

# ADDvise

*Annual report 2023*

# Contents

<b>CEO's comments</b>	<b>4</b>
<b>About ADDvise</b>	<b>5</b>
<b>Financial targets</b>	<b>7</b>
<b>Sustainability</b>	<b>8</b>
<b>Key performance indicators</b>	<b>9</b>
<b>Executive Management</b>	<b>10</b>
<b>Board of Directors</b>	<b>11</b>
<b>Annual General Meeting</b>	<b>12</b>
<b>Shares and ownership structure</b>	<b>13</b>
<b>Directors' Report</b>	<b>15</b>
<b>Financial statements</b>	<b>24</b>
Consolidated statement of comprehensive income	24
Consolidated statement of financial position	25
Consolidated statement of changes in equity	26
Consolidated statement of cash flows	27
<b>Definitions of key performance indicators</b>	<b>28</b>

*Please note that ADDvise's 2023 annual report in English is an excerpt containing pages 1 to 27 plus note K20 from ADDvise's 2023 annual report in Swedish.*

## Reporting dates

Interim Report (Jan–Mar 2024)	April 18, 2024
Annual General Meeting	May 3, 2024
Interim Report (Jan–Jun 2024)	July 18, 2024
Interim Report (Jan–Sep 2024)	October 24, 2024
Year-end Report 2024	February 20, 2025

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**ADDvise's mission is to extend, improve, and save people's lives by developing and providing products and services for healthcare and research.**

# A year of continued growth and record earnings

2023 was a remarkable year for ADDvise. We grew revenue by 44% while more than doubling EBITDA to SEK 426 million, corresponding to a margin of 31%. For the first time we reported a net profit for the year exceeding SEK 100 million. We added four new companies to the Group which now spans 21 businesses across Healthcare and Lab.

In July, 2023, we announced two financial targets for the year: To reach pro forma sales of SEK 1.7 billion and pro forma EBITDA of SEK 500 million. During the year we also reviewed our long-term financial targets and set ourselves more ambitious targets for growth and EBITDA margin. I am pleased to see that both the short-term and the long-term financial targets were surpassed in 2023. This performance was enabled by a strong development across both our business areas, in particular within pharmaceuticals and laboratory equipment, which performed above our expectations as regards both volumes and margins in 2023.

Full-year organic growth amounted to 5%, which is in line with our ambition to over time track the growth trend of our underlying markets.

Cash flow from operations improved in 2023 and amounted to SEK 332 million. This corresponds to a cash conversion of 78%, compared with 62% in 2022. Our focused efforts to further improve cash flow will continue in the year ahead, as will the work to improve our finance cost and tax position to maximise the results of our strong operating results.

Four new companies joined the Group in 2023, two in each segment. Kolplast strengthens the Healthcare business unit with a broad portfolio of proprietary medical equipment within women's health in the large and rapidly growing Brazilian market. Diabetic Supplies is a US-based provider of medical equipment for diabetes patients offering considerable potential for synergies with our existing diabetes offering.

On the Lab side, Axelerist is a US-based provider of tailored equipment rental and purchase solutions for clinical studies. The company is an existing partner to our subsidiary CliniChain and will make a great geographic addition to our offering in the clinical trials space. Lastly, Ireland-based Labplan is a high value-add distributor of advanced instruments, consumables and service to the life science and biopharmaceutical industry.



We continue to see ample opportunities to strengthen our offering and build density in selected areas and will remain acquisitive, but selective.

Looking to 2024, we are entering the year with a broader and more diversified life science group than ever before. We have strengthened our organisation to enable us to better support our group companies, drive further performance improvements through our operational playbook, and raise the bar on our sustainability work. Activity levels in our markets remain generally robust, supported by long-term demographic trends. Although we are facing some challenging comparables after a record 2023, I am confident that the Group is well positioned for continued profitable growth.

Lastly, I would like to thank all my colleagues, old and new, for their dedicated efforts in enabling the Group to deliver on its mission to contribute to extending, improving, and saving people's lives.

Rikard Akhtarzand,  
CEO, ADDvise Group AB (publ)

# A growing international group within life science

ADDvise is a growing international life science group. Our business model has proven to be successful and provide long-term and good returns, with the aim of creating sustainable value growth. The combination of acquisitions and organic growth is the basis of the Group's growth strategy. Constant work on new acquisitions takes place alongside the development of our existing business units.

ADDvise is a long-term owner that operates a decentralized ownership model, and our focus is to maintain the spirit of entrepreneurship and business acumen at a local level in the companies that we acquire.

## Our business concept

ADDvise aims to extend, improve and save people's lives by developing and providing products and services for healthcare and research.

## Our acquisition strategy

Acquisitions is one of the most important components of ADDvise's growth strategy. The purpose of acquisitions is to create critical mass in the different industries in which the Group operates. The industrial logic in the acquisitions should create long-term value for the Company's shareholders. We focus exclusively on companies within the life science sector.

## ADDvise as an investment

ADDvise offers complete solutions in the form of products and services for healthcare and research facilities.

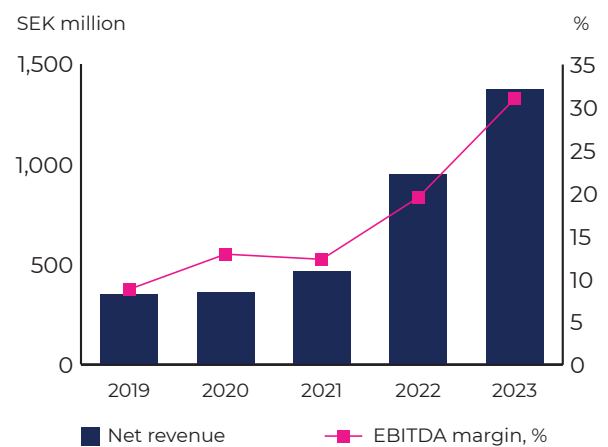
## Strong trends and long-term growth

Several factors contribute to the long-term demand for products and services in the life science and medical technology markets. There is a substantial need for increased capacity and modernization in both the private and public healthcare and lab sectors. An additional factor is that populations are growing and aging in most countries. This creates long-term demand for our products.

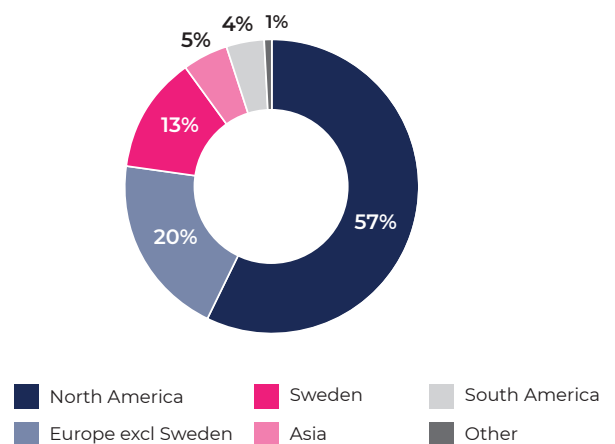
**SEK 1,373 M**

Net revenue 2023

Net revenue and EBITDA margin



Net revenue by geographic market



**Growth**

ADDvise’s business model has proven to be successful and provide long-term and good returns with the aim of creating sustainable value growth. The basis of the growth strategy is a combination of acquisitions and organic growth. Constant work on new acquisitions takes place alongside the development of our business units. ADDvise operates a decentralized ownership model and provides strategic support and industry-specific knowledge to all subsidiaries.

**ADDvise as an owner**

Acquisitions is one of the key components of ADDvise’s growth strategy. We are long-term owners that operate a decentralized ownership model, and our focus is on maintaining entrepreneurship and business acumen at a local level in acquired companies.

**Decentralization**

Every company within the Group functions as a separate entity and operates independently so as to retain its own strategy and culture. This enables product development and key commercial decisions to be made closest to customers, based on individual cultural and geographical considerations.

**Support and knowledge exchange**

Subsidiaries of the ADDvise Group are offered central support in everything from high-level strategic decisions to advice on pricing, marketing, and how to optimize their balance sheet and working capital.

Increasingly complex regulations are creating significant barriers for smaller players who struggle to allocate sufficient resources to ensure full compliance. A Group-level QA/RA (quality assurance/regulatory affairs) function offers the subsidiaries support and guidance to ensure that the Group’s companies comply with applicable quality standards, laws, and regulations.

ADDvise encourages the sharing of knowledge, experience and business opportunities with other subsidiaries within the Group.

# Financial targets

## 2023 targets

ADDvise's targets for 2023 were to achieve an EBITDA of SEK 500 million and net revenue of SEK 1.7 billion by the end of the year, on a rolling 12-month pro forma basis.

Pro forma EBITDA for 2023 was SEK 578.7 million, and pro forma net revenue was SEK 1.8 billion.

## Long-term financial targets

ADDvise's long-term financial targets represent an ambition to be achieved over several years, partly through organic growth and partly through acquisitions. The targets are set within four areas: growth, profitability, capital structure, and dividend.

### Growth

ADDvise aims to achieve annual revenue growth of at least 30 per cent, through a combination of organic growth and acquisitions. **Outcome 2023: 44.3 per cent.**

### Profitability

ADDvise aims to achieve an EBITDA margin of 28 per cent. **Outcome 2023: 31.0 per cent.**

### Capital structure

ADDvise's ratio of interest-bearing net debt to EBITDA must not exceed 3.0 x. **Outcome 2023: 2.3 x.**

### Dividend

25 per cent of the preceding year's profit, excluding the revaluation of additional purchase considerations, is to be distributed to the shareholders. **Outcome 2023: The Board's proposal to the Annual General Meeting is that no dividend should be paid for 2023.**

# Sustainability

ADDvise aims to extend, improve and save people's lives by developing and providing products and services for healthcare and research. This is a social responsibility that contributes to a more sustainable society. But there is more to sustainability than that. It is about taking responsibility and having influence at all levels. Sustainable for the environment, sustainable from a social perspective, and sustainable from a business perspective. Together with our subsidiaries, we can make a big difference.

In 2023, we continued to work on developing and improving our sustainability work. More information is presented in our separate sustainability report.

## Sustainability goals for 2030

ADDvise's long-term sustainability goals are clearly linked to the vision of contributing to a sustainable society through products and services that extend, improve, and save people's lives.

The sustainability goals, in combination with the financial targets, must ensure that the Company steers towards long-term profitable and sustainable growth.

### Environment

- » Reduce CO2 intensity by 50%.

### Finance/governance

- » Every company in the Group should have incentives linked to sustainability-related objectives.
- » 100% of acquisitions should contribute to the United Nations Sustainable Development Goal 3, Good Health and Well-being, and also meet the requirements of our sustainable investment policy.
- » 1.5% of net revenue should be allocated to development of products that extend, improve, and save people's lives.

### Social

- » Achieve an equal gender distribution of people on the Board and in senior positions (the distribution of men and women is within the range 40–60%).
- » All companies in the Group should comply with the code of conduct.
- » Max. absence due to illness of 5%.
- » Zero vision for workplace accidents.





# Key performance indicators

SEK MILLION	2023	2022
Net revenue	1,373.0	951.5
Gross margin	65.1%	59.6%
EBITDA	425.5	185.1
EBITDA margin, %	31.0%	19.5%
Adjusted EBITDA	419.0	174.9
Adjusted EBITDA margin, %	30.5%	18.4%
Operating profit/loss (EBIT)	316.8	157.2
Operating margin, %	23.1%	16.5%
Profit/loss before tax (EBT)	164.3	108.0
Net margin, %	12.0%	11.3%
Profit/loss for the year	103.5	81.1
Adjusted profit/loss for the year	139.8	88.3
Equity ratio, %	18.7%	25.0%
Net debt	-1,227.0	-666.8
Net debt-to-EBITDA	2.3	2.8
Number of employees at year-end	624	351
Equity per share in SEK	3.26	2.73
Basic earnings per share in SEK	0.55	0.45
Diluted earnings per share in SEK	0.55	0.45
Number of shares at end of period	188,184,197	180,491,889
Average number of shares before dilution	185,802,743	177,457,115
Average number of shares after dilution	185,802,743	177,457,115

For definitions of key performance indicators, see page 28.

# Executive Management



## Rikard Akhtarzand

CEO

**Born:** 1972

**Shareholding:**

11,308,909, of which  
2,620,416 are class A shares  
and  
8,688,493 are class B shares



## Fredrik Mella

COO and Senior Vice  
President

**Born:** 1970

**Shareholding:**

246,951, of which  
0 are class A shares and  
246,951 are class B shares



## Hanna Myhrman

General Counsel

**Born:** 1992

**Shareholding:**

13,224, of which  
0 are class A shares and  
13,224 are class B shares



## Oliver Humlen

CFO

**Born:** 1991

**Shareholding:**

200,000, of which  
0 are class A shares and  
200,000 are class B shares

# Board of Directors



## Staffan Torstensson

Chair of the Board,  
Member of the Audit  
Committee

**Born:** 1972

**Other assignments:**  
Active partner Evli  
Plc, board member  
of Tuida Holding AB,  
board member of  
GB Tennis AB and  
board member of  
Glase Energy AB

**Shareholding:**  
3,926,660, of which  
610,000 are class A  
shares and 3,316,660  
are class B shares



## Johanne Louise Brændgaard

Board Member

**Born:** 1974

**Other assignments:**  
Chief Marketing  
Officer of  
Visiopharm

**Shareholding:**  
0



## Fredrik Celsing

Board Member

**Born:** 1967

**Other assignments:**  
President and CEO  
of Kamic Group AB  
and Amplex AB.

**Shareholding:**  
37,589, of which  
37,589 are class B  
shares



## Anna Ljung

Board Member,  
Chair of the Audit  
Committee

**Born:** 1980

**Other assignments:**  
CEO of Moberg  
Pharma AB, board  
member of Saniona  
AB.

**Shareholding:**  
0



## Erland Pontusson

Board Member

**Born:** 1953

**Other assignments:**  
-

**Shareholding:**  
215,078, of which  
27,980 are class A  
shares and 187,098  
are class B shares

# Annual General Meeting

ADDvise Group AB (publ), reg. no. 556363-2115, hereby convenes the annual general meeting on 3 May 2024 at 10:00 CEST at Grev Turegatan 30 in Stockholm. Entrance and registration start at 09.30 CEST.

## Notification

Shareholders wishing to attend the annual general meeting must:

- » be registered in the share register kept by Euroclear Sweden AB on the record date 24 April 2024, or, if the shareholder has had his/her shares registered in the name of a nominee, request that the nominee registers the shares for voting purposes in such time that the registration is completed no later than 26 April 2024,
- » give notice of attendance no later than 26 April 2024.

Notice of attendance shall be sent by e-mail to [hanna.myhrman@addvisigroup.se](mailto:hanna.myhrman@addvisigroup.se), or by regular mail to

ADDvise Group AB (publ)  
Attn: Hanna Myhrman  
Grev Turegatan 30  
114 38 Stockholm

The notice shall state the name, personal identification number or corporate registration number, address and telephone number and, where applicable, details of representatives, proxy holders and advisors.

A shareholder who wishes to be represented by proxy shall issue a written and dated proxy to the proxy holder. If the proxy is issued by a legal entity, a copy of the registration certificate or corresponding document shall be enclosed. The proxy must not be more than one year; however, the proxy may be older if it is stated that it is valid for a longer term, not exceeding five years. A proxy form will be available on ADDvise Group AB (publ)'s website, [www.addvisigroup.com](http://www.addvisigroup.com).

Please note that notice of participation in the annual general meeting must be made even if the shareholder wishes to exercise his/her voting rights by proxy. A submitted proxy is not valid as notice of attendance to the annual general meeting.

In order to facilitate entry to the annual general meeting, the proxy, registration certificate and other authorisation documents (as applicable) should be received by ADDvise Group AB (publ) at ADDvise Group AB (publ), Attn. Hanna Myhrman, Grev Turegatan 30, 114 38 Stockholm no later than 29 April 2024.

# Shares and ownership structure

## Share capital

The share capital was SEK 18,818,419.70 as at December 31, 2023, divided into 188,184,197 shares, of which 7,619,439 class A shares and 180,564,758 class B shares. Class A shares provide the right to one (1) vote and class B shares provide the right to one-tenth (1/10) of a vote.

The share capital was SEK 19,883,419.70 as at March 14, 2024, divided into 198,834,197 shares, of which 7,619,439 class A shares and 191,214,758 class B shares. Class A shares provide the right to one (1) vote and class B shares provide the right to one-tenth (1/10) of a vote.

## Development of share capital

The share capital has developed as follows:

Type of change	Year	No. of new A shares	No. of new B shares	Total no. of shares	Change in share capital, SEK	Total share capital, SEK
Initial share capital	1989	2,000		2,000	200,000	200,000
Bonus issue	1990			2,000	200,000	400,000
Exchange of convertible bonds	1994	733		2,733	146,600	546,600
Bonus issue	1995			2,733	546,600	1,093,200
Stock split 399:1	1997	1,090,467		1,093,200		1,093,200
New share issue	2010	2,186,400		3,279,600	2,186,400	3,279,600
New share issue	2011	638,298		3,917,898	638,298	3,917,898
New share issue	2011	570,000		4,487,898	570,000	4,487,898
New share issue	2012	697,674		5,185,572	697,674	5,185,572
New share issue	2012	190,000		5,375,572	190,000	5,375,572
New share issue	2013	917,432		6,293,004	917,432	6,293,004
New share issue	2014	1,326,435		7,619,439	1,326,435	7,619,439
Bonus issue	2015		7,619,439	15,238,878	7,619,439	15,238,878
New share issue	2016		7,229,300	22,468,178	7,229,300	22,468,178
New share issue	2016		3,791,469	26,259,647	3,791,469	26,259,647
New share issue	2016		2,173,000	28,432,647	2,173,000	28,432,647
Reduction of share capital	2016			28,432,647	-25,589,382	2,843,265
New share issue	2016		2,813,187	31,245,834	281,319	3,124,583
New share issue	2016		5,769,231	37,015,065	576,923	3,701,507
New share issue	2017		1,409,574	38,424,639	140,957	3,842,464
New share issue	2017		4,617,649	43,042,288	461,765	4,304,229
New share issue	2019		43,042,288	86,084,576	4,304,229	8,608,458
New share issue	2019		947,278	87,031,854	94,728	8,703,185
New share issue	2019		1,058,248	88,090,102	105,825	8,809,010
New share issue	2019		8,823,529	96,913,631	882,353	9,691,363
New subscription through warrants	2021		42,787,137	139,700,768	4,278,714	13,970,077
New share issue	2021		25,406,505	165,107,273	2,540,651	16,510,727
New share issue	2022		15,384,616	180,491,889	1,538,462	18,049,189
New share issue	2023		7,692,308	188,184,197	769,231	18,818,420
New share issue	2024		10,650,000	198,834,197	1,065,000	19,883,420

**Shareholders in ADDvise Group AB (publ)**

Ownership structure of ADDvise as at December 31, 2023, and known changes after this date up to and including February 29, 2024, before the directed new share issue in March, 2024.

Name	No. of shares	Class A shares	Class B shares	% of capital	% of votes
Per Åhlgren, through companies	33,000,727	0	33,000,727	17.54%	12.85%
Alcur Fonder	13,896,424	0	13,896,424	7.38%	5.41%
Berenberg Funds	11,862,599	0	11,862,599	6.30%	4.62%
Rikard Akhtarzand, privately and through companies	11,308,909	2,620,416	8,688,493	6.01%	13.59%
Magnus Vahlquist, privately and through companies	11,021,858	363,000	10,658,858	5.86%	5.57%
Kenneth Lindqvist, privately and through companies	6,979,415	1,399,585	5,579,830	3.71%	7.62%
Fondita Fund Management	6,677,833	0	6,677,833	3.55%	2.60%
eQ Asset Management	6,203,831	0	6,203,831	3.30%	2.42%
BI Asset Management	4,267,793	0	4,267,793	2.27%	1.66%
Staffan Torstensson, privately and through companies	3,926,660	610,000	3,316,660	2.09%	3.67%
Spiltan Fonder	3,500,000	0	3,500,000	1.86%	1.36%
Erik Mitteregger	3,300,000	0	3,300,000	1.75%	1.29%
Lupus Alpha	2,977,000	0	2,977,000	1.58%	1.16%
Fastighetsaktiebolaget Sigismund	2,517,827	0	2,517,827	1.34%	0.98%
Thomas Eklund	2,454,798	97,722	2,357,076	1.30%	1.30%
Ingvar Jensen, privately and through companies	1,872,957	148,202	1,724,755	1.00%	1.25%
Oxo Förvaltning AB	1,389,656	3,000	1,386,656	0.74%	0.55%
Nordea Funds	1,385,162	0	1,385,162	0.74%	0.54%
Mandarine Gestion	1,250,003	0	1,250,003	0.66%	0.49%
Niklas Borg	1,173,005	0	1,173,005	0.62%	0.46%
Other shareholders	57,217,740	2,377,514	54,840,226	30.41%	30.62%
<b>Total</b>	<b>188,184,197</b>	<b>7,619,439</b>	<b>180,564,758</b>	<b>100.00%</b>	<b>100.00%</b>

# Directors' Report

## January 1, 2023–December 31, 2023

The Board of Directors and the CEO of ADDvise Group AB (publ) hereby submit the annual report and consolidated financial statements for 2023.

### Information about the Company

ADDvise is an international life science group. Operating a decentralised ownership model, we develop and acquire high quality companies within the business areas Lab and Healthcare. The Group currently comprises more than 20 companies.

The parent company ADDvise Group AB (publ), company registration number 556363-2115, was registered on July 6, 1989, and has its registered office in Stockholm. ADDvise has 39 subsidiaries. For information on each subsidiary, see *Note K13 Holdings in other companies*. Operations are conducted in the parent company and all subsidiaries.

ADDvise's class A share is listed at the S SME multilateral trading facility, 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.

ADDvise's class B share is listed at the S SME multilateral trading facility, 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.

ADDvise's corporate bonds are registered for trading on the Corporate Bond List of Nasdaq Stockholm. The stock symbol for the bonds is ADDV26 and the ISIN code is SE0020180271.

Mangold Fondkommission AB is the Certified Adviser of ADDvise.

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

### The Group's development 2019-2023

SEK MILLION	2023	2022	2021	2020	2019
Net revenue	1,373.0	951.5	466.0	358.5	349.9
EBITDA	425.5	185.1	57.3	46.2	30.7
EBITDA margin, %	31.0%	19.5%	12.3%	12.9%	8.8%
Operating profit/loss (EBIT)	316.8	157.2	43.5	34.3	18.6
Operating margin, %	23.1%	16.5%	9.3%	9.6%	5.3%
Equity ratio, %	18.7%	25.0%	23.1%	26.3%	23.3%
Net debt	-1,227.0	-666.8	-228.5	-153.8	-182.8
Equity per share in SEK	3.26	2.73	1.50	0.94	0.87
Number of employees at year-end	624	351	285	108	127

## Market

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

### Lab business unit

Within Lab, ADDvise is a turnkey supplier of laboratory furnishings and apparatus to research facilities in both the public and private sectors, and solutions and equipment to contract research organizations.

### Healthcare business unit

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

## Outlook

Our assessment is that demand in our product segments will increase and that our diverse product portfolio and geographical presence will benefit us. ADDvise's long-term revenue growth is driven mainly by a growing and aging population, increased prevalence of chronic illnesses and greater investment in healthcare as well as in research and development. We are continuing to work proactively to expand our product portfolio through new acquisitions within both our business units.

## Net revenue and profit/loss

- » Net revenue for 2023 was SEK 1,373.0 million (951.5), an increase of 44.3 per cent compared with the previous year. The increase is mainly attributable to acquisitions. Organic growth was 5.0 per cent.
- » EBITDA for 2023 was SEK 425.5 million (185.1)
- » Operating profit for 2023 was SEK 316.8 million (157.2)
- » Profit for the year for 2023 was SEK 103.5 million (81.1)
- » Basic earnings per share for 2023 were SEK 0.55 (0.45). Earnings per share has been adjusted to take into account the new share issue in March, 2024.

## Financial position

### Acquisitions

ADDvise entered into the following share purchase agreements during the year:

- » Diabetic Supplies Inc (Diabetic Supplies), August 7, 2023, regarding the acquisition of all shares.
- » Kolplast CI S A (Kolplast), September 30, 2023, regarding the acquisition of all shares.
- » Axelerist Inc (Axelerist), November 22, 2023, regarding the acquisition of all shares.

- » Labplan Ltd (Labplan), December 22, 2023, regarding the acquisition of all shares.

For information on the acquired companies and purchase price allocations, see Note K12 *Business combinations*.

### Intangible non-current assets

The change in goodwill amounted to SEK 666.5 million (532.2). The change in trademarks amounted to SEK 148.3 million (195.7).

Intangible non-current assets other than goodwill and trademarks account for the majority of acquired customer relationships and capitalized expenditure for development work and similar activities. The change in acquired customer relationships amounted to SEK 134.9 million (108.5). Investments in capitalized expenditure for development work and similar activities totaled SEK 8.0 million (7.8).

ADDvise develops its own products within the fields of laboratory furnishings, safety ventilation, consumables for healthcare, safety products for healthcare, pharmaceuticals, and examination and operating tables. Work continued on modernizing the Group's product lines during 2023. The aim of this product development work is to improve profitability by reducing manufacturing costs and increasing sales by offering a competitive and attractive product range.

Investments in intangible non-current assets other than goodwill, trademarks, acquired customer relationships, and capitalized expenditure for development work and similar activities during the period totaled SEK 0.5 million (0.2) and primarily relate to investments in patents and websites.

### Property, plant, and equipment

Investments in property, plant, and equipment totaled SEK 55.5 million (12.5). Investments in property, plant, and equipment include leased non-current assets in accordance with IFRS 16 Leases.

## Equity

Equity at year-end was SEK 613.2 million (492.9), which corresponded to SEK 3.26 (2.73) per outstanding share at year-end before dilution. At the end of 2023, the Group's equity was wholly attributable to the shareholders of the parent company.

## Equity ratio

The equity ratio at year-end was 18.7% (25.0%). The decrease compared to the previous year is partly due to translation effects of foreign operations, which in 2023 negatively affected other comprehensive income by SEK 78.5 million.



## Net debt

Net debt at year-end was SEK 1,227.0 million (666.8). Calculated pro forma for cash purchase consideration paid in January 2024 for acquisitions consolidated in 2023, net debt was SEK 1,323.1 million. Pro forma EBITDA was SEK 578.7 million. This gave a pro forma interest-bearing net debt in relation to pro forma EBITDA of 2.3 (2.8).

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

Loans and other interest-bearing liabilities falling due within one year totaled SEK 90.0 million (33.5) at year-end. Loans and other interest-bearing liabilities due for repayment within one year include interest-bearing promissory notes for completed acquisitions of SEK 65.5 million (0.0), and lease liabilities of SEK 24.5 million (26.9), bank loans of SEK 0.1 million (5.9), and utilized overdraft facilities of SEK 0.0 million (0.8).

At the end of the year, loans and other interest-bearing liabilities due for repayment after one year or more totaled SEK 1,523.4 million (744.3). Loans due for repayment and other interest-bearing liabilities after one year or more include the Group's bond loan of SEK 1,425.2 million (628.3), which matures in May 2026, lease liabilities of SEK 66.6 million (49.8), interest-bearing promissory notes for completed acquisitions of SEK 31.6 million (65.7), and bank loans of SEK 0.0 million (0.6).

## Acquisition-related liabilities

Liabilities for completed acquisitions at year-end were SEK 708.8 million (348.9). The liabilities consist of interest-bearing promissory notes, interest-free promissory notes, interest-bearing holdback amounts, interest-free holdback amounts and contingent purchase considerations. At year-end, liabilities for contingent purchase considerations valued at fair value were SEK 443.4 million (200.3); see Note K7h *Calculation of fair value* and Note K12 *Business combinations*.

Of the total acquisition-related liabilities of SEK 708.8 million, SEK 395.9 million (65.6) were current and SEK 312.8 million (283.3) were non-current. Acquisition liabilities are recognized in the consolidated statement of financial position under "Current liabilities" on the lines "Interest-bearing liabilities" at SEK 65.5 million and "Other current liabilities" at SEK 330.4 million, as well as under "Non-current liabilities" on the lines "Interest-bearing liabilities" at SEK 31.6 million and "Other non-current liabilities" at SEK 281.2 million.

## Cash flow

### Cash and cash equivalents and short-term investments

Cash and cash equivalents at year-end totaled SEK 386.5 million (111.1). The Group had an overdraft facility of SEK 132.0 million (54.5) at year-end, of which SEK 0.0 million (0.8) was utilized. At the end of the year, no short-term investments were held.

### Operating activities

Operating cash flow for 2023 was SEK 175.0 million (109.9). The change in working capital was SEK 5.5 million (-19.7) as a result of focused efforts to reduce working capital in the subsidiaries.

Operating cash flow for 2023 was affected by the payment of income tax of SEK 76.0 million during the year, which consisted of both final tax for 2022 and preliminary tax for 2023.

### Investment activities

Investment cash flow for 2023 totaled SEK -684.9 million (-638.6). Cash purchase considerations for the acquisitions of Axelerist Inc, Kolplast CI SA and Labplan Ltd were paid during the year, along with settlement of purchase considerations with the former owners of subsidiaries acquired before 2023. Injections of cash and cash equivalents from acquired companies at the time of consolidation of acquisitions in the Group totaled SEK 54.8 million (16.2) for the year. See also Note K12 *Business combinations*.

### Financing activities

Financing cash flow for 2023 totaled SEK 783.5 million (303.0). During the year, ADDvise received SEK 100.0 million before issue costs in conjunction with a targeted new share issue and SEK 1,450.0 million before transaction costs in conjunction with a bond issue; also see *Significant events during the financial year*.

### Net cash flow

Net cash flow for 2023 was SEK 273.5 million (-225.7).

## Employees and organization

The average number of employees during the year was 427 (335).

At the time of publication of the annual report, the ADDvise Group has a shared organization with an executive management consisting of:

- » CEO, Rikard Akhtarzand
- » General Counsel, Hanna Myhrman
- » CFO, Oliver Humlen
- » COO and Senior Vice President, Fredrik Mella

## Sustainability report

The Board of ADDvise has prepared a sustainability report for 2023 in accordance with Chapters 6 and 7 of the Swedish Annual Accounts Act (1995:1554).

The sustainability report is a separate publication and is available on the Group's website, [www.addvisegroup.com](http://www.addvisegroup.com).

## Significant events during the financial year

### ADDvise carried out a directed new share issue of SEK 100 million in April 2023

On April 24, 2023, ADDvise completed a directed new share issue of 7,692,308 class B shares. The subscription price per new class B share in the directed new share issue was SEK 13.00, which was set through an accelerated book-building procedure carried out by the company's financial advisor ABG Sundal Collier. The Board deemed the issue price of the directed new share issue to be market-based, because it was determined through an accelerated book-building procedure and thus reflected prevailing market conditions and investor demand. The subscription price per class B share in the directed new share issue represented a discount of approx. 7.1 per cent compared with the closing price on the Nasdaq First North Premier Growth Market on April 24, 2023.

### ADDvise placed senior secured bonds of SEK 1,450 million

ADDvise issued senior secured bonds during the year within a maximum framework amount of SEK 2,000 million, with a volume of SEK 1,000 million on May 26, 2023 and a volume of SEK 450 million on October 30, 2023.

At year-end, a total of SEK 1,450 million was outstanding under the framework. The interest rate for the bond loan is 5.5% plus STIBOR 3 months, which is an improvement of 1.75 percentage points compared with the Group's previous bond loan. Part of the bond loan was used for early redemption of ADDvise bonds 2021/2024 with ISIN SE0015222088 on June 9, 2023.

### ADDvise made four acquisitions

ADDvise acquired 100 per cent of the shares in the following companies during the year:

- » Diabetic Supplies Inc
- » Kolplast CI S A
- » Axelerist Inc
- » Labplan Ltd

### ADDvise recruited Oliver Humlen as its new CFO

ADDvise recruited Oliver Humlen as its new CFO and member of the Group's executive management. Oliver has more than 10 years of investment banking experience and came to us from Pareto Securities, where he had been active in the Debt Capital Markets department for nine years (six as a partner). Before that, Oliver worked at Barclays in London in Mergers and Acquisitions. Oliver has a BSc in Business Management from King's College, London. Oliver took up his position on 18 September 2023.

## Significant events after the end of the financial year

See Note K16 *Significant events after the end of the financial year*.

## The share, share capital, and ownership structure

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

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

#### *Translation reserve*

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

#### *Fair value reserve*

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

Group reserves in MSEK	Fair value reserve	Translation reserve	Total reserves
<b>Opening carrying amount Jan 1, 2022</b>	-	<b>11.3</b>	<b>11.3</b>
Change for the year 2022	-	69.1	69.1
<b>Closing carrying amount Dec 31, 2022</b>	-	<b>80.4</b>	<b>80.4</b>
<b>Opening carrying amount Jan 1, 2023</b>	-	<b>80.4</b>	<b>80.4</b>
Change for the year 2023	-	-78.5	-78.5
<b>Closing carrying amount Dec 31, 2023</b>	-	<b>1.9</b>	<b>1.9</b>

### Largest shareholders

The largest shareholders at the end of 2023, and known changes after this date up to and including February 29, 2024, are shown in the table below:

	No. of shares	Equity, %	Votes, %
Per Åhlgren, through companies	33,000,727	17.54%	12.85%
Alcur Fonder	13,896,424	7.38%	5.41%
Berenberg Funds	11,862,599	6.30%	4.62%
Rikard Akhtarzand, privately and through companies	11,308,909	6.01%	13.59%
Magnus Vahlquist, privately and through companies	11,021,858	5.86%	5.57%

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

### Resolution to authorise the board of directors to issue shares, warrants and convertible debentures

The 2023 Annual General Meeting decided to give the Board the authority to decide on issues of shares, warrants, and/or convertibles debentures, within the framework of the applicable articles of association, on one or more occasions, with or without deviation from the preferential rights of the shareholders, until the next Annual General Meeting.

The board of directors proposes that the annual general meeting authorises the board of directors, within the limits of the current articles of association, until the next annual general meeting, on one or more occasions, with or without deviation from the shareholders' preferential rights, to resolve on the issue of shares, warrants and/or convertible debentures. Subscribed shares, warrants or convertible debentures shall be paid in cash, by set-off or in kind, or otherwise be subject to conditions. The authorisation shall be limited

so that the board of directors may not resolve upon issues of shares, convertibles debentures or warrants that entail that the total number of shares that are issued, issued through conversion of convertible debentures or issued through exercise of warrants exceeds 20 per cent of the total number of shares in the company at the time the board of directors exercises the authorisation for the first time.

If the board of directors resolves on a new issue of shares, warrants and/or convertibles debentures without preferential rights for the shareholders, the reason for the deviation shall be to raise new capital, to increase the company's financial flexibility and strengthen the company's own funds or to use shares as payment in connection with acquisitions. The issue of new shares pursuant to the authorisation shall be carried out on customary terms under current market conditions. If the board of directors deems it appropriate, an issue can be made at a subscription price corresponding to the quota value of the shares.

The board of directors, or the person appointed by the board of directors, shall be authorised to make the minor adjustments to the resolution that may be necessary in connection with registration with the Swedish Companies Registration Office.

### Dividend

The Board has decided to prioritize growth over paying a dividend in 2024, and is not proposing a dividend to the 2024 ADDvise Annual General Meeting.

### Corporate governance

ADDvise Group AB (publ) has prepared a separate corporate governance report; see pages 76–81 for information on the governance of ADDvise.

### Guidelines for the remuneration of senior executives 2023

The guidelines for the remuneration of senior executives were adopted by the 2020 Annual General Meeting.

### General

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

Variable remuneration for senior executives is determined on the basis of the achievement of predefined targets at Group and individual level relating to management and production results and the Company's financial performance in order to improve the Company's long-term value creation, and taking into account the personal development of the senior executive in question.

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

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

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

### **Fixed salary**

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

### **Variable remuneration**

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

In those cases where variable remuneration for senior executives is deemed appropriate, it must be determined (a) on the basis of the achievement of predefined targets at Group and individual level relating to management and production results and the Company's financial performance in order to improve the Company's long-term value creation and (b) taking into account the personal development of the senior executive in question. Targets for the CEO are set by the Board of Directors. Targets for other senior executives are set by the CEO on the recommendation of the Chairman of the Board. The terms and basis of calculation for variable remuneration must be determined each financial year.

The total amount of variable remuneration must not exceed the fixed salary paid to the senior executive in question during the period to

which the variable remuneration relates. When structuring variable remuneration for senior executives that is paid in cash, the Board of Directors must consider incorporating provisions that:

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

### **Long-term incentive schemes**

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

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

### **Pension benefits**

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

### **Non-monetary benefits**

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

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

The notice period between the Company and the CEO must be 6–18 months. Notice periods for other senior executives will normally be 3–12 months. Salary during the notice period and severance pay must under no circumstances exceed 18 months.

### **Consultancy fee**

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

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

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

### **Decision-making process**

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

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

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

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

The Company's nomination committee will normally consist of a representative of each of the three known shareholders in the Company with the largest shares of votes as at June 30 of the year before the Annual General Meeting and the Chairman of the Board, who will convene the first meeting of the nomination committee.

The nomination committee will appoint the member representing the shareholder with the largest share of votes or another member chosen by the nomination committee as chair.

If any of the three shareholders with the largest shares of votes do not take up a seat on the nomination committee, the seat will go to the shareholder with the fourth largest share of votes, and so on until three shareholders are represented. If a member leaves the nomination committee before the committee's work is completed, the shareholder will be entitled to appoint a new member.

If a shareholder who has appointed a member to the nomination committee ceases to be one of the three shareholders with the largest shares of votes, the member appointed by that shareholder must give up their seat. The new addition to the three shareholders with the largest shares of votes will be invited and entitled to appoint a member. The members of the nomination committee will not be replaced if there are only marginal changes in the number of votes or if the majority of the nomination committee's work is judged by the

chairman of the nomination committee to have been completed by the Annual General Meeting.

The names of the members of the nomination committee, together with the shareholders they represent, will be published no later than six months before the Annual General Meeting or, if there is a change in the membership after that time, as soon as the change takes place.

The task of the nomination committee is to propose a Chairman of the Annual General Meeting, Board of Directors, Chairman of the Board, auditor, Board and auditors' fees and any proposed changes to this nomination committee instruction at the following Annual General Meeting.

No fees will be paid by the Company to the members of the nomination committee. Any reasonable expenses that may arise in connection with the work of the nomination committee will be reimbursed by the Company.

## **Risks and risk management**

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

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

The Group has a presence and operates globally and is therefore naturally affected by currency fluctuations. ADDvise processes and procedures aim to avoid currency risk. The Group currently has sales primarily in SEK, USD, EUR, AED, and BRL, and also has costs in the same currencies, which in itself balances the currency risk. Exposure to other currencies is limited.

Liquidity risk is the risk of the Group having difficulty fulfilling its obligations in relation to financial liabilities. As of the balance sheet date, interest-bearing liabilities total SEK 1,613.4 million (777.8). The Group's operations also involve a liquidity risk, since large orders may tie up significant capital. To minimize the capital tie-up, the Company has payment terms with its customers that require a portion of the order value to be paid on signing of the order and then continuous payment during the completion of the order.

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

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

### Market and operational risks

#### *Macroeconomic conditions*

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

ADDvise's subsidiaries operate globally. ADDvise has no exposure to Ukraine or Russia.

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

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

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

#### *Competition*

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

Increased competition could therefore have a negative impact on the operations, performance, and financial position of ADDvise.

#### *Customers*

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

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

#### *Suppliers*

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

#### *Disputes*

Legal disputes involve an inherent risk of both losing the case and the costs of legal representation and—in the case of arbitration proceedings—the arbitration tribunal. There is always a risk of disputes arising in connection with contracts or agreements or of being unable to resolve disputes that have arisen in a way that is to the advantage of the Company. The Group holds patents and trademarks that are at risk of infringement. Legal proceedings may have a negative impact on the operations, financial position, and performance of ADDvise.

*Changes to legislation*

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

*Regulatory landscape*

ADDvise conducts business that expose the company to regulatory risks. The company offers pharmaceuticals and medical products for sale internationally, including on the American market. This involves risks primarily linked to product liability, market access, and patents. ADDvise's product portfolio of pharmaceuticals and medical products are deemed to be low risk relating to injury to patients. Flaws and defects in products distributed or manufactured by ADDvise can have a negative effect on the company's business.

**Parent company**

ADDvise Group AB, company registration number 556363-2115, is the parent company of the ADDvise Group and is a registered Swedish public limited company with its registered office in Stockholm. The address of the head office is ADDvise Group AB, Grev Turegatan 30, SE-114 38 Stockholm, Sweden.

The parent company provides support functions within finance, marketing, HR and management for the Group's subsidiaries. The parent company's net revenue was SEK 18.5 million (29.4), with the profit after financial items amounting to SEK -132.5 million (-10.7) and the balance sheet total to SEK 2,070.5 million (1,250.8). Unrestricted equity was SEK 297.7 million (300.8) in the parent company.

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

**The Board's proposed distribution of profits**

The following profits are at the disposal of the 2024 Annual General Meeting:

Share premium account and retained earnings	SEK 395,409,404.81
Profit/loss for the year	SEK -97,692,241.45
Total disposable earnings	SEK 297,717,163.36

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

Carried forward then distributed to share premium account	SEK 297,717,163.36
	SEK 297,717,163.36

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

## Consolidated statement of comprehensive income

SEK MILLION	Note	2023 Jan–Dec	2022 Jan–Dec
Net revenue	K3, K4a	1,373.0	951.5
Capitalized work on own account	K8b3	5.8	7.5
Other operating income	K5a	36.0	10.2
		<b>1,414.9</b>	<b>969.1</b>
Cost of materials	K8d	-479.5	-384.0
Other external expenses	K5d, K5g, K12a, K15a	-219.5	-178.8
<i>Of which impairment losses (calculated in accordance with IFRS 9)</i>		-11.1	-5.8
Personnel costs	K5c, K5g, K17b	-270.5	-220.2
Depreciation, amortization, and impairment	K8c	-108.7	-27.9
Other operating expenses	K5b	-20.0	-1.0
		<b>-1,098.1</b>	<b>-811.9</b>
<b>Operating profit/loss (EBIT)</b>		<b>316.8</b>	<b>157.2</b>
Financial income	K5e	16.2	48.6
Financial expenses	K5d, K5f	-168.7	-97.9
<b>Profit/loss before tax (EBT)</b>		<b>164.3</b>	<b>108.0</b>
Tax	K6a, K6b	-60.8	-26.9
<b>Profit/loss for the year</b>		<b>103.5</b>	<b>81.1</b>
<i>Profit/loss attributable to:</i>			
Shareholders of the parent company		103.5	81.1
Non-controlling interests		-	-
		<b>103.5</b>	<b>81.1</b>
<b>Other comprehensive income</b>			
<i>Items that can be reclassified in the income statement</i>			
Change in fair value of financial assets recognized at fair value through other comprehensive income	K7c	-	-
Foreign exchange differences on the translation of foreign operations		-78.5	69.1
Income tax attributable to the items above		-	-
<i>Reclassification of items in the income statement</i>			
Utilization of reserves	K7c	-	-
Income tax attributable to the items above		-	-
<b>Other comprehensive income for the year, after tax</b>		<b>-78.5</b>	<b>69.1</b>
<b>Total comprehensive income for the year</b>		<b>25.0</b>	<b>150.2</b>
<i>Comprehensive income attributable to:</i>			
Shareholders of the parent company		25.0	150.2
Non-controlling interests		-	-
		25.0	150.2
Basic earnings per share (SEK)	K18	0.55	0.45
Diluted earnings per share (SEK)	K18	0.55	0.45



## Consolidated statement of financial position

SEK MILLION	Note	2023 Dec 31	2022 Dec 31
<b>ASSETS</b>			
<i>Non-current assets</i>			
Goodwill	K8b6	1,487.3	820.8
Trademarks	K8b1	471.7	323.4
Other intangible non-current assets	K8b2, K8b3, K8b4, K8b5	274.5	137.9
Property, plant, and equipment	K8a	195.9	126.8
Non-current financial assets	K7b	16.3	1.8
Contract assets	K4b	14.4	12.9
Deferred tax assets	K6f	0.0	0.0
<i>Total non-current assets</i>		<i>2,460.2</i>	<i>1,423.6</i>
<i>Current assets</i>			
Inventories	K8d	121.2	102.5
Contract assets	K4b	50.3	72.9
Trade receivables	K4b, K7a	221.6	223.6
Other current receivables	K7b	29.4	22.4
Prepayments and accrued income	K8e	18.3	12.7
Short-term investments	K7c	-	-
Cash and cash equivalents	K7d	386.5	111.1
<i>Total current assets</i>		<i>827.3</i>	<i>545.2</i>
<b>TOTAL ASSETS</b>		<b>3,287.4</b>	<b>1,968.8</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital	K9	18.8	18.0
Other contributed capital	K9	411.6	317.0
Reserves		1.9	80.4
Retained earnings including profit/loss for the year		180.9	77.5
<i>Total equity</i>		<i>613.2</i>	<i>492.9</i>
<i>Equity attributable to:</i>			
Shareholders of the parent company		613.2	492.9
Non-controlling interests		-	-
		613.2	492.9
<i>Non-current liabilities</i>			
Interest-bearing liabilities	K7e, K7f, K11	1,523.4	744.3
Deferred tax liabilities	K6f	168.0	104.3
Contract liabilities	K4b	0.3	0.4
Other non-current liabilities	K7g, K7h	288.7	227.1
<i>Total non-current liabilities</i>		<i>1,980.4</i>	<i>1,076.3</i>
<i>Current liabilities</i>			
Interest-bearing liabilities	K5g, K7f, K11	90.0	33.5
Current tax liabilities	K6	30.7	26.1
Contract liabilities	K4b	12.9	64.6
Trade payables	K7e	100.6	114.2
Other current liabilities	K7e, K7g, K7h	386.8	96.4
Accruals and deferred income	K8f	72.8	64.9
<i>Total current liabilities</i>		<i>693.8</i>	<i>399.7</i>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,287.4</b>	<b>1,968.8</b>

For information about the Group's pledged assets and contingent liabilities, see Note K14 and Note K19

## Consolidated statement of changes in equity

SEK MILLION	Equity attributable to the parent company's shareholders				Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings including profit/loss for the year			
Note	K9	K9					
<b>Opening balance at January 1, 2022</b>	<b>16.5</b>	<b>223.1</b>	<b>11.3</b>	<b>-3.6</b>	<b>247.3</b>	<b>-</b>	<b>247.3</b>
<b>Comprehensive income</b>							
Profit/loss for the year				81.1	81.1	-	81.1
Other comprehensive income			69.1		69.1	-	69.1
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>69.1</b>	<b>81.1</b>	<b>150.2</b>	<b>-</b>	<b>150.2</b>
<i>Transactions with shareholders in their capacity as owners:</i>							
Contributed capital after deduction of transaction costs and tax	1.5	93.9			95.4		95.4
	<b>1.5</b>	<b>93.9</b>	<b>0.0</b>	<b>0.0</b>	<b>95.4</b>	<b>-</b>	<b>95.4</b>
<b>Closing balance at December 31, 2022</b>	<b>18.0</b>	<b>317.0</b>	<b>80.4</b>	<b>77.5</b>	<b>492.9</b>	<b>-</b>	<b>492.9</b>
<b>Opening balance at January 1, 2023</b>	<b>18.0</b>	<b>317.0</b>	<b>80.4</b>	<b>77.5</b>	<b>492.9</b>	<b>-</b>	<b>492.9</b>
<b>Comprehensive income</b>							
Profit/loss for the year				103.5	103.5	-	103.5
Other comprehensive income			-78.5		-78.5	-	-78.5
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>-78.5</b>	<b>103.5</b>	<b>25.0</b>	<b>-</b>	<b>25.0</b>
<i>Transactions with shareholders in their capacity as owners:</i>							
Contributed capital after deduction of transaction costs and tax	0.8	94.6			95.3		95.3
	<b>0.8</b>	<b>94.6</b>	<b>0.0</b>	<b>0.0</b>	<b>95.3</b>	<b>-</b>	<b>95.3</b>
<b>Closing balance at December 31, 2023</b>	<b>18.8</b>	<b>411.6</b>	<b>1.9</b>	<b>180.9</b>	<b>613.2</b>	<b>-</b>	<b>613.2</b>

## Consolidated statement of cash flows

SEK MILLION	Note	2023 Jan-Dec	2022 Jan-Dec
<i>Operating activities</i>			
Profit/loss before tax		164.3	108.0
<i>of which interest received</i>	K10	13.7	2.3
<i>of which interest paid</i>	K10	-90.2	-43.0
Adjustments for non-cash items	K10	81.1	28.0
Income tax paid		-76.0	-6.4
<i>Operating cash flow before changes in working capital</i>		169.5	129.6
Change in inventories		12.3	-14.5
Change in current receivables		114.6	-58.3
Change in current liabilities		-121.4	53.1
<i>Operating cash flow</i>		175.0	109.9
<i>Investment activities</i>			
Acquisition of subsidiaries	K12	-665.0	-626.8
Acquisition of intangible non-current assets	K8b	-8.5	-7.9
Acquisition of property, plant, and equipment	K8a	-9.2	-6.0
Sale of property, plant, and equipment	K8a	0.0	0.0
Change in non-current contract assets	K4b	-2.1	2.2
Acquisition of short-term investments	K10a	-	-
<i>Investing cash flow</i>		-684.9	-638.6
<i>Financing activities</i>			
Share issue	K9	100.0	100.0
Transaction costs for share issues	K9	-4.7	-4.6
Loans raised		1,427.2	133.0
Amortization of loans		-656.5	-15.4
New interest-bearing liabilities	K10c, K12	0.0	64.9
New non-interest-bearing liabilities	K10c, K12	-	55.6
Amortization of non-interest-bearing liabilities	K10c	-22.5	-2.4
Payments made in relation to amortization of loans attributable to leases		-59.0	-28.1
Deposits paid		-1.0	0.0
<i>Financing cash flow</i>		783.5	303.0
<b>Cash flow for the year</b>		<b>273.5</b>	<b>-225.7</b>
Cash and cash equivalents at start of year	K10a	111.1	325.7
Foreign exchange differences in cash and cash equivalents		1.8	11.1
<b>Cash and cash equivalents at year-end</b>		<b>386.5</b>	<b>111.1</b>

# Definitions of key performance indicators

In its financial reports, ADDvise uses alternative performance measures, in other words financial measures that are not defined in accordance with IFRS. The company management uses these performance measures to assess the Group's financial development as a complement to the key performance indicators that represent generally accepted accounting practice. Financial measures not defined in accordance with IFRS are presented below. Unless otherwise stated in the respective definition of key performance indicators, the Group's definition of the key performance indicator remains unchanged compared with the Annual Report 2022.

Alternative performance measures calculated with items that are not shown in the financial statements or from other facts in the annual report are described in detail.

## Adjusted EBITDA

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items.

SEK MILLION	2023	2022
Operating profit/loss, see below	316.8	157.2
Reversal of depreciation and amortization	108.7	27.9
Reversal of acquisition costs	6.3	2.9
Reversal of restructuring costs	-	1.9
Reversal of state subsidies and similar items relating to COVID-19	-	-3.7
Reversal of revaluation of estimated additional purchase consideration for completed acquisitions	-12.7	-11.3
<b>= Adjusted EBITDA</b>	<b>419.0</b>	<b>174.9</b>

## Adjusted EBITDA margin

Operating profit/loss before depreciation and amortization, acquisition costs and non-recurring items as a percentage of net revenue.

SEK MILLION	2023	2022
Adjusted EBITDA, see above	419.0	174.9
Divided by net revenue	1,373.0	951.5
<b>= Adjusted EBITDA margin as a %</b>	<b>30.5%</b>	<b>18.4%</b>

## Adjusted profit/loss for the year

Profit/loss for the year before acquisition costs and non-recurring items.

SEK MILLION	2023	2022
Profit/loss for the year	103.5	81.1
Reversal of acquisition costs	6.3	2.9
Reversal of restructuring costs	-	1.9
Reversal of financial expenses related to acquisitions and other non-recurring financial expenses	42.8	17.5
Reversal of state subsidies and similar items relating to COVID-19	-	-3.7
Reversal of revaluation of estimated additional purchase consideration for completed acquisitions	-12.7	-11.3
<b>= Adjusted profit/loss for the year</b>	<b>139.8</b>	<b>88.3</b>

## Cash flow from Operations

Cash flow from Operations consists of cash flow from the Group's business activities, where items affecting the cash flow from the acquisition activities have been eliminated. The Group follows this key performance indicator because it has been requested by investors. In the annual report for 2023, the key performance indicator has changed in that there is no longer any adjustment for tax in the calculation of cash flow from Operations. Key performance indicators for comparison periods have been recalculated.

SEK MILLION	2023	2022
Operating profit/loss	316.8	157.2
Change in working capital	5.5	-19.7
Net financial items attributable to Operations	-1.5	-2.1
Depreciation and amortization attributable to Operations	94.8	25.9
Acquisition of intangible and tangible non-current assets and payments made in relation to amortization of loans attributable to leases, attributable to Operations	-76.8	-42.0
Items attributable to acquisition activities	-6.4	-4.9
<b>= Cash flow from Operations</b>	<b>332.4</b>	<b>114.3</b>

## EBITDA

Operating profit/loss before depreciation and amortization. EBITDA is a measure that the Group considers relevant for an investor wishing to understand profit generation before investments in non-current assets. The Group defines Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) as operating profit/loss from continuing operations excluding depreciation and amortization relating to property, plant, and equipment and intangible assets.

## EBITDA margin

Operating profit/loss before depreciation, amortization, and impairment as a percentage of net revenue.

## Equity per share

Equity at the end of the year attributable to the parent company's shareholders divided by the number of shares at year-end.

## Equity ratio

Adjusted equity as a percentage of total assets.

## Gross margin

Net revenue minus cost of materials as a percentage of net revenue.

## 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 because it shows the level of debt and is part of one of the financial goals adopted by the Board of Directors.

## 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 pro forma EBITDA for 12 months. The Group monitors this performance indicator because it shows the level of debt and is one of the financial goals adopted by the Board of Directors. The definition remains unchanged, but the set-up of the calculation has changed compared with the annual report for 2022.

SEK MILLION	2023	2022
Cash and cash equivalents	386.5	111.1
Purchase consideration paid in cash and cash equivalents for acquisitions after the end of the financial year	-96.2	-
Short-term investments	-	-
Interest-bearing liabilities due for repayment within one year	-90.0	-33.5
Interest-bearing liabilities due for repayment after one year	-1,523.4	-744.3
<b>= Net debt</b>	<b>-1,323.1</b>	<b>-666.8</b>
EBITDA	425.5	185.1
EBITDA from companies acquired during the year	153.2	57.3
<b>Pro forma EBITDA</b>	<b>578.7</b>	<b>242.4</b>
<b>= Net debt-to-EBITDA</b>	<b>2.3</b>	<b>2.8</b>

EBITDA from companies acquired during the year from the time before the acquisition is, in this calculation, adjusted for items affecting comparability that the companies were previously burdened with, such as non-market salaries and other costs.

**Net margin**

Profit/loss after net financial items (profit/loss before tax, EBT) as a percentage of net revenue.

**Number of employees**

The number of employees working at the end of the year.

**Operating margin**

Operating profit/loss as a percentage of net revenue.

**Operating profit/loss (EBIT)**

Profit/loss before financial items (financial income and financial expenses) and tax.

**OPEX**

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

**Orders received**

New customer orders received during the 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.

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

Profit/loss after net financial items (financial income and financial expenses).