

## Interim report January 1 – June 30, 2021

## April – June 2021

- » Net revenue for the period was SEK 117.6 million (101.8)
- » EBITDA for the period was SEK 15.8 million (15.1)
- » EBITA for the period was SEK 13.3 million (13.1)
- » Profit/loss for the period was SEK 0.1 million (8.3)
- » Basic earnings per share for the period amounted to SEK 0.00 (0.07)
- » Orders received for the period totaled SEK 125.8 million (101.0)
- » Operating cash flow for the period was SEK -6.9 million (20.5)

## January – June 2021

- » Net revenue for the period was SEK 205.4 million (185.5)
- » EBITDA for the period was SEK 24.6 million (20.5)
- » EBITA for the period was SEK 20.2 million (16.5)
- » Profit/loss for the period was SEK 2.6 million (5.8)
- » Basic earnings per share for the period amounted to SEK 0.02 (0.05)
- » Orders received for the period totaled SEK 217.4 million (238.3)
- » Operating cash flow for the period was SEK -8.2 million (29.2)

SEK THOUSANDS	2021 Apr–Jun <sup>1</sup>	2020 Apr–Jun	Change	2021 Jan–Jun <sup>1</sup>	2020 Jan–Jun	Change	Rolling 12 months Jul 2020– Jun 2021	2020 Jan–Dec	Change
Net revenue	117,645	101,803	15.6%	205,382	185,506	10.7%	378,362	358,487	5.5%
EBITDA	15,766	15,135	4.2%	24,630	20,518	20.0%	50,336	46,224	8.9%
EBITDA margin, %	13.4%	14.9%		12.0%	11.1%		13.3%	12.9%	
EBITA	13,298	13,140	1.2%	20,245	16,505	22.7%	41,887	38,147	9.8%
EBITA margin, %	11.3%	12.9%		9.9%	8.9%		11.1%	10.6%	
Profit/loss before tax (EBT)	778	9,235	-91.6%	4,227	7,150	-40.9%	14,933	17,857	-16.4%
Profit/loss for the period	76	8,256	-99.1%	2,591	5,781	-55.2%	11,447	14,637	-21.8%
Basic earnings per share (SEK) <sup>2</sup>	0.00	0.07		0.02	0.05		0.09	0.12	
Net debt-to-EBITDA <sup>3</sup>	4.0	4.6		4.0	4.6		4.0	3.3	

## Notes

1 MRC Systems FZE is consolidated in the ADDvise Group as at March 28, 2021.

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

3 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 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

During the second quarter we saw a strong order intake and a normalized product mix with significantly improved margins.

Net revenue in the second quarter was SEK 117.6 million, an increase of 15.6% compared with the second quarter of 2020 when the net revenue was SEK 101.8 million. Organically, revenue fell 8.5% due to the effect of strong Covid-19 related sales in the second quarter of 2020. For the rolling 12 months, net revenue was SEK 378.4 million, compared with SEK 358.5 million for the full year 2020. During the second quarter of 2021, we saw an improved gross margin for the Group at 44.5% (38.1), due to a return to a normalized product mix with a higher share of proprietary products. Order intake increased organically in the second quarter versus the second quarter in 2020 by 3.5%. Total order intake was SEK 125.8 million (101.0).

EBITDA for the second quarter was SEK 15.8 million (15.1). Profit for the period was SEK 0.1 million compared to SEK 8.3 million in the second quarter of 2020. Profit for the second quarter of 2021 was impacted by the one time effect of the Bond refinancing and the acquisition costs relating to MRC of approximately SEK 7.5 million. Profit for the period during the second quarter of 2020 was supported by government contributions of approximately SEK 3.4 million. Without the one time effects, the profit for the second quarter of 2021 was SEK 7.6 million (4.9). EBITDA for the rolling 12 months was SEK 50.3 million compared with SEK 46.2 million for the full year 2020.

The second quarter of 2021 marked a shift in momentum, as ADDvise completed two significant milestones in its strategy acquisition. The first being the acquisition of MRC, which was consolidated in full during the second quarter of 2021. MRC marks a significant contribution to both ADDvise's geographical footprint, product offering and size. The second significant event was the refinancing of the publicly traded Bond. The Bond issue saw strong demand and was significantly oversubscribed. The refinancing will enable ADDvise to continue along its path of growth.

### Lab business unit

Net revenue within the Lab business unit totaled SEK 66.1 million, which includes MRC and represents an increase of 32% compared to the second quarter for



2020 when it was SEK 49.9 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 7.5 million, a decrease compared to the first quarter of 2020 when it was SEK 8.3 million.

### Healthcare business unit

Net revenue within the Healthcare business unit totaled SEK 51.6 million, a decrease of 0.6% compared to the second quarter of 2020 when it was SEK 51.9 million. The improvement in net revenue continued from the end of the first quarter as the gap compared to last year fell. The near-term US economic outlook has picked up somewhat as we enter the second half of the year, and we expect elective procedures which had been postponed, to be back on the table during the remainder of the year.

EBITDA for the Healthcare business unit was SEK 8.3 million, an increase compared to the second quarter of 2020 when it was SEK 7.1 million, which was driven by a product mix with stronger margins.

### Acquisitions

We continue to work proactively to expand our product portfolio through new and interesting acquisitions within both our business units. On May 10, 2021 ADDvise Group signed a letter of intent to acquire GraMedica, which is set to be consolidated during the second half of 2021. GraMedica is specialized in the development of orthopedic

implants and stents for feet and ankle surgery. GraMedica was founded in 2003, and since, the company has developed a portfolio of several life-changing foot implants such as the bestseller, HYPROCURE®. The implants are designed to provide a solution for the correction of a patients' feet and ankles and are being used worldwide by orthopedic doctors.

On May 24, 2021, ADDvise Group signed a second letter of intent to acquire Medisuite, which is set to be consolidated during the second half of 2021. Medisuite is an American online pharmacy that specializes in medication for men's health. The prescription medication that is marketed by Medisuite is mainly used for treatment of cancer, incontinence, and impotence. Medisuite's customers are mainly physicians within the urology and oncology therapeutic areas.

Proforma with finalized acquisitions and signed letters of intent, ADDvise Group is close to a full year EBITDA of approximately SEK 80.0 million and a net revenue of approximately SEK 500 million with the current indebtedness.

### 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 equipment worldwide in the medium to long term.

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 on Nasdaq Stockholm. For the bond loan issued in 2017, the bonds' short name was ADDVISE 002 with ISIN code SE00010298166. The bonds were redeemed early and delisted from Nasdaq Stockholm in connection with the redemption date June 18, 2021. For the bond loan issued in May 2021, the bonds' short name is ADDV02 with ISIN code SE0015222088.

#### Employees and operational organization

The number of employees at the end of the reporting period was 235 (122). 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 15 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
- » MRC Engineering & Fabrication S.L., reg. no. B-93707677, registered in Spain
- » MRC Systems FZE, reg. no. 626, registered in United Arab Emirates
- » 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 April–June 2021

Orders received for the period totaled SEK 125.8 million (101.0), an increase of 24.6% compared with the same period of the previous year.

#### Orders received January–June 2021

Orders received for the period totaled SEK 217.4 million (238.3), a decrease of 8.8% compared with the same period of the previous year. Orders received during the first half of 2020 was SEK 238.3 million, but included a one-time order of SEK 50 million to be delivered over 2020, 2021 and 2022.

#### Net revenue April–June 2021

Net revenue for the period was SEK 117.6 million (101.8), an increase of 15.6% compared with the same period of the previous year.

#### Net revenue January–June 2021

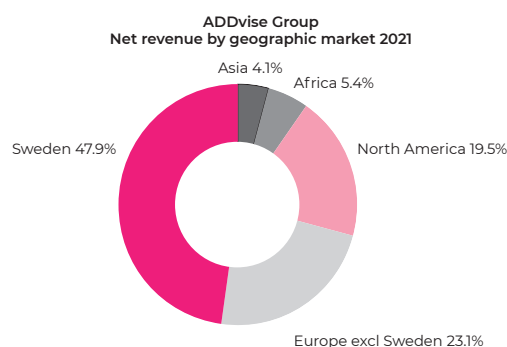
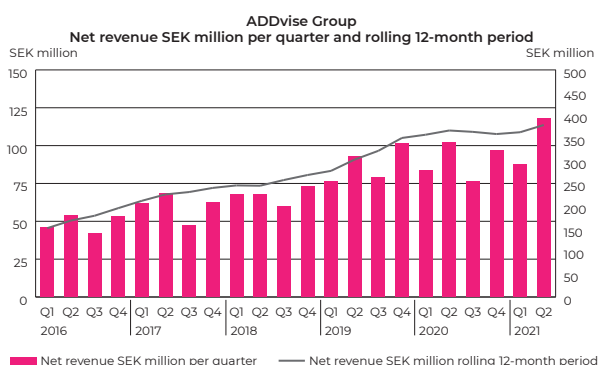
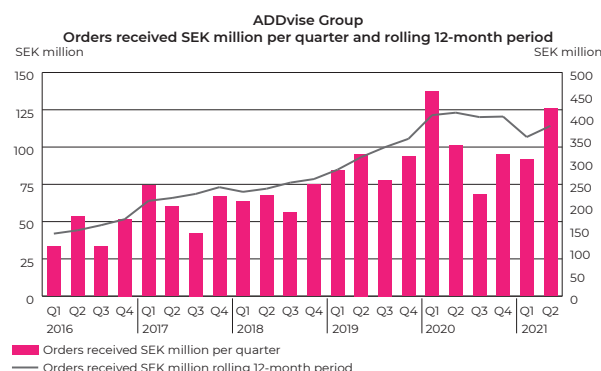
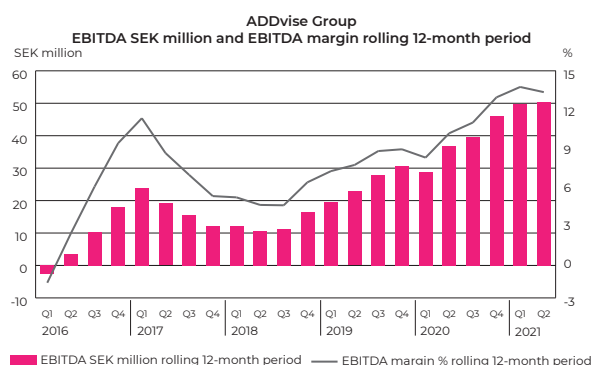
Net revenue for the period was SEK 205.4 million (185.5), an increase of 10.7% compared with the same period of the previous year.

#### Profit/loss April–June 2021

EBITDA for the period was SEK 15.8 million (15.1). EBITA for the period was SEK 13.3 million (13.1). Operating profit/loss for the period was SEK 12.4 million (12.4). Profit/loss after tax was SEK 0.1 million (8.3). Basic earnings per share amounted to SEK 0.00 (0.07) for the period.

#### Profit/loss January–June 2021

EBITDA for the period was SEK 24.6 million (20.5). EBITA for the period was SEK 20.2 million (16.5). Operating profit/loss for the period was SEK 18.4 million (15.0). Profit/loss after tax was SEK 2.6 million (5.8). Basic earnings per share amounted to SEK 0.02 (0.05) for the period.



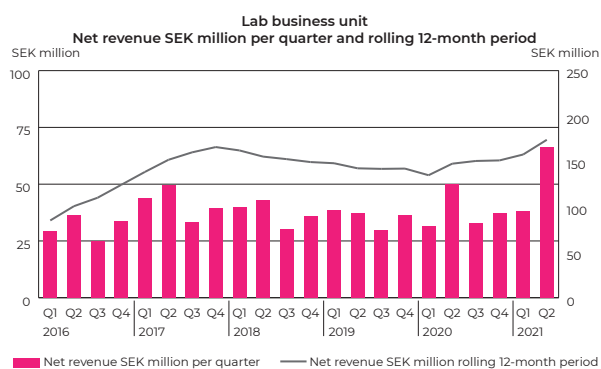
## Net revenue and profit/loss Lab business unit

### Net revenue and profit/loss April–June 2021

Net revenue for the business unit Lab for the period was SEK 66.1 million (49.9), an increase of 32.3% compared with the same period of the previous year. EBITDA for the business unit was SEK 7.5 million (8.3).

### Net revenue and profit/loss January–June 2021

Net revenue for the business unit Lab for the period was SEK 104.0 million (81.3), an increase of 27.8% compared with the same period of the previous year. EBITDA for the business unit was SEK 12.1 million (9.0).



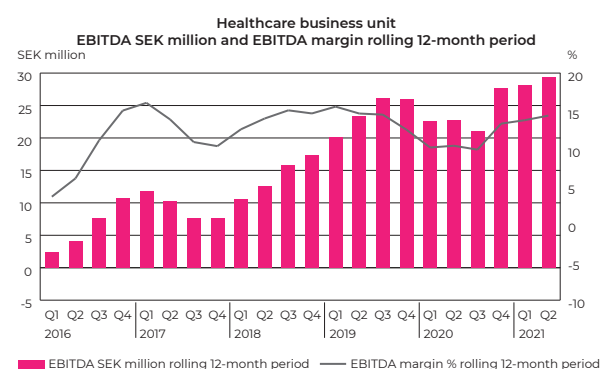
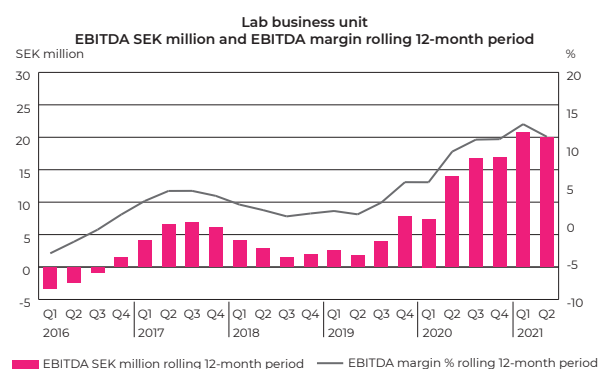
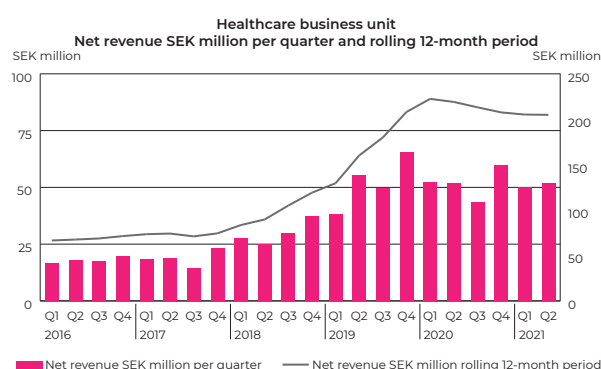
## Net revenue and profit/loss Healthcare business unit

### Net revenue and profit/loss April–June 2021

Net revenue for the business unit Healthcare for the period was SEK 51.6 million (51.9), a decrease of 0.6% compared with the same period of the previous year. EBITDA for the business unit was SEK 8.3 million (7.1).

### Net revenue and profit/loss January–June 2021

Net revenue for the business unit Healthcare for the period was SEK 101.4 million (104.2), a decrease of 2.6% compared with the same period of the previous year. EBITDA for the business unit was SEK 12.9 million (11.1).



## Financial position

### Cash and cash equivalents

Cash and cash equivalents at the end of the period totaled SEK 115.5 million (24.0). At the end of the period, the Group had an overdraft facility of SEK 18.0 million (20.2), which was utilized in the amount of SEK 6.7 million (5.4).

### 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. The bonds were redeemed in full on June 17, 2021. For comparison periods, 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 was recognized at a net amount that reflected ADDvise's expected cash flow upon settlement of the financial instrument, since the asset and liability were to be settled simultaneously.

### Net debt

Net debt at the end of the period totaled SEK 200.6 million (170.7). The ratio of interest-bearing net debt to EBITDA at the end of the period was 4.0 (4.6). This ratio was calculated as at June 30, 2021, using the rolling 12-month EBITDA, from July 2020 up to and including June 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.

During the period, ADDvise issued a senior secured bond loan with an initial volume of SEK 250.0 million within a framework of SEK 500.0 million. The net proceeds were intended for the redemption of ADDvise's outstanding bond loan issued in 2017 and of other credit facilities, and to finance general corporate purposes including future acquisitions. For more information, see *Significant events during the reporting period*.

At the end of the period, loans and other interest-bearing liabilities due for repayment within one year totaled SEK 47.0 million (50.6). Loans and other interest-bearing liabilities due for repayment within one year include a bank loan of SEK 11.7 million (12.5), pledged trade receivables of SEK 20.0 million (17.1), utilized overdraft facilities of SEK 6.7 million (5.4), lease liabilities of SEK 6.6 million (5.1) and liabilities relating to deferred payment of tax as a result of Covid-19 of SEK 1.9 million (10.5). 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 269.0 million (144.0). Loans due for repayment after one year include the Group's bond loan of SEK 242.8 million (135.4), a bank loan of SEK 1.6 million (0.0) and lease liabilities of SEK 24.6 million (8.7).

### Cash flow April–June 2021

Cash flow for the period totaled SEK 56.3 million (10.2).

During the period, ADDvise issued a senior secured bond loan and received SEK 250.0 million before transaction costs. Funds received from the new bond loan were partly used to redeem SEK 140.0 million of ADDvise's outstanding senior secured callable bonds in advance.

Operating cash flow for the period was SEK -6.9 million (20.5). During the period, ADDvise paid liabilities of SEK 5.8 million relating to deferred payment of tax as a result of Covid-19. During the corresponding period last year, deferred payment due to Covid-19 of SEK 10.5 million in tax was granted. 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, and grant, of deferred taxes and charges, operating cash flow totaled SEK -1.1 million (10.0).

The acquisition of MRC Systems FZE was completed during this period. Injections of cash and cash equivalents from acquired companies at the time of consolidation of new acquisitions in the Group totaled SEK 10.9 million (0.0) during the period. For further information, see *Note 5 Business combinations*.

### Cash flow January–June 2021

Cash flow for the period totaled SEK 75.1 million (10.7).

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. During the period, ADDvise issued a senior secured bond loan and received SEK 250.0 million before transaction costs. Funds received from the new bond loan were partly used to redeem SEK 140.0 million of ADDvise's outstanding senior secured callable bonds in advance.

Operating cash flow for the period was SEK -8.2 million (29.2). During the period, ADDvise paid liabilities of SEK 10.7 million relating to deferred payment of tax as a result of Covid-19. During the corresponding period last year, deferred payment due to Covid-19 of SEK 10.5 million in tax was granted. 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, and grant, of deferred taxes and charges, operating cash flow totaled SEK 2.5 million (18.7).

The acquisition of MRC Systems FZE was completed



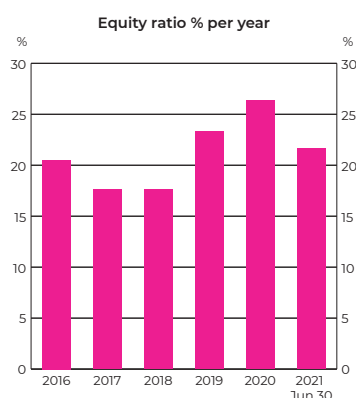
during this period. Injections of cash and cash equivalents from acquired companies at the time of consolidation of new acquisitions in the Group totaled SEK 10.9 million (0.0) during the period. For further information, see *Note 5 Business combinations*.

### Equity

Equity at the end of the period totaled SEK 118.8 million (90.2), equating to SEK 0.85 (0.93) per share outstanding at the end of the period.

### Equity ratio

The equity ratio at the end of the period was 21.7% (25.4%).



### Acquisitions 2021

#### 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 was completed on June 17, 2021. MRC Systems FZE is consolidated in the ADDvise Group from March 28, 2021. In the press release dated June 17, the date for consolidation was stated as being June 17, 2021, but as ADDvise gained control over MRC Systems FZE on March 28, 2021, this date was set for consolidation once the acquisition was completed.

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 total purchase price amounts to USD 8.00 million, of which USD 4.50 million has been paid in cash on closing and USD 0.50 million in the form of a non-recourse three-year promissory note. In addition, as

previously communicated, the purchase price includes earn-outs of maximum USD 3 million in total, that can be paid out over a three-year period, given that the sellers achieves certain predetermined targets. The acquisition is financed with own funds. ADDvise believes that the acquisition will have a positive impact on ADDvise's earnings per share during the 2021 financial year.

For further information about the acquisition, see *Note 5 Business combinations*.

#### Graham Medical Technologies, LLC

In May, 2021, ADDvise signed a Letter of Intent with the shareholder of Graham Medical Technologies, L.L.C. regarding an acquisition of 100 percent of the shares in GraMedica.

GraMedica is specialized in the development of orthopedic implants and stents for feet and ankle surgery. GraMedica was founded in 2003, and since, the company has developed a portfolio of several life-changing foot implants such as the bestseller, HYPROCURE®. The implants are designed to provide a solution for the correction of a patients' feet and ankles and are being used worldwide by orthopedic doctors.

GraMedica is headquartered in Michigan, USA, and distributes its products throughout the United States, Europe and Asia. The company also has a sales office in Shanghai, China. The company's revenue for the financial year 2020 amounted to approximately USD 3.35 million, with an adjusted operating profit of approximately USD 0.85 million.

The purchase price amounts to a total of USD 5.80 million, which is divided into an initial payment of USD 4.00 million and two potential earn-outs of a maximum of USD 0.90 million each, given that the seller achieves certain predetermined targets. The transaction is financed through own funds and loans. ADDvise assesses that the acquisition will have a positive effect on its earnings per share during the financial year 2021.

The transaction is subject to a due diligence and that the parties will agree to enter into a share purchase agreement. The acquisition is scheduled to be completed during Q3 2021.

#### Medisuite LLC

In May 2021, ADDvise signed a Letter of Intent with the shareholders of Medisuite, LLC ("Medisuite") regarding an acquisition of 100 percent of the shares in Medisuite.

Medisuite is an American online pharmacy that specializes in medication for men's health. The prescription medication that is marketed by Medisuite is mainly used for treatment of cancer, incontinence, and impotence. Medisuite's customers are mainly physicians

within the urology and oncology therapeutic areas.

Medisuite is headquartered in Cary, North Carolina. The company's revenue for the financial year 2020 amounted to USD 3.04 million, the adjusted EBITDA to USD 1.45 million and the EBITDA margin to 48%.

The purchase price amount totals USD 10.30 million, divided into an initial payment of USD 6.50 million, a two-year interest free promissory note of USD 1.30 million, and two potential earn-outs of a maximum of USD 2.50 million. The earn-outs are subject to the company achieving the 2022 and 2023 forecasts. The acquisition is financed through own funds and loan. ADDvise assesses that the acquisition will have a positive effect on its earnings per share during the financial year 2021.

The acquisition is subject to ADDvise's due diligence, and that the parties will agree to enter into a share purchase agreement. The acquisition is scheduled to be completed during Q3 2021.

#### **Change in intangible non-current assets**

##### **April–June 2021**

The change in goodwill during the period was SEK 14.8 million (-4.6). The change in trademarks during the period was SEK 10.7 million (-0.2).

#### **Change in intangible non-current assets**

##### **January–June 2021**

The change in goodwill during the period was SEK 17.2 million (0.3). The change in trademarks during the period was SEK 10.8 million (0.0).

#### **Investments in intangible non-current assets**

##### **April–June 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 0.4 million (0.2).

Investments in intangible non-current assets other than goodwill, trademarks and capitalized expenditure for development work and similar activities during the period totaled SEK 0.3 million (0.0).

#### **Investments in intangible non-current assets**

##### **January–June 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 1.9 million (0.6).

Investments in intangible non-current assets other than goodwill, trademarks and capitalized expenditure for development work and similar activities during the period totaled SEK 0.3 million (0.1).

#### **Investments in property, plant and equipment**

##### **April–June 2021**

Investments in property, plant and equipment during the period totaled SEK 8.4 million (0.8). Investments in property, plant and equipment include leased non-current assets in accordance with IFRS 16 Leases.

#### **Investments in property, plant and equipment**

##### **January–June 2021**

Investments in property, plant and equipment during the period totaled SEK 11.8 million (1.3). Investments in property, plant and equipment include leased non-current assets in accordance with IFRS 16 Leases.

## **Parent company**

#### **Net revenue April–June 2021**

Net revenue at the parent company for the period totaled SEK 5.0 million (5.0).

#### **Net revenue January–June 2021**

Net revenue at the parent company for the period totaled SEK 10.2 million (9.9).

#### **Profit/loss April–June 2021**

Operating profit/loss for the period was SEK -0.7 million (-0.3). The net profit/loss for the period was SEK -9.4 million (-2.9).

#### **Profit/loss January–June 2021**

Operating profit/loss for the period was SEK -1.1 million (-0.1). The net profit/loss for the period was SEK -12.4 million (7.7).

#### **Equity**

The balance sheet total was SEK 435.7 million (283.9), of which equity constituted SEK 94.1 million (78.9).

## 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 issues a senior secured bond loan of SEK 250 million**

In May 2021, ADDvise announced it had successfully placed a senior secured bond loan with an initial volume of SEK 250.0 million within a framework of SEK 500.0 million. The bond has a tenor of three years (matures May 21, 2024) and carries interest at an annual rate of 3 months STIBOR plus 725 basis points. The bond issue saw strong demand from both Nordic and international primarily institutional investors and was significantly oversubscribed.

The net proceeds from the bond loan were used to repay the Company's outstanding bonds and other credit facilities and will be used to finance general corporate purposes including future acquisitions.

ADDvise applied for listing of the bonds on the Corporate Bond List of Nasdaq Stockholm. The bonds are listed with the short name ADDV02 and ISIN code SE0015222088. For further information, see *ADDvise publishes bond prospectus and applies for listing of its bonds on Nasdaq Stockholm, in Significant events after the reporting period.*

### **ADDvise redeems its outstanding up to SEK 240 million senior secured callable bonds**

In May 2021, ADDvise announced that its up to SEK 240,000,000 senior unsecured callable floating rate bonds with ISIN SE0010298166, will be redeemed in advance in accordance with Clause 8.3 (Voluntary total redemption (call option)) of the terms and conditions of the bonds.

The redemption date was June 18, 2021. The redemption amount for each bond was 100.00 per cent of the nominal amount, plus accrued but unpaid interest up to (and including) the redemption date. The redemption amount was paid to the bondholders holding bonds on the applicable record date (being 11 June 2021).

ADDvise's obligation to redeem the bonds was conditional upon that the company, prior to the applicable record date, fulfilled the conditions precedent for disbursement of the net proceeds from the issue of the company's senior secured floating rate bonds with ISIN SE0015222088.

The bonds with ISIN SE0010298166 were de-listed from the corporate bond list of Nasdaq Stockholm in connection with the redemption date.

**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 was completed June 17, 2021. For further information, see *Acquisitions 2021* and *Note 5 Business combinations*.

**ADDvise signs Letter of Intent to acquire Graham Medical Technologies, L.L.C.**

In May 2021, ADDvise signed a Letter of Intent with the shareholder of Graham Medical Technologies, L.L.C. regarding an acquisition of 100 percent of the shares in GraMedica. The transaction is subject to a due diligence and that the parties will agree to enter into a share purchase agreement. The acquisition is scheduled to be completed during Q3 2021. For further information, see *Acquisitions 2021*.

**ADDvise signs Letter of Intent to acquire Medisuite, LLC**

In May 2021, ADDvise signed a Letter of Intent with the shareholders of Medisuite, LLC regarding an acquisition of 100 percent of the shares in Medisuite. The acquisition is subject to ADDvise's due diligence, and that the parties will agree to enter into a share purchase agreement. The acquisition is scheduled to be completed during Q3 2021. For further information, see *Acquisitions 2021*.

**ADDvise received order worth SEK 9 million**

ADDvise's subsidiary Labrum AB has received an order from Takura AB, a company specialized in clinical phase cell therapy, worth approximately SEK 9 million. The order involves construction of a cleanroom including laboratory equipment to the production facility for cell therapy that Takura AB is going to build, through its subsidiary CellCo and Norrskén Foundation. MRC Systems FZE, ADDvise's latest acquisition, is going to deliver the cleanroom for the project to Labrum AB. Delivery of the order is planned to take place during the fourth quarter of 2021.

## Significant events after the reporting period

**ADDvise publishes bond prospectus and applies for listing of its bonds on Nasdaq Stockholm**

On May 21, 2021, ADDvise issued a senior secured bond loan of SEK 250.0 million within a total framework amount of SEK 500.0 million on the Swedish bond market. See *Significant events during the reporting period*, *ADDvise issues a senior secured bond loan of SEK 250 million*.

ADDvise applied for listing of the bonds on the corporate bond list at Nasdaq Stockholm. In connection with this, ADDvise prepared a prospectus. The prospectus was approved by the Swedish Financial Supervisory Authority. The Prospectus is available on the Financial Supervisory Authority's website ([www.fi.se](http://www.fi.se)) and on the ADDvise's website ([www.addvisigroup.com](http://www.addvisigroup.com)). The bonds were admitted in July 2021, with the short name ADDV02 and ISIN code SE0015222088.

## 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**

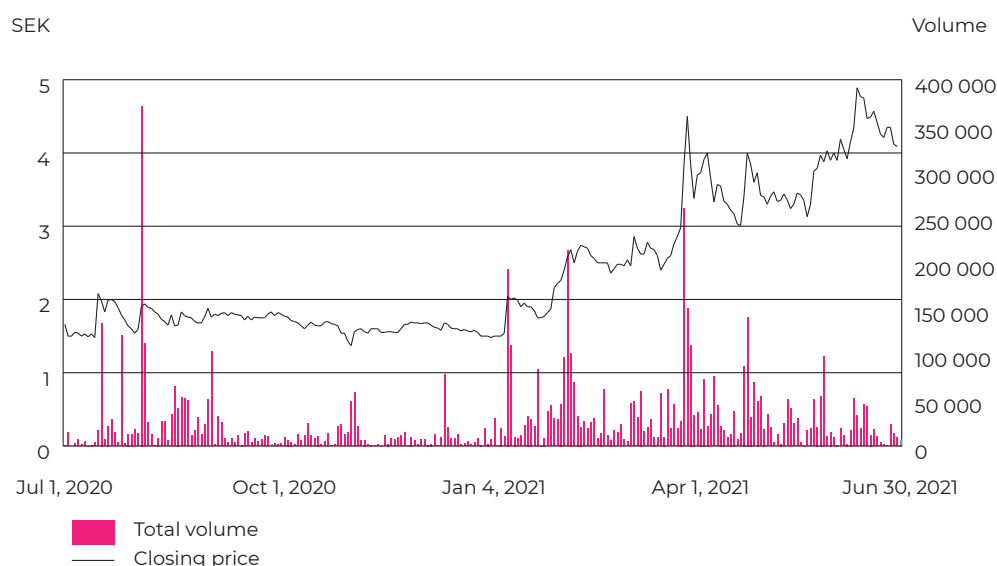
25% of the preceding year's profit, excluding the revaluation of additional purchase considerations, must be distributed to the shareholders.

## Share price trend during the reporting period

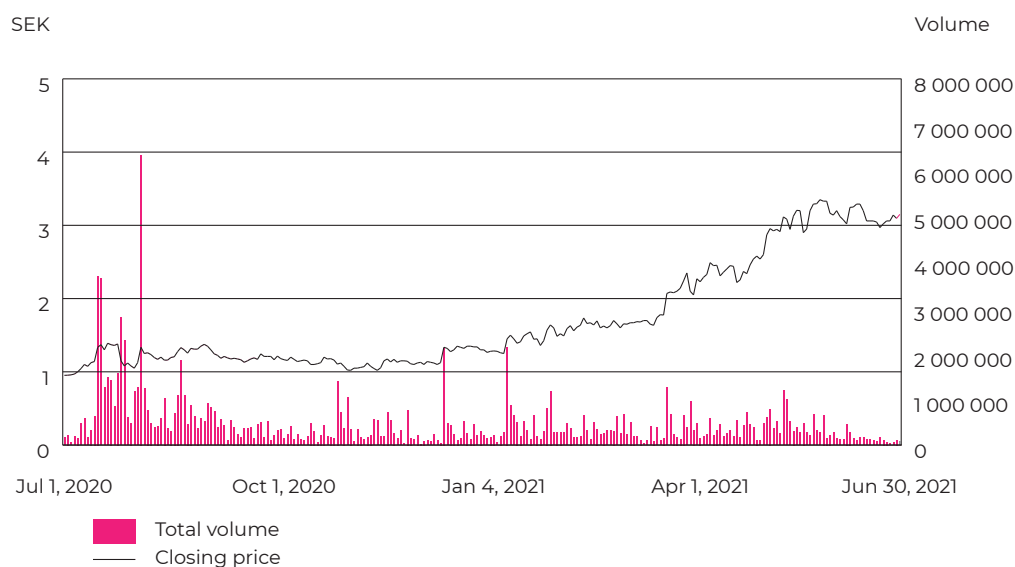
The company's class A share is listed at the S SME trading venue, on the Nasdaq First North Growth Market Sweden. The stock short name is ADDV A and the share's ISIN code is SE0001306119. One (1) class A share equals one (1) vote.

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 July 1, 2020 until June 30, 2021



### Class B share closing price trend 12-month period from July 1, 2020 until June 30, 2021





## Condensed consolidated statement of comprehensive income

SEK thousands	2021 Apr–Jun <sup>1</sup>	2020 Apr–Jun	2021 Jan–Jun <sup>1</sup>	2020 Jan–Jun	2020 Jan–Dec	2019 Jan–Dec <sup>2</sup>
Net revenue	117,645	101,803	205,382	185,506	358,487	349,877
Capitalized work on own account	379	189	1,817	583	769	3,808
Other operating income	70	18	122	1,793	7,712	3,620
	<b>118,094</b>	<b>102,010</b>	<b>207,320</b>	<b>187,883</b>	<b>366,968</b>	<b>357,305</b>
Cost of materials	-65,328	-63,003	-116,410	-114,181	-221,154	-216,917
Other external expenses	-10,487	-6,636	-18,756	-14,897	-27,060	-31,443
Personnel costs	-26,227	-16,679	-47,329	-37,796	-70,929	-77,060
Depreciation and amortization	-3,416	-2,783	-6,256	-5,558	-11,967	-12,042
Other operating expenses	-285	-557	-196	-491	-1,600	-1,215
	<b>-105,744</b>	<b>-89,658</b>	<b>-188,946</b>	<b>-172,923</b>	<b>-332,711</b>	<b>-338,676</b>
<b>Operating profit/loss (EBIT)</b>	<b>12,350</b>	<b>12,352</b>	<b>18,374</b>	<b>14,960</b>	<b>34,257</b>	<b>18,629</b>
Net financial items	-11,572	-3,117	-14,148	-7,810	-16,400	-16,957
<b>Profit/loss before tax (EBT)</b>	<b>778</b>	<b>9,235</b>	<b>4,227</b>	<b>7,150</b>	<b>17,857</b>	<b>1,672</b>
Tax	-701	-979	-1,636	-1,369	-3,219	2,373
<b>Profit/loss for the period</b>	<b>76</b>	<b>8,256</b>	<b>2,591</b>	<b>5,781</b>	<b>14,637</b>	<b>4,045</b>
Profit/loss attributable to:						
Shareholders of the parent company	76	8,256	2,592	5,782	14,638	4,059
Non-controlling interests	0	0	-1	-1	-1	-14
	<b>76</b>	<b>8,256</b>	<b>2,591</b>	<b>5,781</b>	<b>14,637</b>	<b>4,045</b>
<b>Other comprehensive income</b>						
Foreign exchange differences on the translation of foreign operations for the period	-1,897	-6,540	1,830	300	-7,729	1,650
Change in value of financial assets measured at fair value through other comprehensive income for the period	-144	0	-122	0	122	238
<b>Comprehensive income for the period</b>	<b>-1,965</b>	<b>1,715</b>	<b>4,299</b>	<b>6,081</b>	<b>7,030</b>	<b>5,933</b>
Comprehensive income attributable to:						
Shareholders of the parent company	-1,960	1,742	4,301	6,082	7,028	5,950
Non-controlling interests	-6	-27	-2	-1	2	-17
	<b>-1,965</b>	<b>1,715</b>	<b>4,299</b>	<b>6,081</b>	<b>7,030</b>	<b>5,933</b>
Basic earnings per share, SEK <sup>3</sup>	0.00	0.07	0.02	0.05	0.12	0.04
Diluted earnings per share, SEK <sup>3</sup>	0.00	0.06	0.02	0.04	0.11	0.04

### Notes

1 MRC Systems FZE is consolidated in the ADDvise Group as at March 28, 2021.

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

3 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 Jun 30	2020 Jun 30	2020 Dec 31	2019 Dec 31
<b>ASSETS</b>				
<i>Non-current assets</i>				
Goodwill	173,511	161,474	156,319	161,199
Trademarks	33,427	22,839	22,594	22,833
Other intangible non-current assets	19,835	22,048	19,491	22,985
Property, plant and equipment	49,664	17,552	15,944	19,979
Non-current financial assets	198	148	134	125
Deferred tax assets	6,461	7,648	7,122	7,984
<i>Total non-current assets</i>	<i>283,096</i>	<i>231,709</i>	<i>221,604</i>	<i>235,105</i>
<i>Current assets</i>				
Inventories	43,166	42,768	33,422	37,251
Contract assets	44,087	5,889	727	5,285
Trade receivables	52,082	42,965	44,930	63,454
Other current receivables	9,806	7,947	5,454	6,013
Short-term investments <sup>1</sup>	0	0	0	0
Cash and cash equivalents	115,495	23,968	39,606	13,259
<i>Total current assets</i>	<i>264,636</i>	<i>123,537</i>	<i>124,140</i>	<i>125,262</i>
<b>TOTAL ASSETS</b>	<b>547,731</b>	<b>355,246</b>	<b>345,743</b>	<b>360,367</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>	<i>118,774</i>	<i>90,208</i>	<i>91,049</i>	<i>84,142</i>
Equity attributable to:				
Shareholders of the parent company	118,705	90,122	90,966	84,004
Non-controlling interests	68	86	83	139
	<b>118,774</b>	<b>90,208</b>	<b>91,049</b>	<b>84,142</b>
<i>Non-current liabilities</i>				
Interest-bearing liabilities <sup>1</sup>	269,017	144,049	142,442	144,316
Deferred tax liabilities	0	0	0	0
Other non-current liabilities	18,935	0	0	5,738
<i>Total non-current liabilities</i>	<i>287,952</i>	<i>144,049</i>	<i>142,442</i>	<i>150,054</i>
<i>Current liabilities</i>				
Interest-bearing liabilities	47,029	50,634	50,930	51,737
Current tax liabilities	2,195	2,184	2,145	1,673
Contract liabilities	8,887	1,606	1,303	3,980
Trade payables	40,487	29,366	29,073	32,890
Other current liabilities	42,408	37,199	28,801	35,890
<i>Total current liabilities</i>	<i>141,006</i>	<i>120,989</i>	<i>112,252</i>	<i>126,170</i>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>547,731</b>	<b>355,246</b>	<b>345,743</b>	<b>360,367</b>

### Note

<sup>1</sup> 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, 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 financial instruments were settled in June 2021.

## Condensed consolidated statement of changes in equity

SEK thousands	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec	2019 Jan–Dec
<b>Opening equity</b>	<b>123,782</b>	<b>88,493</b>	<b>91,049</b>	<b>84,142</b>	<b>84,142</b>	<b>51,410</b>
Change on transition to IFRS 16 Leases	-	-	-	-	-	-233
<b>Adjusted opening equity</b>	<b>123,782</b>	<b>88,493</b>	<b>91,049</b>	<b>84,142</b>	<b>84,142</b>	<b>51,177</b>
Profit/loss for the period	76	8,256	2,591	5,781	14,637	4,045
Other comprehensive income for the period	-2,042	-6,540	1,708	300	-7,607	1,888
<b>Comprehensive income for the period</b>	<b>-1,965</b>	<b>1,715</b>	<b>4,299</b>	<b>6,081</b>	<b>7,030</b>	<b>5,933</b>
New share issue	-249	0	26,219	-15	-123	27,032
Dividends	-2,794	0	-2,794	0	0	0
Change in non-controlling interests	0	0	0	0	0	0
Translation reserve	0	0	0	0	0	0
<b>Closing equity</b>	<b>118,774</b>	<b>90,208</b>	<b>118,774</b>	<b>90,208</b>	<b>91,049</b>	<b>84,142</b>
Attributable to:						
Shareholders of the parent company	118,705	90,122	118,705	90,122	90,966	84,004
Non-controlling interests	68	86	68	86	83	139
<b>Total equity</b>	<b>118,774</b>	<b>90,208</b>	<b>118,774</b>	<b>90,208</b>	<b>91,049</b>	<b>84,142</b>

## Condensed consolidated statement of cash flows

SEK thousands	2021 Apr–Jun <sup>1</sup>	2020 Apr–Jun <sup>2</sup>	2021 Jan–Jun <sup>1</sup>	2020 Jan–Jun <sup>2</sup>	2020 Jan–Dec <sup>2</sup>	2019 Jan–Dec
<b>Operating activities</b>						
Profit/loss before tax	778	9,235	4,227	7,150	17,857	1,672
Adjustments for non-cash items	3,653	-35	5,275	3,433	3,778	9,734
Income tax paid	-539	-115	-539	-457	-2,259	-731
<b>Operating cash flow before changes in working capital</b>	<b>3,891</b>	<b>9,084</b>	<b>8,962</b>	<b>10,127</b>	<b>19,375</b>	<b>10,674</b>
Operating cash flow	-6,883	20,492	-8,213	29,234	57,438	11,187
Investing cash flow <sup>3</sup>	-32,396	-361	-34,267	-704	-7,214	-31,237
Financing cash flow	95,596	-9,900	117,610	-17,820	-23,314	20,432
<b>Cash flow for the period</b>	<b>56,317</b>	<b>10,230</b>	<b>75,131</b>	<b>10,710</b>	<b>26,910</b>	<b>381</b>
Cash and cash equivalents at start of period	60,137	13,738	39,606	13,259	13,259	12,877
Foreign exchange differences in cash and cash equivalents	-959	0	758	0	-562	0
<b>Cash and cash equivalents at end of period</b>	<b>115,495</b>	<b>23,968</b>	<b>115,495</b>	<b>23,968</b>	<b>39,606</b>	<b>13,259</b>

### Notes

1 During the period April–June 2021, ADDvise paid liabilities of SEK 5.8 million relating to deferred payment of taxes and charges as a result of the Covid-19 situation. During the period January–June 2021, ADDvise paid liabilities of SEK 10.7 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 April–June 2021 and January–June 2021.

2 During the period April–June 2020, deferred payment of taxes and charges of SEK 10.5 million was granted because of the Covid-19 situation. During the period April–December 2020, deferred payment of taxes and charges of SEK 12.6 million 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 April–June 2020 and 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 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec	2020 Jul-Sep	2020 Apr-Jun
Net revenue	117,645	87,737	96,813	76,168	101,803
Capitalized work on own account	379	1,438	156	29	189
Other operating income	70	52	4,172	1,747	18
	118,094	89,227	101,141	77,943	102,010
Cost of materials	-65,328	-51,082	-58,565	-48,408	-63,003
Other external expenses	-10,487	-8,269	-6,650	-5,513	-6,636
Personnel costs	-26,227	-21,102	-19,162	-13,971	-16,679
Other operating expenses	-285	89	-489	-620	-557
	-102,327	-80,363	-84,867	-68,512	-86,875
<b>EBITDA</b>	<b>15,766</b>	<b>8,864</b>	<b>16,275</b>	<b>9,431</b>	<b>15,135</b>
<b>EBITDA margin, %</b>	<b>13.4%</b>	<b>10.1%</b>	<b>16.8%</b>	<b>12.4%</b>	<b>14.9%</b>
Depreciation and amortization	-3,416	-2,839	-3,698	-2,711	-2,783
<b>Operating profit/loss (EBIT)</b>	<b>12,350</b>	<b>6,024</b>	<b>12,577</b>	<b>6,720</b>	<b>12,352</b>
<b>Operating margin, %</b>	<b>10.5%</b>	<b>6.9%</b>	<b>13.0%</b>	<b>8.8%</b>	<b>12.1%</b>
Net financial items	-11,572	-2,575	-4,796	-3,794	-3,117
<b>Profit/loss before tax (EBT)</b>	<b>778</b>	<b>3,449</b>	<b>7,781</b>	<b>2,926</b>	<b>9,235</b>
Tax	-701	-934	-1,746	-105	-979
<b>Profit/loss for the period</b>	<b>76</b>	<b>2,515</b>	<b>6,035</b>	<b>2,821</b>	<b>8,256</b>
Profit/loss attributable to:					
Shareholders of the parent company	76	2,516	6,035	2,821	8,256
Non-controlling interests	0	-1	0	0	0
	76	2,515	6,035	2,821	8,256

## Key performance indicators

SEK thousands	2021 Apr–Jun <sup>1</sup>	2020 Apr–Jun	2021 Jan–Jun <sup>1</sup>	2020 Jan–Jun	2020 Jan–Dec	2019 Jan–Dec <sup>2</sup>
Net revenue	117,645	101,803	205,382	185,506	358,487	349,877
Gross margin, %	44.5%	38.1%	43.3%	38.4%	38.3%	38.0%
EBITDA	15,766	15,135	24,630	20,518	46,224	30,671
EBITDA margin, %	13.4%	14.9%	12.0%	11.1%	12.9%	8.8%
EBITA	13,298	13,140	20,245	16,505	38,147	21,281
EBITA margin, %	11.3%	12.9%	9.9%	8.9%	10.6%	6.1%
Operating profit/loss (EBIT)	12,350	12,352	18,374	14,960	34,257	18,629
Operating margin, %	10.5%	12.1%	8.9%	8.1%	9.6%	5.3%
Profit/loss before tax (EBT)	778	9,235	4,227	7,150	17,857	1,672
Net margin, %	0.7%	9.1%	2.1%	3.9%	5.0%	0.5%
Profit/loss for the period	76	8,256	2,591	5,781	14,637	4,045
Equity ratio, %	21.7%	25.4%	21.7%	25.4%	26.3%	23.3%
Net debt	-200,550	-170,714	-200,550	-170,714	-153,766	-182,793
Net debt-to-EBITDA	4.0	4.6	4.0	4.6	3.3	6.0
Number of employees at end of period	235	122	235	122	108	127
Equity per share in SEK	0.85	0.93	0.85	0.93	0.94	0.87
Basic earnings per share in SEK <sup>3</sup>	0.00	0.07	0.02	0.05	0.12	0.04
Diluted earnings per share in SEK <sup>3</sup>	0.00	0.06	0.02	0.04	0.11	0.04
Number of shares at end of period	139,700,768	96,913,631	139,700,768	96,913,631	96,913,631	96,913,631
Average number of shares before dilution	139,700,768	96,913,631	130,964,127	96,913,631	96,913,631	86,841,635
Average number of shares after dilution	139,700,768	113,183,204	130,964,127	108,696,157	113,133,907	89,801,052

### Notes

1 MRC Systems FZE is consolidated in the ADDvise Group as at March 28, 2021.

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

3 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 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period attributable to the parent company's shareholders	76	8,256	2,592	5,782	14,638	4,059
Divided by average number of shares before dilution	139,700,768	96,913,631	130,964,127	96,913,631	96,913,631	86,841,635
<b>= Basic earnings per share in SEK</b>	<b>0.00</b>	<b>0.07</b>	<b>0.02</b>	<b>0.05</b>	<b>0.12</b>	<b>0.04</b>

### 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 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period attributable to the parent company's shareholders	76	8,256	2,592	5,782	14,638	4,059
Divided by average number of shares after dilution	139,700,768	113,183,204	130,964,127	108,696,157	113,133,907	89,801,052
<b>= Diluted earnings per share in SEK</b>	<b>0.00</b>	<b>0.06</b>	<b>0.02</b>	<b>0.04</b>	<b>0.11</b>	<b>0.04</b>

### 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. The Group's definition is unchanged from previous period.

SEK thousands	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	12,350	12,352	18,374	14,960	34,257	18,629
Plus reversal of amortization of intangible assets	948	788	1,871	1,545	3,890	2,652
<b>= EBITA</b>	<b>13,298</b>	<b>13,140</b>	<b>20,245</b>	<b>16,505</b>	<b>38,147</b>	<b>21,281</b>

### 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. The Group's definition is unchanged from previous period.

SEK thousands	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	12,350	12,352	18,374	14,960	34,257	18,629
Plus reversal of amortization of intangible assets	948	788	1,871	1,545	3,890	2,652
<b>= EBITA</b>	<b>13,298</b>	<b>13,140</b>	<b>20,245</b>	<b>16,505</b>	<b>38,147</b>	<b>21,281</b>
Divided by net revenue	117,645	101,803	205,382	185,506	358,487	349,877
<b>= EBITA margin as a %</b>	<b>11.3%</b>	<b>12.9%</b>	<b>9.9%</b>	<b>8.9%</b>	<b>10.6%</b>	<b>6.1%</b>

**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 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	12,350	12,352	18,374	14,960	34,257	18,629
Plus reversal of depreciation and amortization	3,416	2,783	6,256	5,558	11,967	12,042
<b>= EBITDA</b>	<b>15,766</b>	<b>15,135</b>	<b>24,630</b>	<b>20,518</b>	<b>46,224</b>	<b>30,671</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	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	12,350	12,352	18,374	14,960	34,257	18,629
Plus reversal of depreciation and amortization	3,416	2,783	6,256	5,558	11,967	12,042
<b>= EBITDA</b>	<b>15,766</b>	<b>15,135</b>	<b>24,630</b>	<b>20,518</b>	<b>46,224</b>	<b>30,671</b>
Divided by net revenue	117,645	101,803	205,382	185,506	358,487	349,877
<b>= EBITDA margin as a %</b>	<b>13.4%</b>	<b>14.9%</b>	<b>12.0%</b>	<b>11.1%</b>	<b>12.9%</b>	<b>8.8%</b>

**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 Jun 30	2020 Jun 30	2020 Dec 31	2019 Dec 31
Equity attributable to the parent company's shareholders	118,705	90,122	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
<b>= Equity per share in SEK</b>	<b>0.85</b>	<b>0.93</b>	<b>0.94</b>	<b>0.87</b>

**Equity ratio**

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

SEK thousands	2021 Jun 30	2020 Jun 30	2020 Dec 31	2019 Dec 31
Equity	118,774	90,208	91,049	84,142
Divided by total assets	547,731	355,246	345,743	360,367
<b>= Equity ratio as a %</b>	<b>21.7%</b>	<b>25.4%</b>	<b>26.3%</b>	<b>23.3%</b>

**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 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Net revenue	117,645	101,803	205,382	185,506	358,487	349,877
Minus cost of materials	-65,328	-63,003	-116,410	-114,181	-221,154	-216,917
	52,317	38,799	88,972	71,325	137,333	132,961
Divided by net revenue	117,645	101,803	205,382	185,506	358,487	349,877
<b>= Gross margin as a %</b>	<b>44.5%</b>	<b>38.1%</b>	<b>43.3%</b>	<b>38.4%</b>	<b>38.3%</b>	<b>38.0%</b>

**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 Jun 30	2020 Jun 30	2020 Dec 31	2019 Dec 31
Cash and cash equivalents	115,495	23,968	39,606	13,259
Short-term investments	0	0	0	0
Loans due for repayment within one year	-45,104	-40,095	-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	-1,924	-10,539	-12,626	-
Loans due for repayment after one year	-269,017	-144,049	-142,442	-144,316
<b>= Net debt</b>	<b>-200,550</b>	<b>-170,714</b>	<b>-153,766</b>	<b>-182,793</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 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 Jun 30	2020 Jun 30	2020 Dec 31	2019 Dec 31
Cash and cash equivalents	115,495	23,968	39,606	13,259
Short-term investments	0	0	0	0
Loans due for repayment within one year	-45,104	-40,095	-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	-1,924	-10,539	-12,626	-
Loans due for repayment after one year	-269,017	-144,049	-142,442	-144,316
<b>= Net debt</b>	<b>-200,550</b>	<b>-170,714</b>	<b>-153,766</b>	<b>-182,793</b>
Divided by EBITDA, rolling 12 months	50,336	36,788	46,224	30,671
<b>= Net debt-to-EBITDA</b>	<b>4.0</b>	<b>4.6</b>	<b>3.3</b>	<b>6.0</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	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	76	8,256	2,591	5,781	14,637	4,045
Plus reversal of tax on profit/loss for the year	701	979	1,636	1,369	3,219	-2,373
<b>= Profit/loss after net financial items</b>	<b>778</b>	<b>9,235</b>	<b>4,227</b>	<b>7,150</b>	<b>17,857</b>	<b>1,672</b>
Divided by net revenue	117,645	101,803	205,382	185,506	358,487	349,877
<b>= Net margin as a %</b>	<b>0.7%</b>	<b>9.1%</b>	<b>2.1%</b>	<b>3.9%</b>	<b>5.0%</b>	<b>0.5%</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.

SEK thousands	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	76	8,256	2,591	5,781	14,637	4,045
Plus reversal of tax on profit/loss for the period	701	979	1,636	1,369	3,219	-2,373
Plus reversal of financial expenses	11,769	3,146	14,386	7,857	16,610	17,424
Minus reversal of financial income	-197	-29	-238	-47	-210	-467
<b>= Operating profit/loss (EBIT)</b>	<b>12,350</b>	<b>12,352</b>	<b>18,374</b>	<b>14,960</b>	<b>34,257</b>	<b>18,629</b>
Divided by net revenue	117,645	101,803	205,382	185,506	358,487	349,877
<b>= Operating margin as a %</b>	<b>10.5%</b>	<b>12.1%</b>	<b>8.9%</b>	<b>8.1%</b>	<b>9.6%</b>	<b>5.3%</b>

**Operating profit/loss (EBIT)**

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

SEK thousands	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	76	8,256	2,591	5,781	14,637	4,045
Plus reversal of tax on profit/loss for the period	701	979	1,636	1,369	3,219	-2,373
Plus reversal of financial expenses	11,769	3,146	14,386	7,857	16,610	17,424
Minus reversal of financial income	-197	-29	-238	-47	-210	-467
<b>= Operating profit/loss (EBIT)</b>	<b>12,350</b>	<b>12,352</b>	<b>18,374</b>	<b>14,960</b>	<b>34,257</b>	<b>18,629</b>

**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 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Other external expenses	-10,487	-6,636	-18,756	-14,897	-27,060	-31,443
Personnel costs	-26,227	-16,679	-47,329	-37,796	-70,929	-77,060
Other operating expenses	-285	-557	-196	-491	-1,600	-1,215
<b>= OPEX</b>	<b>-36,999</b>	<b>-23,872</b>	<b>-66,281</b>	<b>-53,184</b>	<b>-99,589</b>	<b>-109,717</b>

**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 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	76	8,256	2,591	5,781	14,637	4,045
Plus reversal of tax on profit/loss for the period	701	979	1,636	1,369	3,219	-2,373
<b>= Profit/loss before tax (EBT)</b>	<b>778</b>	<b>9,235</b>	<b>4,227</b>	<b>7,150</b>	<b>17,857</b>	<b>1,672</b>

## Condensed parent company income statement

SEK thousands	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec	2019 Jan–Dec
Net revenue	4,990	4,965	10,198	9,876	19,448	14,687
Capitalized work on own account	0	0	0	0	0	0
Other operating income	0	0	0	0	0	1
	4,990	4,965	10,198	9,876	19,448	14,688
Cost of materials	0	0	0	0	0	0
Other external expenses	-2,040	-1,501	-3,937	-3,109	-5,932	-6,803
Personnel costs	-3,560	-3,639	-7,232	-6,611	-11,850	-12,244
Depreciation and amortization	-45	-107	-82	-215	-306	-510
Other operating expenses	0	-2	0	0	-1	-312
	-5,645	-5,249	-11,251	-9,935	-18,090	-19,869
<b>Operating profit/loss (EBIT)</b>	<b>-655</b>	<b>-284</b>	<b>-1,053</b>	<b>-59</b>	<b>1,358</b>	<b>-5,180</b>
Net financial items	-8,758	-2,630	-11,395	7,766	1,164	-15,020
<b>Profit/loss after financial items (EBT)</b>	<b>-9,413</b>	<b>-2,914</b>	<b>-12,448</b>	<b>7,707</b>	<b>2,522</b>	<b>-20,200</b>
Appropriations	0	0	0	0	11,330	6,145
Tax	0	0	0	0	-1,829	4,848
<b>Profit/loss for the period</b>	<b>-9,413</b>	<b>-2,914</b>	<b>-12,448</b>	<b>7,707</b>	<b>12,024</b>	<b>-9,208</b>

## Parent company statement of comprehensive income

SEK thousands	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec	2019 Jan–Dec
Profit/loss for the period	-9,413	-2,914	-12,448	7,707	12,024	-9,208
Other comprehensive income for the period	0	0	0	0	0	0
<b>Comprehensive income for the period</b>	<b>-9,413</b>	<b>-2,914</b>	<b>-12,448</b>	<b>7,707</b>	<b>12,024</b>	<b>-9,208</b>

## Condensed parent company balance sheet

SEK thousands	2021 Jun 30	2020 Jun 30	2020 Dec 31	2019 Dec 31
<b>ASSETS</b>				
<i>Non-current assets</i>				
Intangible non-current assets	282	249	181	436
Property, plant and equipment	197	60	154	75
Non-current financial assets	283,551	217,649	212,971	219,333
Deferred tax assets	12,329	13,352	12,329	13,352
<i>Total non-current assets</i>	<i>296,359</i>	<i>231,309</i>	<i>225,636</i>	<i>233,196</i>
<i>Current assets</i>				
Inventories	0	0	0	0
Trade receivables	0	0	0	0
Other current receivables	47,410	43,901	40,767	47,911
Short-term investments <sup>1</sup>	0	0	0	0
Cash and bank balances	91,893	8,714	11,484	3,598
<i>Total current assets</i>	<i>139,303</i>	<i>52,615</i>	<i>52,251</i>	<i>51,508</i>
<b>TOTAL ASSETS</b>	<b>435,663</b>	<b>283,925</b>	<b>277,887</b>	<b>284,704</b>
<b>EQUITY AND LIABILITIES</b>				
<i>Equity</i>	<i>94,070</i>	<i>78,884</i>	<i>83,093</i>	<i>71,193</i>
<i>Non-current liabilities</i>				
Interest-bearing liabilities <sup>1</sup>	242,757	135,391	135,337	134,367
Other non-current liabilities	18,935	0	0	5,738
<i>Total non-current liabilities</i>	<i>261,693</i>	<i>135,391</i>	<i>135,337</i>	<i>140,106</i>
<i>Current liabilities</i>				
Interest-bearing liabilities	0	12,500	11,500	13,500
Current tax liabilities	851	370	850	12
Trade payables	2,368	540	1,555	1,172
Other current liabilities	76,681	56,240	45,552	58,722
<i>Total current liabilities</i>	<i>79,900</i>	<i>69,649</i>	<i>59,457</i>	<i>73,406</i>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>435,663</b>	<b>283,925</b>	<b>277,887</b>	<b>284,704</b>

### 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, 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 financial instruments were settled in June 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, LabRum Klimat Oy, MRC Engineering & Fabrication S.L. and MRC Systems FZE. 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 clean room systems 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

SEK thousands	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec	2019 Jan-Dec
Lab business unit	66,057	49,929	103,972	81,337	151,043	141,952
Healthcare business unit	51,588	51,874	101,410	104,169	207,444	207,925
<b>Total external net revenue</b>	<b>117,645</b>	<b>101,803</b>	<b>205,382</b>	<b>185,506</b>	<b>358,487</b>	<b>349,877</b>
Lab business unit	293	360	580	493	1,292	881
Healthcare business unit	0	393	1	393	596	0
<b>Total internal income</b>	<b>293</b>	<b>753</b>	<b>581</b>	<b>886</b>	<b>1,888</b>	<b>881</b>
Lab business unit	7,522	8,296	12,125	9,048	16,853	7,776
Healthcare business unit	8,301	7,105	12,896	11,086	27,581	25,994
<b>Total operating profit/loss before depreciation and amortization (EBITDA)</b>	<b>15,823</b>	<b>15,401</b>	<b>25,021</b>	<b>20,134</b>	<b>44,434</b>	<b>33,770</b>
Unallocated Group income	0	0	0	0	0	0
Unallocated Group expenses	-57	-267	-391	384	1,790	-3,099
Depreciation and amortization	-3,416	-2,783	-6,256	-5,558	-11,967	-12,042
Net financial items	-11,572	-3,117	-14,148	-7,810	-16,400	-16,957
<b>Consolidated profit/loss before tax (EBT)</b>	<b>778</b>	<b>9,235</b>	<b>4,227</b>	<b>7,150</b>	<b>17,857</b>	<b>1,672</b>

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

ADDvise completed the acquisition of MRC Systems FZE on June 17, 2021. ADDvise acquired 100 percent of the shares in MRC Systems FZE.

The closing date was 17 June 2021. MRC Systems FZE will be consolidated into the ADDvise Group as of March 28, 2021. In the press release dated June 17, the date for consolidation was stated as being June 17, 2021, but as ADDvise gained control over MRC Systems FZE on March 28, 2021, this date was set for consolidation once the acquisition was completed.

MRC develops and manufactures clean rooms for the pharmaceutical industry and hospitals. MRC is based in Dubai with headquarters and a production facility. The company has another production facility in Spain. MRC's net sales for the financial year 2019/2020 amounted to USD 9.8 million with an EBITDA result of USD 1.1 million. The company has approximately 110 employees.

The initial purchase price was USD 8.0 million. The purchase price amounted to SEK 68.0 million (USD 8.0 million) at the time of acquisition and was structured as follows:

- » SEK 38.3 million (corresponding to USD 4.5 million) was paid in cash on the closing date.
- » SEK 4.3 million (corresponding to USD 0.5 million) was paid in the form of a non-recourse three-year promissory note.
- » SEK 10.8 million (corresponding to USD 1.3 million) constitutes a contingent consideration based on profit targets for MRC Systems FZE's fiscal year 2020/2021. The amount depends on the actual profit and is set at an upper limit of USD 1.3 million. If the target profit is met, the contingent consideration will be paid out. If the target is not met, no contingent consideration will be paid.
- » SEK 10.8 million (corresponding to USD 1.3 million) constitutes a contingent consideration based on profit targets for MRC Systems FZE's fiscal year 2021/2022. The amount depends on the actual profit and is set at an upper limit of USD 1.3 million. If the target profit is met, the contingent consideration will be paid out. If the target is not met, no contingent consideration will be paid.
- » SEK 3.8 million (corresponding to USD 0.5 million) constitutes a

*continuation of Note 5; see next page*

contingent consideration based on profit targets for MRC Systems FZE's fiscal year 2022/2023. The amount depends on the actual profit and is set at an upper limit of USD 0.5 million. If the target profit is met, the contingent consideration will be paid out. If the target is not met, no contingent consideration will be paid.

During the allocation of the purchase price, goodwill of SEK 16.0 million was recognized as the difference between the purchase price and the fair value of the acquired net assets. Since the fair value of the acquired net assets could not be established with certainty, the current purchase price allocation shall be considered a preliminary purchase price allocation. The definitive fair value of the acquired net assets will be determined in 2021.

Transaction costs related to the acquisition of SEK 2.5 million are recognized during the period April–June 2021 as costs in the consolidated statement of comprehensive income. SEK 0.6 million is reported in Other external expenses and SEK 1.9 million is reported in Net financial items.

Information on revenue and profit or loss in the acquired business is not provided as they are impracticable to calculate. MRC Systems FZE is part of the Lab business unit, where they have acted in the role as supplier to the Group prior to the acquisition. It is not possible to distinguish MRC Systems FZE's contribution to the ADDvise Group.

#### Net outflow of cash and cash equivalents – investing activities

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

SEK thousands	2021 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec	2019 Jan–Dec
Cash purchase consideration	38,278	0	38,278	0	4,956	47,492
Cash and cash equivalents acquired	10,926	0	10,926	0	0	15,348
<b>Net outflow of cash and cash equivalents</b>	<b>27,352</b>	<b>0</b>	<b>27,352</b>	<b>0</b>	<b>4,956</b>	<b>32,143</b>

The cash purchase consideration for the period April–June 2021 and January–June 2021 comprises payments to the former owner of MRC Systems FZE.

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 Jun 30	2020 Jun 30	2020 Dec 31	2019 Dec 31
<b>Assets</b>				
<b>Contract assets</b>				
Accrued income	44,087	5,889	727	5,285
<b>Total contract assets</b>	<b>44,087</b>	<b>5,889</b>	<b>727</b>	<b>5,285</b>
<b>Trade receivables</b>	<b>52,082</b>	<b>42,965</b>	<b>44,930</b>	<b>63,454</b>
<b>Total assets</b>	<b>96,169</b>	<b>48,853</b>	<b>45,657</b>	<b>68,740</b>
<b>Contract liabilities</b>				
Advances from customers	194	917	473	3,389
Deferred income	8,693	688	830	591
<b>Total contract liabilities</b>	<b>8,887</b>	<b>1,606</b>	<b>1,303</b>	<b>3,980</b>
<b>Total liabilities</b>	<b>8,887</b>	<b>1,606</b>	<b>1,303</b>	<b>3,980</b>

## 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 Apr–Jun			2020 Apr–Jun		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	41,158	7,588	<b>48,746</b>	49,880	17,639	<b>67,519</b>
Europe, excluding Sweden	7,540	21,142	<b>28,682</b>	49	17,123	<b>17,172</b>
North America	0	20,939	<b>20,939</b>	0	16,872	<b>16,872</b>
Africa	11,027	6	<b>11,033</b>	0	0	<b>0</b>
Asia	6,331	1,826	<b>8,157</b>	0	240	<b>240</b>
Other	0	87	<b>87</b>	0	0	<b>0</b>
<b>Total</b>	<b>66,057</b>	<b>51,588</b>	<b>117,645</b>	<b>49,929</b>	<b>51,874</b>	<b>101,803</b>

SEK thousands	2021 Jan–Jun			2020 Jan–Jun		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	79,048	19,411	<b>98,460</b>	81,112	29,488	<b>110,600</b>
Europe, excluding Sweden	7,565	39,905	<b>47,470</b>	225	38,944	<b>39,169</b>
North America	0	39,980	<b>39,980</b>	0	35,045	<b>35,045</b>
Africa	11,027	6	<b>11,033</b>	0	0	<b>0</b>
Asia	6,331	2,021	<b>8,352</b>	0	559	<b>559</b>
Other	0	87	<b>87</b>	0	134	<b>134</b>
<b>Total</b>	<b>103,972</b>	<b>101,410</b>	<b>205,382</b>	<b>81,337</b>	<b>104,169</b>	<b>185,506</b>

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

#### Principal goods/services April–June 2021

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	25,734	32,912	<b>58,646</b>
Sale of goods: treatment tables/chairs for healthcare	0	15,365	<b>15,365</b>
Sale of goods under construction contracts	37,591	0	<b>37,591</b>
Services	2,732	3,311	<b>6,044</b>
<b>Total</b>	<b>66,057</b>	<b>51,588</b>	<b>117,645</b>

continuation of Note 7; see next page

**Principal goods/services April–June 2020**

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	41,567	38,072	<b>79,639</b>
Sale of goods: treatment tables/chairs for healthcare	0	9,138	<b>9,138</b>
Sale of goods under construction contracts	5,686	1,804	<b>7,489</b>
Services	2,677	2,860	<b>5,537</b>
<b>Total</b>	<b>49,929</b>	<b>51,874</b>	<b>101,803</b>

**Principal goods/services January–June 2021**

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	54,133	66,841	<b>120,974</b>
Sale of goods: treatment tables/chairs for healthcare	0	29,083	<b>29,083</b>
Sale of goods under construction contracts	44,014	0	<b>44,014</b>
Services	5,824	5,486	<b>11,310</b>
<b>Total</b>	<b>103,972</b>	<b>101,410</b>	<b>205,382</b>

**Principal goods/services January–June 2020**

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	66,649	75,723	<b>142,372</b>
Sale of goods: treatment tables/chairs for healthcare	0	20,133	<b>20,133</b>
Sale of goods under construction contracts	9,284	1,804	<b>11,088</b>
Services	5,404	6,509	<b>11,913</b>
<b>Total</b>	<b>81,337</b>	<b>104,169</b>	<b>185,506</b>

**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	<b>265,304</b>
Sale of goods: treatment tables/chairs for healthcare	0	47,900	<b>47,900</b>
Sale of goods under construction contracts	17,037	4,612	<b>21,648</b>
Services	11,263	12,372	<b>23,635</b>
<b>Total</b>	<b>151,043</b>	<b>207,444</b>	<b>358,487</b>

**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	<b>216,312</b>
Sale of goods: treatment tables/chairs for healthcare	0	61,042	<b>61,042</b>
Sale of goods under construction contracts	35,920	16,526	<b>52,446</b>
Services	13,567	6,510	<b>20,077</b>
<b>Total</b>	<b>141,952</b>	<b>207,925</b>	<b>349,877</b>

**Time of revenue recognition April–June 2021**

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	28,466	47,451	<b>75,917</b>
Goods and services transferred to customers over a period of time	37,591	4,137	<b>41,728</b>
<b>Total</b>	<b>66,057</b>	<b>51,588</b>	<b>117,645</b>

**Time of revenue recognition April–June 2020**

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	44,243	49,525	<b>93,768</b>
Goods and services transferred to customers over a period of time	5,686	2,349	<b>8,034</b>
<b>Total</b>	<b>49,929</b>	<b>51,874</b>	<b>101,803</b>

**Time of revenue recognition January–June 2021**

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	59,958	92,769	<b>152,726</b>
Goods and services transferred to customers over a period of time	44,014	8,641	<b>52,655</b>
<b>Total</b>	<b>103,972</b>	<b>101,410</b>	<b>205,382</b>

**Time of revenue recognition January–June 2020**

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	72,053	96,683	<b>168,736</b>
Goods and services transferred to customers over a period of time	9,284	7,486	<b>16,771</b>
<b>Total</b>	<b>81,337</b>	<b>104,169</b>	<b>185,506</b>

**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	<b>315,099</b>
Goods and services transferred to customers over a period of time	17,037	26,351	<b>43,388</b>
<b>Total</b>	<b>151,043</b>	<b>207,444</b>	<b>358,487</b>

**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	<b>284,469</b>
Goods and services transferred to customers over a period of time	35,920	29,488	<b>65,408</b>
<b>Total</b>	<b>141,952</b>	<b>207,925</b>	<b>349,877</b>

## 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	June 30, 2021		
	Level 1	Level 2	Level 3
Short-term investments <sup>1</sup>	0		
Contingent purchase consideration			25,531
<b>Total</b>	<b>0</b>	<b>0</b>	<b>25,531</b>

### Note

<sup>1</sup> As at June 30, 2021, no own bonds were held. The bond loan 2017/2022 was redeemed in full in June 2021.

SEK thousands	June 30, 2020		
	Level 1	Level 2	Level 3
Short-term investments	0		
Contingent purchase consideration			9,799
<b>Total</b>	<b>0</b>	<b>0</b>	<b>9,799</b>

SEK thousands	December 31, 2020		
	Level 1	Level 2	Level 3
Short-term investments <sup>1</sup>	0		
Contingent purchase consideration			0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Note

<sup>1</sup> 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 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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>11,477</b>

### 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 can be affected by changes in the SEK versus USD currency exchange rate. A change in the currency exchange rate for USD of 5% would have an effect of SEK 1.3 million on profit/loss before tax.

## 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 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec	2019 Jan–Dec
Weighted average number of shares before dilution	139,700,768	96,913,631	130,964,127	96,913,631	96,913,631	86,841,635
Adjustment on the calculation of basic earnings per share:						
Warrants	0	16,269,573	0	11,782,526	16,220,276	2,959,417
Weighted average number of shares after dilution	139,700,768	113,183,204	130,964,127	108,696,157	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 Apr–Jun	2020 Apr–Jun	2021 Jan–Jun	2020 Jan–Jun	2020 Jan–Dec
State subsidies relating to short-time working and similar subsidies for personnel costs	845	2,183	1,711	2,183	5,203
State subsidies relating to sick pay costs	23	95	47	95	106
Temporarily reduced employer's contributions	0	1,143	0	1,143	1,238
<b>Total</b>	<b>868</b>	<b>3,421</b>	<b>1,758</b>	<b>3,421</b>	<b>6,547</b>

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

SEK thousands	2021 Jun 30	2020 Jun 30	2020 Dec 31
Other current liabilities relating to the payment of subsidies not yet recognized in profit and loss	309	977	306
<b>Total</b>	<b>309</b>	<b>977</b>	<b>306</b>

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 2,464 thousand (977).



## Other information

### Publication dates for financial information

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 July 23, 2021 at 08.45 CEST.

This report, as well as further information, is available on ADDvise's website, [www.addvisegroup.com](http://www.addvisegroup.com)

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### Certified Adviser

Mangold Fondkommission AB, +46(0)8 503 015 50, is the company's Certified Adviser and liquidity guarantor.

### 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, July 23, 2021

Staffan Torstensson

*Chairman of the Board*

Johanne Louise Brændgaard

*Board Member*

Fredrik Celsing

*Board Member*

Erland Pontusson

*Board Member*

Rikard Akhtarzand

*CEO and Board Member*