

# YEAR-END REPORT FOR THE SHORTENED FISCAL YEAR 1 APRIL - 31 DECEMBER 2016

*“Record quarter ends the year!”*

## 1 OCTOBER – 31 DECEMBER 2016 (3 MONTHS)

- Net sales in the third quarter rose by 30 percent to SEK 611.5 million (472.1), of which organic growth totalled 21 percent and acquired growth totalled 8 percent.
- EBITA rose by 80 percent to SEK 75.8 million (42.1) and EBITA-margin amounted to 12.4 percent (8.9).
- Profit after tax rose by 81 percent and amounted to SEK 49.1 million (27.2).
- Cash flow from operating activities amounted to 96.4 million (62.1).
- Two acquisitions have been carried out during the quarter, Svan Care AB and Biolin Scientific AB, with a combined annual sales of about SEK 135 million and one new business, Medline, has been integrated into existing companies which adds another SEK 40 million in annual sales.

## 1 APRIL – 31 DECEMBER 2016 (9 MONTHS)

- Net sales during the financial year rose by 34 percent to SEK 1,485.6 million (1,109.7), of which organic growth totalled 13 percent and acquired growth totalled 20 percent.
- EBITA rose by 54 percent to SEK 153.7 million (100.1) and EBITA-margin amounted to 10.3 percent (9.0).
- Profit after tax rose by 58 percent and amounted to SEK 93.0 million (59.0).
- Earnings per share amounted to SEK 3.87 (3.31). For the 12-month period, earnings per share amounted to SEK 4.87 (4.40).
- The equity ratio amounted to 45.5 percent (22.2).
- Return on working capital (P/WC) amounted to 62.1 percent (65.8).
- During the financial year the Company carried out a rights issue of SEK 300 million to existing shareholders.
- Four acquisitions have been carried out during the financial year with a combined annual sale of about SEK 185 million and two new operations have been integrated into existing companies which adds another SEK 90 million in annual sales. After the financial year, one acquisition has been carried out which adds approximately SEK 30 million in annual sales.
- The Board of Directors proposes a dividend of SEK 1.50 per share for the shortened fiscal year.

SEKm	3 months ending			9 months ending			12 months ending		
	31 Dec 16	31 Dec 15	change	31 Dec 16	31 Dec 15	change	31 Dec 16	31 Mar 16	change
Net sales	611.5	472.1	30%	1,485.6	1,109.7	34%	1,938.3	1,562.4	24%
EBITA	75.8	42.1	80%	153.7	100.1	54%	188.7	135.2	39%
EBITA-margin, %	12.4	8.9		10.3	9.0		9.7	8.7	
Profit before tax	61.6	31.1	98%	118.1	76.1	55%	142.2	100.2	41%
Profit for the period	49.1	27.2	81%	93.0	59.0	58%	111.8	77.8	43%
Earnings per share SEK	2.01	1.38	46%	3.87	3.31	17%	4.87	4.15	17%

### AddLife in brief

AddLife is an independent provider in Life Science that offers high-quality products, services and advice to both the private and public sector, mainly in the Nordic region. The Group is divided into two business areas: Labtech and Medtech. The Group comprises 30 operating subsidiaries that provide equipment, instruments, medical devices and reagents, as well as advice and technical support to customers primarily in healthcare, research and academia, along with the food and pharmaceutical industries. The Company is mainly active in the Nordic countries and is also represented by smaller businesses in Germany, the Benelux countries, Estonia, Italy, UK, China and USA. AddLife is the market leader in the Nordic region in several well-defined niches in the market areas of diagnostics, medical devices, biomedical research and laboratory analysis.

## Comments from the CEO

### *Strong end to the year*

We have had an intensive and extremely inspiring year in which we also became established as a listed company. We are ending off our first financial year on our own with a record-breaking quarter during which sales rose 30 percent and earnings increased 80 percent. Organic growth was 21 percent in the last quarter and 13 percent for the financial year as a whole. Our two business areas improved their earnings for both the quarter and the financial year compared with the previous year. EBITA margin for the Group as a whole improved in the quarter towards 12.4 percent (8.9) and for the full year to 10.3 percent (9.0). Cash flow during both the quarter and the financial year was strong, creating opportunities for continued investments in our business.

Our companies did a great job navigating the market throughout the year and successfully handled both opportunities and challenges. At the same time, the companies worked on their internal efficiency. As a Group, we bring a strong offering to the market based on products from leading suppliers, along with the expertise of our companies in which we offer advisory service, support and training. Our well-established business model, running small-scale business large scale wise, has once again proven to be successful.



### *Market trends*

Our market continues to demonstrate a favourable trend, as do we. The underlying growth is driven primarily by the demographic trends in the Nordic countries, but also by the rapid technological developments in the industry. Our companies experienced an organic growth rate during the financial year that far exceeds average market growth, which external sources<sup>1</sup> estimate at about two to four percent. Consequently our companies have increased their market share within their respective niches. Health services in the Nordic countries continue to invest in both instruments and consumables. At the same time that demand is high, competition for procurements is also strong.

In both Sweden and Norway, the governments are allocating resources to stimulate research and development, as are private sector participants in these markets, which means that considerable funding is being dedicated to research. In contrast, the governments of Denmark and Finland have imposed spending cuts in university research, though private sector investments continue. In all of the Nordic countries, the number of Life Science start-ups has increased, especially in eHealth, biotechnology and pharma. Several innovation clusters are being built, mainly around major hospitals, to stimulate development within the life sciences in the Nordic countries.

### *Acquisitions*

During the year we completed a total of four acquisitions, two of which were completed in the last quarter. One purpose for listing AddLife separately was to clarify our role in the market as a Life Science participant, in part to attract new acquisition candidates in the field. We have succeeded in doing just that. In our experience, owners who are considering selling their companies find our model attractive, therefore we believe that the prospects for continued acquisitions are excellent.

In addition to pure corporate acquisitions during the year, we also took over the businesses of two major suppliers, Leica Biosystems and Medline, which we integrated into our existing companies during the year.

After the financial year we completed one acquisition, Techno Medica which is contributing an additional approximately SEK 30 million in annual sales and 5 employees. Techno Medica will be integrated into Mediplast's business, within Medtech business area, during the spring of 2017.

All of our new operations, which were acquired both during and after the financial year, are expected to contribute a total of about SEK 300 million to annual sales. Moreover, these acquisitions also promote development within interesting new niches in both the Nordic and global markets. Through the acquisitions of Svan Care and Biolin Scientific, which were completed in the last quarter, we have also taken a clear step regarding development of our own products. As a result of these acquisitions we have also acquired a position outside the Nordic countries through new subsidiaries in both the US and China. As we now close the books for 2016 we can conclude that we have 30 operating subsidiaries and together we are now 545 employees (427) in 11 countries.

The favourable development that AddLife has enjoyed in 2016 is only possible thanks to all our talented employees who do their utmost each and every day to ensure that we will successfully achieve our vision. I would like to extend a warm thank you to all of you!

Kristina Willgård  
President and CEO

1 MedTech Europe – The European Medical Technology Industry

## Group development in the quarter

Net sales in the third quarter increased by 30 percent to SEK 611.5 million (472.1). For comparable units, organic growth totalled 21 percent and acquired growth totalled 8 percent. Exchange rate changes had a positive effect on net sales of 1 percent, corresponding to SEK 1.6 million, and a marginally positive effect on EBITA.

EBITA increased by 80 percent to SEK 75.8 million (42.1) and EBITA-margin amounted to 12.4 percent (8.9). The improved result is a combination of strong organic growth, acquisitions and an effect of cost efficiency in our companies. The result does also include a positive effect of SEK 6.7 million due to transition from defined benefit plan to a defined contribution pension plan in Norway.

Net financial items amounted to SEK -2.7 million (-2.5) and profit after financial items reached SEK 61.6 million (31.1). Profit after tax for the quarter increased by 81 percent to SEK 49.1 million (27.2).

## Group development during the financial year

During the financial year net sales increased by 34 percent to SEK 1,485.6 million (1,109.7). For comparable units, organic growth totalled 13 percent and acquired growth totalled 20 percent. Exchange rate changes had a positive effect on net sales of 1 percent, corresponding to SEK 7.8 million, and a positive effect on EBITA of 1 percent corresponding to SEK 0.8 million.

EBITA increased by 54 percent to SEK 153.7 million (100.1) and EBITA-margin amounted to 10.3 percent (9.0). The improved result is a combination of strong organic growth, acquisitions and an effect of cost efficiency in our companies.

Net financial items amounted to SEK -4.0 million (-4.0) and profit after financial items reached SEK 118.1 million (76.1). Profit after tax for the financial year increased by 58 percent to SEK 93.0 million (59.0) and the effective tax rate was 21 percent (22). The lower tax rate is attributable to loss carryforward which were utilized in subsidiaries acquired during the year.



## Development in the business areas

### Labtech

The Labtech business area consists of 18 companies active in the market areas diagnostics, biomedical research and laboratory equipment.

SEKm	3 months ending			9 months ending			12 months ending		
	31 Dec 16	31 Dec 15	change	31 Dec 16	31 Dec 15	change	31 Dec 16	31 Mar 16	change
Net sales	401.7	302.8	33%	930.0	781.8	19%	1,218.1	1,069.9	14%
EBITA	62.6	38.0	65%	118.7	85.3	39%	150.4	117.0	29%
EBITA-margin, %	15.6	12.5		12.8	10.9		12.3	10.9	

Labtechs sales increased in the third quarter by 33 percent to SEK 401.7 million (302.8), of which organic growth totalled 26 percent and acquired growth totalled 6 percent. EBITA increased to by 65 percent to SEK 62.6 million (38.0), corresponding to an EBITA-margin of 15.6 percent (12.5). Sales increased during the financial year by 19 percent to SEK 930.0 million (781.8), of which organic growth totalled 16 percent and acquired growth totalled 2 percent. EBITA increased by 39 percent to SEK 118.7 million (85.3), corresponding to an EBITA-margin of 12.8 percent (10.9).

The business situation for our Labtech companies has been strong during the year and in the quarter, especially for the diagnostics companies. We have both high instrument sales combined with high sales of consumables for previously delivered instruments within the diagnostics companies. Growth has been favourable within the more traditional clinical chemistry, as well as in microbiology and molecular biology. This year's influenza season has been unusually severe in Sweden and Finland in particular, which had a positive impact on our sales of reagents during the past quarter.

Investments and initiatives both from public services, private companies and foundations are generally on the rise in the Nordic region. The initiatives are mainly aimed at development within Life Science and various research projects. This trend has resulted in increased demand, mainly for advanced instrumentation and various research reagents, including antibodies for cancer research – products that are all included in our line of products.

The cost-cutting measures in university research in Finland have led to a cautious approach to investments in instruments, though our companies have compensated for this trend through increased reagent sales. The cost-cutting measures in university research and the pharmaceutical industry in Denmark do not appear to have a significant effect on activity levels there either. Through initiatives focused on digital marketing and the webshop, the Danish companies have instead increased their sales of reagents and small instruments. In Norway, the nationwide procurement processes in health services declined and the transition to more procurement processes in primary care is apparent. As a result the total number of procurements has increased, which has had a positive impact on our businesses.

This quarter's results include a positive effect of approximately SEK 6.7 million pertaining to a change from a defined benefit to a defined contribution pension plan. In December we acquired Biolin Scientific for the business area, strengthening our offer with our own high-tech instruments on an international market.

## Medtech

The Medtech business area consists of 12 companies that provide medical device products within the medtech market, with a focus on surgery, thoracic medicine, neurology, wound care, anaesthesia, intensive care, ear, nose and throat, ostomies, and home healthcare.

SEKm	3 months ending			9 months ending			12 months ending		
	31 Dec 16	31 Dec 15	change	31 Dec 16	31 Dec 15	change	31 Dec 16	31 Mar 16	change
Net sales	209.8	169.3	24%	555.6	327.9	69%	720.2	492.5	46%
EBITA	18.9	11.6	63%	44.4	20.2	120%	56.6	32.4	75%
EBITA-margin, %	9.0	6.9		8.0	6.2		7.9	6.6	

In the third quarter Medtech's net sales increased by 24 percent to SEK 209.8 million (169.3), of which organic growth totalled 12 percent and acquired growth totalled 12 percent. EBITA reached SEK 18.9 million (11.6), corresponding to an EBITA-margin of 9.0 percent (6.9). Net sales increased during the financial year by 69 percent to SEK 555.6 million (327.9) of which organic growth totalled 6 percent and acquired growth totalled 62 percent. EBITA increased to SEK 44.4 million (20.2), corresponding to an EBITA-margin of 8.0 percent (6.2).

Demand from health services throughout the Nordic countries continues to develop favourably both for the quarter and for the year as a whole. Growth is strongest in Sweden, Finland and the Benelux countries. However, the market is challenging in some cases, with strong competition for large, sometimes nationwide, procurement processes. Meanwhile, to date our companies have done a good job of handling these challenges. Our product mix has improved and demand for our own products, primarily in the infusion, surgery and in the ear, nose and throat segments, increased during both the year and the quarter. Our offer with customised "kits" for different types of specialised procedures within the health care was well-received by the market.

The business from Medline, which was integrated into the Medioplast Group at the end of the quarter, has provided us with access to a broader product portfolio, mainly within surgery in the Nordic region. Svan Care, which was acquired in October, was an important step for us in the interesting home care market. After the end of the financial year Techno Medica was also acquired for this business area. It will be integrated into the Medioplast Group during the spring of 2017. The Company is strengthening the product selection in enteral nutrition.

## Financial position and cash flow

At the end of the financial year the equity ratio stood at 45.5 percent (22.2) and equity per share totalled SEK 29.40 (16.28). The return on equity at the end of the financial year was 20.5 percent (26.9). The decrease in return on equity relates primarily to the rights issue of SEK 300 million that was carried out during the first quarter. Return on working capital, P/WC (EBITA in relation to working capital) amounted to 62.1 percent (65.8).

The Group's interest-bearing net debt at the end of the period stood at SEK 365.9 million (641.5), including pension liabilities of SEK 59.7 million (72.8). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions, totalled 0.5, compared to 1.6 at the beginning of the financial year. The decrease in the net debt/equity ratio relates to the rights issues that was carried out during the first quarter.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 308.5 million on 31 December 2016.

Cash flow from operating activities reached SEK 117.6 million (102.4) during the financial year. The improved cash flow is related to improved profit after financial items. Acquisitions of companies amounted to SEK 150.0 million (233.9) and divestment of companies amounted SEK 0.0 (6.4). Investments in non-current assets during the financial year amounted to SEK 21.1 million (16.4). Disposals of non-current assets totalled SEK 2.0 million (0.7). Dividends paid to the shareholders of the Parent Company totalled SEK 0.0 million (18.1). Repurchase of treasury shares amounted SEK 33.1 million and call options issued on repurchased shares amounted to SEK 2.4 million.

## Employees

At the end of the period, the number of employees was 545, compared to 427 at the beginning of the financial year. During the period, implemented acquisitions led to an increase of 92 in the number of employees and another 12 is related to the takeovers of operations. The average number of employees during the latest 12-month period was 452 (317).

## Acquisitions

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

Acquisitions	Time	Net sales, SEKm*	Number of employees*	Business area
Mediplast AB, Sweden	July, 2015	465	120	Medtech
Fenno Medical Oy, Finland	July, 2015	185	35	Medtech
V-Tech AB och Esthe-Tech AB, Sweden	April, 2016	50	11	Medtech
Svan Care AB, Sweden	October, 2016	35	13	Medtech
Biolin Scientific AB, Sweden	December, 2016	100	68	Labtech
TM Techno Medica AB, Sweden	January, 2017	30	5	Medtech

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

During the financial year four company acquisitions have been completed;

On 1 April 2016, all shares in V-Tech AB and Esthe-Tech AB were acquired to the business area Medtech. The companies have 11 employees and combined sales of approximately SEK 50 million. The acquisitions represent an expansion in, above all, the area of vascular and aesthetic surgery.

On 3 October 2016 the acquisition of Svan Care AB was completed and the operation joined the Medtech business area. The company has 13 employees and sales of about SEK 35 million. The acquisition represents an expansion into the field of home care.

On 7 December 2016 the acquisition of Biolin Scientific AB was completed to the Labtech business area. The company is a leading Nordic developer and manufacturer of analysis instruments for material analysis within nanotechnology, which is in demand by both universities and industry worldwide. The company has sales of approximately SEK 100 million. Biolin Scientific AB, with subsidiaries, have a total of 68 employees.

The combined effect of the acquisitions on the AddLife Group's net sales was SEK 59 million, on EBITA SEK 12 million, on operating profit SEK 9 million and on profit after tax for the period SEK 6 million. Had the acquisitions been completed on 1 April 2016, their impact would have been approximately SEK 141 million on consolidated net sales, SEK 20 million on EBITA, about SEK 12 million on operating profit and about SEK 4 million on profit after-tax for the year.

The fair value of not yet paid contingent consideration for acquisitions made during the financial year is calculated to SEK 13.3 million, which is approximately 52 percent of the maximum outcome. The outcome depends on the results achieved in the companies and has a set maximum level.

According to the preliminary acquisition analyses, the assets and liabilities included in the acquisitions carried out during the financial year 2016 were as follows:

	Fair value
Intangible non-current assets	118.6
Other non-current assets	4.3
Inventories	25.5
Other current assets	59.4
Deferred tax liability/tax asset	8.4
Other liabilities	-83.3
Acquired net assets	132.9
Goodwill	43.4
Consideration 1)	176.3
Less: cash and cash equivalents in acquired businesses	-16.6
Contingent consideration not yet paid	-17.4
Effect on the Group's cash and cash equivalents	142.3

1) The consideration is stated excluding acquisition expenses.

The goodwill resulting from the acquisitions is attributable to expectations that the Group's position in the market in question for each acquisition will grow stronger and to the knowledge accumulated in the companies acquired. Transaction costs for the acquisitions totalled SEK 1.8 million and are recognized as selling expenses.

During the financial year SEK 0.4 million has been recognized as other operating income due to estimated contingent considerations, relating to previous acquisitions, deviated from the actual outcome. Revaluation of liabilities for contingent consideration added income of SEK 4.4 million during the financial year, which is recognized as other operating income.

## Shares structure

The share capital at the end of the financial year stood at SEK 50.1 million.

Share class	Number of shares
Class A shares	1,011,766
Class B shares	23,605,327
<b>Total number of shares before repurchases</b>	<b>24,617,093</b>
Of which repurchased class B shares	-230,000
<b>Total number of shares after repurchases</b>	<b>24,387,093</b>

During the financial year, 230,000 treasury shares were repurchased. The own holding of 230,000 Class B shares corresponds to 0.9 percent of the total number of shares and 0.7 percent of the votes. The treasury shares cover the company's undertaking in outstanding call options program. The average purchase price for shares held in treasury amounts to SEK 143.93 per share. The average number of treasury shares held during the year was 86,983 (-). The share price at 31 December 2016 was SEK 137.75 and the most recent price paid for the AddLife share on 15 February 2017 was SEK 155.00.

In accordance with a resolution of the September 2016 AGM, 25 members of management were offered the opportunity to acquire 230,000 call options on repurchased shares. The programme was fully subscribed. If fully exercised, the number of B shares outstanding will increase by 230,000, equivalent to 0.9 percent of the total number of shares and 0.7 percent of the votes in the Company. The call options were transferred at a price of SEK 10.30 per option, equivalent to the market value of the options based on an independent valuation conducted in accordance with the Black-Scholes model. The redemption price of the call options is SEK 148.10, corresponding to 110 percent of the average share price during the measurement period 2 September – 15 September 2016. Expiration period is from 17 September 2018 through 28 February 2019.

Issued call options for treasury shares have not resulted in any dilution effect during the financial year.

## Parent company

The Parent Company's net sales for the financial year amounted to SEK 18.1 million (-) and profit after financial items for the financial year amounted to SEK 68.9 million (-10.0). At the end of the financial year the Parent Company's net financial debt stood at SEK 576.8 million (476.4). The share capital at the end of the financial year was SEK 50.1 million (40.1)

## Accounting policies

This year-end report was prepared as per IFRSs and IAS 34 Interim Financial Reporting. Information in accordance with IAS 34. 16A exist, except in the financial statements and the related notes also in other parts of the year-end report. The year-end report for the parent company was prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Securities Market Act (2007:528), in compliance with recommendation RFR 2 Accounting for Legal Entities, of the Swedish Financial Reporting Board. The accounting policies and basis for calculations applied in the 2015/2016 annual report for AddLife AB were also used here. For previous periods, the accounting policies and basis for calculations applied in the 2014/2015 annual report for Addtech AB have been used. The new and revised IFRS standards and IFRIC interpretations effective from financial year 2016, have not had any material effect on the consolidated financial statements.

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

## Alternative performance measures

AddLife presents certain financial measures in the year-end report that are not defined according to IFRS. The Company believes that these measures provide valuable supplemental information to investors and the Company's management as they allow for evaluation of trends and the Company's performance. Since all companies do not calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should therefore not be considered to be a replacement for measurements as defined under IFRS. This report provides information in greater detail regarding definitions of financial performance measures.

## Nomination committee

The 2016 AGM authorised the Board Chairman to establish a nomination committee for upcoming elections to the Board, by appointing members from among representatives of the five shareholders who controlled the largest number of votes in the Company at 30 September 2016, to serve with the Chairman on the nomination committee. In accordance with the above, the Committee comprises these appointed members: Johan Sjö, (Chairman of the Board), Anders Börjesson, Tom Hedelius, Håkan Roos (appointed by RoosGruppen AB), Martin Wallin (appointed by Lannebo Fonder) and Johan Strandberg (appointed by SEB Investment Management). Information on how to contact the Nomination Committee is available on the AddLife website.

## Transactions with related parties

No transactions with related parties that materially affected the Group's position and earnings took place during the financial year.

## Events after the reporting period

### *Acquisitions*

On 12 January 2017 TM Techno Medica AB was acquired. The company will be included in the Medtech business area. Techno Medica mainly sells and markets enteral nutrition products, as well as patient hygiene products. Techno Medica has successfully established itself as a leading supplier of enteral nutrition in Sweden, an interesting market with strong growth that targets both municipal home care and care funded by the county councils. The company, which has five employees and sales of SEK 30 million, will be integrated into Medioplast AB.

### *Change in management*

Group Management was expanded after the end of the financial year and Kristina Willgård, Artur Aira and Martin Almgren will be joined by Peter Simonsbacka, business area manager of Labtech, and Lars-Erik Rydell, business area manager of Medtech. Peter Simonsbacka was employed in the Group in 2007 as CEO of Bergman Labora, but has during the last years had responsibility for a group of companies within the Labtech business area. Lars-Erik Rydell joined the Group in 2015 as CEO through the acquisition of Mediplast and since then he has worked simultaneously as business area manager for Medtech.

No other events of significance to the Group occurred after the end of the reporting period.

### Risks and uncertainties

AddLife's earnings and financial position, as well as its strategic position, are affected by various internal factors within AddLife's control and various external factors over which AddLife has limited influence. AddLife's most significant external risks are the state of the economy and market trends combined with public sector contracts and policy decisions, as well as competition. The risks and uncertainties are the same as in previous periods. For more information, see the section "Risks and uncertainties" in the management report (33-36), in AddLife's annual report 2015/2016. The Parent Company is indirectly affected by the above risks and uncertainties through its function in the Group.

Stockholm, 16 February 2017

Kristina Willgård  
President and CEO

This report has not been subject to review by the company's auditor.



## Proposals to the Annual General Meeting to be held 29 May 2017

The Annual General Meeting (AGM) of AddLife AB (publ.) will be held at 4.00 p.m on 29 May 2017 at IVA, Grev Turegatan 16, Stockholm.

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

The Board of Directors resolved to propose to the Annual General Meeting a long-term incentive scheme aimed at senior executives. The Board also resolved to propose to the Annual General Meeting a mandate to buy back its own shares corresponding to a maximum of 10 percent of all shares in the Company.

## Financial calendar

The interim report for the period 1 January - 31 March 2017 will be published on 28 April 2017.

The Group's annual report for the financial year 1 April - 31 December 2016, will be published as a PDF version on AddLife's website, [www.add.life](http://www.add.life), in April 2017. A printed version will be sent to shareholders who have ordered one separately.

## Teleconference

Investors, analysts and the media are invited to a teleconference at which CEO Kristina Willgård and CFO Martin Almgren will present the year-end report. The presentation will be given in Swedish and take about 20 minutes, after which there will be an opportunity to ask questions.

The teleconference will be at 10:00 a.m. on 16 February 2017.

The presentation will be available via the following link: <https://5569958126.globalmeet.com/MartinAlmgren>

Please call on: +46 8 22 90 90 code: 113242

For further information, please contact:

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## Business areas

Net sales by business area	2016			2015/2016			
	Quarterly data, SEKm						
	Q3	Q2	Q 1	Q 4	Q 3	Q 2	Q 1
Labtech	401.7	246.8	281.5	288.1	302.8	218.4	260.6
Medtech	209.8	162.3	183.5	164.6	169.3	152.1	6.5
Parent Company and Group items	-	-	-	-	-	-	-
<b>AddLife Group</b>	<b>611.5</b>	<b>409.1</b>	<b>465.0</b>	<b>452.7</b>	<b>472.1</b>	<b>370.5</b>	<b>267.1</b>

EBITA by business area	2016			2015/2016			
	Quarterly data, SEKm						
	Q3	Q2	Q 1	Q 4	Q 3	Q 2	Q 1
Labtech	62.6	21.2	34.9	31.7	38.0	15.7	31.6
Medtech	18.9	11.8	13.7	12.2	11.6	8.0	0.6
Parent Company and Group items	-5.7	-1.5	-2.2	-8.8	-7.5	1.4	0.7
<b>EBITA</b>	<b>75.8</b>	<b>31.5</b>	<b>46.4</b>	<b>35.1</b>	<b>42.1</b>	<b>25.1</b>	<b>32.9</b>
Depreciation intangible assets	-11.5	-10.2	-9.9	-8.9	-8.5	-8.5	-3.0
<b>Operating profit</b>	<b>64.3</b>	<b>21.3</b>	<b>36.5</b>	<b>26.2</b>	<b>33.6</b>	<b>16.6</b>	<b>29.9</b>
Finance income and expenses	-2.7	0.5	-1.8	-2.1	-2.5	-1.0	-0.5
<b>Profit after financial items</b>	<b>61.6</b>	<b>21.8</b>	<b>34.7</b>	<b>24.1</b>	<b>31.1</b>	<b>15.6</b>	<b>29.4</b>

### Net sales by business area

SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
Labtech	401.7	302.8	930.0	781.8	1 218.1	1 069.9
Medtech	209.8	169.3	555.6	327.9	720.2	492.5
Parent Company and Group items	-	-	-	-	-	-
<b>AddLife Group</b>	<b>611.5</b>	<b>472.1</b>	<b>1 485.6</b>	<b>1 109.7</b>	<b>1 938.3</b>	<b>1 562.4</b>

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

MSEK	3 months ending				9 months ending				12 months ending			
	31 Dec 16	%	31 Dec 15	%	31 Dec 16	%	31 Dec 15	%	31 Dec 16	%	31 Mar 16	%
Labtech	62.6	15.6	38.0	12.5	118.7	12.8	85.3	10.9	150.4	12.3	117.0	10.9
Medtech	18.9	9.0	11.6	6.9	44.4	8.0	20.2	6.2	56.6	7.9	32.4	6.6
Parent Company and Group items	-5.7		-7.5		-9.4		-5.4		-18.1		-14.2	
<b>EBITA</b>	<b>75.8</b>	<b>12.4</b>	<b>42.1</b>	<b>8.9</b>	<b>153.7</b>	<b>10.3</b>	<b>100.1</b>	<b>9.0</b>	<b>188.8</b>	<b>9.7</b>	<b>135.2</b>	<b>8.7</b>
Depreciations of intangible non-current assets	-11.5		-8.5		-31.6		-20.0		-40.5		-28.9	
<b>Operating profit</b>	<b>64.3</b>	<b>10.5</b>	<b>33.6</b>	<b>7.1</b>	<b>122.1</b>	<b>8.2</b>	<b>80.1</b>	<b>7.2</b>	<b>148.3</b>	<b>7.6</b>	<b>106.3</b>	<b>6.8</b>
Financial income and expenses	-2.7		-2.5		-4.0		-4.0		-6.1		-6.1	
<b>Profit after financial items</b>	<b>61.6</b>		<b>31.1</b>		<b>118.1</b>		<b>76.1</b>		<b>142.2</b>		<b>100.2</b>	

## Group summary

Income statement SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
Net sales	611.5	472.1	1 485.6	1 109.7	1 938.3	1 562.4
Cost of sales	-402.1	-310.5	-975.2	-721.6	-1 268.3	-1 014.7
<b>Gross profit</b>	<b>209.4</b>	<b>161.6</b>	<b>510.4</b>	<b>388.1</b>	<b>670.0</b>	<b>547.7</b>
Selling expenses	-120.2	-99.7	-316.4	-245.4	-415.2	-344.2
Administrative expenses	-29.1	-34.3	-78.9	-69.3	-112.8	-103.2
Research and Development	-1.9	-	-1.9	-	-1.9	-
Other operating income and expenses	6.1	6.0	8.9	6.7	8.2	6.0
<b>Operating profit</b>	<b>64.3</b>	<b>33.6</b>	<b>122.1</b>	<b>80.1</b>	<b>148.3</b>	<b>106.3</b>
Financial income and expenses	-2.7	-2.5	-4.0	-4.0	-6.1	-6.1
<b>Profit after financial items</b>	<b>61.6</b>	<b>31.1</b>	<b>118.1</b>	<b>76.1</b>	<b>142.2</b>	<b>100.2</b>
Tax	-12.5	-3.9	-25.1	-17.1	-30.4	-22.4
<b>Profit for the period</b>	<b>49.1</b>	<b>27.2</b>	<b>93.0</b>	<b>59.0</b>	<b>111.8</b>	<b>77.8</b>

### Attributable to:

Equity holders of the Parent Company	49.1	27.2	93.0	59.0	111.8	77.8
Non-controlling interest	-	0.0	-	0.0	-	-
Earnings per share (EPS), SEK*	2.01	1.38	3.87	3.31	4.87	4.15
Average number of shares '000s	24 387	19 694	24 027	18 436	22 950	18 749
Number of shares at end of the period, '000	24 387	19 694	24 387	19 694	24 387	19 694

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

EBITA	75.8	42.1	153.7	100.1	188.8	135.2
Depreciations included in operating expenses						
- Property, plant and equipment	-4.7	-3.8	-13.7	-10.4	-17.9	-14.6
- intangible non-current assets from acquisitions	-9.7	-7.4	-26.9	-18.1	-34.6	-25.8
- other intangible non-current assets	-1.8	-1.1	-4.7	-1.9	-5.9	-3.1

### Statement of comprehensive income

SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
<b>Profit for the period</b>	<b>49.1</b>	<b>27.2</b>	<b>93.0</b>	<b>59.0</b>	<b>111.8</b>	<b>77.8</b>
<i>Components that will be reclassified to profit for the year</i>						
Foreign currency translation differences for the period	-0.5	-4.5	11.1	-8.1	15.4	-3.8
<i>Components that will not be reclassified to profit for the year</i>						
Revaluations of defined benefit pension plans	4.1	-	-2.3	-	7.4	9.7
Tax attributable to items not to be reversed in profit or loss	-0.9	-	0.5	-	-1.7	-2.2
<b>Other comprehensive income</b>	<b>2.7</b>	<b>-4.5</b>	<b>9.3</b>	<b>-8.1</b>	<b>21.1</b>	<b>3.7</b>
<b>Total comprehensive income</b>	<b>51.8</b>	<b>22.7</b>	<b>102.3</b>	<b>50.9</b>	<b>132.9</b>	<b>81.5</b>
<i>Attributable to:</i>						
Equity holders of the Parent Company	51.8	22.7	102.3	50.9	132.9	81.5
Non-controlling interests	-	0.0	-	0.0	-	-

Balance sheet, SEKm	31 Dec 16	31 Mar 16	31 Dec 15
Goodwill	524.2	479.1	478.2
Other intangible non-current assets	346.5	255.8	247.3
Property, plant and equipment	67.8	59.4	55.6
Financial non-current assets	10.6	10.7	10.5
<b>Total non-current assets</b>	<b>949.1</b>	<b>805.0</b>	<b>791.6</b>
Inventories	252.4	212.9	212.9
Current receivables	360.5	247.6	309.7
Cash and cash equivalents	14.7	11.6	129.8
<b>Total current assets</b>	<b>627.6</b>	<b>472.1</b>	<b>652.4</b>
<b>Total assets</b>	<b>1,576.7</b>	<b>1,277.1</b>	<b>1,444.0</b>
<b>Total equity</b>	<b>716.9</b>	<b>346.6</b>	<b>320.7</b>
Interest-bearing provisions	59.7	63.3	72.8
Non-interest-bearing provisions	40.2	52.5	54.6
Non-current interest-bearing liabilities	10.7	301.1	1.3
Non-current non-interest-bearing liabilities	0.7	-	-
<b>Total non-current liabilities</b>	<b>111.3</b>	<b>416.9</b>	<b>128.7</b>
Non-interest-bearing provisions	5.9	4.8	0.0
Current interest-bearing liabilities	310.1	185.1	697.2
Current non-interest-bearing liabilities	432.5	323.8	297.4
<b>Total current liabilities</b>	<b>748.5</b>	<b>513.6</b>	<b>994.6</b>
<b>Total equity and liabilities</b>	<b>1,576.7</b>	<b>1,277.1</b>	<b>1,444.0</b>

Statement of change in Group equity, SEKm	1 Apr 16 – 31 Dec 16		1 Apr 15 – 31 Mar 16			1 Apr 15 – 31 Dec 15		
	Equity excl. non-control-ling interests	Total equity	Equity excl. non-control-ling interests	Non-control-ling interests	Total equity	Equity excl. non-control-ling interests	Non-control-ling interests	Total equity
Amount at beginning of period	346.6	346.6	263.0	0.3	263.3	263.0	0.3	263.3
New share issue	-	-	67.2	-	67.2	67.2	-	67.2
Non-cash issue	-	-	234.3	-	234.3	234.3	-	234.3
Rights issue	300.0	300.0	-	-	-	-	-	-
Issue expenses	-1.3	-1.3	-	-	-	-	-	-
Call options issued	2.4	2.4	-	-	-	-	-	-
Repurchase of treasury shares	-33.1	-33.1	-	-	-	-	-	-
Dividend	-	-	-294.9	-0.1	-295.0	-294.9	-0.1	-295.0
Change non-controlling interests	-	-	-4.5	-0.2	-4.7	-	-	-
Total comprehensive income	102.3	102.3	81.5	-	81.5	50.9	0.0	50.9
<b>Amount at the end of the period</b>	<b>716.9</b>	<b>716.9</b>	<b>346.6</b>	<b>-</b>	<b>346.6</b>	<b>320.5</b>	<b>0.2</b>	<b>320.7</b>

Cash flow statement SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
Profit after financial items	61.6	31.1	118.1	76.1	142.2	100.2
Adjustment for items not included in cash flow	0.8	11.9	36.7	30.2	54.8	48.3
Income tax paid	-2.7	-6.7	-16.6	-16.0	-37	-36.4
Changes in working capital	36.7	25.8	-20.6	12.1	-27.1	5.6
<b>Cash flow from operating activities</b>	<b>96.4</b>	<b>62.1</b>	<b>117.6</b>	<b>102.4</b>	<b>132.9</b>	<b>117.7</b>
Net investments in non-current assets	-5.5	-4.3	-19.1	-15.7	-44.1	-40.7
Acquisitions and disposals	-111.4	6.4	-150.0	-227.5	-153.9	-231.4
<b>Cash flow from investing activities</b>	<b>-116.9</b>	<b>2.1</b>	<b>-169.1</b>	<b>-243.2</b>	<b>-198.0</b>	<b>-272.1</b>
Dividend paid to shareholders	-	-	-	-18.1	-276.8	-294.9
Rights issue	-	-	298.7	-	298.7	-
Repurchase of treasury shares	-	-	-33.1	-	-33.1	-
Other financing activities	24.2	-16.4	-216.4	209.2	-44.0	381.6
<b>Cash flow from financing activities</b>	<b>24.2</b>	<b>-16.4</b>	<b>49.2</b>	<b>191.1</b>	<b>-55.2</b>	<b>86.7</b>
Cash flow for the period	3.7	47.8	-2.3	50.3	-120.3	-67.7
<b>Cash and cash equivalents at beginning of period</b>	<b>10.7</b>	<b>84.1</b>	<b>11.6</b>	<b>82.5</b>	<b>129.8</b>	<b>82.5</b>
Exchange differences on cash and cash equivalents	0.3	-2.1	5.4	-3.0	5.2	-3.2
<b>Cash and cash equivalents at end of the period</b>	<b>14.7</b>	<b>129.8</b>	<b>14.7</b>	<b>129.8</b>	<b>14.7</b>	<b>11.6</b>

Fair values on financial instruments	31 Dec 2016			31 Mar 2016		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
SEKm						
Derivatives held for trading purposes	0,3	0,3	-	-	-	-
<b>Total financial assets at fair value per level</b>	<b>0,3</b>	<b>0,3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Derivatives held for trading purposes	-	-	-	0,8	0,8	-
Contingent considerations	13,3	-	13,3	6,4	-	6,4
<b>Total financial liabilities at fair value per level</b>	<b>13,3</b>	<b>-</b>	<b>13,3</b>	<b>7,2</b>	<b>-</b>	<b>6,4</b>

The fair value and carrying amount are recognized in the balance sheet as shown in the table above. For quoted securities, the fair value is determined on the basis of the asset's quoted price in an active market, level 1. For currency contracts and embedded derivatives, the fair value is determined on the basis of observable market data, level 2. For the Group's other financial assets and liabilities, fair value is estimated to be the same as the carrying amount.

	9 months ending. 31 Dec 16	12 months ending. 31 Mar 16
Contingent considerations	6.4	-
Carrying amount, opening balance	17.4	6.2
Acquisitions during the year	-6.2	-
Consideration paid	-4.8	-
Reversed through profit or loss	0.5	0.2
Interest expenses	0.0	0.0
Exchange differences		
<b>Carrying amount, closing balance</b>	<b>13.3</b>	<b>6.4</b>

Key financial indicators	12 months ending				
	31 Dec 16	31 Mar 16	31 Dec 15	31 Mar 15	31 Mar 14
Net sales, SEKm	1,938.3	1,562.4	1,394.4	1,056.8	983.5
EBITA, SEKm	188.8	135.2	128.9	119.6	115.6
EBITA margin, %	9.7	8.7	9.2	11.3	11.8
Profit growth, EBITA, %	46.5	12.9	9.1	3.5	5.5
Return on working capital (P/WC), %	62.1	64.0	65.8	94.0	97.5
Profit for the period, SEKm	111.8	77.8	78.3	80.4	78.3
Return on equity, %*	20.5	25.5	26.9	30.1	27.7
Financial net liabilities, SEKm	365.9	537.9	641.5	18.7	13.4
Financial net liabilities/EBITDA, multiple	1.8	3.6	4.7	0.1	0.1
Net debt/equity ratio, multiple*	0.5	1.6	2.0	0.1	0.0
Equity ratio, %*	45.5	27.1	22.2	40.9	44.3
Average number of employees	452	370	317	284	276
Number of employees at end of the period	545	427	423	286	280

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

Key financial indicators per share	12 months ending				
	31 Dec 16	31 Mar 16	31 Dec 15	31 Mar 15	31 Mar 14
Earnings per share (EPS), SEK	4.87	4.15	4.40	5.06	4.90
Diluted EPS, SEK	4.87	-	-	-	-
Cash flow per share, SEK	5.79	6.27	7.74	7.58	5.70
Shareholders' equity per share, SEK*	29.40	17.60	16.28	16.46	16.98
Average number of shares after repurchases, '000s	22,950	18,749	17,809	15,892	15,892
Average number of shares adjusted for repurchases and dilution, '000s	22,950	-	-	-	-
Number of shares outstanding at end of the period, '000s	24,387	19,694	19,694	15,892	15,892

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

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

## Parent company summary

Income statement SEKm	3 months ending		9 months ending		12 months ending	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15	31 Dec 16	31 Mar 16
Net sales	6.3	-	18.1	-	23.1	5.0
Administrative expenses	-10.0	-8.6	-26.4	-8.6	-39.0	-21.2
<b>Operating profit/loss</b>	<b>-3.7</b>	<b>-8.6</b>	<b>-8.3</b>	<b>-8.6</b>	<b>-15.9</b>	<b>-16.2</b>
Profit/loss from shares in group companies	75.0	-	75.0	-	75.0	-
Interest income/expenses and similar items	1.4	-0.5	2.2	-1.4	0.9	-2.7
<b>Profit/loss after financial items</b>	<b>72.7</b>	<b>-9.1</b>	<b>68.9</b>	<b>-10.0</b>	<b>60.0</b>	<b>-18.9</b>
Appropriations	45.9	-	45.9	-	80.5	34.6
<b>Profit/loss before taxes</b>	<b>118.6</b>	<b>-9.1</b>	<b>114.8</b>	<b>-10.0</b>	<b>140.5</b>	<b>15.7</b>
Income tax expense	-9.6	2.0	-8.8	2.2	-14.5	-3.5
<b>Profit/loss for the period</b>	<b>109.0</b>	<b>-7.1</b>	<b>106.0</b>	<b>-7.8</b>	<b>126.0</b>	<b>12.2</b>

Balance sheet, SEKm	31 Dec 16	31 Mar 16	31 Dec 15
Intangible non-current assets	0.3	0.4	0.4
Tangible non-current assets	0.2	0.2	-
Non-current financial assets	1,164.3	960.6	776.9
<b>Total non-current assets</b>	<b>1,164.8</b>	<b>961.2</b>	<b>777.3</b>
Current receivables	151.1	75.4	2.8
Cash and bank balances	-	-	32.3
<b>Total current assets</b>	<b>151.1</b>	<b>75.4</b>	<b>35.1</b>
<b>Total assets</b>	<b>1,315.9</b>	<b>1,036.6</b>	<b>812.4</b>
<b>Equity</b>	<b>688.1</b>	<b>314.2</b>	<b>294.2</b>
Untaxed reserves	18.6	5.2	-
Interest-bearing long-term liabilities	64.8	360.1	-
Non-interest-bearing long-term liabilities	0.7	-	-
<b>Total long-term liabilities</b>	<b>84.1</b>	<b>360.1</b>	<b>-</b>
Interest-bearing short-term liabilities	513.6	322.6	508.7
Non-interest-bearing short-term liabilities	30.1	34.6	9.5
<b>Total short-term liabilities</b>	<b>543.7</b>	<b>357.2</b>	<b>518.2</b>
<b>Total equity and liabilities</b>	<b>1,315.9</b>	<b>1,036.6</b>	<b>812.4</b>
Pledged assets	39.8	-	-
Contingent liabilities	-	-	-

## Definitions

<b>Return on equity</b>	Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.		
	2016-12-31	2016-03-31	2015-12-31
Profit/loss for the period	111.8	77.8	78.3
Average equity	545.1	304.9	291.1
Return on equity	111.8/545.1 = 20.5%	77.8/304.9 = 25.5%	78.3/291.1 = 26.9%
<b>Return on working capital (P/WC)</b>	EBITA in relation to average working capital.		
	2016-12-31	2016-03-31	2015-12-31
Operating profit before amortization of intangible assets	188.8	135.2	128.9
EBITA, P			
Average working capital (WC)	303.9	211.1	195.9
P/WC	188.8/303.9 = 62.1%	135.2/211.1 = 64.0%	128.9/195.9 = 65.8%
<b>EBITA</b>	Operating profit before amortization of intangible assets.		
	2016-12-31	2016-03-31	2015-12-31
Operating profit	148.3	106.3	105.9
Depreciation of intangible assets	40.5	28.9	23.0
Operating profit before amortization of intangible assets	188.8	135.2	128.9
<b>EBITA margin</b>	EBITA in percentage of net sales.		
	2016-12-31	2016-03-31	2015-12-31
Operating profit before amortization of intangible assets	188.8	135.2	128.9
Net sales	1,938.3	1,562.4	1,394.4
EBITA margin	188.8/1,938.3 = 9.7%	135.2/1,562.4 = 8.7%	128.9/1,394.4 = 9.2%
<b>EBITDA</b>	Operating profit before depreciation and amortization of intangible assets and property, plant and equipment.		
<b>Equity per share</b>	Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period.		
<b>Cash flow per share</b>	Cash flow from operating activities, divided by the average number of shares.		
<b>Net debt/equity ratio</b>	Financial net liabilities in relation to shareholders' equity.		
<b>Earnings per share (EPS)</b>	Shareholders' proportion of profit/loss for the year in relation to the average number of shares outstanding.		
<b>Profit growth EBITA</b>	This year's EBITA decreased by previous year's EBITA divided by previous year's EBITA.		
<b>Financial net liabilities</b>	Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.		
<b>Financial net liabilities/EBITDA</b>	Financial net liabilities divided by EBITDA.		
<b>Equity ratio</b>	Equity as a percentage of total assets		

The key figures presented above are central in order to understand and evaluate AddLifes business and financial position. The key figures are presented in the "Key financial indicators" table on page 13 and they are commented on pages 1-5.

This information is information that AddLife AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 a.m. CET on February 16, 2017.



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