

A microscopic image of plant tissue, likely a cross-section of a stem or root, showing various cellular structures. The tissue is stained with blue and pink dyes, highlighting different cell walls and internal components. The image is oriented vertically, with the tissue running from top to bottom. The blue staining is prominent in the outer layers, while the pink staining is more concentrated in the inner layers.

**ADDvise**

**Annual report**

**2022**

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*Please note that ADDvise's 2022 annual report in English is an excerpt containing pages 1 to 27 plus note K20b from ADDvise's 2022 annual report in Swedish.*

## Reporting dates

Interim Report (Jan–Mar 2023)	Apr 20, 2023
Annual General Meeting	May 5, 2023
Interim Report (Jan–Jun 2023)	Jul 20, 2023
Interim Report (Jan–Sep 2023)	Nov 2, 2023
Year-end Report 2023	Feb 22, 2024

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**ADDvise work everyday to extend, improve and save people's lives by developing and providing products and services for healthcare and research.**

# A year of stable growth and improved cash flow

2022 was a strong year for ADDvise and our business model showed its strength. We saw stable financial development with high net revenue and EBITDA margin, despite challenges such as a volatile business environment and disturbances in our supply chains. At the same time, we continued to execute on our acquisition strategy and added five companies to the Group.

When we sum up 2022, we can safely say that we met our target for the year. The adjusted EBITDA was SEK 232 million, and net revenue was SEK 1,100 million, both on a pro forma basis. The target for 2022 was to achieve an adjusted EBITDA of over SEK 200 million and revenue of SEK 1,000 million by the end of the year on a rolling 12-month pro forma basis.

We have continued to work systematically to improve our margins, and despite a challenging environment of inflation and price increases, we have been able to strengthen our EBITDA margin by working on an active pricing strategy. Acquisitions and above all the Healthcare segment have contributed to the margin improvement, and the Group's total adjusted EBITDA margin is 18.4% (12.2) 2022. Organic growth was 9.5% for the year, which is particularly gratifying as it shows that the companies continue to grow after being acquired by us.

One contributing factor to the strong growth in 2022 was strong demand within our pharmaceutical companies in the US. Although the Healthcare segment has been strong during 2022 and we are seeing good demand at the start of 2023, we are humble in the face of the coming year. In the Lab segment, we have worked strategically to improve margins, choose profitable projects, and focus on a higher-margin product mix.

The Group's operating cash flow was strong, and our ratio of net interest-bearing debt to EBITDA was below the long-term target of 3.0. At the end of 2022 it stood at 2.8. This is despite the fact that at the end of 2022 we increased gross debt in order to make our largest acquisition to date, CliniChain. Our financial position remains good, which means that we are well equipped to make acquisitions in prioritized markets, with a focus on high-quality research and healthcare companies.



Start of 2023 looks promising, and the Group's order book is at historically high levels. This, combined with organic growth in orders received, means that we have good visibility and expect continued strong performance ahead.

Sustainability continues to be a focus area for us, and during 2022 we have taken important steps and started mapping the Group's total emissions (Scope 3) as well as continuing our work to achieve our sustainability goals.

Thanks to a strong performance from our employees, our platform for continued sustainable and profitable growth is stronger than ever. ADDvise's target for 2023 is to achieve an EBITDA of SEK 330 million and net revenue of SEK 1.6 billion by the end of the year on a rolling 12-month pro forma basis.

Our overall goal is to prolong, improve, and save people's lives by developing and providing products and services for healthcare and research. In 2022, we showed that we can do this while also increasing profit through both organic growth and acquisitions, and we have good hopes to continue on the same trajectory in 2023.

I would like to extend a big thank you to all employees for your contributions during the past year.

Rikard Akhtarzand,  
CEO, ADDvise Group AB (publ)



# A growing international group within lab and healthcare

ADDvise Group AB (publ) is a leading supplier of equipment to healthcare and research facilities. The Group consists of two business units, Lab and Healthcare, with a highly decentralized organization. Each company operates as a distinctly separate entity and is run independently in order to maintain its own inventiveness and entrepreneurial flair. Sales are global. The Group has a clear acquisition strategy with the aim of creating shareholder value and expanding the business—both geographically and in terms of products.

**SEK 952 M**  
Net revenue 2022

## Our acquisition strategy

Acquisition is one of the most important components of the ADDvise Group's growth strategy. The purpose of the acquisitions is to create critical mass in the different industries in which the Group does business. The industrial logic in the acquisitions will create long-term value for the Company's shareholders. Focus is directed at companies within the life science sector.

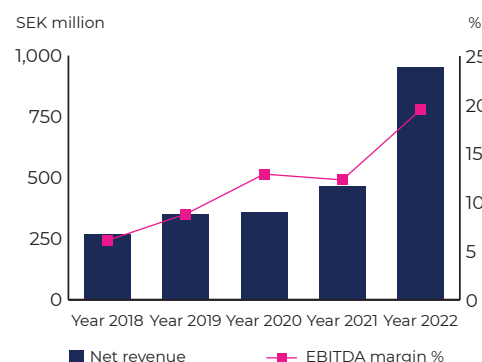
## Share and bond

The Company's class A share is listed at the S SME trading venue, on the Nasdaq First North Premier Growth Market Sweden. The stock short name is ADDV A and the share's ISIN code is SE0001306119. One (1) class A share equals one (1) vote.

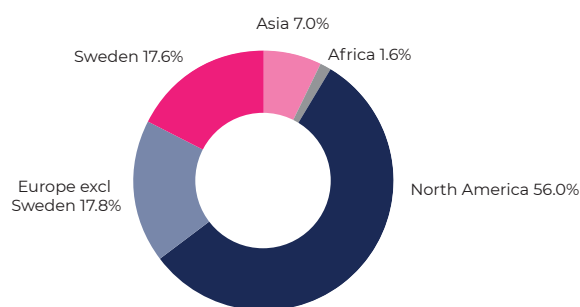
The Company's class B share is listed at the S SME trading venue, on the Nasdaq First North Premier Growth Market Sweden. The stock short name is ADDV B and the share's ISIN code is SE0007464862. One (1) class B share equals one-tenth (1/10) of a vote.

The Company's bonds are registered for trading on the Corporate Bond List of Nasdaq Stockholm. The short name for the bonds is ADDV02 and the ISIN code is SE0015222088.

## Net revenue and EBITDA margin



## Net revenue by geographic market



## ADDvise as an investment

ADDvise supplies products and services to healthcare and research facilities.

### Strong trends and long-term growth

There are several factors contributing to long-term demand for products and services in the life science and medical technology market in which ADDvise operates. The need for increased capacity and modernization is widespread in both the private and public sector. A growing and aging population in almost every country in the world is also a factor. This creates long-term demand for our products.

### Growth

ADDvise’s business model delivers long-term, solid returns with the aim of generating sustainable value growth. The combination of acquisitions and organic growth is the basis of the growth strategy. We are continuously working on add-on acquisitions while at the same time developing the existing businesses. ADDvise operates a decentralized business model and provides strategic support and industry-specific knowledge to all our subsidiaries.

## ADDvise as an owner

Acquisitions are one of the key components of the ADDvise Group’s strategy. We are long-term owners that operate a decentralized business model, and our focus is to maintain entrepreneurship and business acumen at a local level in acquired companies.

### Decentralization

Each company acts as a separate entity and operates independently to maintain its strategy and culture. This enables product development and allows key commercial decisions to be made close to customers based on cultural and geographical considerations.

### Support and knowledge sharing

The ADDvise Group’s subsidiaries receive Group support in everything from high-level strategic decisions to advice on pricing, marketing, and balance sheet and working capital optimization.

Increasingly complex regulations create significant barriers for smaller players, who struggle to allocate enough resources to ensure full compliance. A Group-level QA/RA (quality assurance/regulatory affairs) department provides support and guidance to the subsidiaries to ensure that the Group companies comply with applicable quality standards, laws, and regulations.

The sharing of knowledge, experience, and business opportunities with other subsidiaries within the Group is also encouraged.

# Financial targets

## 2023 targets

For 2023, ADDvise's goal is to reach an EBITDA of SEK 330 million with a net revenue of SEK 1.6 billion before the end of 2023 on a pro forma rolling 12-month basis.

Pro forma adjusted EBITDA in 2022 was SEK 232 million. Pro forma net revenue in 2022 amounted to SEK 1,100 million. The pro forma figures for 2022 include all acquisitions completed during 2022.

## Long-term financial targets

ADDvise's long-term financial targets are ambitions to be achieved over several years. These targets will be achieved through a combination of organic growth and acquisitions. The targets are divided into four areas: growth, profitability, capital structure, and dividend.

### Growth

ADDvise aims to have annual revenue growth of at least 25% through a combination of organic growth and acquisitions. **2022 growth 104.2%**.

### Profitability

ADDvise aims to achieve an EBITDA margin of 20%. **2022 EBITDA margin 19.5%**.

### Capital structure

ADDvise's ratio of interest-bearing net debt to EBITDA should not exceed 3.0. **2022 ratio 2.8x**.

### Dividend

25% of the preceding year's profit, excluding the revaluation of additional purchase considerations, is to be distributed to the shareholders. The ADDvise Board of Directors' proposal to the AGM is for no dividend for 2022.



# Sustainability

ADDvise aim to extend, improve and save people’s lives by developing and providing products and services for healthcare and research. This is a social responsibility that contributes to a more sustainable society. But there is more to sustainability than that. It is about taking responsibility and having influence at all levels. Sustainable for the environment, sustainable from a social perspective, and sustainable from a business perspective. Together with our subsidiaries, we can make a big difference.

Sustainability is becoming increasingly fundamental in our pursuit of better business results. In 2022, we continued to work on developing and improving our sustainability work.

ADDvise has been reporting sustainability information to Nasdaq since 2021 and is a certified Nasdaq ESG Transparency partner. ESG stands for Environment, Social, and Governance and describes long-term work to reduce negative impacts and increase positive impacts in those areas. We are committed to increasing the quantity of data reported and to improving our impact.

## Sustainability goals 2030

ADDvise’s long-term sustainability goals are clearly linked to the vision of contributing to a sustainable society through products and services that improve, prolong, and save people’s lives. The sustainability goals, in combination with the financial targets, aim to ensure that the Company steers towards long-term profitable and sustainable growth.

### Environment

- » Reduce CO2 intensity by 50%.

### Finance & governance

- » Every company in the Group to have incentives linked to sustainability-related objectives.
- » 100% of acquisitions to contribute to the United Nations Sustainable Development Goal 3, Good Health and Well-being, and also meet the requirements of our sustainable investment policy.
- » 1.5% of net revenue to be allocated to development of products that improve, prolong, and save people’s lives.

### Social

- » Achieve an equal gender distribution of people on the Board and in senior positions (men / women ratio is within the 40–60% range).
- » All companies in the Group to comply with the code of conduct.
- » Max. absence due to illness of 5%.
- » Vision of zero workplace accidents.





# Key performance indicators

<b>SEK thousands</b>	<b>2022</b>	<b>2021</b>
Net revenue	951,521	465,953
Gross margin	59.6%	45.9%
EBITDA	185,135	57,261
EBITDA margin, %	19.5%	12.3%
Adjusted EBITDA	176,271	57,058
Adjusted EBITDA margin, %	18.5%	12.2%
Operating profit/loss (EBIT)	157,203	43,546
Operating margin, %	16.5%	9.3%
Profit/loss before tax (EBT)	107,986	7,658
Net margin, %	11.3%	1.6%
Profit/loss for the year	81,098	2,805
Adjusted profit/loss for the year	89,697	12,739
Equity ratio, %	25.0%	23.1%
Net debt	-666,765	-228,455
Net debt-to-EBITDA	2.8	2.3
Number of employees at year-end	351	285
Equity per share in SEK	2.73	1.50
Basic earnings per share in SEK	0.46	0.02
Diluted earnings per share in SEK	0.46	0.02
Number of shares at end of period	180,491,889	165,107,273
Average number of shares before dilution	177,457,115	143,133,781
Average number of shares after dilution	177,457,115	143,133,781

For definitions of key performance indicators; see page 28.

# Executive Management



## Rikard Akhtarzand

CEO

**Born:** 1972

**Shareholding:**

13,733,879, of which  
2,620,416 are class A shares  
and 11,113,463 are class B  
shares



## Fredrik Mella

COO and Senior Vice  
President

**Born:** 1970

**Shareholding:**

246,951, of which  
0 are class A shares and  
246,951 are class B shares



## Hanna Myhrman

General Counsel

**Born:** 1992

**Shareholding:**

10,032, of which  
0 are class A shares and  
10,032 are class B shares



## Sebastian Robson

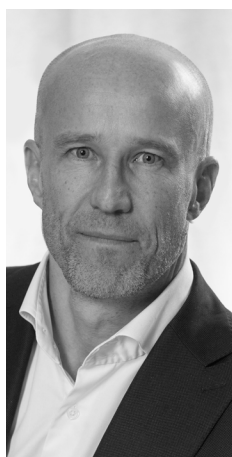
CFO

**Born:** 1986

**Shareholding:**

123,204, of which  
0 are class A shares and  
123,204 are class B shares

# Board of Directors



## Staffan Torstensson

Chairman of the Board, Member of the Audit Committee

**Born:** 1972

**Other assignments:** Partner at Evli Plc, member of the board of Tuida Holding AB, Tuida AB, Bernstein Real Estate AB, GB Tennis AB

**Shareholding:** 3,816,660, of which 600,000 are class A shares and 3,216,660 are class B shares



## Johanne Louise Brændgaard

Board Member

**Born:** 1974

**Other assignments:** -

**Shareholding:** 0



## Fredrik Celsing

Board Member

**Born:** 1967

**Other assignments:** President and CEO of Kamic Group AB and Amplex AB.

**Shareholding:** 37,589, of which 37,589 are class B shares



## Anna Ljung

Board Member, Chairwoman of the Audit Committee

**Born:** 1980

**Other assignments:** CEO of Moberg Pharma AB, Chairwoman of the Board of OncoZenge AB and member of the board of Saniona AB.

**Shareholding:** 0



## Erland Pontusson

Board Member

**Born:** 1953

**Other assignments:** CEO and Chairman of the Board of Pontusson Consulting AB

**Shareholding:** 216,518, of which 29,420 are class A shares and 187,098 are class B shares

# Annual General Meeting

ADDvise Group AB (publ), reg. no. 556363–2115 (the “Company” and “ADDvise”), hereby convenes the annual general meeting to be held on May 5, 2023 at 10:00 a.m. at Grev Turegatan 30 in Stockholm. Registration for the meeting will begin at 09:30 a.m.

## Registration and notification

Shareholders wishing to attend the annual general meeting must:

- » on the record date, which is 26 April 2023, be registered in the share register maintained by Euroclear Sweden AB. Shareholders, whose shares are registered in the name of a nominee, must temporarily register the shares in their own name (so called “Voting registration”) to participate in the meeting. Voting registration requested by a shareholder in such time that the registration has been made by the relevant nominee no later than 28 April 2023 will be considered in preparations of the share register,
- » notify the participation at the annual general meeting no later than 28 April 2023. Notice of participation at the annual general meeting shall be sent by e-mail to [hanna.myhrman@addvisigroup.se](mailto:hanna.myhrman@addvisigroup.se), or by regular mail to

ADDvise Group AB (publ)  
Attn. Hanna Myhrman  
Grev Turegatan 30  
SE-114 38 Stockholm

Upon notification, the shareholder should state their full name, personal identification number or corporate registration number, address and telephone number, and, where applicable, details of representatives, proxy holders and advisors. A shareholder who wishes to be

represented by proxy shall issue a written and dated proxy to the proxy holder. If the proxy is issued by a legal entity, a certified copy of the registration certificate or corresponding document (“Registration Certificate”) shall be enclosed. The proxy must not be more than one year old, however, the proxy may be older if it is stated that it is valid for a longer term, maximum five years. The proxy in original and the Registration Certificate, if any, must be available at the general meeting and a copy should well before the meeting be sent to the Company by regular mail or e-mail at the address stated above, and should, in order to facilitate the entrance to the general meeting, be at the Company's disposal no later than 2 May 2023. A proxy form will be available for downloading on the Company's website, [www.addvisigroup.com](http://www.addvisigroup.com).



# The share and ownership structure

## Share capital

The share capital was SEK 18,049,188.90 as at December 31, 2022, divided into 180,491,889 shares, further divided into 7,619,439 class A shares and 172,872,450 class B shares. Class A shares provide entitlement to one (1) vote and class B shares provide entitlement to one-tenth (1/10) of a vote.

## Development of share capital

The share capital has developed as follows:

Type of change	Year	No. of new A shares	No. of new B shares	Total no. of shares	Change in share capital, SEK	Total share capital, SEK
Initial share capital	1989	2,000		2,000	200,000	200,000
Bonus issue	1990			2,000	200,000	400,000
Exchange of convertible bonds	1994	733		2,733	146,600	546,600
Bonus issue	1995			2,733	546,600	1,093,200
Stock split 399:1	1997	1,090,467		1,093,200		1,093,200
New share issue	2010	2,186,400		3,279,600	2,186,400	3,279,600
New share issue	2011	638,298		3,917,898	638,298	3,917,898
New share issue	2011	570,000		4,487,898	570,000	4,487,898
New share issue	2012	697,674		5,185,572	697,674	5,185,572
New share issue	2012	190,000		5,375,572	190,000	5,375,572
New share issue	2013	917,432		6,293,004	917,432	6,293,004
New share issue	2014	1,326,435		7,619,439	1,326,435	7,619,439
Bonus issue	2015		7,619,439	15,238,878	7,619,439	15,238,878
New share issue	2016		7,229,300	22,468,178	7,229,300	22,468,178
New share issue	2016		3,791,469	26,259,647	3,791,469	26,259,647
New share issue	2016		2,173,000	28,432,647	2,173,000	28,432,647
Reduction of share capital	2016			28,432,647	-25,589,382	2,843,265
New share issue	2016		2,813,187	31,245,834	281,319	3,124,583
New share issue	2016		5,769,231	37,015,065	576,923	3,701,507
New share issue	2017		1,409,574	38,424,639	140,957	3,842,464
New share issue	2017		4,617,649	43,042,288	461,765	4,304,229
New share issue	2019		43,042,288	86,084,576	4,304,229	8,608,458
New share issue	2019		947,278	87,031,854	94,728	8,703,185
New share issue	2019		1,058,248	88,090,102	105,825	8,809,010
New share issue	2019		8,823,529	96,913,631	882,353	9,691,363
New subscription through warrants	2021		42,787,137	139,700,768	4,278,714	13,970,077
New share issue	2021		25,406,505	165,107,273	2,540,651	16,510,727
New share issue	2022		15,384,616	180,491,889	1,538,462	18,049,189

**Shareholders in ADDvise Group AB (publ)**

Ownership structure of ADDvise as at December 31, 2022, and known changes after this date up to and including February 23, 2023.

Name	No. of shares	Class A shares	Class B shares	% of capital	% of votes
Per Åhlgren, through companies	33,527,742	0	33,527,742	18.58%	13.46%
Joh. Berenberg, Grossler & Co. KG	18,180,322	0	18,180,322	10.07%	7.30%
Rikard Akhtarzand, privately and through companies	13,733,879	2,620,416	11,113,463	7.61%	14.98%
Alcur Fonder AB	12,421,915	0	12,421,915	6.88%	4.99%
Magnus Vahlquist, privately and through companies	10,885,534	363,000	10,522,534	6.03%	5.68%
Fondita Fondbolaget AB	8,006,593	0	8,006,593	4.44%	3.21%
Caracal AB	6,469,915	1,123,085	5,346,830	3.58%	6.66%
Lupus Alpha Asset Management AG	4,561,311	0	4,561,311	2.53%	1.83%
Staffan Torstensson, through companies	3,816,660	600,000	3,216,660	2.11%	3.70%
Erik Mitteregger	3,180,000	0	3,180,000	1.76%	1.28%
Ingvar Jensen, privately and through companies	2,913,289	211,766	2,701,523	1.61%	1.93%
EQ Nordic Small Cap Fund	2,438,372	12,133	2,426,239	1.35%	1.02%
Fastighetsaktiebolaget Sigismund	2,232,911	0	2,232,911	1.24%	0.90%
Theodor Jeansson	2,000,000	0	2,000,000	1.11%	0.80%
Oxo Förvaltning AB	1,812,472	3,000	1,809,472	1.00%	0.74%
Roger Wallman	1,598,260	0	1,598,260	0.89%	0.64%
Gyllene Triangeln	1,576,680	3,000	1,573,680	0.87%	0.64%
Carl Vigre	1,144,146	70,423	1,073,723	0.63%	0.71%
Cajory	1,129,207	195,388	933,819	0.63%	1.16%
Case Småbolag	715,000	0	715,000	0.40%	0.29%
Other shareholders	48,147,681	2,417,228	45,730,453	26.68%	28.07%
<b>Total</b>	<b>180,491,889</b>	<b>7,619,439</b>	<b>172,872,450</b>	<b>100.00%</b>	<b>100.00%</b>

# Directors' Report

## January 1, 2022–December 31, 2022

The Board of Directors and the CEO of ADDvise Group AB (publ) hereby submit the annual report and consolidated financial statements for 2022.

### Information about the Company

ADDvise Group AB (publ) is an expansive group that supplies integrated solutions in the form of products and services to healthcare and research facilities. The ADDvise Group serves customers in both the private and public sectors. Sales are global.

The parent company ADDvise Group AB (publ), company registration number 556363-2115, was registered on July 6, 1989, and has its registered office in Stockholm. ADDvise has 30 Group companies. For information on each Group company, see *Note K13 Holdings in other companies*. Operations are conducted at the parent company and all Group companies.

ADDvise's class A share is listed at the S SME trading venue, on the Nasdaq First North Premier Growth Market Sweden. The stock short name is ADDV A and the share's ISIN code is SE0001306119. One (1) class A share equals one (1) vote.

ADDvise's class B share is listed at the S SME trading venue, on the Nasdaq First North Premier Growth Market Sweden. The stock short name is ADDV B and the share's ISIN code is SE0007464862. One (1) class B share equals one-tenth (1/10) of a vote.

The Company's bonds are registered for trading on the Corporate Bond List of Nasdaq Stockholm. The short name for the bonds is ADDV02 and the ISIN code is SE0015222088.

Mangold Fondkommission AB is the Certified Adviser of ADDvise.

Shareholders, other stakeholders, and the general public can subscribe to ADDvise's reports and press releases by registering at <https://www.addvisegroup.com/press/subscription-service/>.

### The Group's development 2018–2022

SEK thousands	2022	2021	2020	2019	2018
Net revenue	951,521	465,953	358,487	349,877	268,219
EBITDA	185,135	57,261	46,224	30,671	16,487
EBITDA margin, %	19.5%	12.3%	12.9%	8.8%	6.1%
Operating profit/loss (EBIT)	157,203	43,546	34,257	18,629	10,768
Operating margin, %	16.5%	9.3%	9.6%	5.3%	4.0%
Equity ratio, %	25.0%	23.1%	26.3%	23.3%	17.7%
Net debt	-666,765	-228,455	-153,766	-182,793	-166,973
Equity per share in SEK	2.73	1.50	0.94	0.87	1.19
Number of employees at year-end	351	285	108	127	122

## Market

ADDvise's operations are organized into two business units: Lab and Healthcare.

### Lab business unit

Within Lab, ADDvise is a turnkey supplier of laboratory furnishings and apparatus to research facilities in both the public and private sectors. In a world of ever-growing requirements for quality, precision, and cleanliness, ADDvise has products to meet every requirement within life science and healthcare.

### Healthcare business unit

ADDvise supplies equipment, pharmaceuticals and consumable materials to healthcare units primarily in Sweden, Europe, and North America. Our complete range includes products and customers throughout the healthcare chain, from self-care and home healthcare to surgery and acute, intensive, and emergency medical service care. ADDvise's products include advanced high-tech equipment at the leading edge for the most modern of environments and healthcare facilities.

## Net revenue and profit/loss

- » Net revenue for 2022 was SEK 951.5 million (466.0), an increase of 104.2% compared with the previous year. The increase is mostly attributable to acquisitions. Organic growth was 9.5%.
- » EBITDA for 2022 was SEK 185.1 million (57.3)
- » Operating profit for 2022 was SEK 157.2 million (43.5)
- » Profit for the year for 2022 was SEK 81.1 million (2.8)
- » Basic earnings per share for 2022 were SEK 0.46 (0.02)

## Outlook and significant uncertainties

Our assessment is that demand in our product segments will increase, and our diverse product portfolio and geographical presence will benefit us. The healthcare debt built up during the three years of the pandemic must be paid off. Many planned interventions have been postponed, and new care needs have arisen in the wake of the pandemic, which will result in increased investment in healthcare equipment. However, ADDvise's long-term revenue growth is driven mainly by a growing and aging population, increased prevalence of chronic illnesses, and greater investment in healthcare as well as in research and development. We are continuing to work proactively to expand our product portfolio through new and interesting acquisitions within both our business units.

## Financial position

### Acquisitions

ADDvise made five acquisitions in 2022:

- » Poly Pharmaceuticals, Inc. Acquisition completed on February 18, 2022.
- » JTECH Medical. Acquisition completed on March 3, 2022.
- » Surplus Diabetics, Inc. Acquisition completed on April 19, 2022.
- » Seebreath AB. Acquisition completed on May 16, 2022.
- » CliniChain Holding BV. Acquisition completed on December 16, 2022.

For information on the acquired companies and purchase price allocations, see Note 12 *Acquisitions*.

### Intangible non-current assets

The change in goodwill amounted to SEK 532.2 million (132.2). The change in trademarks amounted to SEK 195.7 million (105.2).

The majority of intangible non-current assets other than goodwill and trademarks are acquired customer relationships and capitalized expenditure for development work and similar activities. The change in acquired customer relationships amounted to SEK 108.5 million (0.0).

Investments in capitalized expenditure for development work and similar activities totaled SEK 7.6 million (2.8).

ADDvise develops its own products within the fields of laboratory furnishings, safety ventilation, consumables for healthcare, safety products for healthcare, pharmaceuticals, and examination and operating tables. Work continued on modernizing the Group's product lines during 2022. The aim of this product development work is to improve profitability by reducing manufacturing costs and increasing sales by being at the leading edge in terms of product range.

Investments in intangible non-current assets other than goodwill, trademarks, acquired customer relationships, and capitalized expenditure for development work and similar activities during the period totaled SEK 0.4 million (0.3), and is mostly attributable to patents and web sites.

### Property, plant, and equipment

Investments in property, plant, and equipment totaled SEK 12.1 million (19.9). Investments in property, plant, and equipment include leased non-current assets in accordance with IFRS 16 Leases.

## Equity

Equity at year-end was SEK 492.9 million (247.3), which corresponded to SEK 2.73 (1.50) per



outstanding share at year-end before dilution. At the end of 2022, the Group's equity was wholly attributable to the shareholders of the parent company.

### Equity ratio

The equity ratio at year-end was 25.0% (23.1%).

### Net debt

Net debt at year-end was SEK 666.8 million (228.5). The ratio of interest-bearing net debt to pro forma EBITDA at the end of the year was 2.8 (2.3).

One of the Group's long-term financial targets is for the ratio of interest-bearing net debt to EBITDA not to exceed 3.0.

Loans and other interest-bearing liabilities falling due within one year totaled SEK 33.5 million (29.0) at year-end. Loans and other interest-bearing liabilities due for repayment within one year include bank loans of SEK 5.9 million (7.9), utilized overdraft facilities of SEK 0.8 million (0.0), and lease liabilities of SEK 26.9 million (8.6). Overdraft facilities are classified as short-term borrowing, but this portion of short-term borrowing is continuously refinanced.

At the end of the year, loans due for repayment after one year or more totaled SEK 744.3 million (525.1). Loans due for repayment after one year or more include the Group's bond loan of SEK 628.3 million (487.1), interest-bearing promissory notes for completed acquisitions of SEK 65.7 million (0.0), bank loans of SEK 0.6 million (1.5), and lease liabilities of SEK 49.8 million (36.5). The increase in lease liabilities is partly attributable to newly acquired companies.

### Cash flow

#### Cash and cash equivalents and short-term investments

Cash and cash equivalents at year-end totaled SEK 111.1 million (325.7). The Group had an overdraft facility of SEK 54.5 million (29.1) at year-end, of which SEK 0.8 million (0.0) was utilized. At the end of the year, no short-term investments were held.

#### Operating activities

Operating cash flow for 2022 totaled SEK 109.9 million (10.2).

The change in working capital amounted to SEK -19.7 million (-6.9).

#### Investing activities

Investing cash flow for 2022 totaled SEK -638.6 million (-201.7). The acquisitions of CliniChain, JTECH Medical, Poly Pharma, Seebreath, and Surplus Diabetics were completed during the year. Injections of cash and cash equivalents from acquired companies at the time of consolidation of acquisitions in the Group totaled SEK 16.2 million (17.3) for the year. See also Note K12 *Business combinations*.

### Financing activities

Financing cash flow for 2022 totaled SEK 303.0 million (474.0). During the year, ADDvise received SEK 100.0 million before issue costs in conjunction with a targeted new share issue and SEK 150.0 million before transaction costs in conjunction with a bond issue, see *Significant events during the financial year*.

### Net cash flow

Net cash flow for 2022 was SEK -225.7 million (282.5).

### Employees and organization

The average number of employees during the year was 335 (214).

At the time of publication of the annual report, the ADDvise Group has a shared organization with an executive management consisting of:

- » CEO, Rikard Akhtarzand
- » General Counsel, Hanna Myhrman
- » CFO, Sebastian Robson
- » COO and Senior Vice President, Fredrik Mella

### Sustainability report

The Board of ADDvise has prepared a sustainability report for 2022 in accordance with Chapters 6 and 7 of the Swedish Annual Accounts Act (1995:1554).

The sustainability report is a separate publication and is available on the Group's website, [www.addvisegroup.se](http://www.addvisegroup.se) in Swedish and [www.addvisegroup.com](http://www.addvisegroup.com) in English.

### Significant events during the financial year

#### ADDvise carried out a targeted new share issue of SEK 100 million in March 2022

On March 14, 2022, ADDvise completed a targeted new share issue of 15,384,616 class B shares, worth SEK 100 million. The targeted new share issue brought in approximately SEK 100 million for ADDvise before issue costs. The targeted new share issue increased the number of shares outstanding by 15,384,616, from 165,107,273 shares to 180,491,889 shares. The share capital increased by SEK 1,538,461.6, from SEK 16,510,727.3 to SEK 18,049,188.9. The targeted new share issue entailed a dilution of approximately 8.5% in the number of shares and approximately 6.2% in the number of votes in the Company after the targeted new issue was completed.

The subscription price for the shares in the targeted new share issue was SEK 6.50 per class B share. The subscription price per class B share in the targeted new share issue represented a discount of approximately 5.9% compared to the closing price on the Nasdaq First North Premier Growth Market on March 14, 2022 and a premium

of approximately 0.9% compared to the volume-weighted average price over the previous five trading days.

#### **Bondholders approved changes to bond terms in January and December 2022**

In January and December 2022, ADDvise successfully implemented written procedures regarding the Company's senior secured bond loan with ISIN code SE0015222088. The Company requested the approval of bondholders for certain changes to the bond terms.

A sufficient number of bondholders participated in each written procedure to form a quorum, and the necessary majority of bondholders voted to approve each proposal.

#### **ADDvise placed senior secured bonds of SEK 150 million**

In November 2022, ADDvise placed senior secured bonds in an amount of SEK 150 million within the Company's existing bond loan with ISIN code SE0015222088. Following the completion of the bond issue in November 2022, the outstanding amount of the senior secured bond loan was SEK 650 million. The transaction was heavily oversubscribed and was placed at a price of 100.0% of par.

#### **ADDvise acquired CliniChain Holding Inc., JTECH Medical, Poly Pharmaceuticals, Inc., Seebreath AB, and Surplus Diabetics, Inc.**

ADDvise acquired 100% of the shares in the following companies during the year:

- » Poly Pharmaceuticals, Inc. Acquisition completed on February 18, 2022.
- » JTECH Medical. Acquisition completed on March 3, 2022.
- » Surplus Diabetics, Inc. Acquisition completed on April 19, 2022.
- » Seebreath AB. Acquisition completed on May 16, 2022.
- » CliniChain Holding BV. Acquisition completed on December 16, 2022.

#### **Major contracts and orders during the financial year**

- » Order from Design Infinity LLC, a Dubai-based company specializing in structural design for industries including pharmaceuticals, to design and build a cleanroom facility for Himalaya Drug Company in the United Arab Emirates. Order value USD 1.1 million. Delivery during 2022.
- » Award decision from Region Stockholm-Gotland for the supply of blood sampling equipment over a four-year period beginning in 2022. Estimated contract value SEK 44.0 million.
- » Order from Signature Healthcare Consulting Services LLC, a group that provides

personalized healthcare through doctor's offices, specialist clinics, and hospitals in the US, for vital sign systems and monitors to be supplied to approximately 110 nursing homes. Order value USD 2.0 million. Delivery during 2022.

- » Order from Cadwell Industries, a company specializing in electrodes, equipment, and consumables for neurology, for cables for electrodiagnostic equipment. Order value USD 1.7 million. Delivery during 2022 and 2023.
- » Award decision from Helsinki University Hospital in Finland for the supply and installation of digital radiographic equipment. Order value EUR 2.4 million. Delivery during 2022 and 2023.
- » Order from Hortman Health Care Investment LLC, an investment company in the private healthcare sector in the United Arab Emirates, for the design and construction of stem cell labs for a clinic in Dubai in the United Arab Emirates. Order value USD 0.6 million. Delivery during 2023.
- » Order from BioGeneric Pharma, a biopharmaceutical company based in Egypt, for the design and construction of cleanrooms for the manufacture of mRNA vaccines. Order value USD 1.7 million. Delivery during 2023.
- » Order from Cochran Wholesale Pharmaceuticals, a wholesaler of generic pharmaceuticals that supplies pharmacies across the US, for the dietary supplement Folite. Order value USD 2.1 million. Delivery during 2022.
- » Assignment from one of the world's largest contract research organizations for medical device rental, training, and servicing. Order value EUR 12.8 million. The assignment runs for 33 months starting from the end of 2022.
- » Order from Wellgistics, a wholesaler of pharmaceuticals that supplies pharmacies in the US, for the dietary supplement Folite. Order value USD 1.5 million. Delivery during 2022.
- » Order from Cochran Wholesale Pharmaceuticals, a wholesaler of generic pharmaceuticals that supplies pharmacies across the US, for the dietary supplement Folite. Order value USD 1.2 million. Delivery during 2022.

#### **Fredrik Mella appointed Senior Vice President**

On December 19, 2022, Fredrik Mella was appointed Senior Vice President of ADDvise, with effect from January 1, 2023. As Senior Vice President, Fredrik Mella will act in place of the CEO when necessary. He will also remain in his role as Chief Operating Officer (COO). Fredrik Mella was appointed COO of ADDvise in February 2022. The role of COO entails an overall responsibility for ensuring that the subsidiaries achieve the Group's organic financial targets.

### Principal shareholder issues call options

The Board of Directors of ADDvise was informed on January 10, 2022 that one of its principal shareholders, Per Åhlgren through GoMobile nu Aktiebolag, had issued call options for ADDvise Group AB (publ) to Board members, senior executives, and certain other employees of ADDvise. A total of 3,696,666 call options were issued to 11 people.

Each call option was issued at a price of SEK 0.45, which corresponded to the market value applying the Black & Scholes valuation model, and entitled the holder to acquire a class B share in ADDvise at a price of SEK 9.55 during the period October 9, 2022 to January 9, 2023.

ADDvise did not participate in the issue of these call options and will not bear any resulting costs.

### Significant events after the end of the financial year

See Note K16 *Significant events after the end of the financial year*.

### The share, share capital, and ownership structure

#### Number of shares, nominal value, share capital, and other contributed capital

Information about share capital, other contributed capital, and changes in the number of shares issued, share capital, and other contributed capital is provided in Note K9 *Equity*. For changes in equity, see also the consolidated statement of changes in equity.

#### Translation reserve

The translation reserve covers all foreign exchange differences arising from the translation of the financial statements of foreign operations, the financial statements for which have been prepared in a currency other than the currency in which the consolidated financial statements are presented. The parent company and the Group present their financial statements in Swedish kronor (SEK). Cumulative translation differences are recognized through profit or loss on divestment of foreign operations.

#### Fair value reserve

The fair value reserve covers the cumulative net change after tax in the fair value of financial assets measured at fair value through other comprehensive income until such asset is derecognized from the balance sheet, which relates to investments in listed bonds.

Group reserves in SEK thousands	Fair value reserve	Translation reserve	Total reserves
<b>Opening carrying amount Jan 1, 2021</b>	<b>122</b>	<b>-1,484</b>	<b>-1,362</b>
Change for the year 2021	-122	12,783	12,661
<b>Closing carrying amount Dec 31, 2021</b>	<b>0</b>	<b>11,299</b>	<b>11,299</b>
<b>Opening carrying amount Jan 1, 2022</b>	<b>0</b>	<b>11,299</b>	<b>11,299</b>
Change for the year 2022	0	69,079	69,079
<b>Closing carrying amount Dec 31, 2022</b>	<b>0</b>	<b>80,378</b>	<b>80,378</b>

### Largest shareholders

The largest shareholders at the end of 2022, and known changes after this time, are shown in the table below:

	No. of shares	Equity, %	Votes, %
Per Åhlgren, through companies	33,527,742	18.58%	13.46%
Joh. Berenberg, Grossler & Co. KG	18,180,322	10.07%	7.30%
Rikard Akhtarzand, privately and through companies	13,733,879	7.61%	14.98%
Alcur Fonder AB	12,421,915	6.88%	4.99%
Magnus Vahlquist, privately and through companies	10,885,534	6.03%	5.68%

Other than these shareholders, no shareholder holds, directly or indirectly, more than 10% of the shares or votes in ADDvise Group AB (publ).

### Authorization for the Board to decide on new share issues

The 2022 Annual General Meeting decided to give the Board the authority to decide, within the framework of the applicable articles of association, until the next Annual General Meeting, on one or more occasions, with or without deviation from the preferential rights of the shareholders, on issues of shares, warrants, and/or convertibles. The Board proposes that it be given the authority to decide whether such issues are to be made for payment in cash, in kind, and/or through offsetting or otherwise with conditions attached.

The Board's ability to make decisions on issues without preferential rights for shareholders as above is primarily for the purpose of being able to raise new capital in order to increase the Company's flexibility and strengthen its capital base or in connection with acquisitions.

The issue of new shares by virtue of this authorization must be carried out on usual terms under prevailing market conditions. If the Board deems it appropriate to enable delivery of shares

in connection with an issue as set out above, this may be done at a subscription price equivalent to the nominal value of the shares.

The Board or the person authorized by the Board will be entitled to make minor adjustments to the decision that may be deemed necessary in conjunction with registration of the decision with the Swedish Companies Registration Office.

#### **Dividend**

The Board has decided to prioritize growth over paying a dividend in 2023, and is not proposing a dividend to the 2023 ADDvise Annual General Meeting.

### **Corporate governance**

ADDvise Group AB (publ) has prepared a separate corporate governance report; see pages 78–81 for information on governance of ADDvise.

### **Guidelines for the remuneration of senior executives**

#### **General**

The Company will have the levels of remuneration and terms of employment necessary to secure the Company's access to executives with the required expertise and capacity to achieve the targets set at a cost appropriate to the Company and taking into account the expertise of the individual executive. The application of market terms in relation to comparable listed companies of a similar size within the same industry, adapted to the Company's costs, will be the general principle for salaries and other remuneration for senior executives of the Company. The total possible remuneration available to senior executives of the Company comprises fixed salary, variable remuneration, long-term incentive schemes, pension benefits, and non-monetary benefits.

Variable remuneration for senior executives is determined on the basis of the achievement of predefined targets at Group and individual level relating to management and production results and the Company's financial performance in order to improve the Company's long-term value creation, and taking into account the personal development of the senior executive in question.

#### **The Company's business strategy, long-term interests, and sustainability**

The Company develops and supplies equipment to healthcare and research facilities. Demographic changes, with a population that is living longer and requiring more advanced healthcare, mean that the Company must continue, in a sustainable manner, to maintain long-term relationships by offering a broad range of skills and specialist expertise within the business units of Lab and Healthcare.

A prerequisite for the success of the Company's business strategy, long-term interests, and sustainability is its ability to attract the right employees. These guidelines form part of the foundation on which the Company recruits and retains qualified employees by offering competitive remuneration.

#### **Fixed salary**

The basic principle for the remuneration of senior executives is that remuneration takes the form of a fixed salary on market terms that must be determined individually on the basis of the criteria above and the particular expertise of the senior executive in question.

#### **Variable remuneration**

In addition to a fixed salary, variable remuneration on market terms may be offered where appropriate. Such remuneration must be linked to predefined and clearly specified measurable targets with the aim of improving the Company's long-term value creation and must be based on straightforward and transparent structures.

In those cases where variable remuneration for senior executives is deemed appropriate, it must be determined (a) on the basis of the achievement of predefined targets at Group and individual level relating to management and production results and the Company's financial performance in order to improve the Company's long-term value creation and (b) taking into account the personal development of the senior executive in question. Targets for the CEO are set by the Board of Directors. Targets for other senior executives are set by the CEO on the recommendation of the Chairman of the Board. The terms and basis of calculation for variable remuneration must be determined each financial year.

The total amount of variable remuneration must not exceed the fixed salary paid to the senior executive in question during the period to which the variable remuneration relates. When structuring variable remuneration for senior executives that is paid in cash, the Board of Directors must consider incorporating provisions that:

- » make the payment of a certain proportion of such remuneration conditional on the performance on which it is earned proving to be sustainable over time, and
- » enable the Company to require the repayment of such remuneration that is paid on the basis of information that subsequently proves to be clearly inaccurate.

#### **Long-term incentive schemes**

It is also possible for remuneration to be paid through a long-term incentive scheme, consisting of, for example, a share savings scheme, warrant



program, or other share-based instruments, such as synthetic options or employee options, and based on the outcome in relation to set targets and structured so that a greater community of interests is achieved between the senior executive and the Company's shareholders. The earning period or the period from entering into the agreement until a share may be acquired must be no shorter than three years.

The forms of variable remuneration also help to attract, retain, and provide an incentive for senior executives to contribute to the Company's continued success in terms of business strategy, long-term interests, and sustainability.

#### **Pension benefits**

The pension terms for senior executives must be on market terms and individually adapted, taking into account the particular expertise of the senior executive in question, and adapted to the Company's costs. Pension provisions must be defined contribution.

#### **Non-monetary benefits**

The non-monetary benefits of senior executives (such as cell phone and computer) must support them in the performance of their work and be on market terms.

#### **Notice period and severance pay**

The notice period between the Company and the CEO must be 6–18 months. Notice periods for other senior executives will normally be 3–12 months. Salary during the notice period and severance pay must under no circumstances exceed 18 months.

#### **Consultancy fee**

If a Board member carries out work on behalf of the Company in addition to their Board work, a consultancy fee and other remuneration for such work may be paid in accordance with a specific decision of the Board of Directors.

#### **Salaries and terms of employment of the Company's employees taken into account**

Information about the salaries and terms of employment of the Company's other employees has been taken into account in the preparation of these guidelines, in that the total remuneration of other employees and the change in remuneration over time have formed part of the basis for decision-making.

#### **Decision-making process**

The Board of Directors intends to draw up a proposal for new guidelines at least every four years and to submit the proposal for adoption at the Annual General Meeting. Where the Board's preparation of and decision on remuneration-related issues concerns the CEO or other senior

executives, these must not be present.

The current guidelines were adopted by the 2020 Annual General Meeting.

#### **Deviation from the guidelines under exceptional circumstances**

The Board of Directors reserves the right to deviate from the guidelines in individual cases under exceptional circumstances.

#### **Principles for the appointment of Board members by the nomination committee**

The Company's nomination committee will normally consist of a representative from each of the three known shareholders in the Company with the largest shares of votes as at June 30 of the year before the Annual General Meeting and the Chairman of the Board, who will convene the first meeting of the nomination committee.

The nomination committee will appoint as chairman the member representing the shareholder with the largest share of votes or another member chosen by the committee.

If any of the three shareholders with the largest shares of votes do not take a seat on the nomination committee, the seat will go to the shareholder with the fourth largest share of votes and so on until three shareholders are represented. If a member leaves the nomination committee before the committee's work is completed, the shareholder will be entitled to appoint a new member.

If a shareholder who has appointed a member to the nomination committee ceases to be one of the three shareholders with the largest shares of votes, the member appointed by that shareholder must give up their seat. The new addition to the three shareholders with the largest shares of votes will be asked and entitled to appoint a member. The members of the nomination committee will not be replaced if there are only marginal changes in the number of votes or if the majority of the nomination committee's work is judged by the chairman of the nomination committee to have been completed by the Annual General Meeting.

The names of the members of the nomination committee, together with the shareholders they represent, will be published no later than six months before the Annual General Meeting or, if there is a change in the membership after that time, as soon as the change takes place.

The task of the nomination committee is to propose, at the following Annual General Meeting, a Chairman of the Annual General Meeting, Board of Directors, Chairman of the Board, auditor, Board and auditors' fees, and any proposed changes to this nomination committee instruction.

No fees will be paid by the Company to the members of the nomination committee. Any reasonable expenses that may arise in connection with the work of the nomination committee will be reimbursed by the Company.

## Risks and risk management

The ADDvise Group is exposed to various financial risks in its activities, including credit risk, market risk and currency risk, interest rate risk, and liquidity risk. The Company's management and the Board take active steps to minimize these risks.

Credit risk is defined as the risk of the Group's counterparties being unable to fulfill their financial obligations to the Group. The Group's largest credit risk is trade receivables. The Group has established guidelines to ensure that products and services are sold to customers with a suitable credit history.

Exchange rate fluctuations represent one of the risks that the Company manages using a currency policy, which in principle means that the Company must seek to avoid currency risk. The Group currently has sales in SEK, AED, NOK, USD, and EUR, and has costs in the same currencies, which in itself balances the currency risk. Exposure in other currencies is limited.

Liquidity risk is the risk of the Group having difficulty fulfilling its obligations in relation to financial liabilities. As of the balance sheet date, interest-bearing liabilities total SEK 777,859 thousand (554,189). The Group's operations also involve a liquidity risk, since large orders tie up significant capital. To minimize the amount of capital tied up, the Company has payment terms with its customers that require a portion of the order value to be paid on the signing of the order.

Since the Company's strategy is to make complementary acquisitions, its level of debt may change over time. The Board of Directors always makes an overall assessment of the risk that an acquisition loan represents to the Company.

For further information about the Group's financial risks, see Note K11 *Financial risks*. The assessment of the Board of Directors and the Company's management is that the liquidity of the Company and the Group, in view of current plans, forecasts, and available credit, is secured for the next 12 months.

### Market and operational risks

#### *Macroeconomic conditions*

ADDvise is dependent on the general economic cycle. Any economic downturn in Sweden, or in other parts of the world where ADDvise operates, poses a risk of reduced demand for the products and services supplied by ADDvise, although the demand for the Company's products are relatively insensitive to general economic cycles. The Company's operations, financial position, and

operating profit/loss can be negatively affected by a number of different factors. Examples of such factors include lower consumption, a reduction in the number or volume of investments, and increased volatility on the capital market, as well as changes in exchange rates, inflation, and interest rates. These factors, together with a more cautious approach from both companies and consumers, which are out of the Company's control, may lead to further economic slowdown and recession, which affects the commercial and economic situation and ultimately may have a negative impact on the Company's operations, financial position, and operating profit/loss.

ADDvise's subsidiaries operate globally. ADDvise operates in a sector whose products and services were necessary during the coronavirus outbreak. ADDvise has no exposure to Ukraine or Russia.

#### *Senior executives, other personnel, and operational risk*

Operational risk is defined as the risk of losses being incurred as a result of inadequate procedures and/or fraud. Good internal controls, appropriate administrative systems, skills development, and access to reliable valuation and risk models provide a good basis for ensuring operational security.

The knowledge, experience, and commitment of employees are vital to the future development of ADDvise. ADDvise could be negatively affected if several of its employees were to leave the Company at the same time, or if inadequacies were to emerge in the Company's operational security.

#### *Competition*

ADDvise currently only has a few competitors that are able to offer comparable services. If new players were to enter the market, or if existing players were to develop their own solutions and strengthen their positions, this could have a negative impact on the Company's operations and performance. ADDvise may then need to carry out costly investments, restructuring, or price reductions in order to adapt to the new competitive situation. Increased competition could therefore have a negative impact on the operations, performance, and financial position of ADDvise.

#### *Customers*

ADDvise supplies medical devices and apparatus to laboratories and research facilities. ADDvise's largest customers are in the public sector, as well as pharmaceuticals companies. ADDvise is not dependent on any individual customer contract for the operation of its business, although income from a single customer can be significant. There is therefore a risk that the loss of such customers

may have a significant negative impact on the operations, financial position, and performance of ADDvise. Exposure to the pharmaceuticals industry and the public sector also means that changes within these industries may have a negative impact on the operations, financial position, and performance of ADDvise.

The NLM 02 standard terms, which govern, among other things, the customer's right to cancel an order, are generally used for order-based domestic sales within the Lab business unit.

#### *Suppliers*

To be in a position to deliver its products, ADDvise is dependent upon components and services from third parties being delivered on time, in the right quantity, and in compliance with ADDvise's quality requirements. Deficient delivery or non-delivery from suppliers may result in delays to ADDvise's production, which may have a negative impact on the operations, financial position, and performance of ADDvise. Significant disruption, quality issues, or other negative events affecting the Company's relationship with one or more of its major suppliers may result in additional costs and have a negative impact on the Company's performance and financial position. If ADDvise were to replace one of its main suppliers, the Company could be exposed to risks and costs in relation to such a transition. There could also be a negative impact on the Company's performance and financial position if it were unable to replace one of its major suppliers on reasonable commercial terms.

#### *Disputes*

Legal disputes involve an inherent risk of both losing the case and the costs of legal representation and—in the case of arbitration proceedings—the arbitral tribunal. There is always a risk of disputes arising in connection with contracts or agreements or of being unable to resolve any disputes that have arisen in a way that is to the advantage of the Company. The Group has patents and trademarks that present a risk of infringement. Legal proceedings may therefore have a negative impact on the operations, financial position, and performance of ADDvise.

#### *Changes to legislation*

The Company operates in the public sector, among others, and works with the pharmaceuticals industry. These areas are both subject to extensive regulation, which undergoes constant change. New laws or regulations, or changes in the application of existing laws or regulations that apply principally to these areas, may have a negative impact on the operations of the Company.

### **Parent company**

ADDvise Group AB, company registration number 556363-2115, is the parent company of the ADDvise Group and is a registered Swedish public limited company with its registered office in Stockholm. The address of the head office is ADDvise Group AB, Grev Turegatan 30, SE-114 38 Stockholm, Sweden.

The parent company provides support functions within finance, marketing, HR, and management for the Group's subsidiaries. The parent company's net revenue was SEK 29,400 thousand (24,814) and the profit/loss after net financial items was SEK -10,692 thousand (-20,390), while the balance sheet total was SEK 1,250,826 thousand (818,570). Unrestricted equity was SEK 300,840 thousand (206,372) at the parent company.

Risks and uncertainties in the parent company's operations are described in the Group Directors' Report.

### **The Board's proposed distribution of profits**

The following profits are at the disposal of the 2023 Annual General Meeting:

Share premium account and retained earnings	SEK 300,249,415.67
Profit/loss for the year	SEK 590,516.94
Total disposable earnings	SEK 300,839,932.61

The Board of Directors proposes the following appropriation of the disposable earnings:

Carried forward then distributed to share premium account	SEK 300,839,932.61
	SEK 300,839,932.61

As far as the Board of Directors and the CEO are aware, the annual report has been prepared in accordance with generally accepted accounting practice. The information provided corresponds to the actual circumstances of the business and nothing of material significance has been omitted that could affect the view of the Group and the parent company that is created by the annual report.

## Consolidated statement of comprehensive income

SEK thousands	Note	2022 Jan–Dec	2021 Jan–Dec
Net revenue	K3, K4a	951,521	465,953
Capitalized work on own account	K8b3	7,455	2,659
Other operating income	K5a	10,152	498
		<b>969,128</b>	<b>469,110</b>
Cost of materials	K8d	-383,960	-252,047
Other external expenses	K5d, K5g, K12a, K15a	-178,818	-47,334
<i>Of which impairment losses (calculated in accordance with IFRS 9)</i>		0	0
Personnel costs	K5c, K5g, K17b	-220,186	-112,467
Depreciation, amortization, and impairment	K8c	-27,932	-13,716
Other operating expenses	K5b	-1,029	0
		<b>-811,925</b>	<b>-425,564</b>
<b>Operating profit/loss (EBIT)</b>		<b>157,203</b>	<b>43,546</b>
Financial income	K5e	48,643	1,535
Financial expenses	K5f	-97,860	-37,423
<b>Profit/loss before tax (EBT)</b>		<b>107,986</b>	<b>7,658</b>
Tax	K6a, K6b	-26,888	-4,853
<b>Profit/loss for the year</b>		<b>81,098</b>	<b>2,805</b>
<i>Profit/loss attributable to:</i>			
Shareholders of the parent company		81,098	2,805
Non-controlling interests		-	-
		<b>81,098</b>	<b>2,805</b>
<b>Other comprehensive income</b>			
<i>Items that can be reclassified in the income statement</i>			
Change in fair value of financial assets recognized at fair value through other comprehensive income	K7c	0	0
Foreign exchange differences on the translation of foreign operations		69,079	12,783
Income tax attributable to the items above		0	0
<i>Reclassification of items in the income statement</i>			
Utilization of reserves	K7c	0	-122
Income tax attributable to the items above		0	0
<b>Other comprehensive income for the year, after tax</b>		<b>69,079</b>	<b>12,661</b>
<b>Total comprehensive income for the year</b>		<b>150,177</b>	<b>15,466</b>
<i>Comprehensive income attributable to:</i>			
Shareholders of the parent company		150,177	15,466
Non-controlling interests		-	-
		150,177	15,466
Basic earnings per share (SEK)	K18	0.46	0.02
Diluted earnings per share (SEK)	K18	0.46	0.02

## Consolidated statement of financial position

SEK thousands	Note	2022 Dec 31	2021 Dec 31
<b>ASSETS</b>			
<i>Non-current assets</i>			
Goodwill	K8b6	820,770	288,559
Trademarks	K8b1	323,442	127,767
Other intangible non-current assets	K8b2, K8b3, K8b4, K8b5	137,922	24,615
Property, plant, and equipment	K8a	126,771	65,072
Non-current financial assets	K7b	1,838	232
Contract assets	K4b	12,875	14,119
Deferred tax assets	K6f	0	0
<i>Total non-current assets</i>		<i>1,423,618</i>	<i>520,364</i>
<i>Current assets</i>			
Inventories	K8d	102,535	66,543
Contract assets	K4b	72,858	48,367
Trade receivables	K7a	223,607	96,808
Other current receivables	K7b	22,424	4,590
Prepayments and accrued income	K8e	12,656	7,035
Short-term investments	K7c	0	0
Cash and cash equivalents	K7d	111,093	325,735
<i>Total current assets</i>		<i>545,173</i>	<i>549,078</i>
<b>TOTAL ASSETS</b>		<b>1,968,791</b>	<b>1,069,442</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital	K9	18,049	16,511
Other contributed capital	K9	316,984	223,106
Reserves		80,378	11,299
Retained earnings including profit/loss for the year		77,457	-3,641
<i>Total equity</i>		<i>492,868</i>	<i>247,275</i>
<i>Equity attributable to:</i>			
Shareholders of the parent company		492,868	247,275
Non-controlling interests		-	-
		<i>492,868</i>	<i>247,275</i>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	K7e, K7f, K11	744,314	525,145
Deferred tax liabilities	K6f	104,348	14,702
Contract liabilities	K4b	449	-
Other non-current liabilities	K7g, K7h	227,143	108,024
<i>Total non-current liabilities</i>		<i>1,076,254</i>	<i>647,871</i>
<i>Current liabilities</i>			
Interest-bearing liabilities	K5g, K7f, K11	33,545	29,044
Current tax liabilities	K6	26,113	9,797
Contract liabilities	K4b	64,552	13,610
Trade payables	K7e	114,170	60,329
Other current liabilities	K7e, K7g, K7h	96,399	31,299
Accruals and deferred income	K8f	64,890	30,217
<i>Total current liabilities</i>		<i>399,669</i>	<i>174,296</i>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,968,791</b>	<b>1,069,442</b>

For information about the Group's pledged assets and contingent liabilities, see Note K14 and Note K19

## Consolidated statement of changes in equity

SEK thousands	Equity attributable to the parent company's shareholders				Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings including profit/loss for the year			
Note	K9	K9					
<b>Opening balance at January 1, 2021</b>	<b>9,691</b>	<b>86,476</b>	<b>-1,362</b>	<b>-3,839</b>	<b>90,966</b>	<b>83</b>	<b>91,049</b>
<b>Comprehensive income</b>							
Profit/loss for the year				2,805	2,805	0	2,805
Other comprehensive income			12,661		12,661	0	12,661
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>12,661</b>	<b>2,805</b>	<b>15,466</b>	<b>0</b>	<b>15,466</b>
Change in non-controlling interests				188	188	-83	104
<i>Transactions with shareholders in their capacity as owners:</i>							
Contributed capital after deduction of transaction costs and tax	6,819	136,630			143,449		143,449
Dividend				-2,794	-2,794		-2,794
	<b>6,819</b>	<b>136,630</b>	<b>0</b>	<b>-2,794</b>	<b>140,655</b>	<b>0</b>	<b>140,655</b>
<b>Closing balance at December 31, 2021</b>	<b>16,511</b>	<b>223,106</b>	<b>11,299</b>	<b>-3,641</b>	<b>247,275</b>	<b>0</b>	<b>247,275</b>
<b>Opening balance at January 1, 2022</b>	<b>16,511</b>	<b>223,106</b>	<b>11,299</b>	<b>-3,641</b>	<b>247,275</b>	<b>0</b>	<b>247,275</b>
<b>Comprehensive income</b>							
Profit/loss for the year				81,098	81,098	0	81,098
Other comprehensive income			69,079		69,079	0	69,079
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>69,079</b>	<b>81,098</b>	<b>150,177</b>	<b>0</b>	<b>150,177</b>
<i>Transactions with shareholders in their capacity as owners:</i>							
Contributed capital after deduction of transaction costs and tax	1,538	93,877			95,416		95,416
	<b>1,538</b>	<b>93,877</b>	<b>0</b>	<b>0</b>	<b>95,416</b>	<b>0</b>	<b>95,416</b>
<b>Closing balance at December 31, 2022</b>	<b>18,049</b>	<b>316,984</b>	<b>80,378</b>	<b>77,457</b>	<b>492,868</b>	<b>0</b>	<b>492,868</b>



## Consolidated statement of cash flows

SEK thousands	Note	2022 Jan-Dec	2021 Jan-Dec
<i>Operating activities</i>			
Profit/loss before tax		107,986	7,658
<i>of which interest received</i>	K10	2,313	973
<i>of which interest paid</i>	K10	-43,012	-22,431
Adjustments for non-cash items	K10	27,993	9,470
Income tax paid		-6,398	-85
<i>Operating cash flow before changes in working capital</i>		129,581	17,043
Change in inventories		-14,520	-3,236
Change in current receivables		-58,325	-19,852
Change in current liabilities		53,140	28,842
Deferred payment of tax		0	-12,611
<i>Operating cash flow</i>		109,876	10,186
<i>Investing activities</i>			
Acquisition of subsidiaries	K12	-626,842	-197,246
Acquisition of intangible non-current assets	K8b	-7,922	-3,079
Acquisition of property, plant, and equipment	K8a	-6,040	-1,058
Sale of property, plant, and equipment	K8a	0	0
Change in non-current contract assets	K4b	2,217	-279
Acquisition of short-term investments	K10a	0	0
<i>Investing cash flow</i>		-638,587	-201,662
<i>Financing activities</i>			
	K10, K10a		
Share issue	K9	100,000	152,811
Transaction costs for share issues	K9	-4,584	-9,362
Loans raised		133,043	488,769
Amortization of loans		-15,447	-167,868
New interest-bearing liabilities	K10c, K12	64,916	0
New non-interest-bearing liabilities	K10c, K12	55,598	21,330
Amortization of non-interest-bearing liabilities	K10c	-2,426	-1,073
Payments made in relation to amortization of loans attributable to leases		-28,082	-7,838
Dividend to shareholders		0	-2,794
<i>Financing cash flow</i>		303,018	473,975
<b>Cash flow for the year</b>		<b>-225,694</b>	<b>282,499</b>
Cash and cash equivalents at start of year	K10a	325,735	39,606
Foreign exchange differences in cash and cash equivalents		11,052	3,629
<b>Cash and cash equivalents at year-end</b>		<b>111,093</b>	<b>325,735</b>

## Definitions of key performance indicators

In its financial reports, ADDvise uses alternative performance measures, in other words financial measures that are not defined by IFRS. The company management uses these performance measures to assess the Group's financial development as a complement to the performance indicators that represent generally accepted accounting practice. Described below are financial measures not defined by IFRS. Unless otherwise stated in the respective key performance indicator definition, the Group's definition of the key performance indicator is unchanged from the 2021 annual report.

Financial measures that use items not otherwise presented in financial statements or by other facts in this annual report are described with detailed calculations.

### Adjusted EBITDA

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items. The key performance indicator has previously been presented only in ADDvise's interim and year-end reports, but not in the annual reports.

SEK thousands	2022	2021
Operating profit/loss, see below	157,203	43,546
Plus reversal of depreciation and amortization	27,932	13,716
Plus reversal of acquisition costs	2,879	2,837
Plus reversal of restructuring costs	1,857	0
Minus reversal of state subsidies and similar items relating to Covid-19	-3,657	-3,040
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	-9,943	0
<b>= Adjusted EBITDA</b>	<b>176,271</b>	<b>57,058</b>

### Adjusted EBITDA margin

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items as a percentage of net revenue. The key performance indicator has previously been presented only in ADDvise's interim and year-end reports, but not in the annual reports.

SEK thousands	2022	2021
Adjusted EBITDA, see above	176,271	57,058
Divided by net revenue	951,521	465,953
<b>= Adjusted EBITDA margin as a %</b>	<b>18.5%</b>	<b>12.2%</b>

### Adjusted profit/loss for the year

Profit/loss for the year before acquisition costs and non-recurring items. The key performance indicator has previously been presented only in ADDvise's interim and year-end reports, but not in the annual reports.

SEK thousands	2022	2021
Profit/loss for the year	81,098	2,805
Plus reversal of acquisition costs	2,879	2,837
Plus reversal of restructuring costs	1,857	0
Plus reversal of financial expenses related to acquisitions and other non-recurring financial expenses	17,464	10,136
Minus reversal of state subsidies and similar items relating to Covid-19	-3,657	-3,040
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	-9,943	0
<b>= Adjusted profit/loss for the year</b>	<b>89,697</b>	<b>12,739</b>

### Cash flow from Operations

As of the interim report for January–March 2022, cash flow from Operations is presented, which is cash flow from the Group's business operations, and where items attributable to acquisition activities having an impact on cash flow have been eliminated. The Group is presenting this key performance indicator as it has been requested by investors. Comparative figures have not been calculated, as 2021 have been affected by the covid-19 pandemic to a greater extent than 2022. A comparison would therefore reflect the effects of the pandemic and not only developments in business operations.

SEK thousands	2022
Operating profit/loss (EBIT)	157,203
Income taxes paid	6,398
Changes in working capital	-19,705
Finance net attributable to Operations	-2,071
Depreciation and amortization attributable to Operations	25,858
Acquisition of intangible and tangible non-current assets and payments made in relation to amortization of loans attributable to leases, attributable to Operations	-42,045
Items attributable to acquisition activities	-4,932
<b>= Cash flow from Operations</b>	<b>120,706</b>

### EBITDA

Operating profit/loss before depreciation, amortization, and impairment. EBITDA is a measure that the Group considers relevant for an investor wishing to understand profit generation before investments in non-current assets. The Group defines earnings before interest, tax, depreciation, amortization, and impairment (EBITDA) as operating profit/loss from continuing operations excluding depreciation and amortization relating to property, plant, and equipment and intangible assets.

### EBITDA margin

Operating profit/loss before depreciation, amortization, and impairment as a percentage of net revenue.

### Equity per share

Equity at the end of the period attributable to the parent company's shareholders divided by the number of shares at the end of the year.

### Equity ratio

Adjusted equity as a percentage of total assets.

### Gross margin

Net revenue minus cost of materials as a percentage of net revenue. The key performance indicator has previously been presented only in ADDvise's interim and year-end reports, but not in the annual reports.

### Net debt

The Group defines net debt as the net sum of cash and cash equivalents, including short-term investments and interest-bearing liabilities. The Group monitors this performance indicator since it shows the level of debt and is part of one of the long-term financial goals adopted by the Board of Directors.

### Net debt-to-EBITDA

The Group defines net debt-to-EBITDA as the net sum of cash and cash equivalents plus short-term investments and interest-bearing liabilities divided by pro forma EBITDA on a rolling 12-month basis. The Group monitors this performance indicator since it shows the level of debt and is one of the financial targets adopted by the Board of Directors. For the definition of EBITDA, see above.

As of the year-end report for January–December 2022, pro forma EBITDA is included in the calculation of the key ratio. EBITDA according to

the Group's previous definition of net debt-to-EBITDA was not calculated pro forma. This meant that the key figure was affected by the fact that new acquisitions did not contribute to EBITDA throughout the 12-month period, and meant that net debt in relation to EBITDA increased. Pro forma EBITDA matches the net debt as the Group's bond loan is for acquisition purposes.

SEK thousands	2022	2021
Cash and cash equivalents	111,093	325,735
Short-term investments	0	0
Loans due for repayment within one year, including line of credit and lease liabilities	-33,545	-29,044
Deferred tax payments	0	0
Other interest-bearing liabilities due for repayment within one year	-65,657	0
Loans due for repayment after one year or more, including lease liabilities	-678,657	-525,145
<b>= Net debt</b>	<b>-666,765</b>	<b>-228,455</b>
EBITDA, see above	185,135	57,261
EBITDA from companies acquired during the year from the time before the acquisition <sup>1</sup>	57,297	44,106
<b>Pro forma EBITDA</b>	<b>242,432</b>	<b>101,367</b>
<b>= Net debt-to-EBITDA</b>	<b>2.8</b>	<b>2.3</b>

<sup>1</sup> EBITDA from companies acquired during the year from the time before the acquisition is, in this calculation, adjusted for items affecting comparability, such as non-market wages and other costs.

#### Net margin

Profit/loss after net financial items (profit/loss before tax, EBT) as a percentage of net revenue.

#### Number of employees

The number of employees working at the end of the period.

#### Operating margin

Operating profit/loss as a percentage of net revenue.

#### Operating profit/loss (EBIT)

Profit/loss before financial items (financial income and financial expenses) and tax.

#### OPEX

The Group defines OPEX (operating expenses) as the sum of other external expenses, personnel costs, and other operating expenses. The Group monitors this performance indicator since it shows the effectiveness of cost-saving initiatives and cost control.

#### Orders received

New customer orders received during the period, plus additions and deductions for changes to customer orders received earlier in the current financial year. Additions and deductions are made for changes to larger customer orders with delivery schedules spread across several financial years even if the customer order was received in a previous year.

Orders received for 2021 have been recalculated as a result of the one-off order of SEK 50.0 million received in the first quarter of 2020 for the years 2020–2022, instead of being seen as an order received in 2020, now being allocated over 3 years.

#### Profit/loss before tax (EBT)

Profit/loss after net financial items (financial income and financial expenses).