

INTERIM REPORT 1 APRIL - 31 DECEMBER 2019

THIRD QUARTER (1 OCTOBER - 31 DECEMBER 2019)

- **Net sales** increased by 12 percent and amounted to SEK 2,846 million (2,551).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** decreased by 4 percent and amounted to SEK 236 million (246) corresponding to an EBITA margin of 8.3 percent (9.7).
- **Operating profit** decreased by 7 percent and amounted to SEK 188 million (203) corresponding to an operating margin of 6.6 percent (7.9).
- **Profit after tax** decreased by 9 percent and amounted to SEK 142 million (156) and **earnings per share before dilution** amounted to SEK 2.05 (2.25).
- The cyberattack that hit the Group in October 2019 is estimated to have impacted net sales for the third quarter by approximately SEK 130 million and EBITA by approximately SEK 90 million.

PERIOD (1 APRIL - 31 DECEMBER 2019)

- **Net sales** increased by 19 percent and amounted to SEK 8,697 million (7,284).
- **Operating profit before amortisation of intangible non-current assets (EBITA)** increased by 23 percent and amounted to SEK 957 million (776) corresponding to an EBITA margin of 11.0 percent (10.7).
- **Operating profit** increased by 24 percent and amounted to SEK 809 million (650) corresponding to an operating margin of 9.3 percent (8.9).
- **Profit after tax** increased by 23 percent and amounted to SEK 608 million (492) and **earnings per share before dilution** amounted to SEK 8.95 (7.20).
- **Return on working capital (P/WC)** amounted to 54 percent (53).
- **Return on equity** amounted to 31 percent (29) and the **equity ratio** amounted to 34 percent (35).
- **Cash flow from operating activities** amounted to SEK 667 million (320), of which the implementation of IFRS 16 has resulted in an increase of SEK 112 million. For the latest twelve month period, cash flow per share from operating activities amounted to SEK 11.30 (7.05).
- **Since the start of the financial year nine acquisitions have been completed**, of which one after the end of the period, with total annual sales of about SEK 600 million.

| GROUP SUMMARY SEKm | 3 months | | | 9 months | | | Rolling 12 months | |
|--|----------------|----------------|------|----------------|----------------|-----|-------------------|----------------|
| | 31 Dec 2019 | 31 Dec 2018 | Δ | 31 Dec 2019 | 31 Dec 2018 | Δ | 31 Dec 2019* | 31 Mar 2019 |
| Net sales | 2,846 | 2,551 | 12% | 8,697 | 7,284 | 19% | 11,561 | 10,148 |
| EBITA | 236 | 246 | -4% | 957 | 776 | 23% | 1,262 | 1,085 |
| EBITA-margin % | 8.3 | 9.7 | | 11.0 | 10.7 | | 10.9 | 10.7 |
| Profit after financial items | 179 | 193 | -7% | 772 | 619 | 25% | 1,020 | 865 |
| Profit for the period | 142 | 156 | -9% | 608 | 492 | 23% | 790 | 672 |
| Earnings per share before dilution, SEK | 2.05 | 2.25 | -9% | 8.95 | 7.20 | 24% | 11.60 | 9.85 |
| Earnings per share after dilution, SEK | 2.05 | 2.30 | -11% | 8.90 | 7.20 | 24% | 11.55 | 9.80 |
| Cash flow from operating activities per share, SEK | - | - | | - | - | | 11.30 | 7.80 |
| Return on equity, % | 31 | 29 | | 31 | 29 | | 31 | 29 |
| Equity ratio, % | 34 | 35 | | 34 | 35 | | 34 | 36 |

*Performance based figures for rolling 12 months in the income statement exclude the effect of IFRS 16.

Comparisons in parentheses refer to the corresponding period of the previous year, unless stated otherwise.

All figures in this report may have been affected by the introduction of IFRS 16 Leases. Read more about how Addtech has applied this new standard, and how the introduction affects the figures and other information presented in the report under Other disclosures on page 9.

CEO'S COMMENTS

THIRD QUARTER – GOOD PROGRESS DESPITE MAJOR CYBERATTACK

The third quarter was impacted by the cyberattack that hit 80 of Addtech's 130 companies on 30 October. Although the attack significantly impacted the efficiency of the affected companies, we increased our sales for the quarter by 12 percent, of which 5 percent was organic. As announced previously, the attack impacted EBITA for the quarter negatively by an estimated SEK 90 million in non-recurring expenses and lost revenue. Adjusted for this effect, our underlying profit growth during the quarter remained highly favourable. We can be very pleased with the fact that EBITA decreased only marginally compared with the third quarter of the preceding year.

Although the cyberattack affected the companies to a varying extent, all of them, were largely able to continue their operations by means of various alternative methods. Our employees truly demonstrated the strength inherent in Addtech's decentralised model. The creativity and team spirit shown by the companies in being able to continue delivering to customers, despite a criminal attack of this magnitude, make me both immensely proud and grateful. The kindness and understanding shown by customers also gave us additional motivation in these efforts. Our sincerest thanks! We are convinced that we can turn this experience to our advantage, and that the attack will ultimately become a parenthesis in our history.

Demand for Addtech's products and solutions remained good. Just as in the preceding quarter, the scenario varies between geographies and customer segments. Demand was still evening out at a high level in the engineering and special vehicle segments. We experienced stable demand for electricity-related products from building and installation customers, while sales to the telecom market were, on the whole, weaker than expected. Market segments where development remained favourable included components and solutions within energy segments (such as wind power, oil and gas), infrastructure investments and electronics, where sales increased.

Sales of our products and services for environmental improvement solutions have remained very strong. In terms of demand for new scrubber solutions projects, we discerned a sustained cautiousness among customers, and the attributable order backlog decreased during the quarter. However, based on our dialogue with customers, it is our assessment that demand will pick up again in the future.

From a geographical perspective, Finland and Norway experienced the best market conditions, while sales in Sweden and Denmark were stable. On the whole, our operations outside the Nordic region experienced a somewhat subdued market situation.

ACQUISITIONS

Since the beginning of the current year of operations, we have completed nine acquisitions in six different geographical markets. We continuously assess a large number of acquisition opportunities, both stand-alone companies and acquisitions supplementing our existing companies. Many privately owned companies consider Addtech as an attractive buyer as this allows them to retain decentralised responsibilities while being supported in their development by an active, long-term owner. In our view, future opportunities for maintaining a high acquisition pace remain favourable.

OUTLOOK

Over the past quarter, we continued our efforts to strengthen the connection between our sustainability work and the UN's global sustainability goals. Over the year, we have mapped all of our business operations onto the global goals and are able to conclude that we have already positioned ourselves very well in many niches driven particularly by developments in sustainability. Such positions safeguard our opportunities for continued profitable growth while also contributing to make society more sustainable. We perceive considerable opportunities to further position ourselves in sustainability niches in the future. The framework of sustainability also includes matters of security – including the issue of cybercrime. During the quarter, we experienced very tangibly how vulnerable online business community has become – and how difficult it is to protect oneself from attacks like this. In preventing this type of crime, we are convinced that increased transparency and greater cooperation, both within the business community and with the relevant public authorities, play an important part. For this reason, we will be sharing our experiences with others in various forums.

The quarter now concluded presented both challenges and opportunities. With our strong entrepreneurial culture, combined with favourable growth opportunities in several interesting areas of development, I take a very positive view of the future. Our broad exposure, both geographically and in terms of niche markets, convinces me that we will continue to develop steadily in the future, despite a cautious economy.

Niklas Stenberg
President and CEO



GROUP DEVELOPMENT

Sales development

Net sales in the Addtech Group increased in the third quarter by 12 percent to SEK 2,846 million (2,551). The organic growth amounted to 5 percent and acquired growth amounted to 6 percent. Exchange rate changes had a positive effect of 1 percent on net sales, corresponding to SEK 34 million.

Net sales in the Addtech Group increased during the period by 19 percent to SEK 8,697 million (7,284). The organic growth amounted to 11 percent and acquired growth amounted to 8 percent and disposal affected by -1 percent. Exchange rate changes had a positive effect of 1 percent on net sales, corresponding to SEK 99 million.

Profit development

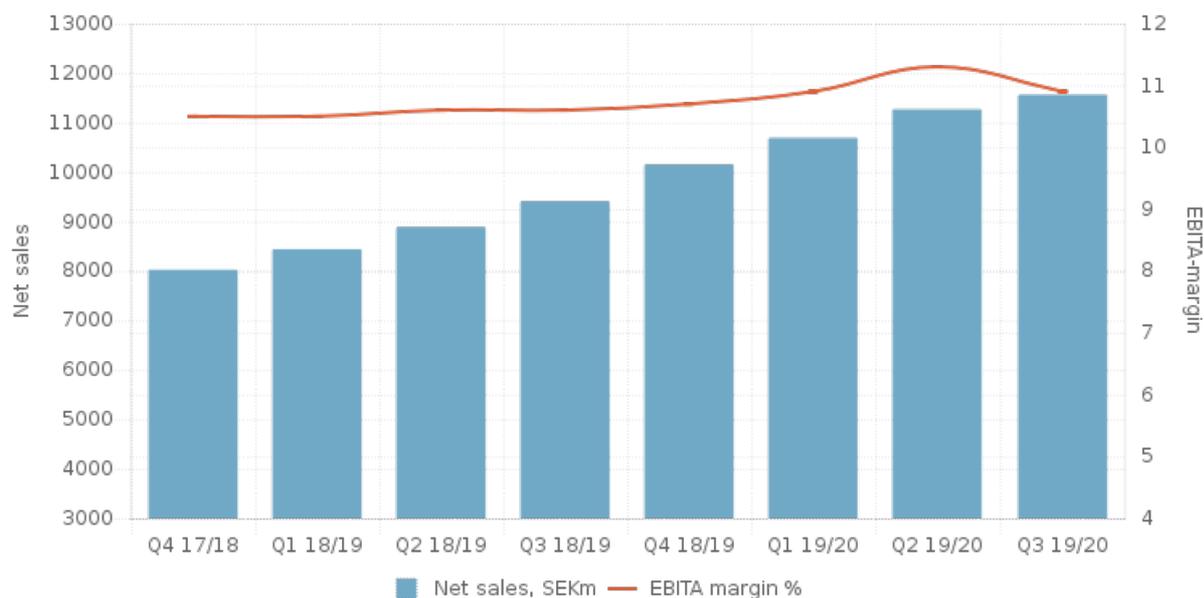
Operating profit decreased during the quarter by 7 percent to SEK 188 million (203) and the operating margin amounted to 6.6 percent (7.9). Net financial items amounted to SEK -9 million (-10). Profit after financial items decreased by 7 percent to SEK 179 million (193).

Profit after tax decreased by 9 percent to SEK 142 million (156) corresponding to earnings per share before dilution of SEK 2.05 (2.25).

EBITA for the period amounted to SEK 957 million (776), representing an increase of 23 percent. The introduction of IFRS 16 had a positive impact on EBITA of SEK 4 million. Operating profit increased during the period by 24 percent to SEK 809 million (650) and the operating margin amounted to 9.3 percent (8.9). Net financial items were SEK -37 million (-31) and profit after financial items increased by 25 percent to SEK 772 million (619). The introduction of IFRS 16 affected net financial items negatively by SEK -6 million.

Profit after tax for the period increased by 23 percent to SEK 608 million (492) and the effective tax rate amounted to 21 percent (20). The effect of IFRS 16 on profit after tax amounted to SEK -2 million. Earnings per share before dilution for the period amounted to SEK 8.95 (7.20). For the latest twelve month period, earnings per share before dilution amounted to SEK 11.60 (9.15).

Net sales and EBITA margin, rolling 12 months



DEVELOPMENT IN THE BUSINESS AREAS

AUTOMATION

Net sales in Automation increased in the third quarter by 22 percent to SEK 588 million (481) and EBITA increased by 6 percent to SEK 51 million (48). Net sales during the period increased by 24 percent to SEK 1,731 million (1,397) and EBITA increased by 18 percent to SEK 168 million (142).

Market

The Automation business area continued to experience good underlying demand, although this has evened out at a high level. In the business area's largest segments, mechanical industry and medical technology, the business situation remained positive and demand was stable with regard to deliveries of production components and automation solutions. Market conditions also favoured operations exposed to the defence industry, while demand in data and telecom continued to vary between geographical markets.

COMPONENTS

Net sales in Components increased in the third quarter by 2 percent to SEK 489 million (482) and EBITA amounted to SEK 41 million (45). Net sales during the period increased by 7 percent to SEK 1,504 million (1,407) and EBITA amounted to SEK 153 million (156).

Market

Demand for production components from Nordic manufacturers held at a good level despite still strong comparison figures from the preceding year. The market situation in Norway and Finland was favourable, and it remained stable in Denmark and Sweden. The companies in the business area still perceived a levelling-off in demand in the mechanical industry while the market situation for special vehicles was stable. The business situation was favourable in the electronics industry as well as in wind power, defence, oil and gas, and marine industries.

ENERGY

Net sales in Energy in the third quarter amounted to SEK 596 million (607) and EBITA increased by 14 percent to SEK 62 million (54). Net sales during the period increased by 6 percent to SEK 1,808 million (1,713) and EBITA increased by 17 percent to SEK 204 million (174).

Market

For the business area as a whole, the market situation remained positive. Demand for infrastructure products for national and regional grids held at a high level. Our units that sell niche products for electricity distribution perceived lower demand. Units serving the expansion of fibre-optic networks and the building and installation segments also noted some slackening in demand. Work on customer focus and streamlining continued to have a positive effect on operating margins.

INDUSTRIAL PROCESS

Net sales in Industrial Process increased in the third quarter by 33 percent to SEK 800 million (603) and EBITA increased by 100 percent to SEK 95 million (48). Net sales during the period increased by 55 percent to SEK 2,472 million (1,598) and EBITA increased by 124 percent to SEK 332 million (148).

Market

Sales of products and services for environmental improvement solutions in the marine segment remained at a very high level, while the quarter saw considerably lower demand for new projects. Organic growth had also given good leverage on margins in the third quarter. In manufacturing, demand in mechanical industry and special vehicles, as well as in the forest industry was somewhat lower during the quarter, while the business situation remained stable in other process industries.

POWER SOLUTIONS

Net sales in Power Solutions in the third quarter amounted to SEK 377 million (384) and EBITA amounted to SEK 36 million (56). Net sales during the period increased by 1 percent to SEK 1,196 million (1,183) and EBITA amounted to SEK 163 million (169).

Market

On the whole demand was stable during the quarter, although the business situation varied between different customer and product segments. The market for customised batteries remained highly positive, while demand in special vehicles, still declined somewhat from previously very high levels. Sales of power supply systems were lower in the third quarter, while demand for components for the wind power industry was stable. During the quarter, margins were negatively affected by the product mix and restructuring expenses.

OTHER FINANCIAL INFORMATION

Profitability, financial position and cash flow

The return on equity at the end of the period was 31 percent (29), and return on capital employed was 20 percent (21). Return on working capital P/WC (EBITA in relation to working capital) amounted to 54 percent (53).

At the end of the period the equity ratio amounted to 34 percent (35). The implementation of IFRS 16 had a negative effect and increased the balance sheet total by SEK 527 million. Equity per share, excluding non-controlling interest, totalled SEK 39.60 (33.05). The Group's net debt at the end of the period amounted to SEK 2,389 million (1,808), excluding pension liabilities of SEK 373 million (252), including leasing liabilities from IFRS 16 totalling SEK 529 million. The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions but including leasing liabilities according to IFRS 16, amounted to 0.9 (0.8).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 861 million (477) at 31 December 2019.

Cash flow from operating activities amounted to SEK 667 million (320) during the period. The implementation of IFRS 16 has increased cash flow from operating activities by SEK 112 million and decreased cash flow from financing activities by the corresponding amount, on account of the fact that the amortization portion of lease payments is recognized as payments in the financing activities. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 310 million (555). Investments in noncurrent assets totalled SEK 78 million (49) and disposal of non-current assets amounted to SEK 4 million (10). Dividend from associated companies amounted to SEK 1 million (2). Repurchase of treasury shares amounted to SEK 42 million (38) and repurchase of call options amounted to SEK 23 million (11). Exercised and issued call options totalled SEK 31 million (27). Dividends paid to the shareholders of the Parent Company totalled SEK 336 million (269), corresponding to SEK 5.00 (4.00) per share. The dividend was paid out in the second quarter.

Employees

At the end of the period, the number of employees was 2,931, compared to 2,759 at the beginning of the financial year. During the period, completed acquisitions and disposals resulted in a net increase of the number of employees by 135. The average number of employees in the latest 12-month period was 2,849.

Ownership structure

At the end of the period the share capital amounted to SEK 51.1 million.

| Class of shares | Number of shares | Number of votes | Percentage of capital | Percentage of votes |
|--|-------------------|-------------------|-----------------------|---------------------|
| Class A shares, 10 votes per share | 3,229,500 | 32,295,000 | 4.7% | 33.2% |
| Class B shares, 1 vote per share | 64,968,996 | 64,968,996 | 95.3% | 66.8% |
| Total number of shares before repurchases | 68,198,496 | 97,263,996 | 100.0% | 100.0% |
| Repurchased class B shares | -1,104,918 | | 1.6% | 1.1% |
| Total number of shares after repurchases | 67,093,578 | | | |

Addtech has four outstanding call option programmes for a total of 1,062,000 shares. Call options issued on repurchased shares entail a dilution effect of about 0.2 percent during the latest 12-month period. Addtech's own shareholdings fully meet the needs of the outstanding call option programmes.

| Outstanding programme | Number of options | Corresponding number of shares | Proportion of total shares | Exercise price | Expiration period |
|-----------------------|-------------------|--------------------------------|----------------------------|----------------|--------------------------|
| 2019/2023 | 300,000 | 300,000 | 0.4% | 321.80 | 5 Sep 2022 - 2 Jun 2023 |
| 2018/2022 | 300,000 | 300,000 | 0.4% | 232.90 | 6 Sep 2021 - 3 Jun 2022 |
| 2017/2021 | 300,000 | 300,000 | 0.4% | 178.50 | 14 Sep 2020 - 4 Jun 2021 |
| 2016/2020 | 162,000 | 162,000 | 0.2% | 159.00 | 16 Sep 2019 - 5 Jun 2020 |
| Total | 1,062,000 | 1,062,000 | | | |

Acquisitions and disposals

During the period, 1 April to 30 September 2019 the following acquisitions were completed; Omni Ray AG, Thiim A/S and Promector Oy to become part of the Automation business area, Thurne Teknik AB, AB N.O. Rönne and BKC Products Ltd. to become part of the Industrial Process business area, Best Seating Systems Walter Tausch GmbH to become part of the Power Solutions business area and Profelec Oy to become part of the Energy business area.

During the third quarter, no company acquisitions took place.

The purchase price allocation calculations for the acquisitions completed during the period 1 April – 31 December 2018 have now been finalised. No significant adjustments have been made to the calculations. Acquisitions completed as of the 2018/2019 financial year are distributed among the Group's business areas as follows:

| Acquisitions (disposals) | Closing | Net sales, SEKm* | Number of employees* | Business Area |
|---|-----------------|------------------|----------------------|--------------------|
| Synthecs Group, Netherlands** | April, 2018 | 145 | 50 | Automation |
| Xi Instrument AB, Sweden | April, 2018 | 13 | 2 | Energy |
| KRV AS, Norway | April, 2018 | 55 | 27 | Industrial Process |
| Scanwill Fluid Power ApS, & Willtech ApS, Denmark | April, 2018 | 15 | 4 | Components |
| Duelco A/S, Denmark | July, 2018 | 150 | 30 | Energy |
| Prisma Teknik AB and Prisma Light AB, Sweden | July, 2018 | 70 | 27 | Energy |
| Fibersystem AB, Sweden** | July, 2018 | 140 | 12 | Automation |
| TLS Energimätning AB, Sweden | July, 2018 | 50 | 9 | Industrial Process |
| Diamond Point International (Europe) Ltd, Great Britain** | July, 2018 | 40 | 9 | Automation |
| Power Technic ApS, Denmark | July, 2018 | 50 | 6 | Power Solutions |
| (Solar Supply Sweden AB, Sweden) | (August, 2018) | (80) | (5) | (Power Solutions) |
| Nordautomation Oy, Finland | September, 2018 | 155 | 85 | Industrial Process |
| Wood Recycling Sweden AB, Sweden | October, 2018 | 7 | 2 | Industrial Process |
| Nylund Industrial Electronics (assets and liabilities), Finland | January, 2019 | 35 | 3 | Components |
| Birepo A/S, Denmark | January, 2019 | 35 | 10 | Components |
| Omni Ray AG, Switzerland | April, 2019 | 330 | 65 | Automation |
| Thurne Teknik AB, Sweden | April, 2019 | 100 | 19 | Industrial Process |
| AB N.O. Rönne, Sweden | April, 2019 | 8 | 4 | Industrial Process |
| Best Seating Systems Walter Tausch GmbH, Austria | May, 2019 | 23 | 5 | Power Solutions |
| Thiim A/S, Denmark | June, 2019 | 70 | 15 | Automation |
| Profelec Oy, Finland | July, 2019 | 6 | 2 | Energy |
| BKC Products Ltd., Great Britain | August, 2019 | 12 | 5 | Industrial Process |
| Promector Oy, Finland | August, 2019 | 24 | 20 | Automation |
| Wireco-NB Oy, Finland | February, 2020 | 23 | 6 | Energy |

* Refers to assessed condition at the time of acquisition and disposal, respectively, on a full-year basis.

**Previous to April 1, 2019, the company belonged to the Components business area.

If all acquisitions which have taken effect during the period had been completed on 1 April 2019, their impact would have been an estimated SEK 390 million on Group net sales, about SEK 10 million on operating profit and about SEK 7 million on profit after tax for the period.

Addtech normally employs an acquisition structure comprising basic purchase consideration and contingent consideration. The outcome of contingent purchase considerations is determined by the future earnings reached by the companies and is subject to a fixed maximum level. Of considerations not yet paid for acquisitions during the period, the discounted value amounts to SEK 31 million. The contingent purchase considerations fall due for payment within three years and the outcome is subject to a maximum of SEK 43 million.

Transaction costs for acquisitions that resulted in an ownership transfer during the period, amounted to SEK 3 million (6) and are reported under Selling expenses.

Revaluation of contingent consideration had a positive net effect of SEK 22 million (11) during the period. The impact on profits are reported under Other operating income and Other operating expenses, respectively.

According to the preliminary acquisitions analyses, the assets and liabilities included in the acquisitions were as follows, during the period:

| | Carrying amount at acquisition date | Adjustment to fair value | Fair value |
|--|--|-----------------------------|------------|
| Intangible non-current assets | 0 | 132 | 132 |
| Other non-current assets | 10 | - | 10 |
| Inventories | 68 | - | 68 |
| Other current assets | 127 | - | 127 |
| Deferred tax liability/tax asset | 0 | -17 | -17 |
| Other liabilities | -87 | -52 | -139 |
| Acquired net assets | 118 | 63 | 181 |
| Goodwill | | | 129 |
| Non-controlling interests | | | -3 |
| Consideration 1) | | | 307 |
| Less: cash and cash equivalents in acquired businesses | | | -31 |
| Less: consideration not yet paid | | | -40 |
| Effect on the Group's cash and cash equivalents | | | 236 |

1) The consideration is stated excluding acquisition expenses.

Parent Company

Parent Company net sales amounted to SEK 47 million (45) and profit after financial items was SEK -41 million (-12). Net investments in non-current assets were SEK 0 million (0). The Parent Company's financial net debt was SEK 328 million (150) at the end of the period.

OTHER DISCLOSURES

Accounting policies

This interim report was prepared in accordance with IFRS and IAS 34 Interim Financial Reporting. Disclosures under IAS 34.16A are made not only in the financial statements, with associated notes, but 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 and the Swedish Securities Market Act, which complies with recommendation RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The same accounting policies and basis for calculations as in the latest annual report have been applied in this interim report, with the exception of the amended accounting policies described below.

As of 1 January 2019, IFRS 16 Leases has replaced standard IAS 17 Leases and related interpretations IFRIC 4, SIC 15 and SIC 27. IFRS 16 requires most leases to be reported in the balance sheet.

Addtech applied the simplified transition method, entailing comparative data for previous periods not being presented. The lease liability consists of the discounted remaining leasing fees as of 1 April 2019. For all contracts, the right-of-use asset corresponds to an amount equivalent to the lease liability adjusted for prepaid or accrued lease payments recognised in the balance sheet on the initial date of application. Accordingly, the transition to IFRS 16 entailed no effect on equity.

Addtech's leases consist mainly of leased premises but also vehicles and other leases (of, for example, production equipment and office equipment). The transition to IFRS 16 entailed an increase in the Group's total assets through the addition of right-of-use assets and lease liabilities. The lease fees previously reported as operating expenses was replaced by depreciation expenses on the rights-of-use which are reported in operating profit and interest on the lease liability, which is reported as a financial expense. The lease fee is divided between amortisation on the lease liability and interest payments.

Addtech has chosen to apply the relief rule regarding leases of less than 12 months and for contracts where the underlying asset has a low value. Accordingly, these will not be included in the amounts reported in the balance sheet, although they will still be reported as operating expenses in the income statement. In assessing contract duration where there are opportunities for extension or termination, both business strategy and contract-specific conditions are considered in determining whether the Group is reasonably secure in applying them.

On the transition to IFRS 16, all remaining lease fees were calculated applying the margin loan rate. The transition effect on the balance sheet as of 1 April 2019 entailed right-of-use assets of SEK 550 million arising on the asset side. On the liability side, lease liabilities totalling SEK 550 million arose, of which non-current liabilities amounted to SEK 408 million and current liabilities to SEK 142 million.

During the period IFRS 16 has entailed increased depreciation expenses on property, plant and equipment amounting to SEK 114 million and increased interest amounting to SEK 6 million. The lease fees were previously reported as operating expenses.

The performance based figures for rolling 12 months exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period. In the Group's balance sheet and the table of key financial indicators, performance based figures for rolling 12 months as well as assets and liabilities are also presented as if IFRS 16 was never applied to illustrate the effect of the transition.

Alternative performance measures

The Company 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. Since all companies do not calculate financial measures in the same way, they 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. For definitions and reconciliation tables of the performance measures that Addtech uses, please see page 18-21.

Risks and factors of uncertainty

Addtech's profit and financial position, as well as its strategic position, are affected by a number of internal factors under Addtech's control and by a number of external factors over which Addtech has limited influence. The most important risk factors for Addtech are the state of the economy, combined with structural change and the competitive situation. Addtech has four operating subsidiaries within the UK as well as a few other subsidiaries doing business with the UK.

The effects of Brexit are to this date unknown, but all affected subsidiaries are closely monitoring the developments. Addtech Group's total exposure to possible negative effects from Brexit are not considered material. Beside this, risks and uncertainty factors are the same as in previous periods, please see section Risks and uncertainties (page 38-40) in the annual report for 2018/2019 for further details. The Parent Company is indirectly affected by the above risks and uncertainty factors due to its role in the organisation.

Transactions with related parties

No transactions between Addtech and related parties that have significantly affected the Group's position and earnings have taken place during the period.

Seasonal effects

Addtech's sales of high-tech products and solutions in the manufacturing industry and infrastructure are not subject to major seasonal variations. The number of production days and customers' demand and willingness to invest can vary over the quarters.

Nomination committee

The 2019 Annual General Meeting authorised the Board Chairman to establish a nomination committee for upcoming elections to the Board, by appointing members among representatives of the five shareholders who controlled the largest number of votes in the Company at 31 December 2019, to serve with the Chairman on the nomination committee. In accordance with the above, the committee comprises these appointed members: Anders Börjesson (Chairman of the Board), Tom Hedelius, Åsa Nisell (appointed by Swedbank Robur Fonder), Per Trygg (appointed by SEB Investment Management) and Mats Gustafsson (appointed by Lannebo Fonder). Information on how to contact the committee is available on the Addtech website.

Events after the end of the period

On 3 February, Wireco-NB Oy, Finland, was acquired to become part of the Energy business area. Wireco is a supplier of special cables and cabling accessories for industrial and mining applications mainly in Finland. The company has sales of about EUR 2.2 million and 6 employees.

Preliminary purchase price allocations has not yet been completed.

Stockholm February 5, 2020

Niklas Stenberg
CEO and President

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

FURTHER INFORMATION

Publication

This information is information that Addtech 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 persons set out below, at 8.15 a.m CET on 5 February 2020.

Future information

2020-05-13 Year-end report 1 April 2019 - 31 March 2020
2020-07-14 Interim report 1 April - 30 June 2020
2020-08-28 Annual General Meeting 2020 will be held at IVA, Grev Turegatan 16, Stockholm at 2.00 p.m

The Group's annual report for 2019/2020 will be published on Addtech's website in July 2020

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BUSINESS AREA

| Net sales by business area | 2019/2020 | | | | 2018/2019 | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Automation | 588 | 552 | 591 | 549 | 481 | 444 | 472 |
| Components | 489 | 511 | 504 | 553 | 482 | 451 | 474 |
| Energy | 596 | 593 | 619 | 644 | 607 | 571 | 535 |
| Industrial Process | 800 | 865 | 807 | 707 | 603 | 497 | 498 |
| Power Solutions | 377 | 402 | 417 | 414 | 384 | 380 | 419 |
| Group items | -4 | -6 | -4 | -3 | -6 | -5 | -3 |
| Addtech Group | 2,846 | 2,917 | 2,934 | 2,864 | 2,551 | 2,338 | 2,395 |

| EBITA by business area | 2019/2020 | | | | 2018/2019 | | |
|--|------------|------------|------------|------------|------------|------------|------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Automation | 51 | 57 | 60 | 52 | 48 | 45 | 49 |
| Components | 41 | 58 | 54 | 64 | 45 | 53 | 58 |
| Energy | 62 | 75 | 67 | 70 | 54 | 64 | 56 |
| Industrial Process | 95 | 134 | 103 | 71 | 48 | 50 | 50 |
| Power Solutions | 36 | 62 | 65 | 54 | 56 | 56 | 57 |
| Group items | -49 | -6 | -8 | -2 | -5 | 2 | -10 |
| EBITA | 236 | 380 | 341 | 309 | 246 | 270 | 260 |
| Depr. of intangible non-current assets | -48 | -51 | -49 | -49 | -43 | -44 | -39 |
| – of which acquisitions | -47 | -49 | -47 | -47 | -42 | -42 | -38 |
| Operating profit | 188 | 329 | 292 | 260 | 203 | 226 | 221 |

| Net sales | 3 months | | 9 months | | Rolling 12 months | |
|----------------------|--------------|--------------|--------------|--------------|-------------------|---------------|
| | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Mar 2019 |
| Automation | 588 | 481 | 1,731 | 1,397 | 2,280 | 1,946 |
| Components | 489 | 482 | 1,504 | 1,407 | 2,057 | 1,960 |
| Energy | 596 | 607 | 1,808 | 1,713 | 2,452 | 2,357 |
| Industrial Process | 800 | 603 | 2,472 | 1,598 | 3,179 | 2,305 |
| Power Solutions | 377 | 384 | 1,196 | 1,183 | 1,610 | 1,597 |
| Group items | -4 | -6 | -14 | -14 | -17 | -17 |
| Addtech Group | 2,846 | 2,551 | 8,697 | 7,284 | 11,561 | 10,148 |

| EBITA and EBITA-margin | 3 months | | | | 9 months | | | | Rolling 12 months | | | |
|--|-------------|------------|-------------|------------|-------------|-------------|-------------|-------------|-------------------|-------------|--------------|-------------|
| | 31 Dec 2019 | | 31 Dec 2018 | | 31 Dec 2019 | | 31 Dec 2018 | | 31 Dec 2019 | | 31 Mar 2019 | |
| | SEKm | % | SEKm | % | SEKm | % | SEKm | % | SEKm | % | SEKm | % |
| Automation | 51 | 8.7 | 48 | 10.0 | 168 | 9.7 | 142 | 10.2 | 219 | 9.6 | 194 | 10.0 |
| Components | 41 | 8.3 | 45 | 9.4 | 153 | 10.2 | 156 | 11.1 | 216 | 10.5 | 220 | 11.2 |
| Energy | 62 | 10.3 | 54 | 8.9 | 204 | 11.3 | 174 | 10.1 | 273 | 11.1 | 244 | 10.4 |
| Industrial Process | 95 | 11.9 | 48 | 7.9 | 332 | 13.4 | 148 | 9.3 | 402 | 12.6 | 219 | 9.5 |
| Power Solutions | 36 | 9.7 | 56 | 14.7 | 163 | 13.6 | 169 | 14.3 | 217 | 13.5 | 223 | 14.0 |
| Group items | -49 | | -5 | | -63 | | -13 | | -65 | | -15 | |
| EBITA | 236 | 8.3 | 246 | 9.7 | 957 | 11.0 | 776 | 10.7 | 1,262 | 10.9 | 1,085 | 10.7 |
| Depr. of intangible non-current assets | -48 | | -43 | | -148 | | -126 | | -197 | | -175 | |
| – of which acquisitions | -47 | | -42 | | -143 | | -122 | | -190 | | -169 | |
| Operating profit | 188 | 6.6 | 203 | 7.9 | 809 | 9.3 | 650 | 8.9 | 1,065 | 9.2 | 910 | 9.0 |

DISAGGREGATION OF REVENUE

| Net sales by the subsidiaries geographical location | | 3 months | | | | | |
|--|------------|-------------|------------|-----------------------|--------------------|-------------|------------------|
| | | 31 Dec 2019 | | | | | |
| SEKm | Automation | Components | Energy | Industrial Process | Power Solutions | Group items | Addtech Group |
| Sweden | 194 | 188 | 202 | 183 | 229 | -1 | 995 |
| Denmark | 135 | 130 | 134 | 108 | 22 | -3 | 526 |
| Finland | 82 | 110 | 41 | 160 | 28 | 0 | 421 |
| Norway | 48 | 57 | 147 | 176 | 27 | 0 | 455 |
| Europe | 122 | 1 | 66 | 61 | 47 | - | 297 |
| Other countries | 7 | 3 | 6 | 112 | 24 | 0 | 152 |
| Total | 588 | 489 | 596 | 800 | 377 | -4 | 2,846 |

| Net sales by the subsidiaries geographical location | | 9 months | | | | | |
|--|--------------|--------------|--------------|-----------------------|--------------------|-------------|------------------|
| | | 31 Dec 2019 | | | | | |
| SEKm | Automation | Components | Energy | Industrial Process | Power Solutions | Group items | Addtech Group |
| Sweden | 514 | 598 | 600 | 590 | 736 | -4 | 3,034 |
| Denmark | 404 | 402 | 418 | 421 | 70 | -8 | 1,707 |
| Finland | 246 | 332 | 135 | 492 | 86 | -1 | 1,290 |
| Norway | 166 | 164 | 440 | 540 | 79 | -1 | 1,388 |
| Europe | 390 | 5 | 208 | 190 | 151 | - | 944 |
| Other countries | 11 | 3 | 7 | 239 | 74 | 0 | 334 |
| Total | 1,731 | 1,504 | 1,808 | 2,472 | 1,196 | -14 | 8,697 |

| Net sales by the subsidiaries geographical location | | 3 months | | | | | |
|--|------------|-------------|------------|-----------------------|--------------------|-------------|------------------|
| | | 31 Dec 2018 | | | | | |
| SEKm | Automation | Components | Energy | Industrial Process | Power Solutions | Group items | Addtech Group |
| Sweden | 175 | 213 | 208 | 187 | 248 | -2 | 1,029 |
| Denmark | 116 | 132 | 125 | 134 | 21 | -2 | 526 |
| Finland | 92 | 86 | 44 | 92 | 28 | 0 | 342 |
| Norway | 49 | 49 | 158 | 97 | 27 | -1 | 379 |
| Europe | 47 | 2 | 72 | 65 | 39 | - | 225 |
| Other countries | 2 | - | - | 28 | 21 | -1 | 50 |
| Total | 481 | 482 | 607 | 603 | 384 | -6 | 2,551 |

| Net sales by the subsidiaries geographical location | | 9 months | | | | | |
|--|--------------|--------------|--------------|-----------------------|--------------------|-------------|------------------|
| | | 31 Dec 2018 | | | | | |
| SEKm | Automation | Components | Energy | Industrial Process | Power Solutions | Group items | Addtech Group |
| Sweden | 468 | 616 | 578 | 529 | 786 | -6 | 2,971 |
| Denmark | 349 | 388 | 335 | 379 | 49 | -6 | 1,494 |
| Finland | 275 | 247 | 119 | 217 | 80 | 0 | 938 |
| Norway | 162 | 148 | 465 | 221 | 74 | -1 | 1,069 |
| Europe | 138 | 8 | 216 | 185 | 133 | - | 680 |
| Other countries | 5 | - | - | 67 | 61 | -1 | 132 |
| Total | 1,397 | 1,407 | 1,713 | 1,598 | 1,183 | -14 | 7,284 |

CONSOLIDATED INCOME STATEMENT, CONDENSED

| SEKm | 3 months | | 9 months | | Rolling 12 months | |
|--|----------------|----------------|----------------|----------------|-------------------|----------------|
| | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Mar 2019 |
| Net sales | 2,846 | 2,551 | 8,697 | 7,284 | 11,561 | 10,148 |
| Cost of sales | -1,984 | -1,763 | -6,006 | -5,028 | -8,005 | -7,025 |
| Gross profit | 862 | 788 | 2,691 | 2,256 | 3,556 | 3,123 |
| Selling expenses | -480 | -447 | -1,386 | -1,220 | -1,844 | -1,677 |
| Administrative expenses | -204 | -151 | -536 | -410 | -692 | -565 |
| Other operating income and expenses | 10 | 13 | 40 | 24 | 45 | 29 |
| Operating profit | 188 | 203 | 809 | 650 | 1,065 | 910 |
| - as % of net sales | 6.6 | 7.9 | 9.3 | 8.9 | 9.2 | 9.0 |
| Financial income and expenses | -9 | -10 | -37 | -31 | -45 | -45 |
| Profit after financial items | 179 | 193 | 772 | 619 | 1,020 | 865 |
| - as % of net sales | 6.3 | 7.5 | 8.9 | 8.5 | 8.8 | 8.5 |
| Income tax expense | -37 | -37 | -164 | -127 | -230 | -193 |
| Profit for the period | 142 | 156 | 608 | 492 | 790 | 672 |
| Profit for the period attributable to: | | | | | | |
| Equity holders of the Parent Company | 139 | 152 | 600 | 483 | 779 | 660 |
| Non-controlling interests | 3 | 4 | 8 | 9 | 11 | 12 |
| Earnings per share before dilution, SEK | 2.05 | 2.25 | 8.95 | 7.20 | 11.60 | 9.85 |
| Earnings per share after dilution, SEK | 2.05 | 2.30 | 8.90 | 7.20 | 11.55 | 9.80 |
| Average number of shares after repurchases, '000s | 67,086 | 66,990 | 67,128 | 67,051 | 67,104 | 67,047 |
| Number of shares after repurchases at end of the period, '000s | 67,094 | 67,009 | 67,094 | 67,009 | 67,094 | 67,057 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| SEKm | 3 months | | 9 months | | Rolling 12 months | |
|--|----------------|----------------|----------------|----------------|-------------------|----------------|
| | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Mar 2019 |
| Profit for the period | 142 | 156 | 608 | 492 | 790 | 672 |
| <i>Items that may be reclassified to profit or loss</i> | | | | | | |
| Cash flow hedges | -3 | 0 | -1 | -1 | 0 | 0 |
| Foreign currency translation differences for the period | -61 | -50 | 5 | -40 | 82 | 37 |
| <i>Items that will not be reclassified to profit or loss</i> | | | | | | |
| Actuarial effects of the net pension obligation | - | - | -46 | -18 | -52 | -24 |
| Other comprehensive income | -64 | -50 | -42 | -59 | 30 | 13 |
| Total comprehensive income | 78 | 106 | 566 | 433 | 820 | 685 |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the Parent Company | 76 | 103 | 557 | 425 | 806 | 672 |
| Non-controlling interests | 2 | 3 | 9 | 8 | 14 | 13 |

CONSOLIDATED BALANCE SHEET, CONDENSED

| SEKm | 31 Dec 2019 | 31 Dec 2019* | 31 Dec 2018 | 31 Mar 2019 |
|--|--------------|--------------|--------------|--------------|
| Goodwill | 1,896 | 1,896 | 1,716 | 1,767 |
| Other intangible non-current assets | 1,183 | 1,183 | 1,169 | 1,186 |
| Property, plant and equipment | 824 | 298 | 255 | 270 |
| Financial non-current assets | 60 | 59 | 43 | 45 |
| Total non-current assets | 3,963 | 3,436 | 3,183 | 3,268 |
| Inventories | 1,623 | 1,623 | 1,403 | 1,417 |
| Current receivables | 2,126 | 2,126 | 1,674 | 2,065 |
| Cash and cash equivalents | 316 | 316 | 238 | 295 |
| Total current assets | 4,065 | 4,065 | 3,315 | 3,777 |
| Total assets | 8,028 | 7,501 | 6,498 | 7,045 |
| Total equity | 2,710 | 2,712 | 2,262 | 2,520 |
| Interest-bearing provisions | 373 | 373 | 252 | 260 |
| Non-interest-bearing provisions | 328 | 328 | 347 | 353 |
| Non-current interest-bearing liabilities | 1,354 | 978 | 704 | 719 |
| Non-current non-interest-bearing liabilities | 9 | 9 | 12 | 12 |
| Total non-current liabilities | 2,064 | 1,688 | 1,315 | 1,344 |
| Non-interest-bearing provisions | 40 | 40 | 35 | 47 |
| Current interest-bearing liabilities | 1,351 | 1,198 | 1,342 | 1,277 |
| Current non-interest-bearing liabilities | 1,863 | 1,863 | 1,544 | 1,857 |
| Total current liabilities | 3,254 | 3,101 | 2,921 | 3,181 |
| Total equity and liabilities | 8,028 | 7,501 | 6,498 | 7,045 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

| SEKm | 31 Dec 2019 | 31 Dec 2019* | 31 Dec 2018 | 31 Mar 2019 |
|---|--------------|--------------|--------------|--------------|
| Opening balance | 2,520 | 2,520 | 2,131 | 2,131 |
| Exercised, issued and repurchased options | 8 | 8 | 16 | 22 |
| Repurchase of treasury shares | -42 | -42 | -38 | -38 |
| Dividend, ordinary | -336 | -336 | -269 | -269 |
| Dividend, non-controlling interests | -10 | -10 | -9 | -9 |
| Change non-controlling interests | 4 | 4 | -2 | -2 |
| Total comprehensive income | 566 | 568 | 433 | 685 |
| Closing balance | 2,710 | 2,712 | 2,262 | 2,520 |

*The figures in the balance sheet exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

| SEKm | 3 months | | 9 months | | Rolling 12 months | |
|---|----------------|----------------|----------------|----------------|-------------------|----------------|
| | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Mar 2019 |
| Profit after financial items | 179 | 193 | 772 | 619 | 1,020 | 865 |
| Adjustment for items not included in cash flow | 93 | 53 | 278 | 147 | 246 | 229 |
| Income tax paid | -71 | -96 | -187 | -182 | -235 | -230 |
| Changes in working capital | -53 | 25 | -196 | -264 | -272 | -340 |
| Cash flow from operating activities | 148 | 175 | 667 | 320 | 759 | 524 |
| Net investments in non-current assets | -16 | -16 | -73 | -37 | -116 | -80 |
| Acquisitions and disposals | -15 | -55 | -310 | -555 | -400 | -645 |
| Cash flow from investing activities | -31 | -71 | -383 | -592 | -516 | -725 |
| Dividend paid to shareholders | - | - | -336 | -269 | -336 | -269 |
| Repurchase of own shares/change of options | 8 | 9 | -34 | -22 | -28 | -16 |
| Other financing activities | -64 | -119 | 103 | 609 | 185 | 579 |
| Cash flow from financing activities | -56 | -110 | -267 | 318 | -179 | 294 |
| Cash flow for the period | 61 | -6 | 17 | 46 | 64 | 93 |
| Cash and cash equivalents at beginning of period | 258 | 246 | 295 | 192 | 238 | 192 |
| Exchange differences on cash and cash equivalents | -3 | -2 | 4 | 0 | 14 | 10 |
| Cash and cash equivalents at end of period | 316 | 238 | 316 | 238 | 316 | 295 |

FAIR VALUES ON FINANCIAL INSTRUMENTS

| SEKm | 31 Dec 2019 | | | 31 Mar 2019 | | |
|--|-----------------|----------|------------|-----------------|----------|------------|
| | Carrying amount | Level 2 | Level 3 | Carrying amount | Level 2 | Level 3 |
| Derivatives - fair value, hedge instruments | 1 | 1 | - | 2 | 2 | - |
| Derivatives - fair value through profit | 4 | 4 | - | 1 | 1 | - |
| Total financial assets at fair value per level | 5 | 5 | - | 3 | 3 | - |
| Derivatives - fair value, hedge instruments | 1 | 1 | - | 0 | 0 | - |
| Derivatives - fair value through profit | 2 | 2 | - | 2 | 2 | - |
| Contingent considerations - fair value through profit | 150 | - | 150 | 198 | - | 198 |
| Total financial liabilities at fair value per level | 153 | 3 | 150 | 200 | 2 | 198 |

The fair value and carrying amount are recognised 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 | 31 Dec 2019 | 31 Mar 2019 |
|---------------------------------|-------------|-------------|
| Opening balance | 198 | 215 |
| Acquisitions during the year | 30 | 84 |
| Reversed through profit or loss | -22 | -8 |
| Consideration paid | -62 | -105 |
| Interest expenses | 5 | 10 |
| Exchange differences | 1 | 2 |
| Closing balance | 150 | 198 |

KEY FINANCIAL INDICATORS

| | 12 months ending | | | | | |
|--|------------------|------------------|----------------|----------------|----------------|----------------|
| | 31 Dec 2019* | 31 Dec 2019** | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2018 | 31 Mar 2017 |
| Net sales, SEKm | 11,561 | 11,561 | 10,148 | 9,405 | 8,022 | 7,178 |
| EBITDA, SEKm | 1,318 | 1,318 | 1,137 | 1,047 | 881 | 755 |
| EBITA, SEKm | 1,262 | 1,262 | 1,085 | 997 | 838 | 715 |
| EBITA-margin, SEKm | 10.9 | 10.9 | 10.7 | 10.6 | 10.5 | 10.0 |
| Operating profit, SEKm | 1,065 | 1,065 | 910 | 834 | 701 | 604 |
| Operating margin, % | 9.2 | 9.2 | 9.0 | 8.9 | 8.7 | 8.4 |
| Profit after financial items, SEKm | 1,020 | 1,020 | 865 | 787 | 665 | 580 |
| Profit for the period, SEKm | 790 | 790 | 672 | 625 | 526 | 450 |
| Working capital | 2,348 | 2,348 | 2,029 | 1,899 | 1,591 | 1,362 |
| Return on working capital (P/WC), % | 54 | 54 | 53 | 53 | 53 | 53 |
| Return on equity, % | 31 | 31 | 29 | 29 | 28 | 28 |
| Return on capital employed, % | 20 | 22 | 21 | 21 | 22 | 23 |
| Equity ratio, % | 34 | 36 | 36 | 35 | 39 | 39 |
| Net debt, incl pensions, SEKm | 2,762 | 2,233 | 1,960 | 2,060 | 1,405 | 1,011 |
| Net debt, incl pensions / equity ratio, multiple | 1.0 | 0.8 | 0.8 | 0.9 | 0.7 | 0.6 |
| Net debt, incl pensions / EBITDA, multiple | 2.1 | 1.7 | 1.7 | 2.0 | 1.6 | 1.3 |
| Net debt excl. pensions, SEKm | 2,389 | 1,860 | 1,700 | 1,808 | 1,176 | 801 |
| Net debt, excl pensions / equity ratio, multiple | 0.9 | 0.7 | 0.7 | 0.8 | 0.6 | 0.5 |
| Interest coverage ratio, multiple | 23.9 | 23.9 | 22.1 | 21.4 | 22.7 | 23.9 |
| Average number of employees | 2,849 | 2,849 | 2,590 | 2,501 | 2,283 | 2,133 |
| Number of employees at end of the period | 2,931 | 2,931 | 2,759 | 2,684 | 2,358 | 2,176 |

KEY FINANCIAL INDICATORS PER SHARE

| SEK | 12 months ending | | | | |
|---|------------------|----------------|----------------|----------------|----------------|
| | 31 Dec 2019* | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2018 | 31 Mar 2017 |
| Earnings per share before dilution | 11.60 | 9.85 | 9.15 | 7.70 | 6.60 |
| Earnings per share after dilution | 11.55 | 9.80 | 9.15 | 7.65 | 6.55 |
| Cash flow from operating activities per share | 11.30 | 7.80 | 7.05 | 8.05 | 8.25 |
| Shareholders' equity per share | 39.60 | 36.80 | 33.05 | 31.10 | 25.45 |
| Share price at the end of the period | 303.00 | 193.00 | 158.20 | 168.00 | 148.50 |
| Average number of shares after repurchases, '000s | 67,104 | 67,047 | 67,033 | 66,950 | 66,824 |
| Average number of shares adjusted for repurchases and dilution, '000s | 67,243 | 67,189 | 67,170 | 67,178 | 67,008 |
| Number of shares outstanding at end of the period, '000s | 67,094 | 67,057 | 67,009 | 66,992 | 66,824 |

*Performance based figures for rolling 12 months in the income statement exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period.

**Performance based figures for rolling 12 months in the income statement as well as the figures in the balance sheet exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period.

For definitions of key financial indicators, see page 18-20.

PARENT COMPANY INCOME STATEMENT

| SEKm | 3 months | | 9 months | | Rolling 12 months | |
|--|----------------|----------------|----------------|----------------|-------------------|----------------|
| | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Mar 2019 |
| Net sales | 17 | 15 | 47 | 45 | 64 | 62 |
| Administrative expenses | -46 | -20 | -91 | -65 | -110 | -84 |
| Operating profit/loss | -29 | -5 | -44 | -20 | -46 | -22 |
| Interest income and expenses and similar items | 3 | 4 | 3 | 8 | 1 | 6 |
| Profit after financial items | -26 | -1 | -41 | -12 | -45 | -16 |
| Appropriations | - | - | - | - | 278 | 278 |
| Profit before taxes | -26 | -1 | -41 | -12 | 233 | 262 |
| Income tax expense | 5 | 0 | 8 | 2 | -53 | -59 |
| Profit for the period | -21 | -1 | -33 | -10 | 180 | 203 |
| Total comprehensive income | -21 | -1 | -33 | -10 | 180 | 203 |

PARENT COMPANY BALANCE SHEET

| SEKm | 31 Dec 2019 | 31 Dec 2018 | 31 Mar 2019 |
|-------------------------------------|--------------|--------------|--------------|
| Property, plant and equipment | 1 | 1 | 1 |
| Non-current financial assets | 2,648 | 3,057 | 2,988 |
| Total non-current assets | 2,649 | 3,058 | 2,989 |
| Current receivables | 724 | 194 | 821 |
| Cash and bank balances | - | - | 0 |
| Total current assets | 724 | 194 | 821 |
| Total assets | 3,373 | 3,252 | 3,810 |
| Equity | 255 | 439 | 659 |
| Untaxed reserves | 447 | 431 | 447 |
| Provisions | 15 | 15 | 15 |
| Non-current liabilities | 1,005 | 745 | 864 |
| Current liabilities | 1,651 | 1,622 | 1,825 |
| Total equity and liabilities | 3,373 | 3,252 | 3,810 |

DEFINITIONS

Return on equity²

Earnings after tax divided by equity. The components are calculated as the average of the last 12 months.
Return on equity measures the return generated on owners' invested capital.

Return on working capital (P/WC)¹

EBITA divided by working capital.

P/WC is used to analyse profitability and is a measure that encourages high EBITA and low working capital requirements.

Return on capital employed¹

Profit before tax plus financial expenses as a percentage of capital employed. The components are calculated as the average of the last 12 months.

Return on capital employed shows the Group's profitability in relation to externally financed capital and equity, see the reconciliation table on page 21.

EBITA¹

Operating profit before amortisation of intangible assets.

EBITA is used to analyse the profitability generated by operating activities, see reconciliation table on page 21.

EBITA-margin¹

EBITA as a percentage of net sales.

EBITA margin is used to show the degree of profitability in operating activities.

EBITDA¹

Operating profit before depreciation and amortisation.

EBITDA is used to analyse the profitability generated by operating activities, see reconciliation table on page 21.

Equity per share¹

Equity divided by number of shares outstanding at the reporting period's end.

This measures how much equity is attributable to each share and is published to make it easier for investors to conduct analyses and make decisions.

Financial net debt¹

The net of interest-bearing debt and provisions minus cash and cash equivalents.

Net debt is used to monitor changes in debt, analyse the Group indebtedness and its ability to repay its debts using liquid funds generated from the Group's operating activities if all debt fell due for repayment today and any necessary refinancing.

Financial net debt/EBITDA¹

Net financial debt divided by EBITDA.

Net financial debt compared with EBITDA provides a performance measure for net debt in relation to cash-generating earnings in the business, i.e. it gives an indication of the business' ability to repay its debts. This measure is generally used by financial institutions to measure creditworthiness.

Financial items¹

Finance income minus finance costs.

Used to describe changes in the Group's financial activities.

Acquired growth¹

Changes in net sales attributable to business acquisitions compared with the same period last year.

Acquired growth is used as a component to describe the change in consolidated net sales in which acquired growth is distinguished from organic growth, divestments and exchange rate effects, see reconciliation table on page 21.

Cash flow from operating activities per share¹

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

This measure is used so investors can easily analyse the size of the surplus generated per share from operating activities.

Net investments in non-current assets¹

Investments in non-current assets minus sales of non-current assets.

This measure is used to analyse the Group's investments in renewing and developing property, plant and equipment.

Net debt excluding pensions¹

The net of interest-bearing debt and provisions excluding pensions minus cash and cash equivalents.

A measure used to analyse financial risk, see reconciliation table on page 21.

Net debt excluding pensions/ equity ratio^{1 2}

Net debt excluding pensions divided by shareholders' equity.

A measure used to analyse financial risk, see reconciliation table on page 21.

Organic growth¹

Changes in net sales excluding currency effects, acquisitions and divestments compared with the same period last year.

Organic growth is used to analyse underlying sales growth driven a change in volumes, product range and price for similar products between different periods, see reconciliation table on page 21.

Profit after financial items¹

Profit/loss for the period before tax.

Used to analyse the business' profitability including financial activities.

Earnings per share (EPS)

Shareholders' share of profit for the period after tax, divided by the weighted average number of shares during the period. Performance measures under IFRS.

Earnings per share (EPS), diluted

Shareholders' share of profit for the period after tax, divided by the weighted average number of shares during the period, adjusted for the additional number of shares in the event of outstanding options being used.

Interest coverage ratio¹

Earnings after net financial items plus interest expense and bank charges divided by interest expense and bank charges.

This performance indicator measures the Group's capacity through its business operations and finance income to generate a sufficiently large surplus to cover its finance costs, see reconciliation table on page 21.

Working capital¹

Working capital (WC) is measured through an annual average defined as inventories plus accounts receivable less accounts payable.

Working capital is used to analyse how much working capital is tied up in the business, see reconciliation table on page 21.

Operating margin¹

Operating profit as a percentage of net sales.

This measure is used to specify the percentage of sales that is left to cover interest and tax, and to provide a profit, after the company's costs have been paid.

Operating profit¹

Operating income minus operating expenses.

Used to describe the Group's earnings before interest and tax.

Debt/equity ratio^{1 2}

Financial net liabilities divided by equity.

A measure used to analyse financial risk.

Equity ratio^{1 2}

Equity as a percentage of total assets.

The equity/assets ratio is used to analyse financial risk and show the percentage of assets that are funded with equity.

Capital employed¹

Total assets minus non-interest-bearing liabilities and provisions.

Capital employed shows the size of the company's assets that have been lent to the company's owners or that have been lent out by lenders, see reconciliation table on page 21.

Outstanding shares

Total number of shares less treasury shares repurchased by the Company.

¹The performance measure is an alternative performance measure according to ESMA's guidelines.

²Minority interest is included in equity when the performance measures are calculated.

RECONCILIATION TABLES ALTERNATIVE PERFORMANCE MEASURES

| EBITA and EBITDA Addtech Group, SEKm | 12 months ending | | | | |
|---|------------------|--------------|--------------|-------------|-------------|
| | 31 Dec 2019* | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2018 | 31 Mar 2017 |
| Operating profit (EBIT) | 1,065 | 910 | 834 | 701 | 604 |
| Amortization, intangible assets (+) | 197 | 175 | 163 | 137 | 111 |
| EBITA | 1,262 | 1,085 | 997 | 838 | 715 |
| Depreciation, tangible assets (+) | 56 | 52 | 50 | 43 | 40 |
| EBITDA | 1,318 | 1,137 | 1,047 | 881 | 755 |

| Working capital and return on working capital (P/WC) Addtech Group, SEKm | 12 months ending | | | | |
|---|------------------|--------------|--------------|--------------|--------------|
| | 31 Dec 2019* | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2018 | 31 Mar 2017 |
| EBITA (12 months rolling) | 1,262 | 1,085 | 997 | 838 | 715 |
| Inventory, yearly average (+) | 1,551 | 1,304 | 1,227 | 1,037 | 941 |
| Accounts receivables, yearly average (+) | 1,782 | 1,542 | 1,436 | 1,231 | 1,043 |
| Accounts payables, yearly average (-) | 985 | 817 | 764 | 677 | 622 |
| Working capital (average) | 2,348 | 2,029 | 1,899 | 1,591 | 1,362 |
| Return on working capital (R/RK) (%) | 54% | 53% | 53% | 53% | 53% |

| Acquired- and organic growth Addtech Group | 3 months | | 9 months | | 12 months | |
|---|------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Mar 2019 |
| | | | | | | |
| Acquired growth (SEKm,%) | 143 (6%) | 295 (15%) | 581 (8%) | 763 (13%) | 817 (9%) | 999 (12%) |
| Organic growth (SEKm,%) | 118 (5%) | 180 (9%) | 790 (11%) | 444 (8%) | 1,249 (13%) | 903 (11%) |
| Divestments (SEKm,%) | 0 (0%) | -19 (-1%) | -57 (-1%) | -48 (-1%) | -74 (-1%) | -65 (-1%) |
| Exchange rate effect (SEKm,%) | 34 (1%) | 65 (3%) | 99 (1%) | 224 (3%) | 164 (2%) | 289 (4%) |
| Total growth (SEKm,%) | 295 (12%) | 521 (26%) | 1,413 (19%) | 1,383 (23%) | 2,156 (23%) | 2,126 (26%) |

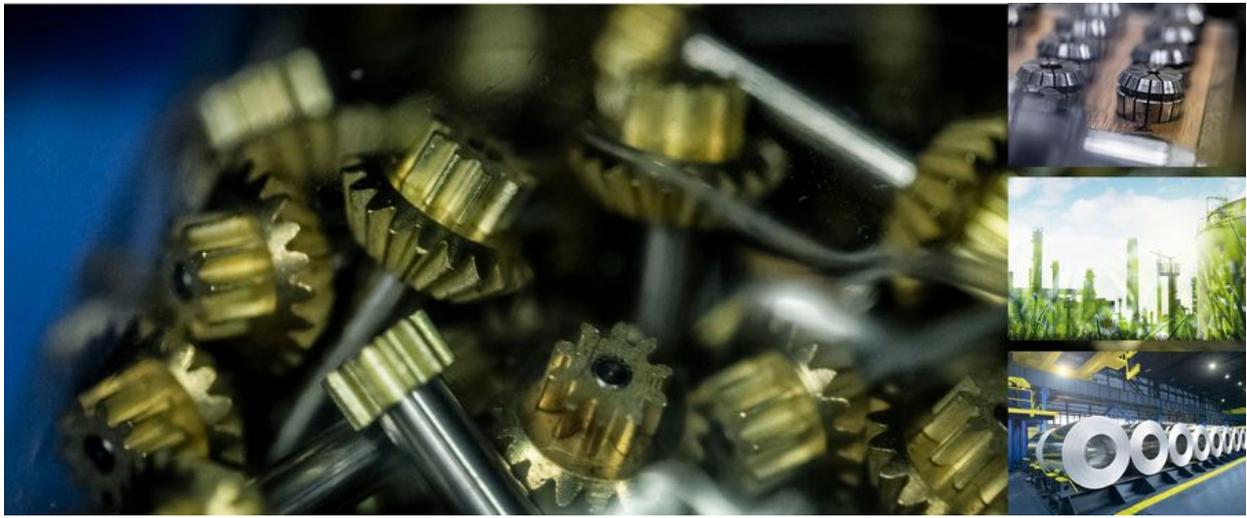
| Interest coverage ratio Addtech Group, SEKm | 12 months ending | | | | |
|--|------------------|-------------|-------------|-------------|-------------|
| | 31 Dec 2019* | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2018 | 31 Mar 2017 |
| Profit after financial items | 1,020 | 865 | 787 | 665 | 580 |
| Interest expenses and bank charges (+) | 45 | 41 | 39 | 31 | 25 |
| Total | 1,065 | 906 | 826 | 696 | 605 |
| Interest coverage ratio | 23.9 | 22.1 | 21.4 | 22.7 | 23.9 |

| Net debt excl. pensions and net debt, excl pensions/equity ratio Addtech Group, SEKm | 12 months ending | | | | | |
|--|------------------|---------------|--------------|--------------|--------------|-------------|
| | 31 Dec 2019* | 31 Dec 2019** | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2018 | 31 Mar 2017 |
| | | | | | | |
| Financial net debt | 2,762 | 2,233 | 1,960 | 2,060 | 1,405 | 1,011 |
| Pensions (-) | -373 | -373 | -260 | -252 | -229 | -210 |
| Net debt excluding pensions | 2,389 | 1,860 | 1,700 | 1,808 | 1,176 | 801 |
| Equity | 2,710 | 2,712 | 2,520 | 2,262 | 2,131 | 1,741 |
| Net debt to Equity ratio (excluding pensions) | 0.9 | 0.7 | 0.7 | 0.8 | 0.6 | 0.5 |

| Capital employed and return on capital employed Addtech Group, SEKm | 12 months ending | | | | | |
|--|------------------|---------------|--------------|--------------|--------------|--------------|
| | 31 Dec 2019* | 31 Dec 2019** | 31 Mar 2019 | 31 Dec 2018 | 31 Mar 2018 | 31 Mar 2017 |
| Profit after financial items | 1,020 | 1,020 | 865 | 787 | 665 | 580 |
| Financial expenses (+) | 59 | 59 | 62 | 80 | 71 | 39 |
| Profit after financial items plus financial expenses | 1,079 | 1,079 | 927 | 867 | 736 | 619 |
| Total assets, yearly average (+) | 7,524 | 7,197 | 6,324 | 5,967 | 4,996 | 4,143 |
| Non-interest-bearing liabilities, yearly average (-) | -1,828 | -1,828 | -1,604 | -1,501 | -1,319 | -1,167 |
| Non-interest-bearing provisions, yearly average (-) | -389 | -389 | -378 | -368 | -335 | -268 |
| Capital employed | 5,307 | 4,980 | 4,342 | 4,098 | 3,342 | 2,708 |
| Return on capital employed, % | 20% | 22% | 21% | 21% | 22% | 23% |

*Performance based figures for rolling 12 months in the income statement exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period

**Performance based figures for rolling 12 months in the income statement as well as the figures in the balance sheet exclude the effect of IFRS 16 in order to provide a fair picture in relation to the comparative period



This is Addtech

Addtech is a Swedish, listed technology trading group that combines the flexibility and speed of a small company with the resources of a large company. We acquire, own and develop independent subsidiaries that sell various high-tech products and solutions to customers, primarily within industry and infrastructure. With in-depth expertise in a number of different niches, our subsidiaries generate added technical, financial and sustainable value for customers and suppliers alike, thus helping increase the efficiency and competitiveness of all involved. We currently own some 130 companies in 20 countries, and have a long history of sustainable, profitable growth.

Our vision

We are to be a leader in value-adding technology trading, perceived as the most skilled and long-term partner of our customers, suppliers and employees.

Business concept in brief

Addtech offers high-tech products and solutions for companies in the manufacturing and infrastructure sectors. Addtech contributes added technical and financial value by being a skilled and professional partner for customers and manufacturers.

We build shareholder value through:

- our 130 subsidiaries and their capacity to generate earnings growth
- corporate governance that ensures the companies achieve even better results and development
- acquisitions that bring in new employees, customers and suppliers

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