

INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2018

”Continued growth”

1 JULY – 30 SEPTEMBER 2018 (3 MONTHS)

- Net sales increased by 12 percent to SEK 578 million (517).
- EBITA increased by 16 percent to SEK 51 million (44), corresponding to an EBITA-margin of 8.8 percent (8.5).
- Profit after tax increased by 9 percent and amounted to SEK 24 million (22).
- Cash flow from operating activities amounted to SEK 17 million (27).

1 JANUARY – 30 SEPTEMBER 2018 (9 MONTHS)

- Net sales increased by 8 percent to SEK 1,797 million (1,665).
- EBITA increased by 10 percent to SEK 171 million (155), corresponding to an EBITA-margin of 9.5 percent (9.3).
- Profit after tax increased by 6 percent and amounted to SEK 85 million (80).
- Earnings per share amounted to SEK 3.53 (3.28). For the 12-month period, earnings per share amounted to SEK 5.21 (5.29).
- Cash flow from operating activities amounted to SEK 85 million (111).
- The equity ratio amounted to 40 percent (38).
- Return on working capital (P/WC) amounted to 66 percent (65).
- During the interim period three acquisitions have been completed, with a combined annual sale of about SEK 110 million.

SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 18	30 Sep 17	change	30 Sep 18	30 Sep 17	change	30 Sep 18	31 Dec 17
Net sales	578	517	12%	1,797	1,665	8%	2,465	2,333
EBITA	51	44	16%	171	155	10%	250	234
<i>EBITA-margin, %</i>	<i>8.8</i>	<i>8.5</i>		<i>9.5</i>	<i>9.3</i>		<i>10.1</i>	<i>10.0</i>
Profit before tax	29	25	19%	105	101	5%	162	158
Profit for the period	24	22	9%	85	80	6%	125	120
Earnings per share before dilution, SEK	0.99	0.88	12%	3.53	3.28	8%	5.21	4.95
Earnings per share after dilution, SEK	0.99	0.88	12%	3.53	3.27	8%	5.20	4.94

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 some 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 and China. 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 by the CEO

The positive trend continues and AddLife increased sales by 12 percent during the quarter to SEK 578 million (517). Usually the summer quarter is seasonally our weakest quarter due to lower activity in both health services and research. Sales growth is good in both of our business areas. Organic growth strengthened compared with previous quarters during the year and totalled just over 4 percent. Organic sales growth in the Medtech business area in the Finnish market was particularly encouraging. Acquisitions continued to contribute to growth with 3 percent for the quarter. EBITA increased 16 percent to SEK 51 million and the EBITA margin strengthened to 8.8 percent (8.5). Our long-term efforts to further develop our operations continue to produce results and accumulated for the entire period; sales increased by 8 percent to SEK 1,797 million and EBITA increased 10 percent to SEK 171 million.

Markets

The trend is clear – market developments are stable with growth in both of our business areas. The European industry organisation Medtech Europe published a report during the quarter showing continued growth throughout Europe for the industry. Both demand and requirements are increasing as all citizens throughout Europe are provided with good care. And the Nordic countries are no exception. The Nordic countries are all working in different ways to develop and change health services to make them more efficient, equal and accessible. All the Nordic countries are implementing strategic initiatives to strengthen their respective competitiveness in Life Science research.

The Swedish market has continued to be favourable for our operations. Sales have developed good growth, although about one quarter of all the hospital wards have been closed during the holiday period. Growth in the Danish market was somewhat weaker during the quarter for several of our operations and the trend is shifting towards competing for larger procurement contracts in health services. Although the Danish pharmaceutical industry announced additional staff cuts, overall, we consider the laboratory and research market to be stable. Finland continues to work on its extensive healthcare reform initiatives. Many aspects related to the reform remain unclear and some projects have been placed on hold, but our feeling is that demand stabilised during the third quarter. At the same time both private and public stakeholders in the Finnish laboratory market are undergoing consolidation, which will probably entail changes in purchasing patterns in the long term. The market in Norway is developing positive growth and government policy is focused on new hospitals and enabling the elderly to remain at home longer.

Exports of our own products to health services outside the Nordic region have also developed good growth and we are working on various options to add more products to our offering. Sales of our own advanced instruments outside the Nordic countries were robust especially in China and the effects of the changed sales model in the US have already entailed improved financial performance for the business.

Acquisitions

Since the beginning of the financial year we completed three acquisitions which together contribute annual sales of about SEK 110 million. In the third quarter we acquired Vainö Korpinen Oy which joined the Medtech business area. The company has around 15 employees and sales of about EUR 8 million. The company develops and designs accessible bathroom solutions, primarily intended for nursing homes for both private and public environments. The acquisition is a positive addition to the other companies in home care with several common business opportunities in all of the Nordic countries.

We are engaged in ongoing discussions regarding acquisitions of both independent companies in market leading niches and add-on acquisitions that can strengthen market positions and profitability in our existing companies. There are good opportunities to carry out additional acquisitions within the selected areas.

Kristina Willgård,
President and CEO

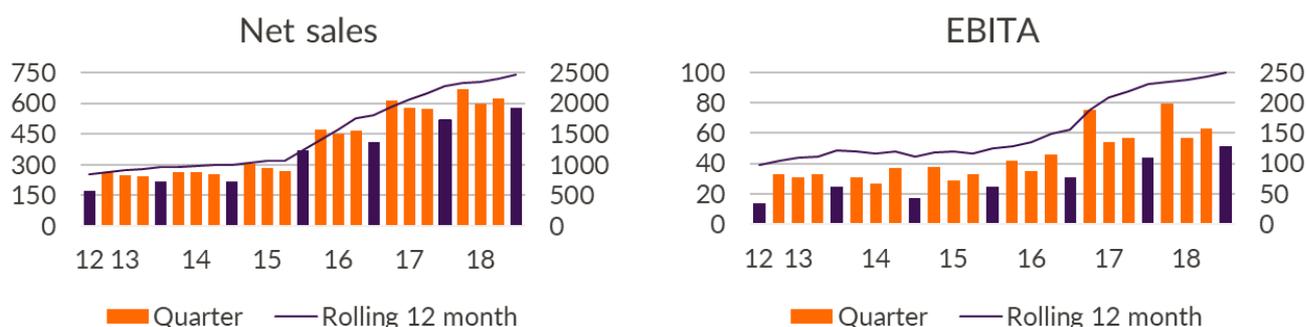


Group development in the quarter

Net sales in the third quarter increased by 12 percent to SEK 578 million (517). Organic sales increased by 4 percent and acquired growth totalled 3 percent. Exchange rate changes had a positive effect on net sales of 5 percent, corresponding to SEK 23 million. EBITA increased by 16 percent to SEK 51 million (44) and EBITA-margin amounted to 8.8 percent (8.5). Exchange rate changes had a positive effect on EBITA of 4 percent, corresponding to SEK 2 million. Net financial items amounted to SEK -2 million (-1) and profit after financial items reached SEK 29 million (25). Profit after tax for the quarter increased by 9 percent to SEK 24 million (22) and the effective tax rate was 18 percent (13). During the quarter, the deferred tax in Sweden was revalued as a result of a changed tax rate, resulting in a positive tax effect of approximately SEK 1 million.

Group development in the interim period

During the interim period, net sales increased by 8 percent to SEK 1,797 million (1,665). Organic sales increased by 1 percent and acquired growth totalled 4 percent. Exchange rate changes had a positive effect on net sales of 3 percent, corresponding to SEK 53 million. EBITA increased by 10 percent to SEK 171 million (155) and EBITA-margin amounted to 9.5 percent (9.3). Exchange rate changes had a positive effect on EBITA of 3 percent, corresponding to SEK 5 million. Net financial items amounted to SEK -8 million (-5), the change is attributable to exchange rate changes during the first quarter. Profit after financial items amounted SEK 105 million (101). Profit after tax increased by 6 percent to SEK 85 million (80) and the effective tax rate was 19 percent (21). The lower effective tax is attributable to the revaluation of deferred tax in Norway and Sweden, resulting in a positive tax effect of approximately SEK 2 million.



Development in the business areas

Labtech

The Labtech business area consists of 17 companies active in the market areas diagnostics, biomedical research and laboratory equipment.

SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 18	30 Sep 17	change	30 Sep 18	30 Sep 17	change	30 Sep 18	31 Dec 17
Net sales	325	299	9%	1,041	978	6%	1,456	1,393
EBITA	33	25	28%	113	99	13%	165	151
EBITA-margin, %	10.1	8.6		10.8	10.2		11.2	10.8

Labtech's net sales increased in the third quarter by 9 percent to SEK 325 million (299), of which organic growth increased 4 percent and exchange rate changes totalled 5 percent. EBITA increased by 28 percent to SEK 33 million (25), corresponding to an EBITA-margin of 10.1 percent (8.6). Net sales increased during the interim period by 6 percent to SEK 1,041 million (978), which organic growth amounted to 3 percent and exchange rate changes totalled 3 percent. EBITA increased by 13 percent to SEK 113 million (99), corresponding to an EBITA-margin of 10.8 percent (10.2).

Demand is stable with good growth in our operations within Labtech. Sales to diagnostic laboratories continue to grow. Our companies are adding new business especially in molecular biology and microbiology. At the same time the companies continue to strengthen their positions in more mature product segments, such as coagulation and blood gas analysis, where we already have a large market share in several markets. Business has shown the strongest growth in Finland both for the quarter and the period, with several instrument sales, increased consumables for previously installed instruments and increased service revenue compared with previous years. The market in Sweden and Norway is developing more

stable growth in all areas, while the Danish market is more challenging with stronger competition in procurement processes, for which reason instrument sales have been lower during the period than in previous years. During the quarter our Danish business took over Leica Microsystems operations in Denmark, which is expected to have a marginally positive impact on sales and earnings in the business area.

Sales to research, both in industry and academia, are developing steadily with respect to both instruments and research reagents. The aspirations of the Nordic countries to become leading research nations in Life Science has resulted in increased grants to various research groups. In the third quarter the activity level in academia continued to be favourable in Sweden and Finland, but somewhat lower in Denmark and Norway. Sales to the pharmaceutical industry in Denmark have been stable for the quarter.

Sales of our own instruments have shown good growth in the third quarter. Growth continues to be strongest in the Chinese market, as well as in the US market through the new distributor. The change in our sales model in the US has produced an immediate positive impact on earnings in the individual operation and for the business area as a whole.

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	
	30 Sep 18	30 Sep 17	change	30 Sep 18	30 Sep 17	change	30 Sep 18	31 Dec 17
Net sales	253	218	16%	756	687	10%	1,009	940
EBITA	19	22	-6%	65	64	3%	94	93
EBITA-margin, %	7.8	9.8		8.7	9.3		9.4	9.9

In the third quarter Medtech's net sales increased by 16 percent to SEK 253 million (218), of which organic growth increased 5 percent, acquired growth totalled 7 percent and exchange rate changes totalled 4 percent. EBITA amounted to SEK 19 million (22), corresponding to an EBITA-margin of 7.8 percent (9.8). Net sales during the interim period increased by 10 percent to SEK 756 million (687), the organic growth decreased by 2 percent, acquired growth totalled 9 percent and exchange rate changes affected positively by 3 percent. EBITA increased by 3 percent to SEK 65 million (64), corresponding to an EBITA-margin of 8.7 percent (9.3).

Business conditions in Medtech are stable and sales to both health services and home care increased in the third quarter. The activity in health services have been substantially lower during summer weeks, but we see positive underlying growth in all markets in the quarter except Denmark, which is on a par with the previous year. Our feeling is that the market has now stabilised somewhat in Finland, despite some remaining questions related to healthcare reform. Activity in our operations is substantial, especially in the Swedish market, with an increased number of large public bid inquiries. The percentage of consumables in the product mix in the third quarter has been high, which resulted in slightly lower margins. The subsidiary Mediplast signed a distributor contract for Scandinavia with Bactiguard during the quarter, which is expected to have a marginally positive impact on sales and earnings in the business area.

The market for home care is growing with respect to various assistive devices to enable the elderly population to remain in their own homes longer. These products simplify life in various ways for both users and personnel in eldercare and home health services. The addition of the new acquisition Väinö Korpinen Oy in the quarter has already entailed several collaboration opportunities for our home care companies in several markets.

Financial position and cash flow

At the end of the interim period the equity ratio stood at 40 percent (38) and equity per share totalled SEK 32.66 (29.47). The return on equity at the end of the period was 16 percent (18). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 66 percent (65).

The Group's interest-bearing net debt at the end of the period stood at SEK 676 million (666), including pension liabilities of SEK 67 million (60). The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions, totalled 0.9, compared to 0.8 at the beginning of the financial year.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 142 million on 30 September 2018.

Cash flow from operating activities reached SEK 85 million (111) during the interim period. The change in tax paid is mainly attributable to the payment of tax for 2017 in Norway as well as increased preliminary tax payments in all the Nordic countries. The change in working capital is attributable to increased accounts receivable due to implementation of a new system in one of our companies in Finland which entailed temporarily longer payment periods.

Acquisitions of companies amounted to SEK 76 million (296). Investments in non-current assets during the interim period amounted to SEK 33 million (28). Disposals of non-current assets amounted SEK 5 million (1). Repurchase of treasury shares amounted to SEK 35 million (37). Exercised and issued call options amounted to SEK 3 million (3). Dividends paid to the shareholders of the Parent Company amounted to SEK 53 million (37).

Employees

At the end of the interim period, the number of employees was 602, compared to 592 at the beginning of the financial year. During the interim period, implemented acquisitions led to an increase of 23 in the number of employees. The average number of employees during the latest 12-month period was 596 (551).

Acquisitions

Acquisitions completed from the 2017 financial year are distributed among the Group's business areas as follows:

Acquisitions	Time	Net sales, SEKm*	Number of employees*	Business area
TM Techno Medica AB, Sweden	January, 2017	30	5	Medtech
Hepro AS, Norway	March, 2017	165	40	Medtech
Krabat AS, Norway	July, 2017	30	13	Medtech
Ossano Scandinavia AB, Sweden	February, 2018	20	5	Medtech
Food Diagnostics FDAB AB, Sweden	March, 2018	10	3	Labtech
Väinö Korpinen Oy, Finland	July, 2018	80	15	Medtech

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

During the interim period, two company acquisitions have been completed;

On 23 February 2018, all shares in Ossano Scandinavia AB were acquired to the business area Medtech. The company has five employees and net sales of approximately SEK 22 million. The acquisition represents an expansion in the area of orthopaedics. After the takeover, the business has been integrated in Medioplast AB.

On 2 March 2018, all shares in Food Diagnostics FDAB AB were acquired to the Labtech business area. The company has three employees and net sales of around SEK 8 million. The acquisition entails an entry into the field of food diagnostics. After the takeover, the business has been integrated into the diagnostics company Triolab AB.

On 2 July 2018, all shares in Väinö Korpinen Oy were acquired to the business area Medtech. The company has 15 employees and net sales of approximately EUR 8 million. The acquisition represents a continued expansion in the home care sector.

The combined effect of the acquisitions on the AddLife Group's net sales was SEK 29 million, on EBITA SEK 3 million, on operating profit SEK 2 million and on profit after tax for the period SEK 2 million. Had the acquisitions been completed on 1 January 2018, their impact would have been approximately SEK 66 million on consolidated net sales, on EBITA about SEK 4 million and on operating profit about SEK 3 million and SEK 2 million on profit after tax for the interim period.

The fair value of not yet paid contingent consideration for acquisitions made during the interim period is calculated to SEK 1 million, which is approximately 34 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 2018 were as follows:

	Fair value
Intangible non-current assets	45
Other non-current assets	1
Inventories	17
Other current assets	37
Deferred tax liability/tax asset	-10
Other liabilities	-14
Acquired net assets	76
Goodwill	18
Consideration 1)	94
Less: cash and cash equivalents in acquired businesses	-17
Less: acquired debt to acquired companies	-
Contingent consideration not yet paid	-1
Effect on the Group's cash and cash equivalents	76

1) The consideration is stated excluding acquisition expenses.

Transaction costs for the acquisitions totalled SEK 2 million and are recognized as selling expenses.

During the interim period, SEK 1 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 7 million during the interim period, which is recognized as other operating income.

Shares structure

The share capital at the end of the period stood at SEK 50 million.

Share class	Number of shares
Class A shares	1,011,766
Class B shares	23,605,327
Total number of shares before repurchases	24,617,093
Of which repurchased class B shares	-609,500
Total number of shares after repurchases	24,007,593

The own holding of 609,500 Class B shares corresponds to 2.5 percent of the total number of shares and 1.8 percent of the votes. The average purchase price for shares held in treasury amounts to SEK 171.86 per share. The average number of treasury shares held during the period was 490,337 (245,782). The share price at 28 September 2018 was SEK 201.00 and the most recent price paid for the AddLife share on 6 November 2018 was SEK 212.00.

AddLife has three outstanding call option programmes totalling 609,500 Class B shares. During the period 17 September until 30 September 2018 inclusive, 5,500 options of a total 230,000 options were exercised. Issued call options for treasury shares have resulted in a calculated dilution effect based on average share price for the period of approximately 0.2 percent (0.1) during the interim period. The treasury shares cover the company's undertaking in outstanding call options program.

Outstanding programme	Number of options	Corresponding number of shares	Proportion of total shares	Initial exercise price	Expiration period
2018/2022	170,000	170,000	0.7%	234.40	16 Jun 2021 – 28 Feb 2022
2017/2021	215,000	215,000	0.9%	222.50	16 Jun 2020 – 28 Feb 2021
2016/2019	224,500	224,500	0.9%	148.10	17 Sep 2018 – 28 Feb 2019
Totalt	609,500	609,500			

Parent company

The Parent Company's net sales for the interim period amounted to SEK 24 million (21) and profit after financial items amounted to SEK -6 million (-14). At the end of the interim period, the Parent Company's net financial debt amounted to SEK 624 million (887). The share capital at the end of the interim period was SEK 50 million (50).

Accounting policies

This interim 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 interim report. The interim report for the parent company was prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Securities Market Act (2007:528) in compliance with recommendation RFR 2 Accounting for Legal Entities, of the Swedish Financial Reporting Board. The accounting policies and basis for calculations applied in the 2017 annual report for AddLife AB were also used here except for the revised accounting policies described below.

IFRS 9 entered into force on 1 January 2018. In 2017 AddLife analysed possible effects of the introduction of IFRS 9. The conclusion of the analysis is that the introduction of IFRS 9 and a forward-looking impairment model based on expected future losses has not any effect on the Group's financial reports.

IFRS 15 entered into force on 1 January 2018. An analysis of the impact of IFRS 15 on the Group was carried out in 2017. The conclusion of the analysis is that IFRS 15 has not any effect on the accrual of the Group's revenues. IFRS 15 results in increased disclosures, see table net sales by revenue type.

At the end of the interim period, the Group determined that there are no changes in the analysis regarding IFRS 9 and IFRS 15, as disclosed in the Group's Annual Report for 2017.

IFRS 16 will be applied as of 1 January 2019. The work on identifying and evaluating current leases and the impact of the new standard is in progress. When the standard enters into effect, AddLife will apply the modified retrospective transition method.

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 2018 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 2018, 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), Tom Hedelius, Håkan Roos (appointed by RoosGruppen AB), Maria Nordqvist (appointed by Lannebo Fonder), Monica Åsmyr (appointed by Swedbank Robur Fonder) and Johan Strandberg (appointed by SEB Investment Management). Information on how to contact the Nomination Committee is available on the AddLife website, www.add.life/en/investors/.

Transactions with related parties

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

Events after the end of the interim period

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 administration report (page 44-48), in AddLife's annual report 2017. The Parent Company is indirectly affected by the above risks and uncertainties through its function in the Group.

Stockholm, 7 November 2018

Kristina Willgård
President and CEO

Financial calendar

The year-end report for 1 January – 31 December 2018 will be published on 5 February 2019.
The interim report for the period 1 January – 31 March 2019 will be published on 26 April 2019.
The Annual General Meeting (AGM) of AddLife AB (publ.) will be held on 8 May 2019, Stockholm.
The interim report for the period 1 January – 30 June 2019 will be published on 12 July 2019.

Teleconference

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

The teleconference will be at 10:00 a.m. on 7 November 2018.
The presentation will be available via the following link: <https://5569958126.globalmeet.com/MartinAlmgren>
Please call on: +46 8 22 90 90 code: 113242

Review report

AddLife AB (publ.)
Corp. id. 556995-8126

Introduction

We have reviewed the summary interim financial information (interim report) of AddLife AB (publ.) as of 30 September 2018 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Stockholm 7 November 2018

KPMG AB

KPMG AB

Håkan Olsson Reising
Authorized Public Accountant
Auditor in charge

Jonas Eriksson
Authorized Public Accountant

Business areas

Net sales by business area	2018				2017		
Quarterly data, SEKm	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	325	364	352	415	299	336	343
Medtech	253	258	245	253	218	236	233
Parent Company and Group items	-	-	-	-	-	-	-
AddLife Group	578	622	597	668	517	572	576

EBITA by business area	2018				2017		
Quarterly data, SEKm	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	33	41	39	52	25	39	35
Medtech	19	25	21	29	22	21	21
Parent Company and Group items	-1	-3	-3	-2	-3	-3	-2
EBITA	51	63	57	79	44	57	54
Depreciation intangible assets	-20	-20	-18	-19	-18	-17	-14
Operating profit	31	43	39	60	26	40	40
Finance income and expenses	-2	-1	-5	-3	-1	-2	-2
Profit after financial items	29	42	34	57	25	38	38

Net sales by revenue type	9 months ending 30 Sep 18			9 months ending 30 Sep 17		
SEKm	Labtech	Medtech	The Group	Labtech	Medtech	The Group
Products	685	662	1,347	667	600	1,267
Instruments	263	94	357	234	87	321
Service	93	-	93	77	0	77
Net Sales	1,041	756	1,797	978	687	1,665

Net sales by business area	3 months ending		9 months ending		12 months ending	
SEKm	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17	30 Sep 18	31 Dec 17
Labtech	325	299	1,041	978	1,456	1,393
Medtech	253	218	756	687	1,009	940
Parent Company and Group items	-	-	-	-	-	-
AddLife Group	578	517	1,797	1,665	2,465	2,333

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

SEKm	3 months ending				9 months ending				12 months ending			
	30 Sep 18	%	30 Sep 17	%	30 Sep 18	%	30 Sep 17	%	30 Sep 18	%	31 Dec 17	%
Labtech	33	10.1	25	8.6	113	10.8	99	10.2	165	11.2	151	10.8
Medtech	19	7.8	22	9.8	65	8.7	64	9.3	94	9.4	93	9.9
Parent Company and Group items	-1		-3		-7		-8		-9		-10	
EBITA	51	8.8	44	8.5	171	9.5	155	9.3	250	10.1	234	10.0
Depreciations of intangible non-current assets	-20		-18		-58		-49		-77		-68	
Operating profit	31	5.3	26	5.0	113	6.3	106	6.4	173	7.0	166	7.1
Financial income and expenses	-2		-1		-8		-5		-11		-8	
Profit after financial items	29		25		105		101		162		158	

Group summary

Income statement	3 months ending		9 months ending		12 months ending	
SEKm	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17	30 Sep 18	31 Dec 17
Net sales	578	517	1,797	1,665	2,465	2,333
Cost of sales	-376	-336	-1,152	-1,069	-1,575	-1,492
Gross profit	202	181	645	596	890	841
Selling expenses	-133	-124	-411	-381	-554	-524
Administrative expenses	-37	-36	-118	-105	-156	-143
Research and Development	-5	-5	-14	-13	-19	-18
Other operating income and expenses	4	10	11	9	12	10
Operating profit	31	26	113	106	173	166
Financial income and expenses	-2	-1	-8	-5	-11	-8
Profit after financial items	29	25	105	101	162	158
Tax	-5	-3	-20	-21	-37	-38
Profit for the period	24	22	85	80	125	120
<i>Attributable to:</i>						
<i>Equity holders of the Parent Company</i>	<i>24</i>	<i>22</i>	<i>85</i>	<i>80</i>	<i>125</i>	<i>120</i>
Earnings per share (EPS), SEK*	0.99	0.88	3.53	3.28	5.21	4.95
Diluted EPS, SEK*	0.99	0.88	3.53	3.27	5.20	4.94
Average number of shares '000s	24,038	24,340	24,127	24,371	24,138	24,347
Number of shares at end of the period, '000	24,008	24,172	24,008	24,172	24,008	24,172
EBITA	51	44	171	155	250	234
Depreciations included in operating expenses						
- property, plant and equipment	-6	-6	-16	-15	-21	-20
- intangible non-current assets from acquisitions	-16	-15	-47	-41	-63	-57
- other intangible non-current assets	-4	-3	-11	-8	-14	-11
Statement of comprehensive income						
	3 months ending		9 months ending		12 months ending	
SEKm	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17	30 Sep 18	31 Dec 17
Profit for the period	24	22	85	80	125	120
<i>Components that will be reclassified to profit for the year</i>						
Foreign currency translation differences for the period	-9	-1	36	-14	38	-12
<i>Components that will not be reclassified to profit for the year</i>						
Revaluations of defined benefit pension plans	-	-	-	-	-7	-7
Tax attributable to items not to be reversed in profit or loss	-	-	-	-	1	1
Other comprehensive income	-9	-1	36	-14	32	-18
Total comprehensive income	15	21	121	66	157	102
<i>Attributable to:</i>						
<i>Equity holders of the Parent Company</i>	<i>15</i>	<i>21</i>	<i>121</i>	<i>66</i>	<i>157</i>	<i>102</i>
<i>Non-controlling interests</i>	<i></i>	<i></i>	<i></i>	<i></i>	<i></i>	<i></i>

Balance sheet, SEKm	30 Sep 18	31 Dec 17	30 Sep 17
Goodwill	673	646	646
Other intangible non-current assets	520	507	520
Property, plant and equipment	78	75	78
Financial non-current assets	12	13	15
Total non-current assets	1,283	1,241	1,259
Inventories	314	271	295
Current receivables	371	368	312
Cash and cash equivalents	16	11	17
Total current assets	701	650	624
Total assets	1,984	1,891	1,883
Total equity	784	748	712
Interest-bearing provisions	67	67	60
Non-interest-bearing provisions	79	76	78
Non-current interest-bearing liabilities	1	4	7
Non-current non-interest-bearing liabilities	0	0	1
Total non-current liabilities	147	147	146
Non-interest-bearing provisions	3	3	4
Current interest-bearing liabilities	625	529	616
Current non-interest-bearing liabilities	425	464	405
Total current liabilities	1,053	996	1,025
Total equity and liabilities	1,984	1,891	1,883

Statement of change in Group equity, SEKm	1 Jan 18 – 30 Sep 18		1 Jan 17 – 31 Dec 17		1 Jan 17 – 30 Sep 17	
	Equity excl. non-controlling interests	Total equity	Equity excl. non-controlling interests	Total equity	Equity excl. non-controlling interests	Total equity
Amount at beginning of period	748	748	717	717	717	717
Exercised and issued call options	3	3	3	3	3	3
Repurchase of treasury shares	-35	-35	-37	-37	-37	-37
Dividend	-53	-53	-37	-37	-37	-37
Total comprehensive income	121	121	102	102	66	66
Amount at the end of the period	784	784	748	748	712	712

Cash flow statement	3 months ending		9 months ending		12 months ending	
SEKm	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17	30 Sep 18	31 Dec 17
Profit after financial items	29	25	105	101	162	158
Adjustment for items not included in cash flow	29	23	74	62	90	78
Income tax paid	-12	-8	-52	-24	-70	-42
Changes in working capital	-29	-13	-42	-28	0	14
Cash flow from operating activities	17	27	85	111	182	208
Net investments in non-current assets	-8	-9	-28	-27	-43	-42
Acquisitions and disposals	-57	-47	-76	-296	-76	-296
Cash flow from investing activities	-65	-56	-104	-323	-119	-338
Dividend paid to shareholders	-	-	-53	-37	-53	-37
Exercised and issued call options	3	3	3	3	3	3
Repurchase of treasury shares	-35	-37	-35	-37	-35	-37
Other financing activities	86	60	102	287	11	196
Cash flow from financing activities	54	26	17	216	-74	125
Cash flow for the period	6	-3	-2	4	-11	-5
Cash and cash equivalents at beginning of period	11	22	11	15	17	15
Exchange differences on cash and cash equivalents	-1	-2	7	-2	10	1
Cash and cash equivalents at end of the period	16	17	16	17	16	11

Fair values on financial instruments SEKm	30 Sep 18			31 Dec 2017		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives held for trading purposes	1	1	-	-	-	-
Total financial assets at fair value per level	1	1	-	-	-	-
Derivatives held for trading purposes	0	0	-	0	0	-
Contingent considerations	1	-	1	14	-	14
Total financial liabilities at fair value per level	1	0	1	14	0	14

The fair value and carrying amount are recognized in the balance sheet as shown in the table above.

For quoted securities, the fair value is determined on the basis of the asset's quoted price in an active market, level 1. As at the reporting date the Group had no items in this category.

For currency contracts and embedded derivatives, the fair value is determined on the basis of observable market data, level 2.

For contingent considerations, a cash-flow-based valuation is performed, which is not based on observable market data, level 3.

For the Group's other financial assets and liabilities, fair value is estimated to be the same as the carrying amount.

Contingent considerations SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17	30 Sep 18	31 Dec 17
Carrying amount, opening balance	5	26	14	13	16	13
Acquisitions during the year	-	-	1	13	1	13
Consideration paid	-	-	-6	-	-6	-
Reversed through profit or loss	-4	-10	-8	-10	-11	-13
Interest expenses	0	1	0	1	0	1
Exchange differences	0	-1	0	-1	1	0
Carrying amount, closing balance	1	16	1	16	1	14

Key financial indicators	12 months ending				
	30 Sep 18	31 Dec 17	30 Sep 17	31 Dec 16	31 Mar 16
Net sales, SEKm	2,465	2,333	2,276	1,938	1,562
EBITA, SEKm	250	234	231	189	135
EBITA margin, %	10.1	10.0	10.1	9.7	8.7
Profit growth, EBITA, %	8	24	49	47	13
Return on working capital (P/WC), %	66	63	65	62	64
Profit for the period, SEKm	125	120	129	112	78
Return on equity, %	16	17	18	21	25
Financial net liabilities, SEKm	676	588	666	366	538
Financial net liabilities/EBITDA, multiple	2.5	2.3	2.7	1.8	3.6
Net debt/equity ratio, multiple	0.9	0.8	0.9	0.5	1.6
Equity ratio, %	40	40	38	45	27
Average number of employees	596	579	551	452	370
Number of employees at end of the period	602	592	589	545	427

For definitions of key financial indicators, see below.

Key financial indicators per share	12 months ending				
	30 Sep 18	31 Dec 17	30 Sep 17	31 Dec 16	31 Mar 16
Earnings per share (EPS), SEK	5.21	4.95	5.29	4.87	4.15
Diluted EPS, SEK	5.20	4.94	5.28	4.87	-
Cash flow per share, SEK	7.54	8.55	8.49	5.79	6.27
Shareholders' equity per share, SEK	32.66	30.95	29.47	29.40	17.60
Average number of shares after repurchases, '000s	24,138	24,321	24,375	22,950	18,749
Average number of shares adjusted for repurchases and dilution, '000s	24,180	24,347	24,392	22,950	-
Number of shares outstanding at end of the period, '000s	24,008	24,172	24,172	24,387	19,694

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

Parent company summary

Income statement	3 months ending		9 months ending		12 months ending	
	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17	30 Sep 18	31 Dec 17
SEKm						
Net sales	8	7	24	21	34	31
Administrative expenses	-10	-17	-33	-38	-43	-48
Operating profit/loss	-2	-10	-9	-17	-9	-17
Interest income/expenses and similar items	1	2	3	3	3	3
Profit/loss after financial items	-1	-8	-6	-14	-6	-14
Appropriations	-	-	-	-	46	46
Profit/loss before taxes	-1	-8	-6	-14	40	32
Income tax expense	0	2	1	3	-10	-8
Profit/loss for the period	-1	-6	-5	-11	30	24

Balance sheet, SEKm	30 Sep 18	31 Dec 17	30 Sep 17
Intangible non-current assets	0	0	0
Tangible non-current assets	0	0	0
Non-current financial assets	1,430	1,521	1,522
Total non-current assets	1,430	1,521	1,522
Current receivables	20	89	16
Total current assets	20	89	16
Total assets	1,450	1,610	1,538
Equity	552	641	606
Untaxed reserves	30	30	19
Interest-bearing long-term liabilities	81	157	126
Non-interest-bearing long-term liabilities	2	1	1
Total long-term liabilities	83	158	127
Interest-bearing short-term liabilities	766	734	761
Non-interest-bearing short-term liabilities	19	47	25
Total short-term liabilities	785	781	786
Total equity and liabilities	1,450	1,610	1,538

Note. Pledged assets and contingent liabilities in the Group

SEKm	30 Sep 18	31 Dec 17	30 Sep 17
Pledged assets	-	-	-
Contingent liabilities	42	41	40

Definitions

Return on equity

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

	2018-09-30	2017-12-31	2017-09-30
Profit/loss for the period	125	120	129
Average equity	770	728	711
Return on equity	125/770 = 16%	120/728 = 17%	129/711 = 18%

Return on working capital (P/WC)

EBITA in relation to average working capital.

	2018-09-30	2017-12-31	2017-09-30
Operating profit before amortization of intangible assets	250	234	231
EBITA, (P)			
Average working capital (WC)	379	369	356
P/WC	250/379 = 66%	234/369 = 63%	231/356 = 65%

EBITA

Operating profit before amortization of intangible assets.

	2018-09-30	2017-12-31	2017-09-30
Operating profit	173	166	170
Depreciation of intangible assets	77	68	61
Operating profit before amortization of intangible assets	250	234	231

EBITA margin

EBITA in percentage of net sales.

	2018-09-30	2017-12-31	2017-09-30
Operating profit before amortization of intangible assets	250	234	231
Net sales	2,465	2,333	2,276
EBITA margin	250/2,465 = 10.1%	234/2,333 = 10.0%	231/2,276 = 10.1%

EBITDA

Operating profit before depreciation and amortization of intangible assets and property, plant and equipment.

Equity per share

Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period.

Cash flow per share

Cash flow from operating activities, divided by the average number of shares.

Net debt/equity ratio

Financial net liabilities in relation to shareholders' equity.

Earnings per share (EPS)

Shareholders' proportion of profit/loss for the year in relation to the average number of shares outstanding.

Profit growth EBITA

This year's EBITA decreased by previous year's EBITA divided by previous year's EBITA.

Financial net liabilities

Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.

Financial net liabilities/EBITDA

Financial net liabilities divided by EBITDA.

Equity ratio

Equity as a percentage of total assets.

The key figures presented above are central in order to understand and evaluate AddLifes business and financial position. The key figures are presented in the "Key financial indicators" table on page 13 and they are commented on pages 1-4.

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 November 7, 2018.



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