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

AddLife

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 currey 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 currey 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

SEKm	Restricted equity	Unrestricted equity		
	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**

SEKm	Restricted equity	Unrestricted equity		
	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%