

Interim report January 1 – March 31, 2021

January – March 2021

- » Net revenue for the period was SEK 87.7 million (83.7)
- » EBITDA for the period was SEK 8.9 million (5.4)
- » EBITA for the period was SEK 6.9 million (3.4)
- » Profit/loss for the period was SEK 2.5 million (-2.5)
- » Basic earnings per share for the period amounted to SEK 0.02 (-0.02)
- » Orders received for the period totaled SEK 91.7 million (137.3)
- » Operating cash flow for the period was SEK -1.3 million (8.7)

SEK THOUSANDS	2021 Jan–Mar	2020 Jan–Mar	Change	Rolling 12 months Apr 2020– Mar 2021	2020 Jan–Dec	Change
Net revenue	87,737	83,704	5%	362,520	358,487	1%
EBITDA	8,864	5,384	65%	49,704	46,224	8%
EBITDA margin, %	10.1%	6.4%		13.7%	12.9%	
EBITA	6,947	3,365	106%	41,729	38,147	9%
EBITA margin, %	7.9%	4.0%		11.5%	10.6%	
Profit/loss before tax (EBT)	3,449	-2,085	265%	23,390	17,857	31%
Profit/loss for the period	2,515	-2,474	202%	19,626	14,637	34%
Basic earnings per share (SEK) ¹	0.02	-0.02		0.16	0.12	
Net debt-to-EBITDA ²	2.6	6.1		2.6	3.3	

Notes

¹ Earnings per share were adjusted to take into account the outcome of warrants in series 2019/2021 in February 2021.

² EBITDA in the key performance indicator Net debt-to-EBITDA is based on a rolling 12-month period.

The ADDvise Group in brief

ADDvise Group AB (publ) 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. Sales are global. The Group has a clear acquisition strategy with the aim of raising shareholder value and expanding the business – both geographically and product-wise.

CEO's comments

ADDvise entered the first quarter in a strong position, carrying momentum from the fourth quarter of 2020 into the new year with solid organic growth.

The first quarter of 2021 was characterized by organic growth and strong margin improvements. It was driven by continued positive development in our core areas of patient positioning, X-ray, emergency care products and equipment for research laboratories. Net revenue was SEK 87.7 million, a solid organic increase of 4.8% compared with the first quarter of 2020 when the net revenue was SEK 83.7 million. The EBITDA margin for the first quarter was 10.1%, a significant improvement vs. 6.4% achieved in the first quarter of 2020. Sales growth, coupled with continued savings in OPEX have transformed the business in terms of profitability, giving us a strong platform for an exciting year ahead. On our rolling 12 numbers we are approaching SEK 50 million in EBITDA, with an EBITDA margin of 13.7 percent.

Orders received during the quarter amounted to a strong SEK 91.7 million. Orders received during the same quarter in 2020 was SEK 137.3 million, but included a one-time order of SEK 50 million to be delivered over 2020, 2021 and 2022. Excluding that order, the increase in orders received was about 5%.

The additional equity generated from the warrant program during the quarter, generated SEK 27.8 million in cash before transaction costs. Holders of warrants in series 2019/2021 exercised 42,787,137 warrants, corresponding to 99.41% of the number of outstanding warrants. This, combined with a continuation of strong underlying profitability, brought our long-term financial target of a net debt-to-EBITDA ratio of 3.0, down to 2.6 in the first quarter – a great achievement.

Lab business unit

Net revenue within the Lab business unit totalled SEK 37.9 million, an increase of 20,7% compared to the first quarter for 2020 when it was SEK 31.4 million. There are positive signs



from our laboratory customers moving away from low margin consumables and into equipment and laboratory projects like clean rooms and laboratory interiors which carry better margins.

EBITDA for the Lab business unit was SEK 4.6 million, an increase compared to the first quarter of 2020 when it was SEK 0.8 million. The EBITDA margin in the quarter reached 12,1 % which is the strongest margin ever for the Lab segment.

Healthcare business unit

Net revenue within the Healthcare business unit totalled SEK 49.8 million, a decrease of 4.7% compared to the first quarter of 2020 when it was SEK 52.3 million. The Covid-19 pandemic lingered within some of our businesses in the Healthcare business unit during the first part of the quarter in 2021, but towards the end of the quarter we started to see an improvement in net revenue. While the near-term US economic outlook has dimmed somewhat in the first half of the year, and elective procedures remain delayed, our core US business is benefiting from insights gained from a historic previous year,

and have to an extent, outperformed the general market conditions.

EBITDA for the Healthcare business unit was SEK 4.6 million, an increase compared to the first quarter of 2020 when it was SEK 4.0 million. In comparable units, OPEX decreased by 13 percent vs the same period in 2020 as we continued to focus and streamline our cost base.

Acquisitions

We continue 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, which is set to be consolidated during the second quarter 2021. MRC specializes in clean rooms and climate-controlled 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, and I am sure that we will fill the gap between our organic growth, and our financial target of 20% growth in the upcoming years.

Outlook

Our assessment is that demand within our product segment will remain high, despite the on-going pandemic, and our diverse portfolio of products will benefit us during 2021.

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 in no doubt that we will see a marked increase in the willingness to invest in MedTech and research equipment worldwide in the medium to long term. Our clear target is to reach one billion SEK in revenue with a corresponding EBITDA of SEK 150 million within 4–5 years in line with our long-term financial targets.

Rikard Akhtarzand,
CEO, ADDvise Group AB (publ)



About ADDvise

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.

ADDvise's operations are divided into two business areas, Lab and Healthcare, with a highly decentralized organization. Each company operates as a distinctly separate unit and is run independently in order to maintain its own inventiveness and entrepreneurial flair.

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 required 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 requirement 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.

Our acquisition strategy

Acquisition is one of the most important components of the ADDvise Group's growth strategy. The purpose of the acquisitions is to create critical mass in the different industries in which the Group does business. The critical mass and

industrial logic underlying the acquisitions strengthens existing operations and allows new market share to be gained.

The industrial logic in the acquisitions will create long-term value for the company's shareholders. Today, focus is directed at companies within the life science sector, which constitutes the core of the ADDvise Group. Under this strategy, the attitude toward acquisitions is rather opportunistic.

The ADDvise Group's Board of Directors and executive management have worked with acquisitions over a long period. This means that the competence necessary to identify a good acquisition and then integrate the company is available internally. We are also strong with regard to readiness to take on board acquired assets, companies and company structures.

The payment structure applied by the ADDvise Group consists mainly of a mix of cash, shares and a supplementary purchase price. We use this payment model partly to create an incentive for the seller to continue assuming responsibility for the development of the company after the sale has taken place, but also to meet the price expectations of the seller.

The companies that ADDvise focuses on are primarily mature companies with good cash flows in more-or-less mature industries. Candidates for acquisition must operate in the business-to-business market, and the level of risk in the company must be relatively low. The size of the candidates may vary, but annual sales may not be below SEK 20 million.

Share and bond

The company'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.

The company'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.

The company'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.

The company'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.

Employees and operational organization

The number of employees at the end of the reporting period was 111 (125). The ADDvise Group has a shared organization with an executive management consisting of:

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

Legal structure

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. Operations are conducted at the parent company and all subsidiaries.

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



The Group's development

Group income and performance

Orders received January–March 2021

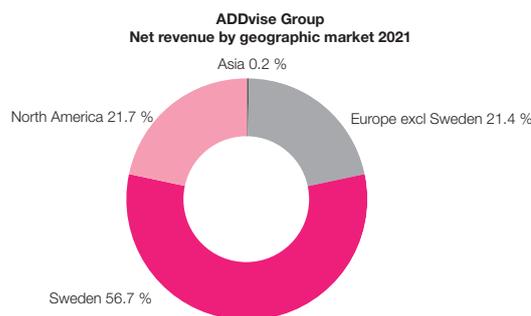
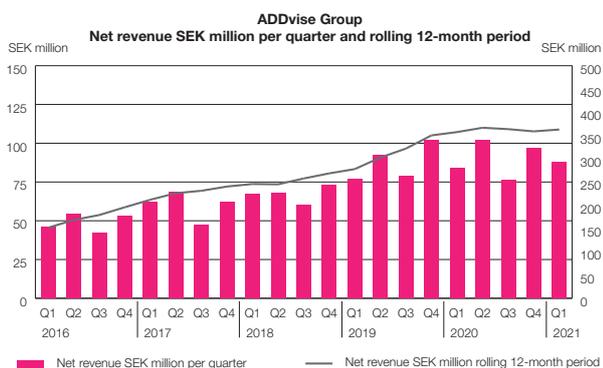
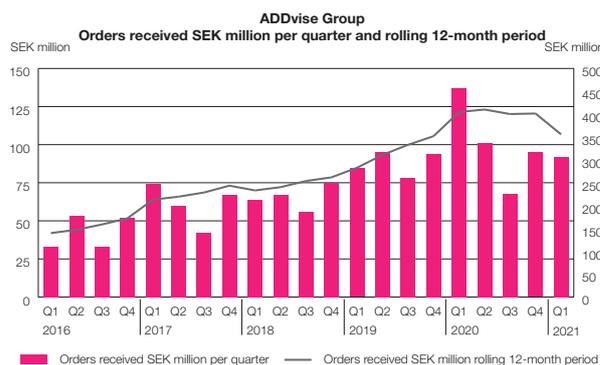
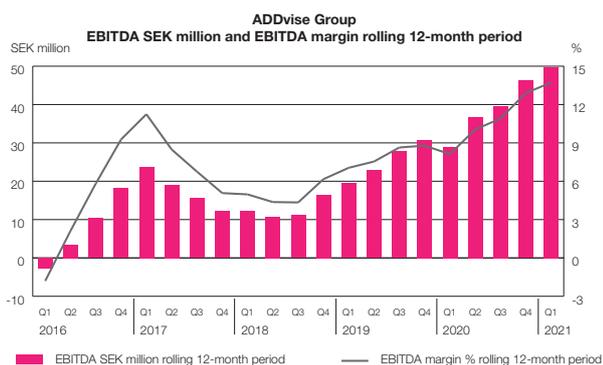
Orders received for the period totaled SEK 91.7 million (137.3), a decrease of 33.3% compared with the same period of the previous year. Orders received during the first quarter in 2020 was SEK 137.3 million, but included a one-time order of SEK 50 million to be delivered over 2020, 2021 and 2022.

Profit/loss January–March 2021

EBITDA for the period was SEK 8.9 million (5.4). EBITA for the period was SEK 6.9 million (3.4). Operating profit/loss for the period was SEK 6.0 million (2.6). Profit/loss after tax was SEK 2.5 million (-2.5). Basic earnings per share amounted to SEK 0.02 (-0.02) for the period.

Net revenue January–March 2021

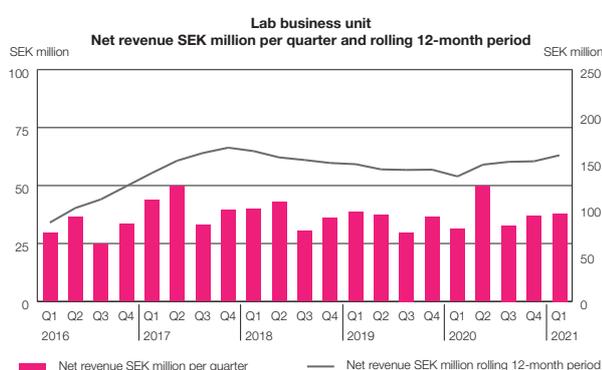
Net revenue for the period was SEK 87.7 million (83.7), an increase of 4.8% compared with the same period of the previous year.



Net revenue and profit/loss Lab business unit

Net revenue and profit/loss January–March 2021

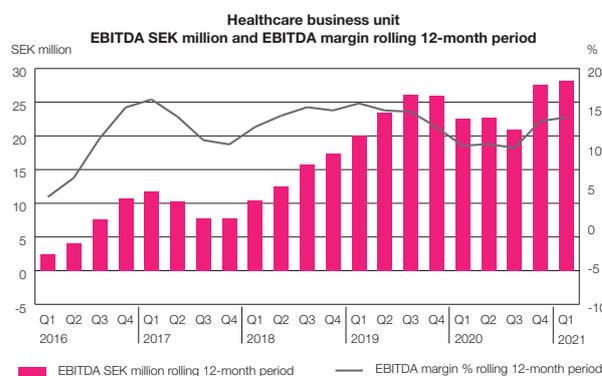
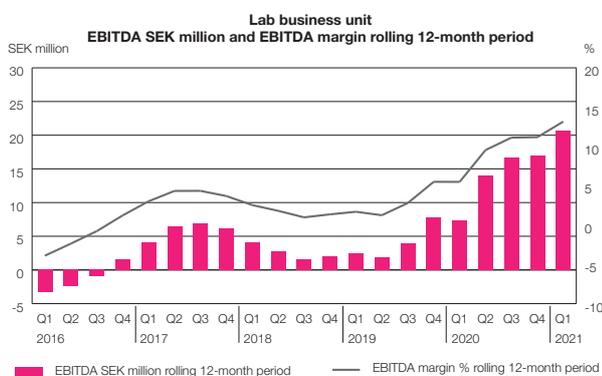
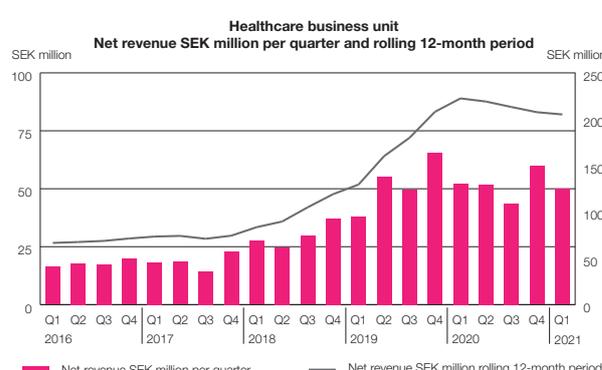
Net revenue for the business unit Lab for the period was SEK 37.9 million (31.4), an increase of 20.7% compared with the same period of the previous year. EBITDA for the business unit was SEK 4.6 million (0.8).



Net revenue and profit/loss Healthcare business unit

Net revenue and profit/loss January–March 2021

Net revenue for the business unit Healthcare for the period was SEK 49.8 million (52.3), a decrease of 4.7% compared with the same period of the previous year. EBITDA for the business unit was SEK 4.6 million (4.0).



Financial position

Cash and cash equivalents

Cash and cash equivalents at the end of the period totaled SEK 60.1 million (13.7). At the end of the period, the Group had an overdraft facility of SEK 18.1 million (20.4), which was utilized in the amount of SEK 2.1 million (10.9).

Short-term investments

Short-term investments totaled SEK 0.0 million (0.0) at the end of the period. ADDvise acquired its own bonds during 2020. At the end of the period, the nominal value of own bonds was SEK 1.1 million and the fair value was SEK 1.1 million. In the condensed consolidated statement of financial position and the parent company's condensed balance sheet, the holding was offset against the liability for the bond loan, which is recognized at 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 totaled SEK 1.1 million as at March 31, 2021.

Net debt

Net debt at the end of the period totaled SEK 127.3 million (175.6). The ratio of interest-bearing net debt to EBITDA at the end of the period was 2.6 (6.1). This ratio was calculated as at March 31, 2021, using the rolling 12-month EBITDA, from April 2020 up to and including March 2021.

One of the Group's long-term financial targets is for the ratio of interest-bearing net debt to EBITDA not to exceed 3.0.

At the end of the period, loans and other interest-bearing liabilities due for repayment within one year totaled SEK 43.2 million (45.4). Loans and other interest-bearing liabilities due for repayment within one year include a bank loan of SEK 11.0 million (13.0), pledged trade receivables of SEK 17.4 million (15.8), utilized overdraft facilities of SEK 2.1 million (10.9), lease liabilities of SEK 5.0 million (5.7) and liabilities relating to deferred payment of tax as a result of Covid-19 of SEK 7.8 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.

At the end of the period, loans due for repayment after one year totaled SEK 144.2 million (144.0). Loans due for repayment after one year include the Group's bond loan of SEK 135.8 million (134.9) and lease liabilities of SEK 8.4 million (9.1).

Cash flow January–March 2021

Cash flow for the period totaled SEK 18.8 million (0.5).

During the period, ADDvise received SEK 27.8 million before issue costs from the issue of new class B shares, following the exercising of warrants in series 2019/2021.

Operating cash flow for the period was SEK -1.3 million (8.7). During the period, ADDvise paid liabilities of SEK 4.9 million relating to deferred payment of tax as a result of Covid-19. The effect of

this deferral and of payment of this deferral is reported in the consolidated statement of cash flows under operating cash flow. Excluding the payment of deferred taxes and charges, operating cash flow totaled SEK 3.5 million (8.7).

No acquisitions were completed during this period, 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 (0.0) during the period.

Equity

Equity at the end of the period totaled SEK 123.8 million (88.5), equating to SEK 0.89 (0.91) per share outstanding at the end of the period.

Equity ratio

The equity ratio at the end of the period was 33.3% (25.3%).



Acquisitions 2021

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. This acquisition is set to be completed during Q2 2021, provided that the conditions for acquisition are met.

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 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 additional considerations 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 ADDvise's own funds. ADDvise believes that the acquisition will have a positive impact on ADDvise's earnings per share during the 2021 financial year.

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

Change in intangible non-current assets January–March 2021

The change in goodwill during the period was SEK 2.4 million (4.8). The change in trademarks during the period was SEK 0.1 million (0.2).

Investments in intangible non-current assets January–March 2021

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 the period totaled SEK 1.5 million (0.4).

Investments in intangible non-current assets other than goodwill, trademarks and capitalized expenditure for development work and similar activities during the period totaled SEK 0.0 million (0.0).

Investments in property, plant and equipment January–March 2021

Investments in property, plant and equipment during the period totaled SEK 3.3 million (0.5). Investments in property, plant and equipment include leased non-current assets in accordance with IFRS 16 Leases.

Parent company

Net revenue January–March 2021

Net revenue at the parent company for the period totaled SEK 5.2 million (4.9).

Profit/loss January–March 2021

Operating profit/loss for the period was SEK -0.4 million (0.2). The net profit/loss for the period was SEK -3.0 million (10.6).

Equity

The balance sheet total was SEK 310.6 million (282.2), of which equity constituted SEK 106.5 million (81.8).

Significant events during the reporting period

ADDvise received SEK 27.8 million through the warrants in series 2019/2021

During Q1 2019, ADDvise conducted a preferential rights issue of units, consisting of one (1) newly issued class B share and one (1) warrant in series 2019/2021. Each warrant in series 2019/2021 entitled the holder to subscribe to one (1) new class B share in ADDvise. The exercise period ran from January 25, 2021, to February 8, 2021.

Exercise warrants were replaced with interim shares while awaiting registration with the Swedish Companies Registration Office. At the time of publication of this interim report, the interim shares had been converted to class B shares.

Holders of warrants in series 2019/2021 exercised 42,787,137 warrants, corresponding to 99.41% of the number of outstanding warrants, for the subscription of 42,787,137 class B shares at the exercise price of SEK 0.65. The exercising of these warrants brought in SEK 27,811,639 for ADDvise before issue costs.

The exercising of the warrants increased the number of shares in ADDvise by 42,787,137, from 96,913,631 to 139,700,768. The share capital increased by SEK 4,278,713.7, from SEK 9,691,363.1 to SEK 13,970,076.8.

For those existing shareholders who did not exercise any warrants in series 2019/2021, the resulting dilution was approximately 31.08%.

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.

Prior to the exercise period, some Board members, senior executives and major shareholders had undertaken to subscribe to shares totaling SEK 15.5 million by exercising their warrants in series 2019/2021.

- » Rikard Akhtarzand, CEO, Board member and major shareholder, undertook, both privately and through companies, to exercise all of his 3,428,508 warrants, equating to share issue proceeds of SEK 2,228,530.
- » Erland Pontusson, Board member, undertook, in a private capacity, to exercise all of his 58,839 warrants, equating to share issue proceeds of SEK 38,245.
- » Staffan Torstensson, Chairman of the Board and major shareholder, undertook, both privately and through companies, to exercise all of his 220,000 warrants, equating to share issue proceeds of SEK 143,000.
- » Per Åhlgren, major shareholder, undertook, both privately and through companies, to exercise all of his 13,781,076 warrants, equating to share issue proceeds of SEK 8,957,699.
- » Magnus Vahlquist, major shareholder, undertook to exercise, in a private capacity, all of his 6,324,772 warrants, equating to share issue proceeds of SEK 4,111,102.

ADDvise acquires MRC Systems FZE

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. This acquisition is set to be completed during Q2 2021, provided that the conditions for acquisition are met. See also above, under *Acquisitions 2021*.

Significant events after the reporting period

There were no significant events after the end of the reporting period.

Long-term financial targets

The Board of ADDvise adopted long-term financial targets on September 11, 2017. On November 12, 2020, the long-term financial target for EBITDA margin was updated and adjusted from 10% to 15%. The ambition of achieving a high growth rate through acquisitions and organic growth remains the same. Growth must be achieved while maintaining profitability. In the long term, this strategy will be combined with dividends for ADDvise's shareholders.

ADDvise's financial targets must not be mistaken for a forecast. The targets are a level of ambition to be achieved over several years. These targets will be achieved through a combination of organic growth and acquisitions. The targets are divided into four areas: growth, profitability, capital structure and dividend.

Growth

ADDvise must have annual revenue growth of at least 20%. Growth will be achieved organically as well as through acquisitions.

Profitability

ADDvise will achieve an EBITDA margin of 15%.

Capital structure

ADDvise's ratio of interest-bearing net debt to EBITDA must not exceed 3.0.

Dividend

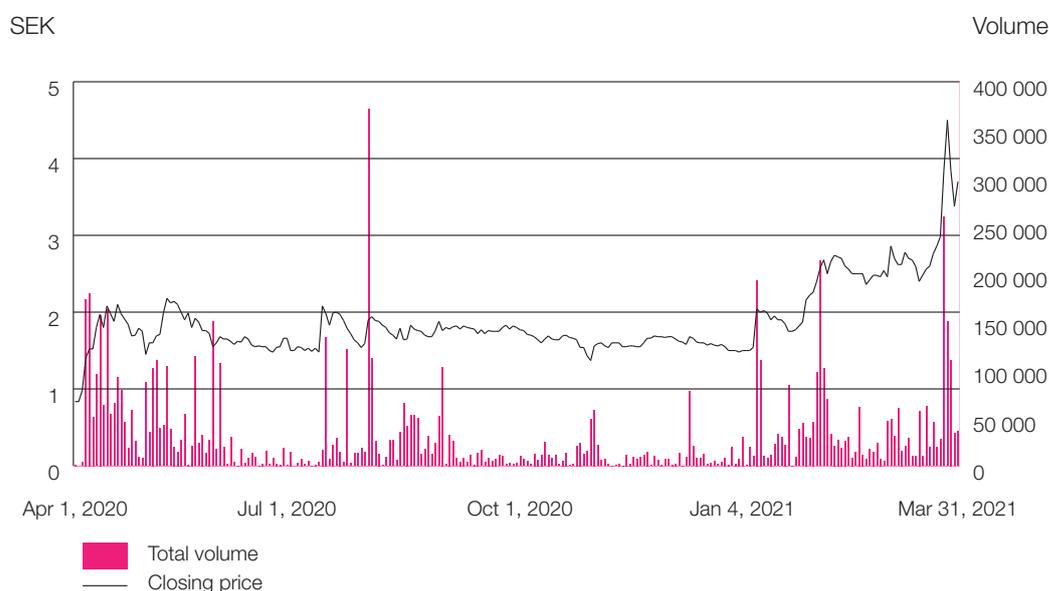
25% of the preceding year's profit, excluding the revaluation of additional purchase considerations, must be distributed to the shareholders.

Share price trend during the reporting period

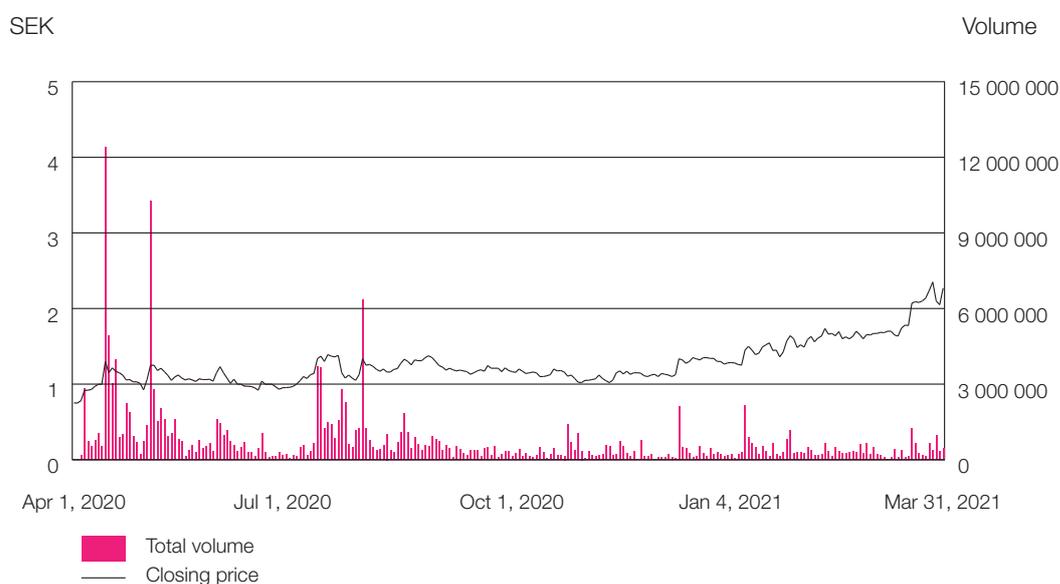
The company's class A share is listed at the S SME trading venue, on the Nasdaq First North Growth Market Sweden. The stock short name is ADDV A and the share's ISIN code is SE0001306119. One (1) class A share equals one (1) vote.

The company'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.

Class A share closing price trend 12-month period from April 1, 2020 until March 31, 2021



Class B share closing price trend 12-month period from April 1, 2020 until March 31, 2021



Condensed consolidated statement of comprehensive income

SEK thousands	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec	2019 Jan–Dec ¹
Net revenue	87,737	83,704	358,487	349,877
Capitalized work on own account	1,438	394	769	3,808
Other operating income	52	1,775	7,712	3,620
	89,227	85,873	366,968	357,305
Cost of materials	-51,082	-51,178	-221,154	-216,917
Other external expenses	-8,269	-8,261	-27,060	-31,443
Personnel costs	-21,102	-21,117	-70,929	-77,060
Depreciation and amortization	-2,839	-2,775	-11,967	-12,042
Other operating expenses	89	66	-1,600	-1,215
	-83,202	-83,265	-332,711	-338,676
Operating profit/loss (EBIT)	6,024	2,608	34,257	18,629
Net financial items	-2,575	-4,693	-16,400	-16,957
Profit/loss before tax (EBT)	3,449	-2,085	17,857	1,672
Tax	-934	-389	-3,219	2,373
Profit/loss for the period	2,515	-2,474	14,637	4,045
Profit/loss attributable to:				
Shareholders of the parent company	2,516	-2,473	14,638	4,059
Non-controlling interests	-1	-1	-1	-14
	2,515	-2,474	14,637	4,045
Other comprehensive income				
Foreign exchange differences on the translation of foreign operations for the period	3,728	6,840	-7,729	1,650
Change in value of financial assets measured at fair value through other comprehensive income for the period	22	0	122	238
Comprehensive income for the period	6,264	4,366	7,030	5,933
Comprehensive income attributable to:				
Shareholders of the parent company	6,260	4,341	7,028	5,950
Non-controlling interests	4	25	2	-17
	6,264	4,366	7,030	5,933
Basic earnings per share, SEK ²	0.02	-0.02	0.12	0.04
Diluted earnings per share, SEK ²	0.02	-0.02	0.11	0.04

Notes

1 Sonar Oy is consolidated in the ADDvise Group as at April 1, 2019.

2 Earnings per share were adjusted to take into account the outcome of warrants in series 2019/2021 in February 2021.

Condensed consolidated statement of financial position

SEK thousands	2021 Mar 31	2020 Mar 31	2020 Dec 31	2019 Dec 31
ASSETS				
<i>Non-current assets</i>				
Goodwill	158,681	166,030	156,319	161,199
Trademarks	22,707	22,993	22,594	22,833
Other intangible non-current assets	20,212	22,875	19,491	22,985
Property, plant and equipment	17,423	18,876	15,944	19,979
Non-current financial assets	140	134	134	125
Deferred tax assets	6,557	7,677	7,122	7,984
Total non-current assets	225,720	238,585	221,604	235,105
<i>Current assets</i>				
Inventories	35,699	40,015	33,422	37,251
Contract assets	1,388	4,528	727	5,285
Trade receivables	42,598	47,524	44,930	63,454
Other current receivables	6,526	5,860	5,454	6,013
Short-term investments ¹	0	0	0	0
Cash and cash equivalents	60,137	13,738	39,606	13,259
Total current assets	146,349	111,666	124,140	125,262
TOTAL ASSETS	372,069	350,250	345,743	360,367
EQUITY AND LIABILITIES				
<i>Equity</i>				
Equity attributable to:	123,782	88,493	91,049	84,142
Shareholders of the parent company	123,713	88,402	90,966	84,004
Non-controlling interests	69	91	83	139
	123,782	88,493	91,049	84,142
<i>Non-current liabilities</i>				
Interest-bearing liabilities ¹	144,203	143,977	142,442	144,316
Deferred tax liabilities	0	0	0	0
Other non-current liabilities	0	4,267	0	5,738
Total non-current liabilities	144,203	148,244	142,442	150,054
<i>Current liabilities</i>				
Interest-bearing liabilities	43,213	45,375	50,930	51,737
Current tax liabilities	2,067	636	2,145	1,673
Contract liabilities	1,279	583	1,303	3,980
Trade payables	28,182	31,335	29,073	32,890
Other current liabilities	29,343	35,583	28,801	35,890
Total current liabilities	104,084	113,513	112,252	126,170
TOTAL EQUITY AND LIABILITIES	372,069	350,250	345,743	360,367

Note

¹ As at March 31, 2021, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,110 thousand. The holding has been offset against the liability for the bond loan, which is recognized at 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 totaled SEK 1,086 thousand as at March 31, 2021.

Condensed consolidated statement of changes in equity

SEK thousands	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec	2019 Jan–Dec
Opening equity	91,049	84,142	84,142	51,410
Change on transition to IFRS 16 Leases	-	-	-	-233
Adjusted opening equity	91,049	84,142	84,142	51,177
Profit/loss for the period	2,515	-2,474	14,637	4,045
Other comprehensive income for the period	3,750	6,840	-7,607	1,888
Comprehensive income for the period	6,264	4,366	7,030	5,933
New share issue	26,468	-15	-123	27,032
Change in non-controlling interests	0	0	0	0
Translation reserve	0	0	0	0
Closing equity	123,782	88,493	91,049	84,142
Attributable to:				
Shareholders of the parent company	123,713	88,402	90,966	84,004
Non-controlling interests	69	91	83	139
Total equity	123,782	88,493	91,049	84,142

Condensed consolidated statement of cash flows

SEK thousands	2021 Jan–Mar ¹	2020 Jan–Mar	2020 Jan–Dec ²	2019 Jan–Dec
Operating activities				
Profit/loss before tax	3,449	-2,085	17,857	1,672
Adjustments for non-cash items	1,622	3,468	3,778	9,734
Income tax paid	0	-341	-2,259	-731
Operating cash flow before changes in working capital	5,071	1,042	19,375	10,674
Operating cash flow	-1,329	8,743	57,438	11,187
Investing cash flow ³	-1,871	-344	-7,214	-31,237
Financing cash flow	22,014	-7,920	-23,314	20,432
Cash flow for the period	18,813	479	26,910	381
Cash and cash equivalents at start of period	39,606	13,259	13,259	12,877
Foreign exchange differences in cash and cash equivalents	1,718	0	-562	0
Cash and cash equivalents at end of period	60,137	13,738	39,606	13,259

Notes

1 During the period January–March 2021, ADDvise paid liabilities of SEK 4.9 million relating to deferred payment of taxes and charges as a result of the Covid-19 situation. The effect of payment of this deferral is reported in the consolidated statement of cash flows under operating cash flow for January–March 2021.

2 During the period April–December 2020, deferred payment of taxes and charges was granted because of the Covid-19 situation. The liability for deferred payment at the end of 2020 was SEK 12.6 million. The effect of this deferral is reported in the consolidated statement of cash flows under operating cash flow for January–December 2020.

3 For details on the reporting of the net outflow of cash and cash equivalents relating to acquisitions, see *Note 5 Business combinations*.

Consolidated income statement for five quarters

SEK thousands	2021 Jan-Mar	2020 Oct-Dec	2020 Jul-Sep	2020 Apr-Jun	2020 Jan-Mar
Net revenue	87,737	96,813	76,168	101,803	83,704
Capitalized work on own account	1,438	156	29	189	394
Other operating income	52	4,172	1,747	18	1,775
	89,227	101,141	77,943	102,010	85,873
Cost of materials	-51,082	-58,565	-48,408	-63,003	-51,178
Other external expenses	-8,269	-6,650	-5,513	-6,636	-8,261
Personnel costs	-21,102	-19,162	-13,971	-16,679	-21,117
Other operating expenses	89	-489	-620	-557	66
	-80,363	-84,867	-68,512	-86,875	-80,490
EBITDA	8,864	16,275	9,431	15,135	5,384
EBITDA margin, %	10.1%	16.8%	12.4%	14.9%	6.4%
Depreciation and amortization	-2,839	-3,698	-2,711	-2,783	-2,775
Operating profit/loss (EBIT)	6,024	12,577	6,720	12,352	2,608
Operating margin, %	6.9%	13.0%	8.8%	12.1%	3.1%
Net financial items	-2,575	-4,796	-3,794	-3,117	-4,693
Profit/loss before tax (EBT)	3,449	7,781	2,926	9,235	-2,085
Tax	-934	-1,746	-105	-979	-389
Profit/loss for the period	2,515	6,035	2,821	8,256	-2,474
Profit/loss attributable to:					
Shareholders of the parent company	2,516	6,035	2,821	8,256	-2,473
Non-controlling interests	-1	0	0	0	-1
	2,515	6,035	2,821	8,256	-2,474

Key performance indicators

SEK thousands	2021	2020	2020	2019
	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec ¹
Net revenue	87,737	83,704	358,487	349,877
Gross margin, %	41.8%	38.9%	38.3%	38.0%
EBITDA	8,864	5,384	46,224	30,671
EBITDA margin, %	10.1%	6.4%	12.9%	8.8%
EBITA	6,947	3,365	38,147	21,281
EBITA margin, %	7.9%	4.0%	10.6%	6.1%
Operating profit/loss (EBIT)	6,024	2,608	34,257	18,629
Operating margin, %	6.9%	3.1%	9.6%	5.3%
Profit/loss before tax (EBT)	3,449	-2,085	17,857	1,672
Net margin, %	3.9%	-2.5%	5.0%	0.5%
Profit/loss for the period	2,515	-2,474	14,637	4,045
Equity ratio, %	33.3%	25.3%	26.3%	23.3%
Net debt	-127,278	-175,614	-153,766	-182,793
Net debt-to-EBITDA	2.6	6.1	3.3	6.0
Number of employees at end of period	111	125	108	127
Equity per share in SEK	0.89	0.91	0.94	0.87
Basic earnings per share in SEK ²	0.02	-0.02	0.12	0.04
Diluted earnings per share in SEK ²	0.02	-0.02	0.11	0.04
Number of shares at end of period	139,700,768	96,913,631	96,913,631	96,913,631
Average number of shares before dilution	121,159,675	96,913,631	96,913,631	86,841,635
Average number of shares after dilution	121,159,675	102,751,814	113,133,907	89,801,052

Notes

1 Sonar Oy is consolidated in the ADDvise Group as at April 1, 2019.

2 Earnings per share were adjusted to take into account the outcome of warrants in series 2019/2021 in February 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 company management uses these performance measures 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 not defined in IFRS.

Adjusted EBITDA

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items. This performance indicator has been discontinued in the interim report for the period January – March 2021, to allow for a better and more transparent comparison between our peer group of listed companies within the industry.

Adjusted EBITDA margin

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items as a percentage of net revenue. This performance indicator has been discontinued in the interim report for the period January – March 2021, to allow for a better and more transparent comparison between our peer group of listed companies within the industry.

Adjusted operating margin

Operating profit/loss before acquisition costs and non-recurring items as a percentage of net revenue. This performance indicator has been discontinued in the interim report for the period January – March 2021, to allow for a better and more transparent comparison between our peer group of listed companies within the industry.

Adjusted operating profit/loss (EBIT)

Operating profit/loss before acquisition costs and non-recurring items. This performance indicator has been discontinued in the interim report for the period January – March 2021, to allow for a better and more transparent comparison between our peer group of listed companies within the industry.

Adjusted profit/loss for the period

Profit/loss for the period before acquisition costs and non-recurring items. This performance indicator has been discontinued in the interim report for the period January – March 2021, to allow for a better and more transparent comparison between our peer group of listed companies within the industry.

Average number of shares after dilution

Weighted average of the number of shares outstanding during the period in the event that issued warrants are exercised. The Group's definition is unchanged from previous periods. This performance indicator is as defined by IFRS, but is described here for information purposes.

Average number of shares before dilution

Weighted average of the number of shares outstanding during the period without taking into account issued warrants. The Group's definition is unchanged from previous periods. This performance indicator is as defined by IFRS, but is described here for information purposes.

Basic earnings per share

Profit/loss for the period attributable to the parent company's shareholders as a proportion of the average number of shares before dilution, with earnings per share adjusted to take into account new share issues at a discount. This performance indicator is as defined by IFRS, but is described here for information purposes.

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period attributable to the parent company's shareholders	2,516	-2,473	14,638	4,059
Divided by average number of shares before dilution	121,159,675	96,913,631	96,913,631	86,841,635
= Basic earnings per share in SEK	0.02	-0.02	0.12	0.04

Diluted earnings per share

Profit/loss for the year attributable to the parent company's shareholders as a proportion of the average number of shares after dilution, with earnings per share adjusted to take into account new share issues at a discount. This performance indicator is as defined by IFRS, but is described here for information purposes.

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period attributable to the parent company's shareholders	2,516	-2,473	14,638	4,059
Divided by average number of shares after dilution	121,159,675	102,751,814	113,133,907	89,801,052
= Diluted earnings per share in SEK	0.02	-0.02	0.11	0.04

EBITA

Operating profit/loss before amortization of intangible assets but after depreciation of property, plant and equipment. EBITA is a measure that the Group considers relevant for an investor wishing to understand profit generation before investments in intangible assets. The Group defines Earnings Before Interest, Tax and Amortization (EBITA) as operating profit/loss from continuing operations excluding amortization relating to intangible assets. This performance indicator is presented in interim reports as of the interim report for the period January–March 2021.

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	6,024	2,608	34,257	18,629
Plus reversal of amortization of intangible assets	923	756	3,890	2,652
= EBITA	6,947	3,365	38,147	21,281

EBITA margin

Operating profit/loss before amortization of intangible assets but after depreciation of property, plant and equipment as a percentage of net revenue. This performance indicator is presented in interim reports as of the interim report for the period January–March 2021.

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	6,024	2,608	34,257	18,629
Plus reversal of amortization of intangible assets	923	756	3,890	2,652
= EBITA	6,947	3,365	38,147	21,281
Divided by net revenue	87,737	83,704	358,487	349,877
= EBITA margin as a %	7.9%	4.0%	10.6%	6.1%

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 investments 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	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	6,024	2,608	34,257	18,629
Plus reversal of depreciation and amortization	2,839	2,775	11,967	12,042
= EBITDA	8,864	5,384	46,224	30,671

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	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	6,024	2,608	34,257	18,629
Plus reversal of depreciation and amortization	2,839	2,775	11,967	12,042
= EBITDA	8,864	5,384	46,224	30,671
Divided by net revenue	87,737	83,704	358,487	349,877
= EBITDA margin as a %	10.1%	6.4%	12.9%	8.8%

Equity per share

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	2021 Mar 31	2020 Mar 31	2020 Dec 31	2019 Dec 31
Equity attributable to the parent company's shareholders	123,713	88,402	90,966	84,004
Divided by number of shares at end of period	139,700,768	96,913,631	96,913,631	96,913,631
= Equity per share in SEK	0.89	0.91	0.94	0.87

Equity ratio

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

SEK thousands	2021 Mar 31	2020 Mar 31	2020 Dec 31	2019 Dec 31
Equity	123,782	88,493	91,049	84,142
Divided by total assets	372,069	350,250	345,743	360,367
= Equity ratio as a %	33.3%	25.3%	26.3%	23.3%

Gross margin

Net revenue minus cost of materials as a percentage of net revenue. The Group's definition is unchanged from previous periods. This performance indicator is presented in the interim report but not in the annual report. This is to facilitate comparison in quarterly follow-up.

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Net revenue	87,737	83,704	358,487	349,877
Minus cost of materials	-51,082	-51,178	-221,154	-216,917
	36,655	32,526	137,333	132,961
Divided by net revenue	87,737	83,704	358,487	349,877
= Gross margin as a %	41.8%	38.9%	38.3%	38.0%

Net debt

The Group defines net debt as the net sum of cash and cash equivalents, plus 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 targets adopted by the Board of Directors in 2017. The Group's definition is unchanged from previous periods.

SEK thousands	2021 Mar 31	2020 Mar 31	2020 Dec 31	2019 Dec 31
Cash and cash equivalents	60,137	13,738	39,606	13,259
Short-term investments	0	0	0	0
Loans due for repayment within one year	-35,463	-45,375	-38,304	-51,737
Other interest-bearing liabilities due for repayment within one year	0	0	0	0
Liabilities due for repayment within one year as a result of the deferral of payment of taxes and charges because of Covid-19	-7,750	-	-12,626	-
Loans due for repayment after one year	-144,203	-143,977	-142,442	-144,316
= Net debt	-127,278	-175,614	-153,766	-182,793

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 on a rolling 12-month basis. The Group monitors this performance indicator since it shows the level of debt and is one of the long-term financial targets adopted by the Board of Directors in 2017. The Group's definition is unchanged from previous periods. For the definition of EBITDA, see above.

SEK thousands	2021 Mar 31	2020 Mar 31	2020 Dec 31	2019 Dec 31
Cash and cash equivalents	60,137	13,738	39,606	13,259
Short-term investments	0	0	0	0
Loans due for repayment within one year	-35,463	-45,375	-38,304	-51,737
Other interest-bearing liabilities due for repayment within one year	0	0	0	0
Liabilities due for repayment within one year as a result of the deferral of payment of taxes and charges because of Covid-19	-7,750	-	-12,626	-
Loans due for repayment after one year	-144,203	-143,977	-142,442	-144,316
= Net debt	-127,278	-175,614	-153,766	-182,793
Divided by EBITDA, rolling 12 months	49,704	28,945	46,224	30,671
= Net debt-to-EBITDA	2.6	6.1	3.3	6.0

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	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	2,515	-2,474	14,637	4,045
Plus reversal of tax on profit/loss for the year	934	389	3,219	-2,373
= Profit/loss after net financial items	3,449	-2,085	17,857	1,672
Divided by net revenue	87,737	83,704	358,487	349,877
= Net margin as a %	3.9%	-2.5%	5.0%	0.5%

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.

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	2,515	-2,474	14,637	4,045
Plus reversal of tax on profit/loss for the period	934	389	3,219	-2,373
Plus reversal of financial expenses	2,617	4,711	16,610	17,424
Minus reversal of financial income	-41	-18	-210	-467
= Operating profit/loss (EBIT)	6,024	2,608	34,257	18,629
Divided by net revenue	87,737	83,704	358,487	349,877
= Operating margin as a %	6.9%	3.1%	9.6%	5.3%

Operating profit/loss (EBIT)

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

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	2,515	-2,474	14,637	4,045
Plus reversal of tax on profit/loss for the period	934	389	3,219	-2,373
Plus reversal of financial expenses	2,617	4,711	16,610	17,424
Minus reversal of financial income	-41	-18	-210	-467
= Operating profit/loss (EBIT)	6,024	2,608	34,257	18,629

OPEX

The Group defines OPEX (OPerating EXpenses) as the sum of other external expenses, personnel costs and other 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.

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Other external expenses	-8,269	-8,261	-27,060	-31,443
Personnel costs	-21,102	-21,117	-70,929	-77,060
Other operating expenses	89	66	-1,600	-1,215
= OPEX	-29,281	-29,312	-99,589	-109,717

Orders received

New customer orders received during the period, plus additions and deductions for changes to customer orders received earlier in the current financial year. Additions and deductions are made for changes to larger customer orders with delivery schedules spread across several financial years even if the customer order was received in a previous year. The Group's definition is unchanged from previous periods. This performance indicator is presented in the interim report but not in the annual report. This is to facilitate comparison in quarterly follow-up.

Profit/loss before tax (EBT)

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

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	2,515	-2,474	14,637	4,045
Plus reversal of tax on profit/loss for the period	934	389	3,219	-2,373
= Profit/loss before tax (EBT)	3,449	-2,085	17,857	1,672

Condensed parent company income statement

SEK thousands	2021	2020	2020	2019
	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec
Net revenue	5,208	4,911	19,448	14,687
Capitalized work on own account	0	0	0	0
Other operating income	0	0	0	1
	5,208	4,911	19,448	14,688
Cost of materials	0	0	0	0
Other external expenses	-1,897	-1,608	-5,932	-6,803
Personnel costs	-3,672	-2,973	-11,850	-12,244
Depreciation and amortization	-37	-108	-306	-510
Other operating expenses	0	2	-1	-312
	-5,606	-4,686	-18,090	-19,869
Operating profit/loss (EBIT)	-398	225	1,358	-5,180
Net financial items	-2,637	10,395	1,164	-15,020
Profit/loss after financial items (EBT)	-3,035	10,620	2,522	-20,200
Appropriations	0	0	11,330	6,145
Tax	0	0	-1,829	4,848
Profit/loss for the period	-3,035	10,620	12,024	-9,208

Parent company statement of comprehensive income

SEK thousands	2021	2020	2020	2019
	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec
Profit/loss for the period	-3,035	10,620	12,024	-9,208
Other comprehensive income for the period	0	0	0	0
Comprehensive income for the period	-3,035	10,620	12,024	-9,208

Condensed parent company balance sheet

SEK thousands	2021 Mar 31	2020 Mar 31	2020 Dec 31	2019 Dec 31
ASSETS				
<i>Non-current assets</i>				
Intangible non-current assets	154	343	181	436
Property, plant and equipment	199	61	154	75
Non-current financial assets	212,971	217,649	212,971	219,333
Deferred tax assets	12,329	13,352	12,329	13,352
Total non-current assets	225,653	231,404	225,636	233,196
<i>Current assets</i>				
Inventories	0	0	0	0
Trade receivables	0	0	0	0
Other current receivables	45,141	48,306	40,767	47,911
Short-term investments ¹	0	0	0	0
Cash and bank balances	39,801	2,497	11,484	3,598
Total current assets	84,942	50,803	52,251	51,508
TOTAL ASSETS	310,595	282,208	277,887	284,704
EQUITY AND LIABILITIES				
<i>Equity</i>				
	106,526	81,798	83,093	71,193
<i>Non-current liabilities</i>				
Interest-bearing liabilities ¹	135,844	134,879	135,337	134,367
Other non-current liabilities	0	4,267	0	5,738
Total non-current liabilities	135,844	139,146	135,337	140,106
<i>Current liabilities</i>				
Interest-bearing liabilities	11,000	13,000	11,500	13,500
Current tax liabilities	858	301	850	12
Trade payables	1,938	1,439	1,555	1,172
Other current liabilities	54,429	46,524	45,552	58,722
Total current liabilities	68,225	61,264	59,457	73,406
TOTAL EQUITY AND LIABILITIES	310,595	282,208	277,887	284,704

Note

¹ As at March 31, 2021, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,110 thousand. The holding has been offset against the liability for the bond loan, which is recognized at 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 totaled SEK 1,086 thousand as at March 31, 2021.

Notes

Note 1 Information about the company

ADDvise Group AB (publ), company registration number 556363-2115, with its registered office in Stockholm, Sweden.

In this report, ADDvise Group AB (publ) is referred to either using its full name or as the "parent company", while the ADDvise Group is referred to as "ADDvise" or the "Group." All amounts are expressed in thousands of Swedish kronor (SEK thousands) unless otherwise indicated.

Note 2 Accounting policies

The interim report was prepared in accordance with IAS 34 Interim financial reporting and the relevant sections of the Swedish Annual Accounts Act. The accounting policies and bases of calculation applied are the same as in the most recent annual report.

The parent company's interim report was prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act. The accounting policies and bases of calculation applied are the same as in the most recent annual report.

Note 3 Related party transactions

ADDvise Board member Erland Pontusson invoiced the company for consultancy services during the period.

Note 4 Segment reporting

ADDvise's segment information is presented from the company management's perspective, with operating segments identified based on internal reporting to the company's chief operating decision maker. The CEO is ADDvise's chief operating decision maker.

ADDvise's operating segments comprise two business units: Lab and Healthcare. This classification reflects the company's internal organization and reporting system. Internal pricing is on market terms. Intra-Group profits are eliminated.

Lab business unit

The Lab business unit consists of the companies ADDvise Tillquist AB, Hettich Labinstrument AB, KEBO Inredningar Sverige AB, LabRum AB, LabRum AS and LabRum Klimat Oy. Customers come from both the public and private sectors, with a client base that includes hospitals, pharmaceutical companies, manufacturers and industrial companies. The business unit carries out the following activities:

- » Design and sale of furnishings and safety ventilation to laboratories
- » Design, manufacture and sale of scales to the research, industrial and grocery sectors
- » Sale of equipment to laboratories, including centrifuges, water baths and environmental chambers
- » Service and maintenance of scales and laboratory equipment under service agreements
- » Storage of certain products that are sold within the Healthcare business unit

Healthcare business unit

The Healthcare business unit consists of the companies AB Germa, IM-Medico Svenska AB, Merit Cables Inc, Sonar Oy, Sonesta Medical AB, Sonesta Medical Inc and Surgical Tables Inc. The customer base for sales of consumable materials is primarily within the public sector. The majority of sales of products from Merit Cables, Sonesta and Surgical Tables take place on the North American market, where private healthcare providers account for the majority of healthcare services. The business unit carries out the following activities:

- » Sale of consumable materials for healthcare
- » Sale of ultrasound systems and radiographic equipment
- » Design and sale of the Sonesta brand product portfolio, which includes treatment and examination tables for urology and gynecology
- » Design, manufacture and sale of the Surgical Tables brand product portfolio, which includes operating tables for healthcare
- » Design, manufacture and sale of healthcare and safety products
- » Design, manufacture and sale of medtech cables and connection systems

	2021	2020	2020	2019
SEK thousands	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec
Lab business unit	37,915	31,408	151,043	141,952
Healthcare business unit	49,822	52,295	207,444	207,925
Total external net revenue	87,737	83,704	358,487	349,877
Lab business unit	287	133	1,292	881
Healthcare business unit	1	0	596	0
Total internal income	288	133	1,888	881
Lab business unit	4,603	752	16,853	7,776
Healthcare business unit	4,594	3,980	27,581	25,994
Total operating profit/loss before depreciation and amortization (EBITDA)	9,197	4,733	44,434	33,770
Unallocated Group income	0	0	0	0
Unallocated Group expenses	-334	651	1,790	-3,099
Depreciation and amortization	-2,839	-2,775	-11,967	-12,042
Net financial items	-2,575	-4,693	-16,400	-16,957
Consolidated profit/loss before tax (EBT)	3,449	-2,085	17,857	1,672

Unallocated Group expenses include, for example, costs for parent company functions. These costs are offset here against the management fees received by the parent company, which means that the net figure can be positive.

Note 5 Business combinations

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. This acquisition is set to be completed during Q2 2021, provided that the conditions for acquisition are met.

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

Net outflow of cash and cash equivalents – investing activities

Cash outflow for the acquisition of subsidiaries, after deduction of cash and cash equivalents acquired:

	2021	2020	2020	2019
SEK thousands	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec
Cash purchase consideration	0	0	4,956	47,492
Cash and cash equivalents acquired	0	0	0	15,348
Net outflow of cash and cash equivalents	0	0	4,956	32,143

The cash purchase consideration for the period January–December 2020 comprises payments of additional purchase considerations to the former owners of ADDvise's subsidiaries.

The cash purchase consideration for the period January–December 2019 comprises payments to the former owners of Sonar Oy and payments of additional purchase considerations to the former owners of ADDvise's subsidiaries.

Note 6 Contract assets and contract liabilities

SEK thousands	2021 Mar 31	2020 Mar 31	2020 Dec 31	2019 Dec 31
Assets				
Contract assets				
Accrued income	1,388	4,528	727	5,285
Total contract assets	1,388	4,528	727	5,285
Trade receivables	42,598	47,524	44,930	63,454
Total assets	43,987	52,053	45,657	68,740
Contract liabilities				
Advances from customers	199	223	473	3,389
Deferred income	1,080	360	830	591
Total contract liabilities	1,279	583	1,303	3,980
Total liabilities	1,279	583	1,303	3,980

Note 7 Allocation of income

In accordance with IFRS 15 Revenue from Contracts with Customers, income is recognized and allocated to primary geographic markets, principal goods and services and the time of revenue recognition.

Primary geographic markets by segment

SEK thousands	2021 Jan–Mar			2020 Jan–Mar		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	37,890	11,823	49,713	31,232	11,849	43,081
Europe, excluding Sweden	25	18,763	18,788	176	21,821	21,997
North America	0	19,041	19,041	0	18,173	18,173
Asia	0	195	195	0	319	319
Other	0	0	0	0	134	134
Total	37,915	49,822	87,737	31,408	52,295	83,704

SEK thousands	2020 Jan–Dec			2019 Jan–Dec		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	149,855	49,035	198,890	137,334	32,715	170,049
Europe, excluding Sweden	1,188	82,517	83,704	4,158	85,703	89,861
North America	0	70,296	70,296	0	82,002	82,002
Asia	0	5,463	5,463	460	7,505	7,965
Other	0	134	134	0	0	0
Total	151,043	207,444	358,487	141,952	207,925	349,877

Principal goods/services January–March 2021

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	28,400	33,929	62,329
Sale of goods: treatment tables/chairs for healthcare	0	13,718	13,718
Sale of goods under construction contracts	6,423	0	6,423
Services	3,092	2,175	5,267
Total	37,915	49,822	87,737

Principal goods/services January–March 2020

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	25,082	37,651	62,734
Sale of goods: treatment tables/chairs for healthcare	0	10,995	10,995
Sale of goods under construction contracts	3,599	0	3,599
Services	2,727	3,649	6,376
Total	31,408	52,295	83,704

Principal goods/services January–December 2020

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	122,743	142,561	265,304
Sale of goods: treatment tables/chairs for healthcare	0	47,900	47,900
Sale of goods under construction contracts	17,037	4,612	21,649
Services	11,263	12,372	23,635
Total	151,043	207,444	358,487

Principal goods/services January–December 2019

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	92,465	123,848	216,312
Sale of goods: treatment tables/chairs for healthcare	0	61,042	61,042
Sale of goods under construction contracts	35,920	16,526	52,446
Services	13,567	6,510	20,077
Total	141,952	207,925	349,877

Time of revenue recognition January–March 2021

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	31,492	45,317	76,809
Goods and services transferred to customers over a period of time	6,423	4,505	10,928
Total	37,915	49,822	87,737

Time of revenue recognition January–March 2020

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	27,810	47,158	74,967
Goods and services transferred to customers over a period of time	3,599	5,138	8,736
Total	31,408	52,295	83,704

Time of revenue recognition January–December 2020

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	134,006	181,093	315,099
Goods and services transferred to customers over a period of time	17,037	26,351	43,388
Total	151,043	207,444	358,487

Time of revenue recognition January–December 2019

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	106,032	178,438	284,469
Goods and services transferred to customers over a period of time	35,920	29,488	65,408
Total	141,952	207,925	349,877

Note 8 Fair value disclosures

The table below lists financial instruments measured at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

- » Level 1 – Quoted prices (unadjusted) in active markets
- » Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- » Level 3 – Unobservable inputs for the asset or liability

SEK thousands	March 31, 2021		
	Level 1	Level 2	Level 3
Short-term investments ¹	0		
Contingent purchase consideration			0
Total	0	0	0

Note

1 As at March 31, 2021, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,110 thousand. The holding has been offset against the liability for the bond loan in the condensed consolidated statement of financial position and on the parent company's condensed consolidated balance sheet. The holding of own bonds and the bond loan are recognized at 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.

SEK thousands	March 31, 2020		
	Level 1	Level 2	Level 3
Short-term investments	0		
Contingent purchase consideration			10,363
Total	0	0	10,363

SEK thousands	December 31, 2020		
	Level 1	Level 2	Level 3
Short-term investments ¹	0		
Contingent purchase consideration			0
Total	0	0	0

Note

1 As at December 31, 2020, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,088 thousand. The holding has been offset against the liability for the bond loan in the condensed consolidated statement of financial position and on the parent company's condensed consolidated balance sheet. The holding of own bonds and the bond loan are recognized at 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.

SEK thousands	December 31, 2019		
	Level 1	Level 2	Level 3
Short-term investments	0		
Contingent purchase consideration			11,477
Total	0	0	11,477

Fair value description

Short-term investments

Short-term investments, which comprise shares and bonds, are traded on an active market, with the fair value calculated on the basis of the last buy price quoted on the balance sheet date.

Contingent purchase consideration

Contingent purchase consideration refers to the estimated contingent additional purchase consideration for completed acquisitions.

In those cases where the amount is specified in the share transfer agreement, an estimate is made of how likely it is that the condition will be met. If it is considered likely, the purchase consideration is valued at 100% of the agreed amount. If it is considered unlikely, the purchase consideration is valued at 0% of the agreed amount.

In those cases where the amount is not specified in the share transfer agreement, but is calculated on the basis of performance, an estimate is made firstly of the amount and secondly of how likely it is that the condition will be met.

The fair value of contingent purchase considerations can be affected to an extent by currency risk. At the end of the reporting period, the fair value of contingent purchase considerations was SEK 0 thousand.

Note 9 Financial risks

ADDvise is exposed to a number of different financial risks through its activities, such as market risk, credit risk, currency risk and liquidity risk. The Group management and the Board of Directors take active steps to minimize these risks.

The Group's operations also involve a liquidity risk, since large orders tie up significant capital. To minimize the amount of capital tied up, the Group has payment terms with the Group's customers that require a portion of the order value to be paid in advance on the signing of the order. The Group also has factoring agreements in place.

Since the Group's strategy is to make complementary acquisitions, the Group'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 Group.

Note 10 Number of shares

	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec	2019 Jan-Dec
Weighted average number of shares before dilution	121,159,675	96,913,631	96,913,631	86,841,635
<i>Adjustment on the calculation of basic earnings per share:</i>				
Warrants	0	5,838,183	16,220,276	2,959,417
Weighted average number of shares after dilution	121,159,675	102,751,814	113,133,907	89,801,052

43,042,288 warrants in series 2019/2021 were issued outside the Group and listed for trading on Nasdaq First North. The subscription price for subscribing to class B shares on the basis of the warrant was SEK 0.65 per share. The exercise period ran from January 25, 2021, to February 8, 2021. Holders of warrants in series 2019/2021 exercised 42,787,137 warrants, corresponding to 99.41% of the number of outstanding warrants, for the subscription of 42,787,137 class B shares at the exercise price of SEK 0.65. The exercising of these warrants brought in SEK 27,811,639 for ADDvise before issue costs in February 2021.

In addition to these warrants in series 2019/2021, there were 1,250,000 warrants that were issued previously, but not outside the Group. The warrants that were not issued outside the Group had a subscription price of SEK 1.88 for subscription to a class B share and these were cancelled in October 2020.

Note 11 State subsidies and similar Covid-19-related items

During the Covid-19 pandemic, ADDvise has been applying for and receiving various kinds of state subsidies. Details are provided below of the state subsidies and similar Covid-19-related items that are recognized in the consolidated financial statements in this interim report.

State subsidies that are intended to compensate the company for costs relating to short-time working and similar personnel costs are recognized in profit and loss in the same period as the costs for which the subsidies are intended to compensate. The subsidies are recognized on the same rows as the costs in the consolidated statement of comprehensive income. During the reporting period, ADDvise received subsidies for sick pay costs in Sweden, as well as subsidies for personnel costs in the USA.

Reductions in charges are recognized in profit and loss in the periods to which the reduced charges relate. The reductions are recognized on the same rows as the charges. During 2020, ADDvise made use of the general reduction in employer's contribution offered by the Swedish Parliament as a result of Covid-19.

Some state subsidies relating to Covid-19 have been paid as advances and recognized in profit and loss when it is considered, with reasonable assurance, that the reporting of the utilization of the subsidy will be approved in accordance with the prevailing rules. The portion of the advance not yet utilized at the end of the reporting period, and therefore not yet recognized in profit and loss, is recognized in the consolidated statement of financial position on the row for Other current liabilities.

Items relating to state subsidies and similar Covid-19-related items that are recognized in profit and loss

SEK thousands	2021 Jan-Mar	2020 Jan-Mar	2020 Jan-Dec
State subsidies relating to short-time working and similar subsidies for personnel costs	866	-	5,203
State subsidies relating to sick pay costs	25	-	106
Temporarily reduced employer's contributions	0	-	1,238
Total	891	-	6,547

Items relating to state subsidies and similar Covid-19-related items that are recognized in the consolidated statement of financial position

SEK thousands	2021 Mar 31	2020 Mar 31	2020 Dec 31
Other current liabilities relating to the payment of subsidies not yet recognized in profit and loss	1,212	-	306
Total	1,212	-	306

Liabilities relating to the payment of subsidies in advance result in a contingent liability to repay portions of the subsidy in the event that the reporting is not approved. At the end of the reporting period, this contingent liability amounted to SEK 2,516 thousand.

Other information

Publication dates for financial information

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

This information is information that ADDvise is obliged to publish under the Swedish Securities Market Act. The information was submitted for publication on April 23, 2021 at 08.45 CEST.

This report, as well as further information, is available on ADDvise's website, www.addvisegroup.se

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Review of interim report

This interim report was not reviewed by the company's auditor.

Declaration

The undersigned declare that the interim report presents fairly the business, financial position and performance of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the constituent companies of the Group.

Stockholm, April 23, 2021

Staffan Torstensson
Chairman of the Board

Fredrik Celsing
Board Member

Erland Pontusson
Board Member

Rikard Akhtarzand
CEO and Board Member