

## Year-end Report 1 January – 31 December 2020

# Significant growth ended the year

### 1 OCTOBER – 31 DECEMBER 2020 (3 MONTHS)

- Net sales increased by 75 percent to SEK 1,731 million (988), of which organic growth amounted to 51 percent and acquired growth amounted to 29 percent.
- EBITA increased by 208 percent to SEK 316 million (102), corresponding to an EBITA-margin of 18.2 percent (10.4).
- Profit after tax increased by 343 percent to SEK 219 million (49).
- Earnings per share amounted to SEK 1.94 (0.44).
- Cash flow from operating activities amounted to SEK 559 million (175).
- During the quarter, four acquisitions has been completed and expected annual net sales amounts to approximately SEK 355 million.

**208 %**  
EBITA GROWTH  
Q4 2020

### 1 JANUARY – 31 DECEMBER 2020 (12 MONTHS)

- Net sales increased by 52 percent to SEK 5,273 million (3,479), of which organic growth amounted to 38 percent and acquired growth amounted to 17 percent.
- EBITA increased by 163 percent to SEK 802 million (305), corresponding to an EBITA-margin of 15.2 percent (8.8).
- Profit after tax increased by 265 percent to SEK 520 million (142).
- Earnings per share amounted to SEK 4.63 (1.28).
- Cash flow from operating activities amounted to SEK 950 million (400).
- The equity ratio was 46 percent (45).
- Return on working capital (P/WC) amounted to 103 percent (51).
- During the financial year, six acquisitions have been completed, with a combined annual sale of about SEK 650 million.
- The Board of directors proposes a dividend of SEK 1.50 per share.

**802<sup>SEKm</sup>**  
EBITA 12m 2020  
(+163%)

**950<sup>SEKm</sup>**  
OPERATING  
CASH FLOW  
(+138%)

SEKm	3 months ending			12 months ending		
	31-Dec-20	31-Dec-19	change	31-Dec-20	31-Dec-19	change
Net sales	1,731	988	75%	5,273	3,479	52%
EBITA	316	102	208%	802	305	163%
EBITA-margin, %	18.2%	10.4%		15.2%	8.8%	
Profit before tax	276	67	312%	659	182	261%
Profit for the period	219	49	343%	520	142	265%
Earnings per share before dilution, SEK	1.94	0.44	341%	4.63	1.28	262%
Earnings per share after dilution, SEK	1.93	0.44	339%	4.61	1.28	260%

### 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 50 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.

## Comments by the CEO

2020 was an exceptional year in which we were all thrown into a global health crisis. The challenges are still great, given the enormous effects from the COVID-19 pandemic. The pandemic hit us with renewed vigour in a second wave in the fourth quarter. Once again, our way of living, working and socializing was fundamentally challenged when communities were shut down and citizens were placed in lockdown. At AddLife, we feel proud to be able to contribute to healthcare and to improve people's lives.

Sales rose 75 percent in the fourth quarter to SEK 1,731m, including organic growth of 51 percent. COVID-19-related sales accounted for SEK 430m and organic growth excluding COVID-19 amounted to 8 percent. EBITA increased by 208 percent to SEK 316m and EBITA margin amounted to 18.2 percent. For full-year 2020, sales increased by 52 percent to SEK 5,273m, of which COVID-19-related sales accounted for SEK 1,235m and organic growth for the full year excluding COVID-19 amounted to 6 percent. EBITA profit increased by 163 percent to SEK 802m. The significant increase in sales combined with continued good cost control had a strong positive impact on earnings both for the quarter and for the full year. The exceptional performance generated a strong positive operating cash flow of SEK 950m for the full year, which enables further investments in acquisitions and development for future growth.

In other words, we end the year with an extremely strong fourth quarter where our subsidiaries have done a fantastic job of creating business and responding to customer needs. The business situation in all of our markets has been greatly impacted by the pandemic and the actions of the different countries to limit the spread of infection. The second wave of the pandemic hit hard during the quarter. In many countries, hospital intensive care units have been reaching their breaking point. Non-COVID-19 related healthcare and elective procedures were again deprioritised as a direct result of the infection situation and the redistribution of hospital resources.

Since the beginning of the pandemic, sales in our diagnostics companies have risen in all markets, regarding instruments and especially COVID-19 tests. In several countries, the authorities also increased their funding for continued testing and infection tracking.

Our research companies in the Nordic countries and Italy had a strong sales quarter. Activity related to virus and COVID-19 remains at a high level all over the world.

As expected, sales of personal protective equipment to hospitals returned to a more normal level during the quarter. The lower demand in elective surgery had a marginal impact on our companies, which had robust sales of other medical devices.

Our companies in home care continued to encounter challenges related to trying out and installing products on-site for customers. Nevertheless, growth was strong in the quarter, especially in welfare technology. The pandemic has clearly shown a strong need for safer and more extensive eldercare. Several countries are making or preparing policy decisions for increased investment in this field.



The pandemic has changed how we work and meet our customers. The majority of our employees continue to work from home, meeting customers and business partners digitally. At AddLife, our training activities within Academy are central to offering employees further development and strengthening our culture and our values, and several training courses were redesigned and implemented digitally during the year.

We are pleased that the number of procurements increased in the fourth quarter. Procurement processes have clearly become more digitalised and in several cases, customers have also chosen more than one supplier of critical products to reduce vulnerability to delivery disruptions. The pandemic has highlighted the challenges of increasingly global supply chains. Within the Group, we are conducting a logistics project to improve delivery capacity, while reducing our environmental impact.

### Increased acquisition activity

AddLife is constantly looking for new and interesting acquisition candidates with Nordic and European potential. During the quarter, a total of four acquisitions were made to the Medtech business area, which together are expected to add about SEK 355 million in annual net sales. Through the acquisitions, we have strengthened our European presence in advanced surgery, assistive technology and welfare technology. We believe that these three market areas have positive growth potential, driven by long-term structural trends.

In all, AddLife completed six acquisitions in 2020 with total annual net sales of approximately SEK 650m and 197 employees.

Since AddLife was listed on the stock exchange in March 2016, EBITA has grown by 45 percent annually, which greatly exceeds our growth target of 15 percent. Through active corporate governance, we develop our existing companies and complete the Group with interesting acquisitions. Because of their entrepreneurial strength, expertise and ability to add value to our customers, our companies have demonstrated exceptionally strong growth in 2020. With great commitment and responsibility, our employees have done an outstanding job during this challenging year.

I would like to warmly thank all of you.

Kristina Willgård  
President and CEO

## Group development in the quarter

Net sales in the quarter increased by 75 percent to SEK 1,731m (988). Organic growth was 51 percent and acquired growth totalled 29 percent. Exchange rate changes had a negative impact on net sales of 5 percent, corresponding to SEK 53m. EBITA increased by 208 percent to SEK 316m (102) and EBITA-margin amounted to 18.2 percent (10.4). The higher margin is due to increased volumes and restrained costs. The Group's EBITA has not been impacted by governmental support or other contributions related to COVID-19 pandemic. Exchange rate changes had a negative effect on EBITA, corresponding to SEK 8m.

Net financial items amounted to SEK -2m (-6) and profit after financial items amounted to SEK 276m (67). Profit after tax for the quarter increased with 343 percent amounting to SEK 219m (49) and the effective tax rate was 21 percent (26). The increased effective tax rate last year is due to changes in previously capitalized loss carryforwards.

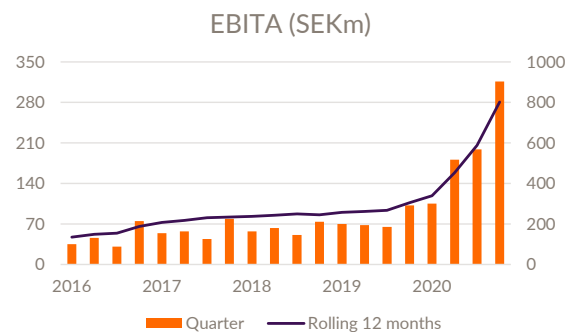
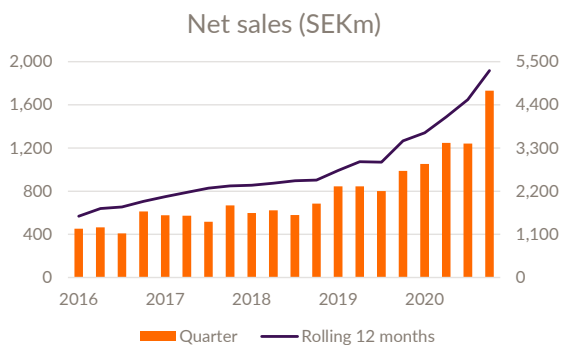
**1,731** SEKm  
NET SALES  
Q4 2020 (+75%)

## Group development in the financial year

Net sales in the financial year increased by 52 percent to SEK 5,273m (3,479). Organic sales increased by 38 percent and acquired growth totalled 17 percent. Exchange rate changes had a negative effect on net sales of 3 percent, corresponding to SEK 121m. EBITA increased by 163 percent to SEK 802m (305) and EBITA-margin amounted to 15.2 percent (8.8). The higher margin is due to increased volumes and restrained costs. The Group's EBITA has not been impacted by governmental support or other contributions related to COVID-19 pandemic. Exchange rate changes had a negative effect on EBITA of 6 percent, corresponding to SEK 17m.

Net financial items amounted to SEK -13m (-14) and profit after financial items increased by 261 percent to SEK 659m (182). Profit after tax for the year increased by 265 percent to SEK 520m (142) and the effective tax rate was 21 percent (22).

**5,273** SEKm  
NET SALES  
12m 2020 (+52%)



## Development in the business areas

### Labtech

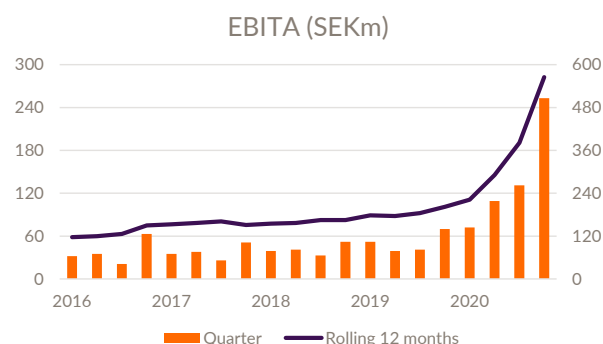
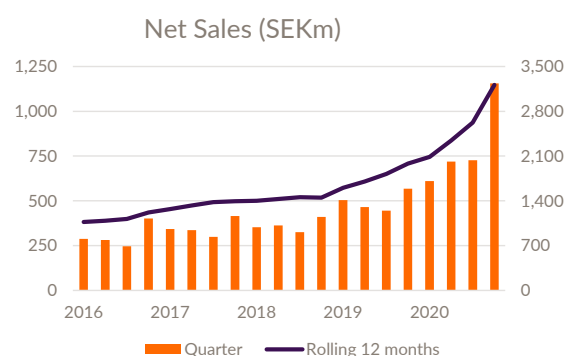
Companies in the Labtech business are active in the market areas diagnostics, biomedical research and laboratory equipment.



SEKm	3 months ending			12 months ending		
	31-Dec-20	31-Dec-19	change	31-Dec-20	31-Dec-19	change
Net sales	1,156	568	104%	3,212	1,981	62%
EBITA	253	70	262%	565	202	180%
EBITA-margin, %	21.9%	12.3%		17.6%	10.2%	

Labtech's net sales increased by 104 percent in the fourth quarter to SEK 1,156m (568), of which organic growth increased by 74 percent, acquired growth totalled 34 percent and exchange rate changes had a negative effect of 4 percent. EBITA increased by 262 percent to SEK 253m (70), corresponding to an EBITA-margin of 21.9 percent (12.3).

Labtech's net sales increased by 62 percent in the financial year to SEK 3,212m (1,981), of which organic growth increased by 42 percent, acquired growth totalled 23 percent and exchange rate changes had a negative effect of 3 percent. Net sales related to COVID-19 accounted for SEK 980m and organic growth for the full year, excluding COVID-19 amounted to 7 percent. EBITA increased by 180 percent to SEK 565m (202), corresponding to an EBITA-margin of 17.6 percent (10.2).



The fourth quarter was characterised by a second pandemic wave that greatly accelerated the spread of infection, which boosted sales and earnings for the Labtech Business Area.

All countries are conducting extensive COVID-19 testing. During the quarter, our diagnostics companies sold large volumes of COVID-19 tests, so called PCR-tests. Our companies have had the competitive advantage of offering solutions from several different suppliers in order to ensure customer access to tests. We expect continued high demand for COVID-19 tests until the spread of infection is limited and the pandemic is under greater control. As the number of seriously ill COVID-19 patients increased again in hospital intensive care units, the demand for blood gas analysis samples was also high in the quarter. Volumes for other diagnostic tests have been relatively stable. Sales of instruments have also been strong, which means that we increased the installed instrument base and thereby increased the potential for future sales of various tests.

Activity has been high and demand is strong at our niche research companies, mainly in the Nordic region and in Italy. Sales were strong during the quarter for products used in laboratories to produce various types of COVID-19 tests. The focus on virus research, especially COVID-19 research, has been particularly strong. Several research teams have received increased funding, mainly from private actors, which has driven demand for several of our products. In connection with the second wave of the pandemic, however, universities were shut down in countries such as Denmark and Italy, which inhibited sales somewhat.

Activity has remained at normal levels for our pharmaceutical customers and sales are stable. During the quarter, China, unlike the US, showed a good recovery and sales of our own advanced instruments have once again picked up.

## Medtech

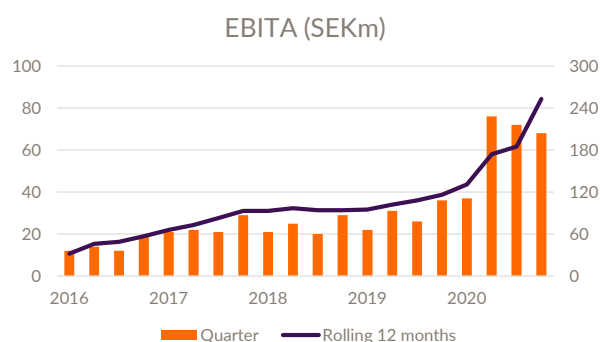
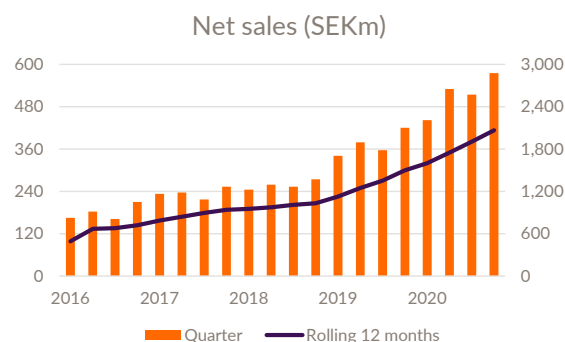
Companies in the Medtech business provides medical device products within the medtech market and assistive equipment within home healthcare.



SEKm	3 months ending			12 months ending		
	31-Dec-20	31-Dec-19	change	31-Dec-20	31-Dec-19	change
Net sales	575	420	37%	2,061	1,498	38%
EBITA	68	37	86%	253	116	119%
EBITA-margin, %	11.8%	8.7%		12.3%	7.7%	

For the quarter, Medtech's net sales increased by 37 percent to SEK 575m (420), including organic growth of 19 percent and acquired growth of 22 percent, while exchange rate fluctuations had a negative effect of 4 percent. EBITA rose 86 percent to SEK 68m (37) and EBITA margin amounted to 11.8 percent (8.7).

For the financial year, Medtech's net sales increased by 38 percent to SEK 2,061m (1,498), including organic growth of 31 percent and acquired growth of 10 percent, while exchange rate fluctuations had a negative effect of 3 percent. Net sales related to COVID-19 accounted for SEK 255m and organic growth for the full year, excluding covid-19 amounted to 3 percent. EBITA rose 119 percent to SEK 253m (116) and EBITA margin amounted to 12.3 percent (7.7).



Medtech's business continued to demonstrate strong growth in the fourth quarter. Sales of personal protective equipment to Nordic customers returned to a more normal level as several hospitals had built up emergency stocks during the previous quarter. At the beginning of the quarter, activity in surgery increased and approached more normal levels. However, when the second wave of the pandemic increased pressure on the healthcare system, resources were reprioritised to COVID-19. Overall, sales of other medical device products were good in the quarter. Once the infection state improves, we expect the healthcare system to reprioritise its resources once again and increase activity in elective surgery to treat all the patients who are waiting for various procedures.

It is satisfying that our home care companies continue to report strong growth during the last quarter of the year, primarily related to welfare technology. During the quarter, we had the opportunity to deliver in accordance with several of the municipal contracts regarding welfare technology that we previously received in Norway, as well as various bathroom-related assistive devices for senior housing facilities in Sweden. The companies are still having difficulties to carry out customer visits, product testing and installation of welfare technology to the extent that both we and the customers would have liked. Although the pandemic is challenging in the short term, the need and demand for more comprehensive and safer eldercare has been highlighted in several countries. Several policy decisions and initiatives are being prepared around Europe with the aim of increasing investment in various assistive technology and digital solutions.

During the quarter, we made four acquisitions: Ropox in Denmark, Dach Medical Group in Austria and Zafe Care Systems in Sweden, as well as SIAD Healthcare's operations in Italy. Together, the companies contribute about SEK 355 million in annual sales and 134 employees and strengthen our European presence in advanced surgery, assistive technology and welfare technology.

## Financial position and cash flow

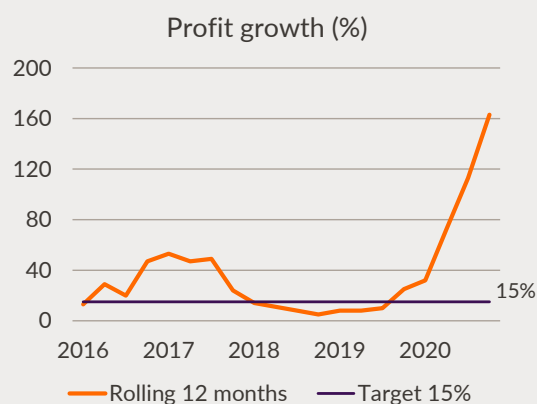
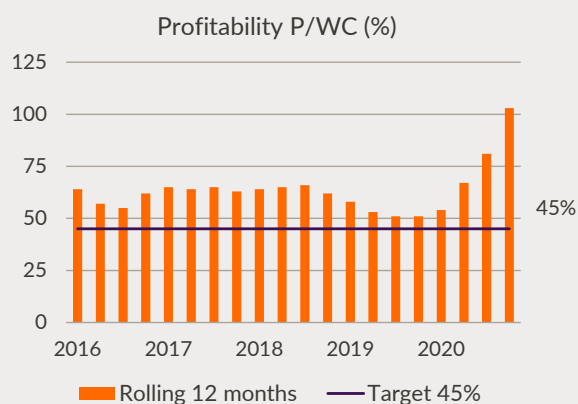
At the end of the financial year, the equity ratio stood at 46 percent (45). Equity per share totalled SEK 16.73 (13.07) and the return on equity at the end of the financial year was 31 percent (10). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 103 percent (51). The increase is mainly due to the increased EBITA result.

The Group's interest-bearing net debt at the end of the financial year totalled SEK 700m (902), including pension liabilities of SEK 81m (80) and leasing liabilities of SEK 233m (216). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions and leasing liability, totalled 0.4 compared to 0.6 at the beginning of the financial year.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 1,006m (439) on 31 December 2020. The increase in cash and cash equivalents was due to AddLife signing new credit arrangements with Handelsbanken and Danske Bank and therefore increased available credits with additional SEK 200m to a total of SEK 1,200m and strong cash flow from operating activities.

Cash flow from operating activities reached SEK 950m (400) during the financial year. The increase comes from the strong result and more efficient working capital management. Acquisitions of companies amounted to SEK 345m (325). Investments in non-current assets during the financial year amounted to SEK 91m (85). Disposals of non-current assets amounted to SEK 7m (3). Repurchase and disposal of treasury shares amounted to SEK 19m (43). Exercised and issued call options amounted to SEK 58m (12) and paid dividend was SEK 59m (64).

### Long term financial goals



## Acquisitions

Acquisitions completed from the 2019 financial year are distributed among the Group's business areas as follows:

Acquisitions	Time	Net Sales,	Number of employees*	Business area
Business from Wellspect HealthCare, Sweden	April, 2019	170	14	Medtech
Lab-Vent Controls A/S och Koldt & Ryø EI A/S, Denmark	August, 2019	52	20	Labtech
Fysionord i Sollefteå AB, Sweden	September, 2019	6	2	Medtech
Funksjonsutstyr AS, Norway	December, 2019	50	7	Medtech
EuroClone S.p.A, Italy	January 2020	280	58	Labtech
TechniPro PulvoMed Pty Ltd, Australia	September, 2020	13	5	Medtech
Ropox A/S, Denmark	October, 2020	95	73	Medtech
Dach Medical Group Holding AG, Austria	October, 2020	145	23	Medtech
Zafe Care Systems AB, Sweden	October, 2020	35	21	Medtech
Biomedica Italia s.r.l (SIAD Healthcare), Italy	December, 2020	80	17	Medtech
		<b>926</b>	<b>240</b>	

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

On 18 September 2020 AddLife signed an agreement with SIAD Healthcare s.p.a to acquire their business in the product area of advanced surgery. The acquisition has been approved by the Italian authorities and has been completed and became effective as of 1 December 2020. In conjunction with the acquisition, the business was transferred to a newly formed company, Biomedica Italia s.r.l, which AddLife acquired. The business has 17 employees and annual sales of approximately SEK 80m.

On 1 October 2020, All of the shares were acquired in the Danish company Ropox A/S. The company develops, designs and produces aids for elderly people and others with special needs. The company has 73 employees and annual net sales of approximately SEK 95m.

On 1 October 2020, All of the shares were acquired in Dach Medical Group. The group is operating in Austria, Switzerland and Germany within the product area advanced surgery. The company has 23 employees and annual net sales of SEK 145m.

On 1 October 2020, All of the shares were acquired in Zafe Care systems AB. The company is a well-established provider of welfare technology. The company has 21 employees and annual net sales of SEK 35 million.

The effect of the acquisitions on the AddLife Group's net sales was SEK 508m, on EBITA SEK 64m, on operating profit SEK 51m and on profit after tax for the financial year SEK 36m. Had the acquisitions, been completed on 1 January 2020, their impact would have been approximately SEK 783m on net sales, on EBITA SEK 94m and on operating profit SEK 65m and SEK 46m on profit after tax for the financial year.

The fair value of not yet paid contingent consideration for acquisitions made during the financial year is calculated to SEK 69m, which is approximately 86 percent of the maximum outcome. The outcome depends on the results achieved in the companies and has a set maximum level.

According to the preliminary acquisition analyses, the assets and liabilities included in the acquisitions carried out during the financial year 2020 were as follows:

	Fair value
Intangible non-current assets	251
Other non-current assets	60
Inventories	103
Other current assets	207
Deferred tax liability/tax asset	-70
Other liabilities	-227
Acquired net assets	324
Goodwill	155
Consideration 1)	479
Less cash and cash equivalents in acquired businesses	-68
Contingent consideration not yet paid	-70
Effect on the Group's cash and cash equivalents	341

<sup>1)</sup> The consideration is stated excluding acquisition expenses.

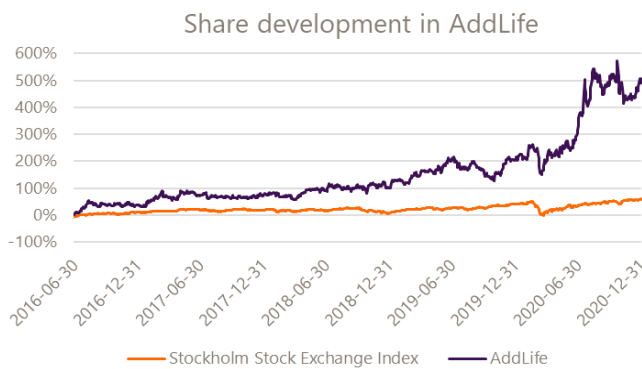
Transaction costs for the acquisitions totalled SEK 12 million and are recognized as selling expenses. During the financial year, SEK 1m has been recognized as other operating costs due to estimated contingent considerations deviated from the actual outcome.

## The Share

The share capital at the end of the financial year amounted to SEK 58 million (58).

At the annual general meeting on May 7, 2020, it was resolved on a share split 4:1. After the split the total number of shares amounts to 114,498,292. The new shares were registered on the shareholder's accounts on May 29, 2020. Since the share split the numbers of share owners has increased with approximately 60 percent and the average number of transactions per day have increased by approximately 300 percent. At the end of the financial year, the number of Class A shares amounted to 4,615,136 and Class B shares to 109,883,156.

The number of repurchased own shares amounts to 2,010,845 Class B, corresponding to 1.8 percent of the total number of shares and 1.3 percent of the votes. The average purchase price for shares held in treasury amounts to SEK 52.12 per share. The average number of treasury shares held during the financial year was 2,370,836 (1,913,620). The share price at 31 December 2020 was SEK 144.00 and the most recent price paid for the AddLife share on 2 February 2021 was SEK 161.60.



Turnover and trading	Jan-Dec 2020
Lowest price, SEK	59.75
Highest price, SEK	160.00
Average daily turnover, SEK	8,955,835
Number of traded shares, no	20,025,634
Number of transactions, no	132,983

AddLife has four outstanding call option programmes totalling 2,810,053 Class B shares. Issued call options for treasury shares have resulted in a calculated dilution effect based on average share price for the financial year of approximately 0.5 percent (0.1). 158,797 options out of 215,000 options from the 2017/2021 program have been exercised during the financial year, corresponding to 666,497 B-shares.

Outstanding program	Number of options	Corresponding number of B-shares	Proportion of total shares	Exercise price	Expiration period
2020/2024	250,000	1,000,000	0.9%	98.40	19 jun 2023 - 28 feb 2024
2019/2023	215,000	860,000	0.8%	76.60	20 Jun 2022 - 28 Feb 2023
2018/2022	170,000	714,000	0.6%	56.00	16 Jun 2021 - 28 Feb 2022
2017/2021	56,203	236,053	0.2%	53.20	16 Jun 2020 - 28 Feb 2021
<b>Total</b>	<b>691,203</b>	<b>2,810,053</b>			

On 31 December 2020 the number of share holders amounted to 7,501, where of 53 percent are Swedish owners with respect to capital share. The 10 biggest shareholders controlled 59 percent of number of capital and 68 percent of votes.

Shareholders 2020-12-31	Class A-shares	Class B-shares	Share in %	
			of capital	of votes
Roosgruppen AB	2,156,572	7,090,564	8.08	18.37
Tom Hedelius	2,066,572	23,140	1.83	13.26
Verdipapirfond Odin	0	11,037,084	9.64	7.07
SEB Fonder	0	10,030,077	8.76	6.43
Swedbank Fonder	0	8,791,180	7.68	5.63
NTC Fidelity Funds Northern Trust	0	8,549,148	7.47	5.48
State Street Bank & Trust Company	0	7,896,265	6.90	5.06
J.P. Morgan Chase & Co	0	4,570,296	3.99	2.93
Sandrew AB	0	2,800,000	2.45	1.79
Lannebo Fonder	0	2,450,000	2.14	1.57
<b>Total the 10 biggest shareholders</b>	<b>4,223,144</b>	<b>63,237,754</b>	<b>58.94</b>	<b>67.59</b>
Other shareholders	391,992	44,634,557	39.31	31.12
<b>Total outstanding shares</b>	<b>4,615,136</b>	<b>107,872,311</b>	<b>98.24</b>	<b>98.71</b>
Repurchased own shares Class B	-	2,010,845	1.76	1.29
<b>Total registered shares</b>	<b>4,615,136</b>	<b>109,883,156</b>	<b>100.00</b>	<b>100.00</b>

Source: Euroclear



## Employees

At the end of the financial year, the number of employees was 1,112, compared to 932 at the beginning of the financial year. During the financial year, the acquisitions have led to an increase of 197 employees. The average number of employees for the last 12-month period was 1,004 (903).

## Parent company

The Parent Company's net sales for the financial year amounted to SEK 41m (41) and profit after financial items amounted to SEK -11m (-6). At the end of the financial year, the Parent Company's net financial debt amounted to SEK 407m (660). The share capital at the end of the financial year was SEK 58m (58).

## 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 2019 annual report for AddLife AB were also used in the year end report. The amendments to IFRSs applicable from January 1, 2020 have no effects to AddLife's financial reports for the financial year ended December 31, 2020.

## 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. 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 other events of significance to the Group 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 (page 32-36), in AddLife's annual report 2019. The Parent Company is indirectly affected by the above risks and uncertainties through its function in the Group.

Stockholm 3 February 2021

Kristina Willgård  
President and CEO

## Conference call

Investors, analysts and the media are invited to a conference call where CEO Kristina Willgård and CFO Martin Almgren will present the interim report. The presentation will be held in English and takes about 20 minutes, after which there will be an opportunity to ask questions.

The teleconference will be at 15:00 p.m. on 3 February 2021

The presentation will be available via the following link:

[Webcast](#)  
[Call in details](#)

To participate via telephone, please see link:

The presentation is also available on AddLife's YouTube channel, see link:

[AddLife YouTube](#)

## Proposal to the Annual General Meeting to be held 5 May 2021

The Annual General meeting (AGM) of AddLife AB will be held at 4:00 p.m on 5 May 2021 at Näringslivets Hus, Storgatan 19, Stockholm.

AddLife's dividend policy involves an objective for a dividend corresponding to 30-50 percent of the Group's average profit after tax over a business cycle. The Board proposes that the Company should pay a dividend of SEK 1.50 per share.

The Board also decided to propose the following:

- Long-term incentive scheme aimed at senior executives.
- Board mandate to decide on new share issue up to 10 percent of the total of B shares as payment for acquisitions.
- Board mandate to buy back its own shares corresponding to a maximum of 10 percent of all shares in the Company.

## Financial calendar

The interim report for 1 January - 31 March 2021 will be published on 28 April 2021

The Annual General Meeting (AGM) of AddLife AB (publ) will be held on 5 May 2021, 4 PM, Stockholm

The interim report for 1 January - 30 June 2021 will be published on 15 July 2021

The interim report for 1 January - 30 September 2021 will be published on 22 October 2021

The year-end report for 1 January - 31 December 2021 will be published on 3 February 2022

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## Business areas

### Net sales by business area

Quarterly data, SEKm	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	1,156	727	718	611	568	445	464	504
Medtech	575	514	530	442	420	357	380	341
<b>AddLife Group</b>	<b>1,731</b>	<b>1,241</b>	<b>1,248</b>	<b>1,053</b>	<b>988</b>	<b>802</b>	<b>844</b>	<b>845</b>

### EBITA by business area

Quarterly data, SEKm	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	253	131	109	72	70	41	39	52
Medtech	68	72	76	37	37	26	31	22
Parent Company and Group items	-5	-4	-4	-3	-5	-2	-2	-4
<b>EBITA</b>	<b>316</b>	<b>199</b>	<b>181</b>	<b>106</b>	<b>102</b>	<b>65</b>	<b>68</b>	<b>70</b>
Depreciation intangible assets	-38	-30	-30	-32	-29	-29	-26	-25
<b>Operating profit</b>	<b>278</b>	<b>169</b>	<b>151</b>	<b>74</b>	<b>73</b>	<b>36</b>	<b>42</b>	<b>45</b>
Finance income and expenses	-2	-4	-2	-5	-6	-2	-4	-2
<b>Profit after financial items</b>	<b>276</b>	<b>165</b>	<b>149</b>	<b>69</b>	<b>67</b>	<b>34</b>	<b>38</b>	<b>43</b>

### Net sales by revenue type

SEKm	3 months ending		12 months ending	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
<i>Products</i>				
Labtech	804	366	2,325	1,368
Medtech	519	369	1,810	1,310
<b>The Group</b>	<b>1,323</b>	<b>735</b>	<b>4,135</b>	<b>2,678</b>
<i>Instruments</i>				
Labtech	305	141	709	431
Medtech	47	38	227	157
<b>The Group</b>	<b>352</b>	<b>179</b>	<b>936</b>	<b>588</b>
<i>Service</i>				
Labtech	47	61	178	182
Medtech	9	13	24	31
<b>The Group</b>	<b>56</b>	<b>74</b>	<b>202</b>	<b>213</b>
<b>Total</b>	<b>1,731</b>	<b>988</b>	<b>5,273</b>	<b>3,479</b>

### Net sales by business area

SEKm	3 months ending			12 months ending		
	31-Dec-20	%	31-Dec-19	31-Dec-20	%	31-Dec-19
Labtech	1,156	104	568	3,212	62	1,981
Medtech	575	37	420	2,061	38	1,498
<b>AddLife Group</b>	<b>1,731</b>	<b>75</b>	<b>988</b>	<b>5,273</b>	<b>52</b>	<b>3,479</b>

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

SEKm	3 months ending				12 months ending			
	31-Dec-20	%	31-Dec-19	%	31-Dec-20	%	31-Dec-19	%
Labtech	253	21.9	70	12.3	565	17.6	202	10.2
Medtech	68	11.8	37	8.7	253	12.3	116	7.7
Parent Company and Group items	-5		-5		-16		-13	
<b>EBITA</b>	<b>316</b>	<b>18.2</b>	<b>102</b>	<b>10.4</b>	<b>802</b>	<b>15.2</b>	<b>305</b>	<b>8.8</b>
Depreciations of intangible non-current assets	-38		-29		-130		-109	
<b>Operating profit</b>	<b>278</b>	<b>16.1</b>	<b>73</b>	<b>7.4</b>	<b>672</b>	<b>12.8</b>	<b>196</b>	<b>5.6</b>
Financial income and expenses	-2		-6		-13		-14	
<b>Profit after financial items</b>	<b>276</b>		<b>67</b>		<b>659</b>		<b>182</b>	

## Consolidated income statement, condensed

Income statement SEKm	3 months ending		12 months ending	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Net sales	1,731	988	5,273	3,479
Cost of sales	-1,124	-649	-3,455	-2,281
<b>Gross profit</b>	<b>607</b>	<b>339</b>	<b>1,818</b>	<b>1,198</b>
Selling expenses	-249	-201	-874	-777
Administrative expenses	-89	-63	-273	-233
Research and Development	-8	-7	-24	-24
Other operating income and expenses	17	5	25	32
<b>Operating profit</b>	<b>278</b>	<b>73</b>	<b>672</b>	<b>196</b>
Financial income and expenses	-2	-6	-13	-14
<b>Profit after financial items</b>	<b>276</b>	<b>67</b>	<b>659</b>	<b>182</b>
Tax	-57	-18	-139	-40
<b>Profit for the period</b>	<b>219</b>	<b>49</b>	<b>520</b>	<b>142</b>
<i>Attributable to:</i>				
Equity holders of the Parent Company	218	49	518	141
Non-controlling interests	1	0	2	1
Earnings per share (EPS) before dilution, SEK	1.94	0.44	4.63	1.28
Earnings per share (EPS) after dilution, SEK	1.93	0.44	4.61	1.28
Average number of shares after repurchases '000s	112,336	112,237	112,127	111,083
Number of shares at end of the period, '000	112,487	111,297	112,487	111,297
EBITA	316	102	802	305
Depreciations included in operating expenses				
- property, plant and equipment	-33	-34	-144	-124
- intangible non-current assets from acquisitions	-32	-25	-110	-92
- other intangible non-current assets	-6	-4	-20	-17

Statement of comprehensive income SEKm	3 months ending		12 months ending	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
<b>Profit for the period</b>	<b>219</b>	<b>49</b>	<b>520</b>	<b>142</b>
<i>Components that may be reclassified to profit for the period</i>				
Foreign currency translation differences for the period	-52	-26	-82	20
<i>Components that will not be reclassified to profit for the period</i>				
Revaluations of defined benefit pension plans	-5	3	-5	-12
Tax attributable to items not to be reversed in profit or loss	1	0	1	3
<b>Other comprehensive income</b>	<b>-56</b>	<b>-23</b>	<b>-86</b>	<b>11</b>
<b>Total comprehensive income</b>	<b>163</b>	<b>26</b>	<b>434</b>	<b>153</b>
<i>Attributable to:</i>				
Equity holders of the Parent Company	162	26	432	152
Non-controlling interests	1	0	2	1

Consolidated Balance sheet, Condensed, SEKm	31-Dec-20	31-Dec-19
Goodwill	1,100	972
Other intangible non-current assets	903	789
Property, plant and equipment	434	353
Financial non-current assets	20	24
<b>Total non-current assets</b>	<b>2,457</b>	<b>2,138</b>
Inventories	640	452
Current receivables	837	585
Cash and cash equivalents	216	99
<b>Total current assets</b>	<b>1,693</b>	<b>1,136</b>
<b>Total assets</b>	<b>4,150</b>	<b>3,274</b>
<b>Total equity</b>	<b>1,890</b>	<b>1,476</b>
Interest-bearing provisions	110	104
Non-interest-bearing provisions	161	127
Non-current interest-bearing liabilities	242	150
Non-current non-interest-bearing liabilities	1	1
<b>Total non-current liabilities</b>	<b>514</b>	<b>382</b>
Non-interest-bearing provisions	9	3
Current interest-bearing liabilities	564	747
Current non-interest-bearing liabilities	1173	666
<b>Total current liabilities</b>	<b>1,746</b>	<b>1,416</b>
<b>Total equity and liabilities</b>	<b>4,150</b>	<b>3,274</b>

Statement of change in Group equity, SEKm	1 Jan 20 – 31 Dec 20			1 Jan 19 – 31 Dec 19		
	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	1,467	9	1,476	931	1	932
Right Issue	-	-	-	490	-	490
Exercised and issued call options	58	-	58	12	-	12
Repurchase of treasury shares	-31	-	-31	-43	-	-43
Disposal of treasury shares	12	-	12	-	-	-
Dividend	-56	-3	-59	-62	-2	-64
Non-controlling interests	-	0	0	-13	9	-4
Total comprehensive income	432	2	434	152	1	153
Amount at the end of the period	1,882	8	1,890	1,467	9	1,476

Cash flow statement, condensed SEKm	3 months ending		12 months ending	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Profit after financial items	276	67	659	182
Adjustment for items not included in cash flow	51	58	280	239
Income tax paid	-45	-9	-97	-52
Changes in working capital	277	59	108	31
<b>Cash flow from operating activities</b>	<b>559</b>	<b>175</b>	<b>950</b>	<b>400</b>
Net investments in non-current assets	-29	-29	-84	-82
Acquisitions and disposals	-271	-35	-345	-325
<b>Cash flow from investing activities</b>	<b>-300</b>	<b>-64</b>	<b>-429</b>	<b>-407</b>
Dividend paid to shareholders	-57	-	-57	-62
Exercised and issued call options	18	-	58	12
Right Issue	-	-	-	490
Repurchase and disposal of treasury shares	12	-	-19	-43
Other financing activities	-66	-92	-354	-355
<b>Cash flow from financing activities</b>	<b>-93</b>	<b>-92</b>	<b>-372</b>	<b>42</b>
Cash flow for the period	166	19	149	35
<b>Cash and cash equivalents at beginning of period</b>	<b>76</b>	<b>85</b>	<b>99</b>	<b>61</b>
Exchange differences on cash and cash equivalents	-26	-5	-32	3
<b>Cash and cash equivalents at end of the period</b>	<b>216</b>	<b>99</b>	<b>216</b>	<b>99</b>

## Fair values on financial instruments

SEKm	31-Dec-20			31-Dec-19		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives measured at fair value through profit or loss	0	0	0	0	0	-
<b>Total financial assets at fair value per level</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
Derivatives measured at fair value through profit or loss	2	2	0	1	1	-
Contingent considerations	86	-	86	18	-	18
<b>Total financial liabilities at fair value per level</b>	<b>88</b>	<b>2</b>	<b>86</b>	<b>19</b>	<b>1</b>	<b>18</b>

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 be the same as the carrying amount.

## Contingent considerations,

SEKm	3 months ending		12 months ending	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
<b>Carrying amount, opening balance</b>	<b>31</b>	<b>0</b>	<b>18</b>	<b>9</b>
Acquisitions during the period	58	18	72	18
Consideration paid	-	-	-	-
Revaluation through profit or loss	1	-	1	-
Reversed through profit or loss	-	-	0	-9
Interest expenses	0	0	0	0
Exchange differences	-4	-	-5	0
<b>Carrying amount, closing balance</b>	<b>86</b>	<b>18</b>	<b>86</b>	<b>18</b>

## Key financial indicators

	31-Dec-20	31-Dec-19	12 months ending		
			31-Dec-18	31-Dec-17	31-Dec-16
Net sales, SEKm	5,273	3,479	2,482	2,333	1,938
EBITA, SEKm	802	305	245	234	189
EBITA margin, %	15.2%	8.8%	9.9%	10.0%	9.7%
Profit growth, EBITA, %	163%	25%	5%	24%	47%
Return on working capital (P/WC), %	103%	51%	62%	63%	62%
Profit for the period, SEKm	520	142	129	120	112
Return on equity, %	31%	10%	16%	17%	21%
Financial net liabilities, SEKm	700	902	882	588	366
Financial net liabilities/EBITDA, multiple	0.7	2.1	3.3	2.3	1.8
Net debt/equity ratio, multiple	0.4	0.6	0.9	0.8	0.5
Equity ratio, %	46%	45%	35%	40%	45%
Average number of employees	1004	903	620	579	452
Number of employees at end of the period	1,112	932	873	592	545

Key indicators include IFRS 16 from 2019, comparative figures have not been restated.

For definitions of key financial indicators, see page 15.

## Key financial indicators per share

	31-Dec-20	31-Dec-19	12 months ending		
			31-Dec-18	31-Dec-17	31-Dec-16
Earnings per share (EPS), SEK	4.63	1.28	1.29	1.19	1.22
Diluted EPS, SEK	4.61	1.28	1.29	1.19	1.22
Cash flow per share from operating activities, SEK	8.47	3.61	1.76	2.05	1.39
Shareholders' equity per share, SEK	16.73	13.07	9.08	7.43	7.06
Average number of shares after repurchases, '000s	112,127	111,083	100,458	101,302	97,729
Average number of shares adjusted for repurchases and dilution, '000s	112,652	111,297	100,458	101,302	97,729
Number of shares outstanding at end of the period, '000s	112,487	112,237	102,586	100,682	101,577

The number of shares from a historical perspective has been restated to take the bonus issue into account (i.e. the value of the subscription right) in the completed new share issue in 2019, as well as the share split (1:4) completed in May 2020 and has been used in all calculations of metrics for SEK per share. The conversion factor is 4.041.

## Pledged assets and contingent liabilities in the Group, SEKm

	31-Dec-20	31-Dec-19
Contingent liabilities	41	42

## Reconciliation key ratios

**Return on equity** Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.

	31-Dec-20	31-Dec-19
Profit/loss for the period (roll 12 months)	520	142
Average equity	1,683	1,362
Return on equity	520/1,683=31%	142/1,362=10%

**Return on working capital (P/WC)** EBITA in relation to average working capital.

	31-Dec-20	31-Dec-19
EBITA	802	305
Average working capital (WC)	781	598
P/WC	802/781=103%	305/598=51%

**EBITA** Operating profit before amortization of intangible assets.

	31-Dec-20	31-Dec-19
Operating profit (12 months rolling)	672	196
Amortization of intangible assets	130	109
EBITA	802	305

**EBITA marginal** EBITA in percentage of net sales.

	31-Dec-20	31-Dec-19
EBITA	802	305
Net sales	5,273	3,479
EBITA margin	802/5,273=15.2%	305/3,479=8.8%

## Definitions

**EBITA** Operating profit before amortization of intangible assets.

**EBITDA** Operating profit before depreciation and amortization

**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.

The key figures presented above are central in order to understand and evaluate AddLifes business and financial position. The key figures are presented in the "Key financial indicators" table on page 14 and they are commented on pages 1-5.

The comparison figures for income and expense items relate to values for the period January–December 2019 and for balance sheet items as at 31 December 2019 if nothing else is stated.

## Parent company summary

Income statement SEKm	3 months ending		12 months ending	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Net sales	9	13	41	41
Administrative expenses	-20	-12	-61	-49
<b>Operating profit/loss</b>	<b>-11</b>	<b>1</b>	<b>-20</b>	<b>-8</b>
Interest income/expenses and similar items	1	-4	9	2
<b>Profit/loss after financial items</b>	<b>-10</b>	<b>-3</b>	<b>-11</b>	<b>-6</b>
Appropriations	135	48	135	48
<b>Profit/loss before taxes</b>	<b>125</b>	<b>45</b>	<b>124</b>	<b>42</b>
Income tax expense	-26	-6	-26	-6
<b>Profit/loss for the period</b>	<b>99</b>	<b>39</b>	<b>98</b>	<b>36</b>

Balance sheet, SEKm	31-Dec-20	31-Dec-19
Intangible non-current assets	0	0
Tangible non-current assets	0	0
Non-current financial assets	2,100	2,084
<b>Total non-current assets</b>	<b>2,100</b>	<b>2,084</b>
Current receivables	343	110
<b>Total current assets</b>	<b>343</b>	<b>110</b>
<b>Total assets</b>	<b>2,443</b>	<b>2,194</b>
Equity	1,233	1,152
Untaxed reserves	96	56
Interest-bearing long-term liabilities	76	48
Non-interest-bearing long-term liabilities	1	1
<b>Total long-term liabilities</b>	<b>77</b>	<b>49</b>
Interest-bearing short-term liabilities	987	899
Non-interest-bearing short-term liabilities	50	38
<b>Total short-term liabilities</b>	<b>1,037</b>	<b>937</b>
<b>Total equity and liabilities</b>	<b>2,443</b>	<b>2,194</b>

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 13:00 p.m. CET on 3 February, 2021.

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