

Prospectus for admission of
shares to trading on Nasdaq
Stockholm and invitation to
subscribe for shares in
AddLife AB (publ)

IMPORTANT INFORMATION

Information to investors

This document is a translation of a Swedish prospectus. The prospectus in Swedish (the "Prospectus") and this English translation thereof have been prepared in connection with the listing of shares in AddLife AB (publ) ("AddLife") on Nasdaq Stockholm and the invitation to subscribe for shares in AddLife. For definitions of certain terms used in this translation, please see "*Certain definitions and terms*" and "*Glossary*".

Preparation and registration of the Prospectus

The Prospectus has been prepared in accordance with the Swedish Financial Instruments Trading Act (1991:980) and Commission Regulation (EC) No. 809/2004 of 29 April 2004 on the implementation of European Parliament and Council Directive 2003/71/EC (the "Prospectus Directive"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "SFSA") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (1991:980). Approval and registration does not imply that the SFSA guarantees that the various factual information provided in the Prospectus is accurate or complete. This English translation of the Prospectus has not been approved by or registered with any regulatory authority. The Prospectus is available on the Company's website, www.add.life, Handelsbanken's website, www.handelsbanken.se/investeringserbjudande, and at the Swedish Financial Supervisory Authority's website, www.fi.se. The Prospectus has been prepared in a Swedish version and an English translation. In the event of any inconsistency between this English translation and the Prospectus (in Swedish), the Prospectus (in Swedish) shall prevail.

Distribution of the Prospectus, this English translation and participation in the Offering are subject to restrictions under law and other regulations in certain jurisdictions. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. The Offering is not made to persons resident in the United States (including its territories and provinces, every state in the United States and the District of Columbia, ("USA")), Canada, Australia, Japan, Hong Kong, New Zealand, Switzerland, Singapore or South Africa or in any other jurisdictions where participation would require additional prospectuses, registration or other measures than those required by Swedish law. Consequently the Prospectus, this English translation and other documents relating to the Offering may not be distributed in or into the aforementioned countries or any other country or any other jurisdiction in which such distribution or the Offering require such measures or would otherwise be in conflict with applicable rules. Subscription for shares in violation of the above restrictions may be void. Recipients of copies of the Prospectus and this English translation must inform themselves about and comply with such restrictions. Actions in violation of these restrictions may constitute a violation of applicable securities laws. An investment in securities is associated with certain risks (see the section entitled "*Risk Factors*"). When investors make an investment decision, they must rely on their own analysis of AddLife and the Offering, including applicable facts and risks. Prior to an investment decision, potential investors should engage their own professional advisers and carefully evaluate and consider the investment decision. Investors may only rely on the information in the Prospectus and any supplements to the Prospectus. No person is authorised to provide any information or make any statements other than those made in the Prospectus. Should such information or statement nevertheless be made or provided, it should not be considered to have been approved by AddLife and AddLife is not responsible for such information or statements. Neither the publication nor the distribution of the Prospectus and this English translation, nor any transactions carried out in respect of the Offering shall be deemed to imply that the information in the Prospectus is accurate and applicable at any time other than on the date of publication, or that there has not been any change in AddLife's business since this date. If significant changes in the information in the Prospectus occur, such changes will be announced in accordance with the provisions on supplements to a prospectus under the Swedish Financial Instruments Trading Act (1991:980).

Existing and newly issued shares in AddLife have not been and will not be registered under the currently applicable United States Securities Act of 1933 ("U.S. Securities Act") or the securities laws of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States. The shares are being offered outside the United States in compliance with Regulation S under the U.S. Securities Act. No offering will be made in the United States. Existing and newly issued shares have neither been approved nor rejected by the U.S. Securities and Exchange Commission ("SEC"), any state securities authority or other authority in the United States. Moreover, no such authority has evaluated or expressed an opinion on the accuracy or reliability of the Prospectus or this English translation. To assert the contrary is a criminal offense in the United States.

Forward-looking information

The Prospectus and this English translation contains forward-looking statements and assumptions regarding future market conditions, operations and results. These statements can be found in several sections and include statements regarding the Company's current intentions, assessments and expectations. Words such as "consider", "intend", "assess", "expect", "forecast", "plan" or similar expressions are indicative of some of these forward-looking statements. Other such statements are identified based on their context. Actual events and financial outcomes may differ materially from those implied in such statements due to risks and other factors that affect the Company's operations. Such factors are compiled under the section "*Risk Factors*".

Industry and market data

The Prospectus and this English translation contains industry and market data pertaining to AddLife's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources, including a market assessment report carried out by Arthur D. Little at the request of the Company. Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Prospectus and this English translation that were obtained or derived from these industry publications or reports. Industry and market data are inherently predictive and speculative, subject of uncertainty, and are not necessarily reflective of actual market conditions. Such data are based on market research, which itself is based on sampling and subjective judgments, by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

Neither the Company nor Handelsbanken assumes any responsibility for the accuracy of any industry or market data included in the Prospectus or this English translation. Such information coming from third parties has been accurately reproduced and, as far as the Company is aware and can ascertain through comparison with other information published by that third party, no information has been omitted which would render the reproduced information inaccurate or misleading. Arthur D. Little makes no representation or warranty, explicit or implicit, as to the completeness, accuracy or verification of the information in the market study and the content of the market study shall neither constitute nor be relied upon as a promise or undertaking in this respect, whether as to the past or the future. Arthur D. Little accepts no responsibility whatsoever for the accuracy of the information provided in the market study and accordingly disclaims to the fullest extent permitted by law all and any liability, whether arising in tort, contract or otherwise, which Arthur D. Little might otherwise have in respect of the information that is provided.

Presentation of financial information

Certain financial information in the Prospectus and this English translation has been rounded off and consequently, some tables do not add up correctly. No information in this English translation of the Prospectus has been reviewed or audited by the Company's auditor.

Certain definitions and terms

"AddLife", "the AddLife Group", "the Company" or "the Group" refer to AddLife AB (publ), corporate identity no. 556995-8126, the Group within which AddLife AB (publ) is the parent company, or a subsidiary in the Group, depending on the context. "Handelsbanken" refers to Handelsbanken Capital Markets, part of Svenska Handelsbanken AB (publ), or Svenska Handelsbanken AB (publ), corporate identity no. 502007-7862, itself, depending on the context. "Euroclear" refers to Euroclear Sweden AB, corporate identity no. 556112-8074. "SEK" refers to Swedish kronor, "EUR" refers to euros and "USD" refers to United States dollars. "K" refers to thousands, and "M" refers to millions. The "Offering" refers to the offering to subscribe for shares in the Company as described in the Prospectus (in Swedish), and this English translation, and the "Issue" refers to the issuance of shares in the Company pursuant to the Offering. The "Prospectus" refers to the Swedish prospectus and for avoidance of doubt not this English translation. The "Listing" refers to the planned listing of the Company's Class B shares on Nasdaq Stockholm. "EBITA" is the acronym for earnings before interest, taxes and amortisation, and refers to operating profit before amortisation of intangible assets and property, plant and equipment from acquisitions.

Financial advisor

Handelsbanken is the financial advisor to the Company and issuing agent for the Offering. Since all information in the Prospectus and this English translation is derived from the Company, Handelsbanken accepts no liability in relation to existing or prospective shareholders of the Company and relating to other direct or indirect economic consequences as a result of investment or other decisions in whole or in part based on the information in the Prospectus or this English translation.

Important information concerning the possibility of selling allocated shares

The intention is to list the Company's Class B shares on Nasdaq Stockholm. The first day of trading is expected to be 16 March 2016. Allocation of shares in AddLife that Addtech distributes to shareholders in Addtech is expected to take place on the record date 11 March 2016 and with posting in the respective securities account (Sw. *VP-konto*) around 15 March 2016. A securities notice containing information about the number of shares registered in the recipient's securities account (Sw. *VP-konto*) will be sent to shareholders to notify them about the allotment of shares. Shareholders in Addtech do not have to take any measures to receive shares in AddLife through this distribution.

Disputes

Disputes relating to the Offering, the contents of the Prospectus, the content of this English translation and related legal matters shall be settled by a Swedish court. The Prospectus, this English translation and the Offering are exclusively subject to Swedish substantive law.

Table of contents

Summary	2	Auditor's report on the pro forma financial statements	66
Risk factors	12	The share, share capital and shareholder structure	67
Background and reasons	19	Dividend and dividend policy	69
Invitation to subscribe for shares in AddLife AB (publ)	20	Board of directors, Group Management and auditor	70
Terms, conditions and instructions for the distribution	21	Corporate governance	75
Terms, conditions and instructions for the Issue	22	Legal considerations and supplementary information	80
Comments by the CEO	26	Articles of Association	84
Market overview	28	The relationship between AddLife and Addtech	86
Business overview	37	Tax considerations in Sweden	88
Summary of financial information	51	Historical financial information	91
Comments on the financial information	55	Glossary	141
Capitalisation, financial leverage and other financial information	59	Addresses	142
Pro forma financial statements	62		

Other information

ISIN code for the Class B share	SE0007982814
Marketplace of Class B share	Nasdaq Stockholm
Ticker symbol of the Class B share	ALIF B

Timetable and financial calendar

Extraordinary General Meeting of Shareholders of Addtech	9 March 2016
Record date in Addtech regarding the right to receive distribution of shares in AddLife	11 March 2016
Estimated first day of trading in AddLife's Class B shares	16 March 2016
Record date for AddLife regarding the right to subscribe for shares in the Issue	6 April 2016
Estimated announcement date of the terms of the Issue	30 March 2016
Proposed subscription period	11–25 April 2016
Year-end report 2015/2016	18 May 2016
Annual General Meeting of AddLife	1 September 2016

Summary

This summary consists of disclosure requirements as listed in the items. The items are numbered in sections A – E (A.1 – E.7). The summary within this Prospectus contains all of the items required in a summary for this type of security and issuer. Since certain items do not apply to all types of prospectuses, there may be gaps in the numbering of items. Even if it is required for an item to be included in the summary for this type of security and issuer, it is possible that no relevant information can be provided regarding the item. The information has, in such case, been replaced with a short explanation of the item preceded by the words “Not applicable”.

This prospectus has been prepared in part because of the planned Listing and in part because of the Offering. Addtech’s shareholders will receive shares in AddLife in connection with the distribution of Addtech’s shares in AddLife to Addtech’s shareholders, which will occur prior to the Listing. After the Listing, shareholders in AddLife will be offered the opportunity to subscribe for shares in AddLife through the Offering.

Section A – Introduction and warnings

A.1	<i>Introduction and warnings</i>	This summary should be considered as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus as a whole by the investor. If claims relating to information contained in the Prospectus are brought before a court, the plaintiff investor may, in accordance with member states’ national legislation, be forced to pay the costs of translating the Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	<i>Consent to use of the Prospectus</i>	Not applicable. Financial intermediaries are not entitled to use the Prospectus for subsequent resale or final placement of securities.

Section B – Issuer and guarantor

B.1	<i>Legal and commercial name</i>	The Company’s name (and commercial name) is AddLife AB (publ) corporate identity no. 556995-8126.
B.2	<i>Domicile and legal form</i>	The Board of Directors has its registered office in Stockholm Municipality. The Company was founded in Sweden on 1 November 2014 and registered with the Companies Registration Office on 15 December 2014. The Company is a Swedish public limited company governed by the Swedish Companies Act (2005:551).
B.3	<i>Principal activities</i>	AddLife is an independent player within Life Science that offers high-quality products, services and advice to both the private and public sector, mainly in the Nordic region. The Group comprises approximately 25 operating subsidiaries that provide equipment, instruments, and reagents, as well as medical technology solutions, advice and technical support to customers primarily in the healthcare sector, laboratory research and academia, along with the food and pharmaceutical industries. The Company operates in the Nordic countries and is also represented by smaller businesses on the European market in Germany, the Benelux countries, Estonia and Italy. AddLife’s subsidiaries are organised in two business areas: LabTech and MedTech. The LabTech business area consists of around 15 companies active in the market areas diagnostics and biomedical and research. The MedTech business area consists of about ten companies that provide medical device products within the medtech market.

B.4a	<i>Trends</i>	<p>The following trends prevail in the industry in which the Company operates.</p> <ul style="list-style-type: none">■ Growing and aging population increases the need for healthcare and social services.■ Changing markets and needs require an altered value proposition.■ Growing application area for diagnostics.■ Digitalisation enables new application and business opportunities.■ Consolidation and centralisation of public procurement.																																																																											
B.5	<i>Group</i>	<p>The Group comprises the parent company AddLife AB (publ) and 31 directly and indirectly owned subsidiaries, of which around 25 subsidiaries are operational.</p>																																																																											
B.6	<i>Major shareholders</i>	<p>Prior to the distribution of Addtech's shares in AddLife, shareholdings in AddLife as at 29 February 2016 were as follows:</p> <table><tr><th>Shareholders</th><th>Class A shares</th><th>Class B shares</th><th>% of capital</th><th>% of votes</th></tr><tr><td>Addtech</td><td>809,418</td><td>15,930,206</td><td>85.0</td><td>89.1</td></tr><tr><td>RoosGruppen AB</td><td></td><td>2,862,693</td><td>14.5</td><td>10.6</td></tr><tr><td>Lars-Erik Rydell</td><td></td><td>66,523</td><td>0.3</td><td>0.2</td></tr><tr><td>Tor Kristoffersen</td><td></td><td>24,835</td><td>0.1</td><td>0.1</td></tr><tr><td>Total</td><td>809,418</td><td>18,884,257</td><td>100</td><td>100</td></tr></table> <p>After the distribution of Addtech's shares in AddLife, based on the ownership structure in Addtech on 29 February 2016, the Company's ownership structure will be as follows:</p> <table><tr><th>Shareholders</th><th>Class A shares</th><th>Class B shares</th><th>% of capital</th><th>% of votes</th></tr><tr><td>Anders Börjesson (family)</td><td>372,690</td><td>30,262</td><td>2.0</td><td>13.9</td></tr><tr><td>Tom Hedelius</td><td>361,440</td><td>4,050</td><td>1.9</td><td>13.4</td></tr><tr><td>RoosGruppen AB</td><td></td><td>2,862,693</td><td>14.5</td><td>10.6</td></tr><tr><td>Lannebo</td><td></td><td>1,947,972</td><td>9.9</td><td>7.2</td></tr><tr><td>Swedbank Robur</td><td></td><td>1,570,979</td><td>8.0</td><td>5.8</td></tr><tr><td>SEB Investment Management</td><td></td><td>1,373,852</td><td>7.0</td><td>5.1</td></tr><tr><td>Other</td><td>75,288</td><td>11,094,449</td><td>56.6</td><td>43.8</td></tr><tr><td>Total</td><td>809,418</td><td>18,884,257</td><td>100</td><td>100</td></tr></table>	Shareholders	Class A shares	Class B shares	% of capital	% of votes	Addtech	809,418	15,930,206	85.0	89.1	RoosGruppen AB		2,862,693	14.5	10.6	Lars-Erik Rydell		66,523	0.3	0.2	Tor Kristoffersen		24,835	0.1	0.1	Total	809,418	18,884,257	100	100	Shareholders	Class A shares	Class B shares	% of capital	% of votes	Anders Börjesson (family)	372,690	30,262	2.0	13.9	Tom Hedelius	361,440	4,050	1.9	13.4	RoosGruppen AB		2,862,693	14.5	10.6	Lannebo		1,947,972	9.9	7.2	Swedbank Robur		1,570,979	8.0	5.8	SEB Investment Management		1,373,852	7.0	5.1	Other	75,288	11,094,449	56.6	43.8	Total	809,418	18,884,257	100	100
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B.7	<i>Selected historical financial information</i>	<p>The selected financial information presented in this section was extracted from AddLife's combined financial statements for the financial years 1 April 2012 – 31 March 2013, 1 April 2013 – 31 March 2014, 1 April 2014 – 31 March 2015, as well as from the third quarter interim report for 2015/2016, which also includes comparative figures for the corresponding period in 2014/2015. The combined reports for 2012/2013, 2013/2014, 2014/2015 have been audited by AddLife's auditors. The third quarter interim report for 2015/2016 has been reviewed by AddLife's auditors. The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU and interpretation statements from the International Financial Reporting Interpretations Committee ("IFRIC").</p> <p>The Group was formed on 22 June 2015 when AddLife acquired the 20 companies that were part of Addtech's Life Science segment from Addtech Nordic AB at carrying amount. Since the businesses did not historically comprise a group under IFRS definitions, there are no consolidated financial statements for the period prior to 22 June 2015. The historical financial information for the period prior to 22 June 2015 has therefore been prepared as combined financial statements for the reporting entity comprising AddLife and the 20 subsidiaries.</p> <p>AddLife uses certain key financial indicators in its analysis of operating income that are not calculated under IFRS, including EBITA and EBITDA. The Company believes that these key financial indicators provide useful information to investors as they allow for an evaluation of current trends in a better way in combination with other key financial indicators calculated under IFRS. Since listed companies do not always calculate these key financial indicators in the same way, it is not certain that the information below is comparable with other companies' key financial indicators with the same names.</p>																																																																											

B.7	<i>Selected historical financial information (cont.)</i>	Condensed consolidated income statement					
			April – December 2015	April – December 2014	April 2014 – March 2015	April 2013 – March 2014	April 2012 – March 2013
		SEKm	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
		Net sales	1,109.7	772.1	1,056.8	983.5	906.5
		Cost of goods sold	-721.6	-478.0	-661.0	-608.5	-553.3
		Gross profit	388.1	294.1	395.8	375.0	353.2
		Selling expenses	-245.4	-168.4	-227.1	-215.6	-201.6
		Administrative expenses	-69.3	-43.1	-59.8	-55.3	-54.5
		Other operating income and expenses	6.7	-0.7	-1.2	-0.2	1.5
		Operating profit	80.1	81.9	107.7	103.9	98.6
		Financial income and expenses	-4.0	-1.8	-2.4	-1.5	-1.0
		Profit after financial items	76.1	80.1	105.3	102.4	97.6
		Taxes	-17.1	-19.0	-24.9	-24.1	-23.2
		PROFIT FOR THE PERIOD	59.0	61.1	80.4	78.3	74.4
		Attributable to:					
		Shareholders of the parent company	59.0	61.1	80.4	78.0	73.8
		Non-controlling interests	0.0	0.1	0.0	0.3	0.6
		Condensed consolidated balance sheet					
			2015-12-31	2014-12-31	2015-03-31	2014-03-31	2013-03-31
		SEKm	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
		ASSETS					
		NON-CURRENT ASSETS					
		Goodwill	478.2	124.3	123.6	122.9	121.7
		Other intangible assets	247.3	71.7	68.9	79.4	89.7
		Property, plant and equipment	55.6	30.0	31.0	26.1	27.1
		Non-current financial assets	10.5	72.5	8.7	87.0	67.8
		Total non-current assets	791.6	298.5	232.2	315.4	306.3
		CURRENT ASSETS					
		Inventories	212.9	89.9	83.3	80.9	70.2
		Current receivables	309.7	168.4	245.3	140.1	121.0
		Cash and cash equivalents	129.8	69.2	82.5	76.8	111.4
		Total current assets	652.4	327.5	411.1	297.8	302.6
		TOTAL ASSETS	1,444.0	626.0	643.3	613.2	608.9
		EQUITY AND LIABILITIES					
		SHAREHOLDERS' EQUITY	320.7	313.9	263.3	271.6	293.3
		Total equity	320.7	313.9	263.3	271.6	293.3
		LIABILITIES					
		Interest-bearing provisions	72.8	58.7	73.1	58.1	55.9
		Non-interest-bearing provisions	54.6	18.0	12.9	18.4	22.6
		Interest-bearing non-current liabilities	1.3	36.5	0.1	32.0	24.9
		Total non-current liabilities	128.7	113.2	86.1	108.5	103.4
		Non-interest-bearing provisions	0.0	0.2	0.7	0.2	0.0
		Interest-bearing current liabilities	697.2	3.6	28.0	0.1	3.9
		Non-interest-bearing current liabilities	297.4	195.1	265.2	232.8	208.3
		Total current liabilities	994.6	198.9	293.9	233.1	212.2
		TOTAL EQUITY AND LIABILITIES	1,444.0	626.0	643.3	613.2	608.9

B.7

Selected historical financial information (cont.)

Condensed consolidated statement of cash flows

	April – December 2015 <i>Unaudited</i>	April – December 2014 <i>Unaudited</i>	April 2014 – March 2015 <i>Audited</i>	April 2013 – March 2014 <i>Audited</i>	April 2012 – March 2013 <i>Audited</i>
SEKm					
Profit after financial items	76.1	80.1	105.3	102.4	97.6
Adjustment for non-cash items	30.2	16.8	23.1	23.9	31.9
Income tax paid	-16.0	3.7	-15.1	-40.1	-35.5
Changes in working capital	12.1	-15.7	7.1	5.4	24.6
Cash flow from operating activities	102.4	84.9	120.4	91.6	118.6
Net investments in non-current assets	-15.7	-11.3	-15.2	-12.3	-8.9
Acquisitions and divestments	-227.5	-	-	-	-11.5
Cash flow from investing activities	-243.2	-11.3	-15.2	-12.3	-20.4
Dividend to shareholders of the parent company	-18.1	-20.9	-80.0	-96.6	-92.5
Other financing activities	209.2	-61.0	-20.5	-19.5	16.8
Cash flow from financing activities	191.1	-81.9	-100.5	-116.1	-75.7
Cash flow for the period	50.3	-8.3	4.7	-36.8	22.5
Cash and cash equivalents at beginning of period	82.5	76.8	76.8	111.4	92.8
Exchange rate differences on cash and cash equivalents	-3.0	0.7	1.0	2.2	-3.9
Cash and cash equivalents at end of period	129.8	69.2	82.5	76.8	111.4
Key financial indicators					
	April – December 2015 <i>Unaudited</i>	April – December 2014 <i>Unaudited</i>	April 2014 – March 2015 <i>Audited</i>	April 2013 – March 2014 <i>Audited</i>	April 2012 – March 2013 <i>Audited</i>
Net sales, SEKm ¹⁾	1,109.7	772.1	1,056.8	983.5	906.5
EBITA, SEKm ²⁾	100.1	90.8	119.6	115.6	109.6
EBITA margin, % ²⁾	9.0	11.8	11.3	11.8	12.1
Profit growth EBITA, % ²⁾	10.2	2.9	3.5	5.5	15.8
Return on working capital (P/WC), % ^{2), 4)}	65.8	93.2	94.0	97.5	103.1
Profit for the period, SEKm ¹⁾	59.0	61.1	80.4	78.3	74.4
Return on equity, % ^{2), 3), 4)}	26.9	27.7	30.1	27.7	25.0
Financial net liabilities, SEKm ²⁾	641.5	29.8	18.2	13.4	-27.5
Financial net liabilities/EBITDA, times ^{2), 4)}	4.7	0.2	0.1	0.1	-0.2
Net debt/equity ratio, times ^{2), 3)}	2.0	0.0	0.1	0.0	-0.1
Equity ratio, % ^{2), 3)}	22.2	50.1	40.9	44.3	48.2
Average number of employees ²⁾	317	283	284	276	259
Number of employees at end of period ²⁾	423	288	286	280	273

1) IFRS key indicators.

2) Not IFRS key indicators.

3) The key indicators are calculated based on equity that included non-controlling interests.

4) The key indicators are calculated on a full-year basis.

B.7	<i>Selected historical financial information (cont.)</i>	<p>Definitions</p> <p>Return on equity Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.</p> <p>Return on working capital (P/WC) EBITA in relation to average working capital.</p> <p>EBITDA Operating profit before depreciation and amortisation of intangible assets and property, plant and equipment.</p> <p>EBITA Operating profit before amortisation of intangible assets.</p> <p>EBITA margin EBITA in percentage of net sales.</p> <p>Financial net liabilities Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.</p> <p>Financial net liabilities/EBITDA Financial net liabilities divided by EBITDA.</p> <p>Net debt/equity ratio Financial net liabilities in relation to shareholders' equity.</p> <p>Working capital Sum of inventories and accounts receivable, less accounts payable. Average working capital for the year is used to calculate return on working capital (P/WC).</p> <p>Equity ratio Equity as a percentage of total assets.</p> <p>Significant changes since 31 December 2015 The Company signed a credit agreement for an overdraft facility with Handelsbanken, thereby replacing the current intra-group financing with an overdraft facility of SEK 300 million that runs until 31 December 2016 and an interest-only loan of SEK 300 million that matures on 30 June 2017. The overdraft facility is a short-term financing vehicle, but the intention of AddLife and the bank is that the overdraft facility will be extended. The credit agreement is subject to customary terms and conditions. No further events of significance for AddLife's financial position or market position have occurred since 31 December 2015.</p> <p>Significant changes during the period covered by the historical financial information On 1 July 2015 AddLife acquired all shares and options in Medioplast AB, a leading Nordic supplier of medical technology equipment and consumables. The purchase price was paid in cash and through newly issued shares in AddLife. As a result of the transaction, some of the owners of Medioplast AB (RoosGruppen AB, Lars-Erik Rydell and Tor Kristoffersen) became shareholders in AddLife and own a total of 15 percent of the shares in AddLife. On 1 July 2015 AddLife acquired, through Medioplast AB, all shares in Fenno Medical Oy. Fenno Medical is a supplier of medical technology equipment and consumables to the Finnish market. In addition to the acquisitions described above, no other significant changes occurred during the period covered by the historical financial information.</p>
B.8	<i>Selected pro forma financial information</i>	<p>Purpose of pro forma financial information The purpose of the pro forma financial information is to show the hypothetical impact that the acquisitions of Medioplast and Fenno Medical, as well as the loan financing associated with these acquisitions would have had on</p> <p>i) AddLife's combined income statement for the period 1 April 2014 – 31 March 2015 under the assumption that the acquisitions were completed and finalised on 1 April 2014,</p> <p>and</p> <p>ii) AddLife's condensed consolidated income statement for the period 1 April 2015 – 31 December 2015 under the assumption that the acquisitions were completed and finalised on 1 April 2015.</p>

B.8	Selected pro forma financial information (cont.)	<p>The pro forma financial statements describe a hypothetical situation and have been produced solely for illustrative purposes to provide information. The information does not present the profit or loss that actually would have been achieved, nor does it show the AddLife Group's profit or loss for a future point in time. Investors should not place undue reliance on pro forma financial information in their investment decisions. No synergies or integration costs have been taken into consideration.</p> <p>Income statement, AddLife Pro forma 1 April 2014 – 31 March 2015</p> <table><tr><th></th><th></th><th>Mediplast</th><th>Fenno</th><th>Adjustments</th><th></th><th>Pro forma</th></tr><tr><th>SEKm</th><th>2014/2015</th><th>2014/2015</th><th>2014/2015</th><th>2014/2015</th><th>Notes</th><th>2014/2015</th></tr><tr><td>Net sales</td><td>1,056.8</td><td>479.5</td><td>186.3</td><td>–</td><td></td><td>1,722.6</td></tr><tr><td>Cost of goods sold</td><td>–661.0</td><td>–304.5</td><td>–148.5</td><td>0.5</td><td>4</td><td>–1,113.5</td></tr><tr><td>Gross profit</td><td>395.8</td><td>175.0</td><td>37.8</td><td>0.5</td><td></td><td>609.1</td></tr><tr><td>Selling expenses</td><td>–227.1</td><td>–117.8</td><td>–29.7</td><td>–17.2</td><td>1, 2, 3, 4</td><td>–391.8</td></tr><tr><td>Administrative expenses</td><td>–59.8</td><td>–19.2</td><td>–4.4</td><td>1.6</td><td>4</td><td>–81.8</td></tr><tr><td>Other operating income</td><td>1.3</td><td>12.6</td><td>4.1</td><td>2.9</td><td>5</td><td>20.9</td></tr><tr><td>Other operating expenses</td><td>–2.5</td><td>–10.9</td><td>–</td><td>–0.3</td><td></td><td>–13.7</td></tr><tr><td>Operating profit</td><td>107.7</td><td>39.7</td><td>7.8</td><td>–12.5</td><td></td><td>142.7</td></tr><tr><td>Financial income</td><td>0.9</td><td>0.4</td><td>–</td><td>–</td><td></td><td>1.3</td></tr><tr><td>Financial expenses</td><td>–3.3</td><td>–2.4</td><td>–</td><td>–3.0</td><td>6, 7</td><td>–8.7</td></tr><tr><td>Net financial items</td><td>–2.4</td><td>–2.0</td><td>–</td><td>–3.0</td><td></td><td>–7.4</td></tr><tr><td>Profit before tax</td><td>105.3</td><td>37.7</td><td>7.8</td><td>–15.5</td><td></td><td>135.3</td></tr><tr><td>Taxes</td><td>–24.9</td><td>–10.9</td><td>–1.7</td><td>4.2</td><td>8</td><td>–33.3</td></tr><tr><td>PROFIT FOR THE YEAR</td><td>80.4</td><td>26.8</td><td>6.1</td><td>–11.3</td><td></td><td>102.0</td></tr><tr><td colspan="7">Attributable 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B.9	<i>Profit forecasts</i>	Not applicable. The Prospectus does not contain any profit forecast or profit estimate.
B.10	<i>Auditor's remarks</i>	Not applicable. There are no remarks from the auditor.
B.11	<i>Insufficient working capital</i>	Not applicable. AddLife estimates that the working capital is sufficient to meet current needs for the next twelve months.

SECTION C – Securities

C.1	<i>Securities admitted to trading and offered</i>	Class A shares in AddLife (ISIN code SE0007982806) and Class B shares in AddLife (ISIN code SE0007982814). Only Class B shares will be admitted for trading.
C.2	<i>Denomination</i>	The shares are denominated in SEK.
C.3	<i>Number of shares in the issuer</i>	As of the date of this Prospectus, the Company's registered share capital amounts to SEK 40,116,762, divided into 19,693,675 shares, of which 809,418 are shares of Class A and 18,884,257 are shares of Class B. All shares are fully paid. Each share has a quota value of SEK 2.037. The planned issue will affect the number of shares of the Company and the Company's registered share capital. The consequences of the issue will be further described in the prospectus supplement the Company will publish in connection with the Listing.
C.4	<i>Rights attached to the securities</i>	At general meetings, each Class A share entitles its holder to ten votes and each Class B share entitles its holder to one vote. If the Company issues new shares of Class A and Class B through a cash or set-off issue, owners of shares of Class A and Class B have preferential rights to subscribe for new shares of the same Class in proportion to their existing shareholdings. If the Company issues new shares of only Class A or Class B, through a cash or set-off issue, all shareholders, regardless of whether their shares are Class A or Class B, have preferential rights to subscribe for new shares in proportion to their existing shareholdings. The shares carry equal rights to dividends. All shares in AddLife carry equal rights to AddLife's assets and any surplus in the event of liquidation. Shares of Class A are subject to a conversion provision in AddLife's Articles of Association. Resolutions on dividends are passed by the General Meeting and dividends are paid by Euroclear. The right to dividends is conferred upon shareholders who, on the record date for dividends established by the General Meeting, are registered as shareholders in the share register kept by Euroclear.
C.5	<i>Restrictions on free transferability</i>	Not applicable. The shares are not subject to restrictions on free transferability.
C.6	<i>Admission to trading</i>	AddLife has applied for listing on Nasdaq Stockholm of the Company's Class B shares. Estimated first day of trading is 16 March 2016.
C.7	<i>Dividend policy</i>	The Board of Directors of AddLife has resolved that the goal is to propose a dividend corresponding to 30–50 percent of profit after tax. When determining dividends, the Company's Board considers investment needs and other factors that it deems relevant. The Board does not plan to propose to the Annual General Meeting to decide on any dividend for the 2015/2016 financial year.

SECTION D – Risks

D.1	<i>Main risks relating to the issuer or the industry</i>	<p>An investment in securities is associated with risk. Prior to any investment decision, it is important to carefully analyse the risk factors considered relevant to the future development of the Company and its share. The Company's operations are subject to a number of risks that are wholly or partially beyond the Company's control and affect or may affect AddLife's business, financial condition and results of operations. The following risk factors, which are described in no particular order and with no claim to be exhaustive, are considered to be of importance for AddLife's future development.</p> <p>Risks related to the Company's market and industry include, for example: demand for AddLife's services is greatly influenced by macroeconomic factors such as public investments in medical care, research and social services and reduced public investments would adversely affect the Company; public tenders have become larger and contract periods have often been extended, which has resulted in an increase in both pricing pressure and competition, while making it difficult for smaller operators on the market to participate in public tenders; in certain cases AddLife competes with operators that can offer a more complete range of goods or have better access to financing and other resources.</p> <p>Risks related to strategic and operational risks include, for example, that: AddLife fails to implement new technology or to adapt its product range and business model in line with market trends; AddLife's customer agreements are largely subject to public procurement, which means that the contract terms are set by the customer, and the agreements are subject to re-tendering when the contract expires; in order to deliver products to customers, AddLife depends on the Company's external suppliers who must meet the terms of agreements regarding matters such as volume, delivery date and quality; historically, AddLife has grown in part through acquisitions, and unless the Company successfully identifies, implements, finances and integrates completed acquisitions, there is a risk that AddLife will fail with continued expansion through acquisitions and fail to achieve its established financial targets; implemented unsuccessful acquisitions entail a risk of goodwill impairment; AddLife's decentralised business model places high demands on financial reporting and monitoring and deficiencies in reporting and monitoring entail a risk of inadequate operational control; AddLife is dependent on its continued ability to recruit, develop and retain skilled employees; through the MedTech business segment, AddLife is exposed to production-related risks in the form of, for example, product liability, interruptions in production and environmental risks.</p> <p>Financial risks include, for example: that AddLife in the future fails to obtain external financing if required, or is unable to obtain financing on acceptable terms and conditions; exposure to interest rate risk because of changes in general interest rates; exposure to price risk in the form of lower prices for the Company's products sold or higher price on products purchased by AddLife; credit risk exposure such as when AddLife's counterparties are unable to pay their debts and perform their obligations to AddLife within the allotted time; currency risk exposure in the form of negative developments in exchange rates to which AddLife is exposed.</p> <p>In addition, AddLife is exposed to legal risks such as the risk of infringement into AddLife's own intellectual property rights or the intellectual property rights of others; the occurrence of disputes and other legal proceedings; tax risk exposure if it should prove that AddLife's interpretation and understanding of applicable tax laws prove to be incorrect, or through the addition of new tax regulations that have a negative impact on AddLife; exposure to risk related to product liability in the manufacturing or sale of products; environmental risks in the form of, for example, responsibility for remediation of properties AddLife owns for its own operations or the operations of another party, or if AddLife's business should require a permit due to regulatory changes.</p>
D.3	<i>Main risks associated with the securities</i>	<p>All investments in securities are associated with risks. Such risks could cause the price of the Company's shares to decline significantly and investors could lose all or parts of the value of their investment. The main risks related to the share and the offering include <i>inter alia</i>: general equity-related risks (risk and risk-taking are an unavoidable aspect of equity ownership, since an investment in equities could both rise and fall in value, it is uncertain whether investors will get back their invested capital); future dividends (the amount of any future dividends depends on AddLife's future earnings, financial condition, cash flows, working capital requirements, and other factors); the risk that an active, liquid and efficient market for trading in AddLife's shares may not develop, and that there has not been any trading in the AddLife share previously; before the implementation of the Listing, AddLife was a subsidiary of another listed company, and AddLife is at risk of increased costs as an independent listed company; that shareholders who do not participate in the Offering are at risk of dilution and there is a risk that active trading in subscription rights for Class B shares will not develop on Nasdaq Stockholm. Class A shares will not be listed, and there will be no organised trading of subscription rights for Class A shares.</p>

Section E – Offering

E.1	<i>Issue amount and issue expenses</i>	With full subscription, the share issue is expected to raise SEK 300 million for AddLife. AddLife's total costs for the separation from Addtech, the Listing of the Company's Class B share on Nasdaq Stockholm and the Offering are estimated at about SEK 15 million. Such costs are primarily attributable to the costs of financial advice, auditors, lawyers, the printing of the Prospectus, etc.
E.2	<i>Reasons for the Listing, the Offering and use of the issue proceeds</i>	<p>On 4 June 2015 Addtech announced its intention to distribute Addtech's shares in AddLife to Addtech's shareholders and to list AddLife on Nasdaq Stockholm. The Boards of Directors of Addtech and AddLife believe that AddLife is ready to take the step to become an independent listed company. At the Extraordinary General Meeting of Shareholders on 9 March 2016 the shareholders of Addtech resolved in accordance with the proposal of the Board of Directors to distribute all of Addtech's shares in the subsidiary AddLife to shareholders of Addtech through a distribution of profits.</p> <p>Addtech acquired the operations within the business area Life Science, today the company AddLife, in 2005 and the operations have developed very well since then. AddLife currently holds a strong market position in the Nordic region in several niche areas within Life Science. To capitalise on the strategic and operational opportunities within AddLife's business area and to exploit the opportunities for growth, both organically and through acquisitions, it is a logical step to now implement a division of Addtech through a separate listing of AddLife. The Company has reached such a size, level of specialisation regarding product range to customers and market position that the benefits of full independence are deemed to be greater than the benefits of being part of Addtech. A separate listing of AddLife is expected to create better opportunities to further increase customer satisfaction, profit growth, earnings growth and business potential and thereby increase shareholder value. Moreover, the division is expected to facilitate an analysis of each business separately, while allowing shareholders to adjust their holdings in the respective companies as preferred.</p> <p>AddLife will, shortly after the Listing, carry out a share issue. If fully subscribed, the Issue is expected to raise SEK 300 million for AddLife. The purpose of the issue is to create a financial base for continued profitable growth through acquisitions of Life Science companies in the Nordic region that can bolster the Company's existing operations or contribute with new product or market segments where the conditions are right for taking leading niche positions. AddLife's total costs for the separation from Addtech, the Listing of the Company's Class B share on Nasdaq Stockholm and the Offering are estimated at approximately SEK 15 million. Such costs are primarily attributable to the costs of financial advice, auditors, lawyers, the printing of the Prospectus, etc.</p>
E.3	<i>Terms and conditions of the Offering</i>	<p>Allotment of shares distributed by Addtech</p> <p>Those who on the record date were registered in the share register of shareholders in Addtech kept by Euroclear will without further action receive shares in AddLife. Shares in AddLife will be available in the securities accounts (Sw. <i>VP-konto</i>) of shareholders entitled to receive distribution within two days from the record date. Subsequently, Euroclear will issue a securities notice containing information regarding the number of shares registered in the recipient's securities account (Sw. <i>VP-konto</i>). Persons otherwise entitled to the distribution are requested to follow the instructions which Euroclear will provide separately, where relevant, in connection with the record date. Shareholders whose holdings in Addtech are nominee-registered with a bank or other nominee will not receive accounting information from Euroclear. Notices will instead be issued in accordance with the respective nominee's procedures.</p> <p>Offering in connection with the Listing</p> <p>In connection with the Listing, AddLife will conduct a share issue of Class A and Class B shares of approximately SEK 300 million. The subscription price, number of shares to be offered and the increase in share capital will be determined by AddLife's Board of Directors and published about two weeks after the Listing for AddLife's shares on Nasdaq Stockholm in a press release and a prospectus supplement.</p> <p>The record date for the right to participate in the Offering will be set after Addtech's shares in AddLife are distributed to Addtech's shareholders.</p>

E.3	<i>Terms and conditions of the Offering (cont.)</i>	<p>Allotment of shares in the Offering</p> <p>Shareholders who on the record date are registered as shareholders in AddLife will be entitled to subscribe for new shares of the same class in proportion to their existing shareholdings (primary preferential right). The primary preferential right is exercised on the basis of subscription rights, according to terms and conditions that will be announced about two weeks after the Listing of AddLife's Class B shares on Nasdaq Stockholm. Shares which are not subscribed for by those shareholders entitled to subscribe pursuant to primary preferential right will be offered to all shareholders (subsidiary preferential rights). With the sale of subscription rights, both the primary and the subsidiary preferential rights are transferred to the new holder of the subscription right. Subscription of shares may also take place without primary or subsidiary preferential rights.</p> <p>Shares not subscribed for on the basis of primary preferential rights shall be allotted to shareholders who have subscribed for shares on the basis of subsidiary preferential right. If an insufficient number of shares is available for subscription by subsidiary preferential right, the shares shall be distributed among the subscribers in proportion to the exercised primary preferential right and, insofar as this cannot be done, by drawing of lots. As regards to shares not subscribed for pursuant to primary or subsidiary preferential rights, shares will be allotted to others who have registered to subscribe for shares in the share issue and, in the event that they cannot obtain full allotment, allotment shall be made in proportion to the number of shares which each of the subscribers have applied to subscribe for, and to the extent that this cannot be done, by drawing of lots.</p> <p>Subscription price</p> <p>The subscription price will be announced about two weeks after the Listing of AddLife's shares on Nasdaq Stockholm. The subscription price will be announced through a press release and a prospectus supplement.</p> <p>Conditions for completion of the Offering</p> <p>The Board of Directors of AddLife does not have the right to suspend, revoke or temporarily withdraw the offer to subscribe for shares in AddLife in accordance with the terms and conditions of this Prospectus. The Board of Directors of AddLife is entitled to extend, one or several times, the period during which application for subscription and payment can be made. Notification of an extension of the subscription period, if any, will be published through a press release.</p>
E.4	<i>Interests that are material to the Offering</i>	Handelsbanken is the financial advisor to AddLife and issuing agent for the Offering. Handelsbanken is also a lender to the Company. Handelsbanken (and companies closely related to Handelsbanken) has provided, and may in the future provide, services within the context of regular business and in connection with other transactions for AddLife for which they have received, and may receive, compensation.
E.5	<i>Seller of the securities and lock-up agreement</i>	<p>Seller of securities is not applicable.</p> <p>AddLife's expected principal owners after Addtech's distribution of shares in AddLife to Addtech's shareholders, Tom Hedelius, Anders Börjesson (with family) and RoosGruppen AB, as well as members of AddLife's Board of Directors and Group Management insofar as they will own shares in AddLife, have entered into a lock-up agreement with Handelsbanken under which these parties may not sell or pledge shares in AddLife for nine months from the first day of trading in AddLife's share on Nasdaq Stockholm.</p>
E.6	<i>Dilution</i>	The dilution that will result from the Issue, if fully subscribed, will be announced in a prospectus supplement about two weeks after the Listing on Nasdaq Stockholm.
E.7	<i>Costs imposed on investors</i>	Not applicable. The Company will not impose any fees or taxes on investors.

Risk factors

An investment in securities is always associated with risk. A number of factors outside AddLife's control, as well as a number of factors whose effects the Company can influence by its actions, may have a negative impact on the Company's business, financial condition and results of operations, which may reduce the value of the Company's securities and shareholders could lose all or part of their invested capital. When assessing the future development of AddLife it is therefore important to consider not only the opportunities for positive development, but also the various risks in the Company's operations.

Naturally, not all risk factors can be described in this section, for which reason an overall assessment must also include other information in the Prospectus, as well as a general assessment of external circumstances. Described below, and in no particular order and without claiming to be complete, are the risks and uncertainties considered to be of importance for AddLife's future development. Additional risks and uncertainties that AddLife is not aware of at this time may also develop into important factors that affect the Company's business and future development.

Risks related to the market and the industry

Economy and market trends

Demand for AddLife's services is greatly influenced by macroeconomic factors beyond the control of the Company, such as conditions in the global capital market, the state of the economy in general and public finances. Demand among the Company's customers is influenced by factors such as their willingness to invest and access to financing. Factors such as consumption, business investments, public sector investment, the volatility and strength of the capital market and inflation affect the business and economic climate. A weakening of these conditions on some or all of the markets in which AddLife operates could have material adverse effects on the Company's business, financial condition and results of operations. A significant share of the Company's sales are made to publicly funded activities in medical care, research and health services. Weakened public finances could have a negative impact on AddLife's business and results of operations. The cost of medical care and services in relation to GDP is rising and there is a risk that this would reduce demand from the public sector and increase pressure on prices, which could adversely affect AddLife's business, financial condition and results of operations.

Public procurement and political decisions

Political decisions in the Nordic countries have resulted in a decline in the number of contracting customers because of the consolidation of regions and county councils into larger entities. As a result public tenders are now larger and contract periods have often been extended. This change has resulted in an increase in both pressure on prices and competition, while making it difficult for smaller operators in the market to participate in public tenders. Furthermore, because the industry is consolidating on the supply side and larger merged suppliers have a broader offering, while at the same time the public tenders are becoming broader in scope, there is a risk that niche operators like the Company may be unable to participate in tenders.

Competition

The majority of subsidiaries in the AddLife Group operate in sectors that are vulnerable to competition and price pressure. In some cases subsidiaries compete with players that can offer a more complete range of goods or have better access to financing, as well as larger financial, technical, marketing and personnel resources. Furthermore, because the industry is consolidating on the supply side and larger merged suppliers have a broader offering, while at the same time the public tenders are becoming broader in scope, there is a risk that niche operators like the Company may be unable to participate in tenders. Future competitive opportunities for the subsidiaries depend on the ability to be on the leading edge of technology, and react quickly to new market needs. There is a risk that companies will not successfully develop or deliver new business deals, or that costly investments, restructuring and/or price cuts must be implemented to adapt the business to a new competitive situation. Increased competition from current or new operators, or deterioration of the ability of a subsidiary to meet new market needs, could have a negative impact on the business, financial condition and results of operations of both the subsidiary and AddLife. There is a risk that AddLife fails to retain, adapt to or become established in niches in which price is not the sole determining factor, or fails to be sufficiently innovative and quick enough to adapt to market trends and needs, or large operators may offer a broader offering, which could have a negative impact on the Company's business, financial condition and results of operations.

Risks related to the Company

Technological development

AddLife is exposed to the risk that the various subsidiaries in the AddLife Group may not be able to implement new technology or adapt the product range and business model in time to be able to take advantage of the new benefits of new or existing technology. Each such failure could have a material adverse effect on AddLife's

business, financial condition and results of operations. The costs associated with keeping up with product and technological advances may be high and influenced by factors that are fully or partially outside of AddLife's control. Moreover, the level and timing of future operating expenses and capital requirements could significantly differ from current estimates. Inability or unwillingness to finance these expenses could have a material adverse effect on AddLife's business, financial condition and results of operations.

Customers

AddLife has a large number of customers of varying sizes, some of whom are from the public sector and some from the private sector. Because of the number of customers and the Group structure, agreements with customers vary in character with regard to factors such as contract length, warranties, liability limitations and scope, which may cause difficulties in centrally forecasting the operations and development of the different subsidiaries. In some customer relationships there are no written customer agreements, which could result in legal uncertainty regarding the content of the agreement. Moreover, there is a risk that such variation could result in unforeseen liability exposure for AddLife, especially in cases where no standard terms and conditions are applicable for the agreements, or in cases where no specific limitations of liability have been incorporated into the agreements. Agreements subject to public procurement are regulated by the customer's agreement, which are frequently customer friendly and often have a relatively short contractual period. At the end of the term of public procurement contracts, they are subject to renewed public procurement proceedings, resulting in uncertainty and thus risk regarding the continued customer relationship or revised contractual terms, including prices. These risks, if they materialise, could have a negative impact on AddLife's business, financial condition and results of operations.

Suppliers

In order to deliver products, AddLife depends on external suppliers who must meet the terms of the agreements regarding matters such as volume, quality and delivery date. Incorrect, delayed or missing deliveries could in turn cause AddLife's deliveries to be delayed or incorrect. This may result in reduced distribution of the Company's products, and potentially increased costs. Moreover, AddLife could be adversely affected if the Company's suppliers develop financial, legal or operational problems, such as price increases or the inability to deliver products of the agreed quality. These factors could result in reduced sales of AddLife's products or affect AddLife's potential to purchase the necessary products on time and at the right price in order to deliver them to customers. If AddLife is forced to purchase products from other suppliers because of these factors, this could result in increased expenses, such as for increased quality controls.

AddLife has agreements with a large number of suppliers, both in Sweden and abroad, over which the Company cannot exercise control, nor can it have full insight into their operations. Consequently, AddLife is exposed to the risk that suppliers could act in a way that could harm AddLife. In the event of disputes with a supplier there is a risk that AddLife cannot obtain compensation for full liability, regardless of whether AddLife wins the dispute in

court or through arbitration. In some supplier relationships there are no written supplier agreements, which could result in legal uncertainty regarding the content of the agreement. Taken together, these factors could have a negative impact on AddLife's business, financial condition and results of operations.

The majority of the Group's supplier agreements have been entered into in accordance with the supplier's terms of agreement and are thus often supplier-friendly. Some supplier agreements include undertakings regarding minimum sales volumes for AddLife and if such volumes are not achieved, the supplier has the option to terminate the supplier agreement. Many supplier agreements are also governed by foreign law and dispute forums outside of Sweden and the other Nordic countries, which could result in a dispute becoming particularly burdensome financially and include limitations of liability for the supplier, which could mean that AddLife lacks the ability to hold the supplier to account if AddLife is liable in relation to a customer or third party. Furthermore, these agreements include exclusivity commitments for AddLife.

In a longer perspective, AddLife does not depend on any individual supplier to conduct business, but AddLife may depend on a single supplier in the short term. The Company's largest supplier amounts to approximately 17 percent of net sales, calculated based on net sales according to the consolidated income statement for 2014/2015. There is a risk that incorrect or delayed deliveries, or the loss of one or several suppliers, could have negative consequences for the business, financial condition and results of operations of the relevant subsidiary, which in turn could have a negative impact on AddLife's business, financial condition and results of operations. Moreover, the industry is undergoing consolidation in this market and the number of suppliers is decreasing. Thus there is a risk that AddLife will lose suppliers that are important for the Company.

Reputation

AddLife and its subsidiaries are dependent on their reputation in the exercise of their business. The reputation of these companies depends on factors such as quality, communication to the market, customers and suppliers and marketing as well as the Company's general corporate profile. The Company's reputation is especially important in relation to current and new customers. Problems related to quality, product liability and safety, as well as operational and logistical problems, could have a negative impact on the reputations of both AddLife and the subsidiary in question. Consequently, it may become more difficult to retain existing customers or to gain new customers. Damage to the reputation of the subsidiary or AddLife could result in reduced sales and also have a negative impact on the potential for the subsidiary and AddLife to grow, which could have a negative impact on the business, financial condition and results of operations of both the subsidiary and AddLife.

Acquisitions and divestments

AddLife has historically, as a separate business area within Addtech, completed several acquisitions. Strategic acquisitions will continue to be an important component of AddLife's growth strategy. However, there is a risk that AddLife will not be able to identify suitable objects for acquisition or to carry out strategic acquisitions because of, for example, competition with other acquirers or

lack of financing. This could result in reduced or declining growth for AddLife and AddLife might not achieve its financial targets.

Acquisitions generally entail integration risks. In addition to company-specific risks, the acquired company's relationships with important customers, key personnel and suppliers could be adversely affected. Integration involves risks relating to the ability to retain skills and to the possibility of creating a common culture. There is also a risk that the integration process may take longer than expected and that unforeseen costs associated with the consolidation of operations may arise. Moreover, expected synergies may totally or partially fail to arise. If any of these risks materialise in conjunction with future acquisitions, it could have a negative impact on AddLife's business, financial condition and results of operations.

Moreover, acquisitions could expose AddLife to unknown obligations. Acquisitions usually involve not only the assumption of all of the assets of the acquired company, but also its obligations. Even if the acquired company's operations are reviewed prior to the acquisition and efforts are made to obtain the necessary warranties in the acquisition agreement, there is a risk that not all potential obligations or commitments have been identified prior to the acquisition, or that the seller lacks the financial ability to compensate AddLife in the event of a breach of warranty. In the event that AddLife fails to obtain the required contractual protection for such obligations or commitments it could have a negative impact on AddLife's business, financial condition and results of operations.

Past and future divestments of businesses could further expose AddLife to risks such as those pertaining to the terms and conditions for the divestment of the relevant business, such as warranties, indemnities and commitments in favour of the purchaser with regard to the divested business. If any of these risks related to past or future divestments should materialise, it could have a negative impact on AddLife's business, financial condition and results of operations.

Goodwill

Goodwill arises when operations are acquired above their carrying amount. Goodwill risk arises when a business under-performs in relation to the assumptions that applied at the time of the goodwill valuation. If AddLife's valuation of the acquired business should prove to be incorrect the Company would be required to recognise an impairment loss relating to the value of goodwill, which could have a negative impact on AddLife's financial condition and results of operations. Goodwill is assessed annually, and if goodwill is not deemed to have been correctly valued in such an assessment, this may result in an impairment loss being recognised.

Organisational risk

AddLife applies a decentralised organisational model, which means that subsidiaries in the Group are largely responsible for and conduct business independently. Group Management controls, checks and monitors the business in the subsidiaries, primarily by having the Vice President or an executive at AddLife AB as Chairman of the Board of the company and by continually monitoring developments. Corporate governance in a decentralised organisation like the type at AddLife places high demands on financial reporting and monitoring and deficiencies in reporting and monitoring entail a risk of inadequate operational control. Currency exposure is handled at the subsidiary level through forward

exchange contracts, currency clauses or similar, and must comply with the Group's internal guidelines. If a subsidiary fails to have adequate procedures to handle such currency exposure, for example by deviating from the Group's guidelines, it could have a negative impact on the financial condition and results of operations of the subsidiary and AddLife. The decentralised organisational model has historically been an advantage for the Group. However, there is a risk that the organisational model will prove to be less suitable for meeting any future market challenges that should arise. AddLife's market position and competitiveness could weaken as a result. Moreover, the lack of specialist expertise in the various subsidiaries, such as regarding financial knowledge, could result in incorrect business decisions and slow decision making. Taken together, these factors could have a negative impact on AddLife's business, financial condition and results of operations.

Ability to recruit and retain staff

AddLife's continued success depends on experienced employees with specific skills. There are key personnel both among senior executives and among the Group's employees in general. There is a risk that one or several senior executives or other key personnel could leave the AddLife Group on short notice. In the event that AddLife fails to recruit suitable replacements for them or new skilled key personnel in the future, this could have a negative impact on AddLife's business, financial condition and results of operations.

Own production

The business segment MedTech includes a smaller operation of own production of medical device consumables. The risks associated with own production are limited for the Group, but this production is associated with risks related to product liability (see the subsection "*Product liability*" for more details on product liability), interruptions or disruptions in production and environmental risks (see the subsection "*Environmental risks*" for details on environmental risks), which could have a negative impact on the Company's business, financial condition and results of operations.

Financing risk

AddLife's ability to meet future capital requirements is largely dependent on the successful sale of the Company's products. In order to facilitate financing of business acquisitions and other measures deemed necessary to achieve strategic goals, AddLife's business may also require additional financial resources. AddLife is exposed to the risk of being unable to raise loans, refinance loans or meet its payment and other obligations under existing loans due to insufficient liquidity. Even if AddLife's Board of Directors deems that the Company has access to the necessary financing for the business as it is conducted today, in the future AddLife may violate financial terms and conditions and other obligations in credit and loan agreements due to general economic conditions and disruptions in the capital and credit markets, which could have a negative impact on AddLife's business, financial condition and results of operations. The ability to raise additional financing is influenced by a number of factors, such as market conditions, general access to loan financing and AddLife's credit rating and credit capacity. Disruptions and uncertainty in the capital and credit markets could also limit opportunities for AddLife to gain access to the capital necessary for AddLife to engage in business.

Interest rate risk

Interest rate risk is the risk that changes in general interest rates negatively impact AddLife's net profit. Financial income and expenses and the value of financial instruments may fluctuate due to changes in market rates. This interest rate risk could cause changes in market values and cash flows as well as fluctuations in AddLife's net profit. AddLife's interest rate risk primarily arises from long-term borrowings. Changed financing structure and changes in interest rates could have a negative impact on AddLife's business, financial condition and results of operations.

Price risk

The Group has limited own production and thus limited price risk as a producer. Group margins are dependent on the purchase price from suppliers, and price increases for products acquired from suppliers could negatively impact AddLife's margins and competitiveness. Moreover, AddLife's shipping costs are influenced by energy prices, which in turn are dependent on global crude oil prices.

Counterparty and credit risk

AddLife is exposed to the risk that counterparties are unable to pay their debts to the Company, and thus cause losses for AddLife. Moreover, AddLife is exposed to the risk that financial counterparties with which AddLife has deposited cash, cash equivalents and other financial assets are unable to perform their obligations. If the measures that AddLife takes to minimise credit risk should prove to be insufficient, this could have a negative impact on AddLife's financial condition and results of operations.

Currency risk

Currency risk is the risk of exchange rate fluctuations having a negative impact on AddLife's financial condition. Currency risk can be divided into transaction exposure and translation exposure. Transaction exposure arises as a result of subsidiaries within the AddLife Group carrying out transactions in a different currency than the local currency, for example, by importing products for sale on the domestic market or by selling products denominated in foreign currency. Translation exposure arises as a result of net investments in foreign currencies that AddLife has through its foreign subsidiaries. The translation of net income and net assets in such foreign subsidiaries into the Group currency, SEK, could adversely affect AddLife. Thus, exchange rate fluctuations could have a negative impact on AddLife's business, financial condition and results of operations.

Regulatory actions

As of the date of this Prospectus, as far as the Board of Directors is aware, AddLife conducts business in accordance with applicable laws, regulations and administrative requirements. If AddLife's interpretation and understanding of current regulations proves to be incorrect, or if the Company violates current regulations due to defects in the operation, conducts business without the necessary permits, or because of regulatory changes, the Company could be subject to fines or other administrative sanctions and negative publicity. These factors could in turn have a negative impact on AddLife's business, financial condition and results of operations.

AddLife engages in business in a number of jurisdictions, primarily in the Nordic countries, and the Group imports products from several countries outside the Nordic region, including the United States and Japan. AddLife is therefore subject to the local laws and regulations applicable in the respective jurisdiction, as well as over-all international rules. If regulatory changes occur, especially with regard to customs and export control, other trade barriers such as price and currency controls, as well as other public guidelines in the countries where the AddLife Group conducts business, or if it is deemed that the subsidiaries in the AddLife Group do not comply with the applicable requirements of such regulations, it could have a negative impact on AddLife's business, financial condition and results of operations.

Moreover, like other entities in the Life Science industry, AddLife is dependent on and subject to other regulatory measures. Such measures may include changes in regulations regarding pricing and discounts or restrictions. If AddLife's products or business should be subject to additional or changed measures or restrictions from authorities, this could have negative commercial and financial effects for AddLife.

Product liability

AddLife could be subject to product liability claims or other claims that the products produced or purchased are, or are alleged to be, defective, or cause, or are alleged to have caused, injury or property damage. Personal injury or property damage caused by defective, poorly designed, or poorly constructed products that do not meet acceptable quality standards could have a negative impact on AddLife's reputation, financial condition and results of operations. If a product is defective, AddLife may be forced to recall it. In such a situation there is a risk that AddLife cannot make corresponding claims against its own suppliers to receive compensation for the costs incurred by AddLife due to the defective product. Moreover, there is a risk that product liability claims and other product-related costs are not fully covered by AddLife's insurance policy. Product liability claims, warranty claims and product recalls could have a negative impact on AddLife's business, financial condition and results of operations.

Insurance

The AddLife Group's insurance coverage is in the Company's opinion adequate in relation to the cost of the coverage and the risks that exist in the various industries in which the Group operates. However, there is a risk that AddLife's existing insurance coverage is not sufficient for possible future needs and that in the future AddLife will be unable to maintain its existing insurance coverage at a reasonable cost, or at all. Furthermore, the insurance coverage that AddLife obtains may be limited because of, for example, maximum amount limits or deductible requirements. Regarding losses covered by AddLife's insurance, it may be difficult and time-consuming to obtain compensation from the respective insurance company, or the entire lost amount might not be reimbursed by the insurance company. Thus there is a risk that AddLife's insurance will not cover all potential losses, regardless of cause, or that the relevant insurance coverage may not be available at an acceptable cost, which could adversely affect AddLife's financial condition and results of operations.

Intellectual property rights

AddLife owns a number of trademarks and other intellectual property, and may acquire as well as develop its own and common products and technical solutions that may be patented or otherwise protected. If necessary, AddLife defends its intellectual property rights through legal processes.

There is a risk that AddLife will not be able to maintain the approved trademarks and other intellectual property rights or that registration applications are not granted. If AddLife fails to protect and maintain its intellectual property rights, it could have a negative impact on AddLife's business, financial condition and results of operations. Moreover, AddLife is dependent on know-how in its business. It cannot be ruled out that competitors will develop equivalent know-how or that AddLife fails to effectively protect its know-how, which could have a negative impact on AddLife's business and profitability.

Furthermore, there is a risk that AddLife could be guilty of, or alleged to have committed, infringement of the intellectual property rights of others, which could entail costs for either defense or to reconcile a dispute concerning infringement. In the event that AddLife has infringed on the intellectual property of others, there may be a demand for AddLife to develop alternative products or to purchase licenses. This could have a negative impact on AddLife's business, financial condition and results of operations.

Disputes

Within the context of normal business operations, AddLife could become involved in disputes and be subject to civil claims in legal proceedings concerning agreements, product liability and deficiencies regarding delivery of goods and services. In addition, subsidiaries within the AddLife Group (or officers, directors, employees or related parties in such companies) could be subject to criminal and regulatory investigations, as well as litigation. Such disputes, claims, investigations and proceedings can be time-consuming, disrupt normal operations, involve large sums, adversely affect customer relationships and result in both administrative and/or legal sanctions and measures, as well as significant costs. If such disputes, claims, investigations and proceedings occur and companies in the AddLife Group are held liable, there is a risk that AddLife's insurance policy will not fully cover the claims. Future disputes, claims, investigations and proceedings could have a negative impact on AddLife's business, financial condition and results of operations. In addition, exposure to litigation, fines and other obligations issued by relevant authorities, even if the financial impact is not significant, may have a negative impact on AddLife's reputation.

Tax risks

AddLife operates in a number of countries and primarily in the Nordic countries. The business and any intra-group transactions are conducted and performed in accordance with the Company's interpretation and understanding of applicable tax laws, tax agreements and other relevant regulations and requirements from the relevant tax authorities. Meanwhile, AddLife's interpretation and understanding of these laws, agreements and other provisions may prove not to be accurate in all respects. Moreover, the tax authorities in the countries where AddLife operates may make judgments or decisions that differ from AddLife's understanding and interpretation of relevant laws and regulations. AddLife's tax position, both

for prior and current years, may change as a result of decisions taken by relevant tax authorities, or as a result of changes in legislation, tax agreements and other regulations. Such decisions or changes, which potentially could apply retroactively, could have a material adverse effect on AddLife's financial condition and results of operations.

Environmental risk

AddLife's subsidiaries are primarily engaged in commerce and businesses that have a limited direct environmental impact. The Group engages in limited production. In production, there is a risk of an environmental impact and liability, which could have a negative impact on AddLife's business, financial condition and results of operations. The Group does not engage in any operations that require notification or that require a permit under the Swedish Environmental Code or equivalent legislation outside of Sweden. If the business should change to include operations that require a permit, or a business is acquired that is required to have a permit, or if regulations should change so that the current business requires a permit, this could have a negative impact on AddLife's business, financial condition and results of operations. In connection with the acquisition of companies, AddLife conducts a review to determine whether there is any historical responsibility under the Swedish Environmental Code. Even if the acquired company's operations are reviewed prior to the acquisition and efforts are made to obtain the necessary warranties in the acquisition agreement, there is a risk that not all potential obligations or commitments have been identified prior to the acquisition. In the event that AddLife fails to obtain the required contractual protection for such obligations or commitments it could have a negative impact on AddLife's business, financial condition and results of operations. AddLife owns a few properties and a property owner may be held liable for environmental damage caused by previous operators. Environmental damage may be difficult to detect, for example, in connection with the acquisition of a company. Guarantees provided by a seller do not always, in terms of the monetary amount or time, cover a subsequent breach of an environmental guarantee. If environmental damage should be discovered or arise in the properties owned by AddLife and the damage is not covered by the guarantees provided, it cannot be precluded that AddLife will be held liable, which would have a negative impact on the company's reputation, business, financial condition and results of operations.

Risks relating to the Offering and the Listing

Share ownership

Investing in shares always entails risk-taking. Since an investment in shares may increase or decrease in value, there is a risk that investors will not be able to regain all of the capital invested. The performance of a listed share depends on company-specific factors, as well as factors related to the capital market as a whole. It is impossible for an individual company to control all of the factors that may affect the price of its share. For this reason every investment decision must be preceded by a thorough analysis.

Major sales

The price of the shares in AddLife may drop if extensive sales of shares in the Company occur, or can be expected to occur, in particular sales from the Company's major shareholders, directors

or senior management. AddLife's major shareholders have undertaken, with certain exceptions, and for a given period after the Listing, not to sell their shares or otherwise enter into transactions with similar effect without prior written consent from Handelsbanken. AddLife's Board of Directors and senior executives will also agree to a similar undertaking. After the lock-up period has expired, however, the major shareholders will be free to sell their shares in AddLife. The sale of large quantities of shares by the major shareholders in AddLife after the expiration of the lock-up period, or expectations that such a sale will occur, could cause the price of the shares in AddLife to drop. Sales of large blocks of shares by other shareholders could also have a negative impact on the market price of the shares and could make it difficult for other shareholders to sell shares in AddLife at a specific time and at a price they deem appropriate.

Change of Control

Some of the Company's subsidiaries have agreements with suppliers and customers that include "change of control" clauses that would entitle the counterparty to terminate the agreement due to the restructuring that occurred as part of the separation of AddLife from Addtech through the transfer of subsidiaries within the group and/or due to the distribution of Addtech's shares in AddLife. Even if the Company in certain cases tries to obtain approval from selected counterparties and does not believe that the counterparties will exercise this right, for example because they are satisfied with the services and products the Company and its subsidiaries provide, or they wish to avoid the costs and burden of transferring services to a new supplier, it cannot be guaranteed that no such agreement will be terminated or that the Company and its subsidiaries will be able to compensate for lost agreements by negotiating and signing new agreements. If some counterparties exercises the right to terminate these agreements, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Share performance

Prior to the distribution of Addtech's shares in AddLife, there was no trading of shares in AddLife. Even if an application to list Class B shares on Nasdaq Stockholm has been submitted, there is a risk that there will not be sufficient liquidity in the share. The share price will vary for a variety of reasons, including fluctuations in the Company's financial performance and position, changes in the equity market's expectations of future profits, supply and demand for the shares, developments within the Company's market segment and economic trends in general.

No trading in the Company's Class A share

The new Class B shares will be traded on Nasdaq Stockholm. However, both Class A and Class B shares will be issued in the rights issue. Since only Class B shares will be traded on Nasdaq Stockholm, neither new nor existing Class A shares will be admitted for trading on Nasdaq Stockholm or subject to any other organised trading. This means that holders of Class A shares will have no, or only limited, opportunity to divest their Class A shares as long as they are not converted to Class B shares under the conversion clause in the Articles of Association and are then subject to organised trading.

Increased costs as an independent listed company

Prior to the distribution of shares in AddLife, AddLife was a subsidiary to a listed company. Thus AddLife has a limited operating history as a consolidated entity based on which the Group can be assessed and has not previously had any direct responsibility for corporate governance, financial reporting and disclosure requirements applicable to listed companies. In connection with the Listing on Nasdaq Stockholm, AddLife will be subject to certain laws, rules and requirements that are more comprehensive than the regulations that apply to unlisted companies. Consequently, AddLife will incur costs that include legal services, accounting and reporting, which the Company did not have as an unlisted company. Moreover, AddLife may need to increase its human resources to handle the increased regulatory burden.

Future dividends are dependent on several factors

The newly issued shares carry the right to a dividend commencing on the first record date for dividends occurring after the shares have been entered in AddLife's share register. The amount of any future dividends depends on the Company's future earnings, financial condition, cash flows, working capital requirements, planned and potential acquisitions and other factors.

Trading in subscription rights

There is a risk that active trading in subscription rights for shares of Class B will not develop on Nasdaq Stockholm, or that adequate liquidity will not be available during the subscription period at the time such securities are traded. Subscription rights regarding shares of Class A will not be subject to any organised trading.

Rights issue for shareholders in certain jurisdictions

If the Company increases share capital, existing shareholders normally have preferential rights to subscribe for new shares, unless shareholders resolve to approve deviation from preferential rights at the General Meeting. Shareholders in the United States, Canada, Australia, Japan, Hong Kong, New Zealand, Switzerland, Singapore and South Africa or in any other jurisdictions where participation would require additional prospectuses, registration or other measures than those required by Swedish law, are usually excluded from the opportunity to exercise their rights to subscribe for new shares if the shares or subscription rights are not registered under the U.S. Securities Act or equivalent regulations in other concerned jurisdictions and if no exemption from the registration requirements is applicable. It is unlikely that the Company will apply for such registration and there is no guarantee that any exemption from the registration requirement is available so that shareholders in the United States or abroad can exercise the preferential right, or, if it is available, that the Company would take advantage of such an exemption.

Dilution of shareholding

The Issue AddLife is planning in connection with the admission of the Company's shares to trading on Nasdaq Stockholm will result in a dilution of the shareholdings of shareholders who choose not to exercise their right to subscribe for shares in the Offering or who for some reason cannot participate in the Offering. Shareholders who do not participate in the Issue may sell subscription rights allocated to the shareholder and thereby obtain some compensa-

tion. If a shareholder chooses to sell his or her unexercised subscription rights, there is a risk that the compensation the shareholder will receive for the subscription rights on the market does not correspond to the economic dilution of the shareholder's ownership in AddLife after completion of the share issue. Any future share issues may also result in dilution of the holdings of shareholders, for example if an issue is made without preferential rights for existing shareholders. Since the timing and conditions for any future new share issues will depend on AddLife's situation and the general market conditions at that time, the Company cannot predict or estimate amounts, timing and other terms and conditions for such share issues. Thus AddLife's shareholders bear the risk of any future share issues that may lower the price of the AddLife share and/or dilute their holdings in the Company.

Currency effects for shareholders outside Sweden

Shares in AddLife will only be listed in SEK and any future dividends paid will be denominated in SEK. In the event that the value of the SEK decreases in relation to foreign currencies it could result in negative consequences for the valuation of foreign investors' holdings in AddLife, as well as any dividends received. Moreover, foreign investors may also incur transaction fees when exchanging SEK to a different currency.

Unsecured subscription commitments

AddLife's expected largest shareholders, RoosGruppen AB, Anders Börjesson (with family) and Tom Hedelius, have each committed to subscribe for their respective *pro rata* shares in the share issue, a total of approximately 18.5 percent of the new shares in AddLife. These subscription commitments are signed, but not secured from a bank or other third party. Consequently, there is a risk that one or several shareholders will not be able to fulfil their respective commitments. If the aforementioned subscription commitments are not met, it could have a negative impact on AddLife's ability to, through the Issue, raise an amount of about SEK 300 million before issue expenses.

Background and reasons

On 4 June 2015 Addtech announced its intention to distribute Addtech's shares in AddLife to Addtech's shareholders and to list AddLife on Nasdaq Stockholm. The Boards of Directors of Addtech and AddLife believe that AddLife is ready to take the step to become an independent listed company. At the Extraordinary General Meeting of Shareholders on 9 March 2016 the shareholders of Addtech resolved in accordance with the proposal of the Board of Directors to distribute all of Addtech's shares in the subsidiary AddLife to the shareholders of Addtech through a distribution of profits.

Addtech acquired the operations within the business area Life Science, today the company AddLife, in 2005 and the operations have developed very well since then. AddLife currently holds a strong market position in the Nordic countries in several niche areas within Life Science.

To capitalise on the strategic and operational opportunities within AddLife's field of operation and to exploit the opportunities for growth, both organically and through acquisitions, it is a logical step to now implement a division of Addtech through a separate listing of AddLife. The Company has reached such a size, level of specialisation regarding product range to customers and market position that the benefits of full independence are deemed to be greater than the benefits of being part of Addtech. A separate listing of AddLife is expected to create better opportunities to further increase customer satisfaction, profit growth, earnings growth and business potential and thereby increase shareholder value. Moreover, the division is expected to facilitate an analysis of each business separately, while allowing shareholders to adjust their holdings in the respective companies as preferred.

AddLife will, shortly after the Listing, carry out a share issue, see also the section "*Invitation to subscribe for shares in AddLife AB (publ)*". If fully subscribed, the Issue is expected to provide AddLife with approximately SEK 300 million before transaction fees.¹⁾ The purpose of the Issue is to create a financial base for continued profitable growth through acquisitions of Life Science companies in the Nordic countries that can bolster the Company's existing operations or contribute with new product or market segments where the conditions are right for taking leading niche positions.

For more information, please refer to the disclosure in this Prospectus, which was prepared by the Board of Directors of AddLife.

Stockholm 15 March 2016

Addtech AB (publ)
Board of Directors

Stockholm 15 March 2016

AddLife AB (publ)
Board of Directors

This Prospectus has been prepared by the Board of Directors of AddLife for the forthcoming listing of AddLife's Class B shares on Nasdaq Stockholm and the Offering submitted in conjunction therewith. The Board of Directors of AddLife is responsible for the information in the Prospectus and hereby offers its assurance that all reasonable caution has been exercised to ensure that the information in the Prospectus, to the best of AddLife's Board of Directors' knowledge, accurately reflects actual conditions and that nothing has been omitted that could affect its meaning.

Stockholm 15 March 2016

AddLife AB (publ)
Board of Directors

1) AddLife's total costs for the separation from Addtech, the Listing of the Company's Class B share on Nasdaq Stockholm and the Offering are estimated at about SEK 15 million.

Invitation to subscribe for shares in AddLife AB (publ)

The Extraordinary General Meeting on 16 February 2016 approved the proposal of the Board of Directors of 16 February 2016 to conduct a share issue of shares of Class A and Class B with preferential rights for shareholders of AddLife AB ("the Issue"). The Company's shareholders have preferential rights to subscribe for shares in the Issue in proportion to the number of shares of each class they own in AddLife AB on the record date 6 April 2016.

AddLife's shareholders will receive subscription rights to subscribe for shares in proportion to the number of shares of each class they own on the record date 6 April 2016. The terms and conditions for the subscription rights and the subscription price for the shares that will be issued will be announced along with the other terms and conditions of the Issue about two weeks after the Listing of AddLife's Class B shares on Nasdaq Stockholm. Subscription of shares will take place during the period from 11 April 2016 up to and including 25 April 2016, or a later period if determined by the Board of Directors. Provided that the Issue is fully subscribed, it will provide AddLife with approximately SEK 300 million before transaction fees.¹⁾ Shareholders who choose not to participate in the Issue will have their shareholding diluted, but they will have the opportunity to sell their subscription rights, in order to receive, in whole or in part, financial compensation for the dilution.

In conjunction with the Issue, AddLife has received subscription commitments from a number of AddLife's shareholders for about SEK 55 million, corresponding to about 18.5 percent of the rights issue.²⁾

Shareholders of AddLife are hereby invited to subscribe for shares in accordance with the terms and conditions in this Prospectus, as well as with terms and conditions of the prospectus supplement that will be published about two weeks after the Listing on Nasdaq Stockholm.

For additional information, please refer to this Prospectus, which has been prepared by the Board of Directors of AddLife for the application for listing of shares in AddLife on Nasdaq Stockholm and the Offering submitted in conjunction therewith.

Stockholm 15 March 2016

AddLife AB (publ)

1) AddLife's total costs for the separation from Addtech, the Listing of the Company's Class B share on Nasdaq Stockholm and the Offering are estimated at about SEK 15 million.

2) For more information about the subscription commitments, please see "Subscription commitments" in the section entitled "Legal considerations and supplementary information".

These commitments are unsecured; please see "Unsecured subscription commitments" in the section entitled "Risks relating to the Offering and the Listing".

Terms, conditions and instructions for the distribution

On 9 March 2016 the shareholders of Addtech resolved to distribute all of Addtech's shares in AddLife to the shareholders of Addtech through a distribution of profits.¹⁾ Those registered as shareholders in Addtech on the record date for the distribution on 11 March 2016 will receive for every four (4) shares of Class A in Addtech one (1) share of Class A in AddLife, and for every four (4) shares of Class B in Addtech one (1) share of class Class B in AddLife.²⁾

Distribution ratio

For every four (4) shares of Class A in Addtech, shareholders will receive one (1) share of Class A in AddLife, and for every four (4) shares of Class B in Addtech, shareholders will receive one (1) share of Class B in AddLife. A total of 809,418 Class A shares and 15,930,206 Class B shares have been allotted. If the shareholding in Addtech were not evenly dividable by four, the partial share which the shareholding in Addtech entitled to have been added to the excess shares of other shareholders into whole shares in AddLife, which will be sold on Nasdaq Stockholm through Handelsbanken. The proceeds, without deduction of commissions, will be paid via Euroclear. Partial shares of Class A shares will first be added together and converted to Class B shares, after which they will be sold according to the process described above. For additional information, please see section "*The share, share capital and shareholder structure*".

Record date

The record date at Euroclear for determining who was entitled to receive shares in AddLife was 11 March 2016.

Receipt of shares

Those who on the record date were registered in the share register of shareholders in Addtech kept by Euroclear will without further action receive shares in AddLife. Shares in AddLife will be available in the securities accounts (Sw. *VP-konto*) belonging to shareholders entitled to receive distribution around 15 March 2016. Subsequently, Euroclear will issue a securities notice containing information regarding the number of shares registered in the recipient's securities account (Sw. *VP-konto*). Those otherwise entitled to the distribution are requested to follow the instructions which Euroclear will provide separately, where relevant, in connection with the record date.

Nominee-registered shareholding

Shareholders whose holdings in Addtech are nominee-registered with a bank or other nominee will not receive an issue statement from Euroclear. Notices will instead be issued in accordance with the respective nominee's procedures.

Listing

The Board of Directors of AddLife has applied for listing of the Company's Class B shares on Nasdaq Stockholm. Nasdaq Stockholm's listing committee decided on 15 February 2016 to admit AddLife's Class B shares to trading on Nasdaq Stockholm, subject to customary conditions, including that the distribution requirements for the Company's shares is fulfilled no later than on the first day of trading. Trading on Nasdaq Stockholm is expected to commence on 16 March 2016. The Company's trading symbol ("ticker") on Nasdaq Stockholm will be ALIF B. The ISIN code for AddLife's Class B shares will be SE0007982814. AddLife has no intention of applying for listing of the AddLife share on any other exchange or marketplace than Nasdaq Stockholm. Moreover, AddLife does not intend to register the shares under the U.S. Securities Act of 1933, or any other foreign equivalent, or to take any other action that could make AddLife subject to the periodic reporting requirements of the United States Securities and Exchange Commission.

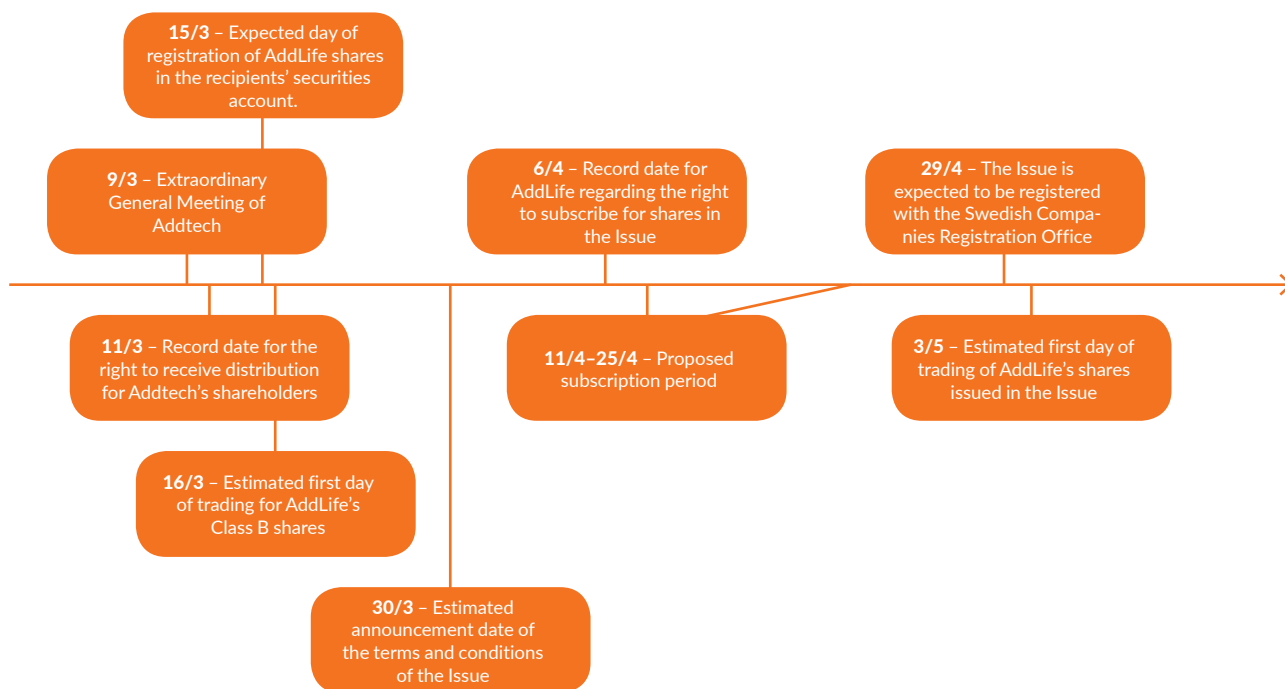
Right to dividend

The shares in AddLife carry the right to dividend from the financial year 2015/2016. Payment of any dividend is handled by Euroclear or, for nominee-registered holdings, in accordance with each nominee's routines. For more information, please see the section "*Dividend and dividend policy*".

1) The decision was published in a press release immediately after the General Meeting on 9 March 2016.

2) Under Swedish law and Addtech's Articles of Association, respectively, shareholders who voted against the profit distribution proposal at Addtech's General Meeting are not entitled to any special rights (known as dissenters' rights in the U.S.). Since shareholders representing at least 50 percent of the votes cast voted in favour of the proposal, the decision binds all shareholders in Addtech, including those shareholders who voted against the proposal, and all shareholders will therefore receive shares in AddLife.

Terms, conditions and instructions for the Issue



Shares

The Issue will be conducted by issuing shares of Class A and Class B.

Subscription with preferential rights

Those who on the record date, 6 April 2016, are registered as shareholders in AddLife will be entitled, with primary preferential rights, to subscribe for new shares of the same class in the Issue. The Extraordinary General Meeting on 16 February 2016 authorised the Board of Directors to determine the detailed terms of the Issue. The primary preferential right is exercised on the basis of subscription rights. The terms and conditions of the subscription rights, subscription price, number of shares to be issued, dilution and the increase in share capital will be published approximately two weeks after the Listing of AddLife's Class B shares on Nasdaq Stockholm and no later than 30 March 2016. Preferential rights apply, in accordance with AddLife's Articles of Association, to owners of each class of share in proportion to their existing shareholdings (primary preferential right). Shares which are not subscribed for by shareholders entitled to subscribe pursuant to primary preferential right will be offered to all shareholders (subsidiary preferential rights). In addition, shareholders and the public will be invited to submit their interest in subscribing for new shares without primary or subsidiary preferential rights. With the sale of subscription rights, both the primary and the subsidiary preferential rights are transferred to the new holder of the subscription right.

Subscription on the basis of subsidiary preferential rights and without preferential rights

Application of interest to subscribe for new shares on the basis of subsidiary preferential rights and without preferential rights in the Issue is done by using the application form "Subscription for shares with subsidiary preferential rights and without subscription rights". For more information, please see section "*Subscription for new shares on the basis of subsidiary preferential rights and without preferential rights*".

Subscription price

The Extraordinary General Meeting on 16 February 2016 authorised the Board of Directors to determine the detailed terms of the Issue. The subscription price will be published about two weeks after the Listing of AddLife's Class B shares on Nasdaq Stockholm and no later than 30 March 2016. No commission will be charged.

Record date

The record date at Euroclear for determining who is entitled to receive subscription rights is 6 April 2016. Class B shares in AddLife will be traded excluding the right to receive subscription rights effective from 5 April 2016 and the last day of trading in the share including the right to receive subscription rights is thus 4 April 2016.

Trading in subscription rights

Trading in subscription rights for Class B shares takes place on Nasdaq Stockholm. Trading will take place during the period 11 April 2016 through 21 April 2016, or until a later date if the Board of Directors of AddLife chooses to extend the period during which subscription applications may be submitted and payment made. There will not be any organised trading of subscription rights for Class A shares.

Subscription period

Application for subscription of new shares by exercising subscription rights is made through simultaneous cash payment during the period 11 April 2016 to 25 April 2016, or a later date if the Board of Directors of AddLife chooses to extend the subscription period. Please note that subscription rights not exercised prior to the expiration of the subscription period will become void and without value. Unexercised subscription rights will be deregistered from the respective shareholders' securities accounts (Sw. *VP-konto*) without notification from Euroclear. In order for the value of the subscription rights to not be forfeited, they must either be exercised for subscription of new shares no later than 25 April 2016 or be sold no later than 21 April 2016. If the Board of Directors of AddLife should choose to extend the subscription period these dates will change.

Issue statement for directly registered shareholders

Shareholders who on the record date are registered in the share register kept by Euroclear on behalf of AddLife will receive a prospectus and pre-printed issue statement with an accompanying payment form. The pre-printed issue statement will show, *inter alia*, the number of subscription rights received and the number of new shares that may be subscribed for by means of subscription rights. Those who are included in the special list of pledge holders and trustees which is maintained in connection with the share register will not receive an issue statement but will be informed separately. A securities notice referring to the registration of subscription rights in the shareholder's securities account (Sw. *VP-konto*) will not be dispatched.

Nominee-registered holdings

Shareholders in AddLife whose holdings are nominee-registered at a bank or other nominee on the record date will not receive an issue statement from Euroclear. Subscription and payment related to nominee-registered shareholders will, instead, take place in accordance with the instructions from the respective bank or nominee.

Subscription of shares on the basis of primary preferential right

Application for subscription of shares on the basis of primary preferential right shall be made by simultaneous cash payment and is binding. Subscription and payment shall be effected in accordance with one of the following options:

Bankgiro form

In cases in which all subscription rights received as of the record date are exercised for subscription of shares, the pre-printed bankgiro form from Euroclear should be used for application for subscription by means of payment. The special application form should therefore not be used. No additions or changes may be made to the text printed on the bankgiro form.

Special application form

In the case that subscription rights have been acquired or sold, or for some other reason a different number of subscription rights than that shown on the pre-printed issue statement are being exercised to subscribe for shares, a special application form shall be used for subscription by means of payment. Payment shall be made at the same time as the application is made at any Swedish bank branch office with the required authorisation, in accordance with the instructions on the application form. Such an application form is available from any branch office of Handelsbanken in Sweden. The pre-printed bankgiro form cannot be used in such cases.

Information to foreign shareholders

Shareholders in AddLife who are resident outside of Sweden and who are not subject to the restrictions described in the section "Important information" and who wish to participate in the Issue shall use the application form sent out. Upon submission of the application form to the following address, payment shall be made in Swedish kronor (SEK) to the bank account specified below:

Bank: Handelsbanken Capital Markets, Emission
SE 106 70 Stockholm, Sweden
Bank account: 6028 973 562 838
IBAN number: SE77 6000 0000 0009 7356 2838
SWIFT: HANDSESS

When making payment the subscriber's name and address must be stated, along with the subscriber's securities account (Sw. *VP-konto*) number or payment ID as stated in the issue statement. The application form and payment must be received by Handelsbanken Capital Markets at the latest on 25 April 2016. Application forms for shareholders residing abroad can be obtained from Handelsbanken's website, www.handelsbanken.se/investeringserbjudande, as well as from AddLife's website, www.add.life.

Please note that due to restrictions imposed by securities legislation the Offering is not aimed at investors who reside or have a registered address in the United States, Australia, Japan, Canada, Hong Kong, New Zealand, Switzerland, Singapore or South Africa or other countries where participation would require additional prospectuses, registration or any other measures in addition to those required by Swedish law. In view of this, shareholders whose shares are registered directly in the securities account (Sw. *VP-konto*) with registered addresses in the United States, Australia, Japan, Hong Kong, New Zealand, Switzerland, Singapore, South Africa or Canada will not receive this prospectus. Nor will they receive any subscription rights in their respective securities accounts (Sw. *VP-konto*). The subscription rights that would otherwise have been allocated to these shareholders will be sold and the proceeds of the sale, less costs, will be paid to such shareholders. However, amounts of less than SEK 100 will not be paid.

Paid subscribed shares (BTA)

Subscription by means of payment will be registered at Euroclear as soon as possible, which usually means up to two banking days after payment. The subscriber will then receive a securities notice confirming that the paid subscribed shares have been registered to the subscriber's securities account (Sw. *VP-konto*). Shareholders whose holdings are nominee-registered must follow the procedures provided by the respective nominee.

Trading in paid subscribed shares (BTA)

Paid subscribed shares will not be subject to any organised trading on a regulated marketplace.

Delivery of shares

Allotted paid subscribed share will be replaced by a new share as soon as the Issue has been registered with the Swedish Companies Registration Office, which is expected to occur around 29 April 2016. After this registration, paid subscribed shares will be removed from the respective securities account and replaced by shares without separate notification.

Re-registration of paid subscribed shares and delivery of the shares will take place on or around 3 May 2016. Trading with the new Class B shares on Nasdaq Stockholm is planned to begin on 3 May 2016.

Subscription for new shares on the basis of subsidiary preferential rights and without preferential rights

Application for subscription of shares on the basis of subsidiary preferential rights and without preferential rights will take place during the same period as application for subscription of shares on the basis of primary preferential rights, i.e. between 11 April and 25 April 2016. Application to subscribe for shares on the basis of subsidiary preferential rights and without preferential rights is to be done on application form "Subscription for shares with subsidiary preferential right and without preferential right", which is to be completed, signed and then sent or delivered to Handelsbanken Capital Markets, Emission, at the address on the application form.

Application forms can be obtained at any Handelsbanken branch office or downloaded from Handelsbanken's website www.handelsbanken.se/investeringserbjudande. The application form can also be downloaded from the Company's website, www.add.life. Handelsbanken Capital Markets, Emission, must receive the application form no later than 5:00 p.m. CET, 25 April 2016. The application form may be sent by mail to the address on the application form, or turned in at any Handelsbanken branch office. Only one application form per person or signatory will be considered. In cases where more than one application form is submitted, only the last one received will be considered. Application forms for fewer than 100 shares will not be considered. Incomplete or incorrectly completed application forms may be disregarded.

As confirmation of the allotment of shares (if any), a settlement note will be sent out around 28 April 2016, which must be paid in accordance with the instructions provided. Notice will only be sent to those to whom shares have been allotted.

The estimated payment date for shares subscribed for on the

basis of subsidiary preferential rights and without preferential rights is around 3 May 2016. If payment is not made on time, the shares may be transferred to others. In the event that the selling price is lower than the subscription price in connection with such a transfer, the party that was first allocated the shares shall be liable to pay all or part of the difference. Once payment has been made for subscribed and allotted shares and the shares have been registered with the Swedish Companies Registration Office, a securities notice will be sent by Euroclear confirming that the subscribed and allotted shares have been entered in the subscriber's securities account (Sw. *VP-konto*).

Subscribers holding a nominee-registered custody account

Note that for shareholders whose holdings are nominee-registered to a bank or other nominee, any new shares subscribed for without preferential rights must be subscribed for through the nominee(s).

Allotment

Shares not subscribed for on the basis of primary preferential rights shall be allotted to shareholders who have subscribed for shares on the basis of subsidiary preferential right. If an insufficient number of shares is available for subscription by subsidiary preferential right, the shares shall be distributed among the subscribers in proportion to the exercised primary preferential right and, insofar as this cannot be done, by the drawing of lots.

As regards to shares not subscribed for pursuant to primary or subsidiary preferential rights, shares will be allotted to others who have applied to subscribe for shares in the share issue and, in the event that they cannot obtain full allotment, allotment shall be made in proportion to the number of shares which each of the subscribers have applied to subscribe for and, insofar as this cannot be done, by drawing of lots.

Publication of the result of the Offering

The result of the Issue will be announced in a press release, which is expected to occur about one week after the end of the subscription period.

Right to dividend

The newly issued shares will entitle to dividends for the first time on the first record date for distribution of dividends that will follow after the shares have been entered into the share register kept by Euroclear and the Issue has been registered with the Swedish Companies Registration Office.

Conditions to completion of the Offering

The Board of Directors of AddLife does not have the right to suspend, revoke or temporarily withdraw the invitation to subscribe for shares in AddLife in accordance with the terms and conditions of this Prospectus. The Board of Directors of AddLife is entitled to extend, one or several times, the period during which application for subscription and payment can be made. Notification of an extension of the subscription period, if any, is published in a press release.

Other information

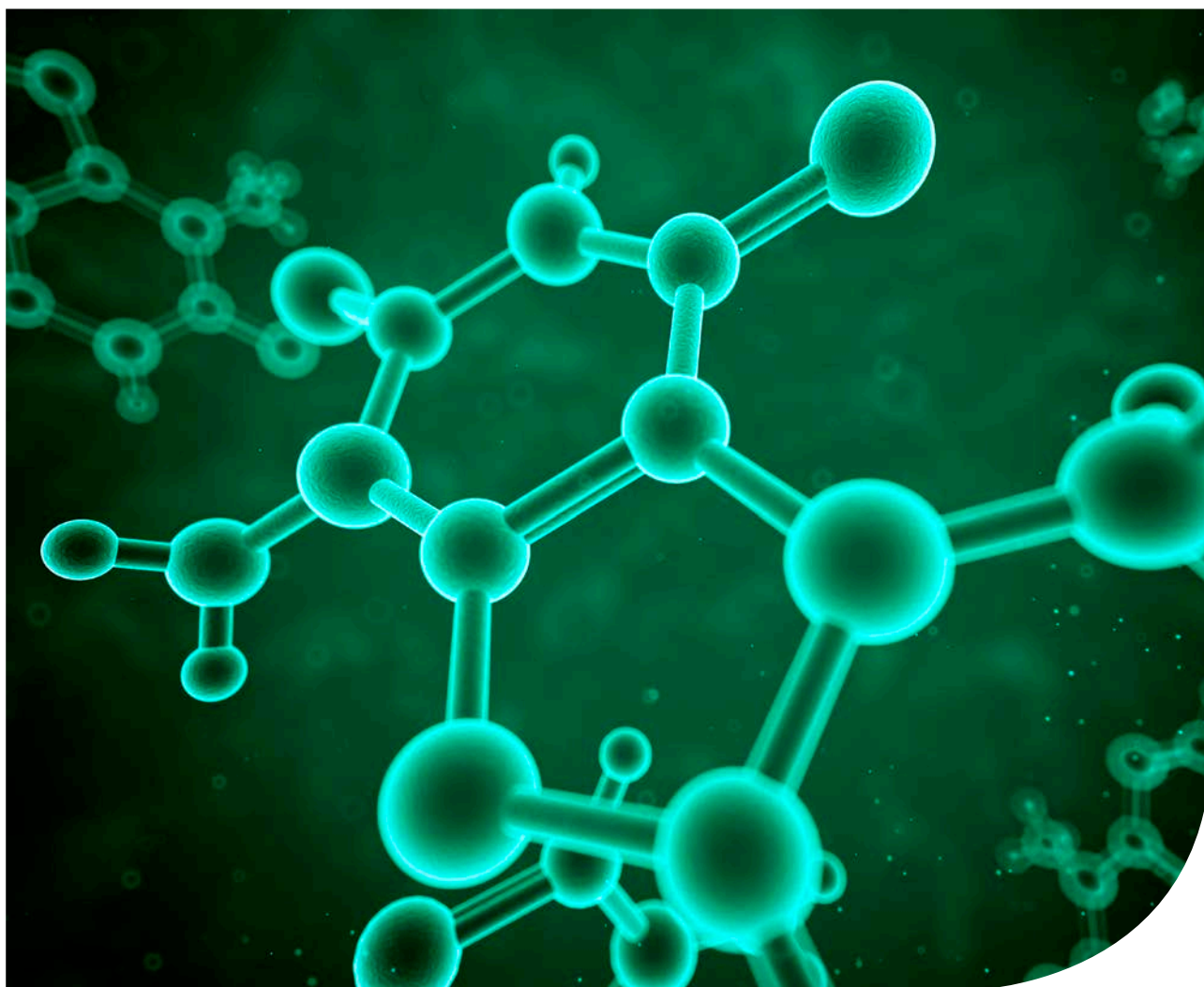
In the event that a subscriber pays too much for the shares issued, AddLife will arrange for the excess amount to be refunded. Subscription of shares is irrevocable and the subscriber cannot cancel or modify a subscription of shares. Incomplete or incorrectly completed application forms may be disregarded. If the subscription payment is made too late, insufficient or made incorrectly, the subscription may be disregarded or subscription may be made at a lower amount. Subscription payments not used will in such case be refunded. Only one application form may be submitted. If several application forms of the same category are submitted, only the most recent application form that Handelsbanken received will be considered. Payment received late in amounts less than SEK 100 will only be refunded on request.

The fact that Handelsbanken is the issuing agent does not in itself mean that Handelsbanken regards the party making an application in the Offering as a customer of the bank for the investment. The receipt and handling of application forms by Handelsbanken does not lead to the creation of a customer relationship between acquirers in the Offering and Handelsbanken. The acquirer will only be regarded as a customer of the bank for the investment if Handelsbanken has provided the acquirer with advice concerning the investment or has otherwise contacted the

subscriber individually regarding the investment. Since Handelsbanken does not regard the acquirer as a customer for the investment, the rules on protection for investors in the Swedish Securities Market Act (2007:528) will not be applied to the investment. This means, *inter alia*, that neither the so-called customer categorisation nor the so-called appropriateness test will be carried out in respect of the investment. It is thus the acquirer's own responsibility to ensure that he or she has sufficient experience and knowledge to understand the risks associated with the investment.

Processing of personal data

Parties who acquire shares in the Offering will provide certain information to Handelsbanken. Personal data provided to Handelsbanken will be processed in computer systems to the extent necessary to provide services and administer customer commitments. Personal data obtained from parties other than the customer to which the processing relates may also be processed. Personal data may also be processed in computer systems of companies or organisations with which Handelsbanken cooperates. Information regarding processing of personal data is provided by Handelsbanken's branch offices, which also accepts requests for correction of personal data. Address information may be obtained by Handelsbanken through an automatic data run at Euroclear.



Comments by the CEO

Dear prospective shareholders,

The listing of AddLife, which is to take place 16 March 2016, has been planned for almost a year. Addtech's Board of Directors believes that AddLife now is ready for a separate listing on Nasdaq Stockholm. This is based on the fact that the Company, in addition to its solid market position with talented and dedicated employees, has a strong platform for continued profitable growth.

I feel confident that our market offering within Life Science is well-established, and that we have well run subsidiaries with strong customer bases and long-term supplier relationships. Our business is based on a more than 100-year history from Bergman & Beving and Addtech. Consequently, the strategy that AddLife now follows, and the organisation in which we are active, are both tested and adapted for the Company's future independence.

We have chosen to organise AddLife in two business areas: LabTech in diagnostics and biomedical and research, and MedTech in medical technology. The total size of the Nordic market in the field in which AddLife operates is substantial and was in 2014 estimated to amount to approximately SEK 42 billion.¹⁾ The market shows steady growth, which benefits from an array of macro trends. AddLife has, through strong organic growth combined with acquisitions of profitable companies, a long history of outperforming average growth in the market. Over the course of the past ten years as part of Addtech, the Company has increased its net sales from approximately SEK 450 million to approximately SEK 1,050 million with good profitability.²⁾

AddLife's subsidiaries have a clear majority of their customers in the healthcare sector. This is where we see potential in a growing and aging population in the Nordic countries, new chronic diseases that must be alleviated, growing applications for individualised diagnostics and increased digitalisation in the healthcare industry where technology-driven solutions are an important part of a streamlined healthcare sector. These are areas in which AddLife today offers parts of the solutions to future challenges in the healthcare sector.

We believe that our position as an independent supplier in the Nordic market, our niche subsidiaries with their strong local presence, and our broad supplier base, responds well to the market's demands. We provide in-depth knowledge in each and every subsidiary. We cover the need for width by the number of niche areas in which we operate.

Digitalisation and technology development are important factors for success in Life Science, both today and in the future. The Company works actively in these areas to secure its market position. Better market visibility through a listing will provide the opportunity to attract new companies to acquire, while ensuring continued access to talented employees.

Through active ownership we will continue to focus on developing our existing operations. We will also focus on strategic acquisitions and additional acquisitions that can strengthen AddLife's position in Life Science to ensure long-term profitable growth.

Taken together, AddLife has an established offering, well run subsidiaries with strong customer bases and experienced employees. We are heading for the stock market as a leading independent player in Life Science in the Nordic countries.³⁾ AddLife combines the strength of a large enterprise with the dedication and business skills of an entrepreneur. We constantly strive towards our vision: to improve people's lives by being a leading, value-adding player in Life Science. That is why I can confidently say that an investment in AddLife is also an investment in the future.

Stockholm 15 March 2016

Kristina Willgård

President and CEO AddLife AB (publ)

1) Source: ADL Market Report, please see section "Market Overview" for definition.

2) This information pertains to the business area Life Science in the Addtech Group for the ten-year period ending 31 March 2015. The information was previously published by Addtech in a press release on 4 June 2015. The Company's net sales for the twelve-month period ending 31 March 2015 has been audited and amounted to SEK 1,057 million. The information is otherwise unaudited.

3) Source: ADL Market Report, please see section "Market Overview" for definition.



Market overview

This Prospectus contains statistics, data and other information on markets, market size, market share, market position and other industry data for AddLife's business and industries. Unless otherwise stated such information is based on an analysis of several sources, including a market and business report commissioned by AddLife from the independent consultancy firm Arthur D. Little ("ADL Market Report") and information obtained in other ways. Such information has been accurately reproduced and as far as AddLife is aware, no information has been omitted which would render the reproduced information inaccurate or misleading.

Industry publications generally state that their information comes from sources which they consider reliable, but that its accuracy and completeness cannot be guaranteed and that forward-looking information is based on a number of material assumptions. In cases where third party information is included in this Prospectus, the source has been stated. Such third party information has been accurately reproduced with relevant references to sources and as far as AddLife is aware and can ascertain through comparison with other information published by such sources, no information has been omitted which would render the reproduced information inaccurate or misleading.

The Prospectus contains certain information about AddLife's competitive situation and market position. AddLife believes that such information, based on market data and industry statistics, is correct, but the information has not been independently verified. AddLife cannot guarantee that a third party using other methods to gather, analyse and calculate market data, or on the basis of information published by competitors, would reach the same conclusion. Moreover, AddLife's competitors may define their respective markets and market position in a different way than AddLife, and also define components of operations and profit measures in a way that means that such data is not comparable with AddLife's.

The Life Science segment in which AddLife operates includes products within diagnostics, products for research and laboratory analysis, and medical technology products. The respective estimated market sizes include the value of the product areas, as well as directly related product areas, that the companies within AddLife cover with their current product portfolio.

The market analysis includes the above segments, but excludes the market for diagnostic imaging (e.g. X-ray equipment, ultrasound equipment), the market for glucose monitoring and insulin delivery, cosmetics and dermatology, dental-related equipment, prostheses, IVF equipment, contraception products, hearing aids, patient lifts, basic wound care, veterinary products, the endoscopy market, sterilisation and dialysis.

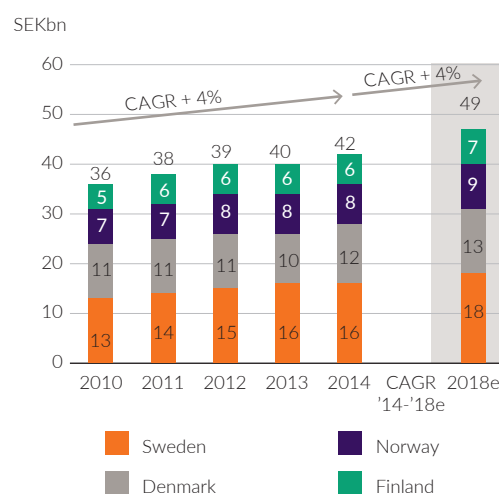
Overview

AddLife is an independent player within Life Science that offers high-quality products, services and advice to both the private and public sector, primarily in the Nordic region. The Group comprises approximately 25 operating subsidiaries that provide equipment, instruments, and reagents, as well as medical technology solutions, advice and technical support to customers primarily in healthcare, laboratory research and academia, along with the food and pharmaceutical industries. The Company operates in the Nordic countries and is also represented by smaller businesses on the European market in Germany, the Benelux countries, Estonia and Italy.

AddLife's markets

The Nordic Life Science market in which AddLife operates is substantial and was estimated at approximately SEK 42 billion in 2014. Sweden is the largest market in the Nordic region and accounted for approximately 37 percent of the market, followed by Denmark, Norway and Finland, which accounted for approximately 28 percent, 19 percent and 15 percent of the market, respectively. The Nordic Life Science market has during the period 2010–2014 grown by an average of 4 percent per year and it is expected to continue to grow to approximately SEK 49 billion in 2018, equivalent to an average annual growth rate of 4 percent.¹⁾

MARKET SIZE AND DEVELOPMENT OF THE NORDIC LIFE SCIENCE MARKET BY COUNTRY



1) Source: A market and business survey ordered by AddLife from the independent consultancy firm Arthur D. Little ("ADL Market Report").

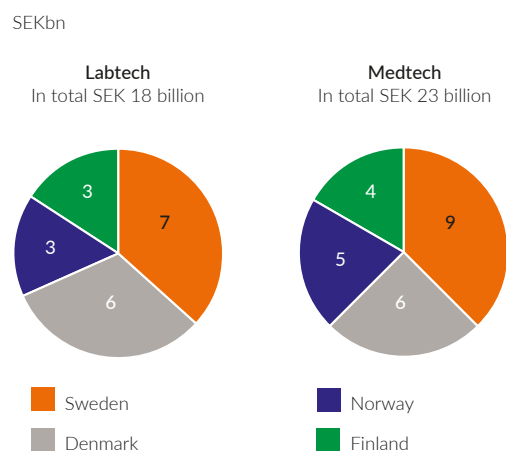
The Life Science market in which AddLife operates can be divided into two market segments: labtech and medtech. The labtech market segment includes products and services within the market areas diagnostics and biomedical and research, while the medtech market segment includes products and services within the market area medical technology. AddLife operates in selected niches in both market segments.

Labtech

The business area focuses on product sales to the two market areas diagnostics and biomedical and research. The labtech market consists primarily of sales of instruments and equipment combined with reagents, which are used to diagnose diseases or to conduct biomedical research and laboratory analysis.

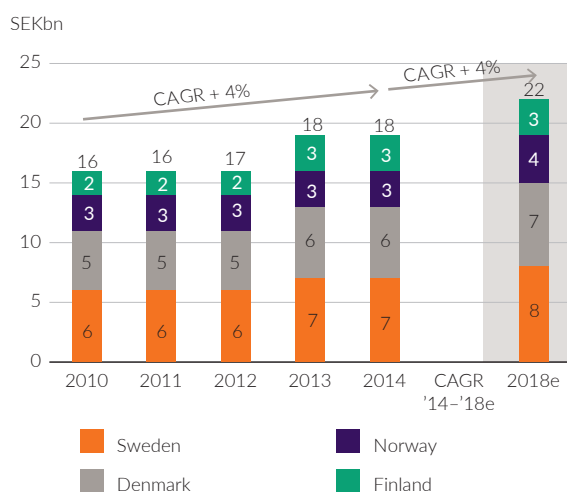
The size of the Nordic labtech market was approximately SEK 18 billion in 2014. The labtech market has during the period 2010–2014 grown by an average of 4 percent per year and is expected to continue to grow by 4 percent per year until 2018.¹⁾

SIZE OF THE NORDIC LIFE SCIENCE MARKET BY MARKET SEGMENT AND COUNTRY 2014



Source: ADL Market Report.

MARKET SIZE AND DEVELOPMENT OF THE NORDIC LABTECH MARKET BY COUNTRY



Source: ADL Market Report.

Diagnostics market

Overview

The diagnostics market is segmented and consists in turn of several different product segments, the largest of which are clinical chemistry, which includes analysis of blood lipids, renal function, proteins, blood cells, coagulation, etc., and immunology, which includes analysis of infections caused by bacteria or viruses, as well as pathology.

Products in the diagnostics market mainly comprise analytical instruments and reagents. Analytical instruments are defined as equipment and instruments that clinical laboratories use to measure various processes in which reagents are combined with patient samples. Reagents are solutions of high specific biological and chemical activity that can react with target substances, such as a blood sample, and that results in a reaction or a change that can be measured or analysed. Examples of products are blood gas analysis instruments, coagulation analysis instruments and various active reagents used in the analyses.

1) Source: ADL Market Report.

Customers

Customers in the diagnostics market are mainly the publicly funded healthcare system and healthcare laboratories. The majority of sales are primarily based on public tenders under the Swedish Public Procurement Act (2007:1091).¹⁾ For more information on public procurement, please see the section “*The public procurement process*”.

Market size and development

In 2014 the diagnostics market in the Nordic region amounted to approximately SEK 7 billion, of which the Swedish market is the largest and accounted for approximately 39 percent, the Danish market for 27 percent, the Norwegian market for 18 percent and the Finnish market for 16 percent.¹⁾

The Nordic diagnostics market has during the period 2010–2014 grown by an average of 5 percent per year and is expected to grow by 6 percent per year during the period 2014–2018, driven in part by the strong expected growth in the market for analysis of clinical samples. Growth in the diagnostics market is primarily driven by new applications made possible by technological advances, along with increased understanding of the link between genetics and the clinical picture.¹⁾

Biomedical and research market

Overview

The biomedical and research market is segmented and in turn comprises several different product segments, the largest of which is laboratory instruments and equipment. The market includes all products used in a research laboratory, such as analytical instruments, microscopes, reagents, laboratory fittings and various types of supplies.

Customers

Customers are primarily research laboratories or researchers in academia, the food and pharmaceutical industries, or other industry-related laboratories. Sales are made both to the private sector through direct sales, and to the public sector through public procurement. The total Nordic market for biomedical and research is to approximately 51 percent publicly financed, and approximately 49 percent privately financed, but this varies to some extent between the Nordic countries.¹⁾

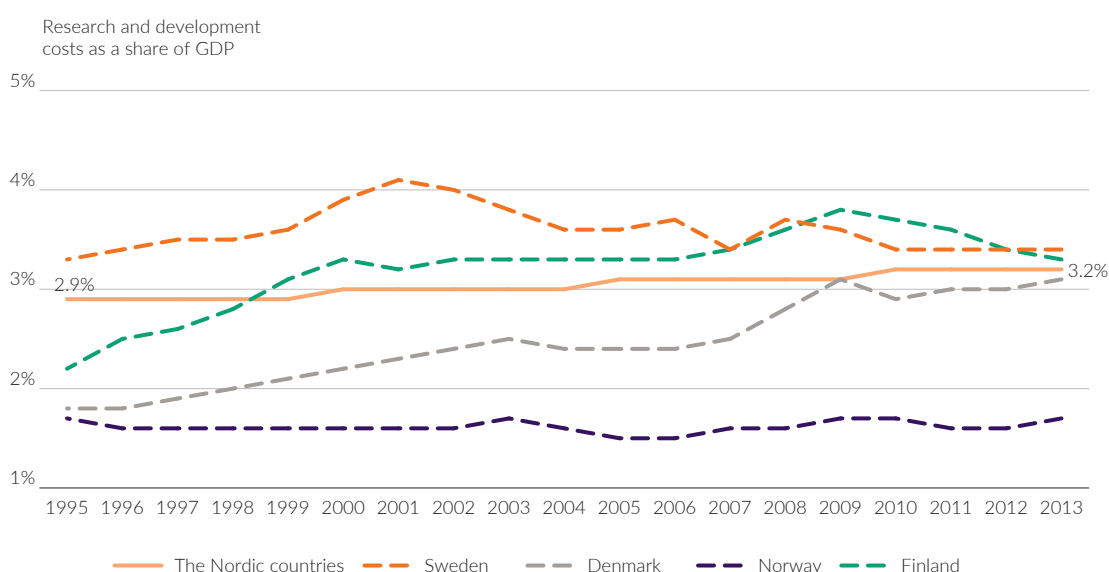
Market size and development

The Nordic market for products for biomedical and research amounted to approximately SEK 11 billion in 2014, of which the Swedish market accounted for approximately 36 percent, the Danish market for 35 percent, the Norwegian market for 16 percent and the Finnish market for 13 percent.

The biomedical and research market has during the period 2010–2014 grown by an average of 3 percent per year and is expected to continue to grow by 3 percent per year until 2018. Research at universities and colleges accounts for a large part of the market, and growth is to a large extent driven by the availability of research grants. Historically, research grants in the Nordic countries, as a share of GDP, have remained stable over time.

The market for industry-related analysis is primarily driven by growth in the industry and changes in orientation linked to the economy. A decline in the automotive industry has had a similar effect on the market, and the food and forestry industries have been under intense cost pressure with low margins and high demands for efficiency enhancements. However, in recent years, an industrial upturn has been noted and new niches in areas such as materials and food analysis have led to increased demand for analytical instruments and reagents.

TOTAL RESEARCH AND DEVELOPMENT COSTS AS A SHARE OF GDP BY COUNTRY (1995–2013)



Source: Eurostat.

1) Source: ADL Market Report.

Medtech

Overview

The medtech market primarily consists of the sale of medical technology products to the publicly funded healthcare system. Examples of products include protective clothing for surgical staff, catheters, syringes, bandages, heart valves, oxygen masks and ostomy products.

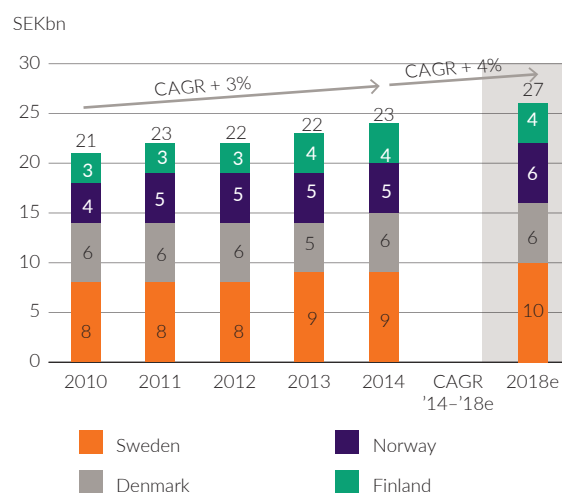
Customers

Customers in the medtech market are primarily the publicly funded healthcare system where sales are based on public tenders under the Swedish Public Procurement Act.

Market size and development

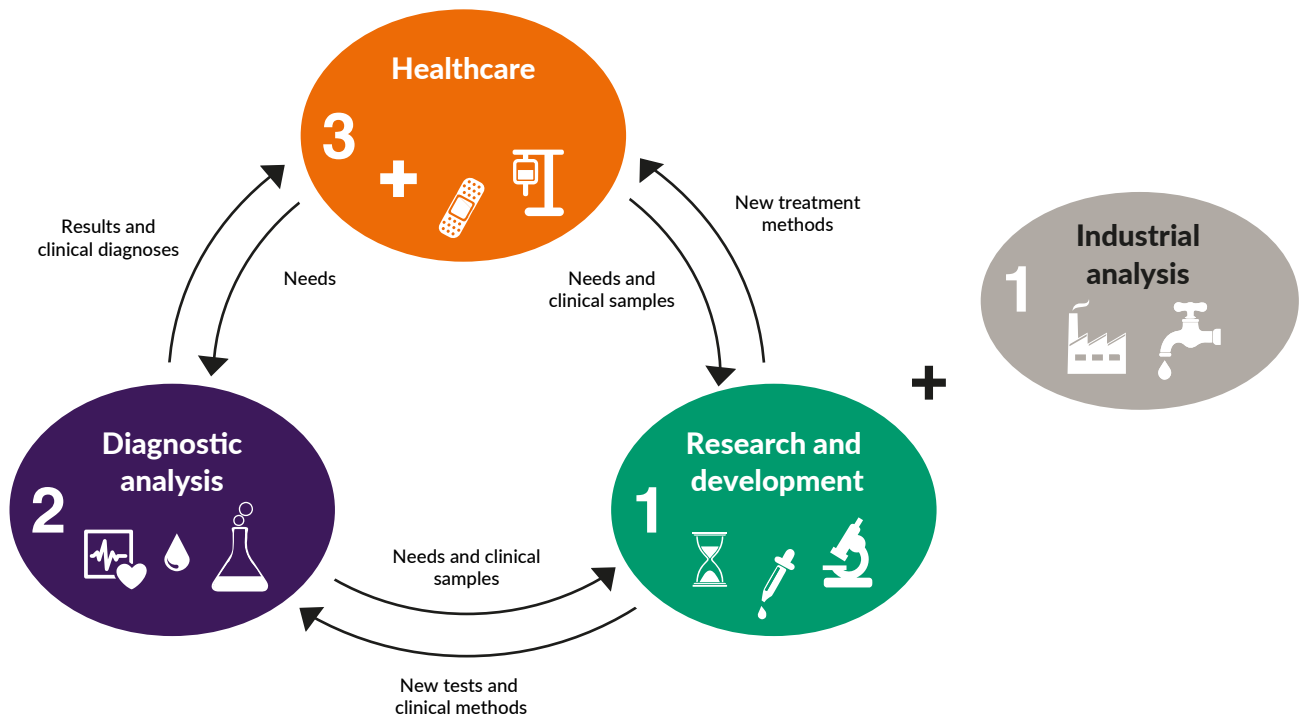
The Nordic medtech market amounted to approximately SEK 23 billion in 2014, which makes it one of the largest in the world per capita. The Swedish market is the largest in the Nordic region and accounted for approximately 38 percent of the market, followed by the Danish, Norwegian and Finnish markets, which accounted for 26 percent, 21 percent and 16 percent, respectively. The medtech market has during the period 2010–2014 grown by an average of 3 percent per year and is expected to continue to grow by 4 percent per year until 2018.¹⁾

MARKET SIZE AND DEVELOPMENT OF THE NORDIC MEDTECH MARKET BY COUNTRY



1) Source: ADL Market Report.

THE ECOSYSTEM OF THE LIFE SCIENCE MARKET



AddLife's product portfolio addresses the need in the market

- ① AddLife's products support research and development and industrial analysis
- ② AddLife's diagnostic products support diagnostic analysis of patient samples
- ③ AddLife's medtech products are used in the healthcare provider setting

Trends in AddLife's markets

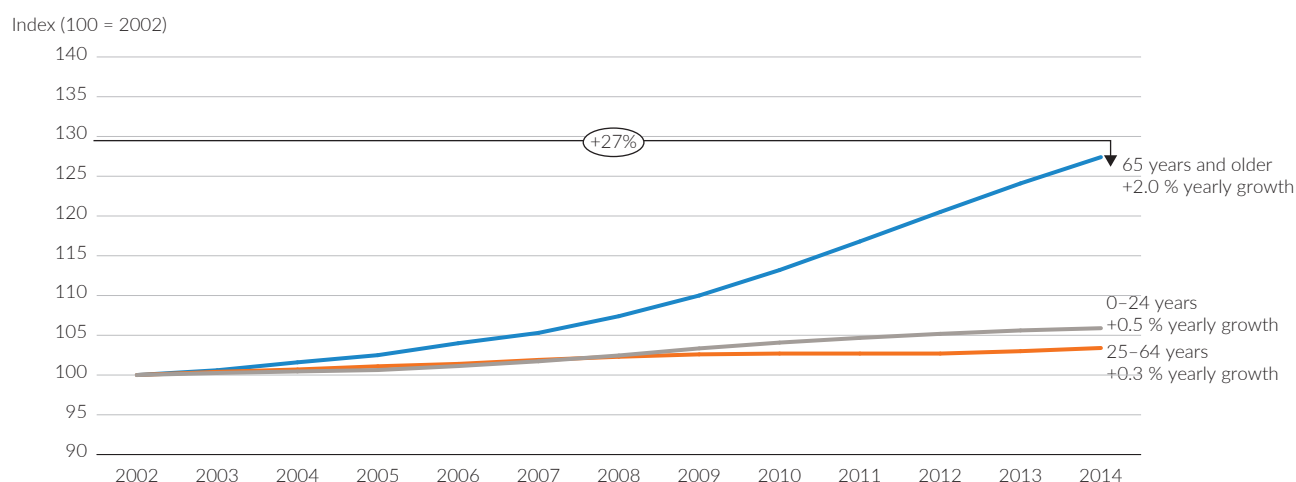
Growing and aging population increases the need for healthcare and care services

The Life Science market is driven by both increased demand in established segments and growth driven by new applications made possible by new products and value propositions.

The addressable market is expected to increase in the coming years, as the population in the Nordic region is growing. The growth, which is expected to be around one million people every

five years through 2040, will result in an increased need for healthcare and care services. In the Nordic region, the number of individuals aged 65 years and older has increased by 27 percent since 2002 and the segment is expected to continue to grow by approximately 2 percent per year.¹⁾ An aging population creates additional demand for healthcare services and healthcare products.

POPULATION GROWTH IN THE NORDIC COUNTRIES BY AGE CATEGORY (2002-2014)²⁾



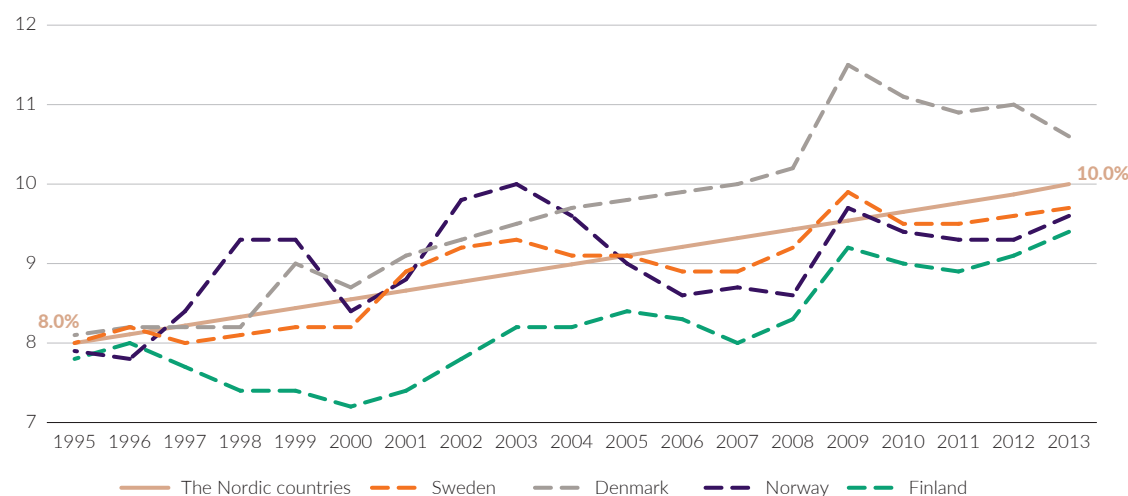
Source: The most recent population data per December 2015 from Statistics Sweden, Statistics Denmark, Statistics Norway and Statistics Finland.

Changing markets and needs require an altered value proposition

The Nordic countries have traditionally had high healthcare costs per capita, which has increased from eight to ten percent of GDP in twenty years and the trend has historically been shown to be independent of the current political regime.

TOTAL MEDICAL COSTS AS A PERCENTAGE OF GDP PER COUNTRY (1995-2013)

Medical costs
as a percentage of GDP



Source: WHO Global health observatory data repository.

1) Source: The most recent population data per December 2015 from Statistics Sweden, Statistics Denmark, Statistics Norway and Statistics Finland.

2) Note: The Nordic countries include Sweden, Denmark, Norway and Finland.

The medtech and labtech markets have undergone a change in recent years. Rapid technological development, increased competition and lower production costs have contributed to a changed market situation. New players have established themselves and compete with lower prices, which have contributed to a standardisation of products within the established and mature product segments. At the same time, the healthcare system has been subject to intensified cost pressure, driven by growing costs for an aging population, improved quality of care and greater use of capital-intensive diagnostic methods and treatments.

Laboratories within the industry and the private laboratory sector have for a long time experienced significant demands for increased cost control. Businesses are becoming increasingly focused on their core activities, while purchasing other services such as support, validation and maintenance. Increased automation has resulted in a shrinking workforce, which in turn has driven a trend for greater mobility among employees. From historically having had staffed laboratories with niche specialists to a large extent, employees must now “know a little about a lot”, which is why specialist skills are increasingly being outsourced to suppliers, and the need for training services is growing.

For established market participants, these trends have entailed demands for potential revision of their product and value proposition strategy. The need to find niche areas is increasing at the same time as it is becoming more important to adapt to rapid technological and price developments to meet market demand.

Growing application area for diagnostics

A growing application area for diagnostics is within so-called personalised treatment, where diagnostic tests, known as “companion diagnostics”, are used to predict which patients are most likely to respond to a specific treatment, for example by identifying a specific genetic marker. The first genetic diagnostic tests to enable personalised therapy were commercially launched in 1998, but this type of testing is already commonly used in cancer treatment and many of the drugs that pharmaceutical companies are developing today are combined with a diagnostic test.

The diagnostics market is also driven by the increasingly widespread bacterial resistance, and the risks associated with hospital infections, which increase the need for rapid analysis and identification of pathogenic bacteria and viruses. New testing methods are being developed and routines for rapid analysis are being implemented to accelerate the identification of resistant bacteria and thus limit their spread.

The rapid technological advances in electronics, chemistry and IT have enabled significant technological progress in advanced DNA analysis, so-called Next Generation Sequencing (NGS), which is now increasingly becoming adopted as a routine diagnostic method. As prices decrease, new areas of application become possible that will eventually replace a variety of established tests and techniques. In the near future advanced DNA analysis is expected to be used as routine procedures on a large scale for applications such as analysis and prediction of various types of cancer, which will open new business opportunities for established market participants.

Within clinical chemistry, there has been an ongoing consolidation and centralisation of laboratories for a long time. This is expected to accelerate as county councils and regions merge and to an increasing extent send their samples to central laboratories. Parallel to this centralisation, a decentralisation is taking place, where some types of analyses can be done directly on the ward or in primary care centres – close to the patient. This development is primarily driven by technological advances that have made test methods less expensive and more simple to use. This decentralisation is expected to continue within an array of niche areas, especially where the need for rapid test results is crucial.

Digitalisation enables new applications and business opportunities

On the product side, a clear trend towards digitalisation can be seen with e.g. connected laboratory instruments, analytical services in the so-called cloud and new digital measurement techniques being developed to replace manual procedures. The digitalisation also provides new ways to gather, spread and analyse data, which is made possible by developments in information and communication technology.

Solutions that enable co-analysis of diagnostic data and other available patient information, for instance from patient records, are becoming more common, which opens up new applications and business opportunities in areas such as e-health.¹⁾ This development is still at an early stage, but the global e-health market is expected to grow by 15 percent per year.²⁾

The digitalisation also affects procedures for purchasing and implementing services. Product information will be available and it will be possible to place orders online. Increasingly informed consumers will require an increasingly active presence from the seller in terms of support in the use and choice of products. Purchase-related service and supplementary products such as training, user support and product maintenance will therefore become increasingly important. Centralisation of procurement and increased use of electronic procurement systems will further drive a growing need for new types of accessible and interconnected electronic procurement solutions.

Consolidation and centralisation of public procurement

In recent years, major consolidation initiatives and structural reforms have been implemented at the county council and regional levels in all of the Nordic countries. In Denmark, 14 regions were merged into five, and in Norway 13 regions were consolidated into four. In Sweden, there is a process of increasingly shifting coordination of decisions and procurement from the operational level to the county council or regional level.

This trend, along with the increased centralisation of purchases and the increased usage of professional purchasing organisations, has had a major impact on the size and shape of procurements. Public procurements are today larger in scope and the contract terms are often longer than before. An increasing consolidation has been seen on the supplier side, in which large enterprises have merged and offer so-called “one stop shop” solutions. These are complete solutions which cover products and

1) E-health: Care and care-related procedures made possible by digital information and information and communication technology.

2) Source: Researchandmarkets.com

services, for e.g. all types of analyses for research, analysis or diagnostic laboratories, or products for all major healthcare-related businesses.

Consolidated purchasing and new approaches to health economic aspects in general have emerged among hospitals. In many ways these trends have been driven by influences from, among others, the National Health Service (NHS) in the UK. Overall, these trends have entailed an increase in the number of “complete solution” tenders. Products and services for multiple analyses, larger business areas, or even the operation of entire businesses are being advertised and procured at the same time. This could pose a threat for smaller players, but at the same time, new opportunities are emerging in which large suppliers collaborate with subcontractors to ensure that all customer needs are covered.

In the past, tenders were mainly evaluated based on price. Today, there is instead a trend towards evaluation models where quality-based aspects such as service, support and aftermarket services are becoming increasingly important. On the laboratory diagnostics side, a trend can also be seen towards payment models linked to payment per patient analysis response, rather than per product, where service and support are assuming an increasingly significant role.

Market participants and competitors

The Nordic Life Science market is fragmented and consists of several large international players, as well as smaller companies. The large international players generally offer products under their own brands and handle everything from manufacturing to distri-

bution through their own sales offices worldwide. Smaller companies also generally offer their own products, but often focus on a specific product, product segment or geographic region.

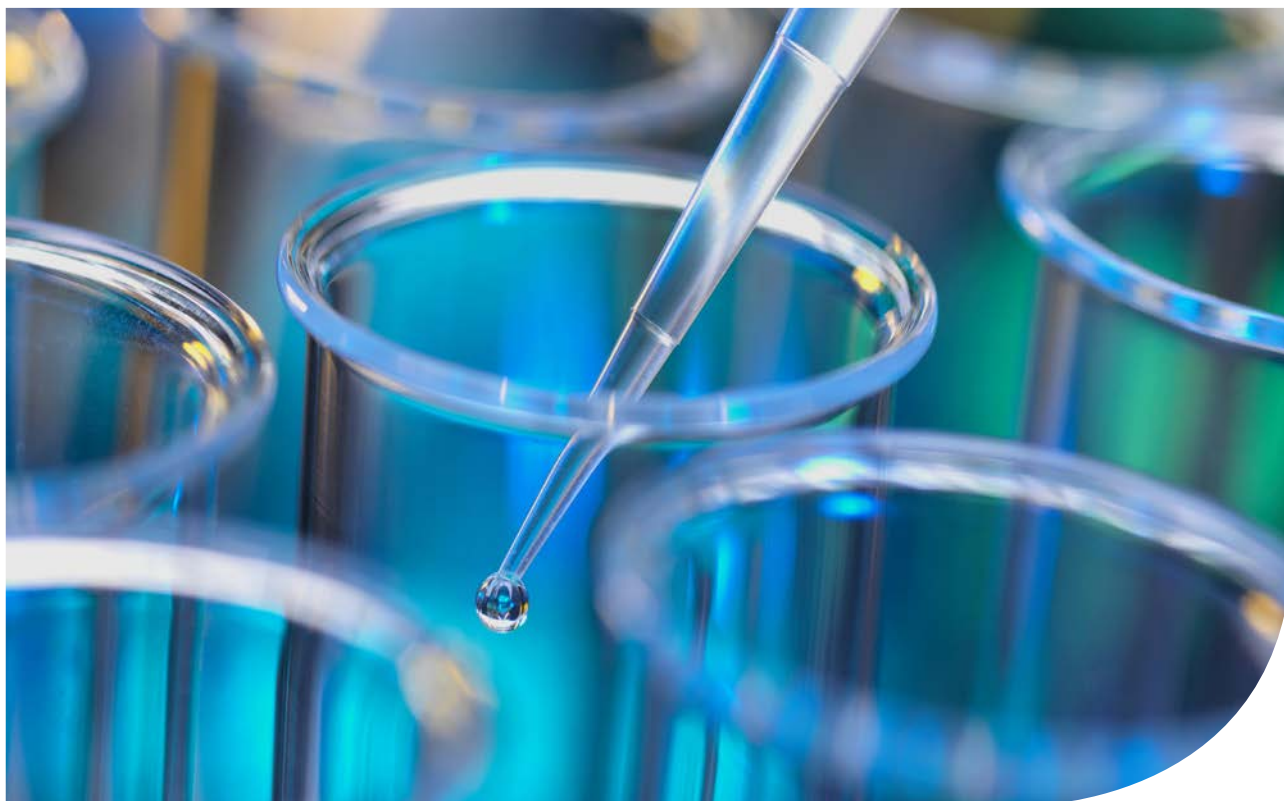
In addition to these players, there are independent suppliers, such as AddLife. Independent suppliers can offer customers products from a variety of different market participants and thereby package customised offerings. Independent suppliers also act as a sales channel for large international players, as well as small companies that lack their own sales players in the Nordic market.

As a result of the rapid technological development within Life Science, new specialised players often appear on the market which do not have a local presence in the Nordic region. This provides an opportunity for independent suppliers, such as AddLife, to sell these companies' products and solutions in the Nordic market.

Within the Nordic diagnostics market there are several large international suppliers, such as Becton Dickinson, Beckman Coulter, Siemens, Roche and Abbott. There are also several niche suppliers, both international and domestic, such as Thermo, Ortho Clinical, bioMérieux and Dako.¹⁾

There are several large international players in the biomedical and research market, such as Thermo Fisher Scientific, VWR and Merck Millipore. There are also several niche suppliers such as Mettler Toledo, Waters and Ninolab.¹⁾

In the medtech market there are several large international players such as 3M, B Braun, Mölnlycke, Getinge, Mediq and Johnson & Johnson. In the Nordic market, there are primarily three major competitors with a similar product portfolio: OneMed, Mediq and Vingmed.¹⁾



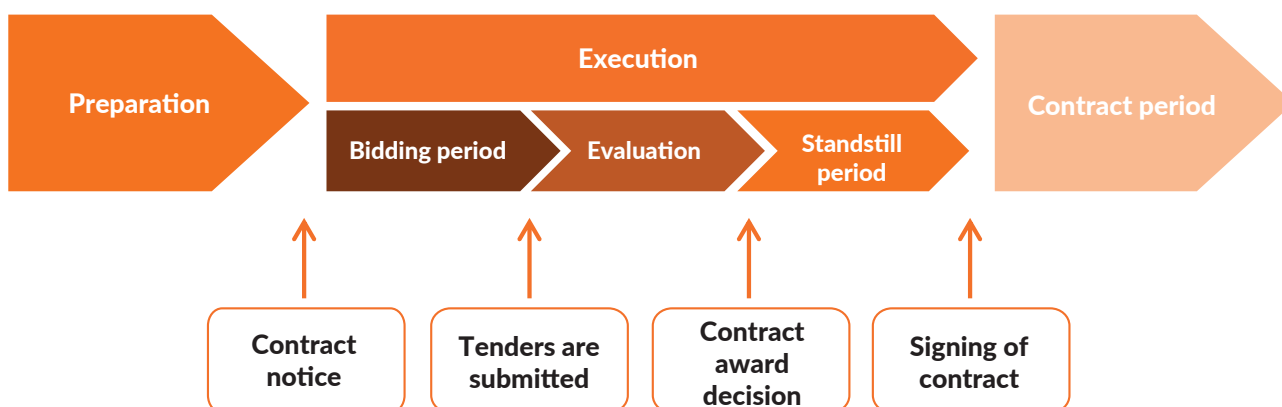
1) Source: ADL Market Report.

The public procurement process

The public procurement regulations govern how contracting authorities, such as government agencies, municipalities, county councils and regions financed with public funds may act when they purchase goods, services and construction services. The regulations aim to make contracting authorities' use of public funds more effective by seeking out and taking advantage of market competition. At the same time the regulations aim to enable suppliers to compete on equal terms in all tenders. The regulations are based on EU directives incorporated by all countries in the EU and the EEA. All Nordic countries have therefore introduced rules on public procurement.

The contractual agreements procured are usually framework agreements, which govern the products covered, quality, price, delivery time, penalties, etc. The term of such framework agreements is usually 2 + 2 years or 3 + 1 years. The regulations provide that the total contract period for framework agreements may not exceed four years, including an extension, except if special reasons apply. Special reasons may be present in large contracts where, for example, extensive investments may be required from the supplier. In such cases, the term of the agreement may be longer than four years. The Company assesses that there is a certain lock-in effect in the market, where the existing supplier wins the tender also for the following contract period, due to the complexity of changing suppliers for advanced products and services.

OVERVIEW EXAMPLE OF THE PUBLIC PROCUREMENT PROCESS UNDER OPEN PROCEDURE



Business overview

Overview^{1) 2)}

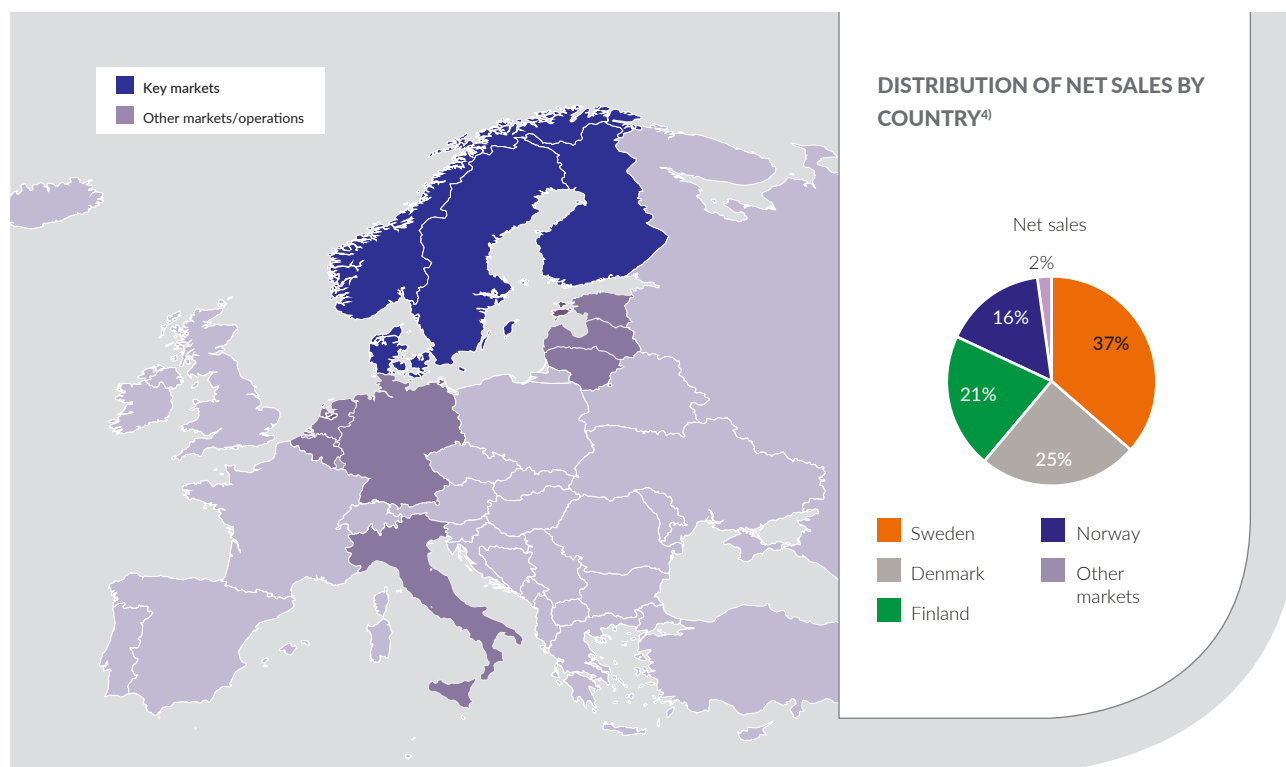
AddLife is an independent player within Life Science that offers high-quality products, services and advice to both the private and public sector, mainly in the Nordic region. The Group comprises approximately 25 operating subsidiaries that provide equipment, instruments, and reagents, as well as medical technology solutions, advice and technical support to customers technology in the healthcare sector, laboratory research and academia, along with the food and pharmaceutical industries. The Company operates in the Nordic countries and is also represented by smaller businesses on the European market in Germany, the Benelux countries, Estonia and Italy. AddLife is the market leader in the Nordic region in several niche areas within the market areas of diagnostics, biomedical and research and medical technology.³⁾

AddLife develops and acquires profitable niche companies with market-leading positions in Life Science.³⁾ The Company has an entrepreneurial-driven structure with independent subsidiaries and efficient decentralised corporate governance built on active board work and financial governance of the subsidiaries, combined

with a tried and tested business culture based on the Company's common core values, vision and corporate philosophy.

AddLife's subsidiaries are organised in two business areas: LabTech and MedTech. The LabTech business area comprises around fifteen companies active in the market segments diagnostics and biomedical and research. The MedTech business area comprises around ten companies that provide medical technology products within the medical technology market segment, with a focus on surgery, thoracic medicine, neurology, wound dressings, anaesthesia, intensive care, ear, nose and throat, ostomies, and home healthcare. AddLife has market-leading positions in selected niche areas and the Company has a good platform from which to further strengthen its market positions and competitive advantages through both organic development and growth as well as through acquisitions.³⁾ The Company previously comprised the Life Science business area within Addtech and builds on a proven and tested business model, which through the heritage from Bergman & Beving and Addtech has a history that dates back more than one hundred years.

ADDLIFE'S GEOGRAPHIC MARKETS



- 1) AddLife uses certain key financial indicators in its analysis of operating income that are not calculated under IFRS, including EBITA. The Company believes that these key financial indicators provide useful information to investors because they allow for an evaluation of current trends in a better way in combination with other ratios calculated under IFRS. Since listed companies do not always calculate these ratios in the same way, it is not certain that the information is comparable with other companies' ratios with the same names.
- 2) AddLife was founded in June 2015 and is the corporatisation of the Life Science business area in the Addtech Group. The text in this section refers in certain cases to AddLife or the Company even in cases when a measure was taken during the period the business constituted the Life Science business area within the Addtech Group.
- 3) Source: ADL Market Report.
- 4) Refers to the period 1 April – 31 December 2015. Unaudited.

Strengths

The Company believes that its most important competitive advantages are:

Well-positioned to capitalise from growth in the Life Science market

The Nordic Life Science market is large and has historically grown by an average of 4 percent per year during the period 2010–2014, primarily driven by a growing and aging population, as well as the introduction of new technologies and new tests in healthcare.¹⁾ The Life Science market in the Nordic region is to a large degree publicly financed and characterised by stable demand, regardless of economic conditions.

AddLife has historically, including acquisitions, increased net sales by around 8 percent per year over the past three financial years and is the market leader in the Nordic region in several well-defined niche areas within diagnostics, biomedical and research, as well as medical technology.¹⁾ The Company believes it has good prospects for continued growth and increased market shares in its priority niche areas.

Leading independent player on the Nordic market

Leading independent player

AddLife is a leading independent player within Life Science in the Nordic market.¹⁾ As an independent player AddLife can represent a number of different suppliers, which provides an important competitive advantage since the Company can offer products and solutions that are better tailored to the customer's specific needs compared to what competitors who are limited to their own products are able to offer.

The Company has identified attractive niche areas in which it has established stable and growing sales. AddLife has strong market positions in the Nordic region in several niche areas within diagnostics, biomedical and research, as well as medical devices, such as POC diagnostics, molecular biology and clinical chemistry. For example, the Company is currently the supplier of the majority of reagents and equipment in the Nordics used for coagulation and blood gas analysis, and more than 90 percent of tests used to diagnose Alzheimer's in the Nordic region. In medical technology, AddLife has a leading position in specific consumable medical supplies.¹⁾ One niche in which AddLife currently has a substantial market share is disposables for ear, nose and throat procedures.¹⁾

Strong local presence and own service organisation

Through its presence on all Nordic markets AddLife can offer customers and suppliers a pan-Nordic sales and service organisation. A large portion of the products AddLife offers contain a high knowledge content. The customer's employees need a supplier who can advise them, in their local language, when selecting equipment and related products and after delivery help the customer with, for example, being available to answer questions, providing training and providing technical support and service to ensure that the customer's processes always work. As an increasing share of the customer's expertise at laboratories is subcontracted to external third-party suppliers, a strong local presence and service organisation that is readily available to the customer has become an

increasingly important competitive advantage. The Company's collaboration with customers continues throughout the entire product life cycle, from product sales to the provision of consumables, ongoing maintenance and support, which helps to create long-term customer relationships and low customer turnover, as well as stable and recurring revenue.

Through its strong local presence AddLife has also built strong market positions specific to the various Nordic countries. In Finland, for example, the Company has established a market-leading position in diagnostic tests for the detection of pathogens, which are tests for viruses and bacteria that are performed daily in large volumes in hospital laboratories.

AddLife's reach in the Nordic region is a competitive advantage also for attracting and creating long-term relationships with leading global suppliers. Also for small local suppliers who lack the size and skills required to participate in large public tenders, AddLife is an important partner.

Critical size and expertise

In recent years there have been a number of consolidation and structural reforms at the county council and regional levels in all of the Nordic countries, which means that it is becoming increasingly common for coordination of decisions and purchasing to move from the operational level to the county council and regional level. In conjunction with this consolidation, the public procurement processes have also become larger and better defined, which places greater demands on suppliers in terms of size, expertise and product range in order to participate and compete for the contracts. AddLife believes that through its size and market position, as well as the expertise and experience of its organisation, the Company is well-positioned to successfully compete in increasingly large tenders moving forward.

Attractive business model with high visibility and high proportion of recurring revenue

AddLife has an attractive business and contractual model with a high proportion of recurring revenue. In the LabTech business segment, where the contract period typically runs for four years, ongoing sales of reagents for diagnostic instruments account for around 80 percent of sales. AddLife has a large installed base of instruments placed in laboratories all over the Nordic region that the Company can leverage as a driver for the sale of reagents. Moreover, AddLife's large installed base of instruments serves as a significant barrier to entry for competitors since switching instruments and other complex products, in addition to the initial investment, can be complicated and often means that the laboratory staff needs to undergo special training to learn about the new products.

AddLife's customer agreements within MedTech, concluded through public procurement, typically run for four years with relatively balanced termination dates. Although the agreements contain a volume component, the Company believes that a significant proportion of revenue is recurrent since demand for medical technology supplies in healthcare is stable. Consequently the Company has a good overview of future revenues in the short to the medium-term.

1) Source: ADL Market Report.

Long-term relationships with leading suppliers

AddLife has a long history in Life Science and has developed long-term relationships and partnerships with leading suppliers of equipment and consumables. An example of this is the partnership with Radiometer, a leading manufacturer of products for blood gas analysis, which dates back to the 1930s.

As a leading independent player on the Nordic market, AddLife is an important partner for the Company's suppliers.¹⁾ Because of these long-term relationships, AddLife has developed extensive expertise in the products of these suppliers, which enhances the common value offering to the customer, through sophisticated instrument, reagent and applications support, as well as joint training initiatives.

Decentralised organisation with entrepreneurial business acumen

AddLife comprises of approximately 25 operating subsidiaries with a well-established common corporate culture, but with great freedom, which has contributed to an entrepreneurial business acumen and individual responsibility. The business acumen permeates the operations, from the employees' contacts with customers and suppliers, to a sense of responsibility for the subsidiaries' long-term profitability and growth. The decentralised organisation and the entrepreneurial culture comprise an important competitive advantage that improves prospects for recruiting and retaining talented employees, as well as for purposes such as acquiring companies managed by entrepreneurs who wish to continue to run their businesses, but who recognise the business opportunities associated with belonging to a larger company like AddLife. The ability to recruit and retain dynamic employees and to acquire companies are important cornerstones for achieving the Company's financial goals regarding profitability and earnings growth.

Long history of successful acquisitions

In addition to growing organically, AddLife has a long track record of growth through add-on acquisitions within already established product offerings, as well as strategic acquisitions of complementary businesses with market-leading niche positions within Life Science.¹⁾ AddLife has an established procedure for identifying and implementing acquisitions. The Company actively looks for profitable companies with a strong entrepreneurial culture and business ideas with potential. AddLife strives to combine the flexibility, personality and efficiency of a small company with AddLife's resources, network and long-term approach.

Since 2010 the Company has completed five add-on acquisitions, whose aggregate sales, based on annual revenue at the time of acquisition, was approximately SEK 280 million. In addition to add-on acquisitions, AddLife has also completed the strategic acquisitions of complementary operations in Life Science. On 1 July 2015 AddLife acquired the Medioplast Group, including Fenno Medical, with total net sales of approximately SEK 650 million²⁾, representing an important entry into the field of medical technology for AddLife, which today forms the basis for the MedTech business area.

Clear focus on earnings growth and cash flow generation

AddLife has a clear focus on earnings growth and cash flow generation that permeates the Company's model for financial governance of the subsidiaries and is reflected in the Company's financial goals. AddLife has a long track record of growth with good profitability. Over the course of the past ten years as part of Addtech, the Company has increased its net sales from approximately SEK 450 million to approximately SEK 1,050 million, with healthy profitability.³⁾ Growth has been achieved through good organic growth combined with the acquisition of profitable companies. In addition, the companies acquired in July 2015, Medioplast AB and Fenno Medical, added net sales of approximately SEK 650 million.⁴⁾

Moreover, AddLife's business model and focus on the measure of profitability P/WC (operating profit/working capital) entails a low level of tied up capital, which when combined with earnings growth contributes to good cash flow generation. A strong cash flow generation is essential for self-financed long-term growth, both organic and acquisition-driven.

1) Source: ADL Market Report.

2) Refers to the situation on a full-year basis at the time of acquisition.

3) This information pertains to the Life Science business area in the Addtech Group for the ten-year period ending 31 March 2015. The information was previously published by Addtech in a Press Release on 4 June 2015. The Company's net sales for the twelve-month period ending 31 March 2015 has been audited and totalled SEK 1,057 million. The information in other respects is unaudited.

4) Refers to the situation on a full-year basis at the time of acquisition. For pro forma financial information, please see the section entitled "Pro forma financial statements".

Vision, mission, core values, strategies and financial goals

Vision

AddLife always strives to improve people's lives by being a leading, value-creating player within Life Science.

Business concept

AddLife shall add value to customers in healthcare, laboratories and research by offering high-quality, cost-effective solutions and products combined with qualified advisory services to the private and public sectors in the Nordics.

Under the umbrella of the overarching business concept are an array of business concepts that describe the business and circumstances of each subsidiary. The business concepts of the subsidiaries share a common denominator: they all add value to their

customers, serve as a link between customers and suppliers, and offer high-quality products, cost-effective solutions and advisory services, and they all work in selected niches within Life Science.

AddLife's core values

AddLife today stands strongly rooted in a tradition and culture that is over a century old with five core values or fundamental values that guide the Company in its day-to-day activities. The Company's strong corporate culture with common values is an important component of its decentralised business model. AddLife's corporate culture and philosophy can be summarised in these five core values: Simplicity, Efficiency, Change, Responsibility and Freedom.

Simplicity	Simplicity is a core value that reflects the Company's way of working. It should be easy for customers and suppliers to cooperate with AddLife, and it should also be easy to work within AddLife. The objectives should be clear, the methods simple, decision paths short and the responsibilities clear.
Efficiency	For AddLife, it is important to do the right things, and then do them correctly. Efficiency in organisations can be measured in many different ways. AddLife measures efficiency by, <i>inter alia</i> , measuring the profitability – P/WC (operating income/working capital).
Change	The ability to develop, grow and change when needed is a prerequisite for success and improvement. For AddLife, it is important to rapidly both be able to and be willing to adapt to new conditions, new customers and new challenges in a market in constant development.
Responsibility and Freedom	Within AddLife, freedom with responsibility is applied, but never freedom without responsibility or responsibility without freedom. This is simply because the Company's decentralised organisation requires it to function. Freedom is a strong and vibrant core value within AddLife. It is up to each subsidiary to choose suppliers and customers. The most important business transactions are ultimately made by individual employees. Being able to take own initiatives in the daily work is a key driver of success. If you take responsibility within AddLife, you will be given freedom.

1) Source: ADL Market Report.

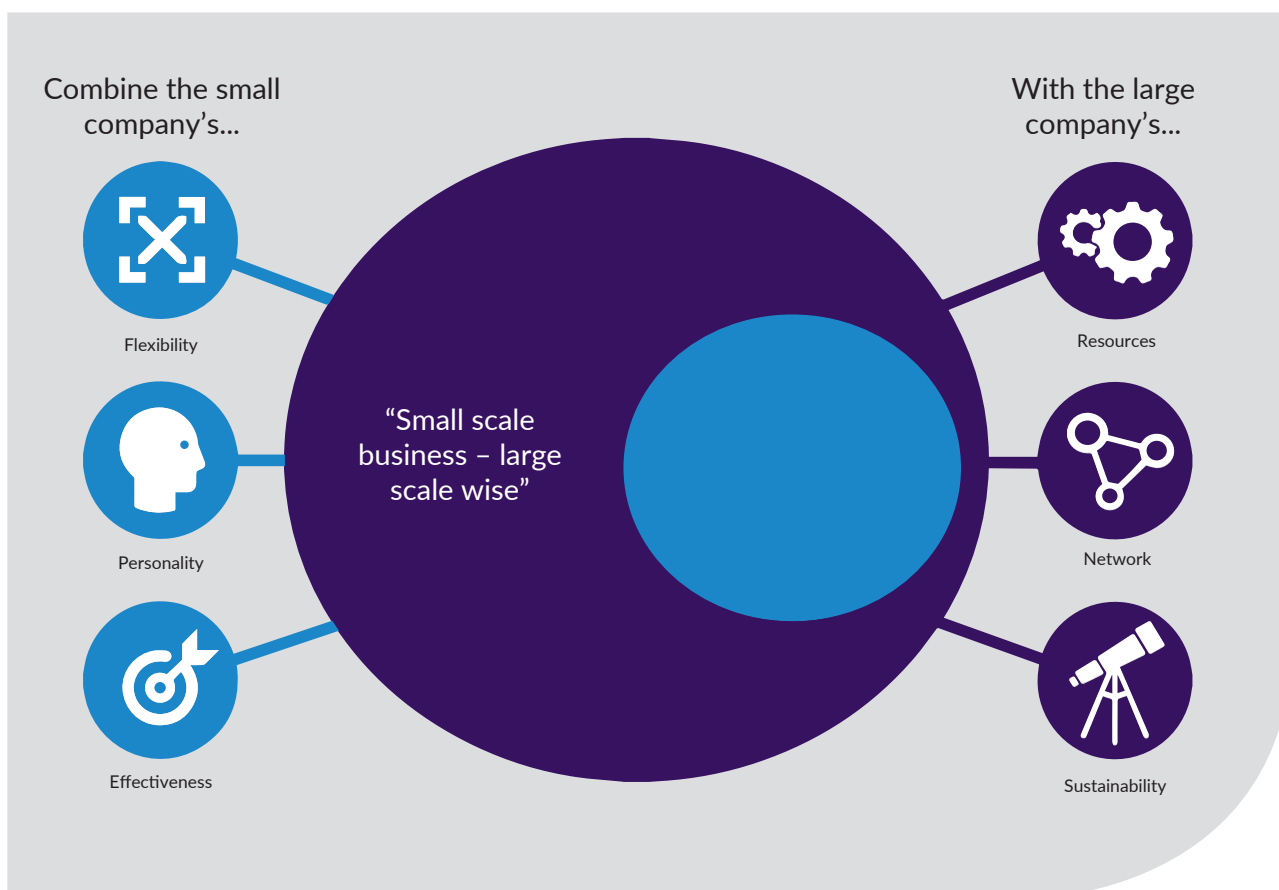
AddLife's governance and strategy

AddLife will attain long-term profitable growth by continually developing its business and organisation. The Company develops and acquires profitable market-leading niche companies in the field of Life Science. Each subsidiary is responsible for its own strategy and sets annual targets. The Board of Directors of each subsidiary decides on the strategy of each subsidiary. The strategy contains a business plan, an organisational overview and an overall analysis of profitability measures expressed as P/WC, as well as performance and profitability targets.

AddLife combines the strength of a large enterprise with the dedication and business skills of an entrepreneur. AddLife's strat-

egy is to practice active ownership to encourage the development of the subsidiaries and boost profitability. The subsidiaries are responsible for their own business activities within the context of the requirements for growth, profitability and development set by the Group. The Company strives to combine the advantages of a small enterprise such as flexibility, personal touch and efficiency with the large corporation's resources, network and industrial competence. Long-term growth and profitability is optimised by taking a small-scale approach on a large scale.

AddLife's decentralised structure also entails less dependence on individual customers and suppliers.



At the Group level, AddLife has three overarching strategies:

Market-leading positions

AddLife's strategy is for its subsidiaries to be market leaders and build value-adding positions in selected niches in Life Science with a high knowledge and technology content, where customers request selected products and solutions. The subsidiaries' operations and business models are based on being highly qualified suppliers and advisors in a market with rapid technological developments. Sales of products and solutions are built upon close relationships with customers, manufacturers and suppliers. These close relationships are forged on the basis of the combination of technical expertise and business acumen of the Company's employees. Being a market leader is important for AddLife to achieve stable earnings growth and sustainable profitability. For the Company, being a market leader is not the same as achieving the highest sales, but rather of having a market-leading niche position with high profitability.

Operating mobility

The subsidiaries should be flexible and agile so that they can seize new business opportunities and act in the context of the rapid technological development. Through active ownership and work by the Board of Directors, the Company works with the subsidiaries to improve profitability, pursue development issues and thereby create operational mobility. The key is often to increase efficiency or change – move, merge or demerge – operations to create better conditions for business concepts and development of profitability.

Acquisitions

Growth through acquisitions is an important and central component of the business acquisitions organisational development and necessary to achieve the Company's financial target for long-term earnings growth.

AddLife is always searching for new Life Science companies that can enhance the Company's existing operations or contribute with new product or market segments where the conditions are right for taking leading niche positions. AddLife acquires companies in order to maintain and further develop them long-term. The new companies, many of which are often managed by their founders and entrepreneurs, add a presence in new market segments, complementary suppliers and skilled employees with a strong entrepreneurial spirit.

Financial targets

Prior to the listing on Nasdaq Stockholm AddLife's Board of Directors adopted the following financial targets and dividend policy:

Profit growth	Profit growth (EBITA) shall long term amount to 15 percent per year.
Profitability	Profitability shall exceed 45 percent, measured as the ratio between EBITA and working capital (P/WC).
Dividend policy	The Board of Directors of AddLife aims to propose a dividend equivalent to 30–50 percent of profit after tax. When determining the dividend, investment needs and other factors that the Company's Board considers relevant are taken into account.

The combination of the profitability target and the growth target shall contribute to a strong cash flow that allows for self-funded long-term profitable growth. It should be noted that AddLife's financial targets are based on assumptions about future market

A typical acquisition process is initiated as a result of the Company identifying suitable acquisition candidates, either through its own network or that the Company is contacted from outside. In some cases, the Company is contacted directly by the seller, frequently a founder and entrepreneur who intends to divest his company. For many founders who want to sell their company, AddLife offers an attractive alternative as the Company's decentralised business model means that the companies continue to operate independently within the framework of AddLife's management. AddLife thereby has an opportunity to differentiate itself as a buyer on grounds other than by acquisition price.

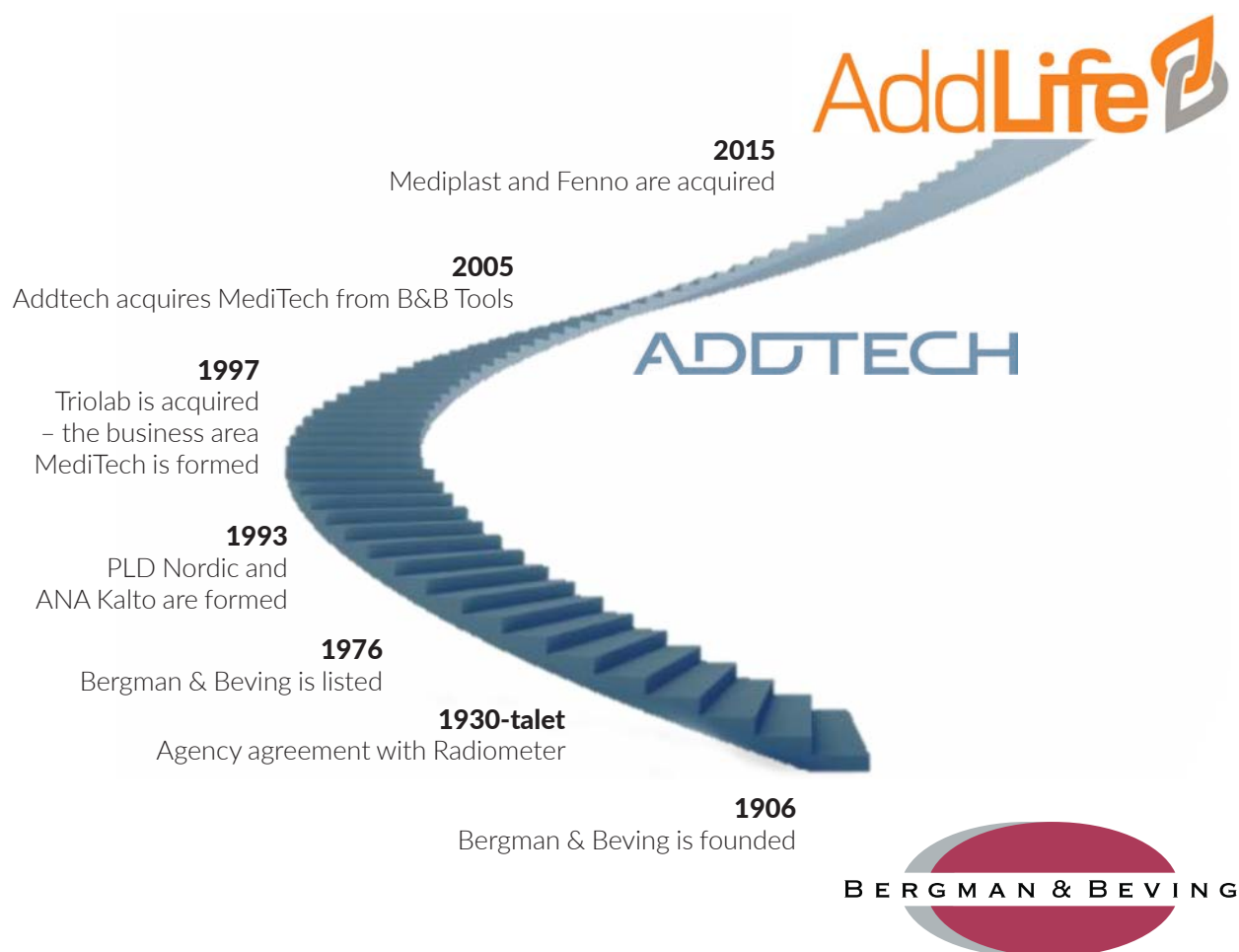
AddLife conducts a thorough analysis of the acquisition candidate by evaluating the company's products and offerings on the market, as well as its profitability. The next step in the analysis phase is to establish contact, build trust and get to know senior management and the seller to ensure that the business models and corporate cultures are a good fit. In the next phase various due diligence processes are carried out regarding matters such as financial, commercial and legal issues, where AddLife uses external expertise to a varying extent.

The road to a successful acquisition for both buyers and sellers may well take several years, which minimises the risk and improves the prospects of a satisfactory outcome for both parties and the key employees. In each acquisition process the company is evaluated according to a series of acquisition criteria that, when met, provide a solid foundation for further development within AddLife. Subsidiaries, which as a rule are wholly-owned, usually continue operations under their own brand, but are grafted into AddLife's corporate culture and financial governance model. AddLife's governance model is implemented in the new subsidiary in conjunction with the acquisition. This means that a new Board of Directors is appointed for the company, while corporate governance and operational management change to be brought into line with AddLife's models and tools.

As a result of the strategy of running small-scale business large scale wise, AddLife now comprises approximately 25 operational independent subsidiaries, operating in different markets and technologies, where niche commerce in Life Science is the common denominator.

conditions, operations and results. The actual outcome may differ from the financial targets due to risks and other factors that affect the Company's operations. Such factors are compiled under the section "Risk Factors".

AddLife's history



AddLife was founded in June 2015 and is the corporatisation of the Life Science business area in the Addtech Group. Through its heritage from Addtech, and before that Bergman & Beving, AddLife has a history that dates back more than 100 years.

1930s – Bergman & Beving enter the Life Science market

In 1906 Arvid Bergman and Fritz Beving founded the technology trading group Bergman & Beving; its mission was to focus on importing technical products for the rapidly growing Swedish industrial sector. In the late 1930s Bergman & Beving signed an agreement with the Danish company Radiometer. The Radiometer agency was the first step into the Life Science business area. Today, more than 75 years later, Radiometer is one of the major suppliers in diagnostics that partners with AddLife.

1990s – Bergman & Beving gather the Life Science operations into a single business area

In the early 1990s Bergman & Beving comprised several companies in the business areas laboratory and process equipment, as well as dental products and medical plastics. The companies were gathered in the sub-Groups PLD Nordic and ANA Kalto. In 1997

Triolab was acquired and at that time the businesses were channelled into the market segments Lab and Diagnostics. MediTech, one of the four business areas in Bergman & Beving, was also formed in 1997.

2000s– Addtech forms the Life Science business area

In the early 2000s, major changes were carried out in the MediTech business area, including the sale of the dental business and medical plastics. In 2005 Addtech acquired parts of the former MediTech business area from B&B Tools (previously Bergman & Beving) and formed the Life Science business area.

2015 – AddLife is formed

In July 2015 the Life Science business area acquired the medical device company Medioplast, which in turn acquired the Finnish company Fenno Medical that same month. In connection with the acquisitions, the Board of Directors of Addtech decided to begin the work of preparing a separate listing of the Life Science business area under the name AddLife on Nasdaq Stockholm through a distribution of Addtech's shares in AddLife to the shareholders of Addtech.

Business areas

LabTech

SEKm	1 April–31 March ²⁾			1 April–31 December ²⁾
	2014/2015	2013/2014	2012/2013	2015/2016 (9 months)
Net sales	1,031.9	959.9	893.8	781.8
EBITA	116.9	111.6	106.7	85.3
EBITA margin, %	11.3	11.6	11.9	10.9
Number of employees	280	274	267	276

The LabTech business area consists of approximately 15 companies within diagnostics and biomedical and research. The companies deliver directly to customers various products and solutions that include analytical instruments, equipment, microscopes, consumables and reagents, as well as application and technical service, primarily to laboratories in healthcare, research, academia and the food and pharmaceutical industries. The companies within the LabTech business area are mainly active in microbiology, clinical chemistry, coagulation, molecular biology, research, immunology, analyses in patient care, veterinary diagnostics and in the food industry.

Customers are also offered training services in various areas to ensure that the customer has the appropriate skills and to maximise the user benefit for the products the Company provides. In addition to providing customer value, the training and other advisory services help to maintain continuous the contact with customers, which increases the Company's knowledge of the customer and its needs, which in turn can strengthen the Company's ability to be successful in future tenders.

Changing supplier of instruments and other advanced equipment can be complicated for the customer and lead to additional costs for training of personnel related to the new equipment. The supplier usually also provides qualified application service and technical support for the application, while the customer relationship may have a long history, which can represent an additional barrier for changing suppliers.

The business model within LabTech differs between the market segments diagnostics and biomedical and research.

Diagnostics

In diagnostics, AddLife works within the field of In Vitro Diagnostics (IVD). IVD is a method for performing a diagnostic test outside the body in an artificial environment, usually in a laboratory. Typical routine examples of IVD include blood cultures to detect potential infections in the blood (sepsis), tests for infectious diseases to detect viruses in the blood (such as HIV and hepatitis) and urine tests.

Approximately 90 percent of AddLife's sales in diagnostics is made to the public sector, which means that it is subject to public procurement procedures. Customers are primarily found in the publicly funded healthcare sector in the Nordic countries. The most common contract terms for public contracts are 2 + 2 years or 3 + 1 years. For larger and more complex contracts, the contract terms may be a few years longer. About ten percent of AddLife's sales to the

public sector in diagnostics are made through direct tenders where there is no requirement for competitive procurement procedures.

Within diagnostics, approximately 80 percent of the Company's revenue during a contract period is derived from the sale of various reagents for different instruments and the remaining 20 percent from the sale of instruments, as well as application and technical service, ongoing maintenance and various consumables in addition to reagents. In addition, the Company offers various forms of qualified advisory services and training that can help to forms customers when choosing medical technology products to streamline the day-to-day activities in healthcare by, for example, optimising routines and reducing the length of time related to diagnostic tests, thereby creating great value for the patient and increased social benefit through cost savings in healthcare.

AddLife competes with different players in this market. There are several major international suppliers, such as Beckton Dickinson, Beckman Coulter, Siemens, Roche and Abbott. In addition, there are also several niche suppliers, both international and domestic, such as Thermo, Ortho Clinical, bioMérieux and Dako.¹⁾

Biomedical and research

In biomedical and research sales are made directly to customers in the private sector as well as through public procurement procedures to customers in the public sector. Around 70 percent of AddLife's sales in the market segment are made to the public sector. Customers are research laboratories or researchers in academia, such as Karolinska Institutet, as well as the food and pharmaceutical industries, such as AstraZeneca, Eurofins and Novo Nordisk, or other industry-related laboratories. Just as in diagnostics, the most common contract terms for public contracts are 2 + 2 years or 3 + 1 years.

In biomedical and research, around 80 percent of the Company's revenue is derived from sales of a variety of laboratory equipment, while the remaining around 20 percent is attributable to ongoing sales of reagents, service and consumables. The service offering includes application and technical service, as well as ongoing maintenance and training for customers in various product areas.

In biomedical and research, AddLife's companies compete with several major international players such as Thermo Fisher Scientific, VWR, AH Diagnostic and Merck Millipore. The market also includes several niche suppliers such as Mettler Toledo, Waters and Ninolab.¹⁾

1) Source: ADL Market Report.

2) The information as of 31 March is from the combined reports, which are audited. The information as of 31 December is from the interim report for 1 April – 31 December 2015. The interim report has been reviewed by the Company's auditor.

Brief introduction to AddLife's companies within LabTech

The flags below represent the countries in which the companies have their registered head office. The number of employees is stated as at December 2015.



Bergman Diagnostika



Sales of diagnostic instruments and reagents to customers in the public healthcare sector

Geographic market: Norway

Product segment: Blood gas, clinical chemistry, microbiology, molecular biology and immunology

Number of employees: 25



BergmanLabora



Sales of laboratory equipment and services to research, industry and academia

Geographic market: Sweden

Product segment: Analytical instruments and equipment as well as microscopy

Number of employees: 27



BioNordika



Sales of laboratory equipment and reagents mainly for research

Geographic market: Sweden, Denmark, Norway, Finland, Estonia

Product segment: Cell & Molecular Biology, Immunology for academic research and the pharmaceutical industry, as well as laboratory equipment

Number of employees: 44



Holm & Halby



Sales of laboratory equipment and services

Geographic market: Denmark

Product segment: Wide range of basic products for laboratories

Number of employees: 43



Immuno Diagnostic



Sales of diagnostic instruments and reagents to customers in the public healthcare sector, as well as academic research

Geographic market: Finland, Estonia

Product segment: Immunology, clinical chemistry and microbiology

Number of employees: 26



LabRobot Products



Production and sales of equipment for microbiological analyses to laboratories

Geographic market: Mainly northern Europe and Canada

Product segment: Laboratories in the food industry

Number of employees: 7



Triolab



Sales of diagnostic instruments and reagents to customers mainly in the public healthcare sector

Geographic market: Sweden, Denmark, Finland, Estonia

Product segment: Blood gas, clinical chemistry, microbiology, molecular biology, immunology and veterinary for customers in public sector and private sector medical care, as well as the pharmaceutical industry

Number of employees: 104

MedTech

SEKm	1 April–31 March ³⁾			1 April–31 December ^{1), 3)}
	2014/2015	2013/2014	2012/2013	2015/2016 (9 months)
Net sales	24.9	23.6	12.7	327.9
EBITA	3.9	3.7	3.0	20.2
EBITA margin, %	15.7	15.5	23.3	6.2
Number of employees	6	6	6	147

The MedTech business area consists of around ten companies that provide various solutions in the form of medical technology equipment, consumables, instruments and devices, primarily to hospitals, other surgical facilities and home care.

Nine of the ten companies in the business area are part of the subsidiary group Medioplast. The companies are active in the market segments surgery, thoracic medicine, neurology, wound dressings, anaesthesiology, ICU, ear, nose and throat, ostomies, and home healthcare products. The product portfolio includes products developed both under its own brand, as well as products from well-known suppliers. The broad product offering ranges from basic disposable items in dressings, such as compresses, to advanced products for thoracic surgery, such as artificial hearts. The Medioplast group has several “pan-Nordic” agreements with leading medical technology suppliers.

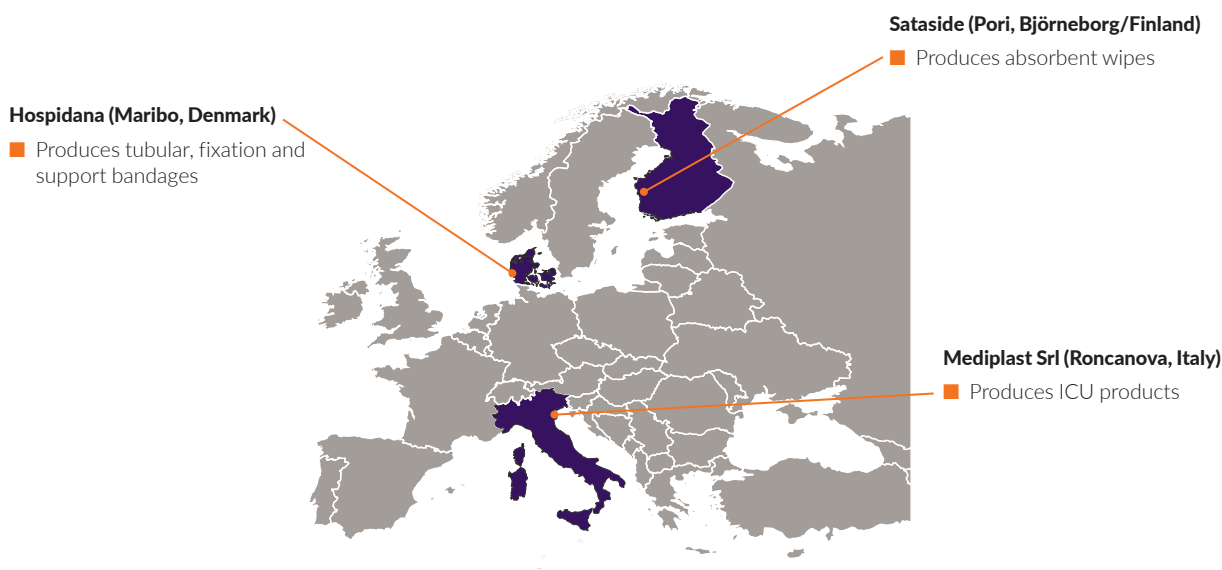
Public sector tenders to Nordic hospitals account for more than 90 percent of sales. The most common terms of public contracts are 2+1+1 years. In order to be a competitive supplier in the MedTech segment a broad product portfolio is required, as customers have become larger through consolidation, which in turn has expanded the scope of calls for tender. Customers are

mainly found in the publicly funded healthcare system in the Nordic region, but the Company also exports some of its own products to Europe, primarily to Germany and the Benelux countries.

Within the Medioplast group around 25 percent of net sales can be attributed to own products and around 75 percent of products to various other suppliers. About two-thirds of production of own products is outsourced to external manufacturing partners in Asia. For example, ear, nose and throat products are produced by a production partner in Japan after which they are packaged in China. Own production takes place at production facilities in Denmark (Maribo), Finland (Pori) and Italy (Roncanova).

In the MedTech segment, there are several large international players with which AddLife's companies compete to some extent, such as 3M, B Braun, Mölnlycke, Getinge, Mediq and Johnson & Johnson. In the Nordic market, there are primarily three large competitors with an equivalent product portfolio: OneMed, Mediq and Vingmed.²⁾

PRODUCTION UNITS IN THE MEDIPLAST GROUP



1) Information for the acquired companies Medioplast AB and Fenno Medical Oy is included from 1 July 2015.

2) Source: ADL Market Report.

3) The information as of 31 March is from the combined reports, which are audited. The information as of 31 December is from the interim report for 1 April – 31 December 2015. The interim report has been reviewed by the Company's auditor.

Brief introduction to AddLife's companies within MedTech

The flags below represent the countries in which the companies have their registered head office. The number of employees is stated as at December 2015.



Active Care Sverup

Sales of inhalation products for the inhalation of medications to treat lung and respiratory diseases

Geographic market: Sweden

Product segment: Inhalation products

Number of employees: 6



Fenno Medical

Sales of medical technology equipment and supplies

Geographic market: Finland

Product segment: Primary care – wound care, skin and hygiene therapy, incontinence.

Specialised medical care – surgery, urology. Customers in the public healthcare sector

Number of employees: 30



Medioplast

Sales of medical technology equipment and supplies

Geographic market: Mainly the Nordic countries and the Netherlands

Product segment: Surgery, thoracic medicine, neurology, wound dressings, anaesthesiology, ear, nose and throat and ostomies

Number of employees: 111

Market leader in selected niches

The Nordic Life Science market is large and relatively fragmented and overall, AddLife has relatively small market shares. However, AddLife has identified several relatively narrow but attractive niche areas in different product segments within which it has established stable and growing sales. AddLife is currently a market-leading supplier within several specific niche areas in diagnostics, medical technology and biomedical and research.¹⁾

LabTech

Within LabTech, AddLife has strong market positions primarily in the niche areas of near-patient testing, molecular diagnostics and genetic research. Examples are mentioned below.

The majority of reagents and equipment used for coagulation and blood gas analysis in the Nordic region are provided by AddLife.¹⁾ Coagulation measurements are performed to monitor medication of blood thinners and blood gas measurements are performed to measure oxygen uptake in the blood. These analyses are performed in large volumes in hospitals and primary care centres. AddLife offers through its product portfolio solutions for both large-scale laboratory-based analyses and point-of-care testing and can therefore comprehensively meet the needs of the market.

AddLife is the supplier of more than 90 percent of tests used to diagnose Alzheimer's in the Nordic region.¹⁾ The Company also supplies the majority of tissue typing and HLA typing tests performed in the Nordic region.¹⁾ HLA typing is a routine test carried out in connection with all stem cell and organ transplants to match donors and recipients, and thus be able to avoid rejection.

In biomedical and research AddLife is the Nordic market leader in reagents for cloning (genetic modification) at the laboratory level.¹⁾

MedTech

Within medical technology, AddLife has a leading position in specific consumable medical supplies for the healthcare industry.¹⁾ These are products which are used in high volumes in both inpatient and outpatient care. Niche areas in which AddLife currently holds a strong market position include, for example, disposables for ear, nose and throat procedures. In Sweden and Denmark, the Company also has a strong position in suction catheters for use in surgery and other clinical procedures.¹⁾

Suppliers

AddLife works with several different strategic suppliers and strives to have agreements and close collaborations with the leading global suppliers within the niches in which the Company operates. AddLife strives to have common suppliers in all of the Nordic countries and wherever possible, the subsidiaries sign "pan-Nordic" agreements. Most supplier agreements give the Company exclusive rights to distribute the suppliers' products in the markets in which AddLife operates.












AddLife has developed long-term relationships and partnerships with several strategic suppliers, which has made it possible for the Company to establish leading market positions in certain market niches.¹⁾ As an independent player, the Company can offer customised solutions that can be a combination of products from multiple suppliers.

1) Source: ADL Market Report.

The Company regularly participates in trade fairs and other forums to network with potential new suppliers and to keep abreast of product and technology development, thereby ensuring that the Company's range of products and services to customers is relevant and competitive. AddLife's companies have agreements with, and offer products from, more than 800 suppliers.

The figure below shows a selection of the suppliers with which AddLife collaborates on the Nordic market.

SELECTION OF SUPPLIERS WITH WHICH ADDLIFE COLLABORATES ON THE NORDIC MARKET

LabTech			
Supplier	Since	Markets	Description
Radiometer (Denmark)	>75 years		Leader in blood gas
Stago (France)	>20 years		Strong position within coagulation
Horiba (Japan)	>25 years		Strong position within hematology
Shimadzu (Japan)	>30 years		Supplier of analytical instruments, with broad range of products for R&D and quality control
New England BioLabs (USA)	>20 years		Leading supplier within recombinant and natural enzymes for genomic research
Cell Signaling Technology (USA)	>20 years		Leading supplier within biological research which produces antibodies and related products
MedTech			
Supplier	Since	Markets	Description
Hartmann (Germany)	>20 years		Supplier of products within e.g. incontinence, wound care and surgery
Halyard (USA)	>15 years		Leading supplier with products within e.g. surgery, sterile and personal protection
Integra (USA)	>25 years		AddLife markets their products within neurosurgery and instruments
Serres (Finland)	>25 years		Finnish supplier of suction systems
Terumo (Japan)	>20 years		Japanese supplier with products within e.g. cardiology and radiology

1) Source: ADL Market Report.

Employees

To be a leading player in the market and market a broad product range of both high-quality equipment and knowledge-intensive services, requires dedicated employees with extensive expertise in their respective product areas. AddLife is therefore dependent on employees with extensive experience and expertise. AddLife has a long-term approach on multiple levels to provide employees with outstanding personal development opportunities

AddLife operates in many different areas that require a great variety of skills and experience. The Company's product specialists (sales representatives) usually have a background in biomedicine or nursing. The Company's application specialists usually have a longer and more extensive education in biomedicine, such as a doctorate or master's degree with longer experience. AddLife's service technicians have a technical background and are usually engineers.

AddLife also runs its own business school, AddLife Academy. The business school is central for training the Company's employees, building a shared value base and ensuring the supply of managers. All employees participate in the business school, which is an important platform from which to raise the level of professionalism among employees. It is important for the Company's sales representatives to receive thorough training in business skills in order to combine that with their extensive expertise and training in their specific product areas. When the Company acquires new companies or hires new employees, a course in the Company's "Vision and corporate philosophy" is held. The business school also arranges courses in sales, public procurement procedures and leadership training, as well as customised courses on marketing and finance.

The table shows information about the Company's employees over the past three financial years, as well as for the full-year basis ending 31 December 2015.

	2015-12-31	2014/2015	2013/2014	2012/2013
Average number of employees	423	284	276	259
Proportion of men	51%	56%	58%	61%
Proportion of women	49%	44%	42%	39%
Age distribution				
Up to 29 years	5%	5%	4%	4%
30–49 years	55%	54%	57%	59%
50 years and older	40%	41%	39%	37%

Sustainability and the environment

Issues related to environmental, social and ethical responsibilities are important for AddLife and are addressed by the Company's Code of Conduct. The Code of Conduct describes the Company's relationship to its employees, customers, suppliers, society and the environment. Responsibility for ensuring that day-to-day operations comply with the Company's Code of Conduct rests with the CEO of each individual AddLife company. The aim of the sustainability efforts is as follows: to provide continuous sustainable and profitable development for the subsidiaries, for AddLife to contribute to sustainable development in the community and to make the Company more attractive as a business partner for customers and as an employer for current and future employees.

AddLife's companies are primarily engaged in commerce and the operations have a limited direct environmental impact. Active environmental work is performed within AddLife with the aim of reducing the Company's general impact on the environment. Ten companies of the approximately 25 operating subsidiaries are certified to ISO 9001 or equivalent. AddLife's subsidiaries in Sweden are affiliated with the Packaging and Newspaper Collection Service (formerly the REPA registry) and the equivalent applies to AddLife's subsidiaries in other countries. This means that AddLife has producer responsibility to take care of AddLife's waste in an environmentally safe manner even after customers use the products. AddLife also works on improvement measures in other areas that the Company can influence; for example, around 80 percent

of the electricity used in the Group comes from renewable sources. AddLife does not engage in any operations that require notification or that require a permit under the applicable environmental legislation.

Logistics

AddLife's subsidiaries are responsible for their own logistics and warehousing. All companies operate in the local market and adapt their logistics and warehouse operations based on what is most effective for the individual company. The companies that engage in reagent sales require handling of chilled and frozen goods, which means that proximity and rapid delivery capability are important parameters for the customers and a competitive advantage for the subsidiaries. The companies cooperate by signing Group-wide framework agreements with various logistics partners. External parties handle transports for all companies within AddLife.

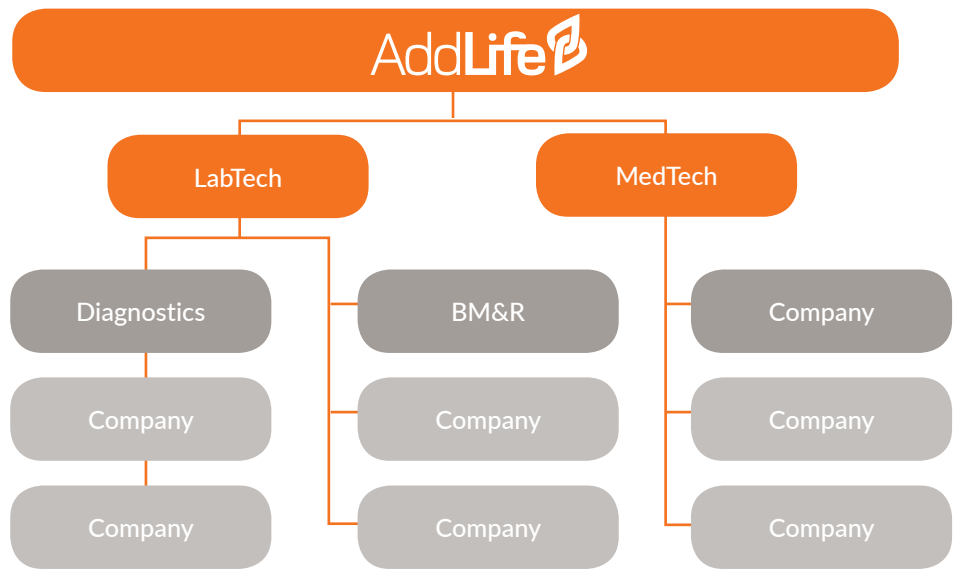
The companies in the Medioplast group in particular have centralised logistics and warehousing in a joint warehouse in Malmö. All shipments are made directly from the central warehouse in Malmö to end customers. In addition to the central warehouse in Malmö there is a warehouse in Lynge, Denmark, which primarily delivers goods to the Danish customers, as well as a warehouse in Vantaa, Finland, that mainly handles Fenno Medical products.

Organisation

The Group comprises the Parent Company AddLife AB and 31 subsidiaries, of which around 25 subsidiaries are operational. AddLife AB is headquartered in Stockholm and the Company's subsidiaries in Sweden are in Stockholm, Gothenburg and the

Malmö area. The Norwegian subsidiaries are located in the Oslo area, the Danish subsidiaries in the Copenhagen area and the Finnish subsidiaries in Hämeenlinna, Turku and Helsinki.

ADDLIFE'S COMPREHENSIVE OPERATIONAL ORGANISATION



The operational organisation at AddLife is divided into two business areas: LabTech and MedTech. The Parent Company contributes by providing financial stability, resources and tools designed to make it easier and more efficient to run a small company. The Parent Company consists of a handful of employees, who constitute the Group Management and business area management, as well as the finance and accounting function. In addition to gathering the financial aspects here, the Parent Company runs joint activities such as the business school and other common business

tools. The Group level therefore offers, for example, framework agreements for purchasing and procurement of banking and audit services as well as insurance.

The decentralised organisation is divided into several subsidiaries, each of which has its own CEO and CFO, who are fully responsible for the Company's business within the specified limits and requirements that the Group imposes on the businesses. The delegation of duties and responsibilities at AddLife can be described as shown below:

Small scale business – large scale wise “Freedom with responsibility”

The subsidiary	Manages its own business activities Requirements for: Growth – Profitability – Development Uses AddLife's “tool box”
Coordination within AddLife Group	Financial requirements (reporting, bank, internal/requirements audit) Policies IT Strategy Bonus system Business school Network/meetings Procurement (insurance, cars, transport, IT etc.)

Summary of financial information

The financial information in brief presented in this section has been extracted from AddLife's audited combined financial statements for the financial years 1 April 2012 – 31 March 2013, 1 April 2013 – 31 March 2014, 1 April 2014 – 31 March 2015, as well as from the unaudited third quarter interim report for 2015/2016, which also includes comparative figures for the corresponding period in 2014/2015. The combined reports for 2012/2013, 2013/2014, 2014/2015 have been audited by AddLife's auditors.

The third quarter interim report for 2015/2016 has been reviewed by AddLife's auditors. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as adopted by the EU as well as the interpretive statements issued by the IFRS Interpretation Committee.

AddLife uses certain key financial indicators in its analysis of operating income that are not calculated under IFRS, including EBITA and EBITDA. The Company believes that these key financial indicators provide useful information to investors as they allow for an evaluation of current trends in a better way in combination with other ratios calculated under IFRS. Since listed companies do not always calculate these indicators in the same way, it is not certain that the information below is comparable to other companies' indicators with the same names.

The Group was formed on 22 June 2015 when AddLife acquired the 20 companies that were part of Addtech's Life Science segment from Addtech Nordic AB at the carrying amount. See note 33 to the combined financial statements for a specification of the 20 companies. Since the businesses did not historically comprise a Group under IFRS definitions, there are no consolidated financial statements for the period prior to 22 June 2015. The historical financial information for the period prior to 22 June 2015 has therefore been prepared as combined financial statements for the reporting entity comprising AddLife and the 20 subsidiaries. The 20 acquired companies were at the time of acquisition and during the periods covered by the combined financial statements, wholly-owned or in three cases majority-owned subsidiaries of Addtech Nordic AB and therefore were, together with AddLife, within the common control of Addtech. For further information on the basis of preparation for the combined financial statements, please see note 2 to the combined financial statements which appears elsewhere in this Prospectus.

The information below should be read in conjunction with the section "*Comments on financial information*", the Company's audited combined financial statements for the years 2012–2014 and the Company's reviewed interim report for the period 1 April – 31 December 2015 appearing elsewhere in this Prospectus.

Combined income statement

SEKm	Apr-Dec 2015 <i>Unaudited</i>	Apr-Dec 2014 <i>Unaudited</i>	Apr 2014 – March 2015 <i>Audited</i>	Apr 2013 – March 2014 <i>Audited</i>	Apr 2012 – March 2013 <i>Audited</i>
Net sales	1,109.7	772.1	1,056.8	983.5	906.5
Cost of sales	-721.6	-478.0	-661.0	-608.5	-553.3
Gross profit	388.1	294.1	395.8	375.0	353.2
Selling expenses	-245.4	-168.4	-227.1	-215.6	-201.6
Administrative expenses	-69.3	-43.1	-59.8	-55.3	-54.5
Other operating income and expenses	6.7	-0.7	-1.2	-0.2	1.5
Operating profit	80.1	81.9	107.7	103.9	98.6
Financial income and expenses	-4.0	-1.8	-2.4	-1.5	-1.0
Profit after financial items	76.1	80.1	105.3	102.4	97.6
Tax	-17.1	-19.0	-24.9	-24.1	-23.2
PROFIT FOR THE PERIOD	59.0	61.1	80.4	78.3	74.4
Attributable to:					
Equity holders of the Parent Company	59.0	61.1	80.4	78.0	73.8
Non-controlling interest	0.0	0.1	0.0	0.3	0.6

Combined balance sheet

SEKm	31-12-2015 <i>Unaudited</i>	31-12-2014 <i>Unaudited</i>	31-03-2015 <i>Audited</i>	31-03-2014 <i>Audited</i>	31-03-2013 <i>Audited</i>
ASSETS					
NON CURRENT ASSETS					
Goodwill	478.2	124.3	123.6	122.9	121.7
Other intangible non-current assets	247.3	71.7	68.9	79.4	89.7
Property, plant and equipment	55.6	30.0	31.0	26.1	27.1
Financial non-current assets	10.5	72.5	8.7	87.0	67.8
Total non-current assets	791.6	298.5	232.2	315.4	306.3
CURRENT ASSETS					
Inventories	212.9	89.9	83.3	80.9	70.2
Current receivables	309.7	168.4	245.3	140.1	121.0
Cash and cash equivalents	129.8	69.2	82.5	76.8	111.4
Total current assets	652.4	327.5	411.1	297.8	302.6
Total assets	1,444.0	626.0	643.3	613.2	608.9
EQUITY AND LIABILITIES					
Equity	320.7	313.9	263.3	271.6	293.3
Total equity	320.7	313.9	263.3	271.6	293.3
LIABILITIES					
Interest-bearing provisions	72.8	58.7	73.1	58.1	55.9
Non-interest-bearing provisions	54.6	18.0	12.9	18.4	22.6
Non-current interest-bearing liabilities	1.3	36.5	0.1	32.0	24.9
Total non-current liabilities	128.7	113.2	86.1	108.5	103.4
Non-interest-bearing provisions	0.0	0.2	0.7	0.2	0.0
Current interest-bearing liabilities	697.2	3.6	28.0	0.1	3.9
Current non-interest-bearing liabilities	297.4	195.1	265.2	232.8	208.3
Total current liabilities	994.6	198.9	293.9	233.1	212.2
TOTAL EQUITY AND LIABILITIES	1,444.0	626.0	643.3	613.2	608.9

Report of combined cash flow

SEKm	Apr-Dec 2015 <i>Unaudited</i>	Apr-Dec 2014 <i>Unaudited</i>	Apr 2014 – March 2015 <i>Audited</i>	Apr 2013 – March 2014 <i>Audited</i>	Apr 2012 – March 2013 <i>Audited</i>
Profit after financial items	76.1	80.1	105.3	102.4	97.6
Adjustment for items not included in cash flow	30.2	16.8	23.1	23.9	31.9
Income tax paid	-16.0	3.7	-15.1	-40.1	-35.5
Changes in working capital	12.1	-15.7	7.1	5.4	24.6
Cash flow from operating activities	102.4	84.9	120.4	91.6	118.6
Net investments in non-current assets	-15.7	-11.3	-15.2	-12.3	-8.9
Acquisitions and divestments	-227.5	-	-	-	-11.5
Cash flow from investing activities	-243.2	-11.3	-15.2	-12.3	-20.4
Dividend paid to shareholders	-18.1	-20.9	-80.0	-96.6	-92.5
Other financing activities	209.2	-61.0	-20.5	-19.5	16.8
Cash flow from financing activities	191.1	-81.9	-100.5	-116.1	-75.7
Cash flow for the period	50.3	-8.3	4.7	-36.8	22.5
Cash and cash equivalents at beginning of period	82.5	76.8	76.8	111.4	92.8
Exchange rate differences on cash and cash equivalents	-3.0	0.7	1.0	2.2	-3.9
Cash and cash equivalents at end of the period	129.8	69.2	82.5	76.8	111.4

Key financial indicators

	Apr-Dec 2015 <i>Unaudited</i>	Apr-Dec 2014 <i>Unaudited</i>	Apr 2014 – March 2015 <i>Audited</i>	Apr 2013 – March 2014 <i>Audited</i>	Apr 2012 – March 2013 <i>Audited</i>
Net sales, SEKm ¹⁾	1,109.7	772.1	1,056.8	983.5	906.5
EBITA, SEKm ²⁾	100.1	90.8	119.6	115.6	109.6
EBITA margin, % ²⁾	9.0	11.8	11.3	11.8	12.1
Profit growth EBITA, % ²⁾	10.2	2.9	3.5	5.5	15.8
Return on working capital (P/WC), % ^{2), 4)}	65.8	93.2	94.0	97.5	103.1
Profit for the period, SEKm ¹⁾	59.0	61.1	80.4	78.3	74.4
Return on equity, % ^{2), 3), 4)}	26.9	27.7	30.1	27.7	25.0
Financial net liabilities, SEKm ²⁾	641.5	29.8	18.2	13.4	-27.5
Financial net liabilities/EBITDA, times ^{2), 4)}	4.7	0.2	0.1	0.1	-0.2
Net debt/equity ratio, times ^{2), 3)}	2.0	0.0	0.1	0.0	-0.1
Equity ratio, % ^{2), 3)}	22.2	50.1	40.9	44.3	48.2
Average number of employees ²⁾	317	283	284	276	259
Number of employees at end of period ²⁾	423	288	286	280	273

1) IFRS key indicators.

2) Not IFRS key indicators.

3) The key indicators are calculated based on equity that included non-controlling interests.

4) The key indicators are calculated on a full-year basis.

Definitions

Return on equity	Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.
Return on working capital (P/WC)	EBITA in relation to average working capital.
EBITDA	Operating profit before depreciation and amortisation of intangible assets and property, plant and equipment.
EBITA	Operating profit before amortisation of intangible assets.
EBITA margin	EBITA in percentage of net sales.
Financial net liabilities	Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.
Financial net liabilities/EBITDA	Financial net liabilities divided by EBITDA.
Net debt/equity ratio	Financial net liabilities in relation to shareholders' equity.
Working capital	Sum of inventories and accounts receivable, less accounts payable. Average working capital for the year is used to calculate return on working capital (P/WC).
Equity ratio	Equity as a percentage of total assets.

Comments on the financial information

Revenue and operating profit

AddLife's net sales rose by 44 percent during the first nine months of the financial year to SEK 1,109.7 million (772.1). Organic growth was 4 percent and acquired growth was 40 percent.

Exchange rate fluctuations had a negative effect on net sales of SEK 3.5 million, and a marginally negative effect on operating profit of SEK 0.3 million.

During the interim period, operating profit fell by 2 percent to SEK 80.1 million (81.9) and the operating margin amounted to 7.2 percent (10.6). The operating margin was partially affected by a change in product mix and lower gross margin compared to the previous year, as well as preparation costs for the IPO of SEK 5.9 million and acquisition costs in the second quarter of SEK 3.1 million, attributable to Medioplast and Fenno Medical.

LabTech

LabTech's net sales increased in the third quarter by 3 percent to SEK 302.8 million (295.1), which was all organic. EBITA increased to SEK 38.0 million (36.4), corresponding to an EBITA margin of 12.5 percent (12.3). During the interim period, net sales increased by 4 percent to SEK 781.8 million (753.5) and the EBITA amounted to SEK 85.3 million (87.9), corresponding to an EBITA margin of 10.9 percent (11.7).

In general, the market for this business area is developing favourably. Demand was stable for diagnostic equipment and reagents to the Nordic healthcare sector. Growth is primarily driven by newer technologies within diagnostics. Our Finnish companies performed well this quarter, despite a challenging market environment. Overall, EBITA margin fell during the financial year as we accepted contracts with a lower gross margin in certain product segments due to tougher competition and a different product mix, as more diagnostic instruments were sold compared to the previous year. Demand for equipment and consumables to healthcare and research laboratories was strong during the quarter, particularly for products used in cell and molecular biology research. Initiatives from both the public sector and from various funds and foundations contribute to an increased willingness to invest in clinical research, particularly in Sweden and Denmark.

MedTech

In the third quarter MedTech's net sales increased to SEK 169.3 million (6.8) and EBITA was SEK 11.6 million (0.8), corresponding to an EBITA margin of 6.9 percent (11.8). During the interim period net sales amounted to SEK 327.9 million (18.6) and EBITA amounted to SEK 20.2 million (2.7).

In the MedTech segment, the integration of the two recent acquisitions of Medioplast and Fenno Medical continues. Overall, the business situation has been stable during the quarter, but demand varies depending on geography and product segment.

Demand has been stable in the Swedish market, but the market situation in Finland has been more challenging. In Sweden and Finland EBITA margin has been affected by strong competition for major contracts, along with exchange rate effects and product mix. The markets in Norway and Denmark were somewhat weaker, but the companies still performed well and were able to improve their margins. The export of own products outside the Nordic region developed favourably. During the quarter the product mix improved compared to the previous quarter, with a higher share of own products, though the share of durable goods remained somewhat low. Overall, the recently acquired companies Medioplast and Fenno Medical achieved sales and profit in-line with last year.

Net financial items and taxes

Net financial items were SEK -4.0 million (-1.8) and the change is driven by increased interest expenses related to the financing of acquisitions during the year. Profit after financial items decreased by 5 percent to SEK 76.1 million (80.1).

Profit after tax for the interim period decreased by 3 percent to SEK 59.0 million (61.1) and the effective tax rate was 22 percent (24). Taxes were lower due to non-deductible acquisition expenses in the second quarter, as well as tax-exempt capital gains on the disposal of property companies.

Cash flow

Cash flow from operating activities amounted to SEK 102.4 million (84.9) during the interim period. The increase in cash flow is mainly attributable to a decrease in working capital during the year. Business acquisitions amounted to SEK 233.9 million (0.0) and business disposals amounted to SEK 6.4 million (0.0). Investments in non-current assets amounted to SEK 16.4 million (12.4) and disposals of non-current assets amounted to SEK 0.7 million (1.1). Dividends have been paid amounting to SEK 18.1 million (20.9).

Financial position

The equity ratio at the end of the period was 22.2 percent (50.1). In connection with the listing of AddLife, all dealings with the Addtech Group will be netted and settled. The adjusted equity ratio as at 31 December 2015, calculated based on all transactions with the Addtech Group being netted, amounts to 25.2 percent. Equity per share, excluding non-controlling interests, totalled SEK 16.28 (19.73). Return on equity at the end of the period was 26.9 percent (27.7). Return on working capital, P/WC (EBITA in relation to working capital), amounted to 65.8 percent (93.2). The change in return on working capital between the years is attributable to Medioplast and Fenno Medical operating with higher levels of inventory compared to other companies within AddLife.

The Group's interest-bearing net debt at the end of the period amounted to SEK 641.5 million (29.8), including pension liabilities of SEK 72.8 million (58.7). The net debt/equity ratio, calculated based on interest-bearing net debt including provisions for pensions, totalled 2.0 (0.0). The increase in the net debt/equity ratio relates to loans raised to finance the acquisition of Mediplast and Fenno in July 2015, as well as to the acquisition of 20 compa-

nies from Addtech AB's Life Science segment that AddLife AB acquired from Addtech Nordic AB at carrying amounts in June 2015. All loans are intra-group with Addtech AB.

Cash and cash equivalents, consisting of cash and bank balances, amounted to SEK 129.8 million (69.2) as at 31 December 2015.

Acquisitions and divestments

Acquisitions completed during the financial year 2015/2016 have been allocated to the Group's business areas as follows:

	Date	Net sales, SEKm*	Number of employees*	Business area
Mediplast AB, Sverige	July, 2015	465	120	MedTech
Fenno Medical Oy, Finland	July, 2015	185	35	MedTech

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

Two business acquisitions took place during the second quarter:

On 1 July all shares in Mediplast AB were acquired. Mediplast AB is the parent company of the Mediplast Group and is a leading Nordic supplier of medical equipment and consumables. The company has its head office in Malmö and conducts business via its own trading companies in Sweden, Denmark, Finland, Norway and the Netherlands. Mediplast also has its own production facilities in Denmark, Finland and Italy. The company holds a strong position in the Nordic region and markets both its own products as well as those of leading suppliers in the areas of surgery, intensive care, thoracic medicine, neurology, ear, nose and throat, and ostomy care. Customers can be found in both the private and public healthcare sectors.

On 1 July AddLife, through Mediplast AB, acquired all shares in Fenno Medical Oy. Fenno Medical is a leading player in medical technology in the Finnish market, and markets a broad range of medical equipment and consumables from world-leading suppliers.

On 11 December the property company Skagshaw Invest AB was sold. The company has no employees and only had rental revenues from Group companies.

The combined effect of the acquisitions on consolidated net sales was SEK 310 million, on EBITA SEK 21 million, on operating profit SEK 11 million and on after-tax profit for the year SEK 6 million. Had the acquisitions been completed on 1 April 2015, their impact would have been SEK 485 million on consolidated net sales, SEK 32 million on EBITA, approximately SEK 15 million on operating profit and approximately SEK 8 million on after-tax profit for the year.

Transaction costs for acquisitions amounted to SEK 3.1 million and are recognised under the line-item selling expenses.

Financial year 2014/2015 compared with financial year 2013/2014

Revenue and operating profit

Net sales for AddLife amounted to SEK 1,056.8 million (983.5), an increase of 7 percent. Organic growth was 5 percent and exchange rate fluctuations had a favourable impact on net sales of 2 percent, corresponding to SEK 25.1 million.

The business situation developed well for AddLife as a whole throughout the financial year. Sales of diagnostic equipment and reagents to the Nordic healthcare sector continued to develop well, where the market as a whole and the companies in Finland in particular continued to perform well. The willingness to invest to improve healthcare efficiency in several of the Nordic countries is good, even though it entails margin pressure in certain segments. Competition for public contracts awarded in the Nordic countries is strong, particularly so for traditional diagnostics. Growth mainly stems from the investments made in new diagnostic technologies in recent years. The market for sales of equipment to healthcare and research laboratories has improved, and the research climate is favourable, particularly in Denmark and Sweden. The pharmaceutical industry in Denmark is progressing strongly, which also benefits small start-up companies in the industry, as well as us suppliers.

Operating profit rose by 4 percent and amounted to SEK 107.7 million (103.9) and operating margin amounted to SEK 10.2 percent (10.6). Exchange rate fluctuations had a favourable impact on operating profit of 3 percent, corresponding to SEK 2.9 million. The operating margin was lower than in the previous year mainly because of pricing pressure in public procurement procedures for certain segments within diagnostics, as well as investments made in newer diagnostic technologies.

Net financial items and taxes

AddLife's net financial items amounted to SEK –3,4 million (–1,5) and profit after financial items increased by 3 percent to SEK 105.3 million (102.4). Profit after tax for the financial year rose by 3 percent to SEK 80.4 million (78.3) and the effective tax rate amounted to 24 percent (24).

Cash Flow

Cash flow from operating activities amounted to SEK 120.4 million (91.6) during the financial year. The increase is largely attributable to a tax refund related to the 2012/2013 financial year which was received. Investments in non-current assets amounted to SEK 16.4 million (13.2) and disposals of non-current assets amounted to SEK 1.2 million (1.0). Dividends amounting to SEK 80.0 million (96.6) have been paid to the Addtech Group. Cash and cash equivalents, consisting of cash and bank balances as at 31 March 2015, amounted to SEK 82.5 million (76.8).

Financial position

The equity ratio as at 31 March 2015 was 40.9 percent (44.3) and return on equity was 30.1 percent (27.7). Return on working capital, P/WC (operating profit in relation to working capital), amounted to 94.0 percent (97.5). The lower return is due to an increase in working capital during the year. The Group's interest-bearing net debt at the end of the period amounted to SEK 18.2 million (13.4), primarily attributable to the increased pension liability of SEK 73.1 million (58.1). Interest-bearing net debt/EBITDA amounted to 0.2 (0.1), and the net debt/equity ratio was 0.1 (0.0).

Financial year 2013/2014 compared with financial year 2012/2013

Revenue and operating profit

Net sales for AddLife amounted to SEK 983.5 million (906.4), an increase of 8 percent. Comparable units grew by 8 percent and acquired growth totalled 1 percent. Exchange rate fluctuations had an adverse impact on net sales of 1 percent, corresponding to SEK 6.8 million.

AddLife enjoyed good profit growth during the financial year 2013/2014 despite a, comparatively, weaker result during the fourth quarter. Demand also increased in the last quarter, but variations in the sales mix had a negative impact on the margin for the quarter. Demand for diagnostic equipment and reagents to the Nordic healthcare sector has been good throughout the entire financial year, while at the same time competition intensifies from particularly multinational companies. Demand for equipment and reagents to healthcare and research laboratories remained stable during the year and initiatives focused particularly on service in Denmark were successful.

Operating profit rose by 5 percent to SEK 103.9 million (98.6) and operating margin amounted to SEK 10.6 percent (10.9). Exchange rate fluctuations had an adverse impact on operating profit of 1 percent, corresponding to SEK 1.1 million. Pressure on prices in public tenders continued, especially in Norway. During the year a few major instrument sales with relatively low margins were made to strategic customers in research.

Net financial items and taxes

AddLife's net financial items amounted to SEK –1.5 million (–1.0) and profit after financial items increased by 5 percent to SEK 102.4 million (97.6). Profit after tax for the financial year rose by 5 percent to SEK 78.3 million (74.4) and the effective tax rate was 24 percent (24).

Cash Flow

Cash flow from operating activities amounted to SEK 91.6 million (118.6) during the financial year. The decrease in cash flow is mainly attributable to an increase in working capital during the year. Investments in non-current assets amounted to SEK 13.2 million (21.1) and disposals of non-current assets amounted to SEK 1.0 million (0.7). Dividends amounting to SEK 96.6 million (92.5) were paid to the Addtech Group. Cash and cash equivalents, consisting of cash and bank balances as at 31 March 2014, amounted to SEK 76.8 million (111.4).

Financial position

The equity ratio as at 31 March 2014 was 44.3 percent (48.2) and return on equity was 27.7 percent (25.0). Return on working capital, P/WC (operating profit in relation to working capital), amounted to 97.5 percent (103.1). The decrease is due to an increase in working capital during the year. The Group's interest-bearing net debt at the end of the period amounted to SEK 13.4 million (–27.5), including pension liabilities of SEK 58.1 million (55.9). Interest-bearing net debt/EBITDA amounted to 0.1 (–0.2), and the net debt/equity ratio was 0.0 (–0.1).

Events after the reporting period

The Company signed a credit agreement for an overdraft facility with Handelsbanken, thereby replacing the current intra-group financing with an overdraft facility of SEK 300 million that matures on 31 December 2016 and an interest-only loan of SEK 300 million that matures on 30 June 2017. While the overdraft facility is a short-term financing vehicle, the intention of the agreement between AddLife and the bank is that the overdraft facility will be extended. The credit agreement is subject to the customary terms and conditions.

No further events significant for AddLife's financial position or market position have occurred since 31 December 2015.

Sensitivity analysis

AddLife's translation exposure is currently not hedged. AddLife's net assets are distributed among foreign currencies as follows:

	2015-03-31		2014-03-31		2013-03-31	
	SEKm	Sensitivity analysis ¹⁾	SEKm	Sensitivity analysis ¹⁾	SEKm	Sensitivity analysis ¹⁾
Net investments						
NOK	16.6	0.8	18.6	0.9	23.7	1.2
EUR	54.4	2.7	51.1	2.6	48.5	2.4
DKK	40.7	2.0	42.1	2.1	34.7	1.7

1) +/- 5 percent in the exchange rate has the following effect on Group equity.

When translating the income statement for units with a functional currency other than SEK, a translation effect arises when exchange rates vary. With the current distribution of Group companies' different functional currencies, a change of 1 percentage point in the exchange rates would have an effect on net sales and on EBITA as follows:

Net investments	2014/2015	2013/2014	2012/2013
Net sales	6.7	6.0	5.5
EBITA	0.7	0.7	0.7

The exchange rates used in the financial statements are shown in the following table:

Exchange rates	Average rate			Closing day rate		
	2014/2015	2013/2014	2012/2013	2015-03-31	2014-03-31	2013-03-31
DKK 1	1.2383	1.1717	1.1564	1.2437	1.1986	1.1207
EUR 1	9.2278	8.7396	8.62	9.2901	8.9483	8.36
NOK 1	1.0929	1.0892	1.1586	1.0674	1.084	1.1123

Capitalisation, financial leverage and other financial information

Capitalisation and finance leverage

The tables in this section present AddLife's capitalisation and finance leverage at the Group level as at 31 December 2015. For additional information about the Company's share capital and shares, please see the section entitled "*The share, share capital and shareholder structure*". The tables in this section should be read together with the section entitled "*Comments on financial information*" and AddLife's financial information, with associated notes, appearing elsewhere in this Prospectus.

Equity and financial leverage

AddLife is financed by equity and debt, where the majority of the debt consists of interest-bearing current liabilities to Addtech. As at 31 December 2015 the Group had interest-bearing non-current liabilities of SEK 74.1 million, of which pension provisions amounted to SEK 72.8 million, and interest-bearing short-term liabilities of SEK 697.2 million, of which SEK 695.0 million comprised of current liabilities to Addtech. Of the total liabilities of SEK 1,123.3 million, SEK 771.3 million were interest-bearing. The non-interest-bearing liabilities amounted to SEK 352.0 million consisting of deferred taxes, provisions, trade payables, current tax payables, other current liabilities and interim liabilities. Equity as at 31 December 2015 amounted to SEK 320.7 million.

The table below presents AddLife's total liabilities and equity as at 31 December 2015.

SEKm	31 December 2015
Current liabilities	
As guarantee	–
As security	–
Unsecured credit	994.6
Total current liabilities	994.6
Non-current liabilities	
As guarantee	–
As security	–
Unsecured credit	128.7
Total non-current liabilities	128.7
Equity	
Share capital	40.1
Other contributed capital	261.9
Other reserves	–8.2
Retained earnings including profit for the year	26.9
Total equity	320.7

As at 31 December 2015 AddLife did not have any contingent liabilities that were off balance sheet. Contingent liabilities of approximately SEK 1 million will be taken over from Addtech during the quarter January to March, 2016.

Net debt

The table below presents AddLife's interest-bearing net debt as at 31 December 2015.

SEKm	31 December 2015
A Cash	–
B Cash equivalents	129.8
C Current investments	–
D Liquidity (A)+(B)+(C)	129.8
E Current receivables	–
F Current bank loans	–
G Current part of non-current liabilities	–
H Other current liabilities	697.2
I Current liabilities (F)+(G)+(H)	697.2
J Net current interest-bearing liabilities (I)–(E)–(D)	567.4
K Non-current bank loans	1.3
L Issued bonds	–
M Other non-current liabilities	72.8
N Non-current interest-bearing liabilities (K)+(L)+(M)	74.1
O Interest-bearing net debt (J)+(N)	641.5

In the commitments described above, the Company has made provisions for contingent considerations related to the acquisitions totalling of SEK 6.3 million, for which the outcomes is related to the acquired company's performance since the acquisition. Based on the Company's current performance, AddLife deems that the provision is sufficient.

Information about working capital

Working capital requirements are mainly attributable to inventory and receivables that usually vary with sales. Neither sales nor working capital demonstrate any seasonal variations. The Group has historically been run with low levels of working capital, defined as accounts receivable and inventories, less trade payables. Working capital requirements are financed with cash flows generated by the Group itself.

Future financing

On 8 February 2016 AddLife entered into an agreement for an overdraft facility with Handelsbanken, thereby replacing the current intra-group financing with an overdraft facility of SEK 300 million that runs until 31 December 2016 and an interest-only loan of SEK 300 million that matures on 30 June 2017. While the overdraft facility is a short-term financing vehicle, the intention of the agreement between AddLife and the bank is that the overdraft facility will be extended. The credit agreement is subject to the customary terms and conditions.

Both of these facilities include customary financial covenants relating to the Group's equity ratio and interest coverage. No collateral has been pledged.

Statement on working capital

The Board of Directors of AddLife believes that the existing working capital is sufficient for the Group's current needs for the next twelve-month period, as well as to replace the existing current liabilities owed to Addtech.

SEKm	Apr–Dec 2015	Apr–Dec 2014	Apr 2014 – Mar 2015	Apr 2013 – Mar 2014	Apr 2012 – Mar 2013
Investments in property, plant and equipment	15.7	11.7	15.4	12.9	9.2
Investments in intangible assets	0.7	0.6	1.0	0.4	0.4
Company acquisitions, net liquidity effect	233.9	–	–	–	11.5
Total investments	250.3	12.3	16.4	13.3	21.1

In addition to the investments already made during the period April–December 2015, AddLife has approved additional investments for the period January–March 2016 amounting to approximately SEK 18.0 million related to an ERP system which is being acquired from Addtech. The investments are financed through bank overdraft facility.

Non-current assets

AddLife's property, plant and equipment amounted to SEK 55.6 million as at 31 December 2015. Of total property, plant and equipment, land and buildings accounted for SEK 6.2 million, investments in property belonging to third parties accounted for SEK 3.5 million, machinery SEK 8.4 million, equipment SEK 37.0 million and construction in progress SEK 0.5 million.

AddLife's intangible assets amounted to SEK 725.5 million as at 31 December 2015. Of total intangible assets, goodwill accounted for SEK 478.2 million, supplier relationships and technology for SEK 239.8 million, and software for SEK 7.5 million.

Financial Policy

AddLife AB's Board of Directors have adopted the Group's Financial Policy which overall governs how the Group's financial operations shall be conducted. The financial operations are not conducted as a separate line of business, instead they are merely intended to constitute support for the business and reduce risks in the financial operations. The objectives of AddLife's financial operations are:

- To support the operating activities of the subsidiaries in financial matters.
- To optimise the use of capital and cash flows.
- To ensure short and long-term financing for the AddLife Group.
- To ensure that financing is arranged at the lowest cost possible within the framework of established risk limits.
- To minimise and control the financial risks to which AddLife is exposed.

The Group's primary financial activities concern the management of the following risks:

- Currency Risk
- Interest rate risk
- Liquidity
- Issuer/borrower risk and credit risk

Investments

The table below summarises AddLife's total investments for the financial years 2014/2015, 2013/2014 and 2012/2013, as well as for the first three quarters of 2015/2016 and 2014/2015. The investments primarily comprise investments in equipment and business acquisitions.

General

AddLife is responsible for coordinating the Group's financial activities and delivering financial services to the subsidiaries. The AddLife Group applies decentralised responsibility for financial activities, which means that its subsidiaries are responsible for managing their own currency risks, liquidity and financing within the guidelines of AddLife's Financial Policy.

Currency Risk

The AddLife Group conducts extensive trading in foreign countries and as such the Group has a material currency exposure, which shall be managed in a way which minimises impact on profit from exchange rate fluctuations. The AddLife Group practices a decentralised responsibility for currency risk management, which among other things means that risk identification and risk hedging either through matching of currency flows, via currency accounts, or via forward exchange contracts is conducted at the subsidiary level.

The following currency exposures exist:

Transaction exposure: Transaction exposure comprises contracted and forecasted receipts and payments denominated in foreign currency. Such currency flows usually pertain to flows in foreign currency from purchases, sales and dividends. Transaction exposure also comprises financial transactions and balances.

Translation exposure: This exposure can be found among accounting entries which do not result in actual monetary transactions. Examples include shares in a subsidiary and profits from subsidiaries which are consolidated in the Group's consolidated financial statements.

The companies are responsible for choosing the most appropriate hedging measure from a commercial and risk point of view.

To minimise currency risks, matching of inflows and outflows in the same currency shall be prioritised. Currency clauses may be used if the Company finds it to be advantageous from a risk and commercial point of view.

The main principle for a currency clause is 80 percent compensation for an exchange rate fluctuation of ± 2 percent. If the Company determines that currency risk could have a significant impact on profits after the exposure has been reduced through matching and/or currency clauses, the Company shall

hedge its commercial net flows with forward exchange contracts on a monthly basis.

Translation exposure shall not usually be hedged.

AddLife estimated that the Group's translation exposure at the end of the financial year 2014/2015 meant that a 1 percent change in the value of SEK against other currencies would result in an effect on equity of +/- SEK 1.1 million.

As at 31 December 2015 AddLife estimated that the Group's translation exposure meant that a 1 percent change in the value of SEK against other currencies would result in an effect on equity of +/- SEK 3.1 million. This effect is estimated to remain largely unchanged at the time of publication of the prospectus.

Interest rate risk

Interest rate risk refers to the risk of interest rate changes negatively affecting AddLife's net financial items through increased borrowing costs.

The CFO has the mandate to regulate interest rate risk by varying the average fixed interest term of the debt portfolio varies between zero and three years. The debt portfolio consists of bank overdraft facilities and outstanding external loans, as well as potential interest rate derivatives.

AddLife's financial net debt as at 31 December 2015 amounted to SEK 642 million. With net financial debt as at 31 March 2015, the effect on AddLife's net financial items would be approximately SEK +/- 6 million if interest rates changed by one percentage point.

Liquidity

Satisfactory payment capacity shall be achieved through contractual credit facilities. Any excess liquidity will primarily be used to pay down outstanding loans.

The AddLife Group has established a common cash pool for the countries in which the Group has significant operations. Subsidiaries in these countries will be connected to the cash pool and manage all liquidity within the framework of the cash pool accounts. In cases where there is no cash pool in the country where the subsidiary operates its business, or if an individual foreign currency account does not exist within the cash pool, the subsidiary shall deposit any excess liquidity with AddLife AB.

Temporary excess liquidity in AddLife AB may be invested in accordance with the following guidelines:

- i) The investment's fixed interest term and the period during which capital is tied up may not exceed six months.

The following investments are permitted:

- ii) Interest-bearing bank accounts which allow immediate withdrawal, with a minimum credit rating of A.
- iii) Deposit in Swedish banks with a minimum credit rating of A.
- iv) Money market instruments (<1 year), such as treasury bills and certificates with a credit rating equivalent to A1, K-1, P-1 (i.e., very high creditworthiness).

Financing

The overall objective of AddLife's financing and debt management is to secure both long term and short term financing for the operations, and to minimise borrowing costs. Capital requirements shall be secured through an active and professional borrowing procedure of overdraft and credit facilities. Raising of external financing is centralised to AddLife AB. The Board of Directors shall approve all long-term financing. Short-term financing may be approved by the CEO and by the CEO jointly with the Chairman of the Board in accordance with AddLife AB's payment authorisation rules. The subsidiaries are not permitted to raise external financing or pledge collateral above the amount approved in the financing agreement between AddLife AB and the lender.

Refinancing risk is the risk of AddLife not having access to sufficient financing at any given time. The refinancing risk increases if AddLife's credit rating deteriorates or if AddLife becomes too dependent on one source of financing.

In order to limit refinancing risk, the CFO shall initiate procurement of long-term credit facilities (> 1 year) no later than nine months before the credit facility matures.

Issuer/borrower risk and credit risk

Issuer/borrower risk and credit risk are defined as the risk of AddLife's counterparties failing to fulfil their contractual obligations. AddLife is exposed to credit risk in its financial transactions, i.e. in investing its surplus liquidity and executing forward foreign exchange transactions, and in its commercial operations in connection with accounts receivable and advance payments to suppliers. Credit risk exposure consists of the carrying amount of the financial assets.

To utilise its companies' detailed knowledge of AddLife's customers and suppliers, each company assesses the credit risk in its commercial transactions. New customers are assessed before credit is granted, and credit limits set are strictly enforced. Short credit periods are pursued and the absence of excessive concentration of business with individual customers and specific sectors contributes to minimising the risks. No individual customer accounts for more than 4 percent (4) of total credit exposure over a one-year period. The equivalent figure for the ten largest customers is approximately 25 percent (24).

Credit losses amounted to SEK 0.1 million (0.0) during the year, equal to 0.0 percent (0.0) of net sales.

Significant changes

On 8 February 2016 AddLife entered into an agreement for an overdraft facility with Handelsbanken, thereby replacing the current intra-group financing with an overdraft facility of SEK 300 million that runs until on 31 December 2016 and an interest-only loan of SEK 300 million that matures on 30 June 2017. While the overdraft facility is a short-term financing vehicle, the intention of the agreement between AddLife and the bank is that the overdraft facility will be extended. The credit agreement is subject to the customary terms and conditions.

No further events of significance for AddLife's financial position or market position have occurred since 31 December 2015.

Pro forma financial statements

Background

On 1 July 2015 AddLife acquired all shares in Mediplast AB. The purchase price for Mediplast consisted of a cash payment and 3,008,757 newly issued Class B shares in AddLife in accordance with the decision at the Annual General Meeting on 1 July 2015. In parallel with the acquisition of Mediplast, all shares in Fenno Medical Oy were also acquired. This acquisition was completed by transferring all the owners shares in Fenno Medical to Mediplast through payment in cash.

The acquisitions of Mediplast and Fenno Medical have a significant effect on AddLife Group's future earnings and financial position and a pro forma income statement has therefore been prepared for the periods 1 April 2014 – 31 March 2015 and 1 April – 31 December 2015. The acquired businesses are included in the consolidated balance sheet as at 31 December 2015, and as such a pro forma balance sheet has not been prepared.

Purpose of pro forma financial statements

The purpose of the pro forma financial statements is to provide a general overview of how the acquisitions of Mediplast and Fenno Medical, as well as the debt financing associated with these acquisitions, would have effected

- i) AddLife's combined income statement for the period 1 April 2014 – 31 March 2015 under the assumption that the acquisitions were completed and finalised on 1 April 2014, and
- ii) AddLife's condensed consolidated income statement for the period 1 April 2015 – 31 December 2015 under the assumption that the acquisitions were completed and finalised on 1 April 2015.

The pro forma financial statements are only meant to describe a hypothetical situation and have been produced solely for illustrative purposes with the intent of providing information. They do not present the profit that the business actually would have achieved. Nor do the pro forma financial statements show the profit of the AddLife Group for a future period. Investors should not place undue reliance on pro forma financial statements in their investment decision. No synergies or integration costs have been taken into consideration.

Basis of preparation of pro forma financial statements

Pro forma income statement 1 April 2014 – 31 March 2015

The pro forma income statement for the period 1 April 2014 – 31 March 2015 is based on AddLife's audited combined financial statements for the period 1 April 2014 to 31 March 2015. The income statement for Mediplast, which historically had calendar year financial statements, is based on an unaudited internal performance report prepared by Mediplast for the period 1 April 2014 –

31 March 2015. The income statement for Fenno Medical, which historically had a financial year from 1 November – 31 October, is based on an unaudited internal performance report prepared by Fenno Medical for the period 1 April 2014 – 31 March 2015. Fenno Medical's internal performance reports are denominated in EUR and have therefore been translated to SEK at an average exchange rate of SEK/EUR 9.2278 for the period.

Pro forma income statement 1 April – 31 December 2015

The pro forma income statement for the period 1 April – 31 December 2015 is based on AddLife's reviewed interim report for the period 1 April – 31 December 2015. The income statements for Mediplast and Fenno Medical are based on unaudited internal performance reports prepared by Mediplast and Fenno Medical respectively for the period 1 April – 30 June 2015. For the period 1 July – 31 December 2015 Mediplast and Fenno Medical are both included in AddLife's consolidated income statement. Fenno Medical's internal performance reports are denominated in EUR and have therefore been translated to SEK at an average exchange rate of SEK/EUR 9.3441 for the period.

Accounting policies

AddLife applies accounting policies in accordance with IFRS as adopted by the EU. The financial information regarding Mediplast is prepared according to policies in compliance with the Annual Accounts Act and the Swedish Accounting Standards Board, BFNAR 2012:1 Annual Report and consolidated financial statements ("K3") and financial information regarding Fenno Medical is prepared according to Finnish accounting policies. The pro forma financial statements are prepared in accordance with AddLife's accounting policies as described in the section "*Historical financial information*" in this Prospectus.

Pro forma adjustments

Pro forma adjustments are described below. Additional information can be found in the notes to each pro forma income statement. All pro forma adjustments other than transaction costs are expected to have a permanent effect on the AddLife Group.

Acquisition of Mediplast

The consideration for all shares in Mediplast consisted of a cash payment of SEK 259.4 million and 3,008,757 newly issued shares corresponding to a total value of SEK 234.3 million, for a total consideration of SEK 493.7 million. The cash portion of the purchase price was financed using a bank overdraft facility in Addtech's cash pool.

In accordance with IFRS, AddLife has, through a purchase price allocation analysis, performed an allocation of the purchase price in which fair values have been allocated to Mediplast's identifiable assets and liabilities, whereby corresponding adjustments

have been made to the carrying amounts in Mediplast's internal financial reports. In the purchase price allocation analysis values have been allocated to intangible assets consisting of supplier relationships.

The intangible assets referred to above are estimated to have a useful life of 10 years, resulting in depreciation and amortisation expenses being added to the pro forma income statement, while the deferred tax liability is derecognised by a proportionate amount.

Costs directly linked to the transaction amount to SEK 3.1 million which have adjusted the pro forma income statement for the period 1 April 2014 – 31 March 2015.

For the period 1 April – 31 December 2015 transaction costs are included in the financial statements for AddLife's acquisition of Mediplast and therefore do not need to be added in the pro forma income statement for this period.

Acquisition of Fenno Medical

The consideration for all shares in Fenno Medical consisted of a cash payment of SEK 64.9 million, which was financed by a new credit facility and overdraft facility, and a contingent consideration estimated to SEK 6.2 million, corresponding to 94 percent of the maximum outcome. The outcome depends on results achieved by the companies and a maximum level has been set.

In accordance with IFRS, AddLife has, through a purchase price allocation analysis, performed an allocation of the purchase price in which fair values have been allocated to Fenno Medical's identifiable assets and liabilities, whereby corresponding adjustments have been made to the carrying amounts in Fenno Medical's internal financial reports. In the purchase price allocation analysis values have been allocated to intangible assets consisting of supplier relationships.

The intangible assets referred to above are estimated to have a useful life of 10 years, resulting in depreciation and amortisation expenses being added in the pro forma income statement, while the deferred tax liability is derecognised by a proportionate amount.

Costs directly linked to the transaction amount to SEK 3.4 million which have adjusted the pro forma income statement for the period 1 April 2014 – 31 March 2015 and 1 April – 31 December 2015, respectively.

Differences in accounting policies

AddLife has, during its analyses of Mediplast and Fenno Medical, noted certain differences in accounting policies compared to the IFRS accounting policies applied by AddLife. Apart from the differences described below, AddLife has assessed that no further significant differences exist between the accounting policies AddLife applies under IFRS and those that Mediplast and Fenno Medical have applied.

Mediplast's internal reporting includes amortisation of goodwill arising from previous acquisitions within Mediplast. According to IFRS principles goodwill arising from AddLife's purchase price allocation analysis of Mediplast is not amortised, resulting in previous goodwill amortisation being reversed in the pro forma income statement. In Mediplast there are currency derivatives, for

which unrealised changes in the value of the derivatives have not been accounted for in the company's reporting. Pro forma adjustment is made to adjust the accounting policies of Mediplast and Fenno Medical to the IFRS principles applied by the AddLife Group. Pro forma adjustments attributable to differences in accounting policies affect the pro forma income statement for the period 1 April 2014 – 31 March 2015 as well as the period 31 March – 31 December 2015.

AddLife and the acquired companies have different presentation formats and policies for classifying income statement items. In preparing the pro forma income statements, Mediplast's and Fenno Medical's respective income statements have been adjusted to correspond to AddLife's presentation format and classification of income statement items.

Financing of acquisitions

Pro forma adjustments have been made to reflect the impact of debt financing directly related to the acquisitions of Mediplast and Fenno Medical.

The cash portion of the purchase price of SEK 259.4 million for Mediplast was financed by using a bank overdraft facility of SEK 259.4 million. The pro forma financial statements assume the same utilization of the bank overdraft facility throughout the entire pro forma periods. The bank overdraft facility is based on three months STIBOR plus a premium of 1.0 percent. In calculating the interest expense, three months STIBOR as at the acquisition date of 1 July 2015 has been used. Three months STIBOR has a floor of 0 percent when calculating the interest rate. This renders an interest rate of 1.0 percent for the bank overdraft facility.

The acquisition of all shares in Fenno Medical occurred through a cash payment of SEK 64.9 million, which was financed through a new credit facility of SEK 36.0 million and an overdraft facility of SEK 28.9 million. The pro forma financial statements assume that the credit facility is amortised at SEK 3.0 million per quarter throughout the entire pro forma periods. The credit facility is based on a base rate plus a premium of 1.2 percent and the bank overdraft facility is based on a base rate plus a premium of 1.1 percent. The base rate has a floor of 0 percent when calculating the interest rate. In calculating the interest expense, the base rate as at the acquisition date of 1 July 2015 has been used. This renders an interest rate of 1.2 percent for the credit facility and 1.1 percent for the bank overdraft facility.

Pro forma adjustments attributable to interest expenses affect the pro forma income statement for the period 1 April 2014 – 31 March 2015 as well as the period 31 March – 31 December 2015.

Taxes

As a result of pro forma adjustments for amortisation of intangible assets, foreign exchange derivatives and interest expenses, the tax cost has been reduced in the pro forma income statement for the periods 1 April 2014 – 31 March 2015 and 31 March – 31 December 2015.

No tax effect has been taken into account in the pro forma adjustments related to transaction costs directly attributable to the acquisitions and reversals of amortisation of goodwill since such transaction costs are not considered to be tax deductible.

Pro forma Financial Statements

Income statement, AddLife Pro forma 1 April 2014 – 31 March 2015

SEKm	2014/2015	Mediplast 2014/2015	Fenno 2014/2015	Adjustments 2014/2015	Note	Pro forma 2014/2015
Net sales	1,056.8	479.5	186.3	–		1,722.6
Cost of sales	–661.0	–304.5	–148.5	0.5	4	–1,113.5
Gross profit	395.8	175.0	37.8	0.5		609.1
Selling expenses	–227.1	–117.8	–29.7	–17.2	1, 2, 3, 4	–391.8
Administrative expenses	–59.8	–19.2	–4.4	1.6	4	–81.8
Other operating income	1.3	12.6	4.1	2.9	5	20.9
Other operating expenses	–2.5	–10.9	–	–0.3		–13.7
Other profit	107.7	39.7	7.8	–12.5		142.7
Financial income	0.9	0.4	–	–		1.3
Financial expenses	–3.3	–2.4	–	–3.0	6, 7	–8.7
Net financial items	–2.4	–2.0	–	–3.0		–7.4
Profit before tax	105.3	37.7	7.8	–15.5		135.3
Tax	–24.9	–10.9	–1.7	4.2	8	–33.3
Profit for the period	80.4	26.8	6.1	–11.3		102.0
Attributable to:						
Equity holders of the parent company	80.4	26.8	6.1	–11.3		102.0
Non-controlling interest	0.0	0.0	0.0	0.0		0.0

Notes

- Expenses directly attributable to the acquisitions of Mediplast and Fenno Medical relate to the cost of transfer tax of SEK 1.2 million, and costs for legal and financial due diligence of SEK 5.3 million. Total acquisition costs attributable to the acquisitions of Mediplast and Fenno Medical for the twelve-month period amount to SEK 6.5 million.
- In conjunction with the acquisition of Mediplast an intangible asset amounting to SEK 157.5 million was identified. The asset is amortised on a straight-line basis over the estimated useful life of ten years. This entails amortisation of SEK 15.8 million for the twelve-month period.
- In conjunction with the acquisition of Fenno Medical, an intangible asset amounting to EUR 3.5 million, translated to SEK 32.3 million based on the exchange rate at the day of the acquisition, was identified. The asset is amortised on a straight-line basis over the estimated useful life of ten years. This entails amortisation of EUR 0.35 million for the twelve-month period, which when translated using the average exchange rate of SEK/EUR of 9.2278 used in the pro forma financial statements, corresponds to SEK 3.2 million.
- Mediplast's internal income statement includes amortisation of goodwill of SEK 10.4 million for the twelve-month period arising from previous acquisitions in Mediplast. These amortisation entries are reversed in the pro forma financial statements.
- Mediplast's internal income statement has currency derivatives for which unrealised changes in value of derivatives have not been taken into account. Pro forma adjustments are made so that all changes in the value of the derivatives are reflected in the financial statements. This results in an income adjustment of SEK 2.0 million in the pro forma income statement.
- The cash portion in the acquisition of Mediplast of SEK 259.4 million was financed by using the bank overdraft facility in Addtech's cash pool. In the pro forma financial statements an assumption has been made that the bank overdraft facility is used by this amount throughout the entire twelve-month period. The bank overdraft facility is based on three months STIBOR plus a premium of 1.0 percent. Three months STIBOR has a floor of 0 percent and can never be negative. Consequently, the bank overdraft facility has an interest rate of 1.0 percent. Interest expenses for the acquisition of Mediplast amount to SEK 2.6 million.
- The acquisition of Fenno Medical for SEK 64.9 million was financed by taking out a new credit facility amounting to SEK 36.0 million and a bank overdraft facility amounting to SEK 28.9 million. The pro forma financial statements assume that the bank overdraft facility is amortised at SEK 3.0 million per quarter throughout the entire twelve-month period. The credit facility is based on a base rate plus a premium of 1.2 percent and the bank overdraft facility is based on a base rate plus a premium of 1.1 percent. The base rate has a floor of 0 percent and can never be negative. This results in an interest rate of 1.2 percent for the credit facility and an interest rate of 1.1 percent for the bank overdraft facility. Interest expenses for the acquisition of Fenno Medical amount to SEK 0.5 million.
- Pro forma adjustments pertaining to amortisation of intangible assets, foreign exchange derivatives and interest expenses, renders a reduced tax cost in the pro forma income statement for the twelve-month period of SEK 4.2 million as presented below.

Pro forma adjustments	Amount local currency	Amount SEKm	Tax rate	Tax impact SEKm
Reversal of depreciation intangible assets Mediplast	10.4	10.4	–	–
Depreciation intangible assets Mediplast	–15.8	–15.8	22%	3.5
Depreciation intangible assets Fenno Medical	–0.35	–3.2	20%	0.6
Acquisition costs Mediplast	–3.1	–3.1	–	–
Acquisition costs Fenno Medical	–3.4	–3.4	–	–
Currency derivatives	2.6	2.6	22%	–0.6
Interest expenses Mediplast	–2.6	–2.6	22%	0.6
Interest expenses Fenno Medical	–0.5	–0.5	22%	0.1

Income statement, AddLife Pro forma 1 April – 31 December 2015

SEKm	1 Apr – 31 Dec 2015	Mediplast 1 Apr – 30 Jun 2015	Fenno 1 Apr – 30 Jun 2015	Adjustments 1 Apr – 30 Jun 2015	Note	Pro forma 1 Apr – 31 Dec 2015
Net sales	1,109.7	131.2	43.8	–		1,284.7
Cost of sales	–721.6	–88.0	–33.9	0.2	4	–843.3
Gross profit	388.1	43.2	9.9	0.2		441.4
Selling expenses	–245.4	–33.5	–8.5	–5.7	1, 2, 3, 4	–293.1
Administrative expenses	–69.3	–5.5	–1.3	0.4	4	–75.7
Other operating income and expenses	6.7	3.2	1.4	0.3	5	11.6
Operating profit	80.1	7.4	1.5	–4.8		84.2
Financial income	5.3	–	–	–		5.3
Financial expenses	–9.3	–0.7	–	–0.8	6.7	–10.8
Net financial items	–4.0	–0.7	–	–0.8		–5.5
Profit before tax	76.1	6.7	1.5	–5.6		78.7
Tax	–17.1	–1.5	–0.3	1.1	8	–17.8
Profit for the period	59.0	5.2	1.2	–4.5		60.9
Attributable to:						
Equity holders of the parent company	59.0	5.2	1.2	–4.5		60.9
Non-controlling interest	0.0	0.0	0.0	0.0		0.0

Notes

- Expenses directly attributable to the acquisition of Fenno Medical relate to the cost of transfer tax of SEK 1.2 million, and costs for legal and financial due diligence of SEK 2.2 million. Total acquisition costs attributable to the acquisition of Fenno Medical for the nine-month period amount to SEK 3.4 million. Transaction costs for the acquisition of Mediplast are included in the financial statements for AddLife.
- In conjunction with the acquisition of Mediplast an intangible asset amounting to SEK 157.8 million was identified. The asset is amortised on a straight-line basis over the estimated useful life of ten years. This entails amortisation of SEK for 3.9 million for the three-month period April–June; for the period July–December this amortisation is included in AddLife's reporting.
- In conjunction with the acquisition of Fenno Medical, an amount of EUR 3.5 million, translated to SEK 32.3 million according to the exchange rate on the day of the acquisition, was identified as an intangible asset. The asset is amortised on a straight-line basis over the estimated useful life of ten years. This entails amortisation of EUR 0.09 million for the three-month period April–June, which when translated using the average exchange rate of SEK/EUR of 9.3441 used in the pro forma financial statements, corresponds to SEK 0.8 million. For the period July–December this amortisation is included in AddLife's reporting.
- Mediplast's internal income statement for the three-month period April – June includes amortisation of SEK 3.1 million on goodwill arising from previous acquisitions in Mediplast. These amortisation entries are reversed in the pro forma financial statements.
- Mediplast's internal income statement has currency derivatives for which unrealised changes in value of derivatives have not been taken into account. Pro forma adjustments are made so that all changes in the value of the derivatives are reflected in the financial statements. This results in an income adjustment of SEK 0.2 million in the pro forma income statement.
- The cash portion in the acquisition of Mediplast of SEK 259.4 million was financed by using the bank overdraft facility in Addtech's cash pool. In the pro forma financial statements an assumption has been made that the bank overdraft facility is used by this amount throughout the entire three-month period. The bank overdraft facility is based on three months STIBOR plus a premium of 1.0 percent. Three months STIBOR has a floor of 0 percent and can never be negative. Consequently, the bank overdraft facility has an interest rate of 1.0 percent. Interest expenses for the acquisition of Mediplast amount to SEK 0.6 million for the three-month period April–June. For the period July–December the interest expenses are included in AddLife's reporting.
- The acquisition of Fenno Medical for SEK 64.9 million was financed by taking out a new credit facility amounting to SEK 36.0 million and a bank overdraft facility amounting to SEK 28.9 million. The pro forma financial statements assume that the bank overdraft facility is amortised at SEK 3.0 million per quarter throughout the three-month period April–June. The credit facility is based on a base rate plus a premium of 1.2 percent and the bank overdraft facility is based on a base rate plus a premium of 1.1 percent. The base rate has a floor of 0 percent and can never be negative. This results in an interest rate of 1.2 percent for the credit facility and a rate of 1.1 percent for the bank overdraft facility. Interest expenses for the acquisition for Fenno Medical amount to SEK 0.2 million for the three-month period April–June. For the period July–December the interest expenses are included in AddLife's reporting.
- Pro forma adjustments pertaining to amortisation of intangible assets, foreign exchange derivatives and interest expenses, renders a reduced tax cost in the pro forma income statement for the twelve-month period of SEK 1.2 million as presented below.

Pro forma adjustments	Amount local currency	Amount SEKm	Tax rate	Tax impact SEKm
Reversal of depreciation intangible assets Mediplast		3.1	–	–
Depreciation intangible assets Mediplast		–3.9	22%	0.9
Depreciation intangible assets Fenno Medical		–0.09	20%	0.2
Acquisition costs Fenno Medical		–3.4	–	–
Currency derivatives		0.3	22%	–0.1
Interest expenses Mediplast		–0.6	22%	0.1
Interest expenses Fenno Medical		–0.2	22%	0.0

Auditor's report on the pro forma financial statements

To the Board of Directors of AddLife AB (publ), corporate identity no. 556995-8126

Auditor's report on pro forma financial statements

We have conducted an audit of the pro forma financial statements set out on pages 62–65 of AddLife AB's (publ) prospectus dated 15 March 2016.

The pro forma financial statements were prepared solely for the purpose of describing how the acquisition of Medioplast AB and Fenno Medical Oy might have affected AddLife AB's (publ) consolidated income statement for the financial year 2014/2015 and for the period 1 April 2015 through 31 December 2015 in the event that the acquisition of Medioplast AB and Fenno Medical Oy had taken place on 1 April 2014 and 1 April 2015, respectively.

Responsibilities of the Board of Directors

It is the Board of Directors' responsibility to prepare the pro forma financial statements in accordance with the requirements of the EC Regulation 809/2004/EC.

Auditor's responsibility

It is our responsibility to provide an opinion required by Annex II item 7 of the EC Regulation 809/2004/EC. We are not responsible for expressing any other opinion on the pro forma financial statements or any of its constituent elements. We do not accept any responsibility for any financial information used in the compilation of the pro forma financial statements apart from the responsibility we have for the audit reports concerning historical financial information that we have submitted earlier.

Work performed

We conducted our work in accordance with FAR's Recommendation RevR 5 Examination of Prospectuses. This means that we follow FAR's ethical rules, and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The audit company applies ISQC 1 (International Standard on Quality Control) and thus has a comprehensive quality control system including documented policies and procedures regarding compliance with professional ethics, standards of professional practice and the requirements of laws and regulations. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the historical information, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial statements with the management of the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the pro forma financial statements have been compiled on the basis stated on pages 62–63, and in accordance with the accounting principles applied by the company.

Opinion

In our opinion the pro forma financial statements have been properly compiled on the basis stated on pages 62–63 and in accordance with the accounting principles applied by the company.

Stockholm 15 March 2016

KPMG AB

George Pettersson

Authorised Public Accountant

The share, share capital and shareholder structure

Share information

As of the date of this Prospectus, the Company's registered share capital amounts to SEK 40,116,762, divided into 19,693,675 shares, whereof 809,418 are shares of Class A and 18,884,257 are shares of Class B. All issued shares have been fully paid and are freely transferable. Each share has a quota value of SEK 2.037. The shares are registered by name, have been issued in accordance with Swedish law and are denominated in SEK. No share certificates are issued with respect to the shares in the Company. Shares of Class A are subject to a conversion provision in AddLife's Articles of Association (§ 7). The ISIN code for shares of Class A is SE0007982806 and the ISIN code for shares of Class B is SE0007982814. Under the Articles of Association adopted at the Extraordinary General Meeting held on 13 January 2016, the Company's share capital must not be less than SEK 30,000,000 and not more than SEK 120,000,000, divided into no fewer than 15,000,000 shares and not more than 60,000,000 shares.

The planned Issue will affect the Company's registered share capital and number of shares. The effects of the Issue will be described more closely in the prospectus supplement that the Company will publish in connection with the Issue. The Issue is estimated to be registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) around 29 April 2016.

AddLife does not hold any shares in AddLife. At the time of the Listing of AddLife's shares of Class B on Nasdaq Stockholm, there will not exist any outstanding warrants, convertibles or other share-related financial instruments in the Company. The shares in AddLife are not the subject of an offer made as a result of a mandatory bid, redemption right or right of sell-out. No public takeover offers have been made for the Company's share either this year or in the last year.

Rights attached to the shares

General Meetings and voting rights

Notice to attend a General Meeting must be given through an announcement in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and on AddLife's website. Announcement to the effect that a notice convening a General Meeting has been issued shall at the same time be made in Svenska Dagbladet. Shareholders who are entered in AddLife's share register five weekdays prior to the meeting and have notified AddLife of their participation no later than the date stated in the notice of the General Meeting shall be entitled to participate at the General Meeting. At General Meetings, each share of Class A carries ten votes and each share of Class B carries one vote. Each shareholder is entitled to vote for the full number of shares such shareholder holds without limitations.

Preferential rights to new shares

In the event that the Company decides to issue new shares of Class A and Class B through a cash issue or a set-off issue, holders of shares of Class A and Class B shall have preferential rights to subscribe for new shares of the same class in proportion to the number of shares already held (primary preferential rights). Shares not subscribed for on the basis of primary preferential rights shall be offered for subscription to all shareholders (subsidiary preferential rights). If the number of shares offered in this manner is insufficient for subscription based on subsidiary preferential rights, the shares shall be distributed in proportion to the number of shares already held and, insofar as this is not possible, by drawing lots.

In the event that the Company decides that only shares of Class A or Class B shall be issued through a cash issue or set-off issue, all shareholders, irrespective of whether they own shares of Class A or Class B, shall have preferential rights to subscribe for new shares in proportion to the number of shares already held.

Nothing in AddLife's Articles of Association restricts the possibility to issue new shares through a cash issue or set-off issue with deviation from the shareholders' preferential rights.

Rights to dividend and liquidation proceeds

All shares carry equal rights to dividends and potential surplus in the event of liquidation.

Share capital development

The table below shows the historic developments in AddLife's share capital since the incorporation of the Company.

Date	Event	Change in number of shares		Total number of shares		Change in share capital (SEK)	Share capital (SEK)	Quota value (SEK)	Price (SEK)	Condition
		Class A shares	Class B shares	Class A shares	Class B shares					
20141215	Incorporation	500,000		500,000		500,000	500,000	1		
20150731	Introduction of different share classes	500,000		500,000		0	500,000	1		
20150731	Share issue	1,120,852	32,478,396	1,620,852	32,478,396	33,599,248	34,099,248	1	2	Cash issue
20150731	Reversed split (2:1)	-810,426	-16,239,198	810,426	16,239,198	0	34,099,248	2		
20150731	Share issue		3,008,757	810,426	19,247,955	6,017,514	40,116,762	2	77.87	Contribution in kind
20160120	Reversed split (1:0.981817781)	-14,735	-349,971	795,691	18,897,984	0	40,116,762	2.037		
20160120	Redemption of shares		-13,727	795,691	18,884,257	-27,962.419	40,088,799.581	2.037	2.037	Cash issue
20160120	Share issue	13,727		809,418	18,884,257	27,962.419	40,116,762	2.037	2.037	Cash issue

Ownership structure

Prior to the distribution of Addtech's shares in AddLife, shareholding in AddLife as per 29 February 2016 was as follows:

Shareholder	Class A shares	Class B shares	% of capital	% of votes
Addtech	809,418	15,930,206	85.0	89.1
RoosGruppen AB		2,862,693	14.5	10.6
Lars-Erik Rydell		66,523	0.3	0.2
Tor Kristoffersen		24,835	0.1	0.1
Total	809,418	18,884,257	100	100

After the distribution of Addtech's shares in AddLife, based on the ownership structure in Addtech on 29 February 2016, AddLife's ownership structure is expected to be as follows:

Shareholder	Class A shares	Class B shares	% of capital	% of votes
Anders Börjesson (family)	372,690	30,262	2.0	13.9
Tom Hedelius	361,440	4,050	1.9	13.4
RoosGruppen AB		2,862,693	14.5	10.6
Lannebo		1,947,972	9.9	7.2
Swedbank Robur Fonder		1,570,979	8.0	5.8
SEB Investment Management		1,373,852	7.0	5.1
Other	75,288	11,094,449	56.6	43.8
Total	809,418	18,884,257	100	100

Share-related incentive programmes

At present, there are no share-related incentive programmes in AddLife. However, the Board of Directors is in principle positive towards the idea of offering employees of the Company the opportunity to participate in incentive programmes. AddLife's Board of Directors is therefore investigating the possibility of presenting a proposal for an incentive programme at the next Annual General Meeting.

Listing on Nasdaq Stockholm

The Board of Directors of AddLife has applied for listing of the Company's Class B shares on Nasdaq Stockholm. Trading on Nasdaq Stockholm is expected to commence on 16 March 2016.

Central securities depository affiliation

The Company and its shares are registered with the electronic securities system (the VP system) with Euroclear as the central securities depository and clearing organisation (Euroclear Sweden AB, Box 191, 101 23 Stockholm).

Dividend and dividend policy

General

The distributed shares will entitle to dividends for the first time on the first record date for distribution of dividends that will follow after the shares have been distributed and for any subsequent period, provided that dividends are declared. The newly issued shares will entitle to dividends for the first time on the first record date for distribution of dividends that will follow after the shares have been entered into the share register kept by Euroclear and the Issue has been registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) and for any subsequent period, provided that dividends are declared. In light of the proposed share issue, the Board of Directors in AddLife does not plan to propose to the Annual General Meeting of AddLife that any dividend be paid for the financial year 2015/2016. AddLife AB has further previously not paid any dividends.

Dividend policy

Under the dividend policy adopted by the Board of Directors, the Company intends to over time distribute dividends that reflect a payout ratio of approximately 30 to 50 percent of the earnings after tax, allowing for a significant reinvestment in the business. When determining the dividend, investment needs and other factors that the Company's Board of Directors considers relevant are taken into account. There can be no assurance that a dividend will be proposed or declared in any given year.

Dividends under Swedish law

The declaration of dividends by Swedish companies is decided upon by the General Meeting. Dividends may only be declared to the extent that there will be full coverage for the Company's restricted equity after the dividend distribution and only to the extent that such declaration is prudent, taking into consideration the demands with respect to the amount of the equity that are imposed by the nature, scope and risks associated with the Company's operations, as well as the need to strengthen the Company's balance sheet, liquidity and financial position. The shareholders may, as a general rule, not declare dividends at an amount higher than the Board of Directors proposed or approved.

Under the Swedish Companies Act, minority shareholders that together represent at least 10 percent of all outstanding shares have the right to request a payment of dividends (to all shareholders) from the Company's profits. Following such a request, the Annual General Meeting is required to resolve to distribute 50 percent of the remaining profit for the relevant year as reported on the balance sheet adopted at the Annual General Meeting, after deductions made for losses carried forward that exceed unrestricted reserves, amounts which, by law or the Company's Articles of Association, must be transferred to restricted equity and amounts which, pursuant to the Articles of Association, are to be used for any purpose other than distribution to the shareholders. The General Meeting is however not obliged to declare dividends in excess of 5 percent of the Company's shareholders' equity. Moreover, the General Meeting may not declare dividends to the extent that there will not be full coverage of the Company's restricted equity or in violation of the prudence rule described above.

Payment of dividends

Dividends will normally be paid to shareholders in cash on a per share basis through Euroclear, but may also be paid in kind (dividend in kind). Shareholders recorded as owners of shares in the register of shareholders maintained by Euroclear on the record date established by the General Meeting will be entitled to receive dividends. This record date shall not be later than the day prior to the subsequent Annual General Meeting. If the shareholder cannot be reached via Euroclear, the shareholder shall retain a claim on AddLife for the dividend amount and this shall be limited only by rules of prescription. In the event of prescription, the amount of the dividend shall accrue to AddLife.

There are no restrictions or special procedures in the Swedish Companies Act or in AddLife's Articles of Associations concerning dividends to shareholders resident outside Sweden. Subject to any restrictions imposed by the banking and clearing system, payment is made in the same way as to shareholders resident in Sweden. Shareholders with limited tax liability in Sweden are however normally subject to Swedish withholding tax; refer also to the section "*Tax considerations in Sweden*".

Board of Directors, Group Management and auditor

Board of Directors and Group Management

According to AddLife's Articles of Association, the Board of Directors must consist of four to six members elected by the shareholders at the General Meeting. Swedish law entitles employee organisations to appoint two ordinary members and an equivalent number of deputy members. The Board of Directors currently consists of six members elected by the General Meeting until the close of the 2016 Annual General Meeting. The Board of Directors has appointed an external Chief Executive Officer.

The members of the Board of Directors, their year of birth, the year of their initial election to the Board of Directors, their position, their independence as defined in the Swedish Code of Corporate Governance (the "Code") in relation to AddLife and the Group Management, as well as in relation to principal shareholders, and their shareholdings in Addtech as of the date of this Prospectus, as well as their shareholdings in AddLife following the distribution of Addtech's shares in AddLife, are set forth in the table below.¹⁾

Name	Born in	Board member since	Independent in relation to the Company and its senior executives	Independent in relation to the Company's major shareholders	Number of shares in Addtech		Number of shares in AddLife	
					A	B	A	B
Johan Sjö, Chairman	1967	2015	Yes	No	10,080	173,000	2,520	43,250
Håkan Roos	1955	2015	Yes	No	–	–	–	2,862,693
Stefan Hedelius	1969	2015	Yes	No	–	–	–	–
Fredrik Börjesson	1978	2015	Yes	No	–	3,699	–	924
Birgit Stattin Norinder	1948	2015	Yes	Yes	–	–	–	–
Eva Nilsagård	1964	2015	Yes	Yes	–	–	–	–

Board of Directors



JOHAN SJÖ

Chairman of the Board since 2015.

Born in: 1967.

Board member since: 2015.

Education: M.Sc. Econ.

Professional experience: Senior management at B&B TOOLS Aktiebolag (publ), prior to that Alfred Berg ABN AMRO.

Other appointments: Chief Executive Officer and director for Addtech AB (publ). Chairman of the Board of Addtech Nordic AB. Director for Bufab AB (publ), Joh Sjö AB and COJU AB. Deputy Director for Henrik Sjö AB and Joh Sjö Holding AB. Previous appointments (last five years): Chairman of the Board of Addtech Energy & Equipment AB. Director for Bult Finnveden Aktiebolag (BUFAB). Deputy Director for Joh. Sjö Industri Aktiebolag.

Independent in relation to AddLife and its senior executives: Yes.

Independent in relation to major shareholders: No.

Holdings of shares in AddLife²⁾: 2,520 Class A shares and 43,250 Class B shares.



HÅKAN ROOS

Board member since 2015.

Born in: 1955.

Education: M.Sc. Econ.

Professional experience: Previously Chief Executive Officer of Hallbergs Guld AB and Procurator AB.

Other appointments: Chairman of the Board of RoosGruppen AB, Procura-

tor AB, Antpac Production AB, Fondamentor & Roosgruppen Fastigheter AB, Fondamentor & Roosgruppen 3 Umeå AB, Fondamentor & RoosGruppen 4 Umeå AB, Sandå Sverige AB, Design House Stockholm AB and Rexo AB. Chairman of the Board and Chief Executive Officer of Malmö Stenhus AB. Director for Procurator Intressenter AB, Ronofred Byggnads AB, Arbetskyddsmaterial Aktiebolag, Enkelknappen Aktiebolag, Exportaktiebolaget Svanen, Lomond Invest AB, Intellithing AB, Scandy Garden Aktiebolag, Malmö Stenhus Intressenter AB, Gatt IT AB, Nordic Kitchen Group AB, Antpac AB, Östhus Bostad AB, Kimano Group AB, MBA Portik etapp 2 i Åkersberga Holding AB, Kneippen Syd Hyresbostäder AB, Singtrix AB and Gadelius Japan. Deputy Director for Gandalf Data AB and RYNKAN AB. Previous appointments (last five years): Chairman of the Board of Karlskoga Skyddsprodukter AB, Pappersprodukter Luleå AB, Sandå Projekt Aktiebolag, MBA Portik Åkersberga AB. Chief Executive Officer and director for Tribona Fosie 1 AB. Director for

1) Independence in relation to the Company's major shareholders has been assessed in relation to the expected shareholder structure in AddLife at the time of the Listing.

2) Each four (4) Class A shares in Addtech held on the record date for the right to distribution of shares in AddLife will entitle the holder to one (1) Class A share in AddLife and each four (4) Class B shares in Addtech will entitle the holder to one (1) Class B share in AddLife. The shareholding excludes any shares that members of the Board and senior executives may subscribe for or acquire through the Issue.

Procurator Textiles AB, Grundin & Co Allt i Skydd Aktiebolag, PT Kommission Aktiebolag, Aktiebolaget LH-Miljöprodukter, Vansito Fastigheter Aktiebolag, R & R Partners AB, Cross Retail Stockholm AB, Cross Sportswear Retail AB, Cross Sportswear International AB, Ramtex Yrkeskläder AB, L.O. Smith AB, Polygiene AB, Barista FTC AB, Dubbelknappen AB, Kungsleden Knappen AB. Deputy Director for Per Ove Nimér Design AB.
Independent in relation to AddLife and its senior executives: Yes.
Independent in relation to major shareholders: No.
Holdings of shares in AddLife¹⁾: 2,862,693 Class B shares.



STEFAN HEZELIUS

Board member since 2015.
Born in: 1969.
Education: University studies in finance, various international executive education programmes.
Professional experience: Previously Vice President, Brand and Marketing, Scandinavian Airlines (SAS) as well as

positions at Ericsson, including Vice President Marketing and Communications, Head of Strategy and Marketing and Vice President Ericsson Austria.

Other appointments: Chief Executive Officer of NOTE AB (publ). Director for Handbolls-EM 2016 Sverige AB. Deputy Director for Say hello to all of our friends AB.

Previous appointments (last five years): –

Independent in relation to AddLife and its senior executives: Yes.

Independent in relation to major shareholders: No.

Holdings of shares in AddLife¹⁾: –



FREDRIK BÖRJESSON

Board member since 2015.
Born in: 1978.
Education: M.Sc. Econ.
Professional experience: Management positions within the Tisenhult Group and CFO of AB Cibenon.
Other appointments: Chief Executive Officer and director for Tisenhult-

gruppen AB and Tisenhult Förvaltning AB. Chairman of the Board of Bostad Direkt Stockholm Aktiebolag, Swedish Cable Trolleys AB, Ventilationsgrossisten Nordic AB and Inomec AB. Director for B&B TOOLS Aktiebolag (publ), Tisenhult Invest AB and Futuraskolan AB.

Previous appointments (last five years): Director for Svenska allt för föräldrar AB.

Independent in relation to AddLife and its senior executives: Yes.

Independent in relation to major shareholders: No.

Holdings of shares in AddLife¹⁾: 924 Class B shares.



BIRGIT STÄTTIN NORINDER

Board member since 2015.
Born in: 1948.
Education: MPharm.
Professional experience: Chief Executive Officer of Prolifix Ltd, Senior Vice President Worldwide Product Development at Pharmacia Upjohn.
Other appointments: Chairman of the

Board of Hansa Medical AB (publ). Director for Navigation Dynamics AB, Jettesta AB and Nicox S.A.

Previous appointments (last five years): Chairman of the Board of Partners för Utvecklingsinvesteringar inom Life Sciences, P.U.L.S. AB and Wingfirm Pharma AB. Director for Karo Bio Aktiebolag (publ), Antisoma plc and Exini Diagnostics Aktiebolag (publ).

Independent in relation to AddLife and its senior executives: Yes.

Independent in relation to major shareholders: Yes.

Holdings of shares in AddLife¹⁾: –



EVA NILSAGÅRD

Board member since 2015.
Born in: 1964.
Education: M.Sc. Econ.
Professional experience: Positions in the Volvo Group, CFO for Vitrolife AB (publ).
Other appointments: Chief Executive Officer and director for Nilsagård

consulting AB. Director for Bufab AB (publ) and Imatech Marin & Industri AB.

Previous appointments (last five years): –

Independent in relation to AddLife and its senior executives: Yes.

Independent in relation to major shareholders: Yes.

Holdings of shares in AddLife¹⁾: –

1) Each four (4) Class A shares in Addtech held on the record date for the right to distribution of shares in AddLife will entitle the holder to one (1) Class A share in AddLife and each four (4) Class B shares in Addtech will entitle the holder to one (1) Class B share in AddLife. The shareholding excludes any shares that members of the Board and senior executives may subscribe for or acquire through the Issue.

Group Management



KRISTINA WILLGÅRD

CEO since 2015.

Born in: 1965.

Member of Group Management since: 2015.

Education: M.Sc. Econ.

Professional experience: CFO of Addtech AB (publ), finance director at Ericsson AB.

Other appointments: Director for SERNEKE Group AB (publ).

Previous appointments (last five years): Director for Addtech Nordic AB.

Holdings of shares in AddLife¹⁾: 35,625 Class B shares.



ARTUR AIRA

Vice President since 2015.

Born in: 1967.

Member of Group Management since: 2015.

Education: Biomedical engineer, Master of Business Administration.

Professional experience: Leading positions in the Addtech Group,

previously bioMerieux.

Other appointments: Director for Life Genomics AB, Hälsobutiken i Focus AB and Aira Holding AB. Deputy Director for TATAA Biocenter AB and Hälsobutiken Aira AB.

Previous appointments (last five years): Chairman of the Board of Skagshaw Invest AB. Director for Addtech Nordic AB and Immun-Kemi F & D AB.

Holdings of shares in AddLife¹⁾: 22,575 Class B shares.



MARTIN ALMGREN

CFO since 2015.

Born in: 1976.

Member of Group Management since: 2015.

Education: M.Sc. Econ.

Professional experience: Group Financial Controller for Addtech AB (publ), Group Accounting Manager

at Nefab AB.

Other appointments: Deputy Director for BIAL AB and Bosse Borrdoktorn AB.

Previous appointments (last five years): Director for NEFAB PlyPak Aktiebolag and Nefab Logistics AB.

Holdings of shares in AddLife¹⁾: 4,500 Class B shares.

Auditor

The most recent election of auditor in AddLife occurred at the Annual General Meeting on 1 July 2015 when the registered firm KPMG AB (Box 16106, 103 23 Stockholm) with George Pettersson (authorised public accountant and member of FAR – trade association for accounting consultants, auditors and advisors) as principal auditor, was reappointed until the end of the 2016 Annual General Meeting. KPMG AB has been Addtech's auditor since May 2001 and AddLife's auditor since March 2015 and George Pettersson has been the principal auditor for Addtech since August 2013 and for AddLife since March 2015. KPMG AB has been the appointed auditor in the Company during the whole period covered by the historic financial information included in this Prospectus.

Other information on the Board of Directors and Group Management

All members of the Board of Directors and Group Management may be contacted at the Company's address Birger Jarlsgatan 43 in Stockholm.

AddLife's Board of Directors has been appointed following a proposal by Addtech's Nomination Committee and the principal owner RoosGruppen AB. Johan Sjö was appointed as member of the Board at an Extraordinary General Meeting on 5 March 2015. At the Annual General Meeting on 1 July 2015, Håkan Roos was appointed as member of the Board up until the end of the 2016 Annual General Meeting and Johan Sjö was appointed as the Board Chairman up until the end of the 2016 Annual General Meeting. At the Extraordinary General Meeting on 22 September 2015, Stefan Hedelius, Fredrik Börjesson and Birgit Stattin Norinder was appointed as members of the Board and Johan Sjö (Chairman) and Håkan Roos was reappointed up until the end of the 2016 Annual General Meeting. At the Extraordinary General Meeting on 9 December, Eva Nilsagård was appointed as Board member up until the end of the 2016 Annual General Meeting.

There are no family ties between the aforementioned Board members or Group Management. No member of the Board of Directors or Group Management has been convicted in any case relating to fraud in the past five years.

In 2015, Artur Aira was ordered to pay a penalty fee, equivalent to a standard fine of 10 percent of the securities' value at the time of acquisition, to the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in respect to late notification of shareholdings of persons with an insider position. No other member of the Board of Directors or Group Management has in the past five years been accused and/or imposed any sanctions from any authority, or other body authorised by law or regulation (including any recognised professional bodies). Nor has any member of the Board of Directors or Group Management, in the past five years, been banned by any court from membership of a company's administrative, management or control bodies, or from holding management or general positions within a company. Furthermore, no member of the Board of Directors or Group Management has been involved in any bankruptcy, mandatory liquidation or bankruptcy administration in the past five years.

1) Each four (4) Class A shares in Addtech held on the record date for the right to distribution of shares in AddLife will entitle the holder to one (1) Class A share in AddLife and each four (4) Class B shares in Addtech will entitle the holder to one (1) Class B share in AddLife. The shareholding excludes any shares that members of the Board and senior executives may subscribe for or acquire through the Issue.

No member of the Board of Directors or Group Management has any private interest that might conflict with the Company's interests. However, as indicated above, certain members of the Board of Directors and Group Management have financial interests in Addtech due to their shareholding in the company.

As far as the Board of Directors is aware, no specific agreements have been entered into with major shareholders, customers, suppliers or other parties under which members of the Board of Directors and Group Management or the auditor have been appointed or employed.

Pursuant to the Code, more than half of the members of the Board of Directors elected by the General Meeting must be independent of the Company and the Group Management. This requirement does not apply to employee representatives. There is no defined standard as to what is meant by "independent", but the independence of a member of the Board of Directors may be questioned, for example, in cases where the member of the Board of Directors, directly or indirectly, has extensive business contacts or other extensive financial dealings with the Company. An overall assessment of a Board member's relationship to the Company must be made in each individual case. Johan Sjö has previously, as CEO of Addtech AB, operationally controlled the subsidiaries that today constitute AddLife. Johan Sjö will in the future not be employed by the Company, and have no other financial dealings with the Company other than being the Chairman of the Company's Board of Directors. In light of this, Johan Sjö is deemed independent in relation to the Company and the Group Management. Further, all other members of the Board of Directors have been deemed independent in relation to the Company and the Group Management.

The Code further requires that at least two of the Board members elected by the General Meeting that are deemed independent in relation to the Company and the Group Management also are independent in relation to the Company's principal shareholders. Principal shareholders, as defined in the Code, are shareholders who directly or indirectly control 10 percent or more of the shares or votes in the Company. Independence in relation to the Company's major shareholders has been assessed in relation to the expected shareholder structure in AddLife at the time of the listing.¹⁾ A Board member is not deemed independent of principal shareholders if he or she is employed by or serves as a Board member of a company that is a principal shareholder. When determining whether a Board member is independent of a principal shareholder or not, the extent of the Board member's direct and indirect relations with the principal shareholder are taken into consideration. Johan Sjö, Håkan Roos, Stefan Hedelius and Fredrik Börjesson have all been deemed to be dependent in relation to the Company's principal shareholders. Birgit Stattin Norinder and Eva Nilsagård have been deemed independent of both the Company's principal shareholders and in relation to the Company and the Group Management. Two members of the Board of Directors elected by the General Meeting who are independent in relation to AddLife and the Group Management are also independent in relation to AddLife's principal shareholders. Thus, the Company meets the requirements of the Code regarding the independence of the Board of Directors in relation to the Company, the Group Management and the Company's principal shareholders.

1) For details regarding the expected shareholder structure, see the section "The share, share capital and ownership structure" above.

Remuneration and compensation to members of the Board of Directors and the Group Management

Compensation to the Board of Directors

Fees to the Chairman and directors are decided upon by the General Meeting. Compensation to AddLife's current Board of Directors was decided upon at the Extraordinary General Meeting on 9 December 2015. It was resolved that, on an annual basis, a fee of SEK 450,000 would be paid to the Chairman and a fee of SEK 225,000 to each Board member. Up until the Extraordinary General Meeting on 9 December 2015, no fees had been paid to the members of the Board of Directors for their work as members of AddLife's Board of Directors. The members of the Board of Directors are appointed for the period up until the end of the 2016 Annual General Meeting and the fees refer to this period. The table below shows the fees paid and the distribution among the Board members.

Board member	Ordinary compensation for the period from 9 December 2015 up until the 2016 Annual General Meeting
Johan Sjö, Chairman of the Board	SEK 450,000
Håkan Roos	SEK 225,000
Stefan Hedelius	SEK 206,250
Fredrik Börjesson	SEK 206,250
Birgit Stattin Norinder	SEK 206,250
Eva Nilsagård	SEK 168,750

General principles for remuneration of the Group Management in AddLife

Resolution on guidelines for salaries and other remunerations for the CEO and other senior executives shall be made by the Annual General Meeting following a proposal by the Board of Directors. It was resolved at the Extraordinary General Meeting on 9 December 2015 to adopt the current guidelines in accordance with the proposal of the Board of Directors. In order to give shareholders the opportunity to decide on the issue, the guidelines will be addressed at the first Annual General Meeting after the Listing. Remuneration paid to the CEO and senior executives consists of fixed salary, variable salary and pensions and insurance benefits, as well as company car and household services. The variable salary is based on performance in relation to financial goals within the individual area of responsibility, which is determined individually for each executive. For the CEO and the other senior executives, the variable salary is capped at 40 percent of the fixed salary.

The CEO is entitled to any contribution pension plan equivalent to 30 percent of the fixed salary. The Company's Vice President is entitled to any contribution pension plan equivalent to 27.5 percent of the fixed salary. The Company's CFO is entitled to pension benefits in the form of an optional ITP plan, in accordance with the benefits plan specified in AddLife's pension policy.

For the CEO, a notice period of twelve months applies if the agreement is terminated by AddLife. If the agreement is terminated by the CEO, a notice period of six months applies. Upon termination by AddLife that is not based on a gross breach of

contract by the CEO, the CEO is entitled to twelve months' severance payment calculated from the end of the notice period. For the Vice President and the CFO, a notice period of twelve months applies if the agreement is terminated by AddLife and six months if terminated by the Vice President or CFO. Upon termination by AddLife that is not based on a gross breach of contract by the Vice President, the Vice President and the CFO are entitled to severance payments. The severance payment is equivalent to twelve months' salary for the Vice President and nine months' salary for the CFO.

The CEO, Vice President and CFO are bound by non-competition clauses for 24 months following the termination of their employments. The CEO, Vice President and CFO are entitled to customary compensation for the restriction of competition, equivalent to the difference between the fixed salary at the time of the employment's termination and the lower income which the employee may receive following the termination, but no more than 60 percent of the monthly salary at the time of the employment's termination. No such compensation is paid if a senior executive simultaneously receives severance payment. However, in cases where the non-competition clause extends beyond the period during which severance payments are paid, the senior executive is entitled to such compensation for the exceeding period. Compensation for the restriction of competition is paid if the employment agreement is terminated by a senior executive, as long as the non-competition clause is applied and complied with.

The table below sets out the remuneration and benefits paid to the Board of Directors as well as the members of the Group Management for the financial year 2014/2015.

Agreements on compensation following completion of employment

Except as stated above, the Company has not signed any agreement with any member of the Company's administrative, management or supervisory bodies that entitles such member to pensions or similar benefits following the completion of his or her employment. There is, at the time of this Prospectus, no amounts set aside or accrued expenses for pensions or similar benefits after completion of employment.

Incentive programmes

At present, there are no share-related incentive programmes in AddLife. However, the Board of Directors is in principle positive towards the idea of offering employees of the Company the opportunity to participate in incentive programmes. AddLife's Board of Directors is therefore investigating the possibility of presenting a proposal for an incentive programme at the next Annual General Meeting.

Remuneration and other compensation paid during the period 15 December 2014 to 31 March 2015

The following table sets out the remuneration and benefits paid to the members of the Board of Directors and the Group Management (including any contingent or deferred compensation etc.) from the time of AddLife's registration with the Swedish Companies Registration Office on 15 December 2014 to 31 March 2015, as well as any benefits in kind that the Company or its subsidiaries may have paid for the services provided to the Company, irrespective of who performed the services and under which capacity the services were performed.

Name	Position	Remuneration received during the period 15 December 2014 up until 31 March 2015
Johan Sjö	Chairman of the Board	0 SEK
Håkan Roos	Board member	0 SEK
Stefan Hedelius	Board member	0 SEK
Fredrik Börjesson	Board member	0 SEK
Birgit Stattin Norinder	Board member	0 SEK
Eva Nilsagård	Board member	0 SEK
Kristina Willgård	CEO, before that Board member	0 SEK
Artur Aira	Vice President, before that Board member	0 SEK
Martin Almgren	CFO	0 SEK

Corporate Governance

Legislation, the Swedish Code of Corporate Governance and Articles of Association

AddLife is a Swedish public limited company governed by Swedish law, primarily by the Swedish Companies Act (2005:551). The Company's shares are expected to be listed on Nasdaq Stockholm and the Company will therefore also comply with Nasdaq Stockholm's Rule Book for Issuers. The Company also complies with the Code. The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. The Code is part of the self-regulation by the Swedish business community and is based on the principle of "comply or explain". This means that companies are not obliged to apply every rule in the Code, but are allowed the freedom to choose alternative solutions provided that the reasons for any deviation is explained.

In addition to legislation, regulations and recommendations, the basis for the governance of the Company's operations are the Articles of Association. The Articles of Association state, *inter alia*, the seat of the Board of Directors, the business orientation, limits for share capital and number of shares, as well as the conditions for participation at General Meetings. The currently registered Articles of Association were adopted at the Extraordinary General Meeting on 13 January 2016. The Articles of Association are presented in their entirety in this Prospectus under section "*Articles of Association*".

In the autumn of 2015, a project to implement corporate governance processes in AddLife and its subsidiaries was initiated in order to prepare AddLife for the Listing. The processes described below have previously been applied by AddLife's subsidiaries in their capacities as subsidiaries in the Addtech Group. The project is expected to be completed by the time of the Listing.

General Meetings

The General Meeting is the supreme decision making body and where the shareholders exercise their voting rights. The Annual General Meeting resolves on the annual report, dividends, appointments to the Board of Directors, election of auditor, compensation to the Board of Directors and remuneration to the auditor, as well as other issues in accordance with the Swedish Companies Act and the Articles of Association. Further information about the Annual General Meeting and minutes from the meetings are available on the Company's website. The Company does not apply any special arrangement in relation to the functions of the General Meeting due to any article in the Articles of Association, or as far as the Company is aware of, any shareholders' agreement.

Pursuant to AddLife's Articles of Association, notices convening General Meetings must be issued through announcement in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) as well as on AddLife's website. An announcement to the effect that a notice convening a General Meeting has been issued must be made

in Svenska Dagbladet. Once the shares are listed, a press release in Swedish and English with the notice in its entirety will be issued ahead of each General Meeting.

Right to attend General Meetings and shareholder initiatives

All shareholders who are directly recorded in the share register maintained by Euroclear Sweden five weekdays prior to the General Meeting and who have notified the Company of their intention to participate in the General Meeting, are entitled to attend the General Meeting and vote for the number of shares they hold. Shareholders may attend General Meetings in person or by proxy and may be accompanied by a maximum of two assistants. The assistants may accompany the shareholder to the General Meeting if the Shareholder notifies the Company in accordance with the procedure for the shareholder's own notification.

Besides notifying AddLife, Shareholders whose shares are nominee-registered through a bank or other nominee must request, that their shares be temporarily registered in their own names in the register of shareholders maintained by Euroclear Sweden in order to be entitled to participate in the General Meeting. Shareholders should inform their nominees well in advance of the record date.

Shareholders who wish to have an issue brought before the General Meeting must submit a request in writing to the Board of Directors. The request must normally be received by the Board of Directors not later than one week prior to the required date of announcement of the General Meeting pursuant to the Swedish Companies Act. Every shareholder that submits a request within the required time has the right to have the issue brought before the General Meeting.

Nomination Committee

Pursuant to the Code, the Company must have a Nomination Committee. The names of the members of the Nomination Committee shall be presented on the Company's website no later than six months prior to the Annual General Meeting. At the Extraordinary General Meeting on 9 December 2015, it was resolved to adopt the following principles for the appointment of the Nomination Committee.¹⁾ The Nomination Committee shall be composed of the Chairman of the Board of Directors and representatives for the five largest directly registered shareholders in terms of votes as of 31 December each year. It was resolved at the Extraordinary General Meeting on 9 December 2015 to mandate the Chairman of the Board to annually contact the five largest shareholders in terms of votes. The chairman of the Nomination Committee shall be appointed by the largest directly registered shareholder in terms of votes. If any of the five shareholders who have the right to appoint a representative gives up the right to appoint a member to the Nomination Committee, the sixth largest

1) The Nomination Committee is appointed prior to the Listing. In order to give the shareholders the opportunity to decide on the issue, the Nomination Committee will be addressed at the first Annual General Meeting after the Listing.

shareholder shall be offered the opportunity to appoint a member to the Nomination Committee, and so on. No more than four additional shareholders are required to be contacted.

The Nomination Committee shall propose the following to the General Meeting: chairman at the General Meeting, Board of Directors, chairman of the Board of Directors, auditor, remuneration to the Board of Directors (divided between the chairman and the other directors), and remuneration to the auditor. The Nomination Committee's proposals to the Annual General Meeting will be presented in the notice convening the General Meeting, as well as on the Company's website. Remuneration shall not be paid to the members of the Nomination Committee. The Company shall pay any necessary expenses that the Nomination Committee may incur in its work.

The Board of Directors

According to AddLife's Articles of Association, the Board of Directors must consist of four to six members. The members of the Board of Directors are appointed annually at the Annual General Meeting up to the end of the next Annual General Meeting. There is no limitation on how long a member may serve on the Board of Directors. AddLife's current Board of Directors comprises the members Johan Sjö, Håkan Roos, Stefan Hedelius, Fredrik Börjesson, Birgit Stattin Norinder and Eva Nilsagård, who have all been appointed at Extraordinary General Meetings in 2015. Information about the Board members is found in the section "*Board of Directors, Group Management and auditor*".

The Board of Directors' responsibilities and work

The duties of the Board of Directors are set forth in the Swedish Companies Act, AddLife's Articles of Association and the Code. In addition to this, the work of the Board of Directors is guided by the Rules of Procedure for the Board of Directors, which is adopted by the Board of Directors. The Board of Directors shall every year adopt written Rules of Procedures, which govern the division of work and responsibilities among the Board of Directors, including the Board committees, and the Chairman, as well as procedures for the Board's decision making and the Board's meetings. The Board of Directors shall also adopt an instruction for the CEO and specify financial reporting procedures to the Board for the CEO. Moreover, the Board of Directors shall adopt a number of policies for the Group's operations, *inter alia* Finance policy, Communication policy and Code of Conduct.

The Board of Directors will oversee the work of the CEO through ongoing monitoring of operations during the year and is responsible for the organisation, as well as the internal control and adequate structure of the management and guidelines for the administration of the Company's affairs, and that effective systems are in place to monitor and control the Company's operations, as well as ensure the compliance of laws and regulations that apply to the Company's operations. The Board of Directors is also responsible for the establishment, development and monitoring of the Company's objectives and strategies, decisions on major investments and divestments, as well as appointments and compensations to the Group Management. The Board of Directors and the CEO presents the annual accounts for the Annual General Meeting.

The work of the Board of Directors shall be evaluated annually under the auspices of the Chairman of the Board of Directors, and the Nomination Committee shall be informed of the outcome of the evaluation. The Board of Directors shall continuously evaluate the work of the CEO. This issue shall be expressly addressed annually without the presence of any member of the Group Management. Moreover, the Board of Directors shall evaluate and assess any significant appointments which the CEO may have outside of the Company.

The Rules of Procedure for the Board of Directors

The Rules of Procedure for the Board of Directors shall annually be evaluated, updated and adopted. If the Board of Directors establishes a committee, the Rules of Procedures shall specify the committee's duties and what decision making powers have been delegated to the committee, as well as how the committee will report to the Board of Directors.

The Board of Directors shall hold regular meetings in accordance with a program specified in the Rules of Procedures and such program shall include predetermined decision points and other points if necessary. The Board of Directors has as of 5 February 2016 held eighteen meetings where minutes were taken during the current financial year. The Board of Directors shall at the regular meetings address the fixed points that are present at each meeting in accordance with the Rules of Procedure for the Board of Directors (such as the CEO's report on operations, financial reporting, investments and projects).

Audit Committee and Remuneration Committee

The Swedish Companies Act and the Code contain provisions for the establishment of an Audit Committee. The Code furthermore contains provisions for the establishment of a Remuneration Committee. The provisions of the Swedish Companies Act in this respect only apply to those companies whose shares are admitted to trading on a regulated market. Since AddLife's shares are expected to be listed on Nasdaq Stockholm, the provisions of the Swedish Companies Act apply to AddLife. The Company furthermore applies the Code. Consequently, AddLife's Board of Directors will establish an Audit Committee and Remuneration Committee.

The Board of Directors has appointed a Remuneration Committee consisting of Johan Sjö, chairman, and Håkan Roos. The task of the Remuneration Committee is to prepare a proposal for guidelines for remuneration to senior executives. The proposal shall be addressed by the Board of Directors and subsequently presented to the Annual General Meeting. On the basis of the decision made by the Annual General Meeting, the Board of Directors resolves on the remuneration of the CEO. The CEO shall not participate in the Board of Directors' decision on his or her own remuneration. Following the proposal of the CEO, the Remuneration Committee shall decide upon the remuneration of the other members of the Group Management. The Board of Directors shall be informed of the Remuneration Committee's decision. The task of the Remuneration Committee is then to monitor and evaluate the compliance of the guidelines on remuneration to senior executives resolved on by the Annual General Meeting. Moreover, the Remuneration Committee shall monitor

and evaluate ongoing and during the year terminated schemes for variable remunerations to the members of the Group Management. The Remuneration Committee has held one meeting during the financial year.

The Board of Directors has appointed an Audit Committee consisting of all members of the Board of Directors. The work of the Audit Committee shall be conducted as an integral part of the Board of Directors' regular meetings. Eva Nilsagård is the appointed chairman of the Audit Committee. Birgit Stattin Norinder and Eva Nilsagård are independent in relation to the Company and the Group Management, as well as in relation to the Company's major shareholders, and Birgit Stattin Norinder and Eva Nilsagård have auditing or account experience. The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, monitor the Company's financial reports, monitor the effectiveness of the Company's internal control and risk management with respect to the financial reporting, to be kept informed on the audit of the annual report and financial statements of the Group, review and monitor the impartiality and independence of the auditor and pay particular attention to whether the auditor provides the Company with any services other than auditing services, and assist with the preparation of the proposal of auditor to the General Meeting. The Board of Directors shall, in connection to the board meeting at which the Board adopts the annual financial statements, have a briefing with and receive reports from the Company's external auditors. The Board of Directors shall on such occasion also have a briefing with the auditors without the presence of the CEO or any other member of the Group Management. A corresponding meeting shall be held every year prior to the Annual General Meeting.

Compensation of the members of the Board of Directors

Fees to the Chairman and directors shall be resolved on by the General Meeting. At the Extraordinary General Meeting on 9 December 2015, it was resolved that each of the elected Board members shall receive compensation on a full-year basis corresponding to SEK 225,000, and SEK 450,000 to the Chairman. The compensation payable to the Board of Directors pursuant to the decision totals SEK 1,575,000.

CEO

Kristina Willgård is the CEO of the Company. A presentation of Kristina Willgård is found under the section "*Board of Directors, Group Management and auditor*" and on the Company's website. The CEO shall manage the operations in accordance with the Swedish Companies Act and the instructions adopted by the Board of Directors. The duties and role of the CEO and the division of work and responsibilities between the Board of Directors and the CEO shall be stated in a written instruction (a so-called "CEO instruction") resolved on by the Board of Directors. The Board of Directors shall continuously evaluate the work of the CEO. The CEO shall in consultation with the Chairman of the Board of Directors prepare the necessary information and supporting documentation prior to the Board Meetings, brief issues and present proposals for decisions. The CEO shall lead the work of the Group Management and make decisions in consultation with the other members of the Group Management. Aside from Kristina Will-

gård, the Group Management consists of Artur Aira (Vice President) and Martin Almgren (CFO). The Group Management shall have regular reviews of the Company's operations under the auspices of the CEO. A detailed presentation of the Group Management is found under the section "*Board of Directors, Group Management and auditor*" and on the Company's website.

Financial reporting procedures

The Board of Directors shall adopt Rules of Procedure with instructions relating to internal financial reporting procedures. All interim reports and press releases are published on AddLife's website, www.add.life, directly adjacent to the announcement.

Internal control and auditing

Internal control

The responsibility of the Board of Directors and CEO regarding internal control is regulated by the Swedish Companies Act. The responsibility of the Board is also regulated by the Code and the Swedish Annual Accounts Act (1995:1554). The Board of Directors has the overall responsibility for ensuring that the Group has an effective system of management and internal control. Included in this responsibility is to annually evaluate the financial reports received by the Board and impose requirements on its content and presentation in order to ensure the quality of the reporting. Pursuant to this requirement, the financial reporting shall be adequate and comply with applicable accounting standards and other requirements applicable to listed companies. The CFO shall annually report to the Board of Directors on the Group's work with internal control.

Control environment

AddLife structures and organises its operations based on a principle of decentralised responsibility for profitability and results. A well-established process, which aims to define objectives and strategies for each business area is the fundament for internal control in a decentralised structure.

Defined decision paths, delegation of authority and responsibilities are communicated through internal directives and by policies adopted by the Board of Directors. The primary financial policy documents of the Group include a financial policy, a financial manual and instructions for each financial statement. For the Group's accounting process, a Group-wide reporting system is utilised with related tools for analyses. On a more general level, all activities of the AddLife Group shall be conducted in accordance with the Group's Code of Conduct.

Risk assessment

AddLife will establish procedures to manage risks which the Board of Directors and the Group Management consider significant for the internal control of the financial reporting. The Group's exposure to various market and customer segments, and that the operations of the Company is conducted by about 25 operating companies, constitute a significant risk diversification according to the Board of Directors. The risk assessment shall be based on the Group's income statement and balance sheet to identify the risk of significant errors. For the AddLife Group as a whole, the greatest risks are linked to inventories and the reported value of intangible assets in relation to acquisitions.

Control activities

Examples of control activities are transaction-related controls such as rules governing authorisation and investments as well as clear payment procedures, but also analytical controls performed by the Group's controllers and central accounting function. Controllers and financial managers on every level within the Group have key roles to create the necessary environment to achieve transparent and fair financial reporting. The key roles place high demands on integrity, competence and abilities of individuals.

In order to ensure an efficient exchange of knowledge and experience between the financial functions, regular financial conferences will be held where current issues will be discussed. An important overarching control activity is the monthly follow up of performances which shall be carried out via the internal reporting system and which will be analysed and commented on in the internal work of the Board of Directors. The follow up on performances shall include comparisons against set targets, previous performance and monitoring of a number of key indicators.

A so-called "self-evaluation" will be made annually by all of the Group's companies with regard to issues concerning internal control. During the self-evaluations, the companies will comment on how important issues have been handled, such as terms and conditions in customer contracts, customer credit ratings, valuation and documentation of inventories, payment procedures, documentation and analysis of financial statements and the compliance with internal policies and procedures. Accepted minimum standards will be adopted for critical issues and procedures, which all companies are expected to meet. The responses of each company shall be validated and commented on by each company's external auditor in conjunction with the audit. The responses shall subsequently be compiled and analysed, after which they shall be presented to the management of the business area and the Group Management. The result of the self-evaluations will be taken into account in the planning of the following year's self-evaluations and external auditing.

In addition to the "self-evaluations", an in-depth analysis of the internal control of about five operative companies will be carried out every year. This work is called "internal audit" and will be carried out at the premises of the companies by business area controllers and employees from the parent company's central accounting function. Key processes of the companies, and control points of these, will be identified and tested. The external auditors will receive the records from the internal audits in conjunction with their audit of the companies. The process is expected to provide a good basis to identify and assess the internal controls within the Group. KPMG will also annually undertake a review and assessment of the Group's processes for internal control.

Monitoring, information and communication

The Board of Directors will receive monthly comments from the CEO on status and development of the Group's businesses. The Board of Directors will review all quarterly reports and the annual report before publication. The Board of Directors will be briefed annually on the work on internal control and results from such work. The Board of Directors will also review KPMG's assessments of the Group's processes for internal control.

The outcome of the internal control will be analysed annually by the Group's CFO together with the business controller. An assessment will be made of what improvements the different companies may implement. The board of directors of the different Group companies will be informed of the outcomes of the internal control in each company and what improvements to implement. The business controller will then continuously follow up the work during the following year together with the Boards of Directors of the Group companies.

Governing guidelines, policies and instructions are available on the Group's intranet. The documents are continuously updated when necessary. Changes will be communicated separately via e-mail and at meetings for controllers and financial managers.

The accessibility to the documents for internal information on the intranet is controlled by the use of permissions. The Group's employees are divided into different groups and the different groups have different access to information. All financial guidelines, policies and instructions are available for each company's CEO, CFO, business manager, business controller and central accounting function. The financial data for the Group is also centrally controlled by the use of permissions.

Internal audit

In light of the risk assessment described above and the structure of control activities, including, *inter alia*, the "self-evaluation" and the in-depth analysis of the internal control, the Board of Directors has chosen to not have a dedicated internal audit unit.

Auditor

In accordance with the Articles of Association, a registered auditing firm shall be elected as auditor. KPMG was re-elected as the Company's auditor at the Annual General Meeting on 1 July 2015 for the period until the 2016 Annual General Meeting. The principal auditor is George Pettersson. KPMG audits AddLife and almost all of its subsidiaries. KPMG also performs the audit of Addtech since May 2001.

The Company's auditor works according to an audit plan, in which comments from the Board of Directors are included, and reports its findings to the senior management of the companies, the Group Management and to AddLife's Board of Directors, both during the audit and also in conjunction with the adoption of the annual accounts. The Company's auditor also participates at the Annual General Meetings, where the audit work is briefed and commented on by the auditor.

The independence of the external auditor is regulated by a special instruction adopted by the Board of Directors that states the areas in which the external auditor may be engaged, aside from the auditor's regular auditing. KPMG regularly assesses its independence in relation to the Company and delivers annual written statements to the Board of Directors that the audit firm is independent of AddLife. During the current financial year, KPMG has provided advisory services primarily concerning auditing, and also in connection with the distribution of Addtech's shares in AddLife, the Listing and the Offering. The total fees for KPMG's services, aside from its regular auditing, totalled SEK 0.1 million for the financial year 2014/2015.

Changes of the rights of shareholders

The General Meeting may decide on amendments to the Articles of Association, which may result in changes to the rights of the shareholders. The Swedish Companies Act sets out certain majority requirements for the validity of such amendments.

The approval by all shareholders present at a General Meeting, where more than nine-tenths of all shares in the Company is represented, is required for an amendment of the Articles of Association that reduces the shareholders' right to the Company's profits or other assets by a change of the Company's objective to wholly or partially be something other than to provide profits to the shareholders, or if the right to transfer or acquire shares in the company is restricted by an article of first refusal, pre-emption rights or other shareholders' consent, or otherwise dislodges the ratio of the shares.

The approval of at least two-thirds of the votes cast and nine-tenths of all shares represented at the General Meeting, is required to make changes to the Articles of Association which restricts the number of shares for which shareholders may vote, to partially allocate net profit (after deductions of balanced losses) to a restricted reserve, and to limit the disposition of the Company's profits or its remaining assets at its liquidation in any other way than by amending the Company's objective to wholly or partially be something other than to provide profits to the shareholders.

However, the aforementioned majority requirements do not apply if a resolution is supported by shareholders representing at least two-thirds of the votes cast and two-thirds of the shares represented at the General Meeting, if the amendment only impairs the rights of certain shares, and consent is given by all the present holders of such shares at the General Meeting, and such holders together represent at least nine-tenths of all such impaired shares, or if the amendment only impairs the rights of a certain class of shares and shareholders representing half of all shares of this class and nine-tenths of such shares represented at the General Meeting consent to the amendment.

Legal considerations and other information

Legal group structure

The Company is a Swedish public limited liability company established and registered under Swedish law with the company name and trade name AddLife AB (publ) and domiciled in Stockholm. The Company's legal form is regulated by, and its shares have been issued in accordance with, the Swedish Companies Act (2005:551). The Company was incorporated on 1 November 2014 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 15 December 2014. The current name of the Company was registered on 1 October 2015. The Company's corporate identity number is 556995-8126. According to section 2 of the Company's Articles of Association, the object of the Company's operations is to engage, by itself or through wholly or partly owned subsidiaries, in trading and in production of mainly medical equipment and products, and to conduct other operations compatible therewith, see the section "*Articles of Association*". The Company was registered with Euroclear on 15 February 2016.

As of the date of this Prospectus, the Company is the parent company of 31 subsidiaries, of which 25 are operative.

	Country	Ownership	Business area
AddLife AB	SE		
Medioplast AB	SE	100%	Medtech
N.C. Nielsen AB	SE	100%	Medtech
Ergo Nordic AB	SE	100%	Medtech
Medioplast Innova AS	NO	100%	Medtech
Medioplast Sataside Oy	FI	100%	Medtech
Medioplast S.r.l.	IT	100%	Medtech
Medioplast Benelux B.V.	NL	100%	Medtech
Medioplast GmbH	DE	100%	Medtech
Medioplast Holding Aps	DK	100%	Medtech
Medioplast Kendan A/S	DK	100%	Medtech
Hospidana A/S	DK	100%	Medtech
Fenno Medical Oy	FI	100%	Medtech
Active Care Sverup AB	SE	100%	Medtech
Triolab A/S	DK	100%	Labtech
Triolab Oy	FI	100%	Labtech
Triolab AB	SE	100%	Labtech
LabRobot Products AB	SE	100%	Labtech
Bergman Labora AB	SE	100%	Labtech
Electra-Box Diagnostica AB	SE	100%	Labtech
Electra-Box Diagnostica ApS	DK	100%	Labtech
Electra-Box Diagnostica AS	NO	100%	Labtech
Electra-Box Diagnostica Oy	FI	100%	Labtech
Holm & Halby A/S	DK	100%	Labtech
Immuno Diagnostics Oy	FI	100%	Labtech
Bergman Diagnostika AS	NO	100%	Labtech
AddLife Development AB	SE	100%	Labtech
BioNordika (Denmark) A/S	DK	100%	Labtech
BioNordikaBergman AS	NO	100%	Labtech
BioNordika (Baltics) OÜ	EE	100%	Labtech
BioNordika (Sweden) AB	SE	100%	Labtech
BioNordika (Finland) Oy	FI	100%	Labtech

Material acquisitions

Acquisition of Mediplast AB

On 1 July 2015, AddLife signed a share purchase agreement to acquire all of the shares and warrants in Mediplast AB, including its subsidiaries.¹⁾ The purchase price was paid in cash and by newly issued shares in AddLife. Following the transaction, RoosGruppen AB, Lars-Erik Rydell and Tor Kristoffersen became shareholders in AddLife, together owning a total of 15 percent of the shares in AddLife. The share purchase agreement contains customary warranties from the seller. For breaches of the warranties, the sellers answer individually and *pro rata* in relation to the purchase price. The warranty period extends to 1 July 2016 for customary warranties and to 1 July 2018 for so-called fundamental warranties (including *inter alia* the warranty of ownership of the shares and authority). There is an individual threshold of SEK 500,000 and an aggregated threshold of SEK 10 million for the indemnification of breaches of the warranties, with an exemption for the fundamental warranties and any unauthorised transfer of value, as well as a liability cap of SEK 100 million, with the exemption of warranties of the ownership of the shares and taxes.

Acquisition of Fenno Medical Oy

On 30 June 2015, Mediplast AB signed a share purchase agreement to acquire all of the shares in Fenno Medical Oy. The purchase price was paid in cash. In addition to the initial purchase price, the share purchase agreement includes a provision on an additional purchase price (a so-called earn out); such additional purchase price may amount to a maximum of EUR 748,000. The sellers were private individuals and some of the sellers have continued in Fenno Medical's service after the acquisition. The share purchase agreement contains customary warranties from the sellers. For breaches of the warranties the sellers answer individually and *pro rata* to their previous ownership. The warranty period extends to 30 June 2016 for customary warranties, with an exemption for the warranties concerning environmental responsibility and taxes which have a longer warranty period. Further, the warranty period is unlimited for some so-called fundamental warranties (including *inter alia* the warranty of ownership of the shares and authority). There is an individual threshold of EUR 10,000 and an aggregated threshold of EUR 100,000 for the indemnification of breaches of the warranties, with an exemption of the fundamental warranties and any unauthorised transfer of value, and a liability cap of EUR 2.1 million.

Fenno Medical was incorporated on 31 May 2015 by a demerger. According to the Finnish Companies Act (624/2006), the companies participating in the demerger (including Fenno Medical) are jointly and severally liable for the initial company's liabilities that were incurred prior to the completion of the registration of the demerger. The share purchase agreement stipulates a liability under which the sellers, without any limitation, is responsible for and must indemnify the purchaser (Mediplast) for any damages or losses deriving from the demerger.

Intragroup acquisitions with Addtech

As part of the separation of AddLife from Addtech, AddLife has, as of 22 June 2015, from Addtech Nordic AB acquired:

- a) all outstanding shares in Triolab AB, Triolab A/S, Triolab Oy, Active Care Sverup AB, LabRobot Products AB, Bergman Labora AB, Holm & Halby A/S, Immuno Diagnostics Oy, Bergman Diagnostika AS, BioNordika Finland Oy and AddLife Development AB, including its wholly-owned subsidiaries BioNordika Denmark A/S, BioNordikaBergman AS, BioNordika Baltics OÜ and BioNordika Sweden AB (the "First Transaction"), and
- b) all outstanding shares in Electra-Box Diagnostica AB, including Electra-Box Diagnostica AB's ownership in Electra-Box Diagnostica ApS (Electra-Box Diagnostica AB owned 92.6 per cent of the shares at the time), Electra-Box Diagnostica AS (Electra-Box Diagnostica AB owned 83.5 percent of the shares at the time) and Electra-Box Diagnostica Oy (Electra-Box Diagnostica AB owned 92.1 percent of the shares at the time) (the "Second Transaction"). The Second Transaction also included the shares in Skagshaw Invest AB, which have been sold prior to the Listing.

The purchase price for the shares in the First Transaction amounted to approximately SEK 197 million and the purchase price for the shares in the Second Transaction amounted to approximately SEK 82.6 million and shall be settled in connection to the Listing.

The share purchase agreements contain customary warranties from the seller with a warranty period until 22 December 2016, with the exemption of the warranties related to taxes and the ownership of the shares. There is an individual threshold of SEK 2 million and an aggregated threshold of SEK 10 million for indemnification of breaches of the warranties, with the exemption of the fundamental warranties, and a liability cap of SEK 50 million in the First Transaction and SEK 20 million in the Second Transaction. The liability cap is not applicable regarding the warranties on taxes and the ownership of the shares.

Material contracts

Separation agreement

As part of, and the regulation of, the separation of AddLife from Addtech, AddLife and Addtech have entered into a specific separation agreement (the agreement is further described in the section "*The relationship between AddLife and Addtech*").

Customers, distributors and suppliers

The Group's customer agreements, distribution agreements and supply agreements are related to the day-to-day business. No individual customer or supplier is essential for the conduction of the Group's business.

1) N.C. Nielsen AB, Ergo Nordic AB, Mediplast Innova AS, Mediplast Sataside Oy, Mediplast S.r.l., Mediplast Benelux B.V., Mediplast GmbH, Mediplast Holding ApS, Mediplast A/S (under name change to Mediplast Kendan A/S) and Hospidana A/S.

Shareholders' agreement

The existing shareholders' agreement between Addtech, Roos-Gruppen AB, Lars-Erik Rydell and Tor Kristoffersen regarding the ownership of the shares in AddLife will be terminated in connection with the listing of AddLife.

Financial agreements

On 8 February 2016, AddLife signed a credit agreement with Handelsbanken. The Company has an overdraft facility of SEK 300 million which runs until 31 December 2016 and an interest-only loan amounting to SEK 300 million which runs until 30 June 2017. The credit agreement contains customary provisions and commitments, *inter alia*, the maintenance of a minimum interest coverage ratio and equity ratio. Handelsbanken has the right to, *inter alia*, terminate the loan prematurely if the Company's shares are delisted from Nasdaq Stockholm or if someone, through a public offer, attains a holding of at least 50 percent of the shares in the Company or controls at least 50 percent of the votes of the Company. As of the date of this Prospectus, the Company has not violated and is compliant with the prescribed conditions in the credit agreement. No assets have been pledged for the credit.

Intellectual property rights

AddLife aims to actively protect its intellectual property rights in the jurisdictions in which the Group operates. This is done through, *inter alia*, the registration of intellectual property rights, through the continuous monitoring and through the fact that the Group may take action if deemed necessary. The Company believes that the Group has the essential intellectual property rights required for the business. AddLife has no knowledge of any violation, restriction or any similar circumstances that could risk affecting any significant intellectual property right.

Environmental issues

AddLife actively works to continually reduce the Group's direct and indirect environmental impact and environmental issues are covered by the Company's Code of Conduct. The Eco cycle focus and the conservation of natural resources is an important starting point for the Company's business and the environmental perspective shall be taken into consideration when making key decisions in order to create long-term value for the Company's customers, employees, shareholders as well as the community at large. The environmental work shall be conducted within the framework of the Company's business and be an integral part of the operational work. Ultimately, this includes taking into consideration the entire life cycle of the goods and services offered by the Company. The Company aims for a comprehensive overall approach to environmental issues by, *inter alia*, developing the internal knowledge of the business' environmental effects. The Company further aims to take environmental measures as far as it is technically possible, economically reasonable and environmentally justified. AddLife's suppliers shall be encouraged to operate in line with AddLife's Code of Conduct and must be aware of and comply with national legislation, regulations and industry standards.

The business conducted by the Group is currently not carried out at an extent or in a way that it, according to the Swedish Environmental Code (1998:808) or similar legislation in other jurisdic-

tions where the Company operates, requires a permit for the conduction of environmentally hazardous activities. The Group's business is conducted in a way that it does not involve the risk of significant pollutions or other significant harm to human health or the environment.

Legal proceedings and arbitration procedures

The Group is not, nor has it been, a party in any legal proceedings or arbitration procedures over the past twelve months that have had or could be deemed to have a material effect on the Company's financial position or profitability.

Permits

AddLife has made the assessment that the Group has all major permits required to conduct its business.

Insurances

The Company is of the opinion that their insurances are in line with other companies within the same industry and that their insurances are sufficient with regards to the risks which normally are associated with the Company's business. There is however no guarantee that the Company will not suffer losses that are not covered by their insurances.

Related party transactions

No director, senior manager or any other person that is considered to be a related party under the applicable rules has, as of today or during the period covered by the historical financial information, i.e. 1 April 2012 to 31 March 2015, had any direct or indirect participation in any business transaction with the Company that is, or was, unusual in its character or its conditions. AddLife has during this period not granted any loans or issued any guarantees to, or on the behalf of, any of these individuals or companies.

As regards to the relationship between AddLife and Addtech, please refer to the section "*The relationship between AddLife and Addtech*" below. As part of the separation of AddLife from Addtech, AddLife has acquired subsidiaries from Addtech Nordic AB as of 22 July 2015. This is further described under the section "*Intragroup acquisitions with Addtech*" above.

AddLife's expected three largest shareholders by votes, Anders Börjesson (with family), Tom Hedelius and RoosGruppen AB, which together are expected to hold shares representing approximately 18.5 percent of the share capital and approximately 38 percent of the votes in AddLife, have separately, through subscription commitments, subscribed for their respective *pro rata* share of the share issue, corresponding to approximately 18.5 percent of the new shares being issued in the Issue. Anders Börjesson (with family), Tom Hedelius and RoosGruppen AB as well as all members of the Board of Directors of AddLife and the Group Management, to the extent that they will hold shares in AddLife, have committed to not sell or pledge their respective holdings in AddLife within nine months from the first day of trading of AddLife's shares on Nasdaq Stockholm.

RoosGruppen AB has sold shares in Medioplast AB to AddLife during AddLife's acquisition of Medioplast AB. The transaction was conducted on 1 July 2015. The main terms of the transaction is described above in the section "*Material acquisitions*".

Costs

AddLife's total cost for the separation from Addtech, the Listing of the Company's Class B shares on Nasdaq Stockholm and the Offering is expected to amount to approximately SEK 15 million. The costs are primarily attributable to the costs of financial advice, accountants, lawyers, printing of the Prospectus, etc.

Auditor review

Except the Company's consolidated financial reports for the financial years 1 April 2012 – 31 March 2013, 1 April 2013 – 31 March 2014, 1 April 2014 – 31 March 2015 and the interim report for the third quarter of 2015/2016 as well as the pro forma financial statement, no information in the Prospectus have been reviewed or audited by the Company's auditor.

Interests of the advisors

Handelsbanken is the financial advisor to the Company in relation to the Listing and the Issue. Handelsbanken receives an agreed compensation for services rendered in connection to the Issue. Besides this, Handelsbanken has no financial or other interests in the Listing and the Issue.

Handelsbanken is also a lender to the Company; see the section "*Financial agreements*" above.

Handelsbanken (and companies related to Handelsbanken) have provided and may in the future provide services within the framework of the regular business and in connection with other transactions to AddLife for which they have received, and may receive, compensation.

Subscription commitment

AddLife's expected three largest shareholders by votes, Anders Börjesson (with family), Tom Hedelius and RoosGruppen AB, which together are expected to hold shares representing approximately 18.5 percent of the share capital and approximately 38 percent of the votes in AddLife, have separately, through subscription commitments, subscribed for their respective *pro rata* share of the share issue, corresponding to approximately 18.5 percent of the new shares being issued in the Issue. No compensation is paid for the commitment to subscribe for shares. The subscription agreements were signed in February 2016. Anders Börjesson (with family), Tom Hedelius and RoosGruppen AB as well as all members of the Board of Directors of AddLife and the Group Management, to the extent that they will hold shares in AddLife, have committed to not sell or pledge their respective holdings in AddLife within nine months from the first day of trading of AddLife's shares on Nasdaq Stockholm.

Interests and conflicts of interest

A number of AddLife's shareholders have through subscription agreements undertaken to subscribe for shares in the Issue. No compensation will be paid to the shareholders for this commitment. In addition to these parties' interest that the Issue will be successfully conducted, there are no financial or other interests connected to the Issue.

No conflicts of interests are deemed to exist between the parties who, in accordance with the above, have financial or other interests in the Issue.

As regards to the relationship between AddLife and Addtech, please refer to the section "*The relationship between AddLife and Addtech*" below. The Board of Directors has determined that there exists no conflict of interest between AddLife and Addtech.

Market and industry information

The Prospectus contains specific market and industry information provided by third parties. Although the information has been accurately reproduced and the Company believes that the sources are reliable, the Company has not independently verified the information and thus its accuracy and completeness cannot be guaranteed. As far as AddLife is aware and can ascertain by comparing other information published by the sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. In some sections of the Prospectus AddLife's market position is described. This information is based on the Company's turnover in relation to the Company's evaluation of the current size of the market and competitors' turnover.

Potential official decisions with a negative impact

In addition to what is stated in the Prospectus, AddLife is not aware of any public, economical, fiscal, monetary or other political measures that, directly or indirectly, has materially affected or materially would affect the business of the Company.

Articles of Association

Articles of Association of AddLife AB (publ)

§ 1

The registered name of the company is AddLife AB. The company is a public company (publ).

§ 2

The object of the company's operations is to engage, by itself or through wholly or partly owned subsidiaries, in trading and in production of mainly medical equipment and products, and to conduct other operations compatible therewith.

§ 3

The registered office of the Board of Directors shall be in Stockholm.

§ 4

The company's share capital shall amount to not less than SEK 30,000,000 and not more than SEK 120,000,000.

§ 5

The company shall have not less than 15,000,000 shares and not more than 60,000,000 shares.

§ 6

The shares may be issued in two classes; designated Class A and Class B. Class A shares may be issued in a number corresponding to a maximum of 100 percent of company shares. Class B shares may be issued in a number corresponding to a maximum of 100 percent of company shares.

Each Class A share carries ten votes and each Class B share carries one vote at General Meetings.

All shares carry equal entitlement to participation in the company's assets and profit.

If the company decides to issue new Class A or B shares through a cash issue or a set-off issue, owners of Class A and Class B shares shall have preferential rights to the subscription of new shares of the same type in relation to the number of shares already held (primary preferential right). Shares not subscribed for on the basis of primary preferential rights shall be offered for subscription to all shareholders (subsidiary preferential right). If the number of shares offered in this manner is insufficient for subscription based on subsidiary preferential rights, the shares shall be distributed in relation to the number of shares already held and, to the extent that this is not possible, by lottery.

If the company decides that new shares of either Class A or Class B alone shall be issued through a cash issue or a set-off issue,

all shareholders, irrespective of whether they own Class A and Class B shares, shall have preferential rights to the subscription of new shares in relation to the number of shares already held.

In the event that the company issues warrants or convertibles through a cash issue or set-off issue, the shareholders have a preferential right to subscribe for warrants as if the issue was for shares that may come to be subscribed for due to the warrant, or due to the preferential right to subscribe for convertibles, as if the issue were for the shares that the convertibles may be exchanged for.

The aforementioned stipulation shall not constitute any infringement on the possibility to make a decision regarding a cash issue or a set-off issue in which the preferential rights of shareholders are waived.

If the share capital is increased through a stock dividend, new shares of each class shall be issued in relation to the number of shares of the same class already held. In such cases, shares of a specific class carry entitlement to new shares of the same class.

§ 7

At the request of owners of Class A shares, it shall be possible for Class A shares to be converted into Class B shares. A written request regarding conversion shall be submitted to the company's Board of Directors. The request shall stipulate the number of shares to be converted. The Board of Directors is obliged to address the matter of conversion of Class A into Class B shares within four months of receipt of such a request from an owner of Class A shares.

§ 8

The Board of Directors shall consist of not less than four (4) members and not more than six (6) members.

§ 9

For the purpose of examining the company's annual report and financial accounts, as well as the management of the Board of Directors and the Managing Director, a registered audit firm is to be elected.

§ 10

The company's financial year shall be 1 April to 31 March.¹⁾

§ 11

The Annual General Meeting shall be held not later than during the month of September. The following items of business shall be addressed at the Annual General Meeting:

1. Election of a Chairman of the Meeting.
2. Preparation and approval of the list of shareholders entitled to vote at the Meeting.

1) On 13 January 2016, the General Meeting decided to change the Company's Articles of Association whereby the next financial year will be changed from 1 April 2016 – 31 March 2017 to a calendar year. The decision is conditional upon that the Company's Class B shares will be listed on Nasdaq Stockholm. If the Class B shares will be listed accordingly, the next financial year will thus cover the period 1 April 2016 – 31 December 2016.

3. Approval of the agenda proposed by the Board of Directors.
4. Election of one or two persons to approve the minutes.
5. Determination of whether the Meeting has been duly convened.
6. Presentation of the annual report and the auditors' report and, where applicable, of the consolidated financial accounts and the auditors' report on the consolidated financial accounts.
7. Motions regarding
 - a) adoption of the income statement and the balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;
 - b) allocation of the company's profit or loss as shown in the balance sheet adopted by the Meeting;
 - c) discharge of the members of the Board of Directors and of the President from personal liability for the financial year.
8. Determination of the number of Directors.
9. Determination of fees to be paid to the Board of Directors and to the auditor.
10. Election of Directors, and, where applicable, election of auditor.
11. Other business to be addressed by the Meeting in accordance with the Swedish Companies Act and the Articles of Association.

§ 12

Notice convening General Meetings shall be issued through announcement in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) as well as on the company's website. Announcement to the effect that a notice convening a General Meeting has been issued shall at the same time be made in Svenska Dagbladet.

§ 13

The Board of Directors may solicit proxies at the company's expense in accordance with the procedure set out in Chapter 7, Section 4, Paragraph 2 in the Swedish Companies Act (2005:551). Shareholders wishing to attend the Meeting must notify the company of their, as well as a maximum of two assistants, participation no later than the date stated in the notice of the General Meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not occur earlier than the fifth weekday prior to the General Meeting.

§ 14

The company's shares shall be registered in a central securities depository register pursuant to the Swedish Financial Instruments Accounts Act (1998:1479).

These Articles of Association were adopted at an Extraordinary General Meeting in AddLife AB (publ) held on 13 January 2016.

The relationship between AddLife and Addtech

This section provides an account of the relationship between the AddLife Group and the Addtech Group and, *inter alia*, the manner in which this relationship will be affected by the distribution and listing of the AddLife shares. Although AddLife will be independent of Addtech following the distribution and Listing, AddLife and Addtech will continue to have business relations in a number of respects as described below.

The proposed distribution of AddLife means that the operations of the Addtech Group will be split. The basic starting point for the split and various agreements entered into between on the one hand, Addtech and on the other hand, AddLife are that AddLife will be responsible for its respective business areas, while Addtech will be responsible for the rest of the Group's operations. The agreements that have been made between Addtech and AddLife have been entered into at arm's length and are not intended to restrict any future competition between the companies.

Restructuring of the group

To prepare the separation of AddLife from Addtech, AddLife has, as of 22 June 2015, from Addtech Nordic AB acquired:

- a) all outstanding shares in Triolab AB, Triolab A/S, Triolab Oy, Active Care Sverup AB, LabRobot Products AB, Bergman Labora AB, Holm & Halby A/S, Immuno Diagnostics Oy, Bergman Diagnostika AS, BioNordika Finland Oy and AddLife Development AB, including its wholly-owned subsidiaries BioNordika Denmark A/S, BioNordikaBergman AS, BioNordika Baltics OÜ and BioNordika Sweden AB (the "First Transaction"), and
- b) all outstanding shares in Electra-Box Diagnostica AB, including Electra-Box Diagnostica AB's ownership in Electra-Box Diagnostica ApS (Electra-Box Diagnostica AB owned 92.6 percent of the shares at the time), Electra-Box Diagnostica AS (Electra-Box Diagnostica AB owned 83.5 percent of the shares at the time) and Electra-Box Diagnostica Oy (Electra-Box Diagnostica AB owned 92.1 percent of the shares at the time) (the "Second Transaction"). The Second Transaction also included the shares in Skagshaw Invest AB, which have been sold prior to the Listing.

The purchase price for the shares in the First Transaction amounted to approximately SEK 197 million and the purchase price for the shares in the Second Transaction amounted to approximately SEK 82.6 million and shall be settled in connection to the Listing.

The share purchase agreements contain customary warranties from the seller with a warranty period that runs until 22 December 2016, with the exemption of the warranties related to taxes and the

ownership of the shares. There is an individual threshold of SEK 2 million and an aggregated threshold of SEK 10 million for indemnification of breaches of the warranties, with the exemption of the fundamental warranties, and a liability cap of SEK 50 million in the First Transaction and SEK 20 million in the Second Transaction. The liability cap is not applicable regarding the warranties on taxes and the ownership of the shares.

Since 22 June 2015 AddLife's legal group structure has remained intact, with the exception of acquisitions made and the divestment of the real-estate company Skagshaw Invest AB.

Separation agreement

To regulate the cooperation in connection with the separation, the Listing and the Offering, as well as certain relations between Addtech and AddLife after the distribution and Listing, Addtech and AddLife have entered into a separation agreement that will act as a master agreement regarding matters concerning the separation.

AddLife has, as a subsidiary within the Addtech Group, before the separation made use of certain group functions provided by Addtech, such as financing through Addtech's overdraft facility and cash pool arrangement, group insurances, certain common IT systems, certain personnel within the Group Management, as well as Addtech's offices at Birger Jarlsgatan in Stockholm. The separation agreement regulates, *inter alia*, how these matters shall be handled by Addtech and AddLife prior to and after the separation.

The separation agreement between Addtech and AddLife regulate the principles of, *inter alia*, the division of assets and liabilities. The division of the principal assets and liabilities between AddLife and Addtech was accomplished through the above described First Transaction and Second Transaction by the transfer of ownership of the shares in the companies stated above. The assets and the liabilities as well as the personnel that belonged to these companies followed indirectly. These companies have pursued their business within the group's decentralised organisational model and the separation will thus have only limited implications on the operative business, but will affect common group functions such as financing, insurance, financial reporting, oversight and corporate governance, among others.

In connection with the separation, Kristina Willgård has during 2015 assumed the position as CEO of AddLife and resigned from her role as CFO of Addtech and Martin Almgren has during 2015 assumed the position as CFO of AddLife and resigned from his position as controller within Addtech. In addition to this, Artur Aira, Peter Simonsbacka and Anders Holmström have resigned from positions within Addtech and assumed positions within AddLife.

Relations that have been terminated through the separation agreement

Financing

AddLife was previously financed by Addtech through Addtech's overdraft facility and cash pool. In connection with the separation and in accordance with the separation agreement, outstanding debts between companies within the Addtech Group and AddLife Group shall be finally settled. To handle AddLife's future financing, AddLife has obtained an independent overdraft facility and have its own cash pool for companies within the AddLife Group.

Certain economy services

Economy and payroll services have previously been provided by Addtech. AddLife will, during a transition period after the separation, acquire certain economy and payroll services from Addtech. The agreements have been entered into on market terms and the total extent of the acquisitions is limited.

Insurances

AddLife was previously covered by the Addtech Group's group-wide insurance arrangements. AddLife has in connection with the separation procured an independent group-wide insurance for the AddLife Group, including insurance arrangements regarding general liability, product liability, property damage and business interruption, transport, business travel and a directors' and officers' liability insurance, as well as an insurance regarding crime against property. In the Board's judgment, the existing insurance cover provides adequate protection taking into consideration AddLife's operation.

IT services

AddLife has in connection with the separation procured its own IT services. In addition to this, AddLife has, through the separation agreement, from Addtech acquired business software developed on behalf of AddLife at book value.

Commitments after the separation

Non-solicitation

Addtech and AddLife shall refrain from recruiting personnel from each other during a two-year period from the Listing.

Cooperation

The parties shall act so that any issues that arise following the separation can be handled in cooperation and in consensus.

Lease agreement regarding AddLife's head office

Under a separate lease agreement, AddLife leases office space from Addtech on Birger Jarlsgatan in Stockholm that are used as AddLife's head office. The premises are rented and leased on market terms and the operations are completely separated. The lease agreement runs until 30 November 2018.

Tax considerations in Sweden

Below is a summary of certain tax consequences that may arise for individuals and limited liability companies in relation to the offer to subscribe for shares in the Company and in view of Addtech's distribution of shares in AddLife. The summary is based on current legislation and is intended only as general information for shareholders who are subject to unlimited tax liability in Sweden, unless otherwise stated. The analysis does not address securities held as current assets in business operations or by a partnership. Moreover, it does not address the special rules regarding tax-free capital gains (including non-deductible capital loss) and dividends in the corporate sector that may be applicable when a shareholder holds securities of AddLife that are considered to be shares held for business purposes (participation exemption). Nor does it cover the special rules that may apply to holdings in companies that are or have been so-called closely held companies or securities acquired on the basis of so-called qualified shares in closely held companies. Furthermore, the summary does not cover shares or other securities held in a so-called investment savings account. The tax treatment of individual shareholders depends on their particular circumstances. It is therefore recommended that owners and holders of paid subscribed shares (BTA), subscription rights or shares consult a tax advisor for information on the specific implications that may arise in the individual case, including the applicability and effect of foreign rules and tax treaties.

DISTRIBUTION OF SHARES IN ADDLIFE

The distribution of shares in AddLife is intended to be effected in accordance with the Lex ASEA rules, which means that the distribution will not be subject to immediate taxation in Sweden. Instead, the tax base value of the shares in Addtech that entitle the holder to dividend is allocated between these shares and the distributed shares in AddLife.

Shareholders who have unlimited tax liability in Sweden

In this case, "unlimited tax liability" refers to holders of shares or other securities who are (i) a natural person who is resident or is permanently living in Sweden or who has an essential connection with Sweden, or (ii) any legal entity registered in Sweden or whose board of directors is domiciled in Sweden if registration has not taken place.

Taxation in regards to the distribution of AddLife

According to a letter answer from the Swedish Tax Agency (Sw. *Skatteverket*), the distribution of shares in AddLife is exempt from tax in Sweden on the basis of the so-called Lex ASEA rules. The tax base value of the shares in Addtech that entitle the holder to distribution will be allocated between these shares and the distributed shares in AddLife. Allocation of tax is based on the change in value of the shares in Addtech arising from the distribution of shares in AddLife. Addtech will apply for general guidelines from the Swedish Tax Agency regarding allocation of the tax base value. Information from the Swedish Tax Agency's (Sw. *Skatteverkets*) general guidelines will be published as soon as possible on Addtech's, AddLife's and the Swedish Tax Agency's websites.

Taxation on the divestment of shares

Natural persons

Natural persons and estates who have unlimited tax liability in Sweden are taxed on the sale of shares in the Company for any profit as income from capital at a rate of 30 percent. Capital gains or capital loss is calculated as the difference between the sales proceeds, after deduction of any sales expenses, and the tax base value of the divested shares (acquisition cost). The tax base value comprises the acquisition price plus brokerage fees.

The average method is used when calculating the capital gains. According to this method, the tax base value of one share comprises the average tax base value of all shares of the same class and type. Upon the sale of listed shares, such as shares in AddLife, the tax base value may alternatively be determined according to the standard method at a rate of 20 percent of the sales proceeds after deducting sales costs.

A capital loss on listed shares and other listed securities may be fully offset against taxable capital gains the same year on shares and other listed securities, except for shares in investment funds that only contain Swedish receivables (fixed income funds). Capital losses on shares that cannot be offset in this way are 70 percent deductible against other income from capital. To the extent a capital loss cannot be offset against capital gains, a tax reduction is allowed against municipal and state income tax, as well as property tax and municipal property tax. A tax reduction is allowed at a rate of 30 percent of the portion of the loss that is not greater than SEK 100,000 and 21 percent of the remaining portion. Such a loss cannot be carried forward to future tax years.

Legal entities

For limited liability companies and other legal entities other than estates, taxable capital gains are taxed as income from business operations at a tax rate of 22 percent. Capital gains and losses are calculated in essentially the same manner as described above with respect to natural persons. A deduction for capital losses on shares or other securities is allowed only against taxable capital gains on such securities. If certain conditions are fulfilled, such capital losses may also be offset against capital gains in companies within the same group. Capital losses that cannot be utilised in a given year may be carried forward and deducted against taxable capital gains on shares and other securities in subsequent years without limitation in time.

Special tax rules apply to certain categories of companies, such as investment funds, investment companies and insurance companies.

Taxation of dividends

Dividends on shares are usually taxable. Natural persons and estates who have unlimited tax liability in Sweden are taxed as income from capital at a rate of 30 percent. Preliminary tax related to dividends is withheld by Euroclear or, for nominee-registered holdings, by the nominee. AddLife is not responsible for any withholding tax being withheld. For limited liability companies and other legal entities dividends are taxed as income from business operations at 22 percent.

Shareholders who have limited tax liability in Sweden

Shareholders subject to limited tax liability in Sweden and who do not engage in business from a permanent establishment in Sweden to which shares in Swedish companies can be allocated, may in some cases be subject to dividend withholding tax on dividends from Swedish limited liability companies. The tax rate is 30 percent but is generally reduced by tax treaties for the avoidance of double taxation between Sweden and certain other countries. Many of Sweden's tax treaties allow for a reduction of the Swedish withholding tax to the treaty rate directly at the time of distribution, as long as the required information about the shareholder who is entitled to receive dividends is available. In Sweden, the deduction of dividend withholding tax is usually effected by Euroclear or, for nominee-registered shares, by the nominee. If a 30 percent dividend withholding tax is withheld at the time of distribution to a person who has the right to be taxed at a lower rate or if dividend withholding tax has otherwise been withheld in an excessive amount, a refund may be requested from the Swedish Tax Agency (Sw. *Skatteverket*) before the end of the fifth calendar year following the distribution.

Shareholders with a limited tax liability in Sweden and whose holdings are not attributable to a permanent establishment in Sweden are usually not taxed in Sweden for capital gains on the disposal of shares or subscription rights. However, shareholders may be subject to taxation in their country of residence. According to a special rule, however, natural persons with limited tax liability in Sweden may be subject to Swedish taxation upon the sale of certain Swedish securities (such as shares and warrants) if at any time during the year of sale, or any of the ten (10) previous calendar years, the shareholder has been resident or lived permanently in Sweden. Applicability of this rule may be limited by tax treaties between Sweden and other countries.



Historical financial information

Table of contents

AddLife Interim report	92
Combined financial reports	109
Notes	114
Auditor's report relating to new financial reports on historical financial information	140



INTERIM REPORT 1 APRIL-31 DECEMBER 2015

1 October 2015–31 December 2015 (3 months)

- Net sales in the third quarter rose by 56 percent to SEK 472.1 million (301.9), of which organic growth totalled 4 percent.
- EBITA rose by 12 percent to SEK 42.1 million (37.6) and EBITA-margin amounted to 8.9 percent (12.5). Excluding preparation costs for the IPO of SEK 5.9 million EBITA increased by 28 percent and EBITA-margin amounted to 10.2 percent.
- Profit after tax amounted to SEK 27.2 million (26.0).

1 April 2015–31 December 2015 (9 months)

- Net sales rose by 44 percent to SEK 1,109.7 million (772.1), of which organic growth totalled 4 percent.
- EBITA rose by 10 percent to SEK 100.1 million (90.8) and EBITA-margin amounted to 9.0 percent (11.8).
- Profit after tax amounted to SEK 59.0 million (61.1).
- Earnings per share (EPS) totalled SEK 3.31 (3.84). For the most recent 12-month period, earnings per share was SEK 4.40 (5.07)
- Cash flow from operations reached SEK 102.4 million (84.9)
- Return on equity was 26.9 percent (27.7) and the equity ratio was 22.2 percent (50.1).
- During the interim period two acquisitions made by the group have taken effect, adding sales of about SEK 650 million on an annual basis.
- Preparations for a separate listing on Nasdaq Stockholm for AddLife AB, through a distribution of shares to Addtech's shareholders, are progressing according to plan.
- The Board of Directors of AddLife is planning a rights issue to existing shareholders in conjunction with the listing of the Company's share on Nasdaq Stockholm. The rights issue is expected to raise approximately SEK 300 million for AddLife with full subscription.

SEKm	3 months ending			9 months ending			12 months ending	
	31 Dec 15	31 Dec 14	change	31 Dec 15	31 Dec 14	change	31 Dec 15	31 Mar 15
Net sales	472.1	301.9	56%	1,109.7	772.1	44%	1,394.4	1,056.8
EBITA	42.1	37.6	12%	100.1	90.8	10%	128.9	119.6
EBITA-margin, %	8.9	12.5		9.0	11.8		9.2	11.3
Profit before tax	31.1	34.0	-8%	76.1	80.1	-5%	101.3	105.3
Profit for the period	27.2	26.0	5%	59.0	61.1	-3%	78.3	80.4
Earnings per share, SEK	1.38	1.63	-15%	3.31	3.84	-14%	4.40	5.06

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, mainly in the Nordic region. The Group is divided into two business areas: LabTech and MedTech. The Group comprises approximately 25 operating subsidiaries that provide equipment, instruments, medical devices and reagents, as well as advice and technical support to customers primarily in medicine, research and academia, along with the food and pharmaceutical industries. The Company is active in the Nordic countries and is also represented by smaller businesses on the European market in Germany, the Benelux countries, Estonia and Italy. AddLife is the market leader in the Nordic region in several well-defined niches in the market areas of diagnostics, medical devices, biomedical research and laboratory analysis.



Message from the CEO

The Life Science market is developing positively, with growing demand from both health care and research. The trend in the Nordic region reflects the increasing healthcare needs of a growing and aging population. Meanwhile, market conditions are changing in response to technological developments and growing competition for larger contracts with public sector health services in the Nordic countries. Our businesses constantly strive to improve, deliver greater added value, engage in technological developments and leverage the advantages in the Group through our “small scale business - large scale wise” model.

Overall, the business situation in the third quarter has been favourable and our companies occupy a good market position in their respective niches. Overall, our sales grew this quarter by 56 percent, of which 4 percent is organic growth.

In Sweden, the appetite to invest in health care is generally strong. Meanwhile, both private and public stakeholders are engaging in clinical research initiatives in Sweden, where our companies have robust offerings in selected niches. For example, initiatives to create various “life science clusters” are underway in the Öresund region. The trend in the Danish market is also favourable, where the pharmaceutical industry in particular is investing in research and development. In contrast, the investment climate in Finland is weaker, though several of our Finnish companies continued to perform well this quarter. In Norway, cutbacks in oil and gas as well as the weakening of the NOK have had a general impact on the market. In all of the Nordic countries, the trend is shifting towards larger contracts with public services, resulting in increased competition while squeezing margins in certain product areas. We chose not to compete for some of the contracts in these product areas, but participated in others where we can still generate earnings growth through greater internal efficiency.

The preparations to list AddLife separately on Nasdaq Stockholm continued this quarter and earnings for the quarter include preparation costs for the IPO of approximately SEK 6 million.

AddLife appointed a new Board of Directors consisting of Johan Sjö (chairman), Håkan Roos, Fredrik Börjesson, Stefan Hedelius, Birgit Stattin Norinder and Eva Nilsagård.

The Board of Directors of AddLife is planning a rights issue to existing shareholders in conjunction with the listing of the Company's share on Nasdaq Stockholm. The rights issue is expected to raise approximately SEK 300 million for AddLife with full subscription. The purpose of the issue of new shares is to create a financial position from which the Group will be able to immediately continue to generate profitable growth through acquisitions. AddLife's expected three largest shareholders in terms of votes, representing about 38.0 percent of the votes and about 18.5 percent of the capital, have expressed their willingness to subscribe to their share of the rights issue.

I have had the privilege as CEO of leading AddLife through the planned IPO and onward onto its own feet. Artur Aira, previously Business Area Manager at Addtech Life Science, has been appointed Executive Vice President and Martin Almgren, previously Group Accounting Manager at Addtech AB, has been appointed Chief Financial Officer of AddLife AB.

Over the past ten years that Life Science has been part of Addtech, the business area developed and broadened its product range, while increasing its sales from around SEK 450 million to roughly SEK 1,400 million. Today's AddLife has a strong platform of entrepreneurial subsidiaries with expertise in a variety of niches in the Life Science market. Listing opens up great opportunities to increase AddLife's exposure and focus on the Life Science market area. AddLife will be better able to attract talented employees, engage leading vendors and acquire new companies, and thereby provide a wider range of competitive products as well as expert advice and services to the Group's customers. Together we will continue to work to achieve long-term profitable growth by developing both our business and our organisation.

Kristina Willgård
President and CEO

Financial targets for AddLife

The Board of Directors has set the following financial targets:

- Growth in profit (EBITA) for the long-term will be 15 percent per year
- Profitability will be at least 45 percent, measured as the ratio between EBITA and working capital (P/WC).
- The Board of Directors of AddLife set a long-term goal to pay a dividend corresponding to 30-50 percent of profit after tax. When determining the dividend, the Company's Board will consider investment needs and other factors that it considers to be relevant.

The Board plans to propose to the Annual General Meeting that no dividend be paid for the 2015/2016 financial year.



Group development in the quarter

Net sales in the third quarter increased by 56 percent to SEK 472.1 million (301.9). For comparable units, growth increased 4 percent and acquired growth totalled 54 percent. Exchange rate changes had a negative effect of 2 percent on net sales, corresponding to SEK 3.9 million, and a marginal negative effect corresponding to SEK 0.2 million on operating profit. EBITA increased by 12 percent to SEK 42.1 million (37.6) and EBITA-margin amounted to 8.9 percent (12.5). Excluding costs for preparation of the listing of SEK 5.9 million EBITA increased by 28 percent, corresponding to an EBITA-margin of 10.2 percent.

The lower underlying EBITA margin compared with the previous year is attributable in part to a change in the product mix since AddLife carried out two major acquisitions as per 1 July 2015 and in part to a lower gross margin in the contracts we chose to accept where we face growing competition. Net financial items amounted to SEK -2.5 million (0.6) and profit after financial items reached SEK 31.1 million (34.0). Financial expenses increased because of the financing for the acquisitions made during the interim period. Profit after tax for the quarter rose by 5 percent to SEK 27.2 million (26.0) corresponding to EPS of SEK 1.38 (1.63).

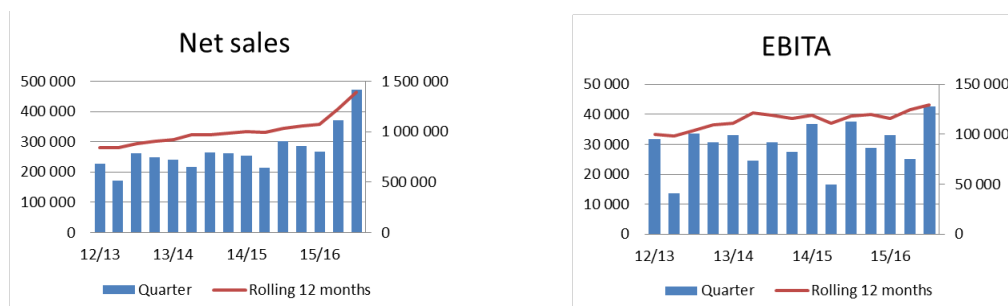
Group development in the period

Net sales in the first nine months of the financial year increased by 44 percent to SEK 1,109.7 million (772.1). For comparable units, growth increased 4 percent and acquired growth totalled 40 percent. Exchange rate changes had a negative effect on net sales, corresponding to SEK 3.5 million, and a marginal negative effect corresponding to SEK 0.3 million on operating profit.

EBITA increased during the interims period 10 percent to SEK 100.1 million (90.8) and EBITA-margin amounted to 8.9 percent (12.5). Excluding costs for preparation of the listing of SEK 5.9 million EBITA increased by 28 percent, corresponding to an EBITA-margin of 10.2 percent.

Net financial items were SEK -4.0 million (-1.8) and the change is due to increased interest expense related to the financing of acquisitions during the year. Profit after financial items decreased 5 percent and reached SEK 76.1 million (80.1).

Profit after tax for the interim period decreased by 3 percent to SEK 59.0 million (61.1) and the effective tax rate was 22 percent (24). Taxes were lower due to tax-exempt capital gains on the disposal of a property company. EPS for the interim period decreased to SEK 3.31 (3.84) and for the most recent 12-month period, EPS was SEK 4.40 (5.07).



Development in the business areas

AddLife's subsidiaries are organised in two business areas; LabTech and MedTech.

LabTech

The LabTech business Area consists of about 15 companies active in the market areas diagnostics, biomedical research and laboratory equipment.

SEKm	3 months ending			9 months ending			12 months ending	
	31 Dec 15	31 Dec 14	change	31 Dec 15	31 Dec 14	change	31 Dec 15	31 Mar 15
Net sales	302.8	295.1	3%	781.8	753.5	4%	1,060.2	1,031.9
EBITA	38.0	36.4	4%	85.3	87.9	-3%	114.3	116.9
EBITA-margin, %	12.5	12.3		10.9	11.7		10.8	11.3

LabTechs net sales increased in the third quarter by 3 percent to SEK 302.8 million (295.1), of which entirety is organic. EBITA increased to SEK 38.0 million (36.4), corresponding to an EBITA-margin of 12.5 percent (12.3). Net sales during the interim period increased by 4 percent to SEK 781.8 million (753.5) and EBITA amounted to SEK 85.3 million (87.9), corresponding to an EBITA-margin of 10.9 percent (11.7).



In general, the market in this business area is developing favourably. Demand for diagnostic equipment and reagents for the Nordic healthcare sector was stable. Newer technologies in diagnostics are mainly responsible for growth here. Our Finnish companies performed well this quarter, despite a challenging market environment. Overall, the EBITA margin fell during the financial year because we accepted contracts with lower gross margins in certain product segments due to tougher competition and we also changed the product mix, as more diagnostic instruments sold compared with the previous year. Demand for equipment and consumables in health care and research laboratories was robust during the quarter, especially for products used in cell and molecular biology research. Initiatives from both the public sector and from various funds and foundations contributed to the increased willingness to invest in clinical research, particularly in Sweden and Denmark.

MedTech

The MedTech business area consists of about 10 companies that provide medical device products within the medtech market, with a focus on surgery, thoracic medicine, neurology, wound care, anaesthesia, intensive care, ear, nose and throat, ostomies, and home healthcare.

SEKm	3 months ending			9 months ending			12 months ending	
	31 Dec 15	31 Dec 14	change	31 Dec 15	31 Dec 14	change	31 Dec 15	31 Mar 15
Net sales	169.3	6.8	2,390%	327.9	18.6	1,663%	334.2	24.9
EBITA	11.6	0.8	1,350%	20.2	2.7	648%	21.4	3.9
EBITA-margin, %	6.9	11.8		6.2	14.5		6.4	15.7

In the third quarter MedTechs net sales increased to SEK 169.3 million (6.8) and EBITA reached SEK 11.6 million (0.8), corresponding to an EBITA-margin of 6.9 percent (11.8). The increase in net sales comes entirely from the acquisition of Medioplast and Fenno Medical as of 1 July 2015. The lower underlying EBITA-margin compared to last year is also mainly due to a change in product mix because of the acquisitions. During the interim period net sales amounted to SEK 327.9 million (18.6) and EBITA reached SEK 20.2 million (2.7).

In the MedTech segment, integration of two recent acquisitions—Medioplast and Fenno Medical—continues. Overall, the business situation is stable for the quarter, but demand varies depending on geography and product segment. Demand has been stable in the Swedish market, but the market situation in Finland has been more challenging. In both Sweden and Finland the EBITA margin has been affected by fierce competition for major contracts, along with exchange rate effects and the product mix. Although the markets in Norway and Denmark were somewhat weaker, the companies still performed well and were able to improve their margins. Exports of own products outside the Nordic region developed favourably. The product mix improved this quarter than the previous quarter, with a higher proportion of own products, but the share of durable goods remained somewhat low. Overall, the newly acquired companies, Medioplast and Fenno Medical achieved sales and earnings on a par with their performance the previous year.

Financial position and cash flow

At the end of the period the equity ratio stood at 22.2 percent (50.1). In connection with the listing of AddLife, all dealings with the Addtech Group will be netted and settled. The adjusted equity ratio per 31 December 2015, calculated based on netting of transactions with the Addtech Group, amounts to 25.2 percent. Equity per share, excluding non-controlling interest, totaled SEK 16.28 (19.73). The return on equity at the end of the period was 26.9 percent (27.7). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 65.8 percent (93.2). The change in return on working capital between the years is attributable to the increase in capital tied up in inventory by Medioplast and Fenno Medical compared with other companies in AddLife.

The Group's interest-bearing net debt at the end of the period stood at SEK 641.5 million (29.8), including pension liabilities of SEK 72.8 million (58.7). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions, totaled 2.0 (0.0). The increase in the net debt/equity ratio relates to loans raised to finance the acquisition of Medioplast and Fenno in July 2015, as well as to the acquisition of 20 companies from Addtech AB's Life Science segment business area that AddLife AB acquired from Addtech Nordic AB at carrying amount in June 2015. All loans are intra-group with Addtech AB.

Cash and cash equivalents, consisting of cash and bank balances together with AddLife company's holdings in Addtech's cashpool, totaled SEK 129.8 million (69.2) as of 31 December 2015. AddLife company's holdings in Addtech's cashpool as of 31 December 2015 amounted to SEK 69.0 million (68.7).

During the interim period cash flow from the operating activities reached SEK 102.4 million (84.9). The increased cash flow during the interim period is mainly due to decreased working capital. In the quarter the cash flow from working capital has decreased which is attributable to increased accounts receivables in December. Company acquisitions amounted to SEK 233.9 million (0.0) and sale of company totalled SEK 6.4 million (0.0). Investments in non-current assets totalled SEK 16.4 million (12.4) and disposal of non-current assets was SEK 0.7 million (1.1). Dividend of SEK 18.1 million (20.9) was paid.

The Board of Directors of AddLife is planning a rights issue in conjunction with the separate listing that is expected to raise approximately SEK 300 million for AddLife with full subscription. AddLife's expected three largest shareholders in terms of votes, representing about 38.0 percent of the votes and 18.5 percent of the capital, have expressed willingness to subscribe to their share of the rights issue.



Employees

At the end of the period, the number of employees was 423, compared to 286 at the beginning of the financial year. During the period, implemented acquisitions led to an increase of 155 in the number of employees. The average number of employees during the latest 12-month period was 317 (284).

Acquisitions and divestments

During the second quarter two company acquisitions took place:

On 1 July Addtech acquired all shares in Medioplast AB. Medioplast AB is the parent company of the Medioplast Group and is a leading Nordic supplier of medical technology equipment and consumables. The company has its head offices in Malmö and pursues operations via its own trading companies in Sweden, Denmark, Finland, Norway and the Netherlands. Medioplast also has its own production facilities in Denmark, Finland and Italy. The company holds a strong position in the Nordic countries and markets both its own products as well as those of leading suppliers in the areas of surgery, intensive care, thorax/neuro, ENT and ostomy care. Medioplast's customers operate in both the private and public sectors. In the 2014 financial year, the Medioplast Group generated sales totalling approximately SEK 465 million, an operating profit before amortisation of intangible assets (EBITA) of around SEK 45 million and had roughly 120 employees. The total purchase consideration for all shares in Medioplast consisted of a cash payment of SEK 259.4 million and 3,008,757 issued shares to a value of SEK 234.3 million, giving a total purchase consideration of SEK 493.7 million.

On 1 July, Life Science has acquired all shares in Fenno Medical Oy via Medioplast AB. Fenno Medical is a leading medtech actor in the Finnish market, marketing a broad range of medical equipment and consumables from world-leading suppliers. The company has around 35 employees and sales of approximately EUR 20 million.

On 11 December the property company Skagshaw Invest AB was sold. The company has no employees and only had rental revenue from Group companies.

The combined effect of the acquisitions on the AddLife Group's net sales was SEK 310 million, on EBITA it was SEK 21 million, on operating profit it was SEK 11 million and on profit after tax for the period it was SEK 6 million. Had the acquisitions been completed on 1 April 2015, their impact would have been an estimated SEK 462 million on Group net sales, about SEK 34 million on EBITA, about SEK 17 million on operating profit and some SEK 12 million on profit after tax for the interim period.

According to the preliminary acquisition analyses, the assets and liabilities included in the acquisitions were as follows:

	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	8.0	189.7	197.7
Other non-current assets	26.5	-	26.5
Inventories	109.8	-	109.8
Other current assets	120.5	-	120.5
Deferred tax liability/tax asset	-3.7	-41.1	-44.8
Other liabilities	-271.1	-	-271.1
Acquired net assets	-10.0	148.6	138.6
Goodwill			355.1
Consideration 1)			493.7
Less: cash and cash equivalents in acquired businesses			-25.5
Cash issue			-234.3
Effect on the Group's cash and cash equivalents			233.9

1) The consideration is stated excluding acquisition expenses.

The goodwill resulting from the acquisitions is attributable to expectations that the Group's position in the market in question for each acquisition will grow stronger and to the knowledge accumulated in the companies acquired. Transaction costs for the acquisitions totalled SEK 3.1 million and are recognised in selling expenses.

Acquisitions completed during the financial year 2015/2016 are distributed among the Group's business areas as follows:

Acquisitions	Time	Net sales, SEKm*	Number of employees*	Business area
Medioplast AB, Sweden	July, 2015	465	120	MedTech
Fenno Medical Oy, Finland	July, 2015	185	35	MedTech

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



Accounting policies

This interim report was prepared as per IFRSs and IAS 34 Interim Financial Reporting. The interim 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 2014/2015 annual report for Addtech AB were also used here. The new and revised IFRS standards and IFRIC interpretations effective from financial year 2015/2016, have not had any material effect on the consolidated financial statements.

The Group was formed on 22 June 2015 when AddLife AB acquired 20 companies that were part of Addtech AB's Life Science segment from Addtech Nordic AB at carrying amount. Since the businesses did not historically comprise a Group under IFRS definitions, there are no consolidated financial statements for periods prior to 22 June 2015. The historical financial information for periods through 22 June 2015 have therefore been prepared as combined financial statements for the reporting entity comprising AddLife AB and the 20 subsidiaries. Net debt in the combined financial statements consists of historical indebtedness recognised for the reporting entity.

Parent company

Parent Company profit after financial items was SEK -10.0 million (-). At the end of the interim period the Parent Company's net financial debt was SEK 485.9 million (-). At the end of the interim period the share capital stood at SEK 40.1 million.

Transactions with related parties

Intercompany transactions with the Addtech Group are reported as external receivables and liabilities. As of 31 December SEK 50.8 million are included in other current receivables regarding AddLife company's claim in Addtech's internal bank. In cash and bank balances SEK 69.0 million regarding receivables in Addtech's cashpool are included. SEK 690.8 million regarding AddLife company's loans in Addtech's internal bank and Addtech's cashpool are included in current interest-bearing liabilities. In current non-interest-bearing liabilities intercompany transaction with Addtech companies amounted to SEK 4.2 million are included. Other than transactions with the Addtech Group, no transactions with related parties that materially affected the Group's position and earnings took place during the year.

Events after the end of the interim period

The Company signed a credit agreement for an overdraft facility of SEK 300 million that matures on 31 December 2016 and a credit facility of SEK 300 million that matures on 30 June 2017. The facilities are associated with special terms and conditions known as covenants. No other events of significance to the Group occurred after the end of the reporting period.

Nomination committee

The Extraordinary General Meeting, held 9 December 2015, resolved to adopt the following principles for appointing the Nomination Committee. The Nomination Committee shall consist of representatives of the five largest shareholders in terms of votes as of 31 December each year as well as the Chairman of the Board. The General Meeting of Shareholders on 9 December 2015 gave the chairman a mandate to contact the five largest shareholders annually. The largest shareholder in terms of votes shall appoint the Chair of the Nomination Committee. The Nomination Committee issue will be addressed at the first Annual General Meeting following the listing. The Nomination Committee prior to the listing has consisted of Anders Börjesson, Tom Hedelius and Håkan Roos, as well as representatives of Swedbank Robur Funds and Lannebo Funds.

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. The Parent Company is indirectly affected by the above risks and uncertainties through its function in the Group.

Stockholm, 9 February 2016

Kristina Willgård
President and CEO

For further information, please contact:
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Martin Almgren, CFO, +46 70 228 15 45



Report on review of interim financial information

To the Board of Directors of AddLife AB (publ)
Corporate ID number 556995-8126

Introduction

We have reviewed the summary interim financial information (interim report) for AddLife AB (publ.) as at 31 December 2015 and the nine-month period that ended as at this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting issues, and conducting an analytical review and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing (ISA) and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. The conclusion based on a review therefore does not provide the same assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that gives us cause to believe that the interim report was not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, 9 February 2016

KPMG AB

George Pettersson
Authorised Public Accountant



Business areas

Net sales by business area Quarterly data, SEKm	2015/2016			2014/2015			
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
LabTech	302.8	218.4	260.6	278.4	295.1	209.9	248.5
MedTech	169.3	152.1	6.5	6.3	6.8	5.3	6.5
Parent Company and Group items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AddLife Group	472.1	370.5	267.1	284.7	301.9	215.2	255.0

EBITA by business area Quarterly data, SEKm	2015/2016			2014/2015			
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
LabTech	38.0	15.7	31.6	29.0	36.4	14.9	36.6
MedTech	11.6	8.0	0.6	1.2	0.8	0.9	1.0
Parent Company and Group items	-7.5	1.4	0.7	-1.4	0.4	0.8	-1.0
EBITA	42.1	25.1	32.9	28.8	37.6	16.6	36.6
Depreciation intangible assets	-8.5	-8.3	-3.2	-3.0	-3.0	-3.0	-2.9
Operating profit	33.6	16.8	29.7	25.8	34.6	13.6	33.7
Finance income and expenses	-2.5	-1.0	-0.5	-0.6	-0.6	-0.6	-0.6
Profit after financial items	31.1	15.8	29.2	25.2	34.0	13.0	33.1

Net sales by business area	3 months ending		9 months ending		12 months ending	
	31 Dec 15	31 Dec 14	31 Dec 15	31 Dec 14	31 Dec 15	31 Mar 15
MSEK						
LabTech	302.8	295.1	781.8	753.5	1 060.2	1 031.9
MedTech	169.3	6.8	327.9	18.6	334.2	24.9
Parent Company and Group items	0.0	0.0	0.0	0.0	0.0	0.0
AddLife Group	472.1	301.9	1 109.7	772.1	1 394.4	1 056.8

EBITA and EBITA-margin by business area and operating profit for the Group												
	3 months ending				9 months ending				12 months ending			
	31 Dec 15		31 Dec 14		31 Dec 15		31 Dec 14		31 Dec 15		31 Mar 15	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
LabTech	38.0	12.5	36.4	12.3	85.3	1.9	87.9	11.7	114,3	10.8	116.9	11.3
MedTech	11.6	6.9	0.8	11.8	20.2	6.2	2.7	14.5	21,4	6.4	3.9	15.7
Parent Company and Group items	-7.5		0.4		-5.4		0.2		-6,8		-1.2	
EBITA	42.1	8.9	37.6	12.5	100.1	9.0	90.8	11.8	128,9	9.2	119.6	11.3
Depreciation intangible assets	-8.5		-3.0		-20.0		-8.9		-23,0		-11.9	
Operating profit	33.6	7.1	34.6	11.5	80.1	7.2	81.9	10.6	105,9	7.6	107.7	10.2
Finance income and expenses	-2.5		-0.6		-4.0		-1.8		-4,6		-2.4	
Profit after financial items	31.1		34.0		76.1		80.1		101,3		105.3	



Group summary

Income statement SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 15	31 Dec 14	31 Dec 15	31 Dec 14	31 Dec 15	31 Mar 15
Net sales	472.1	301.9	1 109.7	772.1	1,394.4	1,056.8
Cost of sales	-310.5	-189.6	-721.6	-478.0	-904.6	-661.0
Gross profit	161.6	112.3	388.1	294.1	489.8	395.8
Selling expenses	-99.7	-62.2	-245.4	-168.4	-304.1	-227.1
Administrative expenses	-34.3	-14.9	-69.3	-43.1	-86.0	-59.8
Other operating income and expenses	6.0	-0.6	6.7	-0.7	6.2	-1.2
Operating profit	33.6	34.6	80.1	81.9	105.9	107.7
Financial income and expenses	-2.5	-0.6	-4.0	-1.8	-4.6	-2.4
Profit after financial items	31.1	34.0	76.1	80.1	101.3	105.3
Tax	-3.9	-8.1	-17.1	-19.0	-23.0	-24.9
Profit for the period	27.2	26.0	59.0	61.1	78.3	80.4
<i>Attributable to:</i>						
<i>Equity holders of the Parent Company</i>	<i>27.2</i>	<i>26.0</i>	<i>59.0</i>	<i>61.0</i>	<i>78.4</i>	<i>80.4</i>
<i>Non-controlling interest</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>-0.1</i>	<i>0.0</i>
Earnings per share (EPS), SEK*	1.38	1.63	3.31	3.84	4.40	5.06
<i>Average number of shares after repurchases, '000s</i>	<i>19,694</i>	<i>15,892</i>	<i>18,436</i>	<i>15,892</i>	<i>17,809</i>	<i>15,892</i>
<i>Number of shares at end of the period, '000s</i>	<i>19,694</i>	<i>15,892</i>	<i>19,694</i>	<i>15,892</i>	<i>19,694</i>	<i>15,892</i>

* Calculated based on equity holders' portion of profit for the period.

EBITA	42.1	37.6	100.1	90.8	128.9	119.6
Depreciations included in operating expenses						
– Property, plant and equipment	-3.8	-2.5	-10.4	-7.4	-13.0	-10.0
– intangible non-current assets from acquisitions	-7.4	-2.9	-18.1	-8.7	-21.0	-11.6
– other intangible non-current assets	-1.1	-0.1	-1.9	-0.2	-2.0	-0.3

Statement of comprehensive income SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 15	31 Dec 14	31 Dec 15	31 Dec 14	31 Dec 15	31 Mar 15
Profit for the period	27.2	26.0	59.0	61.1	78.3	80.4
<i>Components that will be reclassified to profit for the year</i>						
Foreign currency translation differences for the period	-4.5	-0.8	-8.1	-0.2	-5.1	2.8
<i>Components that will not be reclassified to profit for the year</i>						
Revaluations of defined benefit pension plans	-	-	-	-	-14.1	-14.1
Tax attributable to items not to be reversed in profit or loss	-	-	-	-	3.3	3.3
Other comprehensive income	-4.5	-0.8	-8.1	-0.2	-15.9	-8.0
Total comprehensive income	22.7	25.2	50.9	60.9	62.4	72.4
<i>Attributable to:</i>						
<i>Equity holders of the Parent Company</i>	<i>22.7</i>	<i>25.2</i>	<i>50.9</i>	<i>60.8</i>	<i>62.5</i>	<i>72.4</i>
<i>Non-controlling interests</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>-0.1</i>	<i>0.0</i>



Balance sheet, SEKm	31 Dec 15	31 Mar 15	31 Dec 14
Goodwill	478.2	123.6	124.3
Other intangible non-current assets	247.3	68.9	71.7
Property, plant and equipment	55.6	31.0	30.0
Financial non-current assets	10.5	8.7	72.5
Total non-current assets	791.6	232.2	298.5
Inventories	212.9	83.3	89.9
Current receivables	309.7	245.3	168.4
Cash and cash equivalents	129.8	82.5	69.2
Total current assets	652.4	411.1	327.5
Total assets	1,444.0	643.3	626.0
Total equity	320.7	263.3	313.9
Interest-bearing provisions	72.8	73.1	58.7
Non-interest-bearing provisions	54.6	12.9	18.0
Non-current interest-bearing liabilities	1.3	0.1	36.5
Total non-current liabilities	128.7	86.1	113.2
Non-interest-bearing provisions	0.0	0.7	0.2
Current interest-bearing liabilities	697.2	28.0	3.6
Current non-interest-bearing liabilities	297.4	265.2	195.1
Total current liabilities	994.6	293.9	198.9
Total equity and liabilities	1,444.0	643.3	626.0

Statement of changes in Group equity, SEKm	1 Apr 15 – 31 Dec 15			1 Apr 14 – 31 Mar 15			1 Apr 14 – 31 Dec 14		
	Equity excl. non- control- ling interests	Non- control- ling interests	Total equity	Equity excl. non- control- ling interests	Non- control- ling interests	Total equity	Equity excl. non- control- ling interests	Non- control- ling interests	Total equity
Amount at beginning of period	263.0	0.3	263.3	270.8	0.8	271.6	270.8	0.8	271.6
New share issue	67.2	-	67.2	-	-	-	-	-	-
Issue in kind	234.3	-	234.3	-	-	-	-	-	-
Dividend	-294.9	-0.1	-295.0	-80.0	-0.4	-80.4	-17.4	-0.4	-17.8
Registration share capital	-	-	-	0.5	-	0.5	-	-	-
Change non-controlling interests	-	-	-	-0.7	-0.1	-0.8	-0.6	-0.1	-0.7
Total comprehensive income	50.9	0.0	50.9	72.4	0.0	72.4	60.8	0.1	60.9
Amount at the end of the period	320.5	0.2	320.7	263.0	0.3	263.3	313.6	0.4	314.0



Cash flow statement SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 15	31 Dec 14	31 Dec 15	31 Dec 14	31 Dec 15	31 Mar 15
Profit after financial items	31.1	34.1	76.1	80.1	101.3	105.3
Adjustment for items not included in cash flow	11.4	4.9	30.2	16.8	36.5	23.1
Income tax paid	-12.6	4.7	-16.0	3.7	-34.8	-15.1
Changes in working capital	-33.4	0.9	12.1	-15.7	34.9	7.1
Cash flow from operating activities	-3.5	44.6	102.4	84.9	137.9	120.4
Net investments in non-current assets	-4.3	-2.8	-15.7	-11.3	-19.6	-15.2
Acquisitions and disposals	6.4	-	-227.5	-	-227.5	-
Cash flow from investing activities	2.1	-2.8	-243.2	-11.3	-247.1	-15.2
Dividend paid to shareholders	-	-	-18.1	-20.9	-77.6	-80.4
Other financing activities	49.2	-20.1	209.2	-61.0	250.1	-20.1
Cash flow from financing activities	49.2	-20.1	191.1	-81.9	172.5	-100.5
Cash flow for the period	47.8	21.7	50.3	-8.3	63.3	4.7
Cash and cash equivalents at beginning of period	84.1	48.1	82.5	76.8	69.2	76.8
Exchange differences on cash and cash equivalents	-2.1	-0.6	-3.0	0.7	-2.7	1.0
Cash and cash equivalents at end of the period	129.8	69.2	129.8	69.2	129.8	82.5

Fair values on financial instruments SEKm	31 Dec 15			31 Mar 15		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives held for trading purposes	-	-	-	0.1	0.1	-
Total financial assets at fair value per level	-	-	-	0.1	0.1	-
Derivatives held for trading purposes	0.3	0.3	-	-	-	-
Contingent considerations	6.3	-	6.3	-	-	-
Total financial liabilities at fair value per level	6.6	0.3	6.3	-	-	-

The fair value and carrying amount are recognised 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.

	9 months ending 31 Dec 15	12 months ending 31 Mar 15
Contingent considerations		
Carrying amount, opening balance	-	-
Acquisitions during the year	6.2	-
Interest expenses	0.2	-
Exchange differences	-0.1	-
Carrying amount, closing balance	6.3	-



Key financial indicators	12 months ending				
	31 Dec 15	31 Mar 15	31 Dec 14	31 Mar 14	31 Mar 13
Net sales, SEKm	1 394.4	1 056.8	1 033.7	983.5	906.5
EBITA, SEKm	128.9	119.6	118.2	115.6	109.6
EBITA margin, %	9.2	11.3	11.4	11.8	12.1
Profit growth, EBITA, %	9.1	3.5	0.0	5.5	15.8
Return on working capital (P/WC), %	65.8	94.0	93.2	97.5	103.1
Profit for the period, SEKm	78.3	80.4	80.6	78.3	74.4
Debt/equity ratio, multiple*	26.9	30.1	27.7	27.7	25.0
Financial net liabilities, SEKm	641.5	18.2	29.8	13.4	-27.5
Financial net liabilities/EBITDA, multiple	4.7	0.1	0.2	0.1	-0.2
Net debt/equity ratio, multiple*	2.0	0.1	0.0	0.0	-0.1
Equity ratio, %*	22.2	40.9	50.1	44.3	48.2
Average number of employees	317	284	283	276	259
Number of employees at end of the period	423	286	288	280	273

* Key financial indicators are calculated based on equity that includes non-controlling interests.
For definitions of key financial indicators, see below.

Key financial indicators per share	12 months ending				
	31 Dec 15	31 Mar 15	31 Dec 14	31 Mar 14	31 Mar 13
Earnings per share (EPS), SEK	4.40	5.06	5.07	4.90	4.64
Cash flow per share, SEK	7.74	7.58	7.80	5.70	7.46
Shareholders' equity per share, SEK*	16.28	16.46	19.73	16.98	18.39
Average number of shares, '000s	17,809	15,892	15,892	15,892	15,892
Number of shares outstanding at end of the period, '000s	19,694	15,892	15,892	15,892	15,892

* Calculations based on proportion of equity attributable to the equity holders.

In calculating the average number of shares outstanding it was assumed that the 500,000 shares at the time of AddLife AB's formation were present throughout the reporting periods. Subsequently, the bonus element of the bonus issue carried out in July 2015 was adjusted retroactively. Since there is no listed share price for AddLife during the historical financial years, the bonus issue element was calculated based on a value per share used in the time around the non-cash issue that occurred in connection with the acquisition of Medioplast. The non-cash issue itself, carried out after the three historical financial periods, is assumed in the calculation of earnings per share to have been made at fair value and therefore does not affect earnings per share for the three periods.



Parent company summary

Income statement	3 months ending	9 months ending	1 month ending
SEKm	31 Dec 15	31 Dec 15	31 Mar 15
Administrative expenses	-8.6	-8.6	-
Operating profit/loss	-8.6	-8.6	-
Interest income and expenses and similar items	-0.5	-1.4	-
Profit after financial items	-9.1	-10.0	-
Profit/loss before taxes	-9.1	-10.0	-
Taxes	2.0	2.2	-
Profit/loss for the period	-7.1	-7.8	-
Total comprehensive income	-7.1	-7.8	-

Balance sheet, SEKm	31 Dec 15	31 Mar 15
Intangible non-current assets	0.4	-
Non-current financial assets	776.9	-
Total non-current assets	777.3	-
Current receivables	2.8	-
Cash and bank balances	32.3	0.5
Total current assets	35.1	0.5
Total assets	812.4	0.5
Equity	294.2	0.5
Current liabilities	518.2	-
Total equity and liabilities	812.4	0.5
Pledged assets	-	-
Contingent liabilities	-	-



Definitions

Return on equity	Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.
Return on working capital (P/WC)	EBITA in relation to average working capital.
EBITDA	Operating profit before depreciation and amortisation of intangible assets and property, plant and equipment.
EBITA	Operating profit before amortisation of intangible assets.
EBITA margin	EBITA in percentage of net sales.
Equity per share	Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period.
Financial net liabilities	Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.
Financial net liabilities/EBITDA	Financial net liabilities divided by EBITDA.
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.
Working capital	Sum of inventories and accounts receivable, less accounts payable. Average working capital for the year is used to calculate return on working capital (P/WC).
Equity ratio	Equity as a percentage of total assets.
Earnings per share (EPS)	Shareholders' proportion of profit/loss for the year in relation to the average number of shares outstanding.
Cash and cash equivalents	Consists of cash and bank balances as well AddLife company's claim in Addtech's cash pool.



Appendix 1.

Combined financial statements for the financial years 1 April 2012 – 31 Mars 2013, 1 April 2013 – 31 Mars 2014 and 1 April – 31 Mars 2015

The combined financial information presented in this appendix is taken from AddLife's combined financial statements for the financial years 1 April 2012 – 31 Mars 2013, 1 April 2013 – 31 Mars 2014, 1 April 2014 – 31 Mars 2015. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as adopted by the EU as well as the interpretation statements issued by the IFRS Interpretation Committee.

Combined income statement	Apr 2014 – Mars 2015	Apr 2013 – Mars 2014	Apr 2012 – Mars 2013
SEKm			
Net sales	1,056.8	983.5	906.4
Cost of sales	-661.0	-608.5	-553.2
Gross profit	395.8	375.0	353.2
Selling expenses	-227.1	-215.6	-201.6
Administrative expenses	-59.8	-55.3	-54.5
Other operating income and expenses	-1.2	-0.2	1.5
Operating profit	107.7	103.9	98.6
Financial income and expenses	-2.4	-1.5	-1.0
Profit after financial items	105.3	102.4	97.6
Tax	-24.9	-24.1	-23.2
Profit for the period	80.4	78.3	74.4
Attributable to:			
Equity holders of the Parent Company	80.4	78.0	73.8
Non-controlling interest	0.0	0.3	0.6



Combined balance sheet	31-03-2015	31-03-2014	31-03-2013
SEKm			
ASSETS			
Goodwill	123.6	122.9	121.7
Other intangible non-current assets	68.9	79.4	89.7
Property, plant and equipment	31.0	26.1	27.1
Financial non-current assets	8.7	87.0	67.8
Total non-current assets	232.2	315.4	306.3
Inventories	83.3	80.9	70.2
Current receivables	245.3	140.1	121.0
Cash and cash equivalents	82.5	76.8	111.4
Total current assets	411.1	297.8	302.6
Total assets	643.3	613.2	608.9
EQUITY AND LIABILITIES			
EQUITY			
Total equity	263.3	271.6	293.3
LIABILITIES			
Interest-bearing provisions	73.1	58.1	55.9
Non-interest-bearing provisions	12.9	18.4	22.6
Non-current interest-bearing liabilities	0.1	32.0	24.9
Total non-current liabilities	86.1	108.5	103.4
Non-interest-bearing provisions	0.7	0.2	0.0
Current interest-bearing liabilities	28.0	0.1	3.9
Current non-interest-bearing liabilities	265.2	232.8	208.3
Total current liabilities	293.9	233.1	212.2
Total equity and liabilities	643.3	613.2	608.9



Report of combined cash flow	Apr 2014 – Mars 2015	Apr 2013 – Mars 2014	Apr 2012 – Mars 2013
SEKm			
Profit after financial items	105.3	102.4	97.6
Adjustment for items not included in cash flow	23.1	23.9	31.9
Income tax paid	-15.1	-40.1	-35.5
Changes in working capital	7.1	5.4	24.6
Cash flow from operating activities	120.4	91.6	118.6
Net investments in non-current assets	-15.2	-12.3	-8.9
Acquisitions	–	–	-11.5
Cash flow from investing activities	-15.2	-12.3	-20.4
Dividend paid to shareholders	-80.0	-96.6	-92.5
Other financing activities	-20.5	-19.5	16.8
Cash flow from financing activities	-100.5	-116.1	-75.7
Cash flow for the period	4.7	-36.8	22.5
Cash and cash equivalents at beginning of period	76.8	111.4	92.8
Exchange differences on cash and cash equivalents	1.0	2.2	-3.9
Cash and cash equivalents at end of the period	82.5	76.8	111.4



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Combined financial reports for the financial years 1 April 2012 – 31 March 2013, 1 April 2013 – 31 March 2014 and 1 April – 31 March 2015

Consolidated income statement

SEKm	Note	2014/2015	2013/2014	2012/2013
Net sales	5, 6	1,056.8	983.5	906.5
Cost of sales		-661.0	-608.5	-553.3
Gross profit		395.8	375.0	353.2
Selling expenses		-227.1	-215.6	-201.6
Administrative expenses	26	-59.8	-55.3	-54.5
Other operating income	10, 26	1.3	1.1	1.6
Other operating expenses	10	-2.5	-1.3	-0.1
Operating profit	4-11, 16, 26	107.7	103.9	98.6
Financial income	26	0.8	1.2	2.6
Financial expense	12, 26	-3.2	-2.7	-3.6
Net financial items		-2.4	-1.5	-1.0
Profit before tax		105.3	102.4	97.6
Income tax expense	13	-24.9	-24.1	-23.2
PROFIT FOR THE YEAR		80.4	78.3	74.4
Attributable to:				
Equity holders of the Parent Company		80.4	78.0	73.8
Non-controlling interests		0.0	0.3	0.6
Earnings per share (EPS), (SEK) ¹⁾	30	5.06	4.90	4.64
Average number of shares after repurchases ('000s)		15,892	15,892	15,892

Consolidated statement of comprehensive income

SEKm	2014/2015	2013/2014	2012/2013
Profit for the year	80.4	78.3	74.4
<i>Components that will be reclassified to profit for the year</i>			
Foreign currency translation differences for the period	2.8	4.8	-5.8
<i>Components that will not be reclassified to profit for the year</i>			
Revaluations of defined benefit pension plans	-14.1	-1.4	4.7
Tax attributable to items not to be reversed in profit or loss	3.3	0.5	-1.3
Other comprehensive income	-8.0	3.9	-2.4
Comprehensive income for the year	72.4	82.2	72.0
Attributable to:			
Equity holders of the Parent Company	72.4	81.9	71.5
Non-controlling interests	0.0	0.3	0.5

1) The calculation of earnings per share is based on profit for the year and the weighted average number of shares outstanding. In calculating the average number of shares outstanding, it has been assumed that the 500 000 shares at the formation of the parent company have persisted throughout the reporting periods. Subsequently, the bonus element of the share issue carried out in July 2015 has been adjusted retroactively. As there is no quoted share price for AddLife during the historical financial years, the bonus element has been calculated on the basis of the value per share that were used in the connecting issue in kind that were carried profit for the year conjunction with the acquisition of Medioplast (see note 30). The issue in kind itself, carried out after the three historical financial periods, is in earnings is per share calculations assumed to have been made at fair value and therefore do not affect earnings per share for the three periods.

Consolidated balance sheet

SEKm	Note	2015-03-31	2014-03-31	2013-03-31
ASSETS				
Non-current assets				
Intangible non-current assets	14	192.5	202.3	211.4
Property, plant and equipment	15	31.0	26.1	27.1
Financial assets	17	4.8	4.7	4.5
Non-current receivables	17, 26	1.1	81.5	62.0
Deferred tax assets	13	2.8	0.8	1.3
Total non-current assets		232.2	315.4	306.3
Current assets				
Inventories	18	83.3	80.9	70.2
Tax assets		3.2	13.2	4.6
Accounts receivable	4	134.2	112.7	102.9
Prepaid expenses and accrued income	19	7.3	7.6	7.7
Other receivables	26	100.6	6.6	5.8
Cash and cash equivalents	26	82.5	76.8	111.4
Total current assets		411.1	297.8	302.6
TOTAL ASSETS		643.3	613.2	608.9
EQUITY AND LIABILITIES				
Shareholders' equity				
	20			
Share capital		0.5	–	–
Reserves		–0.2	–3.0	–7.8
Retained earnings, including profit for the year		262.7	273.8	300.1
Non-controlling interests		0.3	0.8	1.0
Total shareholders' equity		263.3	271.6	293.3
LIABILITIES				
Non-current liabilities				
Non-current interest-bearing liabilities	23, 26	0.1	32.0	24.9
Provisions for pensions	21	73.1	58.1	55.9
Deferred tax liabilities	13	12.9	18.4	22.6
Total non-current liabilities		86.1	108.5	103.4
Current liabilities				
Current interest-bearing liabilities	24, 26	28.0	0.1	3.9
Accounts payable		85.2	70.6	60.0
Tax liabilities		3.3	0.2	4.3
Other liabilities	26	131.3	118.3	104.1
Accrued expenses and deferred income	25	45.4	43.7	39.9
Provisions	22	0.7	0.2	0.0
Total current liabilities		293.9	233.1	212.2
Total liabilities		380.0	341.6	315.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		643.3	613.2	608.9

For information about contingent liabilities and pledged assets, see note 27.

Consolidated cash flow statement

SEKm	Note	2014/2015	2013/2014	2012/2013
OPERATING ACTIVITIES				
Profit after financial items		105.3	102.4	97.6
Adjustment for items not included in cash flow	28	23.1	23.9	31.9
Income tax paid		-15.1	-40.1	-35.5
Cash flow from operating activities before changes in working capital		113.3	86.2	94.0
Cash flow from changes in working capital				
Changes in inventories		-1.5	-9.9	1.9
Changes in operating receivables		-18.2	-7.1	-5.6
Changes in operating liabilities		26.8	22.4	28.3
Cash flow from operating activities		120.4	91.6	118.6
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment		-15.4	-12.9	-9.2
Disposal of property, plant and equipment		1.2	1.0	0.7
Acquisition of intangible non-current assets		-1.0	-0.4	-0.4
Acquisition of operations, net liquidity effect	28	-	-	-11.5
Cash flow from investing activities		-15.2	-12.3	-20.4
FINANCING ACTIVITIES				
Borrowings		0.8	6.3	19.6
Repayments on loans		-5.2	-4.0	-0.7
Other financing		-15.7	-21.3	-1.5
Dividend paid to equity holders of the Parent Company		-80.0	-96.6	-92.5
Dividend paid to non-controlling interests		-0.4	-0.5	-0.6
Cash flow from financing activities		-100.5	-116.1	-75.7
Cash flow for the year		4.7	-36.8	22.5
Cash and cash equivalents at beginning of year		76.8	111.4	92.8
Exchange differences on cash and cash equivalents		1.0	2.2	-3.9
Cash and cash equivalents at year-end		82.5	76.8	111.4

Consolidated statement of changes in equity

SEKm	Share capital	Reserves	Retained earnings including profit for the year	Total	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE 2012-04-01	-	-2.0	301.8	299.8	1.1	300.9
Profit for the year	-	-	73.8	73.8	0.6	74.4
Foreign currency translation differences for the period	-	-5.8	-	-5.8	-0.1	-5.9
Actuarial effects of the pension obligation	-	-	4.7	4.7	-	4.7
Tax attributable to other comprehensive income	-	-	-1.3	-1.3	-	-1.3
Other comprehensive income	-	-5.8	3.4	-2.4	-0.1	-2.5
Total comprehensive income	-	-5.8	77.2	71.4	0.5	72.9
Dividend	-	-	-92.5	-92.5	-0.6	-93.1
Contribution from shareholders	-	-	13.6	13.6	-	13.6
EQUITY, CLOSING BALANCE 2013-03-31	-	-7.8	300.1	292.3	1.0	293.3

SEKm	Share capital	Reserves	Retained earnings including profit for the year	Total	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE 2013-04-01	-	-7.8	300.1	292.3	1.0	293.3
Profit for the year	-	-	78.0	78.0	0.3	78.3
Foreign currency translation differences for the period	-	4.8	-	4.8	0.0	4.8
Actuarial effects of the pension obligation	-	-	-1.4	-1.4	-	-1.4
Tax attributable to other comprehensive income	-	-	0.5	0.5	-	0.5
Other comprehensive income	-	4.8	-0.9	3.9	0.0	3.9
Total comprehensive income	-	4.8	77.1	81.9	0.0	81.9
Dividend	-	-	-103.4	-103.4	-0.5	-103.9
EQUITY, CLOSING BALANCE 2014-03-31	-	-3.0	273.8	270.8	0.8	271.6

SEKm	Share capital	Reserves	Retained earnings including profit for the year	Total	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE 2014-04-01	-	-3.0	273.8	270.8	0.8	271.6
Profit for the year	-	-	80.4	80.4	0.0	80.4
Foreign currency translation differences for the period	-	2.8	-	2.8	0.0	2.8
Actuarial effects of the pension obligation	-	-	-14.1	-14.1	-	-14.1
Tax attributable to other comprehensive income	-	-	3.3	3.3	-	3.3
Other comprehensive income	-	2.8	-10.8	-8.0	0	-8.0
Total comprehensive income	-	2.8	69.6	72.4	0	72.4
Registration of share capital	0.5	-	-	0.5	-	0.5
Dividend	-	-	-80.0	-80.0	-0.4	-80.4
Change in non-controlling interests	-	-	-0.7	-0.7	-0.1	-0.8
EQUITY, CLOSING BALANCE 2015-03-31	0.5	-0.2	262.7	263.0	0.3	263.3

Key financial indicators

SEKm	April 2014 – March 2015	April 2013 – March 2014	April 2012 – March 2013
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
Net sales, SEKm ¹⁾	1,056.8	983.5	906.5
EBITA, SEKm ²⁾	119.6	115.6	109.6
Profit margin, % ²⁾	11.3	11.8	12.1
Profit growth EBITA, % ²⁾	3.5	5.5	15.8
Return on working capital (P/WC), % ^{2), 4)}	94.0	97.5	103.1
Profit for the period, SEKm ¹⁾	80.4	78.3	74.4
Return on equity, % ^{2), 3), 4)}	30.1	27.7	25.0
Financial net liabilities, SEKm ²⁾	18.2	13.4	-27.5
Financial net liabilities/EBITDA, times ^{2), 4)}	0.1	0.1	-0.2
Net debt/equity ratio, times ^{2), 3)}	0.1	0.0	-0.1
Equity ratio, % ^{2), 3)}	40.9	44.3	48.2
Average number of employees ²⁾	284	276	259
Number of employees at end of period ²⁾	286	280	273

1) IFRS key indicators.

2) Not IFRS key indicators.

3) The key indicators are calculated based on equity that included non-controlling interests.

4) The key indicators are calculated on a full-year basis.

Notes

NOTE 1 | GENERAL INFORMATION

AddLife AB (the parent company) and its subsidiaries form the AddLife Group. The Group comprises approximately 25 operating subsidiaries active in the Nordic Life Science market. The Group is a leading independent supplier of equipment, instruments and reagents from leading global suppliers to customers primarily in the healthcare sector, laboratory research, academia, as well as the food and pharmaceutical industries.¹⁾ The Group operates in the Nordic countries.

AddLife AB, corporate identity number 556995-8126, is a registered limited liability company with its registered office in Stockholm, Sweden.

NOTE 2 | SUMMARY OF IMPORTANT ACCOUNTING POLICIES

Basis of preparation of the combined financial statements

The Group was formed on 22 June 2015 when AddLife AB acquired 20 companies ("the Subsidiaries") that were part of Addtech AB's Life Science segment from Addtech Nordic AB at the carrying amount. Please see note 33 for a specification of the 20 companies. Since the businesses did not historically comprise a group under IFRS definitions, there are no consolidated financial statements for the period prior to 22 June 2015. The historical financial information for the period prior to 22 June 2015 has therefore been prepared as combined financial statements for the reporting entity comprising AddLife AB and the 20 subsidiaries.

A prerequisite for the preparation of combined financial statements is that there is a binding element for the companies whose economic activities are combined. The 20 acquired companies were at the time of acquisition and during the periods covered by the combined financial statements, wholly-owned or in three cases majority-owned subsidiaries of Addtech Nordic AB and therefore were, together with AddLife, within the common control of Addtech. The presence of common control is the determining binding element that allows the preparation of combined financial statements for AddLife. Since IFRS does not provide specific guidance on how to prepare combined financial statements, AddLife has defined the following principles for preparing the combined financial statements.

The combined financial statements are based on historical carrying values as they have been reported in Addtech AB's consolidated annual reports ("predecessor method of accounting"). Adjustments have been made to eliminate transactions between the companies included in the combined financial statements.

Net debt in the financial statements consist of the historically reported net debt of the reporting entity.

Intercompany transactions

All receivables and liabilities to Addtech AB and other companies within the Addtech Group are presented as external assets and liabilities. Transactions with these companies are regarded as related party transactions. See note 26 Related-party transactions for more information.

Overhead costs

During the historical financial periods, the individual companies within AddLife have been provided with services such as management, controller, accounting and IT from Addtech AB. Costs for these services have been allocated to the companies based on a cost distribution key that is primarily based on the companies' share of the Addtech Group's net sales and number of full-time positions.

Earnings per share

AddLife AB was registered on 15 December 2014, for which reason share capital has not existed during the entire historical financial periods.

Because of this, AddLife has chosen to base earnings per share calculations on the intended number of shares at the time of listing, with adjustments for stock transactions that took place between the time of registration of the share capital and listing (see note 30).

Taxes

Reported taxes in the combined financial statements consist of the constituent companies' reported current and deferred taxes. Current taxes are based on the amounts paid by each entity, as well as deferred taxes based on what is expected to be settled by the companies in the future.

IFRS 1 (First-time Adoption of IFRS) is applied

AddLife have not previously prepared financial statements under IFRS and must therefore apply IFRS 1 First-time Adoption of IFRS. Under IFRS 1, a subsidiary that adopts IFRS later than its parent company may choose to value its assets and liabilities at the carrying amounts that would be included in the parent company's accounts based on the parent company's transition to IFRS. AddLife has chosen this option, which means that the consolidated values included in the Addtech Group's reporting are used as the basis for the carrying amounts used in AddLife AB's combined financial statements.

General accounting policies

The combined financial statements for the Group were prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Union (EU). In addition to this, Recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, have been applied.

Presentation of the annual report

The financial statements are in millions of Swedish kronor (SEK million) unless otherwise stated. AddLife AB's functional currency is Swedish kronor, as is the reporting currency for the Group. Assets and liabilities are recognised at historical cost, except for currency derivatives that are measured at fair value.

Preparing financial reports according to IFRS requires that management makes judgements and estimates as well as assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and numerous other factors deemed reasonable under the circumstances at the time. Actual outcomes may differ from these judgements and estimates. Estimates and assumptions are reviewed regularly. Changes to estimates are recognised in the period when the change is made if the change only affected that period. If the change affects current and future periods, it is recognised in the period when the change is made and in future periods. Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates that can cause material adjustments in the next year's financial statement are further described below in note 2.

The combined financial statements have been prepared in compliance with IAS 1 Presentation of Financial Statements, which means that, *inter alia*, separate income statements and balance sheets, as well as statements of other comprehensive income, financial position, changes in shareholders' equity and cash flow, have been prepared and that notes are provided that detail the accounting policies and disclosures applied.

1) Source: ADL Market Report.

Assets are divided into current assets and non-current assets. An asset is considered as a current asset if it is expected to be realised within 12 months of the end of the reporting period or within the Company's operating cycle. 'Operating cycle' refers to the time elapsed from the start of production until the Company receives payment for goods or services delivered. The Group's operating cycle is judged to be less than one year.

If an asset does not fulfil the current asset criterion, it is classified as a non-current asset.

Receivables and liabilities, as well as income and expenses, are offset only if required or if expressly permitted under IFRS.

Liabilities are divided into current liabilities and non-current liabilities. Current liabilities are liabilities to be paid within 12 months of the end of the reporting period or, in the case of operating liabilities only, that are expected to be paid within the operating cycle. As this takes into account the operating cycle, no non-interest-bearing liabilities, such as accounts payable or accrued staff costs, are recognised as non-current liabilities.

New or amended IFRS issued but not yet in force

IFRS 9 "Financial Instruments"

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. Through IFRS 9, the IASB has completed an entire "package" of changes regarding reporting of financial instruments. The package includes revised guidance for classification and measurement of financial instruments, a forward-looking expected loss impairment model and simplified requirements for hedge accounting. IFRS 9 becomes effective on 1 January 2018 and early adoption is permitted provided that the EU adopts the standard. The EU plans to approve the standard during the second half of 2016. The Group is assessing the potential impact of IFRS 9, but preliminary assessment suggests that IFRS 9 will not have any material impact on the consolidated financial statements.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from Contracts with Customers" is a new standard for recognition of revenue. The purpose of the new revenue recognition standard is to have a single principle-based standard for all industries to replace existing standards and statements about revenue. The Group is assessing the impact of IFRS 15. Areas that may preliminarily be affected include the need for merging contracts, division of the Group's transactions into the various performance obligations for the sale of machinery, reagents, service and training, etc., as well as identification and allocation of the transaction price for the various performance obligations. Since the Group is still assessing the effects of the new standard, a decision has yet to be made regarding what transition rules will be applied. IFRS 15 allows three approaches to handle the transition. The Group will be affected by the new expanded disclosure requirements regarding revenue, in both interim and annual reports. IFRS 15 becomes effective in 2018 and early adoption is permitted provided that the EU adopts the standard. The EU is expected to approve IFRS 15 in the second quarter of 2016.

IFRS 16 "Leases"

IFRS 16 Leases: New standard relating to reporting of leases. Lessees will no longer have the option of classification under IAS 17 of finance and operating leases, which will be replaced with on-balance sheet recognition of assets and liabilities for all leases. There are two exemptions to the requirements for recognition on the balance sheet: leases of low value items or short-term leases of 12 months or less. In the income statement, depreciation is reported separately from interest expense attributable to the lease liability. No major changes are expected for lessors as the rules of IAS 17 will essentially be retained, with the exception of additional disclosure requirements. IFRS 16 is preliminarily not expected to have any significant effect on the consolidated financial statements. IFRS 16 will be applied from 1 January 2019. Early application is permitted provided that IFRS 15 is also applied from the same date.

Consolidated financial statements

The combined financial statements are based on historical carrying values as they have been reported in Addtech AB's consolidated annual reports (predecessor method of accounting). The combined financial statements include the parent company and the companies described in note 33. The combined financial statements follow the principles in IFRS 10 Consolidated Financial Statements, which states that controlling influence exists if the parent company has influence over the object of investment, is exposed or entitled to variable yield from its involvement and can exert its influence over the investment to affect the yield. In the assessment of whether controlling influence exists, potential shares with an entitlement to vote are considered, as well as whether de facto control exists.

The acquisition method is applied in the combined financial statements. This means, in brief, that identifiable assets, liabilities and contingent liabilities in the company acquired are measured and recognised in the consolidated financial statements as if they had been acquired directly by purchase and not indirectly by acquisition of the company's shares. The valuation is based on fair values. If the value of the net assets is less than the acquisition price, consolidated goodwill arises. If the opposite occurs, the difference is recognised directly in profit or loss. Goodwill is determined in local currency and is recognised at cost, less any impairment losses. Companies acquired or disposed of are consolidated or deconsolidated, respectively, from the date of acquisition or disposal. The acquisition entries included in the combined financial statements have been taken over from the acquisition entries reported by Addtech historically.

Contingent considerations are measured at fair value at the time of the transaction and are subsequently revalued on each reporting occasion. Effects of the revaluation are recognised as income or expense in the consolidated profit or loss. Transaction costs in conjunction with acquisitions are expensed. It is possible for a holding that is not a controlling interest to be measured at fair value upon acquisition, which means that goodwill is included in non-controlling interests. Alternatively, non-controlling interests constitute part of net assets. The choice is determined individually for each acquisition.

Intragroup receivables and liabilities as well as transactions between companies included in the combined financial statements, as well as related unrealised gains, are wholly eliminated. Unrealised losses are eliminated in the same way as unrealised gains, except in the case of a need of impairment.

Exchange rate effects

Translation of the financial reports of foreign Group companies

Assets and liabilities in foreign operations, including goodwill and other surpluses and deficits on consolidation, are converted to Swedish kronor using the exchange rate prevailing at the end of the reporting period. Income and expenses in foreign businesses are converted to Swedish kronor using the average rate, which is an approximation of the rates prevailing at the time of each transaction. Translation differences resulting from the conversion of foreign operations' accounts are recognised through other comprehensive income in the foreign currency translation reserve in equity.

Transactions denominated in foreign currencies

A transaction denominated in a foreign currency is converted to the functional currency at the rate of exchange on the transaction date. Monetary assets and liabilities in foreign currency are converted to the functional currency using the rate prevailing at the end of the reporting period. Nonmonetary assets and liabilities recognised at historical cost are converted using the exchange rate at the time of the transaction. Exchange differences that arise in conversion are recognised in profit or loss. Exchange differences on operating receivables and operating liabilities are included in operating profit or loss, while exchange differences on financial receivables and liabilities are recognised among financial items.

The Group uses forward foreign exchange contracts to a certain extent to reduce its exposure to exchange rate fluctuations. Forward foreign exchange contracts are recognised at fair value at the end of the reporting period.

Financial assets and liabilities, recognition and de-recognition

Financial instruments recognised among assets in the balance sheet include cash and cash equivalents, loan receivables, accounts receivable, financial investments and derivatives. The liabilities include accounts payable, loans payable, contingent considerations and derivatives. A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party in accordance with the terms and conditions of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has completed its undertaking and a contractual obligation to pay exists, even if no invoice has yet been received. A financial asset (or part thereof) is removed from the balance sheet when the rights in the agreement are realised or expire or the Company loses control over them. A financial liability (or part thereof) is removed from the balance sheet when the obligation in the contract is fulfilled or in some other way ceases to exist. A financial asset and a financial liability are only offset and recognised at the net amount in the balance sheet when the Company is legally entitled to offset their amounts and the Company intends to settle the items with a net amount or simultaneously realise the asset and settle the liability.

Financial assets and liabilities, measurement and classification

A financial instrument that is not a derivative is initially recognised at cost, equivalent to the instrument's fair value plus transaction costs. This applies to all financial instruments except those in the category of financial assets, which are measured at fair value through profit or loss. At initial recognition, a financial instrument is classified based on the purpose for which it was acquired. The classification determines how the financial instrument is measured after initial recognition, as described below.

Financial instruments measured at fair value are classified in a hierarchy based on the origin of the inputs used in the evaluation. At level 1 are financial instruments with a price quoted in an active market. Level 2 comprises financial instruments whose value is determined based on observable market data, though not prices quoted in an active market. Level 3 includes using inputs, such as cash-flow analyses, not based on observable market data.

Financial assets and liabilities measured at fair value through profit or loss

This category consists of two subgroups: financial assets and liabilities held for trading, and other financial assets and liabilities that the Company initially chose to place in this category. The first group includes derivatives unless they are designated hedging instruments. The other group contains contingent considerations in conjunction with acquisitions of subsidiaries.

Accounts receivable and loan receivables

Loan receivables and accounts receivable are financial assets that are not derivatives, with fixed payments or with payments that can be determined, and that are not quoted on an active market. Assets in this category are measured at amortised cost.

Accounts receivable are recognised at the amount expected to be recovered, after deduction for doubtful receivables, assessed individually. The expected maturities of accounts receivable are short, therefore they are recognised at nominal amounts without discounting. Impairment losses on accounts receivable are recognised in operating expenses.

Unlisted equity instruments carried at cost

A holding of unlisted shares in housing companies, whose fair value cannot be reliably calculated, is measured at cost and tested for impairment when an indication of impairment is observed.

Other financial liabilities

Loans and other financial liabilities, such as accounts payable, are included in this category. These liabilities are measured at amortised cost. Accounts payable are measured at nominal amounts without discounting.

Derivatives and currency hedging

Foreign currency exposure related to future contractual and forecasted flows is hedged with forward exchange contracts, swaps and currency clauses in customer and supplier contracts. An embedded derivative, for example a currency clause, is disclosed separately unless closely related to its host contract. Derivatives are initially recognised at fair value, which means that transaction costs are charged to profit or loss for the period. After the initial recognition, the derivative instrument is measured at fair value. Neither futures, swaps nor embedded derivatives in currency clauses are reported as hedging at this time. Increases and decreases in value are recognised as income or expense in operating profit.

FINANCIAL ASSETS AND LIABILITIES, CLASSIFICATION

Cash and cash equivalents

Cash and cash equivalents consists of cash and funds immediately available in banks and equivalent institutions, as well as short-term liquid investments that mature within three months of the time of acquisition, and are subject to only a negligible risk of fluctuation in value.

Financial receivables and investments

If the anticipated holding period of the asset is longer than one year, the receivable is a non-current receivable; if shorter, it is an other current receivable. Financial investments are classified either as non-current financial assets or current investments, depending on the purpose of the holding. If the maturity or the anticipated holding period is longer than one year, such financial investments are considered non-current investments; if shorter than one year, current investments.

Liabilities

Non-current liabilities consist of liabilities that the Group has an unconditional right to pay later than one year from the end of the reporting period and that are intended to be paid later than one year. Other liabilities are current.

Property, plant and equipment

Property, plant and equipment are recognised at cost, less accumulated depreciation and any impairment losses. The cost comprises the purchase price, including customs and excise duties, as well as costs directly attributable to the asset to bring it to the location in such condition that it can be used as intended by the acquisition. Discounts and the like are deducted from the purchase price. Examples of directly attributable costs included in the cost are shipping and handling, installation, legal ratification and consulting services.

Additional expenditure for an item of property, plant and equipment is only added to the cost if it increases the future economic benefits. All other expenditure, such as expenditure for repair and maintenance, is expensed on a current basis. A decisive factor as to when an incremental expenditure should be added to the cost is whether the expenditure refers to the replacement of identified components or parts thereof, in which case the expenditure is capitalised. Also, if a new component has been created, the expenditure is added to the cost.

Any undepreciated carrying amounts for replaced components, or parts of components, are retired and expensed in conjunction with the replacement.

Any impairment is reported as per IAS 36 Impairment of Assets.

Depreciation is effected on a straight-line basis over the estimated useful life and taking account of any residual value at the end of that period.

Property, plant and equipment comprising parts that have different useful lives are treated as separate components.

The carrying amount of an item of property, plant and equipment is removed from the balance sheet upon retirement or disposal of the asset, or when no future economic benefits are expected to be derived from its use. Gains or losses realised upon the disposal or retirement of an asset consist of the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains or losses are recognised as other operating income or other operating expense.

Property, plant, and equipment	Useful life	Intangible assets	Useful life
Buildings	20–100 years	Supplier relationships	10 years
Equipment	3–5 years	Software for IT operations	3–5 years
Machinery	3–10 years	Technology	13 years
Land improvements	10 years	Trademarks	Indeterminable

Leases

When accounting for leases, a distinction is made between finance and operating leases. A finance lease is characterised by the lessee assuming, in all essential respects, the economic benefits and risks associated with ownership of the asset. If that is not the case, the lease is regarded as an operating lease.

Significant finance leases are recognised as non-current assets, initially valued at the present value of the minimum lease payments when the agreement was entered into. On the liabilities side, the present value of remaining future lease payments is recognised as interest-bearing non-current and current liabilities. The asset is depreciated over its useful life, usually corresponding to the lease period, taking into account any residual value at the end of the period. Impairment is tested in accordance with IAS 36 Impairment of Assets.

Lease payments are divided into interest and amortisation of the liability. Other lease obligations are recognised as per rules for operating leases, such that lease payments are charged as an operating expense on a straight-line basis during the lease period. Variable charges are recognised as an expense in the period they are incurred.

Intangible assets

Intangible non-current assets are recognised in accordance with IAS 38 Intangible Assets at cost, less accumulated amortisation, and are divided between goodwill and other intangible non-current assets. Any impairment of intangible assets is recognised as per IAS 36 Impairment of Assets.

An intangible asset is an identifiable nonmonetary asset, without physical substance, that is used for marketing, producing or supplying goods or services, or for rental and administration. To be recognised as an asset, it must be probable that the future economic benefits attributable to the asset will benefit the Company and that the (acquisition) cost can be calculated reliably.

Additional expenditure for an intangible asset is only added to the cost if it increases future economic benefits beyond the original assessment and if the expenditure can be calculated reliably. All other expenditure is expensed as it is incurred.

Goodwill represents the difference between the cost, in connection with a business combination, and the fair value of acquired assets, assumed liabilities and contingent liabilities.

Goodwill and intangible non-current assets with indefinable useful lives are measured at cost, less any accumulated impairment losses. Goodwill and intangible non-current assets with indefinable useful lives are allocated among cash-generating units and are not amortised but are tested for impairment on an annual basis.

Intangible assets aside from goodwill are recognised at their original cost, less accumulated amortisation and impairment losses.

Amortisation is charged primarily on a straight-line basis and is based on the useful lives of the assets, which are reviewed on an annual basis. An asset's useful life is based on historical experience of use of similar assets, areas of application and other specific features of the asset.

Amortisation is included in cost of sales, selling expenses or administrative expenses, depending on where in the business the assets are used.

Expenditure for development, in which the results of research or other knowledge are applied to achieve new or improved products or processes, is recognised as an asset in the balance sheet if the product is technically and commercially viable and the Company has sufficient resources to complete development and subsequently use or sell the intangible asset. Other development expenditure is expensed as it is incurred.

Expenditure for internally generated goodwill and trademarks is recognised in profit or loss as an expense as it is incurred.

IMPAIRMENT LOSSES

Property, plant, and equipment and intangible assets

The carrying amounts of Group assets are tested as soon as there is indication that the asset in question has decreased in value. If such indication exists, impairment is determined after calculating the recoverable amount of the asset, which is the higher of an asset's value in use and its fair value. Impairment loss is recognised if the recoverable amount is less than the carrying amount. The value in use is calculated as the present value of future payments that the Company is expected to receive by using the asset. The estimated residual value at the end of the useful life is included in the value in use. If the recoverable amount of an individual asset cannot be determined, the recoverable amount is set at the recoverable amount for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest group of assets that give rise to continuous payment surpluses independent of other assets or groups of assets. Goodwill on consolidation is attributable to the cash-generating unit to which the goodwill is linked. Impairment losses are reversed when the reasons for the impairment, wholly or partly, no longer exists. However, this does not apply to goodwill or intangible non-current assets with indefinable useful lives.

For goodwill and other intangible assets with indefinable useful lives and for intangible assets not yet ready for use, the recoverable amount is calculated annually and more frequently if impairment indicators arise.

Financial assets

When accounts are prepared for reporting, the Company assesses whether there is objective evidence that any financial asset or group of assets is impaired. The recoverable amount of loan receivables and accounts receivable recognised at amortised cost is calculated as the present value of future cash flows discounted by the effective interest rate prevailing when the asset was first recognised. Assets with short maturities are not discounted. Impairment losses are charged to the income statement.

Inventories

Inventories, that is, raw materials and finished goods for resale, are carried at the lower of cost and net realisable value, hence taking into account the risk of obsolescence. The cost is calculated using the first in, first out (FIFO) principle or weighted average prices.

In the case of finished and semifinished goods manufactured in-house, the cost consists of direct manufacturing costs and a reasonable portion of indirect manufacturing costs. Normal capacity utilisation is taken into account in valuation.

Capital

No expressed measure of financial position related to shareholders' equity is used internally.

Historically AddLife has not had a dividend policy. The dividends paid during the financial years 2012/2013, 2013/2014 and 2014/2015 were determined by Addtech AB based on the equity ratio of each company.

AddLife's future dividend policy involves a payout ratio exceeding 30 to 50 percent of profit after tax over a business cycle.

EMPLOYEE BENEFITS

Employee benefits are recognised in the consolidated financial statements as per IAS 19 Employee Benefits.

Employee benefits after termination of employment, pension obligations

AddLife has defined benefit pension plans in Sweden and Norway. In these plans, a pension is determined mainly by the salary received at the time of retirement. The plans cover a small number of employees; some defined-contribution plans also apply. Subsidiaries in other countries in the Group have defined contribution pension plans.

A distinction is made between defined contribution pension plans and defined benefit pension plans. In defined-contribution plans, the Company pays stipulated fees to a separate legal entity and has no obligation to pay additional fees. Costs are charged to the Group's profit or loss at the rate at which the benefits are earned. In defined benefit pension plans, benefits are paid to current and former employees based on their salary upon retirement and the number of years of service. The Group bears the risk for payment of promised benefits.

The Group's net obligation to defined benefit plans is calculated individually for each plan by estimating future benefits that employees have earned through employment in current and previous periods. These benefits are discounted to a present value, and any unreported costs related to service in previous periods and the fair value of any plan assets are deducted.

Defined benefit pension plans are both funded and unfunded. When a plan is funded, its assets have been separated into so-called plan assets. These plan assets can only be used for payments of benefits as per the pension agreements. The net value of the estimated present value of the obligations and the fair value of plan assets is recognised in the balance sheet, either as a provision or as a non-current financial receivable. When a surplus in a plan cannot be fully utilised, only the portion of the surplus that the Company can recover through reduced future fees or repayments is recognised.

Offsetting a surplus in one plan against a deficit in another plan will only take place if the Company is entitled to utilise a surplus in one plan to settle a deficit in another plan, or if the obligations are intended to be settled on a net basis.

The pension cost and pension obligation for defined benefit pension plans are calculated using the Projected Unit Credit Method. This method distributes the cost of pensions at the rate at which employees perform services for the Company that increase their rights to future benefits. The aim is to expense expected future pension payouts in a manner that provides an even cost over the employee's period of employment.

This calculation takes into account anticipated future salary increases and anticipated inflation. The Company's obligation is calculated annually by independent actuaries.

The discount rate used is equivalent to the interest rate on high-quality corporate bonds or mortgage-backed bonds with a maturity equivalent to the average maturity of the obligation and currency. For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis and for Norwegian pension liabilities, the interest rate for Norwegian corporate bonds is used.

Revaluations may arise when establishing the obligation's present value and fair value on plan assets. These may arise either because the actual outcome differs from previously made assumptions (experience-based adjustments), or because assumptions were changed. These revaluations are recognised in the balance sheet and the income statement under other comprehensive income. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows. The discount rate used is equivalent to the interest rate on high-quality corporate bonds or government bonds with a maturity equivalent to the average maturity of the obligation and currency.

A portion of the Group's defined benefit pension obligations has been financed through premiums to Alecta. The required information cannot be obtained from Alecta, therefore these pension obligations are reported as a defined-contribution plan.

Payroll tax is a part of the actuarial assumption and is therefore reported as part of the net obligation/asset. The portion of payroll tax that is calculated based on the Swedish Pension Obligations Vesting Act (Sw. *Tryggar-*

delagen) for a legal entity is stated, for reasons of simplicity, as accrued costs instead of as part of the net obligation/asset.

Tax on returns is reported in the income statement for the period the tax refers to and is thus not included in the calculation of debt. For schemes run as funds, tax is levied on returns for plan assets and reported in other comprehensive income. For schemes not run as funds or run partly as funds, tax is included in profit or loss.

When the cost of a pension is determined differently in a legal entity than in the Group, a provision or claim for taxes on pension costs is recognised, such as a special employer's contribution for Swedish companies based on this difference. The present value for the provision or claim is not calculated.

Benefits upon termination of employment

A cost for benefits in conjunction with termination of employment is recognised only if there is a formal, detailed plan to terminate employment prior to the normal date.

Short-term benefits

Short-term benefits to employees are calculated without discounting and are recognised as an expense when the related services are performed.

A provision for the expected costs of bonus disbursements is recognised when the Group has a valid legal or informal obligation to make such payments as a result of services received from employees and where the obligation can be calculated reliably.

Provisions and contingent liabilities

A provision is recognised in the balance sheet when the Company has a formal or informal obligation as a result of a transpired event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. If the effect is material, the provision is based on a present value calculation.

Provisions are made for future costs resulting from warranty undertakings. The calculation is based on expenditure during the financial year for similar undertakings or the estimated costs for each undertaking.

Provisions for restructuring costs are recognised when a detailed restructuring plan has been adopted and the restructuring has either begun or been announced.

Contingent liabilities are recognised when a possible undertaking exists stemming from past events and the existence of the undertaking is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the Company's control. Other obligations are also recognised as contingent liabilities if they result from past events but are not recognised as a liability or provision because it is unlikely that an outflow of resources will be required to settle the undertaking or because the size of the undertaking cannot be determined with sufficient accuracy.

Revenue recognition

Sales revenue and revenue from projects in progress are recognised as per IAS 18 Revenue. The fair value of what has been received, or what will be received, is recognised as sales revenue. Deductions are made for value added tax, returns, discounts and price reductions. Revenue from sales of goods is recognised when certain requirements have been met. These requirements are that material risks and benefits associated with ownership of the goods have been transferred to the purchaser, that the selling company does not retain any involvement in ongoing administration nor does it exert any real control over the goods sold, that the revenue can be calculated reliably, that it is likely that the economic benefits that the Company will obtain from the transaction will accrue to the Company, and that the expenses that have arisen or are expected to arise as a result of the transaction can be calculated reliably.

Revenue from projects in progress is recognised in increments as projects are completed. The degree of completion is determined on the basis of accumulated project expenses at the end of the period as a proportion of estimated total project expenses. If future costs to complete a

project are estimated to exceed remaining revenue, a provision is made for estimated losses.

Lease revenue is recognised on a straight-line basis in profit or loss based on the terms of the lease.

Financial income and expenses

Interest income on receivables and interest expense on liabilities are computed using the effective interest method. The effective rate is the interest rate that makes the present value of all future receipts and payments during the period of fixed interest equal to the carrying amount of the receivable or liability. Interest expenses and income include accrued amounts of any transaction costs, rebates, premiums and other differences between the original value of the item and the amount paid/received upon maturity. Interest and dividends are recognised as income when it is probable that the economic benefits associated with the transaction will accrue to the Company and that the income can be calculated reliably.

Tax on income

Tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the associated tax effect is also recognised in other comprehensive income or equity. Current tax refers to tax that is to be paid or refunded for the current year. This also includes adjustments of current tax attributable to prior periods.

Deferred tax is calculated using the liability method based on temporary differences between carrying amounts and tax bases of assets and liabilities. The amounts are calculated depending on how the temporary differences are expected to be settled and by applying the tax rates and tax rules enacted or announced at the end of the reporting period. Temporary differences are not taken into account in Group goodwill, nor in differences attributable to interests in subsidiaries or associates owned by Group companies outside Sweden that are not expected to be taxed in the foreseeable future. In the consolidated financial statements, untaxed reserves are allocated to deferred tax liability and equity. Deferred tax assets related to deductible temporary differences and tax loss carry-forwards are only recognised to the extent it is likely they will reduce tax payments in the future.

Segment reporting

Assets and liabilities as well as income and expenses are attributed to the segment where they are used, earned and consumed, respectively. The operating segment's earnings are monitored by the highest executive decision-maker, i.e. the CEO of AddLife.

The division into operating segments is based on the business area organisation in AddLife, which are LabTech and MedTech. The division into business areas reflects AddLife's internal organisation and reporting system. The business grouping in AddLife reflects a natural division of markets within the Life Science market. Operations that do not belong to these areas of operation are included under the heading Group items.

Cash flow statement

In preparing the cash flow statement, the indirect method is applied. In addition to flows of cash and bank funds, current investments maturing within three months of the acquisition date that can be converted into bank deposits at an amount known beforehand are classified as cash and cash equivalents.

Events after the reporting period

Events that occurred after the reporting period but whose circumstances were identifiable at the end of the reporting period are included in the reporting. If significant events occurred after the reporting period but did not affect the recognised results of operations or financial position, the event is disclosed in note 32.

Personnel information

The Swedish Annual Accounts Act requires more information than IFRS, including information about the gender of the Board of Directors and management.

Data on gender distribution refer to the situation at the end of the reporting period. 'Members of the Board of Directors' are directors, elected by a general meeting of shareholders, in the parent company and in Group companies. 'Members of senior management' are people in Group management, Managing Directors and vice MDs at Group companies.

NOTE 3 | CRITICAL ESTIMATES AND ASSUMPTIONS

The carrying amounts of certain assets and liabilities are based in part on estimates and assumptions. This applies particularly to impairment testing of goodwill (note 14) and to defined benefit pension obligations (note 21). Assumptions and estimates are continually evaluated and are based on historical experience and expectations regarding future events deemed reasonable under prevailing circumstances.

Tests are performed each year to determine if goodwill is impaired.

The recoverable amount for cash generating units has been determined by calculating values in use. For these calculations, certain estimates must be made.

A portion of the Group's pension obligations for salaried employees is on a defined benefit basis and is covered by collective policies with Alecta. Currently, it is impossible to obtain data from Alecta on the Group's share of obligations and plan assets, so the pension plan with Alecta must be recognised as a defined-contribution plan. The consolidation ratio reported by Alecta does not indicate any deficit, but it is not possible to obtain detailed information from Alecta about the size of the pension obligation.

The present value of pension obligations recognised as defined benefit plans depends on multiple factors determined on an actuarial basis using a number of assumptions. In establishing these assumptions, AddLife consults with actuaries, and for the Norwegian pension liabilities AddLife complies with the guidelines issued by The Norwegian Accounting Standards Board. The assumptions used to determine the present value of the obligation include the discount rate and salary increases. Each change in these assumptions will affect the carrying amount of pension obligations. See also note 21.

Changes in tax laws in the countries where AddLife operates could change the amount of tax liabilities and assets recognised. In addition, the interpretation of current tax laws can affect reported tax asset/liability. Assessments are made to determine both current and deferred tax assets/liabilities. The actual results may deviate from these estimates, in part because of changes in the business climate or the tax rules.

NOTE 4 | FINANCIAL RISK AND RISK MANAGEMENT

Goals and policy for risk management

AddLife strives for structured and efficient management of the financial risks that arise in the operation, which is manifested in the financial policy adopted by the Board of Directors. The financial operations are not conducted as a separate line of the business; they are merely intended to constitute support for the business and reduce risks in the financial operations. The policy stipulates goals and risks in the financial operations, and how they are to be managed. The financial policy expresses the goal of minimising and controlling financial risks. The policy defines and identifies the financial risks that arise at AddLife and how responsibility for managing these risks is distributed in the organisation. The financial risks defined in the financial policy are currency risk, interest rate risk, liquidity, financing and issuer/borrower risk. Operational risks, that is, financial risks related to operating activities, are managed by each subsidiary's management according to principles in the financial policy and subordinate process descriptions approved by the Group's Board of Directors and management. Risks such as translation exposure, refinancing risk and interest rate risk are managed by the parent company, AddLife AB. Only Addtech AB was permitted to enter into financial derivatives with external counterparties during the reporting period. The subsidiaries hedged their risk with Addtech AB which, in turn, hedged the net risk on the external market.

Currency risks

The AddLife Group conducts extensive trade abroad and a material currency exposure therefore arises in the Group, which must be managed in such a way as to minimise the impact on earnings ensuing from exchange rate fluctuations.

The AddLife Group applies decentralised responsibility for currency risk management. This involves risk identification and risk hedging either through matching of currency flows, via currency accounts, or via forward exchange contracts at the subsidiary level.

The companies are responsible for choosing the most appropriate hedging measure from a commercial and risk viewpoint.

To minimise currency risks, top priority should be on matching inflows and outflows in the same currency. Currency clauses may be used if the Company deems it to be advantageous from a risk and commercial viewpoint. The main principle for the currency clause is 80% compensation for an exchange rate fluctuation of $\pm 2\%$. If the Company believes that currency risk could have a significant impact on the outcome after the exposure is reduced through matching and/or currency clauses, the Company must hedge its commercial net flows with forward exchange contracts on a monthly basis.

For AddLife, currency risk arises 1) as a result of future payment flows in foreign currency, known as transaction exposure, and 2) because parts of the Group's equity comprise net assets in foreign subsidiaries, known as translation exposure.

Transaction exposure

Transaction exposure comprises all future contracted and forecasted ingoing and outgoing payments in foreign currency. The Group's currency flows usually pertain to flows in foreign currency from purchases, sales and dividends. Transaction exposure also comprises financial transactions and balances. During the financial years 2014/2015, 2013/2014 as well as 2012/2013, the Group's payment flows in foreign currencies were distributed as follows

2014/2015 SEKm	Currency flows, gross		Currency flows
	Inflows	Outflows	Net
EUR	37	325	-288
DKK	0	4	-4
NOK	-	2	-2
USD	3	70	-67
JPY	-	1	-1
GBP	1	6	-5
CHF	0	14	-14

2013/2014 SEKm	Currency flows, gross		Currency flows
	Inflows	Outflows	Net
EUR	36	304	-268
DKK	1	6	-5
NOK	-	2	-2
USD	12	57	-45
JPY	0	1	-1
GBP	1	6	-5
CHF	0	18	-18

2012/2013 SEKm	Currency flows, gross		Currency flows
	Inflows	Outflows	Net
EUR	10	277	-267
DKK	0	13	-13
NOK	-	2	-2
USD	1	46	-45
JPY	-	1	-1
GBP	-	6	-6
CHF	-	11	-11

The effects of exchange rate fluctuations are reduced by buying and selling in the same currency, through currency clauses in customer contracts and, to a certain degree, by forward purchases or sales of foreign currency. Currency clauses are a common method in the industry for handling uncertainty associated with future cash flows. A currency clause means that compensation will be paid for any changes in the exchange rate that exceed a certain predefined level during the contract period. If these thresholds are not reached, for example when the exchange rate changes by less than two percentage points, no compensation is paid. The currency clauses adjust the exchange rate change between the time the order is placed and the invoice date. Currency clauses are symmetrically designed, which means that compensation is charged or credited when the exchange rate rises or declines beyond the predefined thresholds.

Of AddLife's net sales in 2014/2015, currency clauses cover approximately 36 percent and sales in the purchasing currency make up approximately 14 percent. In certain transactions, there is a direct link between the customer's order and the associated purchase order, which is a good basis for effective currency risk management. However, in many cases the dates of the orders do not coincide, which may reduce the effectiveness of these measures. The companies within AddLife have reduced their currency exposure by using forward foreign exchange contracts. At the end of the 2014/2015 financial year, there were outstanding forward foreign exchange contracts in a gross amount of SEK 22 million, of which EUR equalled SEK 20 million, USD SEK 1 million and CHF SEK 1 million.

All of the total contracts of SEK 22 million mature within six months. Hedge accounting does not apply to forward foreign exchange contracts, they are instead classified as a financial asset measured at fair value held for trading. Hedge accounting applies to embedded derivatives consisting of currency clauses, and they are classified as derivatives used in hedge accounting. The cash flow effect from embedded derivatives normally occurs within six months.

Note 4 cont.**Translation exposure**

AddLife's translation exposure is not hedged at this time. AddLife's net assets are distributed among foreign currencies as follows:

	2015-03-31		2014-03-31		2013-03-31	
	SEKm	Sensitivity Analysis ¹⁾	SEKm	Sensitivity Analysis ¹⁾	SEKm	Sensitivity Analysis ¹⁾
Net investments						
NOK	16.6	0.8	18.6	0.9	23.7	1.2
EUR	54.4	2.7	51.1	2.6	48.5	2.4
DKK	40.7	2.0	42.1	2.1	34.7	1.7

1) A change of +/- 5 % in exchange rate will have this effect on the Group's equity.

When translating the income statement of units with a functional currency other than SEK, a translation effect arises when exchange rates vary. With the current distribution of Group companies' different functional currencies, a change of 1 percentage point in the exchange rates would have an effect on net sales and on EBITA as follows:

SEKm	2014/2015	2013/2014	2012/2013
Net sales	6.7	6.0	5.5
EBITA	0.7	0.7	0.7

The exchange rates used in the financial statements are shown in the following table:

Exchange rate	Average rate			Closing day rate		
	2014/2015	2013/2014	2012/2013	2015-03-31	2014-03-31	2013-03-31
DKK 1	1.2383	1.1717	1.1564	1.2437	1.1986	1.1207
EUR 1	9.2278	8.7396	8.62	9.2901	8.9483	8.36
NOK 1	1.0929	1.0892	1.1586	1.0674	1.084	1.1123

Financing and liquidity

The overall objective of AddLife's financing and debt management is to secure financing for the operations in both the long and short term, and to minimise borrowing costs. The capital requirement shall be secured through an active and professional borrowing procedure comprising overdraft and credit facilities. Raising external financing is centralised at AddLife AB. Satisfactory payment capacity shall be achieved through contractual credit facilities. Surplus liquidity is primarily used to pay down outstanding loans. Temporary surpluses in liquid funds are invested at optimum return. Credit, interest rate and liquidity risks will be minimised when investing liquid funds. The fixed interest term and the period during which capital is tied up may not exceed six months. Only counterparties with very high credit ratings are permitted. Addtech AB has been responsible for the AddLife companies' long-term financing and liquidity supply during the period of the combined financial statements. Addtech AB provides an internal bank which lends to and borrows from the subsidiaries. AddLife's non-current and current interest-bearing liabilities are shown in notes 23 and 24.

In late 2015 the AddLife Group established a common cash pool for the countries in which the Group has significant operations. Subsidiaries in these countries will be connected to the cash pool and manage all liquidity within the framework of the cash pool accounts. In cases where there is no cash pool in the country where the subsidiary operates its business, or if an individual foreign currency account is not found within the cash pool, the subsidiary will deposit any excess liquidity with AddLife AB.

Temporary excess liquidity in AddLife AB may be invested in accordance with the following guidelines:

- The investment's fixed interest term and the period during which capital is tied up may not exceed six months.

The following investments are permitted:

- Interest-bearing bank accounts that allow immediate withdrawal, with a minimum credit rating of A.
- Deposit in Swedish banks with a minimum credit rating of A.
- Money market instruments (<1 year), such as treasury bills and certificates with a credit rating equivalent to A1, K-1, P-1 (i.e. very high credit ratings).

Refinancing risk

Refinancing risk is the risk of AddLife not having access to sufficient financing on each occasion. The refinancing risk increases if AddLife's credit rating deteriorates or if AddLife becomes too dependent on one source of financing. If all or a large part of the debt portfolio matures on a single or a few occasions, this could involve the turnover or refinancing of a large proportion of the loan volume having to occur on disadvantageous interest and borrowing terms. In order to limit the refinancing risk, the procurement of long-term credit facilities commences at the latest nine months before the credit facility matures.

On 8 February 2016, AddLife entered into a credit agreement with Handelsbanken, thereby replacing the current intra-group financing with an overdraft facility of SEK 300 million that runs until 31 December 2016 and an interest-only loan of SEK 300 million that matures on 30 June 2017. Both of these facilities include customary financial covenants relating to the Group's equity ratio and interest coverage ratio. No collateral has been pledged.

Interest rate risk

Interest rate risk is defined as the risk that the fair value on, or the future cash flows from, a financial instrument varies because of changes in market rates. The interest rate risk is regulated by ensuring that the average fixed interest term of the debt portfolio varies between zero and three years. The debt portfolio consists of overdraft facilities and outstanding external loans, as well as loans to Addtech AB.

AddLife's financial net debt as at 31 December 2015 was SEK 642 million. With net financial debt as at 31 March 2015, the impact on AddLife's net financial items is approximately SEK +/-6 million if interest rates change by one percentage point.

Issuer/borrower risk and credit risk

Issuer/borrower risk and credit risk are defined as the risk of AddLife's counterparties failing to fulfil their contractual obligations. AddLife is exposed to credit risk in its financial transactions, that is, in investing its surplus liquidity and executing forward foreign exchange transactions, and in its commercial operations in connection with accounts receivable and advance payments to suppliers. Credit risk exposure consists of the carrying amount of the financial assets.

Note 4 cont.

To utilise its companies' detailed knowledge of AddLife's customers and suppliers, each company assesses the credit risk in its commercial transactions. New customers are assessed before credit is granted, and credit limits set are strictly enforced. Short credit periods are the goal, and absence of excessive concentration of business with individual customers and with specific sectors helps minimise risks. No individual customer accounts for

more than 4 (4) percent of total credit exposure over a one-year period. The equivalent figure for the ten largest customers is approximately 25 (24) percent. Exposure per customer segment and geographic market is presented in note 6.

Bad debt losses totalled SEK 0.1 million (0.0) during the year, equal to 0.0 percent (0.0) of net sales.

Accounts receivable SEKm	2015-03-31	2014-03-31	2013-03-31
Carrying amount	134.2	112.7	102.9
Impairment losses	-	-	-
Cost	134.2	112.7	102.9

Change in impaired accounts receivable	2014/2015	2013/2014	2012/2013
Amount at start of year	0.0	0.0	0.0
Corporate acquisitions	-	-	-
Year's impairment losses/reversals	-	-	-
Settled impairment losses	-	-	0.0
Translation effects	-	-	-
Total	0.0	0.0	0.0

Time analysis of accounts receivable that are overdue but not impaired:	2015-03-31	2014-03-31	2013-03-31
< = 30 days	9.7	10.9	12.8
31 - 60 days	0.5	0.6	0.1
> 60 days	-0.2	-0.1	0.2
Total	10.0	11.4	13.1

NOTE 5 | NET SALES BY REVENUE TYPE AND BUSINESS AREAS

MedTech	2014/2015	2013/2014	2012/2013
Products for end users			
Materials	24.9	23.6	12.7
Total	24.9	23.6	12.7

LabTech	2014/2015	2013/2014	2012/2013
Products for end users			
Components	153.7	150.1	133.1
Machinery/Instruments	126.4	128.7	120.4
Material	660.9	598.2	563.3
Services	90.8	82.9	76.9
Total	1,031.8	959.8	893.7

Products for end users comprise all other uses. As regards to other revenue types, dividends and interest income are recognised in financial items, see note 11.

NOTE 6 | SEGMENT REPORTING

The division into business areas reflects AddLife's internal organisation and reporting system. AddLife reports its business areas as operating segments. The two business areas are LabTech and MedTech. This market grouping reflects a natural division of markets in Life Science. Addtech uses EBITA as a performance measure when monitoring the business areas. Intragroup sales are based on the same prices as an independent party would pay for the product.

LabTech

The LabTech business area consists of about 15 companies within diagnostics and research. The companies deliver directly to customers various products and solutions that include analytical instruments, equipment, microscopes, consumables and reagents, as well as application and technical service, primarily to laboratories in healthcare, laboratory research,

academia and the food and pharmaceutical industries. The companies within the LabTech business area are mainly active in microbiology, clinical chemistry, coagulation, molecular biology, research, immunology, near-patient testing, veterinary diagnostics and in the food industry. Customers are also offered training programmes in various areas to ensure that customers have the appropriate skills and to maximise user benefit for the products the Company provides.

MedTech

The MedTech business area consists of a company that provides various inhalation product solutions, mainly for home care. The company is active in the respiration market segment (products for COPD patients).

Data by operating segment

	2014/2015			2013/2014			2012/2013		
	External	Internal	Total	External	Internal	Total	External	Internal	Total
MedTech	24.9	–	25	23.6	–	24	12.7	–	13
LabTech	1,031.8	–	1,032	959.8	–	960	893.7	–	894
Total	1,056.7	0	1,057	983.4	0	984	906.4	0	907

EBITA

	2014/2015		2013/2014		2012/2013	
	EBITA	EBITA margin, %	EBITA	EBITA margin, %	EBITA	EBITA margin, %
MedTech	3.9	15.7	3.7	15.5	3.0	23.3
LabTech	116.9	11.3	111.6	11.6	106.7	11.9

Operating profit/loss, assets and liabilities	2014/2015			2013/2014			2012/2013		
	Operating profit/loss	Assets ¹⁾	Liabilities ¹⁾	Operating profit/loss	Assets ¹⁾	Liabilities ¹⁾	Operating profit/loss	Assets ¹⁾	Liabilities ¹⁾
MedTech	3.2	17.0	3.7	2.9	17.1	3.7	2.5	17.7	2.4
LabTech	104.5	440.9	177.4	101.1	423.7	205.2	96.1	411.7	132.1
Group items	–	185.4	198.9	–	172.4	132.7	–	179.5	181.1
Total	107.7	643.3	380.0	103.9	613.2	341.6	98.6	608.9	315.6

Finance income and expenses

	–2.4		–1.5		–1.0
Profit after financial items	105.3		102.4		97.6

1) Does not include balances in Group accounts or financial transactions with Group companies.

Investments in non-current assets

Investments in non-current assets	2014/2015			2013/2014			2012/2013		
	Intangible ¹⁾	Property, plant and equipment ¹⁾	Total	Intangible ¹⁾	Property, plant and equipment ¹⁾	Total	Intangible ¹⁾	Property, plant and equipment ¹⁾	Total
MedTech	–	–	–	–	–	–	–	–	–
LabTech	0.9	15.4	16.3	0.4	12.9	13.3	0.4	9.2	9.6
Group items	–	–	–	–	–	0	–	–	–
Total	0.9	15.4	16.3	0.4	12.9	13.3	0.4	9.2	9.6

1) The information does not include effects of acquisitions.

Depreciation of non-current assets	2014/2015			2013/2014			2012/2013		
	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total
MedTech	–0.7	–	–0.7	–0.7	–	–0.7	–0.3	–	–0.3
LabTech	–11.2	–9.9	–21.1	–11.0	–13.0	–24.2	–10.7	–13.9	–24.6
Group items	–	–	–	–	–	–	–	–	–
Total	–11.9	–9.9	–21.8	–11.7	–13.0	–24.9	–11.0	–13.9	–24.9

Note 6 cont.**Significant profit or loss items other than depreciation or amortisation, not matched by payments in 2014/2015**

	Capital gains	Change in pension liability	Other items	Total
MedTech	–	–	–	–
LabTech	–0.2	15.2	0.4	15.4
Group items	–	–	–	–
Total	–0.2	15.2	0.4	15.4

Significant profit or loss items other than depreciation or amortisation, not matched by payments in 2013/2014

	Capital gains	Change in pension liability	Other items	Total
MedTech	–	–	–	–
LabTech	0.3	8.7	0.1	9.1
Group items	–	–	–	–
Total	0.3	8.7	0.1	9.1

Significant profit or loss items other than depreciation or amortisation, not matched by payments in 2012/2013

	Capital gains	Change in pension liability	Other items	Total
MedTech	–	–	–	–
LabTech	0.0	3.0	–0.1	2.9
Group Items	–	–	–	–
Total	0.0	3.0	–0.1	2.9

Data by country

Data by country	2014/2015			2013/2014			2012/2013		
	Net sales, external	Assets ¹⁾	Of which non-current assets	Net sales, external	Assets ¹⁾	Of which non-current assets	Net sales, external	Assets ¹⁾	Of which non-current assets
Sweden	379.7	294.5	176.3	376.1	299.5	183.3	349.3	305.1	196.3
Denmark	235.5	66.5	12.0	219.5	57.9	9.3	206.9	52.2	6.9
Finland	213.3	67.7	31.4	179.5	63.9	31.9	155.6	55.5	31.2
Norway	213.3	42.3	3.1	195.4	42.6	3.2	180.3	36.3	3.6
Other countries	14.6	0	–	13.0	0	–	14.5	0	–
Group items and unallocated assets	–	172.3	0.5	–	149.3	0.5	–	159.8	0.5
Total	1,056.8	643.3	223.3	983.5	613.2	228.3	906.5	608.9	238.5

1) Does not include Group account balances and financial assets. External net sales are based on the customers' location, and the carrying amounts of assets are based on where the assets are located.

Investments in non-current assets	2014/2015			2013/2014			2012/2013		
	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total
Sweden	–	8.5	9	–	6.0	6	–	6.3	6
Denmark	0.5	4.9	6	0.4	4.6	5	–	1.3	1
Finland	0.4	1.1	1	0	1.5	1	0.4	0.6	1
Norway	–	0.7	0	–	0.8	1	–	1.0	1
Other countries	–	–	0	–	–	0	–	–	0
Total	0.9	15.4	16.3	0.4	12.9	13.3	0.4	9.2	9.6

The Group has no single customer whose revenue amounts to more than 10 percent of total revenues, why no account exists relating to this.

NOTE 7 | EMPLOYEES AND EMPLOYEE BENEFITS EXPENSE

Average number of employees	2014/2015			2013/2014			2012/2013		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Sweden	68	44	112	71	42	113	71	41	112
Denmark	42	31	73	42	29	71	42	27	69
Finland	22	31	53	24	23	47	27	19	46
Norway	26	20	46	26	19	45	20	12	32
Other countries	0	0	0	0	0	0	0	0	0
Total	158	126	284	163	113	276	160	99	259

Salaries and remuneration	2014/2015			2013/2014			2012/2013		
	Senior management	of which profit-related remuneration	Other employees	Senior management	of which profit-related remuneration	Other employees	Senior management	of which profit-related remuneration	Other employees
Sweden	10.2	2.6	51.7	11.4	2.1	51.2	10.9	1.3	48.1
Denmark	5	0.6	46.8	4.7	0.8	42.4	4.2	0.4	39.5
Finland	4.1	0.6	20.6	4.0	0.4	17.5	4.7	0.4	14.2
Norway	3.6	0.2	30.4	3.5	0.2	28.3	2.8	1.7	20.1
Other countries	0	0	0	0	0	0	0	0	0
Total	22.9	4.0	149.5	23.6	3.5	139.4	22.6	3.8	121.9

Salaries, remuneration and social security costs	2014/2015	2013/2014	2012/2013
Salaries and other remuneration	172.4	163.0	144.5
Contractually agreed pensions for senior management	4.5	4.3	3.7
Contractual pensions to others	20.6	17.9	16.8
Other social security costs	26.2	26.9	24.0
Total	223.7	212.1	189.0

Proportion of women	2015-03-31	2014-03-31	2013-03-31
Board of Directors (not including alternates)	10%	6%	5%
Other members of senior management	36%	29%	29%

Remuneration to the Board of Directors and business area managers

During the financial years 2014/2015, 2013/2014 and 2012/2013 the Board of Directors of the Life Science business area within Addtech consisted of individuals from Addtech's group management. They were not paid for their work on the Board. During the period that AddLife was a business area within Addtech, Artur Aira was the Business Area Manager. AddLife did not have a Chief Executive Officer during this period, for

which reason no personnel costs for the Chief Executive Officer are reported. Remuneration to the business area managers complied with the guidelines for remuneration to senior management at Addtech for each financial year. Remuneration was paid as a fixed salary, variable remuneration and conventional employment benefits. In addition, pension benefits and incentive programmes apply in Addtech.

NOTE 8 | REMUNERATION TO AUDITORS

Group	2014/2015	2013/2014	2012/2013
KPMG			
Audit assignments	0.8	1.0	1.0
Tax consultation	0.0	0.1	0.0
Other assignments	0.1	0.0	0.1
Total remuneration to KPMG	0.9	1.1	1.1
Other auditors			
Audit assignment	0.1	0.1	0.2
Tax consultation	0.0	0.0	0.0
Other assignments	-	-	0.1
Total remuneration to other auditors	0.1	0.1	0.3
Total remuneration to auditors	1.0	1.2	1.4

NOTE 9 | DEPRECIATION AND AMORTISATION

Group	2014/2015	2013/2014	2012/2013
Depreciation and amortisation, by function			
Cost of sales	-6.2	-9.8	-11.1
Selling expenses	-14.4	-14.1	-13.0
Administrative expenses	-1.2	-0.9	-0.8
Total	-21.8	-24.8	-24.9
Group	2014/2015	2013/2014	2012/2013
Depreciation and amortisation, by type of asset			
Intangible assets	-11.9	-11.7	-11.0
Buildings and land	-0.3	-0.3	-0.3
Leasehold improvements	-0.5	-0.3	-0.4
Machinery	-0.2	-0.3	-0.2
Equipment	-8.9	-12.2	-13.0
Total	-21.8	-24.8	-24.9

NOTE 10 | OTHER OPERATING INCOME AND EXPENSES

Group	2014/2015	2013/2014	2012/2013
Other operating income			
Rental revenue	0.3	0.2	0.3
Gain on sale of operations and non-current assets	0.4	0.3	0.3
Exchange profits, net	-	-	0.4
Other	0.6	0.6	0.6
Total	1.3	1.1	1.6
Other operating expenses			
Property costs	0.0	-0.1	-0.1
Loss on sale of operations and non-current assets	-0.2	0.0	-
Exchange losses, net	-2.1	-1.2	-
Other	-0.2	-	-
Total	-2.5	-1.3	-0.1

NOTE 11 | OPERATING EXPENSES

Group	2014/2015	2013/2014	2012/2013
Inventories, raw materials and consumables	568.8	518.6	468.9
Employee benefits expense	236.5	219.6	204.2
Depreciation/amortisation	21.8	24.8	24.9
Impairment of inventories	3.3	2.7	3.6
Impairment of doubtful accounts receivable	-0.1	0	-0.3
Other operating expenses	104.5	100.3	95
Total	934.8	866.0	796.3

NOTE 12 | FINANCE INCOME AND COSTS

Group	2014/2015	2013/2014	2012/2013
Interest income on bank balances	0.8	1.2	1.7
Exchange rate changes, net	-	0.0	-
Other finance income	-	-	0.9
Finance income	0.8	1.2	2.6
Interest expense on financial liabilities measured at amortised cost	-1	-0.8	-0.8
Interest expense on financial liabilities measured at fair value	0	-	-
Interest expense on pension liability	-2.1	-1.8	-2.3
Exchange rate changes, net	0.0	-	0.0
Other finance costs	-0.1	-0.1	-0.5
Finance costs	-3.2	-2.7	-3.6
Net financial items	-2.4	-1.5	-1.0

NOTE 13 | TAXES

Group	2014/2015	2013/2014	2012/2013
Current tax for the period	-28.4	-27.9	-29.7
Adjustment from previous years	0.5	0.4	-0.1
Total current tax expense	-28.1	-27.5	-29.8
Deferred tax	3.4	3.4	6.6
Total recognised tax expense	-24.9	-24.1	-23.2

Group	2014/2015	%	2013/2014	%	2012/2013	%
Profit before tax	105.3		102.3		97.5	
Weighted average tax based on national tax rates	-24.3	23.1	-24.4	23.2	-25.8	24.5
Tax effects of non-deductible costs/non-taxable income	-0.8	0.8	-0.4	0.4	-0.4	0.4
Changed tax rate	0.1	-0.1	0.8	-0.8	4.5	-
Adjustments from previous years	0.2	0.0	-0.1	0.1	0.0	0.0
Other	0.3	-0.3	0.0	0.0	-1.5	1.4
Recognised tax expense	-24.9	23.5	-24.1	22.9	-23.2	22.0

Deferred tax

Deferred tax, net, at year-end	2015-03-31			2014-03-31			2013-03-31		
Group	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net
Non-current assets	0.6	-15.9	-15.3	0.2	-18.1	-17.9	0.2	-20.3	-20.1
Untaxed reserves	-	-2.9	-2.9	-	-3.6	-3.6	-	-3.9	-3.9
Pension provisions	7.9	-0.2	7.7	4.1	0.0	4.1	3.7	-0.1	3.6
Other	0.5	-0.1	0.4	0.0	-0.2	-0.2	-	-1.0	-1.0
Net recognised	-6.2	6.2	0.0	-3.5	3.5	0.0	-2.6	2.6	-
Deferred taxes, net, at year-end	2.8	-12.9	-10.1	0.8	-18.4	-17.6	1.3	-22.7	-21.4

There are no non-capitalised tax loss carry-forwards in the Group (-).

NOTE 14 | INTANGIBLE NON-CURRENT ASSETS**2014/2015****Intangible assets acquired**

Group	Goodwill	Supplier relationships, customer relationships and technology	Trademarks	Software	Total
Accumulated cost					
Opening balance	131.2	120.2	0.5	2.0	253.9
Investments	-	-	-	1.0	1.0
Reclassifications	2.4	-	-	-	2.4
Translation effect for the year	0.8	0.8	-	0.0	1.6
Closing balance	134.4	121.0	0.5	3.0	258.8
Accumulated amortisation					
Opening balance	-8.3	-41.7	-0.3	-1.3	-51.6
Amortisation	-	-11.6	0.0	-0.3	-11.9
Reclassifications	-2.4	-	-	-	-2.4
Translation effect for the year	-0.1	-0.3	-	-0.1	-0.5
Closing balance	-10.8	-53.6	-0.3	-1.7	-66.4
Carrying amount at year-end	123.6	67.4	0.2	1.3	192.5
Carrying amount at start of year	122.9	78.5	0.2	0.7	202.3

Note 14 cont.**2013/2014****Intangible assets acquired**

Group	Goodwill	Supplier relationships, customer relationships and technology	Trademarks	Software	Total
Accumulated cost					
Opening balance	129.8	118.9	0.5	1.5	250.7
Investments	–	–	–	0.4	0.4
Reclassifications	–	–	–	–	0.0
Translation effect for the year	1.4	1.3	–	0.1	2.8
Closing balance	131.2	120.2	0.5	2.0	253.9
Accumulated amortisation					
Opening balance	–8.1	–29.9	–0.3	–1.0	–39.3
Amortisation	0.0	–11.5	0.0	–0.2	–11.7
Translation effect for the year	–0.2	–0.4	–	–0.1	–0.7
Closing balance	–8.3	–41.8	–0.3	–1.3	–51.7
Carrying amount at year-end	122.9	78.5	0.2	0.7	202.3
Carrying amount at start of year	121.7	89.0	0.2	0.5	211.4

2012/2013**Intangible assets acquired**

Group	Goodwill	Supplier relationships, customer relationships and technology	Trademarks	Software	Total
Accumulated cost					
Opening balance	124.7	108.6	0.5	0.9	234.7
Acquisition of companies	–	–	–	0.2	0.2
Investments	6.2	11.2	–	0.5	17.9
Reclassifications	–	–	–	–	0.0
Translation effect for the year	–1.1	–0.9	–	–0.1	–2.1
Closing balance	129.8	118.9	0.5	1.5	250.7
Accumulated amortisation					
Opening balance	–8.2	–19.2	–0.3	–0.8	–28.5
Acquisition of companies	–	–	–	–0.1	–0.1
Amortisation	–	–10.9	0.0	–0.1	–11.0
Translation effect for the year	0.1	0.2	–	0.0	0.3
Closing balance	–8.1	–29.9	–0.3	–1.0	–39.3
Carrying amount at year-end	121.7	89.0	0.2	0.5	211.4
Carrying amount at start of year	116.5	89.4	0.2	0.1	206.2

Goodwill distributed by business area	2014/2015	2013/2014	2012/2013
LabTech	119.4	118.7	117.5
MedTech	4.2	4.2	4.2
Total	123.6	122.9	121.7

Impairment testing of goodwill

AddLife's recognised goodwill amounts to SEK 123.6 million (122.9). Under IFRS, goodwill is not amortised; instead, goodwill is tested annually or more frequently if impairment indicators are present.

AddLife has historically completed a large number of acquisitions. Goodwill in each individual acquisition is not material for AddLife. Goodwill is therefore allocated among cash-generating units, which correspond to the business units. Impairment testing takes place at business unit level, because the acquired business is also integrated with another AddLife business to such an extent that it is not possible to separate assets and cash flows attributable to the acquired company.

The recoverable amount was calculated based on value in use. Assumptions were made concerning gross margin, overhead costs, working capital required and investments required based on previous experiences. The parameters have been set based on the budget for the upcoming financial

year 2015/2016. An annual growth rate of 2 percent (2) was assumed for cash flows beyond the budget period. Cash flows were discounted using a weighted cost of capital corresponding to 10.1–10.3 percent (12) before tax. These calculations show that value in use significantly exceeds the carrying amount. Consequently, the impairment testing indicated no impairment. No reasonable possible changes in key assumptions are expected to lead to impairment.

Other impairment testing

Each year, trademarks are tested for impairment applying the same policies as with goodwill. No events or changes in circumstances were identified that would motivate impairment testing for other intangible non-current assets that are amortised.

NOTE 15 | PROPERTY, PLANT AND EQUIPMENT**2014/2015**

Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Total
Accumulated cost					
Opening balance	7.2	6.5	2.5	112.8	129.0
Acquisition of companies	–	–	–	–	–
Investments	–	1.9	–	13.5	15.4
Disposals and retirement of assets	–	–	–	–8.0	–8.0
Reclassifications	–	–	–	–0.1	–0.1
Translation effect for the year	–	0.2	–	1.6	1.8
Closing balance	7.2	8.6	2.5	119.8	138.1
Accumulated depreciation and impairment losses					
Opening balance	–2.2	–4.8	–1.9	–94.0	–102.9
Acquisition of companies	–	–	–	–	0.0
Depreciation	–0.3	–0.5	–0.2	–8.9	–9.9
Disposals and retirement of assets	–	–	–	7.0	7.0
Reclassifications	–	–	–	0.2	0.2
Translation effect for the year	–	–0.2	–	–1.4	–1.5
Closing balance	–2.5	–5.5	–2.1	–97.1	–107.1
Carrying amount at year-end	4.7	3.1	0.4	22.7	31.0
Carrying amount at start of year	5.0	1.7	0.6	18.8	26.1

2013/2014

Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Total
Accumulated cost					
Opening balance	7.2	5.3	2.3	101.3	116.1
Acquisition of companies	–	–	–	–	0.0
Investments	–	0.9	0.2	11.9	13.0
Disposals and retirement of assets	–	–	–	–2.9	–2.9
Reclassifications	–	–	–	0.0	0.0
Translation effect for the year	–	0.3	–	2.5	2.8
Closing balance	7.2	6.5	2.5	112.8	129.0
Accumulated depreciation and impairment losses					
Opening balance	–1.9	–4.2	–1.6	–81.3	–89.0
Acquisition of companies	–	–	–	–	0.0
Depreciation	–0.3	–0.3	–0.3	–12.2	–13.1
Disposals and retirement of assets	–	–	–	1.7	1.7
Reclassifications	–	–	–	0.0	0.0
Translation effect for the year	–	–0.3	–	–2.2	–2.5
Closing balance	–2.2	–4.8	–1.9	–94.0	–102.9
Carrying amount at year-end	5.0	1.7	0.6	18.8	26.1
Carrying amount at start of year	5.3	1.1	0.7	20.0	27.1

2012/2013

Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Total
Accumulated cost					
Opening balance	7.2	5.6	2.1	97.7	112.6
Acquisition of companies	–	–	–	1.1	1.1
Investments	–	0.0	0.2	9.0	9.2
Disposals and retirement of assets	–	–	–	–3.9	–3.9
Reclassifications	–	–	–	0.0	0.0
Translation effect for the year	–	–0.3	–	–2.6	–2.9
Closing balance	7.2	5.3	2.3	101.3	116.1
Accumulated depreciation and impairment losses					
Opening balance	–1.6	–4	–1.4	–72.4	–79.4
Acquisition of companies	–	–	–	–1.0	–1.0
Depreciation	–0.3	–0.4	–0.2	–13.0	–13.9
Disposals and retirement of assets	–	–	–	2.9	2.9
Reclassifications	–	–	–	0.0	0.0
Translation effect for the year	–	0.2	–	2.2	2.4
Closing balance	–1.9	–4.2	–1.6	–81.3	–89.0
Carrying amount at year-end	5.3	1.1	0.7	20.0	27.1
Carrying amount at start of year	5.6	1.5	0.7	25.3	33.1

NOTE 16 | LEASING

Operating leases AddLife as lessee	Group		
	2014/2015	2013/2014	2012/2013
Lease payments			
Lease payments made during the financial year	25.4	23.1	22.4
Future minimum lease payments under non-cancellable contracts fall due as follows:			
Within one year	19.6	18.6	18.3
Later than one year and within five years	31.7	24.3	21.0
Five years or later	0	–	–
Total future minimum lease payments	51.3	42.9	39.3

Significant operating leases consist primarily of rental contracts for premises in which the Group conducts business.

AddLife as lessor	Group		
	2014/2015	2013/2014	2012/2013
Lease revenue			
Lease income during the financial year	0.8	1	1.9
Future minimum lease income under non-cancellable contracts fall due as follows:			
Within one year	0.9	1.6	2.3
Later than one year and within five years	1.5	2.6	2.4
Five years or later	0.1	0.2	–
Total future minimum lease revenue	2.5	4.4	4.7

Operating leases consist primarily of technical equipment to customers.

AddLife as a lessor

A total of SEK 0.8 million (1.0) was received in lease revenue during the financial year. SEK 0.9 million (1.6) remains to be received within one year, and thereafter a total of SEK 1.6 million (2.8) is receivable within two to five years. Most operating leases for which AddLife's companies are lessors concern the rental of technical equipment customers.

Finance leases

At present there are no significant finance leases in the Group.

NOTE 17 | FINANCIAL ASSETS AND LIABILITIES – CATEGORY AND FAIR VALUE

Carrying amounts on financial instruments are recognised in the balance sheet according to the following tables.

SEKm, 2015-03-31	Financial assets and liabilities measured at fair value through profit or loss	Accounts receivable and loan receivables	Unlisted equity instruments reported at cost	Other liabilities	Total carrying amount
Financial assets	–	–	4.6	–	4.6
Non-current receivables	–	1.1	–	–	1.1
Accounts receivable	–	134.2	–	–	134.2
Other receivables ¹⁾	0.1 ³⁾	97.3	–	–	97.4
Cash and cash equivalents	–	82.5	–	–	82.5
Total	0.1	315.1	4.6	–	319.8
Non-current interest-bearing liabilities	–	–	–	0.1	0.1
Current interest-bearing liabilities	–	–	–	27.8	27.8
Accounts payable	–	–	–	85.2	85.2
Other liabilities ²⁾	–	–	–	78.9	78.9
Total	0.0	–	–	192.0	192.0

SEKm, 2014-03-31	Financial assets and liabilities measured at fair value through profit or loss	Accounts receivable and loan receivables	Unlisted equity instruments reported at cost	Other liabilities	Total carrying amount
Financial assets	–	–	4.4	–	4.4
Non-current receivables	–	81.5	–	–	81.5
Accounts receivable	–	112.7	–	–	112.7
Other receivables ¹⁾	0.2 ³⁾	–	–	–	0.2
Cash and cash equivalents	–	76.8	–	–	76.8
Total	0.2	271.0	4.4	–	275.6
Non-current interest-bearing liabilities	–	–	–	32.0	32.0
Current interest-bearing liabilities	–	–	–	0.1	0.1
Accounts payable	–	–	–	70.6	70.6
Other liabilities ²⁾	–	–	–	79.4	79.4
Total	0.0	–	–	182.1	182.1

SEKm, 2013-03-31	Financial assets and liabilities measured at fair value through profit or loss	Accounts receivable and loan receivables	Unlisted equity instruments reported at cost	Other liabilities	Total carrying amount
Financial assets	–	–	4.2	–	4.2
Non-current receivables	–	62.0	–	–	62.0
Accounts receivable	–	102.9	–	–	102.9
Cash and cash equivalents	–	111.4	–	–	111.4
Total	0.0	276.3	4.2	–	280.5
Non-current interest-bearing liabilities	–	–	–	24.9	24.9
Current interest-bearing liabilities	–	–	–	3.9	3.9
Accounts payable	–	–	–	60.0	60.0
Other liabilities ²⁾	0.4 ³⁾	–	–	70.1	70.5
Total	0.4	–	–	158.9	159.3

1) Part of other receivables in the consolidated balance sheet.

2) Part of other liabilities in the consolidated balance sheet.

3) Holdings for trading purposes. Consist of derivatives.

The fair value of foreign exchange contracts is determined based on observed market data (level 2).

Current and non-current loans are carried at amortised cost. The difference between carrying amount and fair value is marginal for these items. The same applies to other financial instrument for larger amounts, since maturity is short.

Note 17 cont.**Impact of financial instruments
on net earnings**

	2014/2015	2013/2014	2012/2013
Accounts receivable and loan receivables	0.1	0.0	0.3
Available-for-sale financial assets	0.2	0.2	0.0
Other liabilities	-1.0	-0.9	-0.8
Total	-0.7	-0.7	-0.5

	2014/2015			2013/2014			2012/2013		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives held for trading purposes	0.1	0.1	-	0.2	0.2	-	-	-	-
Total financial assets at fair value per level	0.1	0.1	-	0.2	0.2	-	-	-	-
Derivatives held for trading purposes	-	-	-	-	-	-	0.4	0.4	-
Total financial liabilities at fair value per level	-	-	-	-	-	-	0.4	0.4	-

NOTE 18 | INVENTORIES

Group	2015-03-31	2014-03-31	2013-03-31
Raw materials and consumables	0.5	0.5	0.6
Finished goods	82.8	80.4	69.6
Total	83.3	80.9	70.2

Cost of sales for the Group includes impairment losses for inventories amounting to SEK 3.3 million, SEK 2.7 million (2013/2014) and SEK 3.6 million (2012/2013). No for material reversals of previously recognised for impairment losses have been made during 2014/2015, 2013/2014 or 2012/2013.

NOTE 19 | PREPAID EXPENSES AND ACCRUED INCOME

Group	2015-03-31	2014-03-31	2013-03-31
Rent	1.7	1.6	1.6
Insurance premiums	2.0	1.8	1.9
Pension costs	0.4	0.5	0.4
Lease payments	0.6	0.7	0.6
Other prepaid expenses	1.3	2.4	2.4
Other accrued income	1.3	0.6	0.8
Total	7.3	7.6	7.7

NOTE 20 | SHAREHOLDERS' EQUITY**Foreign currency translation reserve**

The translation reserve includes all exchange differences that arise in translating financial reports of foreign operations prepared in a currency other than the Group's presentation currency for financial reports. The parent company and Group present their financial reports in Swedish kronor (SEK).

Reserves	2014/2015	2013/2014	2012/2013
Foreign currency translation reserve			
Opening translation reserve	-3.0	-7.8	-2.0
Translation effect for the year	2.8	4.8	-5.8
Closing translation reserve	-0.2	-3.0	-7.8

NOTE 21 | PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

AddLife has defined benefit pension plans in Sweden and Norway. In these plans, a pension is determined mainly by the salary received at the time of retirement. Sweden and Norway also have defined contribution plans. Subsidiaries in other countries in the Group mainly have defined contribution pension plans.

Defined contributions plans

These plans are mainly retirement pension plans, disability pensions and family pensions. Premiums are paid on an ongoing basis during the year by each company to separate legal entities, such as insurance companies. The size of the premium is based on the salary. The pension cost for the period is included in profit or loss.

Obligations for retirement pensions and family pensions for salaried employees in Sweden are secured by insurance in Alecia. According to statement UFR 10 of the Swedish Financial Reporting Board, this is a defined benefit plan covering multiple employers. For the 2014/2015 financial year, the Company did not have access to information enabling it to report this plan as a defined benefit plan. Thus, the pension plan according to ITP that is secured by insurance in Alecia is recognised as a defined contribution plan.

The year's fees for pension insurance with Alecia totalled SEK 3.7 million (3.4). The fees for the next financial year are assessed to be in line with this year's fees. The collective consolidation rate for Alecia in March 2015 was 148 percent (147).

Defined benefit pension plans

The revised IAS 19, Employee benefits, is applicable as of 1 April 2013. The standard has been applied retroactively, which means that the comparative figures in the balance sheet have been restated.

These pension plans primarily comprise retirement pensions. Each employer generally has an obligation to pay a lifelong pension. Vesting is based on the number of years of employment. The employee must subscribe to the plan for a certain number of years to be fully entitled to retirement benefits. Each year increases the employee's entitlement to retirement benefits, which is recognised as pension earned during the period and as an increase in pension obligations. In Norway and Sweden there are funded and unfunded pension plans. The funded pension obligations are secured by plan assets.

Obligations for employee benefits, defined benefit plans

Pension liability as per balance sheet	2015-03-31	2014-03-31	2013-03-31
Pension liability PRI	62.2	50.8	51.0
Other pension liabilities	10.9	7.3	4.9
Total cost of defined benefit plans	73.1	58.1	55.9
Obligations for defined benefits and the value of plan assets	2015-03-31	2014-03-31	2013-03-31
Funded obligations:			
Present value of funded defined benefit obligations	24.4	20.2	20.2
Fair value of plan assets	-15.0	-14.2	-16.7
Net debt, funded obligations	9.4	6.0	3.6
Present value of unfunded defined benefit obligations	63.7	52.1	52.3
Net amount in the balance sheet (obligation +, asset -)	73.1	58.1	55.9
Pension obligations and plan assets per country:			
Sweden			
Pension obligations	63.7	52.1	52.3
Plan assets	-	-	-
Net amount in Sweden	63.7	52.1	52.3
Norway			
Pension obligations	24.4	20.2	20.2
Plan assets	-15.0	-14.2	-16.7
Net amount in Norway	9.4	6.0	3.6
Net amount in the balance sheet (obligation +, asset -)	73.1	58.1	55.9
Reconciliation of net amount for pensions in the balance sheet	2014/2015	2013/2014	2012/2013
Opening balance	58.1	55.9	57.6
Change in accounting for pensions	5.0	5.2	5.7
Payment of pension benefits	-1.5	-2.4	-1.4
Funds contributed by employer	-2.6	-2.5	-2.2
Translation effects	-0.2	-0.3	0.0
Reclassification of plan assets	0.5	0.0	0.0
Revaluations	14.1	1.5	-4.9
Gains and losses from settlements	-0.3	0.7	1.2
Net amount in balance sheet (obligation +, asset -)	73.1	58.1	55.9

Note 21 cont.**Changes in the obligation for defined benefit plans recognised in the balance sheet**

	2014/2015	2013/2014	2012/2013
Opening balance	72.3	72.6	74.1
Pensions earned during the period	2.9	3.4	3.7
Interest on obligations	2.6	2.5	2.4
Benefits paid	-1.5	-2.6	-1.7

Revaluations:

Gain (-)/loss (+) resulting from demographic assumptions			
Gain (-)/loss (+) resulting from financial assumptions	14.0	1.2	-4.7
Experienced-based gains (-)/losses (+)	-0.7	0.2	-0.2
Acquisitions of companies			
Translation effects	-0.4	-0.7	-0.9
Gains and losses from settlements	-1.1	-4.3	0.0

Present value of pensions obligations	88.1	72.3	72.6
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Changes in plan assets

	2014/2015	2013/2014	2012/2013
Opening balance	14.2	16.7	16.4
Funds contributed by employer	2.6	2.5	2.2
Benefits paid	0.0	-0.2	-0.3
Interest income recognised in profit or loss	0.5	0.7	0.4
Return on plan assets, excluding interest income	-0.8	-0.1	0.0
Translation effects	-0.2	-0.4	-0.9
Reclassification of plan assets	-0.5	-	-
Gains and losses from settlements	-0.8	-5.0	-1.2

Fair value of plan assets	15.0	14.2	16.7
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Pension costs	2014/2015	2013/2014	2012/2013
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Defined-benefit pension plans

Cost for pensions earned during the year	2.9	3.4	3.7
Interest on plan assets	2.6	2.5	2.4
Interest income recognised in profit or loss	-0.5	-0.7	-0.4
Total cost of defined benefit plans	5.0	5.2	5.7
Total cost of defined contribution plans	17.6	15.2	13.2
Social security costs on pension costs	2.5	2.2	2.3
Total cost of benefits after termination of employment	25.1	22.6	21.2

Allocation of pension costs in the income statement	2014/2015	2013/2014	2012/2013
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Cost of sales	3.3	2.7	2.5
Selling and administrative expenses	19.7	18.1	16.7
Net financial items	2.1	1.8	2.0
Total pension costs	25.1	22.6	21.2

	2014/2015		2013/2014		2012/2013	
Actuarial assumptions	Sweden	Norway	Sweden	Norway	Sweden	Norway
The following material actuarial assumptions were applied in calculating the obligations:						
Discount rate, 1 April, %	3.80	3.60	3.60		3.70	2.60
Discount rate, 31 March, %	2.30	2.30	3.80	3.60	3.60	3.85
Future salary increases, %	1.50-3.00	2.75	2.00-3.50	3.75	2.00-3.50	3.85
Future increases in pensions (change in income base amount), %	2.5	-	3.0	-	3.0	-
Employee turnover, %	10.0	2.00-5.00	10.0	2.00-5.00	10.0	2.00-5.00
Expected 'G regulation', %	-	2.50	-	3.50	-	3.25
Mortality table	FFFS 2007:31	K2013 BE	FFFS 2007:31	K2013 BE	FFFS 2007:31	K2005

Sensitivity of pension obligations to changes in assumptions	Sweden	Norway
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Defined benefit pension obligations at 31 March 2015		
The discount rate increases by 0.5%	-5.6	-2.2
The discount rate decreases by 0.5%	6.4	2.5
Expected life expectancy increases by 1 year	2.9	0.6

The discount rate used is equivalent to the interest rate on high-quality corporate bonds or mortgage-backed bonds with a maturity equivalent to the average maturity of the obligation and currency. For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis and for Norwegian pension liabilities, the interest rate for Norwegian corporate bonds is used. Future increases in pensions are based on inflation assumptions. Remaining period of employment (life expectancy) is based on statistical tables prepared by the Swedish Financial Supervisory Authority (Sw.

Finansinspektionen) and the Insurance Society, in Sweden FFFS 2007:31 and in Norway K2013 B.E. Expected G regulation is used in the calculations in Norway and corresponds to Sweden's base amount.

The sensitivity analyses are based on a change in an assumption, while all other assumptions are held constant. The same method is used in the calculation of the sensitivity of the defined benefit obligation, the Projected Unit Credit Method, as in the calculation of the pension obligation recognised in the balance sheet.

NOTE 22 | PROVISIONS

Group 2014/2015	Personnel	Warranties	Total
Carrying amount at start of period	-	0.2	0.2
Provisions made during the period	0.7	0.0	0.7
Unutilised amounts reversed	-	-0.2	-0.2
Translation effects	-	0.0	0.0
Carrying amount at end of period	0.7	0.0	0.7

Group 2013/2014	Personnel	Warranties	Total
Carrying amount at start of period	-	0.0	0.0
Provisions made during the period	-	0.2	0.2
Unutilised amounts reversed	-	0.0	0.0
Carrying amount at end of period	-	0.2	0.2

Group 2012/2013	Personnel	Warranties	Total
Carrying amount at start of period	-	0.1	0.1
Unutilised amounts reversed	-	-0.1	-0.1
Carrying amount at end of period	-	0.0	0.0

Personnel

The provision refers to costs of personnel, including estimated remuneration upon termination of employment in connection with changes in operations. A provision is made when there is an approved restructuring plan and the restructuring has been announced.

Warranties

Recognised provisions for warranties associated with products and services rest on calculations performed based on historical data or, in specific cases, on an individual opinion.

NOTE 23 | NON-CURRENT INTEREST-BEARING LIABILITIES

Group	2015-03-31	2014-03-31	2013-03-31
Liabilities to credit institutions:			
Maturing within 2 years	0.1	0.1	0.1
Maturing within 3 years	-	0.1	0.1
Maturing within 4 years	-	-	0.1
Maturing within 5 years	-	-	-
Maturing five years or later	-	-	-
Total non-current liabilities to credit institutions	0.1	0.2	0.3
Other interest-bearing liabilities:			
Maturing within 2 years	-	31.8	0.2
Maturing within 3 years	-	-	24.4
Maturing within 4 years	-	-	-
Maturing within 5 years	-	-	-
Maturing five years or later	-	-	-
Total other non-current interest-bearing liabilities	-	31.8	24.6
Total	0.1	32.0	24.9

Other interest-bearing liabilities mainly consist of loans from Addtech AB's internal bank.

The Group's non-current liabilities to credit institutions are divided among currencies as follows:

Currency	2015-03-31		2014-03-31		2013-03-31	
	Local currency	SEKm	Local currency	SEKm	Local currency	SEKm
EUR	0.0	0.1	0.0	0.2	0.0	0.3
Total		0.1		0.2		0.3

NOTE 24 | CURRENT INTEREST-BEARING LIABILITIES

Group	2015-03-31	2014-03-31	2013-03-31
Other liabilities to credit institutions	0.1	0.1	0.1
Other interest-bearing liabilities	27.9	0.0	3.8
Total	28.0	0.1	3.9

Other interest-bearing liabilities largely consist of additional contingent considerations with estimated interest of 5.0 percent.

The Group's non-current liabilities to credit institutions are divided among currencies as follows:

Currency	2015-03-31		2014-03-31		2013-03-31	
	Local currency	SEKm	Local currency	SEKm	Local currency	SEKm
EUR	0.0	0.1	0.0	0.1	0.0	0.1
Total		0.1		0.1		0.1

NOTE 25 | ACCRUED EXPENSES AND DEFERRED INCOME

Group	2015-03-31	2014-03-31	2013-03-31
Rental revenue	0.3	0.2	0.3
Other deferred income	1.2	1.3	1.3
Salaries and holiday pay	29.8	28.6	25.0
Social security costs and pensions	10.6	10.0	10.3
Other accrued expenses ¹⁾	3.5	3.6	3.0
Total	45.4	43.7	38.9

1) Other accrued expenses mainly consist of overhead accruals.

NOTE 26 | RELATED-PARTY TRANSACTIONS

Income statement	2014/2015	2013/2014	2012/2013
Net sales	0.0	0.0	0.0
Other operating income	0.7	0.7	0.6
Administrative expenses ¹⁾	-15.6	-14.7	-13.3
Finance income	0.4	1.0	1.4
Finance costs	-0.9	-0.8	-0.7

Balance sheet	2015-03-31	2014-03-31	2013-03-31
Assets			
Non-current receivables ²⁾	-	80.8	60.6
Other receivables	97.3	0.4	2.1
Cash and cash equivalents ³⁾	79.4	76.3	105.4
Total assets related party	176.7	157.5	168.1
Liabilities			
Non-current interest-bearing liabilities ⁴⁾	-	31.7	24.3
Current interest-bearing liabilities	27.7	0.1	3.8
Other liabilities ⁵⁾	78.9	79.4	70.1
Total liabilities related party	106.6	111.2	98.2

1) Consists of corporate fee costs from Addtech, which are invoiced to the AddLife companies.

2) Non-current receivables consist of deposits to Addtech AB's internal bank.

3) Relates to the AddLife companies' share of Addtech's cash pool.

4) Non-current interest-bearing liabilities consist of loans from Addtech AB's internal bank.

5) Other liabilities consist of the AddLife companies' liabilities in Addtech's cash pool.

NOTE 27 | PLEDGED ASSETS AND CONTINGENT LIABILITIES

Group	2015-03-31	2014-03-31	2013-03-31
Real estate and site leasehold mortgages	-	-	3.5
Other pledged assets	0.1	0.5	0.5
Total	0.1	0.5	4.0
Contingent liabilities			
Guarantees and other contingent liabilities	1.2	1.2	2.2
Total	1.2	1.2	2.2

NOTE 28 | CASH FLOW STATEMENT

Adjustment for items not included in cash flow	2014/2015	2013/2014	2012/2013
Depreciation	21.9	24.8	29.8
Gain/loss on sale of operations and non-current assets	-0.2	0.3	0.0
Change in pension liability	1.1	-1.4	2.1
Change in other provisions and accrued items	0.5	0.1	-0.1
Other	-0.2	0.0	-
Total	23.1	23.8	31.8

For the Group, interest received during the year totalled SEK 1.0 million (0.8), and interest paid was SEK 0.8 million (1.2).

The following adjustments were made as a result of the value of assets

and liabilities in companies acquired during the year, together with adjustments such as contingent considerations paid for acquisitions made in previous years:

	2014/2015	2013/2014	2012/2013
Non-current assets	-	-	0.3
Inventories	-	-	5.2
Receivables	-	-	6.5
Cash and cash equivalents	-	-	11.1
Total	0.0	0.0	23.1
Interest-bearing liabilities and provisions	-	-	-
Non-interest-bearing liabilities and provisions	-	-	-13.5
Total	0.0	0.0	-13.5
Consideration paid	-	-	-22.8
Cash and cash equivalents in acquired companies	-	-	11.1
Effect on the Group's cash and cash equivalents	0.0	0.0	-11.7

All businesses acquired during the year were consolidated in the accounts using the acquisition method.

Cash and cash equivalents in the cash flow statement consist of cash and bank balances. The same definition applied to determine cash and cash equivalents in the balance sheet has been used in the cash flow statement.

NOTE 29 | ACQUISITIONS WITHIN BUSINESS AREAS

Acquisitions	Country	Date of acquisition	Net sales, SEKm ¹⁾	Number of employees ¹⁾	Business area
Leica Nilomark Oy	Finland	October, 2012	25	10	LabTech
Active Care Sverup AB	Sweden	October, 2012	25	8	MedTech

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

Leica Nilomark Oy merged with Immuno Diagnostics Oy in March 2013.

Acquisitions during the financial year 2012/2013

	Carrying amount at time of acquisition	Adjustment to fair value	Fair value
Intangible non-current assets	0.1	11.2	11.3
Other non-current assets	0.2	-	0.2
Inventories	5.2	-	5.2
Other current assets	17.6	-	17.6
Deferred tax liability/tax asset	-	-2.9	-2.9
Other liabilities	-13.5	-	-13.5
Acquired net assets	9.6	8.3	17.9
Goodwill			6.2
Consideration ¹⁾			24.1
Less: cash and cash equivalents in acquired businesses			-11.1
Less: consideration not yet paid			-1.5
Effect on the Group's cash and cash equivalents			11.5

1) The consideration is stated excluding acquisition expenses.

The combined consideration for the acquisitions was SEK 24.1 million, of which SEK 17.5 million, according to acquisition analyses, was allocated to goodwill and other intangible assets. The transaction costs for acquisitions with a takeover date during the financial year 2012/2013 amounted to SEK 0.4 million and are recognised in selling expenses.

The values allocated to intangible assets, such as supplier relationships, were assessed at the discounted value of future cash flows.

The amortisation period is determined by estimating the annual decrease in sales attributable to each asset. Supplier relationships are generally amortised over a period of 10 years.

The goodwill resulting from the acquisitions is attributable to expectations that the Group's position in the market in question for each acquisition will grow stronger and to the knowledge accumulated in the companies acquired.

NOTE 30 | EARNINGS PER SHARE

	2014/2015	2013/2014	2012/2013
Earnings per share (SEK)	5.06	4.90	4.64

See note 1 for the method of calculation. The numerators and denominators used to calculate the above EPS are derived as stated below.

Earnings per share

The calculation of earnings per share is based on profit for the year and a weighted average number of shares outstanding. In calculating the average number of shares outstanding it was assumed that the 500,000 shares at the time of the parent company's formation were present throughout the reporting periods. Subsequently, the bonus element of the bonus issue carried out in July 2015 was adjusted retroactively. Since there is no listed share price for AddLife during the historical financial years, the bonus issue

element was calculated based on a value per share used in the time around the non-cash issue that occurred in connection with the acquisition of Medioplast (see note 32). The non-cash issue itself, carried out after the three historical financial periods, is assumed in the calculation of earnings per share to have been made at fair value and therefore does not affect earnings per share for the three periods. The two components are as follows:

	2014/2015	2013/2014	2012/2013
Profit for the year SEKm	80.4	78.0	73.8
Weighted average number of shares during the year in thousands of shares	2014/2015	2013/2014	2012/2013
Weighted average number of shares during the year	15,892	15,892	15,892

There are no potential ordinary shares that could give rise to a dilution effect, for which reason basic and diluted earnings per share are the same.

NOTE 31 | INFORMATION ABOUT THE PARENT COMPANY

AddLife AB, corporate identity number 556995-8126, is the parent company of the Group. The Company's registered office is in Stockholm, Stockholm County, and according to Swedish law AddLife AB is a limited liability company.

Head office address:
AddLife AB (publ)
Box 3145
103 62 Stockholm, Sweden
www.add.life

NOTE 32 | EVENTS AFTER THE REPORTING PERIOD

Two business acquisitions took place after the end of the reporting period.

On 4 June 2015 an agreement was signed for acquisition of all shares in Medioplast AB. Medioplast AB is the parent company of the Medioplast group and is a leading Nordic supplier of medical technology equipment and consumables. The company has its head office in Malmö and conducts business via its own trading companies in Sweden, Denmark, Finland, Norway and the Netherlands. Medioplast also has its own production facilities in Denmark, Finland and Italy. The company holds a strong position in the Nordic countries and markets both its own products as well as those of leading suppliers in the areas of surgery, intensive care, thorax/neuro, ENT and colostomy care. Customers can be found in both the private and public healthcare sectors. In the 2014 financial year, the Medioplast Group

generated sales amounting to approximately SEK 465 million, an operating profit before amortisation of intangible assets (EBITA) of around SEK 45 million and had approximately 120 employees. The total purchase price for all shares in Medioplast consisted of a cash payment of SEK 259.4 million and 3,008,757 newly issued shares at a total value of SEK 234.3 million, for a total consideration of SEK 493.7 million.

On 1 July 2015 AddLife acquired, through Medioplast AB, all shares in Fenno Medical Oy. Fenno Medical is a leading medtech actor in the Finnish market, marketing a broad range of medical equipment and consumables from world-leading suppliers. The company has around 35 employees and sales of approximately EUR 20 million euro.

According to the acquisition analyses, the assets and liabilities included in the acquisition were as follows:

	Carrying amount at time of acquisition	Adjustment to fair value	Fair value
Intangible non-current assets	8.0	189.7	197.7
Other non-current assets	26.5	-	26.6
Inventories	109.8	-	109.8
Other current assets	120.5	-	120.5
Deferred tax liability/tax asset	-3.7	-41.1	-44.8
Other liabilities	-27.1	-	-271.1
Acquired net assets	-10.0	148.6	138.6
Goodwill			355.1
Consideration ¹⁾			493.4
Less: cash and cash equivalents in acquired businesses			-25.5
Cash issue			-234.3
Effect on the Group's cash and cash equivalents			233.9

1) The consideration is stated excluding acquisition expenses.

Note 32 cont.

Of the consideration not yet paid for acquisitions following the close of the financial year, estimated contingent considerations amount to SEK 6 million, which constitutes about 94 percent of the maximum outcome.

The outcome depends on the results achieved in the companies and has a set maximum level.

The values allocated to intangible assets, such as supplier relationships, were assessed at the discounted value of future cash flows. The amortisation period is determined by estimating the annual decrease in sales attributable to the assets. Supplier relationships are generally amortised over a period of 10 years. The goodwill resulting from the acquisition is attributable to

expectations that the Group's position in the market in question for each acquisition will grow stronger and to the knowledge accumulated in the companies acquired.

On 11 December the property company Skagshaw Invest AB was sold, including the building the company held. The company has no employees and only had rental revenue from Group companies.

The Company have signed an agreement for an overdraft facility of SEK 300 million that matures on 31 December 2016 and a loan of SEK 300 million that matures on 30 June 2017. The loans are subject to customary terms and conditions.

NOTE 33 | COMBINED ENTITIES

Company	2014/2015	2013/2014	2012/2013	Country	Registered office	Ownership	Business area
AddLife AB	X			SE	Stockholm		
Active Care Sverup AB	X	X	X	SE	Billdal	100%	MedTech
Triolab A/S	X	X	X	DK	Brøndby	100%	Labtech
Triolab Oy	X	X	X	FI	Åbo	100%	Labtech
Triolab AB	X	X	X	SE	Göteborg	100%	Labtech
LabRobot Products AB	X	X	X	SE	Stenungsund	100%	Labtech
Bergman Labora AB	X	X	X	SE	Danderyd	100%	Labtech
Electra-Box Diagnostica AB	X	X	X	SE	Stockholm	100%	Labtech
Skagshaw Invest AB	X	X	X	SE	Stockholm	100%	Labtech
Electra-Box Diagnostica ApS	X	X	X	DK	Rødovre	92.6%	Labtech
Electra-Box Diagnostica AS	X	X	X	NO	Mjøndalen	83.5%	Labtech
Electra-Box Diagnostica Oy	X	X	X	FI	Helsingfors	92.1%	Labtech
Holm & Halby A/S	X	X	X	DK	Brøndby	100%	Labtech
Immuno Diagnostics Oy	X	X	X	FI	Härmeenlinna	100%	Labtech
Bergman Diagnostika AS	X	X	X	NO	Lilleström	100%	Labtech
AddLife Development AB	X	X	X	SE	Stockholm	100%	Labtech
BioNordika (Denmark) A/S	X	X	X	DK	Glostrup	100%	Labtech
BioNordikaBergman AS	X	X	X	NO	Lysaker	100%	Labtech
BioNordika (Baltics) OÜ	X	X	X	EE	Tallinn	100%	Labtech
BioNordika (Sweden) AB	X	X	X	SE	Stockholm	100%	Labtech
BioNordika (Finland) Oy	X	X	X	FI	Helsingfors	100%	Labtech

Auditor's report relating to new financial reports on historical financial information

To the Board of Directors of AddLife AB (publ), Corporate identity no. 556995-8126

We have conducted an audit of the financial statements for AddLife AB on pages 109–139 including the consolidated balance sheet as at 31 March 2013, 31 March 2014 and 31 March 2015 and the consolidated income statements, statements of cash flows and statements of changes in equity for these years, as well as a summary of significant accounting policies and other explanatory notes (all reports are prepared according to the description in note 2 pages 114–119).

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of the financial statements to provide a fair view of the financial position, earnings, changes in equity and cash flows in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and presentation of the financial statements in accordance with the requirements in the Prospectus Directive, Commission Regulation (EC) No 809/2004.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses*. This recommendation requires that we comply with FAR's ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The audit company applies ISQC 1 (International Standard on Quality Control) and thus has a comprehensive quality control system including documented policies and procedures regarding compliance with professional ethics, standards of professional practice and the requirements of laws and regulations.

An audit in accordance with FAR's Recommendation RevR 5 *Examination of Prospectuses* involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected are based on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Chief Executive Officer and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the consolidated financial statements (prepared as described in note 2 pages 114–119) give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional applicable framework of the Group's position as of 31 March 2015, 31 March 2014 and 31 March 2013 as well as the Group's financial performance, statement of changes in equity and cash flows for these years.

Stockholm 15 March 2016

KPMG AB

George Pettersson

Authorised Public Accountant

Glossary

AddLife, the AddLife Group, the Company or the Group

AddLife AB (publ), the Group within which AddLife AB (publ) is the parent company, or a subsidiary in the Group, depending on the context.

Addtech or the Addtech Group

Addtech AB (publ) or the Group within which Addtech AB (publ) is the parent company.

Business area

AddLife's operations are divided into the two business areas LabTech and MedTech.

Swedish Companies Act

Swedish Companies Act (2005:551).

Paid subscribed shares (BTA)

After subscription the subscription rights are removed from the subscriber's custody account/securities account (Sw. *VP-konto*) and replaced by paid subscribed shares (BTA). When the rights issue is completed the paid subscribed shares are removed, and the real shares are entered in the custody account/securities account (Sw. *VP-konto*).

Biomedical and research

Market segment within the LabTech business area.

CAGR

Compounded annual growth rate.

Diagnostics

Market segment within the LabTech business area.

EBITA

Operating profit before amortisation of intangible assets.

The Issue

Issuance of shares in AddLife AB (publ) pursuant to this Offering.

The Offering

Offer to subscribe for shares in AddLife AB (publ) in accordance with this Prospectus.

EUR

Euro.

Euroclear

Euroclear Sweden AB.

Handelsbanken

Handelsbanken Capital Markets, part of Svenska Handelsbanken AB (publ), or Svenska Handelsbanken AB (publ) itself, depending on the context.

IFRS

International Financial Reporting Standards.

ISO 9001

An international management system standard for quality processes in companies or organisations.

K

Thousand.

The Code

Swedish Corporate Governance Code.

LabTech

Business area including the market segments biomedical and research, as well as diagnostics.

M

Millions.

Market segment

AddLife's business areas are divided into different market segments (for example, diagnostics is a market segment in the LabTech business area).

ADL Market Report

Marketing and business survey that AddLife ordered from independent consultancy Arthur D. Little.

MedTech

Business area including the medical technology market segment.

Nasdaq Stockholm

The regulated market operated by Nasdaq Stockholm AB.

The Listing

Admission to trading of Class B shares in AddLife AB (publ) on Nasdaq Stockholm.

The Prospectus

The prospectus (in Swedish).

SEK

Swedish kronor.

Subscription period

The period during which applications for subscription of shares can be made.

Subscription rights

Financial instruments that entitle the holder to preferential rights regarding the subscription of shares in AddLife in the Offering.

USD

US dollars.

U.S. Securities Act

The currently applicable U.S. Securities Act from 1933.

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