

## Year-end report January 1 – December 31, 2021

### October – December 2021

- » Net revenue for the period was SEK 155.0 million (96.8), an increase of 60.1 %. Organic growth was 12.8 %.
- » Adjusted EBITDA for the period was SEK 19.0 million (12.6)
- » EBITDA for the period was SEK 19.4 million (16.3)
- » Adjusted profit/loss for the period was SEK 3.8 million (2.4)
- » Basic earnings per share for the period amounted to SEK 0.01 (0.05)
- » Orders received for the period totaled SEK 177.6 million (99.0)
- » Operating cash flow for the period was SEK 27.1 million (25.6)

### January – December 2021

- » Net revenue for the period was SEK 466.0 million (358.5), an increase of 30.0 %. Organic growth was 4.7 %.
- » Adjusted EBITDA for the period was SEK 57.1 million (33.3)
- » EBITDA for the period was SEK 57.3 million (46.2)
- » Adjusted profit/loss for the period was SEK 12.7 million (1.9)
- » Basic earnings per share for the period amounted to SEK 0.02 (0.12)
- » Orders received for the period totaled SEK 505.0 million (362.6)
- » Operating cash flow for the period was SEK 10.2 million (57.4)

SEK THOUSANDS	2021 Oct-Dec <sup>1</sup>	2020 Oct-Dec	2021 Jan-Dec <sup>1,2</sup>	2020 Jan-Dec	Change	Pro forma 2020- Jan-Dec <sup>3,4</sup>
Net revenue	155,014	96,813	465,953	358,487	30.0%	657,938
EBITDA	19,360	16,275	57,261	46,224	23.9%	101,367
EBITDA margin, %	12.5%	16.8%	12.3%	12.9%	-0.6 pp	15.4%
Adjusted EBITDA	19,032	12,580	57,058	33,315	71.3%	96,951
Adjusted EBITDA margin, %	12.3%	13.0%	12.2%	9.3%	3.0 pp	14.7%
EBITA	16,055	14,172	46,797	38,147	22.7%	89,296
EBITA margin, %	10.4%	14.6%	10.0%	10.6%	-0.6 pp	13.6%
Profit/loss before tax (EBT)	4,092	7,781	7,658	17,857	-57.1%	51,343
Profit/loss for the period	1,778	6,035	2,805	14,637	-80.8%	40,494
Adjusted profit/loss for the period	3,792	2,438	12,739	1,894	572.5%	46,215
Basic earnings per share (SEK) <sup>5</sup>	0.01	0.05	0.02	0.12		0.28
Net debt-to-EBITDA <sup>6</sup>	4.0	3.3	4.0	3.3		3.2

#### 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

The Group's position at the end of 2021 was strong. Organic growth in Q4 amounted to 12.8 percent, and adjusted EBITDA increased by 51 percent in the same quarter.

Net revenue in the fourth quarter amounted to SEK 155.0 million, an increase of 60.1 percent compared to the fourth quarter of 2020, when net revenue amounted to SEK 96.8 million. Net revenue increased organically by 12.8 percent. During the fourth quarter, the Group had no tangible revenue attributable to Covid-19.

Net revenue for 2021 amounted to SEK 466.0 million, compared to SEK 358.5 million for 2020, an increase of 30.0 percent. Net revenue for the year increased organically by 4.7 percent. Pro forma net revenue for 2021, with all companies in the Group that we have taken over as of the report date consolidated from January 2021, amounted to SEK 658.0 million. The corresponding pro forma EBITDA amounted to SEK 101.4 million. Our goal is to achieve pro forma net revenue of SEK 1 billion and an EBITDA exceeding SEK 150 million by the end of 2022. Provided that we complete the acquisition of JTECH and Surplus Diabetic as previously announced, we will have reached pro forma EBITDA SEK 150 million by the end of the second quarter of 2022. In light of this, the Board will review the targets for 2022 in the spring.

EBITDA for the fourth quarter amounted to SEK 19.4 million (16.3). Profit after tax for the period amounted to SEK 1.8 million, compared to SEK 6.0 million in the fourth quarter of 2020. Acquisition costs had a negative effect on EBITDA during the fourth quarter of 2021 of SEK 0.6 million, and on the profit for the period after tax of SEK 3.0 million. Adjusted EBITDA for the fourth quarter amounted to SEK 19.0 million (12.6), with the adjusted profit for the period amounting to SEK 3.8 million (2.4).

The year has been characterized by a good inflow of orders. Orders received in the fourth quarter of 2021 increased organically by 11.9 percent compared to the fourth quarter of 2020. The total orders received amounted to SEK 177.6 million (99.0). The orders received for 2021 amounted to SEK 505.0 million (362.6). The organic increase in orders received for 2021 was 9.2%.

We are still experiencing disruptions to our supply chains and have done so for much of 2021. Sick leave in our own production units combined with sick leave among our subcontractors has led to us having to maintain higher safety margins in our stock. This has



had a negative impact on our cash flow, which is expected to be normalized by mid-2022 when Omicron has eased off and restrictions have been lifted.

Operating cash flow during the fourth quarter amounted to SEK 27.1 million (25.6). For the full year, it amounted to SEK 10.2 million (57.4). Operating cash flow adjusted for pandemic support and external acquisition costs improved in 2021 compared to 2020.

During 2021, we have seen an increase in the gross margin. This is partly an effect of a return to a product mix with a higher proportion of proprietary products but also of high gross margins in newly acquired subsidiaries. The gross margin in 2021 was 45.9 percent (38.3).

In December 2021, the application by ADDvise for admission to Nasdaq First North Premier was accepted. Nasdaq First North Premier enables companies to prepare for listing on the Nasdaq Main Market by setting more stringent requirements for information disclosure, corporate governance, and financial reporting.

### Lab business unit

Net revenue in the Lab business unit amounted to SEK 63.3 million, which is an increase of 70.8 percent compared to the fourth quarter of 2020, when it amounted to SEK 37.0 million. We continue to see positive signs from our laboratory customers, who are moving away from low-margin consumables towards equipment and projects in cleanrooms and laboratory equipment with better margins. EBITDA for the Lab business unit amounted to SEK 6.9 million, an increase compared to the fourth quarter of 2020, when it amounted to SEK 4.4 million.

**Healthcare business unit**

Net revenue in the Healthcare business unit amounted to SEK 91.8 million, an increase of 53.5 percent compared to the fourth quarter of 2020, when it amounted to SEK 59.8 million. Prospects in the North American market have improved compared to the first half of 2021, and we expect several planned operations that were postponed during the pandemic to be carried out during the year. EBITDA for the Healthcare business unit amounted to SEK 12.0 million, an increase compared to the fourth quarter of 2020, when it amounted to SEK 11.7 million. We are working hard to improve margins in the Healthcare business unit, and I expect a sequential improvement in 2022, partly due to operational improvements and partly due to acquisitions with higher gross margins.

**Acquisitions**

We continue to work proactively to expand our product portfolio through new and interesting acquisitions within both our business units. In December 2021, ADDvise signed a letter of intent to acquire JTECH Medical Industries (JTECH). JTECH is a US medtech company specializing in developing software and instruments to quantify patient mobility, pain, and muscle strength in the rehabilitation of muscular disorders. The company's products are primarily used by chiropractors, physicians, and physical therapists. The products are sold internationally. This acquisition is due to be completed in the first quarter of 2022.

In January 2022, ADDvise signed a letter of intent to acquire Surplus Diabetic. Surplus Diabetic is an American medical technology company specializing in the supply of diabetes products such as glucose meters, insulin, and test strips to the American market. Sales are made to pharmacies, wholesalers, and directly to consumers. This acquisition is due to

be completed in the second quarter of 2022.

I expect 2022 to be at least as interesting a year as 2021 when it comes to acquisitions. We have a lot of acquisitions in the pipeline that we will have the opportunity to act on if the price is right. The geographical distribution of the candidates for acquisition is good, but the emphasis is on the medtech segment.

In order to deliver on our strong acquisition pipeline, the Board has decided not to propose any dividend for the financial year 2021.

**Outlook**

My assessment is that demand in our product segments will increase, and our diverse product portfolio and geographical distribution will benefit us. The medical debt that has built up during the two pandemic years must be paid off. Many planned operations have been postponed, and new healthcare needs have arisen in the wake of the pandemic. This will result in increased investment in healthcare equipment. ADDvise's long-term revenue growth, however, is driven primarily by a growing and aging population, increased incidence of chronic disease, and greater investment in healthcare, research, and development.

Finally, I would like to thank our staff for their efforts and our shareholders and bondholders for the trust they have given us in 2021. It has continued to be a year of challenges with disruptions to both supply chains and our own production as a result of the pandemic. We are now looking forward to 2022, where we will take ADDvise to new levels in a world recovering from a pandemic.

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.

### 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. 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 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 primarily focuses on are mature companies with a history of good cash flows in more-or-less mature industries. 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 30 million.

### Share and bond

The company's class A share is listed at the S SME trading venue, on the Nasdaq First North Premier 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 Premier 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 285 (108).

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

- » CEO, Rikard Akhtarzand
- » Interim CFO, Bengt Miller (until February 27, 2022)
- » CFO, Sebastian Robson (starting February 28, 2022)
- » General Counsel, Hanna Myhrman
- » COO, Fredrik Mella

### 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. At the end of the reporting period, ADDvise had 20 subsidiaries. Operations are conducted at the parent company and all subsidiaries. From the interim report for January – September 2021, a full list of subsidiaries is no longer presented.



# The Group's development

## Group income and performance

### 3 Months October–December 2021

Orders received for the period totaled SEK 177.6 million (99.9), an increase of 79.4 % compared with the same period of the previous year\*. Organic growth in orders received was 11.9 %.

Net revenue for the period was SEK 155.0 million (96.8), an increase of 60.1 % compared with the same period of the previous year. Organic growth was 12.8%.

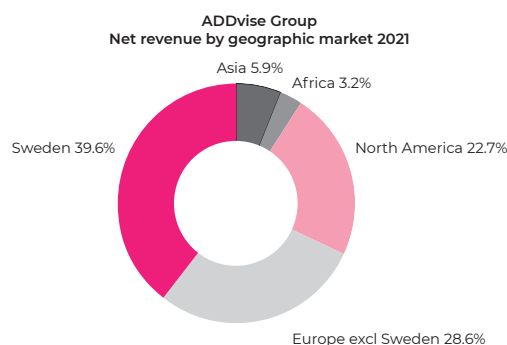
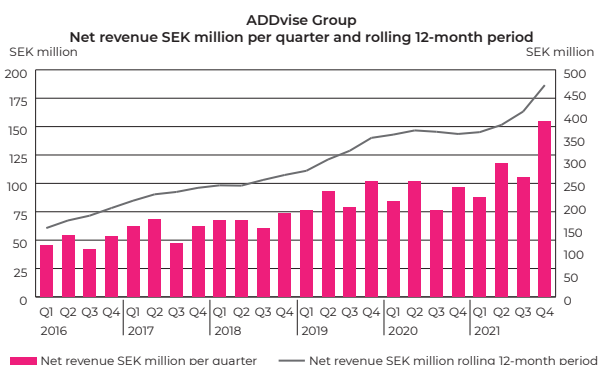
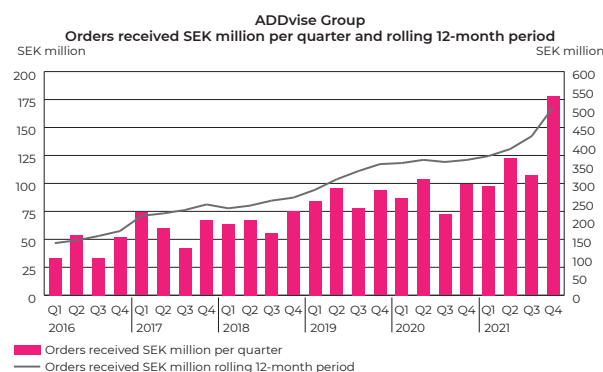
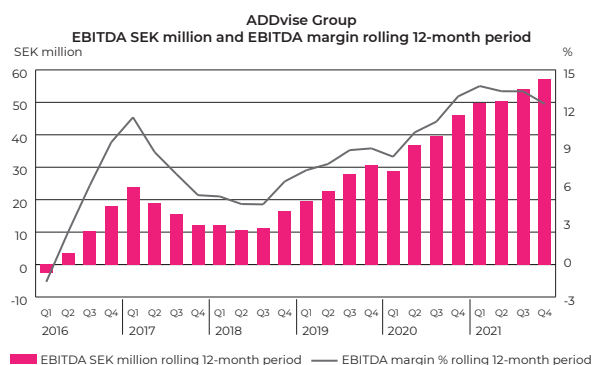
EBITDA for the period was SEK 19.4 million (16.3). Adjusted EBITDA for the period was SEK 19.0 million (12.6). State subsidies and similar items related to Covid-19 had a positive impact on EBITDA during the period by SEK 1.0 million (0.1). Acquisition costs for completed acquisitions had a negative impact on EBITDA during the period of SEK 0.6 million (0.0). For the comparison period 2020, EBITDA was positively impacted by the revaluation of contingent earn-outs for completed acquisitions by SEK 3.6 million.

EBITA for the period was SEK 16.1 million (14.2). Operating profit/loss for the period was SEK 15.6 million (12.6). Profit/loss after tax was SEK 1.8 million (6.0). Adjusted profit/loss after tax for the period amounted to

SEK 3.8 million (2.4). State subsidies and similar items related to Covid-19 had a positive impact on profit/loss after tax during the period by SEK 1.0 million (0.1). Acquisition costs for completed acquisitions had a negative impact on profit/loss after tax during the period of SEK 3.0 million (0.0), with SEK 0.6 million (0.0) reported in the item Other external expenses and SEK 2.3 million (0.0) reported in the item Net financial items. For the comparison period 2020, profit/loss after tax was positively impacted by the revaluation of contingent earn-outs for completed acquisitions by SEK 3.6 million. Basic earnings per share amounted to SEK 0.01 (0.05) for the period.

### Year 2021

Orders received for the period totaled SEK 505.0 million (362.6), an increase of 39.3 % compared with the same period of the previous year\*. Organic growth in orders received was 9.2 %. Net revenue for the period was SEK 466.0 million (358.5), an increase of 30.0 % compared with the same period of the previous year. Organic growth was 4.7 %.



EBITDA for the period was SEK 57.3 million (46.2). Adjusted EBITDA for the period amounted to SEK 57.1 million (33.3). State subsidies and similar items related to Covid-19 had a positive impact on EBITDA during the period by SEK 3.0 million (6.5). Acquisition costs had a negative impact on EBITDA during the period of SEK 2.8 million (0.2). For the comparison period 2020, EBITDA was positively impacted by the revaluation of contingent earn-outs for completed acquisitions by SEK 6.6 million.

EBITA for the period was SEK 46.8 million (38.1). Operating profit/loss for the period was SEK 43.5 million (34.3). Profit/loss after tax was SEK 2.8 million (14.6). Adjusted profit/loss for the period amounted to SEK 12.7 million (1.9). State subsidies and similar items related to Covid-19 had a positive impact on profit/loss after tax during the period by SEK 3.0 million (6.5). Acquisition costs for completed acquisitions had a negative impact on profit/loss after tax during the period of SEK 10.4

million (0.2), with SEK 2.8 million (0.2) reported in the item Other external expenses and SEK 7.6 million (0.0) reported in the item Net financial items. Non-recurring financial costs related to the refinancing of the Group's bond loan had a negative impact on profit after tax during the period of SEK 2.6 million (0.0). For the comparison period 2020, profit/loss after tax was positively impacted by the revaluation of contingent earn-outs for completed acquisitions by SEK 6.6 million. Basic earnings per share amounted to SEK 0.02 (0.12) for the period.

#### Note

\* Orders received for 2020 and 2021 have been recalculated as a result of the one-off order of SEK 50.0 million received in the first quarter of 2020 for the years 2020–2022, instead of being seen as an order received in 2020, now being allocated over 3 years.

## Lab business unit net revenue and profit/loss

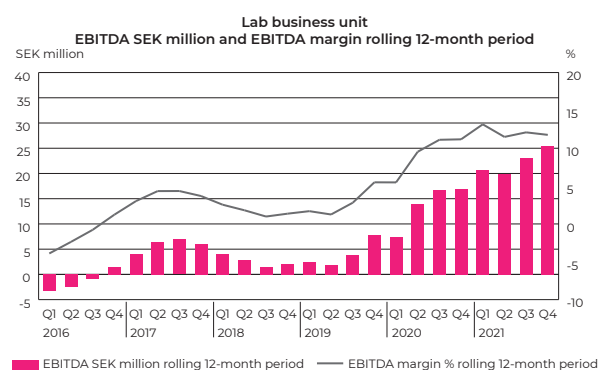
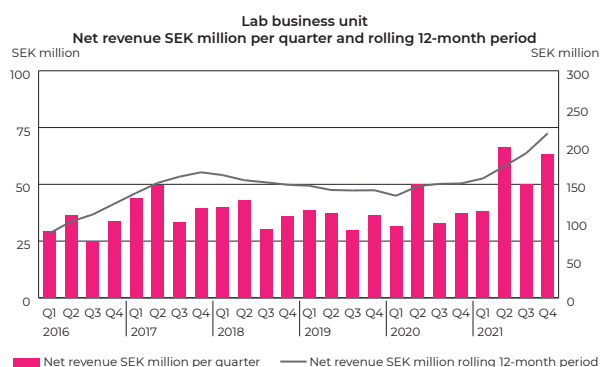
The Lab business unit was expanded in 2021 with the acquisition of MRC Systems FZE, which is consolidated in ADDvise Group as of March 28, 2021. See *Acquisitions 2021* and *Note 5 Business combinations*.

### Net revenue and profit/loss October–December 2021

Net revenue for the business unit Lab for the period was SEK 63.3 million (37.0), an increase of 70.8 % compared with the same period of the previous year. Organic growth was 1.4%. EBITDA for the business unit was SEK 6.9 million (4.4).

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

Net revenue for the business unit Lab for the period was SEK 217.2 million (151.0), an increase of 43.8 % compared with the same period of the previous year. Organic growth was 0.1%. EBITDA for the business unit was SEK 25.5 million (16.9).



## Healthcare business unit net revenue and profit/loss

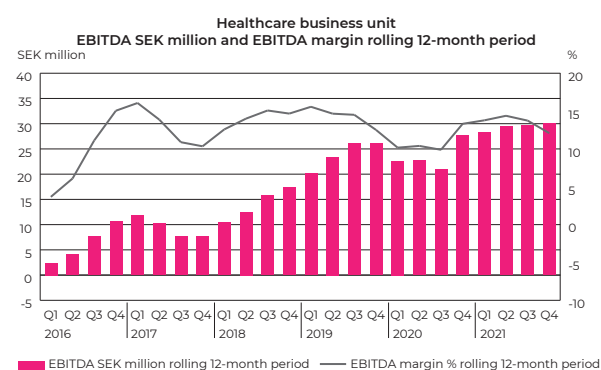
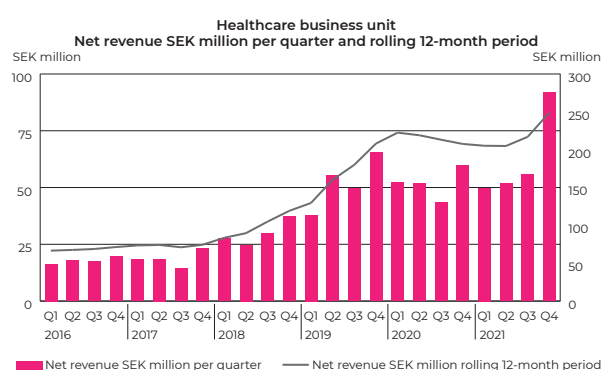
The Healthcare business unit was expanded in 2021 with the acquisition of MediSuite LLC, Graham Medical Technologies LLC and Southern Life Systems Inc. MediSuite LLC is consolidated in the ADDvise Group as of August 4, 2021, Graham Medical Technologies LLC is consolidated as of September 15, 2021 and Southern Life Systems Inc is consolidated as of November 24, 2021. See *Acquisitions 2021* and *Note 5 Business combinations*.

### Net revenue and profit/loss October–December 2021

Net revenue for the business unit Healthcare for the period was SEK 91.8 million (59.8), an increase of 53.5 % compared with the same period of the previous year. Organic growth was 19.8%. EBITDA for the business unit was SEK 12.0 million (11.7).

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

Net revenue for the business unit Healthcare for the period was SEK 248.8 million (207.4), an increase of 19.9 % compared with the same period of the previous year. Organic growth was 8.1%. EBITDA for the business unit was SEK 30.0 million (27.6).





## Financial position

### Cash and cash equivalents

Cash and cash equivalents at the end of the period totaled SEK 325.7 million (39.6). At the end of the period, the Group had an overdraft facility of SEK 29.1 million (20.0), which was utilized in the amount of SEK 0.0 million (0.3). At the end of 2021, the Group established a cash pool for the Swedish companies in order to optimize cash management.

### 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 settled simultaneously.

### Net debt

Net debt at the end of the period totaled SEK 228.5 million (153.8). The ratio of interest-bearing net debt to EBITDA at the end of the period was 4.0 (3.3). This ratio was calculated as at December 31, 2021, using the full year EBITDA.

EBITDA according to the Group's definition of net debt in relation to EBITDA is not calculated pro forma, which means that the key ratio as of the end of 2021 is affected by the fact that most of the year's acquisitions were consolidated during the second half of the year. The new acquisitions have thus not contributed EBITDA throughout the year, which means that net debt in relation to EBITDA is increased. Pro forma EBITDA in 2021 amounted to SEK 101.4 million, but the key ratio uses EBITDA SEK 57.3 million.

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 (ISIN SE0015222088) 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 acquisitions. In October 2021, additional bonds of SEK 250.0 million were placed within the framework of SEK 500.0 million. The

net proceeds were intended for financing acquisitions. For further 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 29.0 million (50.9). Loans and other interest-bearing liabilities due for repayment within one year include a bank loan of SEK 7.9 million (11.5), pledged trade receivables of SEK 12.5 million (21.5), utilized overdraft facilities of SEK 0.0 million (0.3), lease liabilities of SEK 8.6 million (5.0) and liabilities relating to deferred payment of tax as a result of Covid-19 of SEK 0.0 million (12.6). 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 or more totaled SEK 525.1 million (142.4). Loans due for repayment after one year or more include the Group's bond loan of SEK 487.1 million (135.3), a bank loan of SEK 1.5 million (0.0) and lease liabilities of SEK 36.5 million (7.1). The increase in lease liabilities is partly attributable to recently acquired subsidiaries.

### Bond term sheet net debt

The bond loan issued by ADDvise in May 2021 is subject to conditions linked to indebtedness. A calculation is made of net debt in relation to EBITDA. The definition of net debt and EBITDA in the bond term sheet is different from the Group's key performance indicators. In the table on page 1, the net debt/EBITDA ratio in the pro forma column for January–December 2021 is calculated in accordance with the terms of the bond. For the calculation of net debt and EBITDA in accordance with the terms of the bond, please refer to *Definition of key performance indicators*.

### Cash flow October–December 2021

Cash flow for the period totaled SEK 183.6 million (19.1).

During the period, ADDvise received SEK 253.8 million before issue costs in connection with the issue of additional bonds under the existing bond loan with ISIN SE0015222088.

Operating cash flow for the period was SEK 27.1 million (25.6). During the period, ADDvise paid liabilities of SEK 1.2 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 0.0 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 28.2 million

(25.6).

The acquisition of Southern Life Systems Inc was completed during this period. Injections of cash and cash equivalents from the acquired company at the time of consolidation of the new acquisition in the Group totaled SEK 4.6 million (0.0) during the period. For further information, see *Note 5 Business combinations*.

### Cash flow January–December 2021

Cash flow for the period totaled SEK 282.5 million (26.9).

During the period, ADDvise received cash and cash equivalents in connection with issues of shares and bonds:

- » SEK 27.8 million before issue costs from the issue of new class B shares, following the exercising of warrants in series 2019/2021.
- » SEK 250.0 million before transaction costs from the issue of a senior secured bond loan with ISIN SE0015222088 in May 2021. Funds received from the new bond loan were partly used to redeem ADDvise's outstanding senior secured bond loans with ISIN SE00010298166 of SEK 140.0 million early in June 2021.
- » SEK 125.0 million before issue costs in connection with an issue of new class B shares in September 2021.
- » SEK 253.8 million before transaction costs in connection with the issue of additional bonds under the bond loan with ISIN SE0015222088 in October 2021

Operating cash flow for the period was SEK 10.2 million (57.4). During the period, ADDvise paid liabilities of SEK 12.6 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 12.6 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 22.8 million (44.8).

The acquisitions of Graham Medical Technologies LLC, MediSuite LLC, MRC Systems FZE and Southern Life Systems Inc were 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 17.3 million (0.0) during the period. For further information, see *Note 5 Business combinations*.

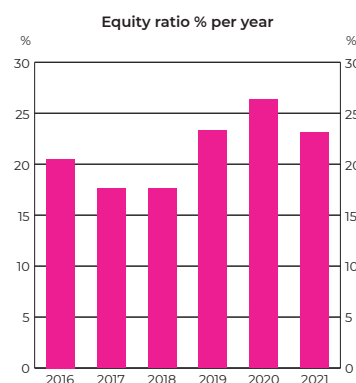
### Equity

Equity at the end of the period totaled SEK 247.3 million (91.0), equating to SEK 1.50 (0.94) per share outstanding at the end of the period.

At the end of the reporting period, the company's equity was entirely attributable to the shareholders of the parent company. There is no longer any non-controlling interests. ADDvise's holding in one of the subsidiaries has increased from 80 percent to 100 percent during the reporting period for a purchase price of SEK 0.1 million.

### Equity ratio

The equity ratio at the end of the period was 23.1 % (26.3 %).



### 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 an EBITDA of USD 1.1 million. The company has approximately 110 employees.

The total purchase price amounts to USD 8.0 million, of which USD 4.5 million has been paid in cash on closing and USD 0.5 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 3.0 million in total, that can be paid out over a three-year period, given that the sellers achieve

certain predetermined targets. The acquisition was financed with own funds. The acquisition had 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*.

#### *MediSuite LLC*

On July 30, 2021, ADDvise entered into a share transfer agreement with the shareholders of MediSuite LLC relating to the acquisition of 100% percent of the shares in MediSuite. The acquisition was completed on August 4, 2021. The company is consolidated in the ADDvise Group from August 4, 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. MediSuite is headquartered in Cary, North Carolina.

The company's revenue for the financial year 2020 amounted to USD 3.0 million with an adjusted EBIT of USD 1.4 million and an adjusted EBIT margin of 48%.

The total purchase price for MediSuite amounts to USD 10.3 million, of which USD 6.4 million has been paid in cash upon closing, USD 0.1 million in the form of a holdback amount and USD 1.3 million in the form of a non-recourse two-year promissory note. As previously communicated, the purchase price includes two earn-outs of a maximum of USD 2.5 million, provided that the sellers achieve predetermined targets for the financial years 2022 and 2023. The acquisition was financed with own funds. The acquisition had 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 September 2021, ADDvise entered into a share transfer agreement with the shareholder of Graham Medical Technologies LLC (GraMedica) relating to the acquisition of 100% of the shares in GraMedica. The acquisition was completed on September 15, 2021.

GraMedica specializes in the development of orthopedic implants and stents for foot and ankle surgery. Since GraMedica was founded in 2003, the company has developed a portfolio of several patented ankle and ankle implants, including the bestseller HYPROCURE®. The implants are designed to correct foot and ankle problems in patients and used by orthopedic doctors worldwide. GraMedica is headquartered in

Michigan, USA, and distributes its products in the United States, Europe and Asia. The company also has a sales office in Shanghai, China. Revenue for the financial year 2020 totaled USD 3.3 million with an adjusted EBIT of USD 0.9 million.

The total purchase price for GraMedica amounts to USD 5.9 million, of which USD 3.8 million has been paid in cash on closing and USD 0.3 million in the form of a holdback amount. As previously communicated, the purchase price includes earn-outs of a maximum of USD 1.8 million in total provided that the seller achieves certain predetermined targets. The two possible earn-outs amount to a maximum of USD 0.7 million for the financial year 2021 and USD 1.1 million for the financial year 2022. The acquisition was financed with own funds. The acquisition had 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*.

#### *Southern Life Systems Inc*

On November 24, 2021, ADDvise entered into a share transfer agreement with the shareholders of Southern Life Systems Inc (SLS) regarding an acquisition of 100% of the shares in SLS. The acquisition was completed on November 24, 2021.

SLS is an American medtech company that is market leading in providing equipment and software for monitoring patients in long-term care. SLS has developed the products Rosie 4, Rosebud and the software RCS, which together make vital signs monitoring of patients in long-term care and in nursing homes more efficient. SLS is based in Savannah, Georgia. SLS revenue for the financial year 2020 amounted to USD 11.6 million, with an adjusted EBITDA of USD 1.7 million. Revenues consist of recurring revenues from the RCS software, selling of the proprietary products Rosie 4 and Rosebud and associated consumables.

The purchase price amounts to a total of USD 11.0 million, divided into an initial payment of USD 7.6 million, and two potential earn-outs of maximum USD 1.5 million for the 2022 financial year and USD 1.9 million for the 2023 financial year, given that the sellers achieve certain predetermined targets.

The acquisition was financed through own funds. ADDvise believes that the acquisition will have a positive impact on ADDvise's earnings per share.

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

#### *Poly Pharmaceuticals Inc*

On October 21, 2021, ADDvise signed a Letter of Intent with the shareholders of Poly Pharmaceuticals Inc (Poly

Pharma) regarding an acquisition of 100 percent of the shares in Poly Pharma. The acquisition of Poly Pharma was completed after the end of the reporting period. On February 12, 2022, a share transfer agreement was signed with the shareholders of Poly Pharma regarding the acquisition of 100 percent of the shares in Poly Pharma.

Poly Pharma is an American pharmaceutical company specializing in the development, production and marketing of over-the-counter generic pharmaceuticals for treatment of coughs, colds, allergies, sinusitis, urological health and pain relief. Sales are mainly to pharmacies and general practitioners. The company markets and sells 20 proprietary pharmaceuticals in the U.S. market, including Folite, Deconex, Poly Tussin, Alahist and Poly Hist.

Poly Pharma is based in Huntsville, Alabama. The revenue for the last 12 months (LTM) per September 30, 2021, amounted to approximately USD 8.3 million, with an EBITDA of approximately USD 2.0 million, corresponding to an EBITDA margin of approximately 24.4 percent.

The purchase price for Poly Pharma amounts to a total of USD 13.0 million, divided into an initial payment of USD 7.0 million, and two potential earn-outs of maximum USD 1.0 million each, given that the sellers achieve certain predetermined targets. The purchase price also includes an interest free promissory note of USD 4.0 million with 24 months maturity. The acquisition is financed through own funds.

In a preliminary purchase price allocation, the value of acquired net assets amounts to SEK 124.9 million, of which SEK 62.9 million consists of identifiable net assets and SEK 62.0 million consists of goodwill. The acquisition is not included in the Group's financial statements for the reporting period. However, the acquisition is included in the pro forma column on page 1 of this year-end report and in the calculation of the key ratio Net debt/EBITDA according to the bond term sheet. The company will be consolidated in the ADDvise Group as of February 12, 2022.

#### *JTECH Medical Industries Inc*

On December 22, 2021, ADDvise signed a letter of intent with the shareholder of JTECH Medical Industries Inc (JTECH) regarding the acquisition of 100 percent of the shares in JTECH.

JTECH is an American medtech company specializing in developing software and instruments to quantify patients' mobility, pain and strength in muscles in the rehabilitation of muscular ailments. The company's products are mainly used by chiropractors, doctors and physiotherapists. The products are sold globally.

JTECH is based in Salt Lake City, Utah, USA. Sales for

the last twelve months as of June 30, 2021 amounted to USD 3.3 million with an EBITDA of USD 1.1 million, corresponding to an EBITDA margin of 33.8 percent. The company's revenue consists partly of license revenue from the software and partly of revenue from the sale of associated instruments.

The purchase price for JTECH amounts to USD 7.3 million, divided into an initial purchase price of USD 4.5 million and two possible earn-outs of a maximum of USD 1.0 million and USD 1.2 million respectively, provided that the seller achieves predetermined targets. The purchase price also includes an interest-free promissory note of USD 0.6 million with a maturity of 24 months. The financing of the acquisition is made through own funds.

The transaction is subject to a due diligence and that the parties agree to enter into a share transfer agreement. The signing of the share transfer agreement and completion of the acquisition is scheduled for Q1, 2022.

At the time of the publishing of this year-end report, ADDvise has not completed the acquisition of JTECH Medical Industries Inc, and is not able to provide a purchase price allocation.

#### **Change in intangible non-current assets October–December 2021**

The change in goodwill during the period was SEK -8.3 million (-4.3). The change in trademarks during the period was SEK 80.9 million (-0.2).

#### **Change in intangible non-current assets January–December 2021**

The change in goodwill during the period was SEK 132.2 million (-4.9). The change in trademarks during the period was SEK 105.2 million (-0.2).

#### **Investments in intangible non-current assets October–December 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 1.3 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 0.0 million (0.0).

#### **Investments in intangible non-current assets January–December 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 2.8 million (0.8).

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 October–December 2021**

Investments in property, plant and equipment during the period totaled SEK 2.4 million (2.8). Investments in property, plant and equipment include leased non-current assets in accordance with IFRS 16 Leases.

#### **Investments in property, plant and equipment January–December 2021**

Investments in property, plant and equipment during the period totaled SEK 19.9 million (6.0). Investments in property, plant and equipment include leased non-current assets in accordance with IFRS 16 Leases.

## **Parent company**

#### **3 Months October–December 2021**

Net revenue at the parent company for the period totaled SEK 7.5 million (4.8). Operating profit/loss for the period was SEK 1.0 million (0.6). The net profit/loss for the period was SEK 17.9 million (6.8).

#### **Full year 2021**

Net revenue at the parent company for the period totaled SEK 24.8 million (19.4). Operating profit/loss for the period was SEK 1.5 million (1.4). The net profit/loss for the period was SEK -0.6 million (12.0).

#### **Equity**

The balance sheet total was SEK 833.7 million (277.9), of which equity constituted SEK 223.1 million (83.1).

## **Significant events during the reporting period**

#### **ADDvise changed listing to Nasdaq First North Premier**

ADDvise applied to trade on Nasdaq First North Premier and received an approval on December 22, 2021. ADDvise changed its listing on 23 December 2021. Nasdaq First North Premier gives companies the opportunity to prepare for listing on the Nasdaq Main Market by setting higher requirements for information disclosure, corporate governance and financial reporting. ADDvise's shareholders do not need to take any action in connection with the listing on Nasdaq First North Premier. The company's shares will be traded under the same short name and ISIN codes as before.

#### **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 year-end 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 and increases to SEK 250 million in October 2021**

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. In October 2021, ADDvise placed additional secured bonds of SEK 250.0 million within the framework. The bonds placed in October 2021 were issued on November 5, 2021.

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 bonds placed in October 2021 were placed at 101.5% of par.

The net proceeds from the bond loan were used to repay the Company's outstanding bonds and other credit facilities and were and will be used to finance general corporate purposes including acquisitions. See *ADDvise redeems its outstanding up to SEK 240 million senior secured callable bonds*.

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. The bonds issued on November 5, 2021, were admitted to trading in December 2021. In connection with this, an additional prospectus was prepared, which is available through the websites of the Swedish Financial Supervisory Authority ([www.fi.se](http://www.fi.se)) and ADDvise ([www.addvisigroup.com](http://www.addvisigroup.com)).

In December 2021, ADDvise instructed the agent for

the company's up to SEK 500 million senior secured bond loan to initiate a written procedure to request that bondholders vote in favour of amending and restating items (i) and (r) of the definition "Permitted Debt" in the terms and conditions of the bonds and amending and restating item (f) of the definition "Permitted Security" in the terms and conditions.

The proposed amendments will enable ADDvise to optimise the Group's working capital financing and to limit the amount which must be paid upfront for future acquisitions. This will reduce the Group's overall funding cost as well as the financial risk associated with acquisitions, allow ADDvise to continue to pursue attractive and sizeable acquisitions, and facilitate the overall continued growth of the Group.

The agent delivered the notice of a written procedure to all bondholders on December 16, 2021. The written procedure commenced on December 22, 2021 and ended on January 14, 2022. To have been eligible to participate in the written procedure, a holder had to fulfil the formal criteria for being a bondholder on December 22, 2021. This meant that the holder had to be registered on a securities account with Euroclear Sweden AB as a direct registered owner (Sw. "direktregistrerad ägare") or authorised nominee (Sw. "förvaltare") with respect to one or several bonds.

In January 2022, after the end of the reporting period, a sufficient number of bondholders participated in the written procedure in order to form a quorum, and a requisite majority of the bondholders voted in favour to approve the proposal. For further information, see *Bondholders approve amendment to bond terms and conditions*, 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, would 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 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 completes a directed new share issue of approximately SEK 125 million**

On September 8, 2021, ADDvise carried out a directed new share issue of 25,406,505 shares of series B, corresponding to approximately SEK 125 million.

The subscription price per share of series B in the directed new share issue was SEK 4.92 and was determined through an accelerated bookbuilding procedure carried out by the Company's financial advisor Pareto Securities AB. It was therefore the ADDvise board of directors' assessment that the terms for the directed new share issue and the subscription price were in accordance with current market conditions. The subscription price per share of series B in the directed new share issue constituted a discount of approximately 5.9 percent compared to closing price on Nasdaq First North Growth Market on September 8, 2021. Through the directed new share issue ADDvise received SEK 125.0 million before deduction of transaction costs.

A large number of Swedish and international institutional investors, including a mutual fund managed by the Asset Management of German bank Joh. Berenberg, Gossler & Co. KG (Berenberg), Fondita Fund Management Company Ltd and Lupus alpha, participated in the directed new share issue which was multiple times oversubscribed.

The reasons for the deviation from the shareholders' preferential rights were to diversify the shareholder base among reputable Swedish and international institutional investors and at the same time raise capital in a time and cost efficient manner. The ADDvise board of directors carefully considered the possibility to carry out a rights issue, but concluded that a directed issue was most favourable for ADDvise and its shareholders in this case due to the reasons set out above. The company intends to use the net proceeds from the directed new share issue to finance acquisitions and general corporate purposes.

Through the directed new share issue, the number of outstanding shares increased by 25,406,505 shares, from 139,700,768 shares to 165,107,273 shares. The share capital increased by SEK 2,540,650.5, from SEK 13,970,076.8 to SEK 16,510,727.3. The directed new share issue entails a dilution of approximately 15.4 percent of the number of shares and 10.9 percent of the number of votes in the company based on the number of shares and votes following the directed new share issue.

In connection with the directed new share issue, the company has undertaken, subject to customary exceptions, not to issue additional shares for a period of 9 months after the announcement of the outcome of the directed new share issue. Shareholding board members, shareholding senior executives and the principal shareholder Per-Arne Åhlgren have undertaken, subject to customary exceptions, not to sell any shares in ADDvise for a period of 90 calendar days after the announcement of the outcome of the directed new share issue.

As communicated in a company press release on September 8, 2021, Per-Arne Åhlgren was in discussions with the Chairman of the board of the company, Staffan Bernstein Torstensson, regarding a potential sale of one million shares of series B to Staffan Bernstein Torstensson at a price corresponding to the volume weighted average price (VWAP) of the ADDvise series B share the day after public launch of the directed new share issue. Any such sale by Per-Arne Åhlgren was not subject to the lock-up undertaking.

#### **ADDvise acquires MRC Systems FZE, Graham Medical Technologies LLC, MediSuite LLC and Southern Life Systems Inc**

In February 2021, ADDvise entered into a share transfer agreement with the shareholders of MRC Systems FZE relating to the acquisition of 100% of the shares in MRC Systems FZE. The acquisition was completed June 17, 2021.

In July 2021, ADDvise entered into a share transfer agreement with the shareholders of MediSuite LLC relating to the acquisition of 100% of the shares in MediSuite. The acquisition was completed August 4, 2021.

In September 2021, ADDvise entered into a share transfer agreement with the shareholder of Graham Medical Technologies LLC (GraMedica) relating to the acquisition of 100% of the shares in GraMedica. The acquisition was completed September 15, 2021.

In November 2021, ADDvise entered into a share transfer agreement with the shareholders of Southern Life Systems Inc (Southern Life Systems) for 100% of the shares in Southern Life Systems. The acquisition was completed November 24, 2021.

For further information, see *Acquisitions 2021* and *Note 5 Business combinations*.

#### **ADDvise signs letter of intent to acquire Poly Pharmaceuticals Inc and JTECH Medical Industries Inc**

In October 2021, ADDvise signed a letter of intent with the shareholders of Poly Pharmaceuticals Inc (Poly Pharma) regarding an acquisition of 100 percent of the shares in

Poly Pharma. In February 2022, ADDvise entered into a share transfer agreement. For further information, see *ADDvise acquires Poly Pharmaceuticals Inc*, in *Significant events after the reporting period*.

In December 2021, ADDvise signed a letter of intent with the shareholder of JTECH Medical Industries Inc (JTECH) regarding an acquisition of 100 percent of the shares in JTECH.

For further information, see *Acquisitions 2021*.

#### Major customer contracts and orders during the reporting period

- » Order from Takura AB, a company specialized in cell therapy, for the construction of cleanrooms and laboratory equipment for a production facility. Order value approximately SEK 9 million. Delivery took place in 2021.
- » Order from Cordeel, a multinational construction company, for the construction of cleanrooms for a pharmaceutical production facility in Bulgaria. Order value USD 1.8 million. Delivery is scheduled for 2022.
- » Order from Masarat in Saudi Arabia, a company providing biosafety and cleanroom services, for design and construction of two cleanroom facilities for IAU University in Saudi Arabia. Order value USD 0.8 million. Delivery is scheduled for 2022.
- » Order from Masarat in Saudi Arabia for design and construction of a cleanroom facility for Advanced Bio-Medical Industrial Co in Saudi Arabia. Order value USD 0.5 million. Delivery is scheduled for 2022.
- » Allocation decision from Oulu University Hospital in Finland regarding a long-term partnership for delivery of x-ray equipment and service over a ten-year period. Total value approximately EUR 5 million. The first installations are expected to take place in 2023.

#### ADDvise Group appoints new CFO

Aaron Wong, CFO (Chief Financial Officer) and member of the management team in ADDvise since October 2018, has in July 2021 decided to leave his position. The background to the decision is that Aaron Wong wants to focus on his family and look for new challenges.

Bengt Miller was appointed interim CFO and temporary member of the Group's management team. He assumed the role on November 29, 2021 and will stay on until the new CFO, Sebastian Robson, takes up the position. Bengt Miller has a background as an auditor with extensive experience as CFO of companies in different industries.

Sebastian Robson will join ADDvise as CFO and member of the executive management team no later than February 28, 2022. Sebastian's most recent position

is as CFO of Hexicon AB (publ), listed on Nasdaq First North. Sebastian has extensive experience of managing international financial teams within EF Education First in, among others, England, Canada and Switzerland. He has a Master of Science degree in Management from University of Edinburgh, United Kingdom.

#### ADDvise strengthens its management team by recruiting COO

ADDvise has signed Fredrik Mella as COO. Fredrik joins ADDvise by leaving his most recent position as CEO of ScandiNova, a company that is a world leader in pulsed power and microwave systems for Medtech, Industry and Research.

Fredrik has previously been Export Director at ETAC AB, a company that develops, manufactures and sells medical devices, and a board member at Abilia, a medtech company that is part of the MedCap Group. Fredrik has an MScBA in International Finance.

Fredrik's main task will be to support ADDvise's subsidiaries' managers in reaching their financial targets relating to organic growth. Fredrik is also part of the ADDvise management team, and joined ADDvise on February 17, 2022.

## Significant events after the reporting period

#### ADDvise signs Letter of Intent to acquire Surplus Diabetic Inc

In January 2022, ADDvise signed a Letter of Intent with the shareholders of Surplus Diabetic Inc (Surplus Diabetic) regarding an acquisition of 100 percent of the shares in Surplus Diabetic.

Surplus Diabetic is an American medtech company, specialized in supplying the U.S. market with diabetes products, such as glucose monitors, insulin and test stripes. Sales are made to pharmacies, wholesalers and directly to consumers.

Surplus Diabetic is based in Deerfield Beach, Florida. The revenue for the last twelve months as of November 30, 2021, amounted to USD 18.1 million, with an adjusted EBITDA of USD 3.2 million, corresponding to an adjusted EBITDA margin of 17.7 percent.

The purchase price for Surplus Diabetic amounts to a total of USD 19.5 million, divided into an initial purchase price of USD 16.0 million consisting of USD 15.5 million in cash and an interest-free promissory note of USD 0.5 million, and two potential earn-outs of maximum USD 1.6 million and USD 1.9 million respectively, given that the sellers achieve certain predetermined targets. The

acquisition is financed with own funds.

The acquisition is subject to ADDvise due diligence and that the parties agree to enter into a share purchase agreement. The share purchase agreement and completion of the acquisition is scheduled to be completed during the second quarter of 2022.

At the time of the publishing of this year-end report, ADDvise has not completed the acquisition of Surplus Diabetic, and is not able to provide a purchase price allocation.

#### **ADDvise acquires Poly Pharmaceuticals Inc**

On February 12, 2022, ADDvise entered into a share purchase agreement with the shareholders of Poly Pharmaceuticals Inc (Poly Pharma) regarding the acquisition of all the outstanding shares of Poly Pharma. Closing of the acquisition took place on February 18, 2022.

Poly Pharma's revenue for the last twelve months (LTM) until September 30, 2021, amounted to approximately USD 8.3 million, with an EBITDA of approximately USD 2.0 million, corresponding to an EBITDA margin of approximately 24.4 percent.

The purchase price for Poly Pharma amounted to a total of USD 13.0 million, divided into an initial payment of USD 7.0 million, two potential earn-outs of maximum USD 1.0 million each, given that the sellers achieve certain predetermined targets, and USD 4.0 million to be paid during a period of 24 months after closing of the acquisition.

The acquisition is financed through own funds. ADDvise assesses that the acquisition will have a positive impact on ADDvise earnings per share during the financial year 2022.

#### **Bondholders approve amendment to bond terms and conditions**

In January 2022, ADDvise successfully conducted the written procedure initiated on December 16, 2021 regarding the Company's up to SEK 500 million senior covered bond loan with ISIN SE0015222088. The company asked for bondholders' approval for certain changes to bond terms.

A sufficient number of bondholders participated in the written procedure in order to form a quorum, and a requisite majority of the bondholders voted in favour to approve the proposal.

Each bondholder received a consent fee in an amount equal to 0.75 per cent of the nominal amount of each bond held by the relevant bondholder on the consent fee record date (as defined in the written procedure) which was January 21, 2022. Settlement of the consent fee occurred on January 28, 2022.

The conditions for payment of the consent fee are specified in detail in the formal and detailed notice of the Written Procedure and are available on the Company's website, [www.addvisigroup.com](http://www.addvisigroup.com).

#### **Major shareholder issues call options to board members, senior executives and certain other employees in ADDvise Group**

On January 10, 2022, the ADDvise board of directors was informed that one of ADDvise's major shareholders, Per Åhlgren through GoMobile nu Aktiebolag, has issued call options in ADDvise to board members, senior executives and certain other employees in ADDvise Group. In total, 3,696,666 call options have been issued to eleven persons.

Each call option has been issued at a price of SEK 0.45, which corresponds to the market value based on a Black & Scholes valuation, and gives the holder the right to during the period October 9, 2022 – January 9, 2023 acquire one share of series B in ADDvise at a price of SEK 9.55.

ADDvise has not participated in the issuance of these call options and will not incur any costs as a result of such issuance.

#### **Major customer contracts and orders after the reporting period**

- » Order from Design Infinity LCC, a Dubai based pharmaceutical industry interior design contractor, for design and installation of a cleanroom facility for the Himalaya Drug Company based in United Arab Emirates. Order value approximately USD 1.1 million. Delivery is scheduled for the second quarter of 2022.

## 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%, and on September 23, 2021, it was adjusted from 15% to 20%.

On September 23, 2021, there was also an update of the long-term financial target regarding growth, from 20% to 25%.

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 25%. Growth will be achieved organically as well as through acquisitions.

### Profitability

ADDvise will achieve an EBITDA margin of 20%.

### 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.

## Notes to page 1

### Note 1

Southern Life Systems Inc is consolidated as at November 24, 2021 in the ADDvise Group.

### Note 2

Graham Medical Technologies LLC is consolidated as at September 15, 2021, MediSuite LLC is consolidated as at August 4, 2021 and MRC Systems FZE is consolidated in as at March 28, 2021 in the ADDvise Group.

### Note 3

The numbers are pro forma numbers and have not been reviewed by the company's auditor. The numbers are for January – December 2021 including all acquisitions in the period after January 1, 2021, until the publication of this report.

### Note 4

In the pro forma 2021 column, the net debt/EBITDA ratio is calculated in accordance with the term sheet for the bond, which is different from the Group's key performance indicators net debt and EBITDA. The calculation of the key performance indicator is described in the *Definition of key performance indicators*.

### Note 5

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

### Note 6

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

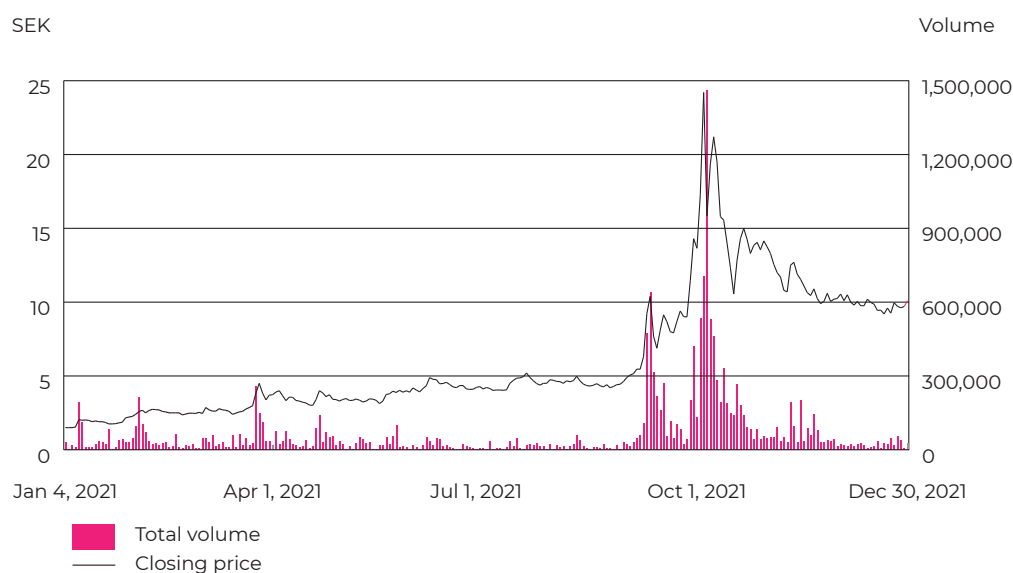


## Share price trend during the reporting period

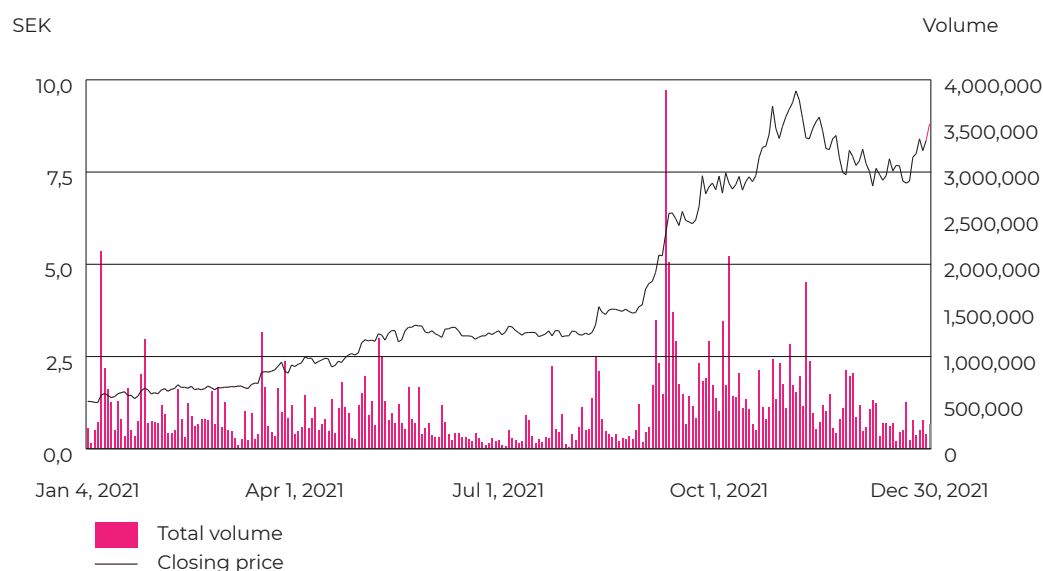
The company's class A share is listed at the S SME trading venue, on the Nasdaq First North Premier Growth Market Sweden. The stock short name is ADDV A and the share's ISIN code is SE0001306119. One (1) class A share equals one (1) vote.

The company's class B share is listed at the S SME trading venue, on the Nasdaq First North Premier 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 Jan 4, 2021 until Dec 30, 2021



### Class B share closing price trend 12-month period from Jan 4, 2021 until Dec 30, 2021



## Condensed consolidated statement of comprehensive income

SEK thousands	2021 Oct–Dec <sup>1</sup>	2020 Oct–Dec	2021 Jan–Dec <sup>2</sup>	2020 Jan–Dec
Net revenue	155,014	96,813	465,953	358,487
Capitalized work on own account	768	156	2,659	769
Other operating income	295	4,172	498	7,712
	<b>156,078</b>	<b>101,141</b>	<b>469,110</b>	<b>366,968</b>
Cost of materials	-84,448	-58,565	-252,047	-221,154
Other external expenses	-17,115	-6,650	-47,334	-27,060
Personnel costs	-35,349	-19,162	-112,468	-70,929
Depreciation and amortization	-3,740	-3,698	-13,716	-11,967
Other operating expenses	193	-489	0	-1,600
	<b>-140,458</b>	<b>-88,564</b>	<b>-425,564</b>	<b>-332,711</b>
<b>Operating profit/loss (EBIT)</b>	<b>15,620</b>	<b>12,577</b>	<b>43,546</b>	<b>34,257</b>
Net financial items	-11,527	-4,796	-35,888	-16,400
<b>Profit/loss before tax (EBT)</b>	<b>4,092</b>	<b>7,781</b>	<b>7,658</b>	<b>17,857</b>
Tax	-2,314	-1,746	-4,853	-3,219
<b>Profit/loss for the period</b>	<b>1,778</b>	<b>6,035</b>	<b>2,805</b>	<b>14,637</b>
Profit/loss attributable to:				
Shareholders of the parent company	1,778	6,035	2,805	14,638
Non-controlling interests	-	0	-	-1
	<b>1,778</b>	<b>6,035</b>	<b>2,805</b>	<b>14,637</b>
<b>Other comprehensive income</b>				
Foreign exchange differences on the translation of foreign operations for the period	5,086	-6,556	12,783	-7,729
Change in value of financial assets measured at fair value through other comprehensive income for the period	0	56	-122	122
<b>Comprehensive income for the period</b>	<b>6,864</b>	<b>-465</b>	<b>15,466</b>	<b>7,030</b>
Comprehensive income attributable to:				
Shareholders of the parent company	6,864	-469	15,466	7,028
Non-controlling interests	-	4	-	2
	<b>6,864</b>	<b>-465</b>	<b>15,466</b>	<b>7,030</b>
Basic earnings per share, SEK <sup>3</sup>	0.01	0.05	0.02	0.12
Diluted earnings per share, SEK <sup>3</sup>	0.01	0.04	0.02	0.10

### Notes

1 Southern Life Systems Inc is consolidated in the ADDvise Group as at November 24, 2021.

2 MRC Systems FZE is consolidated in the ADDvise Group as at March 28, 2021. MediSuite LLC is consolidated in the ADDvise Group as at August 4, 2021.

Graham Medical Technologies is consolidated in the ADDvise Group as at September 15, 2021. Southern Life Systems Inc is consolidated in the ADDvise Group as at November 24, 2021.

3 Earnings per share were adjusted to take into account the outcome of warrants in series 2019/2021 in February 2021 and the directed share issue in September 2021.

## Condensed consolidated statement of financial position

SEK thousands	2021 Dec 31	2020 Dec 31
<b>ASSETS</b>		
<i>Non-current assets</i>		
Goodwill	288,559	156,319
Trademarks	127,767	22,594
Other intangible non-current assets	24,615	19,491
Property, plant and equipment	65,072	15,944
Non-current financial assets	232	134
Contract assets	14,119	-
Deferred tax assets	0	7,122
<i>Total non-current assets</i>	<i>520,364</i>	<i>221,604</i>
<i>Current assets</i>		
Inventories	66,543	33,422
Contract assets	48,367	727
Trade receivables	96,808	44,930
Other current receivables	11,625	5,454
Short-term investments <sup>1</sup>	0	0
Cash and cash equivalents	325,735	39,606
<i>Total current assets</i>	<i>549,078</i>	<i>124,140</i>
<b>TOTAL ASSETS</b>	<b>1,069,442</b>	<b>345,743</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>	<i>247,275</i>	<i>91,049</i>
Equity attributable to:		
Shareholders of the parent company	247,275	90,966
Non-controlling interests	-	83
	<b>247,275</b>	<b>91,049</b>
<i>Non-current liabilities</i>		
Interest-bearing liabilities <sup>1</sup>	525,145	142,442
Deferred tax liabilities	14,702	0
Other non-current liabilities	108,023	0
<i>Total non-current liabilities</i>	<i>647,870</i>	<i>142,442</i>
<i>Current liabilities</i>		
Interest-bearing liabilities	29,044	50,930
Current tax liabilities	9,797	2,145
Contract liabilities	13,610	1,303
Trade payables	60,329	29,073
Other current liabilities	61,516	28,801
<i>Total current liabilities</i>	<i>174,296</i>	<i>112,252</i>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,069,442</b>	<b>345,743</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 were to be settled simultaneously. The financial instruments were settled in June 2021.

## Condensed consolidated statement of changes in equity

SEK thousands	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
<b>Opening equity</b>	<b>240,609</b>	<b>91,623</b>	<b>91,049</b>	<b>84,142</b>
Profit/loss for the period	1,778	6,035	2,805	14,637
Other comprehensive income for the period	5,086	-6,500	12,661	-7,607
<b>Comprehensive income for the period</b>	<b>6,864</b>	<b>-465</b>	<b>15,466</b>	<b>7,030</b>
New share issue	-198	-108	143,449	-123
Dividends	0	0	-2,794	0
Change in non-controlling interests	0	0	104	0
Translation reserve	0	0	0	0
<b>Closing equity</b>	<b>247,275</b>	<b>91,049</b>	<b>247,275</b>	<b>91,049</b>
Attributable to:				
Shareholders of the parent company	247,275	90,966	247,275	90,966
Non-controlling interests	-	83	-	83
<b>Total equity</b>	<b>247,275</b>	<b>91,049</b>	<b>247,275</b>	<b>91,049</b>

## Condensed consolidated statement of cash flows

SEK thousands	2021 Oct-Dec <sup>1</sup>	2020 Oct-Dec <sup>2</sup>	2021 Jan-Dec <sup>1</sup>	2020 Jan-Dec <sup>2</sup>
<b>Operating activities</b>				
Profit/loss before tax	4,092	7,781	7,658	17,857
Adjustments for non-cash items	-1,041	-2,969	9,469	3,778
Income tax paid	716	-1,660	-85	-2,259
<b>Operating cash flow before changes in working capital</b>	<b>3,767</b>	<b>3,152</b>	<b>17,042</b>	<b>19,375</b>
Operating cash flow	27,062	25,593	10,186	57,438
Investing cash flow <sup>3</sup>	-67,003	-928	-201,662	-7,214
Financing cash flow	223,587	-5,604	473,975	-23,314
<b>Cash flow for the period</b>	<b>183,646</b>	<b>19,062</b>	<b>282,499</b>	<b>26,910</b>
Cash and cash equivalents at start of period	139,845	21,107	39,606	13,259
Foreign exchange differences in cash and cash equivalents	2,244	-562	3,629	-562
<b>Cash and cash equivalents at end of period</b>	<b>325,735</b>	<b>39,606</b>	<b>325,735</b>	<b>39,606</b>

### Notes

1 During the period October–December 2021, ADDvise paid liabilities of SEK 1.2 million relating to deferred payment of taxes and charges as a result of the Covid-19 situation. During the period January–December 2021, ADDvise paid liabilities of SEK 12.6 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 October–December 2021 and January–December 2021.

2 During the period October–December 2020, deferred payment of taxes and charges of SEK 0.0 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 October–December 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 Oct-Dec	2021 Jul-Sep	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec
Net revenue	155,014	105,557	117,645	87,737	96,813
Capitalized work on own account	768	74	379	1,438	156
Other operating income	295	81	70	52	4,172
	156,078	105,712	118,094	89,227	101,141
Cost of materials	-84,448	-51,190	-65,328	-51,082	-58,565
Other external expenses	-17,115	-11,463	-10,487	-8,269	-6,650
Personnel costs	-35,349	-29,790	-26,227	-21,102	-19,162
Other operating expenses	193	3	-285	89	-489
	-136,718	-92,440	-102,327	-80,363	-84,867
<b>EBITDA</b>	<b>19,360</b>	<b>13,272</b>	<b>15,766</b>	<b>8,864</b>	<b>16,275</b>
<b>EBITDA margin, %</b>	<b>12.5%</b>	<b>12.6%</b>	<b>13.4%</b>	<b>10.1%</b>	<b>16.8%</b>
Depreciation and amortization	-3,740	-3,720	-3,416	-2,839	-3,698
<b>Operating profit/loss (EBIT)</b>	<b>15,620</b>	<b>9,552</b>	<b>12,350</b>	<b>6,024</b>	<b>12,577</b>
<b>Operating margin, %</b>	<b>10.1%</b>	<b>9.0%</b>	<b>10.5%</b>	<b>6.9%</b>	<b>13.0%</b>
Net financial items	-11,527	-10,213	-11,572	-2,575	-4,796
<b>Profit/loss before tax (EBT)</b>	<b>4,092</b>	<b>-661</b>	<b>778</b>	<b>3,449</b>	<b>7,781</b>
Tax	-2,314	-903	-701	-934	-1,746
<b>Profit/loss for the period</b>	<b>1,778</b>	<b>-1,564</b>	<b>76</b>	<b>2,515</b>	<b>6,035</b>
Profit/loss attributable to:					
Shareholders of the parent company	1,778	-1,564	76	2,516	6,035
Non-controlling interests	-	-	0	-1	0
	1,778	-1,564	76	2,515	6,035



## Key performance indicators

SEK thousands	2021 Oct-Dec <sup>1</sup>	2020 Oct-Dec	2021 Jan-Dec <sup>2</sup>	2020 Jan-Dec
Net revenue	155,014	96,813	465,953	358,487
Gross margin, %	45.5%	39.5%	45.9%	38.3%
EBITDA	19,360	16,275	57,261	46,224
EBITDA margin, %	12.5%	16.8%	12.3%	12.9%
Adjusted EBITDA	19,032	12,580	57,058	33,315
Adjusted EBITDA margin, %	12.3%	13.0%	12.2%	9.3%
EBITA	16,055	14,172	46,797	38,147
EBITA margin, %	10.4%	14.6%	10.0%	10.6%
Operating profit/loss (EBIT)	15,620	12,577	43,546	34,257
Operating margin, %	10.1%	13.0%	9.3%	9.6%
Profit/loss before tax (EBT)	4,092	7,781	7,658	17,857
Net margin, %	2.6%	8.0%	1.6%	5.0%
Profit/loss for the period	1,778	6,035	2,805	14,637
Adjusted profit/loss for the period	3,792	2,438	12,739	1,894
Equity ratio, %	23.1%	26.3%	23.1%	26.3%
Net debt	-228,455	-153,766	-228,455	-153,766
Net debt-to-EBITDA	4.0	3.3	4.0	3.3
Number of employees at end of period	285	108	285	108
Equity per share in SEK	1.50	0.94	1.50	0.94
Basic earnings per share in SEK <sup>3</sup>	0.01	0.05	0.02	0.12
Diluted earnings per share in SEK <sup>3</sup>	0.01	0.04	0.02	0.10
Number of shares at end of period	165,107,273	96,913,631	165,107,273	96,913,631
Average number of shares before dilution	165,107,273	96,913,631	143,133,781	96,913,631
Average number of shares after dilution	165,107,273	115,965,819	143,133,781	113,133,907

### Notes

1 Southern Life Systems Inc is consolidated in the ADDvise Group as at November 24, 2021.

2 Graham Medical Technologies is consolidated in the ADDvise Group as at September 15, 2021. MediSuite LLC is consolidated in the ADDvise Group as at August 4, 2021. MRC Systems FZE is consolidated in the ADDvise Group as at March 28, 2021. Southern Life Systems Inc is consolidated in the ADDvise Group as at November 24, 2021.

3 Earnings per share were adjusted to take into account the outcome of warrants in series 2019/2021 in February 2021 and the directed share issue in September 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 key performance indicator is reintroduced in interim reports from the interim report for the period January – September 2021. In May 2021, ADDvise issued a senior secured bond loan with an initial volume of SEK 250.0 million. Terms and conditions for the bond state that ADDvise needs to calculate adjusted key performance indicators. The adjusted key performance indicators according to the bond term sheet are different from the adjusted key performance indicators that ADDvise previously presented. Therefore, in order to ease comparison, some of ADDvise's adjusted key performance indicators are reintroduced, as well as a presentation of the adjusted key performance indicators according to the bond term sheet.

SEK thousands	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating profit/loss, see below	15,620	12,577	43,546	34,257
Plus reversal of depreciation and amortization	3,740	3,698	13,716	11,967
Plus reversal of acquisition costs	634	0	2,837	196
Plus reversal of restructuring costs	0	0	0	0
Minus reversal of state subsidies and similar items relating to Covid-19	-961	-127	-3,040	-6,547
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	0	-3,569	0	-6,558
<b>= Adjusted EBITDA</b>	<b>19,032</b>	<b>12,580</b>	<b>57,058</b>	<b>33,315</b>

### Adjusted EBITDA margin

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items as a percentage of net revenue. This key performance indicator is reintroduced in interim reports from the interim report for the period January – September 2021. In May 2021, ADDvise issued a senior secured bond loan with an initial volume of SEK 250.0 million. Terms and conditions for the bond state that ADDvise needs to calculate adjusted key performance indicators. The adjusted key performance indicators according to the bond term sheet are different from the adjusted key performance indicators that ADDvise previously presented. Therefore, in order to ease comparison, some of ADDvise's adjusted key performance indicators are reintroduced, as well as a presentation of the adjusted key performance indicators according to the bond term sheet.

SEK thousands	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating profit/loss, see below	15,620	12,577	43,546	34,257
Plus reversal of depreciation and amortization	3,740	3,698	13,716	11,967
Plus reversal of acquisition costs	634	0	2,837	196
Plus reversal of restructuring costs	0	0	0	0
Minus reversal of state subsidies and similar items relating to Covid-19	-961	-127	-3,040	-6,547
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	0	-3,569	0	-6,558
<b>= Adjusted EBITDA</b>	<b>19,032</b>	<b>12,580</b>	<b>57,058</b>	<b>33,315</b>
Divided by net revenue	155,014	96,813	465,953	358,487
<b>= Adjusted EBITDA margin as a %</b>	<b>12.3%</b>	<b>13.0%</b>	<b>12.2%</b>	<b>9.3%</b>

### 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 key performance indicator is reintroduced in interim reports from the interim report for the period January – September 2021. In May 2021, ADDvise issued a senior secured bond loan with an initial volume of SEK 250.0 million. Terms and conditions for the bond state that ADDvise needs to calculate adjusted key performance indicators. The adjusted key performance indicators according to the bond term sheet are different from the adjusted key performance indicators that ADDvise previously presented. Therefore, in order to ease comparison, some of ADDvise's adjusted key performance indicators are reintroduced, as well as a presentation of the adjusted key performance indicators according to the bond term sheet.

SEK thousands	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	1,778	6,035	2,805	14,637
Plus reversal of acquisition costs	634	0	2,837	196
Plus reversal of restructuring costs	0	0	0	0
Plus reversal of financial expenses for liabilities relating to deferred payment of taxes and charges as a result of Covid-19	0	99	0	166
Plus reversal of financial expenses related to acquisitions and other non-recurring financial expenses	2,341	0	10,136	0
Minus reversal of state subsidies and similar items relating to Covid-19	-961	-127	-3,040	-6,547
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	0	-3,569	0	-6,558
<b>= Adjusted profit/loss for the period</b>	<b>3,792</b>	<b>2,438</b>	<b>12,739</b>	<b>1,894</b>

### 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 (the subscription price is lower than the current closing price). This performance indicator is as defined by IFRS, but is described here for information purposes.

SEK thousands	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period attributable to the parent company's shareholders	1,778	6,035	2,805	14,638
Divided by average number of shares before dilution	165,107,273	96,913,631	143,133,781	96,913,631
<b>= Basic earnings per share in SEK</b>	<b>0.01</b>	<b>0.05</b>	<b>0.02</b>	<b>0.12</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 (the subscription price is lower than the current closing price). This performance indicator is as defined by IFRS, but is described here for information purposes.

SEK thousands	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period attributable to the parent company's shareholders	1,778	6,035	2,805	14,638
Divided by average number of shares after dilution	165,107,273	115,965,819	143,133,781	113,133,907
<b>= Diluted earnings per share in SEK</b>	<b>0.01</b>	<b>0.04</b>	<b>0.02</b>	<b>0.10</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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating profit/loss, see below	15,620	12,577	43,546	34,257
Plus reversal of amortization of intangible assets	435	1,595	3,251	3,890
<b>= EBITA</b>	<b>16,055</b>	<b>14,172</b>	<b>46,797</b>	<b>38,147</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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating profit/loss, see below	15,620	12,577	43,546	34,257
Plus reversal of amortization of intangible assets	435	1,595	3,251	3,890
<b>= EBITA</b>	<b>16,055</b>	<b>14,172</b>	<b>46,797</b>	<b>38,147</b>
Divided by net revenue	155,014	96,813	465,953	358,487
<b>= EBITA margin as a %</b>	<b>10.4%</b>	<b>14.6%</b>	<b>10.0%</b>	<b>10.6%</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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating profit/loss, see below	15,620	12,577	43,546	34,257
Plus reversal of depreciation and amortization	3,740	3,698	13,716	11,967
<b>= EBITDA</b>	<b>19,360</b>	<b>16,275</b>	<b>57,261</b>	<b>46,224</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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Operating profit/loss, see below	15,620	12,577	43,546	34,257
Plus reversal of depreciation and amortization	3,740	3,698	13,716	11,967
<b>= EBITDA</b>	<b>19,360</b>	<b>16,275</b>	<b>57,261</b>	<b>46,224</b>
Divided by net revenue	155,014	96,813	465,953	358,487
<b>= EBITDA margin as a %</b>	<b>12.5%</b>	<b>16.8%</b>	<b>12.3%</b>	<b>12.9%</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 Dec 31	2020 Dec 31
Equity attributable to the parent company's shareholders	247,275	90,966
Divided by number of shares at end of period	165,107,273	96,913,631
<b>= Equity per share in SEK</b>	<b>1.50</b>	<b>0.94</b>

**Equity ratio**

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

SEK thousands	2021 Dec 31	2020 Dec 31
Equity	247,275	91,049
Divided by total assets	1,069,442	345,743
<b>= Equity ratio as a %</b>	<b>23.1%</b>	<b>26.3%</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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net revenue	155,014	96,813	465,953	358,487
Minus cost of materials	-84,448	-58,565	-252,047	-221,154
	70,567	38,248	213,906	137,333
Divided by net revenue	155,014	96,813	465,953	358,487
<b>= Gross margin as a %</b>	<b>45.5%</b>	<b>39.5%</b>	<b>45.9%</b>	<b>38.3%</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 Dec 31	2020 Dec 31
Cash and cash equivalents	325,735	39,606
Short-term investments	0	0
Loans due for repayment within one year	-29,044	-38,304
Other interest-bearing liabilities due for repayment within one year	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	0	-12,626
Loans due for repayment after one year or more	-525,145	-142,442
<b>= Net debt</b>	<b>-228,455</b>	<b>-153,766</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 Dec 31	2020 Dec 31
Cash and cash equivalents	325,735	39,606
Short-term investments	0	0
Loans due for repayment within one year	-29,044	-38,304
Other interest-bearing liabilities due for repayment within one year	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	0	-12,626
Loans due for repayment after one year or more	-525,145	-142,442
<b>= Net debt</b>	<b>-228,455</b>	<b>-153,766</b>
Divided by EBITDA, rolling 12 months	57,261	46,224
<b>= Net debt-to-EBITDA</b>	<b>4.0</b>	<b>3.3</b>

**Net debt-to-EBITDA according to bond term sheet**

The Group defines net debt according to the bond term sheet as the net sum of cash and cash equivalents, plus short-term investments and liabilities to be included in net debt according to the bond term sheet. The calculation of net debt-to-EBITDA according to the bond term sheet is different from the Group's net debt/EBITDA key performance indicator, which is one of the Group's long-term financial targets. The Group follows the net debt-to-EBITDA according to the bond term sheet key performance indicator as it constitutes the terms of the Group's bond to do so. The key performance indicator is not calculated retroactively, so no comparative figures are presented. The key figure is presented in interim reports from the interim report for the period January – September 2021.

SEK thousands	2021 Dec 31
Cash and cash equivalents	325,735
Excluding cash from bond loan deposited in escrow account	-168,274
Excluding purchase price paid in cash for acquisitions after the end of the reporting period net with acquired cash and cash equivalents	-65,917
Loans due for repayment within one year	-29,044
Loans due for repayment after one year or more	-525,145
Excluding bond loan related to cash from bond loan deposited in escrow account	168,274
Excluding loans for leases classified as non-financial leases according to Swedish tax law	37,011
Acquisition-related liabilities due for payment within one year	0
Acquisition-related liabilities due for payment after one year or more	-21,253
Acquisition-related liabilities for acquisitions after the end of the reporting period due for payment after one year or more	-37,159
<b>= Net debt according to bond term sheet</b>	<b>-315,772</b>
EBITDA rolling 12-month period	57,261
Plus reversal of acquisition costs rolling 12-month period	2,837
Minus reversal of revaluation of estimated earn-outs for completed acquisitions rolling 12-month period	0
Plus pro forma EBITDA from new acquisitions	22,929
Plus pro forma EBITDA from new acquisitions after the end of the reporting period	17,126
<b>= EBITDA rolling 12-month period according to bond term sheet</b>	<b>100,154</b>
<b>= Net debt-to-EBITDA according to bond term sheet</b>	<b>3.2</b>

Loans for leases classified as non-financial leases according to Swedish tax law are mainly referring to contracts for rented premises and similar lease contracts.

**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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	1,778	6,035	2,805	14,637
Plus reversal of tax on profit/loss for the year	2,314	1,746	4,853	3,219
<b>= Profit/loss after net financial items</b>	<b>4,092</b>	<b>7,781</b>	<b>7,658</b>	<b>17,857</b>
Divided by net revenue	155,014	96,813	465,953	358,487
<b>= Net margin as a %</b>	<b>2.6%</b>	<b>8.0%</b>	<b>1.6%</b>	<b>5.0%</b>

**Number of employees**

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

**Operating margin**

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

SEK thousands	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	1,778	6,035	2,805	14,637
Plus reversal of tax on profit/loss for the period	2,314	1,746	4,853	3,219
Plus reversal of financial expenses	12,234	4,899	37,423	16,610
Minus reversal of financial income	-707	-103	-1,535	-210
<b>= Operating profit/loss (EBIT)</b>	<b>15,620</b>	<b>12,577</b>	<b>43,546</b>	<b>34,257</b>
Divided by net revenue	155,014	96,813	465,953	358,487
<b>= Operating margin as a %</b>	<b>10.1%</b>	<b>13.0%</b>	<b>9.3%</b>	<b>9.6%</b>

**Operating profit/loss (EBIT)**

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

SEK thousands	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	1,778	6,035	2,805	14,637
Plus reversal of tax on profit/loss for the period	2,314	1,746	4,853	3,219
Plus reversal of financial expenses	12,234	4,899	37,423	16,610
Minus reversal of financial income	-707	-103	-1,535	-210
<b>= Operating profit/loss (EBIT)</b>	<b>15,620</b>	<b>12,577</b>	<b>43,546</b>	<b>34,257</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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Other external expenses	-17,115	-6,650	-47,334	-27,060
Personnel costs	-35,349	-19,162	-112,468	-70,929
Other operating expenses	193	-489	0	-1,600
<b>= OPEX</b>	<b>-52,271</b>	<b>-26,301</b>	<b>-159,802</b>	<b>-99,589</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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	1,778	6,035	2,805	14,637
Plus reversal of tax on profit/loss for the period	2,314	1,746	4,853	3,219
<b>= Profit/loss before tax (EBT)</b>	<b>4,092</b>	<b>7,781</b>	<b>7,658</b>	<b>17,857</b>



## Condensed parent company income statement

SEK thousands	2021 Oct–Dec	2020 Oct–Dec	2021 Jan–Dec	2020 Jan–Dec
Net revenue	7,485	4,763	24,814	19,448
Capitalized work on own account	0	0	0	0
Other operating income	0	0	0	0
	7,485	4,763	24,814	19,448
Cost of materials	0	0	0	0
Other external expenses	-3,017	-1,656	-8,479	-5,932
Personnel costs	-3,431	-2,507	-14,601	-11,850
Depreciation and amortization	-52	-39	-181	-306
Other operating expenses	-9	0	-9	-1
	-6,510	-4,201	-23,271	-18,090
<b>Operating profit/loss (EBIT)</b>	<b>975</b>	<b>563</b>	<b>1,543</b>	<b>1,358</b>
Net financial items	-3,830	-3,297	-21,933	1,164
<b>Profit/loss after financial items (EBT)</b>	<b>-2,855</b>	<b>-2,734</b>	<b>-20,390</b>	<b>2,522</b>
Appropriations	22,550	11,330	21,550	11,330
Tax	-1,807	-1,829	-1,807	-1,829
<b>Profit/loss for the period</b>	<b>17,888</b>	<b>6,767</b>	<b>-647</b>	<b>12,024</b>

## Parent company statement of comprehensive income

SEK thousands	2021 Oct–Dec	2020 Oct–Dec	2021 Jan–Dec	2020 Jan–Dec
Profit/loss for the period	17,888	6,767	-647	12,024
Other comprehensive income for the period	0	0	0	0
<b>Comprehensive income for the period</b>	<b>17,888</b>	<b>6,767</b>	<b>-647</b>	<b>12,024</b>

## Condensed parent company balance sheet

SEK thousands	2021 Dec 31	2020 Dec 31
<b>ASSETS</b>		
<i>Non-current assets</i>		
Intangible non-current assets	323	181
Property, plant and equipment	281	154
Non-current financial assets	379,734	212,971
Deferred tax assets	10,522	12,329
<i>Total non-current assets</i>	<i>390,860</i>	<i>225,636</i>
<i>Current assets</i>		
Inventories	0	0
Trade receivables	0	0
Other current receivables	156,721	40,767
Short-term investments <sup>1</sup>	0	0
Cash and bank balances	286,161	11,484
<i>Total current assets</i>	<i>442,882</i>	<i>52,251</i>
<b>TOTAL ASSETS</b>	<b>833,742</b>	<b>277,887</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>	<i>223,101</i>	<i>83,093</i>
<i>Non-current liabilities</i>		
Interest-bearing liabilities <sup>1</sup>	487,146	135,337
Other non-current liabilities	54,488	0
<i>Total non-current liabilities</i>	<i>541,634</i>	<i>135,337</i>
<i>Current liabilities</i>		
Interest-bearing liabilities	0	11,500
Current tax liabilities	865	850
Trade payables	4,473	1,555
Other current liabilities	63,668	45,552
<i>Total current liabilities</i>	<i>69,006</i>	<i>59,457</i>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>833,742</b>	<b>277,887</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 were to 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 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 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.

#### Income from lease contracts

With the acquisition of Southern Life Systems Inc in November 2021, the Group now has revenue from leases as a lessor. The majority of leases are classified as capital leases. At the start of the lease, it is recognized as an asset corresponding to the net investment in the lease. At the beginning of the lease, the sales profit is recognized.

In the Group's condensed consolidated statement of financial position, the long-term part of the leases is presented in Contract assets under Non-current assets, and the current part is presented in Contract assets under Current assets. The duration of the leases varies between 36 months and 60 months. In the Group's Swedish 2021 annual report, further information will be presented.

### 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,

Graham Medical Technologies LLC, IM-Medico Svenska AB, MediSuite LLC, Merit Cables Inc, Rosie Connectivity Solutions Inc, Sonar Oy, Sonesta Medical AB, Sonesta Medical Inc, Southern Life Systems Inc and Surgical Tables Inc. The customer base for sales of consumable materials is primarily within the public sector. A large part of sales of products in the segment 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
- » Design, manufacture and sale of orthopedic implants and stents for foot and ankle surgery
- » Sales via online pharmacy of medicines prescribed by doctors within urology and oncology
- » Design and sales of equipment and software for monitoring patients in long-term care

SEK thousands	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Lab business unit	63,259	37,036	217,162	151,043
Healthcare business unit	91,756	59,777	248,791	207,444
<b>Total external net revenue</b>	<b>155,014</b>	<b>96,813</b>	<b>465,953</b>	<b>358,487</b>
Lab business unit	373	380	1,255	1,292
Healthcare business unit	746	16	746	596
<b>Total internal income</b>	<b>1,119</b>	<b>396</b>	<b>2,001</b>	<b>1,888</b>
Lab business unit	6,893	4,442	25,511	16,853
Healthcare business unit	11,976	11,725	29,999	27,581
<b>Total operating profit/loss before depreciation and amortization (EBITDA)</b>	<b>18,869</b>	<b>16,168</b>	<b>55,511</b>	<b>44,434</b>
Unallocated Group income	0	0	0	0
Unallocated Group expenses	491	107	1,751	1,790
Depreciation and amortization	-3,740	-3,698	-13,716	-11,967
Net financial items	-11,527	-4,796	-35,888	-16,400
<b>Consolidated profit/loss before tax (EBT)</b>	<b>4,092</b>	<b>7,781</b>	<b>7,658</b>	<b>17,857</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

During 2021, four acquisitions were completed: MRC Systems FZE, MediSuite LLC, Graham Medical Technologies LLC and Southern Life Systems Inc.

On June 17, 2021, ADDvise completed the acquisition of MRC Systems FZE (MRC). ADDvise acquired 100% of the shares in MRC. The closing date was June 17, 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 for hospitals. MRC is based in Dubai with headquarters and a production facility. The company has another production facility in Spain. MRC's sales for the 2019/2020 financial year amounted to USD 9.8 million with an EBITDA of USD 1.1 million. The company has approximately 110 employees.

On July 30, 2021, ADDvise completed the acquisition of MediSuite

*continuation of Note 5; see next page*

LLC (MediSuite). ADDvise acquired 100% of the shares in MediSuite. The closing date was August 4, 2021. MediSuite LLC is consolidated in the ADDvise Group as of August 4, 2021. MediSuite is an American online pharmacy, based in Cary, North Carolina, USA, specializing in pharmaceuticals in the “men’s health” segment for treatment of cancer, incontinence and impotence. MediSuite has licenses to distribute pharmaceuticals in all but two US states. The assessment is that after the acquisition, MediSuite will also receive licenses in these two states. The licenses are not tied to specific pharmaceuticals. MediSuite’s sales for the financial year 2020 amounted to USD 3.0 million, with an adjusted EBITDA of USD 1.4 million, and an EBITDA margin of 48%.

On September 15, 2021, ADDvise completed the acquisition of Graham Medical Technologies LLC, GraMedica. ADDvise acquired 100% of the shares in GraMedica. Closing date was September 15, 2021. GraMedica will be consolidated in the ADDvise Group as of September 15, 2021. GraMedica specializes in the development of orthopedic implants and stents for foot and ankle surgery. Since GraMedica was founded in 2003, the company has developed a portfolio of several patented foot and ankle implants, including the bestseller HYPROCURE®. The implants are designed to correct foot and ankle problems in patients and are used by orthopedic doctors worldwide. GraMedica is headquartered in Michigan, USA, and distributes its products in the US, Europe and Asia. The company also has a sales office in Shanghai, China. Sales for the financial year 2020 amounted to USD 3.3 million with an adjusted operating profit of USD 0.8 million.

On November 24, 2021, ADDvise completed the acquisition of Southern Life Systems Inc, SLS. ADDvise acquired 100 percent of the shares in SLS. The closing date was November 24, 2021. SLS will be consolidated in the ADDvise Group as of November 24, 2021. SLS is an American med tech company that is the market leader in equipment and software for monitoring patients in long-term care. The company has developed the products Rosie 4, Rosebud and the RCS software, which together streamlines monitoring of vital parameters in patients in long-term care and nursing homes. SLS is based in Savannah, Georgia, USA. Net sales for the financial year 2020 amounted to USD 11.6 million with an adjusted EBITDA of USD 1.7 million. Revenues consist of recurring software revenue from the RCS software, revenue from sales of the proprietary products Rosie 4 and Rosebud, and associated consumables.

#### Purchase prices

SEK thousands	Graham Medical Technologies LLC	MediSuite LLC	MRC Systems FZE	Southern Life Systems Inc	Total
Cash	32,240	54,699	38,278	68,001	193,218
Holdback amount	2,578	1,073	0	2,263	5,914
Interest-free promissory note	0	11,163	4,253	0	15,416
Earn-outs	15,468	21,468	25,519	30,774	93,228
<b>Total purchase price</b>	<b>50,286</b>	<b>88,403</b>	<b>68,050</b>	<b>101,038</b>	<b>307,777</b>

#### Preliminary purchase price allocations

The fair value of the acquired assets has not yet been assessed with certainty. The purchase price allocations presented in this year-end report are preliminary only. Finalized purchase price allocations will be determined in time for the 2021 annual report.

SEK thousands	Graham Medical Technologies LLC	MediSuite LLC	MRC Systems FZE	Southern Life Systems Inc	Total
Trademarks	17,315	14,470	25,356	44,765	101,906
Other intangible non-current assets	3,867	0	0	1,151	5,018
Property, plant and equipment	4,528	1,167	26,779	11,325	43,799
Non-current financial assets	0	5	40	13,840	13,886
Deferred tax assets	0	0	37	0	37
Inventories	6,030	133	5,872	17,851	29,885
Contract assets	0	0	30,490	14,869	45,359
Trade receivables	5,633	0	10,062	10,450	26,145
Short-term investments	0	0	0	0	0
Other current receivables	0	0	4,909	3,209	8,119
Cash and cash equivalents	2,870	590	10,926	2,916	17,302
Deferred tax liabilities	-4,675	-3,400	-6	-11,191	-19,273
Other non-current liabilities	-3,094	0	0	-1,576	-4,670
Interest-bearing liabilities	-3,702	-1,418	-28,816	-10,835	-44,771
Current tax liabilities	-1,356	-983	0	-3,510	-5,849
Contract liabilities	0	0	-4,490	-3,232	-7,721
Trade payables	-788	0	-11,220	-4,126	-16,135
Other current liabilities	-2,003	-570	-3,267	-2,810	-8,649
<b>Acquired identifiable net assets</b>	<b>24,626</b>	<b>9,993</b>	<b>66,673</b>	<b>83,096</b>	<b>184,389</b>
Goodwill	25,660	78,411	1,376	17,941	123,389
<b>Acquired net assets</b>	<b>50,286</b>	<b>88,403</b>	<b>68,050</b>	<b>101,038</b>	<b>307,777</b>

#### Revenue and profit from acquisitions

The newly acquired subsidiaries contributed revenues of SEK 90.5 million and a net profit of SEK 11.0 million to the ADDvise Group for the period from the first date of consolidation until December 31, 2021. If the acquisition dates had been at the beginning of the financial year, the newly acquired subsidiaries would have contributed revenues of SEK 213.1 million and a net profit of SEK 27.5 million to the Group for the year 2021.

#### Transaction costs

Transaction costs related to the acquisitions of SEK 3.0 million are recognized during the period October–December 2021 as costs in the consolidated statement of comprehensive income. SEK 0.6 million is reported in Other external expenses and SEK 2.3 million is reported in Net financial items.

Transaction costs related to the acquisitions of SEK 10.4 million are recognized during the full year 2021 as costs in the consolidated statement of comprehensive income. SEK 2.8 million is reported in Other external expenses and SEK 7.6 million is reported in Net financial items.

continuation of Note 5; see next page

**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 Oct–Dec	2020 Oct–Dec	2021 Jan–Dec	2020 Jan–Dec
Cash purchase consideration	67,789	446	193,686	4,956
Cash and cash equivalents acquired	4,585	0	17,302	0
<b>Net outflow of cash and cash equivalents</b>	<b>63,203</b>	<b>446</b>	<b>176,384</b>	<b>4,956</b>

The cash purchase consideration for the period October–December 2021 comprises payments to the former owners of Southern Life Systems Inc, and adjustments of purchase prices to and from the previous owners of subsidiaries acquired before October 2021. The cash purchase consideration for the period January–December 2021 comprises payments to the former owners of MRC Systems FZE, MediSuite LLC and Graham Medical Technologies LLC and Southern Life Systems Inc.

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

**Note 6 Contract assets and contract liabilities**

SEK thousands	2021 Dec 31	2020 Dec 31
<b>Assets</b>		
Long-term lease receivables	14,119	-
<b>Total non-current contract assets</b>	<b>14,119</b>	<b>-</b>
Current lease receivables	15,076	-
Accrued income	33,291	727
<b>Total current contract assets</b>	<b>48,367</b>	<b>727</b>
<b>Trade receivables</b>	<b>96,808</b>	<b>44,930</b>
<b>Total assets</b>	<b>159,294</b>	<b>45,657</b>
<b>Contract liabilities</b>		
Advances from customers	2,925	473
Deferred income	10,685	830
<b>Total contract liabilities</b>	<b>13,610</b>	<b>1,303</b>
<b>Total liabilities</b>	<b>13,610</b>	<b>1,303</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.

From the year-end report for 2021, geographical allocation of income is also presented based on the domicile of the operations. The year-end report for 2021 also introduces the sale of pharmaceuticals in the allocation of income to principal goods and services.

**Primary geographic markets by segment based on customer domicile**

SEK thousands	2021 Oct–Dec			2020 Oct–Dec		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	38,727	6,791	45,518	36,444	5,712	42,155
Europe, excluding Sweden	9,217	41,251	50,468	592	28,007	28,599
North America	1,205	41,455	42,660	0	21,389	21,389
Africa	807	0	807	0	0	0
Asia	13,303	2,249	15,552	0	4,669	4,669
Other	0	10	10	0	0	0
<b>Total</b>	<b>63,259</b>	<b>91,756</b>	<b>155,014</b>	<b>37,036</b>	<b>59,777</b>	<b>96,813</b>

SEK thousands	2021 Jan–Dec			2020 Jan–Dec		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	149,867	34,779	184,646	149,855	49,035	198,890
Europe, excluding Sweden	28,426	104,832	133,258	1,188	82,517	83,704
North America	1,308	104,360	105,667	0	70,296	70,296
Africa	14,821	6	14,827	0	0	0
Asia	22,740	4,717	27,457	0	5,463	5,463
Other	0	97	97	0	134	134
<b>Total</b>	<b>217,162</b>	<b>248,791</b>	<b>465,953</b>	<b>151,043</b>	<b>207,444</b>	<b>358,487</b>

**Geographic allocation by segment based on domicile of operations**

SEK thousands	2021 Oct–Dec			2020 Oct–Dec		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	37,543	22,325	59,868	37,036	23,548	60,584
Europe, excluding Sweden	6,507	30,625	37,132	0	19,937	19,937
North America	0	38,806	38,806	0	16,291	16,291
Africa	0	0	0	0	0	0
Asia	19,208	0	19,208	0	0	0
Other	0	0	0	0	0	0
<b>Total</b>	<b>63,259</b>	<b>91,756</b>	<b>155,014</b>	<b>37,036</b>	<b>59,777</b>	<b>96,813</b>

SEK thousands	2021 Jan–Dec			2020 Jan–Dec		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	151,252	85,003	236,255	151,043	82,105	233,148
Europe, excluding Sweden	22,320	76,871	99,191	0	66,144	66,144
North America	0	86,917	86,917	0	59,195	59,195
Africa	0	0	0	0	0	0
Asia	43,590	0	43,590	0	0	0
Other	0	0	0	0	0	0
<b>Total</b>	<b>217,162</b>	<b>248,791</b>	<b>465,953</b>	<b>151,043</b>	<b>207,444</b>	<b>358,487</b>

**Principal goods/services October–December 2021**

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	26,051	63,701	89,752
Sale of goods: treatment tables/chairs for healthcare	0	17,054	17,054
Sale of goods under construction contracts	34,110	0	34,110
Sale of pharmaceuticals	0	4,908	4,908
Services	3,097	6,092	9,189
<b>Total</b>	<b>63,259</b>	<b>91,756</b>	<b>155,014</b>

continuation of Note 7; see next page

**Principal goods/services October–December 2020**

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	31,179	39,015	<b>70,195</b>
Sale of goods: treatment tables/chairs for healthcare	0	16,705	<b>16,705</b>
Sale of goods under construction contracts	2,741	-37	<b>2,703</b>
Sale of pharmaceuticals	-	-	-
Services	3,116	4,093	<b>7,209</b>
<b>Total</b>	<b>37,036</b>	<b>59,777</b>	<b>96,813</b>

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

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	102,586	168,738	<b>271,324</b>
Sale of goods: treatment tables/chairs for healthcare	0	58,230	<b>58,230</b>
Sale of goods under construction contracts	103,508	0	<b>103,508</b>
Sale of pharmaceuticals	0	7,352	<b>7,352</b>
Services	11,067	14,471	<b>25,538</b>
<b>Total</b>	<b>217,162</b>	<b>248,791</b>	<b>465,953</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>
Sale of pharmaceuticals	-	-	-
Services	11,263	12,372	<b>23,635</b>
<b>Total</b>	<b>151,043</b>	<b>207,444</b>	<b>358,487</b>

**Time of revenue recognition October–December 2021**

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	29,148	90,118	<b>119,266</b>
Goods and services transferred to customers over a period of time	34,110	1,638	<b>35,749</b>
<b>Total</b>	<b>63,259</b>	<b>91,756</b>	<b>155,014</b>

**Time of revenue recognition October–December 2020**

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	34,296	50,798	<b>85,093</b>
Goods and services transferred to customers over a period of time	2,741	8,979	<b>11,720</b>
<b>Total</b>	<b>37,036</b>	<b>59,777</b>	<b>96,813</b>

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

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	113,653	234,056	<b>347,709</b>
Goods and services transferred to customers over a period of time	103,508	14,735	<b>118,244</b>
<b>Total</b>	<b>217,162</b>	<b>248,791</b>	<b>465,953</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>

**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	December 31, 2021		
	Level 1	Level 2	Level 3
Short-term investments <sup>1</sup>	0		
Contingent purchase consideration			96,768
<b>Total</b>	<b>0</b>	<b>0</b>	<b>96,768</b>

**Note**

1 As at December 31, 2021, no own bonds were held. The bond loan 2017/2022 was redeemed in full in June 2021.

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**

1 As at December 31, 2020, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,088 thousand. The holding has been offset against the liability for the bond loan in the condensed consolidated statement of financial position and on the parent company's condensed 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 were to be settled simultaneously. The financial instruments were settled in June 2021.

**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.

continuation of Note 8; see next page



#### 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 4.8 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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Weighted average number of shares before dilution	165,107,273	96,913,631	143,133,781	96,913,631
Adjustment on the calculation of basic earnings per share:				
Warrants	0	19,052,188	0	16,220,276
Weighted average number of shares after dilution	165,107,273	115,965,819	143,133,781	113,133,907

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 year-end 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 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
State subsidies relating to short-time working and similar subsidies for personnel costs	961	124	2,997	5,203
State subsidies relating to sick pay costs	0	3	43	106
Temporarily reduced employer's contributions	0	0	0	1,238
<b>Total</b>	<b>961</b>	<b>127</b>	<b>3,040</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 Dec 31	2020 Dec 31
Other current liabilities relating to the payment of subsidies not yet recognized in profit and loss	0	306
<b>Total</b>	<b>0</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 1,061 thousand (703).

## Other information

### Dividend

The Board proposes a dividend of SEK 0.00 (0.02) per share. The proposal corresponds to a dividend of 0 TSEK (2,794). The Board has decided to prioritize growth before dividends in 2022, and does not propose a dividend to ADDvise's Annual General Meeting 2022.

### Publication dates for financial information

Interim report Jan – Mar 2022	April 22, 2022
Annual General Meeting 2022	May 6, 2022
Interim report Jan – Jun 2022	July 22, 2022
Interim report Jan – Sep 2022	October 28, 2022
Year-end report 2022	March 3, 2023

This information is information that ADDvise is obliged to publish under the Swedish Securities Market Act. The information was submitted for publication on February 24, 2022 at 08.45 CET.

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

### For further information, please contact:

Rikard Akhtarzand, CEO  
+46(0)8 128 766 08  
[rikard.akhtarzand@addvisigroup.se](mailto:rikard.akhtarzand@addvisigroup.se)

Bengt Miller, interim CFO  
+46(0)70 691 05 30  
[bengt.miller@addvisigroup.se](mailto:bengt.miller@addvisigroup.se)

ADDvise Group AB (publ)  
Grev Turegatan 30, SE-114 38 Stockholm  
Sweden

### Certified Adviser

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

### Review of year-end report

This year-end report was not reviewed by the company's auditor.

### Declaration

The undersigned declare that the year-end 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, February 24, 2022

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*