal market conditions with a primary focus on organic growth and over time improved margins, cash flows and new acquisitions.

Acquisitions

AddLife is constantly looking for companies to acquire and is engaged in discussions with several potential companies. This financial year, five acquisitions were made. The year's acquisitions were in both the Labtech and Medtech business areas.

AddLife philosophy for acquisitions:

- The subsidiaries can make smaller add-on acquisitions to strengthen operations within their niche
- The business areas can expand and build market and/or product positions in selected market segments
- The business areas can add new market segments in areas where we see opportunities to gain market leadership

The following acquisitions were completed during the year:

- On December 20, 2021, an agreement was signed to acquire the business from Telia Health Monitoring to the Medtech business area. Telia Health Monitoring develops and delivers a digital platform solution that enables self-monitoring for patients with chronic diseases. The closing took place on March 1, 2022 and the business, which has a turnover of approximately SEK 4 million, and its eight employees have been integrated into Camanio AB.
- On December 22, 2021, an agreement was signed to acquire all shares in MBA Incorporado S.L, a leading player in orthopedic and emergency surgery with operations in Spain, Portugal and Italy. The acquisition was completed and the shares were taken over on January 20, 2022. MBA, which has a turnover of approximately SEK 670 million and has 285 employees, is run as a separate platform and is part of the Medtech business area.
- On 1 April 2022, AddLife acquired all shares in the Irish company O'Flynn Medical Ltd. O'Flynn is an independent specialist distributor offering sales and rental of products as well as technical services to the hospital sector, private customers and nursing homes in Ireland. The company becomes part of Healthcare 21, which AddLife acquired for the Medtech business area in 2021. O'Flynn has sales of approximately EUR 6.4 million and 36 employees.
- On 1 April 2022, AddLife acquired all shares in the German company BioCat GmbH for the Labtech business area. BioCat is a specialized distributor of products and services for research in Life Science and has a turnover of approximately EUR 9 million and 20 employees. The company is established in Germany but also has sales in Austria and Switzerland.
- On July 1, 2022, AddLife acquired all shares in the company JK Lab Nordic AB to the Labtech business area. JK Lab is a specialized distributor of instruments and services in material testing and has a turnover of approximately SEK 24 million and has 6 employees. The company has been integrated into Bergman Labora.

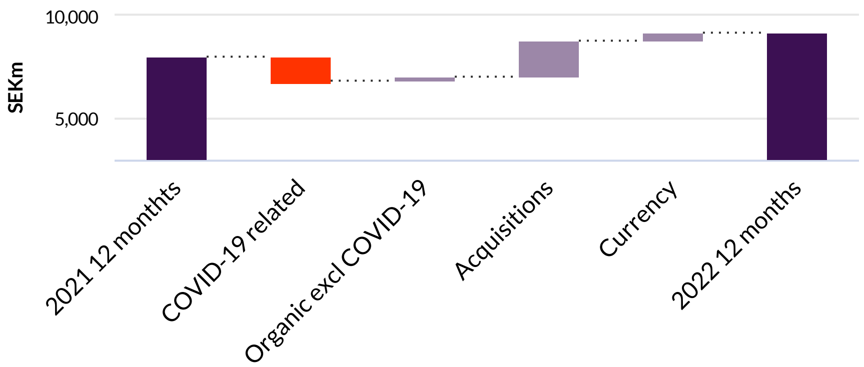
The total purchase price for this year's five acquisitions is SEK 996 million. The effect of the acquisitions completed during the financial year on the AddLife group's net sales was SEK 952m, on EBITA SEK 162m, on operating profit SEK 114m and on profit after tax for the interim period SEK 62m. Had the acquistions, been completed on January 1, 2022, their impact would have been aproximately SEK 1,011m on net sales, on EBITA SEK 174m and on operating profit SEK 122m and SEK 60m on profit after tax. During the year a total of 355 (896) employees joined AddLife through acquisitions.

Financial development during the year

Net sales and profit

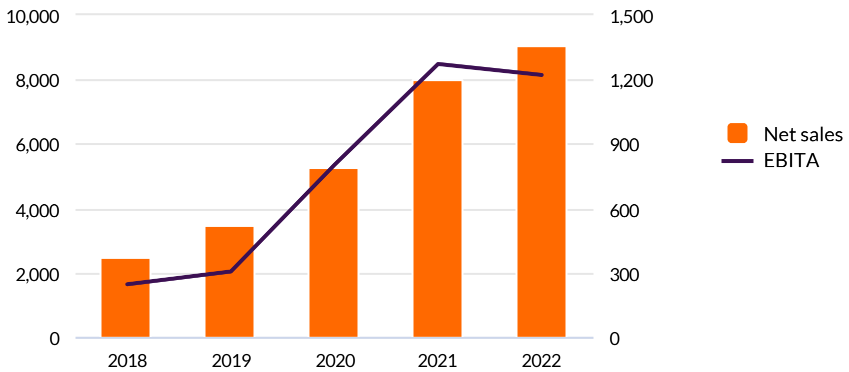
The AddLife group's net sales increased by 14 percent (52) and totalled SEK 9,084 million (7,993). Acquired growth was 22 percent (43) and organic growth excluding COVID-19 amounted to 4 percent (3). COVID-19 related sales fell sharply to SEK 760 million (1,976). Exchange rate fluctuations had a positive impact on net sales of 4 percent (-2), corresponding to SEK 352 M (104).

NET SALES 12 MONTHS



EBITA during the financial year amounted to SEK 1,221 million (1,273) and the EBITA margin was 13.4 percent (15.9). The lower margin is due to the reduced COVID-19 related sales, which could be managed by the existing organization without increased costs. Exchange rate fluctuations had a positive impact on EBITA of 3 percent (-2), corresponding to SEK 42 million (-16).

NET SALES AND EBITA

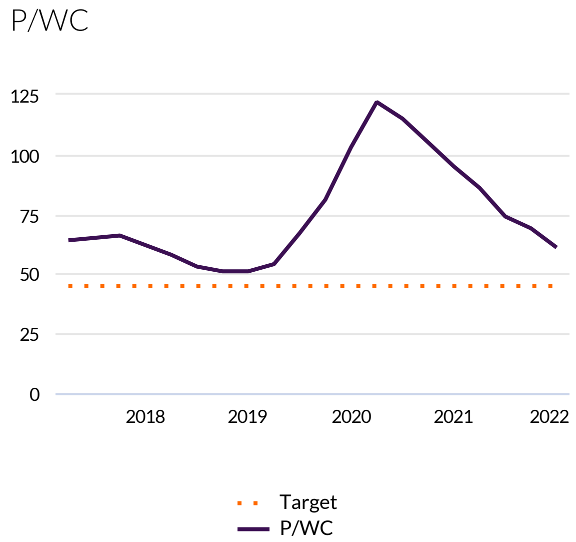


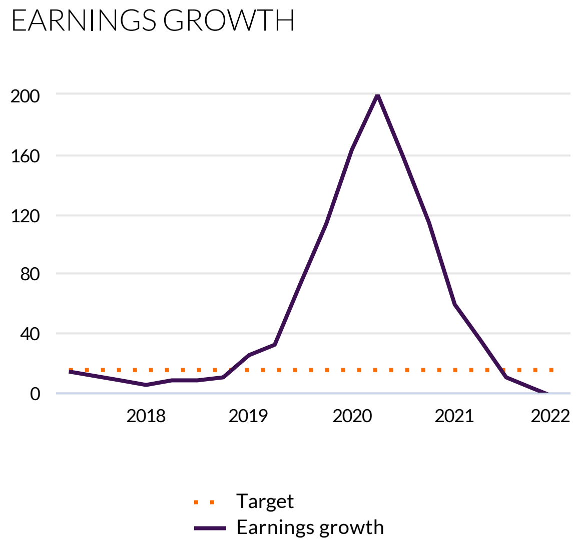
Net financial items were SEK -206 M (-69) and profit after financial items amounted to SEK 602 M (927). The increase in negative net financial items is due to increased interest expenses linked to the financing of acquisitions and exchange rate fluctuations. Interest expenses amounted to SEK 112 million (57) and exchange rate losses amounted to SEK 95 million (10). Exchange losses are linked to the conversion of loans and earn-outs in foreign currency. Profit after tax decreased by 33 percent (+39) for the financial year and amounted to SEK 483 million (721) and the effective tax rate amounted to 20 percent (22). Earnings per share before dilution for the financial year amounted to SEK 3.96 (6.03).

Profitability, financial position and cash flow

Return on equity at the end of the financial year was 10 percent (22). Return on capital employed totalled 8 percent (12). The equity ratio at the close of the financial year was 38 percent (40). Equity per share, excluding non-controlling interests, totalled SEK 40.76 (35.14).

Return on working capital (P/WC) totalled 61 percent (95). The long-term P/WC target for the Group and all of its companies is 45 percent. The profitability measure R/RK rewards high operating profit and low tied-up capital, which in combination with the growth target of 15 percent provides the conditions for profitable growth of the companies and the group. The average working capital, which for the calculation of P/WC includes inventories with the addition of the net of accounts receivable and accounts payable, amounted to SEK 2,008 million (1,347) at the end of the financial year.





The group's interest-bearing net debt at the close of the financial year stood at SEK 5,410 million (3,870), including pension liabilities of SEK 60 million (82), as well as lease liabilities of SEK 351 million (339) and earn-outs corresponding to SEK 266 million (349). In connection with the acquisition of MBA in January, the credit facilities were expanded by EUR 98 million. The outstanding bank loans at the end of the financial year amounted to SEK 4,968 million (3,408). Current bank loans amount to SEK 2,432 million (3,147), of which SEK 1,096 million maturing in January 2023 was extended by 12 months. During the year, AddLife also renegotiated credit facilities of EUR 225 million, which now run for three years with an extension option of up to another 24 months. The Group has a good margin in the covenants under bank agreements, which are interest coverage ratio of at least 4.0 times and equity/assets ratio exceeding 25 percent.

Cash and cash equivalents, consisting of cash and bank balances, together with granted but unutilized credits amounted to SEK 890 million (674) as of December 31, 2022. As of December 31, 2022, the Group's available (including utilized and unutilized) credit facilities amounted to SEK 5,859 million (4,083). The net debt/equity ratio was 1.1, compared with 0.9 at the beginning of the financial year. The intention is to reduce debt through own generated cash flow.

Cash flow from operating activities reached SEK 909 million (1,010) during the financial year. The change is mainly attributable to lower earnings after financial items. Acquisitions amounted to SEK 818 million (2,843). Investments in fixed assets during the financial year amounted to SEK 282 million (143). Divestments of non-current assets amounted to SEK 14 M (9). Repurchases of own shares amounted to SEK 60 million (0). Issued and redeemed call options amounted to SEK 33 million (-9). Dividends to parent company shareholders have been paid in the amount of SEK 243 million (183).

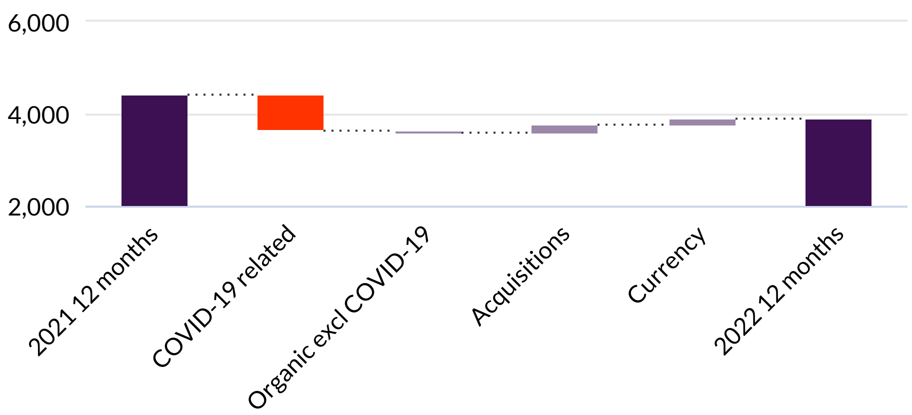
Business areas

AddLife's operations during the financial year were organised in two business areas: Labtech and Medtech.

Labtech

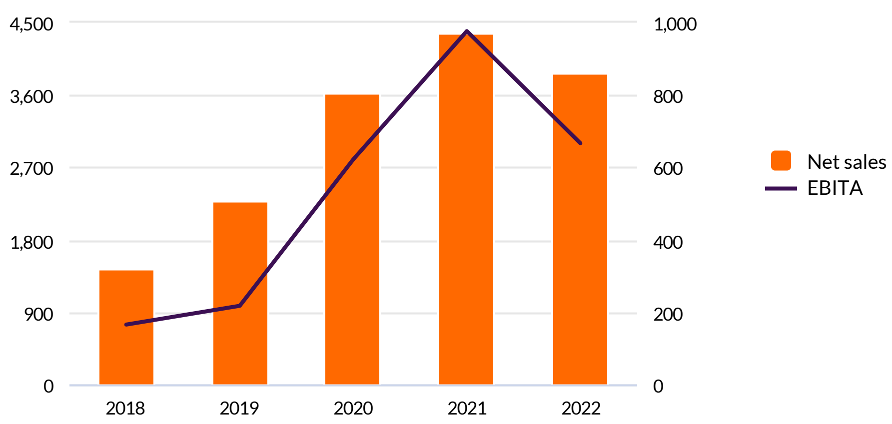
Net sales during the financial year amounted to SEK 3,880 million (4,373), a decrease of 11 percent (+22). Organic sales, excluding COVID-19 related sales, increased by 6 percent and acquired growth was 4 percent. COVID-19 related sales decreased by 56 percent and accounted for SEK 760 million (1,719). COVID-19 testing is expected to be carried out in combination with tests for other respiratory diseases in the future, which is why these sales will not be reported separately in the future. Exchange rate fluctuations had a positive impact on net sales of 3 percent.

LABTECH NET SALES 12 MONTHS



EBITA decreased by 32 percent (+57) to SEK 667 million (977), corresponding to an EBITA margin of 17.2 percent (22.3).

LABTECH - NET SALES AND EBITA

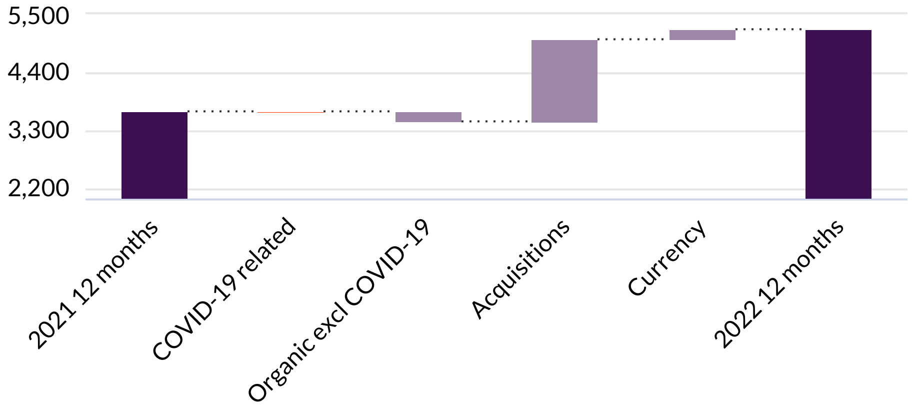


Labtech had a strong start to the year with a large share of sales related to COVID-19 products. Sales peaked in the first quarter but have since gradually declined as the spread of the virus has declined. Instead, demand has increased in diagnostics, research and drug development. Staff shortages in healthcare have also affected the diagnostics business, driving the need for more efficient processes and increased interest in time-saving technologies and services.

Medtech

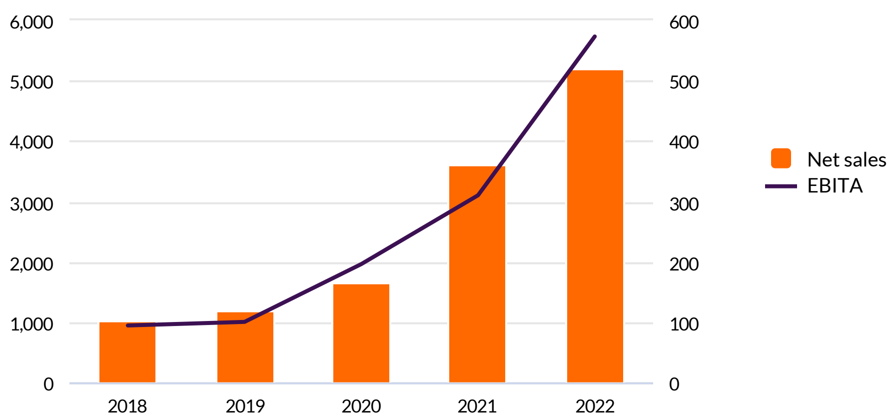
During the financial year, net sales amounted to SEK 5,210 million (3,625), an increase of 44 percent (119). Organic growth, excluding COVID-19 related sales, was 2 percent and acquired growth was 43 percent. COVID-19 related sales amounted to SEK 0 million (257). Exchange rate fluctuations had a positive impact on net sales of 6 percent.

MEDTECH NET SALES 12 MONTHS



EBITA increased by 85 percent (58) to SEK 573 million (310), corresponding to an EBITA margin of 11.0 percent (8.6).

MEDTECH - NET SALES AND EBITA

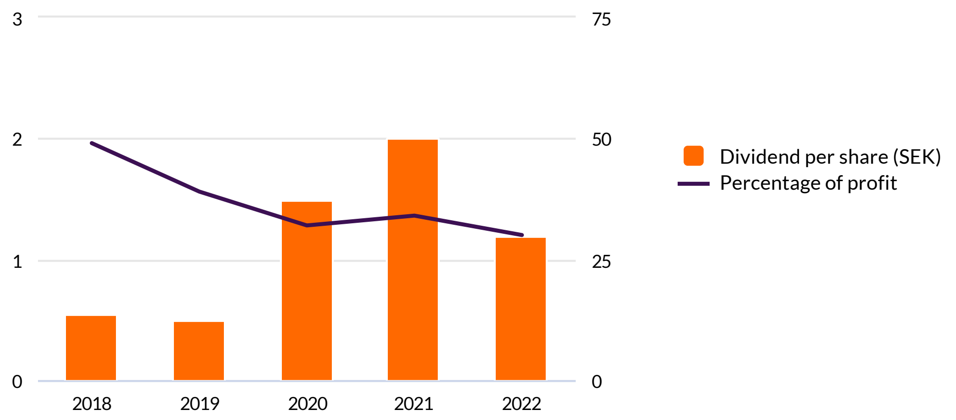


Medtech was strongly affected by the pandemic at the beginning of the year, but after the infection rate decreased, activity has increased. Growth in the sector has mainly been driven by the acquisitions made over the past year. Visitor restrictions have been eased, increasing the possibility of customer visits and marketing. Investments in the further development of the digital solutions in home care have continued and are expected to continue in the coming years.

Dividend

AddLife's dividend policy is to pay a dividend equivalent to 30-50 percent of average consolidated profit after tax over a business cycle. The Board has resolved to propose that the AGM in May 2023 pay a dividend of SEK 1.20 (2.00) for the 2022 financial year. Please refer to note 37 for proposal for profit distribution.

DIVIDEND



Historical data for dividend per share have been restated based on a new issue and share split. The conversion factor is 4.041.

Risks and uncertainties

AddLife works with risk management on a strategic as well as operational level. Risk management aims to identify and analyse the Company's most significant risks and any events that may affect AddLife's ability to implement the Company's strategy and achieve defined goals and vision. Identified risks are analysed, quantified and prioritised and plans are drawn up to prevent and reduce risks. In addition, continuous improvements are being made to reduce future risks. Our risk management focuses on business risks, financial risks and other potential significant risks such as legal risks. The AddLife Group has policies and instructions that give responsible managers tools to identify deviations that could develop into risks. The level of risk in the business is systematically followed up in monthly reports where negative deviations or risks are identified and remedied.

AddLife's earnings and financial position, as well as its strategic position, are affected by various internal factors whithin AddLife's control and various external factors where the possibility of influencing the course of events is limited. The external risk factors that are most important for AddLife are the general economic and political conditions, public procurement and healthcare reimbursement systems, technical development, customers and suppliers.

In addition, AddLife is affected by financial risks such as transaction exposure, translation exposure, financing and interest rate risk, as well as credit and counterparty risk. A more detailed description of how AddLife manages the financial risks can be found in Note 4.

Risk/description	Management
General economic and political conditions	
AddLife is affected by general global economic, financial and political conditions. The demand for the Company's products and solutions is due, among other things, to macroeconomic trends. Uncertainty regarding future economic prospects, including political turmoil, could have a negative impact on customers' purchases of AddLife products, which would have a negative impact on the Company's operations, financial position and results of operations. A significant proportion of the Company's sales are made to publicly funded operations in healthcare, research and care. Weakened government finances could have a negative impact on AddLife's operations and earnings. Furthermore, changes in the political situation in a region or country, or political decisions affecting an industry or country, could also have a material impact on the sale of the Company's products.	AddLife's subsidiaries operate in a largely or partly non-cyclical market, which generally makes the Group less sensitive to economic fluctuations. In most countries and situations, care is prioritised even in worse times. The fact that operations are conducted in many different segments and geographic markets also limits these risks for the group as a whole. The decentralised business model means that the group's companies have a good adaptability by making decisions quickly and close to operations. By continuously acquiring companies in new customer segments and in new markets, the group can reduce market risks and better fend off economic fluctuations.
Public procurement and healthcare reimbursement systems	
A significant part of AddLife's revenue comes from sales of products to units in the public sector. Political decisions in some countries have led to a reduction in the number of contracting customers by consolidating regions into larger entities. As a result, procurements have become larger and contract periods have often become longer in time, which has led to increased price pressure and competition. The sale of some of the Company's products is also dependent on different remuneration systems in the different markets. In several of the Company's markets, it is in many cases, for example, the patient's insurance company that, within the framework of existing political compensation systems, finances or subsidizes the purchase of products for the patient's care. Part of the success of sales of AddLife's products in these markets is dependent on whether the Company's products qualify to be replaced within these various compensation systems.	There is a strong focus on public procurement within the organization and at the subsidiaries. Great effort is put into preparing and ensuring compliance with the requirements of the procurements, as well as on training. In addition, the companies have a clearly differentiated offering that creates unique value for the customer, which can provide a less one-sided focus on price and improve competitiveness. This offer is built on deep knowledge of the customer's needs and often consists of unique products with high quality combined with a comprehensive service offer. The fact that AddLife conducts operations in many different countries and markets limits these risks for the group as a whole.
Technological development	
AddLife's future growth is dependent on, among other things, new innovative products and thus the group's ability to influence, anticipate, identify and respond to changing customer preferences and needs. There is a risk that the subsidiaries within the AddLife group will not be able to implement new technology or adapt their product range and business model in time to be able to take advantage of the benefits of new or existing technology. The costs associated with keeping up with product and technology development can be high. Furthermore, the level and timing of future operating expenses and capital requirements may differ materially	There is a strong focus on proactive business development within the subsidiaries, as well as a focus on future technological adaptation with new acquisitions. In several of the subsidiaries major initiatives in research and development are underway, and collaborations with business partners are initiated as needed to ensure technological developments. Regarding distribution of third-party products, there is a strong ongoing collaboration with suppliers

Risk/description	Management
from current estimates.	with respect to technological developments. There is also structured work to identify new suppliers with innovative products. The companies within AddLife are mainly distributors, which provides increased opportunities to adapt to technological development by changing suppliers.
Customers	
AddLife has a large number of customers of varying sizes, some of whom are public and some private operators. The number of customers and the group structure mean that the agreements with customers are of varying nature in terms of, among other things, contract length, warranties, limitations of liability and scope. Moreover, there is a risk that the variation will lead to unforeseen liability exposures for AddLife, especially in cases where no specific limitations of liability have been included in the agreements.	Although there are contractual risks associated with the scattered customer base that AddLife subsidiaries have, there are also advantages. An individual subsidiary may be dependent in the short term on a single customer, but AddLife as a Group is not dependent on any single customer and no customer accounts for more than about 4percent of sales. This is a strength in the AddLife business model.
Suppliers	
In order to deliver products, AddLife depends on external suppliers who must meet the terms of the agreements regarding matters such as volume, quality and delivery date. Incorrect, delayed or missed deliveries could have a negative impact on AddLife's financial position and results of operations. AddLife has agreements with a large number of suppliers over which the Company cannot exercise control nor can it have full insight into their operations. Consequently, AddLife is exposed to the risk that suppliers could act in a way that could harm AddLife. In some countries and segments, there is a consolidation where suppliers merge and become fewer and larger. In other countries and segments, streamlining takes place where operations are spun off. In addition, there is a continuous development where new technologies and suppliers establish themselves. In this environment, there is a risk of losing suppliers or that existing suppliers lose market potential. There is also a risk that suppliers will go from a collaboration with one of AddLife's subsidiaries to another distributor or to their own sales.	In a longer perspective, AddLife is not dependent on any individual supplier for the survival of the business. The company's largest supplier amounted to approximately 7 percent (7) of net sales for 2022. AddLife works strategically with the major suppliers and conducts ongoing supplier evaluations and strives for all suppliers to live up to AddLife's Code of Conduct. AddLife's subsidiaries choose suppliers who see cooperation with them as the best sales method. Stable supplier collaborations are also one of the parameters that are evaluated when acquiring companies. The companies within AddLife work continuously to update supplier structures and to proactively replace lost suppliers and suppliers with decreasing market potential. With AddLife's growing presence in several European countries, the companies potentially become an even more attractive partner to suppliers.
Acquisitions	
AddLife acquires companies on an ongoing basis and in 2022 5 companies were acquired. However, there is a risk that AddLife will not be able to identify suitable acquisition targets or carry out	AddLife's acquisition work is ongoing to ensure that there is an inflow of interesting objects into the group.

Risk/description	Management
acquisitions due to, for example, competition with other acquirers or lack of financing. Acquisitions generally carry risks. In addition to company-specific risks, the acquired company's relationships with key customers, key personnel and suppliers may be adversely affected. There are risks in terms of the ability to retain competence and the possibility of creating a common culture. Moreover, acquisitions could expose AddLife to unknown obligations. In connection with acquisitions, in addition to all assets, the obligations of the acquired company are usually also taken over. There is a risk that not all potential obligations or obligations have been identified before the acquisition or that the seller lacks the financial ability to replace AddLife in the event of a breach of warranty. It is important that the acquisition process and especially the pre-acquisition evaluation (so-called "due-diligence") is both thorough and effective and includes legal, financial and sustainability aspects. If companies with significant problems are acquired, for example regarding financial earning capacity or important sustainability aspects, AddLife's reputation or financial performance may be worse than expected.	AddLife has many years of experience in carrying out acquisitions and has a structured process for both acquisition work and integration and follow-up. This process is constantly evolving based on, among other things, lessons learned from previous acquisitions. AddLife's economic and sustainability-related processes and routines are built on long experience and are continuously developed and refined. Guarantees to limit the risk of unknown obligations are one of the tools applied in contract negotiation.
Organisational risk	
AddLife applies a decentralised organisational model, which means that subsidiaries in the Group are largely responsible for and conduct business independently. Corporate governance in a decentralised organisation places high demands on financial reporting and monitoring, and deficiencies in reporting and monitoring entail a risk of inadequate operational control. The decentralised organisational model has historically been an advantage for the group.	Group Management controls, checks and monitors the business in the subsidiaries through active board work, group-wide policies, financial targets and instructions regarding financial reporting. In addition, AddLife works with weekly follow-up of order intake, monthly reporting and follow-up of the financial development of all subsidiaries, This means that the parent company has a constant good insight and understanding for current and upcoming challenges and opportunities.
Ability to recruit and retain staff	
AddLife's continued success depends on experienced employees with specific skills. There are key employees among senior executives in the companies, in group management and among the group's employees in general. There is a risk that one or more senior executives or other key personnel will leave the AddLife group at short notice. If AddLife fails to retain key employees or recruit new competent key personnel in the future, this could have a negative impact on AddLife's financial position and results.	AddLife invests time and effort in the internal competence development and refinement of the corporate culture through the work with AddLife Academy. In the case of acquisitions, the aim is for key employees to remain in the companies and continue to develop the companies' operations and also be given the opportunity for further education as well as career and personal development within the group's framework.

Risk/description	Management
	AddLife conducts an annual employee survey and follows up the results from these to ensure that employees are given the conditions required to develop and thrive at work.AddLife also has an incentive program for senior executives and key employees within the group.
Product liability	
AddLife's business entails risk associated with product liability. AddLife could be subject to product liability claims if the products that are produced or purchased cause personal injury or property damage. There is a risk that such product liability claims are not fully covered by AddLife's insurance policy. If a product is defective, AddLife may be forced to recall it. In such a situation there is a risk that AddLife cannot make corresponding claims against its own suppliers to receive compensation for the costs incurred by AddLife due to the defective product.	AddLife works continually with suppliers to increase product safety and ensure that products meet the quality requirements that are in place. AddLife regularly reviews its insurance coverage to reduce the risk of unforeseen expenses. AddLife's own products are subjected to ongoing quality assessment and follow-up.
Environmental risk	
New environmental legislation linked to transports and product materials could have an impact on sales for AddLife's subsidiaries. AddLife owns a few properties and according to the Swedish Environmental Code, a property owner is responsible for any pollution or other environmental damage, with responsibility for remediation, which may also include damage caused by previous operations.	AddLife's subsidiaries are primarily engaged in commerce and businesses that have a limited direct environmental impact. At the time of each acquisition, earlier environmental impact are noted and reviewed, and contractual protection is negotiated.
IT-incidents	
An IT incident refers to the risk that critical data or one or more of the IT systems used in any way become unusable, locked, fail or destroyed. AddLife's operations are dependent on the IT systems working and, especially in the event of long-term or extensive interruptions or other IT incidents, there is a risk that certain operations will not be able to be conducted for some time – or in the worst case at all – or will only be able to be conducted with difficulty or at increased costs.	AddLife works with risk assessments regarding IT infrastructure and sensitive data, and has defined processes and controls to protect the company. The control environment consists of firewalls, patch management, virus programs, penetration testing and automatic scanning of incoming and outgoing email traffic to catch phishing. To increase knowledge, encourage caution and ensure that employees know and follow the company's IT policy and directives, training in IT security was implemented during the year. AddLife's decentralised business model with independent subsidiaries means that only a few companies share an IT platform and infrastructure. This means that the risk of a significant financial impact in the event of a major IT incident for the Group is relatively limited.

Risk/description	Management
Regulatory	
The healthcare market is highly regulated in all countries where AddLife operates. The company's product range is covered by legislation, such as EU directives and related requirements for quality systems.	AddLife puts significant efforts and resources into implementing and applying guidelines to ensure compliance. Annually, audits are carried out by designated accredited bodies to ensure compliance. In 2022, the Company continued its efforts to comply with the European regulatory framework EU MDR, which entered into force in May 2021, and the EU IVDR, which entered into force in May 2022. All of the Group's production facilities are also certified according to the medical device quality standard ISO 13485 and / or the general quality standard ISO 9001.
Business ethics and sustainability governance	
With operations in more than 80 companies and 30 countries, there are risks linked to unethical or illegal behavior, both within AddLife's companies and among our companies' customers and suppliers. AddLife's continued success is highly dependent on our good reputation and business ethics. Violations of human rights in own or suppliers' operations would have a negative impact on the Group's reputation among employees, customers and other stakeholders and affect demand for the Group's products.	The Group works internally with business ethics through, for example, training within AddLife Academy and annual follow-up of our internal Code of Conduct. In order to ensure the Group's high standards of business ethics, AddLife's Code of Conduct for suppliers shall be followed. A whistleblowing system was established during the year.

Remuneration

Principles for remuneration to senior executives

The Board of Directors intends to propose to the Annual General Meeting in May 2023 that the guidelines for remuneration to senior executives remain unchanged compared with what was decided at the AGM in May 2022:

The guidelines apply to remuneration agreed after the Annual General Meeting 2022 and amendments to agreed remuneration made thereafter. The guidelines do not apply to remuneration resolved by the general meeting. For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines. The provisions regarding the Company also apply to the group where appropriate.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that AddLife offers competitive remuneration, which these guidelines make possible. Total remuneration should be on market terms and competitive and relate to responsibility and authority.

Types of remuneration, etc.

Remuneration shall be on market terms and may consist of the following components: fixed salary, any variable salary according to separate agreements, pension and other benefits. The general meeting can also, irrespective of these guidelines, resolve on, among other things, share and share price-related remuneration.

Fixed salary

The fixed salary shall consist of fixed cash salary and be reviewed annually. The fixed salary shall be competitive and reflect the position requirements with respect to qualifications, responsibilities, complexity and the manner in which it serves to reach the business objectives. The fixed salary shall also reflect the performance of the senior executive and thus be individual and differentiated.

Variable salary

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable salary when fulfilling agreed performance criteria. Any variable salary shall consist of an annual variable cash salary and may amount to a maximum of 40 percent of the fixed annual salary. The variable salary shall be linked to one or several predetermined and measurable criteria, which can be financial, such as consolidated earnings growth, profitability and cash flow, or non-financial, such as individual goals designed to promote the Company's business strategy and long-term interests. Because the goals link the senior executives' remuneration to the Company's earnings, they promote implementation of the Company's business strategy, long-term interests and competitiveness. The terms and bases of calculation for variable remuneration shall be determined annually. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The extent to which the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The Board is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company. The terms for variable remuneration shall be designed so that the Board of Directors, under exceptional financial conditions, may limit or refuse to pay variable remuneration if such a measure is deemed reasonable.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once per year and individual. Resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

Pension

For the CEO, pension benefits, including health insurance, shall be defined contribution with premiums not exceeding 30 percent of the fixed annual salary. For other senior executives, pension benefits, including health insurance, shall be defined contribution unless the senior executive is subject to defined benefit pension under mandatory collective agreement provisions. Premiums for defined contribution pensions are to be in the form of the Swedish alternative ITP plan, according to a "premium ladder" as stated in AddLife's pension policy, or premiums are not to exceed 30 percent of the fixed annual salary. Variable remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions applicable to the senior executive (applies to Sweden and defined contribution pension).

Other benefits

Other benefits, which may include, for example, company car, travel benefits, cleaning benefits and health insurance, shall be on market terms and only constitute a limited part of the total remuneration. Premiums and other costs associated with such benefits may amount to a maximum of 10 percent of the fixed annual salary.

Termination of employment

For the CEO and other members of Group Management, the notice period shall be six months in case of termination by the senior executive. In case of termination by the Company the maximum notice period shall be 12 months. In case of termination by the Company, severance pay may be payable in an amount corresponding to a maximum of twelve months' fixed salary less any remuneration received from new employments or assignments. Employees who give notice to terminate employment are not entitled to severance pay. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed salary at the time of termination of employment and amount to not more than 60 percent of the fixed salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than 24 months following termination of employment.

Fees to Board members

AddLife's Board members elected by the general meeting may, in specific cases and for limited time, be remunerated for services beyond Board work within their respective areas of expertise. A fee on market terms for these services (including services rendered by a Company wholly owned by a Board member) shall be paid, provided that such services contribute to the implementation of AddLife's business strategy and long-term interests, including its sustainability. Such consultant's fee may, for each Board member, in no case exceed twice the annual Directors' fee.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Preparation and decision-making process

The Board of Directors has established a Remuneration Committee. The Committee's duties include preparing principles for remuneration to Group Management and the Board of Directors' decision to propose guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting for resolution. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to Group Management, the application of the guidelines to senior executives as well as the current remuneration structures and compensation levels in the Company. Remuneration to the CEO shall be decided by the Board of Directors in line with approved policies following preparation and recommendation by the Remuneration Committee. Remuneration to other senior executives shall be decided by the CEO in line with approved policies and after consultation with the Remuneration Committee. The CEO and other members of Group Management do not participate in the Board of Directors' discussions and decisions on remuneration-related matters that pertain to them.

Derogation from these guidelines

The Board of Directors may decide to derogate from these guidelines, in whole or in part, if in a specific case there is special cause and such a derogation is necessary to safeguard the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee's duties include preparing the Board of Directors' decisions on remuneration matters, including decisions to derogate from these guidelines.

Employees, research and development and environment

Employees

At the end of the financial year AddLife had 2,219 employees, compared with 1,802 at the beginning of the financial year. Completed acquisitions increased the number of employees by 355 (701). The average number of employees in 2022 was 2,157 (1,548).

	2022	2021
Average number of employees	2,157	1,548
of which are men	56%	55%
of which are women	44%	45%
Age distribution		
up to 29 years	9%	10%
30-49 years	55%	54%
50 years and older	36%	36%
Average age	46	45

Research and development

To a limited extent, the Group conducts its own research and development, primarily within Biolin in the Labtech business area. In the Medtech business area, development work is conducted on a digital platform in welfare technology. The digital platform contains solutions for connecting sensors and social alarms in the home, Camanio Care, as well as digital self-monitoring of specific health conditions, Camanio Health. The offering in welfare technology also includes products for housing adaptation as well as mobility aids and sensors.

Environment

None of the Group's Swedish subsidiaries conducts operations that require permits or are notifiable in accordance with the Environmental Code. None of the foreign subsidiaries operates with a corresponding permit or notification obligation. None of the Group's companies is involved in any environmental dispute.

Parent company

The operations of the Parent Company AddLife AB comprise Group Management, business area management, consolidated reporting and financial management.

The Parent Company's net sales amounted to SEK 64 million (51) and the loss after financial items was SEK 224 million (-18). Balance sheet appropriations include Group contributions received of SEK 191 million (259) and Group contributions paid of SEK -117 million (-136). Cash flow from investment activities totalled SEK -986 million (2,740). The Parent Company's financial net debt at the close of the financial year stood at SEK 4,842 million (3,122).

Share capital, share repurchases, incentive programmes and dividends

On 31 December 2022, the Parent Company's share capital amounted to SEK 62,358,949 divided into the number of shares shown below with a nominal value of SEK 0.51 per share.

The total number of shares amounts to 122,450,250, where of Class A shares are 4,615,136 and the number of Class B shares are117,835,114.

On 31 December 2022 the number of stockholders was 13,131 (13,879).

The Company's class B shares are listed on Nasdaq Stockholm. Two owners each control 10 percent or more of the voting rights. They are RoosGruppen AB (Håkan Roos through companies) with an ownership stake corresponding to 15.11 percent of votes, and Tom Hedelius, who owns shares corresponding to 12.62 percent of votes.

According to Chapter 6, Section 2a of the Swedish Annual Accounts Act, listed companies are required to disclose specific circumstances that may affect the possibility of a take-over of the Company through a public offer for shares in the Company. For most of the granted credit lines, they can be terminated in the event that the company is delisted from Nasdaq Stockholm or that another current main shareholder achieves an ownership share of more than 50 percent of the capital or votes.

Repurchase of treasury shares and incentive programs

In May 2022 the AGM authorised the Board of Directors during the period up until the 2022 AGM to buy back a maximum of ten percent of all shares in the Company.

During the financial year, repurchases of 360,000 (0) own class B shares were made. The average number of own Class B shares held during the financial year was 671,360 (895,322). At the end of the year, own Class B shares held amounted to 613,989 (497,489) with an average acquisition price of SEK 100.56 (52.12). The shares represent 0.5 (0.4) percent of the issued shares and 0.4 (0.3) percent of the votes.

At year-end AddLife had four outstanding call option programs. Outstanding call options during the financial year resulted in an estimated dilutive effect based on the period's average share price of approximately 0.4 percent (0.5).

The Board intends to propose to the Annual General Meeting in May 2023 an incentive program based on the same, or substantially similar, model as was approved at the AGM in 2022.

Corporate Governance Principles

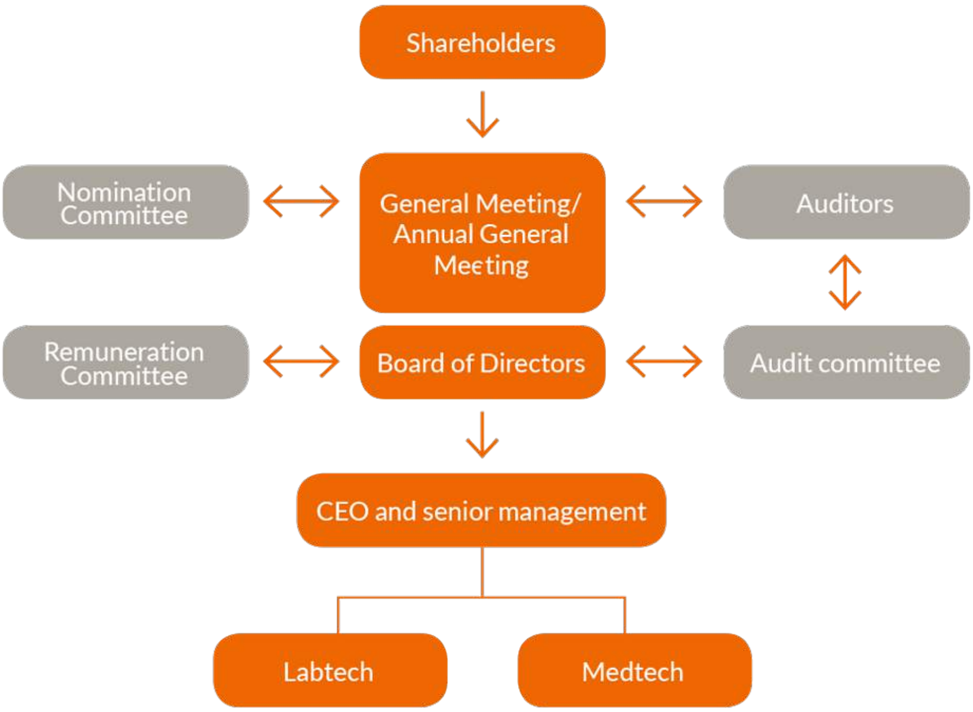
Overall structure

Good corporate governance is an important component in ensuring that AddLife AB is managed in a sustainable and responsible manner in accordance with applicable laws and regulations. The corporate governance within AddLife AB defines decision-making systems, clarifies roles and responsibilities between owners, board of directors, board committees, and executive management, and ensures transparency towards the group's stakeholders.

The AddLife group consists of approximately 85 companies in about 30 countries. The parent company in the group is the Swedish public limited company AddLife AB, whose B-shares are listed on Nasdaq Stockholm. In addition to what follows from the Swedish Companies Act, applicable Swedish and foreign regulations and directives, as well as laws and regulations, good practice on the stock market, and Nasdaq's rules for issuers, the group's corporate governance is based on the Swedish Code of Corporate Governance ("the Code"). This corporate governance report has been reviewed by the company's auditor. The corporate governance report is available on the company's website under Investor Relations, www.add.life/investor-relations/corporate-governance.

Good compliance with the Code, stock exchange rules, and good practice

AddLife follows the Code's principle of "comply or explain", and for the financial year 2022, AddLife has in all material respects complied with the Code, except for two deviations from the Code's rule 2.4. The deviations and their justifications are found in the section on the Nomination Committee. No violations of applicable stock exchange rules have occurred, nor have any violations of good practice on the stock market been reported by Nasdaq Stockholm's disciplinary committee or the Swedish Securities Council during 2022.



Articles of Association

According to the articles of association, the company's name is AddLife AB and it is a public company. The company's latest fiscal year covers the period from January 1 to December 31. The company's business is "to conduct trade in and manufacture mainly medical equipment and products, either on its own or through wholly or partly owned subsidiaries, and to engage in other related activities". The board of directors is based in Stockholm and shall consist of at least four and no more than six members.

The company's articles of association do not limit the number of votes that each shareholder can cast at a general meeting. The company's articles of association do not contain specific provisions regarding the appointment and dismissal of board members, or the amendment of the articles of association. The latest registered articles of association were adopted at the ordinary general meeting on May 5, 2021, and are available in full on the company's website under Investors, www.add.life/investor/corporate-governance/articles-of-association.

Share structure and ownership

As of December 31, 2022, the company had 13,131 shareholders and the 15 largest shareholders controlled 62 percent of the share capital and 70 percent of the votes. At the end of the fiscal year, the proportion of Swedish owners was 63 percent and foreign investors owned 37 percent of the capital. The proportion of legal entities was 86 percent and individuals accounted for 14 percent of the share capital. Roosgruppen AB (Håkan Roos via the company) and Tom Hedelius are the only shareholders who have a direct or indirect stake in the company representing at least one-tenth of the total voting rights for all shares in the company.

AddLife board of directors

The tasks of the board of directors

The main task of the board of directors is to manage the operations of the AddLife Group on behalf of the shareholders so that the shareholders' interests in long-term good capital returns are met in the best possible way. The board of directors has overall responsibility for AddLife's organization and management. The board's work is regulated, among other things, by the Swedish Companies Act, the Articles of Association, the Code, and the rules of procedure established by the board for its work.

Composition and independence of the board of directors

According to AddLife's Articles of Association, the board of directors shall consist of at least four and at most six members. The members are elected annually at the annual general meeting for the period until the end of the next annual general meeting. There is no restriction on how long a member can serve.

The Nomination Committee applies Rule 4.1 of the Code as a diversity policy. The board of directors shall have a composition that is appropriate with regard to the company's activities, development stage, and other circumstances, characterized by versatility and breadth in terms of the competence, experience, and background of the board members elected by the general meeting. Gender equality shall be sought. Since the annual general meeting on May 5, 2022, the board of directors consists of six members, three men and three women.

The Nomination Committee has assessed that the composition of the board of directors during 2022 meets the independence requirements set out in the Code. Johan Sjö, Birgit Stattin Norinder, Eva Elmstedt, and Eva Nilsagård are independent in relation to the Company and the Group management, as well as in relation to the Company's major shareholders.

Responsibilities and work of the board of directors

The tasks of the board of directors are regulated by the Companies Act, AddLife's Articles of Association, and the Code. In addition, the board's work is regulated by rules of procedure established by the board. The board has established a written set of rules of procedure that regulate its work and the division of responsibilities, including its committees, decision-making procedures within the board, the board's meeting procedures, and the chairman's tasks. The board has also issued an instruction to the CEO and an instruction for financial reporting to the board. Furthermore, the board has adopted a number of policies for the Group's operations, such as the Finance Policy, Communication Policy, and Code of Conduct. The board monitors the CEO's work through ongoing follow-up of the operations during the year and is responsible for ensuring that the organization and the management and guidelines for the administration of the Company's affairs are appropriately designed. The board is also responsible for ensuring that the Company has effective systems for monitoring and controlling its operations and compliance with laws and regulations applicable to the Company's operations. The board is also responsible for determining and developing the Company's goals and strategy, deciding on acquisitions and divestment of businesses, major investments, and appointments and remuneration for the Group management. The board and the CEO present the annual report to the annual general meeting.

Annually, an evaluation of the board's work shall be carried out under the chairmanship of the chairman of the board, and the Nomination Committee shall be informed of the results of the evaluation. The board shall continuously evaluate the work of the CEO. This issue shall be addressed annually, with no one from the Company's management present. The board shall also evaluate and take a position on significant assignments that the CEO may have outside the Company, if such assignments exist.

In October 2022, the annual evaluation of the board's work was carried out under the leadership of the chairman of the board, and the nomination committee has been informed of the results of the evaluation.

The Board's rules of procedures

The Board's rules of procedures should be evaluated, updated, and established annually. The rules of procedures specifies how the work should be divided among the board members, including its committees and the CEO, the number of regular board meetings, the matters to be addressed at regular board meetings, and the tasks of the board chairman. The board has also issued written instructions on how financial reporting to the board should be carried out.

The Board's work in 2022

During the financial year, the board held 13 board meetings, of which 5 were held before the annual general meeting in 2022 and 8 after. The attendance of the board members is shown in the table below.

At the regular meetings, the board dealt with the fixed items that follow from the board's rules of procedures and annual plan, such as follow-up of operations and business conditions, financial reporting, decisions on current acquisitions, the establishment of policy documents, as well as a review of internal control and corporate governance.

In addition, the board dealt with the group's long-term goals and strategy, sustainability issues, succession planning, and overall organizational issues and financing.

Board member	Board meetings	Remuneration committee	Audit committee	Independent in relation to the company	Independent in relation to major shareholders
Total number of meetings	*13*	*1*	*4*		
Johan Sjö (Chairman of the board)	13	1	4	Yes	Yes
Birgit Stattin Norinder	13		4	Yes	Yes
Eva Nilsagård	13		4	Yes	Yes
Håkan Roos	13		4	Yes	No
Stefan Hedelius	13	1	4	Yes	No
Eva Elmstedt	13		4	Yes	Yes

Remuneration committee

The board has appointed a remuneration committee consisting of Johan Sjö, chairman, and Håkan Roos. The remuneration committee has developed a proposal for principles for remuneration for senior executives. The proposal has been considered by the board and will be presented for the annual general meeting's decision. Based on the annual general meeting's decision, the board will then decide on remuneration for the CEO. The CEO shall not present his own remuneration. Upon the CEO's proposal, the remuneraton committee shall decide on remuneration for other members of the executive management. The board shall be informed of the remuneration committee's decision. The remuneration committee shall then be responsible for monitoring and evaluating the application of the guidelines for remuneration for senior executives that the annual general meeting has decided upon. In addition, the committee shall monitor and evaluate ongoing and completed programs for variable remuneration for company management.

The remuneration committee has had one meeting during the financial year. At the meeting, all members of the committee were present.

Audit committee

The audit committee consists of the board in its entirety, and Eva Nilsagård has been appointed as the audit committee's chairman. The committee's work is conducted as an integrated part of the board's work at regular board meetings. The audit committee shall, without affecting the board's overall responsibility and tasks, monitor the company's financial reporting, monitor the effectiveness of the company's internal control and risk management with regard to financial reporting, keep itself informed of the audit of the annual and consolidated financial statements, review and monitor the auditors' impartiality and independence, and in particular pay attention to whether the auditors provide the company with services other than audit services, and assist in preparing proposals for the shareholders' decision on the appointment of auditors.

The audit committee has had four meetings during 2022 in connection with the publication of the interim reports. In addition, AddLife's risk matrix has been discussed, and the company's external auditors have reported on the interim review.

In connection with the adoption of the annual accounts for 2022 at the Board meeting in February 2022, the Board received a review and a report from the Company’s external auditors. At this time, the board also had a review with the auditors without the presence of the CEO or other members of the management team.

Compensation for the board

Compensation for the board is determined by the annual general meeting. The annual general meeting in 2022 decided on a total remuneration of SEK 2,525,000 for the period until the end of the next annual general meeting. Of the remuneration, SEK 700,000 is allocated to the chairman of the board, SEK 350,000 to each of the other members, and SEK 75,000 to the chairman of the audit committee.

AddLife's Board of Directors

From the left: Eva Elmstedt, Stefan Hedelius, Johan Sjö, Birgit Stattin Norinder, Håkan Roos, Eva Nilsagård.

JOHAN SJÖ

Chairman of the Board since 2015

Born: 1967 **Education:** M.Sc. Econ **Professional experience:** Senior Advisor Nordstjernan AB. Former Chief Executive Officer Addtech AB, senior management at Bergman & Beving AB and Alfred Berg ABN AMRO **Significant appointments:** Chairman of the Board of Momentum Group AB and Dacke industri AB. ember of the board of Alligo AB, Camfil AB and M2 Asset Management AB **Holdings of shares in AddLife:** 14,400 Class A shares and 129,000 Class B shares

STEFAN HEDELIUS

Board member since 2015

Born: 1969 **Education:** University studies in finance, various international executive education programmes **Professional experience:** Chief Executive Officer of Human Care HC AB, former Chief Executive Officer of NOTE AB and senior positions within Scandinavian Airlines and Ericsson **Significant appointments:** Member of the board of Momentum Group AB and Alligo AB **Holdings of shares in AddLife:** 24,964 Class A shares and 4,568 Class B shares

EVA NILSAGÅRD

Board member since 2015

Born: 1964 **Education:** M.Sc. Econ **Professional experience:** Chief Financial Officer Plastal and Vitrolife AB. Senior positions at Volvo Group, AstraZeneca Group and SKF **Significant appointments:** Chairman of the Board for Spermosens AB and Diagonal Bio AB. Member of the Board for Bufab AB, Irras AB, Hansa Biopharma AB, Nimbus Group AB, Xbrane Biopharma AB, Aktiebolaget Svensk Exportkredit, Nanexa AB and eEducation Albert AB **Holdings of shares in AddLife:** 5,568 Class B shares and 4,000 Class B shares through endowment insurance

BIRGIT STATTIN NORINDER

Board member since 2015

Born: 1948 **Education:** MPharmacy and Bachelor of Arts **Professional experience:** Former Chief Executive Officer Prolifix, Senior Vice President Worldwide Product Development Pharmacia & Upjohn. Leading positions in Glaxo and the Astra Group as well as chairman and board member of several international Biotech companies bolag **Significant appointments:** Member of the board of Nanexa and Jettesta AB **Holdings of shares in AddLife:** 12,636 Class B shares (including related party holdings)

EVA ELMSTEDT

Board member since 2021

Born: 1960 **Education:** Bachelor's degree in Economics and Computer Science **Professional experience:** Previous experience as EVP Global Services and member of the management team of Nokia Networks and Nokia Siemens Networks and senior positions at Ericsson, the operator 3 and Semcon **Significant appointments:** Chairman of the Board of Arelion, Omegapoint and Serline. Member of the Board of Arjo, Elanders and Smart Eye **Holdings of shares in AddLife:** 3,000 Class B shares adn 1,000 Class B shares through endowment insurance

HÅKAN ROOS

Board member since 2015

Born: 1955 **Education:** M.Sc. Econ **Professional experience:** Previously Chief Executive Officer of Hallbergs Guld AB and Procurator AB **Significant appointments:** Chairman of the Board of RoosGruppen AB and Gadelius Japan. Member of the board of OptiGroup AB and Sandå Sverige AB **Holdings of shares in AddLife:** 2,165,644 Class A shares and 3,124,727 Class B shares

Information regarding shareholdings as of March 8, 2023. All members of the Board are independent in relation to AddLife and its senior management and Johan Sjö, Eva Elmstedt, Birgit Stattin Norinder and Eva Nilsagård are independent in relation to major shareholders.

AddLife´s group management

From the left: Fredrik Dalborg, Peter Simonsbacka, Martin Almgren, Christina Rubenhag

FREDRIK DALBORG

President and CEO

Born: 1972 **Member of Group Management since:** 2022
Education: M.Sc. Econ **Professional experience:** CEO Etac, CEO Boule Diagnostics AB, senior positions within Xvivo, Terumo BCT and Gambro
Other appointments: None **Holdings of shares in AddLife:** 13,500 Class B shares as well as call options corresponding to 26,000 Class B shares

CHRISTINA RUBENHAG

CFO

Born: 1970 **Member of Group Management since:** 2022
Education: M.Sc. Econ **Professional experience:** CFO Boule Diagnostics AB, CFO and CEO Biolin Scientific AB, CFO Packetfront AB, CFO Swe-Dish Satellite Systems AB
Other appointments: None **Holdings of shares in AddLife:** 1,250 Class B shares as well as call options corresponding to 10,000 Class B shares

PETER SIMONSBACKA

Business Area Manager Labtech

Född: 1960 **Member of Group Management since:** 2017 **Education:** Engineer **Professional experience:** Business area manager in Addtech Nordic AB, CEO BergmanLabora AB and Business area manager Mettler-Toledo AB **Other appointments:** Chairman of the Board for Swedish Labtech **Holdings of shares in AddLife:** 73,140 Class B shares as well as call options corresponding to 203,150 Class B shares

MARTIN ALMGREN

Business Area Manager Medtech

Född: 1976 **Member of Group Management since:** 2015 **Education:** M.Sc. Econ
Professional experience: Group Financial Controller Addtech AB, Group Accounting Manager Nefab AB, auditor EY **Other appointments:** None **Holdings of shares in AddLife:** 238,000 Class B shares as well as call options corresponding to 203,150 Class B shares

Information regarding shareholdings as of March 8, 2023.

The CEO, shall manage the operations in accordance with the Companies Act and within the framework established by the Board of Directors. The work and role of the CEO and the division of duties between the Board of Directors and the CEO are detailed in a written set of instructions set out by the Board of Directors ("Instructions to the CEO"). The Board of Directors continuously evaluates the work of the CEO. In consultation with the Chairman, the CEO has prepared the information needed to make decisions at Board meetings and has presented reports and reasoned proposals for decisions.

The CEO shall lead the work of the group management and make decisions in consultation with the other members of the group management. At the end of 2022, the group management consisted of six persons, Fredrik Dalborg, CEO, Christina Rubenhag, CFO, Martin Almgren, Business Area Manager for Medtech, Peter Simonsbacka, Business Area Manager for Labtech, Ulrika Hellman, Head of M&A, and Ove Sandin, Senior Advisor. After the end of the year, Ulrika Hellman left the company and Ove Sandin is no longer part of the management team. Former CEO Kristina Willgård left her role on August 31. Group management has regular business reviews under the management of the CEO.

Operational organisation

During the financial year, the Group's operations were organised into two business areas – Labtech and Medtech. Operations are conducted in subsidiaries mainly in Europe but also in Australia and China. Each operating Company has a board of directors in which the Company's CEO and senior executives from the business area are represented. Each company president reports to a business division manager or business area manager, who, in turn reports to the CEO for AddLife AB.

General Meeting

The Annual General Meeting is the highest decision-making body in which shareholders exercise their voting rights. The Annual General Meeting shall be held once a year no later than September. The Annual General Meeting resolves on the annual report, dividends, appointments to the Board of Directors, election of auditor, compensation to the Board of Directors and remuneration to the auditor, as well as other issues in accordance with the Swedish Companies Act and the Articles of Association. Notice of the Annual General Meeting shall be given through advertising in Post och Inrikes Tidningar and on the Company's website. The fact that notice of a general meeting has been given must be announced in Svenska Dagbladet. Information about previous annual general meetings and minutes is available on the company's website. The Company does not apply any special arrangement in relation to the functions of the General Meeting due to any article in the Articles of Association, or as far as the Company is aware of, any shareholders' agreement.

Right to participate at the General Meeting and shareholders' right of initiative

Shareholders registered in the share register maintained by Euroclear five days before the General Meeting and who, by the date specified in the Notice of the General Meeting, have informed the Company of their intention to attend, are eligible to participate in the General Meeting and to vote for the number of shares held. Shareholders may attend the Meeting in person or by proxy, and may be accompanied by a maximum of two assistants. Shareholders' assistants may accompany them at a General Meeting if the shareholders provide notification thereof in accordance with the procedure for shareholder registration.

In addition to notifying AddLife, shareholders whose shares are nominee registered at a bank or other nominee must request that their shares be temporarily registered under their own names in the share register maintained by Euroclear to be eligible to participate in the Meeting. Shareholders should inform their nominees in good time before the record date. Shareholders seeking to have a matter addressed at a General Meeting must submit a written request to the Board. The request must normally be received by the Board no later than one week before the earliest point at which the notice of the Meeting may be issued under the Companies Act. Every shareholder that submits a request within the required time has the right to have the issue brought before the General Meeting.

Annual General Meeting 2022

AddLife's Annual General Meeting was held on Thursday, 5th of May 2022 in Stockholm. In all, 152 shareholders were present at the meeting, in person or by proxy, representing 67.62 percent of the votes and 58.94 percent of capital. Chairman of the Board Johan Sjö was elected to serve as chairman of the AGM.

The Annual General Meeting 2022 resolved:

- To adopt the financial statements for 2021
- A dividend of SEK 2.00 per share, irrespectively of class of shares, was declared
- To carry forward the available funds
- To discharge the Board of Directors and Chief Executive Officer from liability for the past financial year
- To re-elect board members Johan Sjö, Håkan Roos, Birgit Stattin Norinder, Eva Nilsagård, Stefan Hedelius and Eva Elmstedt
- To re-elect Johan Sjö to serve as chairman of the Board
- To elect the audit firm KPMG AB to serve as auditor
- To implement a long-term incentive scheme under which the participants will have the opportunity to acquire call options at market prices for shares repurchased by AddLife AB
- To authorise the Board of Directors to acquire, prior to the next AGM, a maximum number of Class B shares so that the Company's own holdings of shares in AddLife does not exceed 10 percent of all shares in the Company at any time

- To authorise the Board of Directors to resolve on a new issue of up to 10 percent of the number of Class B shares for use as payment in acquisitions

The AGM's other resolutions are presented in the complete minutes from the AGM, which together with other information about the 2022 AGM can be found at www.add.life/en/investors/corporate-governance/general-meeting/

Annual General Meeting 2023

AddLife's 2023 Annual General Meeting will be held on Thursday 4 May 4 p.m. at World Trade Center, New York room, Klarabergsviadukten 70 in Stockholm.

Shareholders who wish to participate in the Annual General Meeting must:

- be entered in the shareholders' register kept by Euroclear Sweden AB as of Tuesday 25 April 2023; and
- notify the Company's head office at AddLife AB (publ.), "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, via link, https://anmalan.vpc.se/EuroclearProxy/, by e-mail to generalmeetingservice@euroclear.com, or call on telephone number 08-402 91 33 no later than by Wednesday 26 April 2023. Such notice must contain the shareholder's name, personal identification number (organisation number), address, telephone number, the number of shares as well as any attending counsel, maximum two. The information provided during registration will be processed and used for the Annual General Meeting 2023.

Shareholders who have had their shares registered under a trustee must, in order to exercise voting rights at the meeting, temporarily register their shares in their own name. Such changes in registration must be completed by Thursday 27 April 2023.

Proposal for the Annual General Meeting 4 May 2023:

- Dividend of SEK 1.20 per share for the financial year 2022.

The Board has also decided to propose to the Annual General Meeting the following:

- Incentive program aimed at people in senior positions
- A mandate for the Board of Directors to decide on acquisition and transfer of own shares
- A mandate for the Board of Directors to resolve on a new share issue of up to 10 percent of the number of shares

For additional information about the 2023 AGM please see AddLife's website: www.add.life/en/investors/corporate-governance/general-meeting/

Nomination Committee

Nomination Committee duties

The task of the Nomination Committee is, on behalf of the shareholders, to evaluate the composition and work of the Board of Directors to the Annual General Meeting and to submit proposals to the Annual General Meeting regarding the Chairman of the Annual General Meeting, election of the Chairman and other members of the Board of Directors, election of the auditor, remuneration to each of the Board members, election of audit firms and audit fees, and principles for how members of the Nomination Committee shall be appointed. The members of the Nomination Committee do not receive any remuneration from the company for the work of the Nomination Committee. However, the company is responsible for costs associated with the performance of the nomination committee's assignments.

Composition of the Nomination Committee

At the Annual General Meeting on September 1, 2016, a decision was made on principles for the appointment of the Nomination Committee, which apply until further notice. This means that the Annual General Meeting does not annually decide on these principles and the nomination committee's assignments, unless the principles themselves or the assignment are to be changed. The Nomination Committee shall consist of representatives of the five largest shareholders in terms of votes as of September 30 each year and the Chairman of the Board, who is also tasked with convening the Nomination Committee for its first meeting. The Nomination Committee appoints the Chairman of the Nomination Committee from among its members. The composition of the Nomination Committee shall be announced no later than six months before the Annual General Meeting.

Nomination committee for the Annual General Meeting 2023

The Nomination Committee, ahead of the 2023 Annual General Meeting, consists of the Company's Chairman of the Board; Johan Sjö, as well as Stefan Hedelius (appointed by Tom Hedelius), Håkan Roos (appointed by RoosGruppen AB), Hans Christian Bratterud (appointed by Odin Fonder), Christofer Geijer (appointed by SEB Investment Management) and Patricia Hedelius (appointed by AMF). The composition of the Nomination Committee was presented in connection with the presentation of the interim report for the third quarter on October 27, 2022. Of the members of the Nomination Committee, three Board members and two members of the Nomination Committee are dependent in relation to the company's major shareholders. The Chairman of the Nomination Committee is Håkan Roos.

Prior to the 2023 Annual General Meeting, the Nomination Committee held 2 minuted meetings where all members were present. The Nomination Committee's complete proposals for the Annual General Meeting are presented in the notice convening the Meeting and on the company's website.

Deviations

The Company has two deviations from rule 2.4 of the Code regarding the composition of the Nomination Committee. According to the Code, a Board member should not serve as the chair of the Nomination Committee and at most one Board member should be dependent in relation to the company's major shareholders. The Nomination Committee has determined that it is appropriate that the Chairman of the Nomination Committee is the member who represents the largest group of shareholders. The Nomination Committee has also deemed it appropriate that two Board members, who are dependent in relation to major shareholders, are included in the Nomination Committee as they have good knowledge of both the company and other shareholders.

Audit

In accordance with the Articles of Association, a registered auditing firm shall be elected as auditor. KPMG was re-elected as the Company's auditor at the Annual General Meeting on 5 May 2022 for the period until the 2023 Annual General Meeting. The auditor in charge is Håkan Olsson, aided by Jonas Eriksson. KPMG audits AddLife AB and the majority of its subsidiaries.

The Company's auditors follow an audit plan that includes integrating comments from the Board, and reporting their findings to Company management teams, Group Management and to AddLife's Board of Directors, both during the audit and in connection with the approval of the annual accounts. The Company's auditors also attend the Annual General Meeting, describing and commenting on the audit process.

The independence of the external auditors is regulated by special instructions approved by the Board of Directors, which show the areas for which the external auditors may be engaged on matters beyond the regular audit process. KPMG regularly assesses its independence in relation to the Company and delivers annual written statements to the Board of Directors that the audit firm is independent of AddLife. During the current financial year, KPMG has performed advisory assignments concerning corporate acquisitions. The total fee for KPMG's services in addition to auditing for the 2022 financial year was SEK 1 million (4).

Quarterly review by auditors

AddLife's nine-month report was reviewed by the Company's auditors during the 2022 financial year.

Håkan Olsson Reising

Auditor in charge, Authorised Public Accountant, Stockholm

Auditor for the company since: January 2017
Born in: 1961
Other assignments: EQT, Bergman & Beving AB, Lagercrantz Group AB and ABB AB

Jonas Eriksson

Assistant Auditor, Authorised Public Accountant, Stockholm

Auditor for the company since: March 2015
Born in: 1974
Other assignments: Audit of Beijer Alma AB, Concejo AB, SinterCast AB, Knowit AB and Alligo AB

Internal control of financial reporting

The Board of Directors has established operating procedures with instructions on internal financial reporting. All interim reports and press releases are published on AddLife's website, www.add.life directly adjacent to the announcement.

The Board of Directors' and the CEO's responsibility for internal control is regulated by the Companies Act. The Board of Directors' responsibilities are also regulated in the Code and the Annual Accounts Act. The Board of Directors has overall responsibility for ensuring that the Group has an effective system for management and internal control. This responsibility includes annually evaluating the financial reporting the Board receives and stipulating the content and format of these reports to ensure their quality. This requirement means that the financial reporting must fulfil its purpose and comply with applicable accounting rules and other requirements incumbent on listed companies. The Chief Financial Oficer (CFO) has presented reports to the Board on the Group's internal control.

Control environment

AddLife builds and organises its business on the basis of decentralised responsibility for profitability and earnings.

In decentralised operations, the basis for internal control consists of a well-established process aimed at defining targets and strategies for each business. Internal guidelines and policies approved by the Board communicate defined decisionmaking channels, powers of authority and responsibilities. The Group's foremost financial control documents include its financial policy, financial manual and instructions for each financial closing. A Group-wide reporting system with related analysis tools is used for the Group's closing procedures. On a more general level, all operations within the AddLife Group are conducted in accordance with the Group's Code of Conduct.

Risk assessment

AddLife has established procedures for managing risks that the Board of Directors and senior management have deemed essential for the internal control of the Company's financial reporting.
The Board holds the opinion that the Group's exposure to a variety of market and customer segments, and the fact that the operations are conducted in over 80 operating companies, entail significant risk diversification. The risk assessment shall be based on the Group's income statement and balance sheet to identify the risk of significant errors. For the AddLife Group as a whole, the greatest risks are linked to the reported value of intangible assets in relation to acquisitions, inventories and revenue.

Control activities

Control activities include transaction related controls such as spending authorisation and investments, as well as clear disbursement procedures, but can also be analytical controls performed by the Group's controllers and central finance and accounting function.

Controllers and financial managers at all levels of the Group play a key role in creating the right environment for transparent and accurate financial reporting. The key roles place high demands on integrity, competence and abilities of individuals.

In order to ensure an efficient exchange of knowledge and experience between the financial functions, regular financial conferences will be held where current issues will be discussed. An important overall control activity is the monthly performance review performed via the internal reporting system and analysed and commented on in the internal work of the Board. The performance review includes reconciliation against set targets and previously achieved results, as well as the review of a number of important key figures.

Each year a "self-assessment" is performed of all Group companies with respect to internal control issues. Companies comment on how important issues have been handled, such as the terms of business in customer contracts, customer credit ratings, valuation and documentation of inventories, payment procedures, documentation and analysis of financial statements and compliance with internal policies and procedures. An accepted minimum level must be established for critical issues and processes, which all companies are expected to meet. Each company's response should be validated and commented on by the relevant company's external auditor in connection with the regular audit. The responses should subsequently be compiled and analysed, after which they are presented to the business area and Group Management teams. The result of the self-evaluations will be taken into account in the planning of the following year's self-evaluations and external auditing.

In addition to the "self-assessment" work, an in-depth analysis of internal control in six of the operating companies was conducted during the year. This work is referred to as an "analysis of internal control" and is performed by the companies' business controllers and colleagues from the Parent Company's finance function.

The companies' key processes and their control activities have been identified and tested. The external auditors have read the records of the internal control in connection with their audit of the companies. The process is expected to provide a good basis to identify and assess the internal controls within the Group. KPMG provided the Board with a review and accounted for its assessment of the Group's internal control process.

Review, information and communication

The Board has received monthly comments from the CEO regarding the business situation and the development of the operations. The Board has discussed the quarterly financial statements before these have been published.

The Board has received updates on the work on internal controls and its outcome. The Board has also read the assessment made by KPMG of the Group's internal control processes. The outcome of the internal control has been analysed by the Group's CFO together with the business controller. An assessment has been made of the improvement measures to be implemented in the various companies. The boards of the various Group companies have been informed of the outcome of the internal control in each company and the improvement measures that should be implemented. The business controller will then continuously follow up the work during the following year together with the Boards of Directors of the Group companies.

Governing guidelines, policies and instructions are available on the Group's intranet. The documents are regularly updated as needed. Changes are communicated separately via email and at meetings for controllers and financial managers.

For internal information via the intranet, access to the documents is controlled through authorisations. The Group's employees are divided into various groups whose access to information differs. All financial guidelines, policies and instructions are available for each company's CEO and CFO, business area managers, business controllers and the central finance staff. Access to Group financial data is also controlled centrally through authorisation.

Internal audit

In light of the risk assessment described above and the structure of control activities, including the process of the "self-evaluation" and the in-depth analysis of the internal control, the Board of Directors has chosen to not have a dedicated internal audit function.

Consolidated Income Statement

SEKm	Note	2022	2021
Net sales	5,6	9,084	7,993
Cost of goods sold		-5,657	-5,136
Gross profit		**3,427**	**2,857**
Selling expenses	11	-2,125	-1,486
Administrative expenses	11,30	-542	-388
Research and development	11	-81	-34
Other operating income	10,30	218	100
Other operating expenses	10	-89	-53
Operating profit	**4–11,17,30**	**808**	**996**
Financial income	12,30	445	97
Finance costs	12,30	-651	-166
Net financial items		**-206**	**-69**
Profit/loss before taxes		**602**	**927**
Income tax expense	14	-119	-206
PROFIT FOR THE YEAR		**483**	**721**
Attributable to:			
Equity holders of the Parent Company		480	719
Non-controlling interests		3	2
Earnings per share (SEK)	34	3.96	6.03
Diluted EPS (SEK)		3.95	6.01

Consolidated statement of comprehensive income

SEKm	2022	2021
Profit for the year	**483**	**721**
Components that will be reclassified to profit of the year		
Foreign currency translation differences for the year	455	73
Components that will not be reclassified to profit of the year		
Revaluations of defined benefit pension plans	23	0
Tax attributable to items not to be reversed in profit or loss	-5	0
Other comprehensive income	**473**	**73**
Total comprehensive income for the year	**956**	**794**
Attributable to:		
Equity holders of the Parent Company	953	791
Non-controlling interests	3	3

Consolidated Balance Sheet

SEKm	Note	2022-12-31	2021-12-31
ASSETS			
Non-current assets			
Intangible non-current assets	15	8,440	7,191
Property, plant and equipment	16	899	627
Financial assets	18	10	9
Non-current receivables	18	85	7
Deferred tax assets	14	51	11
Total non-current assets		**9,485**	**7,845**
Current assets			
Inventories	20	1,646	1,189
Tax assets		78	24
Accounts receivable	21	1,326	1,089
Prepaid expenses and accrued income	22	103	57
Other receivables		43	47
Cash and cash equivalents		376	345
Total current assets		**3,572**	**2,751**
TOTAL ASSETS		**13,057**	**10,596**
EQUITY AND LIABILITIES			
Shareholder's equity	23		
Share capital		62	62
Other contributed capital		2,642	2,654
Reserves		477	22
Retained earnings, including profit for the year		1,787	1,547
Equity attributable to equity holders of the Parent Company		**4,968**	**4,285**
Non-controlling interests		3	6
Total equity		**4,971**	**4,291**
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	18,27	2,744	564
Non-current lease liability	17,18	225	224
Non-current non-Interest-bearing liabilities	18	8	2
Provisions for pensions	25	60	82
Non-current provisions	26	134	32
Deferred tax liabilities	14	459	489
Total non-current liabilities		**3,630**	**1,393**
Current liabilities			
Current interest-bearing liabilities	18,28	2,491	3,194
Current lease liability	17,18	131	121
Accounts payable	18	957	796
Tax liabilities		70	110
Other liabilities		268	301
Accrued expenses and deferred income	29	487	380
Current provisions	26	52	10
Total current liabilities		**4,456**	**4,912**
Total liabilities		**8,086**	**6,305**
TOTAL EQUITY AND LIABILITIES		**13,057**	**10,596**

Consolidated statement of changes in equity

SEKm	Share capital	Other contributed capital	Reserves	Retained earnings, including profit for the year	Equity attributable to shareholders of the Parent	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE 2021-01-01	**58**	**1,134**	**-50**	**739**	**1,881**	**8**	**1,889**
Profit for the year	–	–	–	719	719	2	721
Foreign currecy translation differens for the year	–	–	72	–	72	1	73
Actuarial effects on defined benefit plan	–	–	–	0	0	–	0
Tax attributable to other comprehensive income	–	–	–	0	0	–	0
Other comprehensive income	**–**	**–**	**72**	**0**	**72**	**1**	**73**
Total comprehensive income	**–**	**–**	**72**	**719**	**791**	**3**	**794**
Transactions with owners							
Non-cash issue	4	1,521	–	–	1,525	–	1,525
Issue expenses	–	-1	–	–	-1	–	-1
Dividend	–	–	–	-183	-183	-5	-188
Call options	–	–	–	-9	-9	–	-9
Disposal of treasury shares	–	–	–	281	281	–	281
EQUITY, CLOSING BALANCE 2021-12-31	**62**	**2,654**	**22**	**1,547**	**4,285**	**6**	**4,291**

SEKm	Share capital	Other contributed capital	Reserves	Retained earnings, including profit for the year	Equity attributable to shareholders of the Parent	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE 2022-01-01	**62**	**2,654**	**22**	**1,547**	**4,285**	**6**	**4,291**
Profit for the year	–	–	–	480	480	3	483
Foreign currecy translation differens for the year	–	–	455	–	455	0	455
Actuarial effects on defined benefit plan	–	–	–	23	23	–	23
Tax attributable to other comprehensive income	–	–	–	-5	-5	–	-5
Other comprehensive income	**–**	**–**	**455**	**18**	**473**	**0**	**473**
Total comprehensive income	**–**	**–**	**455**	**498**	**953**	**3**	**956**
Transaction with owners							
Dividend	–	–	–	-243	-243	-6	-249
Call options	–	–	–	33	33	–	33
Repurchase of treasury shares	–	–	–	-60	-60	–	-60
Shift from restricted to unrestricted	–	-12	–	12	0	–	0
EQUITY, CLOSING BALANCE 2022-12-31	**62**	**2,642**	**477**	**1,787**	**4,968**	**3**	**4,971**

Consolidated statement of cash flows

SEKm	Notes	2022	2021
OPERATING ACTIVITIES			
Profit before taxes		602	927
Adjustment for items not included in cash flow	32	684	449
Income tax paid		-256	-252
Cash flow from operating activities before changes in working capital		**1,030**	**1,124**
Cash flow from changes in working capital			
Changes in inventories		-88	53
Changes in operating receivables		64	18
Changes in operating liabilities		-97	-185
Cash flow from operating activities		**909**	**1,010**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		-213	-101
Disposal of property, plant and equipment		13	9
Acquisition of intangible assets		-69	-42
Disposal of intangible assets		1	-
Acquisition of operations	33	-818	-2,843
Divestment of operations		-	0
Cash flow from investing activities		**-1,086**	**-2,977**
FINANCING ACTIVITIES			
Borrowings	32	1,416	2,649
Repayments on loans	32	-846	-260
Repurchase and disposal of treasury shares		-60	-
Call options		33	-9
Issue expenses		-	-1
Other financing		-160	-121
Dividend paid to equity holders of the Parent Company		-243	-183
Dividend paid to non-controlling interests		-6	-5
Cash flow from financing activities		**134**	**2,070**
Cash flow for the year		**-43**	**103**
Cash and cash equivalents at beginning of year		345	216
Exchange differences on cash and cash equivalents		74	26
Cash and cash equivalents at year-end		376	345

Parent Company Income Statement

SEKm	Notes	2022	2021
Net sales	5	64	51
Administrative expenses	7–9,11	-83	-68
Operating profit		**-19**	**-17**
Interest income and similar items	12	443	42
Interest expense and similar items	12	-648	-43
Profit after financial items		**-224**	**-18**
Year-end appropriations	13	194	99
Profit before tax		**-30**	**81**
Income tax expense	14	12	-15
Profit for the year		**-18**	**66**

Parent Company Statement of comprehensive income

SEKm	2022	2021
Profit for the year	**-18**	**66**
Other comprehensive income	**-**	**-**
Comprehensive income for the year	**-18**	**66**

Parent Company Balance Sheet

SEKm	Note	2022-12-31	2021-12-31
ASSETS			
Intangible non-current assets	15	0	0
Property, plant and equipment	16	0	0
Non-current financial assets			
Interests in Group companies	19	389	389
Receivables from Group companies	19	7,599	6,589
Other financial assets		14	–
Total non-current financial assets		**8,002**	**6,978**
Total non-current assets		**8,002**	**6,978**
Current assets			
Current receivables from Group companies		648	405
Other receivables		18	–
Prepaid expenses and accrued income	22	4	2
Cash and cash equivalents		–	–
Total current assets		**670**	**407**
TOTAL ASSETS		**8,672**	**7,385**
EQUITY AND LIABILITIES	23		
Shareholder's equity			
Restricted equity			
Share capital		62	62
Unrestricted equity			
Share premium reserve		2,654	2,654
Retained earnings		-74	130
Profit for the year		-18	66
Total equity		**2,624**	**2,912**
Untaxed reserves	24	–	120
Liabilities			
Liabilities to Group companies		136	235
Non-current liabilities	27	2,464	–
Total non-current liabilities		**2,600**	**235**
Current interest-bearing liabilities	28	2,379	3,122
Current liabilities to Group companies		1,039	960
Accounts payable		3	4
Tax liabilities		–	6
Other liabilities		7	4
Accrued expenses and deferred income	29	20	22
Total short-term liabilities		**3,448**	**4,118**
Total liabilities		**6,048**	**4,353**
TOTAL EQUITY AND LIABILITIES		**8,672**	**7,385**

Parent Company Statement of Cash Flows

SEKm	Note	2022	2021
Profit after financial items		-224	-18
Adjustment for items not included in cash flow	32	309	13
Income tax paid		-26	-26
Cash flow from operating activities before changes in working capital		**59**	**-31**
Cash flow from changes in working capital			
Increase/decrease other current receivables		-1	-1
Increase/decrease accounts payable		-1	1
Increase/decrease other current operating liabilities		-213	262
Cash flow from operating activities		**-156**	**231**
INVESTING ACTIVITIES			
Investments in intangible non-current assets		0	0
Investments in tangible non-current assets		0	0
Acquisition of operations		–	–
Investmens in other non-current financial assets		-986	-2,740
Cash flow from investing activities		**-986**	**-2,740**
FINANCING ACTIVITIES			
Issue expenses		–	-1
Call options		33	-9
Change in overdraft	32	144	451
Repurchase and disposal of treasury shares		-60	–
Borrowings	32	1,268	2,249
Repayment of loans	32	0	0
Dividend to shareholders of the Parent Company		-243	-183
Cash flow from financing activities		**1,142**	**2,507**
Cash flow for the year		**0**	**-2**
Cash and cash equivalents at beginning of year		0	2
Exchange differences on cash and cash equivalents		0	0
Cash and cash equivalents at year-end		0	0

Parent Company Statement of Changes in Equity

	Restricted equity	Unrestricted equity		
SEKm	**Share capital**	**Share premium reserve**	**Retained earnings, including profit for the year**	**Total**
EQUITY, OPENING BALANCE 2021-01-01	**58**	**1,134**	**41**	**1,152**
Profit for the year	–	–	66	66
Total comprehensive income for the year	**–**	**–**	**66**	**66**
Non-cash issue	4	1,521	–	1,525
Issue expenses	–	-1	–	-1
Dividend	–	–	-183	-183
Disposal of treasury shares			281	281
Call options issued	–	–	-9	-9
EQUITY, CLOSING BALANCE 2021-12-31	**62**	**2,654**	**196**	**2,912**

	Restricted equity	Unrestricted equity		
SEKm	**Share capital**	**Share premium reserve**	**Retained earnings, including profit for the year**	**Total**
EQUITY, OPENING BALANCE 2022-01-01	**62**	**2,654**	**196**	**2,912**
Profit for the year	–	–	-18	-18
Total comprehensive income for the year	**–**	**–**	**-18**	**-18**
Dividend	–	–	-243	-243
Repurchase of treasury shares			-60	-60
Call options issued	–	–	33	33
EQUITY, CLOSING BALANCE 2022-12-31	**62**	**2,654**	**-92**	**2,624**

Note 1 General information

AddLife AB (Parent Company) and its subsidiaries form the AddLife Group. The Group consists of 104 companies, 86 of which are operational and active mainly in the Nordic countries and Central and Eastern Europe. The Group is a leading independent supplier of equipment, instruments and reagents from leading global suppliers to customers primarily in medical care, research, colleges and universities, as well as the food and pharmaceutical industries.

AddLife AB, corporate identification number 556995-8126, is a registered limited liability company with its registered office in Stockholm, Sweden.

Note 2 Summary of important accounting policies

This section describes the comprehensive basis of preparation which has been applied in preparing the financial statements. Accounting principles for specific accounting areas and individual line items are described in the related notes.

The financial statements for the Group were prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Union (EU). Recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, was also applied. The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act, recommendation RFR 2 (Accounting for Legal Entities) and from the Swedish Financial Reporting Board. The Parent Company applies the same accounting principles as the Group, except in the cases specified in the section entitled 'Differences between the accounting policies of the Group and the Parent Company'.

Presentation of the annual report

The financial statements are in millions of Swedish kronor (SEK million) unless otherwise stated. AddLife AB's functional currency is Swedish kronor, as is the reporting currency for the Group. Assets and liabilities are recognised at historical cost, except for currency derivatives that are measured at fair value.

Assets are divided into current assets and non-current assets. An asset is considered current if it is expected to be realised within 12 months of the end of the reporting period or within the Company's operating cycle. 'Operating cycle' refers to the time elapsed from the start of production until the Company receives payment for goods or services delivered. The Group's operating cycle is judged to be less than one year. If an asset does not fulfill the current asset criterion, it is classified as a non-current asset.

Liabilities are divided into current liabilities and non-current liabilities. Current liabilities are liabilities to be paid within 12 months of the end of the reporting period or, in the case of operating liabilities only, that are expected to be paid within the operating cycle. As this takes into account the operating cycle, no non-interest-bearing liabilities, such as accounts payable or accrued staff costs, are recognised as non-current liabilities.

Receivables and liabilities, as well as income and expenses, are offset only if required or if expressly permitted under IFRS.

Differences between the accounting policies of the Group and the Parent Company

The Parent Company's and the Group's accounting policies are consistent with each other, except for the follwoing areas. The Parent Company has chosen to apply the option in RFR 2 not to apply IFRS 16 and IFRS 9. In accordance with RFR 2 possible defined benefit plans in the Parent company are reported as defined contribution plans.

New or amended accounting standards applied in 2022

The new, amended or improved standards did not have any material impact on AddLife's financial statements.

New or amended accounting standards to be applied after 2022

New, amended or improved standards to be applied in the future are not expected to have any material impact on AddLife's financial statements.

Note 3 Critical estimates and assumptions

The carrying amounts of certain assets and liabilities are based in part on estimates and assumptions. This applies particularly to impairment testing of goodwill (Note 15) and to defined benefit pension obligations (Note 25). Assumptions and estimates are continually evaluated and are based on historical experience and expectations regarding future events deemed reasonable under prevailing circumstances. Tests are performed each year to determine if goodwill is impaired. The recoverable amount for cash generating units has been determined by calculating values in use. For these calculations, certain estimates must be made.

A portion of the Group's pension obligations for salaried employees is on a defined benefit basis and is covered by collective policies with Alecta. Currently, it is impossible to obtain data from Alecta on the Group's share of obligations and plan assets, so the pension plan with Alecta must be recognised as a defined-contribution plan. The consolidation ratio reported by Alecta does not indicate any deficit, but it is not possible to obtain detailed information from Alecta about the size of the pension obligation.

The present value of pension obligations recognised as defined benefit plans depends on multiple factors determined on an actuarial basis using a number of assumptions. In establishing these assumptions, AddLife consults with actuaries. The assumptions used to determine the present value of the obligation include the discount rate and salary increases. Each change in these assumptions will affect the carrying amount of pension obligations. See also Note 25.

Changes in tax laws in the countries where AddLife operates could change the amount of tax liabilities and assets recognised. In addition, the interpretation of current tax laws can affect reported tax asset/liability. Assessments are made to determine both current and deferred tax assets/liabilities. The actual results may deviate from these estimates, in part because of changes in the business climate or the tax rules.

Note 4 Financial risk and risk management

Goals and policy for risk management

AddLife strives for structured and efficient management of the financial risks that arise in operations, which is manifest in the financial policy adopted by the Board of Directors. Financial operations are not conducted as a separate line of business, instead they are merely intended to constitute support for the business and reduce risks in financial operations. The policy stipulates goals and risks in the financial operations, and how they are to be managed. The financial policy expresses the goal of minimising and controlling financial risks. The policy defines and identifies the financial risks that arise at AddLife and how responsibility for managing these risks is distributed in the organisation. The financial risks defined in the financial policy are currency risk, interest rate risk, liquidity, financing and issuer/borrower risk. Operational risks, that is, financial risks related to operating activities, are managed by each subsidiary's management according to principles in the financial policy and subordinate process descriptions approved by the Group's Board of Directors and management. The subsidiaries within AddLife include financial derivatives with an external counterparty. Risks such as translation exposure, refinancing risk and interest rate risk are managed by the Parent Company, AddLife AB.

Currency risks

The AddLife Group conducts extensive trading in foreign countries and as such the Group has a material currency exposure, which shall be managed in a way which minimises impact on profit from exchange rate fluctuations.
The AddLife Group practices a decentralised responsibility for currency risk management, which among other things means that risk identification and risk hedging either through matching of currency flows, via currency accounts, or via forward exchange contracts is conducted at the subsidiary level. The companies are responsible for choosing the most appropriate hedging measure from a commercial and risk point of view. To minimise currency risks, matching of inflows

and outflows in the same currency shall be prioritised. Currency clauses may be used if the company finds it to be advantageous from a risk and commercial point of view. The main principle for the currency clause is 80 percent compensation for an exchange rate fluctuation of +/-2 percent. If the company determines that currency risk could have a significant impact on profits after the exposure has been reduced through matching and/or currency clauses, the company must hedge its net commercial flows using forward exchange contracts on a monthly basis. For AddLife, currency risk arises as a result of future payment flows in foreign currency, known as transaction exposure, and also because parts of the Group's equity comprise net assets in foreign subsidiaries, known as translation exposure.

Transaction exposure

Transaction exposure comprises all future contracted and forecast ingoing and outgoing payments in foreign currency. The Group's currency flows usually pertain to flows in foreign currency from purchases, sales and dividends. Transaction exposure also comprises financial transactions and balances. During financial years 2022 and 2021, the Group's payment flows in foreign currencies were distributed as follows:

	2022			**2021**		
	Currency flows, gross			Currency flows, gross		
	Inflows	Outflows	Net flows	Inflows	Outflows	Net flows
EUR	1,257	1,761	-504	1,019	1,532	-513
DKK	78	17	61	84	15	69
PLN	19	14	5	100	1	99
NOK	89	7	82	75	1	74
USD	202	678	-476	136	567	-431
GBP	68	140	-72	38	35	3
CHF	23	16	7	10	107	-97

The effects of exchange rate fluctuations are reduced by buying and selling in the same currency, through currency clauses in customer contracts and, to a certain degree, by forward purchases or sales of foreign currency. Currency clauses are a common method in the industry for handling uncertainty associated with future cash flows. A currency clause means that compensation will be paid for any changes in the exchange rate that exceed a certain predefined level during the contract period. If these thresholds are not reached, for example when the exchange rate changes by less than two percentage points, no compensation is paid. The currency clauses adjust the exchange rate change between the time the order is placed and the invoice date. Currency clauses are symmetrically designed, which means that compensation is charged or credited when the exchange rate rises or declines beyond the predefined thresholds.

Of AddLife's net sales in 2022, currency clauses cover about 15(20) percent and sales in the purchasing currency make up about 35 (23) percent. In certain transactions, there is a direct link between the customer's order and the associated purchase order, which is a good basis for effective currency risk management. However, in many cases the dates of the orders do not coincide, which may reduce the effectiveness of these measures. The companies within AddLife have reduced their currency exposure by using forward foreign exchange contracts. At the end of the 2022 financial year, there were outstanding forward foreign exchange contracts in a gross amount of SEK 45 million (55), of which EUR equalled SEK 44 million (54) and USD SEK 1 million (1). Of the total contracts of SEK 45 million (55), SEK 44 million (52) mature within six months. Hedge accounting does not apply to forward foreign exchange contracts; instead, they are classified as a financial asset/liability measured at fair value through profit or loss Currency flows in the Parent Company are mainly in Swedish kronor (SEK). To the extent that internal and external loans and investments in the Parent Company are in foreign currency, as much as possible of the capital amount is hedged.

Translation exposure

AddLife's translation exposure is not hedged at this time, with the exception of some foreign operations denominated in EUR (see hedging of the Group's net investment in foreign operations). AddLife's net assets are distributed among foreign currencies as shown below:

Net investments	2022 SEKm	2022 Sensitivity analysis[1]	2021 SEKm	2021 Sensitivity analysis[1]
EUR	4,639	232	3,410	170
DKK	322	16	359	18
NOK	189	9	245	12
CHF	419	21	448	22
GBP	391	20	356	18

[1] Impact of +/–5% in exchange rate on Group equity

When translating the income statement of units with a functional currency other than SEK, a translation effect arises when exchange rates vary. With the current distribution of Group companies' different functional currencies, a change of 1 percentage point in the exchange rates would have an effect on net sales and on EBITA as follows:

	2022	2021
Net sales	75	68
EBITA	11	11

The exchange rates used in the financial statements are shown in the following table:

	Average rate		Closing day rate	
Exchange rate	**2022**	**2021**	**2022-12-31**	**2021-12-31**
AUD	7.01	6.44	7.09	6.56
CHF	10.58	9.38	11.29	9.85
CNY	1.50	1.33	1.50	1.42
DKK	1.43	1.36	1.50	1.38
EUR	10.63	10.14	11.13	10.23
GBP	12.47	11.7951	12.58	12.18
NOK	1.05	1.00	1.06	1.03
PLN	2.27	2.22	2.37	2.23
USD	10.11	8.58	10.44	9.04

Financing and liquidity

The overall objective of AddLife’s financing and debt management is to secure both long term and short term financing for the operations, and to minimise borrowing costs. Capital requirements must be secured through active and professional borrowing procedures involving overdraft and credit facilities. Raising of external financing is centralised to AddLife AB.

The Group is mainly financed through bank financing of SEK 4,246 million, of which SEK 2,464 million runs for 24 months. The remaining bank financing runs for 12 months with an extension option for a total of another 24 months. The credit facilities are associated with certain loan terms (so-called covenants), which are interest coverage ratio of at least 4.0 times and the equity/assets ratio exceeding 25 percent. In addition to the credit facilities, there is also an overdraft facility of SEK 800 million.

Satisfactory payment capacity shall be achieved through contractual credit facilities. Excess liquidity is primarily used to pay down outstanding loans. Temporary surpluses of liquid funds are invested with as good a return as possible. Credit, interest rate and liquidity risks should be minimised when investing liquid funds. The fixed interest term and the period during which capital is tied up may not exceed six months. Only counterparties with high credit ratings are permitted. AddLife AB provides an internal bank which lends to and borrows from the subsidiaries. AddLife's current interest-bearing liabilities are shown in Note 28. AddLife Group provides a common cash pool for the countries in which the Group has significant operations. Subsidiaries in these countries have been connected to the cash pool and manage all liquidity within the framework of the cash pool accounts. In cases where there is no cash pool in the country where the subsidiary operates its business, or if an individual foreign currency account does not exist within the cash pool, the subsidiary shall deposit any excess liquidity with AddLife AB.

Temporary excess liquidity in AddLife AB may be invested in accordance with the following guidelines:

- The investment’s fixed-interest term and the period during which capital is tied up may not exceed six months.

The following investments are permitted:

- Interest-bearing account at a bank with the right to immediate withdrawal, minimum credit rating of A.
- Deposits in Swedish banks with a minimum credit rating of A.
- Money market instruments (<1 year) such as treasury bills and commercial paper with credit ratings corresponding to A-1, K-1, P-1 (very high creditworthiness).

Refinancing risk

Refinancing risk is the risk of AddLife not having access to sufficient financing at any given time. The refinancing risk increases if AddLife's credit rating deteriorates or if AddLife becomes too dependent on one source of financing. If all or a large percentage of the debt portfolio falls due at one or more individual occasions it could result in the extension or refinancing of a large percentage of the loan volume having to be made on unfavourable interest and loan terms. In order to limit refinancing risk, procurement of long-term credit facilities is initiated no later than nine months before the credit facility matures. The maturity structure, including interest payments, for the Group's financial interest-bearing liabilities, is distributed over the coming years as follows:

			Matures			
	Carrying amount	Future payment amount	within 3 months	after 3 months within 1 year	after 1 year within 5 years	after 5 years
Interest-bearling liabilities	4,374	4,676	-	1,834	2,838	4
Additional purchase consideration	266	272	31	220	21	-
Accounts payable	957	957	957	-	-	-
Forward foreign exchange contracts	-	-	-	-	-	-

Other operating liabilities that comprise financial instruments all fall due for payment within 1 year.

Interest rate risk

Interest rate risk define that the risk of actual value on nor Future cash flows by a financial instrument varies because of restatements of market rates. The interest rate risk is regulated by ensuring that the average fixed interest term of the debt portfolio varies between 0 and 3 years. The debt portfolio consists of bank overdraft facilities with fixed interest terms of three months and outstanding external loans with remaining fixed interest terms of six months. AddLife's financial net debt as at 31 December 2022 was SEK 5,410 million (3,870). AddLife's net financial debt as at 31 December 2022 affects net financial items by about SEK +/- 54 million (+/–39) if interest rates change by one percentage point.

Issuer/borrower risk and credit risk

Issuer/borrower risk and credit risk are defined as the risk of AddLife's counterparties failing to fulfil their contractual obligations. AddLife is exposed to credit risk in its financial transactions, i.e. in investing its surplus liquidity and executing forward foreign exchange transactions, and in its commercial operations in connection with accounts receivable and advance payments to suppliers. Credit risk exposure consists of the carrying amount of the financial assets. To utilise its companies' detailed knowledge of AddLife's customers and suppliers, each company assesses the credit risk in its commercial transactions. New customers are assessed before credit is granted, and credit limits set are strictly enforced. Short credit periods are pursued and the absence of excessive concentration of business with individual customers and specific sectors contributes to minimising the risks. No individual customer accounts for more than 3 (6) percent of total credit exposure over a one-year period. The equivalent figure for the ten largest customers is approximately 10 (12) percent. Exposure by customer segment and geographic market is shown in the table in Note 6. Credit losses amounted to SEK 0 million (0) during the year, equal to 0 percent (0) of net sales.

Note 5 Net sales by revenue type and business area

Medtech	2022	2021
Products	4,186	3,048
Instruments	529	346
Services	495	231
Total	**5,210**	**3,625**

Labtech	2022	2021
Products	2,954	3,518
Instruments	692	673
Services	234	182
Total	**3,880**	**4,373**

2022	Labtech	Medtech	Group items	Total
Sweden	634	466	-	1,100
Denmark	746	210	-	956
Finland	410	173	-	583
Norway	408	469	-	877
United Kingdom	15	965	-	980
Ireland	1	891	-	892
Italy	472	179	-	651
Germany	69	288	-	357
Switzerland	76	346	-	422
Spain	7	718		725
Other countries	1,042	505	-6	1,541
Total	**3,880**	**5,210**	**-6**	**9,084**

2021	Labtech	Medtech	Group items	Total
Sweden	713	428	-	1,141
Denmark	986	172	-	1,158
Finland	491	157	-	648
Norway	601	407	-	1,008
United Kingdom	25	594	-	619
Ireland	0	582	-	582
Italy	450	105	-	555
Germany	15	465	-	480
Switzerland	42	267	-	309
Other countries	1,050	448	-5	1,493
Total	**4,373**	**3,625**	**-5**	**7,993**

Regarding other revenue types, dividends and interest income are recognised in financial items, see Note 10.

Parent Company

Of the Parent Company's net sales of SEK 64 million (51), 100 percent (100) relate to intra-group sales. Of administrative expenses in the Parent Company of SEK 83 million (68), 0 percent (0) relates to purchases from Group companies.

Accounting principle

The fair value of what has been received, or what will be received, is recognised as sales revenue. Deductions are made for value added tax, returns, discounts and price reductions.

Revenue from sales of goods and instruments

The majority of AddLife's net sales consist of sales of goods and instruments. For these, the revenue recognition takes place at a certain time, which is when control of the products has been transferred to the customer, this is normal upon delivery to the customer. Transfer of control and thus also the revenue recognition normally depends on the delivery terms. The selling company then also has no remaining significant control over the product or involvement in its management.

Rebates

Products may be sold with volume discounts, based on total sales during a certain period of time. Revenues from such agreements are calculated and reported based on experience and probability.

Sales of goods and services combined

he AddLife Group also has certain agreements that cover both goods and services. Revenues from these are reported by distributing the sales value among the various performance commitments. Revenue recognition takes place when the respective performance commitment is fulfilled. For the Group, there are usually two performance commitments at present; products (which includes hardware, installation and training) and licenses. Revenues from products are reported at a certain time. The license provides the licensee a right to access intellectual property throughout the license period and revenue is recognized over time.

Sales of services

Other services form a limited part of AddLife's operations. Services are performed for a limited period of time and are reported in the period when the service has been delivered to the counterparty.

Note 6 Segment reporting

The division into business areas reflects AddLife’s internal organisation and reporting system. Operating segments are reported in a manner consistent with AddLife's internal reporting, which is submitted to the CEO, who has been identified as the highest executive within AddLife. AddLife reports business areas as an operating segment. AddLife reports its business areas as operating segments. The two business areas are Labtech and Medtech. This market grouping reflects a natural division of the Life Science market. AddLife uses EBITA (see definitions) as a performance measure when monitoring the business areas. Intra-Group sales are based on the same prices that an independent party would pay for the product.

Labtech

The companies in the Labtech business area operate within diagnostics and biomedical research, as well as laboratory analysis. The companies deliver directly to customers various products and solutions that include analytical instruments, equipment, microscopes, consumables and reagents, as well as software support and technical service, primarily to laboratories in medicine, research, academia and the food and pharmaceutical industries. The companies within the Labtech business area are mainly active in microbiology, clinical chemistry, coagulation, molecular biology, research, immunology, point-of-care testing, veterinary diagnostics and in the food industry. Customers are also offered training programmes in various areas to ensure that customers have the appropriate skills and to maximise user benefit for the products the Company provides.

Medtech

The companies in the Medtech business area provide medical device products within the medtech market, with a focus on surgery, thoracic medicine, neurology, wound care, anaesthesia, intensive care, ear, nose and throat, ostomies, and home healthcare.

Data by operating segment

Net sales	2022 Externally	2021 Externally
Medtech	5,210	3,625
Labtech	3,880	4,373
Group items	-6	-5
Total	**9,084**	**7,993**

EBITA	2022		2021	
	EBITA	EBITA margin, %	EBITA	EBITA margin, %
Medtech	573	11.0	310	8.6
Labtech	667	17.2	977	22.3
Group items	-19		-14	
Total	**1,221**		**1,273**	

Operating profit/loss, assets and liabilities	2022			2021		
	Operating profit	Assets[1]	Liabilities[1]	Operating profit	Assets[1]	Liabilities[1]
Medtech	228	10,231	1,416	85	8,127	941
Labtech	601	2,312	887	927	2,090	838
Group items	-21	514	5,783	-16	379	4,526
Total	**808**	**13,057**	**8,086**	**996**	**10,596**	**6,305**
Finance income and costs	-206			-69		
Profit before taxes	**602**			**927**		

[1] Does not include balances in Group accounts or financial transactions with Group companies.

Investments in non-current assets	2022			2021		
	Intangible	Property, plant and equipment[1]	Total	Intangible	Property, plant and equipment[1]	Total
Medtech	517	242	759	1,826	234	2,060
Labtech	127	108	235	133	96	229
Group items	0	0	0	0	0	0
Total	**644**	**350**	**994**	**1,959**	**330**	**2,289**

[1] The amounts do not include the effects of corporate acquisitions.

Depreciation/amortisation of non-current assets	2022			2021		
	Intangible	Property, plant and equipment[1]	Total	Intangible	Property, plant and equipment[1]	Total
Medtech	-345	-199	-544	-225	-102	-327
Labtech	-66	-107	-173	-50	-97	-147
Group items	-2	-3	-5	-2	-3	-5
Total	**-413**	**-309**	**-722**	**-277**	**-202**	**-479**

[1] Depreciation/amortisation of property, plant and equipment include depreciation/amortisation of right- of-use assets.

Significant profit or loss items, other than depreciation or amortisation, not matched by payments

	2022				2021			
	Capital gains	Change in pension liability	Other items	Total	Capital gains	Change in pension liability	Other items	Total
Medtech	1	-2	-118	-119	-2	-1	0	-3
Labtech	-3	-2	-22	-27	-1	-1	-6	-8
Group items	–	–	105	105	–	–	-22	-22
Total	**-2**	**-4**	**-35**	**-41**	**-3**	**-2**	**-28**	**-33**

	2022			2021		
Data by country	Net sales external	Assets[1]	Of which non-current assets	Net sales external	Assets[1]	Of which non-current assets
Sweden	1,100	1,590	1,116	1,141	1,465	1,081
Denmark	956	650	405	1,158	682	398
Finland	582	299	129	648	260	131
Norway	876	515	292	1,009	484	280
Ireland	892	3,580	3,200	582	3,273	2,959
Spain	725	1,339	835	–	–	–
UK	980	385	83	620	340	58
Germany	357	2,454	2,321	480	2,119	2,020
Other countries	2,616	1,895	951	2,355	1,885	891
Group items and unallocated assets	–	350	153	–	88	27
Total	**9,084**	**13,057**	**9,485**	**7,993**	**10,596**	**7,845**

[1] Does not include balances in Group accounts and financial assets. External net sales are based on the customers' location, and the carrying amounts of assets are based on where the assets are located.

	2022			2021		
Investments in non-current assets	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total
Sweden	100	40	140	46	21	67
Denmark	1	16	17	82	11	93
Finland	0	7	7	3	22	25
Norway	10	42	52	7	16	23
Ireland	31	23	54	876	110	986
Spain	406	68	474	–	–	–
UK	3	51	54	0	64	64
Germany	85	9	94	823	13	836
Other countries	8	94	102	122	73	195
Total	**644**	**350**	**994**	**1,959**	**330**	**2,289**

The Group has no single customer whose revenues account for 10 percent of total revenue, for which reason there is no related reporting.

Note 7 Employees and employee benefits expense

Average number of employees	2022 Men	2022 Women	2022 Total	2021 Men	2021 Women	2021 Total
Sweden						
Parent Company	7	7	14	6	7	13
Other companies	167	117	284	135	104	239
Denmark	133	82	215	130	77	207
Finland	58	72	130	56	72	128
Norway	91	58	149	88	51	139
Ireland	185	129	314	154	95	249
Spain	171	88	259	–	–	–
UK	132	74	206	127	71	198
Germany	49	78	127	41	65	106
Other countries	273	281	554	246	279	525
Total	**1,266**	**986**	**2,252**	**983**	**821**	**1,804**

Salaries and remuneration	2022 Senior management	2022 of which variable	2022 Other employees	2021 Senior management	2021 of which variable	2021 Other employees
Sweden						
Parent Company	20	4	9	22	9	7
Other companies	17	0	168	16	0	139
Denmark	14	1	162	13	2	136
Finland	6	1	79	6	2	74
Norway	13	1	102	12	1	89
Ireland	12	3	169	8	1	108
Spain	0	0	130	–	–	–
UK	2	0	118	1	0	81
Germany	7	0	64	7	2	40
Other countries	37	7	287	27	4	232
Total	**128**	**17**	**1,288**	**112**	**21**	**906**

Salaries, remuneration and social security costs	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Salaries and other remuneration	1,415	1,017	29	29
Contractually agreed pensions for senior management	11	11	3	4
Contractual pensions to other	71	66	2	1
Other social security costs	234	165	11	10
Total	**1,731**	**1,259**	**45**	**44**

Percentage women	Group 2022-12-31	Group 2021-12-31	Parent Company 2022-12-31	Parent Company 2021-12-31
Board of Directors	20%	14%	50%	50%
Other members of senior management	28%	30%	40%	40%

Senior management are defined as Group Management, the President and Vice President of the Group's subsidiaries.

Remuneration to the Board of Directors and senior management

Preparation and decision-making process for remuneration to the Board of Directors, CEO and Group Management

The guidelines applied in the 2022 financial year for remuneration to senior management were decided by the Nomination Committee. The principle for remuneration to the Board of Directors, Chief Executive Officer (CEO) and Group Management is that remuneration should be competitive. The Nomination Committee proposes Board fees to the Annual General Meeting (AGM). Board fees are paid based on a resolution of the AGM. For committee work, remuneration is paid to the Chairman of the audit committee according to the decision of the AGM, to other members no fee is paid for committee work. For remuneration to the CEO, members of Group Management and other members of senior management in the Group, the Board of Directors has appointed a remuneration committee consisting of the Chairman of the Board and one Board member, with the CEO as the reporting member. A fixed salary, variable remuneration and conventional employment benefits as well as pension benefits are paid to the CEO, Group Management and other members of senior management. In addition, incentive programmes apply as described below. The remuneration committee adheres to the guidelines for remuneration to senior management approved by AddLife AB's AGM.

Call options for senior executives

The Group's share-based long-term incentive scheme makes it easier for senior management to acquire shares in the company. The reason for implementation of the long-term incentive scheme is to give management personnel within the AddLife Group the opportunity to learn about and work towards an increase in the value of the Company's shares through their own investment, thereby achieving greater alignment of interests between them and the Company's shareholders. The purpose of the incentive scheme is also to help senior executives to increase their shareholding in the Company over the long-term. The employees have paid a market-based premium for acquired call options on Class B shares. The option premium in the scheme was calculated by Nordea Bank by applying the established Black & Scholes measurement method. The calculations are based on the following parameters: the exercise price was set at 110 percent of the volume-weighted average price during the measurement period, volatility is based on statistical data derived from historical data, the risk-free interest rate was based on the interest rate for government bonds, maturity and exercise period under the terms of the schemes and dividend according to estimates based on the Group's dividend policy.

The programme includes a subsidy so that the employee receives the same sum as the option premium paid in the form of cash payment, i.e. salary, after two years, provided that the option owner at this point is still employed within the Group. This subsidy and the associated social security costs are accrued as personnel costs over the vesting period. AddLife has the right, but no obligation to repurchase the options when an employee terminates employment. The holder may exercise the options regardless of continued employment in the Group.

AddLife has a total of four outstanding programmes corresponding to a total of 2,016,500 shares. Outstanding call options during the financial year resulted in an estimated dilutive effect based on the year's average share price of approximately 0.4 percent (0.5). 60,875 options from the 2019/2023 program have been exercised during the financial year, corresponding to 243,500 B-shares.

Outstanding programmes	Number of warrants	Corresponding number of shares	Percentage of total number of shares	Exercise price	Exercise period
2022/2026	150,000	150,000	0.1%	250.07	9 Jun 2025 - 27 Feb 2026
2021/2025	250,000	250,000	0.2%	259.00	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	154,125	616,500	0.5%	76.60	20 Jun 2022 – 28 Feb 2023
Total	**804,125**	**2,016,500**			

Remuneration and other benefits in 2022	Basic salary/ Board fees	Variable remuneration[1]	Other benefits	Pension costs	Total
Chairman of the Board	0.7	–	–	–	0.7
Other members of the board	1.8	–	–	–	1.8
Chief Executive Officer	1.9	0.2	0.0	0.2	2.3
Former Chief Executive Officer	5.5	0.0	0.2	1.5	7.2
Other senior executives[2]	9.0	2.9	0.6	2.1	14.6
Total	**18.9**	**3.1**	**0.8**	**3.8**	**26.6**

[1] Including remuneration for those senior executives participating in incentive programmes

[2] During the year, other members of Group Management consisted of four people.

Remuneration and other benefits in 2021	Basic salary/ Board fees	Variable remuneration[1]	Other benefits	Pension costs	Total
Chairman of the Board	0.7	–	–	–	0.7
Other members of the board	1.5	–	–	–	1.5
Chief Executive Officer	5.2	3.3	0.2	1.4	10.1
Other senior executives[2]	7.6	5.6	0.4	2.4	16.0
Total	**15.0**	**8.9**	**0.6**	**3.8**	**28.3**

[1] Including remuneration for those senior executives participating in incentive programmes

[2] During the year, other members of Group Management consisted of four people.

Board fees	Position	2022	2021
Johan Sjö	Chairman of the Board	0.70	0.70
Håkan Roos	Board member	0.35	0.30
Stefan Hedelius	Board member	0.35	0.30
Eva Elmstedt	Board member	0.35	0.30
Birgit Stattin Norinder	Board member	0.35	0.30
Eva Nilsagård	Board member	0.43	0.30
Total		**2.53**	**2.20**

The Board of Directors

The Board fees of SEK 2,525 thousand set by the Nomination Committee are distributed, as per the AGM decision, among those Board Directors who are not employed by the Parent Company.

Parent Company's CEO

Fredrik Dalborg, Parent Company CEO, received a fixed salary of SEK 1,894k (0) and SEK 153k (0) in variable pay. Variable remuneration includes SEK 153k regarding the year's cost for a subsidy for participation in the Group's incentive programme. Taxable benefits for the CEO totalling SEK 2k (0) are additional. From age 65, the CEO is covered by a defined contribution pension, the size of which depends on the outcome of pension insurance agreements. In 2022, a total of SEK 154k (0) in pension premiums, determined annually by the remuneration committee, were paid for the CEO.

Kristina Willgård, Parent Company former CEO, received a fixed salary of SEK 5,526k (5,173) and SEK 0k (3,310) in variable pay. Taxable benefits totalling SEK 191k (205) are additional. In 2022, a total of SEK 1,520k (1,467) in pension premiums, were paid for the former CEO.

Variable salary is not pensionable income. Variable remuneration based on Group earnings may amount to 40 percent of fixed salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee. The period of notice is of 12 months on part of the Company and six months on part of the CEO. In the case of termination on the initiative of the Company, the CEO is entitled to a severance payment equivalent to one year's salary in addition to salary during the period of notice. No severance package is payable if the employee terminates the contract.

Other members of Group Management
Other members of Group Management were paid a total of SEK 9,005k (7,622) in fixed salaries and SEK 2,898k (5,632) in variable remuneration. Variable remuneration includes SEK 1,972k regarding the year's cost for a subsidy for participation in the Group's incentive programme, which was expensed during the 2022 financial year and will be paid in the coming years. Taxable benefits totalling SEK 560k (350) are additional. Persons in Group Management are covered from age 65 by pension entitlements based on individual agreements. Existing pension schemes consist of defined contribution schemes, in which the pension amount depends on the outcome of pension insurance agreements. During 2022, a total of SEK 2,093k (2,442) in pension premiums was paid for the group 'Other members of Group Management'. Variable remuneration based on Group earnings may amount to 40 percent of fixed salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once each year per individual. The period of notice is 12 months on the part of the Company and six months on part of the employee. Severance pay is payable upon termination of employment equivalent to no more than one year's salary. Severance pay is not paid on departure at own request.

Personnel information
The Swedish Annual Accounts Act requires more information than IFRS, including information about the gender of the Board and management. Data on gender distribution refer to the situation at the end of the reporting period. Members of the Board of Directors' are directors, elected by a general meeting, in the Parent Company and in Group companies. Members of senior management' are people in Group Management and Managing Directors at Group companies.

Note 8 Remuneration to auditors

	Group		Parent Company	
	2022	**2021**	**2022**	**2021**
KPMG				
Audit assignment	9	6	1	1
Tax consultation	1	2	–	–
Other assignments	1	4	1	4
Total remuneration to KPMG	**11**	**12**	**2**	**5**
Other auditors				
Audit assignment	4	2	–	–
Tax consultation	2	2	–	–
Other assignments	1	1	–	–
Total remuneration to other auditors	**7**	**5**	**–**	**–**
Total remuneration to auditors	**18**	**17**	**2**	**5**

Audit assignments refers to the statutory audit of the annual and consolidated financial statements and accounting, as well as the administration of the Board of Directors and the Chief Executive Officer, along with auditing and other examinations carried out by agreement or contract. This includes other duties incumbent on the company's auditors, as well as advice or other assistance prompted by observations from such audits or the performance of other tasks

In 2022, remuneration paid to the auditing firm amounted to SEK 11 million, distributed between the following categories:

- Audit assignment, SEK 9 million, of which SEK 6 million refers to KPMG Sweden.
- Tax consultancy, SEK 1 million, of which SEK 1 million refers to KPMG Sweden.
- Other services, SEK 1 million, of which SEK 1 million refers to KPMG Sweden.

Note 9 Depreciation and amortisation

	Group		Parent Company	
	2022	2021	2022	2021
Depreciation and amortisation, by function				
Cost of goods sold	-76	-57	–	–
Selling expenses	-576	-373	–	–
Administrative expenses	-70	-48	0	0
Total	**-722**	**-478**	**0**	**0**

	2022	2021	2022	2021
Depreciation and amortisation, by asset class				
Intangible assets	-413	-277	0	0
Buildings and land	-4	-1	–	–
Leasehold improvements	-1	-1	–	–
Machinery	-7	-5	–	–
Equipment	-143	-72	0	0
Right-of-use assets for leased premises	-98	-80	–	–
Right-of-use assets for other	-56	-42	–	–
Total	**-722**	**-478**	**0**	**0**

Note 10 Other operating income and expenses

Group	**2022**	**2021**
Other operating income		
External services	5	6
External rental income	2	3
Gain on sale of operations and non-current assets	6	4
Exchange gains, net	–	7
Change in loans for contingent considerations	101	0
Capitalised work on own account	33	14
Other	31	32
Total	**178**	**66**
Other operating expenses		
Loss on sale of operations and non-current assets	-3	0
Exchange losses, net	-6	–
Change in loans for contingent considerations	-4	-6
Other	-36	-13
Total	**-49**	**-19**

Accounting principle

Other operating income and other operating expenses include secondary activities, exchange rate differences in operating activities and gain/loss on the sale of tangible and intangible assets.

Note 11 Operating expenses

Group	2022	2021
Inventories, raw materials and consumables	5,113	4,730
Employee benefits expense	1,520	1,005
Depreciation and amortisation	722	478
Impairment of inventories	27	44
Impairment of account receivable	-18	7
Other operating expenses	1,041	779
Total	**8,405**	**7,043**

Parent Company	2022	2021
Employee benefits expense	52	46
Depreciation and amortisation	0	0
Other operating expenses	31	22
Total	**83**	**68**

Accounting principle

Cost of goods sold includes expenses for finished goods i.e. cost for production and sourced products, warranty, warehousing and transportation and exchange-rate changes on payables and receivables and the effects from currency hedging. Selling expenses include expenses for brand communication, sales driving communication and costs for sales and marketing staff. Selling expenses also include the cost for impairment of trade receivables. Administration expenses include expenses for general management, controlling, human resources, shared service and IT expenses related to the named functions.

Note 12 Finance income and costs

Group	2022	2021
Interest income on bank balances	9	1
Exchange rate fluctations, net	–	–
Financial income	**9**	**1**
Interest expense on financial liabilities measured at amortised cost.	-106	-53
Interest expense on pension liability	-1	-1
Interest expense on lease liability	-5	-3
Exchange rate fluctations, net	-88	-10
Other finance costs	-15	-3
Finance costs	**-215**	**-70**
Net financial items	**-206**	**-69**

Parent Company	2022	2021
Dividend income	–	–
Profit/loss from group companies	**–**	**–**
Interest income etc.:		
Interest income from Group companies	136	42
Exchange rate fluctations, net	–	–
Other interest income and change value of derivatives	0	–
Interest income and similiar items	**136**	**42**
Interest expense, etc.:		
Interest expense from Group companies	-4	0
Exchange rate fluctations, net	-248	-7
Other interest expense and change value of derivatives	-89	-36
Interest expense and similiar items	**-341**	**-43**

Accounting principle

Interest income on receivables and interest expense on liabilities are computed using the effective interest method. The effective rate is the interest rate that makes the present value of all future receipts and payments during the period of fixed interest equal to the carrying amount of the receivable or liability. Interest expenses and income include accrued amounts of any transaction costs, rebates, premiums and other differences between the original value of the item and the amount paid/received upon maturity.

Note 13 Year-end appropriations, parent company

	2022	2021
Provision made to tax allocation reserve	–	-24
Reversal from tax allocation reserve	120	–
Group contribution paid	-117	-136
Group contribution received	191	259
Total	**194**	**99**

Accounting principle

Group contributions are recognised in the Parent Company in accordance with the alternative rule. Group contributions received and paid are recognised as appropriations. Tax laws in Sweden allow companies to defer tax payments by making allocations to untaxed reserves in the balance sheet via the income and expense item appropriations. In the consolidated balance sheet these are treated as temporary differences, i.e. a breakdown is made between deferred tax liability and equity. Changes in untaxed reserves are recognised in the consolidated statement of comprehensive income and broken down into deferred tax and profit for the year.

Note 14 Taxes

Group	2022	2021
Current tax for the period	-212	-254
Adjustment from previous years	1	8
Total current tax expense	**-211**	**-246**
Deferred tax	92	40
Total recognised tax expense	**-119**	**-206**

Group	2022	%	2021	%
Profit/loss before taxes	602		927	
Weighted average tax based on national tax rates	-119	19.8	-193	20.9
Tax effects of non-deductible costs/non-taxable income	-5	0.8	-20	2.2
Changed tax rate	-1	0.2	-1	0.1
Adjustments from previous years	1	-0.2	8	-0.9
Other	5	-0.8	0	0.0
Recognised tax expense	**-119**	**20**	**-206**	**22**

Deferred tax

Deferred taxes, net	2022-12-31			2021-12-31		
Group	**Receivables**	**Liabilities**	**Net**	**Receivables**	**Liabilities**	**Net**
Non-current assets	11	-625	-614	10	-513	-503
Pension provisions	2	0	2	8	0	8
Tax loss carryforwards	50	-2	48	29	-1	28
Other	163	-7	156	18	-29	-11
Net recognised	-174	174	0	-54	54	0
Deferred taxes, net, at year-end	**52**	**-460**	**-408**	**11**	**-489**	**-478**

Deferred tax income/cost

Group	2022	2021
Deferred tax temporary differences this year	91	47
Deferred tax due to changed tax rates this year	0	1
Deferred tax income activated tax items this year	21	-8
Deferred tax on used activated tax items this year	-20	–
Total deferred tax income/cost	**92**	**40**

Unrecognised deferred tax assets

Deductible temporary differences and tax loss carryforwards for which deferred tax assets have not been recognised in the balance sheet:

	2022-12-31	2021-12-31
Tax deficits	9	11
Potential tax benefit	2	2
Expiry dates of tax loss carryforwards:		
0 > 10 years	9	11

Deferred tax assets have not been recognised for these items, since it is not probable that the Group will utilise them against future taxable profits

Parent Company	2022	2021
Current tax for the period	-2	-15
Total current tax expense	**-2**	**-15**
Deferred tax	14	–
Total recognised tax expense	**12**	**-15**

Parent Company	2022	%	2021	%
Profit/loss before taxes	-30		81	
Tax based on current tax rate for Parent Company	6	20.0	-17	20.6
Tax effects of non-deductible costs/non-taxable income	0	0.0	0	0.6
Adjustments from previous years	-2	-6.7	0	0.0
Deferred tax temporary differences this year	8	26.7	2	-2.6
Recognised tax expense	**12**	**40.0**	**-15**	**18.1**

Accounting principle

Income taxes

Tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the tax effect is also recognised in other comprehensive income or equity. Current tax refers to tax that is to be paid or refunded for the current year. This also includes adjustments of current tax attributable to prior periods.

Deferred tax is calculated using the liability method based on temporary differences between carrying amounts and tax bases of assets and liabilities. The amounts are calculated depending on how the temporary differences are expected to be settled and by applying the tax rates and tax rules enacted or announced at the end of the reporting period. Temporary differences are not taken into account in consolidated goodwill, nor in differences attributable to interests in subsidiaries or associates owned by Group companies outside Sweden that are not expected to be taxed in the foreseeable future. In the consolidated financial statements, untaxed reserves are allocated to deferred tax liability and equity. Deferred tax assets related to deductible temporary differences and tax loss carryforwards are only recognised to the extent it is likely they will reduce tax payments in the future.

Note 15 Intangible non-current assets

2022-12-31 Group	Goodwill	Supplier relationships	Customer relationships	Technology	Research and development	Software	Other intangible asset	Total
Accumulated cost								
Opening balance	4,538	2,776	71	342	184	141	4	8,056
Acquisitions	414	536	–	40	–	48	6	1,044
Investments	–	–	–	1	45	21	–	–
Reclassifications	–	–	–	–	–	–	–	–
Divestments and disposals	–	–	–	–	–	-3	–	-3
Translation effect	371	248	4	12	3	9	1	648
Closing balance	**5,323**	**3,560**	**75**	**395**	**232**	**216**	**11**	**9,745**
Accumulated amortisation and impairment losses								
Opening balance	-10	-542	-15	-119	-80	-96	-3	-865
Acquisitions	–	–	–	–	–	-44	-2	-46
Amortisation	0	-329	-8	-40	-12	-23	-1	-413
Reclassifications	–	–	–	–	–	0	–	0
Divestments and disposals	–	–	–	–	–	3	1	4
Translation effect	0	-39	-1	-4	-3	-4	-1	-52
Closing balance	**-10**	**-910**	**-24**	**-163**	**-95**	**-164**	**-6**	**-1,372**
Carrying amount at year-end	**5,313**	**2,650**	**51**	**232**	**137**	**52**	**5**	**8,373**
Carrying amount at start of year	**4,528**	**2,234**	**56**	**223**	**104**	**45**	**1**	**7,191**

2021-12-31 Group	Goodwill	Supplier relationships	Customer relationships	Technology	Research and development	Software	Other intangible asset	Total
Accumulated cost								
Opening balance	1,110	839	70	334	131	70	3	2,557
Acquisitions	3,398	1,919	–	3	28	58	0	5,406
Investments	–	–	–	1	24	14	1	40
Reclassifications	–	–	–	–	-2	-1	–	-3
Divestments and disposals	–	–	–	–	–	-1	0	-1
Translation effect	30	18	1	4	3	1	0	57
Closing balance	**4,538**	**2,776**	**71**	**342**	**184**	**141**	**4**	**8,056**
Accumulated amortisation and impairment losses								
Opening balance	-10	-331	-8	-86	-68	-49	-2	-554
Acquisitions	–	–	–	–	-1	-32	0	-33
Amortisation	–	-210	-7	-32	-12	-15	-1	-277
Reclassifications	–	–	–	–	3	0	–	3
Divestments and disposals	–	–	–	–	–	1	–	1
Translation effect	0	-1	0	-1	-2	-1	0	-5
Closing balance	**-10**	**-542**	**-15**	**-119**	**-80**	**-96**	**-3**	**-865**
Carrying amount at year-end	**4,528**	**2,234**	**56**	**223**	**104**	**45**	**1**	**7,191**
Carrying amount at start of year	**1,100**	**508**	**62**	**248**	**63**	**21**	**1**	**2,003**

Goodwill distributed by business area	2022-12-31	2021-12-31
Labtech	614	454
Medtech	4,699	4,074
Total	**5,313**	**4,528**

	2022-12-31		2021-12-31	
Parent company	**Software**	**Total**	**Software**	**Total**
Accumulated cost				
Opening balance	1	1	1	1
Investments	–	–	0	0
At year-end	**1**	**1**	**1**	**1**
Accumulated amortisation				
Opening balance	-1	-1	-1	-1
Depreciation and amortisation	0	0	0	0
Closing balance	**-1**	**-1**	**-1**	**-1**
Carrying amount at year-end	**0**	**0**	**0**	**0**
Carrying amount at start of year	**0**	**0**	**0**	**0**

Accounting principle

An intangible asset is an identifiable nonmonetary asset, without physical substance, that is used for marketing, producing or supplying goods or services, or for rental and administration. To be recognised as an asset, it must be probable that the future economic benefits attributable to the asset will benefit the Company and that the (acquisition) cost can be calculated reliably. Additional expenditure for an intangible asset is only added to the cost if it increases future economic benefits beyond the original assessment and if the expenditure can be calculated reliably. All other expenditure is expensed as it is incurred.

Goodwill is accounted for as an intangible non-current assets with indefinable useful life. Goodwill represents the difference between the cost, in connection with a business combination, and the fair value of acquired assets, assumed liabilities and contingent liabilities. Goodwill and intangible non-current assets with indefinable useful lives are measured at cost, less any accumulated impairment losses. Goodwill and intangible non-current assets with indefinable useful lives are allocated among cash-generating units and are not amortised but are tested for impairment on an annual basis.

When acquiring businesses, supplier relations, customer relations and technology are measured at fair value. AddLife applies a model where average historical costs of acquiring equivalent assets, or discounted future cash flow, is used for valuation.

Intangible assets aside from goodwill are recognised at their original cost, less accumulated amortisation and impairment losses. Amortisation is charged primarily on a straight line basis and is based on the useful lives of the assets, which are reviewed on an annual basis. Amortisation is included in cost of sales, selling expenses or administrative expenses, depending on where in the business the assets are used.

Expenditure for development, in which the results of research or other knowledge are applied to achieve new or improved products or processes, is recognised as an asset in the balance sheet if the product is technically and commercially viable and the company has sufficient resources to complete development and subsequently use or sell the intangible asset. Other development expenditure is expensed as it is incurred.

Amortisation is charged primarily on a straight line basis and is based on the useful lives of the asset.

	Useful life
Supplier and customer relations	10 years
Software	3-5 years
Technology	5-15 years
Research and development	5-10 years
Goodwill and trademarks	indeterminable

Impairment testing of goodwilll

At 31 December 2022 AddLife's recognised goodwill amounts of SEK 5,313 million (4,528). All intangible assets with indeterminable useful life should be tested for impairment at least annually. Single assets are tested more often in case there are indications of impairment. Impairment testing is performed on the cash-generating units, which equal the business areas. When AddLife makes an acquisition, the acquired business is integrated with to the group to such an extent that it is not possible to separate assets and cash flows attributable to separate companies. The recoverable amount has been calculated based on value in use, using the discounted cash flow model. Assumptions were made concerning net sales, gross margin, overhead costs, working capital required and investments required based on previous experiences The parameters have been set based on the Group's budget for the upcoming financial year 2023 for each business area, which has been approved by the Board of Directors.

When calculating the recoverable amount for cash-generating units that contain leased assets, the choice has been made to deduct future leasing payments from the expected cash flows. The usufruct assets are included in the unit's carrying amount. In order to obtain a carrying amount for the unit that is consistent with the estimated recoverable amount, the carrying amount is reduced by the unit's leasing liability.

An annual growth rate of 2 percent (2) was assumed for cash flows beyond the budget period. Calculated residual value at the end of the useful life is included in the value in use. Cash flows were discounted using a weighted cost of capital corresponding to 8.4 percent (8.4) before tax. These calculations show that value in use significantly exceeds the carrying amount. Consequently, impairment testing indicated no impairment. No reasonable possible changes in key assumptions are expected to lead to impairment.

Each year, trademarks are tested for impairment applying the same policies as with goodwill. No events or changes in circumstances were identified that would motivate impairment testing for other intangible non-current assets that are amortised.

Note 16 Property, plant and equipment

2022-12-31 Group	Buildings & land	Investments in property belonging to third party	Machinery	Equipment	Right-of-use assets for leased premises	Right-of-use assets, other	Total
Accumulated cost							
Opening balance	43	20	123	820	468	175	1,649
Corporate acquisitions	109	0	5	481	–	–	595
Investments	2	4	19	189	77	91	382
Divestments and disposals	-5	–	-3	-88	-37	-74	-207
Reclassifications	3	–	–	-6	-26	-5	-34
Translation effect for the year	–	2	9	55	25	11	102
Closing balance	**152**	**26**	**153**	**1,451**	**507**	**198**	**2,487**
Accumulated depreciation and impairment losses							
Opening balance	-20	-14	-90	-591	-206	-101	-1,022
Corporate acquisitions	-54	–	-4	-342	–	–	-400
Depreciation and amortisation	-4	-1	-7	-143	-98	-56	-309
Divestments and disposals	2	–	3	79	27	65	176
Reclassifications	–	–	–	4	26	5	35
Translation effect for the year	-1	-2	-6	-40	-11	-8	-68
Closing balance	**-77**	**-17**	**-104**	**-1,033**	**-262**	**-95**	**-1,588**
Carrying amount at year-end	**75**	**9**	**49**	**418**	**245**	**103**	**899**
Carrying amount at start of year	**23**	**6**	**33**	**229**	**262**	**74**	**627**

2021-12-31 Group	Buildings & land	Investments in property belonging to third party	Machinery	Equipment	Right-of-use assets for leased premises	Right-of-use assets, other	Total
Accumulated cost							
Opening balance	42	13	97	446	271	129	998
Corporate acquisitions	–	4	20	323	151	32	530
Investments	0	4	5	93	48	35	185
Divestments and disposals	–	0	0	-50	-8	-23	-81
Reclassifications	–	0	–	0	–	–	0
Translation effect for the year	1	-1	1	8	6	2	17
Closing balance	**43**	**20**	**123**	**820**	**468**	**175**	**1,649**
Accumulated depreciation and impairment losses							
Opening balance	-18	-10	-67	-300	-102	-67	-564
Corporate acquisitions	–	-3	-17	-260	-25	-5	-310
Depreciation and amortisation	-1	-1	-5	-72	-80	-42	-201
Divestments and disposals	–	0	0	44	5	14	63
Reclassifications	–	–	–	2	–	-	2
Translation effect for the year	-1	0	-1	-5	-4	-1	-12
Closing balance	**-20**	**-14**	**-90**	**-591**	**-206**	**-101**	**-1,022**
Carrying amount at year-end	**23**	**6**	**33**	**229**	**262**	**74**	**627**
Carrying amount at start of year	**24**	**3**	**30**	**147**	**168**	**62**	**434**

Parent company	2022-12-31 Equipment	Total	2021-12-31 Equipment	Total
Accumulated cost				
Opening balance	1	1	1	1
Investments	0	0	0	0
At year-end	**1**	**1**	**1**	**1**
Accumulated amortisation				
Opening balance	-1	-1	-1	-1
Depreciation and amortisation	0	0	0	0
Closing balance	**-1**	**-1**	**-1**	**-1**
Carrying amount at year-end	**0**	**0**	**0**	**0**
Carrying amount at start of year	**0**	**0**	**0**	**0**

Accounting principle

Property, plant and equipment are recognised at cost, less accumulated depreciation and any impairment losses. The cost comprises the purchase price, including customs and excise duties, as well as costs directly attributable to the asset to bring it to the location in such condition that it can be used as intended by the acquisition. Discounts and the like are deducted from the purchase price. Examples of directly attributable costs included in the cost are shipping and handling, installation, legal ratification and consulting services.

Additional expenditure for an item of property, plant and equipment is only added to the cost if it increases the future economic benefits. All other expenditure, such as expenditure for repair and maintenance, is expensed on a current basis. A decisive factor as to when an incremental expenditure should be added to the cost is whether the expenditure refers to the replacement of identified components or parts thereof, in which case the expenditure is capitalised. Also, if a new component has been created, the expenditure is added to the cost. Any undepreciated carrying amounts for replaced components, or parts of components, are retired and expensed in conjunction with the replacement.

Depreciation is calculated on a straight line basis over the estimated useful life and taking account of any residual value at the end of that period. Property, plant and equipment comprising parts that have different useful lives are treated as separate components. The carrying amount of an item of property, plant and equipment is removed from the balance sheet upon retirement or disposal of the asset, or when no future economic benefits are expected to be derived from its use. Gains or losses realised upon the disposal or retirement of an asset consist of the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains or losses are recognised as other operating income or other operating expense.

	Useful life
Buildings	20-100 years
Equipment	3-5 years
Machinery	3-10 years

Right-of-use asset

Leases that are longer than 12 months and of material value are initially recognised as a right-of-use asset and a lease liability in the balance sheet. Right-of-use assets are initially recognised at cost,i.e. the original value of the lease liability as well as other prepaid expenses. After initial recognition, the right-of-use assets are recognized on current account at cost less depreciation. Leasing liabilities are initially recognised at the present value of future unpaid leasing payments. Lease payments are discounted at the incremental borrowing rate. The carrying amount is then increased by interest expense and decreased by paid lease payments. Depreciation of right-to-use assets and interest on lease liabilities are recognised through profit or loss. Payments attributable to amortisation of lease liabilities are recognised in cash flow in financing activities and payments in respect of interest as cash flow from operating activities. The lease liability for the Group's premises with indexation is calculated on the rent that applies at the end of the reporting period. The liability is adjusted in relation to the right-to-use asset. The same approach applies in the case of reassessment such as a lease term (when, for example, the earlier termination date has been passed) or in other significant events within the Group's control. Short-term and low value leases are excluded and are recognised as an expense in profit or loss.

Note 17 Leases

Maturity structure lease liabilities	Group 2022	2021
Within one year	133	122
1-2 years	81	52
2-3 years	58	80
3-4 years	25	35
4-5 years	16	15
Later than 5 years	59	38
Total undiscounted lease payments	**371**	**342**
Carrying amount	**356**	**339**

Revenue and costs from lease agreements	Group 2022	2021
Lease payments received	2	3
Lease costs		
Depreciation of right-of-use assets	-154	-122
Interest on lease liabilities	-5	-3
Cost for short-term leasing	-1	-1
Cost for leases of low-value	-1	-1
Total	**-161**	**-127**

Accounting principle

Lease liabilities includes the present value of the following lease payments:

- Fixed payments (including fees that are fixed in substance)
- Variable lease fees depending on an index or price
- Guaranteed residual value that the lessee expects to pay to the lessor
- The exercise price of a call option, if it is reasonably certain that the lessee will exercise the option, and
- The fine for terminating the lease, if the length of the lease reflects the assumption that the lessee will take advantage of this opportunity

Lease payments are discounted with a discount rate based on the country's underlying currency, exchange rate, length of contract and underlying interest with a supplement for company-specific risk premium. The discount rate is the same for all assets, unless a specific interest rate is specified in the agreement.

Lease payments related to short-term leases and leases of low value assets are recognized as operating expenses on a straight-line basis over the term of the lease. Assets with low value include, among other things, printers and copying machines. Full lease accounting principle can be found in note 16.

Note 18 Financial assets and liabilities – categories and fair value

Carrying amounts on financial instruments are recognised in the balance sheet according to the following tables.

2022-12-31	Financial assets/liabilities meassured at fair value through profit or loss	Financial assets/liabilities measuered at amortised cost	Total carrying amount
Financial assets	-	10	10
Non-current receivables	-	85	85
Accounts receivable	-	1,326	1,326
Cash and cash equivalents	-	376	376
Other receivables	-	-	-
Total	**-**	**1,796**	**1,796**
Non-current interestbearing liabilities	207	2,537	2,744
Current interest-bearing liabilities	59	1,837	1,896
Accounts payable	-	957	957
Other liabilities[1]	-	8	8
Total	**266**	**5,338**	**5,604**

2021-12-31	Financial assets/liabilities meassured at fair value through profit or loss	Financial assets/liabilities measuered at amortised cost	Total carrying amount
Financial assets	-	9	9
Non-current receivables	-	7	7
Accounts receivable	-	1,089	1,089
Cash and cash equivalents	-	345	345
Other receivables	-	-	-
Total	**-**	**1,450**	**1,450**
Non-current interestbearing liabilities	303	261	564
Current interest-bearing liabilities	46	2,693	2,739
Accounts payable	-	796	796
Other liabilities[1]	-	2	2
Total	**349**	**3,752**	**4,101**

[1] Includes derivatives measuered at fair value through profit or loss.

Impact of financial instruments on net earnings	2022-12-31	2021-12-31
Trade receivables	12	4
Interest-bearing liabilities	-106	-53
Total	**-94**	**-49**

	2022-12-31			2021-12-31		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives measured at fair value through profit and loss	1	1	-	0	0	-
Total financial assets at fair value per level	**1**	**1**	**-**	**-**	**-**	**-**
Derivatives measured at fair value through profit or loss	0	0	-	0	0	-
Contingent considerations	266	-	266	349	-	349
Total financial liabilities at fair value per leve	**266**	**0**	**266**	**349**	**0**	**349**

The fair value and carrying amount are recognized in the balance sheet as shown in the table above. For currency contracts and embedded derivatives, the fair value is determined on the basis of observable market data, level 2. For conditional purchase considerations, cash flow analyses, which are not based on observable market data, are carried out, 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	2022	2021
Opening carrying amount	349	86
Acquisitions during the year	21	251
Revaluation through profit and loss	4	6
Consideration paid	-31	-6
Reversed through profit and loss	-101	-
Interest expenses	5	9
Currency exchange differences	19	3
Closing carrying amount	**266**	**349**

Accounting principle

Financial assets and liabilities, recognition and derecognition

Financial instruments recognised among assets in the balance sheet include cash and cash equivalents, loan receivables, accounts receivable, financial investments and derivatives. The liabilities include accounts payable, loans payable, contingent considerations and derivatives. A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the terms and conditions of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterpart has completed its undertaking and a contractual obligation to pay exists, even if no invoice has yet been received. A financial asset (or part thereof) is removed from the balance sheet when the rights in the contract are realised or expire or the Company loses control over them. A financial liability (or part thereof) is removed from the balance sheet when the obligation in the contract is fulfilled or in some other way ceases to exist. A financial asset and a financial liability are only offset and recognised at the net amount in the balance sheet when the Company is legally entitled to offset their amounts and the Company intends to settle the items with a net amount or simultaneously realise the asset and settle the liability.

Financial assets and liabilities, measurement and classification

Financial assets are classified based on the business model in which the asset is managed and the nature of the cash flows that the asset generates.
Instruments are classified as:

- Amortised cost
- Fair value through profit or loss, and
- Fair value through other comprehensive income

Financial assets are not reclassified after initial recognition, unless the Company changes the business model for management of the financial assets.
The asset is classified at amortised cost if the financial asset is held within the framework of a business model whose aim is to collect contractual cash flows and the contractual terms of the financial asset at set points in time give rise to cash flows comprising only payments of the principal and interest on the outstanding principal. Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Gains or losses on a debt instrument after initial recognition are measured at fair value through profit or loss. The Group applies a business model that aims to collect contractual cash flows for intra-group receivables, accounts receivable, cash and cash equivalents, receivables from Group companies, accrued income and other receivables. The Group's financial assets are recognised at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses that have been recognised.

Financial assets and liabilities, measurement and classification

Financial liabilities are measured at fair value through profit or loss if they are a contingent consideration to which IFRS 3 has been applied, held for trading, or if they were initially identified as a liability at fair value through profit or loss. Other financial liabilities are measured at amortised cost. Accounts payable are measured at amortised cost. However, the expected maturity of the accounts payable is short, for which reason the liability is recognised at the nominal amount with no discount. Interest-bearing bank loans and liabilities to subsidiaries are measured at amortised cost according to the effective interest rate method. Any differences between loan amounts received (net after transaction costs) and repayment or amortisation of loans is recognised over the term of the loan.

Calculation of fair value on financial instruments

Financial instruments measured at fair value are classified in a hierarchy based on the origin of the inputs used in the evaluation. At level 1 are financial instruments with a price quoted in an active market. Level 2 comprises financial instruments whose value is determined based on observable market data, though not prices quoted in an active market. Level 3 includes using inputs, such as cash flow analyses, not based on observable market data. The Group has no financial instruments classified at level 1 at this time.

Financial assets and liabilities measured at fair value through profit or loss

This category consists of two subgroups: financial assets and liabilities held for trading, and other financial assets and liabilities that the Company initially chose to place in this category. The first group includes derivatives unless they are designated hedging instruments. The other group contains contingent considerations in conjunction with acquisitions of subsidiaries.

Financial assets are recognised at amortised cost

Loan receivables and accounts receivable are financial assets that are not derivatives, with fixed payments or with payments that can be determined, and that are not quoted on an active market. Assets in this category are measured at amortised cost. Accounts receivable are recognised at the amount expected to be recovered, after deduction for doubtful receivables, assessed individually. The expected maturities of accounts receivable are short, so they are recognised at nominal amounts without discounting. Impairment losses on accounts receivable are recognised in operating expenses.

Cash and cash equivalents

Cash and cash equivalents consist of cash and funds immediately available in banks and equivalent institutions, as well as short-term liquid investments that mature within three months of the time of acquisition and are subject to only a negligible risk of fluctuation in value. Cash and cash equivalents are recognised at nominal amounts.

Financial liabilities carried at amortised cost

Loans and other financial liabilities, such as accounts payable, are included in this category. These liabilities are measured at amortised cost. Accounts payable are measured at nominal amounts without discounting.

Derivatives and currency hedging

Foreign currency exposure related to future contractual and forecasted flows is hedged with forward exchange contracts, swaps and currency clauses in customer and supplier contracts. An embedded derivative, for example a currency clause, is disclosed separately unless closely related to its host contract. Derivatives are initially recognised at fair value, so transaction costs are charged to profit or loss for the period. After the initial recognition, the derivative instrument is measured at fair value.
Neither futures, swaps nor embedded derivatives in currency clauses are reported as hedging at this time. Increases and decreases in value are recognised as income or expense in operating profit.

Hedging of the Group's net investment in foreign operations

The Group has taken out loans denominated in foreign currency relating to the acquisition of foreign subsidiaries in order to manage the exposure in net investment. The Group applies the hedge accounting requirements of IFRS 9. The Group documents, at the inception of the hedge, the relationship between hedged items (net investments) and hedging instruments (loan in foreign currency), as well as its risk management objective and strategy for undertaking various hedge transactions. Hedge effectiveness is also documented on an ongoing basis regarding the financial relationship between the two items and the hedging ratio. Any gain or loss on the effective portion of the hedge (100%) is reported in equity through other comprehensive income. Gains and losses that have been accumulated in equity are taken to profit or loss when the foreign operation is divested as a portion of the gain or loss on disposal.

Note 19 Non-current finanical assets

Receivables from Group companies	Parent Company 2022-12-31	Parent Company 2021-12-31
Opening balance	6,589	1,709
Increase during the year	2,282	5,090
Decrease during the year	-1,272	-210
Carrying amount at year-end	**7,599**	**6,589**

Specification of interests in Group companies	Country	Number of shares	Quotient value	Holding %	Carrying amount 2022-12-31	Carrying amount 2021-12-31
AddLife Development AB	Sweden	1,000	100	100%	389	389

Interests in Group companies

Accumulated cost	Parent Company 2022	Parent Company 2021
Opening balance	389	389
Acquisitions for the year	-	4,479
Disposals for the year[1]	-	-4,479
Closing balance	**389**	**389**

[1] Internal sale year 2021 of Primacy Healthcare 21 Limited and AddVision Holding GmbH.

Indirect ownership

Indirect ownership	Ownership	Indirect ownership	Ownership	Indirect ownership	Ownership
Biomedica Medizinprodukte GmbH	100%	V-tech AB	100%	BioNordika (Denmark) A/S	100%
Euromed Swiss AG	100%	Väinö Korpinen Oy	100%	BioNordika Bergman AS	100%
Biomedis d.o.o.	100%	Triolab Oy	100%	BioNordika (Sweden) AB	100%
Biomedica MP d.o.o.	100%	Triolab AB	100%	BioNordika (Finland) Oy	100%
Biomedica Dijagnostika doo	100%	Triolab (Baltics) Oy	100%	Dach Medical Group Holding AG	100%
Biomedica d.o.o.	100%	LabRobot Products AB	100%	Dach Austria Medical Group GmbH	100%
Biomedica Bulgaria ood	100%	BergmanLabora AB	100%	Dach Switzerland Medical Group GmbH	100%
Biomedica Medizinprodukte Romania SRL	100%	Biolin Scientific AB	100%	D-A-CH Germany Medical Group GmbH	100%
Biomedica Hungaria Kft.	100%	Biolin Scientific China	100%	Hepro AS	100%
Biomedica CS s.r.o.	100%	Biolin Scientific Oy	100%	Ropox A/S	100%
Biomedica Poland Sp. Zo.o.	100%	Biolin Scientific LTD	100%	Zafe Care Systems AB	100%
Biomedica Dijagnostika d.o.o.el	100%	Holm & Halby A/S	100%	Biomedica Italia s.r.l	100%
Biomedica Slovakita s.r.o.	80%	Ocellus Vision Holding AG	100%	Primacy Healthcare 21 Limited	100%
Mediplast AB	100%	Medilas AG	100%	Aquilant Northern Ireland Limited	100%
Mediplast AS	100%	Polytech Ophthalmologie AG	100%	Aquilant Limited	100%
Mediplast Sataside Oy	100%	Polytech Domilens GmbH	100%	Medscope Limited	100%

Mediplast S.r.l	100%	M.E.D. Medical Products GmbH, Germany	100%	Aquilant Endoscopy Limited	100%
Mediplast Benelux B.V.	100%	Vision Ophthalmology Holding One GmbH	100%	Healtcare Acquisitions Limited	100%
Mediplast GmbH	100%	Vision Ophthalmology Group GmbH	100%	Tools For Living (Ireland) Limited	100%
Mediplast A/S	100%	Spectrum Ophthalmology Ltd	100%	Lyncare Systems Limited	100%
Mediplast Iberia SL	100%	POLYMED Polska Sp.z.oo	75%	Healthcare 21 (UK) Limited	100%
Hospidana A/S	100%	Visop Nordic AB	100%	Healthcare 21 (DE) GmbH	100%
Fenno Medical Oy	100%	SSCP Blink BidCo Ltd	100%	Healthcare 21 (AT) GmbH	100%
TechniPro PulmoMed Pty Ltd	100%	Vision Pharmaceuticals Ltd	100%	Primacy Healthcare 21 International Limited	100%
Fischer Medical AS	100%	MALA Holding B.V.	100%	Asset Tracker Solutions Limited	100%
Camanio AB	100%	Bio-Connect B.V.	100%	Aquilant Scientific (ROI) Limited	100%
Bestic AB	100%	Bio-Connect Diagnostics B.V.	100%	Aquilant Medical (ROI) Limited	100%
Lab-Vent Controls A/S	100%	Bio-Connect Services B.V.	100%	Xograph Healthcare Limited	100%
Immuno Diagnostics Oy	100%	European Warehousing Services B.V.	100%	Xograph Healthcare (Ireland) Limited	100%
Bergman Diagnostika AS	100%	Pharma-Connect B.V.	100%	Glanadh Medical Holdings Limited	100%
EuroClone S.p.A.	100%	N.V. Forlab SA	100%	O'Flynn Medical Limited	100%
Funksjonsutstyr AS	76%	MBA Incorporado S.L.	100%	O'Flynn Innovation Limited	100%
Svan Care AB	100%	MBA Italia S.R.L	100%	JK Lab AB	100%
Esthe-Tech AB	100%	MBA Portugal S.A.	100%	BioCat GmbH	100%

Accounting principle

Interests in Group companies are recognised in the Parent Company using the cost method, which means that transaction costs are included in the carrying amount for holdings in subsidiaries. Any changes in liabilities for contingent consideration are added to or reduce the (acquisition) cost. In the Group, transaction costs are expensed and changes in liabilities for contingent considerations are entered as income or expense. Shareholder contributions provided by the Parent Company are recognized in shares, when impairment is not required.

Note 20 Inventories

Group	2022-12-31	2021-12-31
Raw materials and consumables	61	43
Work in progress	7	8
Finished goods	1,578	1,137
Total	**1,646**	**1,189**

Cost of sales for the Group includes impairment losses for inventories of SEK 27 million (43). No significant reversals of prior impairment losses were made in 2022 or 2021.

Accounting principle

Inventories, that is, raw materials and finished goods for resale, are carried at the lower of cost and net realisable value, thereby taking into account the risk of obsolescence. The cost is calculated using the first in, first out (FIFO) principle or weighted average prices. In the case of finished and semi-finished goods manufactured in-house, the cost consists of direct manufacturing costs and a reasonable portion of indirect manufacturing costs. Normal capacity utilisation is taken into account in valuation.

Note 21 Trade receivables

Trade receivable	2022-12-31	2021-12-31
Acquisition value	1,359	1,134
Impairment losses	-33	-45
Carrying amount	**1,326**	**1,089**

Change in impairment for trade receivable	2022	2021
Opening balance	-45	-46
Acquisition of operations	0	-3
This year's provisions/reversal of provisions	0	4
Closing balance	**-45**	**-45**

Timing analysis of trade receivables	2022	2021
Not overdue	1,017	856
Overdue 1-30 days	183	136
Overdue 31-60 days	52	31
Overdue more than 60 days	107	111
of which are impaired	-33	-45
Total	**1,326**	**1,089**

Accounting principle

Reserve for expected credit losses – financial instruments using simplified approach
Receivables mainly consist of accounts receivable, for which the Group applies the simplified method of accounting for expected credit losses. This entails making credit loss provisions for the remaining lifetime, which is expected to be less than one year for all receivables. The Group's counterparties consist mainly of actors in the public sector, where the majority of sales are made through public procurement for which credit risk is considered very low. The expected loan losses for accounts receivables are calculated using a commission matrix which is based on past events, current conditions and forecasts for future economic conditions and the time value of the money if applicable. The Group defines defaults as being considered unlikely that the counterparty will meet its obligations due to indicators such as financial difficulties and missed payments. Notwithstanding the above, default is deemed to have taken place when the payment is 90 days past due. The Group writes off a receivable when no opportunities for additional cash flows are deemed to exist.

Note 22 Prepaid expenses and accrued income

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Rent	12	9	1	1
Insurance premiums	10	8	2	1
Pension costs	2	2	–	–
License fees	9	4	1	0
Contractual assets	25	–	–	–
Other prepaid expenses	33	27	0	0
Other accrued income	12	7	–	–
Total	**103**	**57**	**4**	**2**

Note 23 Shareholder's equity

Reserves	**2022-12-31**	**2021-12-31**
Translation reserve		
Opening translation reserve	22	-50
Translation effect for the year	455	72
Closing translation reserve	**477**	**22**

Number of shares outstanding 2022	**Class A shares**	**Class B shares**	**All share classes**
Opening balance	4,615,136	117,337,625	121,952,761
Redemption of warrants	–	243,500	243,500
Repurchase of treasury shares	–	-360,000	-360,000
Closing balance	**4,615,136**	**117,221,125**	**121,836,261**

Number of shares outstanding 2021	**Class A shares**	**Class B shares**	**All share classes**
Opening balance	4,615,136	107,872,311	112,487,447
Rights issue	–	7,951,958	7,951,958
Redemption of warrants	–	13,356	13,356
Disposal of treasury shares	–	1,500,000	1,500,000
Closing balance	**4,615,136**	**117,337,625**	**121,952,761**

Accounting principle

Shareholder’s equity

Repurchasing treasury shares occurs, and the Board normally proposes obtaining a mandate to repurchase treasury shares, which involves acquiring an amount of shares such that AddLife’s own holding at no time exceeds ten percent of all shares in the company. The purpose of the repurchase is to provide the Board with increased scope for action in its work with the Company's capital structure, to enable the use of repurchased shares as payment in acquisitions, and to secure the Company's commitments in existing incentive programmes. When treasury shares are repurchased, the entire consideration reduces retained earnings. Proceeds from the disposal of equity instruments are recognised as an increase in retained earnings, as are any transaction costs.

Translation reserve

The translation reserve includes all exchange differences that arise in translating financial statements of foreign operations prepared in a currency other than the Group's presentation currency for financial reports.

Parent company

Restricted reserves

Restricted reserves are funds that cannot be paid out as dividends.

Retained earnings

Retained earnings comprises the previous year's unrestricted equity, less any provision to the statutory reserve and less any dividend paid. Together with profit for the year and the share premium reserve, retained earnings constitute the sum of unrestricted equity, that is, the amount available to be paid as dividends to shareholders.

Number of shares

The number of shares at 31 December 2022 consisted of 4,615,136 Class A shares, entitling the holders to 10 votes per share, and 117,221,125 Class B shares, entitling the holders to one vote per share. The quotient value of the share is SEK 0.51. The Company has repurchased 613,989 Class B shares, within the Company's ongoing repurchase programme. After subtracting repurchased shares, the number of Class B shares is 117,835,114 net.

Note 24 Untaxed reserves

Parent Company	2022-12-31	2021-12-31
Tax allocation reserve, allocation for tax assessment 2017	–	19
Tax allocation reserve, allocation for tax assessment 2018	–	11
Tax allocation reserve, allocation for tax assessment 2019	–	17
Tax allocation reserve, allocation for tax assessment 2020	–	9
Tax allocation reserve, allocation for tax assessment 2021	–	40
Tax allocation reserve, allocation for tax assessment 2022	–	24
Closing balance	**–**	**120**

Accounting principle

The Parent Company recognises untaxed reserves including deferred tax liabilities, rather than dividing them into deferred tax liabilities and equity as is done for the Group.

Note 25 Provisions for pensions and similar obligations

AddLife sponsors pension plans in the countries in which it has activities. Pension plans can be defined contribution or defined benefit plans or a combination of both. AddLife has defined benefit pension plans mainly in Sweden. In these plans, a pension is determined mainly by the salary received at the time of retirement. Subsidiaries in other countries in the Group mainly have defined contribution pension plans.

Obligations for employee benefits, defined benefit pension plans

Pension liability as per balance sheet	**2022-12-31**	**2021-12-31**
Pension liability PRI	56	78
Other pension obligations	4	4
Total defined benefit pension plans	**60**	**82**

Obligations for defined benefits and the value of plan assets	**2022-12-31**	**2021-12-31**
Funded obligations:		
Present value of funded defined benefit obligations	–	–
Fair value of plan assets	–	–
Net debt, funded obligations	–	–
Present value of unfunded defined benefit obligations	60	82
Net amount in the balance sheet (obligation +, asset –)	**60**	**82**
Pension obligations and plan assets by country:		
Sweden		
Pension obligations	56	78
Net amount in Sweden	56	78
Germany		
Pension obligations	4	3
Net amount in German	4	3
Austria		
Pension obligations	0	1
Net amount in Austria	0	1
Net amount in the balance sheet (obligation +, asset –)	**60**	**82**

Reconciliation of net amount for pensions in the balance sheet	**2022-12-31**	**2021-12-31**
Opening balance	82	81
Corporate acquisitions	–	3
Change in accounting for pensions	0	0
Payment of pension benefits	-2	-2
Funds contributed by employer	–	–
Translation effects	0	–
Revaluations	-20	0
Gains and losses from settlements	–	0
Net amount in the balance sheet (obligation +, asset –)	**60**	**82**

Changes in the obligation for defined benefit plans recognised in the balance sheet	2022-12-31	2021-12-31
Opening balance	82	81
Corporate acquisitions	–	3
Pensions earned during the period	-1	0
Interest on obligations	1	1
Benefits paid	-2	-2
Benefits earned during previous periods, vested	–	–
Transferred benefits	–	–
Revaluations:		
Gain (–)/loss (+) resulting from demographic assumptions	–	–
Gain (–)/loss (+) resulting from financial assumptions	-25	-2
Experienced-based gains (–)/losses (+)	5	1
Translation effects	–	–
Gains and losses from settlements	–	–
Present value of pension obligations	**60**	**82**

Pension costs	2022	2021
Defined benefit plans		
Cost for pensions earned during the year	3	4
Interest on obligations	1	1
Total cost of defined benefit plans	4	5
Total cost of defined contribution plans	80	76
Social security costs on pension costs	10	8
Total cost of benefits after termination of employment	**94**	**89**

Allocation of pension costs in the income statement	2022	2021
Cost of goods sold	17	18
Selling and administrative expenses	76	70
Net financial items	1	1
Total pension costs	**94**	**89**

	2022	2021
Actuarial assumptions	**Sweden**	**Sweden**
The following material actuarial assumptions were applied in calculating obligations:		
Discount rate 1 January, %	1.8	1.0
Discount rate 31 December, %	3.7	1.8
Future salary increases, %	3.0	3.2
Future increases in pensions (change in income base amount), %	2.5	2.7
Employee turnover, %	10.0	10.0
Mortality table	DUS 21	DUS 14

	2022	2021
Actuarial assumptions	**Sweden**	**Sweden**
Defined benefit pension obligations at 31 December 2021		
Discount rate increases by 0.5%	-4	-7
Discount rate decreases by 0.5%	5	8
Expected life expectancy increases by 1 year	3	4

The total number of commitments included in pension liabilities is distributed as follows:

Comprising	2022-12-31	2021-12-31
Active	13	12
Disability pensioners	0	0
Paid-up policyholders	84	93
Pensioners	87	79
The total number of commitments included in pension liabilities	**184**	**184**

Accounting principle

Defined contributrion plans

These plans are mainly retirement pension plans, disability pensions and family pensions. Premiums are paid on an ongoing basis during the year by each company to separate legal entities, such as insurance companies. The size of the premium is based on the salary. The pension cost for the period is included in profit or loss. The Group has no further obligations related to the defined contribution plans.

Obligations for retirement pensions and family pensions for salaried employees in Sweden are secured by insurance in Alecta. According to statement UFR 10 of the Swedish Financial Reporting Board, this is a defined benefit plan covering multiple employers. In the event that Alecta is unable to provide sufficient information to determine an individual company's share of the total liability and its plan assets, these pension plans are reported as defined contribution. For the 2022 financial year, the Company did not have access to information enabling it to report this plan as a defined benefit plan. Thus the pension plan according to ITP and secured by insurance in Alecta is recognised as a defined-contribution plan. The year's fees for pension insurance with Alecta totalled SEK 11 million (13). The fees for the next financial year are assessed to be in line with this year's fees. The collective consolidation rate for Alecta in December 2022 was 172 percent (172).

Defined benefit plans

AddLife has defined benefit pension plans mainly in Sweden and cover a small number of employees. Under defined benefit pension plans, the company enters into a commitment to provide post-employment benefits based upon one or several parameters for which the outcome is not known at present. In defined benefit pension plans, benefits are paid to current and former employees based on their salary upon retirement and the number of years of service. The Group bears the risk for payment of promised benefits. These pension plans primarily comprise retirement pensions.

Some funded and unfunded pension plans apply in Sweden. The funded pension obligations are secured by plan assets. When a plan is funded, its assets have been separated into plan assets. These plan assets can only be used for payments of benefits as per the pension agreements. The net value of the estimated present value of the obligations and the fair value of plan assets is recognised in the balance sheet, either as a provision or as a non-current financial receivable. When a surplus in a plan cannot be fully utilised, only the portion of the surplus that the Company can recover through reduced future fees or repayments is recognised. A surplus in one plan can only be used to offset a deficit in another plan if the Company is entitled to utilise a surplus in one plan to settle a deficit in another plan, or if the obligations are intended to be settled on a net basis.

The pension cost and pension obligation for defined benefit pension plans are calculated using the Projected Unit Credit Method. This method distributes the cost of pensions at the rate at which employees perform services for the Company that increase their rights to future benefits. The aim is to expense expected future pension payouts in a manner that provides an even cost over the employee's period of employment. This calculation takes into account anticipated future salary increases and anticipated inflation. The Company's obligation is calculated annually by independent actuaries. The discount rate used is equivalent to the interest rate on high-quality corporate bonds or mortgage-backed bonds with a maturity equivalent to the average maturity of the obligation and currency. For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis.

Revaluations may arise when establishing the obligation's present value and fair value on plan assets. These may arise either because the actual outcome differs from previously made assumptions (experience-based adjustments), or because assumptions were changed. These revaluations are recognised in the balance sheet and the income statement under other comprehensive income. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows.

Payroll tax is a part of the actuarial assumption and is therefore reported as part of the net obligation/asset. The portion of payroll tax calculated based on the Pension Obligations Vesting Act (Tryggandelagen) for a legal entity is stated, for reasons of simplicity, as accrued costs instead of as part of the net obligation/asset.

Tax on returns is reported in the income statement for the period the tax refers to and is thus not included in the calculation of debt. For schemes run as funds, tax is levied on returns for plan assets and reported in other comprehensive income. For schemes not run as funds or run partly as funds, tax is included in profit or loss. When the cost of a pension is determined differently in a legal entity than in the Group, a provision or claim for taxes on pension costs is recognised, such as a special employer's contribution for Swedish companies based on this difference. The present value for the provision or claim is not calculated.

Note 26 Provisions

Non-current provisions	**2022**				**2021**			
Group	**Personnel**	**Warranties**	**Other**	**Total**	**Personnel**	**Warranties**	**Other**	**Total**
Opening balance	32	-	-	32	30	-	-	30
Provisions of the year		-	3	3	4	-	-	4
Provisions through acquisitions	2	-	96	97	-	-	-	0
Amounts utilised during the year	-5	-	-	-5	-2	-	-	-2
Unutilised amounts reserved	-	-	-	0	-	-	-	0
Translation effects	2	-	5	7	0	-	-	0
Closing balance	**31**	**-**	**103**	**134**	**32**	**-**	**-**	**32**

Current provisions	**2022**				**2021**			
Group	**Personnel**	**Warranties**	**Other**	**Total**	**Personnel**	**Warranties**	**Other**	**Total**
Opening balance	-	5	5	10	-	4	5	9
Provisions of the year	1	-	-	1	-	3	-	3
Provisions through acquisitions	2	0	77	80	-	-	-	0
Amounts utilised during the year	-	-	-40	-40	-	-	-	0
Unutilised amounts reserved	-	-1	-	-1	-	-3	-	-3
Translation effects	0	0	2	2	-	0	-	0
Closing balance	**3**	**4**	**44**	**52**	**-**	**5**	**5**	**10**

Accounting principle

A provision is recognised in the balance sheet when the Company has a formal or informal obligation as a result of a transpired event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. If the effect is material, the provision is based on a present value calculation.

Warranties

Provisions are made for future costs resulting from warranty undertakings. The calculation is based on expenditure during the financial year for similar undertakings or the estimated costs for each undertaking.

Restructing costs

A cost for benefits in conjunction with termination of employment is recognised only if there is a formal, detailed plan to terminate employment prior to the normal date.Provisions for restructuring costs are recognised when a detailed restructuring plan has been adopted and the restructuring has either begun or been announced.

Note 27 Non-current interest-bearing liabilities

	Group		Parent Company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Liabilities to credit institutions:				
Maturing within 2 years	8	74	–	–
Maturing within 3 years	2,521	33	2,464	–
Maturing within 4 years	3	33	–	–
Maturing within 5 years and later	5	121	–	–
Total non-current liabilities to credit institutions	**2,537**	**261**	**2,464**	**–**
Other interest-bearing liabilities:				
Maturing within 2 years	154	122	–	–
Maturing within 3 years	53	134	–	–
Maturing within 4 years	–	47	–	–
Maturing within 5 years and later	–	–	–	–
Total non-current other interest-bearing liabilities	**207**	**303**	**–**	**–**
Total	**2,744**	**564**	**2,464**	**–**

Other interest-bearing liabilities largely consist of additional contingent considerations with estimated interest of 3.0 percent. For more information about the Group's liabilities to credit institutions, see Note 28 Current interest-bearing liabilities.

Note 28 Current interest-bearing liabilities

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Bank overdraft facility				
Approved credit limit	800	744	800	700
Unutilised portion	-54	-294	-54	-252
Credit amount unutilised	**746**	**450**	**746**	**448**
Revolving credits				
Bank overdraft facility	1,000	500	1,000	500
Approved credit limit	-460	-79	-460	-79
Unutilised portion	**540**	**421**	**540**	**421**
Other liabilities to credit institutions	1,146	2,276	1,093	2,253
Other interestbearing liabilities	59	47	–	–
Total	**2,491**	**3,194**	**2,379**	**3,122**

Other interest-bearing liabilities largely consist of additional contingent considerations with estimated interest of 3.0 percent.

The Group's current liabilities to credit institutions are divided among currencies as follows:

	2022-12-31		2021-12-31	
Currency	**Local currency**	**SEKm**	**Local currency**	**SEKm**
EUR	157	1,749	256	2,613
NOK	0	0	0	0
DKK	58	87	58	80
PLZ	0	0	0	0
Total		**1,836**		**2,693**

The Group's financing is primarily managed by the Parent Company AddLife AB. The Parent Company's bank overdraft facility carried 0.4 percent interest per 31 Dec. 2022.

Note 29 Accrued expenses and deferred income

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Other deferred income	90	80	–	–
Salaries and holiday pay	219	191	14	18
Social security costs and pensions	30	23	2	2
Other accrued expenses[1]	148	86	4	2
Total	**487**	**380**	**20**	**22**

[1] Other accrued expenses mainly consist of overhead accruals.

Note 30 Related-party transactions

No transactions with related parties took place during the financial year other than remuneration to senior management. For more information see Note 7.

Note 31 Pledged assets and contingent liabilities

	Group		Parent company	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Pledged assets	10	12	–	–
Total	**10**	**12**	**–**	**–**
Contingent liabilities				
Guarantees	98	28	–	–
Guarantee for subsidiaries[1]	–	–	47	41
Total	**98**	**28**	**47**	**41**

[1] Relates to PRI liabilities.

Accounting principle

Contingent liabilities are recognised when a possible undertaking exists stemming from past events and the existence of the undertaking is confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not entirely within the Company's control. Other obligations are also recognised as contingent liabilities if they result from past events but are not recognised as a liability or provision because it is unlikely that an outflow of resources will be required to settle the undertaking or because the size of the undertaking cannot be determined with sufficient accuracy.

Note 32 Cash flow statement

	Group		Parent company	
Adjustment for items not included in cash flow	2022	2021	2022	2021
Depreciation and amortisation	723	478	0	0
Gain/loss on sale of operations and non-current assets	-2	-3	–	–
Change in pension liability	-4	-2	–	–
Change in other provisions and accrued items	5	4	–	–
Group contributions/ dividends not paid	–	–	–	–
Reversal of contingent consideration	-106	-	-	-
Other	67	-28	13	13
Total	**684**	**449**	**13**	**13**

For the Group, interest received during the year totalled SEK 1 million (1), and interest paid was SEK 53 million (13).

The following adjustments were made as a result of the value of assets and liabilities in companies acquired during the year, together with adjustments such as contingent considerations paid for acquisitions made in previous years:

	2022	2021
Non-current assets	1,010	2,186
Inventories	274	566
Receivables	457	389
Cash and cash equivalents	200	140
Total	**1,941**	**3,280**
Interest-bearing liabilities and provisions	-	–
Non-interest-bearing liabilities and provisions	1,157	1,255
Total	**1,157**	**1,255**
Consideration paid	-975	-4,917
Cash and cash equivalents in acquired companies	200	140
Effect on the Group's cash and cash equivalents	775	4,778

All businesses acquired during the year were consolidated in the accounts using the acquisition method.
Cash and cash equivalents in the cash flow statement consist of cash and bank balances.The same definition applied to determine cash and cash equivalents in the balance sheet was applied in the cash flow statement.

Reconciliation of debts arising from financing activities

			Changes that do not affect cash flow				
Group	**Opening balance 2022-01-01**	**Cash flow**	**Acquisition of subsi-diaries**	**Exchange rate changes**	**Changes in fair value**	**Leases**	**Closing balance 2022-12-31**
Bank overdraft facility	455	142	–	–	–	–	596
Liabilities to credit institutions	2,954	973	125	323	–	–	4,374
Other interest-bearing liabilities	349	-31	21	19	-92	–	266
Lease liability	345	-153	24	–	–	135	351
Total	**4,102**	**930**	**170**	**342**	**-92**	**135**	**5,587**

Parent Company	**Opening balance 2022-01-01**	**Cash flow**	**Exchange rate changes**	**Closing balance 2022-12-31**
Bank overdraft facility	452	144	–	596
Current liabilities to credit institutions	2,670	1,268	309	4,247
Total	**3,122**	**1,412**	**309**	**4,843**

Reconciliation of debts arising from financing activities

Group	Opening balance 2021-01-01	Cash flow	Changes that do not affect cash flow: Acquisition of subsi-diaries	Exchange rate changes	Changes in fair value	Leases	Closing balance 2021-12-31
Bank overdraft facility	0	395	60	–	–	–	455
Liabilities to credit institutions	487	2,227	227	13	–	–	2,954
Other interest-bearing liabilities	86	6	245	3	9	–	349
Lease liability	233	-121	152	–	–	80	345
Total	**772**	**2,507**	**684**	**16**	**9**	**80**	**4,102**

Parent Company	Opening balance 2021-01-01	Cash flow	Exchange rate changes	Closing balance 2021-12-31
Bank overdraft facility	0	452	–	452
Current liabilities to credit institutions	409	2,249	12	2,670
Total	**409**	**2,701**	**12**	**3,122**

Note 33 Acquisitions within business areas

Acquisitions	Country	Date of acquisition	Net sales, SEKm[1]	Number of employees[1]	Business area
AddVision Group	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
O'Flynn Medical Ltd	Ireland	April, 2022	64	36	Medtech
BioCat GmbH	Germany	April, 2022	90	20	Labtech
JK Lab Nordic AB	Sweden	July, 2022	24	6	Labtech

[1] Refers to conditions at the time of acquisition on a full-year basis.

According to the acquisition analyses, the acquisitions carried out during financial year 2022 were as follows:

	Fair value
Intangible non-current assets	582
Other non-current assets	428
Inventories	274
Other current assets	457
Deferred tax liability/tax asset	-133
Other liabilities	-1,024
Acquired net assets	**584**
Goodwill	412
Consideration[1]	996
Less: cash and cash equivalents in acquired businesses	-200
Contingent consideration not yet paid	-21
Effect on the Group's cash and cash equivalents	**775**

[1] The consideration is stated excluding acquisition expenses.

According to the acquisition analyses, the acquisitions carried out during financial year 2021 were as follows:

	Fair value	of which AddVision	of which Healthcare 21 Group
Intangible non-current assets	1,967	821	890
Other non-current assets	219	54	163
Inventories	566	139	405
Other current assets	529	205	267
Deferred tax liability/tax asset	-367	-163	-157
Other liabilities	-1,256	-275	-923
Acquired net assets	**1,658**	**781**	**645**
Goodwill	3,399	1,234	2,002
Consideration[1]	5,057	2,015	2,647
Less: cash and cash equivalents in acquired businesses	-140	-67	-47
Less: Consideration paid with shares	-1,806	-1,004	-802
Contingent consideration not yet paid	-272	-187	-46
Effect on the Group's cash and cash equivalents	**2,839**	**757**	**1,752**

[1] The consideration is stated excluding acquisition expenses.

All acquisition analyses was determined. The unspecified amounts refer to assets and equity and are not significant.

The combined consideration for the acquisitions was SEK 996 million (5,057), of which SEK 412 million (3,399) was allocated to goodwill and SEK 582 million (1,967) to other intangible assets. The consideration consists of cash payment. The transaction costs for acquisitions with a takeover date during the 2022 financial year totalled SEK 12 million (56) and are recognised in selling expenses.

The outcome of additional contingent considerations depends on the results achieved in the companies and has a set maximum level. The fair value of not yet paid contingent consideration for acquisitions made during the financial year is calculated to SEK 21 million. which is approximately 94 percent of the maximum outcome.

The values allocated to intangible assets, such as supplier relationships, were assessed at the discounted value of future cash flows. The amortisation period is determined by estimating the annual decrease in sales attributable to each asset.

Supplier relationships are generally amortised over a period of 10 years. The goodwill that arose in connection with the acquisitions is due to the fact that the Group's position in the current market for each acquisition is expected to be strengthened and to the knowledge gained in the acquired companies.

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.

The combined effect of the acquisitions, on consolidated net sales was SEK 952 million (1,750), while the combined effect on EBITA was SEK 162 million (211), operating profit was SEK 114 million (73) and after-tax profit for the year was SEK 62 million (26). Had the acquisitions, been completed on 1 January 2022, their impact would have been approximately SEK 1,011 million (2,530) on consolidated net sales, SEK 174 million (309) on EBITA, about SEK 122 million (112) on operating profit, and about SEK 68 million (48) on profit after-tax.

Note 34 Earnings per share (EPS)

	2022	2021
Earnings per share (SEK)	3.96	6.03
Diluted EPS (SEK)	3.95	6.01

The numerators and denominators used to calculate the above EPS are derived as stated below.

Earnings per share (EPS)

Basic earnings per share is calculated by dividing the income for the period attributable to the equity holders of the Parent Company with the average number of shares. The dilution from the options is based on a calculation of how many shares could hypothetically have been purchased during the period of the exercise price. The shares that could not have been purchased lead to dilution. The dilution in the Group is a consequence of its longterm incentive programmes.

The two components are as follows:

	2022	2021
Profit for the year (SEKm)	483	721

Weighted average number of shares during the year in thousands of shares	2022	2021
Weighted average number of shares during the year, basic	121,779	119,418
The weighted average number of shares during the year, diluted	122,254	119,966

Note 35 Information about the parent company

AddLife AB, corporate ID number 556995-8126, is the Parent Company of the Group.
The Company's registered office is in Stockholm, Stockholm County, Sweden, and is according to Swedish law AddLife AB a limited liability company.

Head office address:
AddLife AB (publ)
Box 3145
103 62 Stockholm, Sweden
www.add.life

Note 36 Events after the reporting period

AddLife develops the organization to take advantage of future growth opportunities and strengthens the support to the portfolio companies by adding internally recruited resources with solid international operational experience.

In the business area Medtech, AddLife adds a new position with responsibility for the companies within the Hospital business unit, which is filled by Luca Marenzi. Luca is today CEO of Biomedica, which was acquired in 2018 and was AddLife's first major acquisition outside the Nordics.
Peter Simonsbacka, who is currently the business area manager for the Labtech business area, assumes the new role of Chief Commercial Officer, with commercial responsibility for both the Labtech and Medtech business areas. Peter has a long and solid operational experience within both AddLife and Addtech and has successfully developed the business within Labtech and established the two business units Diagnostics and Biomedical and Research.

Tara Kearney now takes the role of Senior Advisor with special responsibility for the portfolio companies Mediplast and MBA. In recent years, Tara has led Healthcare 21 in its strong growth, both organically and through acquisitions. At the turn of the year, Tara left her operational role in Healthcare 21 after approximately 20 years in the company, the last few years as successful CEO.

No other events of significance to the Group occurred after the end of the financial year.

Note 37 Proposal for profit distribution

The following amounts are available for distribution by the Annual General Meeting of AddLife AB:	
Share premium reserve	2,654
Retained earnings	-74
Profit for the year	-18
Total earnings	**2,562**

The Board of Directors propose that the funds available for distribution be allocated as follows:	
A dividend paid to shareholders of SEK 1.20 per share[1]	146
To be carried forward	2,416

[1] Calculated based on the number of outstanding shares at the time of the release of the annual report. The number of repurchased class B shares amounts to 593,189 at the time of the release of the annual report.

The share

Share capital

On 31 December 2022 share capital in AddLife AB amounted to SEK 62,358,949. There were a total of 122,450,250 shares in the Company, including 4,615,136 Class A shares and 117,835,114 Class B shares. The nominal value of each share was SEK 0.51. Each Class A share carries ten votes and each Class B share carries one vote. All shares give the same right to dividends. Only the Class B share is listed on Nasdaq Stockholm.

Dividend policy

The Board of Directors of AddLife aims to propose a dividend equivalent to 30-50 percent of profit after tax. When determining dividends, the Company's Board considers investment needs and other factors that it deems relevant.

Conversion of shares

According to AddLife Articles of Association, owners of Class A shares have the right to have such shares converted to Class B shares. The conversion reduces the number of votes in the company. During the financial year, no (0) Class A shares were converted into Class B shares.

Key ratios

	2022	**2021**
Earnings per share (EPS) before dilution, SEK	3.96	6.03
Shareholders' equity per share, SEK	40.76	35.14
P/E ratio	27.4	63.3
Highest price during the financial year, SEK	371.00	390.00
Lowest price during the financial year, SEK	99.50	146.20
Last price paid, SEK	108.60	381.40
Market capitalisation, SEKm	13,298	46,703
Average number of shares outstanding	121,779	119,418
Number of shares outstanding at year-end	121,836	121,953
Number of shareholders at year-end	13,131	13,879

Major shareholders

Shareholder	Class A shares	Class B shares	Proportion of capital, %	Proportion of votes, %
Roosgruppen AB	2,165,644	3,124,727	4.3	15.1
Tom Hedelius	2,066,572	23,140	1.7	12.6
SEB Fonder	0	11,931,192	9.7	7.3
State Street Bank & Trust Company	0	8,591,757	7.0	5.2
AMF - Försäkring och Fonder	0	8,475,841	6.9	5.2
Verdipapirfond Odin	0	6,580,008	5.4	4.0
AP-fonderna	0	6,443,028	5.3	3.9
BNY Mellon NA (Former Mellon)	0	5,070,549	4.1	3.1
Didner & Gerge Fonder	0	4,013,258	3.3	2.5
Handelsbanken fonder	0	3,763,951	3.1	2.3
JP Morgan Chase	0	3,168,628	2.6	1.9
Swedbank Robur Fonder	0	2,935,021	2.4	1.8
Cliens Fonder	0	2,911,360	1.8	1.8
Sandrew Aktiebolag	0	2,800,000	2.3	1.7
CBNY - Fidelity Over	0	2,778,272	2.3	1.7
Total 15 largest owners	**4,232,216**	**72,610,732**	**62.2**	**70.1**
Other shareholders	382,920	44,610,393	37.3	29.5
Total outstanding shares	**4,615,136**	**117,221,125**	**99.5**	**99.6**
Repurchased own shares Class B	-	613,989	0.5	0.4
Total registered shares	**4,615,136**	**117,835,114**	**100.0**	**100.0**

Class sizes

Number of shares	Number of shareholders	% of capital	% of number of shareholders
1 - 500	10,594	0.73	80.68
501 - 1,000	897	0.46	6.83
1,001 - 5,000	1,090	1.89	8.30
5,001 - 10,000	201	1.12	1.53
10,001 - 20,000	113	1.18	0.86
20,001- 100,000	126	4.54	0.96
100,001 -	110	90.08	0.84
Total	**13,131**	**100.00**	**100.00**

Holdings per category

Holdings by category 2021	Number of shareholders	Capital share, %
Sweidsh owners	12,417	63.30
Foreign owners	714	36.70
Total	**13,131**	**100.00**
Legal entities	1,042	86.09
Natural person	12,089	13.91
Total	**13,131**	**100.00**

Assurance of the Board of Director

The Board of Directors and the Chief Executive Officer deem the consolidated financial statements and annual accounts to be prepared in accordance with IFRS, as adopted by the EU, and with generally accepted accounting principles, and that they provide a true and fair overview of the financial position and results of operations of the Group and the Parent Company. The administration report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operating activities, financial position and results of operations and describes significant risks and uncertainties to which the Parent Company and the companies that comprise the Group are exposed. The other aspects of the results of operations and financial position of the Group and the Parent Company are shown in the income statements, balance sheets, cash flow statements and notes to the financial statements.

The Board approved the Parent Company's annual report and the Group's consolidated financial statements for publication on 31 March 2023. The Parent Company's and Group's respective income statements and balance sheets will be submitted for adoption to the Annual General Meeting on 4 May 2023.

Stockholm 31 March 2023

Johan Sjö
Chairman of the board

Birgit Stattin Norinder
Board member

Eva Nilsagård
Board member

Eva Elmstedt
Board member

Håkan Roos
Board member

Stefan Hedelius
Board member

Fredrik Dalborg
Chief Executive Officer

Our auditors' report was submitted on 31 March, 2023

KPMG AB

Håkan Olsson Reising
Authorised Public Accountant
Auditor in charge

Jonas Eriksson
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of AddLife AB, corp. id 556995-8126

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of AddLife AB for the year 2022, except for the corporate governance statement on pages 61-74 and the sustainability report on pages 6-8 and 27-44. The annual accounts and consolidated accounts of the company are included on pages 45-128 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 61-74 and sustainability report on pages 6-8 and 27-44. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of acquired intangible assets and parent company’s shares in group companies

See Note 15 in the annual account and consolidated accounts for detailed information, accounting policies and description of the matter.

Description of key audit matter

The carrying value of goodwill in the group is SEK 5,313 million per 31 December 2022, which represents 41 % of total assets.

Response in the audit

We have inspected the company’s impairment testing in order to assess whether it is in line with the prescribed methodology. Furthermore, through

At least annually, goodwill shall be subject to impairment testing which is both complex and involves significant elements of judgement from group management.

According to current regulations, the prescribed method for carrying out impairment tests involves management making forecasts for how internal as well as external conditions and plans may impact the business. Examples of such forecasts include future cash flows, which in turn require assumptions to be made about future market conditions. Another important assumption is which discount rate to use in order to correctly reflect the time value of money of forecast future cash in-flows, which carry a certain level for risk.

The carrying amount of participation in group companies in the parent company is SEK 389 million as per 31 December 2022, which represents 4 % of total assets. In the event that the participations' equity is less than the value of the participation, an impairment test is performed.

This area, therefore, involves significant levels of judgement which are in turn significant to the group's financial statements.

review of management's written plans and documentation, we have assessed the reasonableness of future cash flows and the assumed discount rate and growth rate. We have conducted discussions with management and evaluated previous year's estimates in relation to actual outcomes.

A critical part of our work has also been evaluation of the sensitivity analysis performed by management that shows how changes in the assumptions can affect the overall valuation and performance of our own sensitivity analysis.

We have also considered the disclosures in the annual accounts for completeness and assessed whether they are in line with the assumptions used by the group in its impairment testing and whether the information is sufficient to provide understanding of management's judgements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-44 and 135-140. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AddLife AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for AddLife AB for year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of AddLife AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 61-74 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 6-8 och 27-44, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of AddLife AB by the general meeting of the shareholders on the 5 maj 2022. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2015/2016.

Stockholm den 31 March 2023

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant
Auditor in charge

KPMG AB

Jonas Eriksson
Authorized Public Accountant

Multi-year overview

SEKm, unless stated otherwise	2022	2021	2020	2019	2018	2017	2016
Net sales	9,084	7,993	5,273	3,479	2,482	2,333	1,938
Operating profit	808	996	672	196	168	166	148
Financial income and expenses	-206	-69	-13	-14	-10	-8	-6
Profit after financial items	602	927	659	182	158	158	142
Profit for the year	**483**	**721**	**520**	**142**	**129**	**120**	**112**
Intangible non-current assets	8,440	7,191	2,003	1,761	1,465	1,153	870
Property, plant and equipment	899	627	434	353	110	75	68
Financial assets	146	27	9	24	48	13	11
Inventories	1,646	1,189	640	452	408	271	252
Other receivables	1,550	1,217	848	586	575	368	361
Cash equivalents	376	345	216	99	61	11	15
Total assets	**13,057**	**10,596**	**4,150**	**3,274**	**2,668**	**1,891**	**1,577**
Equity attributable to the shareholders	4,968	4,285	1,882	1,467	931	748	717
Non-controlling interests	3	6	8	9	1	–	–
Interest-bearing liabilities and provisions	5,785	4,216	916	1,001	943	600	381
Non-interest-bearing liabilities and provisions	2,301	2,089	1,344	798	794	543	479
Total equity and liabilities	**13,057**	**10,596**	**4,150**	**3,274**	**2,668**	**1,891**	**1,577**
EBITA	1,221	1,273	802	305	245	234	189
EBITA margin, %	13.4	15.9	15.2	8.8	9.9	10.0	9.7
Earnings growth EBITA, %	-4.1	58.8	162.8	24.7	4.7	24.0	47.0
Capital employed	10,764	8,509	2,806	2,477	1,874	1,347	1,098
Working capital, yearly average	2,008	1,347	781	598	397	369	304
Financial net liabilities	5,410	3,870	700	902	882	588	366
Operating margin, %	8.9	12.5	12.8	5.6	6.8	7.1	7.6
Profit margin, %	6.3	11.6	12.5	5.2	6.4	6.8	7.3
Return on equity, %	10	22	31	10	16	17	21
Return on capital employed, %	8	12	25	9	11	13	15
Return on working capital (P/WC)	61	95	103	51	62	63	62
Equity ratio, %	38	40	46	45	35	40	45
Debt/equity ratio, times	1.2	1.0	0.5	0.7	1.0	0.8	0.5
Net debt/equity ratio, times	1.1	0.9	0.4	0.6	0.9	0.8	0.5
Interest coverage ratio, times		15	40	16	23	33	17
Interest-bearing net debt/EBITDA, times	3.5	2.6	0.7	1.6	3.3	2.3	1.8
Earnings per share before dilution, SEK	3.96	6.03	4.63	1.28	1.29	1.19	1.22
Cash flow per share, SEK	7.46	8.46	8.47	3.61	1.76	2.05	1.39
Equity per share, SEK	40.76	35.14	16.73	13.07	9.08	7.43	7.06
Average number of shares, 000	121,779	119,418	112,127	111,083	100,458	101,302	97,729
Share price as at 31 December, SEK	108.60	381.40	144.00	72.25	48.54	40.57	32.78
Cash flow from operating activities	909	1,010	950	400	178	208	133
Cash flow from investing activities	-1,086	-2,977	-429	-407	-381	-338	-198
Cash flow from financing activities	134	2,070	-373	42	249	125	-55
Cash flow for the year	-43	103	149	35	46	-5	-120
Average number of employees	2,157	1,548	1,004	903	620	579	459
Number of employees at year-end	2,219	1,802	1,112	932	873	592	545

The key figures presented below are central in order to understand and evaluate AddLifes business and financial position. The key figures are presented in the Multi-year overview and commented in the administration report. The key figures that are the financial targets are commented in the section "Financial targets".

Return on equity
Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.
Return on equity measures from an ownership perspective the return that is given on the owners' invested capital.

	2022	2021
Profit/loss for the period	483	721
Average equity	4,627	3,091
Return on equity	483/4,627=10%	721/3,091=23%

Return on working capital (P/WC)
EBITA in relation to average working capital.
P/WC is used to analyse profitability and encourage high EBITA earnings and low working capital requirements.

	2022	2021
Operating profit before amortization of intangible assets EBITA, P	1,221	1,273
Average working capital, WC	2,008	1,347
P/WC	1,221/2,008=61%	1,273/1,347=95%

Return on capital employed
Profit after net financial items plus interest expenses plus/minus exchange rate fluctuations in percent of average capital employed.

	2022	2021
Profit/loss before taxes according to the income statement	602	927
Interest expenses note 12 (+)	112	57
Net exchange rate fluctuations, note 12	88	10
Profit after net financial items plus exchange rate fluctuations	802	994
Capital employed yearly average	10,080	8,509
Return on capital employed	802/10,080=8%	994/8,509=12%

EBITDA
Operating profit before depreciation and amortization of intangible assets and property, plant and equipment.
EBITDA is used to analyse profitability generated by operational activities.

	2022	2021
Profit/loss according to the income statement	808	996
Depreciation property, plant and equipment according to Note 16 (+)	309	201
Amortisation intangible assets according to Note 15 (+)	413	277
Operating profit before depreciation and amortisation, EBITDA	1,530	1,475

EBITA

Operating profit before amortization of intangible assets.

EBITA is used to analyse profitability generated by operational activities.

	2022	2021
Profit/loss according to the income statement	808	996
Amortisation intangible assets according to Note 15 (+	413	277
Operating profit before amortization of intangible assets	1,221	1,273

EBITA margin

EBITA in percentage of net sales.

EBITA margin is used to analyse asset-creating generated from operational activities.

	2022	2021
Operating profit before amortization of intangible assets	1,221	1,273
Net sales according to the income statement	9,084	7,993
EBITA margin	1,221/9,084=13.4%	1,273/7,993=15.9%

Equity per share

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

	2022	2021
Shareholders' proportion of equity according to the balance sheet	4,968	4,285
Number of shares outstanding at the end of the reporting period, 000	121,836	121,953
Equity per share	4,968/121,836=40.76	4,285/121,953=35.14

Cash flow per share

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

	2022	2021
Cash flow from operating activities	909	1,010
Average number of shares	121,779	119,418
Cash flow per share	909/121,779=7.46	1,010/119,418=8.46

Net debt/equity ratio

Financial net liabilities in relation to shareholders’ equity.

Net debt/equity ratio is used to analyse financial risk.

	2022	2021
Financial net liabilities	5,410	3,870
Equity according to balance sheet	4,971	4,291
Net debt/equity ratio	5,410/4,971=1.1	3,870/4,291=0.9

Earnings per share (EPS)

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

	2022	2021
Shareholders' proportion of profit for the year according to the income statement	480	719
Average number of shares	121,779	119,418
Earnings per share (EPS)	480/121,779=3.96	719/119,418=6.03

Profit growth EBITA

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

Earnings growth EBITA is used to analyse asset-creating generated from operational activities.

	2022	2021
Operating profit before amortisation of intangible assets, EBITA (+)	1,221	1,273
Previous year's operating profit before amortization of intangible assets, EBITA (-)	-1,273	-802
Earnings growth EBITA	-52	471
Profit growth EBITA	-52/1,273=-4%	471/802=59%

Financial net liabilities

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

Net debt is used to monitor debt development and analyse financial leverage and any necessary refinancing.

According to balance sheet	2022	2021
Non-current interest-bearing liabilities	2,969	788
Provisions for pensions	60	82
Interest-bearing provisions	134	32
Current interest-bearing liabilities	2,623	3,314
Interest-bearing liabilities and provisions.	5,786	4,216
Cash and equivalents (–)	-376	-345
Financial net liabilities	5,410	3,870

Financial net liabilities/EBITDA

Financial net liabilities divided by EBITDA.

Financial net liabilities compared with EBITDA provides a key financial indicator for financial net liabilities in relation to cash-generated operating profit; i.e., an indication of the ability of the business to pay its debts. This measure is generally used by financial institutions as a measure of creditworthiness.

	2022	2021
Financial net liabilities	5,410	3,870
Operating profit before depreciation and amortisation, EBITDA	1,530	1,475
Financial net liabilities/EBITDA	5,410/1,530=3.5	3,870/1,475=2.6

Interest coverage ratio

Profit after net financial items plus interest expenses plus/minus exchange rate fluctuations in relation to interest expenses.

	2022	2021
EBITDA	1,530	1,475
Interest expenses	112	57
Interest coverage ratio	1,530/112=14	1,475/57=26

Working capital

Sum of inventories and accounts receivable, less accounts payable. Average working capital for the year is used to calculate return on working capital (P/WC).

Working capital is used to analyse how much working capital is tied up in the business.

	2022	2021
Inventories yearly average (+)	1,543	1,032
Accounts receivable yearly average (+)	1,321	998
Accounts payable yearly average (-)	-856	-683
Working capital, average (WC)	2,008	1,347

Operating margin

Operating profit/loss as a percentage of net sales.

	2022	2021
Profit/loss according to the income statement	808	996
Net sales according to the income statement	9,084	7,993
Operating margin	808/9,084=8.9%	996/7,993=12.5%

Equity ratio

Equity as a percentage of total assets

The equity ratio is used to analyse financial risk and shows how much of the assets are financed with equity.

	2022	2021
Equity according to balance sheet	4,971	4,291
Total assets according to balance sheet	13,057	10,596
Equity ratio	4,971/13,057=38%	4,291/10,596=40%

Debt/equity ratio

Interest-bearing liabilities and interest-bearing provisions in relation to equity.

According to balance sheet	2022	2021
Non-current interest-bearing liabilities	2,969	788
Provisions for pensions	60	82
Interest-bearing provisions	134	32
Current interest-bearing liabilities	2,622	3,314
Interest-bearing liabilities and provisions	5,785	4,216
Equity according to balance sheet	4,971	4,291
Debt/equity ratio	5,785/4,971=1.2	4,216/4,291=1.0

Capital employed

Total assets less non-interest-bearing liabilities and provisions

According to balance sheet	2022	2021
Deferred tax liabilities	459	489
Accounts payable	957	796
Tax liabilities	70	110
Other liabilities	268	301
Accrued expenses and deferred income	487	380
Provisions	52	10
Non-interest-bearing liabilities and provisions	2,293	2,087
Total assets according to balance sheet	13,057	10,596
Capital employed	13,057-2,293=10,764	10,596-2,087=8,509

Profit margin

Profit before taxes in percentage of net sales

	2022	2021
Profit/loss before taxes according to the income statement	602	927
Net sales according to the income statement	9,084	7,993
Profit margin	602/9,084=6.6%	927/7,993=11.6%