

Interim report 1 January – 30 September 2023

Continued strong organic growth in both business areas



"AddLife's growth plan is working well and, after a period of COVID-19 and acquisition-driven growth, we are now seeing robust organic growth. Profitability has improved and we have implemented a number of measures that are expected to support a positive profitability trend moving forward. The activities to improve cash flow have been successful and we are excited that we have completed an add-on acquisition in the quarter."

Fredrik Dalborg, President and CEO

1 JULY – 30 SEPTEMBER 2023 (3 MONTHS)

- Net sales increased by 10% to SEK 2,319 m (2,100). The COVID-19 related sales decreased to 0 m (151) and the organic growth, excluding COVID-19 related sales and exchange rate changes, was 10%.
- EBITA decreased to SEK 244 m (288), corresponding to an EBITA-margin of 10.5% (13.7). Adjusted for reversed contingent considerations, EBITA increased by 12% and amounted to SEK 227 m (203), corresponding to an EBITA margin of 9.8% (9.7).
- Financial income and costs amounted to -71 m (-41)
- Profit after tax amounted to SEK 26 m (120).
- Earnings per share amounted to SEK 0.20 (0.99).
- Cash flow from operating activities amounted to SEK 138 m (20).
- During the quarter an acquisition, Emmat Medical Ltd, was completed. The acquisition is estimated to contribute an annual net turnover of approximately SEK 28 m.

10 %
ORGANIC GROWTH
Q3 2023

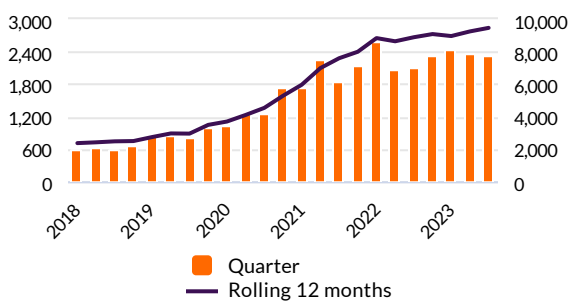
1 JANUARY – 30 SEPTEMBER 2023 (9 MONTHS)

- Net sales increased by 6% to SEK 7,141 m (6,758), whereof the acquired growth amounted to 1%. The COVID-19 related sales decreased to 0 m (696) and the organic growth excluding, COVID-19 related sales and exchange rate changes, was 10%.
- EBITA decreased by 11% to SEK 857 m (963), corresponding to an EBITA-margin of 12.0% (14.3). EBITA include reversed contingent considerations amounting to 101 m (85), adjusted for this the EBITA-margin amounts to 10.6% (13.0).
- Profit after tax amounted to SEK 233 m (421).
- Earnings per share amounted to SEK 1.90 (3.46). Earnings per share for the last 12 months amounted to SEK 2.40 (4.92).
- Cash flow from operating activities amounted to SEK 325 m (558).
- The equity ratio was 39% (38).
- Return on working capital (P/WC) amounted to 49% (61).

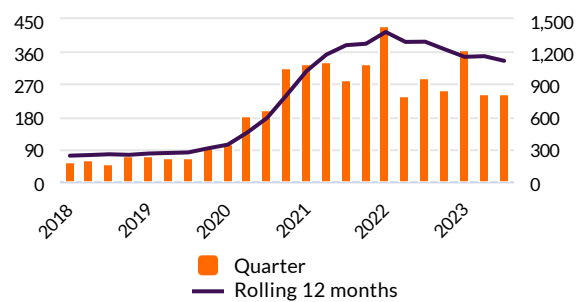
10 %
ORGANIC GROWTH
9m 2023

SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 23	30 Sep 22	change	30 Sep 23	30 Sep 22	change	30 Sep 23	31 Dec 22
Net sales	2,319	2,100	10%	7,141	6,758	6%	9,467	9,084
EBIT	132	183	-28%	526	659	-20%	675	808
EBITA	244	288	-15%	857	963	-11%	1,115	1,221
EBITA-margin, %	10.5%	13.7%		12.0%	14.3%		11.8%	13.4%
Profit before tax	61	142	-57%	337	525	-36%	414	602
Profit for the period	26	120	-78%	233	421	-45%	295	483
Earnings per share before dilution, SEK	0.20	0.99	-80%	1.90	3.46	-45%	2.40	3.96
Earnings per share after dilution, SEK	0.20	0.98	-80%	1.90	3.45	-45%	2.40	3.95

NET SALES (SEKM)



EBITA (SEKM)



Comments by the CEO

Continued strong growth and improved cash flow

The activity in the European Healthcare systems remains high, with strong demand in the segments where AddLife's companies operate. The number of surgical procedures performed continues to grow, and demand for homecare remains robust. In diagnostics, demand is steadily rising and in research, activity is high among our core customer groups in pharmaceutical development and academic research.

Sales growth remained robust in both business areas during the third quarter, a period when we typically see slower activity in healthcare during the summer months. Organic sales growth for the quarter was 10 percent, adjusted for COVID-19 and currency effects. This represents an increase compared with the previous quarter, the companies are growing faster than the market and are taking market share in both Labtech and Medtech.

EBITA increased by 12 percent, adjusted for the effects of contingent considerations, even though the corresponding quarter in 2022 included COVID-19 sales of SEK 151 m.

Operating cash flow strengthened to SEK 138 m compared with SEK 20 m in the corresponding quarter of 2022. The growth in working capital reported in the first two quarters of 2023 was reduced in the third quarter. Accounts receivables and inventories were slightly reduced in the quarter, despite continued strong organic growth. The improved cash flow resulted in a reduction of Net debt by approximately SEK 200 m in the quarter. Our efforts to improve cash flow and profitability, while reducing debt continue.

We completed one acquisition during the quarter. The acquired company, which will be integrated with Healthcare 21 Groups's operations in the UK, is active in surgical products and has sales of approximately SEK 28 m with good profitability and growth potential.



AddLife's business model is highly effective, and our expanded presence in more countries and segments in recent years provides us with benefits and new opportunities..

Actions to improve profitability and cash flow

Profitability strengthened in the quarter, driven by a strong positive earnings trend, especially in the companies in Hospital and Biomedical & Research that were acquired in recent years. The profitability trend was also strong in Homecare. AddVision continued to negatively impact the margin. The company is now being restructured and the organization simplified in order to achieve more efficient and decentralised decision-making. The restructuring is expected to facilitate more focused sales efforts and a faster response to market conditions, while also reducing annual costs by approximately SEK 15 m, which will be realised after the end of the year. The digital development project portfolio in Homecare was reviewed during the quarter. As a result of the review, annual savings of at least SEK 10 m will be realized, starting from the beginning of the new year.

Efforts to enhance cash flow continue, supported by AddLife's methods, KPIs and incentive programmes. As part of this initiative, the companies have been assigned specific targets for working capital reductions for the year and the larger companies are conducting specific capital efficiency projects.



Summary

Healthcare activity levels have risen in all markets. The waiting lists for surgical procedures remains substantial and continues to increase in some countries. However, healthcare staffing shortages limit the ability to rapidly reduce these waiting lists. Increased numbers of elective surgery procedures can be expected going forward. Elevated activity related to planned surgeries can be expected for some time to come.

AddLife's growth plan is working well and after a period of COVID-19 and acquisition-driven growth, we are now seeing robust organic growth. Profitability has improved and we have implemented a number of measures that are expected to support a positive profitability trend moving forward. The activities to improve cash flow have been successful and we are excited that we have completed an add-on acquisition in the quarter.

AddLife's business model is highly effective, and our expanded presence in more countries and segments in recent years provides us with benefits and new opportunities. The market trend is favourable and the companies are performing well, driving improvement efforts and growth initiatives with great dedication and excellent results.



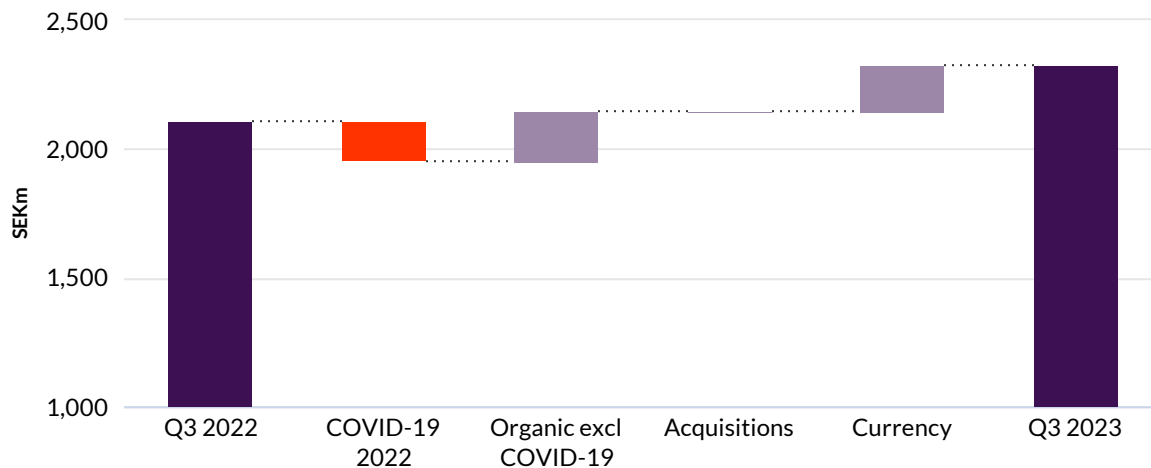
Fredrik Dalborg

President and CEO

Group Performance in the quarter

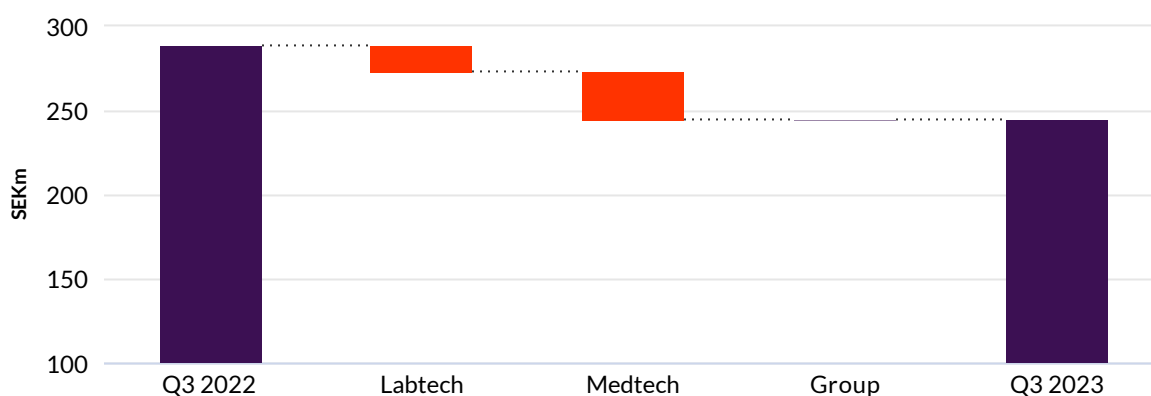
Net sales in the quarter increased by 10 percent to SEK 2,319 m (2,100). Organic growth, excluding COVID-19 and exchange rate changes amounted to 10 percent. Net sales related to COVID-19 has now ceased and is reported as SEK 0 m (151). Exchange rate changes had a positive impact of 8 percent on net sales in the quarter, corresponding to SEK 176 m.

NET SALES 3 MONTHS



Increased commercial activity and strengthened sales organisation have increased sales costs, which has driven sales growth and strengthens the growth potential going forward. EBITA decreased by 15 percent to SEK 244 m (288) and EBITA-margin amounted to 10.5 percent (13.7). The decrease is largely explained by the lack of covid-19 sales. Reversal of previously allowance of contingent consideration has had a positive impact on the operating profit by SEK 18 m (85) in the quarter. Exchange rate changes had a positive effect on EBITA, corresponding to SEK 19 m.

EBITA 3 MONTHS

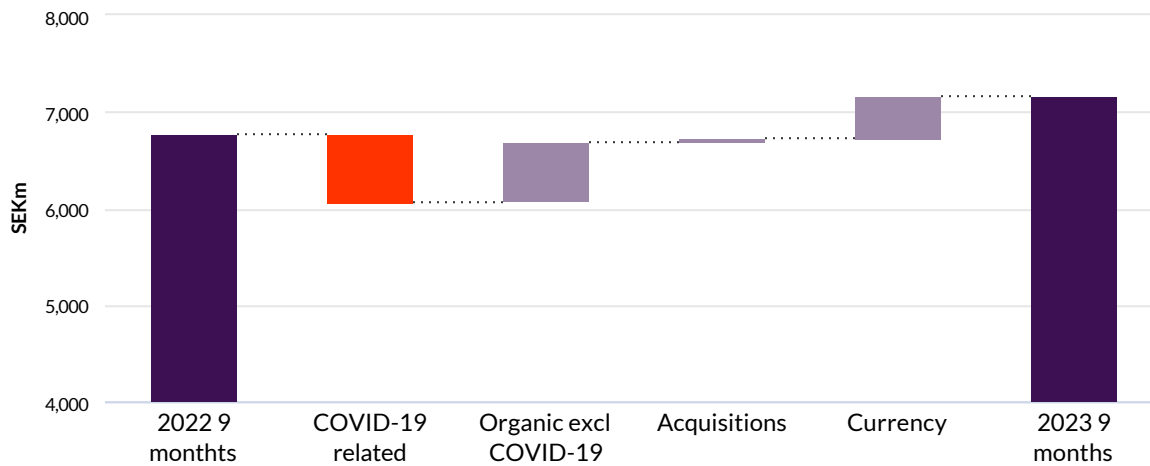


Net financial items amounted to SEK -71 m (-41) and profit after financial items amounted to SEK 61 m (142). Net financial items include interest costs related to financing of previous acquisitions and exchange rate fluctuations. Interest expenses amounted to SEK 72 m (22) and exchange rate gains to SEK 5 m (-17). Exchange rate changes are related to recalculation of loans and contingent considerations in foreign currencies. Profit after tax for the quarter amounted to SEK 26 m (120) and the effective tax rate was 57 percent (15). The higher effective tax rate in the quarter is attributable to the total effect of non-deductible interest and non-capitalized losses, but it does not impact the cash flow.

Group Performance in the interim period

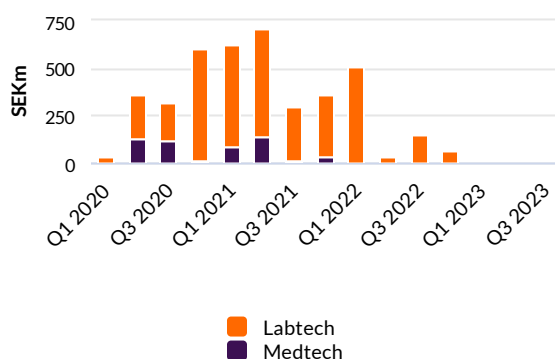
Net sales in the interim period increased by 6 percent to SEK 7,141 m (6,758). Acquired growth totalled 1 percent and organic growth, excluding COVID-19 amounted to 10 percent. Net sales related to COVID-19 has now ceased and reported as SEK 0m (696). Exchange rate changes had a positive impact on net sales of 7 percent, corresponding to SEK 430 m.

NET SALES 9 MONTHS



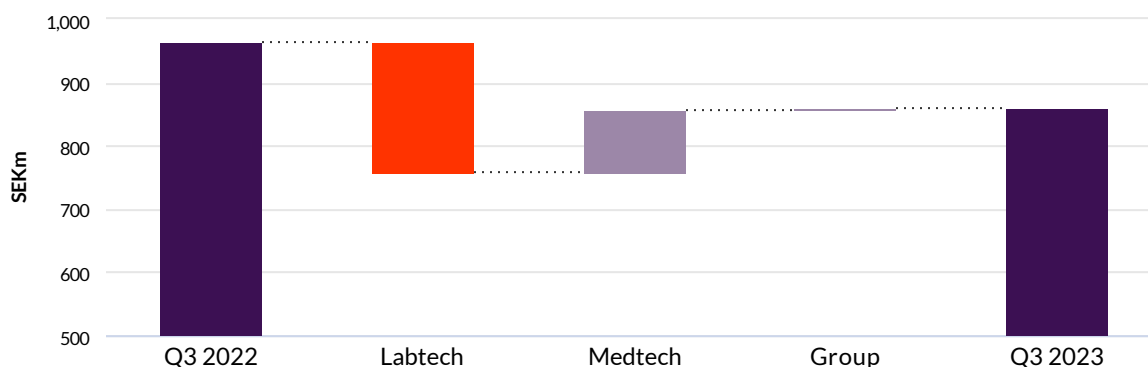
Increased commercial activity and strengthened sales organisation have increased sales costs. EBITA decreased by 11 percent to SEK 857 m (963) and EBITA-margin amounted to 12.0 percent (14.3). The decrease is largely explained by the lack of covid-19 sales. Reversal of previously allowance for contingent consideration has had a positive impact on the operating profit of SEK 101 (85) m in the interim period. Exchange rate changes had a positive effect on EBITA with 5 percent, corresponding to SEK 49 m.

COVID-19 RELATED SALES



Throughout the COVID-19 pandemic, AddLife has supplied large volumes of products to the healthcare sector. Sales since the first quarter of 2020 have varied based on the spread of infection and restrictions in the society. The volume of COVID-19 specific tests has now decreased to the point where separate reporting is no longer relevant going forward.

EBITA 9 MONTHS



Net financial items amounted to SEK -189 m (-134) and profit after financial items amounted to SEK 337 m (525). The net financial items is due to interest costs related to the acquisitions as well as exchange rate changes. Interest expenses amounted to SEK 199 m (65) and exchange rate gains to SEK 14 m (-69). Exchange rate changes are related to recalculation of loans and contingent considerations in foreign currencies. Profit after tax amounted to SEK 233 m (421) and the effective tax rate was 31 percent (20).

The war in Ukraine has not had a significant economic impact on the financial reports, but it can not be ruled out that this will happen in the future. We follow market developments closely, where we notice rising inflation, higher raw material, component costs, shipping costs and energy costs and greater uncertainty about interest rate developments. We follow the development in the Middle East but, at this point in time, our assessment is that this don't have a significant impact on the group.

Financial position and cash flow

At the end of the interim period, the equity ratio stood at 39 percent (38). Equity per share totalled SEK 42,63 (40.76) and the return on equity at the end of the interim period was 6 percent (10). Return on working capital, P/WC (EBITA in relation to working capital) amounted to 49 percent (61). The lower yield is partly due to a slightly lower result and relatively higher working capital.

The group's interest-bearing net debt at the end of the interim period totalled SEK 5,600 m (5,410), including pension liabilities of SEK 59 m (60), leasing liabilities of SEK 355 m (351) and contingent considerations corresponding to SEK 146 m (266). Outstanding bank loans at the end of the interim period amounted to SEK 5,145 m (4,968), whereof short-term bank loans amounted to SEK 2,558 m (2,432). The credit facility of SEK 1,000 m due in the first quarter of 2024 has been extended after the end of the interim period and runs for another 12 months until the first quarter of 2025. The credit facility of EUR 98.2 m, which also matures in the first quarter of 2024, has an extension option of another 12 months which we intend to use. The group has a good margin in the covenants applicable under the banking agreements, which stipulate an interest coverage ratio of at least 4.0 times and an equity ratio exceeding 25 percent.

As of the end of the interim period, the interest coverage ratio amounted to 6.3 times, as defined in the bank agreements.

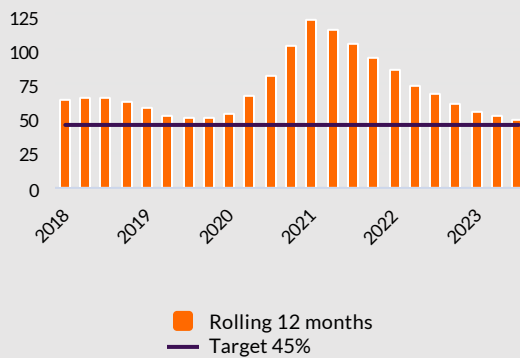
The net debt/equity ratio totalled 1.1 compared to 1.1 at the beginning of the interim period. The intention is to reduce indebtedness through self-generated cash flow.

Cash and cash equivalents, consisting of cash and bank balances, together with approved but non-utilised credit facilities, totalled SEK 661 m (890) on September 30, 2023.

Cash flow from operating activities reached SEK 325 m (558) during the interim period. The change is mainly due to increased capital tie-up in stock and accounts receivables, above all driven by increased net sales and broadening of the product portfolio which temporarily increased the inventory. Paid out contingent consideration related to acquisitions of companies in previous years amounted to SEK 16 m (818). Net investments in non-current assets during the interim period amounted to SEK 195 m (186) and is mainly attributable to investments in instruments for rental to customers. Repurchase of treasury shares amounted to SEK 0 m (49). Exercised, issued and repurchased call options amounted to SEK -9 m (23). A dividend of SEK 146 m (243) has been paid to the parent company's shareholders.

Long term financial goals

PROFITABILITY P/WC (%)



PROFIT GROWTH (%)



Acquisitions

Acquisitions completed from the 2022 financial year are distributed among the group's business areas as follows:

Acquisitions	Time	Net Sales, SEKm*	Number of employees*	Business area
MBA Incorporado S.L, Spain	January, 2022	670	285	Medtech
Business from Telia Health Monitoring, Sweden	March, 2022	4	8	Medtech
O'Flynn Medical Ltd, Ireland	April, 2022	64	36	Medtech
BioCat GmbH, Germany	April, 2022	90	20	Labtech
JK Lab Nordic AB, Sweden	July, 2022	24	6	Labtech
Emmat Medical Ltd, Great Britain	September, 2023	28	4	Medtech
		880	359	

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

During the interim period, one acquisition has been completed.

On September 1 2023, AddLife acquired all shares in the company Emmat Medical Ltd for the Medtech business area. Emmat is active in surgical products in Great Britain and has a turnover of approximately SEK 28 m and has four employees. The company is integrated into the Healthcare 21 Group.

Revaluation of liabilities for contingent considerations regarding previous acquisitions has resulted in income of SEK 100 m of which SEK 82 m relates to the acquisition of AddVision and SEK 15 m relates to the acquisition of Bio-Connect. During the interim period, this has been reversed and reported in other operating income. Contingent considerations amounted to SEK 16 m have been paid during the interim period regarding Ropox, which was acquired in 2020.

Employees

At the end of the interim period, the number of employees was 2,314, compared to 2,219 at the beginning of the financial year. The average number of employees for the last 12-month period was 2,269 (2,048).

Labtech

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

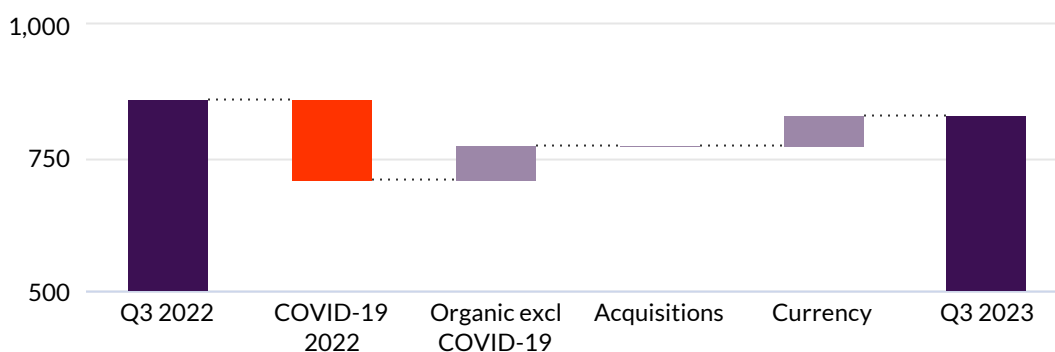


SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 23	30 Sep 22	change	30 Sep 23	30 Sep 22	change	30 Sep 23	31 Dec 22
Net sales	827	856	-3%	2,604	2,922	-11%	3,562	3,880
Organic growth, % *	9%	5%		9%	6%			
EBITA	99	116	-15%	321	529	-39%	459	667
EBITA-margin, %	12.0%	13.5%		12.3%	18.1%		12.9%	17.2%

*Excluding COVID-19 related sales and exchange rate changes

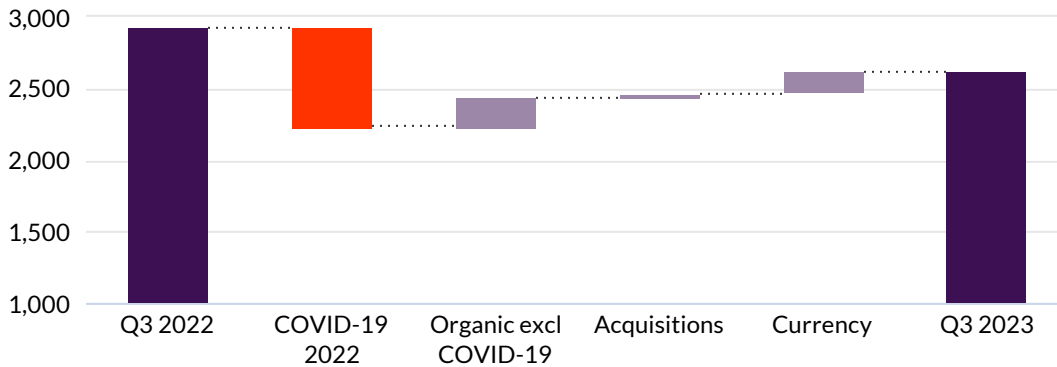
For the quarter, Labtech's net sales decreased by 3 percent to SEK 827 m (856). The organic sales growth, excluding COVID-19 related sales and exchange rate fluctuations, amounted to 9 percent. Net sales related to COVID-19 has now ceased and is reported as SEK 0 m (151). Exchange rate changes had positive impact of 7 percent on net sales. EBITA amounted to SEK 99m (116), corresponding to an EBITA-margin of 12.0 percent (13.5). Reversal of previously allowance for contingent consideration has had a positive effect on operating profit of SEK 15 m. Adjusted for this, EBITA amounted to 10.2%.

NET SALES 3 MONTHS



Labtech's net sales decreased by 11 percent in the interim period to SEK 2,604 m (2,922), where of organic sales, excluding COVID-19 related sales, increased to 9 percent and acquired growth was 1 percent. Net sales related to COVID-19 has now ceased and is reported as SEK 0 m (696). Exchange rate changes had positive impact of 5 percent on net sales. EBITA decreased by 39 percent to SEK 321 m (529), corresponding to an EBITA-margin of 12.3 percent (18.1).

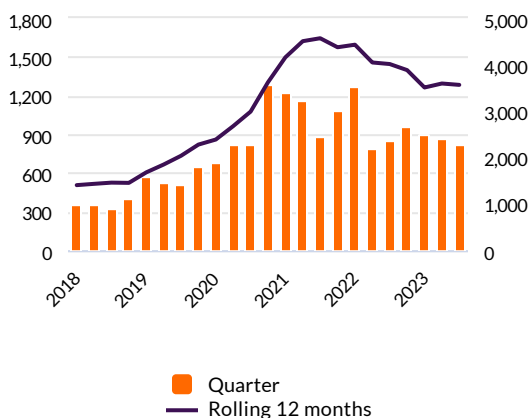
NET SALES 9 MONTHS



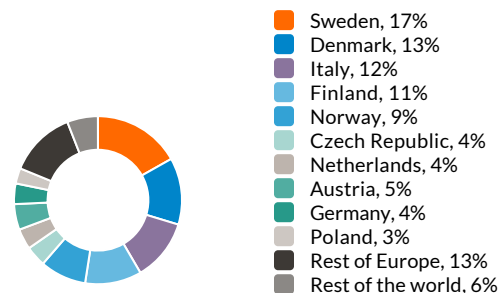
The Labtech business continues to develop well with a 9% organic growth excluding COVID-19 and currency effects. Profitability remains healthy in spite of significant COVID-19 related sales in the third quarter and currencies negatively impacting margins in the Swedish and Norwegian businesses. Developments in Eastern Europe were weaker during the quarter due to delivery delays in projects expected to be completed in the fourth quarter. The acquired Biomedical & Research companies active in the European market have been developing very well, showing strong growth and improving margins.

The market is evolving and many of the global manufacturing companies are changing their organisations and market strategies, creating opportunities for the AddLife companies to take on new products and grow market share. The product portfolio is continuously evolving towards more advanced products and the Next Generation Sequencing (NGS) products are now launched both in Italy and Scandinavia, and are generating great customer interest. In some markets a slightly cautious behaviour can be observed regarding larger capital investments, but this is affecting only a small part of the businesses. The AddLife Labtech business is primarily focused on small to medium sized capital investments and related recurring revenue from consumables, making the business less sensitive to fluctuations in the economy. The most significant customer groups are hospital laboratories, academic research and pharmaceutical companies, where the funding is stable, and activity is high.

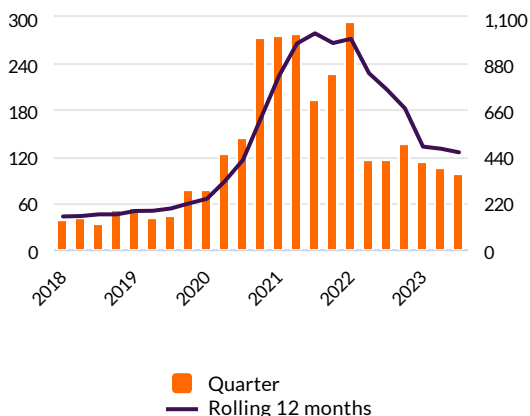
NET SALES (SEKM)



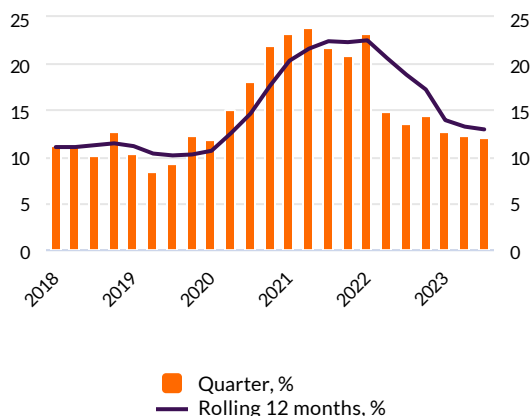
NET SALES PER MARKET 2023



EBITA (SEKM)



EBITA MARGIN (%)



Medtech

Companies in the Medtech business area provides medical device products within the medtech market and assistive equipment within Homecare.

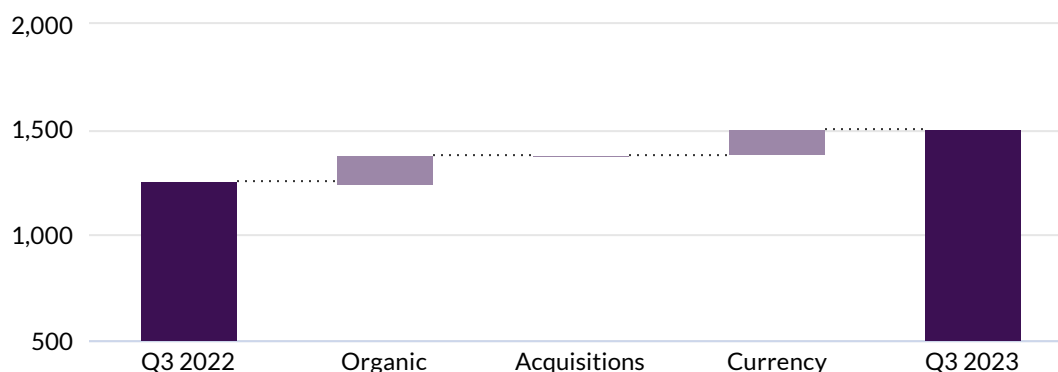


SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 23	30 Sep 22	change	30 Sep 23	30 Sep 22	change	30 Sep 23	31 Dec 22
Net sales	1,494	1,246	20%	4,544	3,843	18%	5,911	5,210
Organic growth, %	10%	0%		10%	1%			
EBITA	150	179	-16%	551	452	22%	672	573
EBITA-margin, %	10.0%	14.3%		12.1%	11.8%		11.4%	11.0%

* Excluding exchange rate changes

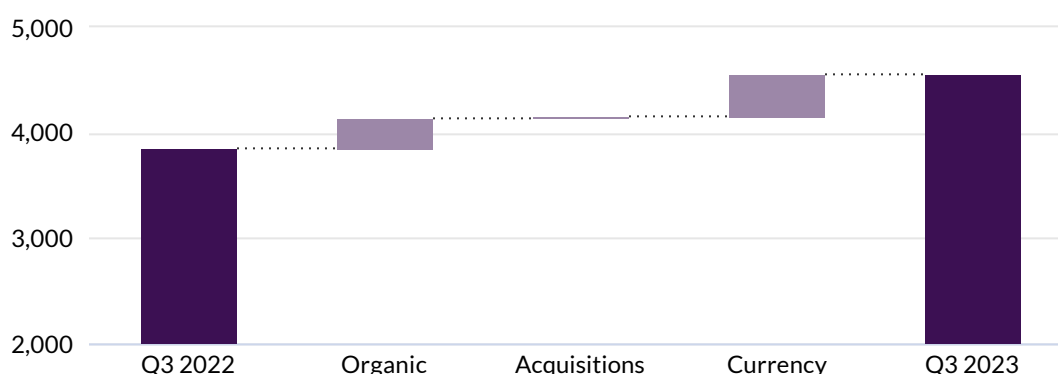
For the quarter, Medtech's net sales increased by 20 percent to SEK 1,494 m (1,246), of which organic growth was 10 percent and exchange rate fluctuations had a positive impact of 9 percent on net sales. EBITA decreased by 16 percent and amounted to SEK 150 m (179), corresponding to an EBITA-margin of 10.0 (14.3). EBITA in the previous year was positively affected by a reversal of a contingent consideration of SEK 85 m. Adjusted for this, the EBITA margin amounted to 7.5%. The investment in digital solutions for remote patient monitoring and healthcare solutions has had a negative impact on the result of SEK 12 m (12).

NET SALES 3 MONTHS



For the interim period, Medtech's net sales increased by 18 percent to SEK 4,544 m (3,843), of which organic growth excluding exchange rate differences, amounted to 10 percent and acquired growth was 1 percent. Exchange rate fluctuations had a positive impact of 7 percent on net sales. EBITA increased by 22 percent to SEK 551 m (452) and EBITA margin amounted to 12.1 percent (11.8). The reversal of previously allowance for contingent consideration, primarily linked to the acquisition of AddVision, has had a positive impact on the result of SEK 86 m (85) and adjusted for this EBITA amounted to 10.3 percent (9.5). The investment in digital solutions for remote patient monitoring and healthcare solutions has had a negative impact on the result of SEK 43 m.

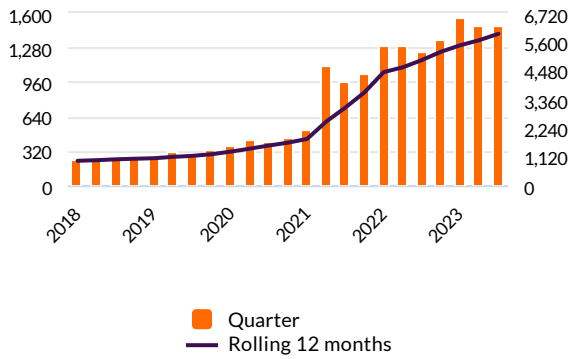
NET SALES 9 MONTHS



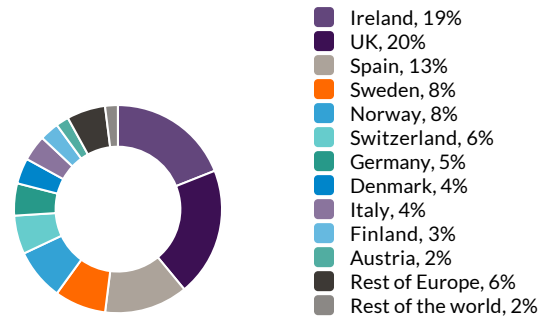
Growth in Medtech remained strong and elective surgery recovery continues to develop well, driving growth in the business area. Waiting lists for surgical procedures remain significant across Europe, and in some countries, such as the UK, waiting lists are still growing. Staffing shortage is slowing the pace of the recovery, and this is expected to lead to a longer period of increased surgical activity. Growth and profitability improvement is strong in all the Hospital companies, and the larger companies acquired the last years contribute to the positive development in a significant way. However, the profitability in AddVision continues to be low, and restructuring activities have been initiated, with an expected annual cost savings of approximately SEK 15 m starting next year and a restructuring cost of approximately SEK 5 m in the fourth quarter 2023.

Demand in the Homecare business is effected by demographic trends, shortage in healthcare staffing as well as user needs and preferences. The business is growing strongly and profitability is improving, supported by a number of initiatives. The digital development portfolio in Homecare has been reviewed and has resulted in a decision to focus the activities and discontinue the Camanio Health activities. The customer relationships will be handed over to another company in the sector. The change is expected to result in an annual cost reduction of SEK 11 m, starting at year end and a write down of an intangible asset amounting to SEK 25 m in the fourth quarter 2023.

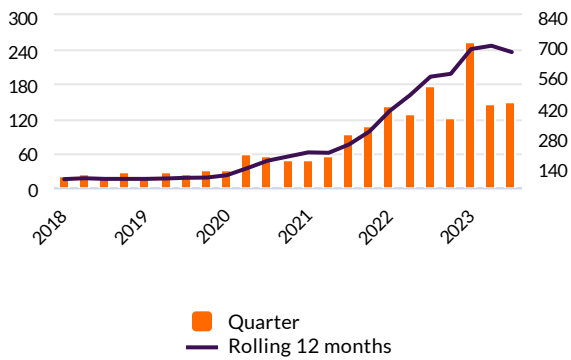
NET SALES (SEKM)



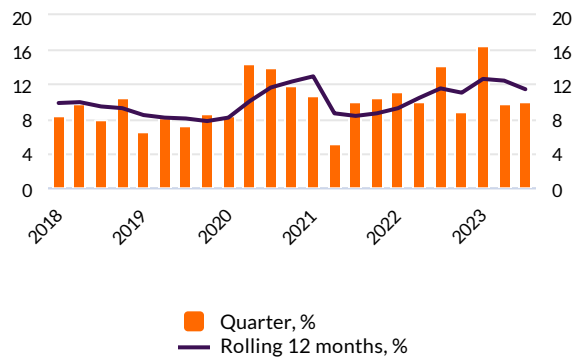
NET SALES PER MARKET 2023



EBITA (SEKM)



EBITA MARGIN (%)



Net sales by business area

Quarterly data, SEKm	2023				2022		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	827	872	905	958	856	786	1,280
Medtech	1,494	1,496	1,554	1,367	1,246	1,296	1,301
Group items	-2	-3	-2	1	-2	-3	-2
AddLife Group	2,319	2,365	2,457	2,326	2,100	2,079	2,579

EBITA by business area

Quarterly data, SEKm	2023				2022		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Labtech	99	107	115	138	116	117	296
Medtech	150	145	256	121	179	129	144
Parent Company and Group items	-5	-5	-5	-1	-7	-6	-5
EBITA	244	247	366	258	288	240	435
Depreciation intangible assets	-112	-111	-108	-109	-105	-102	-97
Operating profit	132	136	258	149	183	138	338
Finance income and expenses	-71	-66	-52	-72	-41	-44	-49
Profit after financial items	61	70	206	77	142	94	289

Net sales by business area

SEKm	3 months ending			9 months ending			12 months ending	
	30 Sep 23	%	30 Sep 22	30 Sep 23	%	30 Sep 22	30 Sep 23	31 Dec 22
Labtech	827	-3	856	2,604	-11	2,922	3,562	3,880
Medtech	1,494	20	1,246	4,544	18	3,843	5,911	5,210
Group items	-2		-2	-7		-7	-6	-6
AddLife Group	2,319	10	2,100	7,141	6	6,758	9,467	9,084

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

SEKm	3 months ending		30 Sep 22		9 months ending		30 Sep 22		12 months ending		31 Dec 22	
	30 Sep 23	%	30 Sep 22	%	30 Sep 23	%	30 Sep 22	%	30 Sep 23	%	31 Dec 22	%
Labtech	99.0	12.0	116.0	13.5	321.0	12.3	529.0	18.1	459.0	12.9	667.0	17.2
Medtech	150.0	10.0	179.0	14.3	551.0	12.1	452.0	11.8	672.0	11.4	573.0	11.0
Parent Company and Group items	-5.0		-7.0		-15.0		-18.0		-16.0		-19.0	
EBITA	244.0	10.5	288.0	13.7	857.0	12.0	963.0	14.3	1,115.0	11.8	1,221.0	13.4
Depreciation intangible assets	-112.0		-105.0		-331.0		-304.0		-440.0		-413.0	
Operating profit	132.0	5.7	183.0	8.7	526.0	7.4	659.0	9.7	675.0	7.1	808.0	8.9
Finance income and expenses	-71.0		-41.0		-189.0		-134.0		-261.0		-206.0	
Profit after financial items	61.0		142.0		337.0		525.0		414.0		602.0	

Net sales by revenue type

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	31 Dec 22
Products	579	726	1,857	2,274	2,537	2,954
Instruments	179	93	544	460	776	692
Service	69	37	203	188	249	234
Labtech	827	856	2,604	2,922	3,562	3,880
Products	1,240	992	3,737	3,099	4,824	4,186
Instruments	124	95	407	380	556	529
Service	130	159	400	364	531	495
Medtech	1,494	1,246	4,544	3,843	5,911	5,210
Group items	-2	-2	-7	-7	-6	-6
Total	2,319	2,100	7,141	6,758	9,467	9,084

Sales per country

	3 months ending		9 months ending		12 months ending	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	31 Dec 22
Ireland	253	222	845	670	1,067	892
UK	348	233	918	727	1,171	980
Sweden	247	230	815	778	1,137	1,100
Spain	174	194	607	545	787	725
Norway	181	170	579	654	801	876
Denmark	171	142	525	485	996	956
Italy	149	141	474	509	615	650
Finland	130	128	416	407	591	582
Rest of Europe	558	537	1,710	1,740	2,036	2,066
Rest of the world	108	103	252	243	266	257
Total	2,319	2,100	7,141	6,758	9,467	9,084

Consolidated income statement, condensed

Income statement	3 months ending		9 months ending		12 months ending	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	31 Dec 22
SEKm						
Net sales	2,319	2,100	7,141	6,758	9,467	9,084
Cost of sales	-1,460	-1,349	-4,461	-4,195	-5,923	-5,657
Gross profit	859	751	2,680	2,563	3,544	3,427
Selling expenses	-594	-510	-1,805	-1,544	-2,386	-2,125
Administrative expenses	-137	-131	-423	-403	-562	-542
Research and Development	-21	-18	-70	-57	-94	-81
Other operating income and expenses	25	91	144	100	173	129
Operating profit	132	183	526	659	675	808
Financial income and expenses	-71	-41	-189	-134	-261	-206
Profit after financial items	61	142	337	525	414	602
Tax	-35	-22	-104	-104	-119	-119
Profit for the period	26	120	233	421	295	483
<i>Attributable to:</i>						
<i>Equity holders of the Parent Company</i>	25	120	231	419	292	480
<i>Non-controlling interests</i>	1	0	2	2	3	3
Earnings per share (EPS) before dilution, SEK	0.20	0.99	1.90	3.46	2.40	3.96
Earnings per share (EPS) after dilution, SEK	0.20	0.98	1.90	3.45	2.40	3.95
Average number of shares after repurchases '000s	121,857	121,794	121,856	121,786	121,846	121,779
Number of shares at end of the period, '000	121,857	121,812	121,857	121,812	121,857	121,836
EBITA	244	288	857	963	1,115	1,221
Depreciations included in operating expenses						
- property, plant and equipment	-88	-76	-255	-225	-339	-309
- intangible non-current assets from acquisitions	-103	-96	-302	-278	-399	-375
- other intangible non-current assets	-9	-9	-29	-26	-41	-38

Statement of comprehensive income

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	31 Dec 22
Profit for the period	26	120	233	421	295	483
Components that may be reclassified to profit for the period						
Foreign currency translation differences for the period	-137	120	143	353	245	455
Components that can not be reclassified to profit for the period						
Revaluations of defined benefit pension plans	-	-	-	14	9	23
Tax attributable to items not to be reversed in profit or loss	-	-	-	-3	-2	-5
Other comprehensive income	-137	120	143	364	252	473
Total comprehensive income	-111	240	376	785	547	956
<i>Attributable to:</i>						
<i>Equity holders of the Parent Company</i>	<i>-111</i>	<i>240</i>	<i>375</i>	<i>783</i>	<i>545</i>	<i>953</i>
<i>Non-controlling interests</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>3</i>

Consolidated balance sheet, condensed

SEKm	30 Sep 23	31 Dec 22	30 Sep 22
Goodwill	5,467	5,313	5,223
Other intangible non-current assets	2,935	3,127	3,162
Property, plant and equipment	927	899	869
Financial non-current assets	131	146	156
Total non-current assets	9,460	9,485	9,410
Inventories	1,833	1,646	1,630
Current receivables	1,797	1,550	1,587
Cash and cash equivalents	229	376	286
Total current assets	3,859	3,572	3,503
Total assets	13,319	13,057	12,913
Total equity	5,188	4,971	4,801
Interest-bearing provisions	177	194	201
Non-interest-bearing provisions	444	459	521
Non-current interest-bearing liabilities	2,866	2,969	3,140
Non-current non-interest-bearing liabilities	8	8	10
Total non-current liabilities	3,495	3,630	3,872
Non-interest-bearing provisions	49	52	49
Current interest-bearing liabilities	2,786	2,622	2,535
Current non-interest-bearing liabilities	1,801	1,782	1,656
Total current liabilities	4,636	4,456	4,240
Total equity and liabilities	13,319	13,057	12,913

Statement of change in Group equity

Statement of change in Group equity, SEKm	1 Jan 23 – 30 Sep 23			1 Jan 22 – 31 Dec 22		
	Equity excl. non-controlling interests	Non-controlling interests	Total equity	Equity excl. non-controlling interests	Non-controlling interests	Total equity
Amount at beginning of period	4,968	3	4,971	4,285	6	4,291
Exercised and issued call options	-9	-	-9	33	-	33
Repurchase of treasury shares	-	-	-	-60	-	-60
Dividend	-146	-4	-150	-243	-6	-249
Total comprehensive income	375	1	376	953	3	956
Amount at the end of the period	5,188	0	5,188	4,968	3	4,971

Cash flow statement, condensed

Cash flow statement, condensed SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	31 Dec 22
Profit after financial items	61	142	337	525	414	602
Adjustment for items not included in cash flow	166	96	465	496	653	684
Income tax paid	-42	-28	-149	-152	-253	-256
Changes in working capital	-47	-190	-328	-311	-138	-121
Cash flow from operating activities	138	20	325	558	676	909
Net investments in non-current assets	-64	-58	-195	-186	-277	-268
Acquisitions and disposals	-13	-22	-29	-818	-29	-818
Cash flow from investing activities	-77	-80	-224	-1,004	-306	-1,086
Dividend paid to shareholders	-	-	-146	-243	-146	-243
Dividend paid to non-controlling interests	-	-	-4	-6	-4	-6
Exercised and issued call options	8	18	-9	23	1	33
Repurchase of treasury shares	0	-	0	-49	-11	-60
Borrowings	5	47	171	1,366	221	1,416
Repayments on loans	-99	-55	-131	-634	-343	-846
Other financing activities	-3	-32	-152	-120	-192	-160
Cash flow from financing activities	-89	-22	-271	337	-474	134
Cash flow for the period	-28	-82	-170	-109	-104	-43
Cash and cash equivalents at beginning of period	267	351	376	345	286	345
Exchange differences on cash and cash equivalents	-10	17	23	50	47	74
Cash and cash equivalents at end of the period	229	286	229	286	229	376

Key financial indicators

	12 months up until				
	30 Sep 23	31 Dec 22	30 Sep 22	31 Dec 21	31 Dec 20
Net sales, SEKm	9,467	9,084	8,889	7,993	5,273
EBITDA, SEKm	1,454	1,530	1,576	1,474	946
EBITA, SEKm	1,115	1,221	1,292	1,273	802
EBITA margin, %	11.8%	13.4%	14.5%	15.9%	15.2%
Profit growth, EBITA, %	-14%	-4%	3%	59%	163%
Return on working capital (P/WC), %	49%	61%	69%	95%	103%
Profit for the period, SEKm	295	483	599	721	520
Return on equity, %	6%	10%	14%	22%	31%
Financial net liabilities, SEKm	5,600	5,410	5,590	3,870	700
Financial net liabilities/EBITDA, multiple	3.9	3.5	3.5	2.6	0.7
Net debt/equity ratio, multiple	1.1	1.1	1.2	0.9	0.4
Equity ratio, %	39%	38%	37%	40%	46%
Average number of employees	2,269	2,157	2,048	1,548	1,004
Number of employees at end of the period	2,314	2,219	2,200	1,802	1,112

Key ratio definitions can be found [here](#).

Key financial indicators per share

	12 months up until				
	30 Sep 23	31 Dec 22	30 Sep 22	31 Dec 21	31 Dec 20
Earnings per share (EPS), SEK	2.40	3.96	4.92	6.03	4.63
Diluted EPS, SEK	2.40	3.95	4.90	6.01	4.61
Cash flow per share from operating activities, SEK	5.54	7.46	7.81	8.46	8.47
Shareholders' equity per share, SEK	42.63	40.76	39.39	35.14	16.73
Average number of shares after repurchases, '000s	121,846	121,779	121,814	119,418	112,127
Average number of shares adjusted for repurchases and dilution, '000s	121,918	122,254	122,329	119,966	112,652
Number of shares outstanding at end of the period, '000s	121,857	121,836	121,812	121,953	112,487
Number of shares outstanding at end of the period after dilution, '000s	121,929	122,312	122,327	122,501	113,012

The number of shares from a historical perspective has been restated to take the share split (1:4) completed in May 2020 into account and has been used in all calculations of metrics for SEK per share. The conversion factor is 4.

Parent company

The Parent Company's net sales for the interim period amounted to SEK 48 m (46) and profit after financial items amounted to SEK 111 m (-180). At the end of the interim period the Parent Company's net financial debt amounted to SEK 4,999 m (4,605). The share capital at the end of the interim period was SEK 62 m (62).

Income statement

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	31 Dec 22
Net sales	17	15	48	46	66	64
Administrative expenses	-18	-23	-61	-66	-78	-83
Operating profit/loss	-1	-8	-13	-20	-12	-19
Interest income/expenses and similar items	264	-47	124	-160	79	-205
Profit/loss after financial items	263	-55	111	-180	67	-224
Appropriations	-	-	-	-	194	194
Profit/loss before taxes	263	-55	111	-180	261	-30
Income tax expense	-54	9	-23	35	-46	12
Profit/loss for the period	209	-46	88	-145	215	-18

Balance sheet

Balance sheet, SEKm	30 Sep 23	31 Dec 22	30 Sep 22
Intangible non-current assets	0	0	0
Tangible non-current assets	0	0	0
Non-current financial assets	7,711	8,002	7,862
Total non-current assets	7,711	8,002	7,862
Current receivables	669	670	369
Total current assets	669	670	369
Total assets	8,380	8,672	8,231
Restricted equity	62	62	62
Unrestricted equity	2,494	2,562	2,436
Total equity	2,556	2,624	2,498
Untaxed reserves	-	-	120
Interest-bearing long-term liabilities	2,659	2,600	2,541
Non-interest-bearing long-term liabilities	2	2	1
Total long-term liabilities	2,661	2,602	2,542
Interest-bearing short-term liabilities	3,126	3,301	3,041
Non-interest-bearing short-term liabilities	37	145	30
Total short-term liabilities	3,163	3,446	3,071
Total equity and liabilities	8,380	8,672	8,231

Fair values on financial instruments

SEKm	30 Sep 23			31 Dec 22		
	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	146	-	146	266	-	266
Total financial liabilities at fair value per level	147	1	146	266	0	266

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 essentially correspond to the carrying amount.

Contingent considerations

SEKm	3 months ending		9 months ending		12 months ending	
	30 Sep 23	30 Sep 22	30 Sep 23	30 Sep 22	30 Sep 23	31 dec 22
Carrying amount, opening balance	164	357	266	349	274	349
Acquisitions during the period	5	2	5	18	8	21
Consideration paid	-	-	-16	-31	-16	-31
Revaluation through profit or loss	1	-	1	4	1	4
Reversed through profit or loss	-18	-85	-101	-85	-117	-101
Interest expenses	-1	-2	-3	4	-2	5
Exchange differences	-5	2	-6	15	-2	19
Carrying amount, closing balance	146	274	146	274	146	266

Pledged assets and contingent liabilities in the Group

SEKm	30Sep 23	31 Dec 22	30 Sep 22
Contingent liabilities	52	47	47

Reconciliation key ratios

Return on equity	Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.		
	30 Sep 23	31 Dec 22	30 Sep 22
Profit/loss for the period (roll 12 months)	295	480	599
Average equity	5,083	4,627	4,449
Return on equity	295/5,083=6%	480/4,627=10%	599/4,449=14%

Return on working capital (P/WC)	EBITA in relation to average working capital.		
	30 Sep 23	31 Dec 22	30 Sep 22
EBITA	1,115	1,221	1,292
Average working capital (WC)	2,261	2,008	1,869
P/WC	1,115/2,261=49%	1,221/2,008=61%	1,292/1,869=69%

EBITDA	Operating profit before depreciation and amortization		
	30 Sep 23	31 Dec 22	30 Sep 22
Operating profit (12 months rolling)	675	808	904
Depreciation and amortization	779	722	672
EBITDA	1,454	1,530	1,576

EBITA	Operating profit before amortization of intangible assets.		
	30 Sep 23	31 Dec 22	30 Sep 22
Operating profit (12 months rolling)	675	808	904
Amortization of intangible assets	440	413	388
EBITA	1,115	1,221	1,292

EBITA margin	EBITA in relation to net sales		
	30 Sep 23	31 Dec 22	30 Sep 22
EBITA	1,115	1,221	1,292
Net sales (12 months rolling)	9,467	9,084	8,889
EBITA margin	1,115/9,467=11.8%	1,221/9,084=13.4%	1,292/8,889=14.5%

Definitions

EBITA	Operating profit before amortization of intangible assets.
EBITDA	Operating profit before depreciation and amortization.
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 last year's EBITA divided by last year's EBITA.
Financial net liabilities	Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.
Equity ratio	Equity including non controlling interest share as a percentage of total assets.
COVID-19 related sales	Big orders of PPE and COVID-19 tests.

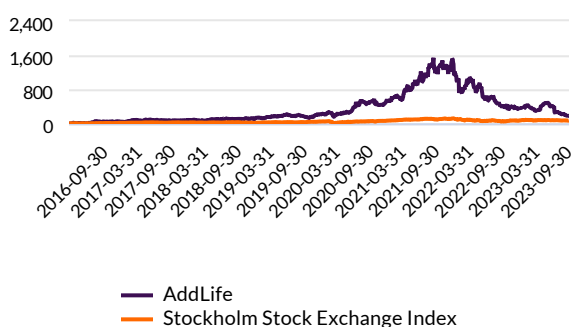
The key figures presented above are central in order to understand and evaluate AddLifes business and financial position. The key figures are presented in the “Key financial indicators” table and they are commented on in other parts of interim report. For additional information regarding chosen key ratios, please refer to AddLife's annual report 2022. The comparison figures for income and expense items relate to values for the period January–September 2022 and for balance sheet items as at 31 December 2022 if nothing else is stated.

The share

The share capital at the end of the interim period amounted to SEK 62 m (62).

The number of repurchased own shares amounts to 593,189 Class B, corresponding to 0.5 percent of the total number of shares and 0.4 percent of the votes. The average purchase price for shares held in treasury amounts to SEK 100.56 per share. The average number of treasury shares held during the interim period was 593,951 (664,508). The share price at September 30, 2023 was SEK 64.75.

SHARE DEVELOPMENT IN ADDLIFE



Turnover and trading	Jan-Sep 2023
Lowest price, SEK	61.90
Highest price, SEK	140.60
Average daily turnover, SEK	30,796,481
Number of traded shares, no	55,385,481
Number of transactions, no	203,834

AddLife has four outstanding call option programmes corresponding to a total of 1,605,800 Class B shares. Issued call options on repurchased shares have resulted in a calculated dilution effect based on average share price for the interim period of approximately 0.0 percent (0.4). During the interim period 5,200 options in the 2019/2023 program have been redeemed, corresponding to 20,800 B shares, the remaining 148,925 options that were outstanding have been repurchased at a price corresponding to market value.

Outstanding programmes	Number of warrants	Corresponding number of shares	Percentage of total number of shares	Exercise price	Exercise period
2023/2027	205,800	205,800	0.2%	155.99	1 Jun 2026 - 26 Feb 2027
2022/2026	150,000	150,000	0.1%	250.07	9 Jun 2025 - 27 Feb 2026
2021/2025	250,000	250,000	0.2%	259.00	10 Jun 2024 - 28 Feb 2025
2020/2024	250,000	1,000,000	0.9%	98.40	19 Jun 2023 - 28 Feb 2024
Total	855,800	1,605,800			

On September 30 2023, the number of shareholders amounted to 14 247, where of 63.8 percent are Swedish owners with respect to capital share. The 10 biggest shareholders controlled 49.1 percent of number of capital and 60.3 percent of votes.

Shareholders 2023-09-30	Class A-shares	Class B-shares	Share in %	
			of capital	of votes
Roosgruppen AB	2,252,376	3,224,727	4.5	15.7
Tom Hedelius	2,066,572	23,140	1.7	12.6
SEB Fonder	0	12,126,535	9.9	7.4
State Street Bank & Trust Company	0	8,998,097	7.4	5.5
AMF - Försäkring och Fonder	0	7,080,008	5.8	4.3
AP-fonden	0	6,082,157	5.0	3.7
Verdipapirfond Odin	0	4,525,771	3.7	2.8
Cliens Fonder	0	7,437,537	6.1	4.6
JP Morgan Chase Bank	0	3,110,587	2.5	1.9
Northern Trust Company	0	3,099,284	2.5	1.9
Total the 10 biggest shareholders	4,318,948	55,707,843	49.1	60.3
Other shareholders	296,188	61,534,082	50.5	39.3
Total outstanding shares	4,615,136	117,241,925	99.5	99.6
Repurchased own shares Class B	-	593,189	0.5	0.4
Total registered shares	4,615,136	117,835,114	100.0	100.0

Source: Euroclear

Accounting policies

This interim report was prepared in accordance with IFRS 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 annual report 2022 for AddLife AB were also used in the interim report. The amendments to IFRSs applicable from 1 January, 2023 have no effects to AddLife's financial reports for the interim period ended September 30, 2023.

Alternative performance measures

AddLife presents certain financial measures in the interim 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. For additional information regarding chosen key ratios, please refer to AddLife's annual report 2022. 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 as 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 financial position and earnings took place during the interim period.

Nomination committee

The 2023 Annual General Meeting 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 2023, 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), Stefan Hedelius (appointed by Tom Hedelius), Håkan Roos (appointed by RoosGruppen AB), Hans Christian Bratterud (appointed by Odin Fonder), Andreas Wallheim (appointed by SEB Investment Management) och Patricia Hedelius (appointed by AMF). Information on how to contact the Nomination Committee is available on the AddLife website, www.add.life/investors/bolagsstyrning.

Events after the end of the interim period

The credit facility of SEK 1,000 m due in the first quarter of 2024 has after the end of the interim period has been extended and runs for another 12 months until the first quarter of 2025. No other significant events for the group have occurred after the end of the interim 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, in AddLife's annual report 2022. The parent company is indirectly affected by the above risks and uncertainties through its function in the group.

The war in Ukraine has not had a significant economic impact on the financial reports, but it can not be ruled out that this will happen in the future. We follow market developments closely, where we notice rising inflation, higher raw material, shipping costs and energy costs and greater uncertainty about interest rate developments. We follow the development in the Middle East but, at this point in time, our assessment is that this don't have a significant impact on the group.

The Board of Directors and the President and CEO certify that this report for the third quarter provides a true and fair overview of the performance of business, position and earnings of the Parent Company and the Group and describes the principal risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm October 26, 2023

Fredrik Dalborg
President and CEO

Review report

AddLife AB (publ)
Corp. id 556996-8126

Introduction

We have reviewed the condensed interim financial information (interim report) of AddLife AB (publ) as of 30 September 2023 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 October 26, 2023

KPMG AB

Helena Nilsson
Authorized Public Accountant
Auditor in charge

KPMG AB

Susanna Norlin
Authorized Public Accountant

Video conference

Investors, analysts and the media are invited to a video conference where CEO Fredrik Dalborg and CFO Christina Rubenhag will present the interim report. The presentation will be held in English and takes about 20 minutes, after which there will be an opportunity to ask questions. It will be recorded and made available online.

The video conference will be held at 9:00 a.m. on October 26, 2023

If you wish to participate via video conference, [please follow this link>>](#)

The presentation is also available on [AddLife YouTube >>](#)

Financial calendar

- The Year-end report for 1 January - 31 December 2023 will be published on 2 February 2024
- The interim report for 1 January - 31 March 2024 will be published on 24 April 2024
- The Annual General Meeting (AGM) of AddLife AB (publ) will be held on 8 May 2024, 4 PM, Stockholm
- The interim report for 1 January - 30 June 2024 will be published on 15 July 2024

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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 85 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.

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 7:45 a.m. CET on October 26, 2023.

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