

YEAR-END REPORT 1 JANUARY – 31 DECEMBER 2019

”Strong ending of the year”

1 OCTOBER – 31 DECEMBER 2019 (3 MONTHS)

- Net sales increased by 44 percent to SEK 988 million (685), of which organic growth amounted to 8 percent and acquired growth amounted to 35 percent.
- EBITA increased by 39 percent to SEK 102 million (74), corresponding to an EBITA-margin of 10.4 percent (10.8).
- Profit after tax increased by 12 percent to SEK 49 million (44).
- Earnings per share amounted to SEK 1.76 (1.83).
- Cash flow from operating activities amounted to SEK 175 million (92), including IFRS 16 effect of SEK 22 million (0).

1 JANUARY – 31 DECEMBER 2019 (12 MONTHS)

- Net sales increased by 40 percent to SEK 3,479 million (2,482), of which organic growth amounted to 5 percent and acquired growth amounted to 34 percent.
- EBITA increased by 25 percent to SEK 305 million (245), corresponding to an EBITA-margin of 8.8 percent (9.9).
- Profit after tax increased by 10 percent and amounted to SEK 142 million (129).
- Earnings per share amounted to SEK 5.15 (5.36).
- Cash flow from operating activities amounted to SEK 400 million (177), including IFRS 16 effect of SEK 87 million (0).
- During the year, the company raised SEK 501 million in a rights issue.
- The equity ratio amounted to 45 percent (35).
- Return on working capital (P/WC) amounted to 51 percent (62).
- During the year five acquisitions have been completed, with a combined annual sale of about SEK 278 million. In addition, in the fourth quarter we signed an agreement to acquire additional operations with expected annual sales of about SEK 280 million, which become effective in January 2020.
- The Board of Directors proposes a dividend of SEK 2.40 per share and an increase of the number of shares in the company by dividing each share into four (4) shares, so-called split.

SEKm	3 months ending			12 months ending		
	31 Dec 19	31 Dec 18	change	31 Dec 19	31 Dec 18	change
Net sales	988	685	44%	3,479	2,482	40%
EBITA	102	74	39%	305	245	25%
EBITA-margin, %	10.4	10.8		8.8	9.9	
Profit before tax	67	53	28%	182	158	15%
Profit for the period	49	44	12%	142	129	10%
Earnings per share before dilution, SEK	1.76	1.83	-4%	5.15	5.36	-4%
Earnings per share after dilution, SEK	1.75	1.83	-4%	5.14	5.36	-4%

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 in Europe. The Group is divided into two business areas: Labtech and Medtech. The Group comprises some 45 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.

Comments by the CEO

AddLife has experienced a year of major changes in 2019 through our expansion in Europe. We are ending the year with a strong fourth quarter and steady growth in the Group through both acquisitions and development of existing operations. Sales in the fourth quarter increased by 44 percent to SEK 988 million. For full year 2019 our sales increased by a total of 40 percent to SEK 3,479 million. Organic sales growth in the quarter was 8 percent and 5 percent for the full year. EBITA rose by 39 percent during the quarter to SEK 102 million, corresponding to an EBITA margin of 10.4 percent. During the fourth quarter margins strengthened for several operations, including the Biomedica Group, compared with earlier quarters during the year. EBITA rose for the full year by 25 percent to SEK 305 million, corresponding to an EBITA margin of 8.8 percent. With its strong cash flow from operating activities, both in the quarter and during the year, the Group is well prepared for continued future growth.

The European platform we created during the year provides us with several growth opportunities regarding an increased product selection, an increased share of our own products, and additional acquisitions. Demand from the healthcare sector is increasing in general, mainly due to population growth combined with an increase in the proportion of elderly people. Meanwhile, the proportion of people who have multiple diagnoses and/or who are chronically ill is increasing, which means that growing health challenges are placing great demands on health care, both today and in the future. At the same time, both academia and industry are investing in research in Life Science in most of our markets.

In the fourth quarter, demand from health services in both Sweden and Denmark continued to develop well, as did demand from our research customers in the pharmaceutical industry and academia. Our Norwegian companies ended the year strongly with high growth, especially in diagnostics and home care. Demand for welfare technology is high in Norway and during the quarter Oslo Municipality awarded our Norwegian subsidiary Hepro a large contract in welfare technology, with an order value of about NOK 120 million. Demand from health services in Finland stabilised somewhat in the quarter, while growth was somewhat lower for our Finnish diagnostics companies because of postponed customer projects.

Our operations in Central and Eastern Europe, through Biomedica, have had strong sales in the fourth quarter, especially in Austria, Poland and Hungary, which reported turnover growth for the full year that exceeded our expectation. EBITA margins continue to be lower compared with the Nordic operations. Integration initiatives aimed at increasing sales of our own products in more countries, as well as attracting new suppliers in new markets, are beginning to bear fruit.

Sales of our own products in other markets, including the US, China and the Benelux countries, has been favourable with growth continuing to exceed the level in the other markets.

Acquisitions

In 2019 we conducted a total of five acquisitions, operations from Wellspect Healthcare, Lab-Vent Controls A/S and Koldt & Ryø EI A/S, Fysionord i Sollefteå AB and Funksjonsutstyr AS, which together contribute annual sales of about SEK 278 million and 43 employees.

In addition, in the fourth quarter we signed an agreement for the acquisition of EuroClone S.p.A, which we took over at the beginning of January 2020. The company is expected to contribute about SEK 280 million to annual sales. The Italian EuroClone is a leading supplier of instruments and consumables in the field of cell and molecular biology in Italy. The acquisition represents AddLife's entry into the Italian market in a segment in which the company is already an established supplier in the Nordic market.

AddLife is constantly searching for interesting new acquisition candidates and suppliers with Nordic and European potential, companies that drive the market in our areas Labtech and Medtech.

Since AddLife was listed on the stock market in March 2016 our EBITA growth has been 24 percent annually, which exceeds our target of generating long-term earnings growth (EBITA), of 15 percent annually. Our focus is to develop our existing companies through active ownership and to expand the business with acquisitions. We have a strong business concept and a business model with independent subsidiaries that are active in various niches and geographic areas within Life Science, which creates good opportunities for long-term sustainable and profitable growth.

Kristina Willgård,
President and CEO

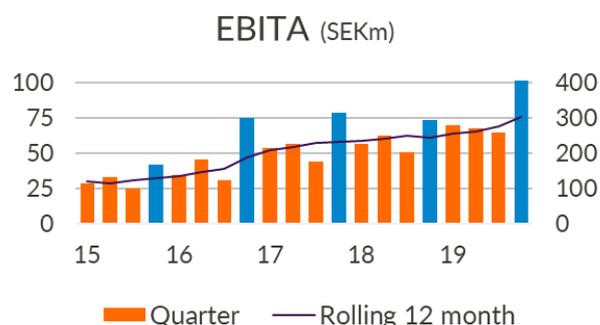
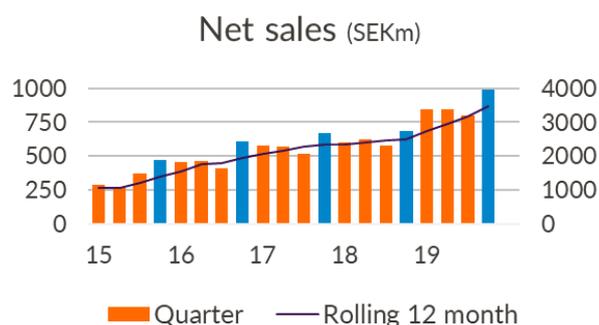


Group development in the quarter

Net sales in the quarter increased by 44 percent to SEK 988 million (685). Organic growth was 8 percent and acquired growth totalled 35 percent. Exchange rate changes had a positive effect on net sales of 1 percent, corresponding to SEK 7 million. EBITA increased by 39 percent to SEK 102 million (74) and EBITA-margin amounted to 10.4 percent (10.8). Exchange rate changes had a positive effect on EBITA of 1 percent, corresponding to SEK 1 million. Net financial items amounted to SEK -6 million (-2) and profit after financial items amounted to SEK 67 million (53). Profit after tax for the quarter amounted to SEK 49 million (44) and the effective tax rate was 26 percent (16). The increased effective tax rate is due to changes in previously capitalized loss carryforwards.

Group development in the financial year

Net sales in the interim period increased by 40 percent to SEK 3,479 million (2,482). Organic sales increased by 5 percent and acquired growth totalled 34 percent. Exchange rate changes had a positive effect on net sales of 1 percent, corresponding to SEK 36 million. EBITA increased by 25 percent to SEK 305 million (245) and EBITA-margin amounted to 8.8 percent (9.9). The EBITA-margin is generally lower in the markets in Central and Eastern Europe. Exchange rate changes had a positive effect on EBITA of 1 percent, corresponding to SEK 3 million. As a result of IFRS 16 Leases, impairment charges for property, plant and equipment increased by SEK 87 million and interest expenses increased by about SEK 3 million. Previously leasing costs were recognised as external operating expenses. The implementation of IFRS 16 Leases had a positive effect on EBITA of SEK 1 million. Net financial items amounted to SEK -14 million (-10) and profit after financial items increased by 15 percent to SEK 182 million (158). Profit after tax for the period increased by 10 percent to SEK 142 million (129) and the effective tax rate was 22 percent (18). The increased effective tax rate is due to changes in previously capitalized loss carryforwards.



Development in the business areas

Labtech

Companies in the Labtech business are active in the market areas diagnostics, biomedical research and laboratory equipment.

SEKm	3 months ending			12 months ending		
	31 Dec 19	31 Dec 18	change	31 Dec 19	31 Dec 18	change
Net sales	568	410	38%	1,981	1,451	37%
EBITA	70	52	33%	202	165	22%
EBITA-margin, %	12.3	12.8		10.2	11.4	

Labtech's net sales increased by 38 percent in the fourth quarter to SEK 568 million (410), of which organic growth increased by 4 percent, acquired growth totalled 33 percent and exchange rate changes had a positive effect of 1 percent. EBITA increased by 33 percent to SEK 70 million (52), corresponding to an EBITA-margin of 12.3 percent (12.8). Labtech's net sales increased by 37 percent in the financial year to SEK 1,981 million (1,451), of which organic growth amounted to 3 percent, acquired growth totalled 32 percent and exchange rate changes totalled 2 percent. EBITA increased by 22 percent to SEK 202 million (165), corresponding to an EBITA-margin of 10.2 percent (11.4).

The sales increase for both the year and the quarter are largely the result of the Biomedica acquisition. During the year, 60 percent of Biomedica's sales and profit were included in Labtech business area.

Operations in the Labtech business area continue to develop favourably essentially in all markets. Organic sales growth for both the fourth quarter and the year somewhat exceeds what we believe is the market growth rate. Several companies have worked on strengthening their margins during the year, while further streamlining their operations, which is positively reflected in the improved result for the year.

Diagnostics are developing well and the shift of focus from mature areas as clinical chemistry to areas with higher technology development is in progress in all markets. Traditional fields such as coagulation are experiencing growing pressure on prices and competition from international players, while opportunities and growth are greater in fields such as pathology, molecular biology and microbiology, as well as food and veterinary diagnostics. The niche segment blood gas analysis continues to be central in Sweden, Norway and Finland, with strong growth through installed instruments and increased consumption. With a leading market position, our companies continue to grow in the segment. This achievement can largely be attributed to the high level of expertise and the professional service that we can offer customers. Growth has been strongest in Norway, Denmark, Poland, Austria and Hungary both for the quarter and the year. The flu season was generally weak during the year, resulting in fewer tests than normal in all markets.

In the fourth quarter, the research companies experienced good organic growth, despite the closure of a major instrument agency in Sweden during the third quarter. The business climate in the research market was perceived as favourable in most countries, with continued initiatives from both public and private actors. Activity is high in the market in Denmark, where plans are in the works to build new laboratories and investments are increasing in both academia and the pharmaceutical industry. In Sweden, we see increased demand for advanced research reagents from several academic customers. However, instrument sales continue to be weak in both Sweden and Norway. The Group's company that sells its own advanced instruments continued to perform well for both the quarter and the year. Demand continues to be stable from various research laboratories in both China and the US, and we also have started sales in India through distributors during the year.

Medtech

Companies in the Medtech business provides medical device products within the medtech market, and home healthcare.

SEKm	3 months ending			12 months ending		
	31 Dec 19	31 Dec 18	change	31 Dec 19	31 Dec 18	change
Net sales	420	275	53%	1,498	1,031	45%
EBITA	37	29	26%	116	94	22%
EBITA-margin, %	8.7	10.5		7.7	9.2	

For the quarter, Medtech's net sales increased by 53 percent to SEK 420 million (275), including organic growth of 15 percent and acquired growth of 38 percent, while exchange rate fluctuations had a marginally positive effect. EBITA rose by 26 percent to SEK 37 million (29) and EBITA margin amounted to 8.7 percent (10.5). Net sales during the year increased by 45 percent to SEK 1,498 million (1,031), organic growth was 7 percent, acquired growth was 37 percent and exchange rate fluctuations had a positive impact of 1 percent. EBITA rose by 22 percent to SEK 116 million (94) corresponding to an EBITA margin of 7.7 percent (9.2).

Sales growth for both the year and the quarter is largely the result of the Group's most recently completed acquisition. During the year, 40 percent of Biomedica's sales and profit were included in the Medtech business area.

The Medtech operation has performed well during the year and organic growth continued to improve during the fourth quarter. Demand from health services in both Sweden and Denmark continued to show a favourable trend. During the quarter demand also stabilised somewhat in Finland, where the business climate has been challenging for a long time. Sales were strong in the fourth quarter in Austria, where two major clinical IT projects were completed. The acquisition of the product portfolio from Wellspect entailed procedural changes in the operation during the year, relating to sales, warehousing and logistics in the company Mediplast. We are still awaiting registration with the regulatory authority with us as the product owner for the entire acquired product portfolio. During the year the product ownership issue has entailed extra work, especially extra costs in the operation in relation to the previous owner Wellspect. We hope that registration will be completed during the first quarter of 2020. The sales trend for the acquired product portfolio has met expectations and is a positive addition to our offering to the market, while also enabling us to expand into several new markets. The integration project continues between our Nordic operations and Biomedica. We received the first contracts to deliver our own products to the markets in Central and Eastern Europe during the quarter.

Sales growth has been strong for both the quarter and the full year for various types of assistive equipment for use in home care and completely in line with the trends we see related to the increased need for eldercare. Welfare technology achieved a breakthrough in the market in 2019 and our solutions are favourably received by municipal and private

operations in Norway, where we continue to see great interest in the market. In the fourth quarter Oslo Municipality awarded our Norwegian subsidiary Hepro a large contract in welfare technology, with an order value of about NOK 120 million. We do not yet offer services and products in welfare technology in other markets outside Norway, where the focus is instead on various types of assistive equipment for sitting, moving and, most of all, taking care of personal hygiene in the bathroom. In Sweden, we are experiencing increased interest in the bathroom concept that we offer the market in home care. Growth was strong in the fourth quarter, but more stable overall for the full year, as a result of changed procurement procedures in Sweden for assistive equipment for use at home. Our Finnish home care company experienced strong growth during the first half of the year, but new investments in assistive equipment for the bathroom declined during the second half of the year because of delays in several new construction projects for assisted living facilities in Finland. In December, we acquired the Norwegian home care company Funksjonsutstyr, which is a niche player in bathroom-related assistive devices.

Financial position and cash flow

At the end of the financial year the equity ratio stood at 45 percent (35). The rights issue of SEK 490 million, including issue costs, had a positive impact on the improved equity ratio, while implementation of IFRS 16 Leases had a negative impact and increased the balance sheet total by SEK 215 million. Equity per share totalled SEK 52.27 (37.80) and the return on equity at the end of the financial year was 10 percent (16). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 51 percent (62). The change in the return on working capital between the years relates to the companies within Biomedica, which have more working capital tied up in accounts receivable.

The Group's interest-bearing net debt at the end of the financial year stood at SEK 902 million (882), including pension liabilities of SEK 80 million (77) and leasing liabilities from IFRS 16 Leases of SEK 216 million (0). During the year, the pension liability was revalued and increased by SEK 12 million due to lower discount rates. The net debt/equity ratio, calculated on the basis of net debt including provisions for pensions and leasing liability according to IFRS 16 Leases, totalled 0.6, compared to 0.9 at the beginning of the financial year. The decrease in the debt/equity ratio is due to the completed rights issue.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 439 million on 31 December 2019.

Cash flow from operating activities reached SEK 400 million (177) during the financial year. The improved cash flow relates mainly from this year's earnings improvement, lower taxes paid and more efficient management of working capital. The implementation of IFRS 16 Leases has increased cash flow from operating activities by SEK 87 million and decreased cash flow from financing activities by SEK 87 million, on account of the fact that the amortization portion of lease payments is recognized as payments in the financing activities. Acquisitions of companies amounted to SEK 325 million (334). Investments in non-current assets during the financial year amounted to SEK 85 million (49); the increase is attributable to investments in equipment for rentals within Biomedica. Disposals of non-current assets amounted SEK 3 million (4). Repurchase of treasury shares amounted to SEK 43 million (35). Exercised and issued call options amounted to SEK 12 million (24). Dividends paid amounted to SEK 64 million (53).

Employees

At the end of the financial year, the number of employees was 932, compared to 873 at the beginning of the financial year. During the year, implemented acquisitions led to an increase of 43 employees. The average number of employees for the financial year was 903 (620).

Acquisitions

Acquisitions completed from the 2018 financial year are distributed among the Group's business areas as follows:

Acquisitions	Time	Net sales, SEKm*	Number of employees*	Business area
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
Laboren ApS, Denmark	December, 2018	10	2	Labtech
Biomedica Medizinprodukte GmbH, Austria	December, 2018	635	280	Medtech/Labtech
Business from Wellspect HealthCare, Sweden	April, 2019	170	14	Medtech
Lab-Vent Controls A/S and Koldt & Ryø EI A/S, Denmark	August, 2019	52	20	Labtech
Fysionord i Sollefteå, Sweden	September, 2019	6	2	Medtech
Funksjonsutstyr AS, Norway	December, 2019	50	7	Medtech
EuroClone S.p.A, Italy	January, 2020	280	58	Labtech

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

On 19 December 2018 AddLife signed an agreement on the acquisition of Wellspect HealthCare's business in the surgery and respiration product areas. The acquisition was completed and became effective as of 30 April 2019. The business has net sales of around EUR 17 million, with eight markets in Europe and Australia accounting for more than 90 percent of sales. The business has primarily been integrated into AddLife's subsidiaries Mediplast and Biomedica.

On 13 August 2019, all shares in Lab-Vent Controls A/S and Koldt & Ryø EI A/S were acquired for the Labtech business area. The companies have 20 employees and sales of about DKK 36 million. With these acquisitions, AddLife becomes more clearly established as a full-service provider of advanced solutions in cleanroom technology on the Danish market.

On 31 August 2019 all shares in Fysionord i Sollefteå AB were acquired for the Medtech business area. The company have two employees and sales of about SEK 6 million. The company markets assistive devices for children and young people with special needs and the acquisition enables AddLife to broaden its product offering in home care on the Swedish market. Fysionord will be integrated into SvanCare AB.

On 2 December 2019 AddLife signed an agreement to acquire 76 percent of the shares in the Norwegian company Funksjonsutstyr AS for the Medtech business area. The agreement includes an option to acquire the remaining 24 percent of the shares after a five-year period. The company is a supplier of hygiene products and assistive products for use in home, with partially own designed products. The company has seven employees and sales of about NOK 50 million.

The combined effect of the acquisitions, excluding Wellspect, on the AddLife Group's net sales was SEK 20 million, on EBITA SEK 7 million, on operating profit SEK 3 million and on profit after tax for the financial year SEK 2 million. Had the acquisitions, excluding Wellspect, been completed on 1 January 2019, their impact would have been approximately SEK 93 million on consolidated net sales, on EBITA about SEK 24 million and on operating profit about SEK 21 million and SEK 16 million on profit after tax for the financial year.

The fair value of not yet paid contingent consideration for acquisitions made during the financial year is calculated to SEK 0.3 million, which is approximately 89 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 2019 were as follows:

	Fair value
Intangible non-current assets	224
Other non-current assets	5
Inventories	28
Other current assets	45
Deferred tax liability/tax asset	-49
Other liabilities	-46
Acquired net assets	207
Goodwill	146
Consideration 1)	353
Less cash and cash equivalents in acquired businesses	-17
Contingent consideration not yet paid	-18
Effect on the Group's cash and cash equivalents	318

1) The consideration is stated excluding acquisition expenses.

Transaction costs for the acquisitions totalled SEK 4 million and are recognized as selling expenses.

During the financial year, 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 8 million during the interim period, which is recognized as other operating income.

Shares structure

The share capital at the end of the financial year stood at SEK 58 million.

Share class	Number of shares
Class A shares	1,156,304
Class B shares	27,468,269
Total number of shares before repurchases	28,624,573
Of which repurchased class B shares	-565,250
Total number of shares after repurchases	28,059,323

The total number of shares in AddLife during the financial year increased by 144,538 Class A shares and 3,382,221 Class B shares as a result of the rights issue. The own holding of 565,250 Class B shares corresponds to 2.0 percent of the total number of shares and 1.4 percent of the votes. The average purchase price for shares held in treasury amounts to SEK 199.74 per share. The average number of treasury shares held during the financial year was 475,761 (513,129). The share price at 31 December 2019 was SEK 289.00 and the most recent price paid for the AddLife share on 5 February 2019 was SEK 301.00.

AddLife has three outstanding call option programmes totalling 619,250 Class B shares. Issued call options for treasury shares have resulted in a calculated dilution effect based on average share price for the year of approximately 0.2 percent (0.1).

Outstanding programme	Number of options	Corresponding number of shares	Proportion of total shares	Exercise price	Initial exercise price	Expiration period
2019/2023	215,000	215,000	0.8%	306.20	-	20 Jun 2022 - 28 Feb 2023
2018/2022	170,000	178,500	0.6%	224.10	234.40	16 Jun 2021 - 28 Feb 2022
2017/2021	215,000	225,750	0.8%	212.70	222.50	16 Jun 2020 - 28 Feb 2021
Total	600,000	619,250				

Parent company

The Parent Company's net sales for the financial year amounted to SEK 41 million (38) and profit after financial items amounted to SEK -6 million (-1). At the end of the financial year, the Parent Company's net financial debt amounted to SEK 660 million (831). The share capital at the end of the financial year was SEK 58 million (51).

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 2018 annual report for AddLife AB were also used here except for the revised accounting policies described below.

Under IFRS 16 Leases, which entered into force on 1 January 2019, assets and liabilities attributable to previous operational leases must be reported on the balance sheet. AddLife has chosen to apply the modified retroactive transition method. The asset has been valued at the amount corresponding to the leasing liability as of 1 January 2019. AddLife's leases primarily consist of leases for premises. The standard has been assessed to have the following effects on the balance sheet as at 1 January 2019: assets recognised under property, plant and equipment increased by SEK 230 million. Lease liability increased by SEK 230 million, of which short-term liability amounted to SEK 78 million and long-term liability amounted to SEK 152 million. Lease liabilities are recognised under current and non-current interest-bearing liabilities.

As a result of IFRS 16 Leases, impairment charges for property, plant and equipment increased during the financial year of 2019 by about SEK 87 million and interest expenses increased by about SEK 3 million. Previously leasing costs were recognised as external operating expenses. In cases where the interest rate is not determined in the lease, a marginal rate has been set at the Group level with which payments are discounted.

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.

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 end of the financial year

On 8 January 2020 all shares in EuroClone S.p.A were acquired for the Labtech business area. The company is a leading supplier of instruments and consumables in the field of cell and molecular biology in Italy. The company has 58 employees and sales of about EUR 27 million.

No other events of significance to the Group occurred after the end of the financial year.

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 48-52), in AddLife's annual report 2018.

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

Stockholm, 6 February 2020

Kristina Willgård
President and CEO

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 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 6 February 2020.

The presentation will be available via the following link: <https://5569958126.globalmeet.com/MartinAlmgren2>

Please call on: +46 8 22 90 90 code: 327497

Proposals to the Annual General Meeting to be held 7 May 2020

The Annual General Meeting (AGM) of AddLife AB (publ.) will be held at 4.00 p.m on 7 May 2020 at Näringslivets Hus, Storgatan 19, 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 2.40 per share.

The Board also decided to propose the following:

- Long-term incentive scheme aimed at senior executives.
- Board mandate to decide on new share issue up to 10 percent of the total of B shares as payment for acquisitions.
- Board mandate to buy back its own shares corresponding to a maximum of 10 percent of all shares in the Company.
- An increase of the number of shares in the company by dividing each share into four (4) shares, so-called split.

Financial calendar

The Group's annual report for the financial year 1 January – 31 December 2019, will be published as a PDF version on AddLife's website, www.add.life, in the end of March 2020. A printed version will be sent to shareholders who have ordered one separately.

The interim report for the period 1 January – 31 March 2020 will be published on 28 April 2020.

The Annual General Meeting (AGM) of AddLife AB (publ.) will be held on 7 May 2020, Stockholm.

The interim report for the period 1 January – 30 June 2020 will be published on 17 July 2020.

The interim report for the period 1 January – 30 September 2020 will be published on 22 October 2020.

The Year-end report for the period 1 January – 31 December 2020 will be published on 3 February 2021.

Business areas

Net sales by business area		2019				2018			
Quarterly data, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Labtech	568	445	464	504	410	325	364	352	
Medtech	420	357	380	341	275	253	258	245	
Parent Company and Group items	-	-	-	-	-	-	-	-	
AddLife Group	988	802	844	845	685	578	622	597	

EBITA by business area		2019				2018			
Quarterly data, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Labtech	70	41	39	52	52	33	41	39	
Medtech	37	26	31	22	29	19	25	21	
Parent Company and Group items	-5	-2	-2	-4	-7	-1	-3	-3	
EBITA	102	65	68	70	74	51	63	57	
Depreciation intangible assets	-29	-29	-26	-25	-19	-20	-20	-18	
Operating profit	73	36	42	45	55	31	43	39	
Finance income and expenses	-6	-2	-4	-2	-2	-2	-1	-5	
Profit after financial items	67	34	38	43	53	29	42	34	

Net sales by revenue type	12 months ending			12 months ending		
	31 Dec 19			31 Dec 18		
SEKm	Labtech	Medtech	The Group	Labtech	Medtech	The Group
Products	1,368	1,310	2,678	944	916	1,860
Instruments	431	157	588	381	115	496
Service	182	31	213	126	-	126
Net Sales	1,981	1,498	3,479	1,451	1,031	2,482

Net sales by business area	3 months ending		12 months ending	
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
SEKm				
Labtech	568	410	1,981	1,451
Medtech	420	275	1,498	1,031
Parent Company and Group items	-	-	-	-
AddLife Group	988	685	3,479	2,482

EBITA and EBITA-margin by business area and operating profit for the Group		3 months ending				12 months ending			
SEKm		31 Dec 19	%	31 Dec 18	%	31 Dec 19	%	31 Dec 18	%
Labtech		70	12.3	52	12.8	202	10.2	165	11.4
Medtech		37	8.7	29	10.5	116	7.7	94	9.2
Parent Company and Group items		-5		-7		-13		-14	
EBITA		102	10.4	74	10.8	305	8.8	245	9.9
Depreciations of intangible non-current assets		-29		-19		-109		-77	
Operating profit		73	7.4	55	7.9	196	5.6	168	6.8
Financial income and expenses		-6		-2		-14		-10	
Profit after financial items		67		53		182		158	

Group summary

Income statement, SEKm	3 months ending		12 months ending	
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
Net sales	988	685	3,479	2,482
Cost of sales	-649	-440	-2,281	-1,592
Gross profit	339	245	1,198	890
Selling expenses	-201	-146	-777	-557
Administrative expenses	-63	-39	-233	-157
Research and Development	-7	-5	-24	-19
Other operating income and expenses	5	0	32	11
Operating profit	73	55	196	168
Financial income and expenses	-6	-2	-14	-10
Profit after financial items	67	53	182	158
Tax	-18	-9	-40	-29
Profit for the period	49	44	142	129
<i>Attributable to:</i>				
Equity holders of the Parent Company	49	44	141	129
Non-controlling interests	0	-	1	-
Earnings per share (EPS), SEK	1.76	1.83	5.15	5.36
Diluted EPS, SEK	1.75	1.83	5.14	5.36
Average number of shares '000s	28,059	24,094	27,617	24,118
Number of shares at end of the period, '000	28,059	24,629	28,059	24,629
EBITA	102	74	305	245
Depreciations included in operating expenses				
- property, plant and equipment	-34	-6	-124	-22
- intangible non-current assets from acquisitions	-25	-16	-92	-63
- other intangible non-current assets	-4	-3	-17	-14
Statement of comprehensive income				
SEKm	3 months ending		12 months ending	
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
Profit for the period	49	44	142	129
<i>Components that will be reclassified to profit for the year</i>				
Foreign currency translation differences for the period	-26	-19	20	17
<i>Components that will not be reclassified to profit for the year</i>				
Revaluations of defined benefit pension plans	3	-2	-12	-2
Tax attributable to items not to be reversed in profit or loss	0	1	3	1
Other comprehensive income	-23	-20	11	16
Total comprehensive income	26	24	153	145
<i>Attributable to:</i>				
Equity holders of the Parent Company	26	24	152	145
Non-controlling interests	0	-	1	-

Balance sheet, SEKm	31 Dec 19	31 Dec 18
Goodwill	972	823
Other intangible non-current assets	789	642
Property, plant and equipment	353	111
Financial non-current assets	24	48
Total non-current assets	2,138	1,624
Inventories	452	408
Current receivables	585	575
Cash and cash equivalents	99	61
Total current assets	1,136	1,044
Total assets	3,274	2,668
Total equity	1,476	932
Interest-bearing provisions	104	97
Non-interest-bearing provisions	127	108
Non-current interest-bearing liabilities	150	13
Non-current non-interest-bearing liabilities	1	0
Total non-current liabilities	382	218
Non-interest-bearing provisions	3	3
Current interest-bearing liabilities	747	833
Current non-interest-bearing liabilities	666	682
Total current liabilities	1,416	1,518
Total equity and liabilities	3,274	2,668

Statement of change in Group equity, SEKm	1 Jan 19 – 31 Dec 19			1 Jan 18 – 31 Dec 18		
	Equity excl. non-controlling interests	Non-controlling interests	Total equity	Equity excl. non-controlling interests	Non-controlling interests	Total equity
SEKm						
Amount at beginning of period	931	1	932	748	-	748
Issue in kind	-	-	-	102	-	102
Right Issue	490	-	490	-	-	-
Exercised and issued call options	12	-	12	24	-	24
Repurchase of treasury shares	-43	-	-43	-35	-	-35
Dividend	-62	-2	-64	-53	-	-53
Non-controlling interests	-13	9	-4	-	1	1
Total comprehensive income	152	1	153	145	-	145
Amount at the end of the period	1,467	9	1,476	931	1	932

Cash flow statement, SEKm	3 months ending		12 months ending	
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
Profit after financial items	67	53	182	158
Adjustment for items not included in cash flow	58	20	239	94
Income tax paid	-9	-17	-52	-69
Changes in working capital	59	36	31	-6
Cash flow from operating activities	175	92	400	177
Net investments in non-current assets	-29	-17	-82	-45
Acquisitions and disposals	-35	-260	-325	-336
Cash flow from investing activities	-64	-277	-407	-381
Dividend paid to shareholders	-	-	-62	-53
Exercised and issued call options	-	21	12	24
Right Issue	-	-	490	-
Repurchase of treasury shares	-	-	-43	-35
Other financing activities	-92	211	-355	313
Cash flow from financing activities	-92	232	42	249
Cash flow for the period	19	47	35	45
Cash and cash equivalents at beginning of period	85	16	61	11
Exchange differences on cash and cash equivalents	-5	-2	3	5
Cash and cash equivalents at end of the period	99	61	99	61

Fair values on financial instruments SEKm	31 Dec 2019			31 Dec 2018		
	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives measured at fair value through profit or loss	0	0	-	1	1	-
Total financial assets at fair value per level	0	0	-	1	1	-
Derivatives measured at fair value through profit or loss	1	1	-	0	0	-
Contingent considerations	18	-	18	9	-	9
Total financial liabilities at fair value per level	19	1	18	9	0	9

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		12 months ending	
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
Carrying amount, opening balance	0	1	9	14
Acquisitions during the year	18	8	0	9
Consideration paid	-	-	-	-6
Reversed through profit or loss	-	-	-9	-8
Interest expenses	0	0	0	0
Exchange differences	-	0	0	0
Carrying amount, closing balance	19	9	0	9

Key financial indicators	12 months ending			
	31 Dec 19	31 Dec 18	31 Dec 17	31 Dec 16
Net sales, SEKm	3,479	2,482	2,333	1,938
EBITA, SEKm	305	245	234	189
EBITA margin, %	8.8	9.9	10.0	9.7
Profit growth, EBITA, %	25	5	24	47
Return on working capital (P/WC), %	51	62	63	62
Profit for the period, SEKm	142	129	120	112
Return on equity, %	10	16	17	21
Financial net liabilities, SEKm	902	882	588	366
Financial net liabilities/EBITDA, multiple	2.1	3.3	2.3	1.8
Net debt/equity ratio, multiple	0.6	0.9	0.8	0.5
Equity ratio, %	45	35	40	45
Average number of employees	903	620	579	452
Number of employees at end of the period	932	873	592	545

Key indicators include IFRS 16 from 2019, comparative figures have not been restated.
For definitions of key financial indicators, see page 17.

Key financial indicators per share	12 months ending			
	31 Dec 19	31 Dec 18	31 Dec 17	31 Dec 16
Earnings per share (EPS), SEK	5.15	5.36	4.95	4.87
Diluted EPS, SEK	5.14	5.36	4.94	4.87
Cash flow per share, SEK	14.50	7.34	8.55	5.79
Shareholders' equity per share, SEK	52.27	37.80	30.95	29.40
Average number of shares after repurchases, '000s	27,617	24,118	24,321	22,950
Average number of shares adjusted for repurchases and dilution, '000s	27,671	24,138	24,347	22,950
Number of shares outstanding at end of the period, '000s	28,059	24,629	24,172	24,387

Parent company summary

Income statement SEKm	3 months ending		12 months ending	
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
Net sales	13	14	41	38
Administrative expenses	-12	-10	-49	-43
Operating profit/loss	1	4	-8	-5
Interest income/expenses and similar items	-4	1	2	4
Profit/loss after financial items	-3	5	-6	-1
Appropriations	48	52	48	52
Profit/loss before taxes	45	57	42	51
Income tax expense	-6	-12	-6	-11
Profit/loss for the period	39	45	36	40

Balance sheet, SEKm	31 Dec 19	31 Dec 18
Intangible non-current assets	0	0
Tangible non-current assets	0	0
Non-current financial assets	2,084	1,828
Total non-current assets	2,084	1,828
Current receivables	110	98
Total current assets	110	98
Total assets	2,194	1,926
Equity	1,152	719
Untaxed reserves	56	47
Interest-bearing long-term liabilities	48	76
Non-interest-bearing long-term liabilities	1	2
Total long-term liabilities	49	78
Interest-bearing short-term liabilities	899	1,039
Non-interest-bearing short-term liabilities	38	43
Total short-term liabilities	937	1,082
Total equity and liabilities	2,194	1,926

Note. Pledged assets and contingent liabilities in the Group

SEKm	31 Dec 19	31 Dec 18
Pledged assets	-	-
Contingent liabilities	42	42

Definitions

Return on equity

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

	2019-12-31	2018-12-31
Profit/loss for the period	142	129
Average equity	1,362	814
Return on equity	142/1,362=10%	129/814 = 16%

Return on working capital (P/WC)

EBITA in relation to average working capital.

	2019-12-31	2018-12-31
Operating profit before amortization of intangible assets EBITA (P)	305	245
Average working capital (WC)	598	397
P/WC	305/598=51%	245/397 = 62%

EBITA

Operating profit before amortization of intangible assets.

	2019-12-31	2018-12-31
Operating profit	196	168
Depreciation of intangible assets	109	77
Operating profit before amortization of intangible assets	305	245

EBITA margin

EBITA in percentage of net sales.

	2019-12-31	2018-12-31
Operating profit before amortization of intangible assets	305	245
Net sales	3,479	2,482
EBITA margin	305/3,479=8.8%	245/2,482 = 9.9%

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 14 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 8:00 a.m. CET on February 6, 2020.



AddLife AB (publ), Box 3145, Birger Jarlsgatan 43, SE-103 62 Stockholm. info@add.life, www.add.life, org.nr. 556995-8126