

Interim report January 1–March 31, 2022

January–March 2022

- » Net revenue for the period was SEK 162.4 million (87.7), an increase of 85.1 %. Organic growth was 4.2 %.
- » Adjusted EBITDA for the period was SEK 21.3 million (8.0)
- » EBITDA for the period was SEK 21.2 million (8.9)
- » Adjusted profit/loss for the period was SEK 5.8 million (1.6)
- » Basic earnings per share for the period amounted to SEK 0.00 (0.02)
- » Cash flow from Operations¹ for the period was SEK 1.8 million

SEK THOUSANDS	2022 Jan–Mar ²	2021 Jan–Mar	Rolling 12 months Apr 2021– Mar 2022 ^{2,3}	2021 Jan–Dec ³	Change	Pro forma rolling 12 months Apr 2021– Mar 2022 ^{4,5}
Net revenue	162,397	87,737	540,613	465,953	16.0%	918,031
EBITDA	21,227	8,864	69,624	57,261	21.6%	155,807
EBITDA margin, %	13.1%	10.1%	12.9%	12.3%	0.6 pp	17.0%
Adjusted EBITDA	21,294	7,973	70,379	57,058	23.3%	156,562
Adjusted EBITDA margin, %	13.1%	9.1%	13.0%	12.2%	0.8 pp	17.1%
EBITA	17,561	6,947	57,411	46,797	22.7%	137,718
EBITA margin, %	10.8%	7.9%	10.6%	10.0%	0.6 pp	15.0%
Profit/loss before tax (EBT)	576	3,449	4,785	7,658	-37.5%	85,092
Profit/loss for the period	70	2,515	360	2,805	-87.2%	79,167
Adjusted profit/loss for the period	5,750	1,624	16,864	12,739	32.4%	95,671
Basic earnings per share (SEK) ⁶	0.00	0.02	0.00	0.02		0.44
Net debt-to-EBITDA ⁷	4.0	2.6	4.0	4.0		2.8

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

Strong growth and improved margins

Although the start of Q1 was characterized by new disruptions as a result of Omicron, consolidated net revenue increased organically in Q1 by 4.2%. Sales and profitability gradually improved during Q1, with March as a strong closing month. Net revenue during Q1 was SEK 162.4 million, an increase of 85.1%. The adjusted EBITDA margin was stronger too, amounting to 13.1% (9.1%). We will see a gradual improvement in adjusted EBITDA margin during the course of 2022. This improvement is partly driven by operational improvements and partly by consolidation of acquisitions with a higher EBITDA margin than the Group average.

The Group's annual rate now amounts to SEK 918.0 million in rolling 12 months pro forma net revenue with an adjusted EBITDA of SEK 156.6 million. This gives an adjusted EBITDA margin of 17.1%. The annual rate is based on all acquired companies being included on a pro forma rolling 12-month basis in Q1 2022.

Our two business units, Lab and Healthcare, operate on three continents. Thanks to a combination of organic and acquired growth, we grew strongly in Q1 and will continue to do so during the rest of the year. This growth brings improved profitability. Once our acquisition loan financing is fully employed, we will see cash flows improving. Our cash flows are currently affected by interest expenses for loans intended for acquisitions that have not yet started contributing to EBITDA and positive cash flow.

We have continued to experience disruption to our supply chains during the start of the year, while sick leave in our own production units and at our subcontractors has led to us having to maintain higher inventory safety margins. We have also phased out the Group's factoring credit limit during the year, reducing current liabilities, but this has also had a slightly negative impact on cash flow. Our assessment is that cash flows will normalize in the second half of 2022, when the effects of Omicron will have subsided and all restrictions will have been lifted.

On April 19, we completed our largest acquisition to date, Surplus Diabetics. Surplus will give us a good platform on the U.S. diabetes market. It is a market that is growing strongly and has great needs. The acquisition of Surplus Diabetics means that we have already achieved pro forma EBITDA of SEK 150 million in Q1 2022, which was one of our financial targets. The Board therefore recently decided to update the



financial targets with the objective of achieving pro forma net revenue of SEK 1 billion in 2022 with an adjusted EBITDA margin of SEK 200 million, both pro forma rolling 12 months.

Lab business unit

Net revenue for the Lab business unit was SEK 65.4 million, which is an increase of 72.6% on Q1 2021, when it was SEK 37.9 million.

EBITDA for the Lab business unit was SEK 6.2 million, an increase on Q1 2021, when it was SEK 4.6 million. The increase is mainly due to one large contributing entity acquired in the United Arab Emirates during 2021, MRC Systems.

Healthcare business unit

Net revenue for the Healthcare business unit was SEK 97.0 million, an increase of 94.6% on Q1 2021, when it was SEK 49.8 million.

EBITDA was SEK 15.6 million, an increase on Q1 2021, when it was SEK 4.6 million. The sharp increase has primarily been achieved through several acquisitions in the US market and the acquired companies have contributed with a higher average EBITDA margin.

Acquisitions

We have a highly disciplined acquisition strategy, and only evaluate companies within lab and healthcare. In addition, all companies should have a product and solution aimed at solving structural demographic challenges. This makes our underlying business relatively insensitive to the economic cycles. The starting point for our companies' operations is to save and extend people's lives, and we are very proud of this.

We still have a well-filled acquisition pipeline which will enable us to expand our product portfolio through new and interesting acquisitions within both our business units. The pricing of companies in the niches and geographies that we operate within remains attractive. This means that we have good opportunities to continue our growth journey as long as there is a functioning capital market. An equity issue, directed at institutional investors was made in Q1, resulting in SEK 100 million in new equity, before costs. Several of our existing institutional shareholders took part in the issue, and also a number of new ones.

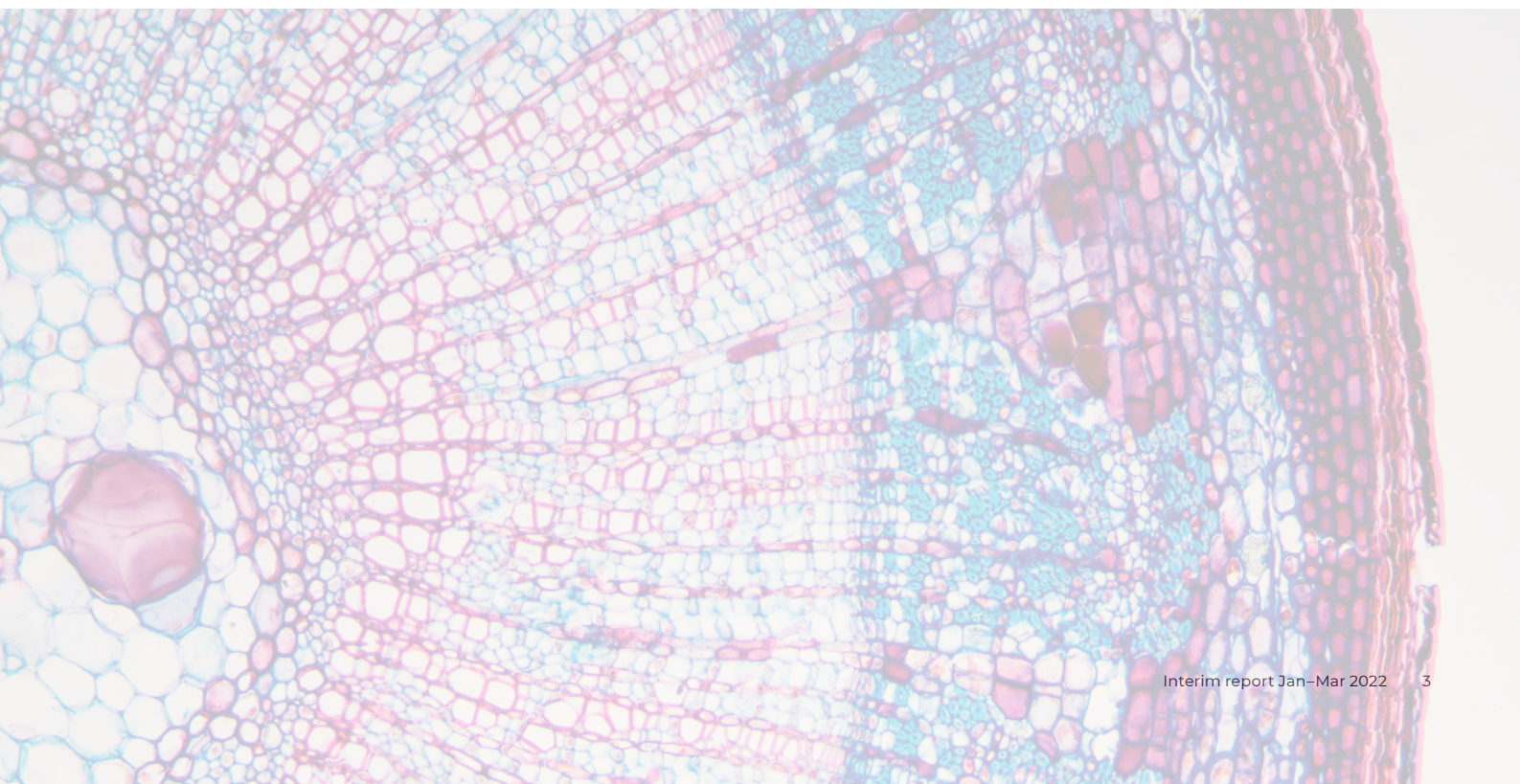
Outlook

We operate in a very large and growing market, and we have a competitive offering. 2022 has started promising, and we have a well-filled acquisition pipeline with opportunities to act on if the price is right.

ADDvise's long-term revenue growth is driven mainly by a growing and aging population, increased prevalence of chronic illnesses, and greater investment in health and healthcare as well as in research and development. We have a strong market position and continue to deliver on our goals while we are setting new ones.

I firmly believe 2022 will be a great year for ADDvise.

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 units, 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.

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 bonds are registered for trading on the Corporate Bond List on Nasdaq Stockholm. 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 332 (111).

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

- » CEO, Rikard Akhtarzand
- » CFO, Sebastian Robson
- » 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 22 subsidiaries. Operations are conducted at the parent company and all subsidiaries.



The Group's development

Group income and performance

January–March 2022

Orders received for the period totaled SEK 130.8 million (97.5), an increase of 34.1 % compared with the same period of the previous year*.

Net revenue for the period was SEK 162.4 million (87.7), an increase of 85.1 % compared with the same period of the previous year. Organic growth was 4.2%.

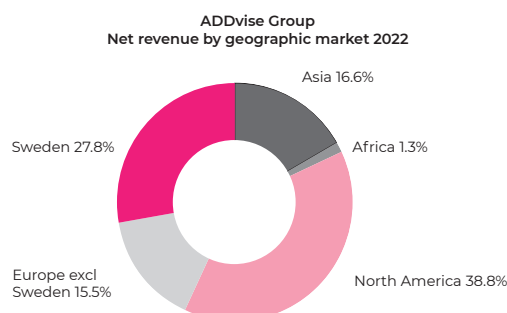
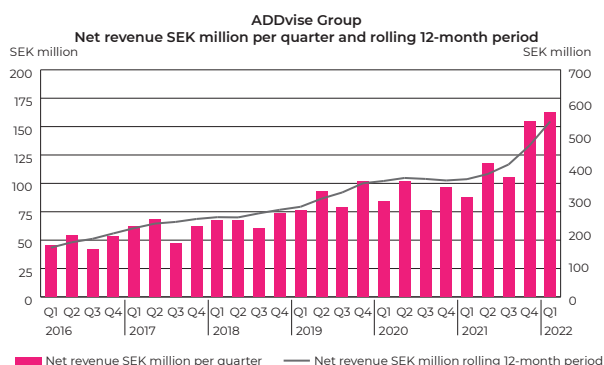
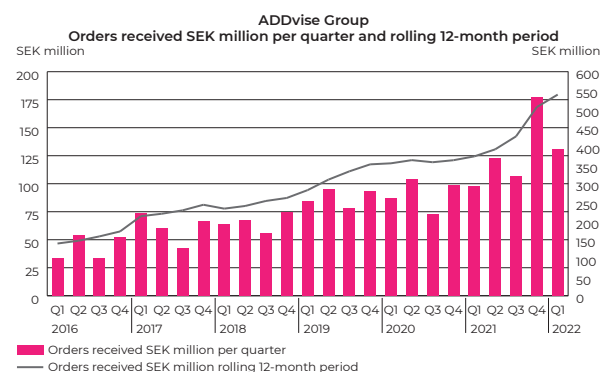
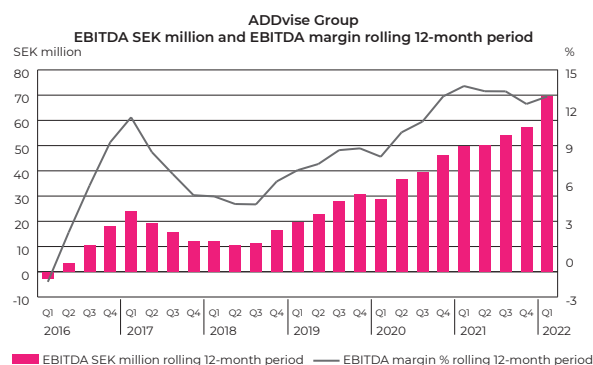
EBITDA for the period was SEK 21.2 million (8.9). Adjusted EBITDA for the period was SEK 21.3 million (8.0). Acquisition costs for completed acquisitions had a negative impact on EBITDA during the period of SEK 0.2 million (0.0). EBITDA for the period was positively impacted by state subsidies and similar items related to Covid-19 by SEK 0.1 million (0.9).

EBITA for the period was SEK 17.6 million (6.9). Operating profit/loss for the period was SEK 16.5 million (6.0). Profit/loss after tax was SEK 0.1 million (2.5). Adjusted profit/loss after tax for the period amounted to SEK 5.8

million (1.6). Acquisition costs for completed acquisitions had a negative impact on profit/loss after tax during the period of SEK 5.8 million (0.0), with SEK 0.2 million (0.0) reported in the item Other external expenses and SEK 5.6 million (0.0) reported in the item Net financial items. Profit/loss after tax was positively impacted by state subsidies and similar items related to Covid-19 by SEK 0.1 million (0.9). Basic earnings per share amounted to SEK 0.00 (0.02) for the period.

Note

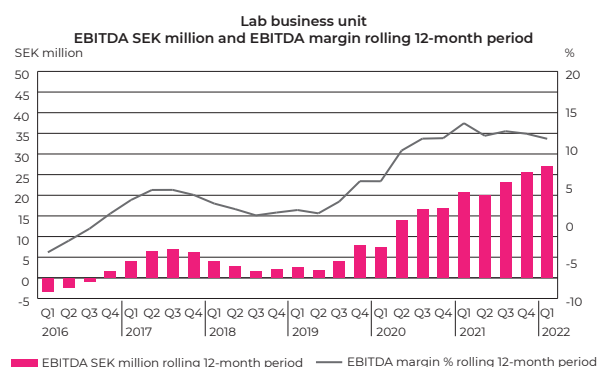
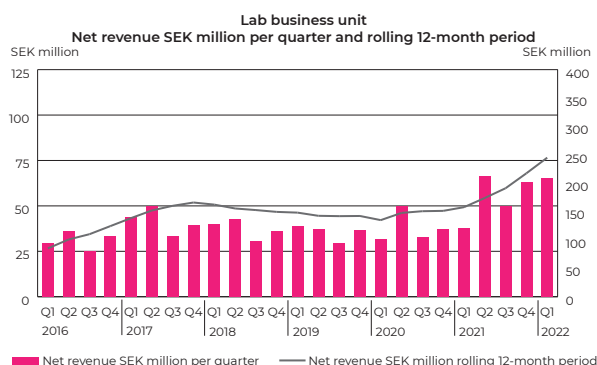
* Orders received for 2021 have been recalculated as a result of the one-off order of SEK 50.0 million received in the first quarter of 2020 for the years 2020–2022, instead of being seen as an order received in 2020, now being allocated over 3 years.



Lab business unit net revenue and profit/loss

Net revenue and profit/loss January–March 2022

Net revenue for the business unit Lab for the period was SEK 65.4 million (37.9), an increase of 72.6 % compared with the same period of the previous year. EBITDA* for the business unit was SEK 6.2 million (4.6).

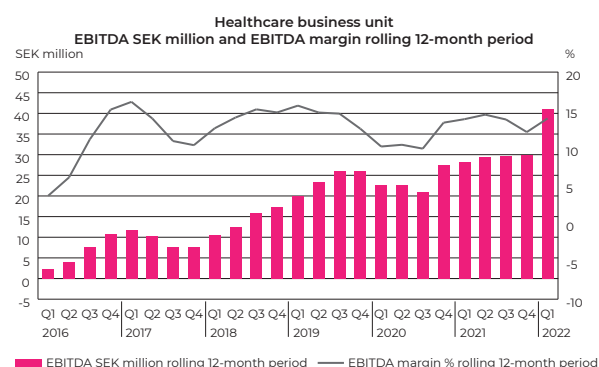
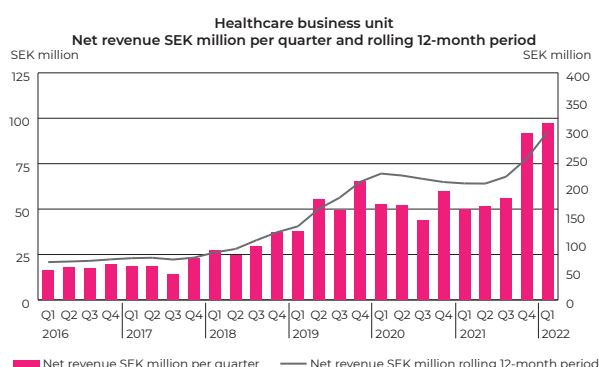


Healthcare business unit net revenue and profit/loss

The Healthcare business unit was expanded in 2022 with the acquisition of Poly Pharmaceuticals Inc and JTECH Medical. See *Acquisitions 2022* and *Note 5 Business combinations*.

Net revenue and profit/loss January–March 2022

Net revenue for the business unit Healthcare for the period was SEK 97.0 million (49.8), an increase of 94.6 % compared with the same period of the previous year. Organic growth was 9.3%. EBITDA* for the business unit was SEK 15.6 million (4.6).



Note

* As of the interim report for January–March 2022, acquisition costs and other acquisition-related items are no longer allocated to the business units. Comparative figures have been restated for comparison periods in 2021 and for the full year 2020. The charts above do not include the restated comparative figures. Also, see *Note 4 Segment Reporting*.

Financial position

Cash and cash equivalents

Cash and cash equivalents at the end of the period totaled SEK 274.0 million (60.1). At the end of the period, the Group had an overdraft facility of SEK 29.1 million (18.1), which was utilized in the amount of SEK 1.9 million (2.1).

Short-term investments

Short-term investments totaled SEK 0.0 million (0.0) at the end of the period.

Net debt

Net debt at the end of the period totaled SEK 276.5 million (127.3). The ratio of interest-bearing net debt to EBITDA at the end of the period was 4.0 (2.6). This ratio was calculated as at March 31, 2022, using the rolling 12-month EBITDA, from April 2021 up to and including March 2022.

One of the Group's long-term financial targets is for the ratio of interest-bearing net debt to EBITDA not to exceed 3.

EBITDA according to the Group's definition of net debt in relation to EBITDA is not calculated pro forma. This means that the key ratio as of the end of the period is affected by the fact that most of the year's acquisitions and the previous year's acquisitions have not contributed EBITDA throughout the full 12 month period, which means that net debt in relation to EBITDA is increased. Pro forma EBITDA for 12 months, from April 2021 up to and including March 2022 amounted to SEK 155.8 million, but the key ratio uses EBITDA SEK 69.6 million.

At the end of the period, loans and other interest-bearing liabilities due for repayment within one year totaled SEK 24.8 million (43.2). Loans and other interest-bearing liabilities due for repayment within one year include a bank loan of SEK 10.4 million (11.0), pledged trade receivables of SEK 1.6 million (17.4), utilized overdraft facilities of SEK 1.9 million (2.1) and lease liabilities of SEK 10.8 million (5.0). At the end of the comparison period, liabilities relating to deferred payment of tax as a result of Covid-19 was SEK 7.8 million. 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 525.8 million (144.2). Loans due for repayment after one year or more include the Group's bond loan of SEK 485.1 million (135.8), a bank loan of SEK 1.2 million (0.0) and lease liabilities of SEK 39.4 million (8.4). 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 rolling 12-months from April 2021–March 2022 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 January–March 2022

Cash flow for the period totaled SEK -53.7 million (18.8).

During the period, ADDvise received SEK 100.0 million before issue costs in connection with the issue of new class B shares. For further information, see *Significant events during the reporting period*.

Operating cash flow for the period was SEK -13.1 million (-1.3). During the comparison period, ADDvise paid off liabilities of SEK 4.9 million relating to deferred payment of tax as a result of Covid-19. The effect of the payment of this deferral is reported in the consolidated statement of cash flows under operating cash flow.

The acquisitions of Poly Pharmaceuticals and JTECH Medical were completed during the period. Injections of cash and cash equivalents from the acquired companies at the time of consolidation of the new acquisitions in the Group totaled SEK 3.4 million (0.0) during the period. For further information, see *Note 5 Business combinations*.

Cash flow from Operations

As of the interim report for January–March 2022, cash flow from Operations is presented, which is cash flow from the Group's business operations, and where items attributable to acquisition activities having an impact on cash flow have been eliminated.

Cash flow from Operations for the period amounted to SEK 1.8 million. Comparative figures have not been calculated, as 2020 and 2021 have been affected by the covid-19 pandemic to a greater extent than 2022. A comparison would therefore reflect the effects of the pandemic and not only developments in business operations.

For the calculation of cash flow from Operations, see *Definition of key performance indicators*.

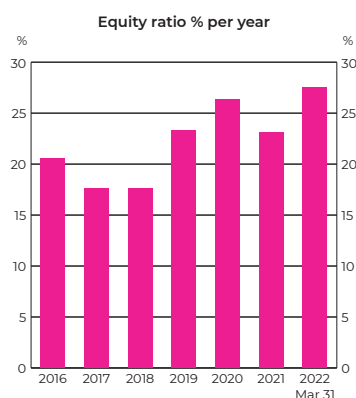
Equity

Equity at the end of the period totaled SEK 344.4 million (123.8), equating to SEK 1.91 (0.89) 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.

Equity ratio

The equity ratio at the end of the period was 27.5 % (33.3 %).



Acquisitions 2022

Poly Pharmaceuticals Inc

On February 12, 2022, ADDvise entered into a share purchase agreement with the shareholders of Poly Pharmaceuticals Inc (Poly Pharma) relating to the acquisition of 100% of the shares in Poly Pharma. This acquisition was completed on February 18, 2022. The company is consolidated in the ADDvise Group from February 12, 2022.

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 and sinusitis, and for 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's 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 that at the time of acquisition are estimated to be USD 1.0 million each, given that the sellers achieve certain predetermined targets. The purchase price also includes a holdback amount of USD 4.0 million with 24 months maturity.

The financing of the acquisition was made through own funds. ADDvise assesses that the acquisition will

have a positive impact on ADDvise earnings per share during the financial year 2022.

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

JTECH Medical

On March 3, 2022, ADDvise entered into a share purchase agreement with the shareholder of JTECH Medical (JTECH) regarding the acquisition of 100 percent of the shares in JTECH. This acquisition was completed on March 3, 2022. The company is consolidated in the ADDvise Group from March 3, 2022.

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. JTECH's revenue for 2021 amounted to approximately USD 3.2 million, with an EBITDA of approximately USD 1.1 million, corresponding to an EBITDA margin of approximately 34.3 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 was made through own funds. ADDvise assesses that the acquisition will have a positive impact on ADDvise earnings per share during the financial year 2022.

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

Change in intangible non-current assets

January–March 2022

The change in goodwill during the period was SEK 124.1 million (2.4). The change in trademarks during the period was SEK 66.4 million (0.1).

Investments in intangible non-current assets

January–March 2022

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

2.7 million (1.5).

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

Investments in property, plant and equipment January–March 2022

Investments in property, plant and equipment during the period totaled SEK 3.7 million (3.3). Investments in property, plant and equipment include leased non-current assets in accordance with IFRS 16 Leases.

Parent company

January–March 2022

Net revenue at the parent company for the period totaled SEK 7.3 million (5.2). Operating profit/loss for the period was SEK -0.1 million (-0.4). The net profit/loss for the period was SEK -10.3 million (-3.0).

Equity

The balance sheet total was SEK 887.3 million (310.6), of which equity constituted SEK 308.5 million (106.5).

Significant events during the reporting period

ADDvise completes a directed new share issue of approximately SEK 100 million

On March 14, 2022, ADDvise carried out a directed new share issue of 15,384,616 shares of series B, corresponding to approximately SEK 100 million. The subscription price in the directed new share issue was SEK 6.50. A large number of Swedish and international institutional investors participated in the directed new share issue which was oversubscribed.

The subscription price was determined through an accelerated bookbuilding procedure carried out by the Company's financial advisor Pareto Securities AB. It was therefore the 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 the closing price on Nasdaq First North Premier Growth Market on March 14, 2022 and a premium of approximately 0.9 percent to the VWAP during the last five trading days. Through the directed new share issue ADDvise received approximately SEK 100 million before issue costs.

The reason for the deviation from the shareholders' preferential rights was to perform a capital raise in a time and cost-effective manner and to raise capital at favourable conditions for the Company's continued growth, as well as to diversify the shareholder base with Swedish and international institutional investors. The Board of Directors carefully considered the possibility to carry out a rights issue and concluded that a directed issue was most favourable for the Company and its shareholders in this case due to the reasons set out above.

Through the directed new share issue, the number of outstanding shares increased by 15,384,616 shares, from 165,107,273 shares to 180,491,889 shares. The share capital increased by SEK 1,538,461.6, from SEK 16,510,727.3 to SEK 18,049,188.9. The directed new share issue entailed a dilution of approximately 8.5 percent of the number of shares and 6.2 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 6 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.

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.addvisegroup.com.

ADDvise acquires Poly Pharmaceuticals Inc and JTECH Medical

In February 2022, ADDvise entered into a share purchase agreement with the shareholders of Poly Pharmaceuticals Inc relating to the acquisition of 100% of the shares in Poly Pharmaceuticals Inc. The acquisition was completed on February 18, 2022.

In March 2022, ADDvise entered into a share purchase agreement with the shareholder of JTECH Medical relating to the acquisition of 100% of the shares in JTECH Medical. The acquisition was completed on March 3, 2022.

For further information, see *Acquisitions 2022* and *Note 5 Business combinations*.

ADDvise signs Letter of Intent to acquire Surplus Diabetics Inc

In January 2022, ADDvise signed a Letter of Intent with the shareholders of Surplus Diabetics Inc (Surplus Diabetics) regarding an acquisition of 100 percent of the shares in Surplus Diabetics. On April 19, 2022, after the end of the reporting period, ADDvise entered into a share purchase agreement with the shareholders of Surplus Diabetics regarding an acquisition of 100 percent of the

shares in Surplus Diabetics. The acquisition was completed on April 19, 2022. Surplus Diabetics will be consolidated in the ADDvise Group from April 19, 2022.

Surplus Diabetics 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 was financed through own funds. ADDvise assesses that the acquisition will have a positive impact on ADDvise's earnings per share during the financial year 2022.

At the time of the publishing of this interim report, ADDvise has not yet had time to analyse known facts and is not able to provide a preliminary purchase price allocation.

ADDvise signs Letter of Intent to acquire Seebreath AB

In February 2022, ADDvise signed a Letter of Intent with the shareholders of Seebreath AB (Seebreath) regarding an acquisition of 100 percent of the shares in Seebreath.

Seebreath is a Swedish medtech company developing and producing colorimetric CO₂-indicating products used in respiratory care. The products are mainly used in emergency care to monitor and ensure the safety of intubated patients. The company's products are FDA approved and sold on the American market through two distributors.

Revenue for the financial year 2021 amounted to approximately SEK 12 million, with an EBITDA of approximately SEK 8 million, corresponding to an EBITDA margin of approximately 66 percent.

The purchase price for Seebreath amounts to a total of SEK 37.5 million, divided into an initial purchase price of SEK 29.0 million, and two potential earn-outs of maximum SEK 4.25 million and SEK 4.25 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 interim report, ADDvise has not completed the acquisition of Seebreath, and is not able to provide a purchase price allocation.

Major customer contracts and orders during 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 2022.
- » Allocation decision from Region Stockholm-Gotland for delivery of blood specimen collection equipment during a four-year period starting in 2022. Total value approximately SEK 44.0 million.
- » Order from Signature Healthcare Consulting Services, LLC, a group providing personalized medical services in primary care, specialty care and hospital care, for systems for vital signs monitoring, in 110 nursing homes. Order value approximately USD 2.0 million. Delivery is scheduled for 2022.

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.

Significant events after the reporting period

ADDvise Group raised its EBITDA target for 2022

In the light of the company's continued progress, the Board of Directors of ADDvise have decided to raise the 2022 EBITDA target from the previous target communicated on 23 September 2021. The target was raised on April 7, 2022. For the financial year 2022, rolling 12 months pro forma basis, ADDvise expects to reach an EBITDA of at least SEK 200 million before acquisition costs (adjusted EBITDA).

The previous EBITDA target was at least SEK 150 million on a pro forma basis for 2022. The earlier communicated revenue target of SEK 1 billion in net sales on a pro forma basis before the end of 2022 remains unchanged.

ADDvise acquired Surplus Diabetics Inc

On April 19, 2022, ADDvise entered into a share purchase agreement with the owners of Surplus Diabetics Inc (Surplus Diabetics) regarding the acquisition of all the outstanding shares in Surplus Diabetics. The closing of the acquisition took place on April 19, 2022. For further information, see *ADDvise signs Letter of Intent to acquire Surplus Diabetics Inc*.

Long-term financial targets

The Board of ADDvise has adopted long-term financial targets. 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 aim to 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, will be distributed to the shareholders.

Notes to page 1

Note 1

Cash flow from Operations is now presented in interim reports, from the interim report for January–March 2022. Comparative figures have not been calculated, as 2020 and 2021 have been affected by the covid-19 pandemic to a greater extent than 2022. A comparison would therefore reflect the effects of the pandemic and not only developments in business operations. For the calculation of cash flow from Operations, see *Definition of key performance indicators*.

Note 2

Companies acquired in 2022 are consolidated in the ADDvise Group from:

- » Poly Pharmaceuticals Inc February 12, 2022
- » JTECH Medical March 3, 2022

Note 3

Companies acquired in 2021 are consolidated in the ADDvise Group from:

- » MRC Systems FZE March 28, 2021
- » MediSuite LLC August 4, 2021
- » Graham Medical Technologies LLC September 15, 2021
- » Southern Life Systems Inc November 24, 2021

Note 4

The numbers are pro forma numbers and have not been reviewed by the company's auditor. The numbers are for April 2021 – March 2022 including all acquisitions in the period after April 1, 2021, until the publication of this report.

Note 5

In the pro forma 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 6

Earnings per share were adjusted to take into account the outcome of warrants in series 2019/2021 in February 2021, the directed share issue in September 2021 and the directed share issue in March 2022.

Note 7

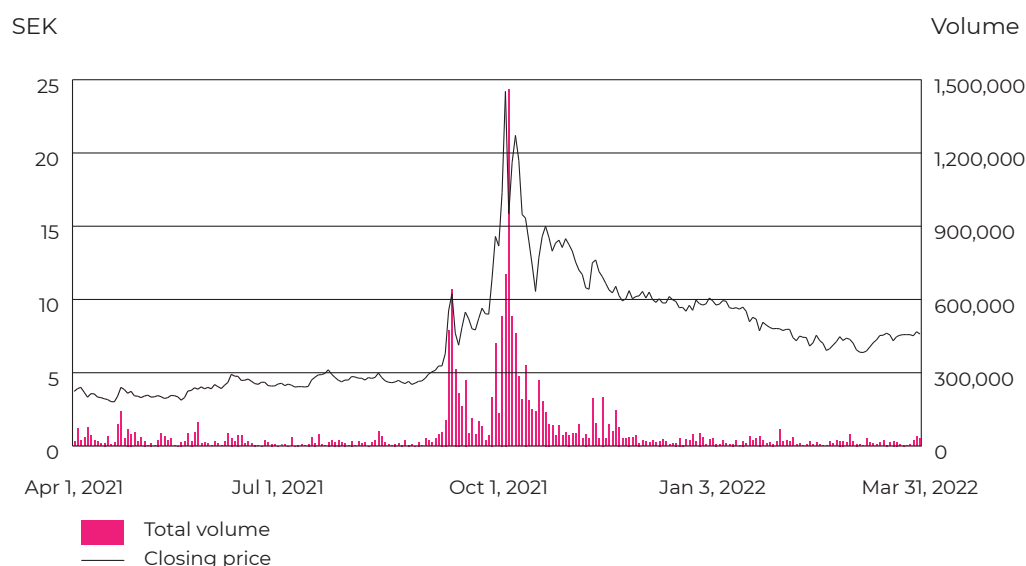
EBITDA in the key performance indicator Net debt-to-EBITDA is based on a rolling 12-month period.

Share price trend during the reporting period

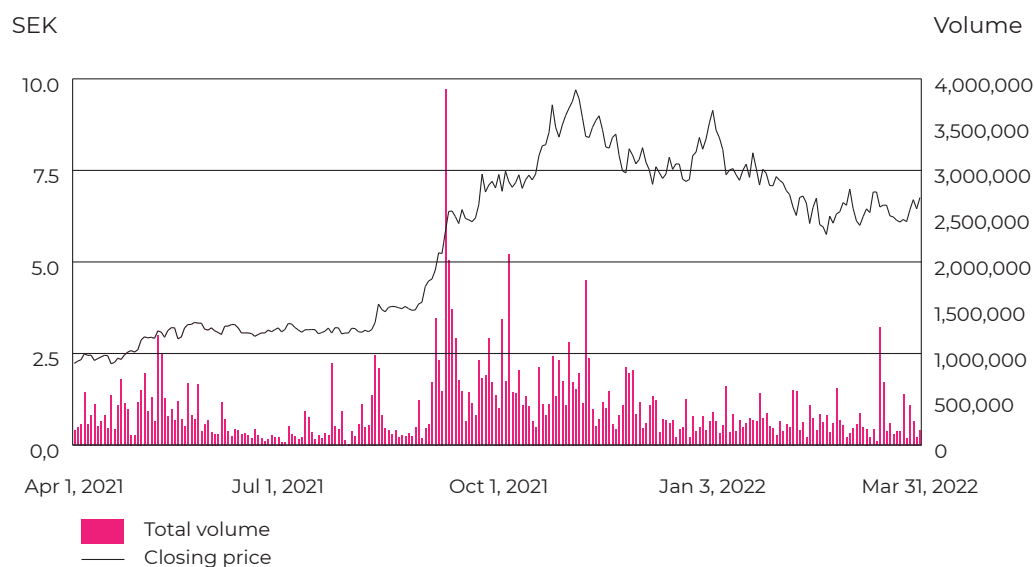
The company's class A share is listed at the S SME trading venue, on the Nasdaq First North Premier Growth Market Sweden. The stock short name is ADDV A and the share's ISIN code is SE0001306119. One (1) class A share equals one (1) vote.

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 Apr 1, 2021 until Mar 31, 2022



Class B share closing price trend 12-month period from Apr 1, 2021 until Mar 31, 2022



Condensed consolidated statement of comprehensive income

SEK thousands	2022 Jan-Mar ¹	2021 Jan-Mar	2021 Jan-Dec ²	2020 Jan-Dec
Net revenue	162,397	87,737	465,953	358,487
Capitalized work on own account	2,715	1,438	2,659	769
Other operating income	52	52	498	7,712
	165,163	89,227	469,110	366,968
Cost of materials	-77,810	-51,082	-252,047	-221,154
Other external expenses	-20,165	-8,269	-47,334	-27,060
Personnel costs	-45,587	-21,102	-112,468	-70,929
Depreciation and amortization	-4,774	-2,839	-13,716	-11,967
Other operating expenses	-375	89	0	-1,600
	-148,711	-83,202	-425,564	-332,711
Operating profit/loss (EBIT)	16,452	6,024	43,546	34,257
Net financial items	-15,876	-2,575	-35,888	-16,400
Profit/loss before tax (EBT)	576	3,449	7,658	17,857
Tax	-506	-934	-4,853	-3,219
Profit/loss for the period	70	2,515	2,805	14,637
Profit/loss attributable to:				
Shareholders of the parent company	70	2,516	2,805	14,638
Non-controlling interests	-	-1	-	-1
	70	2,515	2,805	14,637
Other comprehensive income				
Foreign exchange differences on the translation of foreign operations for the period	1,287	3,728	12,783	-7,729
Change in value of financial assets measured at fair value through other comprehensive income for the period	0	22	-122	122
Comprehensive income for the period	1,357	6,264	15,466	7,030
Comprehensive income attributable to:				
Shareholders of the parent company	1,357	6,260	15,466	7,028
Non-controlling interests	-	4	-	2
	1,357	6,264	15,466	7,030
Basic earnings per share, SEK ³	0.00	0.02	0.02	0.12
Diluted earnings per share, SEK ³	0.00	0.02	0.02	0.10

Note 1: Companies acquired in 2022 are consolidated in the ADDvise Group from: Poly Pharmaceuticals Inc February 12, 2022. JTECH Medical March 3, 2022.

Note 2: Companies acquired in 2021 are consolidated in the ADDvise Group from: MRC Systems FZE March 28, 2021. MediSuite LLC August 4, 2021. Graham Medical Technologies LLC September 15, 2021. Southern Life Systems Inc November 24, 2021.

Note 3: Earnings per share were adjusted to take into account the outcome of warrants in series 2019/2021 in February 2021, the directed share issue in September 2021 and the directed share issue in March 2022.

Condensed consolidated statement of financial position

SEK thousands	2022 Mar 31	2021 Mar 31	2021 Dec 31	2020 Dec 31
ASSETS				
<i>Non-current assets</i>				
Goodwill	412,609	158,681	288,559	156,319
Trademarks	194,192	22,707	127,767	22,594
Other intangible non-current assets	26,368	20,212	24,615	19,491
Property, plant and equipment	71,062	17,423	65,072	15,944
Non-current financial assets	325	140	232	134
Contract assets	14,641	-	14,119	-
Deferred tax assets	0	6,557	0	7,122
<i>Total non-current assets</i>	<i>719,198</i>	<i>225,720</i>	<i>520,364</i>	<i>221,604</i>
<i>Current assets</i>				
Inventories	81,635	35,699	66,543	33,422
Contract assets	63,445	1,388	48,367	727
Trade receivables	94,477	42,598	96,808	44,930
Other current receivables	19,373	6,526	11,625	5,454
Short-term investments ¹	0	0	0	0
Cash and cash equivalents	274,016	60,137	325,735	39,606
<i>Total current assets</i>	<i>532,946</i>	<i>146,349</i>	<i>549,078</i>	<i>124,140</i>
TOTAL ASSETS	1,252,144	372,069	1,069,442	345,743
EQUITY AND LIABILITIES				
<i>Equity</i>	<i>344,383</i>	<i>123,782</i>	<i>247,275</i>	<i>91,049</i>
Equity attributable to:				
Shareholders of the parent company	344,383	123,713	247,275	90,966
Non-controlling interests	-	69	-	83
	344,383	123,782	247,275	91,049
<i>Non-current liabilities</i>				
Interest-bearing liabilities ¹	525,750	144,203	525,145	142,442
Deferred tax liabilities	34,941	0	14,702	0
Other non-current liabilities	172,529	0	108,023	0
<i>Total non-current liabilities</i>	<i>733,220</i>	<i>144,203</i>	<i>647,870</i>	<i>142,442</i>
<i>Current liabilities</i>				
Interest-bearing liabilities	24,760	43,213	29,044	50,930
Current tax liabilities	8,451	2,067	9,797	2,145
Contract liabilities	12,180	1,279	13,610	1,303
Trade payables	56,332	28,182	60,329	29,073
Other current liabilities	72,818	29,343	61,516	28,801
<i>Total current liabilities</i>	<i>174,541</i>	<i>104,084</i>	<i>174,296</i>	<i>112,252</i>
TOTAL EQUITY AND LIABILITIES	1,252,144	372,069	1,069,442	345,743

Note 1 As at March 31, 2021, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,110 thousand. 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	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Opening equity	247,275	91,049	91,049	84,142
Profit/loss for the period	70	2,515	2,805	14,637
Other comprehensive income for the period	1,287	3,750	12,661	-7,607
Comprehensive income for the period	1,357	6,264	15,466	7,030
New share issue	95,750	26,468	143,449	-123
Dividends	0	0	-2,794	0
Change in non-controlling interests	0	0	104	0
Translation reserve	0	0	0	0
Closing equity	344,383	123,782	247,275	91,049
Attributable to:				
Shareholders of the parent company	344,383	123,713	247,275	90,966
Non-controlling interests	-	69	-	83
Total equity	344,383	123,782	247,275	91,049

Condensed consolidated statement of cash flows

SEK thousands	2022 Jan–Mar	2021 Jan–Mar ¹	2021 Jan–Dec ¹	2020 Jan–Dec ²
Operating activities				
Profit/loss before tax	576	3,449	7,658	17,857
Adjustments for non-cash items	2,566	1,622	9,469	3,778
Income tax paid	-1,566	0	-85	-2,259
Operating cash flow before changes in working capital	1,577	5,071	17,042	19,375
Operating cash flow	-13,101	-1,329	10,186	57,438
Investing cash flow ³	-161,989	-1,871	-201,662	-7,214
Financing cash flow	121,422	22,014	473,975	-23,314
Cash flow for the period	-53,668	18,813	282,499	26,910
Cash and cash equivalents at start of period	325,735	39,606	39,606	13,259
Foreign exchange differences in cash and cash equivalents	1,949	1,718	3,629	-562
Cash and cash equivalents at end of period	274,016	60,137	325,735	39,606

Note 1 During the period January–March 2021, ADDvise paid liabilities of SEK 4.9 million relating to deferred payment of taxes and charges as a result of the Covid-19 situation. 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 January–March 2021 and January–December 2021.

Note 2 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 January–December 2020.

Note 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	2022 Jan-Mar	2021 Oct-Dec	2021 Jul-Sep	2021 Apr-Jun	2021 Jan-Mar
Net revenue	162,397	155,014	105,557	117,645	87,737
Capitalized work on own account	2,715	768	74	379	1,438
Other operating income	52	295	81	70	52
	165,163	156,078	105,712	118,094	89,227
Cost of materials	-77,810	-84,448	-51,190	-65,328	-51,082
Other external expenses	-20,165	-17,115	-11,463	-10,487	-8,269
Personnel costs	-45,587	-35,349	-29,790	-26,227	-21,102
Other operating expenses	-375	193	3	-285	89
	-143,937	-136,718	-92,440	-102,327	-80,363
EBITDA	21,227	19,360	13,272	15,766	8,864
EBITDA margin, %	13.1%	12.5%	12.6%	13.4%	10.1%
Depreciation and amortization	-4,774	-3,740	-3,720	-3,416	-2,839
Operating profit/loss (EBIT)	16,452	15,620	9,552	12,350	6,024
Operating margin, %	10.1%	10.1%	9.0%	10.5%	6.9%
Net financial items	-15,876	-11,527	-10,213	-11,572	-2,575
Profit/loss before tax (EBT)	576	4,092	-661	778	3,449
Tax	-506	-2,314	-903	-701	-934
Profit/loss for the period	70	1,778	-1,564	76	2,515
Profit/loss attributable to:					
Shareholders of the parent company	70	1,778	-1,564	76	2,516
Non-controlling interests	-	-	-	0	-1
	70	1,778	-1,564	76	2,515

Key performance indicators

SEK thousands	2022 Jan-Mar ¹	2021 Jan-Mar	2021 Jan-Dec ²	2020 Jan-Dec
Net revenue	162,397	87,737	465,953	358,487
Gross margin, %	52.1%	41.8%	45.9%	38.3%
EBITDA	21,227	8,864	57,261	46,224
EBITDA margin, %	13.1%	10.1%	12.3%	12.9%
Adjusted EBITDA	21,294	7,973	57,058	33,315
Adjusted EBITDA margin, %	13.1%	9.1%	12.2%	9.3%
EBITA	17,561	6,947	46,797	38,147
EBITA margin, %	10.8%	7.9%	10.0%	10.6%
Operating profit/loss (EBIT)	16,452	6,024	43,546	34,257
Operating margin, %	10.1%	6.9%	9.3%	9.6%
Profit/loss before tax (EBT)	576	3,449	7,658	17,857
Net margin, %	0.4%	3.9%	1.6%	5.0%
Profit/loss for the period	70	2,515	2,805	14,637
Adjusted profit/loss for the period	5,750	1,624	12,739	1,894
Equity ratio, %	27.5%	33.3%	23.1%	26.3%
Net debt	-276,495	-127,278	-228,455	-153,766
Net debt-to-EBITDA	4.0	2.6	4.0	3.3
Number of employees at end of period	332	111	285	108
Equity per share in SEK	1.91	0.89	1.50	0.94
Basic earnings per share in SEK ³	0.00	0.02	0.02	0.12
Diluted earnings per share in SEK ³	0.00	0.02	0.02	0.10
Number of shares at end of period	180,491,889	139,700,768	165,107,273	96,913,631
Average number of shares before dilution	168,184,196	121,159,675	143,133,781	96,913,631
Average number of shares after dilution	168,184,196	121,159,675	143,133,781	113,133,907

Note 1: Companies acquired in 2022 are consolidated in the ADDvise Group from: Poly Pharmaceuticals Inc February 12, 2022. JTECH Medical March 3, 2022.

Note 2: Companies acquired in 2021 are consolidated in the ADDvise Group from: MRC Systems FZE March 28, 2021. MediSuite LLC August 4, 2021. Graham Medical Technologies LLC September 15, 2021. Southern Life Systems Inc November 24, 2021.

Note 3: Earnings per share were adjusted to take into account the outcome of warrants in series 2019/2021 in February 2021, the directed share issue in September 2021 and the directed share issue in March 2022.

Definition of key performance indicators

In its financial reports, ADDvise uses alternative performance measures, in other words financial measures that are not defined by 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 by IFRS.

Adjusted EBITDA

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items. The Group's definition is unchanged from previous periods.

SEK thousands	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
Operating profit/loss, see below	16,452	6,024	43,546	34,257
Plus reversal of depreciation and amortization	4,774	2,839	13,716	11,967
Plus reversal of acquisition costs	185	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	-118	-891	-3,040	-6,547
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	0	0	0	-6,558
= Adjusted EBITDA	21,294	7,973	57,058	33,315

Adjusted EBITDA margin

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items as a percentage of net revenue. The Group's definition is unchanged from previous periods.

SEK thousands	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
Operating profit/loss, see below	16,452	6,024	43,546	34,257
Plus reversal of depreciation and amortization	4,774	2,839	13,716	11,967
Plus reversal of acquisition costs	185	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	-118	-891	-3,040	-6,547
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	0	0	0	-6,558
= Adjusted EBITDA	21,294	7,973	57,058	33,315
Divided by net revenue	162,397	87,737	465,953	358,487
= Adjusted EBITDA margin as a %	13.1%	9.1%	12.2%	9.3%

Adjusted profit/loss for the period

Profit/loss for the period before acquisition costs and non-recurring items. The Group's definition is unchanged from previous periods.

SEK thousands	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	70	2,515	2,805	14,637
Plus reversal of acquisition costs	185	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	0	0	166
Plus reversal of financial expenses related to acquisitions and other non-recurring financial expenses	5,614	0	10,136	0
Minus reversal of state subsidies and similar items relating to Covid-19	-118	-891	-3,040	-6,547
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	0	0	0	-6,558
= Adjusted profit/loss for the period	5,750	1,624	12,739	1,894

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	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period attributable to the parent company's shareholders	70	2,516	2,805	14,638
Divided by average number of shares before dilution	168,184,196	121,159,675	143,133,781	96,913,631
= Basic earnings per share in SEK	0.00	0.02	0.02	0.12

Cash flow from Operations

As of the interim report for January–March 2022, cash flow from Operations is presented, which is cash flow from the Group's business operations, and where items attributable to acquisition activities having an impact on cash flow have been eliminated. The Group is presenting this key performance indicator as it has been requested by investors. Comparative figures have not been calculated, as 2020 and 2021 have been affected by the covid-19 pandemic to a greater extent than 2022. A comparison would therefore reflect the effects of the pandemic and not only developments in business operations.

SEK thousands	2022 Jan–Mar
Operating profit/loss (EBIT)	16,452
Income taxes paid	1,566
Changes in working capital	-14,678
Financial expenses attributable to acquisition activities	-559
Depreciation and amortization attributable to Operations	4,774
Acquisition of intangible and tangible non-current assets and payments made in relation to amortization of loans attributable to leases, attributable to Operations	-5,936
Income and expenses attributable to acquisition activities	185
= Cash flow from Operations	1,804

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	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Profit/loss for the period attributable to the parent company's shareholders	70	2,516	2,805	14,638
Divided by average number of shares after dilution	168,184,196	121,159,675	143,133,781	113,133,907
= Diluted earnings per share in SEK	0.00	0.02	0.02	0.10

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. The Group's definition is unchanged from previous periods.

SEK thousands	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Operating profit/loss, see below	16,452	6,024	43,546	34,257
Plus reversal of amortization of intangible assets	1,109	923	3,251	3,890
= EBITA	17,561	6,947	46,797	38,147

EBITA margin

Operating profit/loss before amortization of intangible assets but after depreciation of property, plant and equipment as a percentage of net revenue. The Group's definition is unchanged from previous periods.

SEK thousands	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Operating profit/loss, see below	16,452	6,024	43,546	34,257
Plus reversal of amortization of intangible assets	1,109	923	3,251	3,890
= EBITA	17,561	6,947	46,797	38,147
Divided by net revenue	162,397	87,737	465,953	358,487
= EBITA margin as a %	10.8%	7.9%	10.0%	10.6%

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	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Operating profit/loss, see below	16,452	6,024	43,546	34,257
Plus reversal of depreciation and amortization	4,774	2,839	13,716	11,967
= EBITDA	21,227	8,864	57,261	46,224

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	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Operating profit/loss, see below	16,452	6,024	43,546	34,257
Plus reversal of depreciation and amortization	4,774	923	13,716	11,967
= EBITDA	21,227	6,947	57,261	46,224
Divided by net revenue	162,397	87,737	465,953	358,487
= EBITDA margin as a %	13.1%	7.9%	12.3%	12.9%

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	2022 Mar 31	2021 Mar 31	2021 Dec 31	2020 Dec 31
Equity attributable to the parent company's shareholders	344,383	123,713	247,275	90,966
Divided by number of shares at end of period	180,491,889	139,700,768	165,107,273	96,913,631
= Equity per share in SEK	1.91	0.89	1.50	0.94

Equity ratio

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

SEK thousands	2022 Mar 31	2021 Mar 31	2021 Dec 31	2020 Dec 31
Equity	344,383	123,782	247,275	91,049
Divided by total assets	1,252,144	372,069	1,069,442	345,743
= Equity ratio as a %	27.5%	33.3%	23.1%	26.3%

Gross margin

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

SEK thousands	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Net revenue	162,397	87,737	465,953	358,487
Minus cost of materials	-77,810	-51,082	-252,047	-221,154
	84,587	36,655	213,906	137,333
Divided by net revenue	162,397	87,737	465,953	358,487
= Gross margin as a %	52.1%	41.8%	45.9%	38.3%

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. The Group's definition is unchanged from previous periods.

SEK thousands	2022 Mar 31	2021 Mar 31	2021 Dec 31	2020 Dec 31
Cash and cash equivalents	274,016	60,137	325,735	39,606
Short-term investments	0	0	0	0
Loans due for repayment within one year	-24,760	-35,463	-29,044	-38,304
Other interest-bearing liabilities due for repayment within one year	0	0	0	0
Liabilities due for repayment within one year as a result of the deferral of payment of taxes and charges because of Covid-19	0	-7,750	0	-12,626
Loans due for repayment after one year or more	-525,750	-144,203	-525,145	-142,442
= Net debt	-276,495	-127,278	-228,455	-153,766

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 financial targets adopted by the Board of Directors. The Group's definition is unchanged from previous periods. For the definition of EBITDA, see above.

SEK thousands	2022 Mar 31	2021 Mar 31	2021 Dec 31	2020 Dec 31
Cash and cash equivalents	274,016	60,137	325,735	39,606
Short-term investments	0	0	0	0
Loans due for repayment within one year	-24,760	-35,463	-29,044	-38,304
Other interest-bearing liabilities due for repayment within one year	0	0	0	0
Liabilities due for repayment within one year as a result of the deferral of payment of taxes and charges because of Covid-19	0	-7,750	0	-12,626
Loans due for repayment after one year or more	-525,750	-144,203	-525,145	-142,442
= Net debt	-276,495	-127,278	-228,455	-153,766
Divided by EBITDA, rolling 12 months	69,624	49,704	57,261	46,224
= Net debt-to-EBITDA	4.0	2.6	4.0	3.3

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 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 comparative figures are not presented for periods before the bond loan was issued, in May 2021. The Group's definition is unchanged from previous periods.

SEK thousands	2022 Mar 31	2021 Dec 31
Cash and cash equivalents	274,016	325,735
Excluding cash from bond loan deposited in escrow account	0	-168,274
Excluding purchase price paid in cash for acquisitions after the end of the reporting period net with acquired cash and cash equivalents	-146,205	-65,917
Loans due for repayment within one year	-24,760	-29,044
Loans due for repayment after one year or more	-525,750	-525,145
Excluding bond loan related to cash from bond loan deposited in escrow account	0	168,274
Excluding loans for leases classified as non-financial leases according to Swedish tax law	40,619	37,011
Acquisition-related liabilities due for payment within one year	-4,632	0
Acquisition-related liabilities due for payment after one year or more	-56,511	-21,253
Acquisition-related liabilities for acquisitions after the end of the reporting period due for payment after one year or more	-7,183	-37,159
= Net debt according to bond term sheet	-450,407	-315,772
EBITDA rolling 12-month period	69,624	57,261
Plus reversal of acquisition costs rolling 12-month period	3,022	2,837
Minus reversal of revaluation of estimated earn-outs for completed acquisitions rolling 12-month period	0	0
Plus pro forma EBITDA from new acquisitions	42,383	22,929
Plus pro forma EBITDA from new acquisitions after the end of the reporting period	43,800	17,126
= EBITDA rolling 12-month period according to bond term sheet	158,829	100,154
= Net debt-to-EBITDA according to bond term sheet	2.8	3.2

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	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Profit/loss for the period	70	2,515	2,805	14,637
Plus reversal of tax on profit/loss for the year	506	934	4,853	3,219
= Profit/loss after net financial items	576	3,449	7,658	17,857
Divided by net revenue	162,397	87,737	465,953	358,487
= Net margin as a %	0.4%	3.9%	1.6%	5.0%

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	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	70	2,515	2,805	14,637
Plus reversal of tax on profit/loss for the period	506	934	4,853	3,219
Plus reversal of financial expenses	16,607	2,617	37,423	16,610
Minus reversal of financial income	-731	-41	-1,535	-210
= Operating profit/loss (EBIT)	16,452	6,024	43,546	34,257
Divided by net revenue	162,397	87,737	465,953	358,487
= Operating margin as a %	10.1%	6.9%	9.3%	9.6%

Operating profit/loss (EBIT)

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

SEK thousands	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	70	2,515	2,805	14,637
Plus reversal of tax on profit/loss for the period	506	934	4,853	3,219
Plus reversal of financial expenses	16,607	2,617	37,423	16,610
Minus reversal of financial income	-731	-41	-1,535	-210
= Operating profit/loss (EBIT)	16,452	6,024	43,546	34,257

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	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
Other external expenses	-20,165	-8,269	-47,334	-27,060
Personnel costs	-45,587	-21,102	-112,468	-70,929
Other operating expenses	-375	89	0	-1,600
= OPEX	-66,127	-29,281	-159,802	-99,589

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.

Profit/loss before tax (EBT)

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

SEK thousands	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
Profit/loss for the period	70	2,515	2,805	14,637
Plus reversal of tax on profit/loss for the period	506	934	4,853	3,219
= Profit/loss before tax (EBT)	576	3,449	7,658	17,857

Condensed parent company income statement

SEK thousands	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Net revenue	7,331	5,208	24,814	19,448
Capitalized work on own account	0	0	0	0
Other operating income	0	0	0	0
	7,331	5,208	24,814	19,448
Cost of materials	0	0	0	0
Other external expenses	-3,447	-1,897	-8,479	-5,932
Personnel costs	-3,971	-3,672	-14,601	-11,850
Depreciation and amortization	-55	-37	-181	-306
Other operating expenses	0	0	-9	-1
	-7,473	-5,606	-23,271	-18,090
Operating profit/loss (EBIT)	-141	-398	1,543	1,358
Net financial items	-10,190	-2,637	-21,933	1,164
Profit/loss after financial items (EBT)	-10,331	-3,035	-20,390	2,522
Appropriations	0	0	21,550	11,330
Tax	7	0	-1,807	-1,829
Profit/loss for the period	-10,324	-3,035	-647	12,024
Parent company statement of comprehensive income				
Profit/loss for the period	-10,324	-3,035	-647	12,024
Other comprehensive income for the period	0	0	0	0
Comprehensive income for the period	-10,324	-3,035	-647	12,024

Condensed parent company balance sheet

SEK thousands	2022 Mar 31	2021 Mar 31	2021 Dec 31	2020 Dec 31
ASSETS				
<i>Non-current assets</i>				
Intangible non-current assets	312	154	323	181
Property, plant and equipment	305	199	281	154
Non-current financial assets	380,821	212,971	379,734	212,971
Deferred tax assets	10,522	12,329	10,522	12,329
<i>Total non-current assets</i>	<i>391,960</i>	<i>225,653</i>	<i>390,860</i>	<i>225,636</i>
<i>Current assets</i>				
Other current receivables	256,674	45,141	141,549	40,767
Short-term investments ¹	0	0	0	0
Cash and bank balances	238,653	39,801	286,161	11,484
<i>Total current assets</i>	<i>495,328</i>	<i>84,942</i>	<i>427,710</i>	<i>52,251</i>
TOTAL ASSETS	887,288	310,595	818,570	277,887
EQUITY AND LIABILITIES				
<i>Equity</i>	<i>308,528</i>	<i>106,526</i>	<i>223,101</i>	<i>83,093</i>
<i>Non-current liabilities</i>				
Interest-bearing liabilities ¹	485,148	135,844	487,146	135,337
Other non-current liabilities	44,004	0	54,488	0
<i>Total non-current liabilities</i>	<i>529,152</i>	<i>135,844</i>	<i>541,634</i>	<i>135,337</i>
<i>Current liabilities</i>				
Interest-bearing liabilities	0	11,000	0	11,500
Current tax liabilities	347	858	865	850
Trade payables	1,698	1,938	4,473	1,555
Other current liabilities	47,562	54,429	48,496	45,552
<i>Total current liabilities</i>	<i>49,608</i>	<i>68,225</i>	<i>53,834</i>	<i>59,457</i>
TOTAL EQUITY AND LIABILITIES	887,288	310,595	818,570	277,887

Note 1 As at March 31, 2021, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,110 thousand. 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.

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 creates modern research environments by providing laboratory furnishings, safety ventilation, climate rooms, clean rooms, and laboratory apparatus to the pharmaceutical and life science research industries.

ADDvise delivers turnkey solutions to all types of research facilities. Customers are found both within the public and private sectors. Other important customers are found in the education sector, from primary schools to universities.

Healthcare business unit

The Healthcare business unit manufactures and distributes medical equipment and consumables, both advanced and conventional. It is one of the market leaders in delivering medical technology products and consumables – everything from pacemakers to advanced chairs for urology and gynecology.

Customers are found within ambulance and emergency care, surgery, and general medical care. The business includes the manufacturing and sale of proprietary products, as well as the distribution of well-known brands within medical technology and consumables for healthcare.

SEK thousands	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Lab business unit	65,437	37,915	217,162	151,043
Healthcare business unit	96,960	49,822	248,791	207,444
Total external net revenue	162,397	87,737	465,953	358,487
Lab business unit	373	287	1,255	1,292
Healthcare business unit	127	1	746	596
Total internal income	500	288	2,001	1,888
Lab business unit	6,191	4,603	26,275	17,278
Healthcare business unit	15,622	4,594	32,034	20,794
Total operating profit/loss before depreciation and amortization (EBITDA)	21,813	9,197	58,309	38,072
Acquisition costs in Other external expenses	-185	0	-2,798	-196
Unallocated Group income	0	0	0	7,429
Unallocated Group expenses	-401	-334	1,751	919
Depreciation and amortization	-4,774	-2,839	-13,716	-11,967
Net financial items	-15,876	-2,575	-35,888	-16,400
Consolidated profit/loss before tax (EBT)	576	3,449	7,658	17,857

As of the interim report for January–March 2022, acquisition costs and other items attributable to acquisitions are no longer allocated to the business units. This means that the segment's EBITDA is recognized excluding acquisition costs and other items attributable to acquisitions. In the table above, acquisition costs are reported on the line *Acquisition costs in Other external expenses*. Other items attributable to acquisitions, such as revaluations of liabilities for contingent earn-outs for completed acquisitions, are recognized on the lines *Unallocated Group income* and *Unallocated Group expenses*. Comparative figures have been restated for comparative periods in 2021 and for the full year 2020.

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

Note 5 Business combinations

During the reporting period, two acquisitions were completed: Poly Pharmaceuticals Inc and JTECH Medical.

On February 18, 2022, ADDvise completed the acquisition of Poly Pharmaceuticals Inc (Poly Pharma). ADDvise acquired 100 percent of the shares in Poly Pharma. The closing date was February 18, 2022. Poly Pharma is consolidated in the ADDvise Group from February 12, 2022. Poly Pharma is an American pharmaceutical company specializing in developing, manufacturing and marketing over-the-counter generic pharmaceuticals for the treatment of cough, cold, allergy and sinusitis, as well as for 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.

On March 3, 2022, ADDvise completed the acquisition of JTECH Medical (JTECH). ADDvise acquired 100 percent of the shares in JTECH. The closing date was March 3, 2022. JTECH is consolidated in the ADDvise Group from March 3, 2022. JTECH is an American medtech company specializing in developing software and instruments to quantify patients' range of motion, pain, and strength in muscles during rehabilitation of muscle disorders. The company's products are primarily used by chiropractors, physicians and physiotherapists. The products are sold globally. JTECH is based in Salt Lake City, Utah. The company's revenue consists partly of license revenue from the software, partly of revenue from the sale of corresponding instruments.

continuation of Note 5; see next page

Purchase prices

SEK thousands	JTECH Medical	Poly Pharmaceuticals Inc	Total
Cash	43,174	69,168	112,342
Holdback amount	2,427	37,159	39,585
Interest-free promissory note	0	0	0
Earn-outs	21,353	18,579	39,933
Total purchase price	66,953	124,906	191,860

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 interim report are preliminary only. Finalized purchase price allocations will be determined in time for the 2022 annual report.

SEK thousands	JTECH Medical	Poly Pharmaceuticals Inc	Total
Trademarks	20,440	44,431	64,871
Other intangible non-current assets	0	0	0
Property, plant and equipment	686	4,708	5,394
Non-current financial assets	44	1,993	2,037
Deferred tax assets	0	0	0
Inventories	4,125	4,524	8,648
Contract assets	3,667	0	3,667
Trade receivables	1,572	15,434	17,006
Short-term investments	0	0	0
Other current receivables	1,237	615	1,852
Cash and cash equivalents	2,198	1,217	3,415
Deferred tax liabilities	-7,572	-12,218	-19,789
Other non-current liabilities	0	0	0
Interest-bearing liabilities	0	-4,587	-4,587
Current tax liabilities	0	0	0
Contract liabilities	0	0	0
Trade payables	-750	-1,404	-2,154
Other current liabilities	-3,088	-7,475	-10,563
Acquired identifiable net assets	22,560	47,238	69,798
Goodwill	44,393	77,668	122,062
Acquired net assets	66,953	124,906	191,860

Revenue and profit from acquisitions

The newly acquired subsidiaries contributed revenues of SEK 13.5 million and a net profit of SEK 4.3 million to the ADDvise Group for the period from the first date of consolidation until March 31, 2022. If the acquisition dates had been at the beginning of the financial year, the newly acquired subsidiaries would have contributed revenues of SEK 27.5 million and a net profit of SEK 5.9 million to the Group for the period January 1–March 31, 2022.

Transaction costs

Transaction costs related to the acquisitions of SEK 5.8 million are recognized during the period January–March 2022 as costs in the consolidated statement of comprehensive income. SEK 0.2 million is reported in Other external expenses and SEK 5.6 million is reported in Net financial items.

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	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec	2020 Jan–Dec
Cash purchase consideration	123,050	0	193,218	4,956
Holdback amounts and interest-free promissory notes	39,585	0	21,330	0
Cash and cash equivalents acquired	3,415	0	17,302	0
Net outflow of cash and cash equivalents	159,220	0	197,247	4,956

The cash purchase consideration for the period January–March 2022 comprises payments to the former owners of JTECH Medical and Poly Pharmaceuticals Inc, and payments of additional purchase considerations to the former owners of ADDvise's subsidiaries acquired before 2022.

The cash purchase consideration for the period January–December 2021 comprises payments to the former owners of MRC Systems FZE, MediSuite LLC, Graham Medical Technologies LLC and Southern Life Systems Inc.

The cash purchase consideration for the period 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	2022 Mar 31	2021 Mar 31	2021 Dec 31	2020 Dec 31
Assets				
Long-term lease receivables	14,641	-	14,119	-
Total non-current contract assets	14,641	-	14,119	-
Current lease receivables	18,459	-	15,076	-
Accrued income	44,986	1,388	33,291	727
Total current contract assets	63,445	1,388	48,367	727
Trade receivables	94,477	42,598	96,808	44,930
Total assets	172,564	43,987	159,294	45,657

Contract liabilities

Advances from customers	3,360	199	2,925	473
Deferred income	8,820	1,080	10,685	830
Total contract liabilities	12,180	1,279	13,610	1,303
Total liabilities	12,180	1,279	13,610	1,303

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. Geographical allocation of income is also presented based on the domicile of the operations.

Primary geographic markets by segment based on customer domicile

SEK thousands	2022 Jan–Mar			2021 Jan–Mar		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	36,764	8,302	45,066	37,890	11,823	49,713
Europe, excluding Sweden	2,192	22,962	25,154	25	18,763	18,788
North America	0	62,978	62,978	0	19,041	19,041
Africa	2,140	2	2,142	0	0	0
Asia	24,341	2,690	27,031	0	195	195
Other	0	26	26	0	0	0
Total	65,437	96,960	162,397	37,915	49,822	87,737

continuation of Note 7; see next page

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
Total	217,162	248,791	465,953	151,043	207,444	358,487

Geographic allocation by segment based on domicile of operations

SEK thousands	2022 Jan–Mar			2021 Jan–Mar		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	36,936	24,801	61,738	37,915	20,063	57,978
Europe, excluding Sweden	1,751	13,334	15,085	0	16,465	16,465
North America	0	58,825	58,825	0	13,294	13,294
Africa	0	0	0	0	0	0
Asia	26,749	0	26,749	0	0	0
Other	0	0	0	0	0	0
Total	65,437	96,960	162,397	37,915	49,822	87,737

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
Total	217,162	248,791	465,953	151,043	207,444	358,487

Principal goods/services January–March 2022

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	29,917	58,977	88,894
Sale of goods: treatment tables/chairs for healthcare	0	18,391	18,391
Sale of goods under construction contracts	33,539	0	33,539
Sale of pharmaceuticals	0	16,730	16,730
Services	1,980	2,862	4,843
Total	65,437	96,960	162,397

Principal goods/services January–March 2021

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

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	271,324
Sale of goods: treatment tables/chairs for healthcare	0	58,230	58,230
Sale of goods under construction contracts	103,508	0	103,508
Sale of pharmaceuticals	0	7,352	7,352
Services	11,067	14,471	25,538
Total	217,162	248,791	465,953

Principal goods/services January–December 2020

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	122,743	142,561	265,304
Sale of goods: treatment tables/chairs for healthcare	0	47,900	47,900
Sale of goods under construction contracts	17,037	4,612	21,648
Sale of pharmaceuticals	-	-	-
Services	11,263	12,372	23,635
Total	151,043	207,444	358,487

Time of revenue recognition January–March 2022

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	31,897	91,944	123,842
Goods and services transferred to customers over a period of time	33,539	5,016	38,555
Total	65,437	96,960	162,397

Time of revenue recognition January–March 2021

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

continuation of Note 7; see next page

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	347,709
Goods and services transferred to customers over a period of time	103,508	14,735	118,244
Total	217,162	248,791	465,953

Time of revenue recognition January–December 2020

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

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

	March 31, 2022		
SEK thousands	Level 1	Level 2	Level 3
Short-term investments	-		
Contingent purchase consideration			126,223
Total	0	0	126,223

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

Note 1

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

	December 31, 2021		
SEK thousands	Level 1	Level 2	Level 3
Short-term investments ¹	0		
Contingent purchase consideration			96,768
Total	0	0	96,768

Note 1

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

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

Note 1

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

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 purchase 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 purchase 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 6.3 million on profit/loss before tax.

Note 9 Financial risks

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

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

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

Note 10 Number of shares

	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
Weighted average number of shares before dilution	168,184,196	121,159,675	143,133,781	96,913,631
Adjustment on the calculation of basic earnings per share:				
Warrants	-	-	-	16,220,276
Weighted average number of shares after dilution	168,184,196	121,159,675	143,133,781	113,133,907

At the time of publication of this interim report, there were no warrants issued by the Group.

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.

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

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

State subsidies that are intended to compensate the company for costs relating to short-time working and similar personnel costs are recognized in profit and loss in the same period as the costs for which the subsidies are intended to compensate. The subsidies are recognized on the same rows as the costs in the consolidated statement of comprehensive income. During the Covid-19 pandemic, ADDvise has received subsidies for sick pay costs and subsidies for personnel 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	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec
State subsidies relating to short-time working and similar subsidies for personnel costs	70	866	2,997	5,203
State subsidies relating to sick pay costs	48	25	43	106
Temporarily reduced employer's contributions	0	0	0	1,238
Total	118	891	3,040	6,547

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

SEK thousands	2022 Mar 31	2021 Mar 31	2021 Dec 31	2020 Dec 31
Other current liabilities relating to the payment of subsidies not yet recognized in profit and loss	0	1,212	0	306
Total	0	1,212	0	306

Liabilities relating to the payment of subsidies in advance result in a contingent liability to repay portions of the subsidy in the event that the reporting is not approved. At the end of the reporting period, this contingent liability amounted to SEK 1,087 thousand (2,516).

Other information

Publication dates for financial information

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 April 22, 2022 at 08.45 CEST.

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

For further information, please contact:

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

Sebastian Robson, CFO
+46 (0)70-441 84 48
sebastian.robson@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 interim report

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

Declaration

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

Stockholm, April 22, 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*