

Interim report January 1 – September 30, 2021

July – September 2021

- » Net revenue for the period was SEK 105.6 million (76.2), an increase of 38.6 %. Organic growth was 12.1 %.
- » Adjusted EBITDA for the period was SEK 14.5 million (5.3)
- » EBITDA for the period was SEK 13.3 million (9.4)
- » Adjusted profit/loss for the period was SEK 3.0 million (-1.2)
- » Basic earnings per share for the period amounted to SEK -0.01 (0.02)
- » Orders received for the period totaled SEK 93.7 million (68.0)
- » Cash flow for the period was SEK 23.7 million (-2.9)

January – September 2021

- » Net revenue for the period was SEK 310.9 million (261.7), an increase of 18.8 %. Organic growth was 1.8 %.
- » Adjusted EBITDA for the period was SEK 38.0 million (20.7)
- » EBITDA for the period was SEK 37.9 million (29.9)
- » Adjusted profit/loss for the period was SEK 8.9 million (-0.5)
- » Basic earnings per share for the period amounted to SEK 0.01 (0.07)
- » Orders received for the period totaled SEK 311.2 million (306.3)
- » Cash flow for the period was SEK 98.9 million (7.8)

SEK THOUSANDS	2021 Jul-Sep ¹	2020 Jul-Sep	2021 Jan-Sep ^{1,2}	2020 Jan-Sep	Rolling 12 months Oct 2020– Sep 2021 ^{1,2}	2020 Jan-Dec	Change	Pro forma rolling 12 months Oct 2020– Sep 2021 ^{3,4}
Net revenue	105,557	76,168	310,939	261,674	407,752	358,487	13.7%	491,761
EBITDA	13,272	9,431	37,902	29,949	54,176	46,224	17.2%	78,887
EBITDA margin, %	12.6%	12.4%	12.2%	11.4%	13.3%	12.9%	0.4 pp	16.0%
Adjusted EBITDA	14,510	5,323	38,026	20,735	50,606	33,315	51.9%	75,316
Adjusted EBITDA margin, %	13.7%	7.0%	12.2%	7.9%	12.4%	9.3%	3.1 pp	15.3%
EBITA	10,497	7,470	30,742	23,975	44,914	38,147	17.7%	68,408
EBITA margin, %	9.9%	9.8%	9.9%	9.2%	11.0%	10.6%	0.4 pp	13.9%
Profit/loss before tax (EBT)	-661	2,926	3,566	10,076	11,346	17,857	-36.5%	34,183
Profit/loss for the period	-1,564	2,821	1,027	8,603	7,062	14,637	-51.8%	26,076
Adjusted profit/loss for the period	3,025	-1,246	8,947	-544	11,385	1,894	501.1%	30,400
Basic earnings per share (SEK) ⁵	-0.01	0.02	0.01	0.07	0.05	0.12		0.19
Net debt-to-EBITDA ⁶	3.4	4.4	3.4	4.4	3.4	3.3		2.2

The ADDvise Group in brief

ADDvise Group AB (publ) is a leading supplier of equipment to healthcare and research facilities. The Group consists of two business areas, Lab and Healthcare. Sales are global. The Group has a clear acquisition strategy with the aim of raising shareholder value and expanding the business – both geographically and product-wise.

CEO's comments

Strong growth in the third quarter. Revenue growth of 39 percent, of which 12 percent was organically driven. Pro forma including signed letters of intent, the annual net sales of ADDvise Group is SEK 664 million with an EBITDA of SEK 111 million.

Net sales in the third quarter amounted to SEK 105.6 million, an increase of 38.6 percent compared to the third quarter of 2020 when net sales amounted to SEK 76.2 million. Organically, net sales increased by 12.1 percent. Sales normalized in the third quarter. Rolling 12 months, net sales amounted to SEK 407.8 million compared to SEK 358.5 million for the full year 2020.

Net sales pro forma rolling 12 months, with all companies in the Group consolidated from the beginning of the 12-month period, amounted to SEK 491.7 million. The corresponding pro forma EBITDA amounted to SEK 78.9 million. Our goal is to reach pro forma net sales of SEK 1 billion and an EBITDA of SEK 150 million by the end of 2022.

During the third quarter, we consolidate our two most recent acquisitions, GraMedica and MediSuite. With GraMedica and MediSuite in the Group, ADDvise is growing its product portfolio on the US market. In September, we carried out a directed share issue of SEK 125 million. A number of Swedish and international institutional investors participated in the directed share issue, which was multiple times oversubscribed. The directed share issue enables us to continue along our path of strong growth.

As a result of the increased acquisition rate, we have updated two of our long-term financial targets. The long-term financial profitability target was raised from 15 percent in EBITDA margin to 20 percent in EBITDA margin. The long-term financial growth target was raised from 20 percent to 25 percent in revenue growth.

In the third quarter of 2021, we again saw an increase in gross margin. This is due to a return to a product mix with a higher share of proprietary products but also of high gross margins in newly acquired subsidiaries. The gross margin in the quarter was 51.5 percent (36.4). Organically, order intake increased by 6.0 percent in the third quarter of 2021 compared to the third quarter of 2020. Total order intake amounted to SEK 93.7 million (68.0).

EBITDA for the third quarter amounted to SEK 13.3 million (9.4). Profit/loss after tax for the period



amounted to SEK -1.6 million, compared to SEK 2.8 million in the third quarter of 2020. Acquisition costs had a negative impact on EBITDA in the third quarter of 2021 of SEK 1.6 million, and profit/loss after tax for the period of SEK 4.9 million. Adjusted EBITDA for the third quarter amounted to SEK 14.5 million (5.3), and adjusted profit/loss for the period amounted to SEK 3.0 million (-1.2).

Cash flow from operating activities during the first nine months of 2021 amounted to SEK -16.9 million. Cash flow has been negatively impacted by increased purchases to inventories to build a safety margin given supply chain disruptions during Covid-19. In addition, cash flow has been negatively affected by payment of SEK 11.5 million of the liability for deferrals of taxes and fees due to Covid-19 and by costs for financial and legal advice in connection with acquisitions of SEK 10.0 million.

Lab business unit

Net revenue within the Lab business unit totaled SEK 49.9 million, which is an increase of 52.8 percent compared to the third quarter of 2020 when it was SEK 32.7 million. There are positive signs from our laboratory customers still moving away from low margin consumables and into equipment and laboratory projects like clean rooms and laboratory interiors which carry better margins.

EBITDA for the Lab business unit was SEK 6.5 million, an increase compared to the third quarter of 2020 when it was SEK 3.4 million.

Healthcare business unit

Net revenue within the Healthcare business unit totaled SEK 55.6 million, an increase of 27.9 percent compared to the third quarter of 2020 when it was SEK 43.5 million. The near-term US economic outlook picked up somewhat as we entered the second half of the year, and we expect several elective procedures which had been postponed, to be back on the table during the remainder of the year.

EBITDA for the Healthcare business unit was SEK 5.1 million, an increase compared to the third quarter of 2020 when it was SEK 4.8 million.

Acquisitions

We continue to work proactively to expand our product portfolio through new and interesting acquisitions in both our business areas.

On August 30, 2021, ADDvise signed a letter of intent to acquire Southern Life Systems (SLS), which we plan to consolidate in the Group during the fourth quarter of 2021. SLS is an American medtech company that is the market leader in equipment and software for monitoring patients in long-term care. The company has developed the products Rosie 4, Rosebud and the RCS software that together streamline monitoring vital parameters in patients in long-term care and in nursing homes.

On October 21, 2021, ADDvise signed a letter of intent to acquire Poly Pharmaceuticals (Poly Pharma), which we plan to consolidate in the Group during the

first quarter of 2022. Poly Pharma is an American pharmaceutical company specializing in developing, manufacturing and marketing over-the-counter generic drugs for the treatment of cough, cold, allergy, sinusitis, urological health and pain relief. The sales are mainly made to pharmacies and general practitioners. The company markets and sells 20 proprietary pharmaceuticals on the US market.

Pro forma with completed acquisitions and signed letters of intent, the annual EBITDA of ADDvise Group is close to SEK 111 million with net sales of approximately SEK 664 million.

Outlook

Our assessment is that demand in our product segment will remain high, despite the ongoing pandemic, and we will benefit from our versatile product portfolio.

ADDvise's long-term revenue growth is mainly driven by a growing and aging population, increased incidence of chronic diseases and greater investment in healthcare, as well as research and development. The global population is expected to grow by two billion over the next 30 years. By 2050, as many as one in six people could be over the age of 65. This will lead to major challenges in healthcare systems and we want to be part of the solution.

Rikard Akhtarzand,
CEO, ADDvise Group AB (publ)



About ADDvise

ADDvise Group AB (publ) is an expansive group that supplies integrated solutions in the form of products and services to healthcare and research facilities. The ADDvise Group serves customers in both the private and public sectors. Sales are global.

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

Diversified customer base and product portfolio

Although healthcare is an area where there is constant demand for more care at lower cost, sales of medtech products remain relatively stable and non-cyclical. Most sales are to the public sector, where the demand for care is steadily increasing and equipment is required in order to provide the care required.

ADDvise's diversified product portfolio provides us with a broad customer base that includes private healthcare providers that deliver publicly funded care, private clinics that are funded through insurance and, of course, research facilities and other players within life science. We have also increased recurring revenue and contract revenue as a proportion of our total revenue, which provides a stable base of ongoing and predictable income.

Lab business unit

Within Lab, ADDvise is a turnkey supplier of laboratory furnishings and apparatus to research facilities in both the public and private sectors. In a world of ever-growing requirements for quality, precision and cleanliness, ADDvise has products to meet every requirement within life science and healthcare.

Healthcare business unit

ADDvise supplies equipment and consumable materials to healthcare units in Sweden, Europe and North America. Our complete range includes products and customers throughout the healthcare chain, from self-care and home healthcare to surgery and acute, intensive and emergency medical service care. ADDvise's products include advanced high-tech equipment at the leading edge for the most modern of environments and healthcare facilities.

Our acquisition strategy

Acquisition is one of the most important components of the ADDvise Group's growth strategy. The purpose of the acquisitions is to create critical mass in the different industries in which the Group does business. The critical mass and industrial logic underlying the acquisitions strengthens existing operations and allows new market share to be gained.

The industrial logic in the acquisitions will create long-term value for the company's shareholders. 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 focuses on are primarily mature companies with good cash flows in more-or-less mature industries. Candidates for acquisition must operate in the business-to-business market, and the level of risk in the company must be relatively low. The size of the candidates may vary, but annual sales may not be below SEK 20 million.

Share and bond

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

The company's class B share is listed at the S SME trading venue, on the Nasdaq First North Growth Market Sweden. The stock short name is ADDV B and the share's ISIN code is SE0007464862. One (1) class B share equals one-tenth (1/10) of a vote.

The company's warrants in series 2019/2021 were listed at the S SME trading venue, on the Nasdaq First

North Growth Market Sweden. The short name for the warrants was ADDV TO 1 and the ISIN code was SE0012142370. The exercise period for the warrants ran from January 25, 2021, to February 8, 2021. The warrants in series 2019/2021 that were not sold by February 4, 2021, at the latest, or exercised no later than February 8, 2021, expired without value.

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

Employees and operational organization

The number of employees at the end of the reporting period was 252 (110). The ADDvise Group has a shared organization with an executive management consisting of:

- » CEO, Rikard Akhtarzand
- » CFO, Aaron Wong (until January 28, 2022)
- » CFO, Sebastian Robson (starting February 28, 2022)
- » General Counsel, Hanna Myhrman
- » COO, Fredrik Mella (starting February 17, 2022)

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 18 subsidiaries. Operations are conducted at the parent company and all subsidiaries. From the interim report for January – September 2021, a full list of subsidiaries is no longer presented.



The Group's development

Group income and performance

3 Months July–September 2021

Orders received for the period totaled SEK 93.7 million (68.0), an increase of 37.8 % compared with the same period of the previous year. Organic growth was 6.0 %.

Net revenue for the period was SEK 105.6 million (76.2), an increase of 38.6 % compared with the same period of the previous year. Organic growth was 12.1 %.

EBITDA for the period was SEK 13.3 million (9.4). Adjusted EBITDA for the period was SEK 14.5 million (5.3). State subsidies and similar items related to Covid-19 had a positive impact on EBITDA during the period by SEK 0.3 million (3.0). Acquisition costs for completed acquisitions had a negative impact on EBITDA during the period of SEK 1.6 million (0.2). For the comparison period 2020, EBITDA was positively impacted by the revaluation of contingent earn-outs for completed acquisitions by SEK 1.3 million.

EBITA for the period was SEK 10.5 million (7.5). Operating profit/loss for the period was SEK 9.6 million (6.7). Profit/loss after tax was SEK -1.6 million (2.8). Adjusted profit/loss after tax for the period amounted to SEK 3.0 million (-1.2). State subsidies and similar items related to Covid-19 had a positive impact on profit/loss after tax during the period by SEK 0.3 million (3.0).

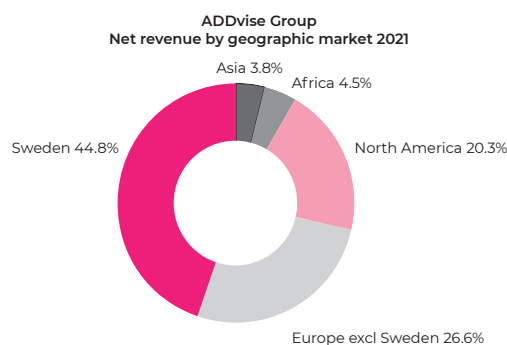
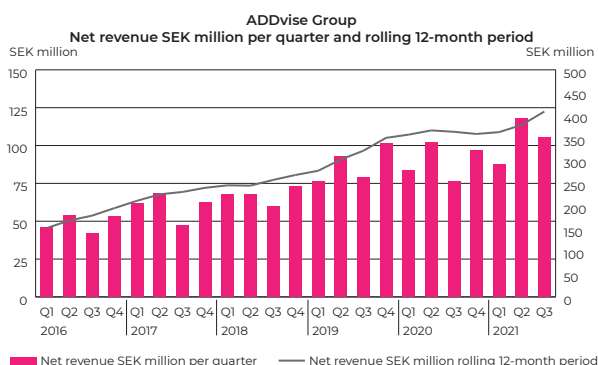
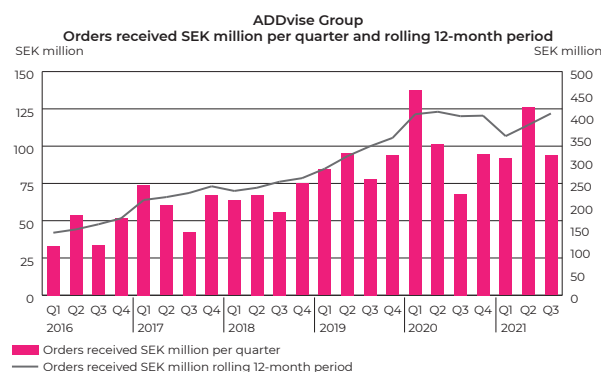
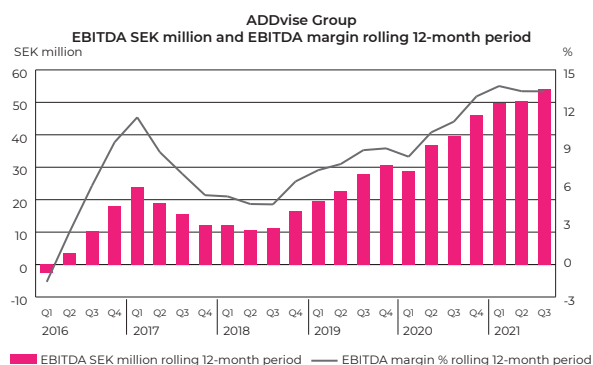
Acquisition costs for completed acquisitions had a negative impact on profit/loss after tax during the period of SEK 4.9 million (0.2), with SEK 1.6 million (0.2) reported in the item Other external expenses and SEK 3.3 million (0.0) reported in the item Net financial items. For the comparison period 2020, profit/loss after tax was positively impacted by the revaluation of contingent earn-outs for completed acquisitions by SEK 1.3 million. Basic earnings per share amounted to SEK -0.01 (0.02) for the period.

9 Months January–September 2021

Orders received for the period totaled SEK 311.2 million (306.3), an increase of 1.6 % compared with the same period of the previous year. Orders received during the first 9 months of 2020 included a one-time order of SEK 50 million to be delivered over 2020, 2021 and 2022. Organically, orders received was a decrease of 12.4 %. Excluding the one-time order of SEK 50.0 million, the organic growth was 4.7 %.

Net revenue for the period was SEK 310.9 million (261.7), an increase of 18.8 % compared with the same period of the previous year. Organic growth was 1.8 %.

EBITDA for the period was SEK 37.9 million (29.9).



Adjusted EBITDA for the period amounted to SEK 38.0 million (20.7). State subsidies and similar items related to Covid-19 had a positive impact on EBITDA during the period by SEK 2.1 million (6.4). Acquisition costs had a negative impact on EBITDA during the period of SEK 2.2 million (0.2). For the comparison period 2020, EBITDA was positively impacted by the revaluation of contingent earn-outs for completed acquisitions by SEK 3.0 million.

EBITA for the period was SEK 30.7 million (24.0). Operating profit/loss for the period was SEK 27.9 million (21.7). Profit/loss after tax was SEK 1.0 million (8.6). Adjusted profit/loss for the period amounted to SEK 8.9 million (-0.5). State subsidies and similar items related to Covid-19 had a positive impact on profit/loss after tax during the period by SEK 2.1 million (6.4). Acquisition costs for completed acquisitions had a negative impact on profit/loss after tax during the period of SEK 10.0 million (0.2), with SEK 2.2 million (0.2) reported in the item Other external expenses and SEK 7.8 million (0.0) reported in the item Net financial items. For the comparison period 2020, profit/loss after tax was positively impacted by the revaluation of contingent earn-outs for completed acquisitions by SEK 3.0 million. Basic earnings per share amounted to SEK 0.01 (0.07) for the period.

Net revenue and profit/loss Lab business unit

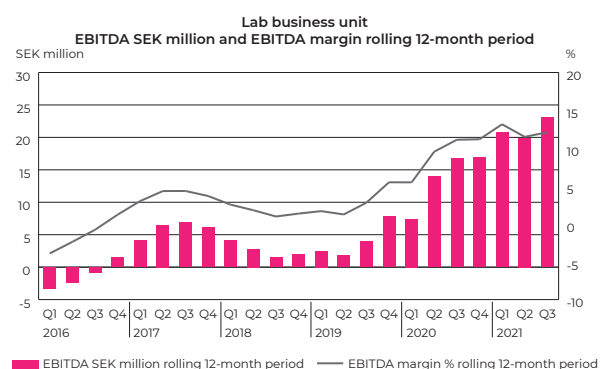
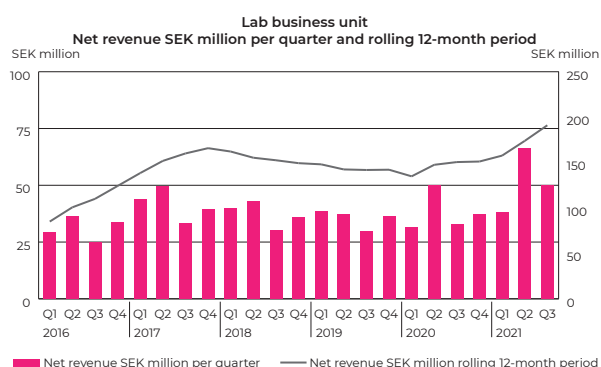
The Lab business unit was expanded in 2021 with the acquisition of MRC Systems FZE, which is consolidated in ADDvise Group as of March 28, 2021. See *Acquisitions 2021* and *Note 5 Business combinations*.

Net revenue and profit/loss July–September 2021

Net revenue for the business unit Lab for the period was SEK 49.9 million (32.7), an increase of 52.8 % compared with the same period of the previous year. EBITDA for the business unit was SEK 6.5 million (3.4).

Net revenue and profit/loss January–September 2021

Net revenue for the business unit Lab for the period was SEK 153.9 million (114.0), an increase of 35.0 % compared with the same period of the previous year. EBITDA for the business unit was SEK 18.6 million (12.4).



Net revenue and profit/loss Healthcare business unit

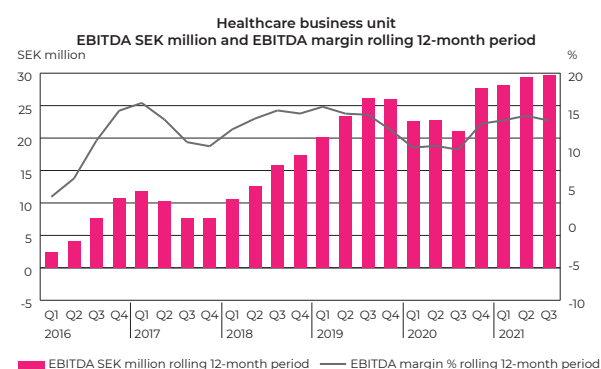
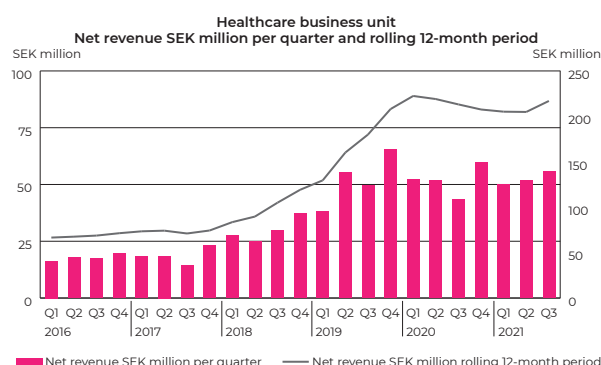
The Healthcare business unit was expanded in 2021 with the acquisition of MediSuite LLC and Graham Medical Technologies LLC. MediSuite LLC is consolidated in the ADDvise Group as of August 4, 2021 and Graham Medical Technologies LLC is consolidated as of September 15, 2021. See *Acquisitions 2021* and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

Net revenue and profit/loss July–September 2021

Net revenue for the business unit Healthcare for the period was SEK 55.6 million (43.5), an increase of 27.9 % compared with the same period of the previous year. EBITDA for the business unit was SEK 5.1 million (4.8).

Net revenue and profit/loss January–September 2021

Net revenue for the business unit Healthcare for the period was SEK 157.0 million (147.7), an increase of 6.3 % compared with the same period of the previous year. EBITDA for the business unit was SEK 18.0 million (15.9).



Financial position

Cash and cash equivalents

Cash and cash equivalents at the end of the period totaled SEK 139.8 million (21.1). At the end of the period, the Group had an overdraft facility of SEK 18.0 million (20.2), which was utilized in the amount of SEK 9.3 million (9.0).

Short-term investments

Short-term investments totaled SEK 0.0 million (0.0) at the end of the period. ADDvise acquired its own bonds during 2020. The bonds were redeemed in full on June 17, 2021. For comparison periods, in the condensed consolidated statement of financial position and the parent company's condensed balance sheet, the holding was offset against the liability for the bond loan, which was recognized at a net amount that reflected ADDvise's expected cash flow upon settlement of the financial instrument, since the asset and liability were settled simultaneously.

Net debt

Net debt at the end of the period totaled SEK 182.7 million (175.9). The ratio of interest-bearing net debt to EBITDA at the end of the period was 3.4 (4.4). This ratio was calculated as at September 30, 2021, using the rolling 12-month EBITDA, from October 2020 up to and including September 2021.

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

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

At the end of the period, loans and other interest-bearing liabilities due for repayment within one year totaled SEK 50.1 million (54.4). Loans and other interest-bearing liabilities due for repayment within one year include a bank loan of SEK 14.9 million (12.5), pledged trade receivables of SEK 18.1 million (15.5), utilized overdraft facilities of SEK 9.3 million (9.0), lease liabilities of SEK 6.6 million (4.7) and liabilities relating to deferred payment of tax as a result of Covid-19 of SEK 1.2 million (12.6). Pledged trade receivables and overdraft facilities are classified as short-term borrowing, but this portion of short-term borrowing is continuously refinanced.

At the end of the period, loans due for repayment after one year totaled SEK 272.5 million (142.6). Loans due for repayment after one year include the Group's bond loan of SEK 243.2 million (134.8), a bank loan of SEK 1.0 million (0.0) and lease liabilities of SEK 28.3 million (7.8). 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 October 2020 – September 2021 is calculated in accordance with the terms of the bond. For the calculation of net debt and EBITDA in accordance with the terms of the bond, please refer to *Definition of key performance indicators*.

Cash flow July–September 2021

Cash flow for the period totaled SEK 23.7 million (-2.9).

During the period, ADDvise received SEK 125.0 million before transaction costs in connection with a directed new share issue of Series B shares in September.

Operating cash flow for the period was SEK -8.7 million (2.6). During the period, ADDvise paid liabilities of SEK 0.8 million relating to deferred payment of tax as a result of Covid-19. During the corresponding period last year, deferred payment due to Covid-19 of SEK 2.1 million in tax was granted. The effect of this deferral and of payment of this deferral is reported in the consolidated statement of cash flows under operating cash flow. Excluding the payment, and grant, of deferred taxes and charges, operating cash flow totaled SEK -7.9 million (0.5).

The acquisitions of Graham Medical Technologies LLC and MediSuite LLC were completed during this period. Injections of cash and cash equivalents from acquired companies at the time of consolidation of new acquisitions in the Group totaled SEK 1.8 million (0.0) during the period. For further information, see *Note 5 Business combinations*.

Cash flow January–September 2021

Cash flow for the period totaled SEK 98.9 million (7.8).

During the period, ADDvise received SEK 27.8 million before issue costs from the issue of new class B shares, following the exercising of warrants in series 2019/2021. During the period, ADDvise issued a senior secured bond loan and received SEK 250.0 million before transaction costs. Funds received from the new bond loan were

partly used to redeem SEK 140.0 million of ADDvise's outstanding senior secured callable bonds in advance. During the period, ADDvise received SEK 125.0 million before issue costs from the issue of new class B shares.

Operating cash flow for the period was SEK -16.9 million (31.8). During the period, ADDvise paid liabilities of SEK 11.5 million relating to deferred payment of tax as a result of Covid-19. During the corresponding period last year, deferred payment due to Covid-19 of SEK 12.6 million in tax was granted. The effect of this deferral and of payment of this deferral is reported in the consolidated statement of cash flows under operating cash flow. Excluding the payment, and grant, of deferred taxes and charges, operating cash flow totaled SEK -5.4 million (19.2).

The acquisitions of Graham Medical Technologies LLC, MediSuite LLC and MRC Systems FZE were completed during this period. Injections of cash and cash equivalents from acquired companies at the time of consolidation of new acquisitions in the Group totaled SEK 12.7 million (0.0) during the period. For further information, see *Note 5 Business combinations*.

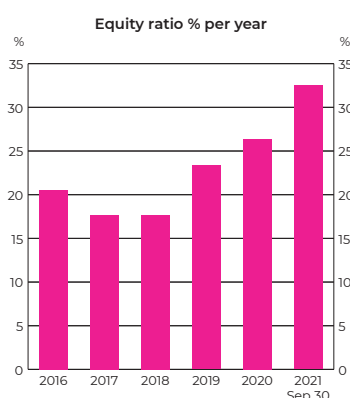
Equity

Equity at the end of the period totaled SEK 240.6 million (91.6), equating to SEK 1.46 (0.94) per share outstanding at the end of the period.

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

Equity ratio

The equity ratio at the end of the period was 32.6 % (26.7 %).



Acquisitions 2021

MRC Systems FZE

In February 2021, ADDvise entered into a share transfer agreement with the shareholders of MRC Systems FZE relating to the acquisition of 100% of the shares in MRC Systems FZE. This acquisition was completed on June 17, 2021. MRC Systems FZE is consolidated in the ADDvise Group from March 28, 2021. In the press release dated June 17, 2021, the date for consolidation was stated as being June 17, 2021, but as ADDvise gained control over MRC Systems FZE on March 28, 2021, this date was set for consolidation once the acquisition was completed.

MRC develops and constructs clean rooms for the pharmaceuticals industry and for hospitals. MRC is based in Dubai, where it has its head office and a production facility. The company has one further production facility in Spain. MRC's revenue for the 2019/2020 financial year totaled USD 9.8 million with an EBITDA of USD 1.1 million. The company has approximately 110 employees.

The total purchase price amounts to USD 8.0 million, of which USD 4.5 million has been paid in cash on closing and USD 0.5 million in the form of a non-recourse three-year promissory note. In addition, as previously communicated, the purchase price includes earn-outs of maximum USD 3.0 million in total, that can be paid out over a three-year period, given that the sellers achieve certain predetermined targets. The acquisition is financed with own funds. ADDvise believes that the acquisition will have a positive impact on ADDvise's earnings per share during the 2021 financial year.

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

MediSuite LLC

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

MediSuite is an American online pharmacy that specializes in medication for men's health. The prescription medication that is marketed by MediSuite is mainly used for treatment of cancer, incontinence, and impotence. MediSuite's customers are mainly physicians within the urology and oncology therapeutic areas. MediSuite is headquartered in Cary, North Carolina.

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

The total purchase price for MediSuite amounts to USD 10.3 million, of which USD 6.4 million has been paid in

cash upon closing, USD 0.1 million in the form of a holdback amount and USD 1.3 million in the form of a non-recourse two-year promissory note. As previously communicated, the purchase price includes two earn-outs of a maximum of USD 2.5 million, provided that the sellers achieve predetermined targets for the financial years 2022 and 2023. The acquisition is financed with own funds. ADDvise believes that the acquisition will have a positive impact on ADDvise's earnings per share during the 2021 financial year.

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

Graham Medical Technologies, LLC

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

GraMedica specializes in the development of orthopedic implants and stents for foot and ankle surgery. Since GraMedica was founded in 2003, the company has developed a portfolio of several patented ankle and ankle implants, including the bestseller HYPROCURE®. The implants are designed to correct foot and ankle problems in patients and used by orthopedic doctors worldwide. GraMedica is headquartered in Michigan, USA, and distributes its products in the United States, Europe and Asia. The company also has a sales office in Shanghai, China. Revenue for the financial year 2020 totaled USD 3.3 million with an adjusted EBIT of USD 0.9 million.

The total purchase price for GraMedica amounts to USD 5.9 million, of which USD 3.8 million has been paid in cash on closing and USD 0.3 million in the form of a holdback amount. As previously communicated, the purchase price includes earn-outs of a maximum of USD 1.8 million in total provided that the seller achieves certain predetermined targets. The two possible earn-outs amount to a maximum of USD 0.7 million for the financial year 2021 and USD 1.1 million for the financial year 2022. The acquisition is financed with own funds. ADDvise believes that the acquisition will have a positive impact on ADDvise's earnings per share during the 2021 financial year.

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

Southern Life Systems, Inc

On August 30, 2021, ADDvise signed a Letter of Intent with the shareholders of Southern Life Systems, Inc. (SLS) regarding an acquisition of 100% of the shares in SLS.

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

The purchase price amounts to a total of USD 11.0 million, divided into an initial payment of USD 7.6 million, and two potential earn-outs of maximum USD 1.2 million and USD 1.6 million respectively, given that the sellers achieve certain predetermined targets. The purchase price also includes an interest free promissory note of USD 0.7 million with 24 months maturity. The acquisition is financed through own funds and loans.

The acquisition is subject to a due diligence and that the parties will agree to enter into a share purchase agreement. The share purchase agreement and completion of the acquisition is scheduled to be completed during Q4, 2021.

At the time of the publishing of this interim report, ADDvise has not completed the acquisition of SLS, and is not able to provide a purchase price allocation.

Poly Pharmaceuticals, Inc

On October 21, 2021, after the end of the reporting period, ADDvise signed a Letter of Intent with the shareholders of Poly Pharmaceuticals, Inc. (Poly Pharma) regarding an acquisition of 100 percent of the shares in Poly Pharma.

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

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

The purchase price for Poly Pharma amounts to a total of USD 13.0 million, divided into an initial payment of USD 8.0 million, and two potential earn-outs of maximum USD 1.0 million each, given that the sellers achieve certain

predetermined targets. The purchase price also includes an interest free promissory note of USD 3.0 million with 24 months maturity. The acquisition is financed through own funds.

The acquisition is subject to a due diligence and that the parties will agree to enter into a share purchase agreement. The share purchase agreement and completion of the acquisition is scheduled to be completed during Q1, 2022.

At the time of the publishing of this interim report, ADDvise has not completed the acquisition of Poly Pharma, and is not able to provide a purchase price allocation.

Change in intangible non-current assets July–September 2021

The change in goodwill during the period was SEK 123.4 million (-0.8). The change in trademarks during the period was SEK 13.4 million (-0.1).

Change in intangible non-current assets January–September 2021

The change in goodwill during the period was SEK 140.6 million (-0.6). The change in trademarks during the period was SEK 24.2 million (-0.1).

Investments in intangible non-current assets July–September 2021

Intangible non-current assets other than goodwill and trademarks account for the majority of capitalized expenditure for development work and similar activities. Investments in capitalized expenditure for development work and similar activities during the period totaled SEK -0.4 million (0.0).

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

Investments in intangible non-current assets January–September 2021

Intangible non-current assets other than goodwill and trademarks account for the majority of capitalized expenditure for development work and similar activities. Investments in capitalized expenditure for development work and similar activities during the period totaled SEK 1.4 million (0.6).

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

Investments in property, plant and equipment July–September 2021

Investments in property, plant and equipment during the period totaled SEK 5.7 million (1.9). Investments in property, plant and equipment include leased non-current assets in accordance with IFRS 16 Leases.

Investments in property, plant and equipment January–September 2021

Investments in property, plant and equipment during the period totaled SEK 17.5 million (3.2). Investments in property, plant and equipment include leased non-current assets in accordance with IFRS 16 Leases.

Parent company

3 Months July–September 2021

Net revenue at the parent company for the period totaled SEK 7.1 million (4.8). Operating profit/loss for the period was SEK 1.6 million (0.9). The net profit/loss for the period was SEK -6.1 million (-2.5).

9 Months January–September 2021

Net revenue at the parent company for the period totaled SEK 17.3 million (14.7). Operating profit/loss for the period was SEK 0.6 million (0.8). The net profit/loss for the period was SEK -18.5 million (5.3).

Equity

The balance sheet total was SEK 581.5 million (278.0), of which equity constituted SEK 205.4 million (76.4).

Significant events during the reporting period

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

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

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

Holders of warrants in series 2019/2021 exercised 42,787,137 warrants, corresponding to 99.41% of the

number of outstanding warrants, for the subscription of 42,787,137 class B shares at the exercise price of SEK 0.65. The exercising of these warrants brought in SEK 27,811,639 for ADDvise before issue costs.

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

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

The warrants in series 2019/2021 that were not sold by February 4, 2021, at the latest, or exercised no later than February 8, 2021, expired without value.

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

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

ADDvise issues a senior secured bond loan of SEK 250 million

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

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

purposes including acquisitions. See *ADDvise redeems its outstanding up to SEK 240 million senior secured callable bonds*.

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

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

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

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

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

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

ADDvise completes a directed new share issue of approximately SEK 125 million

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

The subscription price per share of series B in the directed new share issue was SEK 4.92 and was determined through an accelerated bookbuilding procedure carried out by the Company's financial advisor Pareto Securities AB. It was therefore the ADDvise board of directors' assessment that the terms for the directed new share issue and the subscription price were in accordance with current market conditions. The subscription price per share of series B in the directed new share issue constituted a discount of approximately

5.9 percent compared to closing price on Nasdaq First North Growth Market on September 8, 2021. Through the directed new share issue ADDvise received SEK 125.0 million before deduction of transaction costs.

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

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

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

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

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

ADDvise acquires MRC Systems FZE, Graham Medical Technologies, LLC and MediSuite LLC

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

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

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

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

ADDvise signs Letter of Intent to acquire Southern Life Systems, Inc

In August 2021, ADDvise signed a Letter of Intent with the shareholders of Southern Life Systems, Inc (SLS) regarding an acquisition of 100 percent of the shares in SLS. For further information, see *Acquisitions 2021*.

ADDvise received order worth SEK 9 million

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

ADDvise CFO resigns

Aaron Wong, CFO and member of the management team in ADDvise since October 2018, has in July 2021 decided to leave his position. The background to the decision is that Aaron Wong wants to focus on his family and look for new challenges. Aaron Wong will remain CFO until January 28, 2022. Also, see *ADDvise Group appoints new CFO in Significant events after the reporting period*.

ADDvise strengthens its management team by recruiting COO

ADDvise has signed Fredrik Mella as COO. Fredrik joins ADDvise by leaving his most recent position as CEO

of ScandiNova, a company that is a world leader in pulsed power and microwave systems for Medtech, Industry and Research.

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

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

Significant events after the reporting period

ADDvise signs Letter of Intent to acquire Poly Pharmaceuticals, Inc

In October 2021, ADDvise signed a Letter of Intent with the shareholders of Poly Pharmaceuticals, Inc (Poly Pharma) regarding an acquisition of 100 percent of the shares in Poly Pharma. For further information, see *Acquisitions 2021*.

ADDvise Group appoints new CFO

ADDvise appoints Sebastian Robson as new Chief Financial Officer (CFO) and member of the executive management team. He succeeds the current CFO, Aaron Wong, and will commence his employment no later than 28 February 2022.

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

Long-term financial targets

The Board of ADDvise adopted long-term financial targets on September 11, 2017.

On November 12, 2020, the long-term financial target for EBITDA margin was updated and adjusted from 10% to 15%, and on September 23, 2021, it was adjusted from 15% to 20%.

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

The ambition of achieving a high growth rate through acquisitions and organic growth remains the same. Growth must be achieved while maintaining profitability. In the long term, this strategy will be combined with dividends for ADDvise's shareholders.

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

Growth

ADDvise must have annual revenue growth of at least 25%. Growth will be achieved organically as well as through acquisitions.

Profitability

ADDvise will achieve an EBITDA margin of 20%.

Capital structure

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

Dividend

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

Notes to page 1

Note 1

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

Note 2

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

Note 3

The numbers are pro forma numbers and has not been reviewed by the company's auditor. The numbers are for October 2020 – September 2021 with Graham Medical Technologies LLC, MediSuite LLC and MRC Systems FZE consolidated in the ADDvise Group as at October 1, 2020.

Note 4

In the pro forma rolling 12-month column, the net debt/EBITDA ratio is calculated in accordance with the term sheet for the bond, which is different from the Group's key performance indicators net debt and EBITDA. The calculation of the key performance indicator is described in the *Definition of key performance indicators*.

Note 5

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

Note 6

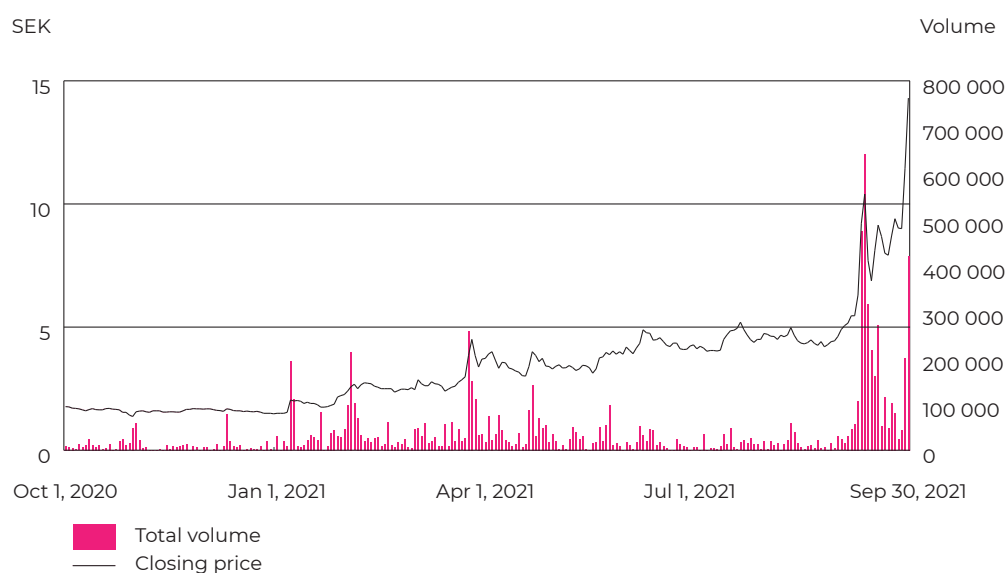
EBITDA in the key performance indicator Net debt-to-EBITDA is based on a rolling 12-month period.

Share price trend during the reporting period

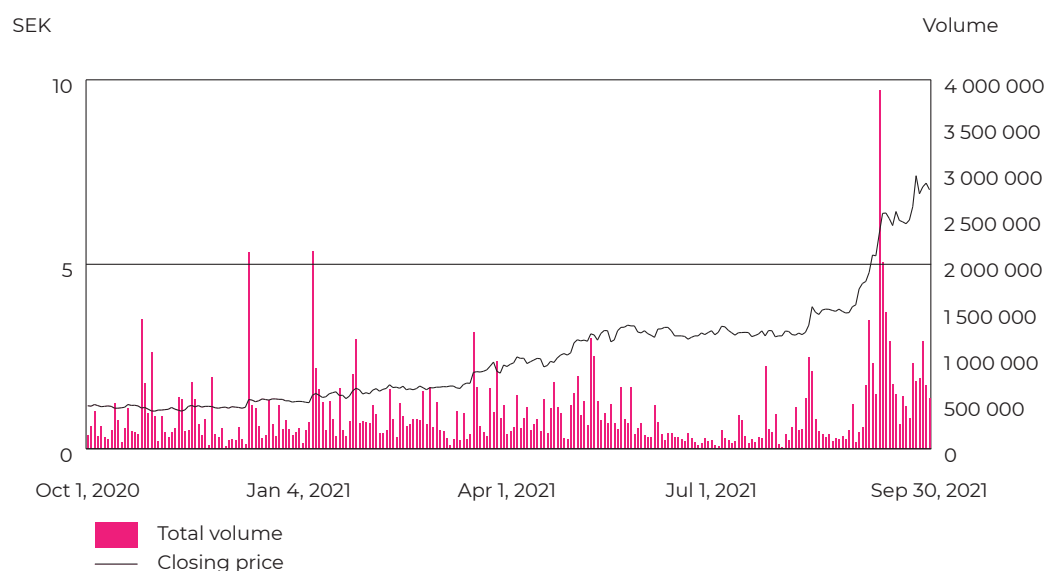
The company's class A share is listed at the S SME trading venue, on the Nasdaq First North Growth Market Sweden. The stock short name is ADDV A and the share's ISIN code is SE0001306119. One (1) class A share equals one (1) vote.

The company's class B share is listed at the S SME trading venue, on the Nasdaq First North Growth Market Sweden. The stock short name is ADDV B and the share's ISIN code is SE0007464862. One (1) class B share equals one-tenth (1/10) of a vote.

Class A share closing price trend 12-month period from Oct 1, 2020 until Sep 30, 2021



Class B share closing price trend 12-month period from Oct 1, 2020 until Sep 30, 2021



Condensed consolidated statement of comprehensive income

SEK thousands	2021 Jul-Sep ¹	2020 Jul-Sep	2021 Jan-Sep ²	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec ³
Net revenue	105,557	76,168	310,939	261,674	358,487	349,877
Capitalized work on own account	74	29	1,891	612	769	3,808
Other operating income	81	1,747	203	3,540	7,712	3,620
	105,712	77,943	313,032	265,826	366,968	357,305
Cost of materials	-51,190	-48,408	-167,599	-162,589	-221,154	-216,917
Other external expenses	-11,463	-5,513	-30,219	-20,410	-27,060	-31,443
Personnel costs	-29,790	-13,971	-77,119	-51,767	-70,929	-77,060
Depreciation and amortization	-3,720	-2,711	-9,975	-8,269	-11,967	-12,042
Other operating expenses	3	-620	-193	-1,111	-1,600	-1,215
	-96,160	-71,223	-285,106	-244,146	-332,711	-338,676
Operating profit/loss (EBIT)	9,552	6,720	27,926	21,680	34,257	18,629
Net financial items	-10,213	-3,794	-24,361	-11,604	-16,400	-16,957
Profit/loss before tax (EBT)	-661	2,926	3,566	10,076	17,857	1,672
Tax	-903	-105	-2,539	-1,473	-3,219	2,373
Profit/loss for the period	-1,564	2,821	1,027	8,603	14,637	4,045
Profit/loss attributable to:						
Shareholders of the parent company	-1,564	2,821	1,027	8,603	14,638	4,059
Non-controlling interests	0	0	0	-1	-1	-14
	-1,564	2,821	1,027	8,603	14,637	4,045
Other comprehensive income						
Foreign exchange differences on the translation of foreign operations for the period	5,867	-1,473	7,697	-1,174	-7,729	1,650
Change in value of financial assets measured at fair value through other comprehensive income for the period	0	67	-122	67	122	238
Comprehensive income for the period	4,303	1,414	8,602	7,495	7,030	5,933
Comprehensive income attributable to:						
Shareholders of the parent company	4,303	1,415	8,602	7,497	7,028	5,950
Non-controlling interests	0	0	0	-2	2	-17
	4,303	1,414	8,602	7,495	7,030	5,933
Basic earnings per share, SEK ⁴	-0.01	0.02	0.01	0.07	0.12	0.04
Diluted earnings per share, SEK ⁴	-0.01	0.02	0.01	0.06	0.10	0.04

Notes

1 MediSuite LLC is consolidated in the ADDvise Group as at August 4, 2021. Graham Medical Technologies is consolidated in the ADDvise Group as at September 15, 2021.

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

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

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

Condensed consolidated statement of financial position

SEK thousands	2021 Sep 30	2020 Sep 30	2020 Dec 31	2019 Dec 31
ASSETS				
<i>Non-current assets</i>				
Goodwill	296,885	160,632	156,319	161,199
Trademarks	46,844	22,763	22,594	22,833
Other intangible non-current assets	19,025	21,198	19,491	22,985
Property, plant and equipment	54,128	16,083	15,944	19,979
Non-current financial assets	229	144	134	125
Deferred tax assets	3,282	7,746	7,122	7,984
<i>Total non-current assets</i>	<i>420,393</i>	<i>228,566</i>	<i>221,604</i>	<i>235,105</i>
<i>Current assets</i>				
Inventories	61,224	38,798	33,422	37,251
Contract assets	33,944	3,257	727	5,285
Trade receivables	74,880	46,208	44,930	63,454
Other current receivables	8,824	5,578	5,454	6,013
Short-term investments ¹	0	0	0	0
Cash and cash equivalents	139,845	21,107	39,606	13,259
<i>Total current assets</i>	<i>318,717</i>	<i>114,949</i>	<i>124,140</i>	<i>125,262</i>
TOTAL ASSETS	739,110	343,515	345,743	360,367
EQUITY AND LIABILITIES				
<i>Equity</i>	<i>240,609</i>	<i>91,623</i>	<i>91,049</i>	<i>84,142</i>
Equity attributable to:				
Shareholders of the parent company	240,609	91,536	90,966	84,004
Non-controlling interests	0	87	83	139
	240,609	91,623	91,049	84,142
<i>Non-current liabilities</i>				
Interest-bearing liabilities ¹	272,504	142,615	142,442	144,316
Deferred tax liabilities	0	0	0	0
Other non-current liabilities	65,494	0	0	5,738
<i>Total non-current liabilities</i>	<i>337,998</i>	<i>142,615</i>	<i>142,442</i>	<i>150,054</i>
<i>Current liabilities</i>				
Interest-bearing liabilities	50,073	54,417	50,930	51,737
Current tax liabilities	5,128	2,156	2,145	1,673
Contract liabilities	5,564	1,458	1,303	3,980
Trade payables	46,187	21,842	29,073	32,890
Other current liabilities	53,551	29,404	28,801	35,890
<i>Total current liabilities</i>	<i>160,503</i>	<i>109,277</i>	<i>112,252</i>	<i>126,170</i>
TOTAL EQUITY AND LIABILITIES	739,110	343,515	345,743	360,367

Note

1 As at September 30, 2020, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,032 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. As at December 31, 2020, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,088 thousand. The holding has been offset against the liability for the bond loan, which is recognized at a net amount that reflects ADDvise's expected cash flow upon settlement of the financial instrument, since the asset and liability were to be settled simultaneously. The financial instruments were settled in June 2021.

Condensed consolidated statement of changes in equity

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Opening equity	118,774	90,208	91,049	84,142	84,142	51,410
Change on transition to IFRS 16 Leases	-	-	-	-	-	-233
Adjusted opening equity	118,774	90,208	91,049	84,142	84,142	51,177
Profit/loss for the period	-1,564	2,821	1,027	8,603	14,637	4,045
Other comprehensive income for the period	5,867	-1,407	7,575	-1,107	-7,607	1,888
Comprehensive income for the period	4,303	1,414	8,602	7,495	7,030	5,933
New share issue	117,428	0	143,648	-15	-123	27,032
Dividends	0	0	-2,794	0	0	0
Change in non-controlling interests	104	0	104	0	0	0
Translation reserve	0	0	0	0	0	0
Closing equity	240,609	91,623	240,609	91,623	91,049	84,142
Attributable to:						
Shareholders of the parent company	240,609	91,536	240,609	91,536	90,966	84,004
Non-controlling interests	0	87	0	87	83	139
Total equity	240,609	91,623	240,609	91,623	91,049	84,142

Condensed consolidated statement of cash flows

SEK thousands	2021 Jul-Sep ¹	2020 Jul-Sep ²	2021 Jan-Sep ¹	2020 Jan-Sep ²	2020 Jan-Dec ²	2019 Jan-Dec
Operating activities						
Profit/loss before tax	-661	2,926	3,566	10,076	17,857	1,672
Adjustments for non-cash items	5,235	3,314	10,510	6,747	3,778	9,734
Income tax paid	-261	-143	-800	-600	-2,259	-731
Operating cash flow before changes in working capital	4,313	6,097	13,275	16,224	19,375	10,674
Operating cash flow	-8,663	2,610	-16,876	31,844	57,438	11,187
Investing cash flow ³	-100,392	-5,581	-134,659	-6,285	-7,214	-31,237
Financing cash flow	132,778	110	250,388	-17,710	-23,314	20,432
Cash flow for the period	23,723	-2,861	98,854	7,849	26,910	381
Cash and cash equivalents at start of period	115,495	23,968	39,606	13,259	13,259	12,877
Foreign exchange differences in cash and cash equivalents	627	0	1,385	0	-562	0
Cash and cash equivalents at end of period	139,845	21,107	139,845	21,107	39,606	13,259

Notes

1 During the period July–September 2021, ADDvise paid liabilities of SEK 0.8 million relating to deferred payment of taxes and charges as a result of the Covid-19 situation. During the period January–September 2021, ADDvise paid liabilities of SEK 11.5 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 July–September 2021 and January–September 2021.

2 During the period July–September, deferred payment of taxes and charges of SEK 2.1 million was granted because of the Covid-19 situation. During the period April–December 2020, deferred payment of taxes and charges of SEK 12.6 million was granted because of the Covid-19 situation. The liability for deferred payment at the end of 2020 was SEK 12.6 million. The effect of this deferral is reported in the consolidated statement of cash flows under operating cash flow for July–September 2020 and January–December 2020.

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

Consolidated income statement for five quarters

SEK thousands	2021 Jul-Sep	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec	2020 Jul-Sep
Net revenue	105,557	117,645	87,737	96,813	76,168
Capitalized work on own account	74	379	1,438	156	29
Other operating income	81	70	52	4,172	1,747
	105,712	118,094	89,227	101,141	77,943
Cost of materials	-51,190	-65,328	-51,082	-58,565	-48,408
Other external expenses	-11,463	-10,487	-8,269	-6,650	-5,513
Personnel costs	-29,790	-26,227	-21,102	-19,162	-13,971
Other operating expenses	3	-285	89	-489	-620
	-92,440	-102,327	-80,363	-84,867	-68,512
EBITDA	13,272	15,766	8,864	16,275	9,431
EBITDA margin, %	12.6%	13.4%	10.1%	16.8%	12.4%
Depreciation and amortization	-3,720	-3,416	-2,839	-3,698	-2,711
Operating profit/loss (EBIT)	9,552	12,350	6,024	12,577	6,720
Operating margin, %	9.0%	10.5%	6.9%	13.0%	8.8%
Net financial items	-10,213	-11,572	-2,575	-4,796	-3,794
Profit/loss before tax (EBT)	-661	778	3,449	7,781	2,926
Tax	-903	-701	-934	-1,746	-105
Profit/loss for the period	-1,564	76	2,515	6,035	2,821
Profit/loss attributable to:					
Shareholders of the parent company	-1,564	76	2,516	6,035	2,821
Non-controlling interests	0	0	-1	0	0
	-1,564	76	2,515	6,035	2,821

Key performance indicators

SEK thousands	2021 Jul-Sep ¹	2020 Jul-Sep	2021 Jan-Sep ²	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec ³
Net revenue	105,557	76,168	310,939	261,674	358,487	349,877
Gross margin, %	51.5%	36.4%	46.1%	37.9%	38.3%	38.0%
EBITDA	13,272	9,431	37,902	29,949	46,224	30,671
EBITDA margin, %	12.6%	12.4%	12.2%	11.4%	12.9%	8.8%
Adjusted EBITDA	14,510	5,323	38,026	20,735	33,315	29,762
Adjusted EBITDA margin, %	13.7%	7.0%	12.2%	7.9%	9.3%	8.5%
EBITA	10,497	7,470	30,742	23,975	38,147	21,281
EBITA margin, %	9.9%	9.8%	9.9%	9.2%	10.6%	6.1%
Operating profit/loss (EBIT)	9,552	6,720	27,926	21,680	34,257	18,629
Operating margin, %	9.0%	8.8%	9.0%	8.3%	9.6%	5.3%
Profit/loss before tax (EBT)	-661	2,926	3,566	10,076	17,857	1,672
Net margin, %	-0.6%	3.8%	1.1%	3.9%	5.0%	0.5%
Profit/loss for the period	-1,564	2,821	1,027	8,603	14,637	4,045
Adjusted profit/loss for the period	3,025	-1,246	8,947	-544	1,894	3,136
Equity ratio, %	32.6%	26.7%	32.6%	26.7%	26.3%	23.3%
Net debt	-182,732	-175,925	-182,732	-175,925	-153,766	-182,793
Net debt-to-EBITDA	3.4	4.4	3.4	4.4	3.3	6.0
Number of employees at end of period	252	110	252	110	108	127
Equity per share in SEK	1.46	0.94	1.46	0.94	0.94	0.87
Basic earnings per share in SEK ⁴	-0.01	0.02	0.01	0.07	0.12	0.04
Diluted earnings per share in SEK ⁴	-0.01	0.02	0.01	0.06	0.10	0.04
Number of shares at end of period	165,107,273	96,913,631	165,107,273	96,913,631	96,913,631	96,913,631
Average number of shares before dilution	146,052,394	96,913,631	135,728,795	96,913,631	96,913,631	86,841,635
Average number of shares after dilution	146,052,394	116,660,759	135,728,795	112,034,275	113,133,907	89,801,052

Notes

1 MediSuite LLC is consolidated in the ADDvise Group as at August 4, 2021. Graham Medical Technologies is consolidated in the ADDvise Group as at September 15, 2021.

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

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

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

Definition of key performance indicators

In its financial reports, ADDvise uses alternative performance measures, in other words financial measures that are not defined in IFRS. The company management uses these performance measures to assess the Group's financial development as a complement to the performance indicators that represent generally accepted accounting practice. Described below are financial measures not defined in IFRS.

Adjusted EBITDA

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	9,552	6,720	27,926	21,680	34,257	18,629
Plus reversal of depreciation and amortization	3,720	2,711	9,975	8,269	11,967	12,042
Plus reversal of acquisition costs	1,559	160	2,203	196	196	2,114
Plus reversal of restructuring costs	0	0	0	0	0	0
Minus reversal of state subsidies and similar items relating to Covid-19	-321	-2,999	-2,079	-6,421	-6,547	-
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	0	-1,269	0	-2,990	-6,558	-3,023
= Adjusted EBITDA	14,510	5,323	38,026	20,735	33,315	29,762

Adjusted EBITDA margin

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	9,552	6,720	27,926	21,680	34,257	18,629
Plus reversal of depreciation and amortization	3,720	2,711	9,975	8,269	11,967	12,042
Plus reversal of acquisition costs	1,559	160	2,203	196	196	2,114
Plus reversal of restructuring costs	0	0	0	0	0	0
Minus reversal of state subsidies and similar items relating to Covid-19	-321	-2,999	-2,079	-6,421	-6,547	-
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	0	-1,269	0	-2,990	-6,558	-3,023
= Adjusted EBITDA	14,510	5,323	38,026	20,735	33,315	29,762
Divided by net revenue	105,557	76,168	310,939	261,674	358,487	349,877
= Adjusted EBITDA margin as a %	13.7%	7.0%	12.2%	7.9%	9.3%	8.5%

Adjusted operating margin

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

Adjusted operating profit/loss (EBIT)

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

Adjusted profit/loss for the period

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	-1,564	2,821	1,027	8,603	14,637	4,045
Plus reversal of acquisition costs	1,559	160	2,203	196	196	2,114
Plus reversal of restructuring costs	0	0	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	41	0	67	166	-
Plus reversal of financial expenses related to acquisitions	3,350	0	7,796	0	0	0
Minus reversal of state subsidies and similar items relating to Covid-19	-321	-2,999	-2,079	-6,421	-6,547	-
Minus reversal of revaluation of estimated additional purchase consideration for completed acquisitions	0	-1,269	0	-2,990	-6,558	-3,023
= Adjusted profit/loss for the period	3,025	-1,246	8,947	-544	1,894	3,136

Average number of shares after dilution

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

Average number of shares before dilution

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

Basic earnings per share

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period attributable to the parent company's shareholders	-1,564	2,821	1,027	8,603	14,638	4,059
Divided by average number of shares before dilution	146,052,394	96,913,631	135,728,795	96,913,631	96,913,631	86,841,635
= Basic earnings per share in SEK	-0.01	0.02	0.01	0.07	0.12	0.04

Diluted earnings per share

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period attributable to the parent company's shareholders	-1,564	2,821	1,027	8,603	14,638	4,059
Divided by average number of shares after dilution	146,052,394	116,660,759	135,728,795	112,034,275	113,133,907	89,801,052
= Diluted earnings per share in SEK	-0.01	0.02	0.01	0.06	0.10	0.04

EBITA

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	9,552	6,720	27,926	21,680	34,257	18,629
Plus reversal of amortization of intangible assets	945	750	2,816	2,295	3,890	2,652
= EBITA	10,497	7,470	30,742	23,975	38,147	21,281

EBITA margin

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	9,552	6,720	27,926	21,680	34,257	18,629
Plus reversal of amortization of intangible assets	945	750	2,816	2,295	3,890	2,652
= EBITA	10,497	7,470	30,742	23,975	38,147	21,281
Divided by net revenue	105,557	76,168	310,939	261,674	358,487	349,877
= EBITA margin as a %	9.9%	9.8%	9.9%	9.2%	10.6%	6.1%

EBITDA

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	9,552	6,720	27,926	21,680	34,257	18,629
Plus reversal of depreciation and amortization	3,720	2,711	9,975	8,269	11,967	12,042
= EBITDA	13,272	9,431	37,902	29,949	46,224	30,671

EBITDA margin

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Operating profit/loss, see below	9,552	6,720	27,926	21,680	34,257	18,629
Plus reversal of depreciation and amortization	3,720	2,711	9,975	8,269	11,967	12,042
= EBITDA	13,272	9,431	37,902	29,949	46,224	30,671
Divided by net revenue	105,557	76,168	310,939	261,674	358,487	349,877
= EBITDA margin as a %	12.6%	12.4%	12.2%	11.4%	12.9%	8.8%

Equity per share

Equity at the end of the period attributable to the parent company's shareholders divided by the number of shares at the end of the period. The Group's definition is unchanged from previous periods.

SEK thousands	2021 Sep 30	2020 Sep 30	2020 Dec 31	2019 Dec 31
Equity attributable to the parent company's shareholders	240,609	91,536	90,966	84,004
Divided by number of shares at end of period	165,107,273	96,913,631	96,913,631	96,913,631
= Equity per share in SEK	1.46	0.94	0.94	0.87

Equity ratio

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

SEK thousands	2021 Sep 30	2020 Sep 30	2020 Dec 31	2019 Dec 31
Equity	240,609	91,623	91,049	84,142
Divided by total assets	739,110	343,515	345,743	360,367
= Equity ratio as a %	32.6%	26.7%	26.3%	23.3%

Gross margin

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Net revenue	105,557	76,168	310,939	261,674	358,487	349,877
Minus cost of materials	-51,190	-48,408	-167,599	-162,589	-221,154	-216,917
	54,367	27,760	143,339	99,085	137,333	132,961
Divided by net revenue	105,557	76,168	310,939	261,674	358,487	349,877
= Gross margin as a %	51.5%	36.4%	46.1%	37.9%	38.3%	38.0%

Net debt

The Group defines net debt as the net sum of cash and cash equivalents, plus short-term investments and interest-bearing liabilities. The Group monitors this performance indicator since it shows the level of debt and is part of one of the long-term financial targets adopted by the Board of Directors in 2017. The Group's definition is unchanged from previous periods.

SEK thousands	2021 Sep 30	2020 Sep 30	2020 Dec 31	2019 Dec 31
Cash and cash equivalents	139,845	21,107	39,606	13,259
Short-term investments	0	0	0	0
Loans due for repayment within one year	-48,909	-41,782	-38,304	-51,737
Other interest-bearing liabilities due for repayment within one year	0	0	0	0
Liabilities due for repayment within one year as a result of the deferral of payment of taxes and charges because of Covid-19	-1,164	-12,635	-12,626	-
Loans due for repayment after one year	-272,504	-142,615	-142,442	-144,316
= Net debt	-182,732	-175,925	-153,766	-182,793

Net debt-to-EBITDA

The Group defines net debt-to-EBITDA as the net sum of cash and cash equivalents plus short-term investments and interest-bearing liabilities divided by EBITDA on a rolling 12-month basis. The Group monitors this performance indicator since it shows the level of debt and is one of the long-term financial targets adopted by the Board of Directors in 2017. The Group's definition is unchanged from previous periods. For the definition of EBITDA, see above.

SEK thousands	2021 Sep 30	2020 Sep 30	2020 Dec 31	2019 Dec 31
Cash and cash equivalents	139,845	21,107	39,606	13,259
Short-term investments	0	0	0	0
Loans due for repayment within one year	-48,909	-41,782	-38,304	-51,737
Other interest-bearing liabilities due for repayment within one year	0	0	0	0
Liabilities due for repayment within one year as a result of the deferral of payment of taxes and charges because of Covid-19	-1,164	-12,635	-12,626	-
Loans due for repayment after one year	-272,504	-142,615	-142,442	-144,316
= Net debt	-182,732	-175,925	-153,766	-182,793
Divided by EBITDA, rolling 12 months	54,176	39,555	46,224	30,671
= Net debt-to-EBITDA	3.4	4.4	3.3	6.0

Net debt-to-EBITDA according to bond term sheet

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

SEK thousands	2021 Sep 30
Cash and cash equivalents	139,845
Loans due for repayment within one year	-48,909
Loans due for repayment after one year	-272,504
Excluding loans for leases classified as non-financial leases according to Swedish tax law	27,804
Acquisition-related liabilities due for payment within one year	-1,099
Acquisition-related liabilities due for payment after one year	-18,461
= Net debt according to bond term sheet	-173,325
EBITDA rolling 12-month period	54,176
Plus reversal of acquisition costs rolling 12-month period	2,203
Minus reversal of revaluation of estimated earn-outs for completed acquisitions rolling 12-month period	-3,569
Plus pro forma EBITDA from new acquisitions	24,711
= EBITDA rolling 12-month period according to bond term sheet	77,522
= Net debt-to-EBITDA according to bond term sheet	2.2

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	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	-1,564	2,821	1,027	8,603	14,637	4,045
Plus reversal of tax on profit/loss for the year	903	105	2,539	1,473	3,219	-2,373
= Profit/loss after net financial items	-661	2,926	3,566	10,076	17,857	1,672
Divided by net revenue	105,557	76,168	310,939	261,674	358,487	349,877
= Net margin as a %	-0.6%	3.8%	1.1%	3.9%	5.0%	0.5%

Number of employees

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

Operating margin

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	-1,564	2,821	1,027	8,603	14,637	4,045
Plus reversal of tax on profit/loss for the period	903	105	2,539	1,473	3,219	-2,373
Plus reversal of financial expenses	10,803	3,854	25,189	11,711	16,610	17,424
Minus reversal of financial income	-590	-60	-828	-107	-210	-467
= Operating profit/loss (EBIT)	9,552	6,720	27,926	21,680	34,257	18,629
Divided by net revenue	105,557	76,168	310,939	261,674	358,487	349,877
= Operating margin as a %	9.0%	8.8%	9.0%	8.3%	9.6%	5.3%

Operating profit/loss (EBIT)

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	-1,564	2,821	1,027	8,603	14,637	4,045
Plus reversal of tax on profit/loss for the period	903	105	2,539	1,473	3,219	-2,373
Plus reversal of financial expenses	10,803	3,854	25,189	11,711	16,610	17,424
Minus reversal of financial income	-590	-60	-828	-107	-210	-467
= Operating profit/loss (EBIT)	9,552	6,720	27,926	21,680	34,257	18,629

OPEX

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Other external expenses	-11,463	-5,513	-30,219	-20,410	-27,060	-31,443
Personnel costs	-29,790	-13,971	-77,119	-51,767	-70,929	-77,060
Other operating expenses	3	-620	-193	-1,111	-1,600	-1,215
= OPEX	-41,250	-20,104	-107,531	-73,288	-99,589	-109,717

Orders received

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

Profit/loss before tax (EBT)

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	-1,564	2,821	1,027	8,603	14,637	4,045
Plus reversal of tax on profit/loss for the period	903	105	2,539	1,473	3,219	-2,373
= Profit/loss before tax (EBT)	-661	2,926	3,566	10,076	17,857	1,672

Condensed parent company income statement

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Net revenue	7,130	4,809	17,329	14,684	19,448	14,687
Capitalized work on own account	0	0	0	0	0	0
Other operating income	0	0	0	0	0	1
	7,130	4,809	17,329	14,685	19,448	14,688
Cost of materials	0	0	0	0	0	0
Other external expenses	-1,525	-1,168	-5,462	-4,277	-5,932	-6,803
Personnel costs	-3,938	-2,732	-11,170	-9,343	-11,850	-12,244
Depreciation and amortization	-48	-53	-130	-267	-306	-510
Other operating expenses	0	-2	0	-2	-1	-312
	-5,510	-3,954	-16,761	-13,889	-18,090	-19,869
Operating profit/loss (EBIT)	1,620	854	568	795	1,358	-5,180
Net financial items	-6,707	-3,305	-18,103	4,461	1,164	-15,020
Profit/loss after financial items (EBT)	-5,087	-2,450	-17,535	5,256	2,522	-20,200
Appropriations	-1,000	0	-1,000	0	11,330	6,145
Tax	0	0	0	0	-1,829	4,848
Profit/loss for the period	-6,087	-2,450	-18,535	5,256	12,024	-9,208

Parent company statement of comprehensive income

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Profit/loss for the period	-6,087	-2,450	-18,535	5,256	12,024	-9,208
Other comprehensive income for the period	0	0	0	0	0	0
Comprehensive income for the period	-6,087	-2,450	-18,535	5,256	12,024	-9,208

Condensed parent company balance sheet

SEK thousands	2021 Sep 30	2020 Sep 30	2020 Dec 31	2019 Dec 31
ASSETS				
<i>Non-current assets</i>				
Intangible non-current assets	246	209	181	436
Property, plant and equipment	204	67	154	75
Non-current financial assets	375,201	216,540	212,971	219,333
Deferred tax assets	12,329	13,352	12,329	13,352
<i>Total non-current assets</i>	<i>387,981</i>	<i>230,167</i>	<i>225,636</i>	<i>233,196</i>
<i>Current assets</i>				
Inventories	0	0	0	0
Trade receivables	0	0	0	0
Other current receivables	80,935	41,669	40,767	47,911
Short-term investments ¹	0	0	0	0
Cash and bank balances	112,595	6,127	11,484	3,598
<i>Total current assets</i>	<i>193,530</i>	<i>47,797</i>	<i>52,251</i>	<i>51,508</i>
TOTAL ASSETS	581,511	277,964	277,887	284,704
EQUITY AND LIABILITIES				
<i>Equity</i>	<i>205,411</i>	<i>76,434</i>	<i>83,093</i>	<i>71,193</i>
<i>Non-current liabilities</i>				
Interest-bearing liabilities ¹	243,205	134,826	135,337	134,367
Other non-current liabilities	52,966	0	0	5,738
<i>Total non-current liabilities</i>	<i>296,171</i>	<i>134,826</i>	<i>135,337</i>	<i>140,106</i>
<i>Current liabilities</i>				
Interest-bearing liabilities	0	12,500	11,500	13,500
Current tax liabilities	851	429	850	12
Trade payables	1,168	595	1,555	1,172
Other current liabilities	77,909	53,180	45,552	58,722
<i>Total current liabilities</i>	<i>79,928</i>	<i>66,704</i>	<i>59,457</i>	<i>73,406</i>
TOTAL EQUITY AND LIABILITIES	581,511	277,964	277,887	284,704

Note

1 As at September 30, 2020, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,032 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. 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 interim report was prepared in accordance with IAS 34 Interim financial reporting and the relevant sections of the Swedish Annual Accounts Act. The accounting policies and bases of calculation applied are the same as in the most recent annual report.

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

Note 3 Related party transactions

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

Note 4 Segment reporting

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

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

Lab business unit

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

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

Healthcare business unit

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

- » Sale of consumable materials for healthcare
- » Sale of ultrasound systems and radiographic equipment
- » Design and sale of the Sonesta brand product portfolio, which includes treatment and examination tables for urology and gynecology

- » Design, manufacture and sale of the Surgical Tables brand product portfolio, which includes operating tables for healthcare
- » Design, manufacture and sale of healthcare and safety products
- » Design, manufacture and sale of medtech cables and connection systems
- » Design, manufacture and sale of orthopedic implants and stents for foot and ankle surgery
- » Sales via online pharmacy of medicines prescribed by doctors within urology and oncology

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Lab business unit	49,932	32,669	153,903	114,006	151,043	141,952
Healthcare business unit	55,625	43,498	157,035	147,668	207,444	207,925
Total external net revenue	105,557	76,168	310,939	261,674	358,487	349,877

Lab business unit	302	419	882	912	1,292	881
Healthcare business unit	0	187	1	580	596	0
Total internal income	302	606	883	1,492	1,888	881

Lab business unit	6,494	3,362	18,619	12,410	16,853	7,776
Healthcare business unit	5,127	4,770	18,023	15,856	27,581	25,994

Total operating profit/loss before depreciation and amortization (EBITDA)	11,621	8,132	36,641	28,266	44,434	33,770
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Unallocated Group income	0	0	0	0	0	0
Unallocated Group expenses	1,651	1,299	1,260	1,683	1,790	-3,099
Depreciation and amortization	-3,719	-2,711	-9,975	-8,269	-11,967	-12,042
Net financial items	-10,213	-3,794	-24,361	-11,604	-16,400	-16,957

Consolidated profit/loss before tax (EBT)	-661	2,926	3,566	10,076	17,857	1,672
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Unallocated Group expenses include, for example, costs for parent company functions. These costs are offset here against the management fees received by the parent company, which means that the net figure can be positive.

Note 5 Business combinations

During January–September 2021, three acquisitions were completed: MRC Systems FZE, MediSuite LLC and Graham Medical Technologies LLC.

On June 17, 2021, ADDvise completed the acquisition of MRC Systems FZE (MRC). ADDvise acquired 100% of the shares in MRC. The closing date was June 17, 2021. MRC Systems FZE will be consolidated into the ADDvise Group as of March 28, 2021. In the press release dated June 17, the date for consolidation was stated as being June 17, 2021, but as ADDvise gained control over MRC Systems FZE on March 28, 2021, this date was set for consolidation once the acquisition was completed. MRC develops and manufactures clean rooms for the pharmaceutical industry and for hospitals. MRC is based in Dubai with headquarters and a production facility. The company has another production facility in Spain. MRC's sales for the 2019/2020 financial year amounted to USD 9.8 million with an EBITDA of USD 1.1 million. The company has approximately 110 employees.

On July 30, 2021, ADDvise completed the acquisition of MediSuite LLC (MediSuite). ADDvise acquired 100% of the shares in MediSuite. The closing date was August 4, 2021. MediSuite LLC is consolidated in the ADDvise Group as of August 4, 2021. MediSuite is an American online pharmacy, based in Cary, North Carolina, specializing in pharmaceuticals in the "men's health" segment for treatment of cancer, incontinence and impotence. MediSuite has licenses to distribute pharmaceuticals in all but two US states. The assessment is that after the acquisition, MediSuite will also receive licenses in these two states. The licenses are not tied to specific pharmaceuticals. MediSuite's sales for the financial year 2020 amounted to USD 3.0 million, with an adjusted EBITDA of USD 1.4 million, and an EBITDA margin of 48%.

On September 15, 2021, ADDvise completed the acquisition of Graham Medical Technologies LLC, GraMedica. ADDvise acquired

continuation of Note 5; see next page

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

Purchase prices

SEK thousands	Graham Medical Technologies LLC	MediSuite LLC	MRC Systems FZE	Total
Cash	32,453	55,167	38,278	125,897
Holdback amount	2,578	1,073	0	3,651
Interest-free promissory note	0	11,163	4,253	15,416
Earn-outs	15,468	21,468	25,519	62,455
Total purchase price	50,499	88,871	68,050	207,420

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 2021 annual report.

SEK thousands	Graham Medical Technologies LLC	MediSuite LLC	MRC Systems FZE	Total
Trademarks	6,808	3,559	13,168	23,535
Other intangible non-current assets	0	0	0	0
Property, plant and equipment	4,528	1,167	26,779	32,474
Non-current financial assets	0	5	40	46
Deferred tax assets	0	0	37	37
Inventories	7,300	133	5,872	13,304
Contract assets	0	0	30,973	30,973
Trade receivables	5,884	0	10,062	15,946
Short-term investments	0	0	0	0
Other current receivables	281	5	4,434	4,721
Cash and cash equivalents	1,202	590	10,917	12,709
Deferred tax liabilities	-1,838	-836	0	-2,675
Interest-bearing liabilities	-3,761	-1,418	-28,816	-33,995
Current tax liabilities	-1,623	-983	0	-2,606
Contract liabilities	-117	0	-4,490	-4,607
Trade payables	-883	0	-11,220	-12,104
Other current liabilities	-1,429	-570	-3,267	-5,265
Acquired identifiable net assets	16,352	1,651	54,491	72,494
Goodwill	34,148	87,219	13,558	134,925
Acquired net assets	50,499	88,871	68,050	207,420

Revenue and profit from acquisitions

The newly acquired subsidiaries contributed revenues of SEK 44.6 million and a net profit of SEK 4.8 million to the ADDvise Group for the period from the first date of consolidation until September 30, 2021. If the acquisition dates had been at the beginning of the financial year, the newly acquired subsidiaries would have contributed revenues of SEK 94.6 million and a net profit of SEK 16.9 million to the Group for the period January 1 to September 30, 2021.

Transaction costs

Transaction costs related to the acquisitions of SEK 4.9 million are recognized during the period July–September 2021 as costs in the consolidated statement of comprehensive income. SEK 1.6 million is reported in Other external expenses and SEK 3.3 million is reported in Net financial items.

Transaction costs related to the acquisitions of SEK 10.0 million are recognized during the period January–September 2021 as costs in the consolidated statement of comprehensive income. SEK 2.2 million is reported in Other external expenses and SEK 7.8 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	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Cash purchase consideration	87,619	4,510	125,897	4,510	4,956	47,492
Cash and cash equivalents acquired	1,791	0	12,717	0	0	15,348
Net outflow of cash and cash equivalents	85,828	4,510	113,180	4,510	4,956	32,143

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

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

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

Note 6 Contract assets and contract liabilities

SEK thousands	2021 Sep 30	2020 Sep 30	2020 Dec 31	2019 Dec 31
Assets				
Contract assets				
Accrued income	33,944	3,257	727	5,285
Total contract assets	33,944	3,257	727	5,285
Trade receivables	74,880	46,208	44,930	63,454
Total assets	108,824	49,465	45,657	68,740
Contract liabilities				
Advances from customers	328	889	473	3,389
Deferred income	5,236	569	830	591
Total contract liabilities	5,564	1,458	1,303	3,980
Total liabilities	5,564	1,458	1,303	3,980

Note 7 Allocation of income

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

Primary geographic markets by segment

SEK thousands	2021 Jul-Sep			2020 Jul-Sep		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	32,092	8,577	40,668	32,299	13,836	46,134
Europe, excluding Sweden	11,644	23,676	35,321	370	15,566	15,937
North America	103	22,925	23,028	0	13,862	13,862
Africa	2,986	0	2,986	0	0	0
Asia	3,106	447	3,553	0	235	235
Other	0	0	0	0	0	0
Total	49,932	55,625	105,557	32,669	43,498	76,168

SEK thousands	2021 Jan-Sep			2020 Jan-Sep		
	Lab	Health-care	Total	Lab	Health-care	Total
Sweden	111,140	27,988	139,128	113,411	43,324	156,734
Europe, excluding Sweden	19,210	63,581	82,791	595	54,510	55,105
North America	103	62,905	63,008	0	48,907	48,907
Africa	14,014	6	14,020	0	0	0
Asia	9,437	2,468	11,905	0	793	793
Other	0	87	87	0	134	134
Total	153,903	157,035	310,939	114,006	147,668	261,674

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

Principal goods/services July–September 2021

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	22,401	40,641	63,042
Sale of goods: treatment tables/chairs for healthcare	0	12,092	12,092
Sale of goods under construction contracts	25,384	0	25,384
Services	2,146	2,892	5,039
Total	49,932	55,625	105,557

Principal goods/services July–September 2020

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	24,914	27,822	52,737
Sale of goods: treatment tables/chairs for healthcare	0	11,062	11,062
Sale of goods under construction contracts	5,012	2,845	7,857
Services	2,743	1,770	4,512
Total	32,669	43,498	76,168

Principal goods/services January–September 2021

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	76,535	107,481	184,016
Sale of goods: treatment tables/chairs for healthcare	0	41,175	41,175
Sale of goods under construction contracts	69,398	0	69,398
Services	7,970	8,379	16,349
Total	153,903	157,035	310,939

Principal goods/services January–September 2020

SEK thousands	Lab	Healthcare	Total
Sale of goods: furnishings, safety equipment and consumable materials for laboratories and healthcare	91,563	103,545	195,109
Sale of goods: treatment tables/chairs for healthcare	0	31,195	31,195
Sale of goods under construction contracts	14,296	4,649	18,945
Services	8,147	8,279	16,425
Total	114,006	147,668	261,674

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
Services	11,263	12,372	23,635
Total	151,043	207,444	358,487

Principal goods/services January–December 2019

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

continuation of Note 7; see next page

Time of revenue recognition July–September 2021

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	24,548	51,170	75,717
Goods and services transferred to customers over a period of time	25,384	4,455	29,840
Total	49,932	55,625	105,557

Time of revenue recognition July–September 2020

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	27,657	33,613	61,270
Goods and services transferred to customers over a period of time	5,012	9,885	14,897
Total	32,669	43,498	76,168

Time of revenue recognition January–September 2021

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	84,505	143,938	228,443
Goods and services transferred to customers over a period of time	69,398	13,097	82,495
Total	153,903	157,035	310,939

Time of revenue recognition January–September 2020

SEK thousands	Lab	Healthcare	Total
Goods and services transferred to customers at a specific point in time	99,710	130,296	230,006
Goods and services transferred to customers over a period of time	14,296	17,372	31,668
Total	114,006	147,668	261,674

Time of revenue recognition January–December 2020

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

Time of revenue recognition January–December 2019

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

Note 8 Fair value disclosures

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

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

September 30, 2021

SEK thousands	Level 1	Level 2	Level 3
Short-term investments ¹	0		
Contingent purchase consideration			64,175
Total	0	0	64,175

Note

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

September 30, 2020

SEK thousands	Level 1	Level 2	Level 3
Short-term investments ¹	0		
Contingent purchase consideration			4,058
Total	0	0	4,058

Note

1 As at September 30, 2020, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,032 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.

December 31, 2020

SEK thousands	Level 1	Level 2	Level 3
Short-term investments ¹	0		
Contingent purchase consideration			0
Total	0	0	0

Note

1 As at December 31, 2020, the nominal value of the holding of own bonds was SEK 1,110 thousand and the fair value was SEK 1,088 thousand. The holding has been offset against the liability for the bond loan in the condensed consolidated statement of financial position and on the parent company's condensed 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, 2019

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

Fair value description**Short-term investments**

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

Contingent purchase consideration

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

In those cases where the amount is specified in the share transfer agreement, an estimate is made of how likely it is that the condition will be met. If it is considered likely, the purchase

continuation of Note 8; see next page

consideration is valued at 100% of the agreed amount. If it is considered unlikely, the purchase consideration is valued at 0% of the agreed amount.

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

The fair value of contingent purchase considerations can be affected to an extent by currency risk. At the end of the reporting period, the fair value of contingent purchase considerations can be affected by changes in the SEK versus USD currency exchange rate. A change in the currency exchange rate for USD of 5% would have an effect of SEK 3.2 million on profit/loss before tax.

Note 9 Financial risks

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

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

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

Note 10 Number of shares

	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec	2019 Jan-Dec
Weighted average number of shares before dilution	146,052,394	96,913,631	135,728,795	96,913,631	96,913,631	86,841,635
Adjustment on the calculation of basic earnings per share:						
Warrants	0	19,747,128	0	15,120,644	16,220,276	2,959,417
Weighted average number of shares after dilution	146,052,394	116,660,759	135,728,795	112,034,275	113,133,907	89,801,052

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

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

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

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

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

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

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

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

SEK thousands	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
State subsidies relating to short-time working and similar subsidies for personnel costs	325	2,896	2,035	5,079	5,203
State subsidies relating to sick pay costs	-4	8	43	103	106
Temporarily reduced employer's contributions	0	95	0	1,238	1,238
Total	321	2,999	2,079	6,421	6,547

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

SEK thousands	2021 Sep 30	2020 Sep 30	2020 Dec 31
Other current liabilities relating to the payment of subsidies not yet recognized in profit and loss		948	520
Total		948	520

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 5,075 thousand (3,301).

Other information

Publication dates for financial information

Year-end report 2021	February 24, 2022
Interim report Jan – Mar 2022	April 22, 2022
Annual General Meeting 2022	May 6, 2022
Interim report Jan – Jun 2022	July 22, 2022
Interim report Jan – Sep 2022	October 28, 2022
Year-end report 2022	March 3, 2023

This information is information that ADDvise is obliged to publish under the Swedish Securities Market Act. The information was submitted for publication on October 27, 2021 at 08.45 CEST.

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

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Review of interim report

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

Declaration

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

Stockholm, October 27, 2021

Staffan Torstensson

Chairman of the Board

Johanne Louise Brændgaard

Board Member

Fredrik Celsing

Board Member

Erland Pontusson

Board Member

Rikard Akhtarzand

CEO and Board Member