

ADDLIFE IN BRIEF

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

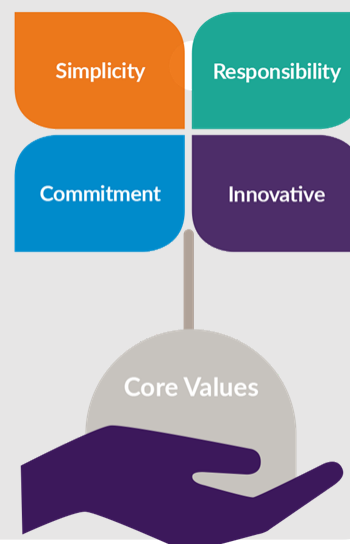
To improve people's lives by being a leading, value-creating player in Life Science

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

NET SALES
SEKm

1,221

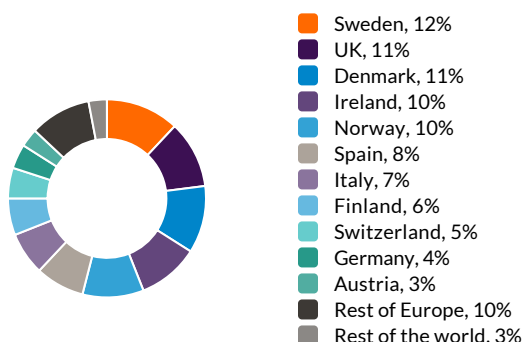
EBITA
SEKm

909

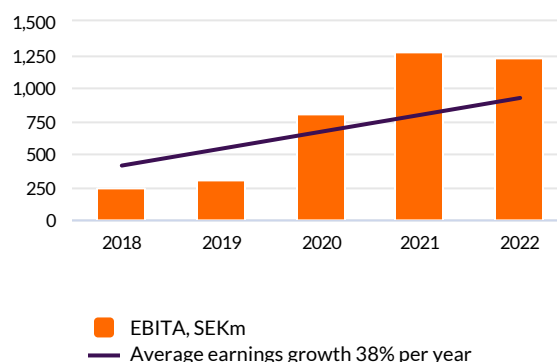
OPERATING
CASH FLOW SEKm

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



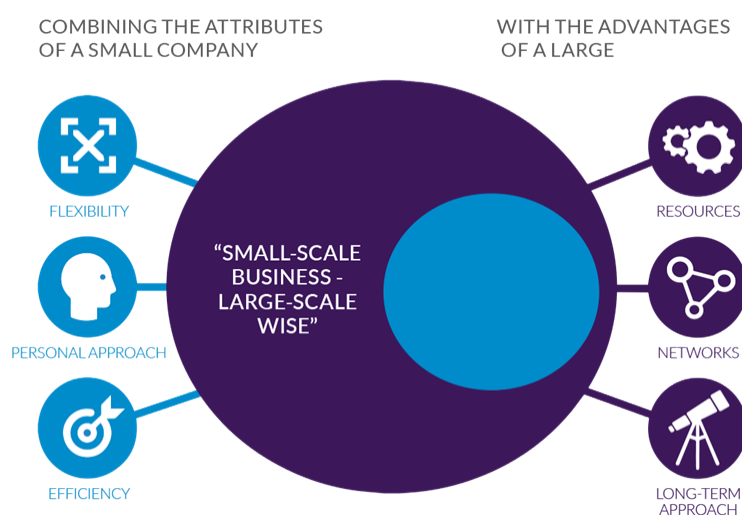
Fredrik Dalborg
President and CEO

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.

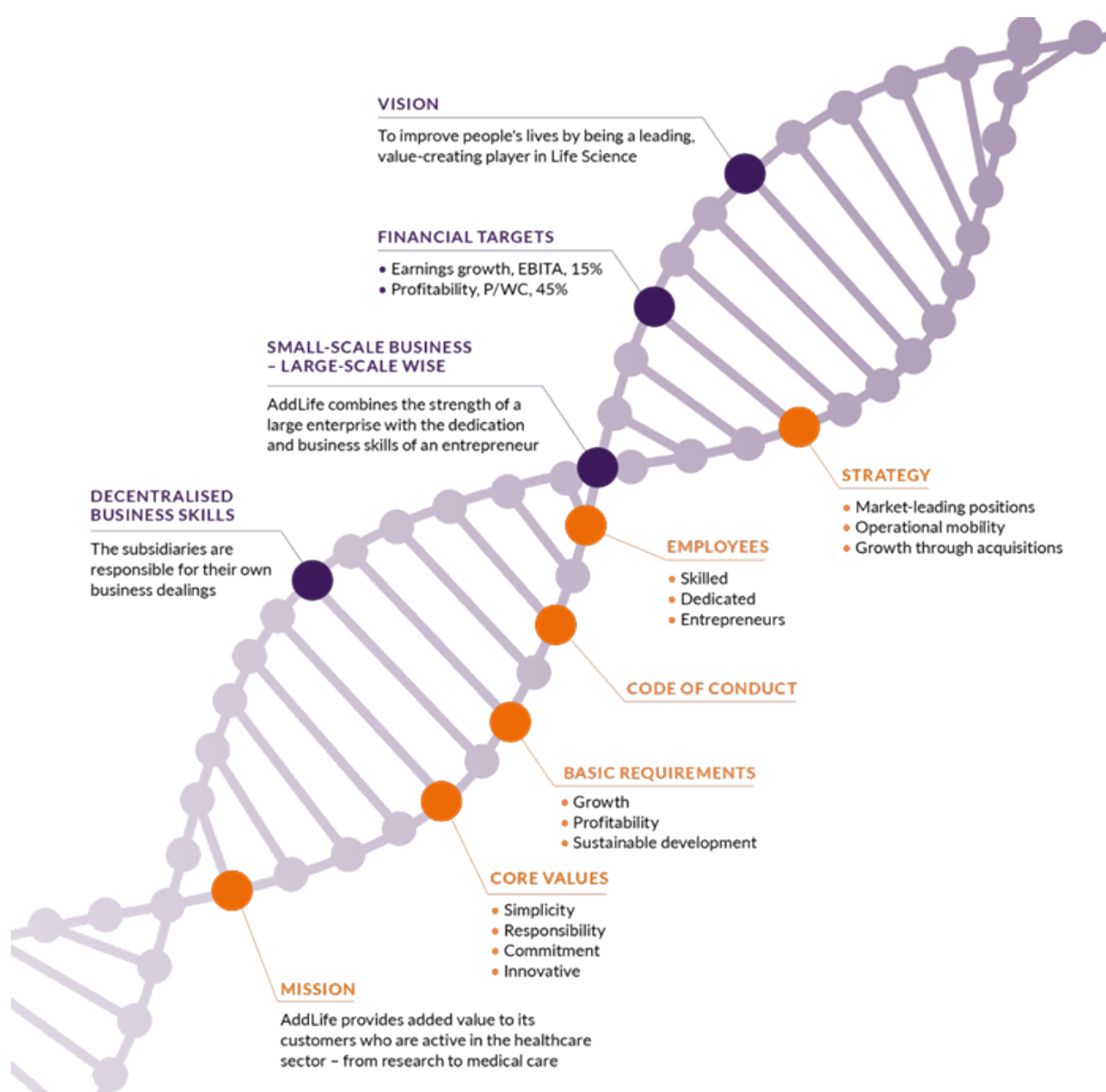
Customer contacts in our operating subsidiaries

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



STRATEGY

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

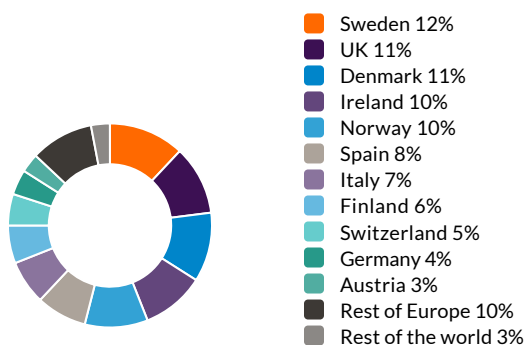
Well positioned for the market situation post pandemic

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

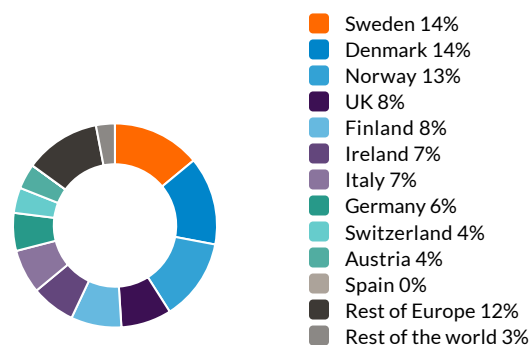


The European expansion strengthens both new and existing supplier relationships, as well as creating a larger internal network with increased opportunities to sell both own and distributed products in new markets. Sales in markets outside the Nordic region accounted for 61 percent of net sales in 2022,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

NET SALES PER MARKET 2022

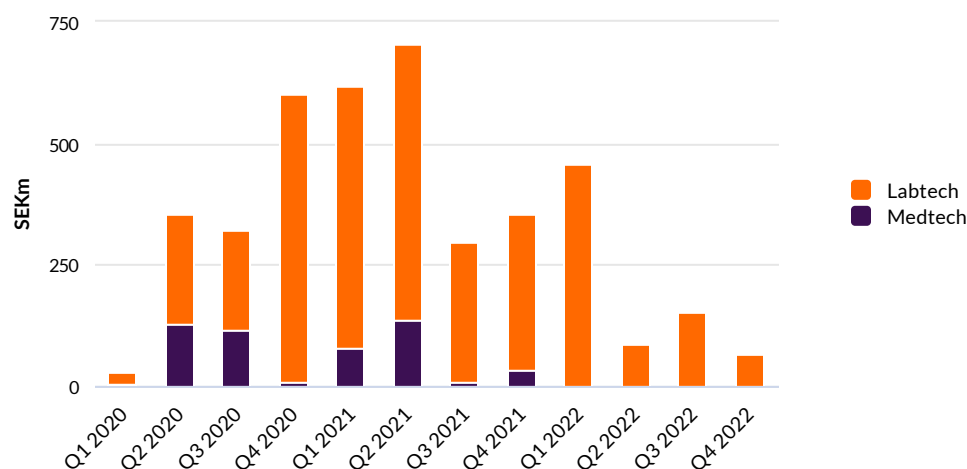


NET SALES PER MARKET 2021



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 Europe¹, 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 surgical 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 people² 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 Europe³ 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 reported⁴. WHO estimates that by 2030, there will be a shortage of 10 million healthcare workers globally⁵.

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

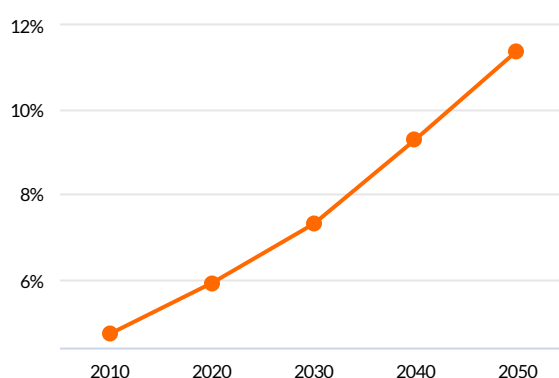
Sustainability issues in the healthcare sector had to some extent taken a back seat during the pandemic, as the focus has primarily been on patient care and access to healthcare products. As the effects of the pandemic decrease, we are once again seeing an increase in interest in sustainability in healthcare. 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.

SHARE OF EU CITIZENS 80+



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

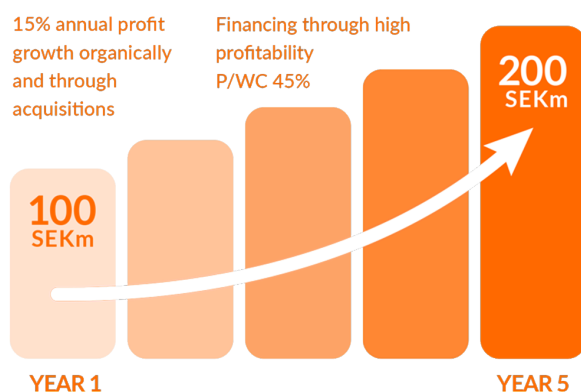
Long-term financial targets

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.



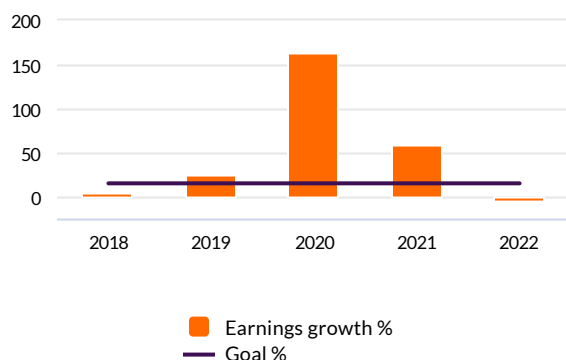
The goal is to double AddLife's profit in five years and to finance growth with the company's own funds through high profitability



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.

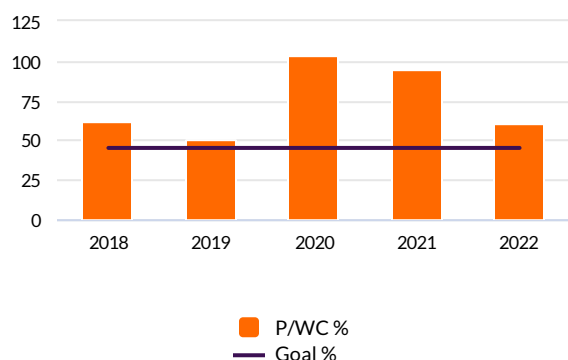
EARNINGS GROWTH



Profitability 45 percent

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

P/WC

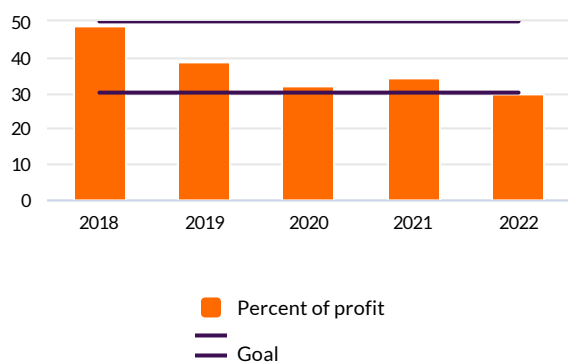


61 %
P/WC 2022

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.

DIVIDEND



1.20
SEK/SHARE
2022

BUSINESS AREA

Business area Labtech

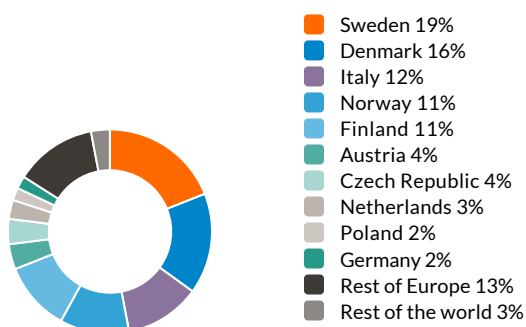
The Labtech business area provides products, solutions and services in fields such as diagnostics, biomedical research and laboratory analysis. Customers include hospitals, research laboratories, pharmaceutical companies, and food industry groups, primarily in the Nordics and rest of Europe.



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-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

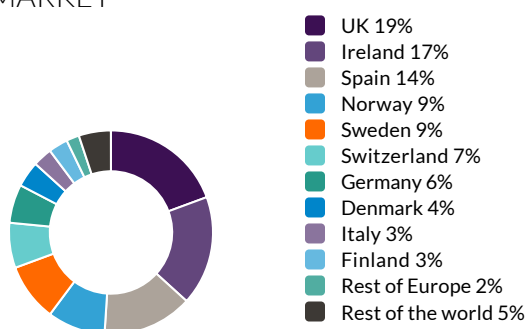
Business area Medtech

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



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 patient 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

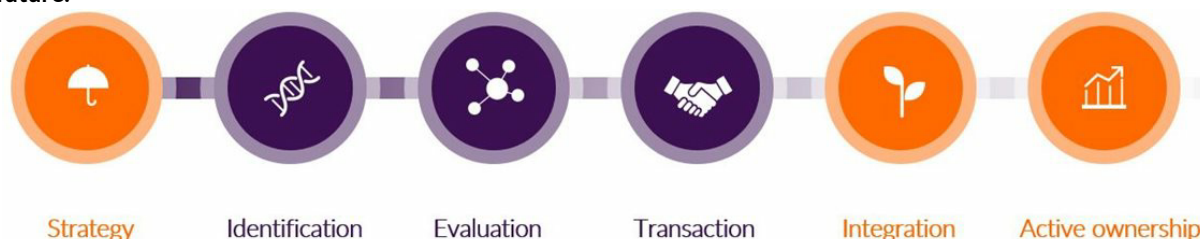
- Intensive care
- Endoscopy
- Interventional radiology
- Surgery
- Ophthalmology
- Orthopaedics
- Respiration
- Wound care
- Welfare technology
- Assistive devices for kitchen and bathroom
- Assistive technology for disabled children



ACQUISITIONS

Acquisitions

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.

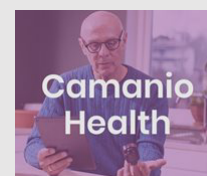
MBA Incorporado S.L



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 Camano and renamed to Camano Health. Camano 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.

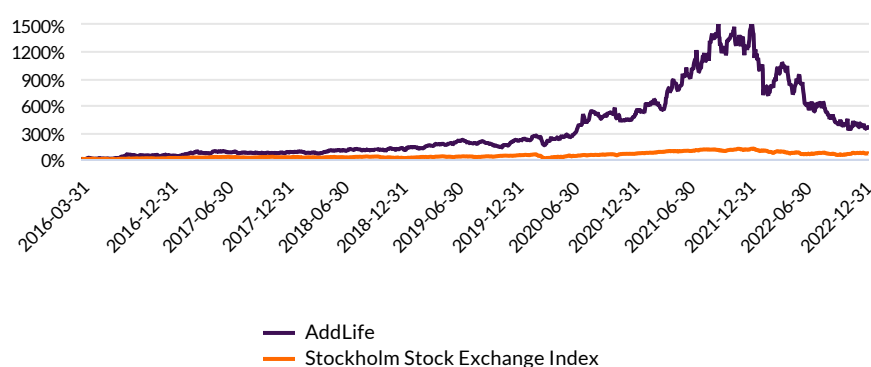
- Time of acquisition: July 1
- Net sales: approximately SEK 24m
- Employees: 6

THE SHARE

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



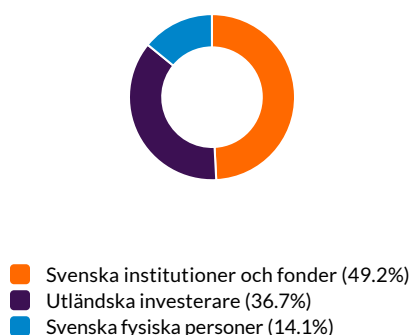
Market performance of the share and turnover

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	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

THE SHARE

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.



- 1 Attractive non-cyclical market**
- 2 Cash flow finances growth**
- 3 Clear strategy to create additional growth**
- 4 Strong market position and long contract terms**

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.