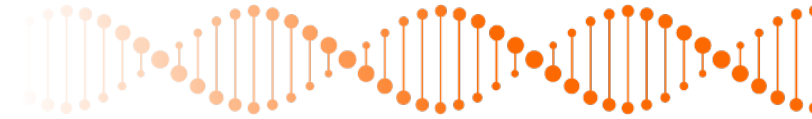




AddLife 

Capital Markets Day 2023



# Welcome to AddLife's Capital Markets Day

- Welcome & Agenda
- AddLife Business Model
- Financials & Performance Management
- Case study - Biolin Scientific
- Questions & Answers
- Break
- Panel Discussion - AddLife as an owner
- Case Study - MBA
- Future Strategy & Summary
- Q&A



Fredrik Dalborg  
AddLife CEO



Christina Rubenhag  
AddLife CFO



Peter Simonsbacka  
AddLife CCO



Tara Kearney  
Senior Advisor Hospital



Karin Fischer  
Biolin Scientific  
CEO



Mattias Bengtsson  
Business Unit Manager  
Biomedical & Research

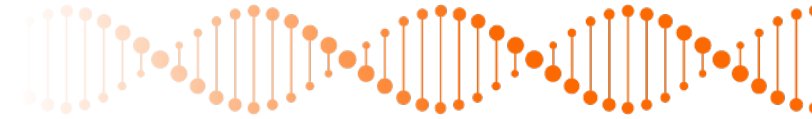


Carlos Pinto  
MBA CEO



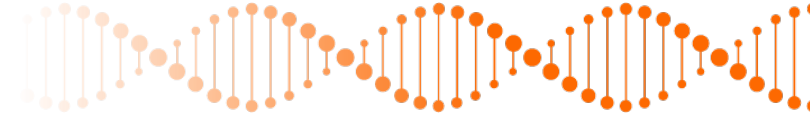
Jussi Kurittu  
Triolab OY CEO





# AddLife Business Model

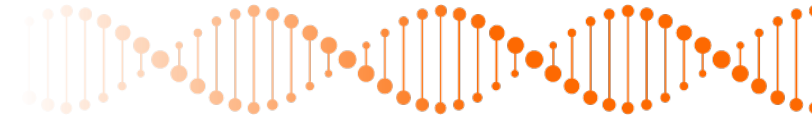
Fredrik Dalborg, CEO AddLife



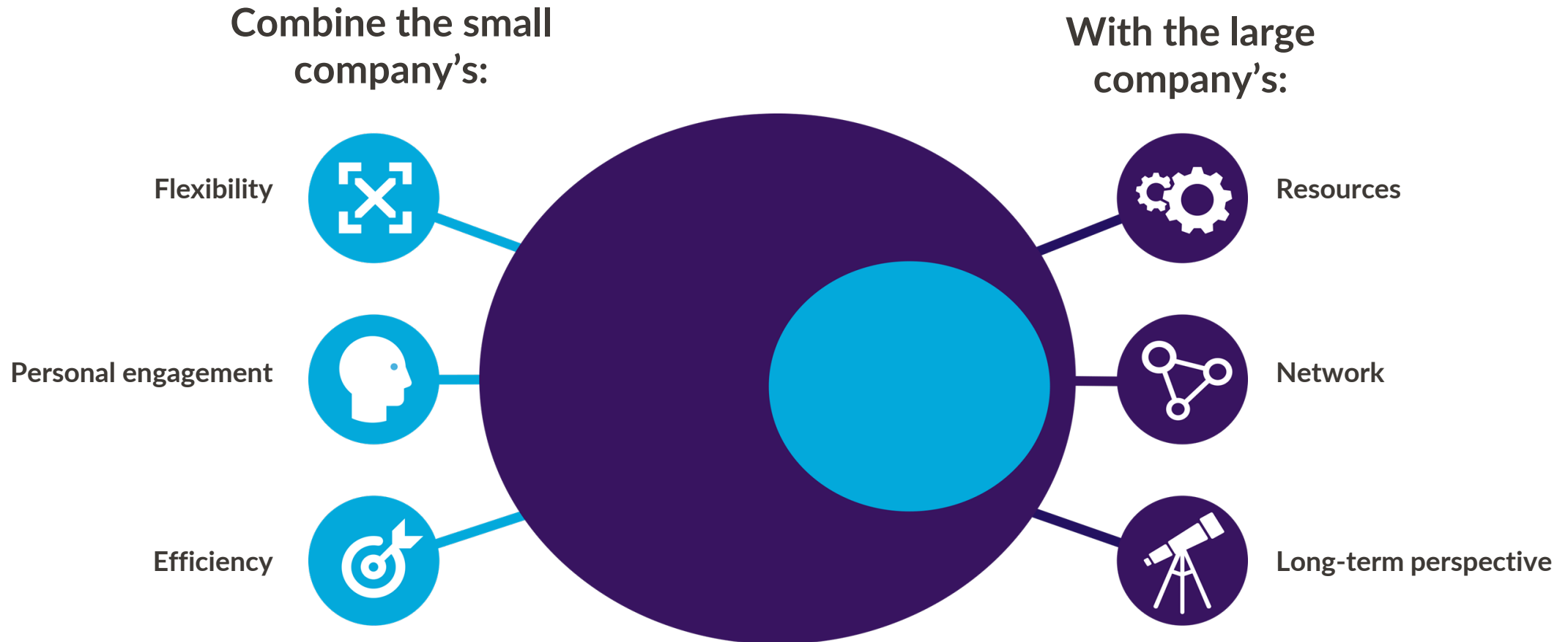
AddLife strives to improve people's lives by being a leading, value adding provider in life science

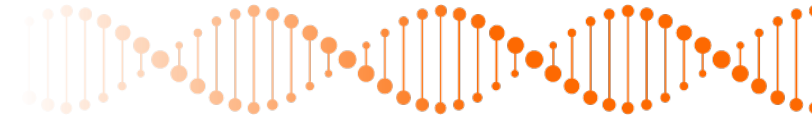






# Proven decentralised business model





# AddLife as an owner

AddLife Academy

Support

Industry knowledge

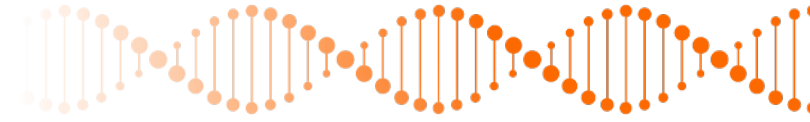
Board appointments

Long term investment perspective

Business analysis

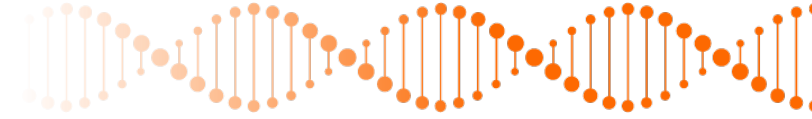






Strong culture and values





# Sustainability strategy - an integrated part of our business

Targets defined and included in incentive plans in all companies



## Driver of sustainable offering

- Sustainable solutions through all the steps in the value chain



## Attractive employer and business partner

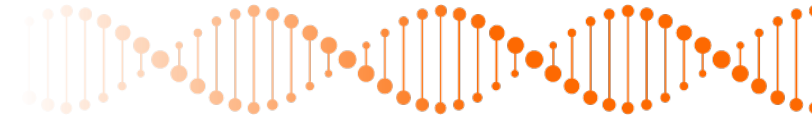
- Culture, employee growth, organizational development
- Inclusion, equality, transparency and compliance



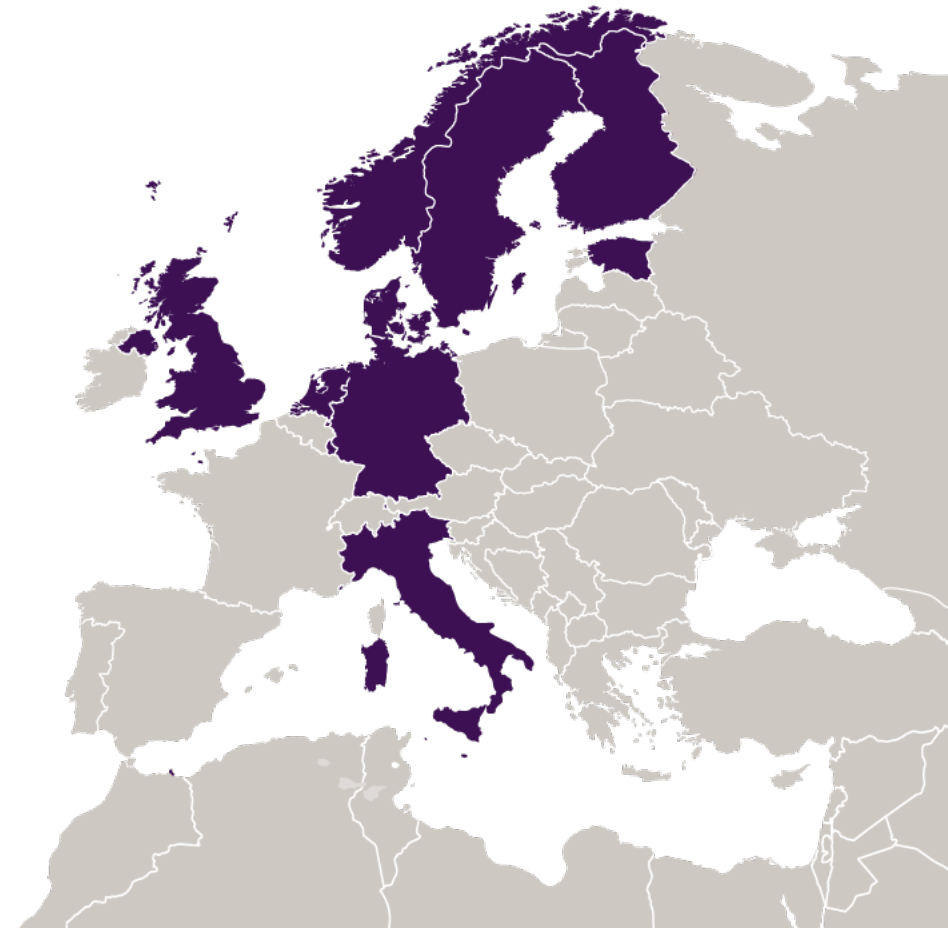
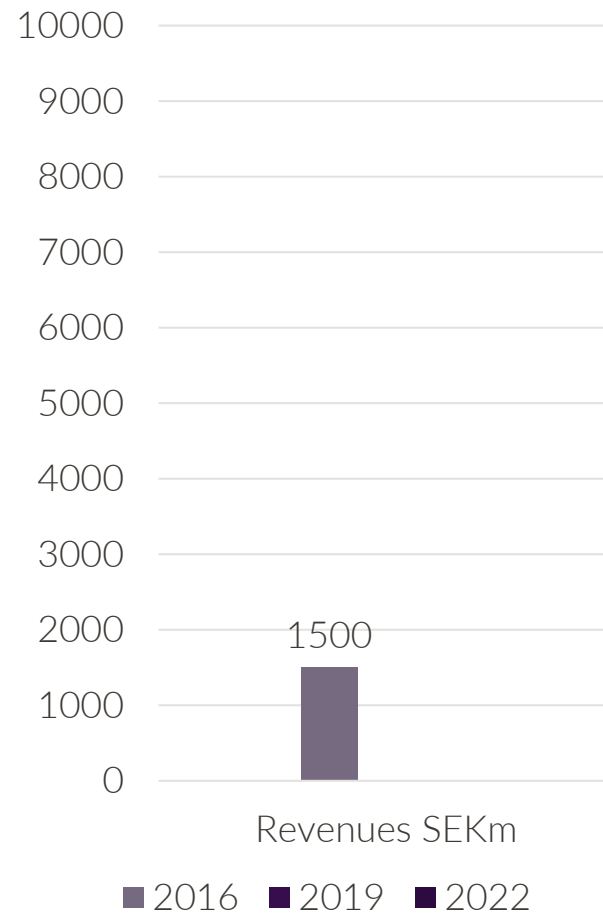
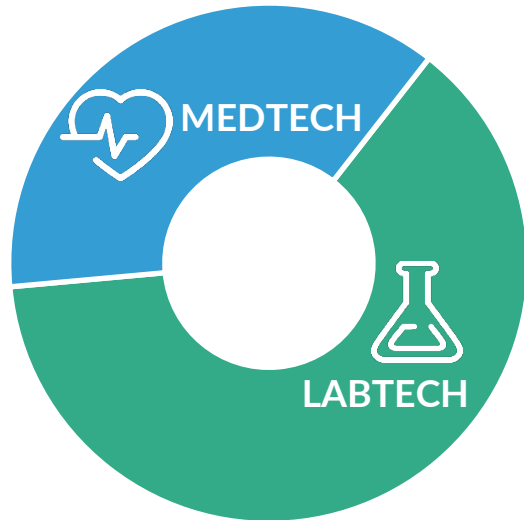
## Responsible market participant

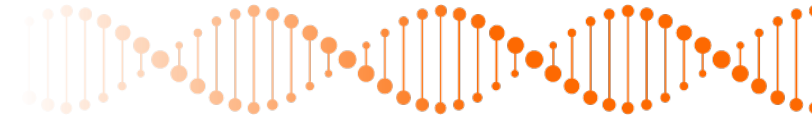
- Reducing direct climate impact



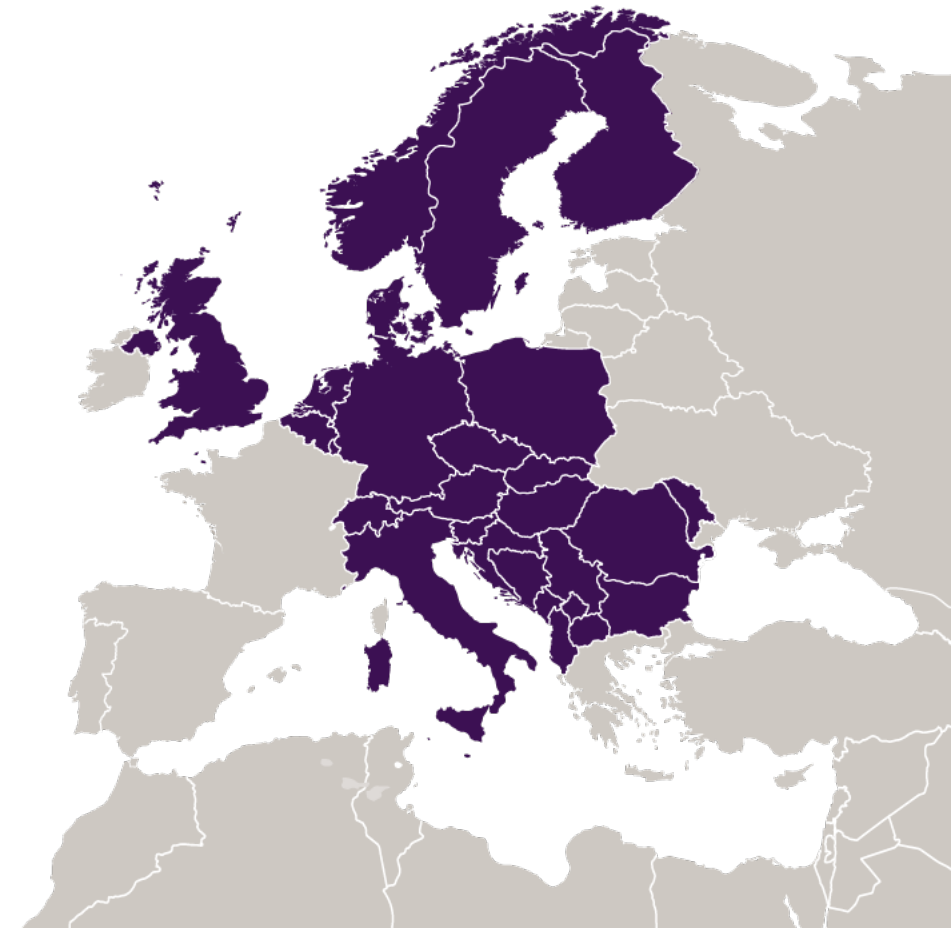
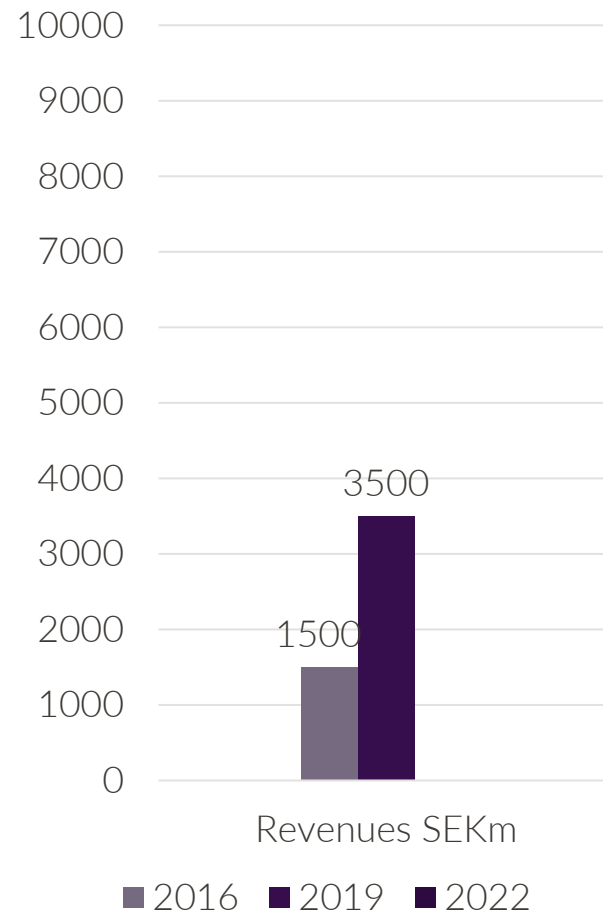
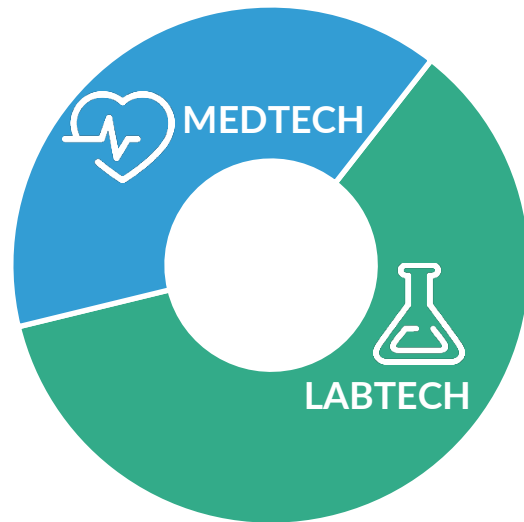


# AddLife 2016

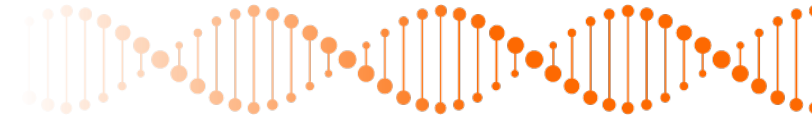




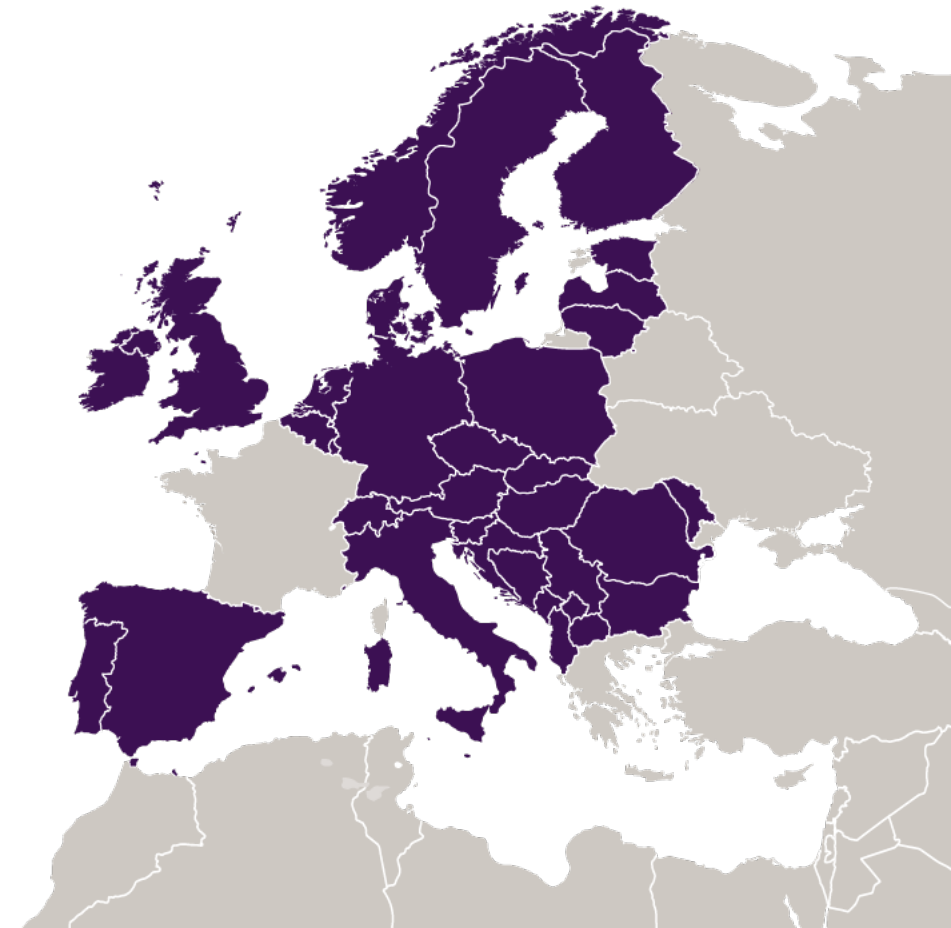
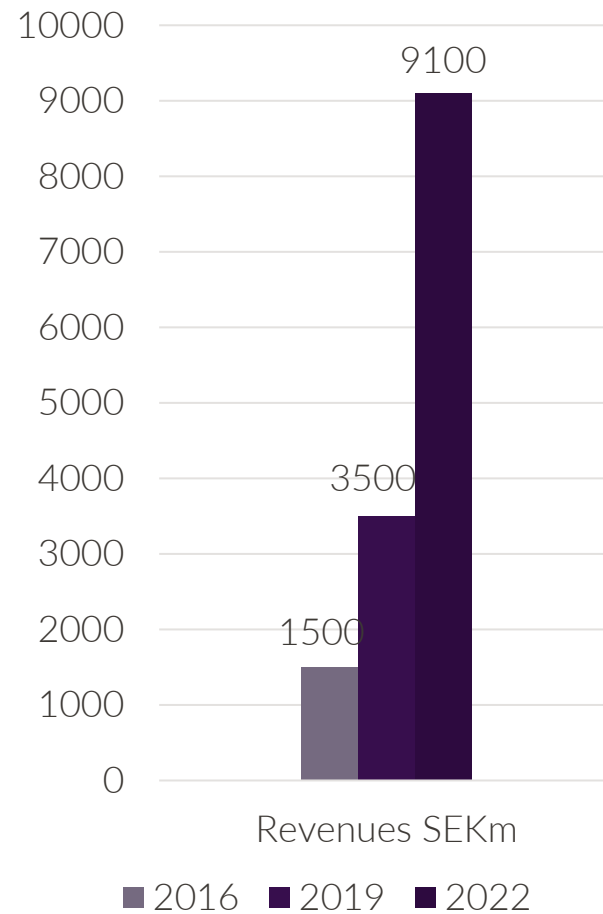
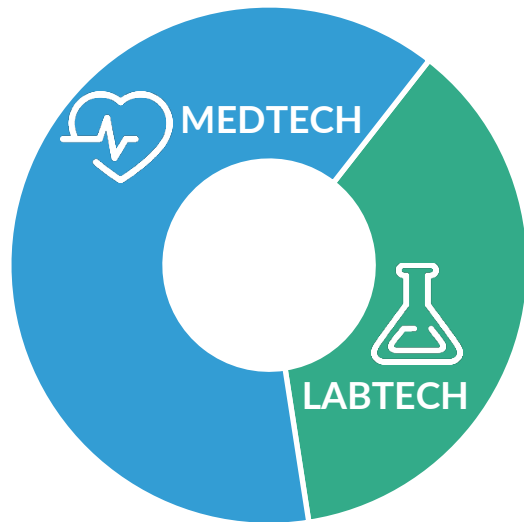
# AddLife 2019

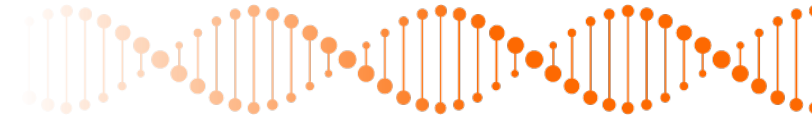






# AddLife 2022





# AddLife Group 2023



**29**  
COUNTRIES



**2,300**  
EMPLOYEES



**80**  
WAREHOUSE LOCATIONS



**54,000**  
CUSTOMERS

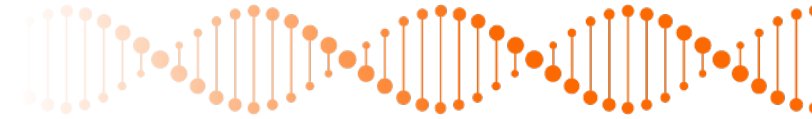


**3,500**  
SUPPLIERS



**18M**  
PRODUCTS  
(SKU)





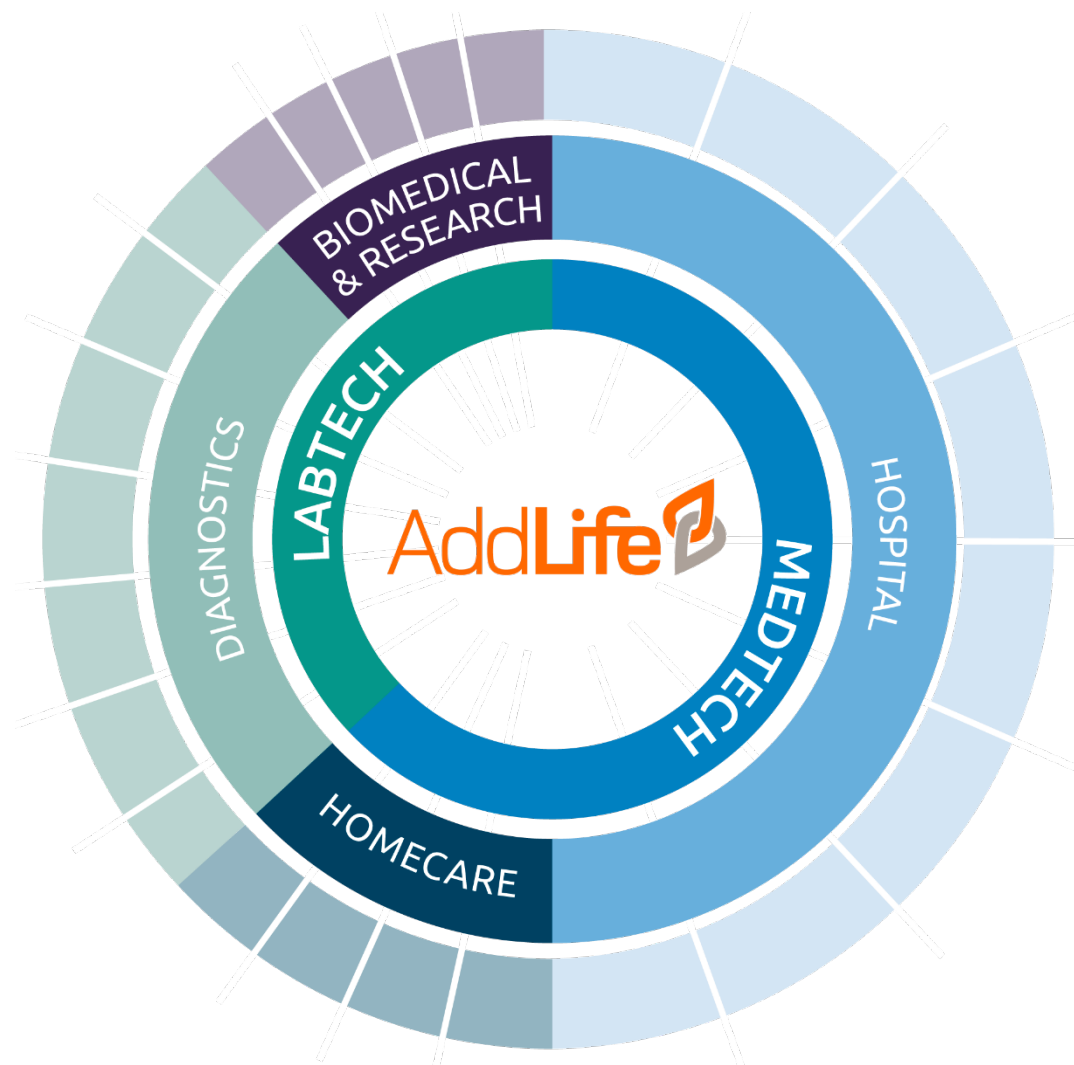
# AddLife has a diversified portfolio

## BIOMEDICAL & RESEARCH

- Advanced instruments
- Plastic consumables
- General lab
- Cell biology
- Reagents

## DIAGNOSTICS

- Microbiology
- Molecular/genetics
- Clinical chemistry
- Immunology
- Hematology
- Cytology & pathology
- Point of Care

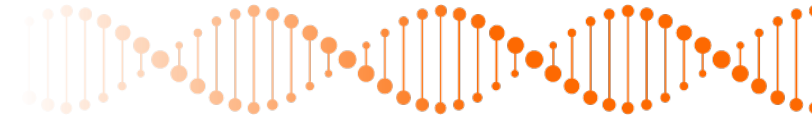


## HOSPITAL

- Orthopaedic
- General & interventional surgery
- Hospital consumables
- Critical care
- Endoscopy
- Woundcare
- Healthcare IT
- Ophthalmology

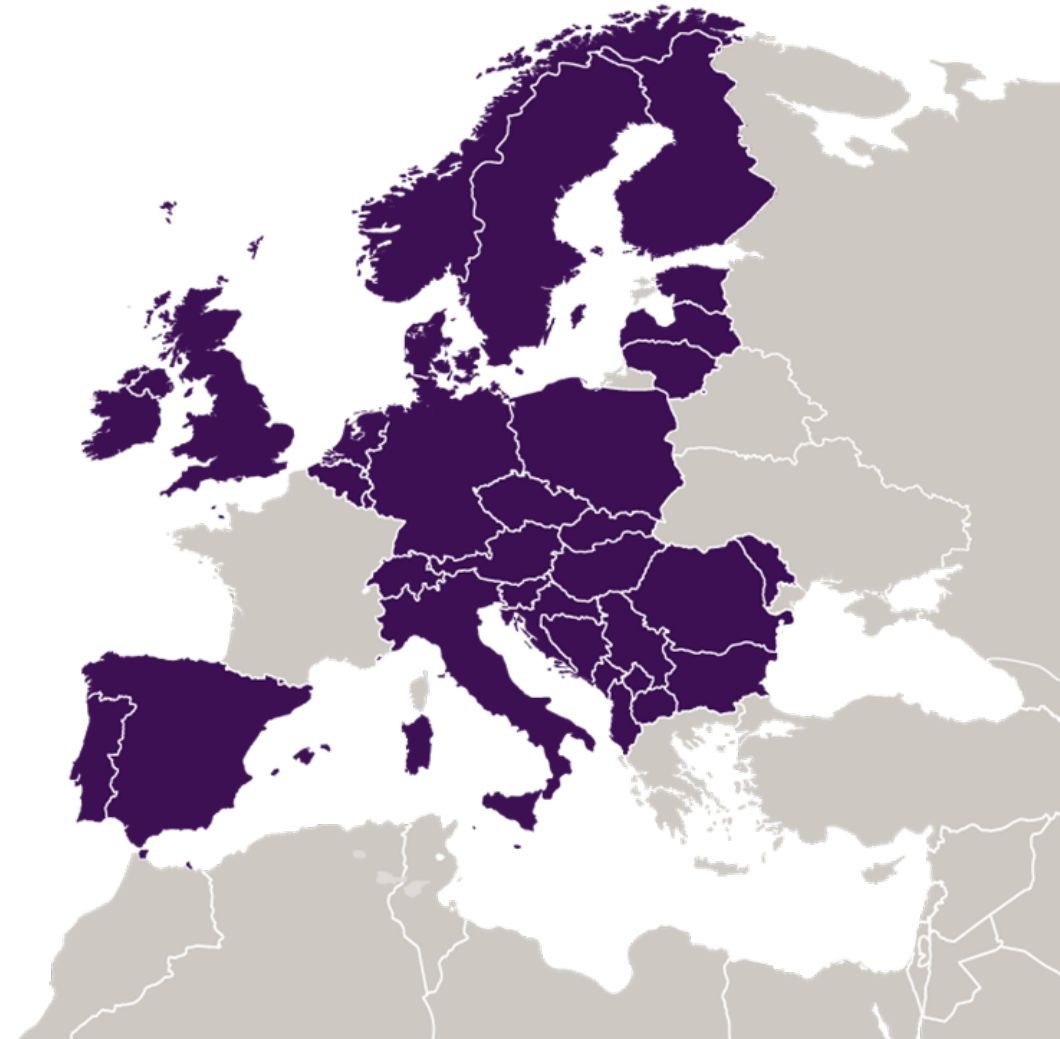
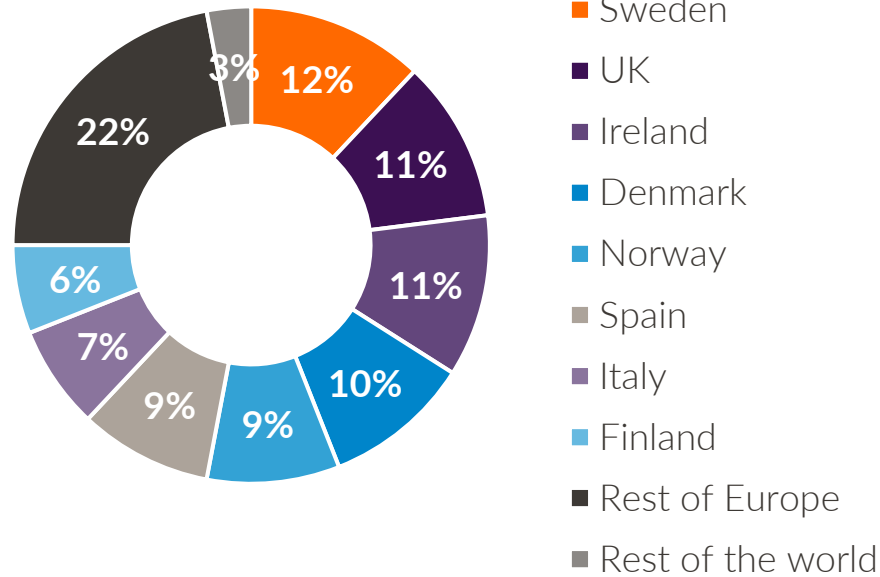
## HOMECARE

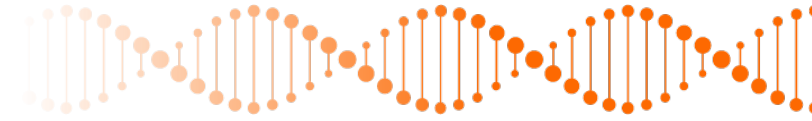
- Home adaptation
- Aid supply & equipment
- Welfare technology
- Construction



# Strong European footprint

SALES PER COUNTRY R12 Q2 2023

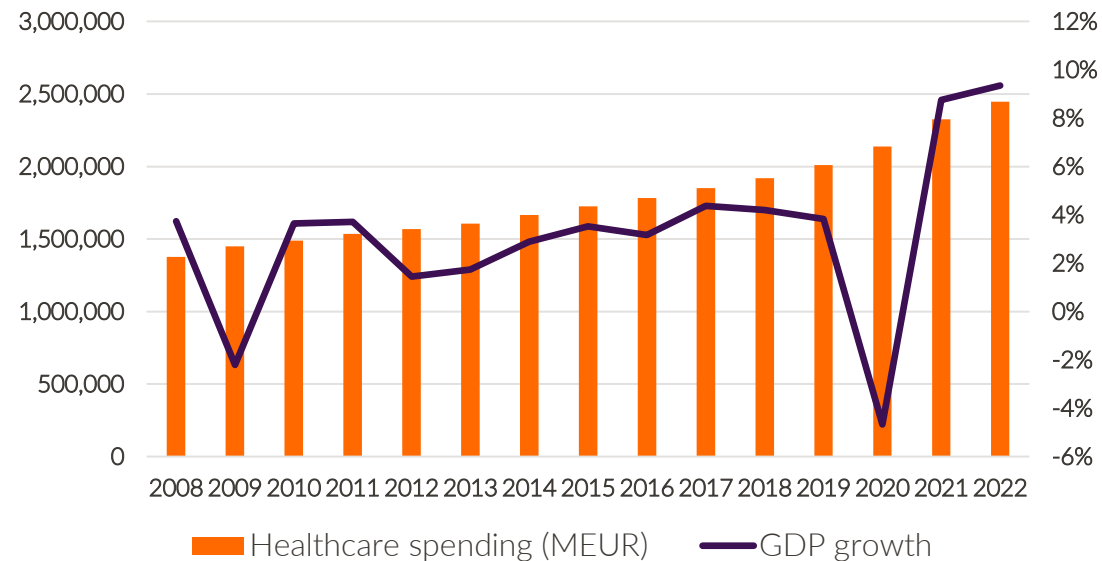




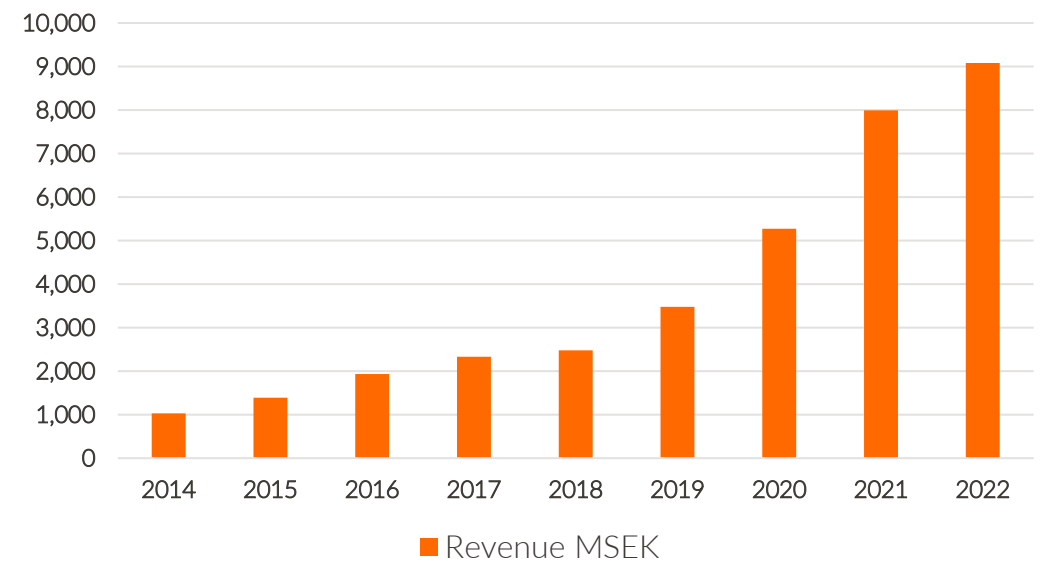
# Healthcare industry

## Non-cyclical and consistent growth in demand

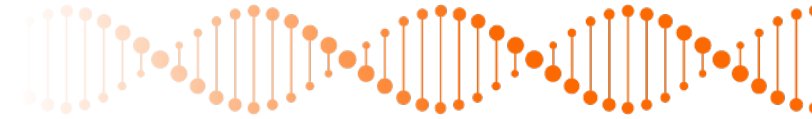
Healthcare spending & GDP growth



AddLife revenue development

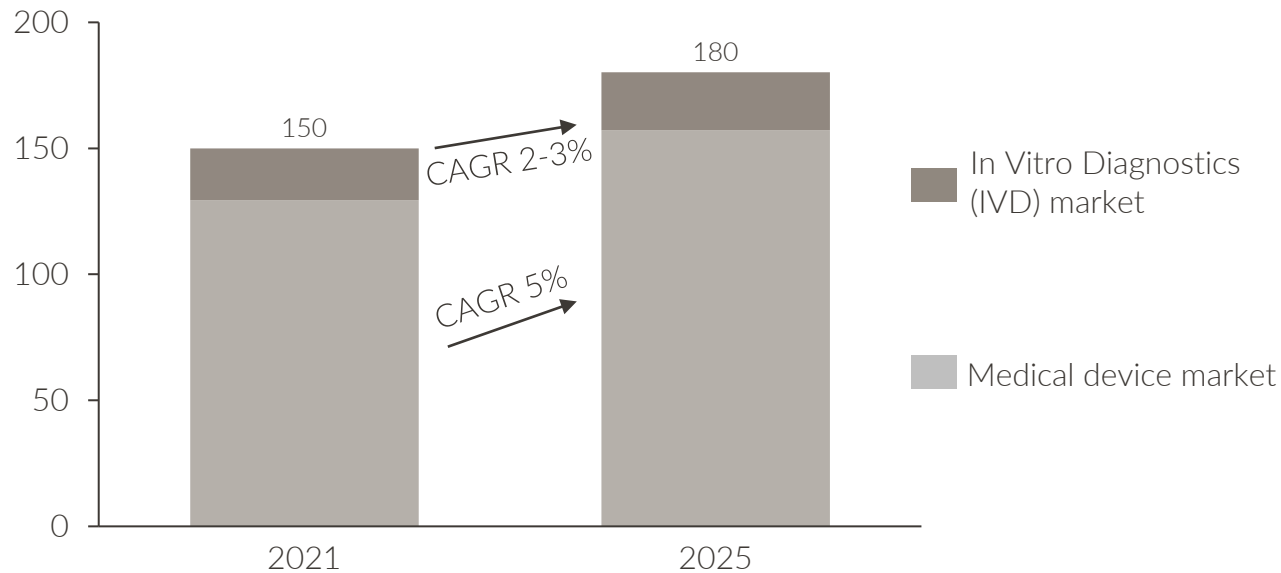






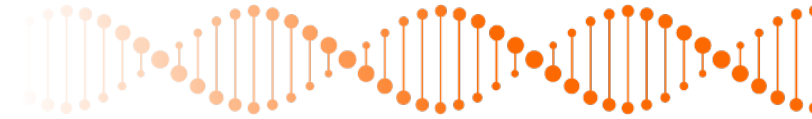
# Growth and drivers in the medical technology market

European medical technology market (bn €)



## KEY MARKET DRIVERS

- Demographics - aging population
- Rising prevalence of chronic diseases
- Preventive and personalized medicine
- Increased focus on clinical outcomes, health economics and productivity



# Advanced instruments combined with recurring consumables sales

ADVANCED INSTRUMENTS



AST: determining effective treatments for sepsis patients



PCR test (COVID etc.)



Blood gas analysers



Gene expression



Nanoscale surface analysis

DEVICES AND CONSUMABLES



Aspirators



Diagnostics disposables



Hip stem implant



Knee implants



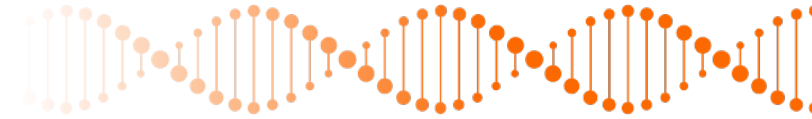
Hip cup implant



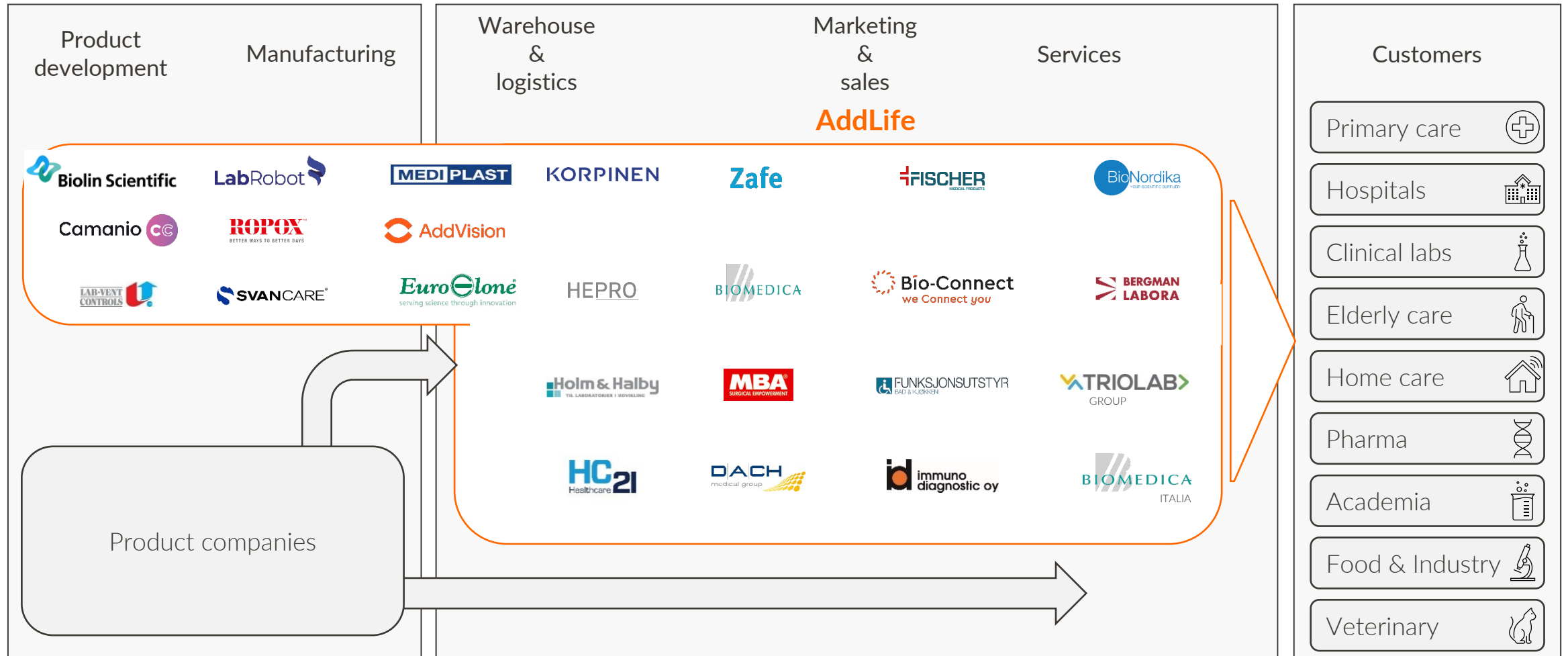
Trocar (access)



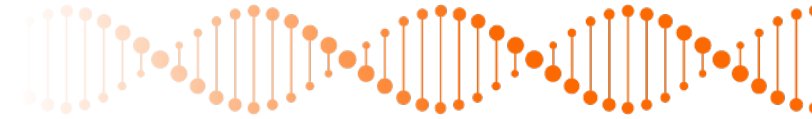
Wound care drainage



# Close to the customer, portfolio adapted to evolving needs







# A differentiated value proposition creating strong relationships and pricing power

Value add

## Box mover

- ✓ Products
- ✓ Administration
- ✓ Logistics

## Commercial partner

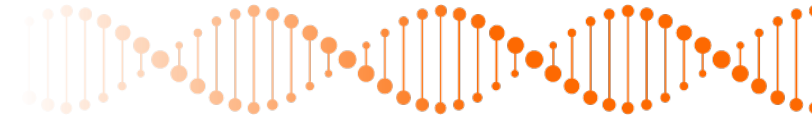
- ✓ Sales
- ✓ Marketing
- ✓ Customer support
- ✓ Installation

## Value added services

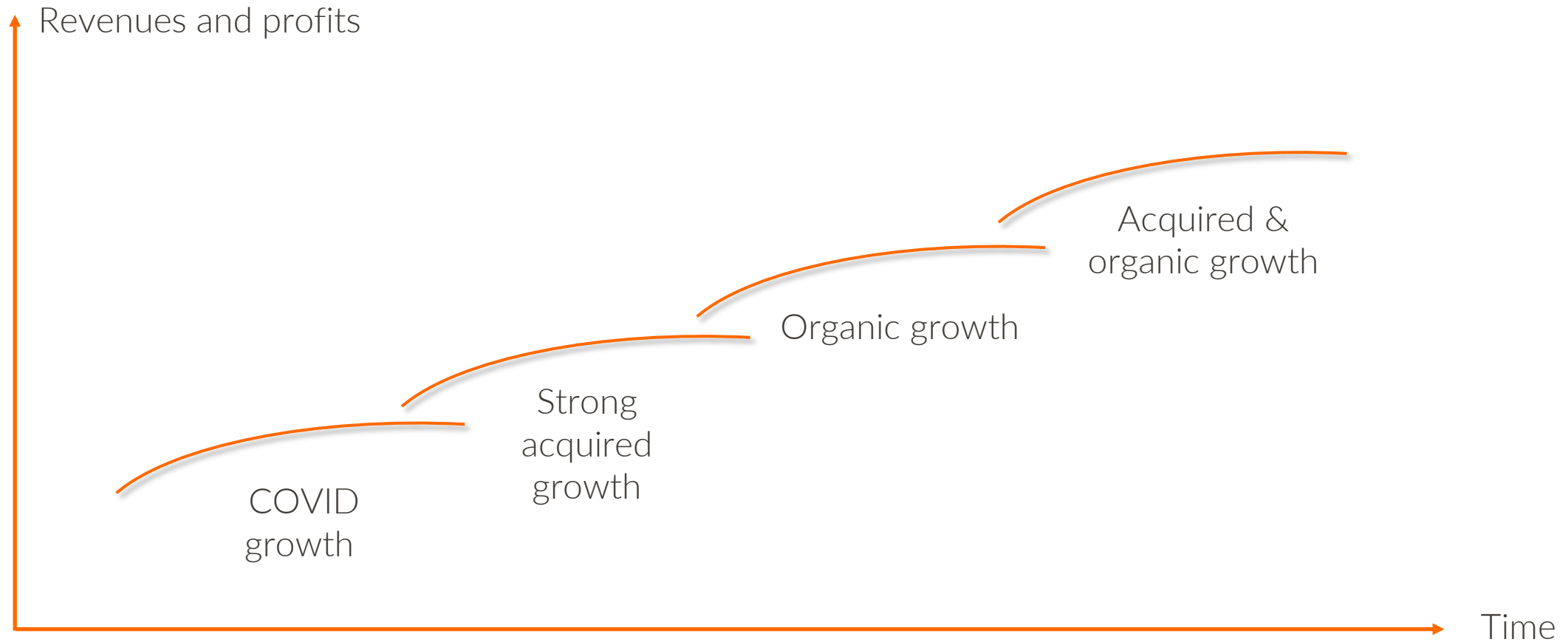
- ✓ Certified technical service provider
- ✓ Clinical procedure training and certification
- ✓ Operating room support
- ✓ Laboratory application support
- ✓ Consignment stock and market leading delivery speed and reliability

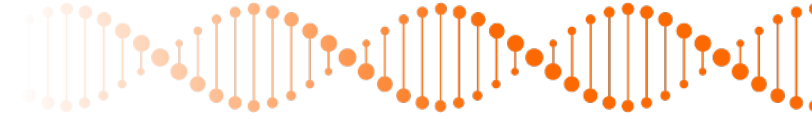
## Productivity partner

- ✓ Clinical study support
- ✓ Managed services and maintenance contracts
- ✓ Rental, reconditioning and life cycle management
- ✓ Change management advisory
- ✓ Clinical and homecare IT solutions
- ✓ Individually customized procedure packs



# The growth plan is working

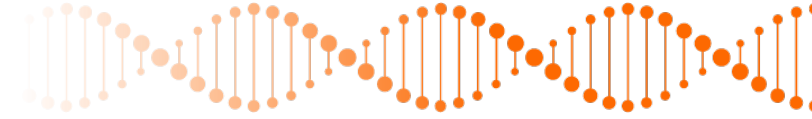




## Current priorities and actions







# Current priorities and actions



## PRIORITIES

1. PROTECT AND IMPROVE PROFIT

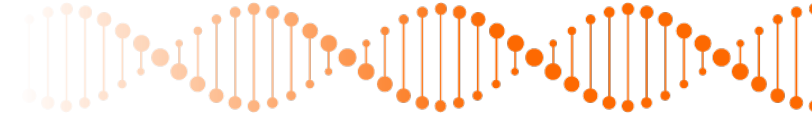
2. ORGANIC GROWTH

3. CASH FLOW

4. ACQUISITIONS

## ACTIONS

- Price management
- Organic growth initiatives in high margin segments
- Review of efficiency, organization structure and priorities in selected companies



## Recent actions to improve profitability

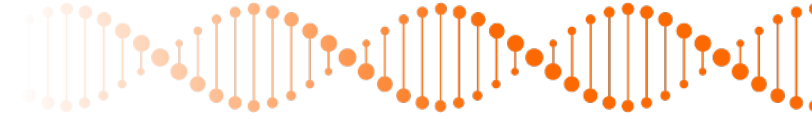
### AddVision

#### BACKGROUND

- European distribution business in the ophthalmology (eye surgery) segment
- Strong profitability and attractive growth drivers
- Profitability gradually weakened by lost supply agreements and reimbursement changes

#### ACTIONS

- New suppliers in place and new products launched
- Updated, strengthened and trained sales organization in largest market
- Implementing decentralised organization, empowering country teams, reducing cost



# Current priorities and actions



## PRIORITIES

1. PROTECT AND IMPROVE PROFIT

2. ORGANIC GROWTH

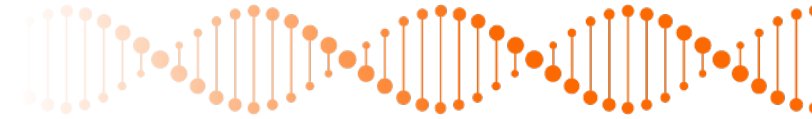
3. CASH FLOW

4. ACQUISITIONS

## ACTIONS

- Back to full scale commercial activities after pandemic
- Supporting elective surgery demand
- Multiple new supplier agreements

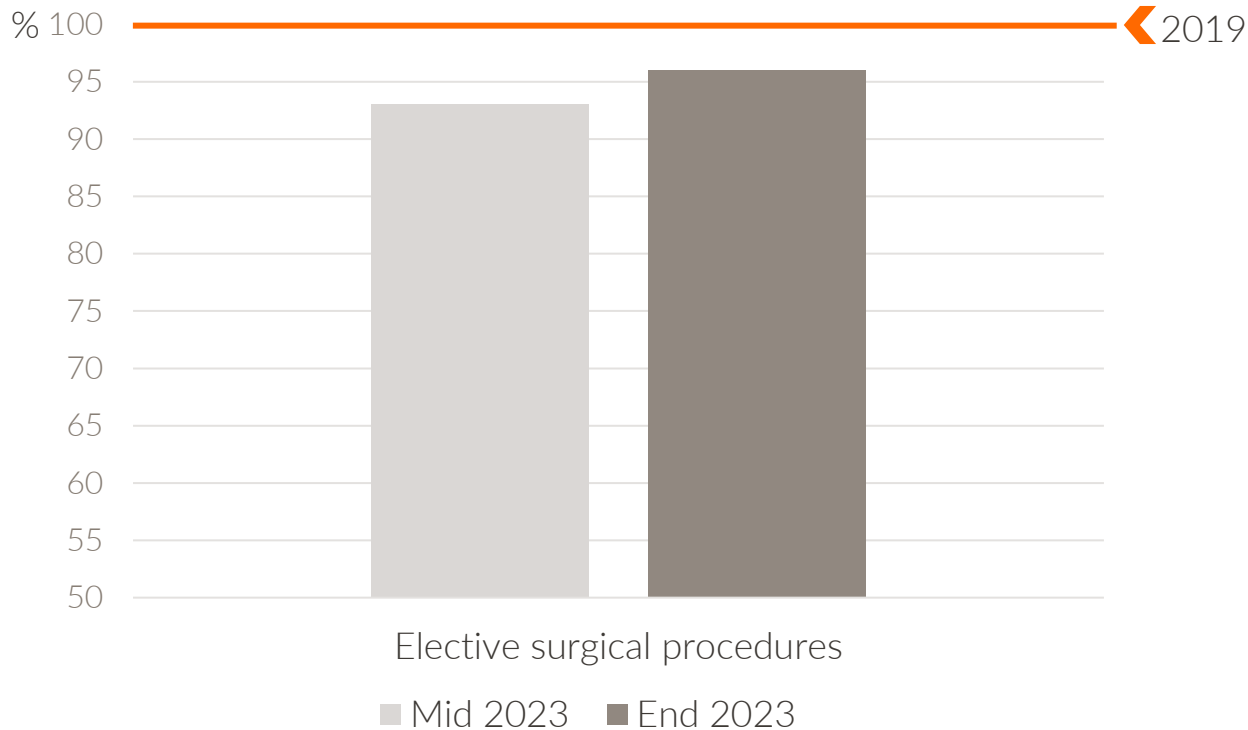




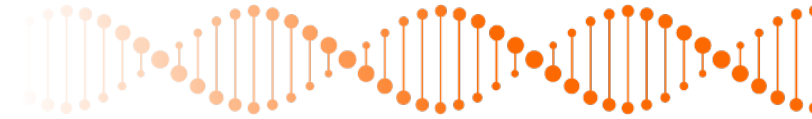
# Elective surgery a strong growth driver as the healthcare system recovers



Elective surgical procedures in Europe:  
Share of 2019 level



- The number of surgical procedures performed is still lower than pre-pandemic levels (2019)
- Activity gradually increasing, but still expected to be lower than 2019 by end of 2023
- Staffing shortage holds back the pace of the recovery
- The growth in procedures is expected to continue in 2024



# Current priorities and actions



## PRIORITIES

1. PROTECT AND IMPROVE PROFIT

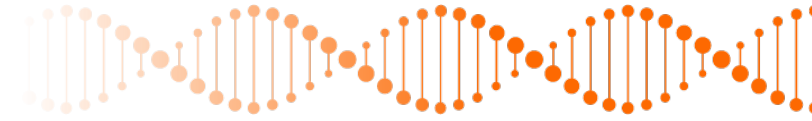
2. ORGANIC GROWTH

3. CASH FLOW

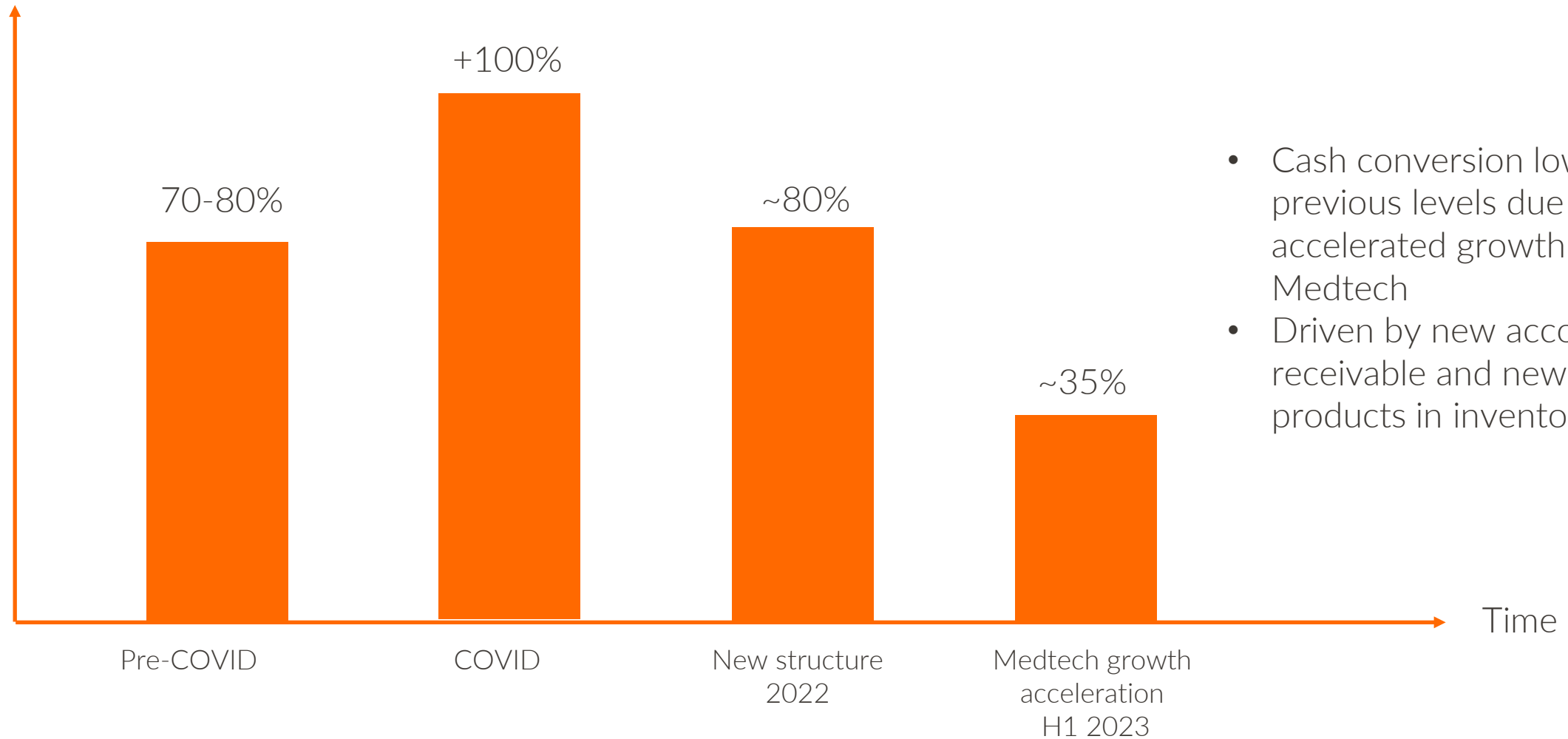
4. ACQUISITIONS

## ACTIONS

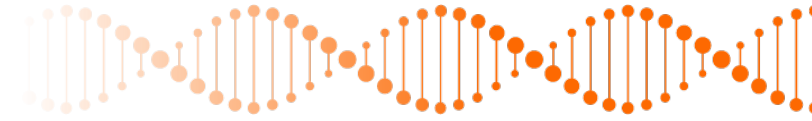
- Driving established AddLife cash flow metrics and methods
- Quantified inventory reduction targets in five largest companies in H2
- Hands-on, detailed cash flow improvement initiatives in largest companies



# Cash conversion



- Cash conversion lower than previous levels due to accelerated growth in Medtech
- Driven by new accounts receivable and new products in inventory



# Current priorities and actions



## PRIORITIES

1. PROTECT AND IMPROVE PROFIT

2. ORGANIC GROWTH

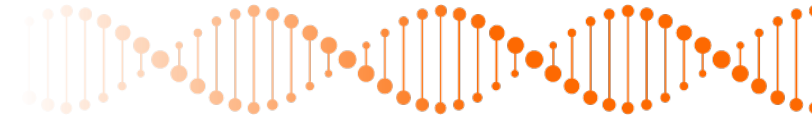
3. CASH FLOW

4. ACQUISITIONS

## ACTIONS

- Thorough analysis of prioritized target segments completed
- Reduced acquisition activity 2023 and 2024 (~25% of normalized cash flow)
- Focus on small to medium sized acquisitions

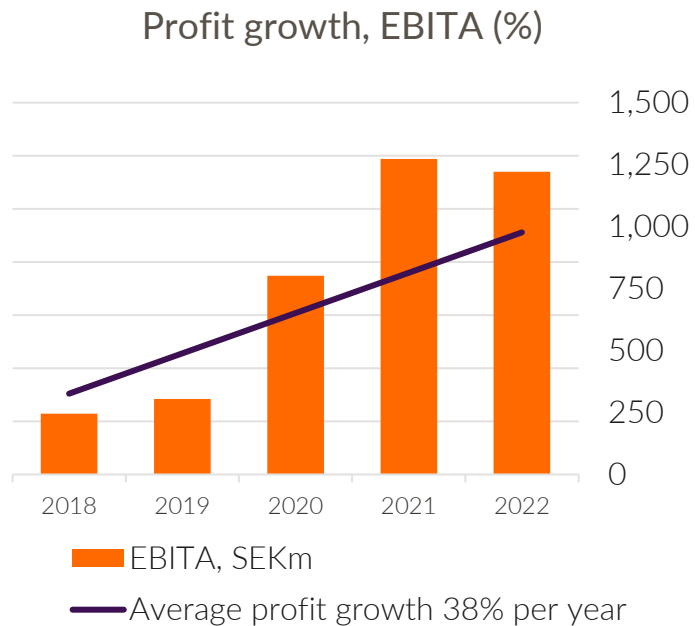




# AddLife reiterates long term financial target

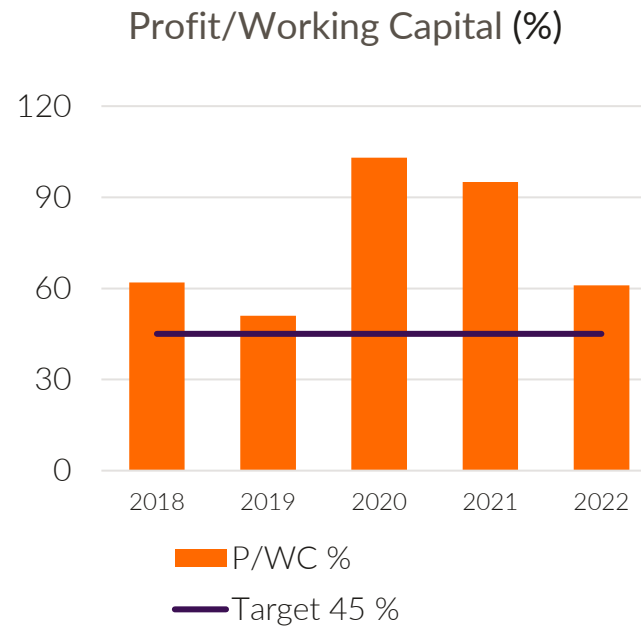
## Profit growth

Profit growth (measured in EBITA) for the long-term will be 15 percent per year



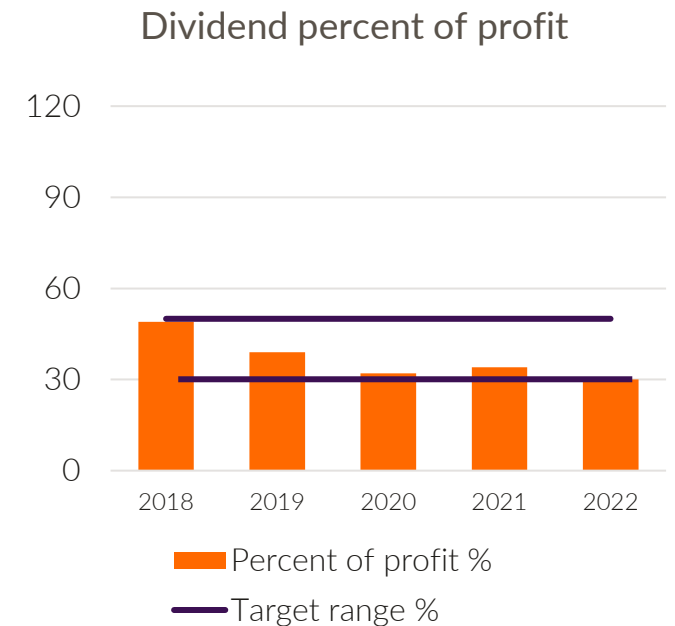
## Profitability

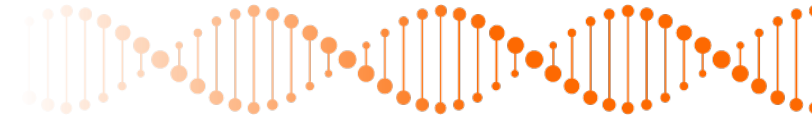
Profitability will be at least 45 per cent, measured as the ratio between EBITA and working capital (P/WC)



## Dividend policy

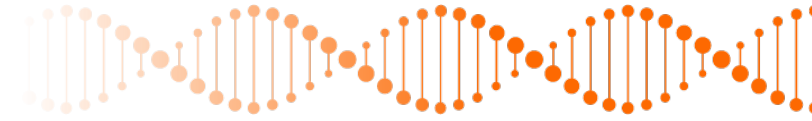
The target is a dividend corresponding to 30-50 percent of profit after tax. Consideration is taken to investment needs and other factors of importance



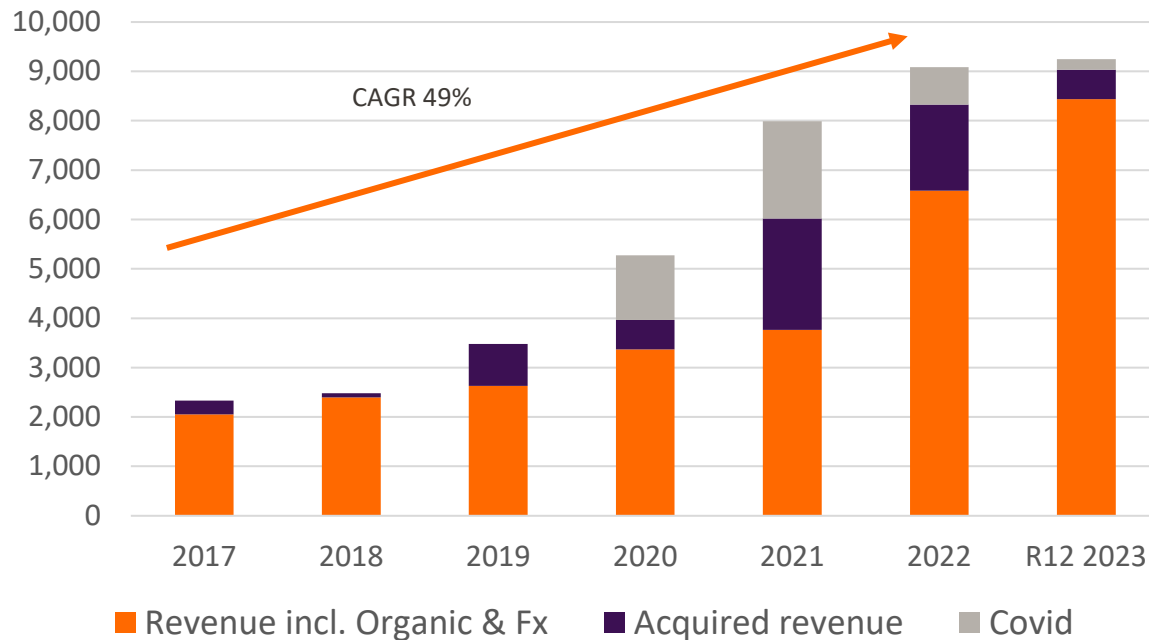


# Financials

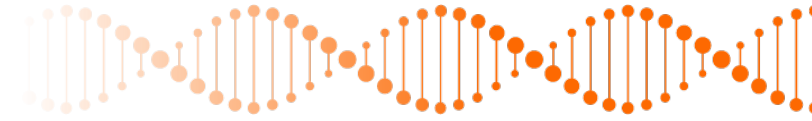
Christina Rubenhag, CFO AddLife



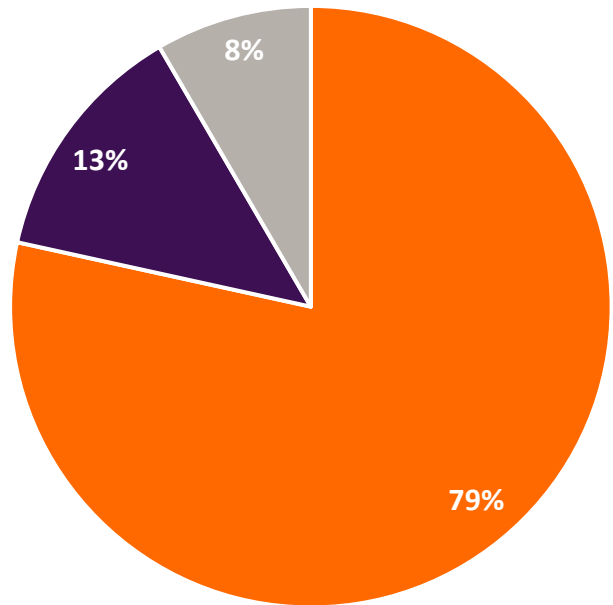
# Strong revenue growth



- Growth drivers going forward
  - Acquisitions
  - Organic
    - Both Labtech and Medtech
    - Elective surgery recovery
- Focus on organic growth in 2023 and 2024



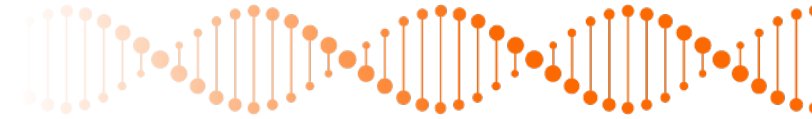
## Large share recurring revenue



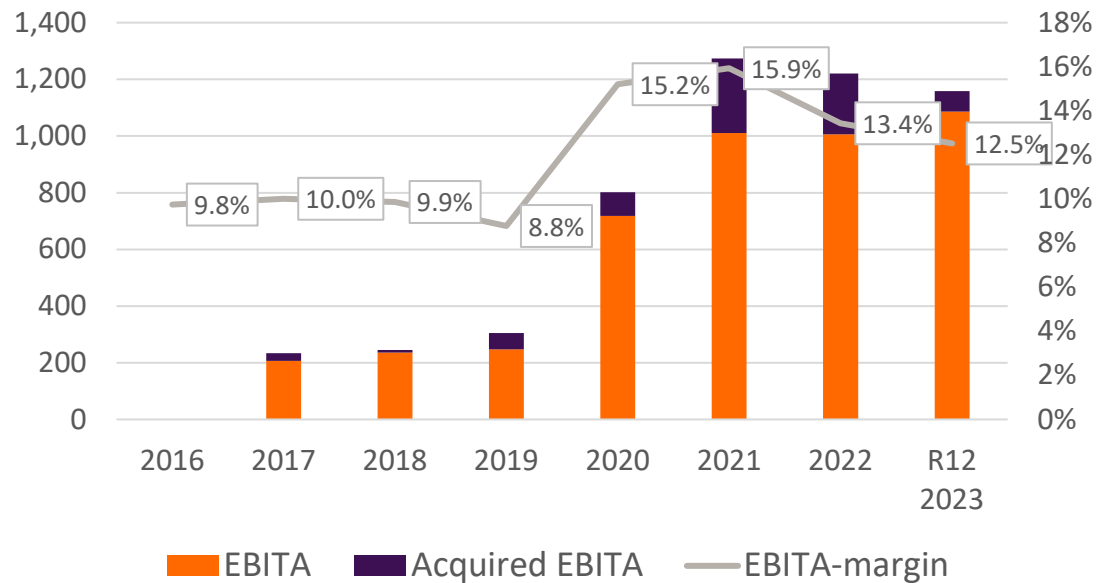
■ Products ■ Instruments ■ Service

- Recurring products (devices and consumables) represent the majority of revenue
- Service is a standalone revenue stream, but it also strengthens customer relationships and enable higher product margins
- Instrument sales generates long term recurring product sales
- ~80% of revenue is long term contracts

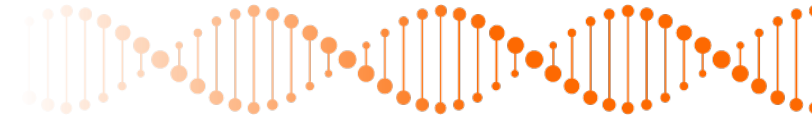




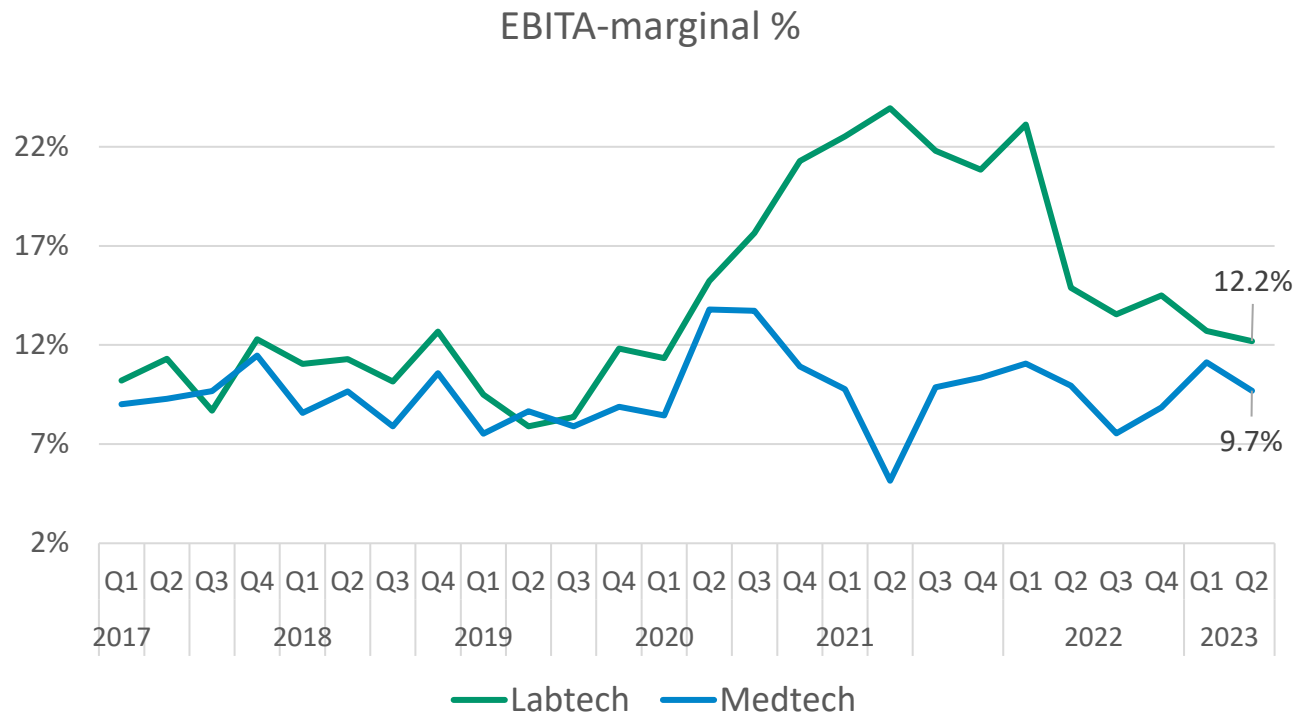
## EBITA-margin now higher than pre-COVID levels



- Gross margins protected through price increases
- Evolving the portfolio towards higher margin products
- Full commercial activities and strengthened sales organization drives Sales and Marketing cost increase in 2023
  - COVID sales handled without adding resource
- Continuous efficiency improvements



# EBITA-margin per Business Area



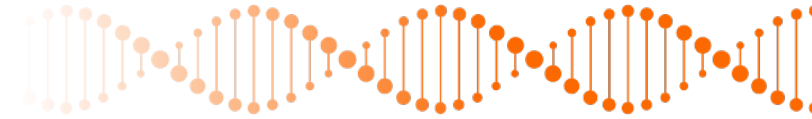
## Labtech

- Margins above pre-COVID levels
- Gradual margin improvements via new products and increased efficiency

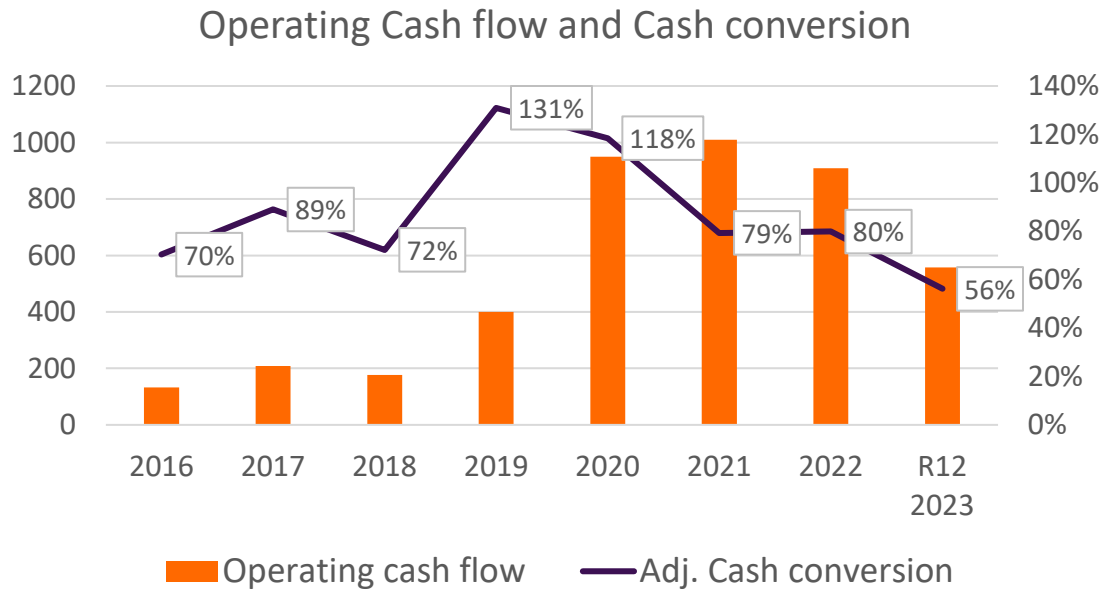
## Medtech

- We have acquired higher margin businesses over the last few years
- Directed efforts to improve company specific margins
- Gradual margin improvement via new products and increased efficiency improvements

Excluding reversed contingent consideration Q3 -22 and Q1 -23

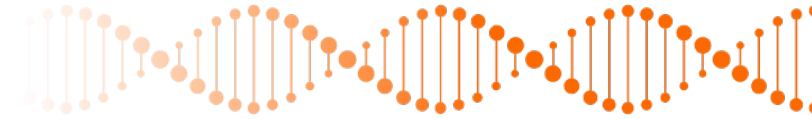


# Operating Cash flow

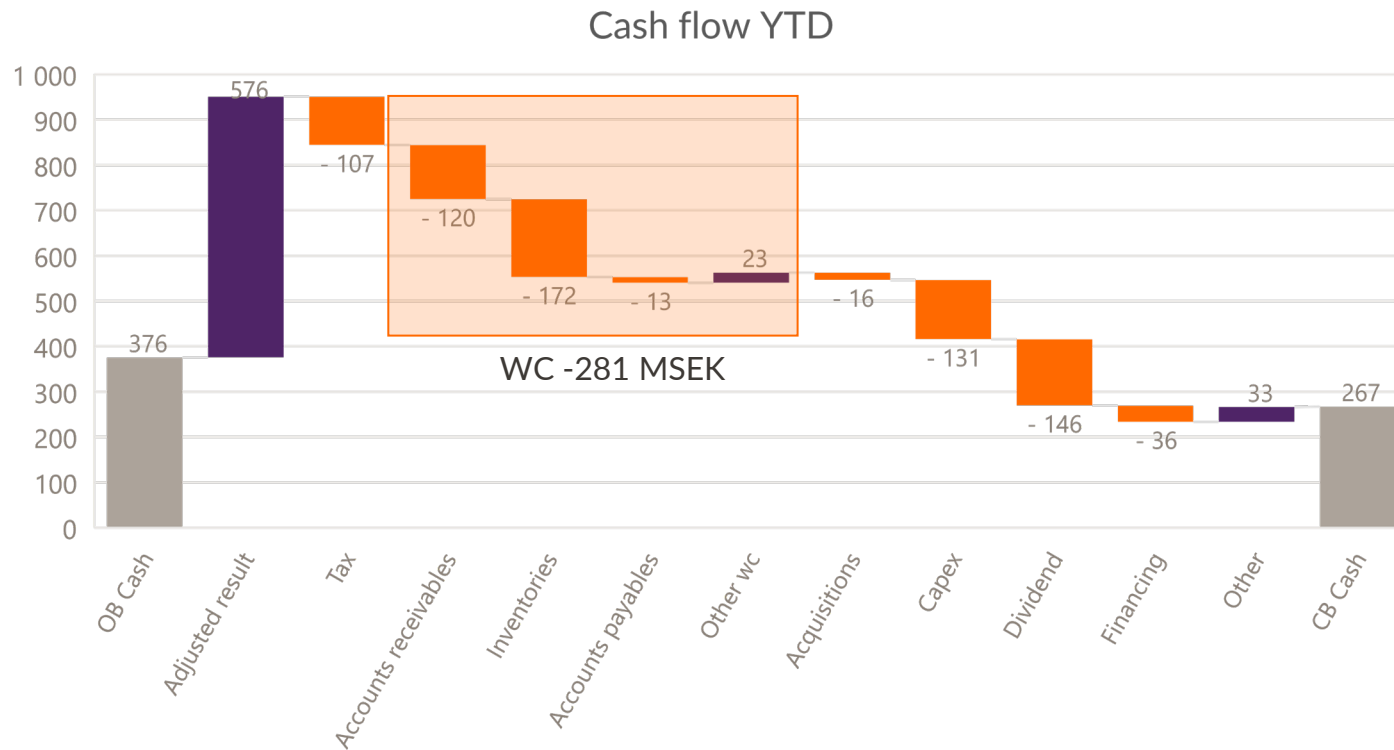


- Increased working capital in 2023
- More orthopedics - consignment stock, broad product range and fast deliveries

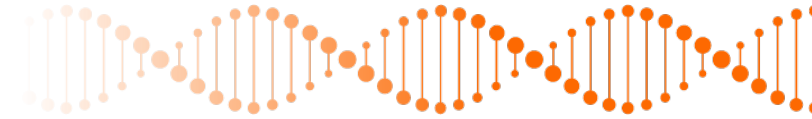
Adj. Cash conversion exclude reversed contingent consideration Q3 -22 and Q1 -23



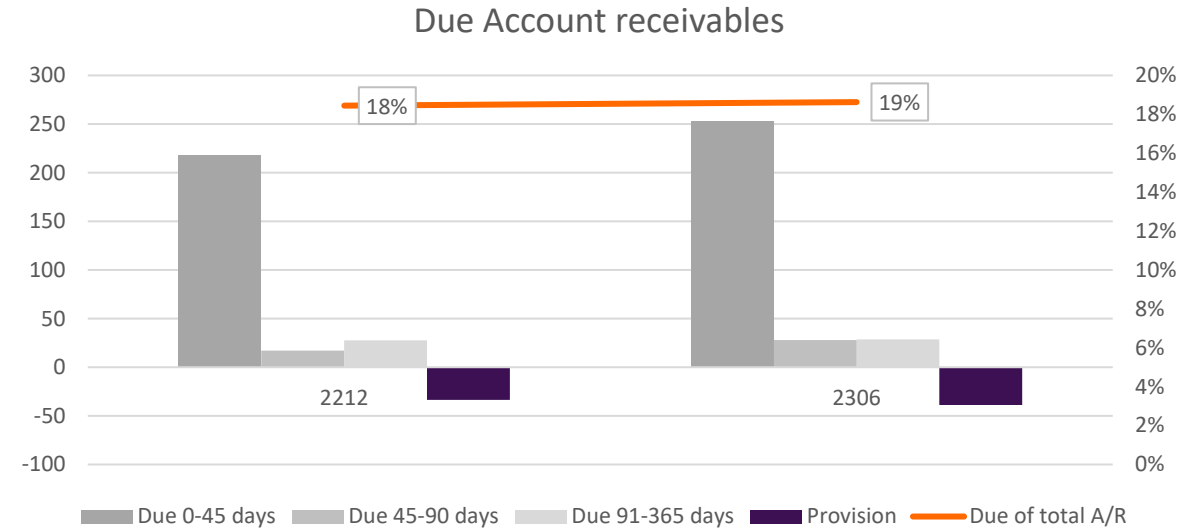
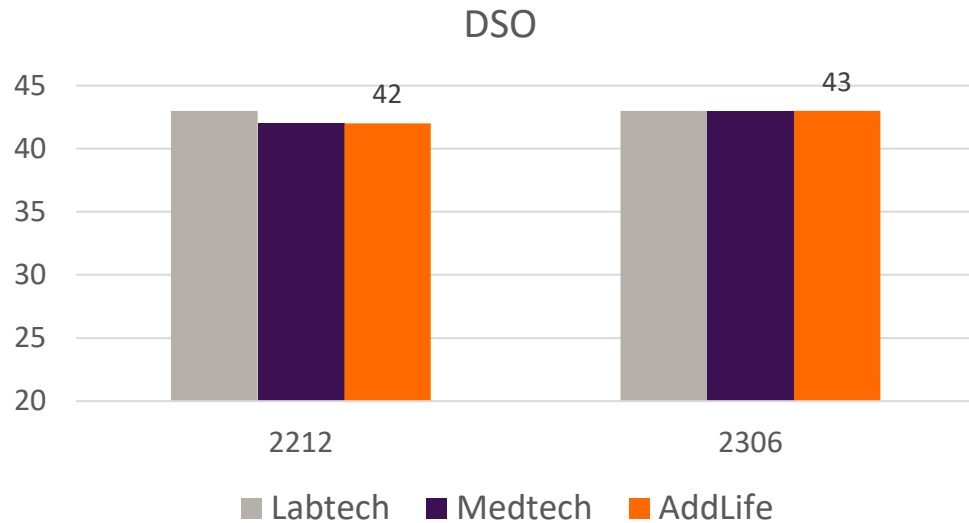
# Cash flow Q1 & Q2 2023



- Working capital drivers 2023;
  - A/R and inventory driven by organic growth
  - Investment in future growth with new large suppliers and products
  - Buffer inventory due to component shortages
    - Batch deliveries
    - Build-up to support customers affected by competitor shortage

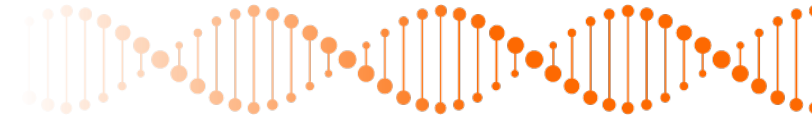


# Account receivable increase driven by revenue growth

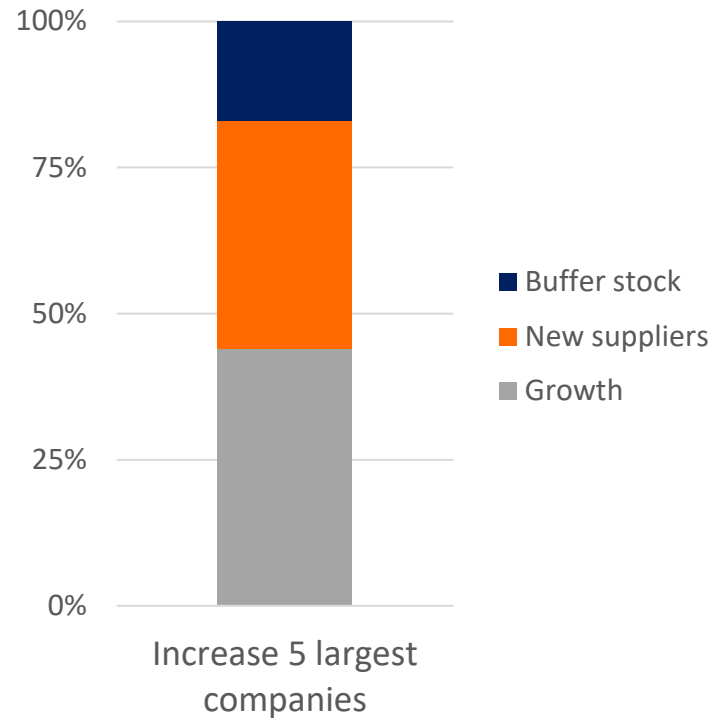
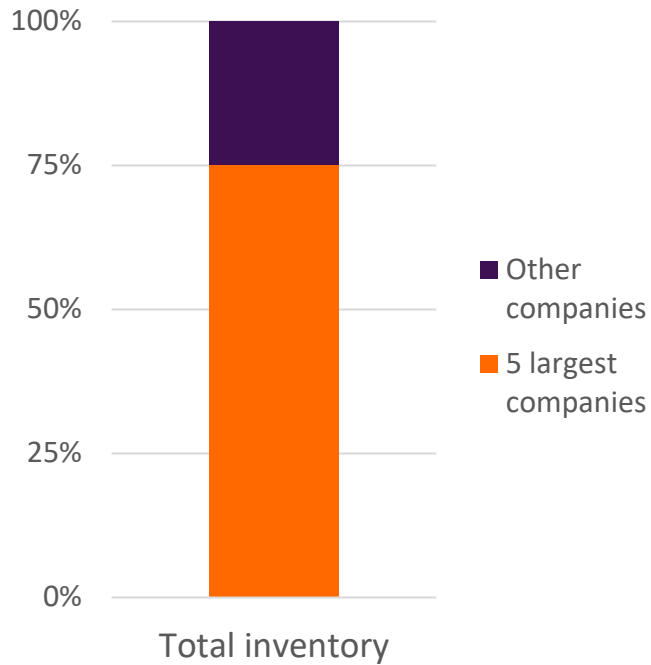


- No change in DSO or share of due account receivables
- Majority of due invoices in the range of 0-45 days

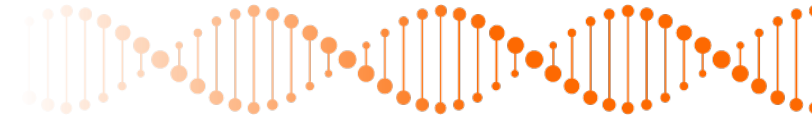




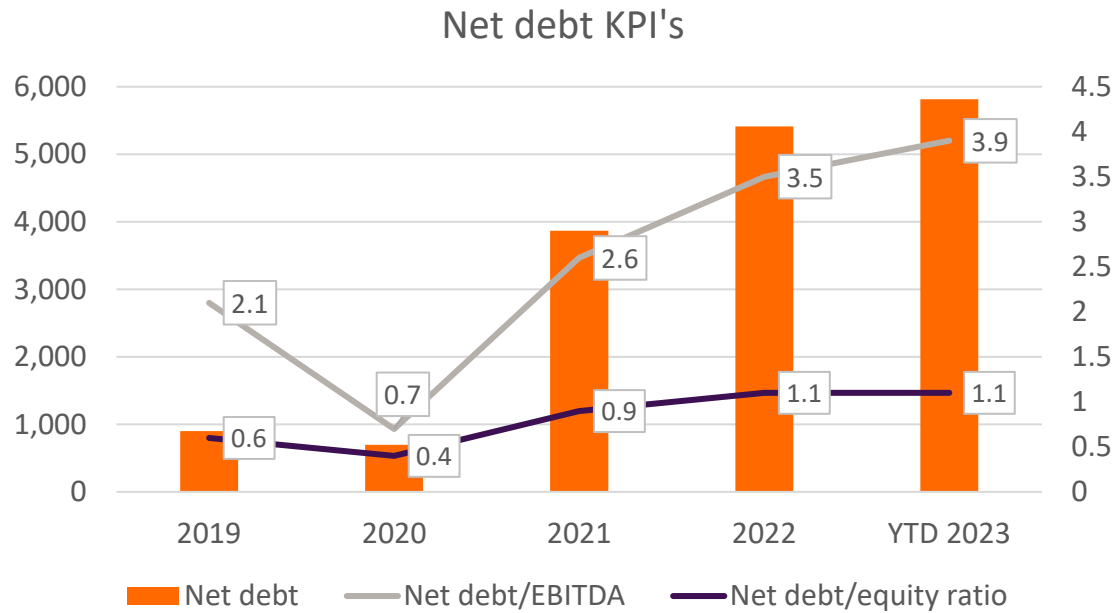
# Inventory increase driven by growth in large companies



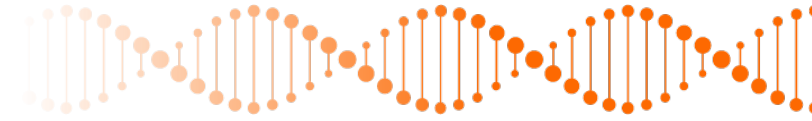
- Actions to reduce inventory;
  - Drive established KPIs (P/WC) and improvement methods
  - Specific targets for the 5 largest companies
  - Detailed review of working capital processes in selected companies
- Planning for a normalization of cash generation



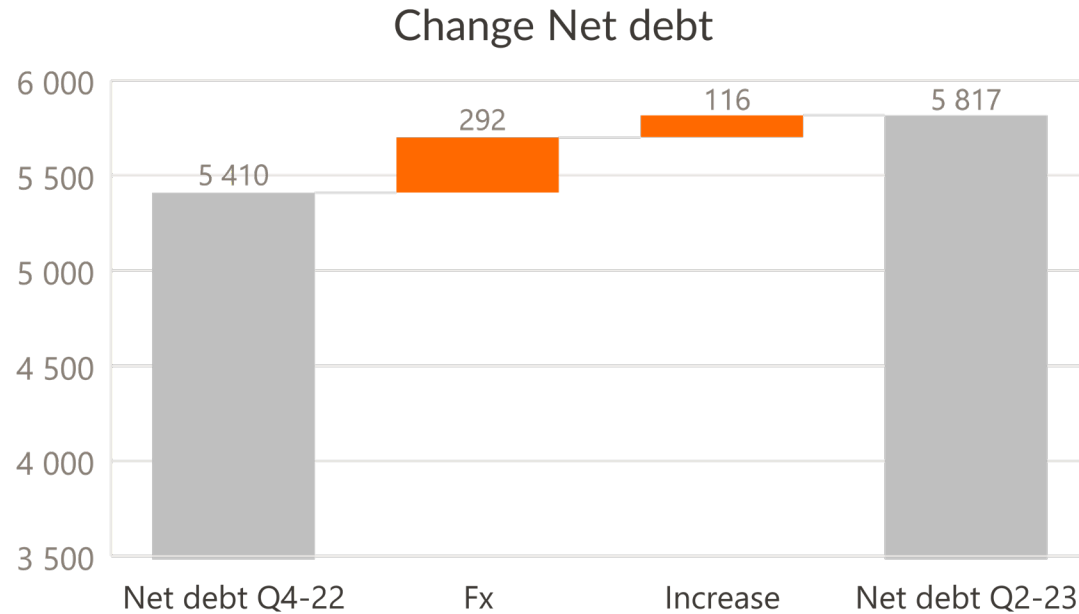
# Net debt and leverage



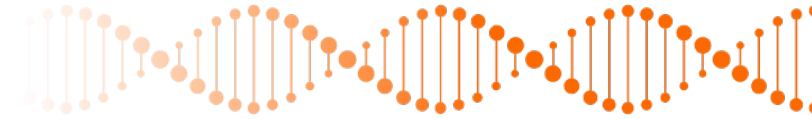
- Net debt/equity ratio just above internal guideline of <math>< 1.0</math>
- Net debt/EBITDA ambition <math>< 3.0</math> over time
- Operational capital allocation strategy
  - 1) Debt reduction
  - 2) Investments / acquisitions



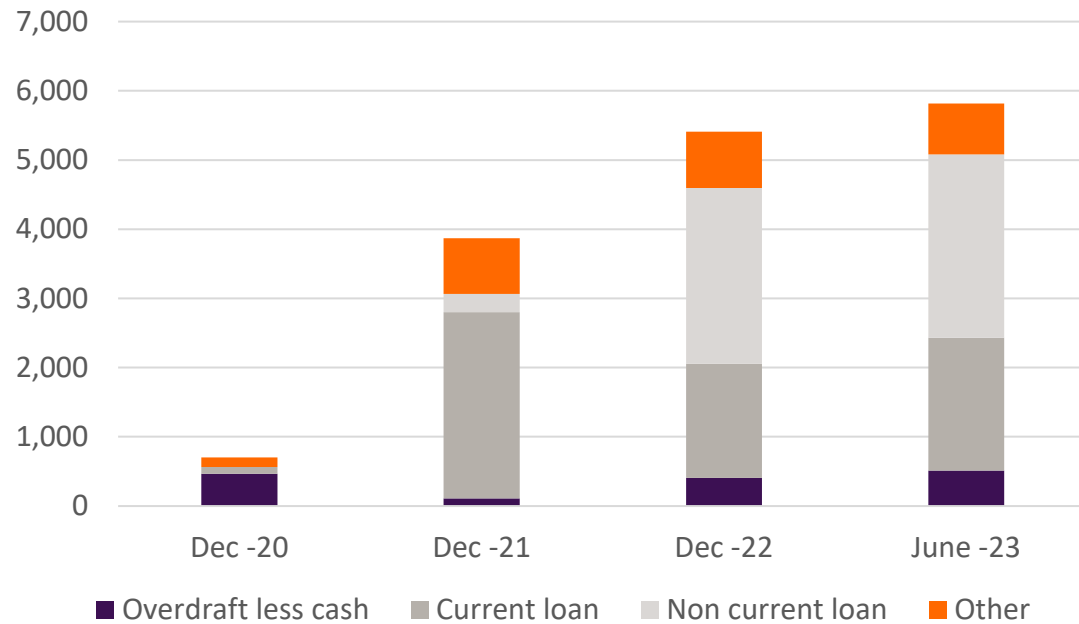
## Majority of loan in EUR



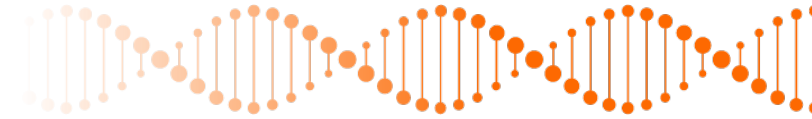
- Main part of Net debt increase in Q2 2023 relate to Fx



## Net debt structure

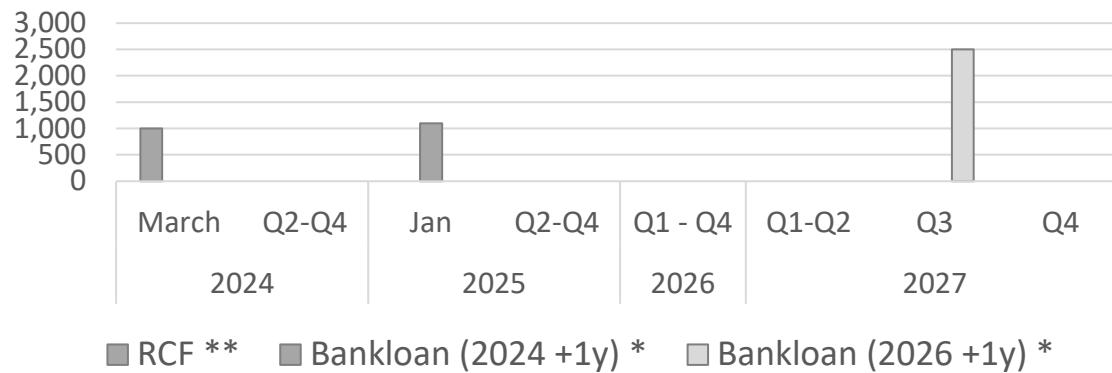


- Loans enabled acquisitions in 2021 and 2022
- Traditional bank loans and long-term bank relations
- Debt to be reduced via self-generated cash flow



# Bank loan and covenants

Debt structure



- Variable interest, margin + 3m Euribor / Stibor
- Average interest rate Q2 2023 5,2%

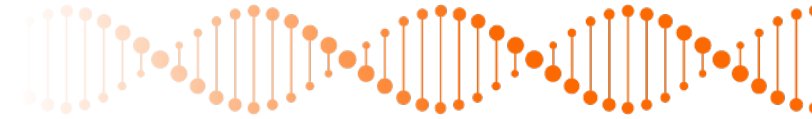
\* Loan in EUR \*\* Multi-currencies

## Covenants

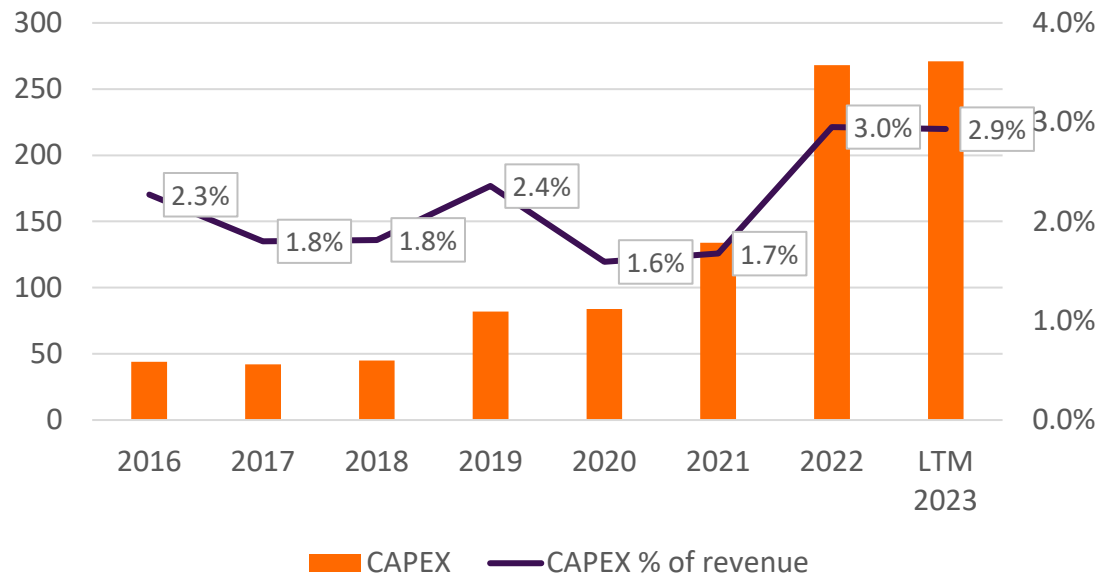
	Calculation	Limit	Actual Q2 -23
Interest coverage ratio	EBITDA / Interest net *	> 4,0	8,0
Equity ratio	Equity / Total assets	> 25%	38%

\* Some adjustments (IFRS16 for example)

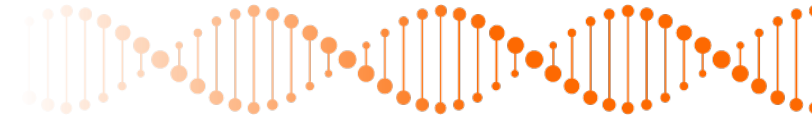




## Low CAPEX business

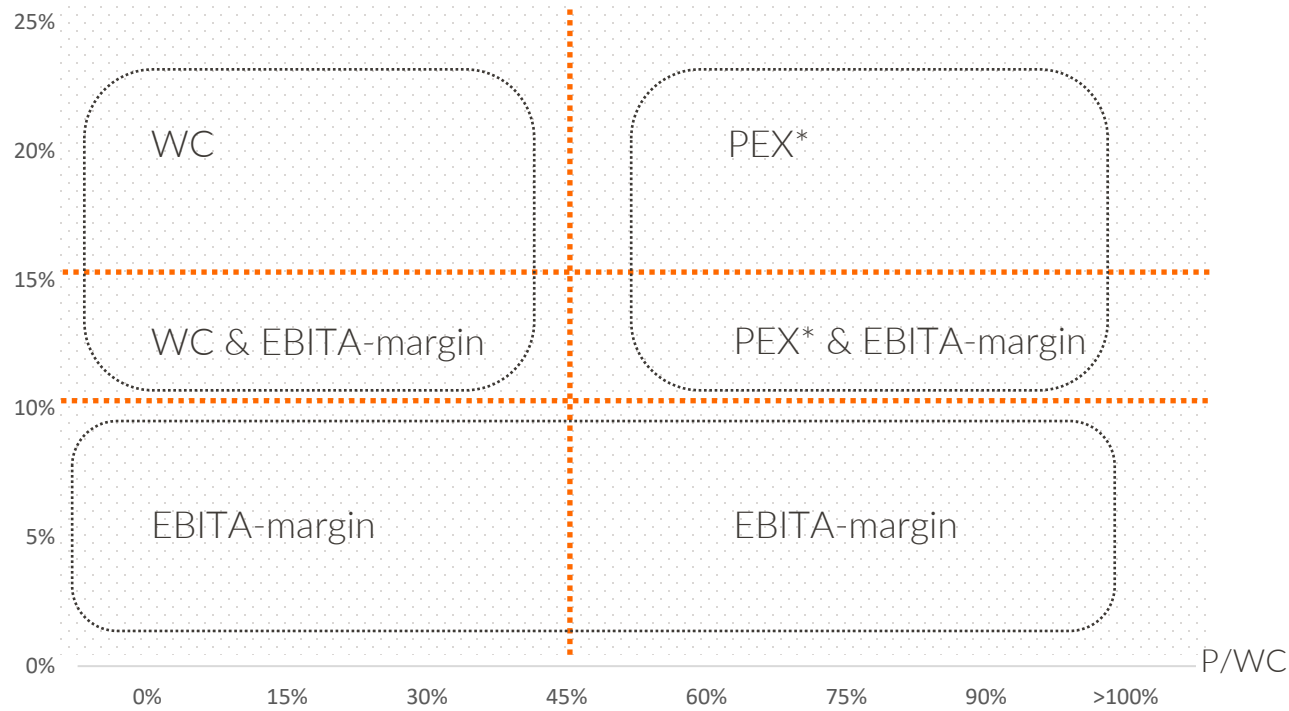


- CAPEX light business
- CAPEX has increased in size due to acquisition of orthopedic focused companies
- Placement of instrument ensures recurring revenue and ties the customers to us



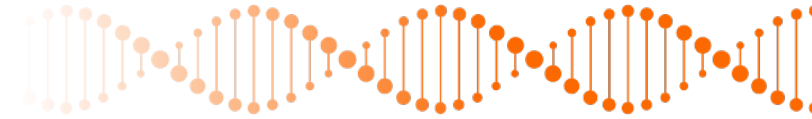
# Performance matrix

EBITA-margin



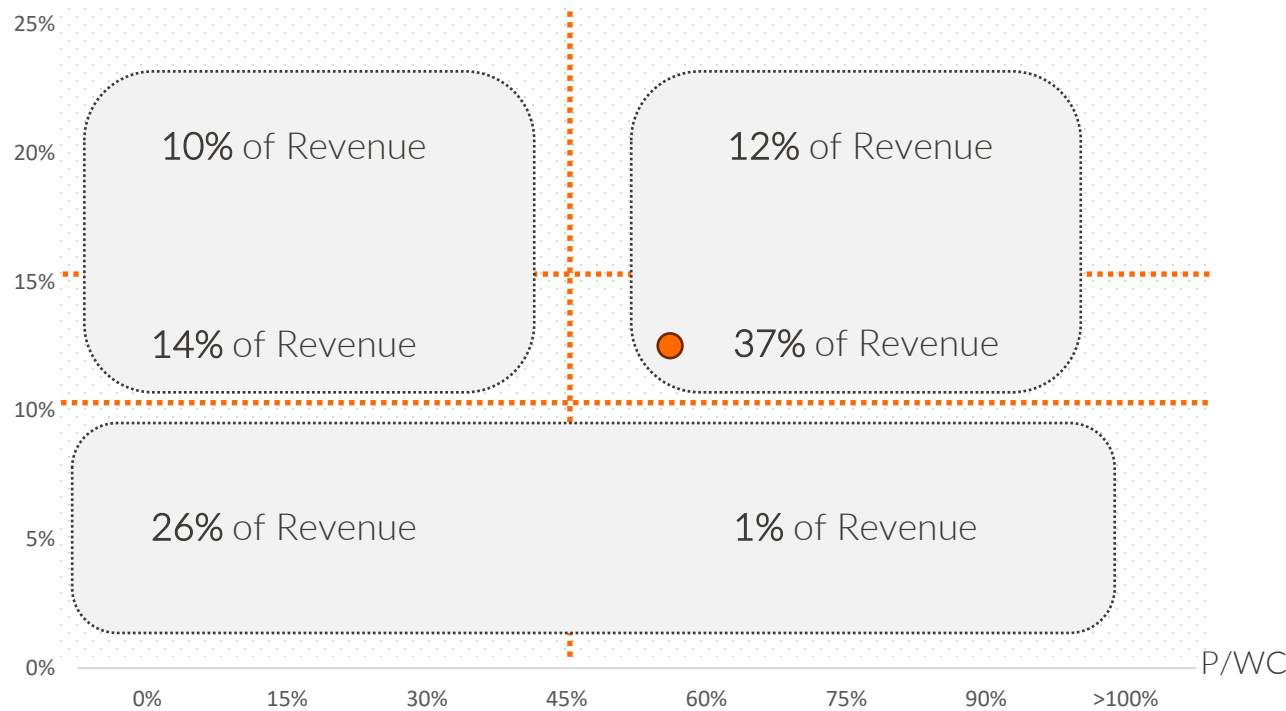
- Different focus dependent on financial performance in individual companies

\* PEX = Profit Expansion, i.e. EBITA growth



# Performance matrix

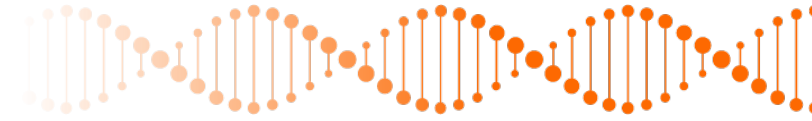
EBITA-margin



● AddLife Group R12 Q2 2023

- Companies representing share of revenue;
- ~25% focus on EBITA-margin
- ~25% focus on working capital
- ~50% focus on profit expansion
- Company specific incentives connected to this

\* PEX = Profit Expansion, i.e. EBITA growth



# Performance Management

Peter Simonsbacka, CCO AddLife



## Business approach

### Clear Financial Targets

- Profit Growth – PEX 15%
- Profitability – P/WC > 45%
- Performance matrix



## Business approach

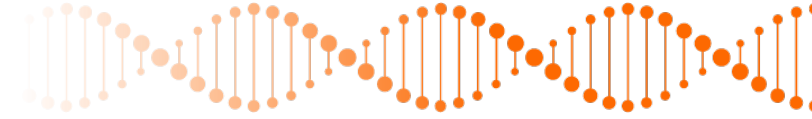
### Clear Financial Targets

- Profit Growth – PEX 15%
- Profitability – P/WC > 45%
- Performance matrix

### Development





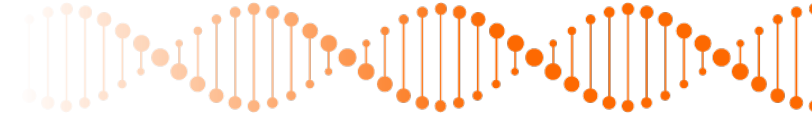


## Business approach

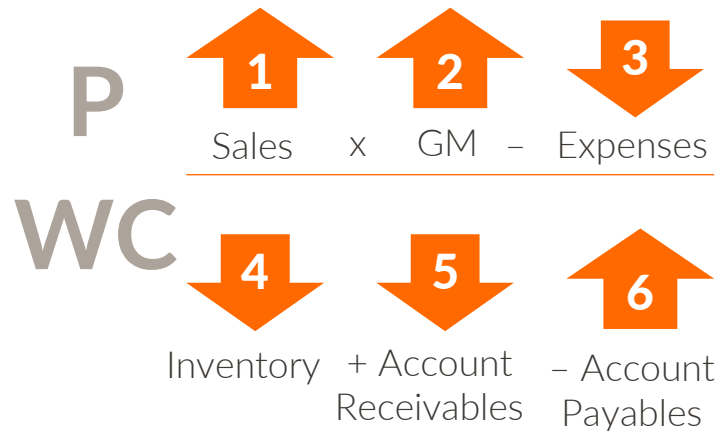
### AddLife Academy

- Vision & Corporate Philosophy
- AddLife Toolbox – Profitability and Business Analysis
- Sales training
- Soft selling
- Leadership training





# The art of optimising six parameters



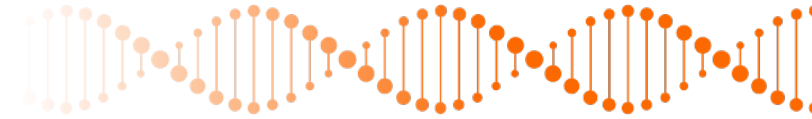
Optimisation  
is key!

## Influence profit

1. Increase sales. Sell more!
2. Increase gross margin  
Increase the prices and lower the purchase prices
3. Lower expenses. Be more cost efficient!

## Influence working capital

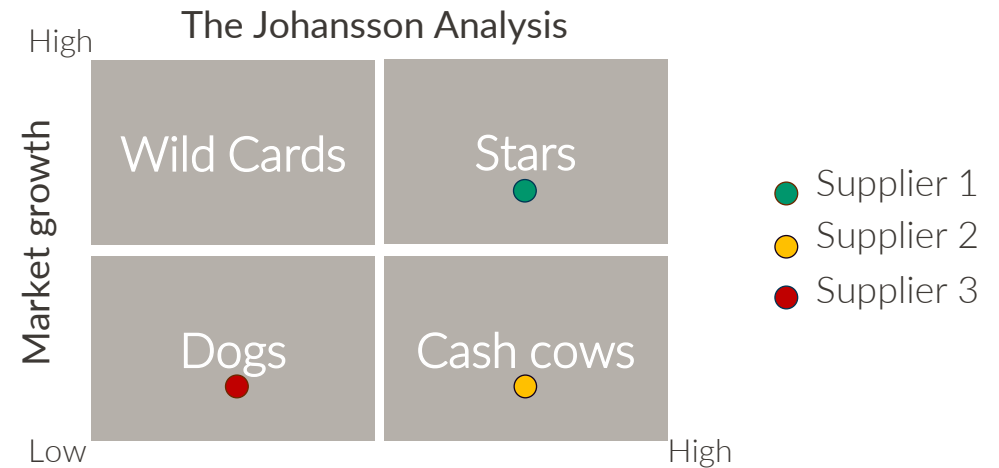
4. Increase inventory turnover  
– Reduce inventory!
5. Reduce credit period to customers  
– Make sure they pay on time!
6. Increase credit period for accounts payable  
– Negotiate with your suppliers!



# Johansson Analysis – profitability and business analysis

Johansson analysis is used for:

1. Tail cutting (low profit business)
2. Capital allocation
3. Profit improvement
4. Business planning



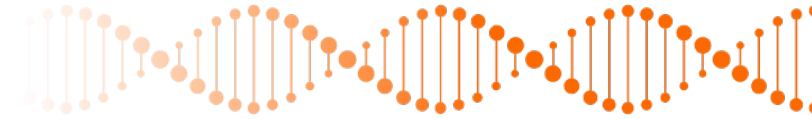
## P/WC-Analysis

Company Example company

Dimension	Sales	GM	GP	Cost	Profit
Supplier no 1	5 000	32%	1 600	720	880
Supplier no 2	10 000	30%	3 000	1 530	1 470
Supplier no 3	6 000	17%	1 000	1 350	- 350
Product Category 1				-	-
Product category 2				-	-
Customer 1				-	-
Customer 2				-	-
<b>TOTAL</b>	<b>21 000</b>	<b>27%</b>	<b>5 600</b>	<b>3 600</b>	<b>2 000</b>

Inventory	Account-Recievable	Account-Payable	WC
1 250	514	524	1 240
3 000	1 027	719	3 308
2 000	616	514	2 103
	-		
	-		
	-		
	-		
<b>6 250</b>	<b>2 158</b>	<b>1 846</b>	<b>6 562</b>

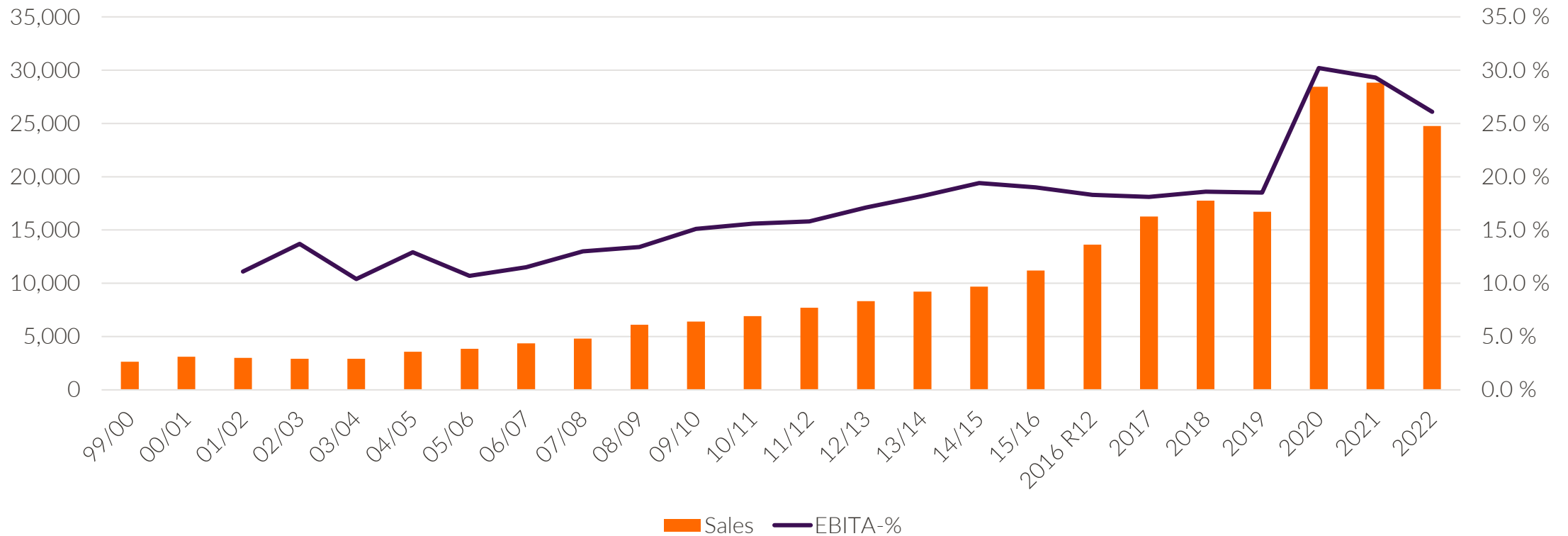
P/WC
71%
44%
-17%
<b>30%</b>

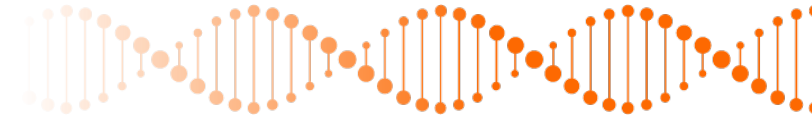


# Strong development

**481%**  
P/WC 2022

Triolab Oy Sales and EBITA %

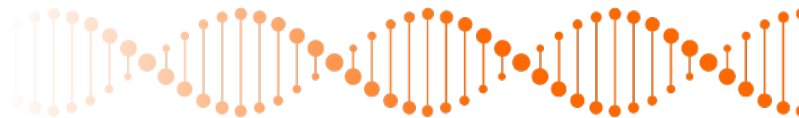




## Case study Biolin Scientific

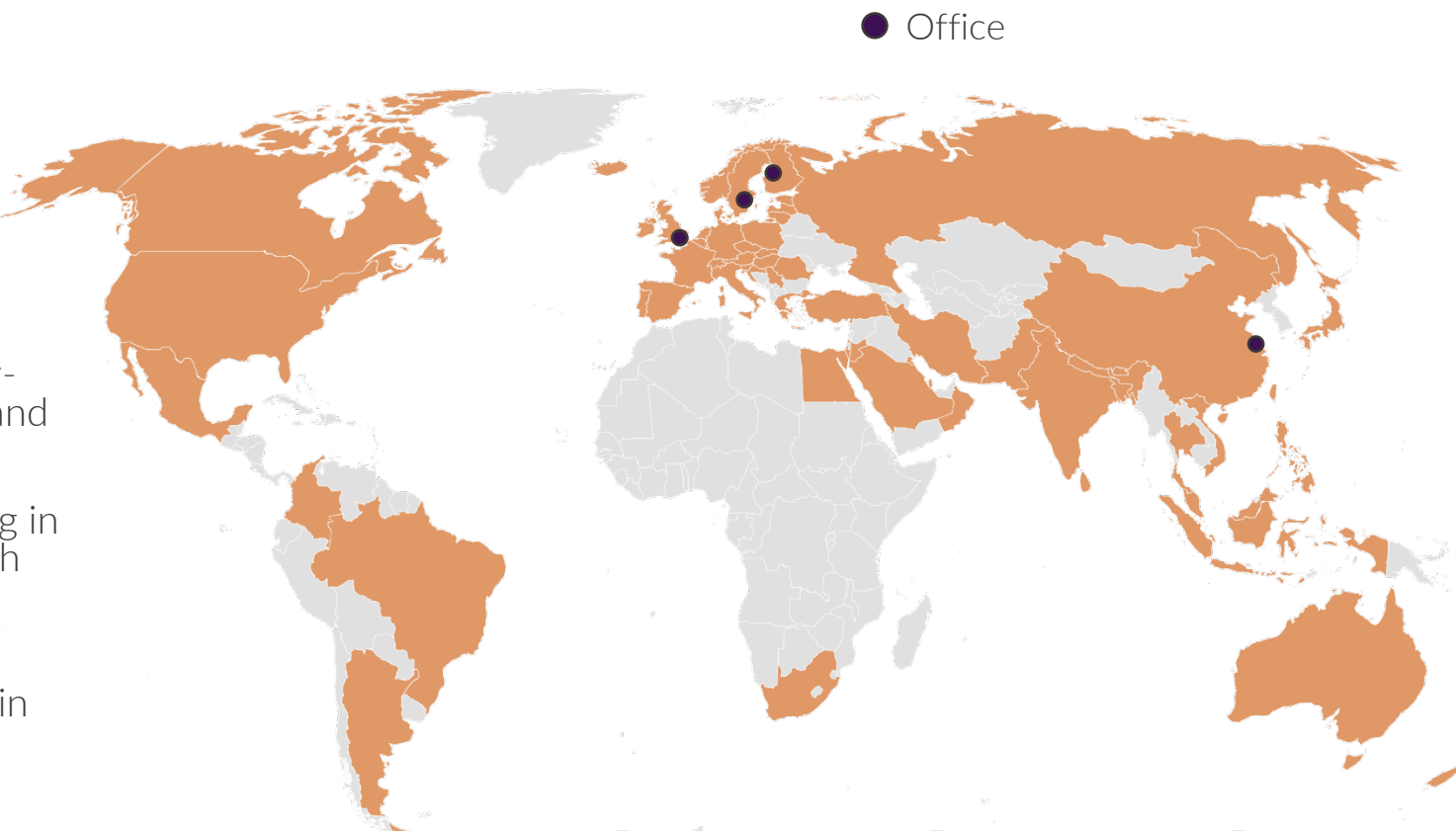
Karin Fischer, CEO Biolin Scientific

Mattias Bengtsson, Business Unit Manager Biomedical & Research



# Biolin Scientific

- Worldwide company providing state of the art application solutions for scientists and product developers in surface science
- **Offering:** A broad portfolio of instruments and know-how. Develop and manufacture in Sweden and Finland
- **Market:** Strong footprint in the academy and growing in the industry. Several high-tech application fields such as biotech and pharma
- **Unique Selling Points:** Global market leader position in surface science
- **Strategic priorities:**
  - ✓ Attension – New products and M&A initiatives
  - ✓ QSense – New products and market development
  - ✓ APAC – Increased focus



60

EMPLOYEES

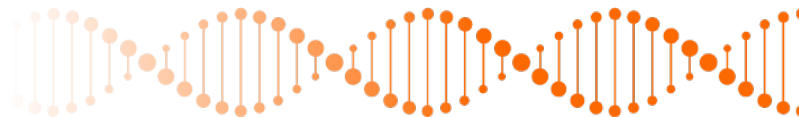
140

SEKm Revenue

2016

PART OF  
ADDLIFE



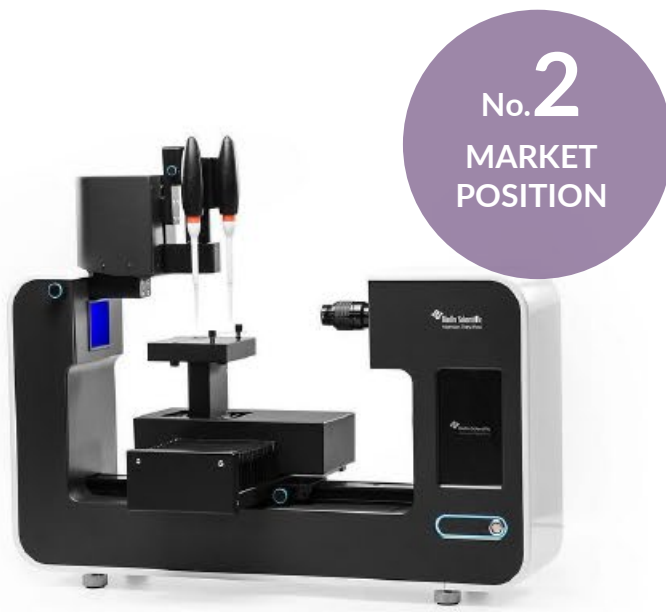


# World-leading Surface Science Instruments



## QSense<sup>®</sup>

The pioneers of QCM-D technology. A premium solution for nanoscale tracking at surfaces and interfaces.



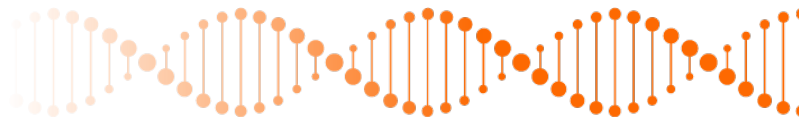
## Attension<sup>®</sup>

Intuitive tensiometer solutions. Easy to use, highly flexibility and with unrivalled automation options.



## KSV NIMA

High-end tools to create and define thin films with controlled packing density.



# Application overview



Biotechnology/  
Medical Devices



Energy



Pharmaceutical



Food & Beverages



Chemicals



Coatings



Environmental



Oil & Gas



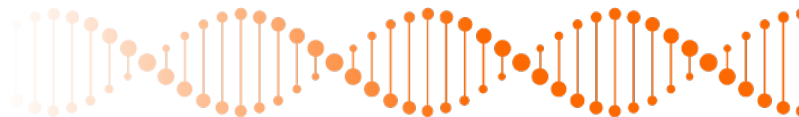
Paper &  
Boards



Electronics



Surfactants  
/Cleaning



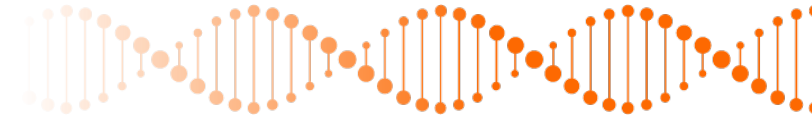
# Experience and Customers



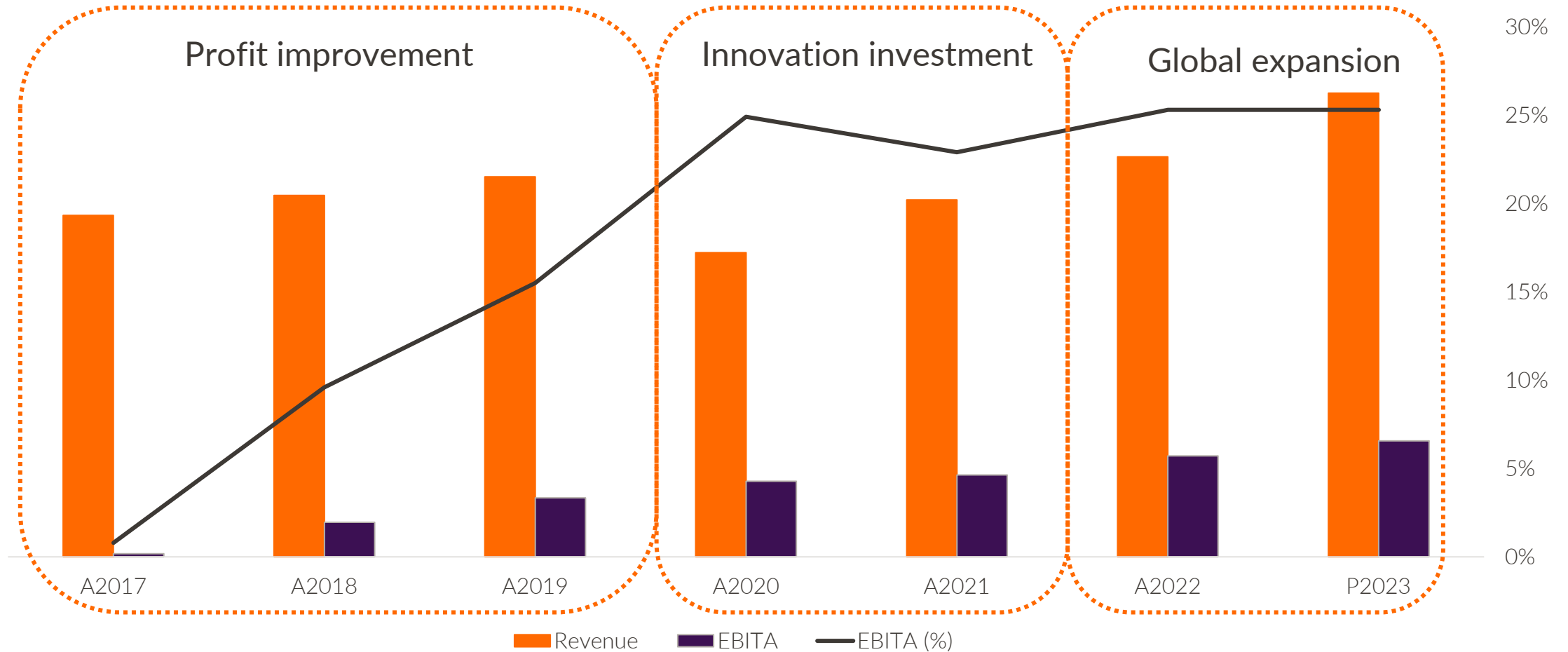


## Biolin Scientific – part of AddLife

- Assessment:
  - Focus on AddLife financial KPI's
- New strategy – Long term growth:
  - Focus on Industrial customers
    - Product development → More user-friendly instruments / Increased level of automation
    - One design guideline → A “design DNA” for all three product families
    - Industrial Applications → Commercially driven concepts and selling arguments



# Biolin Scientific – on its way...

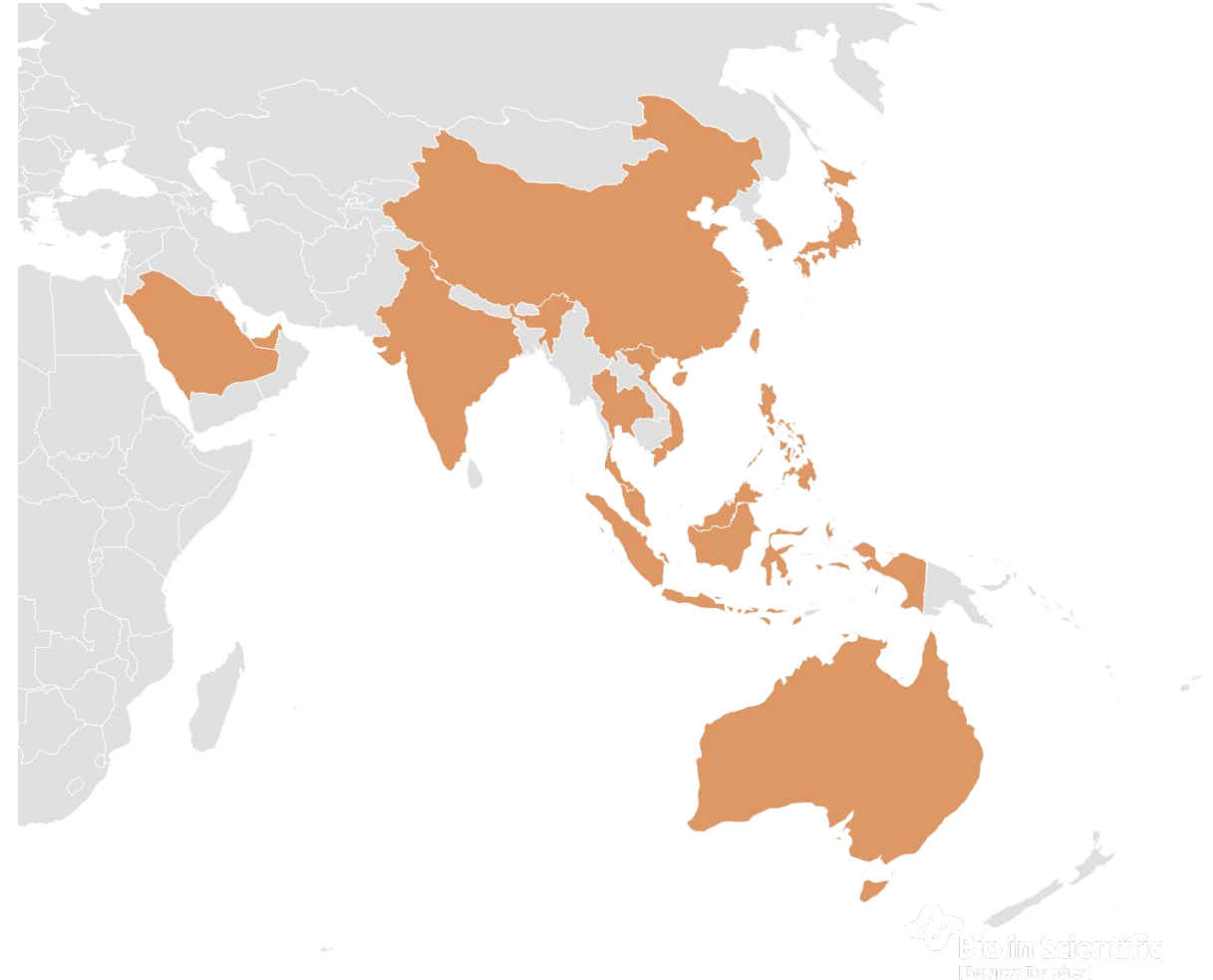


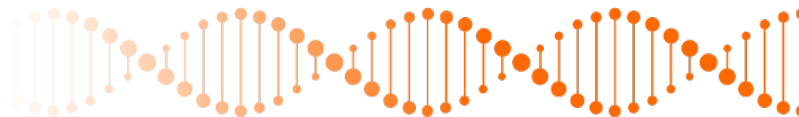


## Biolin Scientific – strategic execution 2024 - 2026

*Overall objective – increase Biolin’s footprint in the industry segment and strategic application areas globally*

- APAC - make relevant investments to accelerate the market penetration
- Key markets; China, Japan, Singapore and Taiwan
- Broaden the partnership with the Swiss company DKSH





Strategic execution 2024–2026

## Strengthen Attension market leading position

- Leading position with 40% market share
- Premium products, and we are well established in the academy- and industry segment
- Aim: broaden the portfolio through organic growth and acquisitions to become a complete supplier within the tensiometer field
- The company's portfolio are uniquely easy to use has received several design awards

### THE ATTENSION PORTFOLIO

Theta Lite



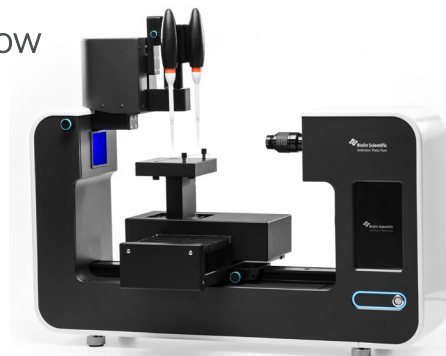
Precise entry level optical tensiometer

Theta Flex



Versatile optical tensiometer

Theta Flow



Premium optical tensiometer





Strategic execution 2024–2026

## How to grow the industry segment for the QSense portfolio

- The Attension business is well established in the industry business – good synergies for the QSense business
- Strong track record in the academy sector and extensive network within the R&D community
- Global infrastructure in place to penetrate the industry segment globally
- The launch of QSense Omni will meet the industry customer requests in strategic application fields



2002



2008

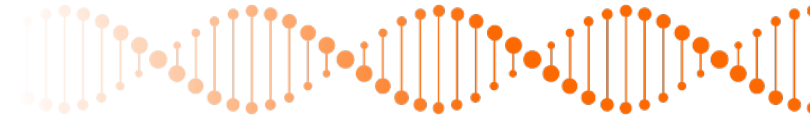


### Launch of QSense Omni



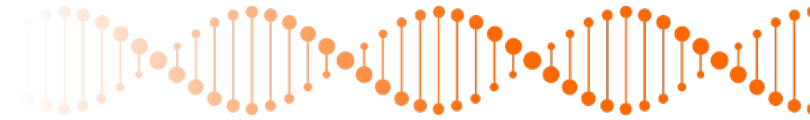
2023

*“QSense Omni  
provides ease of use,  
reliable and  
reproducible results”*



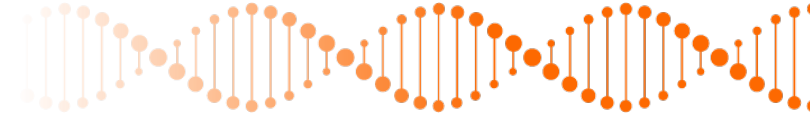
<https://www.add.life/cmd2023>

Q&A

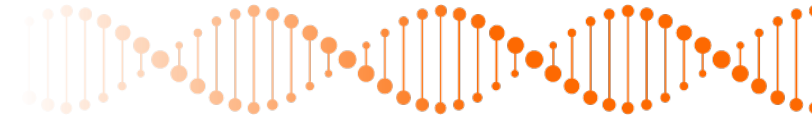


Break





Panel discussion - AddLife as an active owner



# AddLife as an owner

AddLife Academy

Support

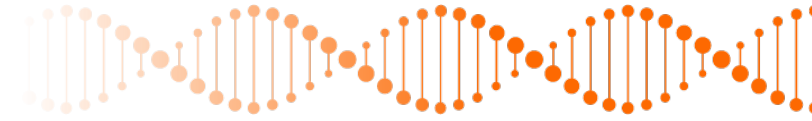
Industry knowledge

Board appointments

Long term investment perspective

Business analysis





# Case study MBA

Carlos Pinto, MBA CEO

# MBA SURGICAL EMPOWERMENT

Leading distribution company within medical and surgical technology, improving the quality of patients' lives

- **Offering:** Distribution of medical-surgical technology in Spain and Portugal
- **Market:** Private and public hospitals
- **Unique Selling Points:**
  - ✓ Innovative and complete solutions where we can make the difference by adding value.
  - ✓ Taking care of our staff, ensuring a superior customer
- **Strategic priorities:**
  - ✓ Strategy on differentiation (service, marketing, promotion)
  - ✓ High value segments



● Office



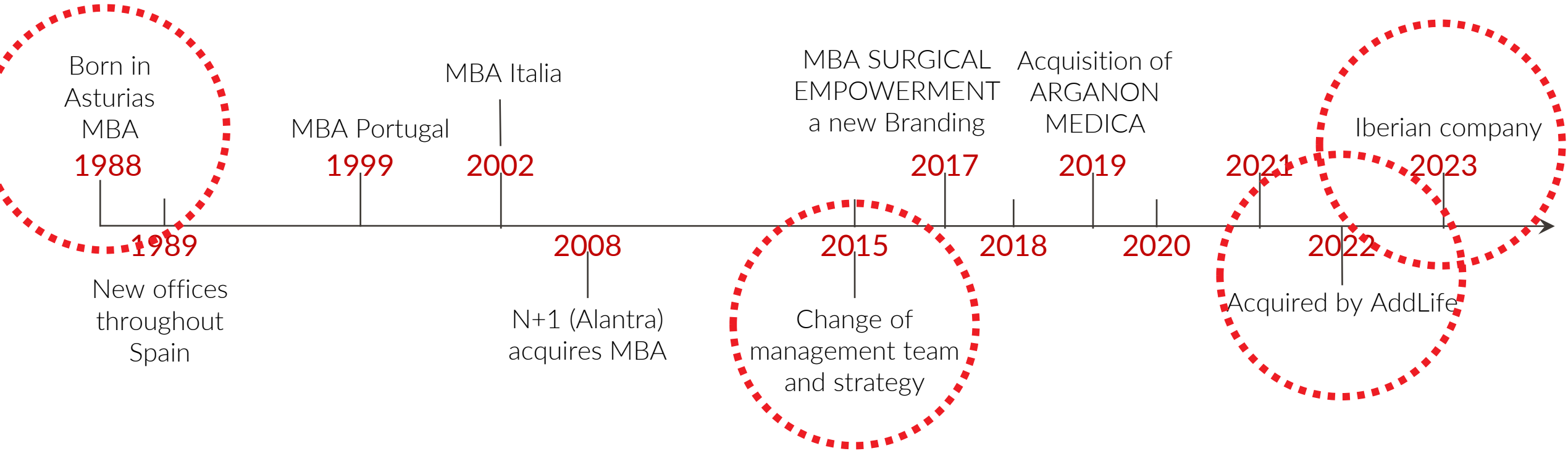
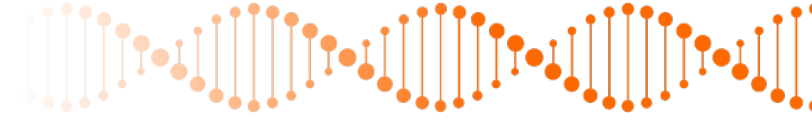
**280**  
EMPLOYEES

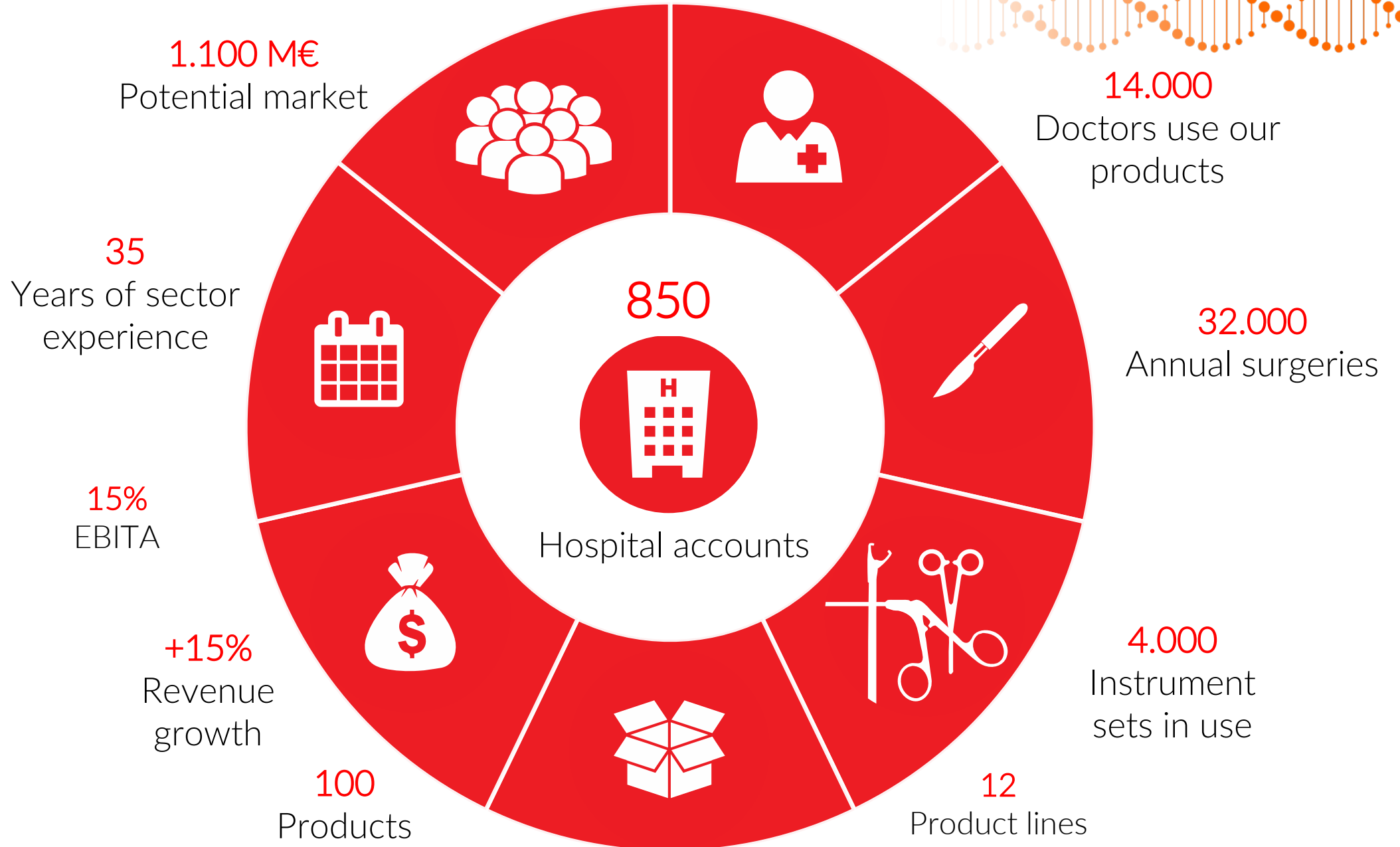
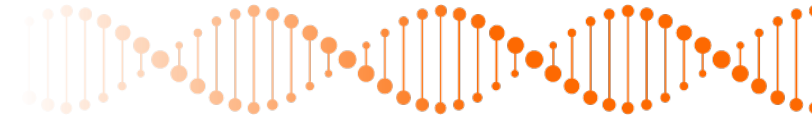
**718**  
SEKm REVENUE  
2022

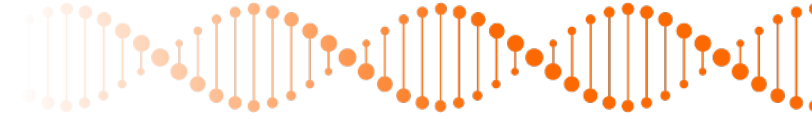
**2022**  
PART OF  
ADDLIFE
















# Solutions to different types of pathologies

- Thanks to our distribution agreements with the **main brands in the sector**, we have a wide range of solutions that allow us to cover the full spectrum of specific specialties and adequate our solutions and service to their needs.

## NEURO – SPINE PAEDIATRIC ORTOPAEDY BIOLOGICS

### ORTHOPAEDIC & TRAUMA

-  IMPLANTS RECON
-  COMPLEX RECON
-  TRAUMA
-  BIOLOGICS

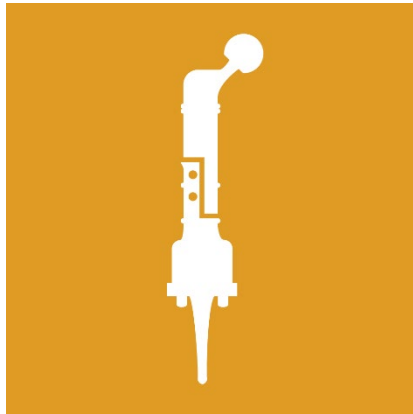
-  SPINE
-  NEURO SURGERY
-  PAEDIATRIC ORTHOPAEDY
-  BIOLOGICS

### ANAESTHESIA & SURGERY

-  ANESTHESIA
-  SURGERY
-  BIOLOGICS



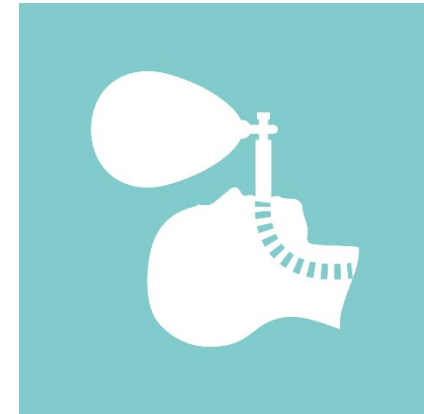
## Market leader in selected segments



COMPLEX  
RECON



PAEDIATRIC  
ORTHOPAEDY



ANESTHESIA



# Establishing two new divisions

- With Addlife, we have been able to increase our ability to onboard differentiated technology, as an important European partner and through synergies among the group.

## DIAGNOSTIC



ENDOSCOPY, EXOSCOPY, AI MAPING,  
NAVIGATION & PLANNING

## ONCOLOGY



RADIOSURGERY



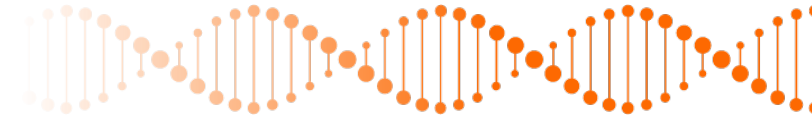
RADIOTHERAPY





# Four pillars make our success





# Current priorities and actions



TALENT

TRAINING

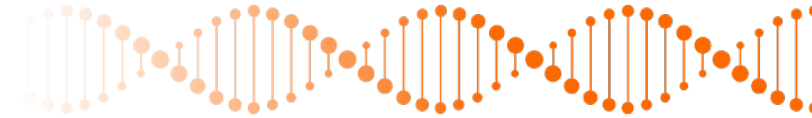
CUSTOMERS

SCIENTIFIC DEVELOPMENT

- People, our priority.
- Our experience, knowledge and attention to offer the best care.
- The **best Talent** committed with our core values.
- The best **Education program** to the staff, with Addlife access to a top Learning Management System – SANA.







# Current priorities and actions



TALENT

TRAINING

CUSTOMERS

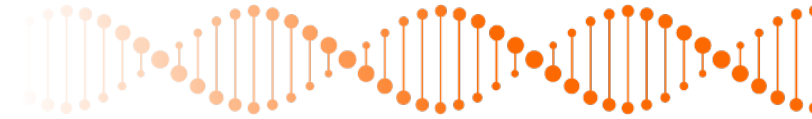
SCIENTIFIC DEVELOPMENT

- Training is a **key element** in achieving success.
- More than **1,500 professionals** adhere each year to our courses, seminars and workshops.

**MBA<sup>®</sup> Doc2ood**

**MEDICAL  
EDUCATION**  
by **MBA INSTITUTE**

**MBA<sup>®</sup> ON AIR**



# Current priorities and actions



TALENT

TRAINING

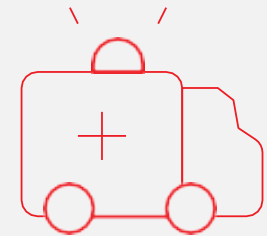
CUSTOMERS

SCIENTIFIC DEVELOPMENT

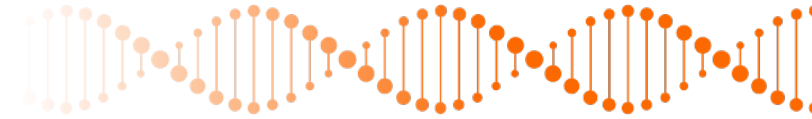
- Top level service considered by 80% of clients.
- Average 95.2% of full order delivery within 24 hours.
- 75% of our clients, value our accessibility/availability as outstanding.



TOP LEVEL SERVICE



URGENT ORDERS  
DELIVERED WITHIN  
4 HOURS



## Current priorities and actions



TALENT

TRAINING

CUSTOMERS

SCIENTIFIC DEVELOPMENT

- MBA INSTITUTE was founded in 2010
- Long-term collaboration with surgeons within clinical and scientific research
- MBA INSTITUTE is always committed with training and development of health professionals



# Scientific development

## MBA<sup>®</sup> INSTITUTE

### Research

Oral papers	<b>63</b>
Journal articles	<b>31</b>
Posters	<b>16</b>
Study groups	<b>10</b>
PhD dissertations, final master's projects, final degree projects	<b>4</b>

### Research support

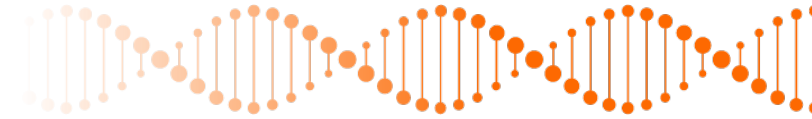
Statistical analyses	<b>150</b>
Presentations	<b>94</b>
Clinical translations	<b>61</b>
Databases	<b>34</b>
Illustrations	<b>25</b>

### Popularization of knowledge

MBA Institute newsletters	<b>33</b>
Books or chapters	<b>5</b>
Blog entries	<b>18</b>
University chair	<b>1</b>

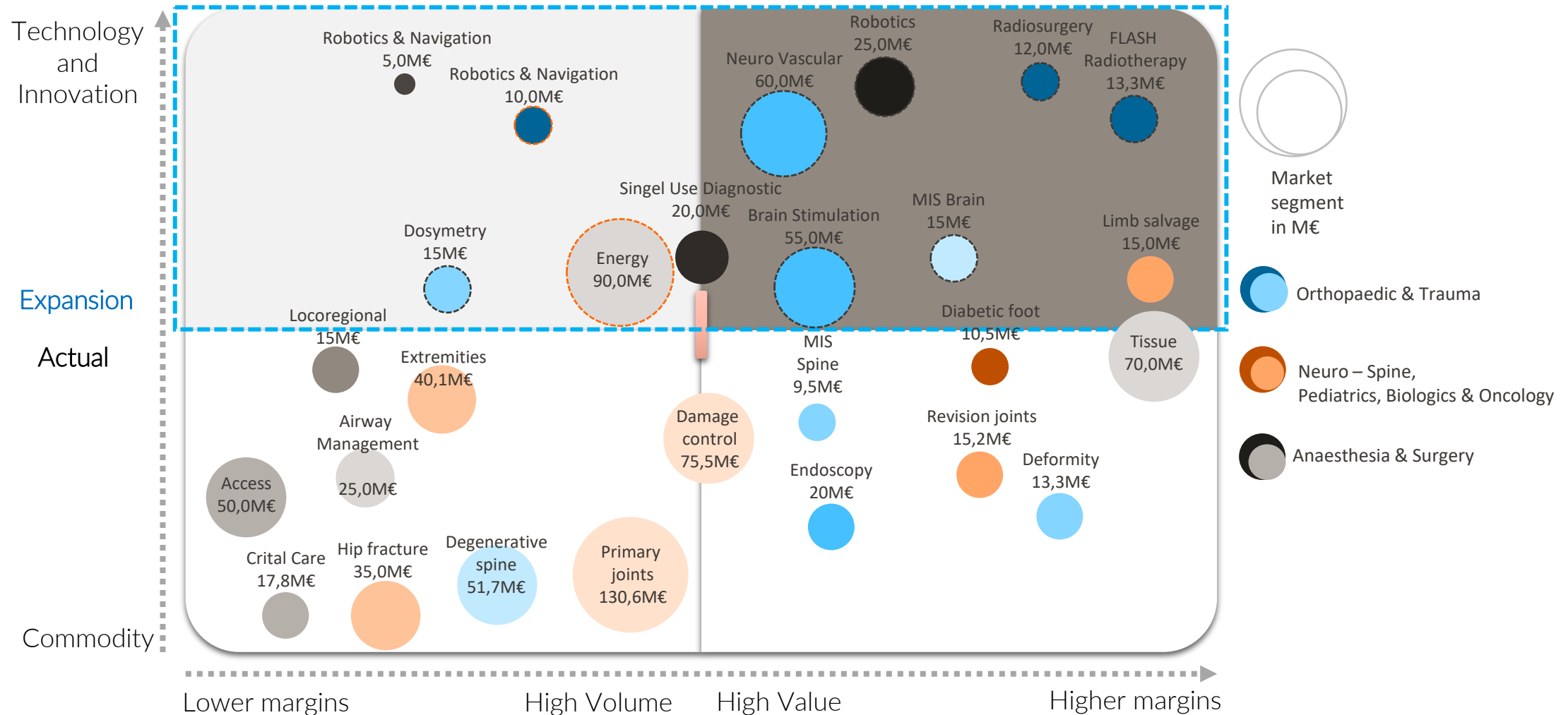
### Others

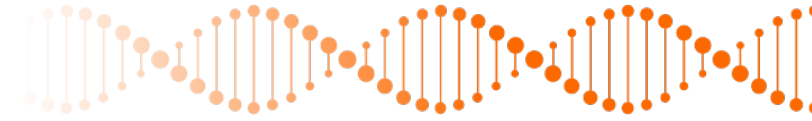
Internally - developed patent - protected technologies	<b>2</b>
Regional projects	<b>9</b>
European projects	<b>2</b>



# High level strategy- Value Driven

To be a leader provider in the South European healthcare market





# Elective surgery market recovery and post pandemic needs

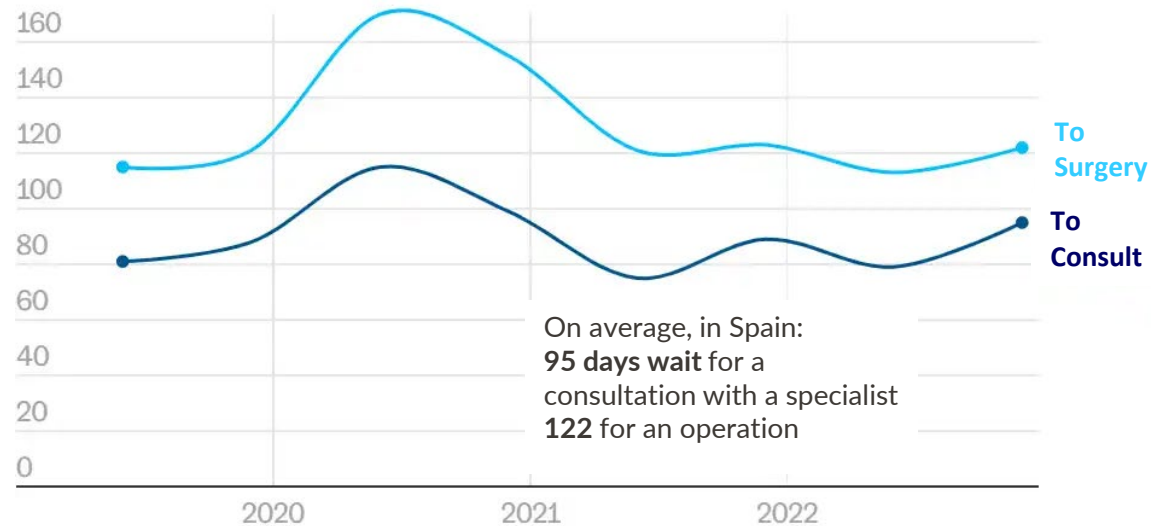
- In 2023 the Elective surgery it's recovering to previous 2019 levels

Orthopedic is the specialty that accumulates the most patients waiting for an operation (190,990).

## Average waiting time

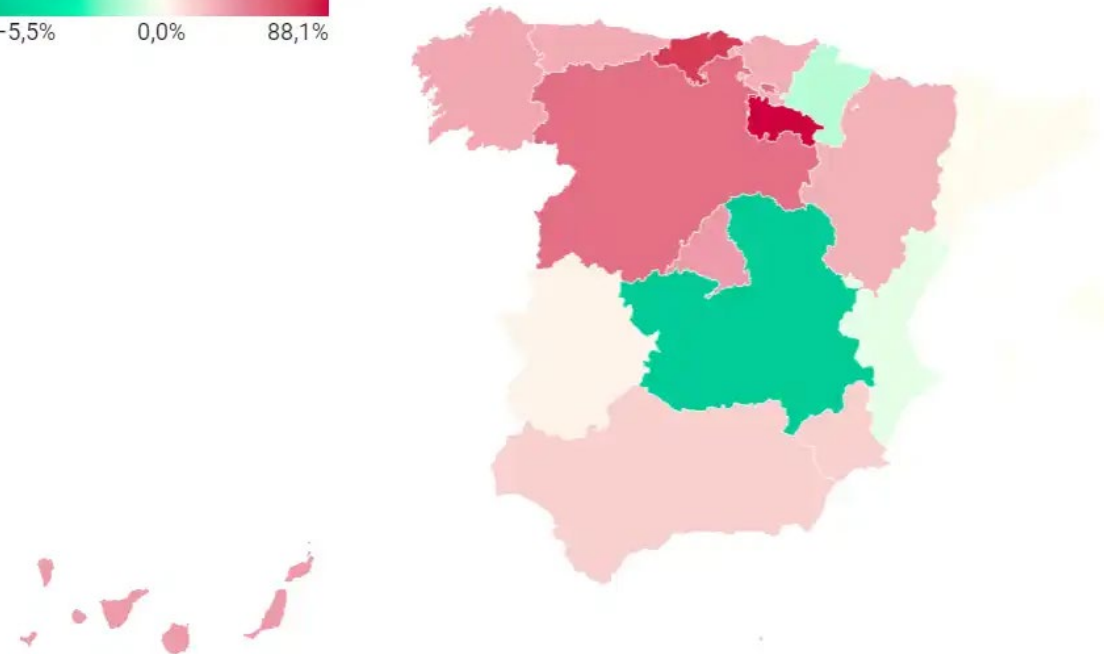
In days

En días



- In Spain the autonomic communities have the competence in health

% Patients on the surgical waiting list per 1,000 in habitants.

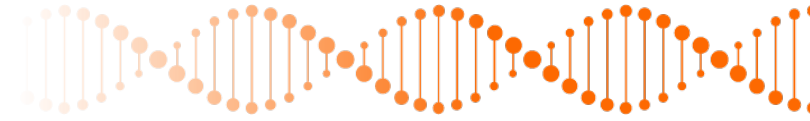


**THANK YOU**

**MBA<sup>®</sup>**  
**SURGICAL EMPOWERMENT**

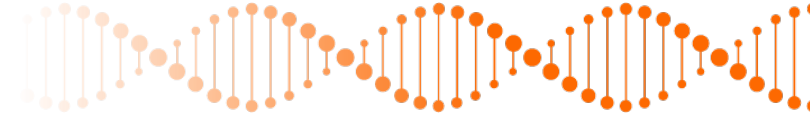
[www.mba.eu](http://www.mba.eu)





# Future strategy

Fredrik Dalborg, CEO AddLife



# Starting point for the strategic direction

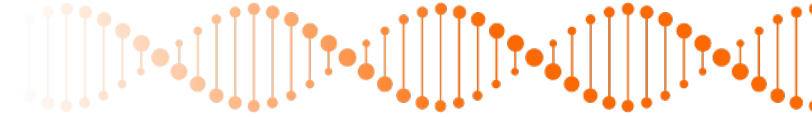
## A stronger AddLife

- Broader and stronger business
- Unique European coverage
- Significant growth opportunities



**Dedicated, experienced and energetic team!**








# Market trends and implications

## MARKET TRENDS - CURRENT AND EXPECTED

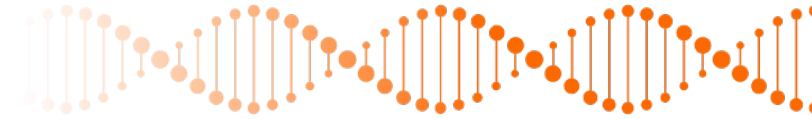
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-  Post pandemic environment  
Elective surgery recovering
-  Staffing shortage, healthcare capacity constraints
-  Healthcare systems back to normal budgets

## IMPLICATIONS FOR ADDLIFE

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- ➔ Increased number of surgical procedures
- ➔ Increased demand for time/resource saving products and services
- ➔ Value and productivity selling



# Competitive situation creates opportunities

PROFILE	GLOBAL PRODUCT COMPANIES	MULTINATIONAL DISTRIBUTORS	SMALLER LOCAL DISTRIBUTORS
DESCRIPTION	<ul style="list-style-type: none"> <li>• Develop &amp; manufacture products</li> <li>• Mixed go-to-market strategies - direct and distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisitions part of growth strategy</li> <li>• None with full European coverage or Medtech – Labtech combination</li> </ul>	<ul style="list-style-type: none"> <li>• Large number of local distributors</li> <li>• Often owner operated</li> </ul>
RELATION	COMPETITOR AND/OR SUPPLIER	COMPETITOR (AddLife’s profile group)	COMPETITOR/ POTENTIAL ACQUISITION TARGETS
CURRENT TRENDS	<ul style="list-style-type: none"> <li>• Focus shifted to core portfolios, profits instead of market share</li> <li>• Updating go-to-market strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Ambition to expand into higher margin segments</li> <li>• Ownership changes expected</li> </ul>	<ul style="list-style-type: none"> <li>• Capital requirements</li> <li>• Regulatory environment</li> <li>• Limitations in succession, talent and business development</li> </ul>
OPPORTUNITIES FOR ADDLIFE	<ul style="list-style-type: none"> <li>• Take market share</li> <li>• New product portfolios</li> </ul>	<ul style="list-style-type: none"> <li>• Distracted competition</li> </ul>	<ul style="list-style-type: none"> <li>• Take market share</li> <li>• Acquisition potential</li> </ul>



## Risks and mitigation

### CHALLENGES/RISKS

Losing suppliers

Budget constraints, reimbursement changes

Acquisition risk

Failing to react to market trends

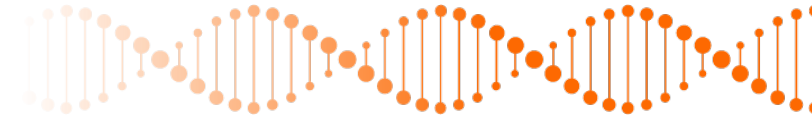
### MITIGATION

Diversifying, strong service, contingency plans

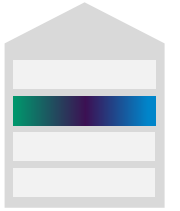
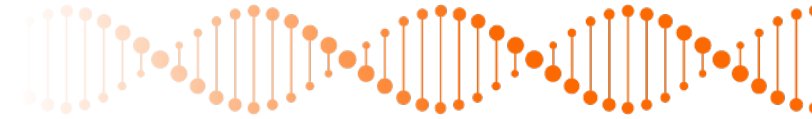
Value adding service, evolution of product portfolio

Selective acquisitions based on market knowledge, active ownership

Strong culture and decentralised leadership  
– ability to manage changes in the market







STRATEGIC DIRECTION

## LEAD THE MARKET



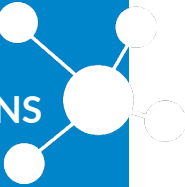
- Create value and build positions in selected niches
- Be qualified suppliers and advisors to our customers in selected areas
- Build sales based on close relationships with customers, manufacturers and suppliers and the delivery of market-leading products

## BE AGILE AND MOBILE



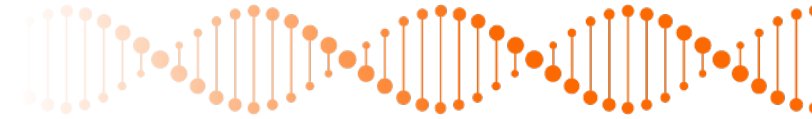
- Our subsidiaries should be flexible and agile so they can seize new business opportunities
- We develop the business through active ownership and board work

## GROW THROUGH ACQUISITIONS



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





STRATEGIC INITIATIVES

EUROPEAN COVERAGE 

- Leverage position as a European partner to suppliers and customers

DIGITAL SOLUTIONS 

- Digital solutions offering
- Digital sales and tools for internal efficiency

VALUE SELLING (PRODUCTIVITY) 

- Support health providers to perform more and improved procedures with available resource

SERVICE OFFERING 

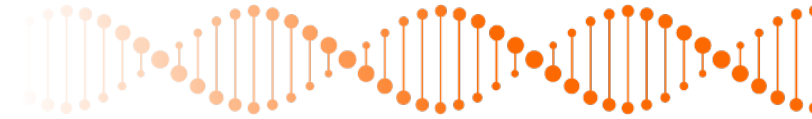
- Increase service offering to strengthen customer relationships, differentiation and pricing power

OWN PRODUCTS 

- Potential for current and new own products to be sold through our growing market channels

ACQUISITIONS IN SELECTED SEGMENTS 

- Selected segments and criteria, engaging the company network



## European coverage creating growth opportunities

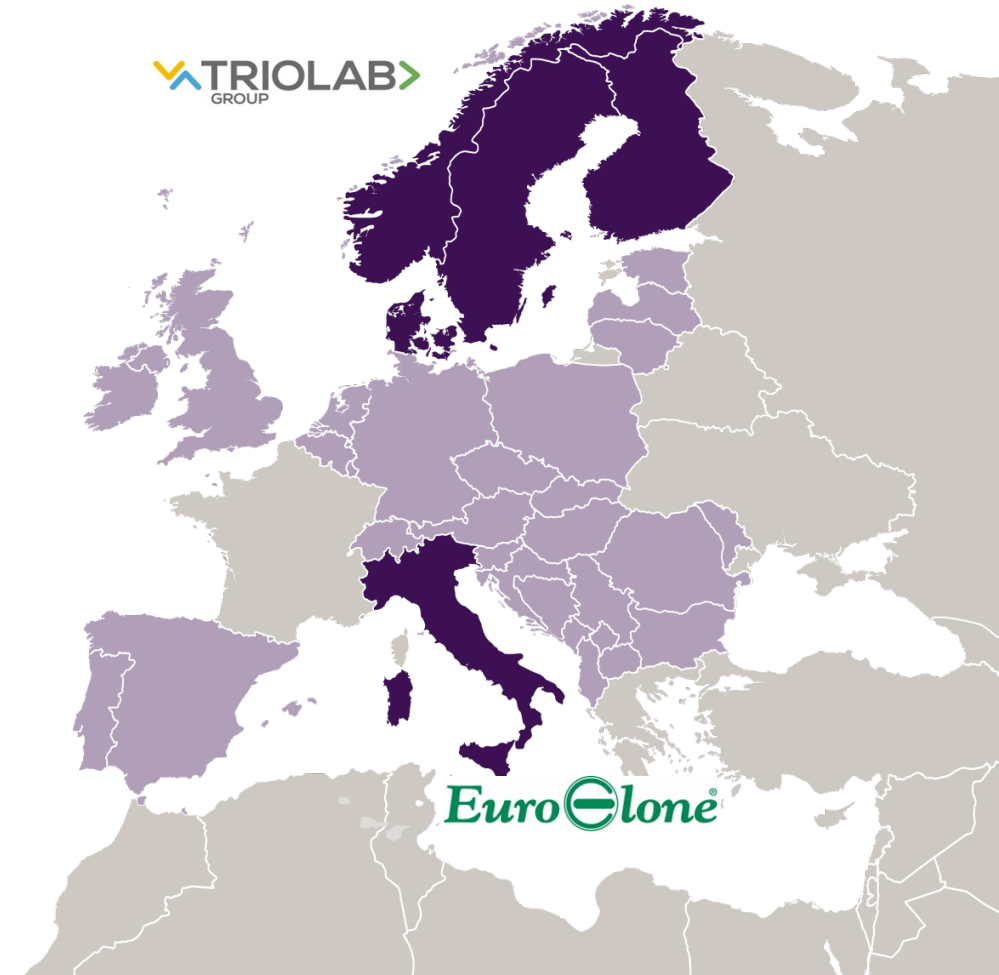
CASE STUDY

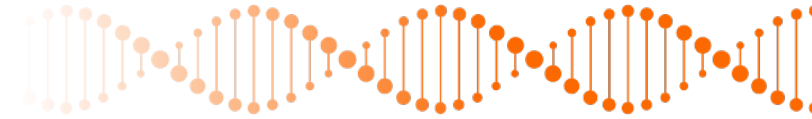
MGI

- **Territories:** Italy, Sweden, Finland, Denmark, Norway
- **Business Unit:** Biomedical & Research
- **Products:** Industry leading DNA sequencing instruments, reagents and related products
- **Collaboration:** Euroclone (Italy) signed a multi-year distribution contract with MGI. Collaboration has been expanded to include Triolab in the Nordics
- **Trend:** Gene sequencing products are used for research, but also increasingly in clinical diagnostic use

TRIOLAB  
GROUP

EuroClone





## European coverage creating growth opportunities

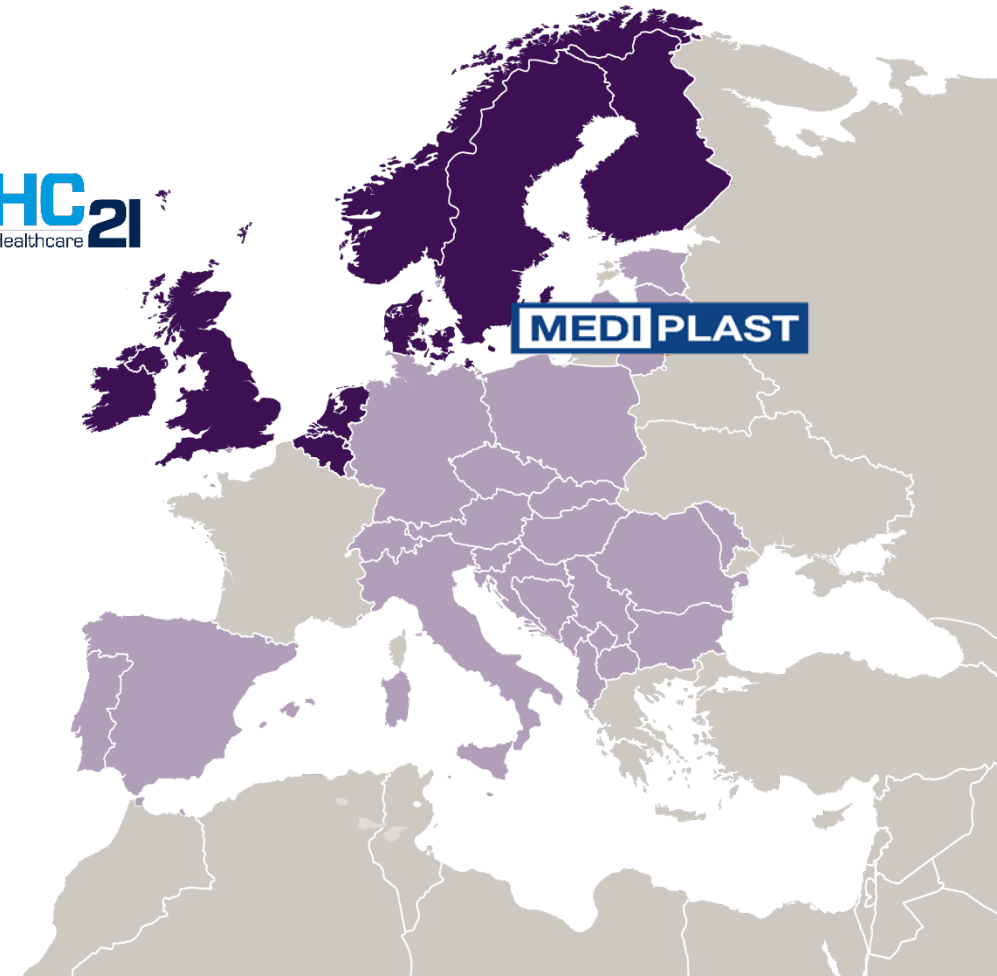
### CASE STUDY

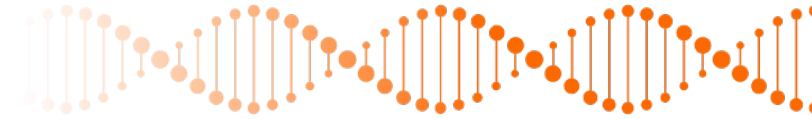
 angiodynamics

- **Territories:** UK, Ireland, Sweden, Finland, Denmark, Norway, Benelux
- **Business Unit:** Hospital
- **Products:** Industry leading provider of oncology, endovascular therapy and vascular access products
- **Collaboration:** Building on the success of a multi-year distribution agreement between HC21 and Angiodynamics, the collaboration has been expanded to include Mediplast
- **Trend:** Increased demand for minimally invasive therapies


**HC21**  
Healthcare

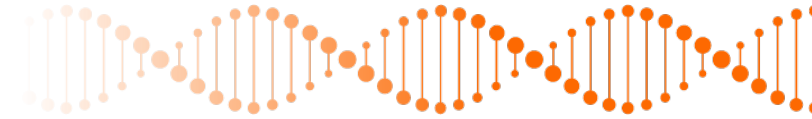
**MEDI PLAST**




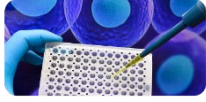



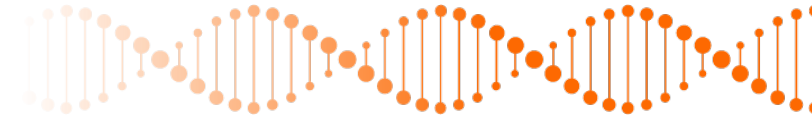
# Prioritised growth segments in Diagnostics

	Prioritised segment	Share of AddLife's sales H1 2023	Expected margins	Addressable Market (USDm)	Market CAGR 2023-2028	Description & rationale
	Microbiology	2%	>12%	5 300	13.6%	New technologies are appearing.
	Molecular diagnostics & genetic testing	4%	>12%	35 400	7.7%	New technologies are appearing and new markets opening towards PoC.
	Immunology	2%	>12%	1 300	8.2%	Growing segments, e.g., allergy, autoimmunity & infection serology.
	Cytology & pathology	2%	>12%	5 300	10.4%	Digital pathology is the key driver for segment expansion.
	POC (Point of Care)	5%	10-12%	15 200	10.2%	Growing market with new technology and fragmented competition.









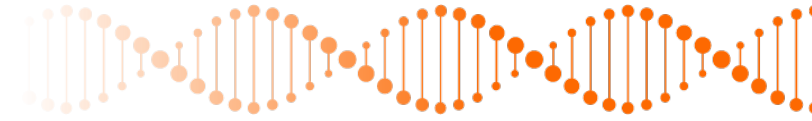
# Prioritised growth segments in Biomedical & Research

		Prioritised segment	Share of AddLife's sales H1 2023	Expected margins	Addressable Market (USDm)	Market CAGR 2023-2028	Description & rationale
BIOMEDICAL & RESEARCH		Molecular biology	3%	>12%	22 800	8,7%	New technologies are market drivers.
		Cell biology & culturing	1%	10-12%	9 300	11,8%	Biotech research is growing.
		Advanced instruments for laboratory analysis	3%	10-12%	6 200	13,3%	Advanced niche applications which often supports sales of reagents (instrument values >10 KEUR).





# Prioritised growth segments in Hospital

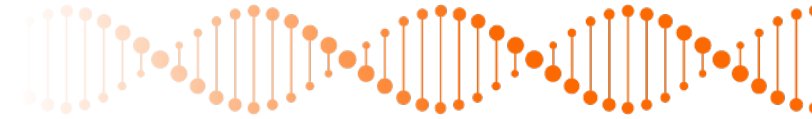
		Share of AddLife's sales H1 2023	Expected margins	Addressable Market (USDm)	Market CAGR 2023-2028	Description & rationale
HOSPITAL	 Surgery	10%	>10%	9 700	6.7%	High demand, interesting sub-segments, e.g., ENT (own products) or bariatric surgery.
	 Orthopaedic surgery	9%	>10%	4 600	8.2%	High margins and growth, opportunities for geographical expansion.
	 Interventional radiology	2%	>10%	103 400	8.4%	Part of fast-growing minimal invasive surgery.
	 Endoscopy	3%	>10%	8 000	5.3%	High growth segment.
	 Ophthalmology	8%	>10%	20 600	4.3%	Growing demand, unique AddLife platform.
	 Hospital consumables	6%	8-10%	9 200	4.2%	Opportunities with own products in existing channels, adding stable volumes to business.



# Prioritised growth segments in Homecare

		Prioritised segment	Share of AddLife's sales H1 2023	Expected margins	Addressable Market (USDm)	Market CAGR 2023-2028	Description & rationale
HOME CARE		Construction	1%	6-8%	1 400	11.6%	Demographic changes is a market driver for increased need for accessible bathrooms and kitchens
		Welfare technology	2%	8-10%	3 600	11.8%*	New digital technologies, high growth and potential in selected geographical markets





## Acquisition criteria



### Company

- Established well-managed businesses
- Key individuals should be dedicated to staying on after acquisition
- Well aligned with our culture



### Product offering

- Focused companies operating in our prioritized segments
- Value added distributor of advanced products with a strong service component
- Recurring business from a loyal customer base



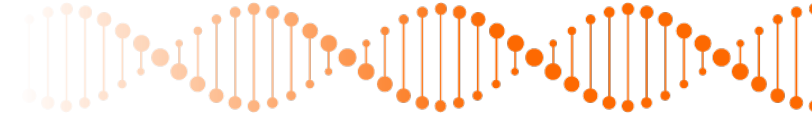
### Financials

- Preferred size of <50 MEUR (turnover), sweet spot <20 MEUR
- Stable profitable history
- EBITA >12%
- Strong cash-flow generation



### Geographical footprint

- European markets
- Ambition to strengthen footprint in some geographies, for example Germany, Switzerland and Italy



# Acquisition targets - Entrepreneurial SMEs

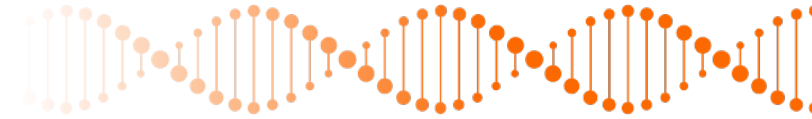
*Benefits for both targets and investors*

## ATTRACTIVE ACQUISITION TARGETS

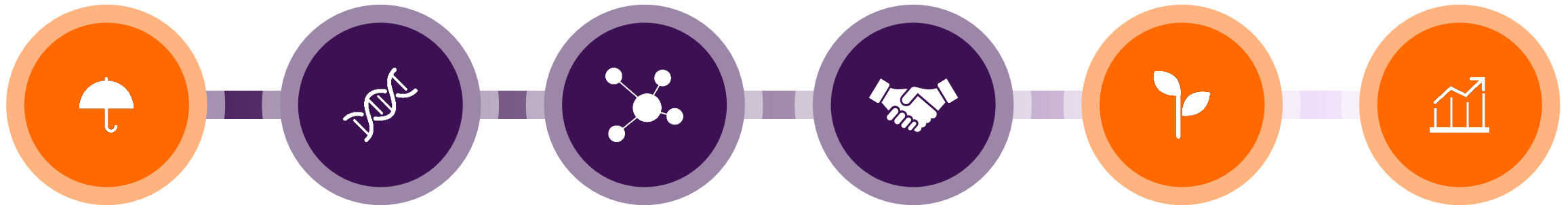
- Proven businesses: Profitable, fast growing and customer focused
- Low valuation multiples
- Large pool of opportunities  
95% of 34,000 European sector companies are SMEs

## ADDLIFE HAS UNIQUE ACCESS

- Ability to identify and assess through industry network, segment and geographic expertise
- Significant experience in small and mid-size company acquisitions in Life Science markets
- Attractive acquirer based on decentralised model and ability to support long-term business development



# Structured acquisition process



## Strategy

- Successful entrepreneurial small and mid-sized companies
- Operating in selected segments and geographies

## Identification

- Leverage company network
- Build long-term relationships
- Proactively approach targets

## Evaluation

- Geographical market knowledge
- Product and customer knowledge
- Established assessment criteria

## Transaction

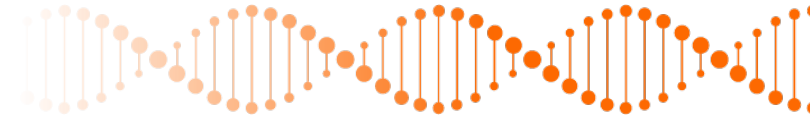
- Fair valuation – not highest bidder
- Long-term incentives for management
- Contingent consideration linked to performance goals

## Integration

- A decentralised business approach – minimal integration
- Clear financial goals
- Board appointments
- Training, culture, values

## Active ownership

- Active and dedicated ownership over the long term
- Resources, knowledge and tools to facilitate the development and growth of companies



<https://www.add.life/cmd2023>

Q&A



## Summary

- Growth strategy is working - strong organic growth
- Profit and cash flow improvement actions being implemented
- Financial targets reiterated
- Ambition to reach Net debt/EBITDA < 3.0
- Focused acquisition strategy





## Forward looking information

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This document contains forward-looking information based on the current expectations of the AddLife management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding business cycles, market and competition, changes in legal requirements and other political measures, and fluctuations in exchange rates.

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Thank you – now lunch!