

Year-end report 1 January – 31 December 2023

Strong cash flow and significant actions to improve profitability within Medtech



Demand is healthy in the markets and segments where AddLife's companies operate. We can now summarize 2023 as a year with historically strong organic growth of 10%. In the fourth quarter, cash flow improved significantly and net debt decreased by approximately SEK 400 m. Labtech's profitability was high and in Medtech, profitability was generally good, but weighed down by AddVision and Homecare, where we are now implementing significant actions to improve profitability.

Fredrik Dalborg, President and CEO

1 OCTOBER – 31 DECEMBER 2023 (3 MONTHS)

- Net sales increased by 9% to SEK 2,544 m (2,326). The organic growth, excluding COVID-19 related sales and exchange rate changes, was 9%.
- EBITA increased by 8% to SEK 278 m (258), corresponding to an EBITA-margin of 10.9% (11.1). EBITA include reversed contingent considerations of SEK 46 m (16) and one-off costs of SEK -27 m, adjusted for these the EBITA margin amounted to 10.2% (10.4).
- Depreciation and write-downs of fixed assets amounted to SEK 333 m (193) and include write-downs of SEK 125 m.
- Profit after tax amounted to SEK -41 m (62). The result was affected by one-off costs and write-downs totaling SEK 134 m.
- Earnings per share amounted to SEK -0.34 (0.50). Excluding one-off costs and write-downs the earnings per share amounted to SEK 0.38 (0.38).
- Cash flow from operating activities amounted to SEK 448 m (351).



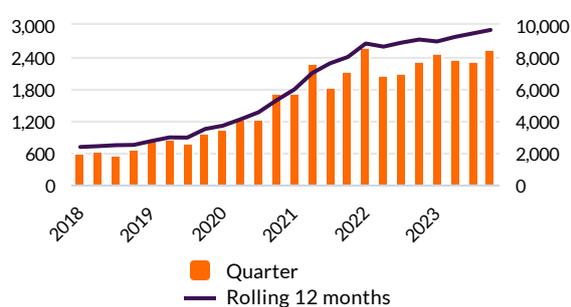
1 JANUARY – 31 DECEMBER 2023 (12 MONTHS)

- Net sales increased by 7% to SEK 9,685 m (9,084), whereof the acquired growth amounted to 1%. The organic growth excluding, COVID-19 related sales and exchange rate changes, was 10%.
- EBITA decreased by 7% to SEK 1,135 m (1,221), corresponding to an EBITA-margin of 11.7% (13.4). EBITA include reversed contingent consideration amounting to SEK 147 m (101) and one-off costs amounting to SEK -27 m, adjusted for these the EBITA-margin amounted to 10.5% (12.3).
- Profit after tax amounted to SEK 192 m (483). The profit was affected by one-off costs and write-downs totaling SEK 134 m.
- Earnings per share amounted to SEK 1.56 (3.96).
- Cash flow from operating activities amounted to SEK 773 m (909).
- The equity ratio was 39% (38).
- Return on working capital (P/WC) amounted to 50% (61).
- The board proposes a dividend of SEK 0.50 per share.

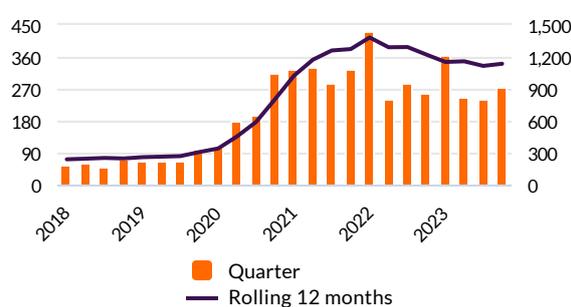


SEKm	3 months ending			12 months ending		
	31 Dec 23	31 Dec 22	change	31 Dec 23	31 Dec 22	change
Net sales	2,544	2,326	9%	9,685	9,084	7%
EBITA	278	258	8%	1,135	1,221	-7%
EBITA-margin	10.9%	11.1%		11.7%	13.4%	
Profit before tax	2	77	-98%	339	602	-44%
Profit for the period	-41	62	-166%	192	483	-60%
Earnings per share before dilution, SEK	-0.34	0.50	-168%	1.56	3.96	-61%
Earnings per share after dilution, SEK	-0.34	0.50	-168%	1.56	3.95	-61%

NET SALES (SEKM)



EBITA (SEKM)



One-off costs, SEKm	3 months ending 31 Dec 23		12 months ending 31 Dec 23	
	EBITA	EBIT	EBITA	EBIT
Restructuring reserve AddVision	-8	-8	-8	-8
Write-down intangible assets Camanio Health	-	-25	-	-25
Write-down intangible assets Camanio Care	-	-81	-	-81
Write-down tangible assets Camanio Care	-19	-19	-19	-19
Reversed contingent consideration	46	46	147	147
Total one-off costs	19	-87	120	14

Classification in income statement, SEKm	3 months ending		12 months ending	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Cost of sales	-1	-	-1	-
Selling expenses	-54	-	-54	-
Administrative expenses	-8	-	-8	-
Research and Development	-70	-	-70	-
Other operating income and expenses	46	16	147	101
Total one-off costs in the income statement	-87	16	14	101

Comments by the CEO

Continued strong growth and improved cash flow

Organic growth, excluding COVID-19 and currency effects, totalled 9 percent in the fourth quarter. Activity levels remained high and demand was robust in the markets and segments in which AddLife's companies operate. In the fourth quarter, organic growth was 13 percent in Labtech and 6 percent in Medtech.

In the Labtech business area, demand and profitability for Diagnostics remained steady. High activity in medical research contributed to substantial sales growth and improved profitability in BioMedical & Research.

The Medtech business area, developed well, with strong growth and profitability especially in Hospitals despite the routine seasonal break for planned surgeries over the Christmas and New Year holidays. Demand in Homecare was weaker during the quarter as a result of delayed remodelling and new construction projects for adapted homes. Long-term underlying positive growth drivers, such as an aging population and technological advances, remain unchanged.

Our focused efforts to improve cash flow continue. In the fourth quarter, cash flow from operating activities increased to SEK 448 m, up from SEK 351 m in the corresponding quarter of 2022. The sequential improvement in cash flow from SEK 138 m in the third quarter is attributable in part to normal seasonal patterns as well as the positive effects of a significant reduction in inventory, which has been a key focus for us, as well as an increase in accounts payable. Nevertheless, accounts receivable increased as expected, driven by continued strong sales growth. Net debt declined by approximately SEK 400 m in the quarter as a result of the improved cash flow.

All companies continue to focus on improving working capital and cash flow, especially in the larger enterprises.



We have dedicated considerable effort to developing and improving operations in the companies, taking several actions that will generate significant positive effects on growth, profitability and cash flow in 2024 and beyond.



Key measures to improve profitability

The companies within AddLife performed well and profitability improved. This trend applies to both large and small companies, including those that have been part of AddLife for a long time and those that have joined the AddLife family more recently.

However, AddVision and Homecare have faced challenges and these two have significantly lowered the average profitability of Medtech in 2023. We have therefore closely analysed the challenges in AddVision and Homecare over the course of the year and implemented strong measures. We restructured AddVision, closed down its headquarter and simplified the organisation, which has resulted in more efficient and decentralised decision-making. The restructuring, completed in the second half of 2023, is expected to lead to more focused commercial processes and efficient adaptations to local market conditions. During the fourth quarter, we also made organisational changes in Switzerland and the UK, which are expected to result in greater commercial efficiency and lower costs. Collectively, these measures are expected to deliver an annual cost reduction of about SEK 20 m, to be realised in early 2024.

As previously communicated, we have conducted a comprehensive review of Homecare's digital development projects during 2023. The review has led to a decision in the third quarter to terminate the Camanio Health self-monitoring project, which will result in annual savings of just over SEK 10 m in 2024. In addition, in January 2024, trade union negotiations were initiated regarding the planned discontinuation of the Camanio Care safety alarm development project, and the subsequent dissolution of the subsidiary Camanio. This measure is expected to result in an additional cost reduction of SEK 50 m on an annual basis. Collectively, these measures are expected to generate a total annual cost reduction of approximately SEK 80 m, that will be gradually realized through the third quarter of 2024. The expected annual positive cash flow effect of this action is estimated to SEK 110 m.

Summary and future outlook

The AddLife companies have performed exceptionally well in 2023, continuously adapting to support the healthcare systems in the transition to normal operations after COVID-19, while also addressing the effects of the substantial pandemic-related growth in patient waiting lists. AddLife also continues to continuously update its product and service portfolio to meet growing and emerging needs in diagnostics, research, health care and home care.

We have dedicated considerable effort to developing and improving operations in the companies, taking several measures that will generate significant positive effects on growth, profitability and cash flow in 2024 and beyond.

The consistent positive trend in our market and the robust cash flow in the second half of the year align with our ambition to reduce net debt through internally generated cash flow and, over time, resume an increased pace of acquisitions. AddLife's goal is a dividend corresponding to 30-50 percent of profit after tax, while also taking investment needs and other relevant factors into account. For 2023, AddLife's Board of Directors proposes to the Annual General Meeting a dividend of SEK 0.50 per share (1.20), corresponding to 30% of profit after tax.

I would like to express my sincere appreciation to all our companies for the outstanding work carried out during the quarter and the year. We all look forward to 2024 and expect improved profitability and cash flow, while identifying and implementing new growth initiatives in our expanding market.



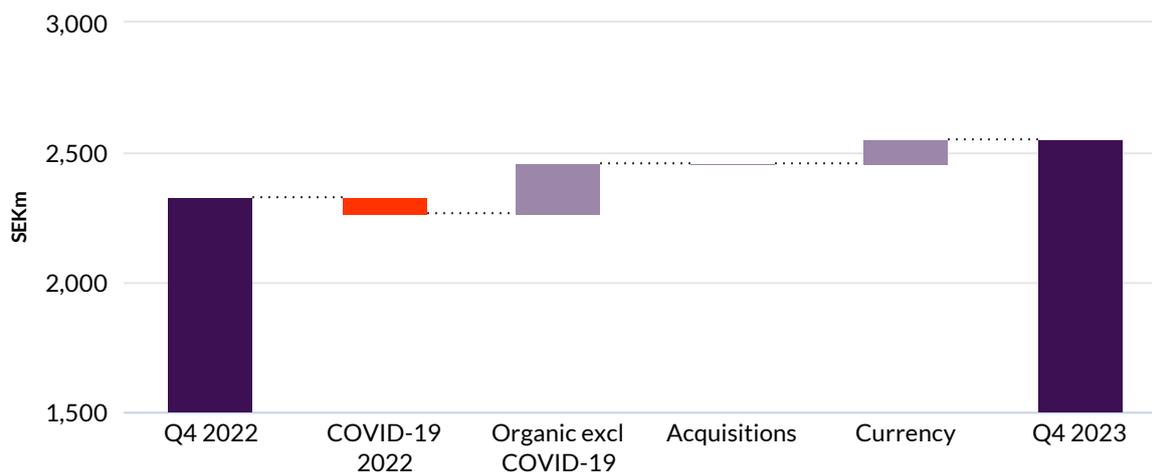
Fredrik Dalborg

President and CEO

Group Performance in the quarter

Net sales in the quarter increased by 9 percent to SEK 2,544 m (2,326). Organic growth, excluding COVID-19 and exchange rate changes, amounted to 9 percent. Net sales related to COVID-19 have now ceased and are reported as SEK 0 m (64). Exchange rate changes had a positive impact of 4 percent on net sales in the quarter, corresponding to SEK 90 m.

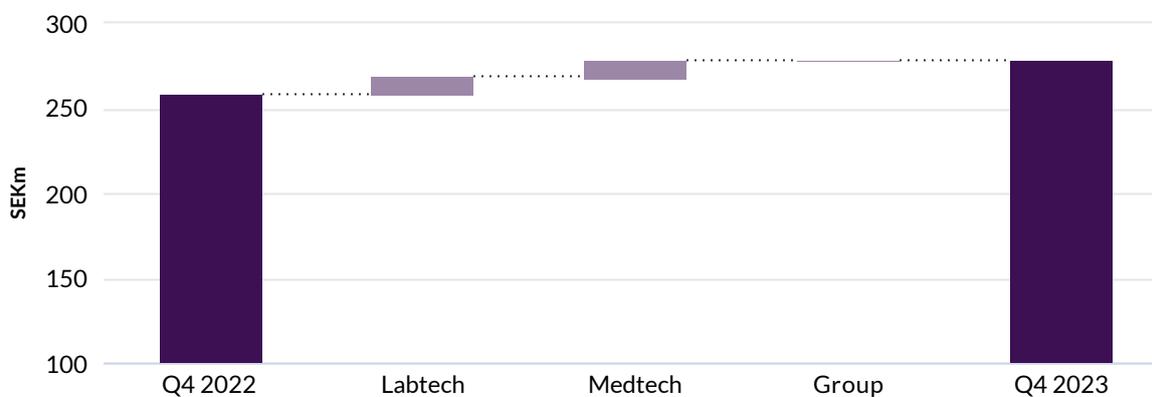
NET SALES 3 MONTHS



The quarter has been charged with one-off costs related to profitability improving measures within Homecare and AddVision which amount to a total of SEK 134 m. The costs relate to impairment of intangible fixed assets of SEK 106 m, impairment of tangible fixed assets of SEK 19 m and restructuring costs of SEK 8 m. The one-off costs burden sales costs with SEK 54 m, administration costs with SEK 8 m and research and development include write-downs amounting to SEK 70 m.

EBITA increased by 8 percent to SEK 278 m (258) and the EBITA margin amounted to 10.9 percent (11.1). Reversal of previously reserved additional purchase price has in the quarter had a positive effect on the operating profit by SEK 46 m (16), while the one-off costs have had a negative effect on the operating profit by SEK 27 m. Exchange rate changes had a positive impact on EBITA, corresponding to SEK 10 m.

EBITA 3 MONTHS



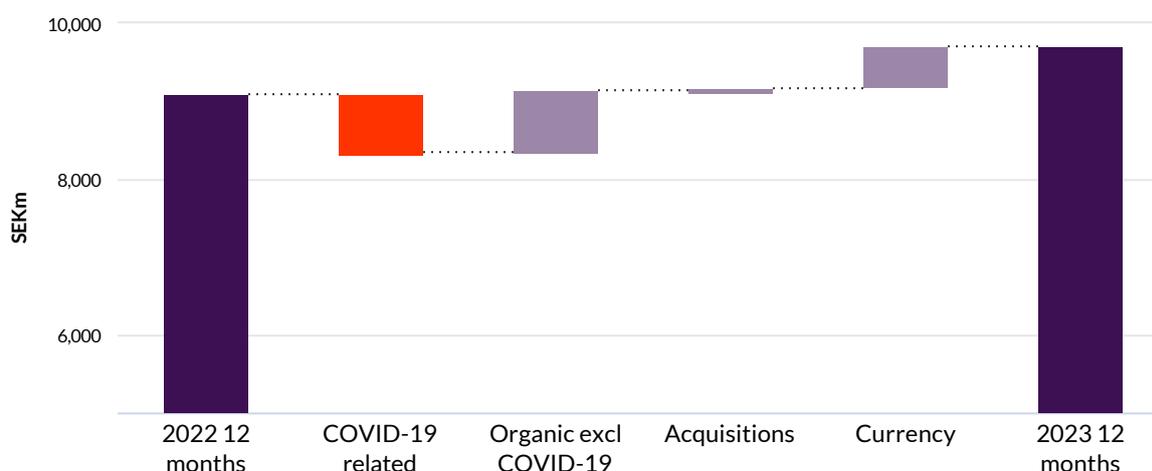
Net financial items amounted to SEK -57 m (-72) and profit after financial items amounted to SEK 2 m (77). Net financial items mainly include interest costs related to financing of previous acquisitions and exchange rate fluctuations. Net interest amounted to SEK -71 m (-45) and exchange rate gains to SEK 16 m (-26). Exchange rate changes are linked to recalculation of loans and contingent considerations in foreign currency. The profit before tax for the quarter amounted to SEK 2 m and

the profit after tax amounted to SEK -41 m (62). The higher effective tax rate in the quarter is attributable to the effect of non-deductible interests and deficits that have not been assessed as capitalizable in the subsidiary Camanio.

Group Performance in the financial year

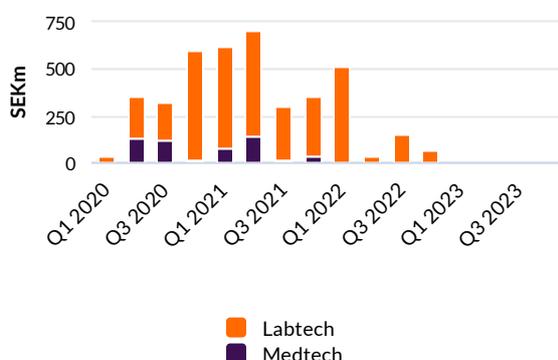
Net sales in the financial year increased by 7 percent to SEK 9,685 m (9,084). Acquired growth was marginally positive and organic growth, excluding COVID-19 and currency changes, amounted to 10 percent. Net sales related to COVID-19 have now ceased and are reported as SEK 0 m (760). Exchange rate changes had a positive impact on net sales of 6 percent, corresponding to SEK 520 m.

NET SALES 12 MONTHS



The financial year is impacted by non-recurring costs of SEK 134 m. Increased commercial activity and strengthened sales organization have increased sales costs, which has driven sales growth and strengthens the growth potential going forward. EBITA decreased by 7 percent to SEK 1,135 m (1,221) and EBITA-margin amounted to 11.7 percent (13.4). The decrease is largely explained by the ceased COVID-19 sales. Reversal of previously allowance for contingent consideration has had a positive impact on the operating profit of SEK 147 m (101) in the financial year. Exchange rate changes had a positive effect on EBITA with 5 percent, corresponding to SEK 59 m.

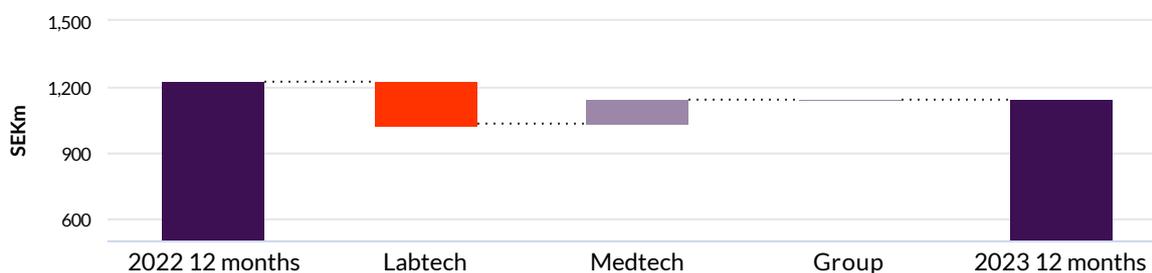
COVID-19 RELATED SALES



Throughout the COVID-19 pandemic, AddLife has supplied large volumes of products to the healthcare sector. Sales since the first quarter of 2020 have varied based on the spread of infection and restrictions in the society.

The volume of COVID-19 specific tests has now decreased to the point where separate reporting is no longer relevant going forward.

EBITA 12 MONTHS



Net financial items amounted to SEK -246 m (-206) and profit after financial items amounted to SEK 339 m (602). The net financial items include mainly interest costs related to the acquisitions as well as exchange rate changes. Interest net amounted to SEK -267 m (-103) and exchange rate gains to SEK 30 m (-95). Exchange rate changes are related to recalculation of loans and contingent considerations in foreign currencies. Profit after tax for the year amounted to SEK 192 m (483) and the effective tax rate was 43 percent (20), affected by the effect of non-deductible interests and deficits that have not been assessed as capitalizable in the subsidiary Camanio.

The war in Ukraine has not had a significant economic impact on the financial reports, but it can not be ruled out that this will happen in the future. We follow market developments closely, where we notice rising inflation, higher raw material, component costs, shipping costs and energy costs and greater uncertainty about interest rate developments. We follow the development in the Middle East but, at this point in time, our assessment is that this doesn't have a significant impact on the group. Regarding the development in the Red Sea, it has a minor impact on shipping prices and delivery times.

Financial position and cash flow

At the end of the financial period, the equity ratio stood at 39 percent (38). Equity per share totalled SEK 40.75 (40.76) and the return on equity at the end of the financial year was 4 percent (10). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 50 percent (61). The lower return on working capital is due to a slightly lower result and relatively higher working capital.

The group's interest-bearing net debt decreased during the quarter by SEK 408 m and amounted to SEK 5,192 m (5,410), including pension liabilities of SEK 64 m (60), leasing liabilities of SEK 498 m (351) and contingent considerations corresponding to SEK 87 m (266). Outstanding bank loans at the end of the financial year amounted to SEK 4,698 m (4,968), whereof short-term bank loans amounted to SEK 2,212 m (2,432). The credit facility of EUR 98.2 m due in January 2024 has been extended by 12 months.

The group has a good margin in the covenants applicable under the banking agreements, which stipulate an interest coverage ratio of at least 4.0 times and an equity ratio exceeding 25 percent. As of the end of the financial year, the interest coverage ratio amounted to 5.7 times, as defined in the bank agreements.

The net debt/equity ratio totalled 1.0 compared to 1.1 at the beginning of the financial year. The intention is to reduce debt through self-generated cash flow.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 1,013 m (890) on December 31, 2023.

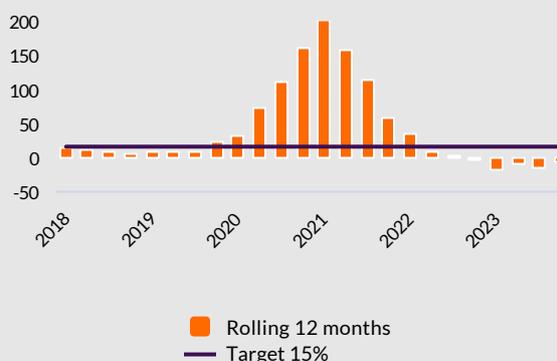
The cash flow from operating activities during the fourth quarter amounted to SEK 448 m (351), which reflects normal seasonal patterns as well as a reduction in inventory and an increase in accounts payable. The cash flow from current operations during the financial year amounted to SEK 773 m (909), mainly attributable to a lower result after financial items. Paid out contingent consideration related to acquisitions of companies in previous years amounted to SEK 16 m (818). Net investments in non-current assets during the financial year amounted to SEK 286 m (268) and are mainly attributable to investments in instruments for rental to customers. Repurchase of treasury shares amounted to SEK 0 m (60). Exercised, issued and repurchased call options amounted to SEK 9 m (33). A dividend of SEK 146 m (243) has been paid to the parent company's shareholders.

LONG TERM FINANCIAL GOALS

PROFITABILITY P/WC (%)



PROFIT GROWTH (%)



Acquisitions

Acquisitions completed from the 2022 financial year are distributed among the group's business areas as follows:

Acquisitions	Time	Net Sales, SEKm*	Number of employees*	Business area
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
Emmat Medical Ltd, Great Britain	September, 2023	28	4	Medtech
		880	359	

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

During the financial year one acquisition has been completed.

On September 1 2023, AddLife acquired all shares in the company Emmat Medical Ltd for the Medtech business area. Emmat is active in surgical products in Great Britain and has a turnover of approximately SEK 28 m and has four employees. The company is integrated into the Healthcare 21 Group.

Revaluation of liabilities for contingent considerations regarding previous acquisitions has resulted in income of SEK 147 m of which SEK 82 m relates to the acquisition of AddVision, SEK 15 m relates to the acquisition of Bio-Connect and SEK 46 m relates to Healthcare 21. During the financial year, these have been reversed and reported in other operating income. The earn-out regarding Healthcare 21 had a high target that was not fully achieved and thus the payment was not made. Contingent consideration amounting to SEK 16 m has been paid during the financial year regarding Ropox, which was acquired in 2020.

Employees

At the end of the financial year, the number of employees was 2,301, compared to 2,219 at the beginning of the financial year. The average number of employees for the last 12-month period was 2,284 (2,157).

Labtech

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

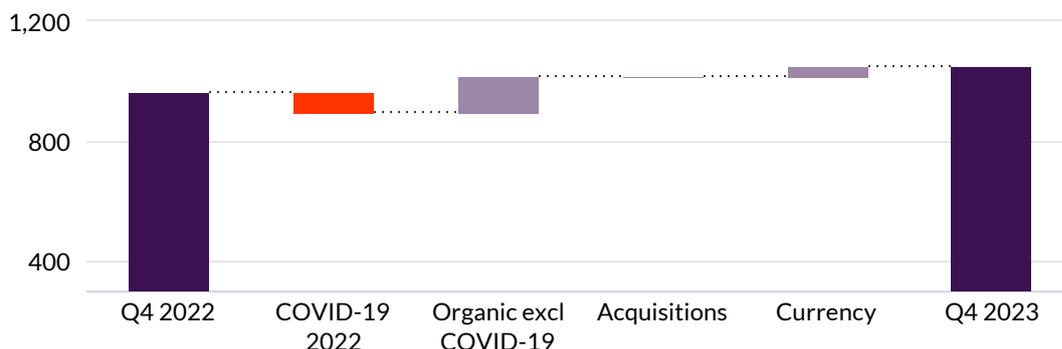


SEKM	3 months ending			12 months ending		
	31 Dec 23	31 Dec 22	change	31 Dec 23	31 Dec 22	change
Net sales	1,050	958	10%	3,654	3,880	-6%
Organic growth, % *	13%	6%		10%	6%	
EBITA	152	138	9%	473	667	-29%
EBITA-margin	14.5%	14.5%		12.9%	17.2%	

**Excluding COVID-19 related sales and exchange rate changes*

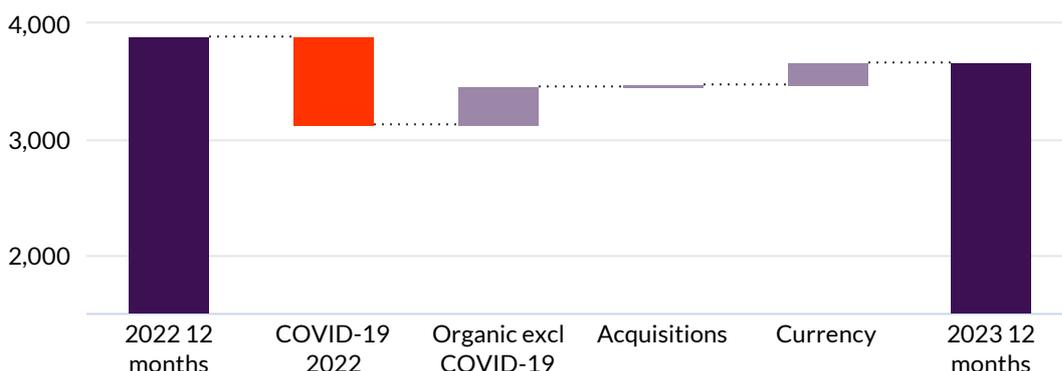
Labtech had a strong fourth quarter with sales increasing by 10 percent. The organic sales growth, excluding COVID-19 related sales (which in the comparison quarter amounted to 64) and exchange rate fluctuations, amounted to 13 percent. Exchange rate changes had positive impact of 4 percent on net sales. EBITA increased with 9 percent to SEK 152 m (138), corresponding to an EBITA-margin of 14.5 percent (14.5). In the previous year, the EBITA margin was positively affected by COVID-19 related sales and a reversal of previously allowance for contingent consideration. Without this contingent consideration, EBITA margin in the fourth quarter previous year was 13.1%.

NET SALES 3 MONTHS



Labtech's net sales decreased by 6 percent in the financial year to SEK 3,654 m (3,880), whereof organic sales, excluding COVID-19 related sales and exchange rate changes, increased to 10 percent and acquired growth was 1 percent. Net sales related to COVID-19 have now ceased and is reported as SEK 0 m (760). Exchange rate changes had positive impact of 5 percent on net sales. EBITA decreased by 29 percent to SEK 473 m (667), corresponding to an EBITA-margin of 12.9 percent (17.2).

NET SALES 12 MONTHS



Diagnostics was stable during the quarter, with continued good margins. Staffing shortage among customers and some cautiousness regarding new investment projects have had a somewhat dampening effect on growth. Global manufacturing firms continue to reassess their commercial strategies and in some cases are dismantling direct sales approach and instead choose distributor models, thereby generating opportunities for AddLife's companies. Recently signed distribution agreements are expected to have significant future potential.

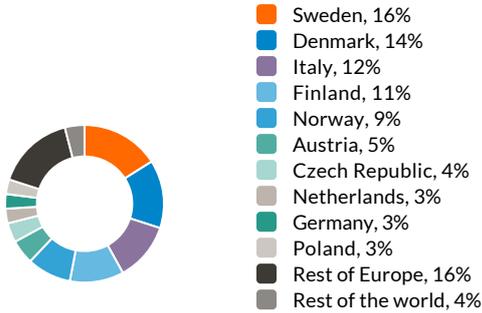
BioMedical & Research achieved robust growth and high profitability in the fourth quarter. Academic research activity is high, generating robust sales of reagents and consumables. Here, too, a cautious approach to large investment projects can be noted. Sales to customers in the pharmaceutical industry saw strong growth.

Delivery and invoicing to customers in Eastern Europe proceeded according to plan in the fourth quarter, leading to excellent sales growth, high margins, and a reduced inventory.

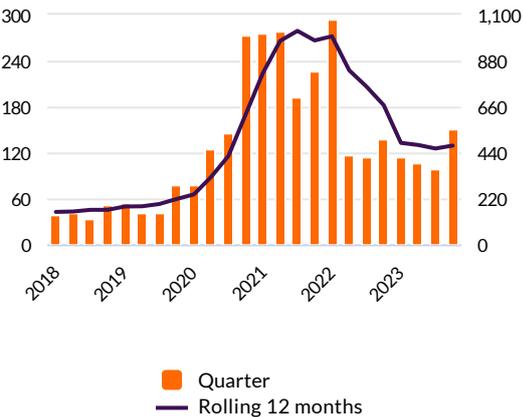
NET SALES (SEKM)



NET SALES PER MARKET 2023



EBITA (SEKM)



EBITA MARGIN (%)



Medtech

Companies in the Medtech business area provide medical device products within the medtech market and assistive equipment within Homecare.

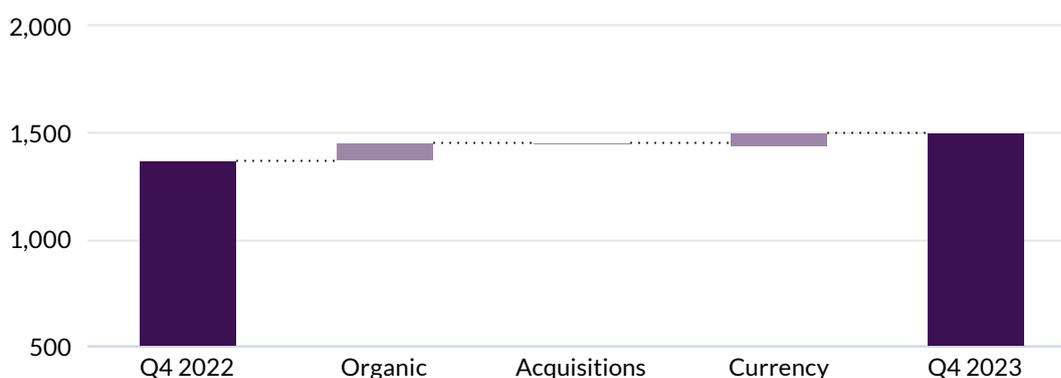


MSEK	3 months ending			12 months ending		
	31 Dec 23	31 Dec 22	change	31 Dec 22	31 Dec 22	change
Net sales	1,498	1,367	10%	6,042	5,210	16%
Organic growth, % *	6%	5%		9%	2%	
EBITA	133	121	10.0%	684	573	19.0%
EBITA-margin	8.9%	8.9%		11.3%	11.0%	

*Excluding COVID-19 related sales and exchange rate changes

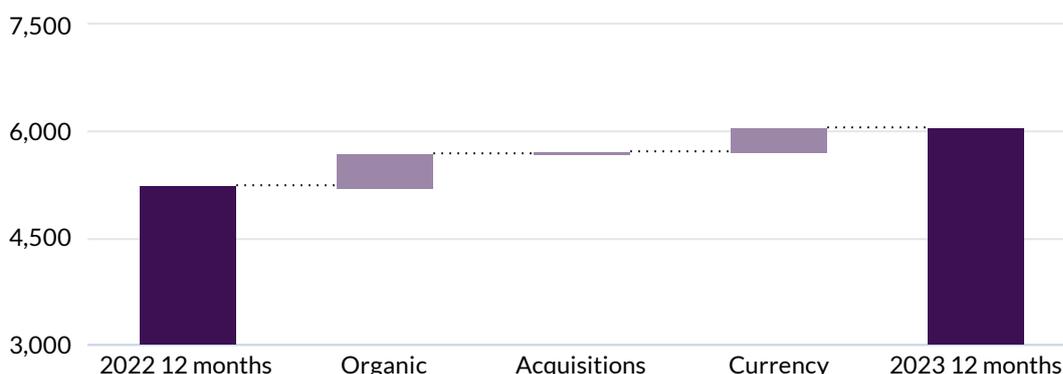
The companies within Medtech had an overall good fourth quarter and net sales increased by 10 percent to SEK 1,498 m (1,367), of which organic growth was 6 percent and exchange rate changes positively affected net sales by 4 percent. EBITA increased by 10 percent to SEK 133 m (121), corresponding to an EBITA-margin of 8.9 percent (8.9). Reversal of contingent consideration has had a positive effect on operating profit of SEK 46 m and one-off costs linked to AddVision and Homecare have had a negative effect on operating profit of SEK -27 m. Adjusted for these, the EBITA margin amounted to 7.6 percent. Profitability within Medtech was significantly reduced by the ongoing operations within AddVision and Homecare.

NET SALES 3 MONTHS



For the financial year, Medtech’s net sales increased by 16 percent to SEK 6,042 m (5,210), of which organic growth excluding exchange rate differences, amounted to 9 percent and acquired growth was 1 percent. Exchange rate fluctuations had a positive impact of 6 percent on net sales. EBITA increased by 19 percent to SEK 684 m (573) and EBITA margin amounted to 11.3 percent (11.0). The reversal of contingent considerations, primarily linked to the acquisition of AddVision and Healthcare 21, has had a positive impact on the result of SEK 128 m (87) and adjusted for this EBITA amounted to 9.2 percent (9.3). The investment in digital solutions for remote patient monitoring and care alarms has had a negative impact on the result of SEK 77 m (54) including one-off costs of SEK 19 m.

NET SALES 12 MONTHS

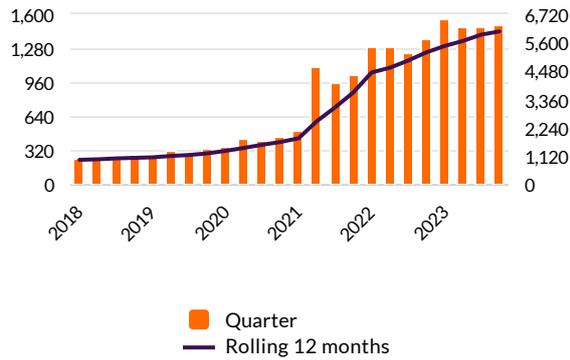


Growth in the Hospital segment was good. Planned surgical activity remains elevated and most countries have a large backlog of patients waiting for surgery. All companies within Hospital had a strong quarter with the exception of AddVision, which has been subject to analysis and improvement activities throughout most of 2023.

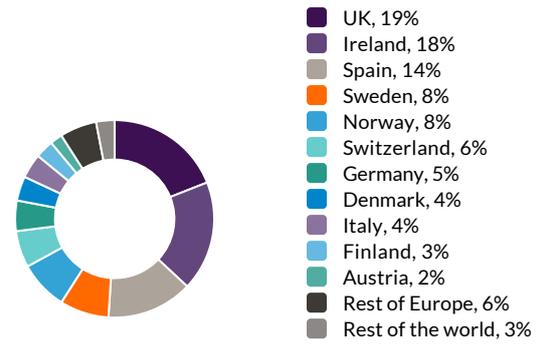
The actions in AddVision mainly focus on improvements in the following areas: cost reduction, a more agile and efficient organisation, as well as improved commercial offering and approaches. An organisational overhaul has been carried out, involving the dismantling of the head office function and efficiency improvements in the local organisations in Switzerland, Germany and the UK. In total, these measures are expected to deliver an annual cost reduction of around SEK 20 m, with start in early 2024, and resulted in a restructuring cost of SEK 8 m in the fourth quarter 2023. The product portfolio has been updated and the commercial approach developed and streamlined through new staff, reorganisation and extensive training programmes. These changes are expected to position the AddVision companies for success in a market undergoing changes in reimbursement levels, competitive landscape and customer structure.

Homecare had a weak quarter mainly because of delayed remodelling and new construction projects in adapted housing. Long-term underlying positive growth drivers, such as an aging population and technological advances, remain unchanged. In 2023, Homecare’s digital development projects underwent a thorough review. The development projects include remote patient monitoring (Camano Health) and safety alarms (Camano Care) solutions. As a result of the review, a decision was taken in the third quarter to discontinue the Camano Health remote patient monitoring, which will result in annual savings of just over SEK 10 m in 2024. In addition, in January 2024, trade union negotiations were initiated for the planned discontinuation of Camano Care, and the subsequent dissolution of the subsidiary Camano. This measure is expected to result in an additional cost reduction of SEK 50 m on an annual basis, gradually realised during the discontinuation period. The Camano-related measures are expected to have a total positive effect on cash flow of SEK 90 m on an annual basis. This planned closure led to an impairment of intangible assets of SEK 106 m and an impairment of property, plant and equipment of SEK 19 m in the fourth quarter. The Homecare companies will continue to offer a portfolio of digital products and services, but they will no longer be internally developed. In addition to the impairment charges, the investment in Camano had a negative impact of SEK 17 m (17) on earnings in the fourth quarter.

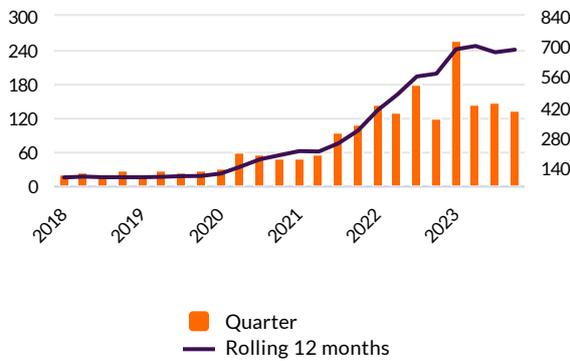
NET SALES (SEKM)



NET SALES PER MARKET 2023



EBITA (SEKM)



EBITA MARGIN (%)



Net sales by business area

Quarterly data, SEKm	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	1,050	827	872	905	958	856	786	1,280
Medtech	1,498	1,494	1,496	1,554	1,367	1,246	1,296	1,301
Group items	-4	-2	-3	-2	1	-2	-3	-2
AddLife Group	2,544	2,319	2,365	2,457	2,326	2,100	2,079	2,579

EBITA by business area

Quarterly data, SEKm	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	152	99	107	115	138	116	117	296
Medtech	133	150	145	256	121	179	129	144
Parent Company and Group items	-7	-5	-5	-5	-1	-7	-6	-5
EBITA	278	244	247	366	258	288	240	435
Depreciation and write-down intangible assets	-219	-112	-111	-108	-109	-105	-102	-97
Operating profit	59	132	136	258	149	183	138	338
Finance income and expenses	-57	-71	-66	-52	-72	-41	-44	-49
Profit after financial items	2	61	70	206	77	142	94	289

Net sales by business area

SEKm	3 months ending			12 months ending		
	31 Dec 23	%	31 Dec 22	31 Dec 23	%	31 Dec 22
Labtech	1,050	10	958	3,654	-6	3,880
Medtech	1,498	10	1,367	6,042	16	5,210
Group items	-4		1	-11		-6
AddLife Group	2,544	9	2,326	9,685	7	9,084

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

SEKm	3 months ending				12 months ending			
	31 Dec 23	%	31 Dec 22	%	31 Dec 23	%	31 Dec 22	%
Labtech	152	14.5	138	14.5	473	12.9	667	17.2
Medtech	133	8.9	121	8.9	684	11.3	573	11.0
Parent Company and Group items	-7		-1		-22		-19	
EBITA	278	10.9	258	11.1	1,135	11.7	1,221	13.4
Depreciation and write-down intangible assets	-219		-109		-550		-413	
Operating profit	59	2.3	149	6.4	585	6.0	808	8.9
Finance income and expenses	-57		-72		-246		-206	
Profit after financial items	2		77		339		602	

Net sales by revenue type

SEKm	3 months ending		12 months ending	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Products	691	680	2,548	2,954
Instruments	260	232	804	692
Service	99	46	302	234
Labtech	1,050	958	3,654	3,880
Products	1,175	1,087	4,912	4,186
Instruments	98	149	505	529
Service	225	131	625	495
Medtech	1,498	1,367	6,042	5,210
Group items	-4	1	-11	-6
Total	2,544	2,326	9,685	9,084

Sales per country

	3 months ending		12 months ending	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
UK	268	253	1,186	980
Ireland	268	222	1,114	892
Sweden	285	322	1,100	1,100
Spain	220	180	826	725
Denmark	268	471	793	956
Norway	206	222	784	876
Italy	187	141	662	650
Finland	160	175	577	582
Rest of Europe	642	326	2,351	2,066
Rest of the world	40	14	292	257
Total	2,544	2,326	9,685	9,084

Consolidated income statement, condensed

Income statement SEKm	3 months ending		12 months ending	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Net sales	2,544	2,326	9,685	9,084
Cost of sales	-1,625	-1,462	-6,086	-5,657
Gross profit	919	864	3,599	3,427
Selling expenses	-673	-581	-2,478	-2,125
Administrative expenses	-165	-139	-588	-542
Research and Development	-97	-24	-167	-81
Other operating income and expenses	75	29	219	129
Operating profit	59	149	585	808
Financial income and expenses	-57	-72	-246	-206
Profit after financial items	2	77	339	602
Tax	-43	-15	-147	-119
Profit for the period	-41	62	192	483
<i>Attributable to:</i>				
<i>Equity holders of the Parent Company</i>	-41	61	190	480
<i>Non-controlling interests</i>	0	1	2	3
Earnings per share (EPS) before dilution, SEK	-0.34	0.50	1.56	3.96
Earnings per share (EPS) after dilution, SEK	-0.34	0.50	1.56	3.95
Average number of shares after repurchases '000s	121,857	121,814	121,856	121,779
Number of shares at end of the period, '000	121,857	121,836	121,857	121,836
EBITA	278	258	1,135	1,221
Depreciations and write-down included in operating expenses				
- property, plant and equipment	-114	-84	-369	-309
- intangible non-current assets from acquisitions	-148	-97	-450	-375
- other intangible non-current assets	-71	-12	-100	-38

Statement of comprehensive income

SEKm	3 months ending		12 months ending	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Profit for the period	-41	62	192	483
Components that may be reclassified to profit for the period				
Foreign currency translation differences for the period	-184	101	-41	454
Components that can not be reclassified to profit for the period				
Revaluations of defined benefit pension plans	-4	9	-4	23
Tax attributable to items not to be reversed in profit or loss	1	-2	1	-5
Other comprehensive income	-187	108	-44	472
Total comprehensive income	-228	170	148	955
<i>Attributable to:</i>				
<i>Equity holders of the Parent Company</i>	<i>-230</i>	<i>169</i>	<i>145</i>	<i>953</i>
<i>Non-controlling interests</i>	<i>2</i>	<i>1</i>	<i>3</i>	<i>3</i>

Consolidated balance sheet, condensed

SEKm	31 Dec 23	31 Dec 22
Goodwill	5,303	5,313
Other intangible non-current assets	2,662	3,127
Property, plant and equipment	1,051	899
Financial non-current assets	121	146
Total non-current assets	9,137	9,485
Inventories	1,653	1,646
Current receivables	1,683	1,550
Cash and cash equivalents	272	376
Total current assets	3,608	3,572
Total assets	12,745	13,057
Total equity	4,960	4,971
Interest-bearing provisions	174	194
Non-interest-bearing provisions	415	459
Non-current interest-bearing liabilities	2,886	2,969
Non-current non-interest-bearing liabilities	5	8
Total non-current liabilities	3,480	3,630
Non-interest-bearing provisions	46	52
Current interest-bearing liabilities	2,403	2,622
Current non-interest-bearing liabilities	1,856	1,782
Total current liabilities	4,305	4,456
Total equity and liabilities	12,745	13,057

Statement of change in Group equity

Statement of change in Group equity, SEKm	1 Jan 23 – 31 Dec 23			1 Jan 22 – 31 Dec 22		
	Equity excl. non-controlling interests	Non-controlling interests	Total equity	Equity excl. non-controlling interests	Non-controlling interests	Total equity
Amount at beginning of period	4,968	3	4,971	4,285	6	4,291
Exercised and issued call options	-9	-	-9	33	-	33
Repurchase of treasury shares	-	-	-	-60	-	-60
Dividend	-146	-4	-150	-243	-6	-249
Total comprehensive income	145	3	148	953	3	956
Amount at the end of the period	4,958	2	4,960	4,968	3	4,971

Cash flow statement, condensed

Cash flow statement, condensed SEKm	3 months ending		12 months ending	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Profit after financial items	2	77	339	602
Adjustment for items not included in cash flow	243	188	708	684
Income tax paid	-61	-104	-210	-256
Changes in working capital	264	190	-64	-121
Cash flow from operating activities	448	351	773	909
Net investments in non-current assets	-91	-82	-286	-268
Acquisitions and disposals	-2	0	-31	-818
Cash flow from investing activities	-93	-82	-317	-1,086
Dividend paid to shareholders	-	-	-146	-243
Dividend paid to non-controlling interests	-	-	-4	-6
Exercised and issued call options	-	10	-9	33
Repurchase of treasury shares	-	-11	-	-60
Borrowings	3	50	174	1,416
Repayments on loans	-276	-206	-407	-846
Other financing activities	-10	-46	-162	-160
Cash flow from financing activities	-283	-203	-554	134
Cash flow for the period	72	66	-98	-43
Cash and cash equivalents at beginning of period	229	286	376	345
Exchange differences on cash and cash equivalents	-29	24	-6	74
Cash and cash equivalents at end of the period	272	376	272	376

Key financial indicators

	12 months up until				
	31 Dec 23	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19
Net sales, SEKm	9,685	9,084	7,993	5,273	3,479
EBITDA, SEKm	1,504	1,530	1,474	946	429
EBITA, SEKm	1,135	1,221	1,273	802	305
EBITA margin, %	11.7%	13.4%	15.9%	15.2%	8.8%
Profit growth, EBITA, %	-7%	-4%	59%	163%	25%
Return on working capital (P/WC), %	50%	61%	95%	103%	51%
Profit for the period, SEKm	192	483	721	520	142
Return on equity, %	4%	10%	22%	31%	10%
Financial net liabilities, SEKm	5,192	5,410	3,870	700	902
Financial net liabilities/EBITDA, multiple	3.5	3.5	2.6	0.7	2.1
Net debt/equity ratio, multiple	1.0	1.1	0.9	0.4	0.6
Equity ratio, %	39%	38%	40%	46%	45%
Average number of employees	2,284	2,157	1,548	1,004	903
Number of employees at end of the period	2,301	2,219	1,802	1,112	932

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

Key financial indicators per share

	12 months up until				
	31 Dec 23	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19
Earnings per share (EPS), SEK	1.56	3.96	6.03	4.63	1.28
Diluted EPS, SEK	1.56	3.95	6.01	4.61	1.28
Cash flow per share from operating activities, SEK	6.35	7.46	8.46	8.47	3.61
Shareholders' equity per share, SEK	40.69	40.76	35.14	16.73	13.07
Average number of shares after repurchases, '000s	121,856	121,779	119,418	112,127	111,083
Average number of shares adjusted for repurchases and dilution, '000s	121,861	122,254	119,966	112,652	111,297
Number of shares outstanding at end of the period, '000s	121,857	121,836	121,953	112,487	112,237
Number of shares outstanding at end of the period after dilution, '000s	121,857	122,312	122,501	113,012	112,451

The number of shares from a historical perspective has been restated to take the share split (1:4) completed in May 2020 into account and has been used in all calculations of metrics for SEK per share. The conversion factor is 4.

Parent company

The Parent Company's net sales for the financial year amounted to SEK 64 m (64) and profit after financial items amounted to SEK 171 m (-224). At the end of the financial year the Parent Company's net financial debt amounted to SEK 4,591 m (4,842). The share capital at the end of the financial year was SEK 62 m (62).

Income statement

SEKm	3 months ending		12 months ending	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Net sales	16	18	64	64
Administrative expenses	-23	-17	-84	-83
Operating profit/loss	-7	1	-20	-19
Interest income/expenses and similar items	67	-45	191	-205
Profit/loss after financial items	60	-44	171	-224
Appropriations	78	194	78	194
Profit/loss before taxes	138	150	249	-30
Income tax expense	9	-23	-14	12
Profit/loss for the period	147	127	235	-18

Balance sheet

Balance sheet, SEKm	31 Dec 23	31 Dec 22
Intangible non-current assets	0	0
Tangible non-current assets	0	0
Non-current financial assets	7,804	8,002
Total non-current assets	7,804	8,002
Current receivables	593	670
Total current assets	593	670
Total assets	8,397	8,672
Restricted equity	62	62
Unrestricted equity	2,642	2,562
Total equity	2,704	2,624
Untaxed reserves	0	0
Interest-bearing long-term liabilities	2,560	2,600
Non-interest-bearing long-term liabilities	2	2
Total long-term liabilities	2,562	2,602
Interest-bearing short-term liabilities	2,994	3,301
Non-interest-bearing short-term liabilities	137	145
Total short-term liabilities	3,131	3,446
Total equity and liabilities	8,397	8,672

Fair values on financial instruments

SEKm	31 Dec 23			31 Dec 22		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives measured at fair value through profit or loss	0	0	-	1	1	-
Total financial assets at fair value per level	0	0	-	1	1	-
Derivatives measured at fair value through profit or loss	4	4	-	-	-	-
Contingent considerations	87	-	87	266	0	266
Total financial liabilities at fair value per level	91	4	87	266	0	266

The fair value and carrying amount are recognized in the balance sheet as shown in the table above.

For quoted securities, the fair value is determined on the basis of the asset's quoted price in an active market, level 1. As at the reporting date the Group had no items in this category. For currency contracts and embedded derivatives, the fair value is determined on the basis of observable market data, level 2. For contingent considerations, a cash-flow-based valuation is performed, which is not based on observable market data, level 3. For the Group's other financial assets and liabilities, fair value is estimated to essentially correspond to the carrying amount.

Contingent considerations

SEKm	3 months ending		12 months ending	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Carrying amount, opening balance	146	274	266	349
Acquisitions during the period	-	3	5	21
Consideration paid	-	-	-16	-31
Revaluation through profit or loss	1	-	2	4
Reversed through profit or loss	-46	-16	-147	-101
Interest expenses	-5	1	-8	5
Exchange differences	-9	4	-15	19
Carrying amount, closing balance	87	266	87	266

Pledged assets and contingent liabilities in the Group

SEKm	31 Dec 23	31 Dec 22
Contingent liabilities	51	47

Reconciliation key ratios

	Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.	
	31 Dec 23	31 Dec 22
Return on equity		
Profit/loss for the period (roll 12 months)	192	483
Average equity	5,117	4,627
Return on equity	192/5,117=4%	483/4,627=10%
Return on working capital (P/WC)	EBITA in relation to average working capital.	
	31 Dec 23	31 Dec 22
EBITA	1,135	1,221
Average working capital (WC)	2,290	2,008
P/WC	1,135/2,290=50%	1,221/2,008=61%
EBITDA	Operating profit before depreciation, amortization and write-down.	
	31 Dec 23	31 Dec 22
Operating profit (12 months rolling)	585	808
Depreciation, amortization and write-down	919	722
EBITDA	1,504	1,530
EBITA	Operating profit before amortization and write-down of intangible assets.	
	31 Dec 23	31 Dec 22
Operating profit (12 months rolling)	585	808
Amortization and write-down of intangible assets	550	413
EBITA	1,135	1,221
EBITA margin	EBITA in relation to net sales	
	31 Dec 23	31 Dec 22
EBITA	1,135	1,221
Net sales (12 months rolling)	9,685	9,084
EBITA margin	1,135/9,685=11.7%	1,221/9,084=13.4%
Definitions		
EBITA	Operating profit before amortization and write-down of intangible assets.	
EBITDA	Operating profit before depreciation, amortization and write-down	
Equity per share	Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period	
Cash flow per share	Cash flow from operating activities, divided by the average number of shares.	
Net debt/equity ratio	Financial net liabilities in relation to shareholders' equity	
Earnings per share (EPS)	Shareholders' proportion of profit/loss for the year in relation to the average number of shares outstanding	
Profit growth EBITA	This year's EBITA decreased by last year's EBITA divided by last year's EBITA.	
Financial net liabilities	Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.	
Equity ratio	Equity as a percentage of total assets.	
COVID-19 related sales	Big orders of PPE and COVID-19 tests	

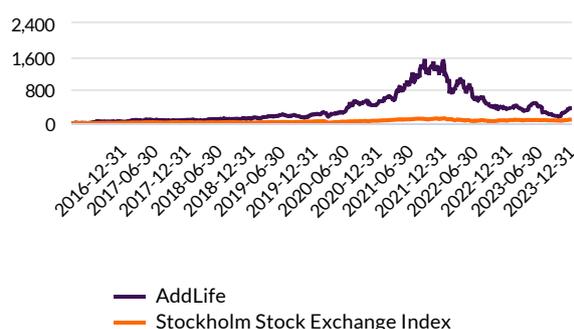
The key figures presented above are central in order to understand and evaluate AddLife's business and financial position. The key figures are presented in the "Key financial indicators" table and they are commented on in other parts of the year-end report. For additional information regarding chosen key ratios, please refer to AddLife's annual report 2022. The comparison figures for income and expense items relate to values for the period January–December 2022 and for balance sheet items as at 31 December 2022 if nothing else is stated.

The share

The share capital at the end of the financial year amounted to SEK 62 m (62).

The number of repurchased own shares amounts to 593,189 Class B, corresponding to 0.5 percent of the total number of shares and 0.4 percent of the votes. The average purchase price for shares held in treasury amounts to SEK 100.56 per share. The average number of treasury shares held during the financial year was 593,759 (671,360). The share price at December 31, 2023 was SEK 109.40.

SHARE DEVELOPMENT IN ADDLIFE



Turnover and trading	Jan-Dec 2023
Lowest price, SEK	56.00
Highest price, SEK	140.60
Average daily turnover, SEK	29,994,886
Number of traded shares, no	76,783,763
Number of transactions, no	266,898

AddLife has four outstanding call option programmes corresponding to a total of 1,605,800 Class B shares. Issued call options on repurchased shares have resulted in a calculated dilution effect based on average share price for the financial year of approximately 0.0 percent (0.4). During the financial year 5,200 options in the 2019/2023 program have been redeemed, corresponding to 20,800 B shares, the remaining 148,925 options that were outstanding have been repurchased at a price corresponding to market value.

Outstanding programmes	Number of warrants	Corresponding number of shares	Percentage of total number of shares	Exercise price	Exercise period
2023/2027	205,800	205,800	0.2%	155.99	1 Jun 2026 - 26 Feb 2027
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
Total	855,800	1,605,800			

On December 31 2023, the number of shareholders amounted to 14,142, where of 66.2 percent are Swedish owners with respect to capital share. The 10 biggest shareholders controlled 55.6 percent of number of capital and 65.2 percent of votes.

Shareholders 2023-12-31	Class A-shares	Class B-shares	Share in %	
			of capital	of votes
Roosgruppen AB	2,252,376	3,224,727	4.5	15.7
Tom Hedelius	2,066,572	23,140	1.7	12.6
SEB Fonder	0	12,426,681	10.2	7.6
AMF - Försäkring och Fonder	0	10,098,097	8.3	6.2
Verdipapirfond Odin	0	8,930,008	7.3	5.4
Första AP-fonden	0	5,499,667	4.5	3.4
State Street Bank & Trust Company	0	5,496,029	4.5	3.4
Cliens Fonder	0	5,244,414	4.3	3.2
JP Morgan Chase Bank	0	3,988,343	3.3	2.4
Fjärde AP-fonden	0	3,037,537	2.4	1.8
Total the 10 biggest shareholders	4,318,948	57,968,643	51.0	61.7
Other shareholders	296,188	59,273,282	48.5	37.9
Total outstanding shares	4,615,136	117,241,925	99.5	99.6
Repurchased own shares Class B	-	593,189	0.5	0.4
Total registered shares	4,615,136	117,835,114	100.0	100.0

Source: Euroclear

Accounting policies

This year-end report was prepared in accordance with IFRS and IAS 34 Interim Financial Reporting. Information in accordance with IAS 34.16A exist, except in the financial statements and the related notes also in other parts of the year-end report. The year-end report for the parent company was prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Securities Market Act (2007:528) in compliance with recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. The accounting policies and basis for calculations applied in the annual report 2022 for AddLife AB were also used in the year-end report. The amendments to IFRSs applicable from 1 January, 2023 have no effects to AddLife's financial reports for the year-end period ended December 31, 2023.

Alternative performance measures

AddLife presents certain financial measures in the year-end report that are not defined according to IFRS. The company believes that these measures provide valuable supplemental information to investors and the company's management as they allow for evaluation of trends and the company's performance. For additional information regarding chosen key ratios, please refer to AddLife's annual report 2022. Since all companies do not calculate financial measures in the same way these are not always comparable to measures used by other companies. These financial measures should therefore not be considered as a replacement for measurements as defined under IFRS. This report provides information in greater detail regarding definitions of financial performance measures.

Transactions with related parties

No transactions with related parties that materially affected the group's financial position and earnings took place during the financial year.

Events after the end of the financial year

No significant events for the group have occurred after the end of the financial year.

Risks and uncertainties

AddLife's earnings and financial position, as well as its strategic position, are affected by various internal factors within AddLife's control and various external factors over which AddLife has limited influence. AddLife's most significant external risks are the state of the economy and market trends combined with public sector contracts and policy decisions, as well as competition. The risks and uncertainties are the same as in previous periods. For more information, see the section "Risks and uncertainties" in the administration report, in AddLife's annual report 2022. The parent company is indirectly affected by the above risks and uncertainties through its function in the group.

The war in Ukraine has not had a significant economic impact on the financial reports, but it can not be ruled out that this will happen in the future. We follow market developments closely, where we notice rising inflation, higher raw material, shipping costs and energy costs and greater uncertainty about interest rate developments. We follow the development in the Middle East but, at this point in time, our assessment is that this don't have a significant impact on the group.

The board's proposal for the annual general meeting

The annual general meeting will be held in Stockholm, May 8th 2024 at 4 p.m.

The board proposes that the company should pay a dividend of SEK 0.50 per share, corresponding to SEK 61 m. The proposed dividend is in line with AddLife's objective of a dividend corresponding to 30-50 percent of the group's average profit after tax over a business cycle.

Stockholm February 2, 2023

Fredrik Dalborg
President and CEO

This year-end report has not been subject to review by the company's auditors.

Video conference

Investors, analysts and the media are invited to a video conference where CEO Fredrik Dalborg and CFO Christina Rubenhag will present the year-end report. The presentation will be held in English and takes about 20 minutes, after which there will be an opportunity to ask questions. It will be recorded and made available online.

The video conference will be held at 9:00 a.m. on February 2, 2024

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

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

Financial calendar

- The interim report for 1 January - 31 March 2024 will be published on 24 April 2024
- The Annual General Meeting (AGM) of AddLife AB (publ) will be held on 8 May 2024, 4 PM, Stockholm
- The interim report for 1 January - 30 June 2024 will be published on 15 July 2024
- The interim report for 1 January - 30 September 2024 will be published on 23 October 2024

For further information, please contact:

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Christina Rubenhag, CFO, +46 70 546 72 22

ADDLIFE IN BRIEF

AddLife is an independent provider in Life Science that offers high-quality products, services and advice to both the private and public sector in Europe. The group is divided into two business areas: Labtech and Medtech. The group comprises some 85 operating subsidiaries that provide equipment, instruments, medical devices and reagents, as well as advice and technical support to customers primarily in healthcare, research and academia, along with the food and pharmaceutical industries.

This information is information that AddLife AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 7:45 a.m. CET on February 2, 2024.

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