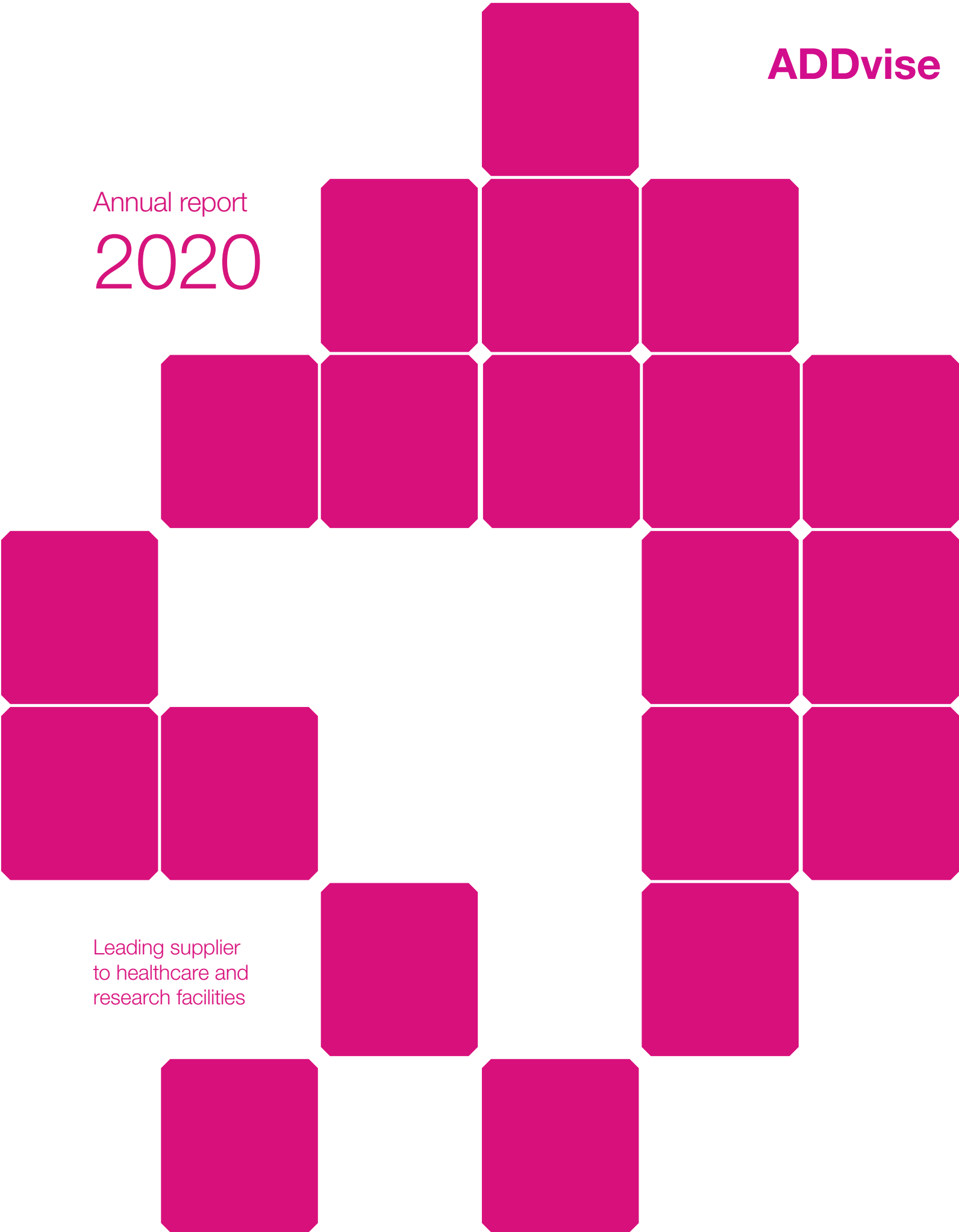


Annual report  
**2020**

Leading supplier  
to healthcare and  
research facilities



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*Please note that ADDvise's 2020 annual report in English is an excerpt containing pages 1 to 31 from ADDvise's 2020 annual report in Swedish.*

## Reporting dates

Annual General Meeting	April 23, 2021
Q1 report	April 23, 2021
Q2 report	July 23, 2021
Q3 report	October 27, 2021
Year-end report 2021	February 24, 2022

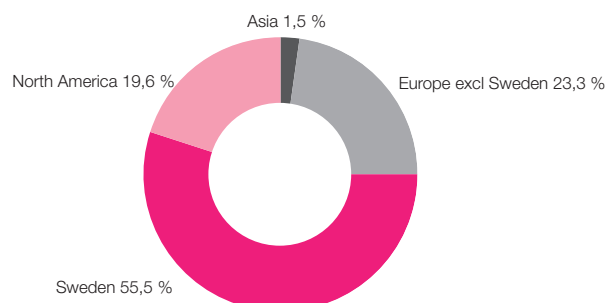
# ADDvise in two minutes

- » ADDvise is a leading supplier of equipment to healthcare and research facilities. The Group consists of approximately ten subsidiaries organized into two business areas, Lab and Healthcare.
  - ADDvise was founded in 1989 and the Group has since expanded to become a global player with offices in the Nordics and the US.
  - ADDvise shares are listed on Nasdaq First North GM Sweden under the short names ADDV A and ADDV B.
- » ADDvise has a broad product portfolio for healthcare and research. The Group's product portfolio contains a large number of products developed internally. The Group is also a distributor and service provider.
  - The Lab business unit provides laboratory furnishings, safety ventilation, climate rooms, clean rooms and laboratory apparatus.
  - The Healthcare business unit supplies medical devices and consumable materials for healthcare – everything from defibrillators to advanced chairs for use within urology and gynecology.
  - ADDvise has customers within both the private and public sectors.
- » ADDvise has a clear acquisition strategy. Several key acquisitions have been completed over the past few years; the ambition is to continue to maintain a high acquisition rate.
  - Candidates for acquisition are selected based on the criteria that they are mature companies with a focus on B2B sales, with stable cash flows and low risk.

## Summary income statement

SEK THOUSANDS	2020	2019	2018	2017	2016
Net revenue	358,487	349,877	268,219	239,914	195,288
EBITDA	46,224	30,671	16,487	12,142	18,088
EBITDA margin, %	12.9%	8.8%	6.1%	5.1%	9.3%
Operating profit/loss (EBIT)	34,257	18,629	10,768	7,635	14,233
Operating margin, %	9.6%	5.3%	4.0%	3.2%	7.3%

## Net revenue by geographic market 2020



# A year of strong profitability and greatly improved cash flow

Thanks to our well-balanced product portfolio, ADDvise is able to look back on 2020 as a year of strong profitability and greatly improved cash flow, with the Board proposing that a dividend be paid to ADDvise shareholders.

Net revenue in 2020 was SEK 349.9 million, an increase of 2.5% compared with 2019. The EBITDA margin in 2020 was 12.9%, an improvement on the 8.8% achieved in 2019. In light of the Group's strong performance, during Q4 2020 the Board of ADDvise updated the long-term EBITDA target from 10% to 15%. It is very pleasing to see that our efforts to maximize shareholder value are benefiting our profitability.

During 2020, we continued our journey toward our other long-term financial goals. We are particularly pleased with the progress we have made toward optimizing our capital structure. Our net debt-to-EBITDA ratio was 3.3 at year-end 2020. At year-end 2019, the net debt-to-EBITDA ratio was 6.0, so we have seen significant improvement here. Our long-term financial goal is to achieve a net debt-to-EBITDA ratio of 3.0. If we add in the cash and cash equivalents that the Group received in February 2021 from the issue of new class B shares, following the exercising of warrants in series 2019/2021, we would have achieved the goal with a pro forma net debt-to-EBITDA ratio of 2.8.

Cash flow improved in 2020 compared with the previous year, partly because of our strong performance, but also as a result of our focus on optimizing our working capital.

## Coronavirus outbreak

ADDvise is closely following developments in relation to the spread and impact of Covid-19 in order to assess how the measures and restrictions around the world may affect our business. We have continuously implemented measures throughout 2020.

ADDvise operates primarily in Europe and North America and, like the rest of the world, is affected by the spread and development of coronavirus. Since ADDvise develops and supplies equipment and materials to healthcare and research laboratories, we are less exposed than many other industries.



The impact of Covid-19 on the product mix diminished toward the end of the year and we saw a return to sales of our core products, with improved margins.

## Healthcare business unit

Net revenue within the Healthcare business unit was SEK 207.4 million in 2020, compared with net revenue of SEK 207.9 million for the previous year. EBITDA for the business unit in 2020 was SEK 27.6 million, compared with SEK 26.0 million in 2019.

Covid-19 brought disruption to our non-European markets, primarily the USA, in 2020. Many planned surgical operations and interventions were postponed, resulting in a significant drop in sales of the equipment used in these interventions.

In North America, the market began to return to normal during December, following the election in early November. This resulted in increased orders for our operations in North America, partly due to customers using up potential tax credits and budget surplus before their year-end. We also consider the long-term trend within healthcare to be positive. In the wake of the pandemic, investments in the healthcare system are set to increase over the coming years.

### Lab business unit

The year 2020 was a strong one for the Lab business unit. Net revenue for the business unit was SEK 151.0 million in 2020, compared with net revenue of SEK 142.0 million for the previous year, which represents an organic increase of 6.4%. EBITDA for the business unit in 2020 was SEK 16.9 million, which was a significant improvement on 2019, when EBITDA was SEK 7.8 million.

Sales in Sweden were influenced greatly by increased demand for sampling equipment used to test patients for Covid-19. All companies within the Lab business unit are based in the Nordic region. Supply chain challenges have been dealt with successfully and disruption has been kept to a minimum.

### Acquisitions

ADDvise continues to work proactively to expand our product portfolio through new and interesting acquisitions within both our business units. On February 16, 2021, we acquired MRC Systems, a company specializing in clean rooms and climate rooms for hospitals and the pharmaceuticals industry. Bringing MRC into the ADDvise Group enables us to create excellent business opportunities within the Lab business unit.

### Dividend

In view of the continued improvement in profitability and cash flow during the year, the Board's assessment is that ADDvise is able to pay a dividend to its shareholders.

### Outlook

The ongoing spread of new virus mutations from the pandemic will without doubt create a degree of uncertainty within the Medtech industry. Our assessment is that demand within our product segment remains high.

ADDvise's long-term revenue growth is driven mainly by a growing and ageing population, increased prevalence of chronic illnesses and greater investment in healthcare and in research and development. The global population is expected to grow by two billion over the next 30 years. By 2050, as many as one in six people could be over the age of 65.

We are very proud that our balanced product portfolio continues to deliver. We are particularly pleased that our acquisition rate now appears to be increasing, with 2021 set to be another dynamic year for the Group. We are in no doubt that we will see a marked increase in the willingness to invest in medtech equipment worldwide in the medium to long term.

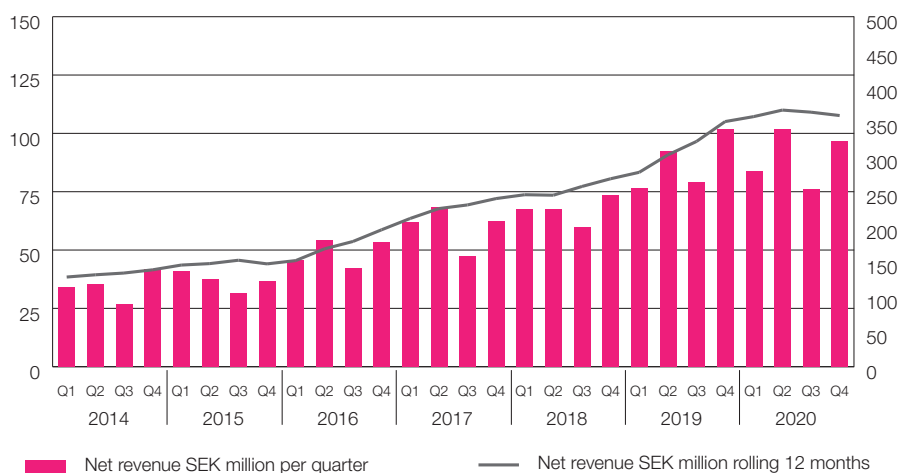
I would like to extend a big thank you to all employees and operatives in the Group who through their efforts have contributed to ADDvise's strong 2020 results.

Rikard Akhtarzand,  
CEO, ADDvise Group AB (publ)

# The year in brief

- » A letter of intent was signed to acquire MRC Systems Ltd, followed in February 2021 by a share transfer agreement. MRC Systems Ltd develops and constructs clean rooms for the pharmaceuticals industry. This acquisition is due to be completed by Q2 2021.
- » The Board of ADDvise updated the long-term financial target for the EBITDA margin from 10% to 15%.
- » Subsidiary Hettich Labinstrument AB received orders from Region Skåne and the Swedish Defense Materiel Administration (FMV) for swabs, which are used, among other things, for testing patients with suspected Covid-19. The total order value of these orders is approximately SEK 12 million.
- » Subsidiary Sonesta Medical signed an agreement with Laborie Medical Technologies. The agreement gives Laborie the right to sell Sonesta Medical's urology and gynecology chairs as well as radiographic tables worldwide, with exclusive distribution rights in the USA as well as in France, the United Kingdom, Ireland, Germany, Belgium, the Netherlands, Austria, Switzerland and Luxembourg. The initial agreement period is three years. The order value during the initial agreement period is a total of at least SEK 50 million.

## Net revenue in SEK million per quarter and rolling 12 months

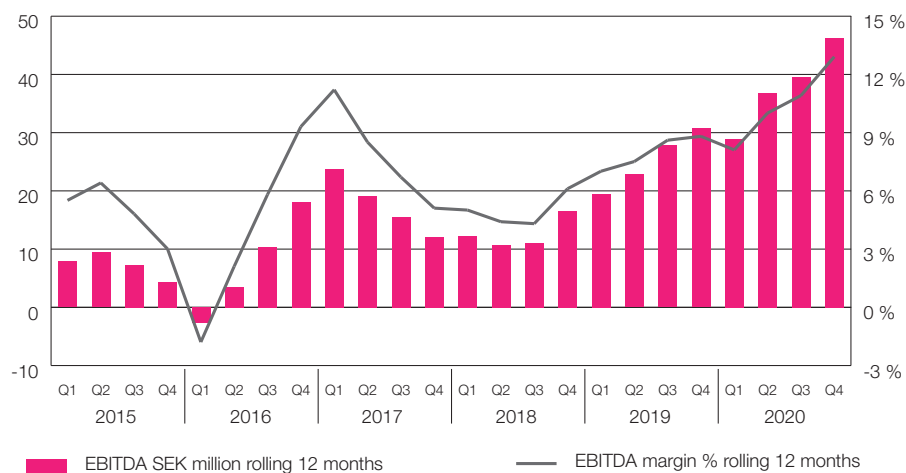


# Key performance indicators

SEK thousands	2020	2019	2018
Net revenue	358,487	349,877	268,219
EBITDA	46,224	30,671	16,487
EBITDA margin, %	12.9%	8.8%	6.1%
Operating profit/loss (EBIT)	34,257	18,629	10,768
Operating margin, %	9.6%	5.3%	4.0%
Profit/loss before tax (EBT)	17,857	1,672	-2,612
Net margin, %	5.0%	0.5%	-1.0%
Profit/loss for the year	14,637	4,045	-1,074
Equity ratio, %	26.3%	23.3%	17.7%
Net debt	-153,766	-182,793	-166,973
Number of employees at year-end	108	127	122
Equity per share in SEK	0.94	0.87	1.19
Basic earnings per share in SEK	0.12	0.04	-0.02
Diluted earnings per share in SEK	0.11	0.04	-0.02
Number of shares at end of period	96,913,631	96,913,631	43,042,288
Average number of shares before dilution	96,913,631	86,841,635	43,042,288
Average number of shares after dilution	113,133,907	89,801,052	43,042,288

For definitions of the key performance indicators, see pages 15–16.

## EBITDA in SEK millions and EBITDA margin, rolling 12 months



# An international and growing group within lab and healthcare

ADDvise is an international group within life science, with a broad portfolio of quality products for both healthcare and research.

ADDvise offers a wide range of products and services that provide high-quality integrated solutions to both healthcare and research facilities. We have customers in 60 countries and in both the private and public sectors. Our business includes the following subsidiaries: ADDvise Tillquist AB, AB Germa, Hettich Labinstrument AB, IM-Medico Svenska AB, KEBO Inredningar Sverige AB, LabRum AB, LabRum AS, LabRum Klimat Oy, Merit Cables Inc, Sonar Oy, Sonesta Medical AB, Sonesta Medical Inc and Surgical Tables Inc.

ADDvise's operations are divided into two business areas, with a highly decentralized organization. Each company operates as a distinctly separate unit and is run independently in order to maintain innovative strength and entrepreneurship.

## Diversified customer base and product portfolio

Although healthcare is an area where there is constant demand for more care at lower cost, sales of medtech products remain relatively stable and non-cyclical. Most sales are to the public sector, where the demand for care is steadily increasing and equipment is needed in order to provide the care required. ADDvise's diversified product portfolio provides us with a broad customer base that includes private healthcare providers that deliver publicly funded care, private clinics that are funded through insurance and, of course, research facilities and other players within life science. We have also increased recurring revenue and contract revenue as a proportion of our total revenue, which provides a stable base of ongoing and predictable income.

## Lab business unit

Within Lab, ADDvise is a turnkey supplier of laboratory furnishings and apparatus to research facilities in both the public and private sectors. In a world of ever-growing requirements for quality, precision and cleanliness, ADDvise has products to meet every need within life science and healthcare.

## Healthcare business unit

ADDvise supplies equipment and consumable materials to healthcare units in Sweden, Europe and North America. Our complete range includes products and customers throughout the healthcare chain, from self-care and home healthcare to surgery and acute, intensive and emergency medical service

care. ADDvise's products include advanced high-tech equipment at the leading edge for the most modern of environments and healthcare facilities.

## Service and add-on sales

With increasingly advanced products, tailored customer solutions and ever more rapid development, aftermarket and service form a key part of our overall range.

ADDvise is certified according to the global quality management system standard ISO 9001 and the global environmental management system standard 14001. We appointed a quality manager for the entire Group a few years ago in order to keep developing our quality work.

## Sustainability work and environmental policy

ADDvise strives to minimize environmental impact in all areas of the business and for the entire life-cycle of the products that ADDvise sells, manufactures and distributes, including all environmental aspects of the service business operated. This proactive environmental work aims to continuously improve the company's environmental commitment and reduce emissions that are harmful to the environment. This is done by continuing to invest in streamlining business processes, increasing environmental awareness among employees and offsetting the climate impact of travel to the greatest possible extent. ADDvise also undertakes systematic environmental management work, and is therefore able to comply with high-level health and environmental requirements, both for employees and for products and services.

## Our acquisition strategy

Acquisitions are one of the most important components of ADDvise's growth strategy. The purpose of the acquisitions is to create a critical volume in the various industries in which the Group operates. The critical volume and industrial logic of the acquisitions will strengthen existing businesses and thereby allow the Group to gain market shares.

The industrial logic of the acquisitions is to create long-term value for the company's shareholders. At present, the focus is on companies in the life science sector, which is the core of the ADDvise Group. Within the framework of the strategy, the view of acquisitions is rather opportunistic.

ADDvise's Board of Directors and management team have



solid experience from working with acquisitions. This means that the competence to identify a good acquisition and then integrate the company is available within the ADDvise Group. The readiness to receive new companies and carve-outs is good.

The payment structure that ADDvise mainly applies consists of a mix of cash, shares and earn-outs. The payment model is intended to create incentives for the seller to continue to take responsibility for the development of the company even after the sale, and also to make sure the seller's price expectations are met.

The companies that ADDvise looks at are mainly mature companies in reasonably mature industries with good cash flows. The acquisition candidates operate business-to-business and the risk level in the companies is relatively low. The size of the candidates may vary, but should they should reach at least SEK 20 million in annual revenue.

**Structural trends and long-term growth**

A number of structural trends are set to drive long-term growth in ADDvise's addressable market.

*Population growth*

The global population is expected to grow by 2 billion over the next 30 years, representing an annual increase of 83 million people by 2050. The growth is driven largely by an increasing number of people surviving to reproductive age. Major changes in fertility rates, increasing urbanisation and accelerating migration will further underpin growth.

*Ageing populations*

Virtually every country in the world is experiencing growth in the proportion of older people in the population. Population ageing is set to be one of the most crucial social shifts of the twenty-first century. Countries are likely to face fiscal and political pressure in relation to public systems of healthcare and social protection for the elderly. By 2050, one in six people in the world will be over the age of 65, up from one in eleven in 2019.

*Increased incidence of chronic diseases*

Ageing populations and changes in societal behaviour are contributing to a steady increase in chronic diseases. A growing middle class and urbanisation implying a more sedentary lifestyle, driving e.g. obesity and diabetes rates. Emerging markets are set to be hit the hardest owing to their disproportionate population growth and share of global middle class expansion.

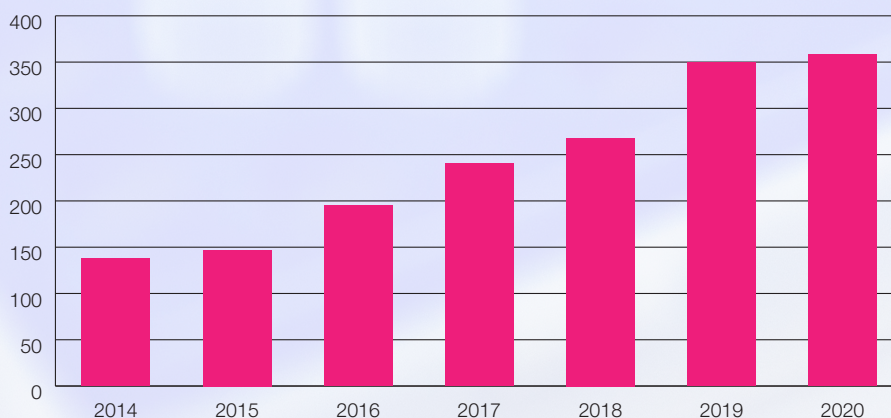
*Increased healthcare costs*

The healthcare sector continues to expand faster than the overall economy. Between 2000 and 2017, global health spending in real terms grew by 3.7% a year whilst the economy grew by 3.0% a year. Public spending represents about 60% of global spending on health and grew at 4.3% p.a. during 2000-2017.

*Technological advances and growing investment in research*

Global R&D spending reached a record high of almost USD 1.7 trillion in 2019. Many countries stimulate investment in both the private and public sectors by setting national R&D targets.

**ADDvise's annual net revenue in SEK million**



Source: Statista, PwC, the UN, OECD, WHO, SCB, World Bank

# Executive Management



**Rikard Akhtarzand**

CEO

**Born:** 1972

**Shareholding:**

12,503,574, of which  
2,620,416 are class A shares and  
9,883,158 are class B shares.



**Hanna Myhrman**

General Counsel

**Born:** 1992

**Shareholding:**

0



**Aaron Wong**

CFO

**Born:** 1984

**Shareholding:**

7,142 class B shares.



# Board of Directors



## Staffan Torstensson

Chairman of the Board

**Born:** 1972

**Other assignments:**

Partner at Evli Bank in the corporate finance sector and member of the board of Tuida Holding AB.

**Shareholding:**

2,836,660, of which 600,000 are class A shares and 2,236,660 are class B shares.



## Fredrik Celsing

Board Member

**Born:** 1967

**Other assignments:**

President and CEO of Kamic Group AB and Amplex AB.

**Shareholding:**

37,589 class B shares.



## Erland Pontusson

Board Member

**Born:** 1953

**Other assignments:**

-

**Shareholding:**

176,518, of which 29,420 are class A shares and 147,098 are class B shares.



## Rikard Akhtarzand

CEO

**Born:** 1972

**Other assignments:**

Board Member/CEO at Kivsvalk AB.

**Shareholding:**

12,503,574, of which 2,620,416 are class A shares and 9,883,158 are class B shares.

# Annual General Meeting

## Application to attend

The Annual General Meeting will be held Friday, April 23, 2021.

Given the current extraordinary situation resulting from the Covid-19 pandemic and mindful of the government rules and advice on avoiding meetings in order to minimize the risk of spreading infection, the Company's Annual General Meeting will be held solely using advance voting (mail voting) pursuant to the provisions of the Swedish Act on temporary exemptions to facilitate the holding of general meetings by companies and associations (2020:198). No meeting will be held at which there is the option to attend in person or by proxy. This year's meeting will therefore be held without physical attendance and without the usual events connected with the meeting.

ADDvise invites all shareholders to exercise their voting rights at the meeting using mail voting as described below. Information about the resolutions adopted at the meeting will be published on April 23, 2021, as soon as the final outcome of the vote is known.

## Application

Shareholders wishing to participate in the meeting through advance voting must:

i) be entered in the register of shareholders maintained by Euroclear Sweden AB on the record date of Thursday, April 15, 2021. Shareholders whose shares are nominee-registered at a bank or other nominee must temporarily register the shares in their own name ("Voting rights registration") in order to participate in the meeting. Shareholders in this category must therefore contact their nominee in good time, in accordance with the nominee's procedures, to request said registration of voting rights. Voting rights registration carried out by the nominee no later than Monday, April 19, 2021, will be reflected in the production of the register of shareholders,

ii) report their participation to the Company no later than Thursday, April 22, 2021, by having submitted their advance vote in accordance with the instructions under the heading "Advance voting" below, such that the advance vote is received by the Company no later than the same day (April 22, 2021).

## Advance voting

Shareholders may exercise their voting rights at the Annual General Meeting solely by voting in advance, i.e. mail voting in accordance with the Swedish Act on temporary exemptions to facilitate the holding of general meetings by companies and associations (2020:198).

A special form must be used for mail voting. This form is available on the Company's website, <https://www.addvisegroup.se/investor-relations/bolagsstyrning/stammor/>

under Investor Relations, Corporate Governance and General Meetings. The mail voting form is considered registration for the meeting.

The Company must have received the completed form no later than Thursday, April 22, 2021. The completed form must be sent to

ADDvise Group AB (publ)  
Att: Hanna Myhrman  
Grev Turegatan 3  
SE-114 46 Stockholm

Completed forms may also be submitted electronically by sending them via e-mail to [hanna.myhrman@addvisegroup.se](mailto:hanna.myhrman@addvisegroup.se). Shareholders submitting their mail vote using a proxy must include power of attorney with the form. If the shareholder is a legal person, a certificate of incorporation or other authorization document must be included with the form. The shareholder may not add special instructions or conditions to their mail vote. If they do, their vote (i.e. their mail vote) will be invalid in its entirety. Further instructions and conditions are stated on the mail voting form.

The proxy form for those wishing to submit a mail vote by proxy can be found on the Company's website, <https://www.addvisegroup.se/investor-relations/bolagsstyrning/stammor/> under Investor Relations, Corporate Governance and General Meetings.

The Board of Directors and the CEO will, at the request of any shareholder and where the Board of Directors believes that such may take place without significant harm to the Company, provide information about circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the Company's financial position and the Company's relationship to other companies within the Group (Chapter 7, Section 32 of the Swedish Companies Act). Requests for such information must be made in writing to ADDvise Group AB (publ), Att: Hanna Myhrman, Grev Turegatan 3, 114 46 Stockholm, or electronically to [hanna.myhrman@addvisegroup.se](mailto:hanna.myhrman@addvisegroup.se), no later than April 13, 2021. The information will be provided by being made available at the Company's offices at Grev Turegatan 3, Stockholm, and on the Company's website [www.addvisegroup.se](http://www.addvisegroup.se) no later than April 18, 2021. The information will also be sent by the same deadline to the shareholder that requested it and provided their address.

# The share and ownership structure

## SHARE CAPITAL

The share capital was SEK 9,691,363.10 as at December 31, 2020, divided into 96,913,631 shares, further divided into 7,619,439 class A shares and 89,294,192 class B shares. Class A shares provide entitlement to one (1) vote and class B shares provide entitlement to one-tenth (1/10) of a vote.

The share capital was SEK 13,970,076.80 as at February 10, 2021, divided into 139,700,768 shares, further divided into 7,619,439 class A shares and 132,081,329 class B shares. Class A shares provide entitlement to one (1) vote and class B shares provide entitlement to one-tenth (1/10) of a vote.

## DEVELOPMENT OF SHARE CAPITAL

The share capital has developed as follows:

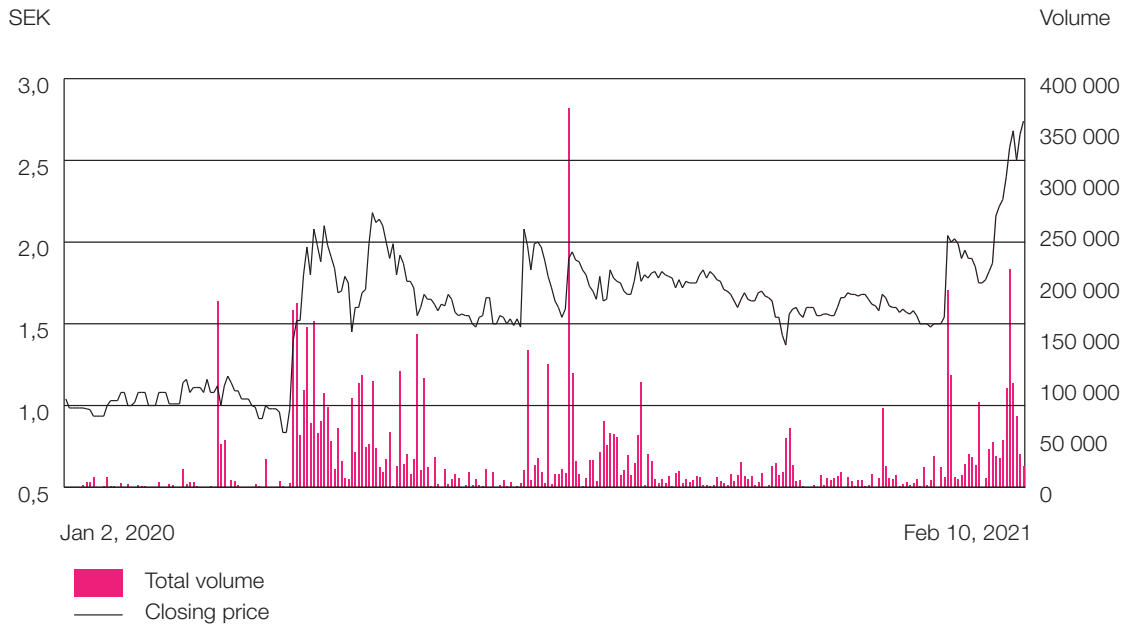
Type of change	Year	Number of new shares, A	Number of new shares, B	Total number of shares	Change in share capital, SEK	Total share capital, SEK
Initial share capital	1989	2,000		2,000	200,000	200,000
Bonus issue	1990			2,000	200,000	400,000
Exchange of convertible bonds	1994	733		2,733	146,600	546,600
Bonus issue	1995			2,733	546,600	1,093,200
Stock split 399:1	1997	1,090,467		1,093,200		1,093,200
New share issue	2010	2,186,400		3,279,600	2,186,400	3,279,600
New share issue	2011	638,298		3,917,898	638,298	3,917,898
New share issue	2011	570,000		4,487,898	570,000	4,487,898
New share issue	2012	697,674		5,185,572	697,674	5,185,572
New share issue	2012	190,000		5,375,572	190,000	5,375,572
New share issue	2013	917,432		6,293,004	917,432	6,293,004
New share issue	2014	1,326,435		7,619,439	1,326,435	7,619,439
Bonus issue	2015		7,619,439	15,238,878	7,619,439	15,238,878
New share issue	2016		7,229,300	22,468,178	7,229,300	22,468,178
New share issue	2016		3,791,469	26,259,647	3,791,469	26,259,647
New share issue	2016		2,173,000	28,432,647	2,173,000	28,432,647
Reduction of share capital	2016			28,432,647	-25,589,382	2,843,265
New share issue	2016		2,813,187	31,245,834	281,319	3,124,583
New share issue	2016		5,769,231	37,015,065	576,923	3,701,507
New share issue	2017		1,409,574	38,424,639	140,957	3,842,464
New share issue	2017		4,617,649	43,042,288	461,765	4,304,229
New share issue	2019		43,042,288	86,084,576	4,304,229	8,608,458
New share issue	2019		947,278	87,031,854	94,728	8,703,185
New share issue	2019		1,058,248	88,090,102	105,825	8,809,010
New share issue	2019		8,823,529	96,913,631	882,353	9,691,363
New subscription through warrants	2021		42,787,137	139,700,768	4,278,714	13,970,077

## SHAREHOLDERS IN ADVISE GROUP AB (PUBL)

Ownership structure of ADDvise as at December 31, 2020, and known changes after this date up to and including March 4, 2021.

Name	Number of shares	Class A shares	Class B shares	% of votes	% of capital
Per Åhlgren, through companies	36,963,715	0	36,963,715	17.75%	26.46%
Magnus Vahlquist, privately and through companies	13,648,534	363,000	13,285,534	8.12%	9.77%
Rikard Akhtarzand, privately and through companies	12,503,574	2,620,416	9,883,158	17.33%	8.95%
Avanza Pension	9,046,642	260,523	8,786,119	5.47%	6.48%
Caracal AB	4,277,464	1,069,366	3,208,098	6.67%	3.06%
Theodor Jeansson	3,812,384	0	3,812,384	1.83%	2.73%
Ingvar Jensen, privately and through companies	3,041,532	271,766	2,769,766	2.63%	2.18%
Tuida Holding	2,836,660	600,000	2,236,660	3.95%	2.03%
Nordnet Pensionsförsäkring	1,959,381	322,194	1,637,187	2.33%	1.40%
Cajory AB and Cajory Management AB	1,221,676	255,388	966,288	1.69%	0.87%
Other shareholders	50,389,206	1,856,786	48,532,420	32.22%	36.07%
<b>Total</b>	<b>139,700,768</b>	<b>7,619,439</b>	<b>132,081,329</b>	<b>100.00%</b>	<b>100.00%</b>

**CLASS A SHARE CLOSING PRICES FROM JANUARY 2ND, 2020, TO FEBRUARY 10TH, 2021**



**CLASS B SHARE CLOSING PRICES FROM JANUARY 2ND, 2020, TO FEBRUARY 10TH, 2021**



# Definition of key performance indicators

In its financial reports, ADDvise uses alternative performance measures, in other words financial measures that are not defined in IFRS. The reason for this is that the company management uses these performance measures in order to assess the Group's financial development as a complement to the performance indicators that represent generally accepted accounting practice. Described below are financial measures that are not defined in IFRS.

## EBITDA

Operating profit/loss before depreciation and amortization. EBITDA is a measure that the Group considers relevant for an investor wishing to understand profit generation before investment in non-current assets. The Group defines *Earnings Before Interest, Tax, Depreciation and Amortization* (EBITDA) as operating profit/loss from continuing operations excluding depreciation and amortization relating to tangible and intangible assets. The Group's definition is unchanged from previous periods.

SEK thousands	2020	2019	2018
Operating profit/loss, see below	34,257	18,629	10,768
Plus reversal of depreciation and amortization	11,967	12,042	5,719
<b>= EBITDA</b>	<b>46,224</b>	<b>30,671</b>	<b>16,487</b>

## EBITDA margin

Operating profit/loss before depreciation and amortization as a percentage of net revenue. The Group's definition is unchanged from previous periods.

SEK thousands	2020	2019	2018
Operating profit/loss, see below	34,257	18,629	10,768
Plus reversal of depreciation and amortization	11,967	12,042	5,719
<b>= EBITDA</b>	<b>46,224</b>	<b>30,671</b>	<b>16,487</b>
Divided by net revenue	358,487	349,877	268,219
<b>= EBITDA margin as a %</b>	<b>12.9%</b>	<b>8.8%</b>	<b>6.1%</b>

## Equity per share in SEK

Equity at the end of the period attributable to the parent company's shareholders divided by the number of shares at the end of the period. The Group's definition is unchanged from previous periods.

SEK thousands	2020	2019	2018
Equity attributable to the parent company's shareholders	90,966	84,003	51,235
Divided by number of shares at end of period	96,913,631	96,913,631	43,042,288
<b>= Equity per share in SEK</b>	<b>0.94</b>	<b>0.87</b>	<b>1.19</b>

## Equity ratio

Adjusted equity as a percentage of total assets. The Group's definition is unchanged from previous periods.

SEK thousands	2020	2019	2018
Equity	91,049	84,142	51,410
Divided by total assets	345,743	360,367	291,222
<b>= Equity ratio as a %</b>	<b>26.3%</b>	<b>23.3%</b>	<b>17.7%</b>

## Net debt

The Group defines net debt as the net sum of cash and cash equivalents, including short-term investments and interest-bearing liabilities. The Group monitors this performance indicator since it shows the level of debt and is part of one of the long-term financial goals adopted by the Board of Directors in 2017.

The Group's definition is unchanged from previous periods but from the annual report for 2020 onwards, liabilities relating to deferred payment of taxes and charges as a result of Covid-19 are reported separately.

SEK thousands	2020	2019	2018
Cash and cash equivalents	39,606	13,259	12,877
Short-term investments	0	0	7,534
Loans due for repayment within one year	-38,304	-51,737	-50,359
Deferred tax payments	-12,626	-	-
Other interest-bearing liabilities due for repayment within one year	0	0	0
Loans due for repayment after one year	-142,442	-144,316	-137,025
<b>= Net debt</b>	<b>-153,766</b>	<b>-182,793</b>	<b>-166,973</b>

## Net debt-to-EBITDA

The Group defines net debt-to-EBITDA as the net sum of cash and cash equivalents plus short-term investments and interest-bearing liabilities divided by EBITDA. The Group monitors this performance indicator since it shows the level of debt and is one of the long-term financial goals adopted by the Board of Directors in 2017. The Group reports the calculation of this performance indicator as of the 2020 annual report. For definitions of EBITDA and net debt, see above.

SEK thousands	2020	2019	2018
Cash and cash equivalents	39,606	13,259	12,877
Short-term investments	0	0	7,534
Loans due for repayment within one year	-38,304	-51,737	-50,359
Deferred tax payments	-12,626	-	-
Other interest-bearing liabilities due for repayment within one year	0	0	0
Loans due for repayment after one year	-142,442	-144,316	-137,025
<b>= Net debt</b>	<b>-153,766</b>	<b>-182,793</b>	<b>-166,973</b>
Divided by EBITDA	46,224	30,671	16,487
<b>= Net debt-to-EBITDA</b>	<b>3.3</b>	<b>6.0</b>	<b>10.1</b>

## Net margin

Profit/loss after net financial items as a percentage of net revenue. The Group's definition is unchanged from previous periods.

SEK thousands	2020	2019	2018
Profit/loss for the year	14,637	4,045	-1,074
Plus reversal of tax on profit/loss for the year	3,219	-2,373	-1,539
<b>= Profit/loss after net financial items</b>	<b>17,857</b>	<b>1,672</b>	<b>-2,612</b>
Divided by net revenue	358,487	349,877	268,219
<b>= Net margin as a %</b>	<b>5.0%</b>	<b>0.5%</b>	<b>-1.0%</b>

**Number of employees**

The number of employees working at the end of the period. The Group's definition is unchanged from previous periods.

**Operating margin**

Operating profit/loss as a percentage of net revenue. The Group's definition is unchanged from previous periods.

<b>SEK thousands</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Profit/loss for the year	14,637	4,045	-1,074
Plus reversal of tax on profit/loss for the year	3,219	-2,373	-1,539
Plus reversal of financial expenses	16,494	17,186	14,588
Minus reversal of financial income	-94	-229	-1,208
<b>= Operating profit/loss (EBIT)</b>	<b>34,257</b>	<b>18,629</b>	<b>10,768</b>
Divided by net revenue	358,487	349,877	268,219
<b>= Operating margin as a %</b>	<b>9.6%</b>	<b>5.3%</b>	<b>4.0%</b>

**Operating profit/loss (EBIT)**

Profit/loss before financial items and tax. The Group's definition is unchanged from previous periods.

<b>SEK thousands</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Profit/loss for the year	14,637	4,045	-1,074
Plus reversal of tax on profit/loss for the year	3,219	-2,373	-1,539
Plus reversal of financial expenses	16,494	17,186	14,588
Minus reversal of financial income	-94	-229	-1,208
<b>= Operating profit/loss (EBIT)</b>	<b>34,257</b>	<b>18,629</b>	<b>10,768</b>

**OPEX**

The Group defines OPEX as the sum of other external expenses, personnel costs and other operating expenses (OPERating EXPenses). The Group monitors this performance indicator since it shows the effectiveness of cost-saving initiatives and cost control. The Group's definition is unchanged from previous periods.

<b>SEK thousands</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Other external expenses	-27,060	-31,443	-28,615
Personnel costs	-70,929	-77,060	-68,184
Other operating expenses	-1,600	-1,215	-848
<b>= OPEX</b>	<b>-99,589</b>	<b>-109,717</b>	<b>-97,648</b>

**Profit/loss before tax (EBT)**

Profit/loss after net financial items. The Group's definition is unchanged from previous periods.

<b>SEK thousands</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Profit/loss for the year	14,637	4,045	-1,074
Plus reversal of tax on profit/loss for the year	3,219	-2,373	-1,539
<b>= Profit/loss before tax (EBT)</b>	<b>17,857</b>	<b>1,672</b>	<b>-2,612</b>



# Directors' Report

The Board of Directors and the CEO of ADDvise Group AB (publ) hereby submit the annual report and consolidated financial statements for the year 2020.

## Information about the company

ADDvise Group AB (publ) is an expansive group that supplies integrated solutions in the form of products and services to healthcare and research facilities. The ADDvise Group serves customers in both the private and public sectors. Sales are global.

The parent company ADDvise Group AB (publ), company registration number 556363-2115, was registered on July 6, 1989, and has its registered office in Stockholm. ADDvise has 13 subsidiaries:

- ADDvise Tillquist AB, reg. no. 556652-4467
- AB Germa, reg. no. 556086-9413
- Hettich Labinstrument AB, reg. no. 556482-6039
- IM-Medico Svenska AB, reg. no. 556287-5467
- KEBO Inredningar Sverige AB, reg. no. 556624-5212
- LabRum AB, reg. no. 556196-7257
- LabRum AS, reg. no. 887 838 062, registered in Norway
- LabRum Klimat Oy, reg. no. 2357819-8 (80%), registered in Finland
- Merit Cables Inc, reg. no. 33-0984581, registered in the USA
- Sonar Oy, reg. no. 2353862-0, registered in Finland
- Sonesta Medical AB, reg. no. 556233-0257
- Sonesta Medical Inc, reg. no. 38-3910537, registered in the USA
- Surgical Tables Inc, reg. no. 83-0403327, registered in the USA

Operations are conducted at the parent company and all subsidiaries.

ADDvise's class A share is listed at the S SME trading venue, on the Nasdaq First North Growth Market Sweden. The stock short name is ADDV A and the share's ISIN code is SE0001306119. One (1) class A share equals one (1) vote.

ADDvise's class B share is listed at the S SME trading venue, on the Nasdaq First North Growth Market Sweden. The stock short name is ADDV B and the share's ISIN code is SE0007464862. One (1) class B share equals one-tenth (1/10) of a vote.

ADDvise's warrants in series 2019/2021 were listed at the S SME trading venue, on the Nasdaq First North Growth Market Sweden. The short name for the warrants was ADDV TO 1 and the ISIN code was SE0012142370. The exercise period for the warrants ran from January 25, 2021, to February 8, 2021. The warrants in series 2019/2021 that were not sold by February 4, 2021, at the latest, or exercised no later than February 8, 2021, expired without value.

ADDvise's bonds are registered for trading on the Corporate Bond List of Nasdaq Stockholm. The bond's short name is ADDVISE 002 and the ISIN code of the bonds is SE00010298166.

Mangold Fondkommission AB is the Certified Adviser of ADDvise.

Shareholders, other stakeholders and the general public can subscribe to ADDvise's reports and press releases by registering at [www.addvisigroup.se/press/prenumerationstjanst/](http://www.addvisigroup.se/press/prenumerationstjanst/).

## The Group's development 2016–2020

SEK thousands	2020	2019	2018	2017	2016
Net revenue	358,487	349,877	268,219	239,914	195,288
EBITDA	46,224	30,671	16,487	12,142	18,088
EBITDA margin, %	12.9%	8.8%	6.1%	5.1%	9.3%
Operating profit/loss (EBIT)	34,257	18,629	10,768	7,635	14,233
Operating margin, %	9.6%	5.3%	4.0%	3.2%	7.3%
Equity ratio, %	26.3%	23.3%	17.7%	17.6%	20.5%
Net debt	-153,766	-182,793	-166,973	-148,014	-105,474
Net debt-to-EBITDA (multiple)	3.3	6.0	10.1	12.2	5.8
Equity per share in SEK	0.94	0.87	1.19	1.13	1.24
Number of employees at year-end	108	127	122	85	60

## Market

ADDvise's operations are organized into two business units: Lab and Healthcare.

### Lab business unit

Within Lab, ADDvise is a turnkey supplier of laboratory furnishings and apparatus to research facilities in both the public and private sectors. In a world of ever-growing requirements for quality, precision and cleanliness, ADDvise has products to meet every need within life science and healthcare.

### Healthcare business unit

ADDvise supplies equipment and consumable materials to healthcare units primarily in Sweden, Europe and North America. Our complete range includes products and customers throughout the healthcare chain, from self-care and home healthcare to surgery and acute, intensive and emergency medical service care. ADDvise's products include advanced high-tech equipment at the leading edge for the most modern of environments and healthcare facilities.

### Net revenue and profit/loss

- Net revenue for 2020 was SEK 358.5 million (349.9), an increase of 2.5% compared with the previous year
- EBITDA for 2020 was SEK 46.2 million (30.7)
- Operating profit for 2020 was SEK 34.3 million (18.6)
- Profit/loss for the year for 2020 was SEK 14.6 million (4.0)
- Basic earnings per share for 2020 were SEK 0.12 (0.04)

### Outlook and significant uncertainties

The ongoing spread of new virus mutations resulting from the Covid-19 pandemic will without doubt create a degree of uncertainty within the Medtech industry. Our assessment is that demand within our product segment remains high. In terms of acquisitions, there are still several interesting potential candidates for acquisition.

## Financial position

### Acquisitions

No acquisitions were completed during the year.

In February 2021, ADDvise entered into a share transfer agreement with the shareholders of MRC Systems FZE relating to the acquisition of 100% of the shares in MRC Systems FZE. The acquisition is expected to be completed during Q2 2021, provided that the conditions for acquisition are met.

At the time of publication of this annual report, ADDvise has not acquired MRC Systems FZE, so it has not been possible to draw up a preliminary acquisition analysis.

### Changes in intangible non-current assets

The change in goodwill during 2020 was SEK -4.9 million (41.1). The change in trademarks during 2020 was SEK -0.2 million (0.1).

### Investments in intangible non-current assets

Intangible non-current assets other than goodwill and trademarks account for the majority of capitalized expenditure for development work and similar activities. Investments in capitalized expenditure for development work and similar activities during 2020 totaled SEK 0.8 million (3.8).

ADDvise develops its own products within the fields of laboratory furnishings, safety ventilation, consumable materials for healthcare, safety products for healthcare and examination and operating tables. Work continued on modernizing the Group's product lines during 2020. The aim of this product development work is to improve profitability by reducing manufacturing costs and increasing sales by being at the leading edge in terms of product range.

### Investments in property, plant and equipment

Investments in property, plant and equipment during 2020 totaled SEK 0.9 million (1.5). Including leased property, plant and equipment, the acquisition of property, plant and equipment during 2020 totaled SEK 6.0 million (7.0).

### Equity

Equity at year-end was SEK 91.0 million (84.1), of which SEK 90,966 thousand is attributable to the shareholders of the parent company and SEK 83 thousand is attributable to non-controlling interests, which corresponded to SEK 0.94 (0.87) per share outstanding at year-end before dilution.

### Equity ratio

The equity ratio at year-end was 26.3% (23.3%).

### Net debt

Net debt at year-end was SEK 153.8 million (182.8). The ratio of interest-bearing net debt to EBITDA at the end of the period was 3.3 (6.0).

One of the Group's long-term financial goals is for the ratio of interest-bearing net debt to EBITDA not to exceed 3.0. The main reason for the improved ratio of interest-bearing net debt

to EBITDA at the end of 2020 compared with 2019 is improved profitability and a focus on optimizing the Group's working capital.

Interest-bearing liabilities falling due within one year totaled SEK 50.9 million (51.7) at year-end. Interest-bearing liabilities falling due within one year include pledged trade receivables of SEK 21.5 million (23.6), utilized overdraft facilities of SEK 0.3 million (8.7), lease liabilities of SEK 5.0 million (5.9) and liabilities relating to deferred payment of tax as a result of Covid-19 of SEK 12.6 million (0.0). Pledged trade receivables and overdraft facilities are classified as short-term borrowing, but this portion of short-term borrowing is continuously refinanced.

Interest-bearing liabilities falling due after one year totaled SEK 142.4 million (144.3) at year-end. Interest-bearing liabilities falling due after one year include the Group's bond loan of SEK 135.3 million (134.4) and lease liabilities of SEK 7.1 million (9.9).

## Cash flow

### Cash and cash equivalents

Cash and cash equivalents at year-end totaled SEK 39.6 million (13.3). The Group had an overdraft facility of SEK 20.0 million (20.2) at year-end, of which SEK 0.3 million (8.7) was utilized.

### Operating activities

Operating cash flow for 2020 totaled SEK 57.4 million (11.2). Deferred payment of taxes and charges was granted during 2020. The liability for this deferral at the end of the reporting period was SEK 12.6 million. During the year, ADDvise utilized the opportunity to defer the payment of taxes and charges as offered by the Swedish Parliament as a result of Covid-19. The effect of this deferral is reported in the consolidated statement of cash flows under operating cash flow. Excluding the deferral of taxes and charges, operating cash flow totaled SEK 44.8 million.

### Investing activities

Investing cash flow for 2020 totaled SEK -7.2 million (-31.2).

### Short-term investments

Short-term investments totaled SEK 0.0 million (0.0) at year-end. ADDvise acquired its own bonds during 2020. At year-end, the nominal value of own bonds was SEK 1.1 million and the fair value was SEK 1.1 million. In the consolidated statement of financial position and on the parent company's balance sheet, the holding has been offset against

the liability for the bond loan, which is included as a net amount that reflects ADDvise's expected cash flow upon settlement of the financial instrument, since the asset and liability will be settled simultaneously. The amount offset as of December 31, 2020, was SEK 1.1 million.

## Financing activities

Financing cash flow for 2020 totaled SEK -23.3 million (20.4).

### Bond loan 2017/2022

At the end of 2020, the total amount outstanding of ADDvise's bond was SEK 140.0 million. In total, the bond loan can include a maximum of 24,000 bonds. At the end of 2020, the total number of bonds issued was 14,000, of which 12,000 bonds were issued during 2017, equating to SEK 120.0 million, and 2,000 bonds were issued during 2018, equating to SEK 20.0 million.

Summary of the bond terms:

- The bond loan will be repaid in October 2022.
- The bonds have a fixed annual nominal interest rate of 7.25%. Interest payments are made quarterly in arrears.
- The security for the bond loan is shares in the subsidiaries Hettich Labinstrument AB and Surgical Tables Inc.
- The bonds were issued with a nominal value of SEK 10,000 per bond. The minimum subscription was one (1) bond and thereafter in multiples of SEK 10,000.
- The bonds are freely negotiable and registered for trading on Nasdaq Stockholm's corporate bond list. The short name for the bonds is ADDVISE 002 and the ISIN code of the bonds is SE0010298166.

### Net cash flow

Net cash flow for 2020 was SEK 26.9 million (0.4). No acquisitions were made during the year, which means that injections of cash and cash equivalents from acquired companies at the time of consolidation of new acquisitions in the Group totaled SEK 0.0 million (15.3) in 2020.

## Employees and organization

The average number of employees during the year was 118 (124).

The ADDvise Group has a shared organization with an executive management consisting of:

- CEO, Rikard Akhtarzand
- CFO, Aaron Wong
- General Counsel, Hanna Myhrman

## Significant events during the financial year

### Acquisitions

No acquisitions were completed during the year. See below under *ADDvise signed letter of intent to acquire MRC Systems Ltd.*

### Impact of coronavirus on ADDvise during 2020 by quarter

#### Q1 2020

During the first quarter of 2020, the Group received a significantly higher volume of orders compared with the same quarter in 2019. There was a marked increase in orders received within the Healthcare business unit in particular. This business unit's activities include supplying healthcare with equipment used in the care of patients with Covid-19, which was one of the driving forces behind the higher volume of orders received.

The challenge for ADDvise during the first quarter of 2020 was to translate the increased volume of orders received into revenue. The reason for this was disruption in both the supplier and customer chains as well as disruption to the workforce as a result of absence due to illness. The coronavirus outbreak had a negative financial impact on the Group during the first quarter of 2020 as a result of the difficult prevailing market conditions.

#### Q2 2020

The second quarter of 2020 was both challenging and extremely positive for ADDvise. As in the first quarter, some of our operations had a very good second quarter, while others faced challenges.

Sales in Sweden were influenced greatly by increased demand for sampling equipment used to test patients for Covid-19. We saw continued disruption from Covid-19 on our non-European markets, however, primarily the USA. Many planned surgical operations and interventions were postponed, resulting in a significant drop in sales of the equipment used in these interventions.

The volume of orders received remained high at the beginning of the second quarter, but returned to normal during the latter part of the quarter.

#### Q3 2020

The third quarter of 2020 saw the start of a positive trend as the North American market began to recover. Healthcare was able to adapt and incorporate planned surgical interventions and was no longer focused on treating patients with Covid-19.

There was no revenue growth during the quarter compared with the previous year, mainly because customers had purchased large volumes during the second quarter of 2020. This had a negative impact on the orders received during Q3.

#### Q4 2020

We saw a strong end to the year in the fourth quarter of 2020, despite the turbulence and uncertainty on the market during the year. During the fourth quarter, we saw the beginning of a normalized market, with increased demand for our products. Healthcare had gradually been able to increase the number of planned surgical interventions in addition to the care of Covid-19 patients, while our North American subsidiaries, which had suffered the greatest negative impact during the pandemic, ended the year on a positive note.

### ADDvise signed letter of intent to acquire MRC Systems Ltd

At the end of October 2020, ADDvise signed a letter of intent with the shareholders of MRC Systems Ltd ("MRC") regarding the acquisition of 100% of the shares in MRC. MRC develops and constructs clean rooms for the pharmaceuticals industry and for hospitals. MRC is based in Dubai, where it has its head office and a production facility. The company has one further production facility in Spain. MRC's revenue for the 2019/2020 financial year totaled USD 9.8 million with an EBITDA of USD 1.1 million. The company has around 110 employees.

The transaction is taking place for a total consideration of approximately USD 8 million, divided into an initial purchase consideration of around USD 5 million and an additional consideration of a maximum of USD 3 million in total, provided that the sellers and MRC meet pre-agreed targets. The purchase consideration includes a production facility with an estimated value of USD 1.3 million. The acquisition is being financed using the company's own funds. ADDvise believes that the acquisition will have a positive impact on ADDvise's earnings per share during the 2021 financial year.

The transaction was conditional on ADDvise's due diligence and on the parties' agreement to enter into a share transfer agreement. A share transfer agreement was signed in February 2021, with acquisition planned to take place during Q2 2021; see Note K16b [Swedish annual report only].

### ADDvise investigated the opportunity of issuing a covered bond

From November 20, 2020, ADDvise mandated Pareto Securities AB to investigate the opportunity of issuing a senior covered bond with an anticipated volume of SEK 250 million

and a maturity of three years. The net proceeds from the anticipated bond issue were intended to be used to refinance ADDvise's outstanding bond loan and other credit facilities, as well as to provide financing for general company purposes.

Given the Group's continued improvement in performance and strong cash flow, as well as the fact that the bond investigation did not result in sufficiently attractive terms for ADDvise, ADDvise chose to end the investigation on December 16, 2020. The Group's strong cash flow means that the acquisition of MRC Systems Ltd can be carried out without the need for further loans. ADDvise is considering issuing a bond in the future, provided that this can be done on commercially attractive terms.

In connection with the potential bond issue and the acquisition of MRC Systems Ltd, Rikard Akhtarzand (CEO, Board Member and shareholder through companies and privately), Staffan Torstensson (Chairman of the Board and shareholder through companies), Per Åhlgren (shareholder through companies) and Magnus Vahlquist (shareholder through companies and privately) expressed their intention to exercise their respective warrants under ADDvise's current warrant program during the period January 25 to February 8, 2021, inclusive. See Note K16a [Swedish annual report only] for information about the exercising of warrants in series 2019/2021.

#### **Updated financial target for EBITDA margin**

On November 12, 2020, the Board of ADDvise adopted a new long-term financial target for the EBITDA margin. The previous long-term financial target for the EBITDA margin was 10%. The new long-term financial target for the EBITDA margin is set at 15%. This decision was made in light of the strong profit trend of the Group.

#### **The Board decided not to propose a dividend for the 2019 financial year to the 2020 Annual General Meeting**

The entire world, including ADDvise, has been affected by the spread and development of coronavirus. Given the uncertainty resulting from the outbreak, the Board of Directors of ADDvise decided on March 24, 2020, to prioritize maintaining the Group's liquidity to enable it to handle the increase in orders received by the Group, for example, and in general to enable it to deal with the potential effects of the uncertain market conditions. The Board consequently decided not to propose the previously announced dividend of SEK 0.01 per share to the 2020 Annual General Meeting of ADDvise Group AB (publ) and it was instead proposed that the Annual General Meeting resolve not to pay a dividend for the 2019 financial year.

#### **New guidelines for price-sensitive information and its disclosure**

In February 2020, ADDvise adopted new guidelines for the assessment of price-sensitive information and its disclosure. These guidelines mean that orders and investment decisions within the Group with a total value of at least SEK 5 million will be considered price-sensitive information and therefore published to the market in a press release. The assessment will nevertheless be based on whether information may be of a price-sensitive nature, given the facts and circumstances of each individual case.

#### **Major contracts and orders during the financial year**

The Group received several large orders during the financial year, including:

- Award decision from the city of Kangasala in Finland for a digital radiography system for X-ray examinations. Contract value approximately SEK 2 million.
- Order from Region Skåne for swabs that will be used, among other things, for testing patients with suspected Covid-19. Order value approximately SEK 6 million. Delivery during 2020.
- Order from the Swedish Defense Materiel Administration (FMV) for swabs that will be used, among other things, for testing patients with suspected Covid-19. Order value approximately SEK 6 million. Delivery during 2020.
- Award decision from Jyväskylä Hospital NEO in Finland for an ultrasound system that is to be used in healthcare. Contract value approximately SEK 8 million. Orders over a period of three years.

#### **New agreement with Laborie Medical Technologies**

The Group signed a new agreement with Laborie Medical Technologies in March 2020 that gives Laborie the right to sell Sonesta Medical's urology and gynecology chairs, as well as radiographic tables worldwide, with exclusive distribution rights in the USA as well as in France, the United Kingdom, Ireland, Germany, Belgium, the Netherlands, Austria, Switzerland and Luxembourg.

The initial agreement period is three years. The order value during the initial agreement period is a total of at least SEK 50 million. Under the agreement, the parties have agreed minimum volumes for the distribution of the products on the exclusive markets, meaning that Laborie must order a total of at least 165 products per year, of which at least 20 must be radiographic tables.

### Erland Pontusson, COO of ADDvise, retired but retained as a Senior Advisor

Erland Pontusson, COO and member of ADDvise's Executive Management, retired on June 30, 2020, on reaching his 67th birthday. Erland Pontusson remained with the Group as a Senior Advisor. As of the Annual General Meeting in April 2020, Erland Pontusson is also a member of the Board of ADDvise Group AB. Erland Pontusson's duties as COO have initially been absorbed by existing positions within ADDvise.

### Hanna Myhrman appointed General Counsel and member of the Executive Management

On November 1, 2020, Hanna Myhrman became General Counsel and a member of ADDvise's Executive Management. Hanna Myhrman, born in 1992, has a Master of Laws from the University of Lund and has been working as a company lawyer at ADDvise since November 2019. Hanna Myhrman previously worked at DLA Piper, where she focused on M&A, financing, and corporate law.

### ADDvise acquired own bonds

Since August 20, 2020, ADDvise has been acquiring its own bonds (ISIN SE0010298166). At year-end, the holding of own bonds totaled a nominal amount of SEK 1.1 million.

SEK			
Date of acquisition	Nominal value	Average price	
2020-08-20	100,000	84.50	
2020-08-20	150,000	84.50	
2020-08-20	100,000	85.00	
2020-08-20	100,000	85.00	
2020-08-24	20,000	85.12	
2020-08-24	50,000	85.50	
2020-09-03	80,000	87.00	
2020-09-03	120,000	87.00	
2020-09-04	50,000	87.00	
2020-09-08	110,000	89.00	
2020-09-08	30,000	89.50	
2020-09-16	50,000	90.50	
2020-09-17	20,000	89.00	
2020-09-18	50,000	89.00	
2020-09-22	80,000	90.00	
	<b>1,110,000</b>		

### Significant events after the end of the financial year

See Note K16 *Significant events after the end of the financial year* [Swedish annual report only].

### The share, share capital and ownership structure

#### Number of shares, nominal value, share capital and other contributed capital

Information about share capital, other contributed capital and changes in the number of shares issued, share capital and other contributed capital is provided in Note K9 *Equity* [Swedish annual report only]. For changes in equity, see also the consolidated statement of changes in equity.

#### Translation reserve

The translation reserve covers all foreign exchange differences arising from the translation of the financial statements of foreign operations, the financial statements for which have been prepared in a currency other than the currency in which the consolidated financial statements are presented. The parent company and the Group present their financial statements in Swedish kronor (SEK). Cumulative translation differences are recognized through profit or loss on divestment of foreign operations.

#### Fair value reserve

The fair value reserve covers the cumulative net change after tax in the fair value of financial assets measured at fair value through other comprehensive income until such asset is derecognized from the balance sheet, which relates to investments in listed bonds.

Group reserves in SEK thousands	Fair value reserve	Translation reserve	Total reserves
<b>Opening carrying amount Jan 1, 2019</b>	<b>-238</b>	<b>4,596</b>	<b>4,357</b>
Change for the year 2019	238	1,650	1,888
<b>Closing carrying amount Dec 31, 2019</b>	<b>0</b>	<b>6,246</b>	<b>6,246</b>
<b>Opening carrying amount Jan 1, 2020</b>	<b>0</b>	<b>6,246</b>	<b>6,246</b>
Change for the year 2020	122	-7,729	-7,607
<b>Closing carrying amount Dec 31, 2020</b>	<b>122</b>	<b>-1,484</b>	<b>-1,362</b>



### Largest shareholders

The largest shareholders at the end of 2020, and known changes after this time, are shown in the table below:

	Number of shares	Votes, %	Equity, %
Per Åhlgren, through companies	36,963,715	17.75%	26.46%
Magnus Vahlquist, privately and through companies	13,648,534	8.12%	9.77%
Rikard Akhtarzand, privately and through companies	12,503,574	17.33%	8.95%

Other than these three shareholders, no shareholder holds, directly or indirectly, more than 10% of the shares or votes in ADDvise Group AB (publ).

### Authorization for the Board to decide on new share issues

The 2020 Annual General Meeting decided to authorize the Board of Directors to decide, within the framework of the applicable articles of association, on new issues of shares and/or convertibles and/or warrants.

The Board of Directors proposes that the 2021 Annual General Meeting gives the Board the authority to decide, within the framework of the applicable articles of association, until the next AGM, on one or more occasions, with or without deviation from the preferential rights of the shareholders, on new issues of shares and/or convertibles and/or warrants.

The Board of Directors proposes that it be given the authority to decide whether new issues are to be made for payment in cash, in kind and/or through offsetting or otherwise with conditions attached.

### Dividend

The Board proposes a dividend of SEK 0.02 (0.00) per share. This proposal equates to a total dividend of SEK 2,794 thousand (0).

### Corporate governance

The corporate governance of ADDvise is described in a separate Corporate Governance Report [Swedish annual report only].

### Guidelines for the remuneration of senior executives 2020

#### General

The company will have the levels of remuneration and terms of employment necessary to secure the company's access to

executives with the required expertise and capacity to achieve the targets set at a cost appropriate to the company and taking into account the expertise of the individual executive. The application of market terms in relation to comparable listed companies of a similar size within the same industry ("market terms"), adapted to the company's costs, will be the general principle for salaries and other remuneration for senior executives of the company. The total possible remuneration available to senior executives of the company comprises fixed salary, variable remuneration, long-term incentive schemes, pension benefits and non-monetary benefits.

### The company's business strategy, long-term interests and sustainability

The company develops and supplies equipment to healthcare and research facilities. Demographic changes, with a population that is living longer and requiring more advanced healthcare, mean that the company must continue, in a sustainable manner, to maintain long-term relationships by offering a broad range of skills and specialist expertise within the business areas of Lab and Healthcare.

A prerequisite for the success of the company's business strategy, long-term interests and sustainability is the company's ability to attract the right employees. These guidelines form part of the foundation on which the company recruits and retains qualified employees by offering competitive remuneration.

#### Fixed salary

The basic principle for the remuneration of senior executives is that remuneration takes the form of a fixed salary on market terms that must be determined individually on the basis of the criteria above and the particular expertise of the senior executive in question.

#### Variable remuneration

In addition to a fixed salary, variable remuneration on market terms may be offered where appropriate. Such remuneration must be linked to predefined and clearly specified measurable targets with the aim of improving the company's long-term value creation and must be based on straightforward and transparent structures.

In those cases where variable remuneration for senior executives is deemed appropriate, it must be determined (a) on the basis of the achievement of predefined targets at Group and individual level relating to management and production results and the company's financial performance in order to improve the company's long-term value creation and (b) taking into account the personal development of the senior

executive in question. Targets for the CEO are set by the Board of Directors. Targets for other senior executives are set by the CEO on the recommendation of the Chairman of the Board. The terms and basis of calculation for variable remuneration must be determined each financial year.

The total amount of variable remuneration must not exceed the fixed salary paid to the senior executive in question during the period to which the variable remuneration relates. When structuring variable remuneration for senior executives that is paid in cash, the Board of Directors must consider incorporating provisions that:

- make the payment of a certain proportion of such remuneration conditional on the performance on which it is earned proving to be sustainable over time, and
- enable the company to require the repayment of such remuneration that is paid on the basis of information that subsequently proves to be clearly inaccurate.

#### **Long-term incentive scheme**

It is also possible for remuneration to be paid through a long-term incentive scheme, consisting of, for example, a share savings scheme, warrant program or other share-based instrument, such as synthetic options or employee options, and based on the outcome in relation to set targets and structured so that a greater community of interests is achieved between the senior executive and the company shareholders. The earning period or the period from entering into the agreement until a share may be acquired must be no shorter than three years.

The forms of variable remuneration also help to attract, retain and provide an incentive for senior executives to contribute to the company's continued success in terms of business strategy, long-term interests and sustainability.

#### **Pension benefits**

The pension terms for senior executives must be on market terms and individually adapted, taking into account the particular expertise of the senior executive in question, and adapted to the company's costs. Pension provisions must be defined contribution.

#### **Non-monetary benefits**

The non-monetary benefits of senior executives (such as cell phone and computer) must support them in the performance of their work and must be on market terms.

#### **Notice period and severance pay**

The notice period between the company and the CEO must be 6–18 months. Notice periods for other senior executives

will normally be 3–12 months. Salary during the notice period and severance pay must under no circumstances exceed 18 months.

#### **Consultancy fee**

If a Board member carries out work on behalf of the company in addition to their Board work, a consultancy fee and other remuneration for such work may be paid in accordance with a specific decision of the Board of Directors.

#### **Salaries and terms of employment of the company's employees taken into account**

Information about the salaries and terms of employment of the company's other employees has been taken into account in the preparation of these guidelines, in that the total remuneration of other employees and the change in remuneration over time has formed part of the basis for decision-making.

#### **Decision-making process**

The Board of Directors intends to draw up a proposal for new guidelines at least every four years and to submit the proposal for adoption at the Annual General Meeting. Where the Board's preparation of and decision on remuneration-related issues concerns the CEO or other senior executives, these must not be present.

#### **Deviation from the guidelines under exceptional circumstances**

The Board of Directors reserves the right to deviate from the guidelines in individual cases under exceptional circumstances.

#### **Principles for the appointment of Board members by the nomination committee**

1. The company must have a nomination committee consisting of at least three members, as well as the Chairman of the Board as rapporteur.
2. On the basis of the ownership statistics the company receives from Euroclear Sweden AB on June 30, the Chairman of the Board shall, without undue delay, identify the three shareholders with the largest share of votes in the company.
3. The Chairman of the Board shall, as soon as reasonably possible, contact in an appropriate manner the three largest shareholders identified and request that, within a period that is reasonable given the circumstances and is no longer than 30 days, they nominate in writing the person the shareholder wishes to appoint as a member of the nomination committee. If a shareholder waives their right to appoint a



- member, or if a shareholder fails to appoint a member within the specified period, the right to appoint a member of the nomination committee shall pass to the shareholder with the next-largest share of votes who has not already appointed or does not already have the right to appoint a member of the nomination committee.
4. The chairman of the nomination committee shall be the member appointed by the shareholder with the largest share of votes, unless the nomination committee unanimously decides to appoint another member appointed by a shareholder as the chairman of the nomination committee. The chairman of the nomination committee must not be a member of the Board of Directors.
  5. The nomination committee must inform the company as soon as all of the members of the nomination committee and its chairman have been appointed and at the same time provide the necessary information about the members and chairman of the nomination committee, as well as which shareholder has appointed each member. The company shall, without undue delay, make public the composition of the nomination committee by publishing information in a special press release and on the company's website.
  6. The nomination committee shall be considered appointed and its mandate period shall begin on the date when the information is published in a special press release. The mandate period of the nomination committee is until the next nomination committee is duly appointed and its mandate period has begun.
  7. If a member appointed by a shareholder leaves the nomination committee or if a member is prevented from fulfilling their duty, the nomination committee shall, without delay, request that the shareholder who appointed the member appoint a new member of the nomination committee within a period that is reasonable given the circumstances and is no longer than 30 days. If a shareholder fails to appoint a new member within the specified period, the right to appoint a new member of the nomination committee shall pass to the shareholder with the next-largest share of votes who has not already appointed a member of the nomination committee or not previously waived such right. In the event of a change of member of the nomination committee in accordance with the above, the rules of section 5 above shall apply analogously.
  8. If a shareholder feels that their shareholding in the company has reached such a size that it entitles them to representation on the nomination committee, the shareholder can notify the nomination committee of this in writing and at the same time provide verification of their shareholding in a satisfactory manner. If the nomination committee receives such written proposal no later than December 31 and if the nomination committee considers the shareholding stated to be verified in a satisfactory manner, the nomination committee will notify the shareholder of this, who will then be entitled to appoint one additional member of the nomination committee. The relevant parts of the procedures described in sections 3, 4 and 5 shall then apply analogously. If the nomination committee receives the proposal from the shareholder after December 31, no action shall be taken on the proposal.
  9. If the nomination committee at any one time contains fewer than three members, the nomination committee shall nevertheless be authorized to perform the duties incumbent upon the nomination committee under this AGM resolution.
  10. The nomination committee shall perform its duties in accordance with this AGM resolution and applicable regulations. The duties include submitting proposals for:
    - the chairman of the Annual General Meeting;
    - the Chairman of the Board and other Board members;
    - the Board fees paid to the Board members;
    - the auditor's fee and, where the auditor of the company is to be elected, the choice of auditor;
    - any fee to be paid to the members of the nomination committee; and
    - principles for the appointment of Board members by the nomination committee.
- The company will bear reasonable costs associated with the duties of the nomination committee.

### Risks and risk management

The ADDvise Group is exposed to various financial risks in its activities, including credit risk, market risk and currency risk, interest rate risk, and liquidity risk. The company management and the Board take active steps to minimize these risks.

Credit risk is defined as the risk of the Group's counterparties being unable to fulfil their financial obligations to the Group. The Group's largest credit risk is trade receivables. The Group has established guidelines to ensure that products and services are sold to customers with a suitable credit history.

Exchange rate fluctuations represent one of the risks that the company manages using a currency policy, which in principle means that the company must seek to avoid currency risk. Currency risk is managed by seeking to agree orders in SEK or by using currency clauses in customer agreements. The Group currently has sales in SEK, NOK, USD and EUR and has costs in the same currencies, which in itself balances the currency risk. Exposure in other currencies is limited.

Liquidity risk is the risk of the Group having difficulty fulfilling its obligations in relation to financial liabilities. As of the balance sheet date, interest-bearing liabilities total SEK 193,372 thousand (196,052). The Group's operations also involve a liquidity risk, as large orders tie up significant capital. To minimize the amount of capital tied up, the company has payment terms with the company's customers that require a portion of the order value to be paid on the signing of the order. The company also has agreements on factoring.

Since the company's strategy is to make complementary acquisitions, the company's level of debt may change over time. The Board of Directors always makes an overall assessment of the risk that an acquisition loan represents to the company.

For further information about the Group's financial risks, see Note K11 *Financial risks* [Swedish annual report only]. The assessment of the Board of Directors and the company management is that the liquidity of the company and the Group, in view of current plans, forecasts and available credit, is secured for the next 12 months.

## Market and operational risks

### *Macroeconomic conditions*

ADDvise is dependent on the general economic cycle. Any economic downturn in Sweden, or in other parts of the world where ADDvise operates, poses a risk of reduced demand for the products and services supplied by ADDvise. The company's operations, financial position and operating profit/loss can be negatively affected by a number of different factors. Examples of such factors include lower consumption, a reduction in the number or volume of investments, increased volatility on the capital market, as well as changes in exchange rates, inflation and interest rates. These factors, together with a more cautious approach from both companies and consumers, which are out of the company's control, may lead to further economic slowdown and recession, which affects the commercial and economic situation and ultimately may have a negative impact on the company's operations, financial position and operating profit/loss.

ADDvise's subsidiaries operate globally. The effects of the current coronavirus outbreak are creating both risks and opportunities in different parts of the world. ADDvise operates in an industry whose products and services are vital during the current crisis. We believe that governments and public authorities will prioritize guaranteeing the continued supply of these products and services to the general public.

### *Senior executives, other personnel and operational risk*

Operational risk is defined as the risk of losses being incurred as a result of inadequate procedures and/or fraud. Good internal controls, appropriate administrative systems, skills development and access to reliable valuation and risk models provide a good basis for ensuring operational security.

The knowledge, experience and commitment of employees is vital to the future development of ADDvise. ADDvise could be negatively affected if several of the company's employees were to leave ADDvise at the same time or if inadequacies were to emerge in the company's operational security.

### *Competition*

ADDvise currently only has a few competitors that are able to offer comparable services. If new players were to enter the market or if existing players were to develop their own solutions and strengthen their positions, this could have a negative impact on the company's operations and performance. ADDvise may then need to carry out costly investments, restructuring or price reductions in order to adapt to the new competitive situation. Increased competition could therefore have a negative impact on the operations, performance and financial position of ADDvise.

### *Customers*

ADDvise supplies medtech equipment and apparatus to laboratories and research facilities. ADDvise's largest customers are in the public sector, as well as pharmaceuticals companies. ADDvise is not dependent on any individual customer contract for the operation of its business, although income from a single customer can be significant. There is therefore a risk that the loss of such customers may have a significant negative impact on the operations, financial position and performance of ADDvise. Exposure to the pharmaceuticals industry and the public sector also means that changes within these industries may have a negative impact on the operations, financial position and performance of ADDvise.

The NLM 02 standard terms, which govern, among other things, the customer's right to cancel an order, are generally used for order-based domestic sales within the Lab business area.

### *Suppliers*

To be in a position to deliver its products, ADDvise is dependent upon components and services from third parties being delivered on time, in the right quantity and in compliance with ADDvise's quality requirements. Deficient delivery or non-delivery from suppliers may result in delays to ADDvise's production, which may have a negative impact on the operations, financial position and performance of ADDvise. Significant disruption, quality issues or other negative events affecting the company's relationship with one or more of its major suppliers may result in additional costs and have a negative impact on the company's performance and financial position. If ADDvise were to replace one of its main suppliers, the company could be exposed to risks and costs in relation to such a transition. There could also be a negative impact on the company's performance and financial position if the company is unable to replace one of its major suppliers on reasonable commercial terms.

### *Disputes*

Legal disputes involve an inherent risk of both losing the case and the costs of legal representation and – in the case of arbitration proceedings – the arbitral tribunal. There is always a risk of disputes arising in connection with contracts or agreements or of being unable to resolve any disputes that have arisen in a way that is to the advantage of the company. Legal proceedings may therefore have a negative impact on the operations, financial position and performance of ADDvise.

### *Changes to legislation*

The company operates in the public sector, among others, and works with the pharmaceuticals industry. These areas are both subject to extensive regulation, which undergoes constant change. New laws or regulations, or changes in the application of existing laws or regulations that apply principally to these areas, may have a negative impact on the operations of the company.

### **Parent company**

ADDvise Group AB, company registration number 556363-2115, is the parent company of the ADDvise Group and is a registered Swedish limited company with its registered office in Stockholm. The address of the head office is ADDvise Group AB, Grev Turegatan 3, SE-114 46 Stockholm, Sweden. The parent company provides support functions within finance, marketing, HR and management for the Group's subsidiaries. The parent company's net revenue was SEK 19,488 thousand (14,687) and the profit/loss after net financial items was SEK 2,522 thousand (-20,200), while the balance sheet total was SEK 277,887 thousand (284,704). Unrestricted equity was SEK 73,183 thousand (61,283) at the parent company.

Risks and uncertainties in the parent company's operations are described in the Group Directors' Report.

**The Board's proposed distribution of profits and proposed conditions for a dividend as well as reasoned statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005:551)**

The following profits are at the disposal of the 2021 Annual General Meeting:

Share premium account and retained earnings	SEK 61,159,512.61
Profit/loss for the year	SEK 12,023,598.86
Total disposable earnings	SEK 73,183,111.47

The Board of Directors proposes the following appropriation of the disposable earnings:

Distributed to shareholders at SEK 0.02 per share, totaling	SEK 2,794,015.36
Carried forward then distributed to share premium account	SEK 70,389,096.11
	SEK 73,183,111.47

The proposed record date is April 27, 2021. If the General Meeting of the company agrees with the proposal, it is estimated that the dividend will be distributed through Euroclear Sweden AB on April 30, 2021. The last day for trading in the company's shares, including the right to a dividend, is therefore April 23, 2021.

The Board of Directors submits the following reasoned statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005:551).

The performance and financial position of the parent company and of the Group are good, as can be seen from the latest income statement and balance sheet. As of December 31, 2020, the equity of the parent company was SEK 83,093,115. The Board of Directors considers that the proposed dividend is covered by equity and is in line with the company's long-term financial targets. Capital adequacy and liquidity after the proposed dividend will also be sound in relation to the industry in which the Group operates.

The Board of Directors therefore considers the proposed dividend to be justifiable, taking into account

1. the requirements which the (company's and the Group's) type of operations, size and risks place on the size of equity; and
2. the company's and the Group's consolidation requirements, liquidity and position in general.

As far as the Board of Directors and the CEO are aware, the annual report has been prepared in accordance with generally accepted accounting practice. The information provided corresponds to the actual circumstances of the business and nothing of material significance has been omitted that could affect the view of the Group and the parent company that is created by the annual report.

## Consolidated statement of comprehensive income

SEK thousands	Note	2020 Jan-Dec	2019 Jan-Dec
Net revenue	K3, K4a	358,487	349,877
Capitalized work on own account	K8b2	769	3,808
Other operating income	K5a	7,712	3,620
		366,968	357,305
Cost of materials	K8d	-221,154	-216,917
Other external expenses	K5d, K5g, K12a, K15a	-27,060	-31,443
<i>Of which impairment losses (calculated in accordance with IFRS 9)</i>		0	0
Personnel costs	K5c, K5g, K17b	-70,929	-77,060
Depreciation and amortization	K8c	-11,967	-12,042
Other operating expenses	K5b	-1,600	-1,215
		-332,711	-338,676
<b>Operating profit/loss (EBIT)</b>		<b>34,257</b>	<b>18,629</b>
Financial income	K5e	94	229
Financial expenses	K5f, K5g	-16,494	-17,186
<b>Profit/loss before tax (EBT)</b>		<b>17,857</b>	<b>1,672</b>
Tax	K6a, K6b	-3,219	2,373
<b>Profit/loss for the year</b>		<b>14,637</b>	<b>4,045</b>
Profit/loss attributable to:			
Shareholders of the parent company		14,638	4,059
Non-controlling interests		-1	-14
		<b>14,637</b>	<b>4,045</b>
<b>Other comprehensive income</b>			
<i>Items that can be reclassified in profit and loss</i>			
Change in fair value of financial assets recognized at fair value through other comprehensive income	K7c	122	0
Foreign exchange differences on the translation of foreign operations		-7,729	1,650
Income tax attributable to the items above		0	0
<i>Reclassification of items in profit and loss</i>			
Utilization of reserves	K7c	0	238
Income tax attributable to the items above		0	0
<b>Other comprehensive income for the year, after tax</b>		<b>-7,607</b>	<b>1,888</b>
<b>Total comprehensive income for the year</b>		<b>7,030</b>	<b>5,933</b>
Comprehensive income attributable to:			
Shareholders of the parent company		7,028	5,950
Non-controlling interests		2	-17
		<b>7,030</b>	<b>5,933</b>
Basic earnings per share (SEK)	K18	0.12	0.04
Diluted earnings per share (SEK)	K18	0.11	0.04

[Notes in Swedish annual report only]

## Consolidated statement of financial position

SEK THOUSANDS	Note	2020 Dec 31	2019 Dec 31
<b>ASSETS</b>			
<i>Non-current assets</i>			
Goodwill	K8b5	156,319	161,199
Trademarks	K8b1	22,594	22,833
Other intangible non-current assets	K8b2, K8b3, K8b4	19,491	22,985
Property, plant and equipment	K8a	15,944	19,979
Non-current financial assets	K7b	134	125
Deferred tax assets	K6f	7,122	7,984
<b>Total non-current assets</b>		<b>221,604</b>	<b>235,105</b>
<i>Current assets</i>			
Inventories	K8d	33,422	37,251
Contract assets	K4b	727	5,285
Trade receivables	K7a	44,930	63,454
Other current receivables	K7b	3,384	3,668
Prepayments and accrued income	K8e	2,071	2,345
Short-term investments	K7c	0	0
Cash and cash equivalents	K7d	39,606	13,259
<b>Total current assets</b>		<b>124,140</b>	<b>125,262</b>
<b>TOTAL ASSETS</b>		<b>345,743</b>	<b>360,367</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital	K9	9,691	9,691
Other contributed capital	K9	86,476	86,599
Reserves		-1,362	6,246
Retained earnings including profit/loss for the year		-3,756	-18,393
<b>Total equity</b>		<b>91,049</b>	<b>84,142</b>
Equity attributable to:			
Shareholders of the parent company		90,966	84,003
Non-controlling interests		83	139
		<b>91,049</b>	<b>84,142</b>
<i>Non-current liabilities</i>			
Interest-bearing liabilities	K7f, K11	142,442	144,316
Other non-current liabilities	K7g, K7h	0	5,738
<b>Total non-current liabilities</b>		<b>142,442</b>	<b>150,054</b>
<i>Current liabilities</i>			
Interest-bearing liabilities	K5g, K7f, K11	50,930	51,737
Current tax liabilities	K6	2,145	1,673
Contract liabilities	K4b	1,303	3,980
Trade payables	K7e	29,073	32,890
Other current liabilities	K7e, K7g, K7h	13,647	21,800
Accruals and deferred income	K8f	15,154	14,090
<b>Total current liabilities</b>		<b>112,252</b>	<b>126,170</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>345,743</b>	<b>360,367</b>

For information about the Group's pledged assets and contingent liabilities, see Note K14 and Note K19  
[Notes in Swedish annual report only]

## Consolidated statement of changes in equity

SEK thousands	Equity attributable to the parent company's shareholders				Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings including profit/loss for the year			
Note	K9	K9					
<b>Opening balance at January 1, 2019</b>	<b>4,304</b>	<b>64,954</b>	<b>4,588</b>	<b>-22,611</b>	<b>51,235</b>	<b>175</b>	<b>51,410</b>
Change on transition to IFRS 16 Leases				-233	-233	0	-233
<b>Adjusted opening balance</b>	<b>4,304</b>	<b>64,954</b>	<b>4,588</b>	<b>-22,843</b>	<b>51,002</b>	<b>175</b>	<b>51,177</b>
<b>Comprehensive income</b>							
Profit/loss for the year				4,059	4,059	-14	4,045
Other comprehensive income			1,891		1,891	-3	1,888
<b>Total comprehensive income</b>	<b>4,304</b>	<b>64,954</b>	<b>6,478</b>	<b>-18,784</b>	<b>56,952</b>	<b>158</b>	<b>57,110</b>
Translation reserve			-233	252	19	-19	0
<b>Transactions with shareholders in their capacity as owners:</b>							
Contributed capital after deduction of transaction costs and tax	5,387	21,645			27,032		27,032
	<b>5,387</b>	<b>21,645</b>	<b>0</b>	<b>0</b>	<b>27,032</b>	<b>0</b>	<b>27,032</b>
<b>Closing balance at December 31, 2019</b>	<b>9,691</b>	<b>86,599</b>	<b>6,246</b>	<b>-18,532</b>	<b>84,003</b>	<b>139</b>	<b>84,142</b>
<b>Opening balance at January 1, 2020</b>	<b>9,691</b>	<b>86,599</b>	<b>6,246</b>	<b>-18,532</b>	<b>84,003</b>	<b>139</b>	<b>84,142</b>
<b>Comprehensive income</b>							
Profit/loss for the year				14,638	14,638	-1	14,637
Other comprehensive income			-7,610		-7,610	3	-7,607
<b>Total comprehensive income</b>	<b>9,691</b>	<b>86,599</b>	<b>-1,364</b>	<b>-3,894</b>	<b>91,032</b>	<b>141</b>	<b>91,172</b>
Translation reserve			3	55	58	-58	0
<b>Transactions with shareholders in their capacity as owners:</b>							
Contributed capital after deduction of transaction costs and tax		-123			-123		-123
	<b>0</b>	<b>-123</b>	<b>0</b>	<b>0</b>	<b>-123</b>	<b>0</b>	<b>-123</b>
<b>Closing balance at December 31, 2020</b>	<b>9,691</b>	<b>86,476</b>	<b>-1,362</b>	<b>-3,839</b>	<b>90,966</b>	<b>83</b>	<b>91,049</b>

[Notes in Swedish annual report only]

## Consolidated statement of cash flows

SEK thousands	Note	2020 Jan-Dec	2019 Jan-Dec
<i>Operating activities</i>			
Profit/loss before tax		17,857	1,672
<i>of which interest received</i>	K10	100	229
<i>of which interest paid</i>	K10	-12,882	-13,766
Adjustments for non-cash items	K10	3,778	9,734
Income tax paid		-2,259	-731
<b>Operating cash flow before changes in working capital</b>		<b>19,375</b>	<b>10,674</b>
Change in inventories		3,829	5,454
Change in current receivables		25,692	-10,775
Change in current liabilities		-4,085	5,834
Deferred payment of tax		12,626	-
<b>Operating cash flow</b>		<b>57,438</b>	<b>11,187</b>
<i>Investing activities</i>			
Acquisition of subsidiaries	K12	-4,956	-32,155
Acquisition of intangible non-current assets	K8b	-804	-4,217
Acquisition of property, plant and equipment	K8a	-683	-1,615
Sale of property, plant and equipment	K8a	196	92
Acquisition of short-term investments	K10a	-966	-
Disposal of short-term investments	K10a	-	6,657
<i>Investing cash flow</i>		<i>-7,214</i>	<i>-31,237</i>
<i>Financing activities</i>			
Share issue	K10, K10a K9	-	32,245
Transaction costs for share issues	K9	-123	-5,213
Loans raised		-	11,247
Amortization of loans		-12,554	-14,017
New non-interest-bearing liabilities	K10c	-	7,517
Amortization of non-interest-bearing liabilities	K10c	-3,995	-3,835
Payments made in relation to amortization of loans attributable to leases		-6,642	-7,512
Deposits paid		-	-
Refunds of deposits paid		-	-
<i>Financing cash flow</i>		<i>-23,314</i>	<i>20,432</i>
<b>Cash flow for the year</b>		<b>26,910</b>	<b>381</b>
Cash and cash equivalents at start of year	K10a	13,259	12,877
Foreign exchange differences in cash and cash equivalents		-562	0
<b>Cash and cash equivalents at year-end</b>		<b>39,606</b>	<b>13,259</b>

[Notes in Swedish annual report only]