

Year-end report January 1–December 31, 2023

ADDvise delivers its strongest quarter to date and surpasses financial targets for 2023. Net sales increased by 24% and EBITDA amounted to a record SEK 126 million, corresponding to an EBITDA margin of 32%.

October–December 2023

- » Net revenue for the period was SEK 397.0 million (320.3), an increase of 24.0%. On an organic basis, net revenue declined by 15.8%.
- » EBITDA for the period was SEK 126.1 million (90.4)
- » Profit/loss for the period was SEK 29.9 million (28.1)
- » Earnings per share for the period amounted to SEK 0.16 (0.16)
- » Cash flow from Operations for the period was SEK 77.9 million (75.4)

January–December 2023

- » Net revenue for the year was SEK 1,373.0 million (951.5), an increase of 44.3%. Organic growth was 5.0%.
- » EBITDA for the year was SEK 425.5 million (185.1)
- » Profit/loss for the year was SEK 103.5 million (81.1)
- » Earnings per share for the year amounted to SEK 0.56 (0.46)
- » Cash flow from Operations for the year was SEK 332.4 million (114.3)
- » Net debt to EBITDA was 2.3 (2.8)
- » The Board of Directors proposes that no dividend be paid in respect of the year 2023

SEK million	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022	Change	Pro forma Jan–Dec 2023
Net revenue	397.0	320.3	1,373.0	951.5	44.3%	1,850.8
EBITDA	126.1	90.4	425.5	185.1	129.8%	578.7
EBITDA margin, %	31.8%	28.2%	31.0%	19.5%	11.5 pp	31.3%
Adjusted EBITDA	115.1	85.8	419.0	174.9	139.6%	572.3
Adjusted EBITDA margin, %	29.0%	26.8%	30.5%	18.4%	12.1 pp	30.9%
EBITA	102.6	81.3	337.3	163.4	106.4%	469.5
EBITA margin, %	25.8%	25.4%	24.6%	17.2%	7.4 pp	25.4%
Profit/loss before tax (EBT)	43.9	44.9	164.3	108.0	52.2%	296.0
Profit/loss for the period	29.9	28.1	103.5	81.1	27.6%	220.2
Cash conversion %	61.8%	83.4%	78.1%	61.7%	16.4 pp	-
Earnings per share (SEK)	0.16	0.16	0.56	0.46		1.17
Net debt to EBITDA	-	-	-	-		2.3

Investors, analysts and other stakeholders are invited to a webcast and conference call at 14:00 (CET) / 08:00 AM (ET) on February 22, 2024, where CEO Rikard Akhtarzand and CFO Oliver Humlen will present the report. Additional information is available at addvisigroup.com.

CEO's comment

ADDvise surpasses financial targets for 2023 in our strongest quarter yet

The fourth quarter saw continued strong revenue growth and record earnings in a fitting conclusion to what has been a remarkable year for the Group. Compared with 2022, we have grown revenue for the full year by 44% while more than doubling EBITDA to SEK 426 million, corresponding to a margin of 31%. For the first time we are reporting an annual net profit exceeding SEK 100 million. During the year we made four acquisitions, and our portfolio now spans 21 businesses across Healthcare and Lab, generating pro forma turnover and EBITDA of respectively SEK 1,851 million and SEK 579 million. This means that we have exceeded not only the financial targets we set ourselves for 2023, but also three out of four of our long-term financial targets.

Driven by the consolidation of recent acquisitions, fourth quarter revenue grew by 24% year-over-year and amounted to SEK 397 million. EBITDA came in at a record SEK 126 million, corresponding to a margin of 32%. Organic growth and order intake suffered from year-over-year comparison effects. During the fourth quarter of 2022 the Lab segment received its largest ever order while at the same time we saw the beginning of a period of exceptional demand within our pharmaceuticals business. We are now seeing a normalisation of volumes within this product category. For the full year, organic growth amounted to 5%, which is in line with our ambition to follow the growth trend of our underlying markets.

The Lab segment delivered another solid quarter with revenue growth of 84%, of which 24% organic, driven by among others high activity levels within cleanrooms and clinical trial equipment. I am pleased to see continued sequential growth in order intake, also on an organic basis, and expect further positive revenue momentum as we consolidate our most recent acquisitions.

Cash flow from operations amounted to SEK 78 million in the quarter, corresponding to a cash conversion of 62%. For the full year, cash conversion came in at 78% which represents a significant improvement year-over-year. Our focused efforts to further improve cash generation will continue in 2024.

During the quarter we made two additions to the Lab segment. Axelerist is a US-based provider of tailored



equipment rental and purchase solutions for clinical studies, serving CROs as well as the biotech and healthcare companies. The company is an existing partner to our subsidiary CliniChain and will make a great geographic addition to our offering in the clinical trials space. Labplan, based in Ireland, is a high value-add distributor of advanced instruments, consumables and service to the life science and biopharmaceutical industry. We continue to see ample opportunities to strengthen our offering and build density in selected verticals and will remain acquisitive – but selective – in the year to come.

Looking to 2024, we are entering the year with a broader and more diversified life science platform than ever before. We have strengthened our organisation to enable us to better support our group companies and drive further performance improvements through our operational playbook. Activity levels in our markets remain generally robust, supported by long-term demographic trends. Although we are facing some challenging comparables after a record 2023, I am confident that the Group is well positioned for continued profitable growth while delivering on our mission to extend, improve, and save people's lives.

Rikard Akhtarzand
CEO

The Group's development

Net revenue and orders

Net revenue for the quarter was SEK 397.0 million (320.3), an increase of 24.0% year-over-year. On an organic basis, net revenue decreased by 15.8%, or 17.1% net of currency effects. The negative organic development was driven primarily by a normalisation of demand within our pharmaceuticals segment, which has seen a period of strong growth since the fourth quarter of 2022.

Net revenue for the year was SEK 1,373.0 million (951.5), an increase of 44.3% year-over-year. Organic growth was 5.0%, or 0.9% net of currency effects.

Orders received for the quarter amounted to SEK 389.9 million (517.7), a decrease of 24.7% year-over-year. On an organic basis, orders received decreased by 38.1%. The negative organic development is explained partly by a normalization of demand for some pharmaceuticals, partly by the business area Lab receiving its largest order ever during the fourth quarter of 2022. This resulted in an extraordinary order intake during the fourth quarter of 2022, which affects the comparison. Overall, most of our markets continue to show robust growth.

Orders received for the year amounted to SEK 1,409.5 million (1,177.8), an increase of 19.7% year-over-year. Organic growth was 3.0%.

Profit

EBITDA for the quarter was SEK 126.1 million (90.4). This is the highest EBITDA and the second-highest EBITDA margin in a quarter to date. Adjusted EBITDA was SEK 115.1 million (85.8). EBITA was SEK 102.6 million (81.3). Operating profit/loss for the period was SEK 94.7 million (79.4). Profit/loss after tax was SEK 29.9 million (28.1). Adjusted profit/loss after tax amounted to SEK 23.7 million (30.3). Earnings per share amounted to SEK 0.16 (0.16) for the quarter.

EBITDA for the year was SEK 425.5 million (185.1). Adjusted EBITDA was SEK 419.0 million (174.9). EBITA was SEK 337.3 million (163.4). Operating profit/loss for the period was SEK 316.8 million (157.2). Profit/loss after tax was SEK 103.5 million (81.1). Adjusted profit/loss after tax amounted to SEK 139.8 million (88.3). Earnings per share amounted to SEK 0.56 (0.46) for the year. For information about acquisition costs and other adjustment items, please refer to *Definition of key performance indicators*.

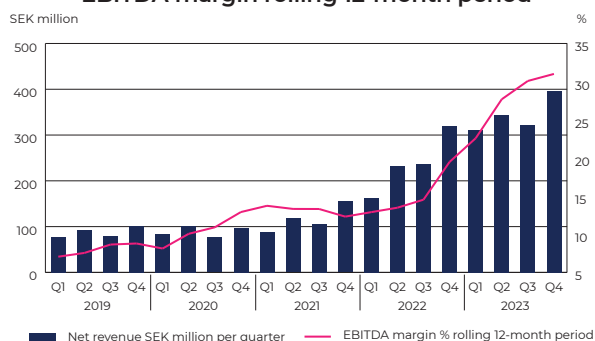
Profit commentary

2023 has been characterised by strong revenue growth and significantly expanded margins as a result of organic growth and profitability improvements, coupled with acquisitions which have raised the Group's structural margin profile. Compared with the previous year, EBITDA margins have improved by 11.5 pp while operating margins have improved by 6.6 pp. Depreciation has increased in 2023 as companies acquired in 2022 have contributed an increase in leased assets.

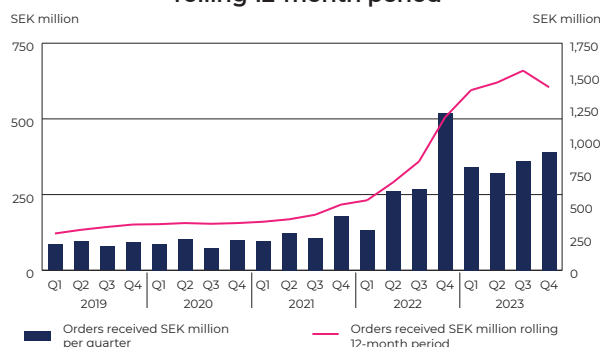
Depreciation on a leased asset is allocated over the length of the lease contract, which is often shorter than what the corresponding useful life would have been if the Group had purchased the asset outright. During the year, depreciation was affected by leased assets being amortized over a shorter period than originally planned. Assuming a normal depreciation rate on leased assets, depreciation in relation to net revenue should decrease in 2024.

Tax in relation to profit before tax was elevated during the year. This is explained by Net financial items comprising mostly non-deductible costs, including non-recurring costs related to the refinancing of a bond loan. Net financial items was negatively affected by currency effects of SEK 15.0 million, of which SEK 17.8 million during the quarter, as well as costs related to the refinancing of a bond loan.

Net revenue SEK million per quarter and EBITDA margin rolling 12-month period

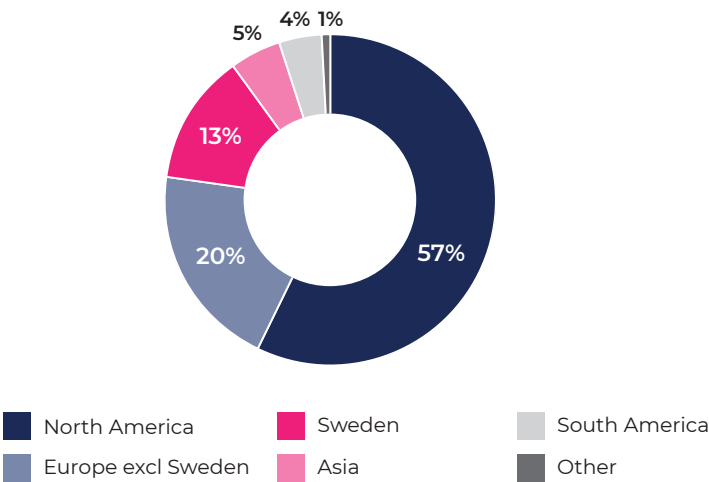


Orders received SEK million per quarter and rolling 12-month period

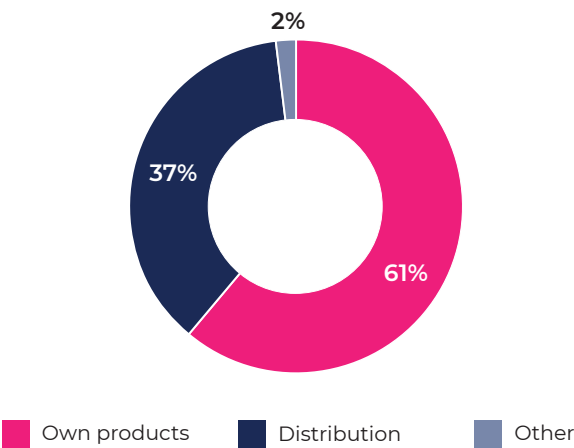


Group net revenue January–December 2023

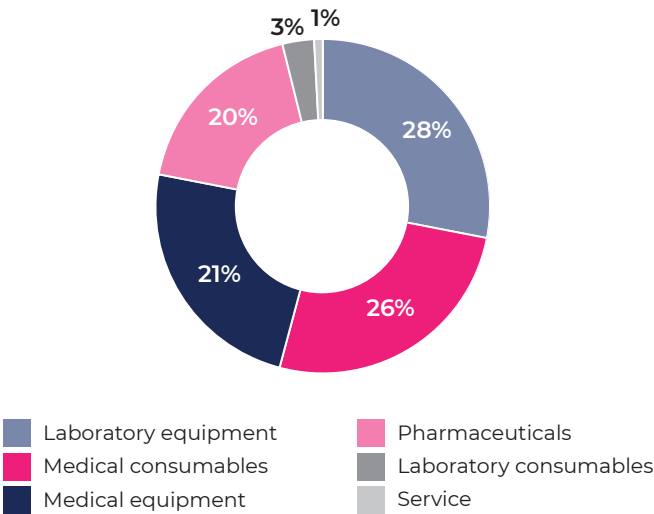
Net revenue split by geography



Net revenue split by own products/distribution



Net revenue split by product



Healthcare business unit

The Healthcare business unit manufactures and distributes medical equipment, both advanced and conventional, as well as pharmaceuticals and consumables for healthcare units. During the fourth quarter, the business unit saw the start of a normalization of demand within the pharmaceuticals product segment compared to the same quarter of the previous year. This resulted in a decrease on an organic basis in net revenue and somewhat lower profitability. On the other hand we observed a continued favourable development within consumables such as diabetes-related products. For the full year, the segment as a whole delivered robust net revenue growth and further improved profitability. In 2023, the business unit was expanded with the acquisitions of Diabetic Supplies and Kolplast.

Net revenue, orders and profit

Net revenue for the quarter was SEK 295.2 million (264.9), an increase of 11.5% year-over-year. On an organic basis, net revenue decreased by 24.1%. Net revenue for the year was SEK 940.9 million (699.2), an increase of 34.6% year-over-year. Organic growth was 6.2%.

Orders received for the quarter amounted to SEK 281.8 million (306.2), a decrease of 8.0% year-over-year. On an organic basis, the decrease amounted to 26.2%. Orders received for the year amounted to SEK 1,034.9 million (821.1), an increase of 26.0% year-over-year. Organic growth was 10.0%.

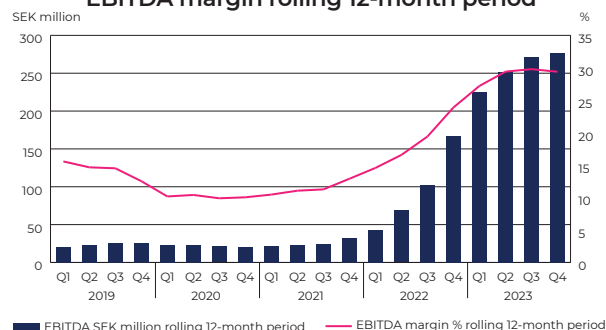
Gross margin for the quarter was 60.8% (66.3%). Business unit EBITDA for the quarter was SEK 82.7 million (77.5). Gross margin for the year was 65.5% (65.4%). Business unit EBITDA for the year was SEK 276.3 million (166.9).

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net revenue	295.2	264.9	940.9	699.2
Orders received	281.8	306.2	1,034.9	821.1
Gross margin %	60.8%	66.3%	65.5%	65.4%
EBITDA	82.7	77.5	276.3	166.9
EBITDA margin %	28.0%	29.3%	29.4%	23.9%

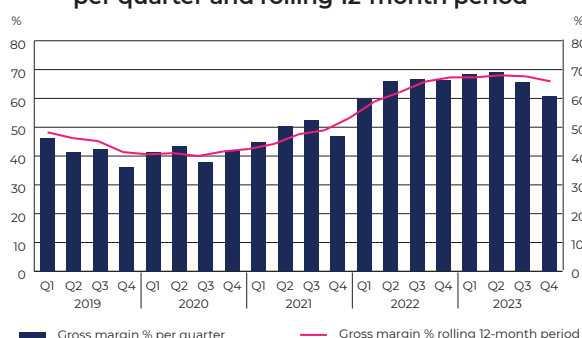
Healthcare business unit net revenue SEK million per quarter and rolling 12-month period



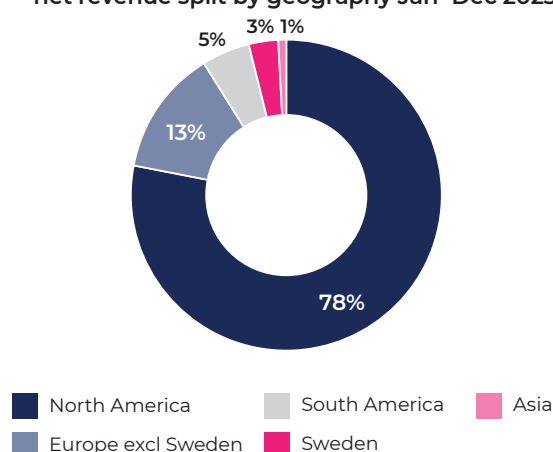
Healthcare business unit EBITDA SEK million and EBITDA margin rolling 12-month period



Healthcare business unit gross margin per quarter and rolling 12-month period



Healthcare business unit net revenue split by geography Jan-Dec 2023



Lab business unit

The Lab business unit provides laboratory furnishings, safety ventilation, climate rooms, clean rooms, and laboratory apparatus to the pharmaceutical and life science research industries. During the quarter, the business unit continued to show stronger margins compared to the previous year due to a favorable product mix and a high rate of sales of laboratory equipment for clinical studies. The order intake during the quarter showed continued sequential organic growth, driven mainly by strong demand for cleanroom solutions. In 2023, the business unit was expanded with the acquisitions Axelerist and Labplan.

Net revenue, orders and profit

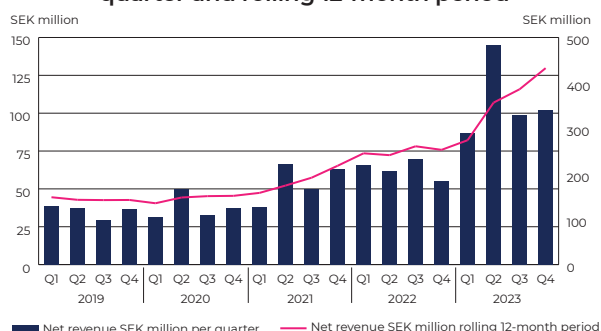
Net revenue for the quarter was SEK 101.8 million (55.4), an increase of 83.8% year-over-year. Organic growth was 23.7%. Net revenue for the year was SEK 432.2 million (252.3), an increase of 71.3% year-over-year. Organic growth was 1.9%.

Orders received for the quarter amounted to SEK 108.2 million (211.5) a decrease of 48.8% year-over-year. On an organic basis, the decrease amounted to 55.4%. The comparison with the same period of the previous year is affected by the business unit receiving its largest order ever in December 2022. Net of the effect of this order, order intake increased by 23.7%, of which 7.8% was organic. Orders received for the year amounted to SEK 374.6 million (356.7) an increase of 5.0% year-over-year. On an organic basis, order intake decreased by 13.0%.

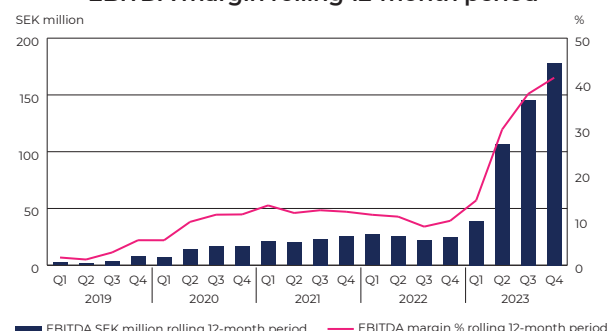
Gross margin for the quarter was 71.8% (57.9%). Business unit EBITDA for the quarter was SEK 42.3 million (9.4). Gross margin for the year was 64.2% (44.0%). Business unit EBITDA for the year was SEK 178.3 million (24.6).

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net revenue	101.8	55.4	432.2	252.3
Orders received	108.2	211.5	374.6	356.7
Gross margin %	71.8%	57.9%	64.2%	44.0%
EBITDA	42.3	9.4	178.3	24.6
EBITDA margin %	41.6%	17.1%	41.3%	9.7%

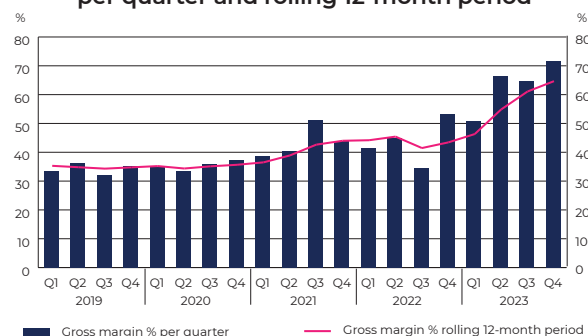
Lab business unit net revenue SEK million per quarter and rolling 12-month period



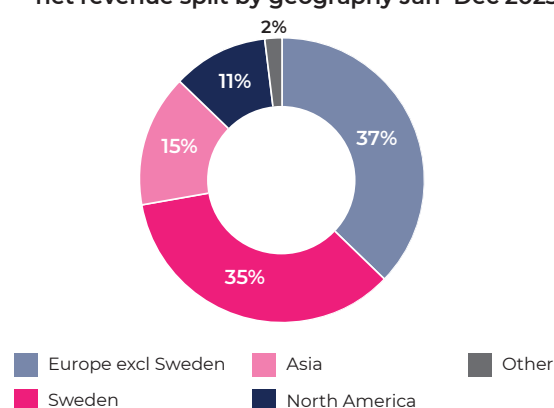
Lab business unit EBITDA SEK million and EBITDA margin rolling 12-month period



Lab business unit gross margin per quarter and rolling 12-month period



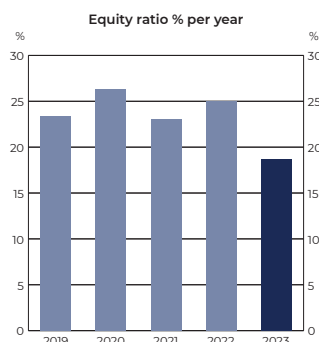
Lab business unit net revenue split by geography Jan-Dec 2023



Financial position

Equity and equity ratio

Equity at the end of the year totaled SEK 613.2 million (492.9), equating to SEK 3.26 (2.73) per share outstanding at the end of the year. The equity ratio at the end of the year was 18.7% (25.0%). The decreased equity ratio compared to the previous year is in part explained by foreign exchange differences on the translation of foreign operations, which affected other comprehensive income negatively by SEK 78.5 million during the year. At the end of the year, the company's equity was entirely attributable to the shareholders of the parent company.



Cash and cash equivalents and short-term investments

Cash and cash equivalents at the end of the year totaled SEK 386.5 million (111.1). At the end of the year, the Group had an overdraft facility of SEK 132.0 million (54.5), which was utilized in an amount of SEK 0.0 million (0.8). At the end of the year, the Group had no short-term investments.

Net debt

Net debt at the end of the year totaled SEK 1,227.0 million (666.8).

Pro forma for cash purchase consideration paid in January 2024 for acquisitions consolidated in 2023, net debt was SEK 1,323.1 million. Pro forma EBITDA was SEK 578.7 million. This gives a ratio of pro forma net interest-bearing debt to pro forma EBITDA of 2.3 (2.8).

During 2023, ADDvise issued senior secured bonds under a total framework of SEK 2,000 million, on May 26, 2023, in an amount of SEK 1,000 million and on October 30, 2023, in an amount of SEK 450 million. At the end of the year, outstanding bonds under the framework totaled SEK 1,450 million. The interest rate for the bond loan is 5.5% plus STIBOR 3 months, which is an improvement of 1.75 percentage points compared to the Group's previous bond loan. Funds from the new bonds were used to redeem ADDvise bonds 2021/2024 with ISIN SE0015222088 on June 9, 2023.

At the end of the year, loans and other interest-bearing liabilities due for repayment within one year totaled SEK 90.0 million (33.5). Loans and other interest-bearing liabilities due for repayment within one year include a bank loan of SEK 0.1 million (5.9), utilized overdraft facilities of SEK 0.0 million (0.8), interest-bearing

promissory notes for completed acquisitions of SEK 65.5 million (0.0) and lease liabilities of SEK 24.5 million (26.9). 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 and other interest-bearing liabilities due for repayment after one year or more totaled SEK 1,523.4 million (744.3). Loans and other interest-bearing liabilities due for repayment after one year or more include the Group's bond loan of SEK 1,425.2 million (628.3), which is due for repayment in May 2026, interest-bearing promissory notes for completed acquisitions of SEK 31.6 million (65.7), a bank loan of SEK 0.0 million (0.6) and lease liabilities of SEK 66.6 million (49.8).

Liabilities for completed acquisitions

Liabilities for completed acquisitions amounted to SEK 708.8 million (348.9) at the end of the year. The liabilities consist of interest-bearing promissory notes, non-interest-bearing promissory notes, interest-bearing holdback amounts, non-interest-bearing holdback amounts and contingent purchase considerations. At the end of the year, liabilities for contingent purchase considerations valued at fair value amounted to SEK 443.4 million (200.3), please refer to Note 6 *Fair value disclosures*.

Of the total acquisition-related liabilities of SEK 708.8 million, SEK 395.9 million (65.6) were current and SEK 312.8 million (283.3) were non-current. The acquisition-related liabilities are reported in the Group's condensed consolidated statement of financial position in *Current liabilities* on the lines *Interest-bearing liabilities* with SEK 65.5 million and *Other current liabilities* with SEK 330.4 million, and in *Non-current liabilities* on the lines *Interest-bearing liabilities* with SEK 31.6 million and *Other non-current liabilities* with SEK 281.2 million.

Cash flow

Operating cash flow for the quarter was SEK 51.6 million (101.9). Change in working capital was SEK 4.5 million (6.3). Operating cash flow for the year was SEK 175.0 million (109.9). Change in working capital was SEK 5.5 million (-19.7), a result of focused efforts to release working capital in the Group's subsidiaries.

Cash flow from Operations for the quarter amounted to SEK 77.9 million (75.4). Cash flow from Operations includes investments in fixed assets and amortization of lease liabilities. Cash conversion for the quarter was 61.8% (83.4%). Cash flow from Operations for the year amounted to SEK 332.4 million (114.3). Cash conversion for the year was 78.1% (61.7%).

Cash flow for the quarter totaled SEK -181.1 million (-17.4). Cash flow for the year totaled SEK 273.5 million (-225.7).

Cash flow commentary

During the quarter and the year, cash flow was negatively affected by one-off effects from an accelerated unwinding of certain lease based customer contracts, where the leased assets were amortized at an accelerated rate. During the quarter and the year this impacts cash flow from financing activities on the line *Payments made in relation to amortization of loans attributable to leases*.

Operating cash flow was affected by payment of income tax of SEK 6.8 million during the quarter and SEK 76.0 million during the year. This is also in part extraordinary as payments of income tax in 2023 are attributable both to finalized income tax payments for 2022 and preliminary income tax payments for 2023.

Financing cash flow during the year was affected by a directed share issue in April 2023 raising SEK 100.0 million before issue costs, and by a new bond loan, please refer to *Net debt*.

Payment of purchase consideration to former owners of ADDvise's subsidiaries acquired during and prior to 2023, as well as adjustments in purchase price allocations for acquisitions in 2022, after analysis of facts that existed at the time of acquisition, have affected cash flow from investment activities during the year. For further information about contributed cash and cash equivalents from acquired companies at the time of consolidation of new acquisitions in the Group, please refer to Note 4 *Business combinations*.

Acquisitions 2023

ADDvise entered into the following share purchase agreements during the year:

- » Diabetic Supplies Inc (Diabetic Supplies), on August 7, 2023 regarding the acquisition of all shares.
- » Kolplast CI S A (Kolplast), on September 30, 2023 regarding the acquisition of all shares.
- » Axelerist Inc (Axelerist), on November 22, 2023 regarding the acquisition of all shares.
- » Labplan Ltd (Labplan), on December 22, 2023 regarding the acquisition of all shares.

Net sales and EBITDA in the table are estimates of the annual rate at the time of acquisition and the figures are according to local accounting principles. For information about purchase price allocations, see Note 4 *Business combinations*.

Acquisition	Consolidated from	Business unit	Net revenue 12 months	EBITDA 12 months
Axelerist	November	Lab	92.7	47.9
Diabetic Supplies	August	Healthcare	89.3	44.6
Kolplast	September	Healthcare	213.9	62.6
Labplan	December	Lab	185.9	42.9
Total			581.8	198.0

Parent company

Net revenue at the parent company for the quarter totaled SEK 2.4 million (13.3). Operating profit/loss was SEK -8.9 million (3.0). The net profit/loss was SEK 29.9 million (-22.1).

Net revenue at the parent company for the year totaled SEK 18.5 million (29.4). Operating profit/loss was SEK -35.8 million (-4.8). The net profit/loss was SEK -97.7 million (0.6).

Total assets was SEK 2,070.5 million (1,250.8), of which equity constituted SEK 316.8 million (319.1).

Significant events after the reporting period

No significant events have occurred after the reporting period until the publication of this interim report.

Financial targets

ADDvise's target for 2023 was to reach, on a pro forma rolling twelve month basis, an EBITDA of SEK 500 million with a net revenue of SEK 1.7 billion before the end of 2023. Pro forma EBITDA for 2023 was SEK 578.7 million and pro forma net revenue was SEK 1.8 billion.

Long-term financial targets

The targets represent an ambition to be achieved over a period of several years through a combination of organic growth and acquisitions. The targets are divided into four areas: growth, profitability, capital structure and dividend.

- » *Growth*: ADDvise shall have annual revenue growth of at least 30%. Growth will be achieved organically as well as through acquisitions.
- » *Profitability*: ADDvise will aim to achieve an EBITDA margin of 28%.
- » *Capital structure*: ADDvise's ratio of net interest-bearing debt to EBITDA shall not exceed 3.0.
- » *Dividend*: 25% of the preceding year's profit, excluding the revaluation of additional purchase considerations, will be distributed to the shareholders.

The targets for growth and profitability were updated on May 24, 2023 based on the Group's strong financial performance. The growth target was increased from 25% to 30%. The profitability target was increased from 20% to 28%.

Condensed consolidated statement of comprehensive income

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net revenue	397.0	320.3	1,373.0	951.5
Capitalized work on own account	2.1	1.7	5.8	7.5
Other operating income	30.0	4.0	36.0	10.2
	429.2	326.0	1,414.9	969.1
Cost of materials	-144.5	-112.7	-479.5	-384.0
Other external expenses	-67.7	-57.7	-219.5	-178.8
Personnel costs	-79.8	-64.6	-270.5	-220.2
Depreciation and amortization	-31.4	-11.0	-108.7	-27.9
Other operating expenses	-11.2	-0.5	-20.0	-1.0
	-334.5	-246.5	-1,098.1	-811.9
Operating profit/loss (EBIT)	94.7	79.4	316.8	157.2
Net financial items	-50.8	-34.6	-152.5	-49.2
Profit/loss before tax (EBT)	43.9	44.9	164.3	108.0
Tax	-14.0	-16.8	-60.8	-26.9
Profit/loss for the period	29.9	28.1	103.5	81.1
Profit/loss attributable to:				
Shareholders of the parent company	29.9	28.1	103.5	81.1
Non-controlling interests	-	-	-	-
	29.9	28.1	103.5	81.1
Other comprehensive income				
Foreign exchange differences on the translation of foreign operations for the period	-117.9	-23.7	-78.5	69.1
Change in value of financial assets measured at fair value through other comprehensive income for the period	-	-	-	-
Comprehensive income for the period	-88.0	4.4	25.0	150.2
Comprehensive income attributable to:				
Shareholders of the parent company	-88.0	4.4	25.0	150.2
Non-controlling interests	-	-	-	-
	-88.0	4.4	25.0	150.2
Basic earnings per share, SEK	0.16	0.16	0.56	0.46
Diluted earnings per share, SEK	0.16	0.16	0.56	0.46

Condensed consolidated statement of financial position

SEK million	Dec 31 2023	Dec 31 2022
ASSETS		
<i>Non-current assets</i>		
Goodwill	1,487.3	820.8
Trademarks	471.7	323.4
Other intangible non-current assets	274.5	137.9
Property, plant and equipment	195.9	126.8
Non-current financial assets	16.3	1.8
Contract assets	14.4	12.9
Deferred tax assets	0.0	0.0
<i>Total non-current assets</i>	<i>2,460.2</i>	<i>1,423.6</i>
<i>Current assets</i>		
Inventories	121.2	102.5
Contract assets	50.3	72.9
Trade receivables	221.6	223.6
Other current receivables	47.7	35.1
Short-term investments	-	-
Cash and cash equivalents	386.5	111.1
<i>Total current assets</i>	<i>827.3</i>	<i>545.2</i>
TOTAL ASSETS	3,287.4	1,968.8
EQUITY AND LIABILITIES		
<i>Equity</i>	<i>613.2</i>	<i>492.9</i>
Equity attributable to:		
Shareholders of the parent company	613.2	492.9
Non-controlling interests	-	-
	613.2	492.9
<i>Non-current liabilities</i>		
Interest-bearing liabilities	1,523.4	744.3
Deferred tax liabilities	168.0	104.3
Other non-current liabilities	289.0	227.6
<i>Total non-current liabilities</i>	<i>1,980.4</i>	<i>1,076.3</i>
<i>Current liabilities</i>		
Interest-bearing liabilities	90.0	33.5
Current tax liabilities	30.7	26.1
Contract liabilities	12.9	64.6
Trade payables	100.6	114.2
Other current liabilities	459.6	161.3
<i>Total current liabilities</i>	<i>693.8</i>	<i>399.7</i>
TOTAL EQUITY AND LIABILITIES	3,287.4	1,968.8

Condensed consolidated statement of changes in equity

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023 ¹	Jan-Dec 2022 ²
Opening equity	701.1	488.5	492.9	247.3
Profit/loss for the period	29.9	28.1	103.5	81.1
Other comprehensive income for the period	-117.9	-23.7	-78.5	69.1
Comprehensive income for the period	-88.0	4.4	25.0	150.2
New share issue	-	-	95.3	95.4
Dividends	-	-	-	-
Change in non-controlling interests	-	-	-	-
Closing equity	613.2	492.9	613.2	492.9
Attributable to:				
Shareholders of the parent company	613.2	492.9	613.2	492.9
Non-controlling interests	-	-	-	-
Total equity	613.2	492.9	613.2	492.9

Note 1 On April 24, 2023, ADDvise carried out a directed new share issue of 7,692,308 shares of series B, corresponding to approximately SEK 100 million before issue costs. Through the directed new share issue, the number of outstanding shares increased by 7,692,308 shares, from 180,491,889 shares to 188,184,197 shares. The share capital increased by SEK 769,230.80, from SEK 18,049,188.90 to SEK 18,818,419.70.

Note 2 On March 14, 2022, ADDvise carried out a directed new share issue of 15,384,616 shares of series B, corresponding to SEK 100 million before issue costs. Through the directed new share issue, the number of outstanding shares increased by 15,384,616 shares, from 165,107,273 shares to 180,491,889 shares. The share capital increased by SEK 1,538,461.60, from SEK 16,510,727.30 to SEK 18,049,188.90.

Condensed consolidated statement of cash flows

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating activities				
Profit/loss before tax	43.9	44.9	164.3	108.0
Adjustments for non-cash items	9.9	53.1	81.1	28.0
Income tax paid	-6.8	-2.3	-76.0	-6.4
Cash flow before changes in working capital	47.0	95.6	169.5	129.6
Changes in working capital	4.5	6.3	5.5	-19.7
Operating cash flow	51.6	101.9	175.0	109.9
Investing activities				
Acquisition of subsidiaries ¹	-633.0	-284.3	-665.0	-626.8
Net acquisition and sale of intangible non-current assets and property, plant, and equipment	-6.3	-5.7	-17.8	-14.0
Changes in non-current financial assets	-6.1	0.5	-2.1	2.2
Investing cash flow	-645.4	-289.5	-684.9	-638.6
Financing activities				
Net new share issue	-	-	95.3	95.4
Loans, interest-bearing liabilities and non-interest-bearing liabilities raised net with amortizations	443.8	188.3	748.2	235.7
Payments made in relation to amortization of loans attributable to leases	-30.1	-18.1	-59.0	-28.1
Deposits	-1.0	-	-1.0	-
Dividend to shareholders	-	-	-	-
Financing cash flow	412.7	170.2	783.5	303.0
Cash flow for the period	-181.1	-17.4	273.5	-225.7
Cash and cash equivalents at start of period	569.4	124.0	111.1	325.7
Foreign exchange differences in cash and cash equivalents	-1.8	4.5	1.8	11.1
Cash and cash equivalents at end of period	386.5	111.1	386.5	111.1

Note 1 For details on the reporting of the net outflow of cash and cash equivalents relating to acquisitions, please refer to *Note 4 Business combinations*.

Consolidated income statement for five quarters

SEK million	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022
Net revenue	397.0	321.1	344.4	310.5	320.3
Capitalized work on own account	2.1	1.3	1.5	0.8	1.7
Other operating income	30.0	4.2	1.1	0.7	4.0
	429.2	326.6	347.1	312.0	326.0
Cost of materials	-144.5	-111.6	-110.3	-113.1	-112.7
Other external expenses	-67.7	-51.2	-51.1	-49.5	-57.7
Personnel costs	-79.8	-62.2	-63.9	-64.5	-64.6
Other operating expenses	-11.2	-8.1	-0.1	-0.6	-0.5
	-303.1	-233.1	-225.5	-227.8	-235.5
EBITDA	126.1	93.6	121.6	84.2	90.4
EBITDA margin, %	31.8%	29.1%	35.3%	27.1%	28.2%
Depreciation and amortization	-31.4	-27.0	-35.1	-15.2	-11.0
Operating profit/loss (EBIT)	94.7	66.6	86.5	69.0	79.4
Operating margin, %	23.8%	20.7%	25.1%	22.2%	24.8%
Net financial items	-50.8	-15.5	-61.7	-24.5	-34.6
Profit/loss before tax (EBT)	43.9	51.1	24.8	44.5	44.9
Tax	-14.0	-16.3	-21.6	-8.9	-16.8
Profit/loss for the period	29.9	34.8	3.2	35.6	28.1
Profit/loss attributable to:					
Shareholders of the parent company	29.9	34.8	3.2	35.6	28.1
Non-controlling interests	-	-	-	-	-
	29.9	34.8	3.2	35.6	28.1

Key performance indicators

SEK million	Oct–Dec 2023 ¹	Oct–Dec 2022 ²	Jan–Dec 2023 ¹	Jan–Dec 2022 ¹
Net revenue	397.0	320.3	1,373.0	951.5
Gross margin, %	63.6%	64.8%	65.1%	59.6%
EBITDA	126.1	90.4	425.5	185.1
EBITDA margin, %	31.8%	28.2%	31.0%	19.5%
Adjusted EBITDA	115.1	85.8	419.0	174.9
Adjusted EBITDA margin, %	29.0%	26.8%	30.5%	18.4%
EBITA	102.6	81.3	337.3	163.4
EBITA margin, %	25.8%	25.4%	24.6%	17.2%
Operating profit/loss (EBIT)	94.7	79.4	316.8	157.2
Operating margin, %	23.8%	24.8%	23.1%	16.5%
Profit/loss before tax (EBT)	43.9	44.9	164.3	108.0
Net margin, %	11.1%	14.0%	12.0%	11.3%
Profit/loss for the period	29.9	28.1	103.5	81.1
Adjusted profit/loss for the period	23.7	30.3	139.8	88.3
Equity ratio, %	18.7%	25.0%	18.7%	25.0%
Cash flow from Operations	77.9	75.4	332.4	114.3
Cash conversion %	61.8%	83.4%	78.1%	61.7%
Net debt	-1,227.0	-666.8	-1,227.0	-666.8
Net debt to EBITDA	-	-	2.3	2.8
Number of employees at end of period	624	351	624	351
Equity per share in SEK	3.26	2.73	3.26	2.73
Basic earnings per share in SEK	0.16	0.16	0.56	0.46
Diluted earnings per share in SEK	0.16	0.16	0.56	0.46
Number of shares at end of period	188,184,197	180,491,889	188,184,197	180,491,889
Average number of shares before dilution	188,184,197	180,491,889	185,802,743	177,457,115
Average number of shares after dilution	188,184,197	180,491,889	185,802,743	177,457,115

Please refer to *Definition of key performance indicators* on page 17.

Note 1: Companies acquired in 2023 are consolidated in the ADDvise Group from: Diabetic Supplies Inc August 7, 2023. Kolplast CI S A September 30, 2023. Axelerist Inc November 22, 2023. Labplan Ltd 22 December 22, 2023.

Note 2: Companies acquired in 2022 are consolidated in the ADDvise Group from: Poly Pharmaceuticals Inc February 12, 2022. JTECH Medical March 3, 2022. Surplus Diabetics Inc April 19, 2022. Seebreath AB May 16, 2022. CliniChain Holding BV December 6, 2022.

Condensed parent company income statement

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net revenue	2.4	13.3	18.5	29.4
Capitalized work on own account	-	-	-	-
Other operating income	5.9	0.0	5.9	0.0
	8.2	13.3	24.4	29.4
Other external expenses	-8.3	-3.9	-22.5	-13.4
Personnel costs	-8.8	-6.4	-30.6	-20.6
Depreciation and amortization	-0.0	-0.0	-0.2	-0.2
Other operating expenses	0.0	0.0	-7.0	0.0
	-17.1	-10.3	-60.2	-34.2
Operating profit/loss (EBIT)	-8.9	3.0	-35.8	-4.8
Net financial items	4.0	-36.4	-96.7	-5.9
Profit/loss after financial items (EBT)	-4.9	-33.4	-132.5	-10.7
Appropriations	33.0	16.6	33.0	16.6
Tax	1.8	-5.3	1.8	-5.3
Profit/loss for the period	29.9	-22.1	-97.7	0.6
Parent company statement of comprehensive income				
Profit/loss for the period	29.9	-22.1	-97.7	0.6
Other comprehensive income for the period	-	-	-	-
Comprehensive income for the period	29.9	-22.1	-97.7	0.6

Condensed parent company balance sheet

SEK million	Dec 31 2023	Dec 31 2022
ASSETS		
<i>Non-current assets</i>		
Intangible non-current assets	0.2	0.3
Property, plant and equipment	0.3	0.3
Non-current financial assets	991.2	993.5
Deferred tax assets	7.0	5.2
<i>Total non-current assets</i>	<i>998.7</i>	<i>999.3</i>
<i>Current assets</i>		
Other current receivables	799.3	233.4
Short-term investments	-	-
Cash and bank balances	272.5	18.0
<i>Total current assets</i>	<i>1,071.8</i>	<i>251.5</i>
TOTAL ASSETS	2,070.5	1,250.8
EQUITY AND LIABILITIES		
<i>Equity</i>	<i>316.8</i>	<i>319.1</i>
<i>Non-current liabilities</i>		
Interest-bearing liabilities	1,425.2	694.0
Other non-current liabilities	29.7	132.0
<i>Total non-current liabilities</i>	<i>1,454.9</i>	<i>825.9</i>
<i>Current liabilities</i>		
Interest-bearing liabilities	65.5	0.0
Current tax liabilities	0.0	0.0
Trade payables	6.5	10.4
Other current liabilities	226.9	95.4
<i>Total current liabilities</i>	<i>298.8</i>	<i>105.8</i>
TOTAL EQUITY AND LIABILITIES	2,070.5	1,250.8

Notes

Note 1 Accounting policies

The report was prepared in accordance with IAS 34 Interim financial reporting and the relevant sections of the Swedish Annual Accounts Act. The accounting policies and bases of calculation applied are the same as in the most recent annual report.

The parent company's report was prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act. The accounting policies and bases of calculation applied are the same as in the most recent annual report.

Note 2 Related party transactions

ADDvise Board members Staffan Torstensson and Erland Pontusson have invoiced the company for consultancy services during the period.

Note 3 Segment reporting

ADDvise's segment information is presented from the company management's perspective, with operating segments identified based on internal reporting to the company's ultimate operating decision maker. The CEO is ADDvise's ultimate operating decision maker.

ADDvise's operating segments comprise two business units: Lab and Healthcare. This classification reflects the company's internal organization and reporting system. Internal pricing is on market terms. Intra-Group profits are eliminated.

Unallocated Group expenses include, for example, costs for parent company functions. These costs are offset against the service fees received by the parent company, which means that the net figure can be positive.

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Lab business unit	101.8	55.4	432.2	252.3
Healthcare business unit	295.2	264.9	940.9	699.2
Total external net revenue	397.0	320.3	1,373.0	951.5
Lab business unit	42.3	9.4	178.3	24.6
Healthcare business unit	82.7	77.5	276.3	166.9
Total operating profit/loss before depreciation and amortization (EBITDA)	125.0	86.9	454.6	191.5
Acquisition costs in Other external expenses	-5.0	-1.0	-6.3	-2.9
Unallocated Group income	24.8	5.8	28.8	11.3
Unallocated Group expenses	-18.7	-1.2	-51.6	-14.8
Depreciation and amortization	-31.4	-11.0	-108.7	-27.9
Net financial items	-50.8	-34.6	-152.5	-49.2
Consolidated profit/loss before tax (EBT)	43.9	44.9	164.3	108.0

Note 4 Business combinations

ADDvise entered into the following share purchase agreements during the year:

- » Diabetic Supplies Inc (Diabetic Supplies), on August 7, 2023 regarding the acquisition of all shares in Diabetic Supplies. Diabetic Supplies is consolidated in ADDvise Group from August 7, 2023. Diabetic Supplies is an American supplier of MedTech equipment to diabetes patients.
- » Kolplast CI S A (Kolplast), on September 30, 2023 regarding the acquisition of all shares in Kolplast. Kolplast is consolidated in ADDvise Group from September 30, 2023. Kolplast is a Brazilian manufacturer and supplier of MedTech equipment.
- » Axelerist Inc (Axelerist), on November 22, 2023 regarding the acquisition of all shares in Axelerist. Axelerist is consolidated in ADDvise Group from November 22, 2023. Axelerist is a American supplier of tailored rental and purchase solutions of MedTech and laboratory equipment for clinical studies.
- » Labplan Ltd (Labplan), on December 22, 2023, regarding the acquisition of all shares in Labplan. Labplan is consolidated in ADDvise Group from December 22, 2023. Labplan is an Irish distributor of instruments, consumables and services to the life science and biopharmaceutical industries.

ADDvise has decided not to complete the acquisitions of X-Ray Cassette Repair Company Inc and Innovative Endoscopy Components LLC. On February 14, 2023 ADDvise signed a letter of intent to acquire X-Ray Cassette Repair Company Inc. During the subsequent due diligence, the company has not performed in line with initial expectations regarding sales and profitability. On June 15, 2023 ADDvise signed a letter of intent to acquire Innovative Endoscopy Components LLC. During the subsequent due diligence, the company has not performed in line with initial expectations regarding profitability. In view of this, ADDvise has decided not to complete the acquisitions.

Purchase prices for acquisitions in 2023

In the table below, Cash includes a cash purchase consideration of SEK 96.2 million for Diabetic Supplies Inc paid in January 2024. The cash purchase consideration has increased net debt pro forma as of December 31, 2023. As the acquisition of Kolplast CI S A is material, it is reported separately in the table.

SEK million	Kolplast	Total
Cash	348.2	787.0
Holdback amounts and promissory notes	5.0	48.8
Contingent purchase considerations	114.6	303.6
Total purchase price	467.8	1,139.3

Purchase price allocations

As the fair value of the acquired assets has not yet been assessed with certainty for all of the year's acquisitions, the purchase price allocations presented in this year-end report are preliminary only. The final purchase price allocations will be determined in 2024. As the acquisition of Kolplast CI S A is material, it is reported separately in the table.

SEK million	Fair value Kolplast	Fair value total
Intangible non-current assets	94.4	318.4
Property, plant and equipment	51.9	110.0
Non-current financial assets	0.0	13.5
Inventories	30.6	35.3
Other current assets	73.3	167.5
Deferred tax assets/liabilities	-32.0	-74.9
Other liabilities	-68.1	-135.2
Acquired identifiable net assets	150.0	434.6
Goodwill	317.8	704.8
Acquired net assets	467.8	1,139.3

Revenue and profit from acquisitions

The newly acquired subsidiaries contributed revenue of SEK 102.4 million and a net profit of SEK 36.2 million to the ADDvise Group for the period from the first date of consolidation until December 31, 2023. If the acquisition dates had been at the beginning of the financial year, the newly acquired subsidiaries would have contributed revenue of SEK 579.1 million and a net profit of SEK 84.4 million to the Group for the period January 1–December 31, 2023.

Transaction costs

During 2023, transaction costs of SEK 11.8 million are recognized as costs in the consolidated statement of comprehensive income. The transaction costs are related both to acquisitions completed during 2023 and prior to 2023, as well as to aborted acquisitions. SEK 6.3 million is reported in Other external expenses and SEK 5.5 million is reported in Net financial items.

Net outflow of cash and cash equivalents – investing activities

Cash outflow for the acquisition of subsidiaries, after deduction of cash and cash equivalents acquired:

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Cash purchase consideration	689.5	221.6	719.8	522.5
Holdback amounts and promissory notes	0.0	70.4	0.0	120.5
Cash and cash equivalents acquired	-56.5	-7.7	-54.8	-16.2
Net outflow of cash and cash equivalents	633.0	284.3	665.0	626.8

The cash purchase consideration for the period October–December 2023 comprises payment of purchase considerations to the former owners of Axelerist Inc, Kolplast CI S A and Labplan Ltd.

The cash purchase consideration for the period January–December 2023 comprises payment of purchase considerations to the former owners of Axelerist Inc, Kolplast CI S A and Labplan Ltd and to ADDvise's subsidiaries acquired before 2023, and an effect of adjustments to purchase price allocations for acquisitions completed before 2023, after analysis of facts that existed at the time of acquisition.

The cash purchase consideration for the period October–December 2022 comprises payments to the former owners of CliniChain Holding BV.

The cash purchase consideration for the period January–December 2022 comprises payments to the former owners of CliniChain Holding BV, JTECH Medical, Poly Pharmaceuticals Inc, Seebreath AB and Surplus Diabetics Inc, and payments and adjustments of purchase considerations to the former owners of companies acquired prior to 2022.

Note 5 Allocation of income

In accordance with IFRS 15 Revenue from Contracts with Customers, income is recognized and allocated to primary geographic markets, based on customer domicile. There has been a change in primary geographic markets in the year-end-report for 2023 after the acquisition of the Brazilian subsidiary Kolplast.

SEK million	Oct-Dec 2023			Oct-Dec 2022		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	37.0	9.6	46.5	40.9	6.1	47.0
Europe, excl Sweden	37.4	25.1	62.6	-0.3	58.0	57.7
North America	17.4	208.5	225.8	0.7	196.5	197.2
South America	0.0	51.0	51.0	0.0	0.0	0.0
Asia	9.0	1.2	10.2	2.3	4.2	6.5
Other	1.0	0.0	0.9	11.7	0.1	11.8
Total	101.8	295.2	397.0	55.4	264.9	320.3

SEK million	Jan-Dec 2023			Jan-Dec 2022		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	149.6	25.8	175.3	142.7	24.6	167.2
Europe, excl Sweden	160.0	117.8	277.8	35.5	134.1	169.6
North America	47.8	732.0	779.8	4.4	528.9	533.3
South America	0.0	51.0	51.0	0.0	0.0	0.0
Asia	66.0	9.9	75.9	54.9	11.5	66.5
Other	8.9	4.4	13.3	14.7	0.1	14.9
Total	432.2	940.9	1,373.0	252.3	699.2	951.5

Note 6 Fair value disclosures

The table below lists financial instruments measured at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

- » Level 1 – Quoted prices (unadjusted) in active markets
- » Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- » Level 3 – Unobservable inputs for the asset or liability

SEK million	December 31, 2023		
	Level 1	Level 2	Level 3
Short-term investments	-	-	-
Contingent purchase consideration	-	-	443.4
Total	0.0	0.0	443.4

SEK million	December 31, 2022		
	Level 1	Level 2	Level 3
Short-term investments	-	-	-
Contingent purchase consideration	-	-	200.3
Total	0.0	0.0	200.3

Fair value description

Short-term investments

Short-term investments, which comprise shares and bonds, are traded on an active market, with the fair value calculated on the basis of the last buy price quoted on the balance sheet date.

Contingent purchase consideration

Contingent purchase consideration refers to the estimated contingent additional purchase consideration for completed acquisitions.

In those cases where the amount is specified in the share purchase agreement, an estimate is made of how likely it is that the condition will be met. If it is considered likely, the purchase consideration is valued at 100% of the agreed amount. If it is considered unlikely, the purchase consideration is valued at 0% of the agreed amount.

In those cases where the amount is not specified in the share purchase agreement, but is calculated on the basis of performance, an estimate is made first, of the amount and second, of how likely it is that the condition will be met.

At the end of the year, the majority of contingent purchase considerations were based on key performance indicators that must be met in the acquired subsidiaries. For one of the acquisitions, the condition was based on a net revenue target. The key performance indicator EBITDA is adjusted for service fees and similar items affecting comparability. The conditions are often structured so that a maximum amount is paid out if

the subsidiary reaches the target key performance indicator that was agreed upon in the share purchase agreement. If the key performance indicator target is not reached, there are often levels that result in a lower amount for the contingent purchase consideration. If these levels are not reached either, no contingent purchase consideration is paid. According to certain share purchase agreements, earnings from more than one financial year may be combined in order to achieve an EBITDA that results in a contingent purchase consideration being paid.

If an actual contingent purchase consideration deviates from the assessment made at the time of the acquisition, this has an effect on the Group's profit/loss. A write-down of a liability for a contingent purchase consideration is reported on the line Other operating income. A write-up of a liability for a contingent purchase consideration is reported on the line Other operating expenses.

Contingent purchase considerations for acquisitions completed at the end of 2023 (including the acquisition of Diabetic Supplies Inc where the purchase price was paid in January 2024), are estimated to amount to SEK 443.4 million. If the subsidiaries do not reach the required targets, no contingent purchase consideration is paid. An estimate of the range for possible outcomes of contingent purchase consideration is from SEK 97.3 million to SEK 547.3 million at the end of the year.

The fair value of contingent purchase considerations is subject to currency risk. At the end of the reporting period, the fair value of contingent purchase considerations can be affected by changes in SEK versus BRL, EUR and USD. A change in the currency exchange rate for BRL of 5% would have an effect of SEK 5.4 million on the valuation of contingent purchase considerations and SEK 0.0 million on profit/loss before tax. A change in the currency exchange rate for EUR of 5% would have an effect of SEK 8.5 million on the valuation of contingent purchase considerations and SEK 8.5 million on profit/loss before tax. A change in the currency exchange rate for USD of 5% would have an effect of SEK 8.3 million on the valuation of contingent purchase considerations and SEK 1.0 million on profit/loss before tax.

Reconciliation of level 3

The change in financial instruments in level 3, Contingent purchase consideration, is presented below:

SEK million	Dec 31, 2023	Dec 31, 2022
Fair value at the beginning of the year	200.3	96.8
Change	258.8	109.6
Of which is attributable to contingent purchase considerations paid	-29.0	-16.5
Of which is attributable to reclassified contingent purchase considerations for previous year's acquisitions	0.0	-40.5
Of which is attributable to contingent purchase considerations for this year's acquisitions	291.5	166.6
Of which is attributable to exchange rate differences	-3.6	0.0
Changes affecting profit/loss	-15.7	-6.1
Of which is posted on the line Other operating income	-30.0	-9.9
Of which is posted on the line Other operating expenses	14.3	0.0
Of which is posted on the line for Net financial items	0.0	3.8
Fair value at the end of the year	443.4	200.3

Changes affecting profit/loss on the line Other operating income include write-downs of contingent purchase considerations in an amount of SEK 28.8 million and currency exchange gains in an amount of SEK 1.2 million. Changes affecting profit/loss on the line Other operating expenses include write-ups of contingent purchase considerations in an amount of SEK 14.0 million and currency exchange losses in an amount of SEK 0.2 million.

Note 7 Financial risks

ADDvise is exposed to a number of different financial risks through its activities, such as market risk, credit risk, currency risk and liquidity risk. The Group management and the Board of Directors take active steps to minimize these risks.

The Group's operations involve a liquidity risk, since large orders tie up significant capital. To minimize the amount of capital tied up, the Group has payment terms with the Group's customers that require a portion of the order value to be paid in advance on the signing of the order.

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

Definition of key performance indicators

In its financial reports, ADDvise uses alternative performance measures, in other words financial measures that are not defined by IFRS. 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 previous periods.

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

Adjusted EBITDA

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items.

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating profit/loss, see below	94.7	79.4	316.8	157.2
Reversal of depreciation and amortization	31.4	11.0	108.7	27.9
Reversal of acquisition costs	5.0	1.0	6.3	2.9
Reversal of restructuring costs	0.0	-	0.0	1.9
Reversal of state subsidies and similar items relating to Covid-19	0.0	0.1	0.0	-3.7
Reversal of revaluation of estimated additional purchase consideration for completed acquisitions	-15.9	-5.8	-12.7	-11.3
= Adjusted EBITDA	115.1	85.8	419.0	174.9

Adjusted EBITDA margin

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items as a percentage of net revenue.

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Adjusted EBITDA, see above	115.1	85.8	419.0	174.9
Divided by net revenue	397.0	320.3	1,373.0	951.5
= Adjusted EBITDA margin as a %	29.0%	26.8%	30.5%	18.4%

Adjusted profit/loss for the period

Profit/loss for the period before acquisition costs and non-recurring items.

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Profit/loss for the period	29.9	28.1	103.5	81.1
Reversal of acquisition costs	5.0	1.0	6.3	2.9
Reversal of restructuring costs	0.0	-	0.0	1.9
Reversal of financial expenses related to acquisitions and other non-recurring financial expenses	4.7	6.8	42.8	17.5
Reversal of state subsidies and similar items relating to Covid-19	0.0	0.1	0.0	-3.7
Reversal of revaluation of estimated additional purchase consideration for completed acquisitions	-15.9	-5.8	-12.7	-11.3
= Adjusted profit/loss for the period	23.7	30.3	139.8	88.3

Average number of shares after dilution

Weighted average of the number of shares outstanding during the period in the event that issued warrants are exercised. This performance indicator is as defined by IFRS, but is described here for information purposes.

Average number of shares before dilution

Weighted average of the number of shares outstanding during the period without taking into account issued warrants. This performance indicator is as defined by IFRS, but is described here for information purposes.

Basic earnings per share

Profit/loss for the period attributable to the parent company's shareholders as a proportion of the average number of shares before dilution, with earnings per share adjusted to take into account new share issues at a

discount (the subscription price is lower than the current closing price). This performance indicator is as defined by IFRS, but is described here for information purposes.

Cash conversion

The Group defines cash conversion as Cash flow from Operations, see below, divided by EBITDA, see below. The key performance indicator is presented for the first time in the interim report for January–March 2023 as it is considered relevant for investors wishing to understand the cash generated by the Group's business operations in relation to the Group's EBITDA.

Cash flow from Operations

Cash flow from Operations 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.

As of the interim report for January–June 2023, adjustment is no longer made for tax in the calculation of cash flow from Operations. Cash flow from Operations for comparison periods has been recalculated.

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating profit/loss (EBIT)	94.7	79.4	316.8	157.2
Changes in working capital	4.5	15.5	5.5	-19.7
Finance net attributable to Operations	0.0	-2.5	-1.5	-2.1
Depreciation and amortization attributable to Operations	26.0	9.8	94.8	25.9
Acquisition of intangible and tangible non-current assets and payments made in relation to amortization of loans attributable to leases, attributable to Operations	-36.4	-23.7	-76.8	-42.0
Items attributable to acquisition activities	-11.0	-3.1	-6.4	-4.9
= Cash flow from Operations	77.9	75.4	332.4	114.3

Diluted earnings per share

Profit/loss for the period attributable to the parent company's shareholders as a proportion of the average number of shares after dilution, with earnings per share adjusted to take into account new share issues at a discount (the subscription price is lower than the current closing price). This performance indicator is as defined by IFRS, but is described here for information purposes.

EBITA

EBITA is a measure that the Group considers relevant for an investor wishing to understand profit generation before investments in intangible assets. The Group defines earnings before interest, tax and amortization (EBITA) as operating profit/loss from continuing operations excluding amortization relating to intangible assets.

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating profit/loss, see below	94.7	79.4	316.8	157.2
Reversal of amortization of intangible assets	7.9	1.9	20.5	6.2
= EBITA	102.6	81.3	337.3	163.4

EBITA margin

Operating profit/loss before amortization of intangible assets but after depreciation of property, plant and equipment, as a percentage of net revenue.

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
EBITA, see above	102.6	81.3	337.3	163.4
Divided by net revenue	397.0	320.3	1,373.0	951.5
= EBITA margin as a %	25.8%	25.4%	24.6%	17.2%

EBITDA

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 and amortization (EBITDA) as operating profit/loss from continuing operations excluding depreciation and amortization relating to tangible and intangible assets.

EBITDA margin

Operating profit/loss before depreciation and amortization 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 period.

Equity ratio

Adjusted equity as a percentage of total assets.

Gross margin

Net revenue minus cost of materials as a percentage of net revenue.

Net debt

The Group defines net debt as the net sum of cash and cash equivalents plus 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 targets 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.

Net debt to EBITDA according to bond term sheet

The Group defines net debt according to the bond term sheet as the net sum of cash and cash equivalents plus short-term investments and liabilities to be included in net debt according to the bond term sheet. The calculation of net debt to EBITDA according to the bond term sheet is different from the Group's net debt/EBITDA key performance indicator, which is one of the Group's financial targets. The Group follows the net debt to EBITDA according to the bond term sheet key performance indicator as it is obliged to report this under the terms of the Group's bonds.

The key performance indicator is not calculated for periods before the issue of the bonds in May 2023. The key performance indicator published in reports up to and including the interim report for January–March referred to the Group's previous bonds that were placed in April 2021 and repaid in full in June 2023.

SEK million	Dec 31 2023
Cash and cash equivalents	386.5
Excluding purchase price paid in cash for acquisitions after the end of the reporting period net with acquired cash and cash equivalents	-96.2
Loans	-1,516.0
Acquisition-related liabilities	-112.8
= Net debt according to bond term sheet	-1,338.5
EBITDA rolling 12-month period	425.5
Reversal of acquisition costs rolling 12-month period, reversal of revaluation of estimated earn-outs for completed acquisitions rolling 12-month period and adjusted for other non-recurring items	-6.4
Pro forma EBITDA from new acquisitions	153.2
= EBITDA rolling 12-month period according to bond term sheet	572.3
= Net debt to EBITDA according to bond term sheet	2.3

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 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.

Organic growth

Net revenue and orders received in acquired companies are included in the calculation of organic growth 12 months after the acquisition date. A company that is consolidated from March of year 1 is included in the calculation of organic growth from March of year 2.

Pro forma numbers

The numbers in the pro forma column on the first page are pro forma numbers for a full year or a rolling 12-month period, and have not been reviewed by the company's auditor. The numbers are including all acquisitions from the start of the year or the rolling 12-month period until the publication of this report.

Profit/loss before tax (EBT)

Profit/loss after net financial items.

About ADDvise

ADDvise is a growing international group within lab and healthcare. Our business model delivers long-term, solid returns with the aim of generating sustainable value growth. The combination of acquisitions and organic growth forms the basis of our growth strategy. We are continuously working on add-on acquisitions while at the same time developing our existing businesses.

ADDvise 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.

Our business concept

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

Our acquisition strategy

Acquisitions is one of the most important components of the Group's growth strategy. The purpose of 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. ADDvise acquires exclusively companies within the life science sector.

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.

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 Group's subsidiaries receive 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 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.

Sustainability

ADDvise's business concept is to improve, extend and save people's lives by developing and providing products and services for healthcare and research. It is a social responsibility that contributes to a more sustainable society.

Sustainability goals by 2030

ADDvise's long-term sustainability goals have a clear connection to the company's vision of contributing to a sustainable society. The sustainability goals, in combination with the financial goals, will ensure that the company steers towards long-term profitable and sustainable growth.

Environment

- » Reduce carbon dioxide intensity by 50%.

Finance / Governance

- » All companies within the Group must have incentives linked to sustainability-related goals.
- » 100% of the acquisitions must contribute to the UN's sustainability goal no. 3 good health and well-being and meet the requirements of ADDvise policy for sustainable investments.
- » 1.5% of net sales will be set aside for product development of products that improve, prolong, and save people's lives.

Social

- » Achieve gender equality of people on the board and in senior positions (males and females are represented in the range 40–60%).
- » All companies within the Group must comply with a code of conduct.
- » Sick leave max 5%.
- » Our vision is to work towards zero workplace accidents.

Other information

Dividend

The Board of Directors proposes that no dividend be paid in respect of the year 2023.

Publication dates for financial information

Annual report and sustainability report 2023	April 3, 2024
Interim report Jan-Mar 2024	April 18, 2024
Annual General Meeting	May 3, 2024
Interim report Jan-Jun 2024	July 18, 2024
Interim report Jan-Sep 2024	October 24, 2024
Year-end report 2024	February 20, 2025

This information is information that ADDvise Group AB is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on February 22, 2024 at 07:45 CET. This report, as well as further information, is available on ADDvise's website, www.addvisegroup.com

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Review of year-end report

This year-end report has not been reviewed by the company's auditor.

Declaration

The undersigned declare that the year-end report presents fairly the business, financial position and performance of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the constituent companies of the Group.

Stockholm, February 22, 2024

Staffan Torstensson	Johanne Louise Brændgaard	Fredrik Celsing	Anna Ljung	Erland Pontusson
Chairman of the Board	Board Member	Board Member	Board Member	Board Member