



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 948 501 430
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSK ANALYSE AS
Forretningsadresse: Wirgenes vei 10
3157 BARKÅKER

Regnskapsår

Årsregnskapets periode: 01.04.2020 - 31.03.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tor Erik Sannum
Dato for fastsettelse av årsregnskapet: 30.06.2021

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 01.02.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		259 207 231	482 430 018
Annen driftsinntekt		3 606 581	2 776 802
Sum inntekter		262 813 812	485 206 820
Kostnader			
Varekostnad		182 806 250	287 337 293
Lønnskostnad	2, 3	42 705 107	41 051 870
Avskrivning av driftsmidler og immaterielle eiendeler	4	397 019	223 774
Annen driftskostnad	3, 14	12 599 753	18 575 871
Sum kostnader		238 508 129	347 188 808
Driftsresultat		24 305 683	138 018 012
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap			1 570 440
Annen renteinntekt		1 241	1 041
Annen finansinntekt		29 095 356	6 267 176
Sum finansinntekter		29 096 597	7 838 657
Rentekostnad til foretak i samme konsern		-15 358	-274 610
Annen rentekostnad		42 750	4 592
Annen finanskostnad		11 045 485	-4 706 693
Sum finanskostnader		11 072 878	-4 976 711
Netto finans		18 023 719	12 815 368
Ordinært resultat før skattekostnad		42 329 403	150 833 381
Skattekostnad på ordinært resultat	15	6 829 067	32 881 232
Ordinært resultat etter skattekostnad		35 500 336	117 952 149
Årsresultat		35 500 336	117 952 149
Årsresultat etter minoritetsinteresser		35 500 336	117 952 149



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Totalresultat		35 500 336	117 952 149
Overføringer og disponeringer			
Ordinært utbytte		27 200 000	
Konsernbidrag		31 200 000	65 754 000
Avsatt til annen egenkapital		-22 899 664	52 198 149
Sum overføringer og disponeringer		35 500 336	117 952 149



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	15	4 581 236	438 397
Sum immaterielle eiendeler		4 581 236	438 397
Varige driftsmidler			
Driftsløsøre, inventar o.a. utstyr	4	1 909 722	1 126 460
Sum varige driftsmidler		1 909 722	1 126 460
Finansielle anleggsmidler			
Investering i datterselskap	5	5 868 402	5 908 261
Sum finansielle anleggsmidler		5 868 402	5 908 261
Sum anleggsmidler		12 359 360	7 473 119
Omløpsmidler			
Varer			
Sum varer	10	22 063 591	22 881 031
Fordringer			
Kundefordringer		46 370 680	87 711 795
Andre kortsiktige fordringer		27 912 116	14 876 398
Sum fordringer		105 953 852	121 494 077
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		47 051 573	101 060 182
Sum bankinnskudd, kontanter og lignende		47 051 573	101 060 182
Sum omløpsmidler		175 069 016	245 435 290
SUM EIENDELER		187 428 377	252 908 409

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Aksjekapital		2 100 000	2 100 000
Beholdning av egne aksjer		5 475 000	5 475 000
Sum innskutt egenkapital		7 575 000	7 575 000
Opptjent egenkapital			
Annen egenkapital		58 075 523	80 975 187
Sum opptjent egenkapital		58 075 523	80 975 187
Sum egenkapital		65 650 523	88 550 187
Gjeld			
Langsiktig gjeld			
Utsatt skatt	15		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Sertifikatlån		40 000 000	84 300 000
Leverandørgjeld		16 238 575	33 469 849
Betalbar skatt	15	14 691 957	18 669 820
Skattetrekk og andre trekk		5 685 324	5 453 386
Utbytte		27 200 000	
Annen kortsiktig gjeld		17 961 998	22 465 166
Sum kortsiktig gjeld		121 777 853	164 358 221
Sum gjeld		121 777 853	164 358 221
SUM EGENKAPITAL OG GJELD		187 428 377	252 908 409



Årsregnskap

Norsk Analyse AS

2021



NORSK ANALYSE AS

ORG.NR.: 948 501 430

ÅRSBERETNING 2021

Virksomhetens art og lokalisering

Norsk Analyse AS' virksomhet består av utvikling og salg av instrumenter og systemer for måling og analyse av væske og gass. Selskapet tilbyr også sine kunder service og vedlikehold, herunder reservedeler. Forretningskontoret ligger på Barkåker i Tønsberg kommune. Selskapet er et heleid datterselskap av Addtech Nordic AB. Norsk Analyse AS har eierandel i Norsk Analyse AB (100 %), Norsk Analyse A/S (100%) og Norsk Analyse Oy (100%).

Design og engineering utføres ved hovedkontoret i Tønsberg mens produksjonen av analysesystemer foregår ved selskapets datterselskap Norsk Analyse AB i Grums, Sverige. Salg utføres fra Norsk Analyse og de øvrige datterselskapene.

Norsk Analyse inngår i Addtech konsernet. Med bakgrunn i dette har selskapet avvikende regnskapsår (1.april – 31.mars).

Det blir ikke utarbeidet eget konsernregnskap for Norsk Analyse AS, da selskapet inngår i konsernregnskapet til Addtech AB. Addtech AB er notert på NASDAQ OMX Stockholm.

Fortsatt drift

I samsvar med regnskapslovens § 3-3 bekreftes det at forutsetningene om fortsatt drift er lagt til grunn ved utarbeidelse av årsresultatet.

Det har ikke inntrådt forhold etter regnskapsårets utgang som er av betydning ved bedømmelse av selskapets stilling.

Rettsvisende oversikt over utvikling og resultat

Salgsinntekten er nesten halvert i forhold til fjoråret. Den kraftige nedgangen i omsetning kommer i all hovedsak fra nedgang i det maritime segmentet og salg av systemer for utslippsmåling for skipsfart (ShipCEMS). Inntekt fra olje & gass, samt landbasert industri er omtrent på samme nivå som tidligere år. Sammenlignet med fjoråret har bruttomarginen svekket seg.

Selskapet har derfor våren 2021 startet arbeidet med å omorganisere driften og har gjennomført vesentlige kostkutt, for å kunne være konkurransedyktig i dagens marked.

På balansedagen har selskapet flere pågående prosjekter med ulik ferdigstillelsesgrad. Inntektsføringen tilknyttet disse prosjektene er foretatt i henhold til NRS2. Opptjent, ikke fakturert inntekt er for selskapet et betydelig regnskapsestimat som det knytter seg noe usikkerhet til. Etter styrets oppfatning er det lagt til grunn forsiktige, men realistiske estimater ved beregning av opptjent, ikke fakturert inntekt.

Supplert med opplysningene over, mener styret at årsregnskapet gir et rettsvisende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat.

Forskning og utvikling

Det har kun vært noe aktivitet rettet mot forskning og utvikling, men det er ikke foretatt noen balanseføring av forskning og utvikling.



Selskapets tidligere balanseførte forskning og utvikling gjelder i sin helhet kostnader som er medgått til utvikling av systemer for utslippsmåling for skipsfart (ShipCEMS). ShipCEMS er nå en etablert merkevare.

Fremtidig utvikling

Covid-19:

Etterspørselen etter selskapets varer og tjenester har blitt påvirket av de verdensomspennende restriksjonene som kom i forbindelse med Covid-19. Dette gjelder spesielt i det maritime segmentet. Styret forventer at det etterspørselen vil returnere når restriksjonene oppheves.

Finansiell risiko

Overordnet om målsetting og strategi

Selskapets strategi er å redusere den finansielle risikoen i størst mulig grad. Gjennom Addtech konsernets treasury funksjon har Norsk Analyse tilgang på et bra spekter av finansielle instrumenter for å redusere finansiell risiko.

Markedsrisiko

Selskapet er eksponert for endringer i valutakurser da en stor del av selskapets leverandører betales i SEK, EUR og USD. Det siste året har en betydelig andel av omsetningen vært fakturert i EUR.

Kreditrisiko

Risikoen for tap på fordringer har øket noe som en følge av Covid-19. Dette er det tatt høyde for i regnskapstillene pr 31.03.2021. Det har ikke vært noen større tap pr dato for signering av årsberetningen. Selskapet har ikke inngått avtaler som reduserer kredittrisikoen, men dette er gjenstand for fortløpende vurdering.

Likviditetsrisiko

Gjennom sin konserntilknytning har selskapet god tilgang på likviditet og likviditetsrisikoen er vurdert som lav.

Arbeidsmiljø

Sykefraværet utgjorde 4,3% av total arbeidstid i selskapet mot 2,3 % forrige år. Selskapet arbeider med å redusere antall sykedager, og har tilbud til ansatte i form av helseforsikring og sosiale tilstelninger.

Det har i løpet av året ikke forekommet eller blitt rapportert alvorlige arbeidsuhell eller ulykker.

Arbeidsmiljøet betraktes som godt, og det iverksettes løpende tiltak for å opprettholde dette.

Samarbeidet med de ansatte er konstruktivt og bidrar positivt til driften.

Likestilling

Selskapet har som mål å være en arbeidsplass der det råder full likestilling mellom kvinner og menn. Selskapet har i sin policy innarbeidet bestemmelser som tar sikte på at det ikke forekommer forskjellsbehandling grunnet kjønn i saker som for eksempel lønn, avansement



og rekruttering. Selskapet rekrutterer i hovedsak fra miljøer hvor antall menn tradisjonelt er dominerende (ingeniører og automatikere).

Av selskapets 49 ansatte er det 14 kvinner. Gjennomsnittlig årslønn for kvinner er tilsvarende som hos menn i tilsvarende stillinger.

Selskapets personalpolitikk anses å være kjønnsnøytral, og likestillingsspørsmålet tilfredsstillende ivaretatt. Det er ikke iverksatt eller planlagt konkrete tiltak innenfor dette området.

Ytre miljø

Selskapet forurenses ikke det ytre miljø.

Disponering av årsresultat

Disponering av årets resultat fremgår av årsregnskapet og er i henhold til loven.

Etter disponering har selskapet en egenkapitalandel på 50%, og styret har vurdert at dette er en forsvarlig egenkapital

Tønsberg, 30. juni 2021

Claus Nielsen
Styreformann

Tor Erik Sannum
Daglig leder / Styremedlem

Niklas Stenberg
Styremedlem



Årsregnskap Norsk Analyse AS Resultatregnskap

NOTE	DRIFTSINNEKTER OG DRIFTSKOSTNADER	2021 01.04.2020 - 31.03.2021	2020 01.04.2019 - 31.03.2020
3	Salgsinntekt	259 207 231	482 430 018
	Annen driftsinntekt	3 606 581	2 776 802
2	Sum driftsinntekter	262 813 812	485 206 820
	Varekostnad	182 806 250	287 337 293
4,10	Lønnskostnad	42 705 107	41 051 870
5	Avskrivning på varige driftsmidler og immaterielle eiendeler	397 019	223 774
4	Annen driftskostnad	12 599 753	18 575 871
	Sum driftskostnader	238 508 129	347 188 808
	Driftsresultat	24 305 683	138 018 012
	FINANSINNEKTER OG FINANSKOSTNADER		
6,11	Inntekt på investering i datterselskap og tilknyttet selskap	0	1 570 440
	Annen renteinntekt	1 241	1 041
	Annen finansinntekt	29 095 356	6 267 177
	Annen rentekostnad	-42 750	-4 592
11	Renteinntekt til foretak i samme konsern	15 357	274 610
17	Annen finansinntekt	0	4 706 693
17	Annen finanskostnad	-11 045 485	0
	Netto finansresultat	18 023 719	12 815 369
	Ordinært resultat før skattekostnad	42 329 403	150 833 381
12	Skattekostnad på ordinært resultat	6 829 067	32 881 232
	Ordinært resultat	35 500 336	117 952 149
	ÅRSRESULTAT	35 500 336	117 952 149
	OVERFØRINGER		
	Overført til/fra annen egenkapital	-22 899 664	52 198 149
	Foreslått utbytte	27 200 000	0
	Avgitt konsernbidrag (etter skatt)	31 200 000	65 754 000
9	Sum overføringer	35 500 336	117 952 149



Årsregnskap Norsk Analyse AS Balanse pr 31. mars


NOTE	EIENDELER	2021 31. mars	2020 31. mars
	Anleggsmidler		
	Immaterielle eiendeler		
5	Forskning og utvikling	0	0
12	Utsatt skattefordel	4 581 236	438 397
	Sum immaterielle eiendeler	4 581 236	438 397
	Varige driftsmidler		
5	Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	1 909 722	1 126 460
	Sum varige driftsmidler	1 909 722	1 126 460
	Finansielle anleggsmidler		
6,11,14	Investering i datterselskap	5 868 402	5 908 262
	Sum finansielle anleggsmidler	5 868 402	5 908 262
	Sum anleggsmidler	12 359 360	7 473 119
	Omløpsmidler		
7	Varer	22 063 591	22 881 031
3	Opptjent, ikke fakturert driftsinntekt	31 671 056	18 905 883
	Fordringer		
11	Kundefordringer	46 370 680	87 711 795
12	Andre fordringer	27 912 116	14 876 398
	Sum fordringer	74 282 796	102 588 193
15	Bankinnskudd, kontanter og lignende	47 051 573	101 060 183
	Sum omløpsmidler	175 069 016	245 435 290
	SUM EIENDELER	187 428 377	252 908 409



Årsregnskap Norsk Analyse AS Balanse pr 31. mars

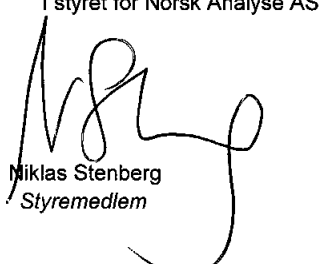
NOTE	EGENKAPITAL OG GJELD	2021 31. mars	2020 31. mars
	Egenkapital		
	Innskutt egenkapital		
8	Selskapskapital (2100 aksjer á kr 1000)	2 100 000	2 100 000
9	Annen innskutt egenkapital	<u>5 475 000</u>	<u>5 475 000</u>
	Sum innskutt egenkapital	<u>7 575 000</u>	<u>7 575 000</u>
	Opptjent egenkapital		
9	Annen egenkapital	<u>58 075 523</u>	<u>80 975 187</u>
	Sum opptjent egenkapital	<u>58 075 523</u>	<u>80 975 187</u>
	Sum egenkapital	<u>65 650 523</u>	<u>88 550 187</u>
	Gjeld		
	Kortsiktig gjeld		
11	Gjeld til foretak i samme konsern	40 000 000	84 300 000
11	Avsatt utbytte	27 200 000	0
11	Leverandørgjeld	16 238 575	33 469 849
12	Betalbar skatt	14 691 957	18 669 820
	Skyldige offentlige avgifter	5 685 324	5 453 386
3	Annen kortsiktig gjeld	<u>17 961 997</u>	<u>22 465 167</u>
	Sum kortsiktig gjeld	<u>121 777 853</u>	<u>164 358 222</u>
	Sum gjeld	<u>121 777 853</u>	<u>164 358 222</u>
	SUM EGENKAPITAL OG GJELD	<u>187 428 377</u>	<u>252 908 409</u>

Tønsberg, 30. juni 2021




Claus Nielsen
Styreformann

I styret for Norsk Analyse AS



Niklas Stenberg
Styremedlem



Tor Erik Sannum
Styremedlem/Daglig leder



Årsregnskap Norsk Analyse AS

Noter til regnskapet 2021

Note 1 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven av 1998 og god regnskapsskikk i Norge.

Hovedregel for vurdering og klassifisering av eiendeler og gjeld

Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Andre eiendeler er klassifisert som omløpsmidler. Fordringer som skal tilbakebetales innen et år er klassifisert som omløpsmidler. Ved klassifisering av kortsiktig og langsiktig gjeld er tilsvarende kriterier lagt til grunn.

Omløpsmidler er vurdert til laveste av anskaffelseskost og virkelig verdi.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til gjenvinnbart beløp dersom dette er lavere enn bokført verdi, og verdifallet forventes ikke å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig.

Annens langsiktig gjeld og kortsiktig gjeld er vurdert til pålydende beløp.

Eiendeler og gjeld i utenlandsk valuta

Pengeposter i utenlandsk valuta er i balansen omregnet til balansedagens kurs. Valutakursdifferanser presenteres som annen finansinntekt/kostnad i resultatregnskapet. Valutaterminer behandles ihht NRS 18 pkt A11 alt. 2b. Det henvises til note 17 for ytterligere omtale.

Immaterielle eiendeler

Utgifter til egen tilvirkning av immaterielle eiendeler, herunder utgifter til egen forskning og utvikling, balanseføres når det er sannsynlig at de fremtidige økonomiske fordelene knyttet til eiendelene vil tilflytte selskapet og anskaffelseskost kan måles pålitelig.

Immaterielle eiendeler som er kjøpt enkeltvis, er balanseført til anskaffelseskost. Immaterielle eiendeler overtatt ved kjøp av virksomhet, er balanseført til anskaffelseskost når kriteriene for balanseføring er oppfylt.

Immaterielle eiendeler med begrenset økonomisk levetid avskrives planmessig. Immaterielle eiendeler nedskrives til gjenvinnbart beløp dersom de forventede økonomiske fordelene ikke dekker balanseført verdi og eventuelle gjenstående tilvirkningsutgifter.

Leieavtaler

Driftsmidler som leies på betingelser som i det vesentlige overfører økonomisk risiko og kontroll til selskapet (finansiell leasing), balanseføres under varige driftsmidler og tilhørende leieforpliktelse medtas som forpliktelse under rentebærende langsiktig gjeld til nåverdien av leiebetalingene. Driftsmiddelet avskrives planmessig, og forpliktelsen reduseres med betalt leie etter fradrag for beregnet rentekostnad. Operasjonell leasing regnskapsføres som annen driftskostnad.

Aksjer og andeler i datterselskap

Investeringer i datterselskaper vurderes etter kostmetoden. Investeringene blir nedskrevet til virkelig verdi dersom verdifallet ikke er forbigående og det må anses nødvendig etter god regnskapsskikk. Mottatt utbytte og konsernbidrag fra datterselskapene er inntektsført som annen finansinntekt.

Varer

Varer er vurdert til laveste av anskaffelseskost etter FIFO-metoden og netto salgsverdi. For råvarer og varer i arbeid beregnes netto salgsverdi til salgsverdien av ferdig tilvirkede varer redusert for gjenværende tilvirkningskostnader og salgskostnader. Egenproduserte varer er verdsatt til laveste av full tilvirkningskost og virkelig verdi.

Inntekter

Ved varesalg:

Inntekt regnskapsføres når den er oppjent, altså når både risiko og kontroll i hovedsak er overført til kunden. Dette vil normalt være tilfellet når varen er levert til kunden. Inntektene regnskapsføres med verdien av vederlaget på transaksjonstidspunktet



Ved tjenestesalg:

Inntekt regnskapsføres når den er opptjent, altså når krav på vederlag oppstår. Dette skjer når tjenesten ytes, i takt med at arbeidet utføres. Inntektene regnskapsføres med verdien av vederlaget på transaksjonstidspunktet.

Anleggskontrakter

For anleggskontrakter foretas det løpende inntektsføring i takt med fremdriften av prosjektet (løpende avregnings metode). Fullføringsgraden beregnes som påløpte kostnader på balansedagen i prosent av estimert totalkostnad. For anleggskontrakter som forventes å gi tap, gjøres det avsetning for nettokostnaden ved gjenværende kontraktsfestet produksjon.

Fordringer

Kundefordringer og andre fordringer er oppført til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene.

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter ol. inkluderer kontanter, bankinnskudd og andre betalingsmidler med forfallsdato som er kortere enn tre måneder fra anskaffelse.

Garantier og servicearbeid

Ved salg er hele salgsprisen, inklusive den delen som gjelder fremtidige garanti- og serviceytelser, tatt til inntekt på salgstidspunktet. Det er gjort en avsetning for fremtidige garanti- og serviceytelser.

Pensjoner

Innskuddsplaner periodiseres etter sammenstillingsprinsippet. Årets innskudd til pensjonsordningen kostnadsføres

Kostnader

Kostnader regnskapsføres som hovedregel i samme periode som tilhørende inntekt. I de tilfeller det ikke er en klar sammenheng mellom utgifter og inntekter fastsettes fordelingen etter skjønnsmessige kriterier. Øvrige unntak fra sammenstillingsprinsippet er angitt der det er aktuelt.

Skatter

Skattekostnaden sammenstilles med regnskapsmessig resultat før skatt. Skatt knyttet til egenkapitaltransaksjoner er ført mot egenkapitalen. Skattekostnaden består av betalbar skatt (skatt på årets direkte skattepliktige inntekt) og endring i netto utsatt skatt. Skattekostnaden er fordelt på ordinært resultat og resultat av ekstraordinære poster i henhold til skattegrunnlaget. Utsatt skatt og utsatt skattefordel er presentert netto i balansen.

Offentlige tilskudd

Investeringsstilskudd er ført brutto i balansen og periodiseres over investeringsens økonomiske levetid som driftsinntekt. Driftstilskudd periodiseres samtidig med den inntekten det skal øke eller den kostnaden det skal redusere.

Avvikende regnskapsår

Det svenske selskapet Addtech Nordic AB kjøpte alle aksjene i Norsk Analyse AS med virkning fra 8. januar 2013. Addtech konsernet er børsnotert i Sverige og har avvikende regnskapsår med regnskapsavslutning 31. mars. For å tilpasse seg konsernet, har også Norsk Analyse AS endret sitt regnskapsår tilsvarende.

**Note 2 Driftsinntekter**

Per geografisk marked:	2021	2020
Europa	202 679 693	365 759 257
Asia	20 820 561	68 073 534
Amerika	27 861 863	50 429 702
Australia	11 451 695	925 202
Afrika	-	19 125
Sum	262 813 812	485 206 820

Note 3 Anleggskontrakter

	2021	2019
Opptjent, ikke fakturert inntekt	31 671 056	18 905 883

Fullføringsgraden beregnes på bakgrunn av påløpte kostnader i forhold til estimerte totalkostnader på hvert prosjekt. Av konkurransemessige hensyn utelates ytterligere informasjon om estimert kontaktsfortjeneste på balansedagen.

Note 4 Lønnskostnad, antall ansatte, godtgjørelser mm

Lønnskostnad	2021	2020
Lønn	34 985 146	33 901 483
Folketrygdavgift	5 034 629	5 013 329
Pensjonskostnader (se note 10)	1 715 077	1 104 206
Andre ytelser	970 256	1 032 852
Sum	42 705 108	41 051 870

Antall årsverk sysselsatt i regnskapsåret 46 35

Ytelser til ledende personer	Lønn	Pensjonskostnader	Annen godtgjørelse
Daglig leder	2 205 238	110 262	133 011

Revisor

Periodens kostnadsførte godtgjørelse til revisor ekskl. mva. fordeler seg slik:

	2021	2020
Lovpålagt revisjon	280 500	127 500
Andre tjenester utenfor revisjonen	-	-

Note 5 Immaterielle og varige driftsmidler

	FoU ervervet	FoU egenutviklet	Transportmidler	Inventar og kont. Mask	EDB-utstyr	SUM
Anskaffelseskost 01.04.20	435 288	482 091	1 036 555	3 659 769	3 642 308	9 256 011
Tilgang kjøpte driftsmidler	-	-	-	903 750	276 531	1 180 281
Avgang	-	-	-	-	-	-
Anskaffelseskost 31.03.21	435 288	482 091	1 036 555	4 563 519	3 918 839	10 436 292
Akk. avskrivninger 31.03.21	435 288	482 091	951 930	3 378 051	3 279 209	8 526 569
Bokført verdi pr. 31.03.21	-	-	84 625	1 185 468	639 630	1 909 722
Årets avskrivninger	-	-	53 520	258 009	85 490	397 019
Økonomisk levetid	3 år	3 år	5 år	5 år	3-5 år	
Avskrivningsplan	Lineær	Lineær	Lineær	Lineær	Lineær	
Årets leie lokaler:	1 345 167					

**Note 6 Datterselskap, tilknyttet selskap m.v.**

Firma	Ansk.- tidspunkt	Konsolidert (ja/nei)	Foretnings- kontor	Stemme-andel	Eier- andel
Norsk Analyse AB	17.11.1999	nei	Grums, Sverige	100 %	100 %
Norsk Analyse A/S	31.03.2000	nei	Køge, Danmark	100 %	100 %
Norsk Analyse Oy	21.09.2012	nei	Espoo, Finland	100 %	100 %

(Tall i 1000 NOK)			Egenkapital i følge siste årsregnskap	Årsresultat i følge siste årsregnskap
Firma	Kostpris	Bokført verdi		
Norsk Analyse AB	5 345	5 345	44 019	1 287
Norsk Analyse A/S	523	523	9 750	-1 591
Norsk Analyse Oy	1 870	0	3 748	50
	7 738	5 868	57 517	-254

Note 7 Varer

	2021	2020
Varer for videresalg	23 458 591	24 181 031
Varer ukurans	-1 395 000	-1 300 000
Sum	22 063 591	22 881 031

Note 8 Aksjekapital og aksjonærinformasjon

Aksjekapitalen i selskapet pr 31.03.21 består av følgende aksjeklasser:

	Antall	Pålydende verdi	Bokført verdi
Aksjer	2 100	1 000	2 100 000
Sum	2 100		2 100 000

Det er ingen bestemmelser i vedtektene om begrensninger i stemmerett. Hver aksje teller en stemme.

Eierstruktur

De største aksjonærene i selskapet pr 31.03.21 var:

	Aksjer	Sum	Eier- andel	Stemme- andel
Addtech Nordic AB	2 100	2 100	100 %	100 %
Totalt antall aksjer	2 100	2 100	100 %	100 %

Norsk Analyse AS inngår i konsernregnskapet til Addtech AB. Dette konsernregnskapet er tilgjengelig på www.addtech.com. Unntaksregelen i regnskapsloven §3-7 første ledd er med denne bakgrunn anvendt for Norsk Analyse AS.

Note 9 Egenkapital

Innskutt egenkapital	Akse- kapital	Annen innskutt egenkapital	SUM
Egenkapital 01.04.20	2 100 000	5 475 000	7 575 000
Årets endring i egenkapital:			-
Kapitalutvidelse/ -nedsettelse			-
Mottatt konsernbidrag			-
Egenkapital 31.03.21	2 100 000	5 475 000	7 575 000

Opptjent egenkapital	Annen egenkapital	Sum opptjent egenkapital
Egenkapital 01.04.20	80 975 187	80 975 187
Årets endring i egenkapital:		
Årets resultat	35 500 336	35 500 336
Avgitt konsernbidrag (etter skatt)	-31 200 000	-31 200 000
Egenkapital 31.03.21	58 075 523	58 075 523



Note 10 Pensjonskostnader, -midler og -forpliktelser

Foretaket er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon og har pensjonsordning som oppfyller kravene etter denne loven.

Note 11 Transaksjoner og mellomværende med nærstående parter m.v.

Resultatmessige transaksjoner med nærstående parter:

Transaksjonsgruppe	Tilhører resultatlinje	Motpart	Forhold til motparten	2021		2020	
Varekjøp	Varekostnad	Norsk Analyse AB	Datter	121 546 393		202 990 308	
Varekjøp	Varekostnad	Norsk Analyse A/S	Datter	6 107 915		3 808 625	
Varekjøp	Varekostnad	Norsk Analyse Oy	Datter	0		207 624	
Varekjøp	Varekostnad	Analyser Services Trinida Ltd	Datter	0		40 164	
Varesalg	Salgsinntekt	Norsk Analyse AB	Datter	1 492 014		7 849 925	
Varesalg	Salgsinntekt	Norsk Analyse A/S	Datter	4 717 875		10 275 279	
Varesalg	Salgsinntekt	Analyser Services Trinidad Ltd.	Datter	113 334		0	
Varesalg	Salgsinntekt	Martin Bruusgaard & Co AS	Søster	66 283		0	
Varesalg	Salgsinntekt	Norsk Analyse Oy	Datter	700 486		2 531 524	
Varesalg	Salgsinntekt	OmniProcess AB	Søster	2 606 726		725 179	
Betalt corp fee	ADK	Addtech Nordic AB	Mor	3 756 565		1 750 440	
Fakturert corp fee	Annen dr. innt.	Norsk Analyse AB	Datter	910 668		771 554	
Fakturert corp fee	Annen dr. innt.	Norsk Analyse A/S	Datter	1 578 360		1 121 361	
Fakturert corp fee	Annen dr. innt.	Suomi Analytics Oy	Datter	1 117 553		852 573	
Mottatt utbytte	Finans	Norsk Analyse D/K	Datter	0		1 570 440	
Renter	Rentekostnad	Addtech AB	Konsernspiss	-15 358		-274 609	

Mellomværende med nærstående parter:

Motpart	Forhold til motparten	Kundefordringer		Andre langsiktige fordringer	
		2021	2020	2021	2020
Norsk Analyse AB	Datter	1 223 543	3 139 402	0	0
Norsk Analyse A/S	Datter	1 774 504	8 312 224	0	0
Analyser Services Trinidad Ltd.	Datter	0	31 221	0	0
Norsk Analyse OY	Datter	1 381 871	1 584 929	0	0
Sum		4 379 918	13 067 776	-	-

Motpart	Forhold til motparten	Leverandørgjeld		Annen langsiktig gjeld	
		2021	2020	2021	2020
Norsk Analyse AB	Datter	8 358 280	16 577 687	0	0
Norsk Analyse A/S	Datter	652 406	1 843 528	0	0
Analyser Services Trinidad Ltd.	Datter	0	89 728	0	0
Norsk Analyse Oy	Datter	0	0	0	0
Sum		9 010 686	18 510 943	-	-

Motpart	Forhold til motparten	Andre kortsiktige fordringer		Annen kortsiktig gjeld	
		2021	2020	2021	2020
Aratron AS (skyldig konsernbidrag)	Søster	0	0	40 000 000	84 300 000
Aratron AS (avsatt utbytte)	Søster	0	0	27 200 000	0
Sum		-	-	67 200 000	84 300 000

Gjeld til Addtech AB renteberegnes med NIBOR+1,5%

**Note 12 Skattekostnad****Årets skattekostnad fremkommer slik:**

	2021	2020
Betalbar skatt	84 906	14 572 396
Avsatt kildeskatt	2 087 000	-
Skatteeffekt avgitt/(mottatt) konsernbidrag	8 800 000	18 546 000
Endring i utsatt skatt	-4 142 839	-237 164
Skattekostnad ordinært resultat	6 829 067	32 881 232

Betalbar skatt i balansen

	2021	2020
Årets betalbare skattekostnad	84 906	14 572 396
Forskuddsskatt februar	-2 052 347	-7 273
Avsatt kildeskatt	2 087 000	-
Fjorårets utlignede skatt ikke forfalt til betaling	14 572 396	4 104 695
Betalbar skatt i balansen (+) / Skattefordring (-)	14 691 955	18 669 818

Avstemming fra nominell til**faktisk skattesats**

	2021	2020
Ordinært resultat før skatt	42 329 403	150 833 381
Årsresultat før skatt	42 329 403	150 833 381

Forventet inntektskatt etter nominell skattesats	9 312 469	33 183 344
--------------------------------------------------	-----------	------------

Skatteeffekten av følgende poster:

Skattefritt utbytte	-	-335 133
Verdiendring aksjer	-	9 161
Andre ikke fradragsberettigede kostnader	10 926	23 860
Aksjegevinst salg aksjer Trinidad	-4 581 328	-
Avsatt kildeskatt Trinidad	2 087 000	-
Skattekostnad	6 829 067	32 881 232
Effektiv skattesats	16,1 %	21,8 %

Spesifikasjon av skatteeffekten av midlertidige forskjeller og underskudd til framføring:

	2021		2020	
	Fordel	Forpliktelse	Fordel	Forpliktelse
Driftsmidler	-	15 590	23 630	-
Varebeholdning	306 900	-	286 000	-
Regnskapsmessige avsetninger	1 910 622	-	1 474 000	-
Tilvirkningskontrakt	2 037 424	-	-	1 565 233
Kundefordringer	341 880	-	220 000	-
Sum	4 596 826	15 590	2 003 630	1 565 233
Ikke balanseført utsatt skattefordel	-	-	-	-
Netto utsatt fordel/forpl. i balansen	4 581 236	-	438 397	-

Note 13 Betinget utfall og hendelser etter balansedagen

Det eksisterer ingen forhold ved regnskapsårets slutt med betinget utfall.

Covid-19 har medført en midlertidig nedgang i etterspørselen etter selskapets produkter og tjenester.

Det forventes at etterspørselen vil komme tilbake i takt med at restriksjoner oppheves når verden vender tilbake til normalen.

Det har ikke oppstått hendelser etter balansedagen som påvirker det avlagte årsregnskap.

Note 14 Valuta

Selskapets datterselskaper avlegger årsregnskap i utenlandsk valuta, hhv Danske Kroner (DKK), Svenske Kroner (SEK) og Euro (EUR). I note 6 og 11 er det benyttet sluttkurs pr 31.03 for balanseposter og gjennomsnittskurs for året for resultatposter ihht Addtech's konsernkurser.

Note 15 Bankinnskudd

Bankinnskudd, kontanter o.l. omfatter kr 2.755.572 i bundne midler pr 31.03.2021.



Årsregnskap Norsk Analyse AS Kontantstrømoppstilling

	2021	2020
KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER:		
Ordinært resultat før skattekostnad	42 329 403	150 833 381
Periodens betalte skatt	-6 149 768	-100 697
Ordinære avskrivninger	397 019	223 774
Tap/gevinst ved salg av aksjer	-20 824 216	41 634
Poster klassifisert som investerings- eller finansieringsakt.	0	-1 570 440
Endring i varer	817 440	-13 854 942
Endring i kundefordringer	41 341 115	-31 683 019
Endring i leverandørgjeld	-17 231 274	13 554 458
Endringer i konsernmellomværender	0	228 360
Endring i andre omløpsmidler og andre gjeldsposter	-9 208 048	-35 797 979
Netto kontantstrømmer fra operasjonelle aktiviteter	31 471 671	81 874 530
KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER:		
Utbetalinger ved kjøp av varige driftsmidler	-1 180 281	-505 003
Innbetalinger ved salg av finansielle anleggsmidler	0	276 608
Innbetalinger av utbytte	0	1 570 440
Netto kontantstrøm fra investeringsaktiviteter	-1 180 281	1 342 045
KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER:		
Netto endring i kassekreditt	0	-178 448
Utbetaling av konsernbidrag	-84 300 000	-7 000 000
Netto kontantstrøm fra finansieringsaktiviteter	-84 300 000	-7 178 448
Netto endring i bankinnskudd, kontanter og lignende	-54 008 610	76 038 127
Beholdning av bankinnskudd, kontanter og lignende pr 01.04.	101 060 183	25 022 056
Beholdning av bankinnskudd, kontanter og lignende pr 31.03.	47 051 573	101 060 183



Norsk Analyse AS
Org nr: 948 501 430

Tønsberg 26.01.2022

Anvendelse av unntaksregelen i regnskapsloven §3-7 første ledd

Ved utarbeidelse av årsregnskapet for 2021 (01.04.2020 – 31.03.2021), er unntaksregelen om utarbeidelse av konsernregnskap for morselskap i underkonsern anvendt.

Underkonsernet Norsk Analyse AS inngår i konsernregnskapet til Addtech AB, og det utarbeides derfor ikke eget konsernregnskap for underkonsernet Norsk Analyse AS.

Mvh

Lars Einar Tingulstød
CFO i Norsk Analyse AS



KPMG AS
Nordre Fokserød 14
3241 Sandefjord

Telephone +47 04063
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

Til generalforsamlingen i Norsk Analyse AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Norsk Analyse AS' årsregnskap som viser et overskudd på kr 35 500 336. Årsregnskapet består av balanse per 31. mars 2021, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noteopplysninger til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av selskapets finansielle stilling per 31. mars 2021, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Ålla	Finnsnes	Mokle	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Slavanger	Ålesund

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å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betyggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifierer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.



Revisors beretning - 2021
Norsk Analyse AS

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet og forutsetningen om fortsatt drift er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Sandefjord, 8. september 2021
KPMG AS

Lars Egill Olavesen
Statsautorisert revisor

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Lars Egill Olavesen

Statsautorisert revisor

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ADDTECH

ADDTECH ANNUAL REPORT 2020/2021

SUSTAINABILITY REPORT

Sustainability
generates business
opportunities



COMMENTS BY
THE CEO

A proof of
strength in a
challenging world

THE YEAR IN BRIEF

An extraordinary year

ADDTECH



Contents

Leading technical solutions for a sustainable tomorrow. The year in brief.	4
Comments by the CEO CEO Niklas Steinberg presents his view of the past year.	6
About Addtech An overview of the fundamentals of Addtech's operations.	8
Our strategic game plan A brief outline of the external factors that affect us most, our principal stakeholders, and the strategies, targets and visions that we apply in our endeavours.	10
Why invest in Addtech? Read about how Addtech has been able to achieve an average share price increase of 21 percent annually since the listing of the shares in September 2001.	12
Sustainability Sustainability is not only good for the planet and for people – it also generates business opportunities.	14
SUSTAINABLE BUSINESS. Sustainable technical solutions that generate value. Meet some of our entrepreneurs who work with technical solutions on a daily basis, contributing both to increased profitability and sustainable development.	16
Our business areas – Automation – Components – Energy – Industrial Process – Power Solutions	18
SUSTAINABLE ORGANISATION. Small scale business, large scale wise. Addtech is a highly decentralised and entrepreneur-driven Group. Maintaining our focus on the individual, we drive sustainable change – from issues of gender equality to a reduced climate footprint. Meet some of the employees who have been with us from the outset, as well as a few of our younger talents.	26
SUSTAINABLE SUPPLY CHAIN. Our responsibility throughout the supply chain. Although Addtech is growing internationally, our roots are in the Nordic region. No matter where we operate, we act responsibly throughout the supply chain.	28
The Addtech share Administration Report Corporate governance Board of Directors and management	30
Financial statements 2020/2021 Group Parent Company Notes Assurance by the Board of Directors Auditor's Report	32
Other information Multi-year summary Definitive Sustainability Facts	34
	36
	38
	44
	50
	54
	65
	70
	74
	79
	83
	122
	123
	126
	128
	132

In September 2001, Addtech was listed on the Olist of the Stockholm stock exchange.

Now, we can look back on 20 years of a successful history of sustainable and profitable growth.

About the Annual Report

The annual report consists of the following documents and pages: The Annual Report, the Financial Statements, the Corporate Governance Report, the Sustainability Report, the Board of Directors' Report, the Auditor's Report, the Multi-Year Summary, the Definitive, and the Sustainability Facts. The annual report is available on our website at www.addtech.no.

The annual report is published in Norwegian, English, Swedish, and Danish. The Norwegian version is the official version. The English version is available at www.addtech.no.



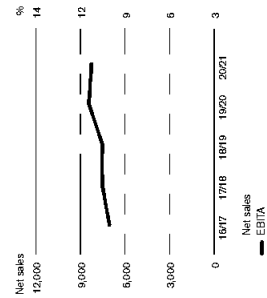
The year in brief

In many ways, the 2020/2021 financial year was extraordinary, mainly due to the effects of the COVID-19 pandemic. On the whole, we can assert that Addtech demonstrated a favourable resilience and, given the high pace of business and good cost control, we managed to maintain a respectable operating margin. We also carried out 14 acquisitions in attractive niche areas. Combined, this shows the strength and stability of our long-term business model.

2020/2021

- **Net sales** amounted to SEK 11,336 million (11,735).
- **Operating profit before depreciation** on intangible assets (EBITA) amounted to SEK 1,251 million (1,364), corresponding to an EBITA margin of 11.0 percent (11.6).
- **Operating profit** amounted to SEK 989 million (1,161), corresponding to an operating margin of 8.7 percent (9.9).
- **Profit after tax** amounted to SEK 729 million (873) and earnings per share before/after dilution amounted to SEK 2.60 (3.20).
- **The return on working capital, F/AWC**, amounted to 52 percent (56).
- **The return on equity** was 23 percent (32), and the equity/assets ratio was 35 percent (36).
- **Cash flow** from operating activities amounted to SEK 1,503 million (1,117) and cash flow per share from operating activities amounted to SEK 5.60 (4.15).
- **During the year, 14 acquisitions** were implemented, with control of a further four companies being gained after the end of the financial year. Combined, these acquisitions added total annual sales of approximately SEK 1,450 million.
- **CO₂ intensity** decreased by 11 percent.

YEAR, Net sales and EBITA margin

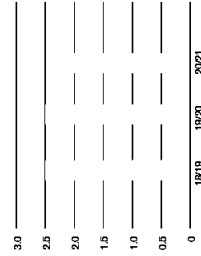


Our new vision

Over the year, we developed a new vision. Leading technical solutions for a sustainable tomorrow. This means that we are to be a leader in value-adding, technical solutions, perceived as the most skilled and long-term partner by our customers, suppliers and employees.



Carbon dioxide intensity (total CO₂e tonnes/net sales SEK million)



SHARE SUSTAINABLE BUSINESS

COMMENTS BY THE CEO

"A proof of strength in a challenging world"

Obviously, the COVID-19 pandemic overshadowed the year, affecting Addtech's development in various ways. Despite all of the challenges, our business model and corporate culture again demonstrated their resilience, capacity for rapid adaptation and for identifying new business opportunities in a changing environment.

The financial year 2020/2021 was extraordinary in many ways. The pandemic impacted the business climate negatively in several of the Group's markets, but demand gradually recovered. Operation lockdowns and production cutbacks among certain customers primarily affected our companies in the marine, special vehicle and mechanical industry segments. At the same time, the business situation was considerably more favourable in power transmission, wind power and the forestry and sawmill segments, in which our companies had strong development. In the electronics, data and telecom segments, as well as in medical technology, the business situation remained stable. At the end of the year, we could affirm that the business situation had normalised and that demand was rising in most of Addtech's key market segments. At the time of writing, the persistent disruptions in global supply chains remain challenging.

There are several reasons why we managed to handle the challenges well. Our favourable business spread allowed us to balance the product and customer segments experiencing a negative trend with strong or stable growth in other segments. We were also quick to act when we perceived the negative changes caused by the pandemic in our markets. Our decentralised business model allows operational decisions to be made by local management teams. In the operations where the business situation deteriorated, the teams were fast in applying cost saving and efficiency measures. At the same time, many of the companies demonstrated entrepreneurial skills in generating new business opportunities.

In terms of the financial outcome in relation to our long term financial targets 2020/2021 was somewhat of an intermediate year. A clear



COMMENTS BY THE CEO

signal of strength was our success in achieving a P/WC of 52 percent despite the decline in the accumulated operating profit for the year. In addition, cash flow was considerably better than for the preceding year thanks to stable margins and measures for a more efficient working capital.

I am very pleased that we have maintained a high pace of acquisitions. During the year, we welcomed 14 new companies into the Group, operating in different segments and presenting strong offerings. Four more companies were acquired following the end of the year, adding some SEK 1,450 million in combined sales and 420 new employees. Achieving such a high pace of acquisitions during a pandemic demonstrates the strength of our decentralised acquisition strategy. Acquisitions operate further down in the organisation, meaning that the people with the relationships, knowledge and fine-tuned intuition are the ones driving the process of identifying optimal acquisitions with future potential. Several of the companies acquired during the year are located outside the Nordic region, reflecting our conscious strategy for continued international expansion. Our business model is scalable also outside the Nordic region, and we perceive favourable opportunities for increasing our international presence.

During the year, we completed a variety of activities to engage all of our companies in our accelerated sustainability efforts. A majority of our companies now work with sustainability in a structured manner, and the Group has, on the whole, advanced its positions in this area very favourably. Our customers apply ambitious sustainability targets and it is our job to support them identify technical solutions for achieving these. There is no doubt that sustainability generates new business

opportunities and, in the future, our companies will therefore be focused on sustainable business through innovative technical solutions. Accordingly, the sustainability perspective is an integrated part of our business strategy.

We have many successful companies and strong brands within the Group. We enjoy a unique opportunity to benefit from our internal network of 140 subsidiaries. We are able to derive advantages from all of the expertise found within the Group, and we stimulate all forms of internal co-creation. In addition, we maintain an ongoing dialogue with our customers and suppliers to engender long-term partnerships aimed at developing new technical solutions.

This year, Addtech celebrates its 20th anniversary. From the outset in 2001, when we were spun off from Bergman & Böving, we have exceeded our financial targets. Despite the dotcom and financial crashes, economic recessions, the oil crisis, the cyber attack and the pandemic, we have achieved an average annual growth in profit of about 18 percent. The trend in our share price has followed this profit trend, generating significant shareholder value. The main reason for this successful journey is that our business model and corporate culture, that is the core of Addtech, are still largely the same as in 2001. Simplicity, decentralised responsibility, small scale business, large scale wise, and our passion for entrepreneurship remain critical for our success. Naturally, we have, over the years, developed and upgraded the operations. Slowly but surely, we have progressed, purposefully increasing our share of proprietary products, brands and sustainable technical solutions that we sell globally in an increasingly digital world.

During the year, a new vision was formulated to act as a guiding light for our continued successful growth – Leading technical solutions for a sustainable tomorrow. Our vision sets out clearly what we are striving for in the long term and that we seek to be part of the solution in the transition towards a more sustainable society. Naturally, we continue to safeguard our strong entrepreneurial culture built on decentralised responsibilities.

I take a highly positive view of Addtech's continued journey – in both the short and long term. We stand better equipped than ever and see great opportunities for us to continue our profitable growth, building further on our business model and corporate culture. Put simply, the model is scalable. Our focus will continuously be on all of the business opportunities associated with a more modern and sustainable society. Our companies are very well positioned to take advantage of the growth opportunities in selected segments and niches. By balancing organic growth and acquisitions with good cost control, we will continue to be a catalyst for sustainable growth.

Finally, I would like to extend my sincere gratitude to all of our amazing employees for their commitment and capacity to deliver such good results over the past year. I am truly impressed with your efforts and look forward very much to meeting you as usual as we put the pandemic behind us. It is you who make the difference.

Niklas Stenberg
President and CEO
Addtech AB



ABOUT ADDETECH

Leading sustainable technical solutions

With a passion for people, technology and entrepreneurship, AddeTech facilitates sustainable communities and industries. Applying the power of our network to identify and realise new opportunities, we are a catalyst for sustainable growth.

ABOUT ADDETECH

Business concept

Addtech offers high-tech products and solutions for companies in the manufacturing and infrastructure sectors. We contribute added technical and financial value by being a skilled and professional partner. This means that we add value by helping customers produce their goods more efficiently and by helping them make their products more competitive in development towards a sustainable tomorrow.

Business model

Addtech produces technical solutions that contribute lasting value for our customers, suppliers and shareholders. Our 140 subsidiaries serve pro-actively as specialists and technical partners, helping customers identify technical solutions adapted to their needs. Our decentralised structure, in which decisions are made by entrepreneurs close to the market, has allowed us to build a strong, transaction-driving culture.

Vision

Leading technical solutions for a sustainable tomorrow.

Strategy

- Market-leading niche positions
- Operational agility – flexibility with active ownership
- Growth through acquisitions

Financial targets

Earnings growth
> 15%
 P/WC
> 45%

Core values

- Simplicity – Efficiency – Change – Responsibility and freedom

Offering

- Own products and brands – Customised products and solutions – Value-adding trade products

Success factors

- Our employees who, through their professionalism, superior technical skills and entrepreneurship, are continuously developing existing and new areas of business.
- Our decentralised organisation, in which we combine the flexibility, personality and efficiency of the subsidiaries with the resources, networks and long-term perspective of the Parent Company.
- Consistent action and deeply rooted corporate culture based on strategic action, good planning, a long-term perspective, well-considered decisions and effective implementation.



ABOUT ADDTECH

An overview of

Addtech's strategic game plan

Driving forces in our markets

- Globalisation**
Increased internationalisation is changing trade patterns, opening new growth opportunities for our customers.
- Climate change**
Is driving society's demand for energy solutions that are sustainable in the long term.
- Technical development**
Continuous need for new sustainable solutions, such as electrification, digitalisation, automation, 5G, robotics and Industry 4.0.
- Industrial transformation**
Increasing demands for specialisation and automation, entails industry seeking out additional external partners offering efficient and effective technical solutions.
- Economic circumstances and global situation**
Our growth and profitability are linked to industrial development but also to geopolitical development and major world events, such as pandemics.

Our stakeholders

- Customers**
We are in partnership with our customers and help them develop sustainable technical solutions.
- Suppliers**
In close collaboration with our suppliers, we contribute with specialist expertise that helps increase their success.
- Employees**
Addtech fosters a corporate culture in which all thrive and in which we grow together.
- Shareholders**
Our shareholders contribute with capital and expect returns. Through responsible ownership, they can contribute to acceptance and legitimacy in society.
- Social partners**
We maintain an ongoing dialogue with relevant social actors, including public authorities, industrial associations and trade unions.

Strategies and success factors

- Market-leading niche positions**
Our companies are to be market leaders in selected technical niches with a high knowledge content. This establishes the conditions for stable growth and long-term profitability.
- Operational agility**
The companies must be able to act quickly and agilely in response to new business opportunities. The Group must also respond quickly by, for example, splitting operations, and maintaining efficient processes for integrating new companies.
- Growth through acquisitions**
Acquisitions and supplementary acquisitions represent an important part of our growth philosophy. This enables rapid expansion in new segments, a broadened product range and improved market positions.
- Three long-term success factors**
 1. Skilled employees
 2. Decentralised organisation and deeply-rooted corporate culture
 3. Consistent and sustainable action generating business opportunities
- Select focus areas**
 - Talented people to secure future skills
 - Entrepreneurship 2.0 to safeguard continuous development and innovative energy
 - Increased decentralised responsibility to reinforce personal driving force
 - Co-creation — to identify synergies between the companies

Our financial targets and sustainability targets

- Earnings growth:** Outcome 20/21: **>15%** → **-15%**
(Over a business cycle)
- P/WC:** Outcome 20/21: **>45%** → **52%**
- Carbon dioxide intensity in 2030:** Outcome 20/21: **1,25** → **2,2**
(Total CO₂ tonnes/net sales SEK million)
- Percentage of sales contributing to sustainable development in 2030:** Outcome 20/21: **100%** → **50%**
- Proportion of women in leading positions in 2030:** Outcome 20/21: **40%** → **19%**
- Percentage of purchasing volume evaluated based on the Code of Conduct in 2030:** Outcome 20/21: **80%** → **24%**

For further information, see also the Sustainability facts on pages 132-144.



WHY INVEST IN ADDETECH

20 years ago, at the time of Addtech's launch on the Olist of the Stockholm stock exchange, the share price was SEK 3 per share. Today, as of 31 March 2021, the share price is SEK 130

Why invest in Addtech?

Addtech generates long-term shareholder value through 140 independent subsidiaries. As an active owner, we purposefully but cautiously develop the subsidiaries for sustainable and profitable growth. Since the IPO in September 2001, the Addtech share has achieved an average price increase of 21 percent annually. There are several explanations for our success and we now continue to provide value, with stable and sustainable growth as our overriding objective.

Three reasons to invest in Addtech

1 Attractive market profile provides favourable risk diversification

Crucially, our shareholder value builds on our entrepreneurial companies, which all strive to be market leaders in their individual niches. Our scalable model enables us to grow in multiple markets. An increased geographical presence and greater spread among customer segments makes us less vulnerable to individual trends and declines. A broad spread builds beneficial resilience.

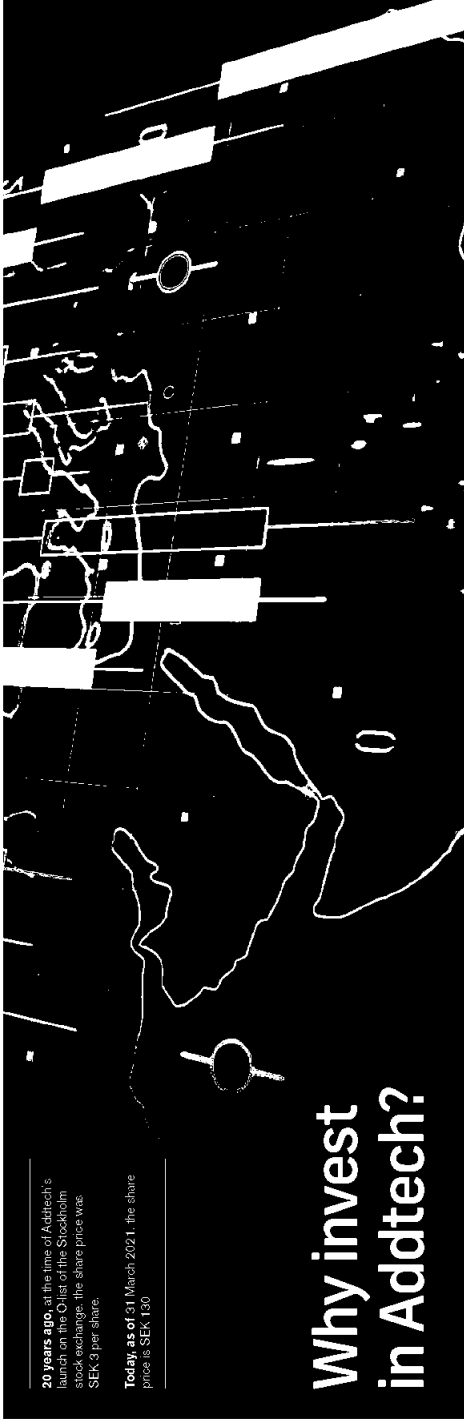
2 Highly-knowledgeable catalyst for growth

Addtech is an active owner who works diligently to increase its subsidiaries' sales and profitability. We combine the flexibility, personal touch and efficiency of small businesses with the resources, networks and long-term perspective of a large corporation. We are constantly evolving and we understand the importance of continuously adapting our operations to the prevailing business climate. By continuously doubling our profits every five years (on average), we have proven our capacity for delivering sustainable profitable growth.

3 Successful acquisition strategy

Acquisitions are a cornerstone in how we generate long-term growth in profits and shareholder value. New companies bring additional sales volumes, customers and expertise, and, in particular, motivated employees and entrepreneurs. New companies also bring new opportunities for synergies and development. Our strategy of acquiring cash flow is a successful one, made possible by our stable balance sheet and our focus on cash flow throughout the organisation.

WHY INVEST IN ADDETECH



Mads Eriksen, CEO Addtech

"Corporate culture is more important than strategy"

Despite maintaining 140 autonomous subsidiaries and operations worldwide, Addtech is not a complicated Group. We acquire successful entrepreneurial companies, together with which we build long-term growth and profitability. We achieve this on the basis of our strong corporate culture, which forms the core of how we conduct business and manage companies. We stand on a solid foundation of simplicity, efficiency and development with a high degree of both freedom and responsibility.

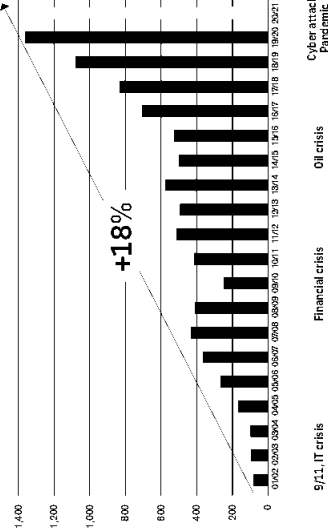
Our scalable business model has been a success factor since the outset in 2001. A beneficial spread between numerous specific niches, segments and geographies makes us less vulnerable and sensitive to negative changes in individual areas.

Our strategy of continuous profitable growth, both organically and through acquisitions, has been proven to be effective. Our principal task as owners is to make life easier for our companies, so that they can focus on continuing their successful development, benefiting from Addtech's network and our resources in the form of skills and expertise, experience and financing.

READ MORE about the Addtech share on pages 80-82.

ADDETECH ANNUAL REPORT 2020/2021 15

Percent average annual growth, 2001-2021



Addtech's strategy is to acquire and develop successful, well-managed and market-leading niche companies with the potential to generate long-term profitable growth. Despite various crises, recessions, cyber-attacks and pandemics, we have continuously delivered shareholder value, with an average annual growth of 18 percent since the start in 2001.

More than 140 acquisitions implemented since 2001

ADDETECH ANNUAL REPORT 2020/2021 14



SUSTAINABILITY

Sustainability generates business opportunities

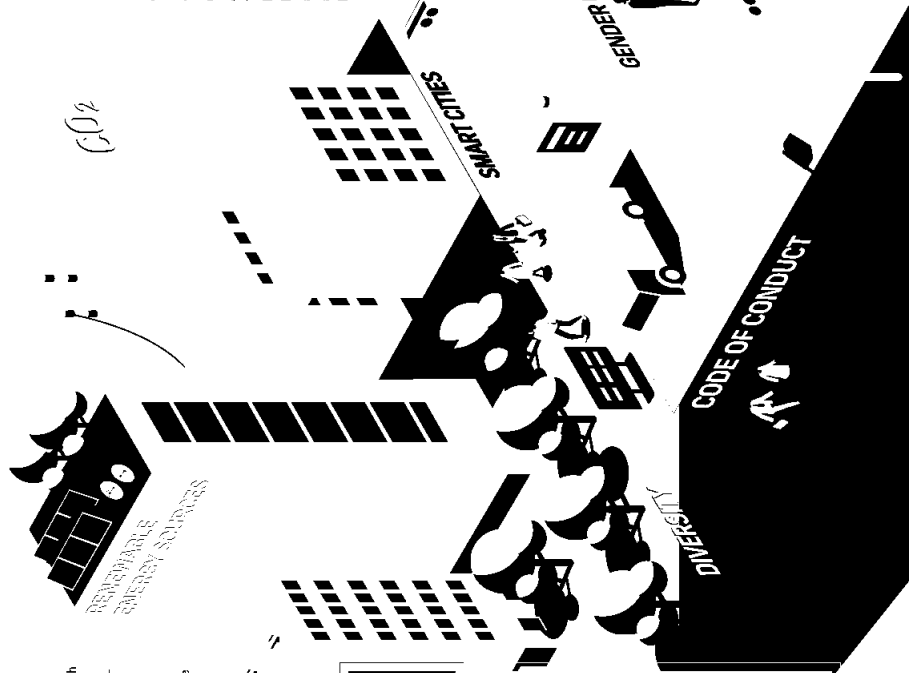
Addtech is a catalyst for the development towards a sustainable society and sustainable industry. In our role as a supplier and knowledge mediator of leading technical solutions, we work purposefully to achieve a more sustainable future and to ensure long-term profitability for the Group. Sustainable business is not only good for the planet and for people – it also generates business opportunities.

Sustainability is a natural part of all strategic decisions within Addtech. Ultimately, the Group's Board of Directors is responsible for our long-term sustainability targets – although all Group employees have responsibility for sustainable development. The Parent Company's role is to support and guide the subsidiaries in the right direction. The day-to-day sustainability efforts are conducted in accordance with our decentralised structure, where the subsidiaries bear their own responsibility for achieving their targets.

Our vision
Leading technical solutions for a sustainable tomorrow.

We focus on:

- Business development that supports sustainable development and strengthens our business
- Building strong partnerships within our value chain
- Optimising and streamlining freight transport to reduce our climate footprint
- Prioritising renewable energy sources
- Shiring for diversity among candidates, within recruitment
- Offering all employees equal development opportunities
- Working for favourable working conditions in our supply chain
- Internal co-creation to learn from and develop each other within sustainability



Sustainable partnerships

Building strong partnerships in our value chain is important for solving the global sustainability challenges and driving change while also generating value for Addtech's stakeholders. Accordingly, we maintain an ongoing constructive dialogue with our customers and suppliers to establish sustainable partnerships and identify and take advantage of the opportunities to develop together towards our 2030 targets.

Examples of activities during the year

- Sustainability training and workshops with a business perspective to identify business opportunities
- Reinforced focus on transparent sustainability reporting, such as developing key figures and increasing support for the companies
- Activities within the TCFD framework to identify our climate-related financial risks and opportunities
- Sustainability activities for the subsidiaries as part of our strategy and development planning to meet our 2030 targets
- Upgraded work with supplier follow-ups

The journey towards 2030

On pages 18-47, we elaborate on Addtech's three focus areas: the business, the organisation and the supply chain. For each area, long-term targets have been determined that are measurable and limited in time to the year 2030 in accordance with the Sustainable Development Goals.



By offering technical solutions that contribute to our customers' transition and development, we aim to generate sustainable business.



With equal opportunity and climate smart operations, we seek to build an attractive and sustainable organisation.



Through structured supplier follow-ups, we promote good working conditions and responsible production for a sustainable supply chain.

SUSTAINABILITY



"Our companies help customers achieve their sustainability objectives"

When Addtech talks about sustainability, the business perspective is always in focus. We are convinced that sustainable development drives business and is crucial to our continued success. It is therefore important that our companies take advantage of all business opportunities to be found in the transition to a sustainable society and sustainable industry. Of course, the companies themselves must conduct sustainable and responsible operations.

Developments in the area of sustainability are progressing incredibly fast at the moment. I dare say that in the past three years, twice as much has happened as in the preceding ten. The potential for Addtech's companies is considerable as we are truly able to contribute to the change with our focus on customised solutions and our technical expertise.

Sustainability is an integrated part of Addtech's acquisitions philosophy. When we analyse potential acquisitions, the companies' sustainability status is an important parameter. It is important that we continue to be visionary and perceiving and taking advantage of the long-term business opportunities generated in the transition to a sustainable society. This also includes building strong partnerships to deal with common challenges.

In our role as a provider of technical solutions we will continue to be a catalyst for the transition to a more sustainable world.



2021 Addtech committed to the UN Global Compact responsible responsibility initiative and its principles in the areas of human rights, labour rights, the environment and anti-corruption.

READ MORE in sustainability facts on pages 132-144.



SUSTAINABLE BUSINESS

Even 20 years ago, when Addtech had annual sales of SEK 2.360 million, we understood that leading technical solutions and cutting-edge expertise in selected niches were prerequisites for long-term successful operations.

Today, Addtech generates annual net sales of SEK 11.236 million and we are focused on building business opportunities for more sustainable industry and profitable growth, successful operations.

Sustainable technical solutions that generate value

The requirements and demand for sustainable technical solutions are always increasing. This creates business opportunities for Addtech, as well as future value for our customers and for society in general.

On a daily basis, Addtech's 140 subsidiaries endeavour in different ways to help customers identify the best and most sustainable technical solutions. This applies both to improving customers' operations and to contributing to various benefits for society – such as reduced CO₂ emissions, more energy-efficient transport, renewable energy production and safer workplaces. The subsidiaries operate in many different areas of technology and have great opportunities to be a catalyst for development towards a more sustainable society. This includes leading technical solutions for electrification, automation, Industry 4.0, infrastructure, medical technology and expansion of national power grids.

Addtech's companies are skilled in quickly identifying and monitoring the key technical trends driving sustainability development. Electrification is one of today's strongest trends, generating opportunities for our business areas. Here, we are contributing to renewable electricity generation by, for

example, offering components for wind turbines, hydroelectric power plants and by delivering equipment for the distribution grids transporting the electricity.

Necks Electric, part of the Energy business area, is one of the successful Addtech subsidiaries working to improve efficiency in grid construction. In recent years, the company has captured a position as an important player behind Sweden's successful expansion of the electricity grid at the pace needed to cope with the growing demand.

The Swedish electricity grid faces major challenges in facilitating the country's successful switch to renewable and fossil-free energy," says Marcus Johansson, Managing Director of Necks Electric. Major investments





"We deliver products very much needed to enable a continued high rate of investment in the Swedish electricity grid."

Marcus Johansson, Managing Director Necks Electric

are required now and far into the future to meet existing electricity needs. The need for electricity is constantly increasing due to electric cars and large data halls, for example, which require an enormous amount of power. Necks is a complete supplier of materials for electricity distribution, transmission and transformer stations. These include, grid pylons and insulator accessories – from the foundations for power lines, all the way up to the transmission lines. With own production in Poland and partnerships with other suppliers around the world, Necks can offer a comprehensive solution, from the production of materials, to their delivery.

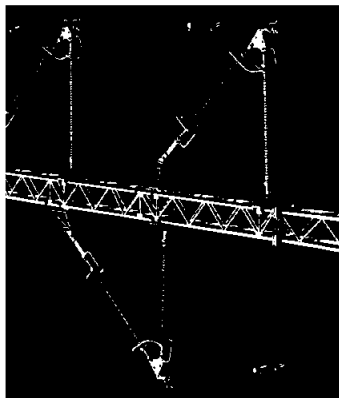
"I dare say that without Necks in the Swedish market, it would be difficult to expand the electricity grid to the necessary extent. We deliver products crucial in enabling a continued high rate of investment in the Swedish electricity grid. Major investments

have been made, and are being made, in the electricity grid and we have been highly successful in our sales efforts to secure these transactions," says Marcus Johansson. An example of a product contributing to efficient network construction is Necks Electric's complete system of steel lattice utility poles. The concept encompasses three families of lattice utility poles optimised to provide the lowest possible overall cost for power line construction with steel poles. Their lattice structure means that the poles blend into their surroundings to some extent.

The corridor is also narrowed by four meters compared with the usual horizontal distribution of the power lines. "Our lattice poles have been developed to streamline and replace traditional power line construction," Marcus Johansson explains. "The poles are recyclable and have a very long service life. We are not limiting us to this, however, and are now developing the next generation of lattice poles in an alternative material to reduce the carbon dioxide footprint."

Most Aditech subsidiaries would agree that their customers' sustainability requirements are continuously increasing. "We have definitely noticed that customers are imposing stricter demands for sustainable solutions. For us at Necks, sustainable operations contribute to a more sustainable world. Today, you must focus on sustainability to be successful in business. We are always trying to stay one step ahead of our competitors on technical development. Here,

ECONOMIC SOCIETAL VALUE 2020/2021, SEK MILLION	
Financial value generated	11,336
Financial value distributed	10,977
Of which, manufacturing costs	8,221
Of which, salaries and remunerations (salaries, pensions, payroll taxes, social security contributions)	2,102
Of which, disbursements to creditors	66
Of which, disbursements to shareholders (pertains to dividends)	269
Of which, disbursements to governments (tax)	320
Remaining in the company	359



Necks Electric's M14 lattice pole system enables greener grid expansion and reduces the costs for power line construction.

it is also important that we take responsibility for our suppliers' meeting the customers' sustainability requirements. Grid operators should feel secure when buying our products and solutions," Marcus Johansson concludes. at the Chalmers University of Technology in Gothenburg, which offers systems for the direct analysis and follow-up of air emissions from industry or other operations. "This systems solution really goes hand in hand with the objectives of the Paris Agreement from 2015, the core of which is to limit global warming by reducing greenhouse gas emissions," says Annelie Ivarsson, Marketing Manager at Recab. Industries can use the system to make measurements, both mobile and stationary, to identify deviations in their emissions or to determine if there is a leak somewhere in their processes.

Recab's role and contribution to the solution is to provide reliable industrial computers that match the advanced technical level of the system. "The industrial computers we deliver are subject to extremely high requirements," says Annelie Ivarsson. Among other things, they have to withstand high temperatures and relatively strong vibrations, something that an ordinary computer cannot handle. The market is global and the solution is at the forefront of technical development in the area.



Insatech's self-developed water purification system RemiLife ensures that drinking water is of high quality.

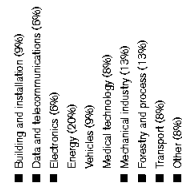
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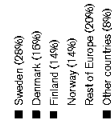
Customer segments and geographies

Aditech conducts a broad range of operations, in terms of both customer segments and geographies. This enables the Group's stable development by smoothing out transaction fluctuations over a business cycle.

Sales by customer segment 2020/2021



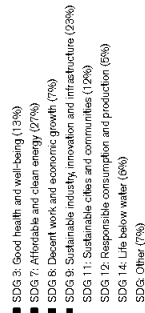
Sales by geographic market 2020/2021



Percentage of sales contributing to the UN's Sustainable Development Goals

Each year, Aditech calculates the overall percentage of existing operations that in some way contribute towards the UN's Sustainable Development Goals. For 2020/2021, these accounted for 50 percent of total sales, which is an increase from 40 percent preceding year. More information about this calculation can be found in the Sustainability Facts on pages 132-144.

Distribution by global goal, %



Target for sustainable business

Addtech target
100%
of sales contributing
to sustainable
development by 2030



SUSTAINABLE BUSINESS

Insatech A/S is located about an hour's journey southwest of Copenhagen. The company is part of the Industrial Process business area and sells advanced instruments for all industrial segments. Increasingly, Insatech is investing in developing own technical products and solutions. RemUVe is an example of an own product developed in collaboration with the Danish Ministry of the Environment.

"RemUVe is a water purification system that efficiently filters drinking water and ensures that it is of superior quality," says Jacob Møller, Managing Director of Insatech. We apply an advanced oxidation process based on UV light and hydrogen peroxide to create a reaction that removes pesticide residues, chlorinated solvents and drug residues – while protecting against bacteria.

Insatech focuses on two main areas to promote sustainable development: partly on reducing the carbon footprint of the maritime sector, and partly on clean drinking water and waste water.

"When it comes to RemUVe, our primary customers are municipal or regional water and sewage companies. Mainly here in Denmark, although we are also seeing considerable interest from other countries in northern Europe. In the slightly longer term, we will migrate the RemUVe technology to industrial manufacturing processes. Insatech wants to be able to contribute to a changing and more sustainable world by offering value-generating cutting-edge technology that leads to profitability and sustainable operations," Jacob Møller concludes.

Trends affecting Addtech's business

The world is constantly changing. And we are changing with it. During the year, for example, the prevailing pandemic has accelerated the digitalisation of society and, like climate change, this now permeates virtually all trends in the field of technology. As an increasingly international Group, we must understand the world around us to stay one step ahead and remain competitive. Development in our business areas is driven both by major megatrends and smaller niche trends. Below, we list five examples of important trends affecting Addtech's operations.

- 1 Electrification**
A large part of the solution in the transition to a fossil-free society is to electrify more. This trend is global and affects the energy-intensive transport and process industries in particular.
- 2 Renewable energy**
A global transition to renewable energy, with solar, wind and hydroelectric power, combating the climate threat.
- 3 Power grid expansion**
Expansion of the national power grid is a priority issue in many countries in responding to increased needs for electricity.
- 4 Industry 4.0**
The fourth industrial revolution is a collective term for a range of technologies and solutions in areas such as industrial automation and industrial IT.
- 5 Smart cities**
In a smart city, technology is used, among other things, to improve quality of life and the efficiency of the city's functions in achieving economic, social and environmental sustainability.

Growing business through acquisitions

Despite the prevailing pandemic, Addtech has maintained a high pace of acquisitions over the financial year. The market situation for acquisitions is favourable and we take a positive view of acquisition opportunities in the Nordic region, but also in other selected European markets to continue our international expansion.

For Addtech, growing through acquisitions is a key strategy. Since the start in 2001, we have completed slightly more than 140 acquisitions of entrepreneurial technology companies and we have established a successful process for the integration and development of each company. By acquiring niche market-leading companies, Addtech is always able to create new growth opportunities, regardless of the broader economic situation. Many entrepreneurs view Addtech as an attractive buyer as it allows them to retain decentralised responsibilities while receiving support in their development aided by an active, long-term owner.

Each acquisition is unique. The process varies – sometimes it progresses rapidly, in other cases it can take several years from the first contact to the signed agreement. It simply has to take the time it takes.

In 2020/2021, Addtech acquired 14 companies with combined annual sales of approximately SEK 1,140 million. One of these companies was Impact Air in the UK, which offers waste management systems for industrial and recycling facilities around the world. The company's customised solutions contribute to more sustainable waste management and to a circular economy. With slightly more than 30 employees, Impact will supplement

existing Industrial Process operations in the Industrial Solutions business unit.

"Together with Impact, we are continuing to identify new niches in which we can expand our offering of sustainable solutions for customers," says Niklas Stenberg, President and CEO of Addtech. It is also an example of an acquisition demonstrating our ambition to expand internationally.

"With Addtech as a long-term owner, we gain an excellent and exciting opportunity to further develop our operations and solutions," says Nick Ball, Managing Director of Impact. We look forward to taking Impact to the next level supported by the Group and all of the amazing companies in the Addtech family. I see Addtech as a committed owner with clear objectives and tools for both development and long-term profitability. There is also a genuine desire to continuously raise the bar with regard to sustainability, which is completely in line with Impact's solutions for sustainable waste management and a future circular economy.

Addtech's international expansion is being achieved by following our customers out into the world, by establishing our own operations abroad or by acquiring existing companies. Karin Gråwe, who lives in Germany and works with sales at one of our companies, Encomp International, also spends a large

part of her time identifying potential acquisition candidates in the DACH region.

"Addtech's scalable business model works very well in Germany and many entrepreneurs here are curious about our decentralised business culture," says Karin Gråwe.

Acquiring companies with market-leading niche positions and developing them long term is an important part of Addtech's strategy. From the perspective of sustainable development, the fact that the companies operate in emerging markets is becoming increasingly important when we analyse and evaluate potential acquisitions.

When a new company is acquired and joins the Addtech family, it is placed with similar complementary companies in a joint business unit within a business area. This quickly immerses companies in our business culture, in which they are able to grow alongside like-minded companies. The match in culture between the buyer and the seller is often a decisive success factor.

"We take a genuine interest in developing businesses together with their founders and seek to do so long term," says Niklas Stenberg. "Accordingly, our culture must match that of the acquired company from the outset. That is when we can enter into a partnership benefiting both parties and leading to mutual development and growth."



From the outset, the business culture of the acquired company must match ours"

Niklas Stenberg, Addtech

Acquisition year 2020/2021

1,140 Acquired net sales, SEK million

14 Acquisitions

321 New employees

We are looking for companies with:

- Good profitability and growth potential
- A high knowledge and technology content
- Developed supplier relationships

or own products and solutions

- Niche market focus
- Sustainability focus

Companies acquired in 2020/2021

Elkome Group Oy, Finland • Peter Andersson AB, Sweden • Valulec Group AB, Sweden • Fluidcontrol Oy, Finland • Kaptas Oy, Finland • Elsystem i Perstorp AB, Sweden • Martin Bruusgaard AS, Norway • Saitco Komponent AB, Sweden • Skyllar & Märken Gruppen AB, Sweden • OF-Beteiligungs AG, Switzerland • Powernor AS, Norway • Synective Labs AB, Sweden • Impact Air Systems Ltd. and Impact Technical Services Ltd, UK • Fairfield Trading Company Ltd, UK

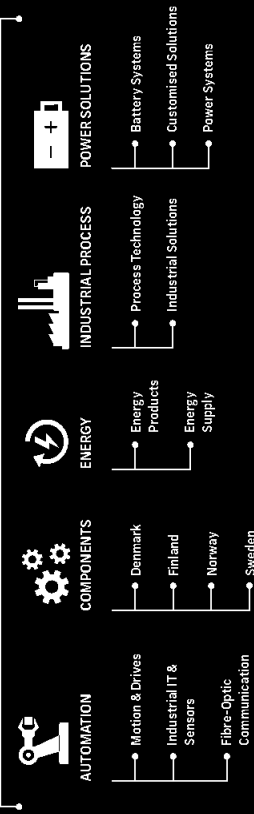
Acquisitions Addtech	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017
Number of acquisitions	14	12	14	11	10
Net sales (SEK million)*	1,140	741	960	698	503
Number of employees	321	170	276	171	129

* On a full-year basis at the time of acquisition

Addtech is organised into five business areas. These, in turn, consist of a number of business units, corresponding to various market segments. It is within the business units that the work of identifying and making use of new business and development opportunities takes place. This is where the conditions are generated to exchange knowledge between the subsidiaries and collaborate as a network.

Business areas

ADDTTECH





Automation

Deep niche expertise in automated processes

Industry 4.0, smart cities, Industrial Internet of Things (IIoT) and an ageing population are examples of strong driving forces entailing considerable sustainable business opportunities for Automation. We offer intelligent solutions, sub-systems and components for advanced applications in industry, medical technology and infrastructure. This includes, for example, solutions for robotics, control systems, sensors, industrial networks and communications networks.

We have own products in several areas – while long-term relationships with leading international suppliers are also important for the business area's transactions. Our success

is based on our in-depth niche expertise in automated processes where, in close collaboration with customers and suppliers, we create tailor-made technical solutions. The products we sell have a high technology content and require that we ourselves have the skill to act as a knowledge link between customers and suppliers.

Our subsidiaries hold strong business positions in the Nordic region and other parts of Europe. Customers are mainly OEM manufacturers and end users in industrial automation, medical technology, process industry, as well as telecom operators and installers of fibre networks.

“Demand for our products and solutions follows the manufacturing – industry’s development towards automation and smart factories – as well as increasing demand in the healthcare and pharmaceutical industries, and the build-out of infrastructure for smart cities, security services and communications networks.”

Patrick Klock, Business Area Manager Automation

Examples of products

Solutions for industrial communications, control systems, computers, sensors, vision products, motor drives, linear units, transmissions and components and solutions for fibre-optic networks.

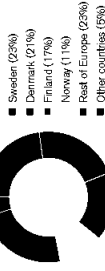
2020/2021 in brief

Automation acquired four companies during the year. All of these companies are part of the strategy to increase added value and step up in the value chain in applications for industrial automation, primarily in systems integration, Industry 4.0 and IIoT. The business area saw strong demand in medical technology to some extent driven by the pandemic. Weaker demand in the engineering industry, although it rebounded towards the end of the year. Read more on page 55 in the Administration Report.

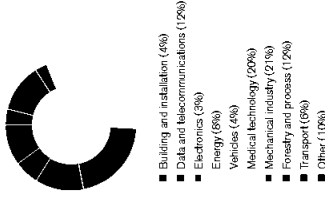
Future focus

Automation will continue to develop the additional value it offers by bringing in cutting-edge expertise in Industry 4.0, systems integration, medical technology and software, among other areas. The goal is also to grow internationally. We will maintain our focus on sustainability throughout the operations to generate long-term profitable business relationships and to increase diversity in the business area.

Sales by geographic market



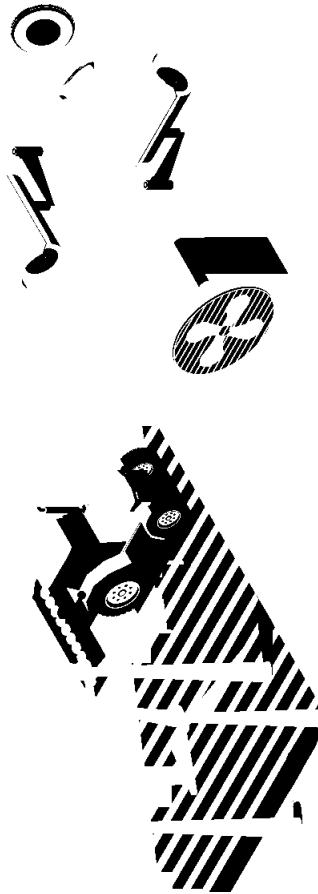
Sales by customer segment



AUTOMATION

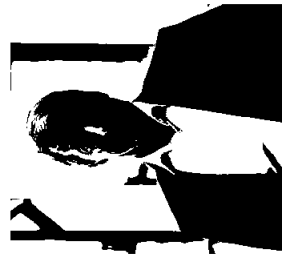
Key financial indicators	2020/2021	2019/2020
Net sales, SEK million	2,354	2,425
EBITA, SEK million	245	267
EBITA margin, %	10.3	11.0
Return on working capital, %	48	52
Average number of employees	540	477
Acquired annual sales*	195	424
Proportion sustainable business**, %	44	-

* On a full-year basis at the time of acquisition.
 ** Share of total revenue, in business area, that contributes to UN's Sustainable Development Goals, only measured on group level 2019/2020.



Components

Catalyst for sustainable technical solutions



"Our technical solutions contribute to a more sustainable world. From green electricity production and reduced energy consumption to medical technology and the smart society of the future."

Martin Fjell, Business Area Manager Components

Components offers sustainable technical solutions that are mainly based on components offered by suppliers. The business area has a strong foothold in the Nordic manufacturing industry. We are well-positioned in major customer segments, including electronics, special vehicles, engineering and energy.

Products and solutions are customised in strong partnership with customers and market-leading suppliers. With our in-depth technical expertise, we serve as a catalyst, contributing to cutting-edge technical solutions. Shared development of sustainable technical solutions is ongoing. Together with

a local presence, this adds value, affording the business area's subsidiaries competitive advantages in each of their niche markets. A strong driving force and enabler for

Components is society's pursuit of sustainable development and customers' growing need for environmentally and climate-friendly solutions. This is especially true in electrification and conversion to renewable energy

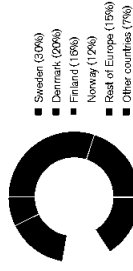
2020/2021 in brief

The business situation in medical technology and safety was favourable during the year. Operations in special vehicles slowed sharply due to the pandemic. Increased transport

Examples of products

Electric motors, switches, sensors, indicators, hydraulic blocks, valves, pumps, units, pistons, filters, optics and various other electromechanical and electronic components.

Sales by geographic market



Sales by customer segment



costs and exchange rates for the USD had a negative impact on margins. Order intake generally increased in the final quarter and the financial year ended stably. Read more on page 55 in the Administration Report.

Future focus

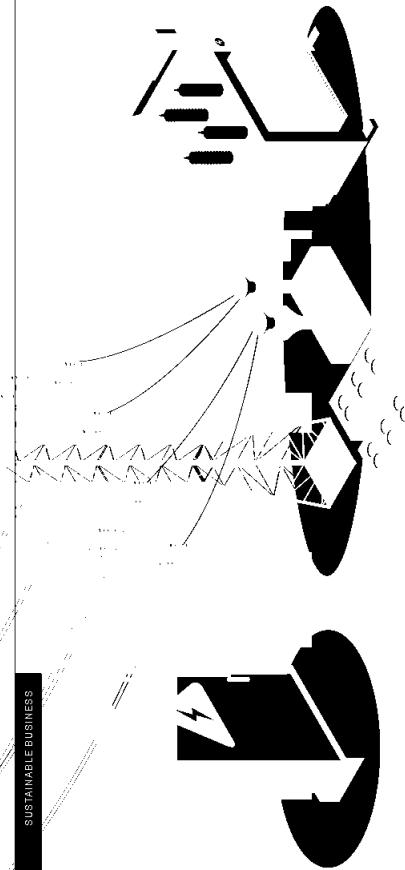
Although our trade products remain important to us, we will also increase our development of own-design products and solutions in partnership with customers. This includes future acquisitions of companies with own products. To an even greater extent, we will follow our customers out into the world, with the ambition of expanding internationally.

In the area of sustainability, we continue to develop and improve the offer, particularly in electrification.

COMPONENTS

Key financial indicators	2020/2021	2019/2020
Net sales, SEK million	2,015	2,082
EBITA, SEK million	196	218
EBITA margin, %	9.7	10.5
Return on working capital, %	42	48
Average number of employees	407	386
Acquired annual sales*	59	-
Proportion sustainable business**, %	44	-

* On a full-year basis at the time of acquisition.
 ** Share of total revenue, in business area, that contributes to UN's Sustainable Development Goals, only measured on group level 2019/2020.



Energy

The electrification of society creates opportunities



“Much of what we do is in line with the transition to renewable energy. We contribute to society being electrified to an extent never previously seen.”

Hans Andersen, Business Area Manager Energy

Energy offers electricity distribution equipment for voltages from 0.4 to 400 kilovolts. This includes both power line and station equipment for network construction, as well as installation equipment. The focus is on electricity distribution and electrical installation, as well as on products and solutions in the areas of electrical safety, energy efficiency and connection technology.

Energy's customers are mainly contractors and grid operators in electricity transmission. On the power side, our companies are suppliers to Nordic network operators and hold very well-established positions. The same applies to the market for electrical installation, where we primarily sell via electricity wholesalers in the Nordic region. On the power side in particular, we have a relatively large share of own production, but otherwise applies to trading operations with, among other things, many strong brands from leading suppliers in Europe and own brands in selected segments.

Our success is partly due to the fact that we have an underlying market with good demand for our products and solutions. Much of what we offer is completely in line with the transition to electrification in society. In addition, we have chosen to position ourselves in a market-leading position in all the niches in which we

operate. We have a strong product range combined with our own in-depth technical expertise. All in all, this means that we are regarded as a long-term partner that adds value and contributes to customers' success.

2020/2021 in brief

Over the year, Energy had a positive underlying market with good demand for our products and solutions. The pandemic had a relatively limited impact, although some of our projects in installation and industrial electrification have been postponed, which has had a negative impact. Read more on page 55 in the Administration Report.

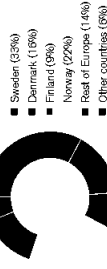
Future focus

We see that the trend towards a more sustainable society will increase demand for the business area's products and solutions. This primarily applies to the ongoing electrification of society, in both low and high-voltage applications. Here, Energy holds strong positions in electricity transmission, wind power and distribution networks. We will also continue to invest in the smart homes niche, as well as traffic safety and public safety.

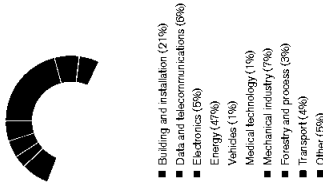
Examples of products

Power line poles, line disconnectors for the medium voltage network, transformers, cable cabinets, cable, cabling, fuses, meter-reading converters, cooker power cut-offs and pedestrian crossing signals.

Sales by geographic market



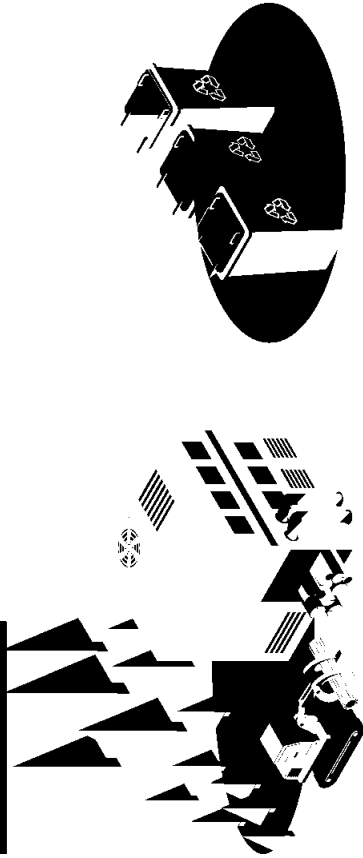
Sales by customer segment



ENERGY

Key financial indicators	2020/2021	2019/2020
Net sales, SEK million	2,566	2,412
EBITA, SEK million	329	282
EBITA margin, %	12.8	11.7
Return on working capital, %	61	53
Average number of employees	683	681
Acquired annual sales*	90	29
Proportion sustainable business**	53	-

* On a full-year basis at the time of acquisition.
 ** Share of total revenue, in business area, that contributes to UN's Sustainable Development Goals, only measured on group level 2019/2020.



Industrial Process

More efficient process flows and reduced environmental impact



Industrial Process offers products, services and solutions that streamline industrial process flows. This includes own products and brands, as well as customised and made-to-order products. With our high level of technical expertise, we increase our customers' competitiveness, make their products and work environment safer and reduce external emissions.

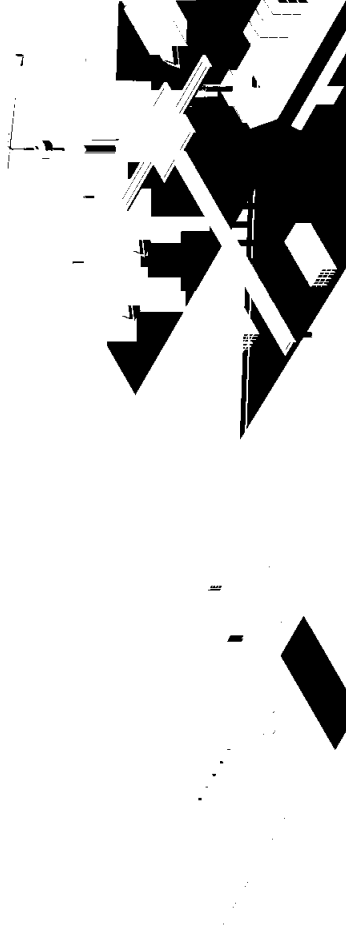
Many of the business area's subsidiaries hold strong business positions in their market niches, with considerable opportunities for long-term growth. A strong driving force that generates business opportunities for us lies in increasing demands for a sustain-

able transition, particularly for industry, which must reduce its environmental impact, especially in terms of emissions. We offer products and technical solutions that are often at the forefront of development.

Examples of this are gas analysers and dampers that measure and regulate emissions from ships, industries and combined heat and power plants. Other examples of sustainable solutions are wood dryers for sawmills that provide efficient production and increase the use of wood, as well as transport chains in high-quality steel that is 30 times more durable compared with lighter materials. Two relatively new focus areas

"A strong driving force that generates business opportunities for us lies in society's increasing demands for sustainability solutions – above all in terms of the demands on industry to reduce its environmental impact."

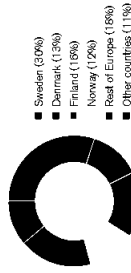
Claus Nielsen, Business Area Manager Industrial Process



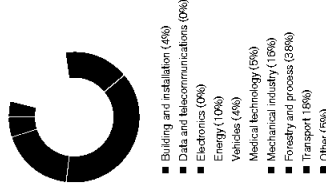
Examples of products

Gaskets, seals, chains, electric motors, process and safety instruments, surface treatment equipment, dampers, scrubbers, fans, heat recovery systems, wood dryers and waste management systems.

Sales by geographic market



Sales by customer segment



within Industrial Process, where we also see favourable growth opportunities, are waste and recycling systems and systems for purification of drinking and waste water.

2020/2021 in brief

The combination of a price war in oil and the pandemic saw demand fall sharply in our marine segment during the year. More positive was the improved business situation for our sustainable technical solutions for the sawmill industry, where, among other things, the acquisition of Valtec contributed to the positive development. Read more on page 56 in the Administration Report.

Future focus

Industrial Process' ambition is to continue growing organically and through acquisitions in selected segments. We see favourable growth opportunities in most of our segments, partly due to new stricter emissions requirements to reduce industry's environmental impact. The paper, chemical, energy and pharmaceutical industries, among others, also have an increasing need of our technical solutions for controlling and analysing different processes. The increasing use of wood is another future growth area.

INDUSTRIAL PROCESS

Key financial indicators	2020/2021	2019/2020
Net sales, SEK million	2,785	3,204
EBITA, SEK million	288	445
EBITA margin, %	10.3	13.9
Return on working capital, %	56	63
Average number of employees	948	882
Acquired annual sales*	553	190
Proportion sustainable business**, %	57	-

* On a full-year basis at the time of acquisition.
 ** State of total revenue, in business area, that contributes to UN's Sustainable Development Goals, only measured on group level 2019/2020.



Power Solutions

Many strong own brands in a global market

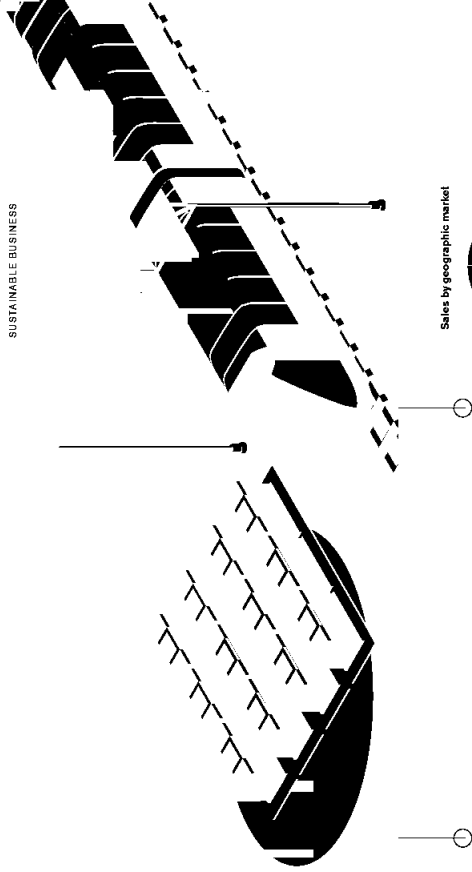


Power Solutions offers numerous own products under its own brand. This includes components and technical solutions for insulators, carbon brushes, ergonomic solutions, accelerators and joysticks. The Battery Systems business unit offers solutions for batteries and subsystems for batteries. Customised Solutions are focused on special vehicles that also include ergonomic solutions. Power Systems offers a wide range of solutions in power supply applications.

The business areas' subsidiaries often hold leading market positions in the niches in which they operate. Our customers are mainly OEM companies where our products are inputs that

are part of the customer's solution. The customers are primarily in special vehicles, energy and the electronics industry, where our subsidiaries possess a high level of cutting-edge expertise. Together with customers, we develop technical solutions in a sustainable and environmentally friendly direction. Since we are often involved in the design phase, we can be involved in controlling and optimising the customer's end product.

Power Solutions' development is largely driven by society's rapid technical development – not least when it comes to electrification and the expansion of ESG. Demand in special vehicles is also a strong driving force, where we of-



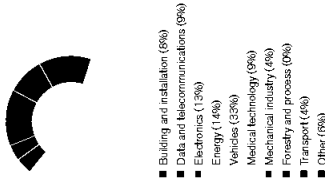
Examples of products

Batteries, joysticks, ergonomic driver's seats, accelerator pedals, electric motors, power components, drives, insulators, switches, wiring and electric brushes.

Sales by geographic market



Sales by customer segment



for battery solutions and ergonomic products for trucks, mining and forestry machines.

2020/2021 in brief

The business situation varied between our different customer and product segments, much depending on the ongoing pandemic. In special vehicles, demand decreased at the beginning of the year, but a recovery took place during the last quarter. The wind power side was affected to a small extent and, for the companies operating towards the telecom sector, the business situation strengthened favourably. High acquisition rate with three new companies incorporated into the business area. Read more

Future focus

Our ambition is to maintain a high acquisition intensity and to further improve our digital position in the niches in which we operate. We are maintaining our international agenda and to develop the business units to respond to customers' increasing demands for sustainable products. The ambition is to have the same sustainability agenda as our customers and to maintain a continuous dialogue with them to develop leading technical solutions towards a more sustainable society and a sustainable industry.

POWER SOLUTIONS

Key financial indicators	2020/2021	2019/2020
Net sales, SEK million	1,606	1,630
EBITA, SEK million	206	231
EBITA margin, %	13.0	14.2
Return on working capital, %	55	60
Average number of employees	445	425
Acquired annual sales*	242	98
Proportion sustainable business**	60	-

* On a full-year basis at the time of acquisition.
 ** Share of total revenue, in business area, that contributes to UN's Sustainable Development Goals, only measured on group level 2019/2020.



SUSTAINABLE ORGANISATION

SUSTAINABLE ORGANISATION

Small scale business, large scale wise

The best business decisions are made by people who live close to the market, which is why Addtech is fully entrepreneur-oriented so that our companies can focus on their business and develop their operations in a sustainable direction.

Entrepreneurial spirit and a small-scale approach are part of Addtech's DNA. We have a highly decentralised organisation in which the subsidiaries have great freedom to act independently. There is room here for the entrepreneurial spirit, flexibility and efficiency of the small company. At the same time, each company bears considerable responsibility for meeting high expectations in terms of earnings growth and profitability, and for pursuing its operations in accordance with our Code of Conduct.

Addtech's success is based on a clear organisational structure, clear targets and our core values. The organisation is flat and decentralised. Our unique model is both large-scale and small-scale to foster optimal conditions.

"We're not really that complicated. The guiding principle is that life should be easy for our companies, not for us at the head office," says Melin Eranson, CFO at Addtech. We are working hard on our Group-wide culture, through which simplicity runs like a common thread.

A continuous close and constructive dialogue is maintained between the Group and the companies. The Group guides in matters relating to acquisitions, business

development, accounting, financing, IT and data security and issues of sustainability. Addtech demands as little as possible from the companies with regard to reporting or other central directives. Instead, development plans are prepared in which the companies set targets for the future, particularly for sales and margins, but also those in which activities are also specified to advance our positions in important areas, including growth, profitability, digitalisation and sustainability. This is how the companies experience responsibility, as well as freedom, which is one of Addtech's four core values.

Ultimately, our employees are those who make the difference. Our culture is largely built on the fundamental idea that if our employees grow, the business will also grow. Accordingly, the objective is to have the most satisfied employees in the industry. To achieve this, we offer individual development opportunities in an organisation that fosters diversity and equality.



20 years ago, Addtech comprised some 60 subsidiaries and even back then it was possible to combine the efficiency, flexibility and personality of the small company with the financial strength, long-term perspective and networks of the large group.

Today, we are 140 entrepreneurial subsidiaries and slightly more than 3,000 amazing employees with a common corporate culture.



One of our prioritised sustainability targets is to increase the proportion of women within Addtech. We believe the best teams are diverse in nature, with an even gender distribution playing an important part. Gender equality teams are often innovative and high-performing, while also optimally combining different perspectives and experiences.

"Although preconceived notions about women and technology probably prevailed in the past – I no longer perceive this to be a problem", says Helena Benjamin, external sales representative at Stigab in Stockholm. "I have worked in the technology industry for 26 years and I feel that attitudes are gradually shifting in the right direction. My sales role at Stigab mainly involves project management, in which I act as a liaison between customers and suppliers. So, in addition to certain technical expertise, it is important to be able to build relationships, engender trust and drive projects forward."

Stigab is part of the Components business area and offers components and customised solutions in areas such as joysticks, switches, sensors and EMC shields, as well as thermal materials. We have more than 3,000 products in stock and a product range including more than a million variants.

"Getting more women into the Addtech Group is certainly a challenge. But I feel the Group's commitment to the issue is genuine and that there is a great desire for more mixed teams, to safeguard the appropriate expertise throughout the organisation. For example, I am part of the Group-wide ADDQ network, which was set up to get more women to choose the sales profession as



"The Group's commitment to the issue of gender equality is genuine"

Cecilie Burfin, Recab

a career path within Addtech's subsidiaries. As an external sales representative, I can hopefully inspire other women in the Group to dare take the step into a really exciting position," says Helena.

Addtech's Sustainable Organisation focus area envisions having 40 percent women in leading positions by 2030. Although we still have a long way to go, our ambition is definitely to achieve this target. One woman holding a leading position within Addtech is Carolin Burfin, Managing Director of Recab, which is part of the Automation business area. Recab currently has about 35 employees in Sweden, Norway and Denmark and offers products and solutions in areas such as industrial automation.

"Recab works with many of the current hot buzzwords in the technical industry: AI, Industry 4.0, Machine Learning and Embedded Computers. You absolutely do not have to be a technical expert to hold a leading position in the technology industry", says Carolin. We must improve at highlighting female role models interested in technology. Of course technology is a broad concept encompassing an infinite number of products, solutions and tasks.

Recab is well on its way to achieving the vision of 40 percent women in leading positions. According to Carolin, 33 percent of the company's management are currently women.

"For us, having the right skills and commitment within the company is crucial," says Carolin. As the Managing Director of an Addtech subsidiary, I am absolutely certain that Group management's support in pursuing the issue of gender equality is genuine. We must improve further in creating mixed workplaces at which women and men can contribute together to developing sustainable products and technical solutions.

Addtech analyzes its sustainability work in accordance with the UN's Sustainable Development Goals (see also page 137).

Most of our subsidiaries already hold advanced positions in this process, simply because sustainable solutions and products generate business value. For us, reducing our climate footprint is a particularly important area. The ambition is to be able to offer high-tech solutions and products that last a long time and have a minimal impact on the environment.

Comptech works purposefully to mitigate its adverse climate effects in terms of, for example, emissions related to goods transports. The company is part of the Components' business area and has suppliers and customers around the world.



"Our customers can choose the most climate-smart mode of transport"

Alexander Lindblom, Comptech

"With the help of a carbon dioxide emissions tool, we have produced data that our sales people use right from the quotation stage in the dialogue with the customer," says Alexander Lindblom, Product Manager Lighting Control at Comptech. The data allows us to quantify different scenarios and compare the extent of the carbon dioxide emissions incurred by air, road, rail or maritime transports. Customers take a highly positive view of this as it allows them to see and choose the most climate-friendly mode of transportation. That means not only what is most affordable – but what minimises carbon emissions.

Alexander believes that customers focus far more on sustainability today, and impose greater demands than previously, which he welcomes. For Comptech, there has been potential for improvement precisely in terms of the company's climate impact regarding CO₂ emissions related to transport. An aspect for which it is now possible to have a strategy. "When we convince the customer to choose to import a product from Asia by ship and truck instead of air, we are able to reduce emissions of carbon dioxide equivalents by up to 96 percent. In our calculation example, a 200 kg and 2 m³ transport from Shanghai to Soňa, this entails a climate-smart saving of approximately 27 tonnes of CO₂e. Comptech's vision is to achieve net-zero CO₂ future emissions and has identified that close cooperation and joint initiatives with customers as highly significant in attaining this.

"We can now see that many of our customers are ready to make this transition to more climate-efficient transport alternatives," Alexander concludes.

Sustainable organisation targets

Addtech targets having

40%
women in leading positions by 2030 and having reduced our carbon dioxide intensity by **50%**

women in leading positions by 2030 and having reduced our carbon dioxide intensity by

Proportion of women



Absence due to illness

Greenhouse gas emissions 2020/2021

For calculations and the preceding year's figures, see the sustainability facts on pages 132-144.



Total emissions 25,165

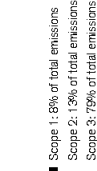
Emissions from:

- Own vehicle fleet (6%)
- Energy consumption (14%)
- Upstream and downstream freight (76%)
- Business travel emissions, air travel (4%)
- Other emissions (2%)

*Calculation method presented on page 144.

**Emissions linked to other facts and business travel by rail

Distribution of emissions



- Scope 1: 6% of total emissions
- Scope 2: 13% of total emissions
- Scope 3: 79% of total emissions

Scope 1 refers to our direct emissions and Scope 2 consists of emissions from our energy consumption. The majority of our emissions occur within our value chain, that is within Scope 3, and consists largely of freight transport and business travel.

Energy consumption



- Energy consumption from renewable sources, 65%
- Energy consumption from non-renewable sources, 37%

Each year, Addtech's ambition is to increase the proportion of electricity and heating we consume that derives from renewable sources. In the Group, this process takes place in a decentralised way, with the conditions for increasing the share of renewable energy varying depending on the country in which the companies operate. Read more under sustainability facts on pages 132-144.



Focus on our employees

"Our decentralised model enhances the commitment and entrepreneurship of our employees"

Asa Shearbrandt, Business Unit Manager Energy/Products

I joined Addtech in 2008. The corporate culture is characterised by an openness to new ideas, short decision paths and substantial personal responsibility and freedom. Much is down to the individual. If you are passionate about something that could benefit your department, your company or the Group as a whole, you are afforded considerable opportunities to make it a reality. It is important not to underestimate the relevance of the corporate culture to Addtech's success. I believe our greatest strength lies in the decentralised manner in which we run the operations. This fosters commitment and entrepreneurship among our employees and is a prerequisite for being able to develop and grow at the pace we seek. We value entrepreneurship greatly as it enhances companies' agility and responsiveness in taking advantage of all the business opportunities embodied in a shifting market and the world beyond.

Within the Group, a key bearer of this culture is the Addtech Academy. All employees have an opportunity to develop here and to immerse themselves in the corporate culture.



This is particularly relevant to our capacity for integrating newly acquired subsidiaries and for quickly acquainting their employees with Addtech's Group-wide 'spirit'.

"Everyone at Addtech has been so helpful"

Holly Wehner, Finance Manager Craig & Derrick Oil Ltd

I perceive the corporate culture at Addtech as a crucial success factor. It really encourages each employee to act independently, efficiently and to not complicate matters. At the same time, there is a strong desire in day-to-day operations to lift one's sights, enabling us at Craig & Derrick to contribute to the long-term sustainability goals set by the Group.

My career at Addtech began in 2015 when, as an 18-year-old, I became a business administration intern at the subsidiary Craig & Derrick. My professional path sin-

ce then has been fantastic, and today I am the Finance Manager at Craig & Derrick.

This would not have been possible had I not received the invaluable support of the Parent Company in Sweden. The people at Addtech have helped me greatly, constantly pushing me to develop, both in my professional role and personally. A finely tuned balance between responsibility and freedom is applied, as well as the positive, fundamental attitude that all challenges can be solved.

"We are experts in adapting to change"

Christian Gørding, Business Area Controller Power Solutions

I joined the Addtech Group from the very beginning and have progressed from working with uncomplicated office tasks to working as a controller. Although Addtech is now a relatively large listed company, for me it feels like working for a small, family-owned company. We never lose sight of the individual here, we are unpretentious and help one another to succeed. Our core values – simplicity, efficiency, change, and responsibility and freedom – reflect the environment here very well. We discuss our core values extensively and their significance for the daily operations to create the best conditions for employees, helping them perform optimally.



"An inspiring atmosphere that brings out the best in the individual"

Kevin Nunoosingh, Application and Development Engineer Computech

I have worked at Addtech subsidiary, Computech since 2018. Back then, I had the opportunity to join the team of engineers working with a wide range of modern technologies.

From the design of hardware to embedded software, and I really love it! The corporate culture here at Computech, and within Addtech in general, brings out the best in each employee. I feel that management affords me significant trust and I am encouraged to develop myself, fostering perfect conditions for both personal and professional growth. My more experienced colleagues ensure that we slightly newer employees gradually become familiar with the successful corporate culture.

At the same time, we are able to introduce new ideas and knowledge.

Right from the start, I wanted to help develop and improve the cooperation between the Group's subsidiaries. I then got to be involved in creating a system on Yammer that we call Addtech Open Engineering. It is a digital platform for jointly developing and improving technical solutions and products for customers within the Group. This creates new opportunities for the subsidiaries to help each other broaden their offerings. As a relative newcomer to Addtech, it feels amazing to have had the chance to be involved in developing and starting up the platform.



SUSTAINABLE SUPPLY CHAIN

Our responsibility throughout the supply chain

Addtech's business volume outside the Nordic region is continuously increasing. Internationalisation brings many opportunities, while the importance of taking responsibility throughout the supply chain also increases. Ensuring a sustainable supply chain is important, both in delivering value to our customers and in contributing to sustainable development.

Addtech has a large number of suppliers around the world and most purchasing is made from non-Nordic suppliers in Europe, the US and Asia. We are also continuously acquiring international companies holding market-leading niche positions. Examples of such acquisitions made during the financial year were OF-Beteiligungs AG in Switzerland and Impact Air and ES Controls in the UK. Increasingly, we are becoming an international player in a global market.

Internationalisation also means increased responsibility. It is becoming increasingly important to safeguard good business ethics, our zero tolerance of corruption and the respect for human rights throughout the supply chain. Addtech conducts business based on the internal Code of Conduct building on, for example, the guidelines and international conventions of the UN Global Compact. We also maintain a specific Code of Conduct for our suppliers.

'Our decentralised model means that our subsidiaries the closest to the customers and suppliers alike,' says Lena Ekblom, Head of Sustainability at Addtech. 'Accordingly, it is the companies that pursue the ongoing dialogue with suppliers regarding sustainability, as well as performing assessments based on the requirements set out in our Code of Conduct, so that everyone takes responsibility for a sustainable supply chain.'

Carbox was founded as early as in 1887 and today focuses mainly on the manufacture of carbon generator brushes used in wind turbine generators and medical technology. The company is part of the Power Solutions business area and has suppliers worldwide. The Managing Director of Carbox, Joakim Hedlund, feels that the company must main-



20 years ago, most of Addtech's customers were in the Nordic region, although some business was also being conducted in the UK, Germany, Poland and Austria.

Today, Addtech is an international group with operations in 20 countries, exports to 20 and partners with many of the world's leading suppliers, who often have a global presence.

SUSTAINABLE SUPPLY CHAIN

ADDTECH-ÅRSRAPPORT 2020/2021 45

tain a position at the absolute forefront when it comes to sustainability.

"We have established a process for supplier audits with control documents that we will start implementing as soon as the pandemic is over and we can start visiting our suppliers again. In the process, we will assign points to each supplier and propose improvements in the area of sustainability. Each supplier must also sign our Code of Conduct for suppliers."

Carboer has also had an external party perform a sustainability audit of its own operations to have an assessment of its own status. Although the final verdict was "Very Good", the ambition is to be even better in some areas.

"Today, sustainability is definitely a decisive means of competition," says Joakim Hedlund. Our customers demand sustainable solutions, which requires that we safeguard sustainability throughout the supply chain. Our sustainability audit process serves as a tool for guaranteeing this.

Many of Addtech's companies have long-standing and close partnerships with their suppliers. A good example of this is Addtech's Swedish subsidiary, Encomp, which has had a successful partnership with CBI in South Africa since 1998. CBI is Encomp's main supplier of hydraulic magnetic fuses that are significantly more energy efficient compared with traditional fuses.

Among other things, Carboer manufactures carbon generator brushes for wind turbines.



"A sustainable supply chain is a prerequisite for profitable business"

Andreas Anselmius, Encomp

Andreas Anselmius at Encomp, for example, we received help in working through our development plan for the next three years. This included seminars at which we discussed why, at what and how we should further improve in the area of sustainability. In addition to our development programme with our partner CBI, there are other areas in which we can develop and improve – we must, for example, ship our products – from CBI in South Africa to Europe and Hong Kong. Here, we have the clearly stated objective of working with maritime shipping as much as possible, thereby reducing our carbon footprint.

"Our close partnership means that we at Encomp enjoy substantial opportunities to develop CBI in a positive direction with regard to priority areas of sustainability," says Andreas Anselmius, Managing Director of Encomp. This may involve working conditions or production improvements, for example. That is not to say that CBI is bad at sustainability in any way – on the contrary. We are able to learn from one another to gradually improve further at contributing to a more sustainable world.

Encomp is about to launch a sustainability development programme together with CBI. The aim is to establish a common focus for our continuous development and improvement of key sustainability parameters.

"A sustainable supply chain is a prerequisite for profitable business," says Andreas Anselmius. Today, many of our customers focus at least as much on aspects of environment and sustainability as on price and quality. Therefore, it is important that Encomp and CBI further develop the partnership and that we determine together which sustainability goals should be prioritised and where we need to improve further.

The Addtech Group has set a high level of ambition for all subsidiaries establishing sustainable supply chains and driving issues of sustainability forward.

"The Parent Company has focused very strongly on sustainability of late," says

Addtech expands through:

- Acquisitions
- Exports of own products
- Accompanying customers into new markets
- Establishing own operations

Addtech around the world

Number of countries where Addtech has own operations

20

Number of countries to which Addtech exports

20

24%

An international Group

Although Addtech has its roots in Northern Europe, the proportion of its business conducted outside the Nordic countries is continuously increasing. As our customers have become increasingly global, our contracts have moved to other parts of the international arena. Both through exports and by establishing our own operations. We also work with many of the world's leading suppliers, who often have a global presence.

Target, supply chain

Addtech target is to assess

80%

of the purchase volume on the basis of our Code of Conduct by 2030

Our Code of Conduct

Addtech's Code of Conduct – our ethical framework – controls how the Group does business and behaves in everyday life. The Code builds on the Group's own core values, the UN Global Compact, the ILO's core conventions and the OECD's guidelines for multinational companies. The Code of Conduct also includes our Environmental Policy. The Code has been adopted by the Board of Directors and encompasses all companies and employees. The Code and the Code of Conduct for suppliers are available at www.addtech.com. (See also sustainability facts on pages 132-144).





Addtech shares

Share price trend and trading

Addtech's Class B shares are listed on Nasdaq Stockholm. Since the listing in September 2001, the average price increase, up to and including 31 March 2021, has been 21 percent annually. Over the corresponding period, the exchange's OMX Stockholm index, changed by an average 7 percent.

Over the financial year, the price of the Addtech share rose by 113 percent. Over the corresponding period, the exchange's OMX Stockholm index rose by 57 percent. The highest price paid during the year was SEK 138, which was noted on 12 March 2021. The lowest price paid was SEK

Share capital

At the end of the period, share capital amounted to SEK 511 million divided into the following number of shares with a quota value of SEK 0.19 per share.

Share class	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Class A shares, 10 votes per share	12,885,744	128,857,440	47	33.1
Class B shares, 1 vote per share	269,908,240	269,908,240	95.3	63.9
Total number of shares before repurchases	272,793,984	398,765,680	100.0	100.0
Of which, repurchased Class B shares	-3,519,272		1.3	0.9
Total number of shares after repurchases	269,274,712			

The Annual General Meeting in August 2020 resolved to implement a 4:1 share split. The division resulted in an increase in the number of shares to 272,793,984, of which 12,885,744 were Class A shares and 269,908,240 were Class B shares. The new shares were registered in the shareholders' accounts on 17 September 2020.

Chapter 6, Section 2a of the Swedish Annual Accounts Act requires listed companies to disclose specific circumstances that may affect the

Repurchases of treasury shares and incentive programmes

The Annual General Meeting in August 2020 authorised the Board of Directors to repurchase a maximum of 10 percent of all shares in the Company during the period extending until the 2021 Annual General Meeting. During the financial year, Addtech repurchased none of its own Class B shares. At the end of the year, 3,519,272 (4,195,672) of the Company's own Class B shares were held, with an average purchase price of SEK 3273 (3273). These shares correspond to 1.3 percent (1.6) of the number of shares issued and 0.9 percent (1.1) of the votes.

Outstanding programme	Number of options	Corresponding number of shares	Percentage of total shares	Initial redemption price	Redemption price per share	Redemption period
2020/2024	250,000	1,000,000	0.4%	538.10	134.53	4 Sep 2023 – 5 Jun 2024
2016/2023	300,000	1,200,000	0.4%	321.80	80.45	5 Sep 2022 – 2 Jun 2023
2016/2022	300,000	1,200,000	0.4%	232.90	58.23	6 Sep 2021 – 3 Jun 2022
2017/2021	47,500	190,000	0.1%	175.50	44.62	14 Sep 2020 – 4 Jun 2021
Total	897,500	3,590,000				

Ownership structure

On 31 March, 2021, the total number of shareholders was 9,406 (9,208), of whom 6,942 (6,063) each held 1,000 shares or less. The 15 largest shareholders accounted for 62.3 (61.6) percent of the total number of shares and 72.3 (71.5) percent of the total number of votes. Anders Björjesson (including related parties) is the largest shareholder in terms of votes, with a shareholding corresponding to 16.4 percent, followed by Tom Hedelius, with a shareholding corresponding to 15.2 percent. The proportion of foreign owners corresponded to 46 percent (45) of total capital.

Key indicators

	2020/2021	2019/2020	2018/2019
Earnings per share, SEK	2.60	3.20	2.45
Equity per share, SEK	11.95	11.25	9.20
Price/earnings ratio	50	19	20
Share dividend, SEK	1.20 ¹⁾	1.00	1.25
Payout ratio, %	46	31	51
Dividend yield, %	0.9	1.6	2.6
Last price paid, SEK	130.00	61.13	48.25
Price/equity, multiple	10.3	5.4	5.2
Market capitalisation, SEK million	33,788	15,885	12,539
Average number of shares outstanding	268,067,49	268,493,392	268,166,844
Number of shares outstanding at end of year	269,274,712 ²⁾	268,594,312	268,229,436
Number of shareholders at end of year	9,409	6,208	5,181

The number of shares has been recalculated with regard to the share split (4:1) implemented in September 2020, and applied in all calculations of key financial indicators in terms of SEK/share.

¹⁾ Dividend proposed by the Board of Directors.

²⁾ The difference between the total number of shares and shares outstanding equals the shares repurchased by Addtech: 3,519,272 Class B shares at 31 March 2021.

Addtech's largest shareholders, 31 March 2021

Shareholders	Number of Class A shares	Number of Class B shares	Percentage of capital	Percentage of votes
Anders Björjesson (with companies and family members)	6,346,648	466,000	2.5	16.4
Tom Hedelius	5,895,960	64,800	2.2	15.2
Slate Street Bank And Trust Co, W9		28,411,068	10.4	7.3
SEB Investment Management		24,002,559	8.8	6.2
Sveabank Robur Fonder		23,403,827	8.6	6.0
The Northern Trust Company		14,866,164	5.5	3.8
JP Morgan Chase Bank, NA		13,279,546	4.9	3.4
Lambeo Fonder		13,174,753	4.8	3.4
Brown Brothers Harriman & Co, W9		11,547,330	4.2	3.0
Santrew AB		7,200,000	2.6	1.9
CBNY-Norges Bank		4,842,206	1.8	1.2
Gdm Fonder Norden		4,664,082	1.7	1.2
Säva family		4,470,000	1.6	1.1
Gdm Fonder Sverige		4,100,000	1.5	1.1
Margareta Von Matérn		4,069,932	1.5	1.1
Total, 15 largest shareholders³⁾	12,244,608	158,612,277	62.6	72.3

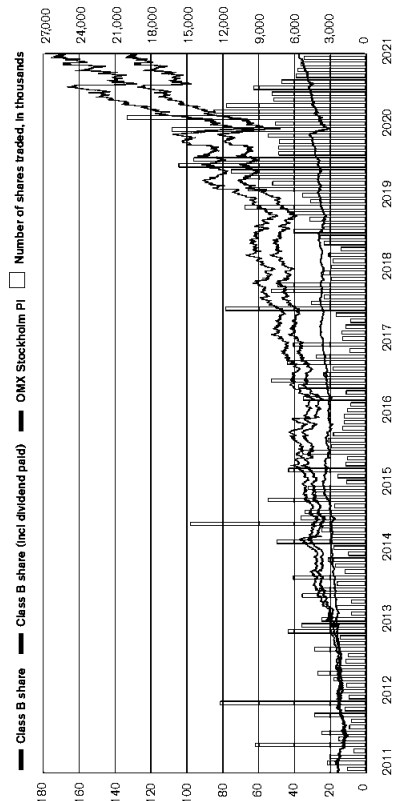
³⁾ The proportion of capital and votes includes treasury shares held by Addtech AB.



Size classes	Number of shares	% of share capital	Number of shareholders	% of number of shareholders
1 – 500	0	0	6,138	65
501 – 1,000	0	0	804	9
1,001 – 5,000	1	1	1,425	15
5,001 – 10,000	1	1	370	4
10,001 – 15,000	1	1	146	2
15,001 – 20,000	1	1	103	1
20,001 –	95	100	423	4
Total	100	100	9,409	100

Holdings by category	2020/2021		2019/2020	
	Number of shareholders	Percentage of capital	Number of shareholders	Percentage of capital
Swedish shareholders	8,897	54	5,822	55
Foreign shareholders	512	46	386	45
Total	9,409	100	6,208	100
Legal entities	774	82	580	81
Natural persons	8,635	18	5,618	19
Total	9,409	100	6,208	100

SHARE PERFORMANCE CHART





Administration Report

1 April 2020 – 31 March 2021

The Board of Directors and the CEO of Aditech AB, company ID number 556302-9726, hereby submit the annual and consolidated accounts for the 2020/2021 financial year. Comparisons in parentheses refer to the corresponding period of the previous year, unless stated otherwise.

Because, in terms of its size, Aditech exceeds the limit set out in item 6:10 of the Swedish Annual Accounts Act, the Administration Report shall include a Sustainability Report. The company has chosen to present its Sustainability Report separately from the Administration Report, in accordance with item 6:11 of the Annual Accounts Act. In accordance with items 6:12 – 14 of the Annual Accounts Act, the Sustainability Report is included as an integral part of the front sections of the published Annual Report. Our strategic playing field, sustainable business, Sustainable organisation and Sustainable supply chain, in the risks and uncertainties section here in the Administration report as well as in the sustainability notes in the rear sections of the Report.

Operations

Aditech is a Swedish publicly listed group consisting of approximately 140 independent companies which under their own brands sell high-tech products and solutions to customers primarily in the manufacturing industry and infrastructure. The subsidiaries have strong positions in selected and well-defined niches with a high degree of technological knowledge. The Group has approximately 3,100 employees in 20 countries and has a turnover of just above SEK 11 billion. Aditech generates optimal conditions for the profitability and growth of its subsidiaries. The Aditech share has been listed on Nasdaq Stockholm since 2001.

The year in brief

On the whole, we can assert that Aditech demonstrated a favourable resilience and, given the high pace of business and good cost control, we managed to maintain a respectable operating margin, despite the COVID-19 pandemic that afflicted the whole world. We also carried out several successful acquisitions in attractive niche areas.

The business climate over the year was weak in several of the Group's markets, with demand recovering sequentially. Overall, sales and earnings for the full year decreased for comparable units. Adjusted for the sharp slowdown in scubber-related sales, and with the sales and profits contributed by completed acquisitions, both sales and earnings increased, with an improved margin.

For the full year, cash flow was significantly better than for the preceding year at SEK 1,503 million (1,117), thanks to stable margins and measures for more efficient working capital. We managed to achieve a P7WC of 62 percent (65) despite the fact that the accumulated operating profit for the year room for continued investment opportunities. No repayments are planned for the upcoming 12-month period.

The acquisition rate was high with 14 completed acquisitions, together contributing annual sales of about SEK 1,140 million.

Market development over the year

In particular, the pandemic posed challenges for our units operating in the marine, special vehicles and mechanical industry segments. At the same time, other segments with great development potential performed well, such as transmission, wind power and the forest and sawmill industries. The business situation was generally stable in electronics, data and telecom as well as in medical technology, towards the end of the financial year, the business situation normalised, and demand increased in most of the Group's important market segments.

Geographically, Sweden and Denmark had a stable development, viewed over the full year. Finland was negatively affected by the deteriorating business situation, particularly in the mechanical industry, and Norway the lack of willingness to invest in oil and gas. Countries outside the Nordic region were hit the hardest by pandemic shutdowns and restrictions. However, over the second half of the financial year, the market situation for our companies with operations in these markets improved sequentially.

Throughout the year, the units experiencing a deteriorating business situation worked actively with measures on costs and working capital. These measures are ongoing and, in total, the adjustments have encompassed approximately 260 employees. The measures entail a cost level better adapted to current sales volumes and will offset the costs that are expected to recur as the companies' marketing activities gradually increase as volumes improve. At the end of the financial year, approximately 120 employees were affected by short-term lay-offs.

Effects of the COVID-19 pandemic

For the group in total EBITA was marginally positively affected during the fourth quarter and during the year there has been a positive effect of approximately the equivalent of 0.4% of sales due to governmental support measures. These grants are recognized under other operating income, or as a reduction in personnel expenses.

Sales are estimated to have been moderately negatively affected by approximately -7 percent during the year, as a whole, with a gradual improvement after the first six-month period. No significant write-downs have been done due to the current pandemic.

Development by business area over the year

The division into business areas reflects Aditech's internal organisation and reporting system. Aditech reports its business areas as operating segments. During 2020/2021, Aditech was organised into the following five business areas: Automation, Components, Energy, Industrial Process and Power Solutions. For further information on the Group's operating segments, see Note 5.

AUTOMATION

Net sales by Automation during the financial year amounted to SEK 2,384 million (2,425), while EBITA amounted to SEK 245 million (267). During the first quarter the greatest negative impact was on demand from the Nordic engineering sector, particularly in the units exposed to small and medium-sized customers. The units outside the Nordic region experienced major challenges in terms of restrictions and closures. The units exposed to the medical technology sector, the defence industry and data and telecom, sectors developed positively. Net sales amounted to SEK 582 million (661) and EBITA amounted to SEK 50 million (60).

The business situation was favourable in medical technology, the defence industry, as well as in data and telecom during the second quarter. The level of activity remained low among the companies exposed to the Nordic engineering industry, particularly larger OEM customers that have put new investments on hold, although some recovery was noted in September. The business situation among the companies operating in the markets outside the Nordic region remained affected by shutdowns and restrictions. Net sales in Automation increased by 2 percent to SEK 562 million (552) and EBITA increased by 7 percent to SEK 60 million (57).

During the third quarter, demand increased for the companies exposed to the Nordic engineering sector. In other segments of importance for the business area, such as medical technology, the defence industry and the data and telecommunications segment, the market situation remained positive with stable sales. The business situation among the companies operating in the markets outside the Nordic region remained affected by shutdowns and restrictions. Net sales increased by 6 percent to SEK 625 million (688) and EBITA increased by 13 percent to SEK 69 million (61).

Very tough comparisons with last year's final quarter and fewer planned deliveries of projects meant that sales decreased sequentially during the fourth quarter. Demand was good in other important segments such as medical technology, the defence industry, and data and telecom. The market situation among the companies operating in the markets outside the Nordic region remained affected by shutdowns and restrictions.

Although the market situation improved sequentially, profit was affected positively by approximately SEK 10 million, the margin was also being positively affected as a result of the year's streamlining measures. Net sales amounted to SEK 614 million (694) and EBITA amounted to SEK 77 million (60).

Overall, the Automation business area was affected marginally negatively by COVID-19 during the financial year.

COMPONENTS

Over the financial year, net sales by the Components business area amounted to SEK 2,015 million (2,082) and EBITA amounted to SEK 186 million (218).

During the first quarter of the year, the units in special vehicles and the engineering sector experienced the greatest negative impact due to the deteriorated business climate. The units exposed to the medical technology and electronics sectors developed favourably, with sales of components and solutions for which demand increased due to the pandemic. Geographically, Finland had the best market situation while Sweden faced the greatest challenges. Nonetheless, Denmark and Norway experienced a stable business situation in the market segments in which the companies operate. Net sales amounted to SEK 496 million (504) and EBITA amounted to SEK 50 million (64).

The business situation in Denmark was stable during the second quarter, while operations in Norway were negatively affected by both currency effects and low oil prices, with a resulting low rate of investment in the oil and gas market segment. The market situation in Finland and Sweden was negative, impacted primarily by the automotive and engineering industries, although there was some recovery late in the quarter. Net

sales amounted to SEK 487 million (511) and EBITA amounted to SEK 50 million (58).

During the third quarter the market situation in Denmark and Sweden was favourable, in Norway it was stable, while in Finland the business situation was varied. Demand remained favourable in the wind power market and the automotive and engineering industries saw a certain degree of recovery from low levels, while the business situation in electronics was stable. Currency effects, product mix and non-recurring items in the form of restructuring costs had a negative effect on outcomes and margins. Net sales increased by 2 percent to SEK 498 million (488) and EBITA amounted to SEK 37 million (41).

The Components business area ended the financial year stably despite tough comparisons with the fourth quarter of the preceding year. The market situation in Denmark was favourable in the quarter and stable in Sweden and Finland, while the business situation in Norway was weak due to the low willingness to invest in oil and gas. Demand remained good in the wind power market, as well as in electronics, and the recovery continued in the special vehicle and engineering industries. This year's cost savings have had an effect on the margin trend, which was back to normal levels for the quarter. Net sales amounted to SEK 534 million (578) and EBITA amounted to SEK 59 million (65).

Overall, the Components business area was affected moderately negatively by COVID-19 during the financial year.

ENERGY

During the financial year, the Energy business area's net sales increased by 6 percent to SEK 2,566 million (2,412) and EBITA increased by 16 percent to SEK 329 million (282).

The business situation was very positive in the Energy business area in the first quarter. Sales of infrastructure products for national and regional grids and for wind power, held at high levels and the market situation remained stable throughout the quarter. The units that are active in sales of niche products for electrical power distribution, as well as construction and installation experienced clear effects of the pandemic through decreased demand. Net sales increased by 10 percent to SEK 683 million (619) and EBITA increased by 21 percent to SEK 81 million (67).

The business situation in the Energy business area remained highly favourable in the second quarter. Sales of infrastructure products for upgrading and building out national and regional grids and for wind power, maintained at high levels and the market situation remained stable throughout the quarter. The units that are active in sales of niche products for electrical power distribution and for building products for electrical power distribution and for building and installation continued to experience declining demand due to the pandemic. Net sales in Energy increased by 7 percent to SEK 633 million (593) and EBITA increased by 5 percent to SEK 79 million (75).

The business situation in the Energy business area remained highly favourable also in the third quarter. Sales of infrastructure products for upgrading and building out national and regional grids and for wind power, maintained high levels and the market situation remained stable throughout the quarter. The market situations for the units that are active in sales of niche products for electrical power distribution and for building and installation were stabilised during the quarter, after a long period of declining demand due to the pandemic. Net sales increased by 10 percent to SEK 657 million (596) and EBITA increased by 42 percent to SEK 87 million (52).

The market situation in infrastructure products for the rebuilding and expansion of national and regional grids remained favourable during fourth quarter, although the inflow of new projects decreased from very high levels, as expected. Long permit periods and lack of consulting capacity affect how quickly the build-out can occur. In wind power, demand remained at high levels and the market situation continued to recover for the units active in sales of niche products for power distribution, as well as in building and installation. A minor revaluation of contingent purchase



considerations and currency differences have had a positive effect on the margin for the quarter. Net sales amounted to SEK 650 million (604) and EBITA increased by 4 percent to SEK 82 million (79).

Overall, the Energy business area was affected marginally negatively by COVID-19 during the financial year.

INDUSTRIAL PROCESS

Over the financial year, net sales by the Industrial Process business area amounted to SEK 2,765 million (2,204) and EBITA amounted to SEK 286 million (445).

The market situation for the companies in the forest industry was very positive during the first quarter, but otherwise demand decreased in most market segments, primarily in special vehicles, the engineering sector and in the marine segment. Demand for solutions for scrubber installations remained low due to the uncertainty surrounding the oil price and the prevailing pandemic, and sales decreased by approximately 50 percent compared with the corresponding period last year. Net sales amounted to SEK 669 million (807) and EBITA amounted to SEK 73 million (103).

The demand for solutions for scrubber installations remained low during the second quarter due to low oil prices and the prevailing pandemic, and this sales decreased by approximately 75 percent compared with the corresponding period last year. The market situation for the companies in special vehicles and the engineering industry continued to be perceived as weak in the second quarter, although there was some recovery late in the quarter. Demand was high for projects in the forest industry. Net sales amounted to SEK 630 million (865) and EBITA amounted to SEK 77 million (134).

In the process industry, the business situation was stable and demand for projects in the forest industry remained high during the third quarter. Demand for solutions for scrubber installations remained low and sales decreased by approximately 59 percent compared with the corresponding period in the preceding year. The market situation developed favourably for the companies within special vehicles and the engineering sector. Net sales amounted to SEK 707 million (600) and EBITA amounted to SEK 86 million (95).

During the fourth quarter, the low demand for scrubber installation solutions continued, and sales decreased by about 80 percent compared with the same period in the preceding year. The market situation for the companies in special vehicles and the engineering industry continued to develop positively. The business situation in the process industry and demand for projects in the forest industry also remained favourable. Profits were negatively affected by a revaluation of contingent purchase considerations of approximately SEK 31 million for the quarter. Net sales amounted to SEK 729 million (732) and EBITA amounted to SEK 52 million (113).

Overall, the Industrial Process business area was affected strongly negatively by COVID-19 during the financial year.

POWER SOLUTIONS

During the financial year, the Power Solutions business area's net sales amounted to SEK 1,636 million (1,630) and EBITA amounted to SEK 209 million (231).

During the first quarter, the sharply declining market for special vehicles was what most affected the business area as a whole, with sales decreasing by approximately 25 percent because of the prevailing situation. The market situation otherwise remained favourable for customized battery solutions and for the companies operating in power supply and wind power. The business situation in data and telecom developed positively over the quarter. Net sales amounted to SEK 381 million (417) and EBITA amounted to SEK 60 million (65).

The declining market for special vehicles continued to be what affected

Acquisitions

Aditech is constantly on the lookout for companies to acquire and is engaged in discussions with a number of potential companies. During the financial year, Aditech completed 14 acquisitions, diversified in terms of their markets and geographies. All business areas completed acquisitions during the year.

Since becoming a listed company in 2001, Aditech has completed more than 140 acquisitions. The following companies were acquired during the year:

Elkone Group Oy

On 1 April, Elkone Group Oy, Finland, was acquired to become part of the Automation business area. Elkone develops, integrates and delivers solutions for applications in industrial IoT primarily for industrial production, smart cities and infrastructure. The offering includes customized computer systems, test systems, IoT kiosks, software, sensors and industrial communication. The company has sales of about EUR 8 million and 38 employees.

Peter Andersson AB

On 2 April, Peter Andersson AB, Sweden, was acquired to become part of the Energy business area. Anderson System supplies both leading products and own products within electrical accessories for office and kitchen environments, to the Swedish and Norwegian markets. The products are sold through retailers of office furniture, office interiors, AV equipment, computer accessories and kitchen furnishings. The company has sales of about SEK 30 million and 9 employees.

Valurec Group AB

On 8 April, Valurec Group AB, Sweden, was acquired to become part of the Industrial Process business area. Valurec is one of the world's leading manufacturers of timber kilns to the forest industry. The company has sales of about SEK 350 million and 45 employees.

Fluidcontrol Oy

On 1 September, Fluidcontrol Oy, Finland, was acquired to become part of the Components business area. Fluidcontrol develops, delivers and installs solutions of actuators and valves for applications primarily towards machine builders and the process industry. The company has a sales of about EUR 4 million and 20 employees.

Kaptas Oy

On 1 September, Kaptas Oy, Finland, was acquired to become part of the Automation business area. Kaptas develops and delivers automation systems primarily to customers in pharmaceutical industry, metal, plastic, electronics and food industry. The company has a sales of about EUR 4 million and 27 employees.

Elysystem Perstorp AB

On 1 September, Elysystem Perstorp AB, Sweden, acquired to become part of the Automation business area. Elysystem delivers automation solutions primarily for industrial production, automated warehouses, process industry and heating plants. The company has a sales of about SEK 40 million and 18 employees.

Martin Brøusgaard AS

On 7 September, Martin Brøusgaard AS, Norway, acquired to become part of the Industrial Process business area. Brøusgaard delivers a unique turnkey portable gas detection solution, providing its customers in the marine industry increased safety and reduced cost and transportation through standardised instruments, routines, training and procurement. The company has a sales of about NOK 110 million and 30 employees.

Satco Komponent AB

On 1 October, Satco Komponent AB, Sweden, was acquired to become part of the Components business area. Satco Komponent sells high-tech electronic components such as electromechanical, RF and cooling components. Satco Komponent has two employees and annual sales of around SEK 18 million.

Skylltar & Märken Gruppen AB

On 2 October, Skylltar & Märken Gruppen AB, Sweden, was acquired to become part of the Energy business area. Skylltar & Märken Gruppen AB is a market leader in its niche providing innovative and customized signs and traffic safety solutions for the Swedish market. The Group has 23 employees and annual sales of around SEK 60 million.

OF-Beteiligungs AG

On 1 December, OF-Beteiligungs AG, Switzerland, was acquired to become part of the Power Solutions business area. OF Group is providing solutions for special vehicles such as driver seats and powertrain in central Europe and Italy. OF Group has a turnover of approximately EUR 16 million with 35 employees.

Synective Labs AB

On 4 January, Synective Labs AB, Sweden, was acquired to become part of the Automation business area. Synective Labs are specialized in high performance systems, creating optimized hardware and software designs within FPGA and ASIC designs. The company has 27 employees and sales of around SEK 30 million.

Powmor AS

On 5 January, Powmor AS, Norway, was acquired to become part of the Power Solutions business area. Powmor is based in Norway, where they specify, design and deliver complete UPS systems with battery backup in demanding applications for hospitals, infrastructure and industry. Powmor has a turnover of approximately NOK 35 million and have 6 employees.

Impact Air Systems Ltd. och Impact Technical Services Ltd.

On 21 January, Impact Air Systems Ltd. and Impact Technical Services Ltd., Great Britain, was acquired to become part of the Industrial Process business area. Impact provides waste and trim extraction and separation systems to various industries and recycling facilities around the world. The company's bespoke solutions contribute to a more sustainable management of waste and the circular economy. The company has 33 employees and sales of around GBP 8 million.

Fairfield Trading Company Ltd.

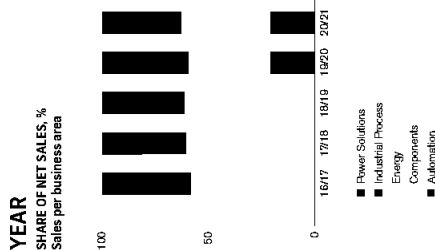
On 2 March, Fairfield Trading Company Ltd., Great Britain, was acquired to become part of the Power Solutions business area. Fairfield Trading Company Ltd. is a distributor specialising in the supply of batteries for a wide range of markets. The company has sales of about GBP 3 million and 8 employees.

Financial development

Net sales and profit

Over the financial year, the net sales of the Aditech Group amounted to SEK 11,336 million (11,735). The organic effect amounted to -8 percent and acquired growth amounted to 7 percent. Exchange rate changes had a negative effect of 2 percent on net sales, corresponding to SEK 258 million. EBITA for the financial year amounted to SEK 1,251 million (1,364).

Operating profit amounted to SEK 936 million (1,161) and the operating margin amounted to 8.7 percent (9.9). Net financial items were SEK -52 million (-56) and profit after financial items amounted to SEK 937 million



the business area the most, as a whole during the second quarter, with sales decreasing by approximately 30 percent due to the prevailing situation although a clear recovery was noted in September. The market situation was stable for customized battery solutions and for the companies operating in power supply. The business situation in wind power and in data and telecom remained favourable over the quarter. Net sales amounted to SEK 395 million (402) and EBITA amounted to SEK 45 million (62).

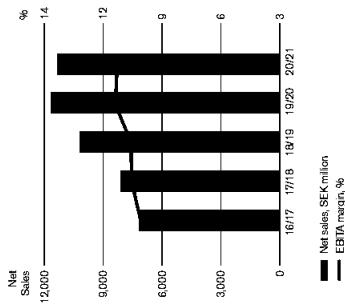
The market situation for the operations within special vehicles stabilised and demand increased in the third quarter. Demand was favourable for customized battery solutions and for the companies operating in power supply. In wind power, the business situation remained favourable over the quarter and in data and telecommunications it was stable.

Sales of power supply systems were lower, while demand for components for the wind power industry was stable. Net sales increased by 6 percent to SEK 388 million (377) and EBITA increased by 39 percent to SEK 50 million (36).

Sales of products in special vehicles developed positively in the fourth quarter, with demand increasing. Demand was favourable for customized battery solutions, as well as in data and telecom, medical technology and defence. The business situation in wind power was stable during the quarter, while sales decreased for the companies operating in power supply. Margins have recovered to normal levels thanks to cost savings and the recovery in special vehicles. Net sales increased by 6 percent to SEK 462 million (434) and EBITA amounted to SEK 63 million (68).

Overall, the Power Solutions business area was affected strongly negatively by COVID-19 during the first and second quarter and moderately negatively during the third and fourth quarter.

Net sales and EBITA margin



(1,105). Profit after tax for the financial year amounted to SEK 729 million (873) and the effective tax rate amounted to 22 percent (21). Earnings per share before dilution for the financial year amounted to SEK 2.69 (3.20).

Profitability, financial position and cash flow

The return on equity at the end of the financial year was 23 percent (32), and the return on capital employed was 16 percent (21).

Return on working capital PWC (EBITA in relation to working capital) amounted to 62 percent (65).

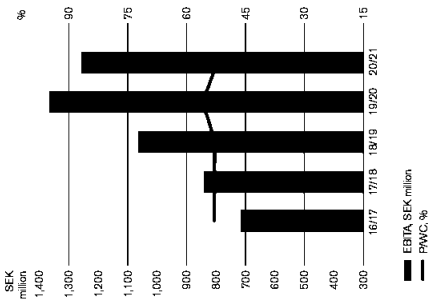
At the end of the financial year the equity ratio amounted to 35 percent (36). Equity per share, excluding non-controlling interest, totaled SEK 11.95 (11.26). The Group's net debt at the end of the financial year amounted to SEK 2798 million (2,253), excluding pension liabilities of SEK 335 million (332).

The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions amounted to 0.8 (0.7).

Cash and cash equivalents consisting of cash and bank equivalents and approved but non-utilised credit facilities amounted to SEK 2,119 million (2,407) at 31 March 2021.

Cash flow from operating activities amounted to SEK 1,503 million (1,117) during the financial year. Company acquisitions and disposals including settlement of contingent consideration regarding acquisitions implemented in previous years amounted to SEK 1,219 million (430). Investments in non-current assets totaled SEK 90 million (105) and disposal of non-current assets amounted to SEK 11 million (6). Repurchase of treasury shares amounted to SEK 0 million (42) and repurchase of call options amounted to SEK 23 million (23). Exercised and issued call options totaled SEK 48 million (39). Dividends paid to the shareholders of the Parent Company totaled SEK 295 million (336), corresponding to SEK 1.00 (1.25) per share. The dividend was paid out in the second quarter.

EBITA and return on working capital, P/WC



Risks and uncertainties

Business operations are always associated with risk. Addtech's profit and financial position, as well as its strategic position, are affected by various internal factors within Addtech's control and a number of external factors where opportunities to affect the course of events are limited. Effective risk assessment utilises Addtech's business opportunities and performance with the demands of shareholders and other stakeholders for stable long term value growth and control. When assessing the future development of Addtech it is therefore important to consider not only the opportunities for positive development, but also the various risks in the operations. Naturally, not all risk factors can be described in this section, for which reason an overall assessment must also include other information in the annual report, as well as a general assessment of external circumstances.

Addtech works with risk management on both a strategic and operational level. Risk management involves identifying and measuring risks and preventing them from occurring, as well as continually making improvements to mitigate future risks. The Addtech Group has guidelines and policies to identify deviations that could develop into risks. The level of risk in the operations is followed up systematically at Board meetings and in monthly reports, in which deviations or risks are identified and remedied. The risk factors of greatest significance to Addtech are the economic situation, or other events affecting the economy, such as the worldwide COVID-19 pandemic, in combination with structural changes and the competitive situation. Addtech is also affected by financial risks, such as transaction exposure, translation exposure, financing and interest rate risk, as well as credit and counterparty risk. See Note 3 for a more detailed description of how Addtech manages financial risks.

RISK/DESCRIPTION

ADDETECH'S RISK MANAGEMENT

Economy and market

Demand for Addtech's products and services is greatly influenced by macroeconomic factors beyond Addtech's control, such as growth and investment appetite in the manufacturing industry, the state of the economy in general and conditions in the global capital market or, as during 2020/2021, outbreaks of pandemics affecting the business climate. A weakening of these factors in the markets in which Addtech operates could have adverse effects on its financial position and earnings.

Structural changes

Globalisation, digitalisation and rapid technological development drive structural change among customers. Developments may increase demand for Addtech's advanced services but can also result in Addtech's customers disappearing through mergers, closures and relocations, to low-cost countries for example.

Competition

Most of Addtech's subsidiaries operate in sectors that are vulnerable to new entrants and competition. In the software and IT services sector, and larger market suppliers may have a broad offering, which could result in pressure on prices. Future competitive opportunities for the subsidiaries will depend on their ability to be at the leading edge of technology and to respond quickly to new market needs. Increased competition or a decline in the ability of a subsidiary to meet new market needs could have a negative impact on Addtech's financial position and earnings.

Environment

Changed environmental legislation could affect product sales, goods transports and the way in which our customers use the products. An inability to meet customers' increased environmental requirements can affect sales. The number of products for the Brønnøysundregistrene Group that may be subject to a historical liability for the company under the Swedish Environmental Code.

Climate risks

Climate change entails both transitional risks and physical risks that can have a negative impact on Addtech and its subsidiaries. Relevant transition risks are higher taxes on carbon dioxide-intensive products and services, revolutionary changes in the market and increased raw material prices. Relevant physical risks are increased operating and capital costs, as a result of more frequent damage to our operations caused by the effects of climate change, such as more extreme weather.

Ability to recruit and retain staff

Addtech's continued success depends on being able to retain experienced employees with specific skills and to recruit skilled new people. There are a number of key individuals, both among senior executives and among the Group's employees in general. There is a risk that one or several senior executives or other key individuals could leave the Group at short notice, for reasons of stress, working environment or development opportunities, for example. In the event that Addtech fails to recruit suitable replacements, or to find skilled new key individuals in the future, this could have a negative impact on Addtech's financial position and earnings.

Organisation

Addtech's decentralised organisation is based on subsidiaries bearing extensive local responsibility for their operations. This imposes high standards on financial reporting and monitoring, with shortcomings in this regard potentially leading to inadequate control of the operations.

With a large number of subsidiaries focusing on different niche markets and add-on sales of technical service, support and consumables, Addtech may be less sensitive to economic fluctuations in individual industries, sectors and geographical regions. Addtech also strives continuously to develop businesses that are less dependent on a specific market and to align expenses with specific conditions.

Addtech's clear and unique added value services with their high technology content, specialisation in advanced technical advisory services, outstanding service and strong presence in niche markets offer price competition. Addtech's competitiveness also enables the Company to deliver beyond its immediate geographical region. Combined with the fact that no customer accounts for more than approx. 4 percent of consolidated sales, the Group's exposure to a large number of sectors constitutes a certain degree of protection against adverse impacts on earnings.

Addtech strives to offer products and services for which price is not the only factor. By offering flexibility with both supporting and supporting customers we are able to develop our know-how and competitiveness. We add value in the form of wide-ranging technological knowledge, reliability of delivery, service and availability, limiting the risk of customers decreasing their demand. To reduce the risk of competition from suppliers, Addtech focuses continuously on ensuring that collaboration with the Group is the most profitable sales strategy.

Addtech's subsidiaries are primarily engaged in commerce and operations with limited direct environmental impact. The Group conducts limited production. The Group monitors operations and environmental impact through the Brønnøysundregistrene Group's Environmental Code. In addition, the Group also conducts an analysis of the potential target's corporate ID number to counter the risk of being held liable for historical environmental issues.

For Addtech, the management of climate-related risks is an important parameter for future business development, and we have carried out scenario analyses to identify financial risks linked to climate change. Risks linked to climate change are part of our analysis of potential acquisitions. The Group works to integrate climate risks into major investments.

Addtech prioritises building favourable conditions for employees to develop within the Group and to enjoy their work. The Group's acquisition strategy includes ensuring that key individuals in the companies are highly motivated to continue running their companies independently within the Group. The Addtech Business School is aimed at both new employees and senior executives and serves to increase internal knowledge transfer, promote personal development among employees and develop the corporate culture. The Group's regular employee surveys serve to ascertain how employees view their employers and their work situation, and what might be improved and developed.

Addtech controls its subsidiaries through active board participation, Group-wide policies, financial targets and instructions regarding financial reporting. By being an active owner and monitoring the development of the subsidiaries, risks can quickly be identified and addressed in accordance with the Group's internal guidelines.

RISK/DESCRIPTION

ADDETECH'S RISK MANAGEMENT

Seasonal effects

There is a risk that AddeTech's operations, earnings and cash flow could be affected by strong seasonal effects driven by customer demand.

Business ethics and human rights

AddeTech's continued success is strongly dependent on our good reputation and business ethics. Human rights violations in the Group's own operations or those of its suppliers could have a negative impact on the Group's reputation and thus on its sales. Customers, owners and other stakeholders and influence demand for the Group's products.

Acquisitions and goodwill

Historically, AddeTech has, for the most part, grown through acquisitions. Strategic acquisitions will continue to represent an important part of our growth. However, there is a risk that AddeTech will not be able to identify suitable objects for acquisition due, for example, to competition with other buyers. Expenses attributable to acquisitions may also be higher than expected, and positive impacts on earnings may take longer to realise than expected. The risk of goodwill impairment arises when a business unit is overvalued and any impairment may adversely affect the Group's financial position and earnings. Further risks associated with acquisitions include integration risks and exposure to unknown commitments.

Financial risks

The Group is exposed to various financial risks. Currency risk is the risk of exchange rates having an adverse impact on AddeTech's financial position and earnings. Transaction exposure is the risk that arises because the Group has incoming and outgoing payments based on payment flows in foreign currencies. Translation exposure arises because the Group, through its subsidiaries, has net investments in foreign currencies. The Group is also exposed to financial risk, that is, the risk that financing of the Group's capital requirements is made more difficult or expensive. Interest rate risk is the risk that unfavourable changes in interest rates have an adverse impact on AddeTech's financial position and earnings.

Suppliers and customers

To deliver products, AddeTech is dependent on the ability of external suppliers to fulfil agreements in terms of volume, quality, delivery date, etc. Deliveries that are postponed or delayed, or that do not occur, may have an adverse impact on AddeTech's financial position and earnings. AddeTech's reputation is also dependent on its suppliers' ability to maintain a high level of business ethics, in terms of, for example, human rights, working conditions and the environment. Agreements with customers vary, for example in terms of contract length, warranties and limitations of liability. In some supplier relationships there are no written supplier agreements, which could result in legal uncertainty regarding the content of the agreement.

IT security and cyber risks

Throughout society, the digital risks are continuously rising. Like most companies, AddeTech and its subsidiaries rely on various information systems and other technologies to manage and develop their operations. Unplanned outages and cyber security incidents, such as data breaches, viruses, sabotage and other cyber incidents, can result in both loss of revenue and loss of reputation. IT events or cyber incidents among third parties, including suppliers or customers, can affect AddeTech's capacity to deliver products and services and to generate profits.

No significant seasonal effects are associated with AddeTech's sales of high-tech products and solutions to companies in the manufacturing and infrastructure sectors. However, the number of production days, customer demand and the willingness to invest may vary from one quarter to another.

Internally, the Group works with business ethics through initiatives including the Business School and it is clearly communicated in our internal policies. The Group's Code of Conduct, together with an annual rights regulations, is reviewed annually. AddeTech's flexible relationships with carefully selected suppliers reduce the risk of human rights violations occurring among our suppliers. To ensure that the Group's high standards in terms of business ethics are maintained, all suppliers are also required to observe AddeTech's Code of Conduct for Suppliers and specific supplier audits are conducted.

AddeTech has many years of solid experience in acquiring and pricing companies. All potential acquisition targets and their operations are examined carefully before implementing the acquisition. There are well-established procedures and structures for pricing and implementing the acquisition, as well as for integrating the acquired companies. In this agreement, an effort is made to obtain the necessary guarantees limiting the risk of unknown liabilities. The large number of companies acquired entails a significant distribution of risk.

AddeTech strives for structured and efficient management of the financial risks that arise in its operations, in accordance with the financial policy adopted by the Board of Directors. The financial policy expresses the ambition of identifying, minimising and controlling financial risks, and establishes responsibility for managing how such risks are to be delegated within the organisation. The aim is to minimise the impact of financial risks on earnings. See Note 3 for a more detailed description of how AddeTech manages financial risks.

AddeTech's numerous and favourable relationships with carefully selected suppliers reduce the risk of AddeTech not being able to deliver as promised. To ensure that the Group's high standards in terms of business ethics are maintained, all suppliers are also required to observe AddeTech's Code of Conduct for Suppliers. Most of the companies also perform specific supplier reviews. In a longer-term perspective, AddeTech is not dependent on any individual supplier or customer. AddeTech's largest customer accounts for about 4 percent of consolidated net sales.

To safeguard stable IT environments and prevent incidents, AddeTech conducts regular risk assessments, as well as maintenance and reviews of the IT security at both the Group and subsidiary levels. AddeTech work with systematic analysis to identify and assess IT risks. AddeTech also engages external cyber security experts to ensure that the level of security is adjusted and updated on the basis of prevailing threat scenarios and customer's increasing cyber security demands.

Employees and development

Employees

At the end of the financial year, the number of employees was 3,133, compared to 2,991 at the beginning of the financial year. During the financial year, completed acquisitions resulted in an increase of the number of employees by 321. The average number of employees in the latest 12-month period was 3,068.

	2020/2021	2019/2020	2018/2019
Average number of employees	3,068	2,913	2,650
Proportion of men	74%	74%	74%
Proportion of women	26%	26%	26%
Age distribution up to 29 years old	10%	11%	11%
30-49 years	49%	48%	48%
50 and older	42%	41%	41%
Average age	46 år	45 år	45 år
Personnel turnover	13%	10%	12%
Average length of employment	About 10 years	About 9 years	About 9 years

Research and development

The AddeTech Group conducts limited research and development. The Group's business model is to offer high-tech products and solutions to customers primarily within manufacturing industry and infrastructure.

Principles for remuneration of senior executives

The Board of Directors has resolved to propose that the Annual General Meeting in August 2021 approve the same guidelines as in the preceding year. The guidelines do not cover remunerations determined by the Annual General Meeting. For employment relationships subject to non-Swedish regulations, appropriate adjustments may be made regarding pension benefits and other benefits to comply with mandatory regulations or established local practices and, to satisfy, as far as possible, the overall intention of those guidelines.

The guidelines shall apply to the remuneration of the CEO and other members of AddeTech's Group Management. The guidelines also apply to Board members to the extent that they receive remuneration for services rendered to the company beyond their Board assignments. Where appropriate, the provisions applicable to the company also apply for the Group.

How the guidelines foster the company's business strategy, long-term interests and sustainability

Successfully implementing the company's business strategy and advancing its long-term interests, including its continuity, require AddeTech to recruit and retain qualified employees. This requires the company to be able to offer competitive overall compensation, which these guidelines allow. Overall remuneration shall be market-based and competitive and shall be set in relation to responsibilities and powers.

The terms of compensation, etc.

Remuneration shall be market-based and include the following components: fixed salary, any variable salary under separate agreements, pensions and other benefits. In addition, the Annual General Meeting may, independently of these guidelines, determine share and share price-related remunerations.

Fixed salary

Fixed salary shall consist of fixed cash salary and shall be reviewed annually. The fixed salary shall be competitive and reflect the requirements of the position in terms of expertise, responsibility, complexity and the manner in which the position contributes to the achievement of business objectives. The fixed salary shall also reflect the executive's performance and should therefore be specific to each individual and differentiated.

Variable salary

In addition to fixed salary, the CEO and other senior executives may from time to time and in accordance with separate agreements, receive variable salary on meeting pre-agreed criteria. Any variable salary shall consist of annual cash salary and may not exceed 40 percent of fixed annual salary. In addition, an additional premium of 20 percent may be paid on variable salary used by the executive to acquire shares in AddeTech AB.

To avoid unhealthy risk-taking, there should be a fundamental balance between fixed and variable remuneration. Fixed salary shall account for a sufficient portion of the senior executive's total remuneration to allow the variable portion to be reduced to zero. Variable salary shall be tied to one or more predetermined and measurable financial criteria established by the Board of Directors, such as the Group's earnings growth, profitability and cash flow. By linking the remuneration of senior executives to the company's results, variable remunerations promote the implementation of the company's business strategy, long-term value creation and competitiveness. The terms and calculation bases for variable salary are to be determined for each financial year. Compliance with variable salary payment criteria shall be measurable over a period of one financial year. Variable salary is settled in the year after which it was earned.

At the end of the measurement period for compliance with variable salary criteria, it shall be assessed to what extent the criteria have been met. The Board of Directors is responsible for the assessment of the variable cash remuneration for the CEO. The CEO is responsible for the assessment of variable cash remunerations to other senior executives. Where financial targets are applied, the assessment shall be based on the financial information most recently published by the company.

The terms for variable salary may be designed such that, under exceptional economic circumstances, the Board of Directors retains the option of limiting variable salary or refraining from paying it if such a measure is deemed reasonable. In designing variable remunerations for senior management, the Board of Directors shall consider introducing reservations that (i) condition the payment of certain portions of such remuneration to the services on which the vesting is based proving sustainable over time, and (ii) allow the company to recover any such remuneration disbursed based on information subsequently proven to be manifestly incorrect.

Additional variable cash compensation may be paid under extraordinary circumstances, provided that such extraordinary arrangements are limited in time and are made only at the individual level, for the purpose of either recruiting or retaining executives, or as compensation for services rendered beyond the ordinary duties of the individual. Such remuneration may not exceed an amount equal to 40 percent of fixed annual salary and shall not be paid more than once a year and per individual. Such remunerations shall be approved by the Board of Directors following a proposal from the Remuneration Committee.

Pension

For the CEO and other senior executives, pension benefits are paid in accordance with individual agreements. As a general rule, pension benefits, including health insurance, shall take the form of defined-contribution solutions; the amount of pension disbursed being determined by the outcome of the pension insurance policies taken out. Defined-benefit



ension solutions may occur in individual cases, however. Variable salary can be pensionable. Premiums for defined-contribution pension solutions shall not exceed 40 percent of pensionable salary. Pensionable salary corresponds to fixed monthly salary multiplied by a factor of 12,2 and, where appropriate, variable salary. Wage waivers can be used to enhance occupational pension by means of individually determined pension provisions, provided that the total cost to the company is rendered neutral.

Other benefits

Other benefits, potentially including a company car, travel benefits, supplementary health and care insurance, as well as occupational health and wellness allowances, shall be marker-based and constitute only a limited part of the total remuneration. Premiums and other costs related to such benefits may total at most 10 percent of fixed annual salary.

Terms and conditions of termination

All senior executives must observe a notice period of six months. In the event of termination by the company, a notice period of at most 12 months shall apply. In the event of termination by the company, senior executives may (in addition to salary and other employment benefits during the period of notice) be entitled to severance pay equal to at most 12 months' fixed salary. This severance pay is not offset against other income. No severance pay shall be paid in the event of resignation by the employee.

In addition to severance pay, compensation for any restriction of competition may be paid. Such compensation shall compensate for any loss of income and shall be paid only to the extent that the former executive is not entitled to severance pay. This compensation shall be based on the fixed salary at the time of dismissal and shall not exceed 60 percent of the fixed salary at the time of termination (subject to mandatory collective agreement provisions) and shall be paid for the period of the commitment to restrict competition, which shall not extend beyond 12 months after the termination of employment.

Remuneration of Board members

In specific cases, it shall be possible, for a limited period of time, to pay elected members of Aditech's Board of Directors for work within their respective areas of expertise that does not constitute Board work. Marker-based fees shall be payable for such work (including services performed through a company wholly owned by the Board member), provided that such work contributes to the implementation of Aditech's business strategy and the safeguarding of the company's long-term interests, including its sustainability. Such consultancy fees may never exceed the annual Board fee paid to each Board member.

Salary and conditions of employment for employees

In preparing the Board's proposal for these remuneration guidelines, the remuneration and conditions of employment of the company's employees have been considered. This has been done by including information on employees' overall remuneration, the components of that remuneration, as well as increases in remuneration and the rates of increase over time, in the decision-making processes of the Remuneration Committee and Board of Directors in assessing the fairness of the guidelines and the limitations they impose.

Preparation and decision-making process

The Board of Directors has resolved to establish a Remuneration Committee. The Committee's tasks include preparing principles for the remuneration of senior executives and the proposed guidelines for the remuneration of senior executives approved by the Board of Directors.

The Board of Directors shall draw up proposals for new guidelines at least every four years and submit its proposals for adoption by the Annual General Meeting. The guidelines shall apply until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remunerations for senior executives, the application of guidelines for the remuneration of senior executives and current remuneration structures and levels within the company. Remunerations for the CEO shall be determined by the Board of Directors following preparation and recommendation by the Remuneration Committee with a framework of approved principles. Following proposals by the CEO, the Remuneration Committee determines remunerations for other members of Group Management. The Board of Directors is informed of the Remuneration Committee's decisions. The Board of Directors does not address or determine matters of remuneration not involving the CEO or other senior executives, to the extent that they are affected by such matters.

Share-based incentive programmes determined by the Annual General Meeting

Each year, the Board of Directors shall assess the need for share-based incentive programs and, if necessary, submit proposals for resolution by the Annual General Meeting. Decisions on possible share and share price-related incentive programs aimed at senior executives shall be made by the Annual General Meeting and shall contribute to long-term value growth.

Departure from the guidelines

In individual cases and where there are specific reasons for doing so, and where a deviation is necessary to satisfy the company's long-term interests (including its sustainability) or to safeguard the company's financial viability, the Board of Directors may decide to partially or entirely waive these guidelines. As stated above, the Remuneration Committee is tasked with preparing decisions by the Board of Directors on matters of remuneration, including decisions on deviations from the guidelines. Decisions on deviations from the guidelines shall be presented at the ensuing Annual General Meeting. For further information on remuneration to senior executives, see also Note 6 Employees and personnel expenses.

Dividend

Aditech's dividend policy is to propose a dividend that exceeds 30 percent of average Group profit after tax over a business cycle. In proposing a dividend, the Group's equity, long-term financing and investment needs, growth plans and other factors are taken into account that the Company's Board of Directors consider important.

The Board of Directors has resolved to propose dividend of SEK 1,20 (1,00) per share to the Annual General Meeting in August 2021. The dividend corresponds to a total of SEK 323 million (288), corresponding to a payout ratio of 46 (31) percent.

Parent Company

The operations of the Parent Company, Aditech AB, include Group Management and the Group's reporting and financial management staff units.

Parent Company net sales amounted to SEK 66 million (71) and profit after financial items was SEK 378 million (-41). Net investments in non-current assets were SEK 0 million (0). The Parent Company's financial net debt was SEK 285 million (341) at the end of the financial year.

Future prospects and events after the reporting period

Future prospects

Aditech operates in an international market in which demand is largely influenced by macroeconomic factors. Group companies operate in different but carefully selected niches, resulting in a smoothing effect between sectors, geographical markets and customer segments. Our independent companies work continuously to adapt to changes based on their markets and competitive situation.

Historically, Aditech's continuous pursuit of profit growth, profitability (P/WC) and development have provided favourable average value growth. Our cash flow and financial position form a stable foundation for continued long-term profitable growth based on the same business concept.

We have a favourable underlying momentum in the Group, with good positions in structurally driven areas of development, such as energy conversion and electrification. In lines of risk, companies with stable business models and a strong financial circumstances are able to benefit from new opportunities that arise. For this reason, it is important that we continue to focus on our long-term objectives.

The risk and uncertainty factors are otherwise the same as in earlier periods. The Parent Company is indirectly affected by the above risks and uncertainties through its function in the Group.

Events following the close of the financial year

On 1 April, ESI Controls Ltd, Great Britain, was acquired to become part of the Power Solutions business area. ESI (Energy Saving Innovative) Controls is a UK based company designing and delivering energy efficient electronic controls for heating and smart building applications. ESI Controls Ltd. has a turnover of approximately GBP 8 million and have 15 employees.

On 1 April, Hydro-Material Oy, Finland, was acquired to become part of the Components business area. Hydro-Material delivers hydraulic solutions and cooling systems to primarily the market segments special vehicles and the manufacturing industry. Hydro-Material Oy has sales of approximately EUR 5 million and 5 employees.

On 3 May IETV Elektroteknik AB, Sweden, was acquired to become part of the Energy business area. IETV Elektroteknik AB is a knowledge company that offers qualified services in power supply to railways, hydro-power and industry. IETV Elektroteknik AB has 38 employees and has annual sales of approximately SEK 80 million.

On 11 May, AVT Industriteknik AB, Sweden, was acquired to become part of the Automation business area. AVT designs and manufactures industrial automation equipment primarily for the manufacturing, pharmaceutical and automotive industry. The offering includes electrical and mechanical design, programming of PLC and industrial robots, vision technology, installation and services. The company has 42 employees and sales of around SEK 70 million.

Proposed allocation of earnings 2020/2021

The following amounts are at the disposal of the Annual General Meeting of Aditech AB:

	2020/2021
Retained earnings	SEK 193 million
Profit for the year	SEK 586 million
TOTAL	SEK 779 million

The Board of Directors and the CEO propose that the funds available be allocated as follows: That a dividend of SEK 1,20 per share be paid to shareholders* To be carried forward

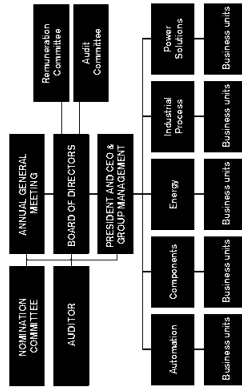
TOTAL SEK 779 million

* Calculated based on the number of shares outstanding at 31 May 2021. The total dividend payout may change if the number of repurchased treasury shares changes prior to the proposed dividend record date of 30 August 2021.

Corporate Governance

Principles of corporate governance

The Aditech Group views sound corporate governance as an important basis on which to build a trustful relationship with shareholders and other key parties. The Swedish Code of Corporate Governance, applied by the Group, seeks to achieve a favourable balance between shareholders, the Board of Directors and senior management. In Aditech's operations, rational corporate governance, imposing strict standards on openness, reliability and ethical values, has always been a guiding principle.



Compliance with the Swedish code of corporate governance

Additech's shares are admitted to trading on the Nasdaq Stockholm exchange and, accordingly, Additech complies with the Nasdaq Stockholm Rule Book for Issuers. As a listed company, Additech also applies the Swedish Code of Corporate Governance (the Code), which can be accessed via www.bolagsstymning.se. Deviations from the Code and the motivations for these are accounted for in this text on an ongoing basis. The company deviates on one point in the section on the Quarterly review by the auditors.

This Corporate Governance Report has been reviewed by the company's auditors. The URL of the company's website is www.aditech.com

Compliance with applicable exchange rules

No violations of applicable exchange rules occurred in 2020/2021 and Additech's operations were conducted in accordance with generally accepted stock market practices.

Shares and shareholders

Additech AB's share register is maintained by Euroclear Sweden AB. According to this share register, Additech had 9,409 shareholders as of 31 March 2021, with a total 272,753,984 shares divided into 12,895,744 Class A shares, conveying ten votes apiece, and 259,808,240 Class B shares, conveying one vote apiece. There were 388,766,680 votes in total. More information regarding Additech's share and shareholders can be found in the Additech share section of this Annual Report.

Key events in 2020/2021

The resolutions of Additech's Annual General Meeting were announced on 28 August 2020, which included a dividend of SEK 1.00 per share, amounting to a dividend payout ratio of 31 percent and corresponding to

SEK 269 million in total. The Annual General Meeting also resolved on a share split where the number of shares in the Company was increased by dividing each share, regardless of series, into four shares.

During the financial year, a total of 14 acquisitions were conducted, adding annual sales of approximately SEK 1,140 million.

Articles of association

The Articles of Association state that the name of the company is Aditech Aktiebolag and that its financial year extends from 1 April to 31 March. The Articles of Association include no specific provisions regarding the appointment and dismissal of Board members or amendments to the Articles of Association. The Articles of Association contain no limitations regarding the number of votes that may be cast by each shareholder at a General Meeting. The full Articles of Association, adopted in their current form by the Annual General Meeting of 28 August 2020, can be accessed under Investors/Corporate Governance/Articles of Association at the company's website.

Annual general meeting

Shareholders exercise their influence over the company at the Annual General Meeting, or, where applicable, at an Extraordinary General Meeting, such meetings being Additech's highest decision-making body. The Annual General Meeting shall be held in Stockholm within six months of the end of the financial year. At the Annual General Meeting, resolutions are made regarding matters including the election of the Board of Directors and the Chairman of the Board, the election of auditors, the approval of the income statement and balance sheet, the appropriation of the company's earnings and the discharge from liability of Board members and the CEO, the Nomination Committee and its work, as well as guidelines for the remuneration of senior executives. Additech's website presents information regarding the company's previous Annual General Meetings. Information is also presented there regarding shareholders' entitlement to have matters addressed by the Annual General Meeting and the deadline by which Additech must have received shareholders' requests for these matters to be addressed. No specific arrangements regarding the function of the General Meeting are applied within Additech due to provisions in the Articles of Association or, as far as the company is aware, to shareholder agreements.

At General Meetings, resolutions are normally passed by a simple majority vote and, in elections, the recipient of the largest number of votes is considered elected. For certain decisions however, such as amendments to the Articles of Association, a qualified majority is required.

2020 Annual general meeting

Additech's Annual General Meeting was held on Friday, 28 August 2020 in Stockholm. The meeting was attended by 216 shareholders, in person, by proxy or by postal voting. They represented 64,33 percent of the total number of votes and 51,44 percent of the capital. Anders Björsson, Chairman of the Board, was elected Chairman of the Meeting.

The Annual General Meeting was attended by a restricted number of Board members and members of Group Management due to the prevailing COVID-19 situation. Authorised public accountant Joakim Thilstedt, Principal Auditor for Additech also attended the Meeting.

The Annual General Meeting resolved the following:

- That a dividend of SEK 1.00 per share be paid.
- To re-elect Board members Eva Elmslie, Kenneth Eriksson, Malin Nordesjö, Ulf Mattsson, Johan Sjö and Henrik Hedelius and to elect Niklas Stenberg as new Board member. To elect Johan Sjö as Chairman of the Board.
- To re-elect registered auditing firm KPMG AB for a period of one year.
- The Annual General Meeting approved guidelines for the remuneration of senior executives in accordance with the Board of Directors' proposal.
- The Annual General Meeting resolved, in accordance with the Board of Directors' proposal, to issue call options on repurchased shares and to transfer repurchased shares to executives.
- Prior to the next Annual General Meeting, the Board of Directors is authorised to acquire a quantity of Class B shares, such that the Company's holding of own shares does not, at any given time, exceed 10 percent of the total number of shares in the Company.
- The Board of Directors is authorized to resolve to resolve on a new issue of up to 5 percent of the number of B shares as means of payment during acquisitions.
- The Annual General Meeting resolved, in accordance with the Board of Directors' proposal, on a share split and related amendment to the Articles of Association.
- The remaining resolutions of the Annual General Meeting are included in the complete minutes of the Meeting, which are available at www.adtech.com together with other details of the Annual General Meeting.

2021 Annual general meeting

Adtech's 2021 Annual General Meeting will be held on Thursday, 26 August. For further information regarding the 2021 Annual General Meeting, see Adtech's website, www.adtech.com.

Duties of the nomination committee

The Nomination Committee is tasked by the shareholders with assessing the composition and work of the Board of Directors for the Annual General Meeting, with proposing Board members and a Chairman of the Board to the Annual General Meeting, and, when applicable, with proposing the election of a registered auditing firm and auditing fees, as well as principles for how members of the Nomination Committee are appointed.

The members of the Nomination Committee receive no remuneration from the Company for their work on the Nomination Committee.

In preparation for the 2021 Annual General Meeting, the Nomination Committee held 6 minutes meetings. The Nomination Committee's complete proposal to the Annual General Meeting is presented in the notice convening the Meeting and on the Company's website.

Composition of the nomination committee

The Annual General Meeting has resolved that the following principles shall apply until further notice. Accordingly, the Annual General Meeting does not adopt such principles and determine the duties of the Nomination Committee annually unless the actual principles or duties are to be amended. The Nomination Committee comprises representatives of the five largest shareholders in terms of votes at the end of the calendar year (grouped by owner as per 31 December). The Chairman of the Board is tasked with convening the first meeting of the Nomination Committee and shall ensure that the Nomination Committee receives relevant information on the results of the Board's completed evaluation of its work. Furthermore, the Chairman of the Board shall be co-opted if necessary. From among its number, the Nomination Committee appoints a Chairman. The composition of the Nomination Committee shall be announced publicly at the latest six months prior to the Annual General Meeting. In accordance with this, the following individuals were appointed as

Independence of the Board of Directors

Several different types of independence requirements apply to the Board of Directors and its committees. Adtech applies independence requirements stemming from applicable Swedish legislation, the Swedish Code of Corporate Governance and the rules of the Nasdaq Stockholm exchange. Ahead of the Annual General Meeting, the Nomination Committee assessed the independence of the Board of Directors. Except for Johan Sjö who was employed by the Company until 31 August 2019 and Niklas Stenberg who is employed as the CEO of the Company, all Board members are independent in relation to the Company. Of the members who are independent in relation to the Company, Eva Elmslie, Kenneth Eriksson and Ulf Mattsson are also independent in relation to the Company's major shareholders. Accordingly, it is deemed that the Board of Directors meets the requirement that at least two of the Board members who are independent of the Company shall also be independent of major shareholders.

Rules of procedure

Each year, the Board of Directors adopts written rules of procedure for the work of the Board in accordance with the Swedish Companies Act.

Work of the Board of Directors in 2020/2021

In accordance with the Board of Directors rules of procedure, the Board of Directors is to meet in connection with the presentation of interim reports, at an annual strategy meeting and at its annual statutory meeting, and on other occasions if necessary.

The Board of Directors held 10 meetings over the financial year, of which 4 were held before the 2020 Annual General Meeting and 6 following the Annual General Meeting. The following table shows the Board members' attendance:

Board member	Elected	Born	Board attendance, total number of meetings*	Remuneration Committee attendance, total number of meetings**	Audit Committee attendance, total number of meetings**	Independent in relation to the Company	Independent in relation to the Company's major shareholders	Total remuneration, SEK
Johan Sjö (Chairman)	2008	1957	10(10)	2(2)	4(4)	No	No	790,000
Eva Elmslie	2005	1950	10(10)		4(4)	Yes	Yes	370,000
Ulf Mattsson	2012	1954	10(10)		4(4)	Yes	Yes	370,000
Malin Nordesjö	2016	1976	10(10)	2(2)	4(4)	Yes	No	420,000
Kenneth Eriksson	2016	1951	10(10)		4(4)	Yes	Yes	370,000
Henrik Hedelius	2017	1955	10(10)		4(4)	Yes	Yes	370,000
Niklas Stenberg	2020	1974	10(10)			No	Yes	-
Anders Bjerfsson	2001	1848	4(4)		1(1)	Yes	No	-

* Number of meetings attended by the member, including the statutory meeting. The Audit Committee comprises the Board of Directors in its entirety, except for the Company's CEO. Its work is performed as an integral part of the work of the Board of Directors.

All meetings followed an approved agenda that was provided to members prior to Board meetings, together with documentation for each agenda item. Regular Board meetings usually take half a day to allow time for presentations and discussions. The CEO, or someone appointed by him, presents all matters concerning the operations of the Company and the Group. Other Company officials participate in Board meetings to present specific matters or if otherwise deemed appropriate. The Company's CFO acts as the Board of Directors' secretary and as the secretary of the Nomination Committee. The Board of Directors addressed the following at its meetings:

- Approval of significant policies, including the Board of Directors' rules of procedure, attestation policy, financial policy, Code of Conduct, insider policy, communication policy, sustainability policy and dividend policy.
- Strategic focus and significant targets.

The rules of procedure determine the distribution of work between the Board members, including the Board's committees, the number of regular Board meetings, matters to be dealt with at regular Board meetings and the duties of the Chairman of the Board. The Board of Directors has also issued written instructions stating how financial reports are to be presented to the Board of Directors and how efforts are to be distributed between the Board of Directors and the CEO.

Duties of the Chairman of the Board

The Chairman of the Board is responsible for ensuring that Board work is well organised, conducted efficiently and that the Board of Directors meets its obligations. The Chairman of the Board monitors operations in dialogue with the CEO. The Chairman of the Board is also responsible for ensuring that other Board members are provided the introduction, information and documentation necessary for maintaining a high level of quality in discussions and decisions, and checks that decisions made by the Board of Directors are executed. The Chairman of the Board represents Adtech regarding issues of ownership.

- Key issues involving optimisation of capital structure, financing, dividends, repurchasing of the Company's own shares, investments, acquisitions and disposals of operations.
- Follow-up and control of operations, financial development, disclosure of information and organisational matters.
- Review and report by the Company's external auditors.
- Review with the auditors without the presence of Group Management for assessment of the CEO and Group management.
- Assessment of the work of the Board of Directors. Each year, the Chairman of the Board initiates and directs this assessment.
- Approval of interim reports, the Year-end Report and the Annual Report.
- One extraordinary Board meeting in June 2020 addressed the impact on the Group of the Coronavirus pandemic.
- One extraordinary Board meeting in the spring of 2021 addressed the updated IT and information security strategy of the Group.

Assessment of the work of the Board of Directors
The Board of Directors conducts an assessment of its work on an annual basis. Each year, the Chairman of the Board initiates and directs the assessment of the work of the Board of Directors. The assessment serves to further develop working methods, dynamics, efficiency and working climate, as well as the principal focus of the work of the Board of Directors. This assessment also focuses on access to, and the need for, specific areas of expertise among Board members. The assessment includes interviews, joint discussions and the Chairman holding separate discussions with individual Board members. The assessments are discussed at a Board meeting and also serve as a basis for the Nomination Committee's work to propose Board members.

Remuneration Committee

The Remuneration Committee appointed by the Board of Directors consists of Johan Sjö, Chairman of the Board and Board member Malin Nordstjål, with CEO Niklas Stenberg attending to present information. The Remuneration Committee prepares the Board's proposal for principles regarding remuneration of senior executives. The proposal is considered by the Board of Directors before being submitted for resolution by the Annual General Meeting. Based on the resolution of the Annual General Meeting, the Board of Directors determines the remuneration for the CEO. The CEO does not present information regarding his own remuneration and does not participate in the Board's decision. Based on a proposal by the CEO, the Remuneration Committee determines the remuneration for the other members of Group Management. The Board of Directors is informed of the Remuneration Committee's decision. The Remuneration Committee is then tasked with monitoring and assessing the application of the guidelines for the remuneration of senior executives adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and assess programs of variable remuneration for Company management ongoing and completed during the year. During the financial year, the Remuneration Committee met on two occasions.

Audit Committee

The duties of the Audit Committee are performed by the Board of Directors as a whole and are conducted as an integral part of the work of the Board at its regular meetings. The Board member Malin Nordstjål are knowledgeable in the areas of accountancy and auditing. The Audit Committee is tasked with monitoring the Company's financial reporting, monitoring the effectiveness of the Company's internal control and risk management regarding the financial reporting, keeping informed regarding the audit of the annual and consolidated accounts, assessing and monitoring the impartiality and independence of the auditor and, in doing so, paying particular attention to whether the auditor provides the Company with services other than auditing services, and helping draw up proposals for the Annual General Meeting when electing an auditor. In connection with the adoption of the 2020/2021 annual accounts, the Board of Directors was briefed by the Company's external auditors and presented with their report. At this meeting, the Board of Directors was also briefed by the auditors without the presence of the CEO or other members of Company management.

Auditor

In accordance with the Articles of Association, a registered auditing firm must be elected as auditor. The 2020 Annual General Meeting elected KPMG AB as the Company's auditor until the close of the 2021 Annual General Meeting. Authorised Public Accountant Joakim Thilsted is the Principal Auditor and is assisted by Johanna Hagström-Jerkeryd. The company's auditor follows an audit plan into which viewpoints

collected from the Board of Directors have been integrated and reports his observations to the company and business area management teams, to Group Management and the Board of Directors of Aditech AB. This occurs both during the audit and when approving the annual accounts. KPMG audits Aditech AB and nearly all of its subsidiaries. The company's auditor also takes part in the Annual General Meeting, describing and commenting on his audit work.

The independence of the external auditor is regulated in a specific directive adopted by the Board of Directors. This states in areas where the services of the external auditor, which are not part of the regular auditing, may be enlisted. The company's auditors continually assess their independence in relation to the Company and each year submit a written affirmation to the Board stating that the auditing firm is independent of Aditech. In the past year, the auditors performed advisory assignments, mainly concerning accounting, taxation matters and listing rules.

Quarterly review by auditors

During the 2020/2021 financial year, Aditech's six-month or nine-month report was not reviewed by Aditech's external auditors, representing a deviation from rule 7.6 of the Code. Having consulted the Company's external auditors on the matter, the Board of Directors does not believe that any benefit and additional expense for the Company for increased quarterly review by the auditors can be justified.

Elected auditor KPMG AB

JOAKIM THILSTED

Principal Auditor

Authorised Public Accountant, Stockholm, Born 1967, Joakim Thilsted has been the Principal Auditor for the Aditech Group since 2016/2017 and is also the Principal Auditor for AFRY, Allsecl, Concentric and Husqarna.

JOHANNA HAGSTRÖM-JERKERYD

Assistant Auditor

Authorised Public Accountant, Stockholm, Born 1984, Johanna Hagström-Jerkeryd has been the Assistant Auditor in the audit of the Aditech Group since 2020/2021 and also works with the auditing of Momentum Group AB, LansforsÅkering AB, Kinnvik AB, Annehön Fastigheter AB and Svensk NÅringsliv. Johanna is also the Principal Auditor for Kondator AB, Direktör AB and several other companies, including Servando Boag AB and ETAB Industriautomation AB.

Chief executive officer and group management

CEO Niklas Stenberg directs the operations in accordance with the Swedish Companies Act and the frameworks established by the Board of Directors. In consultation with the Chairman of the Board, the CEO prepares the data and information needed by the Board of Directors to reach decisions at Board meetings, as well as giving presentations and motivating proposed decisions. The CEO directs the work of Group Management and makes decisions in consultation with other members of Group Management. At the end of the 2020/2021 financial year, Group Management consisted of Niklas Stenberg (CEO), Malin Eransson (CFO), Patrik Kierck (Business Area Manager Automation), Martin Fazel (Business Area Manager Components), Hans Andersen (Business Area Manager Energy), Claus Nielsen (Business Area Manager Industrial Process) and Per Lundblad (Business Area Manager Power Solutions). Group management regularly reviews operations at meetings headed by the CEO.

The Chief Executive Officer is presented in greater detail in the Board of Directors and Management section of this Annual Report and on the Company's website.

Remuneration of senior executives

The principles for the remuneration of senior executives at Aditech are adopted by the Annual General Meeting. Senior executives comprise the CEO and other members of Group Management. The 2020 Annual General Meeting approved the Board of Directors' proposal regarding guidelines for the remuneration for senior executives. These guidelines are essentially consistent with the principles previously applied.

Aditech seeks to offer an overall remuneration package that is both reasonable and competitive, while enabling the Company to attract and retain skilled employees. The overall remuneration, which varies in relation to the performance of the individual and the Group, may include the various components stated below. Fixed salary forms the base of the overall remuneration package. This salary shall be competitive and reflect the responsibilities of the position. Fixed salaries are reviewed annually. Variable compensation is based primarily on the Group's growth in earnings, profitability and cash flow. On an annual basis, the variable component may amount to at most 40 percent of the fixed salary. Each year, the Board of Directors evaluates whether or not a long-term incentive scheme should be proposed to the Annual General Meeting and, if it should, whether the proposed long-term incentive scheme should include the transfer of Company shares or not. Retirement pension, health insurance and other benefits are to be structured in accordance with applicable rules and market norms. Where possible, pensions are to be based on defined-contribution plans.

For further details regarding remuneration for senior executives, please see Note 6 of this Annual Report. The principles for the remuneration of senior executives approved by the Annual General Meeting were adhered to during the financial year.

Long-term incentive schemes

At the end of the financial year, Aditech had four call option programs outstanding, involving a total 3,550,000 Class B shares. The purpose of long-term incentive schemes is to enable Group executives, through an investment of their own, to participate in and work for a favourable trend in the value of the Company's shares.

The schemes are also expected to generate improved conditions for recruiting and retaining skilled personnel for the Aditech Group, to provide competitive compensation and to unite the interests of the shareholders with those of the executives. The schemes are intended to contribute to executives increasing their shareholding in Aditech over the long term. The executives encompassed by the schemes are those who, in an otherwise heavily decentralised organisation, are able to impact profit positively by means of partnerships between Group subsidiaries. The share-related incentive schemes approved by the Annual General Meeting do not entail a net charge against Company equity.

Remuneration to the Board of Directors and auditors

Each year, the Annual General Meeting of Aditech AB adopts guidelines regarding the remuneration of the Board of Directors and the auditors. In accordance with the resolution of the 2020 Annual General Meeting, Board fees are to total SEK 2,690,000 and are to be distributed as follows: SEK 740,000 to the Chairman of the Board, SEK 370,000 to each of the other Board members appointed by the Annual General Meeting who is not employed by the Company and SEK 50,000 to each member of the Remuneration Committee. For further details of Board fees, see Note 6 in this Annual Report.

In accordance with the resolution of the Annual General Meeting, auditor's fees are to be paid in accordance with an approved invoice. For further details of auditor's fees and of fees for non-auditing services, see Note 7 of this Annual Report.

Operating organisation and management

During the 2020/2021 financial year, Aditech was organised into the following business areas: Automation, Components, Energy, Industrial Process and Power Solutions. The division into business areas reflects Aditech's internal organisation and reporting system.

Overall, the Aditech Group comprises some 140 independent companies in 20 countries. Although decisions regarding the companies' operations are taken close to the market, from a governance perspective it is important to integrate the acquired company regarding certain areas of significance for the Group, including financial reporting, administrative procedures and common core values.

Each operating company has a board of directors, in which that company's Managing Director is a member, as well as executives from the business area or business unit. Within each business area, companies are grouped in business units based on product or market concepts. The Managing Director of each company reports to a Business Unit Manager, who in turn reports to the Business Area Manager. Each Business Area Manager reports to the CEO of Aditech AB. The business areas and business units hold internal board meetings chaired by the CEO and attended by the CFO of Aditech AB, along with the relevant Business Area Manager and controller. Other officials participate in the business areas' Board meetings to present specific matters or if otherwise deemed appropriate.

Board of Directors

Disclosures of shareholdings and call options pertain to 31 May 2021.



Johan Sjø
Chairman of the Board

M.Sc. Econ. Born 1967. Board assignments: Chairman of the Boards of AddLife, Momentum Group, Opif Group and Prosero Security Group. Board member at Camfil and M2 Asset Management. Professional experience: CEO of Addtech AB and senior positions within Bergman & Beving and previously within Alfred Berg/ABN Amro. Shareholding: 90,000 Class B shares (including related parties).



Eva Einstedt
Board member

Bachelor of Economics and Computer Science. Born 1960. Board member since 2008. Other board assignments: Chairman of the Board of ProactIT Group and Sencon. Board member at Adille, Alys, Elantera and Smart Eye. Professional experience: Senior positions at, for example, Nokia Networks, Ericsson and mobile operator 3. Shareholding: 84,766 Class B shares (including related parties).



Kenneth Eriksson
Board member

M. Eng. and MBA. Born 1961. Board member since 2016. Other board assignments: Board member at Zetatec. Professional experience: CEO of Tradimus and senior positions within Electrolux. Partner at Athanasia Industrial. Shareholding: 236,400 Class B shares and 40,320 Class A shares (including related parties).



Henrik Hedellius
Board member

M.Sc. Econ. Born 1966. Board member since 2017. Other board assignments: Chairman of the Board of Fill Holding AB. Board member at Bergman & Beving, Two H and Service and Care AB. Professional experience: Board member at Mammenheim Invest, Vinovo, Team Sportia, Gigasense and Mind Industrial Group. Senior positions at Jarl Securities, Storebrand Kapitalforvaltning, Swedbank and ABN Amro. Shareholding: 38,600 Class B shares (including related parties).



Ulf Mattsson
Board member

M.Sc. Econ. Born 1954. Board member since 2012. Other Board assignments: Chairman of the Board of Eltel, VezcoDirect, Swenac and Luftra. Board member at Ocas Invest Oy and Pivotal V & VI. Professional experience: CEO at Domco, Birkett, Mölnlycke Health Care, Capio, Gambio and Karo Pharma. Shareholding: 32,000 Class B shares (including related parties).



Malin Nordesjö
Board member

M.Sc. Econ. Born 1976. Board member since 2016. Other board assignments: Board member at Bergman & Beving AB and at a number of companies in Tiseshult-gruppen. Professional experience: Senior positions at Tiseshult-gruppen and Triech Technology. Shareholding: 76,008 Class B shares (including related parties).



Niklas Stenberg
Board member

Bachelor of Laws. Born 1974. President and CEO since 2018. Board member since 2020. Employed by the Group since 2010. Professional experience: Various senior positions within Addtech and Bergman & Beving and previously as a lawyer. Shareholding: 224,136 Class B shares (including related parties). Call options equivalent to 288,000 shares.

Group Management

Disclosures of shareholdings and call options pertain to 31 May 2021.



From the left: Niklas Stenberg, Hans Andersen, Patrik Kierck, Claus Nielsen, Malin Eranson, Per Lundblad, Martin Fassi.

Niklas Stenberg
Bachelor of Laws

President and CEO. Born 1974. Employed by the Group since 2010. Professional experience: Various senior positions within Addtech and Bergman & Beving and previously as a lawyer. Shareholding: 224,136 Class B shares (including related parties). Call options equivalent to 288,000 shares.

Hans Andersen
Electric Power Engineer

Business Area Manager, Energy. Born 1961. Employed by the Group since 2006. Professional experience: CEO and owner of AB Gevea and Business Unit Manager, Energy Supply. Shareholding: 381,198 Class B shares (including related parties). Call options equivalent to 233,600 shares.

Patrik Kierck
M.Sc. Mechanical engineer

Business Area Manager, Automation. Born 1989. Employed by the Group since 1995. Professional experience: Various senior positions within Addtech and Bergman & Beving. Shareholding: 80,912 Class B shares (including related parties). Call options equivalent to 233,600 shares.

Claus Nielsen
Expert Technician

Business Area Manager, Industrial Process. Born 1989. Employed by the Group since 1994. Professional experience: Various senior positions within Addtech and Bergman & Beving. Shareholding: 27,124 Class B shares (including related parties). Call options equivalent to 187,600 shares.

Malin Eranson
M.Sc. Economics

CEO. Born 1973. Employed by the Group since 2004. Professional experience: Business Controller Addtech Power Solutions, several consultancy roles at Addtech, auditor at Mazars (SET) Revisionsbyrå. Shareholding: 27,128 Class B shares (including related parties). Call options equivalent to 171,600 shares.

Martin Fassi
M.Sc. Economics

Business Area Manager, Components. Born 1960. Employed by the Group since 1994. Professional experience: Various senior positions within Addtech and Bergman & Beving. Shareholding: 192,480 Class B shares (including related parties). Call options equivalent to 200,000 shares.

Per Lundblad
Mechanical Engineer and Market Economist / DHM

Business Area Manager, Power Solutions. Born 1967. Employed by the Group since 2006. Professional experience: CEO and partner at Emcomp International AB and Business Unit Manager, Power Systems. Shareholding: 31,995 Class B shares (including related parties). Call options equivalent to 183,600 shares.

Systems for internal control and risk management in financial reporting

The Board of Directors bears the overall responsibility for ensuring that the Group has an effective system of management and internal control. This responsibility includes evaluating the financial report as well as the Board of Directors' records on an annual basis and setting requirements regarding content and format of these reports to assure their quality. This requirement means that the financial reporting must fulfill its purpose while complying with applicable accounting regulations and the other requirements imposed on listed companies. Each year, the CFO reports on the Group's internal control work to the Board of Directors.

Control environment

Addtech builds and organises its operations around decentralised responsibility for profitability and earnings. In decentralised operations, internal control is based on deeply rooted processes that served to define targets and strategies for each area of operations. Internal directives and Board-approved policies convey well-defined decision-making channels, authorities and responsibilities. The Group's foremost documents for financial control are the financial policy, the reporting manual and the instructions issued ahead of each annual/quarterly closing. A Group-wide reporting system, with related analysis tools, is used in the Group's process for closing the annual/quarterly accounts. At a more comprehensive level, all operations in the Addtech Group must comply with the Group's Code of Conduct.

Risk assessment

With regard to the risks that the Board of Directors and Group Management consider significant, Addtech applies well-established procedures of internal control and risk management in its financial reporting. Risk assessments start with the Group's income statement and balance sheet to identify the risk of material error. In the Addtech Group as a whole, the greatest risks in the financial reporting are associated with intangible non-current assets related to business acquisitions. The exposure is determined by the degree of dependence on internal control or assessments that could affect the financial reporting. The Group applies annual procedures for impairment testing to identify any indications that impairment should be recognised.

Control activities

Control activities include transaction-related controls such as authorisation and investment rules and clear payment procedures, but also analytical controls performed by the Group's controllers function and the central finance and accounting function. Controllers and finance managers at all levels within the Group play a key role in building environment needed for transparent and accurate financial reporting. The role imposes considerable demands on integrity, expertise and individuals' capabilities.

Regular finance conferences are held to discuss current issues and ensure the effective sharing of knowledge and experience within the finance and accounting functions. The monthly review of results that is performed via the internal reporting system and that is analysed and commented on internally by the Board of Directors is a key overarching control activity. The review includes an evaluation of results in comparison with set targets and previous performance, as well as a follow-up of key indicators.

Each year, all Group companies perform a self-assessment regarding matters of internal control. The companies comment on how important issues were handled, such as business terms and conditions in customer contracts, customer credit assessments, checking and evaluating

Financial statements 2020/2021

Consolidated income statement	74
Consolidated statement of comprehensive income	75
Consolidated balance sheet	76
Consolidated statement of changes in equity	77
Consolidated cash flow statement	78
Parent Company income statement	79
Parent Company comprehensive income	79
Parent Company balance sheet	80
Changes in the Parent Company equity	81
Parent Company cash flow statement	82
Note 1 Accounting and valuation principles	83
Note 2 Critical estimates and assumptions	89
Note 3 Financial risks and risk management	89
Note 4 Revenue from contracts with customers	92
Note 5 Segment reporting	94
Note 6 Employees and personnel expenses	96
Note 7 Remuneration to Auditors	99
Note 8 Depreciation/amortisation	100
Note 9 Other operating income and expenses	100
Note 10 Operating expenses	100
Note 11 Financial income and expenses	100
Note 12 Appropriations – Parent Company	101
Note 13 Taxes	101
Note 14 Intangible non-current assets	103
Note 15 Property, plant and equipment	105
Note 16 Leases	106
Note 17 Financial assets and liabilities	108
Note 18 Inventories	110
Note 19 Prepaid expenses and accrued income	110
Note 20 Equity	110
Note 21 Unpaid reserves	111
Note 22 Provisions for pensions and similar obligations	112
Note 23 Provisions	115
Note 24 Non-current interest-bearing liabilities	116
Note 25 Current interest-bearing liabilities	116
Note 26 Accrued expenses and prepaid income	116
Note 27 Pledged assets and contingent liabilities	117
Note 28 Cash flow statement	117
Note 29 Acquisitions of companies	119
Note 30 Earnings per share before and after dilution	121
Note 31 Disclosures regarding the Parent Company	121
Note 32 Related party disclosures	121
Note 33 Events after the balance sheet date	121
Assurance by the Board of Directors	122
Auditor's Report	123
Multi-year summary	126
Definitions	128
Sustainability facts	132

inventory, payment procedures, documentation and analysis of closing accounts, and compliance with internal policies and procedures. For critical issues and processes, an accepted minimum level has been set and all companies are expected to meet this level. The responses of each company are validated and commented on by that company's external auditor in connection with the regular audit. The responses are then compiled and analysed, after which they are presented to business area management and Group management. The results of self-assessment process are taken into consideration in planning self-assessment and external auditing for future years.

In addition to the self-assessment process, a more in-depth analysis of internal control is performed in about 20 operating companies each year. This process is referred to as an internal audit and is performed at the companies by business area controllers and employees from the Parent Company's central finance and accounting function. Central processes at the companies, and control points for these, are analysed, tested and recorded. The external auditors study the records kept in connection with the auditing of the companies. The process provides a solid basis on which to chart and assess internal control within the Group. An external party also reviews and assesses the Group's internal control processes on a regular basis.

Information and communications

Governing guidelines, policies and instructions are accessible from internal digital fora, such as Teams. Codes of Conduct are available publicly on the Addtech website. These documents are updated on an ongoing basis as needs arise. Amendments are communicated separately by e-mail and at meetings for those concerned.

Accessibility of internal information via internal channels is determined by means of authorisations. Group employees are organised into different groups whose access to information differs. All financial guidelines, policies and instructions can be accessed by the Managing Directors, Chief Accountants, Business Unit Managers, Business Area Managers and Business Area Controllers of each of the companies, as well as by the central financial and accounting staff. Financial data at the Group level is also controlled centrally by means of authorisations.

Review

The outcome of the internal control work is analysed and reported annually. An assessment is made regarding what improvement measures should be undertaken in the various companies. The boards of the various Group companies are informed of the outcome of the internal control work within each company and of what improvement measures should be implemented. Together with the boards of the companies, the Business Area Controllers then review these efforts on an ongoing basis over the ensuing years.

The Board of Directors of the Addtech Group receives monthly comments from the CEO regarding the business situation and how the operations are developing. The Board of Directors discusses all quarterly financial accounts and Annual Reports prior to these being published.

The Board of Directors is given an annual status report regarding the internal control work and its outcome. The Board of Directors is also informed of the assessment made by the external auditors of the Group's internal control processes.

Internal audit

Given the risk assessment described above and how the control activities are designed, including self-assessment and in-depth analysis of the internal control, the Board of Directors has chosen not to maintain a specific internal audit function.



Consolidated income statement

SEK million	Note	2020/2021	2019/2020
Net sales	4, 5	11,336	11,735
Cost of sales		-7,683	-8,068
GROSS PROFIT		3,647	3,647
Selling expenses		-1,843	-1,869
Administrative expenses		-637	-707
Other operating income	9	76	111
Other operating expenses	9	-84	-206
Profit from participations in associated companies	4		5
OPERATING PROFIT	3-10, 16	989	1,161
Financial income	11	13	6
Financial expenses	11	-65	-62
NET FINANCIAL ITEMS		-52	-56
PROFIT BEFORE TAX		937	1,105
Tax	13	-208	-232
PROFIT FOR THE YEAR		729	873
Attributable to:			
Parent Company shareholders		706	862
Non-controlling interests		23	11
Earnings per share before dilution (SEK)	30	2,60	3,20
Earnings per share after dilution (SEK)	30	2,60	3,20
Average number of shares after repurchases ('000s)		268,051	268,453
Number of shares at end of period after repurchases (thousands)		268,275	268,594

The number of shares has been recalculated with regard to the share split (6:1) implemented in September 2020 and applied in all calculations of key financial indicators in terms of SEK/share.

Consolidated statement of comprehensive income

SEK million	2020/2021	2019/2020
Profit for the year	729	873
<i>Items that may later be reversed in the income statement</i>		
Changes for the year in fair value of cash flow hedges	-4	2
Transition differences for the year on translation of foreign operations	-142	59
Tax attributable to items that may later be reversed in the income statement	1	-1
<i>Items that may not be reversed in the income statement</i>		
Revaluations of defined benefit pension plans	17	-12
Tax attributable to items that may not be reversed in the income statement	-2	3
OTHER COMPREHENSIVE INCOME	-130	51
COMPREHENSIVE INCOME FOR THE YEAR	599	924
Attributable to:		
Parent Company shareholders	580	910
Non-controlling interests	19	14

Consolidated balance sheet

SEK million	Note	31 March 2021	31 March 2020
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	4,496	3,240
Property, plant and equipment	15	326	310
Right-of-use assets	16	692	626
Deferred tax assets	13	29	27
Other financial assets		31	37
TOTAL NON-CURRENT ASSETS		5,564	4,240
CURRENT ASSETS			
Inventories	18	1,661	1,642
Tax assets		35	2
Accounts receivable	3	1,860	2,003
Prepaid expenses and accrued income	19	137	128
Other receivables		129	128
Cash and cash equivalents		420	363
TOTAL CURRENT ASSETS		4,242	4,265
TOTAL ASSETS		9,806	8,506
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	51	51
Other contributed capital		344	344
Reserves		39	180
Retained earnings, including profit for the year		2,785	2,443
Equity attributable to Parent Company shareholders		3,219	3,018
Non-controlling interests		231	58
TOTAL EQUITY		3,450	3,076
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing liabilities	24	2,056	2,154
Provisions for pensions	22	336	332
Deferred tax liabilities	13	388	284
Non-current non-interest-bearing liabilities		9	2
Total non-current liabilities		2,789	2,772
Current liabilities			
Current interest-bearing liabilities	25	1,162	462
Accounts payable		972	1,028
Tax liabilities		151	159
Other liabilities		675	435
Accrued expenses and prepaid income	26	551	528
Provisions	23	55	46
Total current liabilities		2,567	2,658
TOTAL LIABILITIES		5,356	5,430
TOTAL EQUITY AND LIABILITIES		9,806	8,506

For disclosures regarding contingent liabilities and pledged assets, see Note 27.

Consolidated statement of changes in equity

SEK million	2020/2021					Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings, including profit for the year	Total Parent Company shareholders	
EQUITY, OPENING BALANCE, 1 APR 2020	51	344	180	2,443	3,018	3,076
Profit for the year	-	-	-	706	706	729
Cash flow hedges	-	-	-4	-	-4	-4
Translation differences	-	-	-138	-	-138	-142
Revaluations of defined benefit pension plans	-	-	-	17	17	17
Tax attributable to other comprehensive income	-	-	-	-2	-2	-1
Other comprehensive income	-	-	-141	15	-126	-130
Comprehensive income for the year	-	-	-141	721	580	599
Call options issued	-	-	-	11	11	11
Call options redeemed	-	-	-	37	37	37
Options repurchased	-	-	-	-23	-23	-23
Repurchases of treasury shares	-	-	-	-	-	-
Dividend	-	-	-	-269	-269	-273
Option liability, acquisitions	-	-	-	-135	-135	-135
Change in non-controlling interests	-	-	-	-	-	158
EQUITY, CLOSING BALANCE, 31 MAR 2021	51	344	39	2,785	3,219	3,450
2019/2020						
EQUITY, OPENING BALANCE, 1 APR 2019	51	344	123	1,952	2,470	2,520
Profit for the year	-	-	-	662	662	673
Cash flow hedges	-	-	2	-	2	2
Translation differences	-	-	65	-	65	69
Revaluations of defined benefit pension plans	-	-	-	-12	-12	-12
Tax attributable to other comprehensive income	-	-	-1	3	2	2
Other comprehensive income	-	-	57	-9	48	3
Comprehensive income for the year	-	-	57	653	710	714
Call options issued	-	-	-	6	6	6
Call options redeemed	-	-	-	33	33	33
Options repurchased	-	-	-	-23	-23	-23
Repurchases of treasury shares	-	-	-	-42	-42	-42
Dividend	-	-	-	-336	-336	-346
Change in non-controlling interests	-	-	-	0	0	4
EQUITY, CLOSING BALANCE, 31 MAR 2020	51	344	180	2,443	3,018	3,076
2020/2021						
SEK						1,00 ¹⁾
Dividend per share						1,00

1) As proposed by the Board of Directors.



Consolidated cash flow statement

SEK million	Note	2020/2021	2019/2020
OPERATING ACTIVITIES			
Profit after financial items		937	1,105
Adjustment for items not included in cash flow	28	651	354
Income tax paid		-320	-273
Cash flow from operating activities before changes in working capital		1,168	1,186
Change in inventories		58	-88
Change in operating receivables		249	-90
Change in operating liabilities		28	109
CASH FLOW FROM OPERATING ACTIVITIES		1,503	1,117
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment		-71	-85
Disposals of property, plant and equipment		6	4
Acquisitions of intangible non-current assets		-20	-20
Acquisitions of operations, net liquidity effect	28	-1,198	-431
Disposals of operations, net liquidity effect	28	-21	1
Change in financial assets		6	-1
CASH FLOW FROM INVESTING ACTIVITIES		-1,298	-532
FINANCING ACTIVITIES			
Repurchases of treasury shares		-	-42
Call options redeemed, issued and repurchased		25	16
Borrowings	28	1,014	351
Loan repayments	28	-708	-326
Amortisation of leases		-192	-155
Other financing		-4	-4
Dividend paid to Parent Company's shareholders		-269	-336
Dividends paid to non-controlling interests		-4	-10
CASH FLOW FROM FINANCING ACTIVITIES		-138	-507
CASH FLOW FOR THE YEAR		67	78
Cash and cash equivalents at beginning of the year		363	295
Exchange rate difference in cash and cash equivalents		-10	-10
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		420	363

Parent Company income statement

SEK million	Note	2020/2021	2019/2020
Net sales		56	71
Administrative expenses		-73	-108
OPERATING PROFIT	6-8, 16	-15	-37
Profit from participations in Group companies	11	400	-
Profit from financial non-current assets	11	28	20
Interest income and similar items	11	2	7
Interest expenses and similar items	11	-37	-31
PROFIT AFTER FINANCIAL ITEMS		378	-41
Appropriations	12	260	310
PROFIT BEFORE TAX		638	269
Tax	13	-52	-60
PROFIT FOR THE YEAR		586	209

Parent Company comprehensive income

SEK million	2020/2021	2019/2020
Profit for the year	586	209
OTHER COMPREHENSIVE INCOME	-	-
COMPREHENSIVE INCOME FOR THE YEAR	586	209

Parent Company balance sheet

SEK million	Note	2020/2021	2019/2020
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	1	1
Property, plant and equipment	15	0	0
Financial non-current assets			
Participations in Group companies	17	1,004	1,004
Receivables from Group companies	17	3,238	1,804
Other financial assets		1	-
Total financial non-current assets		4,243	2,808
TOTAL NON-CURRENT ASSETS		4,244	2,809
CURRENT ASSETS			
Receivables from Group companies		791	556
Other receivables		13	16
Prepaid expenses and accrued income	19	15	11
Total current receivables		819	563
Cash and bank balances		-	-
TOTAL CURRENT ASSETS		819	563
TOTAL ASSETS		5,063	3,372
EQUITY AND LIABILITIES			
EQUITY			
Share capital		51	51
Statutory reserve		18	18
Unrestricted equity		193	228
Retained earnings		586	209
Profit for the year		848	506
TOTAL EQUITY		848	506
UNTAXED RESERVES			
	21	211	131
PROVISIONS			
Provisions for pensions and similar obligations	22	14	15
LIABILITIES			
Liabilities to Group companies	24	318	127
Liabilities to credit institutions	24	1,300	1,600
Total non-current liabilities		1,618	1,727
Liabilities to credit institutions	25	800	156
Accounts payable		1	3
Liabilities to Group companies		1,540	791
Tax liabilities		-	0
Other liabilities		6	13
Accrued expenses and prepaid income	26	25	30
Total current liabilities		2,372	993
TOTAL EQUITY AND LIABILITIES		5,063	3,372

Changes in the Parent Company equity

SEK million	2020/2021			2019/2020		
	Restricted equity	Statutory reserve	Unrestricted equity	Restricted equity	Statutory reserve	Unrestricted equity
EQUITY, OPENING BALANCE, 1 APR 2020	51	18	437	51	18	437
Profit for the year	-	-	586	-	-	586
Comprehensive income for the year	-	-	586	-	-	586
Dividend	-	-	-269	-	-	-269
Call options issued	-	-	11	-	-	11
Call options redeemed	-	-	37	-	-	37
Repurchases of call options	-	-	-23	-	-	-23
Repurchases of Treasury shares	-	-	-	-	-	-
EQUITY, CLOSING BALANCE, 31 MAR 2021	51	18	779	51	18	848
2019/2020						
EQUITY, OPENING BALANCE, 1 APR 2019	51	18	209	51	18	209
Profit for the year	-	-	209	-	-	209
Comprehensive income for the year	-	-	209	-	-	209
Dividend	-	-	-336	-	-	-336
Call options issued	-	-	6	-	-	6
Call options redeemed	-	-	33	-	-	33
Repurchases of call options	-	-	-23	-	-	-23
Repurchases of Treasury shares	-	-	-42	-	-	-42
EQUITY, CLOSING BALANCE, 31 MAR 2020	51	18	437	51	18	506

For comments on equity, see Note 20.

Parent Company cash flow statement

	Note	2020/2021	2019/2020
SEK million			
OPERATING ACTIVITIES			
Profit after financial items		378	-41
Adjustment for items not included in cash flow	28	7	0
Income tax paid		-54	-51
		331	-102
Cash flow from operating activities before changes in working capital			
Change in operating receivables		-4	-10
Change in operating liabilities		-15	13
CASH FLOW FROM OPERATING ACTIVITIES		312	-99
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible non-current assets		0	-1
Increase in non-current receivables from Group companies		-1,476	-40
Decrease on non-current receivables		42	220
CASH FLOW FROM INVESTMENT ACTIVITIES		-1,434	179
FINANCING ACTIVITIES			
Repurchases of treasury shares		-	-42
Call options issued and redeemed		25	16
Borrowings	28	894	326
Loan repayments	28	-650	-300
Change in current receivables from Group companies		91	-27
Change in liabilities to Group companies		940	-11
Dividend paid		-269	-338
Group contributions		-6	294
Other financing activities		-3	0
CASH FLOW FROM FINANCING ACTIVITIES		1,122	-30
CASH FLOW FOR THE YEAR		0	0
Cash and cash equivalents at beginning of the year		0	0
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		0	0

Notes

NOTE 1

Accounting and valuation principles

General accounting principles
The consolidated annual accounts have been prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Union (EU). Recommendation IFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, has also been applied.

The annual accounts of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act (1996:1654) and recommendation IFR2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The accounting principles applied by the Parent Company and the Group are consistent with one another, except in the accounting of pensions, unexercised reserves and appropriations. See also "Parent Company accounting principles".

On 24 June 2021, the Board of Directors approved the annual accounts of the Parent Company and the consolidated accounts for publication. The Parent Company's income statement and balance sheet and the consolidated income statement and balance sheet will be submitted for approval by the Annual General Meeting on 26 August 2021.

Presentation of the Annual Report

The financial accounts are presented in millions of Swedish kronor (SEK million) unless otherwise stated. The functional currency of the Parent Company is the Swedish krona (SEK), and this is also the currency of presentation for the Parent Company and the Group.

Assets and liabilities are recognised at their historical cost, except for certain financial assets and liabilities that are measured at fair value. Assets held for sale are recognised at the previous carrying amount or fair value, less selling expenses, whichever is lower.

Preparing financial accounts in accordance with IFRS requires management to make judgements, estimates and assumptions affecting the application of the accounting principles and the carrying amounts for assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and several other factors deemed reasonable under the circumstances at the time. Estimates and assumptions are reviewed regularly.

The annual accounts have been prepared in accordance with IAS 1 Presentation of Financial Statements, with the effect that separate income statements and balance sheets, as well as statements of other comprehensive income, financial position, changes in equity and cash flow, are prepared, with notes being provided detailing the accounting principles and disclosures applied. Receivables and liabilities, as well as income and expenses, are offset only where required or expressly permitted in accordance with IFRS.

New standards and interpretations applied as of 1 April 2020
No new IFRS standards or IFRIC statements have had a material impact on the Group's earnings or financial position for the 2020/2021 financial year.

New standards and interpretations applicable to financial years commencing 1 April 2021 or later
No new IFRS standards or IFRIC statements will have a material impact on the Group's earnings or financial position for the 2021/2022 financial year. No newly issued IFRS standards or interpretations have been applied prematurely.

Consolidated accounts

The consolidated accounts include the annual accounts of the Parent Company and those companies that are under the controlling influence of the Parent Company. A controlling influence exists if the Parent Company has influence over the object of investment, is exposed or entitled to variable yield from its commitment and is able to exert its influence over the investment to affect the yield. In assessing whether a controlling influence exists, potential shares with an entitlement to vote are taken into account, as well as whether de facto control exists. Shareholdings in Group companies are eliminated in accordance with the acquisition method, which means, in brief, that identifiable assets, liabilities and contingent liabilities in the acquired company are measured and recognised in the consolidated financial accounts as if they had been acquired by means of direct acquisition and not indirectly by acquiring shares in the company. The valuation is based on fair value. If the value of the net assets is less than the acquisition price, consolidated goodwill arises. If the opposite occurs, the difference is recognised directly in the income statement. Goodwill is determined in local currency and recognised at cost, less any impairment losses. Consolidated equity includes the Parent Company's equity and the portion of the subsidiaries' equity earned after the time of acquisition. Companies acquired or disposed of are consolidated or de-consolidated from the date on which a controlling influence is obtained or lost.

Contingent purchase considerations not classified as equity are measured at fair value on the transaction date and are subsequently remeasured on each reporting occasion. Effects of this revaluation are recognised as income or expenses in consolidated profit for the year. Transaction expenses in conjunction with acquisitions are expensed. It is possible for a holding that is not a controlling interest to be measured at fair value on acquisition, entailing goodwill being included in non-controlling interests. Alternatively, non-controlling interests constitute part of net assets. The choice is determined individually for each acquisition.

Intra-Group receivables and liabilities, as well as transactions between companies within the Group and related unrealised gains, are eliminated in their entirety. Unrealised losses are eliminated in the same way as unrealised gains, unless there is a need to recognise impairment.

Exchange rate effects

Translation of the financial reports of foreign Group companies
Assets and liabilities in foreign operations, including goodwill and other surpluses and deficits on consolidation, are converted to Swedish kronor applying the exchange rate valid on the balance sheet date. Income and expenses in foreign operations are translated to Swedish kronor applying the average rate, which is an approximation of the rates prevailing at the time of each transaction. Translation differences arising on the translation of foreign operations are reported through other comprehensive income, under the translation reserve in equity.

NOTE 1 CONT.

Transactions in foreign currencies

A transaction denominated in a foreign currency is converted to the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are converted to the functional currency applying the exchange rate prevailing on the balance sheet date. Non-monetary assets and liabilities recognised at historical cost are converted applying the exchange rate on the transaction date. Exchange differences arising on conversion are reported in the income statement. Exchange differences on operating receivables and operating liabilities are included in operating profit, while exchange differences on financial receivables and liabilities are reported among financial items.

Financial assets and liabilities, recognition and de-recognition

Financial instruments recognised in the balance sheet primarily include, on the assets side, cash and cash equivalents, accounts receivable and derivatives. Liabilities include accounts payable, loans payable, contingent purchase considerations not recognised as equity instruments, as well as derivatives. A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the terms and conditions of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has completed its undertaking and a contractual obligation to pay prevails, even if no invoice has yet been received. A financial asset (or part thereof) is removed from the balance sheet when the entitlements of the contract are realised or expire, or if the Company loses control over them. A financial liability (or part thereof) is removed from the balance sheet when the obligation in the contract is fulfilled or otherwise ceases to exist. A financial asset and a financial liability are only offset and recognised at the net amount in the balance sheet when the Company is legally entitled to offset these amounts and the Company intends to settle the items with a net amount or simultaneously realise the asset and settle the liability.

Financial assets and liabilities, measurement and classification

Except those in the category of financial assets measured at fair value through profit or loss, all financial assets/liabilities (including derivatives) are initially recognised at fair value plus/minus transaction costs. On initial recognition, a financial instrument is classified based on the type of cash flows to which the instrument gives rise, the classification determines how the financial instrument is measured after initial recognition, as described below.

Financial instruments measured at fair value are classified in a hierarchy based on the origin of the data used in the evaluation. Level 1 comprises financial instruments with quoted prices in an active market. Level 2 comprises financial instruments valued based on observable market data but not quoted prices in an active market. Level 3 comprises those measured using data, such as cash flow analyses, not based on observable market data.

Financial assets and liabilities measured at fair value through profit or loss

Because hedge accounting is not applied, this category comprises the Group's derivatives and contingent additional purchase considerations not recognised as equity instruments. In connection with acquisitions of subsidiaries, these items are reported at fair value in the balance sheet, with changes in value recognised in profit or loss.

Financial assets measured at amortised cost

Holdings in financial assets constituting a liability for the counterparty, and for which the Group's business model is to hold them to maturity, and where payments consist exclusively of payments of principal and interest, are reported at amortised cost. The Group's items in this category consist essentially of accounts receivable, cash and cash equivalents and other operating receivables. Due to the short maturities of these assets and the insignificant effect of discounting, these items are measured at their nominal amount. Accounts receivable and other operating receivables are recognised after deducting expected credit losses, which are assessed foremost on an individual basis and secondarily on the basis of the extent to which payments are overdue. Impairments of accounts receivable are recognised in operating expenses.

Equity instruments recognised at fair value through other comprehensive income

A minor holding of unlisted shares in housing companies is recognised at fair value through other comprehensive income.

Financial liabilities measured at amortised cost

This category essentially consists of loans and accounts payable. The liabilities are measured at amortised cost. Accounts payable are measured without being discounted to their nominal amounts.

Cash and cash equivalents

Cash and cash equivalents consists of cash funds and immediately available holdings in banks and equivalent institutions, as well as short-term liquid investments that mature within three months of the time of acquisition and that are exposed to only a negligible risk of fluctuation in value.

Derivatives and hedging

Derivative instruments include currency clauses, currency forward agreements and currency swaps used to offset risks of exchange rate fluctuations. An embedded derivative, such as a currency clause, is disclosed separately unless closely related to its host contract. Hedge accounting is not applied. Derivatives are initially recognised at fair value, with the result that transaction costs are charged to profit or loss for the period. Following initial recognition, the derivative instrument is measured at fair value via the income statement.

Increases and decreases in the value of such derivatives are recognised as income and expenses respectively in operating profit or loss in net financial items, based on the intended use of the derivative and whether its use is related to an operating item or a financial item.

Assets and liabilities, classification

Current assets consist of assets expected to be realised within one year or the Company's normal business cycle. Other assets are non-current assets. A liability is classified as non-current if, at the end of the reporting period, the Company has an unconditional right to defer settlement for at least 12 months after the reporting period and if it is not an operating debt expected to be settled within the Company's normal business cycle. Other liabilities are classified as current.

Property, plant and equipment

Property, plant and equipment are recognised at cost, less accumulated depreciation and any impairment. The cost comprises the purchase price, including customs and excise duties, as well as costs directly attributable to the asset to bring it to the location in such condition that it can be used as intended by the acquisition. Discounts etc. are deducted from the purchase price. Examples of directly attributable costs included in the cost are shipping and handling, installation, title registration and consulting services.

In the case of so-called qualifying assets, borrowing expenses are also capitalised in the cost. Qualifying assets do not normally occur within the Group. Additional expenses for a property, plant and equipment item are added to the cost only if they increase the future economic benefits. All other expenses, such as those for repair and maintenance, are expensed on an ongoing basis. Declared for the cost is whether the expense pertains to the replacement of identified components, or parts thereof, in which case such expenses are capitalised. In cases where new components are created, the expense is also added to the cost. Any unrecapitalised carrying amounts for replaced components, or parts of components, are retired and reported in conjunction with the replacement.

Depreciation is applied on a straight-line basis over the estimated useful life, taking any residual value at the end of that period into account. Property, plant and equipment comprising parts with different useful lives are treated as separate components. The carrying amount for a property, plant and equipment item is removed from the balance sheet on the scrapping or disposal of the asset, or when no future economic benefits are expected from its use. Gains or losses, realised upon the disposal or scrapping of an asset consist of the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains or losses are recognised as other operating income or other operating expenses.

Property, plant and equipment	Useful life
Buildings	15-100 years
Leasehold improvements	3-5 years
Equipment	3-6 years
Land improvements	20 years
Machinery	3-10 years

Leases

On commencing a contract, Aditech determines whether the contract is, or contains, a lease, based on the substance of the agreement. A contract is, or contains, a lease if it conveys, over a certain period, an entitlement to determine the use of a specific asset in exchange for compensation.

Lease liabilities

On the date on which a lease commences, a lease liability is recognised corresponding to the present value of the lease payments yet to be paid. These lease liabilities are reported as non-current and current interest-bearing liabilities in the balance sheet.

The leasing term is determined as the non-cancellable period together with the periods by which the contract may be extended or shortened and terminated if Aditech is reasonably certain to exercise the extension option or not exercise the termination option. On determining the lease term when options to extend or terminate the contract exist, both business strategy and contract-specific conditions are taken into account.

Lease payments include fixed payments, variable lease fees depending on an index or price, and amounts expected to be paid in accordance with residual value guarantees. Variable lease fees not attributable to an index or price are reported as an expense in the period to which they are attributable.

In calculating the present value of lease payments, the implicit interest rate is applied in the agreement if easily determined. In other cases, Aditech's marginal borrowing rate is applied, which, in addition to Aditech's credit risk, reflects the term of the relevant lease, its currency and the quality of the underlying asset intended as collateral. Following the commencement date of a lease agreement, the lease liability increases

to reflect the interest on the lease liability and decreases with the lease payments paid. In addition, the value of the lease liability is revalued as a result of contract modifications, changes in the lease term, changes in lease payments or changes in an assessment to purchase the underlying asset.

Right-of-use assets

Aditech reports rights-of-use assets in the balance sheet on the commencement date of the lease. Rights-of-use are valued at cost less accumulated depreciation and any impairment, and adjusted for revaluations of the lease liability. The cost of rights-of-use assets includes the initial value reported for the attributable lease liability, initial direct expenses, as well as any advance payments made on or before the commencement date of the lease. The rights-of-use assets are reported separately from other assets in the balance sheet and amortised on a straight-line basis over the lease term.

Application of relief rules

Aditech applies the relief rules regarding current leases and leases where the underlying asset is of lesser value. Expenses incurred in connection with these leases are reported on a straight-line basis over the lease term as operating expenses in the income statement.

Intangible non-current assets

An intangible asset is an identifiable non-monetary asset, without physical substance, that is used for marketing, producing or supplying goods or services, or for leasing and administration. To be recognised as an asset, it must be probable that the future economic benefits attributable to the asset will benefit the Company and that the cost can be calculated reliably.

Additional expenses for an intangible asset are added to the cost only if they increase the future economic benefits beyond the original assessment and if the expense can be calculated reliably. All other expenses are expensed as they are incurred.

Goodwill represents the difference between the cost of a business combination and the fair value of identifiable assets acquired, liabilities assumed and contingent liabilities.

Goodwill and intangible non-current assets with indefinite useful lives (trademarks) are measured at cost, less any accumulated impairment. Goodwill and trademarks are allocated among cash-generating units or groups of cash-generating units and are not amortised but tested annually for impairment.

Aside from goodwill and trademarks, intangible assets are recognised at their original cost, less accumulated amortisation and impairment.

In the case of so-called qualifying assets, borrowing expenses are also capitalised in the cost. Qualifying assets do not normally occur within the Group. Amortisation is charged on a straight-line basis and is based on the useful lives of the assets, which are reviewed on an annual basis. An asset's useful life is based on historical experience of use of similar assets, areas of application and other specific features of the asset.

Amortisation is included in cost of sales, selling expenses or administrative expenses, depending on where in the business the assets are used.

Development expenses, where the results of research or other knowledge are applied to achieve new or improved products or processes, are recognised as an asset in the balance sheet if the product is technically and commercially viable and the Company has sufficient resources to complete development and then use or sell the intangible asset. Other development expenses are expensed as they are incurred.

NOTE 1 CONT.

Expenses for internally generated goodwill and trademarks are recognised as increases in profit or loss as they are incurred.

Intangible non-current assets	Useful life
Capitalised development projects	3–5 years
Customer relationships	10 years
Supplier relationships	5–10 years
Software for IT operations	3–5 years
Technology	10 years
Trademark	Indeterminable

Impairment of property, plant and equipment, intangible assets and participations in subsidiaries and associated companies

The carrying amounts of Group assets are tested as soon as there is an indication that the asset in question has decreased in value. If there is such an indication, the need for impairment is determined after calculating the recoverable amount of the asset, which is the asset's value in use or its fair value less selling expenses, whichever is higher. Impairment is recognised if the recoverable amount is less than the carrying amount. The value in use is calculated as the present value of future payments that the Company is expected to receive by using the asset. The estimated residual value at the end of the useful life is included in the value in use. If the recoverable amount of an individual asset cannot be determined, the recoverable amount is set at the recoverable amount for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest group of assets that gives rise to continuous payment inflows that are independent of other assets or groups of assets. Goodwill on consolidation is attributed to the business areas (which coincide with the Group's operating segments) with which the goodwill is associated. Impairment is reversed when the grounds for the impairment entirely or partially cease to apply. However, this does not apply to goodwill. In addition to the above, for goodwill, other intangible assets with an indeterminable useful life and intangible assets not yet ready for use, the recoverable amount is calculated annually.

Inventories

Inventories, that is, raw materials and finished goods for resale, are carried at the lower of cost and net realisable value, hence taking into account the risk of obsolescence. The cost is calculated using the first-in, first-out (FIFO) principle or weighted average prices.

In the case of finished and semi-finished goods manufactured in-house, the cost consists of direct manufacturing costs and a reasonable portion of indirect manufacturing costs. Measurement takes normal capacity utilisation into account.

Capital

No express measure related to equity is applied internally. Externally, Aditech's objective is to maintain a robust equity/assets ratio.

Equity

Aditech's dividend policy involves a pay-out ratio exceeding 30 percent of consolidated average profit after tax over a business cycle. Repurchasing of treasury shares occurs, and the Board normally proposes obtaining a mandate to repurchase treasury shares that entails acquiring an amount of shares such that Aditech's own holding at no time exceeds 10 percent of all shares in the Company. Repurchasing serves to provide the Board with increased scope for action in its work with the Company's capital structure, to enable the use of repurchased shares

Contingent liabilities are recognised when a possible obligation exists stemming from past events and the existence of the obligation is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the Company's control. Other obligations are also recognised as contingent liabilities if they result from past events but are not recognised as a liability or provision because it is unlikely that an outflow of resources will be required to settle the obligation or because the size of the obligations cannot be determined with sufficient accuracy.

Revenue recognition

The Group recognises revenue when the Group fulfils a performance commitment, which is when a promised good or service is delivered to the customer and the customer assumes control of the goods or services. Control of a performance commitment can be transferred over time or at a particular point in time. Most of the Group's revenues are reported at specific points in time. The revenue consists of the amount that the Company expects to receive in payment for goods or services transferred. For the Group to be able to recognise revenue from agreements with customers, each customer agreement is analysed in accordance with the five-step model included in the standard:

Step 1: Identify an agreement between at least two parties that entails an entitlement and a commitment.

Step 2: Identify the various commitments. An agreement includes undertakings to transfer goods or services to the customer (performance commitments). All commitments that are distinguishable in nature are to be reported separately.

Step 3: Determine the transaction price. The transaction price is the amount of compensation the Company is expected to receive in exchange for the promised goods or services. The transaction price must be adjusted for variable components, including any discounts.

Step 4: Distribute the transaction price between the various performance commitments. Usually, the Company is able to allocate the transaction price of each individual item or service based on a stand-alone sales price.

Step 5: Fulfilment of the performance commitments and recognition of revenue, either over time or at a particular point in time, depending on the nature of the performance commitment. The amount recognised as revenue is the amount that the Company has previously allocated to the performance commitment concerned.

The Group's revenue consists of sales of high-tech products and solutions to customers, primarily in manufacturing industries and infrastructure. The Group's sales consist mainly of sales of goods, but also including service assignments to some extent.

Sales of goods

Sales of goods occur in all of the Group's segments. Sales consist mainly of standard products, but also, to some extent, of proprietary manufactured products. Framework agreements with customers usually occur where an agreement with a customer is considered, to arise only once the customer has placed an order based on the terms of the framework agreement, since it is only at this time that enforceable rights and obligations arise for the Group and the customer. The period between an order being placed and goods being delivered is normally brief. Each separate product in the order is considered to constitute a separate performance commitment.

high-quality corporate bonds or mortgage bonds with a maturity equivalent to the average maturity of the obligation and currency.

A portion of the Group's defined-benefit pension commitments has been financed through premiums to Alecta. As the requisite information cannot be obtained from Alecta, these pension commitments are reported as a defined-contribution pension plan.

The special employer's contribution constitutes part of the actuarial assumptions and is therefore recognised as part of the net obligation/asset. For reasons of simplicity, the part of the special employer's contribution that is calculated based on the Swedish Act on Safeguarding Pension Obligations in legal entities is recognised as an accrued expense rather than as part of the net obligation/asset.

Polyholder tax is recognised on an ongoing basis for the period to which the tax relates and is therefore not included in the calculation of liabilities. In the case of funded plans, the tax is on the return on plan assets and is recognised in other comprehensive income. For unfunded or partially unfunded plans, the tax is levied on profit for the year.

When the expenses for a pension are determined differently in a legal entity than in the Group, a provision or claim for taxes on pension expenses is recognised, such as a special employer's contribution for Swedish companies based on this difference. The present value of the provision or claim is not calculated.

Benefits upon termination of employment

A cost for benefits in conjunction with termination of employment is recognised only if there is a formal, detailed plan to terminate employment prior to the normal date.

Short-term benefits

Short-term benefits to employees are calculated without discounting and are recognised as an expense when the related services are performed. A provision for the expected costs of bonus disbursements is recognised when the Group has a valid legal or informal obligation to make such disbursements as a result of services received from employees and where the obligation can be calculated reliably.

Share-based incentive programmes

The Group's share-based incentive programmes make it possible for Group management to purchase shares in the Company. The employees have paid a market premium for call options on Class B shares.

The programme includes a subsidy so that the employee receives the same sum as the option premium paid in the form of cash payment, i.e. when the issue, providing that the option holder remains employed by the Group and owns call options at that time. The subsidy, and related social security expenses, is distributed as a personnel expense over the vesting period. Aditech is not obliged to repurchase the options when an employee resigns from employment. Holders may redeem options irrespective of continued employment within the Group. See also Note 6.

Provisions and contingent liabilities

A provision is recognised in the balance sheet when the Company has a formal or informal commitment as a result of an event that has occurred, it is probable that an outflow of resources will be required to settle the commitment and the amount can be estimated reliably. If the effect is material, the provision is based on a present value calculation.

Provisions are made for future expenses resulting from warranty commitments. The calculation is based on expenditure during the financial year for similar commitments or the estimated costs for each undertaking. Provisions for restructuring costs are recognised when a detailed restructuring plan has been adopted and the restructuring has either begun or been announced.

as payment in acquisitions, and to secure the Company's commitments in existing incentive programmes.

The entire purchase consideration for share repurchase is charged against retained earnings. Proceeds from disposals of equity instruments are recognised as an increase in retained earnings, as are any transaction expenses.

Employee benefits following cessation of employment, pension commitments

Aditech has defined-contribution and defined-benefit pension plans in Sweden, Switzerland, the UK and Italy. The plans cover a large number of employees. The defined-benefit pension plans are based mainly on the individual's final salary. Group subsidiaries in other countries have mainly defined-contribution pension plans.

In defined-contribution plans, the Company pays stipulated fees to a separate legal entity and has no obligation to pay additional fees. Expenses are charged to the Group's profit or loss at the rate at which the benefits are earned. Defined benefit pension plans pay compensation to employees and former employees based on their salary on retirement and the number of years for which they were employed. The Group bears the risk for payment of promised benefits.

The Group's net obligation regarding defined-benefit plans is calculated individually for each plan by estimating future benefits that employees have earned through employment in current and previous periods. These benefits are discounted to a present value. Any unreported costs related to employment in previous periods and the fair value of any plan assets are deducted.

Defined-benefit pension plans are both funded and unfunded. When a plan is funded, assets have been set aside, these are referred to as plan assets. These plan assets can only be used for payments of benefits in accordance with the pension agreements. The net value of the estimated present value of the obligations and the fair value of plan assets is recognised in the balance sheet, either as a provision or as a non-current financial receivable. When a surplus in a plan cannot be fully utilised, only the portion of the surplus that the Company can recover through reduced future fees or repayments is recognised. A surplus in one plan is only offset by a deficit in another plan if the Company is entitled to utilise a surplus in one plan to settle a deficit in another plan, or if the obligations are intended to be settled on a net basis.

The pension expense and pension obligation for defined-benefit pension plans are calculated using the so-called Projected Unit Credit Method. This method distributes expenses for pensions at the rate at which employees perform services for the Company that increase their rights to future benefits. The aim is to expense expected future pension disbursements in a manner entailing an even cost over the employee's period of employment. This calculation takes into account anticipated future salary increases and anticipated inflation. The Company's commitment is calculated annually by independent actuaries. The discount rate used is equivalent to the interest rate on high-quality corporate bonds or mortgage bonds with a maturity equivalent to the average maturity of the obligation and currency. For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis and for the foreign pension liabilities, the interest rate for first-class corporate bonds is used.

Revaluations may arise when establishing the present value and fair value of the plan assets for the obligation. These may arise either because the actual outcome differs from previously made assumptions (known as experience-based adjustments), or because assumptions were changed. Such revaluations are recognised in the balance sheet and in profit or loss under other comprehensive income. The net present value of the defined-benefit obligation is established by means of discounting estimated future cash flows. The discount rate used is equivalent to the interest rate on

NOTE 1 CONT.

In the relevant agreement with the customer, the transaction price usually consists only of fixed amounts. To the extent that the transaction price includes variable amounts, the Group estimates the amount to which it will be entitled and includes this in the transaction price, taking into account the uncertainty of the amount. Revenue is reported on a single occasion because the conditions for transfer of control over the time are not met. The Group considers control to have transferred on completion of delivery in accordance with applicable delivery terms, which coincides with the time at which the risks and benefits transfer to the customer.

Service assignments

Service assignments occur primarily in the Energy and Industrial Process segments. These assignments essentially comprise project agreements in which the Group delivers and, to a certain extent, installs products for specific customer projects. Such assignments are considered to constitute a combined performance commitment, since no individual product is distinct within the framework of the agreements. The transaction price normally consists only of fixed amounts. Because control of the performance commitments is considered to be transferred to the customer over time, revenue is also recognised over time. The Group applies a production method for measuring progress towards completion of a performance commitment.

Financial income and expenses

Interest income on receivables and interest expenses on liabilities are computed using the effective interest method. The effective interest rate is the rate that makes the present value of all future incoming and outgoing payments during the term equal to the carrying amount of the receivable or liability. Interest income includes accrued rebates, premiums and other differences between the original value of the receivable and the amount received on maturity.

Income taxes

Tax expenses/income are recognised in the income statement, except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the associated tax effect is recognised in other comprehensive income or in equity. Current tax refers to tax that is to be paid or refunded for the current year. This also includes adjustments of current tax attributable to prior periods.

Deferred tax is calculated using the liability method based on temporary differences between carrying amounts and tax bases of assets and liabilities. The amounts are calculated depending on how the temporary differences are expected to be settled and by applying the tax rates and tax rules enacted or announced as per the balance sheet date. Temporary differences are not taken into account in Group goodwill, nor in differences attributable to participations in subsidiaries or associated companies owned by Group companies outside Sweden that are not expected to be taxed in the foreseeable future. In the consolidated financial statements, untaxed reserves are allocated to deferred tax liability and equity. Deferred tax assets related to deductible temporary differences and tax loss carry-forwards are only recognised to the extent it is likely they will reduce tax payments in the future.

Segment reporting

Assets and liabilities as well as income and expenses are attributed to the operating segment in which they are used, earned and consumed, respectively. The operating segment's earnings are monitored by the highest executive decision-maker, i.e. the CEO of Adtech.

Personnel information

The Swedish Annual Accounts Act requires more information than IFRS, including information about the gender distribution of the Board of Directors and Group management. Data on gender distribution refer to the situation as per the balance sheet date. "Board members" are members of the boards of directors of the Parent Company and Group companies who have been elected by General Meeting. In this context, "Senior executives" refers to members of Group Management and the Managing Directors and Deputy Managing Directors of Group companies.

Parent Company accounting principles

The Parent Company applies the same accounting policies as the Group, except where the Swedish Annual Accounts Act and the Swedish Act on Safeguarding Pension Obligations prescribe different procedures, or if the connection to taxation necessitates different accounting.

The Parent Company prepares its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1654) and recommendation RFR 2 Accounting for Legal Entities, of the Swedish Financial Reporting Board. RFR 2 prescribes that, in the annual accounts of its legal entity, the Parent Company shall apply all EU-approved IFRS and standard interpretations to the greatest extent possible within the scope of the Annual Accounts Act and taking the relationship between accounting and taxation into account. The recommendation specifies which exceptions from, and additions to, IFRS must be made.

Interests in Group companies are recognised in the Parent Company using the cost method, entailing transaction costs being included in the carrying amount for holdings in subsidiaries. Any changes in liabilities for contingent purchase considerations are added to or reduce the cost. The Group expenses transaction expenses, while entering changes in liabilities for contingent purchase considerations as income or expenses. In line of IAS 16, the Swedish Act on Safeguarding Pension Obligations is applied in the Parent Company when calculating defined-benefit pension plans. The most significant differences compared with IAS 19 are the method for determining the discount rate, that the defined benefit obligation is calculated based on current salaries without assuming future salary increases and that all actuarial gains and losses are recognised in profit or loss as they occur.

The Parent Company recognises untaxed reserves including deferred tax liabilities, rather than dividing them into deferred tax liabilities and equity as is done for the Group.

The Parent Company does not apply IFRS 16, in accordance with the exception included in RFR 2. As a lessee, lease fees are reported as an expense on a straight-line basis over the lease term, and the rights-of-use assets and lease liabilities are not therefore reported in the balance sheet.

Group contributions are recognised in the Parent Company in accordance with the alternative rule. A Group contribution received from a subsidiary by a Parent Company, or a Group contribution paid from a Parent Company to a subsidiary is recognised in the Parent Company as an appropriation. Shareholder contributions are recognised directly in the equity of the recipient and are capitalised in the contributor's shares and participations, to the extent that no impairment needs to be recognised.

NOTE 2

Critical estimates and assumptions

The carrying amounts of certain assets and liabilities are based, in part on estimates and assumptions. This applies particularly to impairment testing of goodwill (Note 14) and to defined-benefit pension obligations (Note 22). Assumptions and estimates are continually evaluated and are based on historical experience and expectations regarding future events deemed reasonable under prevailing circumstances. Tests are performed each year to determine if goodwill is impaired. The recoverable amount for cash-generating units has been determined by calculating values in use. For these calculations, certain estimates must be made.

A large part of the Group's pension commitments for salaried employees are defined-benefit commitments covered by collective policies with Alecia. Since it is not currently possible to obtain data from Alecia on the Group's share of commitments and plan assets, the pension plan signed with Alecia must be recognised as a defined-contribution plan. The consolidation ratio reported by Alecia does not indicate any deficit, although it is not possible to obtain detailed information from Alecia about the size of the pension commitment.

The present value of pension commitments recognised as defined-benefit commitments depends on multiple factors determined on an actuarial basis applying a number of assumptions. In establishing these assumptions, Adtech consults with actuaries. The assumptions used to determine the present value of the commitment include the discount rate, inflation and salary increases. Each change in these assumptions will affect the carrying amount of pension commitments. See also Note 22.

NOTE 3

Financial risks and risk management

Risk management policy and objectives

Adtech strives for structured and efficient management of the financial risks that arise in operations, which is manifest in the financial policy adopted by the Board of Directors. The financial operations are not conducted as a separate line of the business; they are merely intended to constitute support for the business and reduce risks in the financial operations. The policy stipulates goals and risks in the financial operations, and how they are to be managed. The financial policy expresses the goal of minimising and controlling financial risks. The policy defines and identifies the financial risks that arise at Adtech and how responsibility for managing these risks is distributed in the organisation. The financial risks defined in the financial policy are transaction exposure, translation exposure, refinancing risk, interest rate risk, margin risk, liquidity risk and issuer/borrower risk. Operational risks, that is, financial risks related to operating activities, are managed by each subsidiary's management according to principles in the financial policy and subordinate process descriptions approved by the Group's Board of Directors and management. Risks such as translation exposure, refinancing risk and interest rate risk are managed by the Parent Company, Adtech AB. Financial derivatives with external counterparties may only be entered by Adtech AB. The subsidiaries hedge their risk via Adtech AB which, in turn, obtains hedges on the external market.

NOTE 3 CONT.

Currency risk

The Addtech Group conducts extensive trade abroad and a material currency exposure therefore arises in the Group, which must be managed in such a way as to minimise the impact on earnings resulting from exchange rate fluctuations.

The Group applies centralised responsibility for currency risk management. This involves risk identification and risk hedging occurring at subsidiary level. It is important to capitalise on the size of the Group and natural conditions to match flows, and the subsidiaries must therefore hedge their risk via the Parent Company which, in turn, obtains hedges on the external market.

For Addtech, currency risk arises 1) partly as a result of future payment flows in foreign currency, known as transaction exposure, and 2) partly because parts of the Group's equity comprise net assets in foreign subsidiaries, known as translation exposure. Monetary financial assets and liabilities in currencies other than each Group company's functional currency occur to a limited extent.

Transaction exposure

Transaction exposure comprises all future contracted and forecasted incoming and outgoing payments in foreign currency. The Group's currency flows usually pertain to flows in foreign currency from purchases, sales and dividends. Transaction exposure also comprises financial transactions and balances. During the year, the Group's payment flows in foreign currencies were distributed as follows:

	Currency flows, gross 2020/2021		Currency flows, net	
	Inflows	Outflows	2020/2021	2019/2020
EUR	2,433	2,721	-268	-74
USD	889	1,013	-114	-163
NOK	57	52	5	23
JPY	106	107	-1	-36
DKK	67	135	-68	-91
GBP	26	112	-87	-91
CHF	32	61	-29	-57
PLN	0	102	-102	-48

The effects of exchange rate fluctuations are reduced by buying and selling in the same currency, through currency clauses in customer contracts and, to a certain degree, by forward purchases or sales of foreign currency. In the industry, currency clauses are a common method for handling uncertainty associated with future cash flows. A currency clause means that compensation is paid for any changes in the exchange rate exceeding a certain predefined level during the contract period. If these thresholds are not reached, for example when the exchange rate changes by less than 2 percentage points, no compensation is paid. The currency clauses adjust the exchange rate change between the time the order is placed and the invoice date. Currency clauses are symmetrically designed, meaning that compensation is charged or credited when the exchange rate rises or falls beyond the predefined thresholds.

Of consolidated net sales, currency clauses cover about 19 percent (10) and sales in the purchasing currency make up about 39 percent (38). In certain transactions, there is a direct link between the customer's order and the associated purchase order, which is a good basis for effective currency risk management. However, in many cases the dates of the orders do not coincide, which may reduce the effectiveness of these

The exchange rates applied in the financial accounts are shown in the following table:

	Average rate		Closing day rate	
	2020/2021	2019/2020	31 March 2021	31 March 2020
CAD 1	6,68	9,72	6,93	10,45
CHF 1	9,62	13,760	9,25	14,21
CNY 100	131,01	137,689	133,229	142,21
DKK 100	138,89	142,64	137,66	148,13
EUR 1	10,35	10,65	10,24	11,06
GBP 1	11,60	12,18	12,02	12,48
HKD 1	1,15	1,23	1,12	1,30
JPY 1000	83,80	88,20	78,80	83,00
NOK 100	97,00	106,35	102,43	96,10
PLZ 1	2,30	2,48	2,20	2,43
RUR 100	11,88	-	11,59	-
TRY 1	1,21	1,67	1,05	1,63
TID 1	1,30	1,42	1,28	1,47
TWD 1	0,31	0,31	0,31	0,33
USD 1	8,88	9,55	8,73	10,10

Interest rate risk
The interest rate risk is regulated by ensuring that the average fixed interest term of the debt portfolio varies between 0-3 years. The debt portfolio consists of bank overdraft facilities and outstanding external loans. The interest rate at 31 March 2021 was variable, that is, 0-3 months. Addtech's main exposure to interest rate risk is in its debt portfolio. Aside from the pension liability, interest-bearing external debt totals SEK 3,218 million (2,616).

With the current net financial debt, the impact on the Group's net financial items would be SEK +/- 25 million if interest rates were to fluctuate by 1 percentage point.

Issuer/borrower risk and credit risk

Issuer/borrower risk and credit risk are defined as the risk of Addtech's counterparties failing to fulfil their contractual obligations. Addtech is exposed to credit risk in its financial transactions, that is, in investing its surplus liquidity and executing forward foreign exchange transactions, and in its commercial operations in connection with accounts receivable and advance payments to suppliers. Maximum credit risk exposure from financial assets is consistent with the carrying amount of those assets. Addtech's financial function at the Parent Company is responsible for assessing and managing issuer/borrower risk. The financial policy prescribes that surplus liquidity only be invested with counterparties that have a very high credit rating. As in prior years, in 2020/2021 no surplus funds were invested with any counterparties other than Swedish banks, aside from the Group's normal bank contacts.

To utilise its subsidiaries' detailed knowledge of Addtech's customers and suppliers, Addtech has each company assess the credit risk in its commercial transactions. New customers are assessed before credit is granted, and credit limits set are strictly enforced. Short credit periods are the goal, and avoiding excessive concentration of business with individual customers and with specific sectors helps minimise risks. No individual customer accounts for more than 5 percent (4) of total credit exposure during a one-year period. The equivalent figure for the ten largest customers is about 13 percent (17). Exposure per customer segment and geographic market is presented in Note 5.

Bad debt losses totalled SEK 6 million (7) during the year, equal to 0 percent (0) of net sales.

Accounts receivable, SEK million	31 March 2021	31 March 2020
Carrying amount	1,860	2,003
Impairment	17	17
CO20	1,877	2,020

Change in impaired accounts receivable	2020/2021	2019/2020
Amount at beginning of year	-17	-9
Corporate acquisitions	0	-4
Year's impairment losses/reversals	-4	-5
Settled impairment	3	1
Translation effect	1	0
TOTAL	-17	-17

Time analysis of accounts receivable that are overdue but not impaired	31 March 2021	31 March 2020
<= 30 days	182	272
31-60 days	22	53
> 60 days	29	50
TOTAL	233	375

Financing and liquidity

The overall objective of Addtech's financing and debt management is to secure financing for the operations in both the long and short term, and to minimise borrowing costs. The capital requirement is to be secured through an active and professional borrowing procedure comprising overdraft and other credit facilities. Raising of external financing is centralised at Addtech AB. Adequate payment capacity is to be achieved through contractual credit facilities. Surplus liquidity is primarily used to pay down outstanding credits. The Parent Company is responsible for the Group's long-term financing as well as its supply of liquidity. The Parent Company provides an internal bank, which lends to and borrows from the subsidiaries. The Group's and Parent Company's non-current and current interest-bearing liabilities are shown in Notes 24 and 25.

To manage surpluses and deficits in different currencies, Addtech uses currency swaps from time to time. This allows the Group to reduce its financing costs and the Company's liquid funds to be used in an efficient manner.

Refinancing risk

The refinancing risk is the risk of Addtech not having access to sufficient financing on each occasion. The refinancing risk increases if Addtech's credit rating deteriorates or if Addtech becomes too dependent on one source of financing. If all or a large part of the debt portfolio matures on a single or a few occasions, this could involve the turnover or refinancing of a large proportion of the loan volume having to occur on disadvantageous interest and borrowing terms.

In order to limit the refinancing risk, the procurement of long-term credit facilities is commenced no later than nine months before the credit facility matures. On 31 March 2021, the Group's credit facilities amounted to SEK 3,800 million (3,600), represented by bank overdraft facilities of SEK 1,300 million (1,300) and other agreed credit facilities of SEK 2,500 million (2,600). During the year, overdraft facilities increased by SEK 0 million (0) while other agreed credit facilities increased by SEK 0 million (1800). At 31 March 2021, the Group had utilised SEK 800 million (156) of the bank overdraft facilities and SEK 1,300 million (1,600) of the other credit facilities. Unused bank overdraft facilities and credit facilities amounted to SEK 1,700 million (2,028). The Parent Company's credit facilities are contingent upon loan covenants, the conditions of which are fulfilled with a wide margin. For covenants, Addtech uses two ratios: EBITDA/net financial items and equity/assets.

The subsidiaries have reduced their currency exposure by using forward foreign exchange contracts. At the end of the financial year, there were outstanding forward foreign exchange contracts in a gross amount of SEK 270 million (183), of which EUR equalled SEK 201 million (116), USD equalled SEK 24 million (34), PLN equalled SEK 22 million (22), DKK equalled SEK 23 million (2), GBP equalled SEK 3 million (9) and NOK equalled SEK 1 million (1). Of the total contracts, SEK 123 million (148) matures within six months, SEK 114 million (61) within 12 months and SEK 35 million (0) within 18 months. Hedge accounting does not apply to forward foreign exchange contracts and they are classified as a financial asset measured at fair value through profit or loss. Hedge accounting applies to embedded derivatives consisting of currency clauses, and they are classified as derivatives used in hedge accounting. The cash flow effect from embedded derivatives normally occurs within six months.

The Group has a net exposure in several currencies. If each separate currency pair changes by 5 percent, the aggregate effect on profit would total about SEK 60 million (68), all else being equal. Inflows and outflows in the same currency mean that the Group's exposure is relatively limited. Currency flows in the Parent Company are mainly in Swedish kronor (SEK). To the extent that internal and external loans and investments in the Parent Company are in foreign currency, 100 percent of the capital amount is hedged.

Translation exposure

The translation exposure of the Addtech Group is currently not hedged. The Group's net assets are divided among foreign currencies as follows:

	31 March 2021		31 March 2020	
	SEK million	Sensitivity analysis ^a , million	SEK million	Sensitivity analysis ^a , million
Net investments	1,868	82,9	828	41,4
NOK	1,585	78,3	1,104	55,2
EUR	1,447	72,4	1,065	53,3
PLZ	11	0,6	-13	-0,7
GBP	772	38,6	401	20,1
HKD	42	2,1	79	4,0
USD	85	4,3	2,0	1,0
CNY	231	11,6	137	6,9
CHF	312	15,6	128	6,4

^a Impact of +/-5% in exchange rate on consolidated equity
^b Circumstances in the previous year

When translating the income statement of units with a functional currency other than SEK, a translation effect arises when exchange rates vary. With the present distribution of Group companies' different functional currencies, a change of 1 percentage point in the exchange rates would have an effect of SEK +/- 68 million (72) on net sales and SEK +/- 6 million (8) on operating profit.

NOTE 4

Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

Geographical locations of subsidiaries SEK million	2020/2021					Addtech Group
	Automation	Components	Energy	Industrial Process	Power Solutions	
Sweden	676	813	917	971	934	4,302
Denmark	574	524	422	422	92	2,159
Finland	410	440	211	531	141	1,732
Norway	229	199	579	493	92	1,591
Rest of Europe	469	18	261	254	272	1,274
Other countries	26	21	42	114	75	278
Total revenue from contracts with customers	2,384	2,015	2,566	2,785	1,606	11,336

Geographical locations of subsidiaries SEK million	2020/2021					Addtech Group
	Automation	Components	Energy	Industrial Process	Power Solutions	
Sweden	545	605	846	836	402	3,230
Denmark	496	402	403	354	138	1,791
Finland	396	327	228	450	225	1,621
Norway	273	240	578	350	95	1,533
Rest of Europe	551	295	367	498	559	2,265
Other countries	123	146	144	287	187	896
Total revenue from contracts with customers	2,384	2,015	2,566	2,785	1,606	11,336

Customer segments SEK million	2020/2021					Addtech Group
	Automation	Components	Energy	Industrial Process	Power Solutions	
Vehicles	96	322	26	111	350	1,020
Mechanical industry	501	343	179	447	64	1,474
Data and telecommunications	286	60	154	0	145	35
Medical technology	477	141	26	139	145	680
Electronics	72	302	128	0	209	-31
Energy	191	302	1,206	279	225	64
Forestry and process	286	61	77	1,055	0	8
Building and installation	96	121	539	111	128	26
Transport	143	81	103	501	64	15
Other	238	282	128	139	96	24
Total revenue from contracts with customers	2,384	2,015	2,566	2,785	1,606	11,336

Geographical locations of subsidiaries

SEK million	2019/2020					Addtech Group
	Automation	Components	Energy	Industrial Process	Power Solutions	
Sweden	714	832	774	800	1,007	-6
Denmark	557	546	568	540	97	-10
Finland	347	461	187	628	117	-1
Norway	245	227	593	686	107	-1
Rest of Europe	545	10	277	268	209	-
Other countries	17	6	13	281	93	0
Total revenue from contracts with customers	2,425	2,082	2,412	3,204	1,630	-18

Geographical locations of customers

SEK million	2019/2020					Addtech Group
	Automation	Components	Energy	Industrial Process	Power Solutions	
Sweden	560	620	697	776	463	-4
Denmark	422	366	388	457	119	-3
Finland	347	395	205	331	233	-4
Norway	326	223	595	613	113	-1
Rest of Europe	639	310	397	577	492	-3
Other countries	131	188	130	450	210	-3
Total revenue from contracts with customers	2,425	2,082	2,412	3,204	1,630	-18

Customer segments

SEK million	2019/2020					Addtech Group
	Automation	Components	Energy	Industrial Process	Power Solutions	
Vehicles	97	354	48	160	554	-39
Mechanical industry	485	354	217	481	82	24
Data and telecommunications	242	63	145	0	114	23
Medical technology	364	83	24	96	130	7
Electronics	73	479	121	32	196	-80
Energy	170	271	965	224	212	35
Forestry and process	242	63	96	705	0	48
Building and installation	73	104	579	96	163	41
Transport	218	83	121	1,282	65	-9
Other	461	208	96	128	114	-68
Total revenue from contracts with customers	2,425	2,082	2,412	3,204	1,630	-18

Performance commitments

The Group's sales, of both goods sales and services, are invoiced, normally with payment terms of 30-60 days. The Group's performance commitments are included in agreements with an original expected term of no more than one year. For further information on the Group's performance commitments, see Note 1 on the consolidated accounts, Accounting and valuation principles.

NOTE 5

Segment reporting

The division into business areas reflects Aditech's internal organisation and reporting system. Aditech reports its business areas as operating segments. Aditech is organised into the following five business areas: Automation, Components, Energy, Industrial Process and Power Solutions.

Automation develops and sells intelligent solutions, subsystems and components to, for example, industrial automation and infrastructure, including solutions for robotics, control systems, sensors, industrial networks and communication networks.

Components markets and sells components and sub-systems within mechanics, electromechanics, hydraulics and electronics. Customers mainly operate within the Nordic manufacturing industry.

Energy markets and sells products for the transmission and distribution of electricity, as well as products in the areas of electrical safety, electrical installation and connection technology. Its customers mainly operate in the energy and electrical installation market via specifiers and electricity wholesalers.

Industrial Process markets and sells solutions, sub-systems and components, often under proprietary brands, helping optimise industrial processes and flows. Customers operate mainly in the northern European manufacturing and processing industries.

Power Solutions develops, markets and sells components and systems solutions that safeguard power supply, as well as steering and controlling movements or energy flows. Customers operate mainly within special vehicles, energy, electronics and telecom. The business area has strong proprietary brands and niche production.

Data by operating segment	2020/2021			2019/2020		
	External	Internal	Total	External	Internal	Total
Net sales						
Automation	2,378	6	2,384	2,421	4	2,425
Components	2,013	2	2,015	2,079	3	2,082
Energy	2,584	2	2,586	2,409	3	2,412
Industrial Process	2,780	5	2,785	3,199	5	3,204
Power Solutions	1,601	5	1,606	1,627	3	1,630
Parent Company and Group Items	-	-20	-20	-	-18	-18
TOTAL	11,336	0	11,336	11,735	0	11,735

Operating profit, assets and liabilities	2020/2021			2019/2020		
	Operating profit	Assets ¹⁾	Liabilities ¹⁾	Operating profit	Assets ¹⁾	Liabilities ¹⁾
Automation	188	1,776	519	214	1,742	483
Components	166	1,244	451	1,361	1,361	485
Energy	277	1,663	551	232	1,666	547
Industrial Process	199	3,029	951	414	1,831	736
Power Solutions	177	1,381	366	202	1,216	305
Parent Company and Group Items	-18	718	3,518	-63	650	2,874
Operating profit, assets and liabilities	989	9,806	6,356	1,161	8,506	5,430
Financial income and expenses	37	-	-	-56	-	-
Profit after financial items	1,026			1,105		

¹⁾ Excluding transactions on Group accounts and financial transactions with Group companies.

Investments in non-current assets	2020/2021			2019/2020		
	Intangible assets ¹⁾	Property, plant and equipment ¹⁾	Total	Intangible assets ¹⁾	Property, plant and equipment ¹⁾	Total
Automation	9	19	28	2	6	8
Components	2	5	7	0	13	13
Energy	0	14	14	1	20	21
Industrial Process	4	15	19	10	28	38
Power Solutions	4	17	21	1	18	19
Parent Company and Group Items	1	1	2	6	1	7
TOTAL	20	71	91	20	86	106

¹⁾ Amounts do not include effects of corporate acquisitions.

Depreciation, property, plant and equipment	2020/2021			2019/2020		
	Intangible assets	Property, plant and equipment	Total	Intangible assets	Property, plant and equipment	Total
Automation	-58	-43	-101	-32	-85	-117
Components	-30	-49	-79	-36	-84	-120
Energy	-52	-47	-99	-51	-93	-144
Industrial Process	-89	-64	-153	-32	-54	-86
Power Solutions	-32	-35	-67	-30	-27	-57
Parent Company and Group Items	-1	-12	-13	-1	-12	-13
TOTAL	-262	-250	-512	-203	-215	-418

Significant profit or loss items, other than depreciation or amortisation, not matched by payments in 2020/2021

	Net gains		Change in pension liability		Other items	Total
	Automation	Components	Energy	Industrial Process		
Automation	0	-4	5			1
Components	0	0	0			0
Energy	1	3	0			4
Industrial Process	1	1	15			17
Power Solutions	0	1	36			37
Parent Company and Group Items	0	-4	1			-3
TOTAL	2	-4	41			39

Data by country	2020/2021			2019/2020		
	Net sales external	Assets ¹⁾	Of which, non-current assets	Net sales external	Assets ¹⁾	Of which, non-current assets
Sweden	3,230	3,376	2,561	3,112	2,952	1,485
Denmark	1,791	1,639	636	1,779	1,579	757
Finland	1,821	1,190	631	1,507	1,166	633
Norway	1,533	1,272	707	1,869	1,076	627
Other countries	3,161	1,646	933	3,468	1,409	753
Parent Company, Group Items and unallocated assets	-	383	36	-	325	21
TOTAL	11,336	9,806	5,504	11,735	8,506	4,176

¹⁾ Excluding transactions on Group accounts and financial assets. External net sales are based on the customer's location, and the carrying amounts of assets are based on where the assets are located.

Investments in non-current assets	2020/2021			2019/2020		
	Intangible assets	Property, plant and equipment	Total	Intangible assets	Property, plant and equipment	Total
Sweden	9	31	40	8	23	31
Denmark	2	6	8	1	7	8
Finland	4	5	9	9	24	33
Norway	1	6	7	0	5	5
Other countries	4	23	27	2	27	29
Total	20	71	91	20	86	106

The Group has no single customer from whom income accounts for 10 percent of total revenue, for which reason there is no related reporting.

Not 6

Employees and personnel expenses

Average number of employees	2020/2021		2019/2020		Total
	Men	Women	Men	Women	
Sweden					
Parent Company	6	4	10	7	11
Other companies	757	241	998	712	957
Denmark	242	117	359	295	386
Finland	401	107	508	333	415
Norway	294	113	407	261	355
Other countries	574	212	786	579	789
Total	2,274	784	3,068	2,157	2,913

Salaries and remuneration	2020/2021		2019/2020		Other employees	Other employees
	Senior executives	of which bonuses	Senior executives	of which bonuses		
Sweden						
Parent Company	27	6	2	32	8	5
Other companies	57	8	485	57	12	489
Denmark	40	4	256	40	4	278
Finland	36	4	240	31	4	206
Norway	27	4	230	25	3	237
Other countries	38	1	227	38	2	267
Total	225	27	1,440	223	33	1,451

Senior executives are defined as Group Management and the Managing Directors and Deputy Managing Directors of the Group's subsidiaries.

Salaries, remunerations and social security expenses	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Salaries and other remunerations	1,685	1,674	29	37
Contract-based pensions for senior executives	29	28	5	5
Contract-based pensions for others	132	137	1	2
Other social security expenses	276	275	10	13
Total	2,102	2,114	45	57

At the end of the year, outstanding pension obligations to the Group's senior executives amounted to SEK 8 million (10) for the Group and SEK 0 million (0) for the Parent Company. Different accounting principles are applied regarding pension expenses in the Parent Company and in the Group (see Note 1 Accounting principles).

Proportion of women	Group		Parent Company	
	2021-03-31	2020-03-31	2021-03-31	2020-03-31
Board of Directors (excl. alternates)	8%	7%	25%	25%
Other senior executives	19%	17%	14%	14%

2020/2024 scheme

The allotment for 2020 approved by the 2020 Annual General Meeting included approximately 26 executives and a total of 260,000 call options, corresponding to approximately 0.4 percent of the total number of shares and approximately 0.3 percent of the total number of votes in the Company. The allotment varied between 7,600 and 20,500 options per person. The Chief Executive Officer acquired 20,500 and other members of Group Management 96,500.

Each option entitles the holder to acquire one repurchased Class B share between 4 September 2023 and 5 June 2024. The purchase price for shares when exercising options will correspond to 120 percent of the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 31 August 2020 and 11 September 2020. In the event that, on invoking call options, the market price for Class B shares in the Company exceeds 200 percent of the average price during the period 31 August 2020 to 11 September 2020, the exercise price shall be raised by the amount exceeding 200 percent in SEK. In increments of 10 percent, the premium for the call options will correspond to the market value of the call options in accordance with an external independent valuation applying the Black & Scholes model. The measurement period for calculating the option premium will be based on the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 7 September 2020 and 11 September 2020.

The exercise price for the call options was set at SEK 538.10. The market value of the call options was set at SEK 43.40. The expenses for the scheme consist of the subsidy paid in September 2022, as detailed above, and the social security fees payable on that subsidy. The total cost of the subsidy, including social security fees, is estimated at approximately SEK 11.7 million after corporation tax. The subsidy corresponds to the option premium that the Company receives on the transfer of the call options. The personnel expense accrues over the vesting period.

2019/2023 scheme

The allotment for 2019 approved by the 2019 Annual General Meeting included approximately 26 executives and a total of 300,000 call options, corresponding to approximately 0.4 percent of the total number of shares and approximately 0.3 percent of the total number of votes in the Company. The allotment varied between 12,500 and 25,000 options per person. The Chief Executive Officer acquired 19,000 and other members of Group Management 102,000.

Each option entitles the holder to acquire one repurchased Class B share between 5 September 2022 and 2 June 2023. The purchase price for shares when exercising options will correspond to 120 percent of the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 30 August 2019 and 12 September 2019. In the event that, on invoking call options, the market price for Class B shares in the Company exceeds 200 percent of the average price during the period 30 August 2019 to 12 September 2019, the exercise price shall be raised by the amount exceeding 200 percent in SEK. In increments of 10 percent, the premium for the call options will correspond to the market value of the call options in accordance with an external independent valuation applying the Black & Scholes model. The measurement period for calculating the option premium will be based on the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 6 September 2019 and 12 September 2019.

The exercise price for the call options was set at SEK 321.80. The market value of the call options was set at SEK 21.10. The expenses for the scheme consist of the subsidy paid in September 2021, as detailed above, and the social security fees payable on that subsidy. The total cost of the subsidy, including social security fees, is estimated at approximately SEK 6.9 million after corporation tax. The subsidy corresponds to the option premium that the Company receives on the transfer of the call options. The personnel expense accrues over the vesting period.

Process for evaluating and determining remunerations to the board of directors, the CEO and Group management

The guidelines applied to the remuneration of senior executives in the 2020/2021 financial year correspond to those adopted at the 2020 Annual General Meeting and are equivalent, essentially, to the guidelines proposed for the upcoming year, as set out in the Administration Report. The principle for remuneration to the Board of Directors, Chief Executive Officer (CEO) and Group management is that remuneration should be competitive. The Nomination Committee proposes Board fees to the Annual General Meeting. Fees are paid to the Board of Directors in accordance with a resolution by the Annual General Meeting.

For remuneration to the CEO, members of Group Management and other senior executives in the Group, the Board of Directors has appointed a Remuneration Committee consisting of the Chairman of the Board and the Deputy Chairman of the Board, with a Board member and the CEO attending in a reporting capacity. The CEO, members of Group Management and other senior executives are paid a fixed salary, variable remuneration and conventional employment benefits. Pension benefits and incentive programmes also apply as detailed below. The Remuneration Committee follows the guidelines on remunerations for senior executives approved by the Annual General Meeting of Aditech AB.

Call options for senior executives

Background and motivation for long-term incentive programs
The purpose of long-term incentive schemes is to enable Group executives, through an investment of their own, to participate in and work for a favorable trend in the value of the Company's shares.
The schemes are also expected to generate improved conditions for recruiting and retaining skilled personnel for the Aditech Group, to provide competitive compensation and to unite the interests of the shareholders with those of the executives. The schemes are intended to contribute to executives increasing their shareholding in Aditech over the long term.
The executives encompassed by the schemes are those who, in an otherwise heavily decentralised organisation, are able to impact profit positively by means of partnerships between Group subsidiaries. The share-related incentive schemes approved by the Annual General Meeting do not entail a net charge against Company equity.

Similar call option schemes for senior executives and a select number of management members in the Aditech Group were adopted by the 2009-2020 Annual General Meetings. With the exception of the CEO, Board members have not been entitled to acquire call options. The schemes involve call options for shares repurchased by Aditech, with each call option entitling the holder to acquire one repurchased Class B share. As financial instruments, the call options are freely transferable. To encourage participation in the scheme, a subsidy is paid corresponding to the premium paid for each call option. This subsidy will be paid out two years after the Annual General Meeting providing that the option holder's employment with the Group has not been terminated and that the call options have not been sold before this time. The expenses for the scheme consist of the subsidy plus social security expenses. The subsidy corresponds to the option premium that the Company receives on the transfer of the call options and, accordingly, the scheme entails no net charge on the Company's equity.

In the event that the option holder does not wish to exercise all of the call options acquired, the Company is entitled to repurchase call options from the holder. Options are to be acquired at a price corresponding at most to their market value at any given time. Call options may not, however, be repurchased during any period in which trade in the Company's shares is forbidden.
At the end of the financial year, Aditech had four call option programs outstanding, involving a total 3,550,000 Class B shares.

NOT 6 CONT.

2018/2022 scheme

The allotment for 2018 approved by the 2018 Annual General Meeting included approximately 24 executives and a total of 300,000 call options, corresponding to approximately 0.4 percent of the total number of shares and approximately 0.3 percent of the total number of votes in the Company. The allotment varied between 12,600 and 27,600 options per person. The Chief Executive Officer acquired 27,500 and other members of Group Management 87,600.

Each option entitles the holder to acquire one repurchased Class B share between 6 September 2021 and 3 June 2022. The purchase price for shares when exercising options will correspond to 120 percent of the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 31 August 2018 and 13 September 2018. In the event that, on invoking call options, the market price for Class B shares in the Company exceeds 200 percent of the average price during the period 31 August 2018 to 13 September 2018, the exercise price shall be raised by the amount exceeding 200 percent in SEK 1 increments. The premium for the call options will correspond to the market value of the call options in accordance with an external independent valuation applying the Black & Scholes model. The measurement period for calculating the option premium will be based on the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 7 September 2018 and 13 September 2018.

The exercise price for the call options was set at SEK 232.50. The market value of the call options was set at SEK 13.30. The expenses for the scheme consist of the subsidy paid in September 2020, as detailed above, and the social security fees payable on that subsidy. The total cost of the subsidy, including social security fees, is estimated at approximately SEK 4.3 million after corporation tax. The subsidy corresponds to the option premium that the Company receives on the transfer of the call options. The personnel expense accrues over the vesting period.

2017/2021 scheme

The allotment for 2017 approved by the 2017 Annual General Meeting included approximately 24 executives and a total of 300,000 call options, corresponding to approximately 0.4 percent of the total number of shares and approximately 0.3 percent of the total number of votes in the Company. The allotment varied between 7000 and 26,500 options per person. The Chief Executive Officer acquired 26,500 and other members of Group Management 115,000.

Each option entitles the holder to acquire one repurchased Class B share between 14 September 2020 and 4 June 2021. The purchase price for shares when exercising options will correspond to 120 percent of the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 1 September 2017 and 14 September 2017. In the event that, on invoking call options, the market price for Class B shares in the Company exceeds 200 percent of the average price during the period 1 September 2017 to 14 September 2017, the exercise price shall be raised by the amount exceeding 200 percent in SEK 1 increments. The premium for the call options will correspond to the market value of the call options in accordance with an external independent valuation applying the Black & Scholes model. The measurement period for calculating the option premium will be based on the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 8 September 2017 and 14 September 2017.

The exercise price for the call options was set at SEK 178.60. The market value of the call options was set at SEK 10.80. The expenses for the scheme consist of the subsidy paid in September 2018, as detailed above, and the social security fees payable on that subsidy. The total cost of the

subsidy, including social security fees, is estimated at approximately SEK 3.5 million after corporation tax. The subsidy corresponds to the option premium that the Company receives on the transfer of the call options. The personnel expense accrues over the vesting period.

Between 14 September 2020 and 31 March 2021, 188,400 options were repurchased under current market conditions, based on an independent external valuation applying the Black & Scholes model. During the corresponding period, 63,100 options were also redeemed, corresponding to 252,400 shares.

Board of directors

In accordance with the resolution of the Annual General Meeting, the total Board fees of SEK 2,650 thousand (2,900) approved by the Annual General Meeting are distributed between the Board members not employed by the Parent Company.

Managing director of the parent company

During the period 1 April 2020 to 31 March 2021, the Managing Director of the Parent Company, Niklas Stenberg, received fixed salary of SEK 5,648 thousand (5,252) and variable salary of SEK 1,534 thousand (1,863). Variable remuneration included SEK 614 thousand (345) regarding the subsidy expense for the year for participation in the Group's incentive programs. He also received taxable benefits amounting to SEK 43 thousand (6). Pension premiums of SEK 1,632 thousand (1,548) were paid.

From the age of 65, the Managing Director is covered by a defined contribution pension plan, the rate of which depends on the outcome of pension insurance agreements. The size of the pension premiums is determined annually by the Remuneration Committee. Variable salary paid based on the Group's earnings may not exceed 30 percent of fixed salary and is not pensionable. An additional premium may be payable corresponding to 20 percent of paid variable remuneration used to acquire shares in Aditech AB. On termination by the Company, the period of notice is of twelve months and, on resignation by the Managing Director, the period of notice is six months. Beyond salary paid during the period of notice, on termination by the Company, the Managing Director is entitled to severance pay equivalent to one year's salary. In the event that the Managing Director resigns, he does not receive any severance pay.

Other members of group management

For other members of Group Management, fixed salary of SEK 11,838 thousand (12,023) was paid and variable salary of SEK 4,101 thousand (4,777). Variable remuneration included SEK 2,658 thousand (1,439) regarding the subsidy expense for the year for participation in the Group's incentive programs. The variable remuneration was expensed in the 2020/2021 financial year and disbursed in 2021/2022. He also received taxable benefits amounting to SEK 392 thousand (318). From the age of 65, members of Group Management are covered by pension entitlements in accordance with individual agreements. Certain pension solutions are defined pension plans, with the size of the pension depending on the outcome of pension insurance agreements, while others are defined benefit plans.

In terms of the expense, both the defined benefit pension plans and the defined premium plans are basically equivalent to the ITP plan. During 2020/2021, a total of SEK 3,307 thousand (2,864) in pension premiums was paid for the group "Other members of Group Management". Variable salary paid based on the Group's earnings may not exceed 30 percent of fixed salary. An additional premium may be payable corresponding to 20 percent of paid variable remuneration used to acquire shares in Aditech AB.

On termination by the Company, the maximum period of notice is of twelve months and, on resignation by the employee, the period of notice is six months. Severance pay is payable equivalent to no more than one year's salary. In the event that the employee resigns, he/she does not receive any severance pay.

Remuneration and other benefits 2020/2021	Basic salary/ Board fees	Variable remuneration ¹⁾	Other benefits	Pension expenses	Total
Chairman of the Board	0.7	-	-	-	0.7
Other Board members	1.9	-	-	-	1.9
Managing Director	5.5	1.5	0	1.6	8.6
Other senior executives ²⁾	11.8	4.5	0.4	3.3	20.0
Total	19.9	6.0	0.4	4.9	31.2

¹⁾ Including remuneration to group management participating in incentive programmes.

²⁾ During the year, other members of Group Management consisted of six people, including one woman and five men.

Remuneration and other benefits 2019/2020	Basic salary/ Board fees	Variable remuneration ¹⁾	Other benefits	Pension expenses	Total
Chairman of the Board	0.7	-	-	-	0.7
Other Board members	2.3	-	-	-	2.3
Managing Director	5.3	1.9	0	1.5	8.7
Other senior executives ²⁾	12.0	4.8	0.3	3	20.1
Total	20.3	6.7	0.3	4.5	31.8

¹⁾ Including remuneration to group management participating in incentive programmes.

²⁾ During the year, other members of Group Management consisted of six people, including one woman and five men.

Board fees, SEK thousands	Position	2020/2021	2019/2020	Fee
Johan Sjå	Chairman of the Board, Chairman of the Remuneration Committee	740	740	370
Main Nordesjö	Member of the Board, member of the Remuneration Committee	370	370	370
Eva Elmstedt	Member of the Board	370	370	370
Kenih Eriksson	Member of the Board	370	370	370
Henrik Hedellus	Member of the Board	370	370	370
Ulf Mattsson	Member of the Board	370	370	370
Niklas Stenberg	Member of the Board	-	-	-
Anders Ebrsson	Member of the Board	-	-	740
Total		2,590		2,960

¹⁾ During the 2020/2021 financial year, a fee of SEK 90 thousand, beyond the above, was paid to each member of the Remuneration Committee.

Note 7

Remuneration to Auditors

KPMG	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Audit assignment	10	8	2	1
Tax consultation	0	0	0	0
Other assignments	1	2	0	0
Total remuneration to KPMG	11	10	2	1
Other auditors				
Audit assignment	3	2	-	-
Tax consultation	0	0	-	-
Other assignments	1	1	-	-
Total remuneration to other auditors	4	3	-	-
TOTAL REMUNERATION TO AUDITORS	15	13	2	1

Note 8

Depreciation/amortisation

Depreciation/amortisation by function	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Cost of sales	-66	-73	-	-
Selling expenses	-361	-290	-	-
Administrative expenses	-62	-53	0	-1
Other operating expenses	-3	-2	-	-
Total	-512	-418	0	-1

Depreciation/amortisation by asset class	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Intangible assets	-262	-203	0	-
Buildings and land	-9	-7	-	-
Leasehold improvements	-3	-3	0	0
Machinery	-18	-17	-	-
Equipment	-34	-31	0	-1
Right-of-use assets	-166	-167	-	-
Total	-512	-418	0	-1

Note 9

Other operating income and expenses

Group	2020/2021		2019/2020	
Other operating income				
Rental revenue	7	6		
Gain on sale of operations and non-current assets	4	3		
Change in value of derivatives, net	-	1		
Exchange rate changes, net	-	21		
Revaluations of contingent purchase considerations	25	61		
Subsidies received*	15	2		
Other	25	17		
TOTAL	76	111		

Other operating expenses	2020/2021		2019/2020	
Property expenses	0	0		
Loss on sale of operations and non-current assets	-4	0		
Change in value of derivatives, net	-2	-		
Exchange losses, net	-22	-		
Revaluations of contingent purchase considerations	-34	-9		
Other	-22	-17		
Total	-84	-26		

* Including government subsidies for short-term lay-offs

Note 10

Operating expenses

Group	2020/2021		2019/2020	
Inventories, raw materials and consumables	7,060	7,287		
Personnel expenses	2,154	2,182		
Depreciation/amortisation	512	418		
Impairment of inventories	17	15		
Impairment of doubtful accounts receivable	6	7		
Other operating expenses	678	781		
Total	10,427	10,690		

Note 11

Financial income and expenses

Group	2020/2021		2019/2020	
Interest income on bank balances	4	4		
Dividends	0	0		
Exchange rate changes, net	6	0		
Other financial income	3	2		
Financial income	13	6		

Group	2020/2021		2019/2020	
Interest expense on financial liabilities measured at amortised cost	-29	-28		
Interest expense on financial liabilities measured at fair value	-15	-3		
Interest expense on pension liability	-4	-6		
Changes in value from revaluation of financial assets/liabilities, net	-1	-6		
Other financial expenses	-16	-19		
Financial expenses	-65	-62		
Net financial items	-52	-56		

Parent Company	2020/2021		2019/2020	
Dividends received	400	-		
Profit from participations in Group companies	400	-		

Group companies	2020/2021		2019/2020	
Profit from non-current financial assets	28	20		
Interest income, etc.:				
Group companies	2	5		
Other interest income, change in value of derivatives and exchange rate differences	0	2		
Interest income and similar items	2	7		
Interest expenses, etc.:				
Group companies	0	2		
Other interest expense, change in value of derivatives, exchange rate differences and banking fees	-37	-29		
Interest expenses and similar items	-37	-31		
Financial income and expenses	393	-4		

Note 12

Appropriations – Parent Company

	2020/2021		2019/2020	
Group contributions received	448	-		
Group contributions paid	-108	-6		
Reversal of tax allocation reserve	-	316		
Provision made to tax allocation reserve	-60	-		
Excess amortisation/depreciation	0	0		
Total	260	310		

Had the Parent Company reported deferred tax on year-end appropriations as per the policies applied in the consolidated financial statements, the deferred tax expense would have totalled SEK 56 million (65).

Note 13

Taxes

	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Current tax for the period	-2963.2	-3467	-52.4	-60.4
Adjustment from previous years	-0.9	1.4	-0.7	0.0
Total current tax expense	-2964.1	-3465.3	-53.1	-60.4
Deferred tax	56.0	113.7	1.5	0.0
Total recognised tax expense	-2068.1	-2351.6	-51.6	-60.4
Group	2020/2021	%	2019/2020	%
Profit before tax	9563.9		1104.6	
Weighted average tax based on national tax rates	-201.3	2.15	-240.3	21.8
Tax effect of:				
Non-deductible expenses	-5.2	0.5	-6.1	0.6
Non-taxable income	1.1	-0.1	1.9	-0.2
Changed tax rate	3.3	-0.3	5.3	-0.5
Transaction expenses, revaluations of contingent considerations for acquisitions	-6.6	0.7	7.1	-0.6
Other	0.6	-0.1	0.5	-0.1
Recognised tax expense	-2068.1	22.2	-231.6	21.0
Parent Company	2020/2021	%	2019/2020	%
Profit before tax	6384.5		269.2	
Tax based on current tax rate for Parent Company	-136.6	2.14	-57.6	21.4
Tax effect of:				
Standard interest on tax allocation reserves	-0.1	0.0	-0.5	0.2
Non-deductible expenses	-1.3	0.2	-0.7	0.3
Non-taxable dividends	85.6	-13.4	-	-
Other	0.8	-0.1	-1.6	0.7
Recognised tax expense	-51.6	8.1	-60.4	22.6

NOTE 14 CONT.

Parent Company	31 March 2021		2020-03-31	
	Software	Total	Software	Total
Accumulated cost				
At beginning of year	3.7	3.7	2.8	2.8
Investments	0.5	0.5	0.9	0.9
At end of year	4.2	4.2	3.7	3.7
Accumulated amortisation				
At beginning of year	-3.0	-3.0	-2.8	-2.8
Depreciation/amortisation	-0.4	-0.4	-0.2	-0.2
At end of year	-3.4	-3.4	-3.0	-3.0
Carrying amount at end of year	0.8	0.8	0.7	0.7
Carrying amount at beginning of year	0.7	0.7	0.0	0.0

Goodwill by business area	31 March 2021		2020-03-31	
	2021	2020-03-31	2021	2020-03-31
Automation	576	531		
Components	330	337		
Energy	523	478		
Industrial Process	923	335		
Payse Solutions	375	316		
Total	2,727	1,997		

Testing of goodwill

The Group's recognised goodwill amounts to SEK 2,727 million (1,997), allocated as above to the units where impairment testing is performed. Goodwill is not monitored internally at a level lower than the business areas, and impairment testing is therefore performed at that level. The business areas coincide with the Group's operating segments. Impairment testing took place most recently in March 2021. The recoverable amount was based on value in use, calculated from a current estimate of cash flows over the year ahead. Forecast earnings and investments in working capital and non-current assets for the next financial year, 2021/2022, are based on previous outcomes and experiences. The forecast is produced on the basis of a relatively detailed budgeting process for the various parts of the Group. The major components of the cash flow are sales, the various operating costs and investments in working capital and non-current assets. The sales forecast is based on judgements taking into account factors such as order bookings, the general economy and the market

Note 15

Property, plant and equipment

situation. The forecast for operating costs is based on current pay agreements and previous years' levels of gross margins and overheads, adapted to expectations for the year ahead taking into account factors as referred to for the sales forecast. Anticipated investments in working capital and non-current assets are linked to the growth in sales. Since the operations are deemed to be in a phase from the first forecast year, the long-term perspective, the cash flow from the first forecast year is extrapolated by a long-term growth rate of 2 percent (2) per year for all business areas. Cash flows were discounted applying a weighted cost of capital corresponding to roughly 11 percent (11) before tax. The key assumptions that have the greatest effect on the recoverable amount are gross margin, discount rate and long-term growth rate, where gross margin is most important. Neither a 1-percent increase in the discount rate, a 1-percent point decrease in long-term growth, nor a 1-percent decrease in the margin shows a need for impairment. These calculations show that value in use significantly exceeds the carrying amount. Consequently, impairment testing indicated no impairment. The margin for impairment is considerable for all business areas and it is not judged that any possible changes in important assumptions that may reasonably be expected to lead to impairment.

Other impairment testing

Each year, trademarks are tested for impairment, applying the same policies as for goodwill. No events or changed circumstances have been identified motivating impairment testing of other intangible assets currently being amortised.

Group	31 March 2021					Total
	Buildings and land improvements	Leasehold improvements	Machinery	Equipment	Construction in progress	
Accumulated cost						
At beginning of year	197	43	366	451	13	1,069
Corporate acquisitions	19	1	5	22	1	47
Investments	3	10	11	39	8	71
Divestments and scrapings	-13	-	-9	-25	-	-47
Reclassifications	13	-1	2	1	-15	0
Translation effect for the year	-10	-2	-15	-1	-1	-44
At end of year	209	51	359	472	5	1,096
Accumulated amortisation and impairment						
At beginning of year	-95	-31	-270	-362	-1	-759
Corporate acquisitions	-1	-	-3	-11	-	-15
Depreciation/amortisation	-9	-3	-18	-34	-	-64
Divestments and scrapings	10	-	6	22	-	38
Reclassifications	-2	2	0	0	0	0
Translation effect for the year	4	2	11	12	1	30
At end of year	-93	-30	-274	-373	0	-770
Carrying amount at end of year	116	21	65	99	5	326
Carrying amount at beginning of year	102	12	95	89	12	310

Group	31 March 2020					Total
	Buildings and land improvements	Leasehold improvements	Machinery	Equipment	Construction in progress	
Accumulated cost						
At beginning of year	181	37	332	378	7	935
Corporate acquisitions	-	2	3	34	-	39
Investments	6	2	21	41	15	85
Divestments and scrapings	0	0	-3	-7	-	-10
Reclassifications	4	1	4	-1	-10	-2
Translation effect for the year	6	1	8	6	1	22
At end of year	197	43	365	451	13	1,069
Accumulated amortisation and impairment						
At beginning of year	-85	-26	-247	-306	-1	-665
Corporate acquisitions	-	-1	-2	-26	-	-29
Depreciation/amortisation	-7	-3	-17	-31	-	-58
Divestments and scrapings	0	0	2	4	-	6
Reclassifications	0	0	0	0	0	0
Translation effect for the year	-3	-1	-6	-3	0	-13
At end of year	-95	-31	-270	-362	-1	-759
Carrying amount at end of year	102	12	85	89	12	310
Carrying amount at beginning of year	96	11	85	72	6	270

NOTE 15 CONT.

Group	31 March 2020			Total
	Buildings	Vehicles	Other	
Accumulated cost				
At beginning of year (in accordance with IAS 17)	-	-	-	-
Amended accounting principles	477	57	24	558
Corporate acquisitions	40	0	1	41
Additional right-of-use assets	144	33	8	185
Ended contracts	-8	-2	-1	-11
Translation effect for the year	4	1	0	5
At end of year	657	89	32	778
Accumulated amortisation and impairment				
At beginning of year (in accordance with IAS 17)	-	-	-	-
Corporate acquisitions	-6	0	0	-6
Depreciation/amortisation	-114	-30	-7	-151
Ended contracts	2	2	1	5
Translation effect for the year	0	0	0	0
At end of year	-118	-28	-6	-152
Carrying amount at end of year	539	61	26	626
Carrying amount at beginning of year				

Note 16

Leases

At the end of 2020/2021, the lease liability amounted to SEK 676 million (627), of which SEK 186 million (169) was a current liability and SEK 490 million (458) was a non-current liability. The average remaining lease term at the end of March 2021 was 25 months, with extension options accounting for one month of that. The Group's right-of-use assets are primarily leased premises, vehicles and other leases (for example, production equipment, office equipment and other assets not considered in Note 8 significant). Depreciation of right-of-use assets is specified in Note 8. Depreciation, interest expenses on the lease liability for the 2020/2021

financial year amounted to SEK 9 million (8) and, in cash flow for the year, the amortisation component of the lease fees amounted to SEK 192 million (192) in addition to the interest expense. The cash flow effect from leases of lesser value amounted to an outflow of SEK -2 million, the cash flow effect from current leases to an outflow of SEK -10 million and cash flow from leases with variable fees to an outflow of SEK -1 million. Rent concessions paid as a result of COVID-19 during 2020/2021 are not considered significant.

Group	31 March 2021			Total
	Buildings	Vehicles	Other	
Accumulated cost				
At beginning of year	657	89	32	778
Corporate acquisitions	45	6	2	53
Additional right-of-use assets	192	38	4	234
Ended contracts	-53	-26	-3	-82
Translation effect for the year	-17	-3	0	-20
At end of year	824	104	35	963
Accumulated amortisation and impairment				
At beginning of year	-118	-28	-6	-152
Corporate acquisitions	-1	0	-1	-2
Depreciation/amortisation	-143	-34	-9	-186
Ended contracts	34	20	2	56
Translation effect for the year	2	1	0	3
At end of year	-228	-41	-14	-281
Carrying amount at end of year	596	63	21	680
Carrying amount at beginning of year	539	61	26	626

Note 17

Financial assets and liabilities

	Parent Company	
	31 March 2021	31 March 2020
Receivables from Group companies		
At beginning of year	1,804	1,564
Increase during the year	1,476	40
Decrease during the year	-42	-220
Carrying amount at end of year	3,238	1,804

Specification of participations in Group companies	Parent Company	
	Number of shares	Carrying amount
Country	100	1,004
Address: Nordic AB, 5569236-3076, Stockholm	100	1,004
Total	1,004	1,004

A complete statutory specification is included as an annex to the annual accounts submitted to the Swedish Companies Registration Office. The specification can be obtained from Aditech AB.

Participations in Group companies	Parent Company	
	31 March 2021	31 March 2020
Accumulated cost		
At beginning of year	1,119	1,119
At end of year	1,119	1,119
Accumulated impairment		
At beginning of year	-115	-115
At end of year	-115	-115
Carrying amount at end of year	1,004	1,004
Carrying amount at beginning of year	1,004	1,004

Carrying amounts and financial instruments are recognised in the balance sheet according to the following tables.

Group	Equity instruments recognised at fair value through other comprehensive income		Total carrying amount
	Measured at fair value through profit or loss	Measured at amortised cost	
Other financial assets	-	-	3
Non-current receivables	-	13	13
Accounts receivable	-	1,860	1,860
Other receivables	2	125	129
Cash and cash equivalents	-	420	420
Non-current interest-bearing liabilities	141	1,915	2,056
Current interest-bearing liabilities	126	1,036	1,162
Accounts payable	-	972	972
Other liabilities	4	-	7

Group	31 March 2020			Total carrying amount
	Measured at fair value through profit or loss	Equity instruments recognised at fair value through other comprehensive income	Measured at amortised cost	
Other financial assets	-	4	-	4
Non-current receivables	-	-	19	19
Accounts receivable	-	-	2,003	2,003
Other receivables	11	-	117	128
Cash and cash equivalents	-	-	363	363
Non-current interest-bearing liabilities	46	-	2,108	2,154
Current interest-bearing liabilities	105	-	357	462
Accounts payable	-	-	1,028	1,028
Other liabilities	5	-	-	5

Current and non-current loans are carried at amortised cost. The difference between the carrying amount and fair value is marginal for these items. The same applies to other financial instruments for major amounts since maturity is short. Interest-bearing liabilities measured at fair value in the income statement refer to contingent purchase considerations for acquisitions or operations.

Financial instruments measured at fair value	31 March 2021			31 March 2020		
	Level 2	Level 3	Carrying amount	Level 2	Level 3	Carrying amount
Derivatives – fair value, hedging instruments	2	2	6	6	-	-
Derivatives – fair value through profit or loss	2	2	5	5	-	-
Total financial assets at fair value per level	4	4	11	11	11	-
Derivatives – fair value, hedging instruments	3	3	1	1	-	-
Derivatives – fair value through profit or loss	4	4	4	4	-	-
Contingent purchase considerations – fair value through profit or loss	267	-	267	151	-	151
Total financial liabilities at fair value per level	274	7	287	156	5	151

Fair value and carrying amount are recognised in the balance sheet in accordance with the above table.

Level 1 refers to when fair value is determined based on quoted prices in an active market. At the end of the reporting period, the Group had no items in this category.

Level 2 refers to when fair value is determined based on either directly or indirectly observable market data not included in level 1.

Level 3 is not observable in the market. A cash flow-based valuation is carried out for the Group's contingent purchase considerations.

For the Group's other financial assets and liabilities, fair value is estimated to be equal to the carrying amount.

Contingent purchase considerations	2020/2021		2019/2020		Impact of financial instruments on net earnings	
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Opening balance, carrying amount	151	168	-	-	-	-
Acquisitions during the year	170	63	-	-	-18	-5
Reversed through the income statement	9	-52	-	-	-	0
Purchase considerations paid	-64	-65	-	-	-	0
Interest expenses	9	3	-	-	-35	-35
Exchange rate differences	-8	4	-	-	-53	-40
Closing balance, carrying amount	267	151				

Note 18

Inventories

Group	31 March 2021	31 March 2020
Raw materials and consumables	204	173
Work in progress	129	101
Finished goods	1,328	1,368
Total	1,661	1,642

The consolidated cost of sales includes impairment losses of SEK 17 million (15) on inventories. No significant reversals of prior impairment were made in 2020/2021 or 2018/2020.

Note 19

Prepaid expenses and accrued income

	Group		Parent Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Rent	13	18	1	2
Insurance premi-uns	11	9	4	3
Pension costs	4	3	1	1
Lease fees	4	4	0	0
Other prepaid expenses	50	45	9	5
Other accrued income	55	48	0	0
Total	137	128	15	11

Note 20

Equity

Group	2020/2021	2019/2020
Other contributed capital	179	123
Refers to equity contributed by shareholders.	-138	56
Reserves¹⁾	41	179
Translation reserve		
Opening balance, translation reserve	179	123
Translation effect for the year	-138	56
Closing balance, translation reserve	41	179
Hedging reserve²⁾		
Opening balance, hedging reserve	1	0
Revaluations recognised in Other comprehensive income	-5	9
Recognised in profit or loss on disposal (other operating income/expenses)	1	-7
Tax attributable to revaluations for the year	1	-2
Closing balance, hedging reserve	-2	1
Total reserves	39	180

¹⁾ Refers to reserves attributable to shareholders in the Parent Company.
²⁾ Refers to cash flow hedges, consisting of currency clauses in customer contracts.

Note 21

Proposed allocation of earnings 2020/2021

The following amounts are at the disposal of the Annual General Meeting of Aditech AB:

	SEK 193 million	SEK 586 million	SEK 779 million
Retained earnings	193	586	779
Profit for the year	-	-	-
TOTAL	193	586	779
The Board of Directors and the CEO propose that the funds available for distribution be allocated as follows:			
A dividend paid to shareholders of SEK 1.20 per share ¹⁾	120	120	120
To be carried forward	73	466	659
TOTAL	193	586	779

¹⁾ Calculated based on the number of shares outstanding at 31 May 2021. The total dividend payout may change if the number of repurchased treasury shares changes prior to the proposed dividend record date of 30 August 2021.

PARENT COMPANY

Restricted reserves

Restricted reserves are funds that cannot be paid out as dividends.

Statutory reserve

The purpose of the statutory reserve is to save a portion of net profit that will not be used to cover a loss carried forward.

Retained earnings

Retained earnings comprises the previous year's unrestricted equity, less any dividend paid. Together with profit for the year and any fair value reserve, retained earnings constitute the sum of unrestricted equity, that is, the amount available to be paid as dividends to shareholders.

Number of shares

The Annual General Meeting in August 2020 resolved to implement a 4:1 share split. The number of shares at 31 March 2021 consisted of 12,885,744 Class A shares, entitling the holders to 10 votes per share, and 255,982,240 Class B shares, entitling the holders to one vote per share. The quotient value of the share is SEK 0.19. The Company has repurchased 3,516,272 Class B shares within the framework of the Company's ongoing repurchasing programme. After subtracting repurchased shares, the number of Class B shares is 256,388,968.

	31 March 2021		
Number of shares outstanding	Class A shares	Class B shares	All share classes
At beginning of year	12,918,000	255,676,312	268,594,312
Redemption of call options	-	680,400	680,400
Repurchases of treasury shares	-	-	-
Conversion of Class A shares to Class B shares	-32,256	32,256	-
At end of year	12,885,744	256,386,968	269,272,712

	31 March 2020		
Number of shares outstanding	Class A shares	Class B shares	All share classes
At beginning of year	12,918,000	255,310,436	268,228,436
Redemption of call options	-	966,876	966,876
Repurchases of treasury shares	-	-600,000	-600,000
Conversion of Class A shares to Class B shares	-	-	-
At end of year	12,918,000	255,676,312	268,594,312

Note 21

Untaxed reserves

Parent Company	31 March 2021	31 March 2020
Tax allocation reserve, 2017/2018	47	47
Tax allocation reserve, 2018/2019	84	84
Tax allocation reserve, 2019/2020	-	-
Tax allocation reserve, 2020/2021	80	-
Accumulated excess depreciation/amortisation	0	0
At end of year	211	131

SEK 45 million of the Parent Company's total untaxed reserves of SEK 211 million represent deferred tax included in the deferred tax line item in the consolidated balance sheet.

Note 20

Equity

Group	2020/2021	2019/2020
Other contributed capital	179	123
Refers to equity contributed by shareholders.	-138	56
Reserves¹⁾	41	179
Translation reserve		
Opening balance, translation reserve	179	123
Translation effect for the year	-138	56
Closing balance, translation reserve	41	179
Hedging reserve²⁾		
Opening balance, hedging reserve	1	0
Revaluations recognised in Other comprehensive income	-5	9
Recognised in profit or loss on disposal (other operating income/expenses)	1	-7
Tax attributable to revaluations for the year	1	-2
Closing balance, hedging reserve	-2	1
Total reserves	39	180

¹⁾ Refers to reserves attributable to shareholders in the Parent Company.
²⁾ Refers to cash flow hedges, consisting of currency clauses in customer contracts.

Note 21

Proposed allocation of earnings 2020/2021

The following amounts are at the disposal of the Annual General Meeting of Aditech AB:

	SEK 193 million	SEK 586 million	SEK 779 million
Retained earnings	193	586	779
Profit for the year	-	-	-
TOTAL	193	586	779
The Board of Directors and the CEO propose that the funds available for distribution be allocated as follows:			
A dividend paid to shareholders of SEK 1.20 per share ¹⁾	120	120	120
To be carried forward	73	466	659
TOTAL	193	586	779

¹⁾ Calculated based on the number of shares outstanding at 31 May 2021. The total dividend payout may change if the number of repurchased treasury shares changes prior to the proposed dividend record date of 30 August 2021.

PARENT COMPANY

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The purpose of the statutory reserve is to save a portion of net profit that will not be used to cover a loss carried forward.

Retained earnings

Retained earnings comprises the previous year's unrestricted equity, less any dividend paid. Together with profit for the year and any fair value reserve, retained earnings constitute the sum of unrestricted equity, that is, the amount available to be paid as dividends to shareholders.

Number of shares

The Annual General Meeting in August 2020 resolved to implement a 4:1 share split. The number of shares at 31 March 2021 consisted of 12,885,744 Class A shares, entitling the holders to 10 votes per share, and 255,982,240 Class B shares, entitling the holders to one vote per share. The quotient value of the share is SEK 0.19. The Company has repurchased 3,516,272 Class B shares within the framework of the Company's ongoing repurchasing programme. After subtracting repurchased shares, the number of Class B shares is 256,388,968.

	31 March 2021		
Number of shares outstanding	Class A shares	Class B shares	All share classes
At beginning of year	12,918,000	255,676,312	268,594,312
Redemption of call options	-	680,400	680,400
Repurchases of treasury shares	-	-	-
Conversion of Class A shares to Class B shares	-32,256	32,256	-
At end of year	12,885,744	256,386,968	269,272,712

	31 March 2020		
Number of shares outstanding	Class A shares	Class B shares	All share classes
At beginning of year	12,918,000	255,310,436	268,228,436
Redemption of call options	-	966,876	966,876
Repurchases of treasury shares	-	-600,000	-600,000
Conversion of Class A shares to Class B shares	-	-	-
At end of year	12,918,000	255,676,312	268,594,312

Note 22

Provisions for pensions and similar obligations

Aadtech has defined-contribution and defined-benefit pension plans in Sweden, Switzerland, the UK and Italy. The plans cover a large number of employees. Subsidiaries in other countries have mainly defined-contribution pension plans. The Parent Company's data on pensions are reported in accordance with the Swedish Act on Safeguarding Pension Obligations.

Defined-contribution plans

These plans are mainly retirement pension plans, disability pensions and family pensions. Premiums are paid on an ongoing basis during the year by each Group company and the size of the premium is based on the salary. The pension cost for the period is included in profit or loss.

Obligations for retirement pensions and family pensions for salaried employees in Sweden are secured by insurance in Alecia. According to statement UFR.3 of the Swedish Financial Reporting Board, this is a defined-benefit plan covering multiple employers. For the 2020/2021 financial year, the Company did not have access to information enabling

Obligations for employee benefits, defined-benefit, pension plans

it to report this plan as a defined-benefit plan. Thus the pension plan according to ITP2 and secured by insurance in Alecia is recognised as a defined-contribution plan. The year's fees for pension insurance with Alecia totalled SEK 30 million (31). Fees for the next financial year are considered to be in line with those for the year reported. The collective consultation level for Alecia was 160 percent (133) in March 2021. The pension plan according to ITP1 is recognised as a defined-contribution plan.

Defined-benefit plans

These pension plans primarily comprise retirement pensions. Each employer generally has an obligation to pay a lifelong pension and vesting is based on the number of years of employment. The employee must subscribe to the plan for a certain number of years to be fully entitled to retirement benefits. Each year increases the employee's entitlement to retirement benefits, which is recognised as pension earned during the period and as an increase in pension obligations. Both funded and unfunded pension plans apply in Sweden, Switzerland, the UK and Italy. The funded pension obligations are secured by plan assets that are managed by insurance companies. The Group estimates that SEK 6 million (4) will be paid in 2021/2022 to the funded defined-benefit plans. The total number of commitments of 993 (863) included in the obligation consists of 160 active (132), 473 paid-up policy holders (488) and 353 pensioners (343).

	Group		Parent Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Pension liability as per balance sheet				
Pension liability PPI	284	270	14	15
Other pension obligations	52	62	-	-
Total cost of defined-benefit plans	336	332	14	15

	Group		Parent Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Obligations for defined-benefit plans and the value of plan assets				
Funded obligations:				
Present value of funded defined-benefit obligations	308	265	-	-
Fair value of plan assets	-263	-163	-	-
Net debt, funded obligations	45	62	-	-
Present value of unfunded defined-benefit obligations	291	270	14	15
Net amount in the balance sheet (obligation +, asset -)	336	332	14	15

Pension obligations and plan assets per country:

Sweden				
Pension obligations	318	303	14	15
Plan assets	-25	-25	-	-
Net amount in Sweden	293	278	14	15
Switzerland				
Pension obligations	250	200	-	-
Plan assets	-218	-149	-	-
Net amount in Switzerland	32	51	-	-
UK				
Pension obligations	23	22	-	-
Plan assets	-20	-19	-	-
Net amount in the UK	3	3	-	-
Italy				
Pension obligations	6	-	-	-
Plan assets	-	-	-	-
Net amount in Italy	6	-	-	-
Net amount in the balance sheet (obligation +, asset -)	336	332	14	15

	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Reconciliation of net amount for pensions in the balance sheet				
Opening balance	332	260	15	15
Cost of defined-benefit plans	8	13	1	1
Disbursements of benefits	-7	-7	-2	-1
Funds contributed by employer	-5	-4	-	-
Revaluations	-18	12	-	-
Corporate acquisitions	32	54	-	-
Translation effect	-6	4	-	-
Gains and losses from settlements	0	0	-	-
Net amount in the balance sheet (obligation +, asset -)	336	332	14	15

Changes in the obligation for defined-benefit plans recognised in the balance sheet

	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Opening balance	526	503	9	7
Pensions earned during the period	9	7	-5	-
Pensions earned prior periods, vested	-	-	6	7
Interest on plan assets	-4	-5	-4	-5
Benefits paid	3	3	-	-
Funds contributed by employees	-	-	-	-
Revaluations:				
Gain (-)/loss (+) resulting from demographic assumptions	-10	-	13	20
Gain (-)/loss (+) resulting from financial assumptions	13	5	5	-14
Experienced-based gains (-)/losses (+)	89	189	-32	15
Corporate acquisitions	-	-	-	-
Translation effect	-	-	-	-
Gains and losses from settlements	-	-	-	-
Present value of pension obligations	599	525	-	-

	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Changes in plan assets				
Opening balance	193	193	43	43
Funds contributed by employer	5	4	5	4
Funds contributed by employees	3	3	3	3
Benefits paid	-	-	-	-
Interest income recognised in profit or loss	2	2	2	2
Return on plan assets, excluding interest income	26	-6	26	-6
Corporate acquisitions	57	135	57	135
Translation effect	-26	11	-26	11
Gains and losses from settlements	-	-	-	-
Fair value of plan assets	263	193	-	-

NOTE 22 CONT.

Pension costs	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Defined-benefit plans				
Cost for pensions earned during the year	9	7	0	1
Income for pensions earned in prior periods	-5	0	-	-
Interest on plan assets	6	7	1	0
Interest income recognised in profit or loss	-2	-1	-	-
Total cost of defined-benefit plans	8	13	1	1
Total cost of defined-contribution plans	157	157	6	7
Social security costs on pension costs	20	19	1	1
Total cost of benefits after termination of employment	185	189	8	9

Allocation of pension costs in the income statement	Group	
	2020/2021	2019/2020
Cost of sales	40	37
Selling and administrative expenses	141	146
Net financial items	4	6
Total pension costs	185	189

Actuarial assumptions	2020/2021		2019/2020	
	Sweden	Switzerland	Sweden	Switzerland
The following material actuarial assumptions were applied in calculating obligations:				
Discount rate, 1 April, %	1.30	0.45	2.81	-
Discount rate, 31 March, %	1.60	0.40/0.30	0.72	2.10
Future salary increases, %	2.80	0.50/1.00	2.00	1.30
Future increases in pensions, %	1.80	0.00	3.22	0.45
Personnel turnover, %	10.0	-	5.0	1.00
Mortality table	DUS14	BVG 2015/2020 GT	Tavole IPS55	DUS14
			S3PA	BVG 2015 GT
				S3PA

Sensitivity of pension obligations to changes in assumptions	Sweden		Switzerland		Italy		Total
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	
Defined-benefit pension obligations at 31 March 2021	318	250	23	8	559	559	
The discount rate increases by 0.5%	-32	-20	-2	0	-54	-54	
The discount rate decreases by 0.5%	36	21	2	0	59	59	
Expected life expectancy increases by 1 year	16	7	3	3	26	26	
Expected life expectancy decreases by 1 year	-15	-8	-3	-	-26	-26	

The discount rate used is equivalent to the interest rate on high-quality corporate bonds or mortgage bonds with a maturity equivalent to the average maturity of the obligation and currency.

For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis and for pension liabilities in Switzerland, the UK and Italy, the interest rate for corporate bonds is used. The weighted average maturity for the commitments is around 18 years (16), which is used as a basis on which to determine the discount rate. Future increases in pensions are based on inflation assumptions. In Sweden, the remaining period of employment (life expectancy) is based on DUS 14, statistical tables prepared by Insurance Sweden and Försäkringskassan (the Insurance Society), in Switzerland on BVG 2015 and 2020 GT, in the UK on S3PA, and in Italy on Tavole IPS55.

The sensitivity analyses are based on a change in an assumption, while all other assumptions are held constant. The same method, the projected unit credit method, is used to calculate the sensitivity in the defined-benefit obligation as to calculate the pension obligation recognised in the balance sheet.

Note 23

Provisions

	Group 2020/2021				Total
	Premises	Personnel	Warranties	Other	
Carrying amount at beginning of period	1	12	28	5	46
Corporate acquisitions	-	-	2	-	2
Provisions made during the period	-	1	4	17	22
Amounts utilised during the period	0	-5	-2	0	-7
Unutilised amounts reversed	-	-	-7	-	-7
Translation effect	0	0	0	0	0
Carrying amount at end of period	1	8	25	22	56

	Group 2019/2020				Total
	Premises	Personnel	Warranties	Other	
Carrying amount at beginning of period	1	9	26	11	47
Corporate acquisitions	-	-	2	-	2
Provisions made during the period	-	5	7	1	13
Amounts utilised during the period	0	-2	-7	-3	-12
Unutilised amounts reversed	-	-	0	-4	-4
Translation effect	0	0	0	0	0
Carrying amount at end of period	1	12	28	5	46

Premises

The provision for premises refers to premises that the Group has vacated and cannot sublet or use during the remainder of the leases.

Personnel

The provision refers to costs of personnel, including estimated remuneration upon termination of employment in connection with changes in operations. A provision is made when there is an approved restructuring plan and the restructuring has been announced.

Warranties

Recognised provisions for warranties associated with products and services are based on calculations performed based on historical data or, in specific cases, on an individual assessment.

Other

Other includes provisions not classified under premises, personnel or warranties, such as equipment that cannot be used due to changes in operations. All provisions are classified as short-term and are expected to lead to an outflow of resources within 12 months of the balance sheet date.

Note 24

Non-current interest-bearing liabilities

	Group		Parent Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Liabilities to credit institutions:				
Maturing within 2 years	400	917		
Maturing within 3-5 years	900	710		
Maturing after 5 years or later	-	0		
Total non-current liabilities to credit institutions	1,300	1,627		
Leasing liability:				
Maturing within 2 years	165	141		
Maturing within 3-5 years	283	251		
Maturing after 5 years or later	42	65		
Total leasing liability	490	458		
Other interest-bearing liabilities:				
Maturing within 2 years	212	48		
Maturing within 3 years	54	17		
Maturing within 4-5 years	-	4		
Maturing after 5 years or later	-	-		
Total other non-current interest-bearing liabilities	266	69		
Total	2,056	2,154		

The non-current interest-bearing liabilities in the Parent Company at 31 March 2021 amounted to SEK 1,300 million (4,600). Other interest-bearing liabilities largely consist of additional contingent purchase considerations with estimated interest of 5.0 percent.

The Aditech Group's non-current liabilities to credit institutions are divided among currencies as follows:

	31 March 2021		31 March 2020	
	Local currency	SEK million	Local currency	SEK million
Currency	1,300	1,300	1,600	1,600
SEK	0	0	3	27
Other	0	0	3	27
Total	1,300	1,300	1,600	1,627

The Parent Company's liabilities to Group companies have no fixed maturity dates.

	31 March 2021		31 March 2020	
	Local currency	SEK million	Local currency	SEK million
Liabilities to credit institutions:				
Maturing within 2 years	400	900		
Maturing within 3-5 years	900	700		
Maturing after 5 years or later	-	-		
Total non-current liabilities to credit institutions	1,300	1,600		
Liabilities to Group companies	318	127		
TOTAL	1,618	1,727		

The Parent Company's liabilities to Group companies have no fixed maturity dates.

Note 25

Current interest-bearing liabilities

	Group		Parent Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Credit facilities				
Approved bank overdraft facility	1,300	1,300	1,300	1,300
Approved other liabilities to credit institutions	1,201	1,201	1,200	1,200
Reclassifications	-	-300	-	-300
Unutilised portion	-1,700	-2,044	-1,700	-2,044
Credit amount utilised	801	157	800	156
Other liabilities to credit institutions	16	22	-	0
Leasing liability	168	169	-	-
Other interest-bearing liabilities	159	114	-	-
Total	1,162	462	800	156

Other interest-bearing liabilities largely consist of contingent purchase considerations with estimated interest of 5.0 percent.

The Aditech Group's current liabilities to credit institutions are divided among currencies as follows:

	31 March 2021		31 March 2020	
	Local currency	SEK million	Local currency	SEK million
Currency	9	12	10	15
CNY	0	4	1	7
Other	0	0	1	7
Total	9	16	11	22

The Group's financing is primarily managed by the Parent Company, Aditech AB.

Note 26

Accrued expenses and prepaid income

	Group		Parent Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Other prepaid income	15	1	1	0
Salaries and holiday pay	342	331	13	14
Social security contributions and pensions	108	99	7	8
Other accrued expenses ¹⁾	65	97	4	8
Total	551	528	25	30

¹⁾ Other accrued expenses mainly consist of overhead accruals.

Note 27

Pledged assets and contingent liabilities

	Group		Parent Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Pledged assets for liabilities to credit institutions				
Real estate and site leasehold mortgages	19	38	-	-
Floating charges	7	41	-	-
Other pledged assets	31	1	-	-
Total	57	80	-	-
Contingent liabilities				
Guarantees and other contingent liabilities	266	122	84	46
Guarantees for subsidiaries ¹⁾	-	-	136	136
Total	266	122	220	182

¹⁾ Related to PR (liabilities).

Note 28

Cash flow statement

	Group		Parent Company	
	2020/2021	2019/2020	2020/2021	2019/2020
Adjustment for items included in cash flow				
Depreciation/amortisation	512	418	0	1
Revaluations of contingent purchase considerations	9	-62	-	-
Gain/loss on sale of operations and non-current assets	0	-1	-	-
Change in pension liability	-4	2	2	2
Change in other provisions and accrued items	8	-4	-	-
Other	26	-9	5	-3
Total	551	354	7	0

For the Group, interest received during the year totalled SEK 4 million (4), and interest paid was SEK 26 million (19). For the Parent Company, interest received during the year was SEK 31 million (27), and interest paid was SEK 22 million (17).

Acquisitions
The following adjustments were made as a result of the value of assets and liabilities in companies acquired during the year, together with adjustments such as contingent considerations paid for acquisitions made in previous years:

	2020/2021	2019/2020
Non-current assets	1,912	440
Inventories	138	82
Receivables	160	110
Cash and cash equivalents	285	65
Total	2,195	697
Interest-bearing liabilities and provisions	-237	-138
Non-interest-bearing liabilities and provisions	-653	-142
Total	-790	-280
Total adjustments of assets and liabilities	1,405	417
Consideration paid, the year's acquisitions	-1,405	-417
Consideration paid, prior years' acquisitions	-76	-79
Cash and cash equivalents in acquired companies	285	65
Effect on consolidated cash and cash equivalents	-1,196	-431

All operations acquired during the year were consolidated in the accounts using the acquisition method.

Divestments

The following adjustments have been made as a result of the valuation of assets and liabilities in companies divested during the year:

	2020/2021	2019/2020
Non-current assets	1	0
Inventories	4	0
Receivables	4	1
Cash and cash equivalents	22	0
Interest-bearing liabilities and provisions	-	-
Non-interest-bearing liabilities and provisions	-6	0
Divested net assets	25	1
Capital gains	2	0
Currency effects	-6	-
Consideration received	21	1
Cash and cash equivalents in divested operations	-22	0
Consideration yet to be received	-20	-
Effect on consolidated cash and cash equivalents	-21	1

Cash and cash equivalents in the cash flow statement consist of cash and bank balances. The same definition used in determining cash and cash equivalents in the balance sheet has been applied in the cash flow statement.

NOTE 28 CONT.

Reconciliation of debts arising from financing activities

Group	Cash flows		Non-cash flow affecting changes			31 March 2021
	1 April 2020		Acquisitions of subsidiaries	Adjustments via profit or loss	Exchange rate differences	Termheated leases
Bank overdraft facility	157	644	-	-	0	-
Liabilities to credit institutions	1,649	-336	6	-	-3	-
Other interest-bearing liabilities	183	-2	232	21	-9	-
Leasing liability	627	-182	51	9	-18	-2/6
Liabilities stemming from financing activities	2,616	114	289	30	-30	225
						-26
						3,218

Group	Cash flows		Non-cash flow affecting changes			31 March 2020
	1 April 2019		Acquisitions of subsidiaries	Adjustments via profit or loss	Exchange rate differences	Termi-nated principle leases IFRS 16
Bank overdraft facility	1,030	-873	-	-	0	-
Liabilities to credit institutions	739	897	10	-	3	-
Other interest-bearing liabilities	229	1	-4	-48	5	-
Leasing liability	-	-156	-	8	6	-5
Liabilities stemming from financing activities	1,998	-131	6	-40	14	216
						-5
						558
						2,816

Reconciliation of debts arising from financing activities

Parent Company	Cash flows		Non-cash flow affecting changes			31 March 2021
	1 April 2020		Acquisitions of subsidiaries	Adjustments via profit or loss	Exchange rate differences	Cash flows
Bank overdraft facility	155	644	-	-	0	800
Liabilities to credit institutions	1,600	-300	1,756	344	-	-
Liabilities stemming from financing activities						2,100

Parent Company	Cash flows		Non-cash flow affecting changes			31 March 2020
	1 April 2019		Acquisitions of subsidiaries	Adjustments via profit or loss	Exchange rate differences	Cash flows
Bank overdraft facility	1,030	-874	-	-	0	156
Liabilities to credit institutions	700	900	1,730	26	-	-
Liabilities stemming from financing activities						1,756

Note 29

Acquisitions of companies

Acquisitions completed as of the 2019/2020 financial year are distributed among the Group's business areas as follows:

Acquisition (divestment)	Country	Date of acquisition	Net sales, SEK million*	Number of employees*	Business area
Omni Ray AG	Switzerland	April, 2019	330	65	Automation
Thume Teknik AB	Sweden	April, 2019	100	19	Industrial Process
AB N.O. Røme	Sweden	April, 2019	8	4	Industrial Process
Best Sealing Systems Waiker Tausch GmbH	Austria	May, 2019	23	5	Power Solutions
Thim A/S	Denmark	June, 2019	70	15	Automation
Profotec Oy	Finland	July, 2019	6	2	Energy
BKC Products Ltd.	UK	August, 2019	12	5	Industrial Process
Promector Oy	Finland	August, 2019	24	20	Automation
Wirecor-NB Oy	Finland	February, 2020	23	6	Energy
Caligo Industri Oy	Finland	February, 2020	70	9	Industrial Process
DMC Digital Motor Control GmbH	Germany	March, 2020	30	10	Power Solutions
Q-tronic BV	Netherlands	March, 2020	46	10	Power Solutions
Elkome Group Oy	Finland	April, 2020	85	38	Automation
Peter Andersson AB	Sweden	April, 2020	30	9	Energy
Valutec Group AB	Sweden	April, 2020	360	45	Industrial Process
Fluidcontrol Oy	Finland	September, 2020	41	20	Components
Kaipras Oy	Finland	September, 2020	41	27	Automation
Eisystem i Perstorp AB	Sweden	September, 2020	40	18	Automation
Martin Bruusgaard AS	Norway	September, 2020	108	30	Industrial Process
Satco Komponent AB	Sweden	October, 2020	18	2	Components
Soyfar & Märken Gruppen AB	Sweden	October, 2020	60	23	Energy
OF-Beteiligungs AG	Switzerland	December, 2020	170	35	Power Solutions
Powmor AS	Norway	January, 2021	35	6	Power Solutions
Synective Labs AB	Sweden	January, 2021	30	27	Automation
Impact Air Systems Ltd. and Impact Technical Services Ltd.	UK	January, 2021	95	33	Industrial Process
Fairfield Trading Company Ltd.	UK	March, 2021	37	8	Power Solutions
Hydro-Material Oy	Finland	April, 2021	62	5	Components
ESI Controls Ltd.	UK	April, 2021	93	15	Power Solutions
IETV Elektronik AB	Sweden	May, 2021	80	38	Energy
AVT Industrietechnik AB	Sweden	May, 2021	70	42	Automation

* Refers to assessed condition at the time of acquisition or divestment on a full-year basis.

NOTE 29 CONT.

The value of assets and liabilities included in acquisitions from the 2019/2020 financial year have been determined conclusively. There has been no change in the acquired values. According to the adopted acquisition analysis, the assets and liabilities included in the acquisitions for the year were as follows:

	2020/2021		2019/2020	
	Carrying amount on acquisition date	Adjustment to fair value	Carrying amount on acquisition date	Adjustment to fair value
Intangible non-current assets	26	778	2	214
Other non-current assets	35	-	13	13
Inventories	138	-	82	-
Other current assets	444	-	175	-
Deferred tax liability/tax asset ¹⁾	-5	-165	0	-36
Other liabilities	-236	-31	-115	-52
Acquired net assets	402	591	156	126
Goodwill				
Non-controlling interests ²⁾			773	211
			-163	-3
Consideration³⁾			1.603	490
Less: cash and cash equivalents in acquired operations			-285	-65
Less: consideration not yet paid			-199	-73
Effect on consolidated cash and cash equivalents			1.119	352

¹⁾ Holdings without a controlling influence have been reported at fair value, which means that holdings without a controlling influence have a share in goodwill.

²⁾ The consideration is stated excluding transaction expenses for the acquisitions.

The combined consideration for the year's acquisitions was SEK 1,603 million, of which SEK 1,577 million was, in accordance with adopted acquisition analyses, allocated to goodwill and other intangible assets. Had the acquisitions been completed on 1 April 2020, their impact would have been an estimated SEK 1,080 million on consolidated net sales, about SEK 100 million on operating profit and about SEK 60 million on profit after tax.

Addtech uses an acquisition structure with a base purchase price and contingent consideration. The outcome of contingent considerations is dependent on future results achieved in the companies and has a set maximum level. Of contingent considerations for acquisitions during the financial year that are yet to be paid, the discounted value amounts to SEK 206 million. The contingent considerations fall due within three years and the outcome may not exceed SEK 263 million.

For acquisitions that resulted in ownership transfers during the financial year, transaction costs totalled SEK 12 million (7) and are recognised in selling expenses.

Revaluations of contingent considerations had a net negative impact of SEK 9 million (62) on the financial year. The impact on profits is recognised in other operating income and other operating expenses, respectively. No material changes in acquisition analyses were made in the financial year with regard to acquisitions carried out in the year or in previous years.

Consolidated goodwill at the time of the acquisition, regarding the expected future sales trend and profitability, is the amount by which the acquisition value exceeds the fair value of net assets acquired. Goodwill is motivated by the anticipated future sales trend and profitability, as well as the personnel included in the acquired companies. As of 31 March 2021, non-taxable goodwill amounted to SEK 2,727 million, to be comparable with SEK 1,997 million as of 31 March 2020. The change is attributable to acquisitions and exchange differences. Consolidated goodwill is assessed annually for impairment, and no needs for impairment have been identified.

The values allocated to intangible non-current assets, such as supplier relationships, customer relationships, technology and trademarks, were assessed at the discounted value of future cash flows. The amortisation period is determined by estimating the annual decrease in sales attributable to each asset. Supplier relationships, customer relationships and technology are generally amortised over a period of ten years. Trademarks are not amortised but are tested annually in accordance with IAS 36. Annual calculated amortisation regarding intangible non-current assets for the year's acquisitions amounts to about SEK 80 million.

Note 30

Earnings per share before and after dilution

	2020/2021	2019/2020
Earnings per share before and after dilution (SEK)	2.60	3.20
Earnings per share before dilution	2.60	3.20
Earnings per share after dilution	2.60	3.20

See Note 1 for the method of calculation. The numerators and denominators used to calculate the above earnings per share are derived as stated below.

The number of shares has been recalculated with regard to the share split (4:1) implemented in September 2020 and applied in all calculations of key financial indicators in terms of SEK/share.

Note 31

Disclosures regarding the Parent Company

Addtech AB, corporate ID number 656302-9726, is the Parent Company of the Group. The Company's registered office is located in the city of Stockholm, in the county of Stockholm and Addtech AB is a limited liability company under Swedish law.

Head office address:
Addtech AB (publ.)
Box 5112
SE-102 43 Stockholm, Sweden
Tel: +46 8 470 49 00
www.Addtech.com

Note 32

Related party disclosures

For the Addtech Group, related parties mainly comprise senior executives. Information about personnel costs is provided in Note 6 Employees and employee expenses.

Note 33

Events after the balance sheet date

On 1 April, ESI Controls Ltd. was acquired in the UK, joining the Power Solutions business area. ESI (Energy Saving Innovative) Controls is based in the UK and develops and delivers energy-efficient heating control systems and intelligent-building applications. ESI Controls Ltd. generates annual sales of approximately GBP 8 million and has 15 employees.

On 1 April, Hydro-Material Oy was acquired in Finland, joining the Components business area. Hydro-Material delivers hydraulic and cooling systems primarily for the special vehicles and the manufacturing industry market segments. HydroMaterial Oy generates annual sales of approximately EUR 6 million and has 5 employees.

On 3 May, IETV Elektroteknik AB was acquired in Sweden, joining the Energy business area. IETV Elektroteknik AB is a knowledge-based company offering advanced power supply services for railways, hydroelectric power plants and industry. IETV Elektroteknik AB has 38 employees and generates annual sales of approximately SEK 30 million.

On 11 May, AVT Industrier AB was acquired in Sweden, joining the Automation business area. AVT designs and manufactures automation solutions primarily targeting the manufacturing, pharmaceutical and automotive industries. Its solutions include electrical and mechanical design, programming of PLCs and industrial robots, vision systems, assembly and service. The company has 42 employees and generates annual sales of approximately SEK 70 million.



Assurance by the Board of Directors

The Board of Directors and the CEO consider the consolidated accounts and annual accounts to have been prepared in accordance with IFRS as adopted by the EU and in accordance with generally accepted accounting principles and give a true and fair view of the position and earnings of the Group and the Parent Company. The Administration Report for the Group and the Parent Company provides a true and fair view of the operations, position and earnings of the Group and the Parent Company and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group. In other regards, the earnings and position of the Group and the Parent Company are presented in the Income Statements, Balance Sheets, Cash Flow Statements and appurtenant notes included in the Annual Report.

Stockholm, 24 June 2021

Johan Sjö
Chairman of the Board

Eva Elmstedt
Board member

Kersti Eriksson
Board member

Henrik Hedelius
Board member

Ulf Mattsson
Board member

Malin Nordström
Board member

Niklas Stenberg
CEO and Board member

Our auditor's report was submitted on 24 June 2021.

KPMG AB

Johann Thilstedt
Authorised Public Accountant
Principal auditor

Johanna Haggström Jerkeryd
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of **Addtech AB** (publ.), corp. id 556302-9726

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Addtech AB (publ.) for the financial year 2020-04-01–2021-03-31. The annual accounts and consolidated accounts of the company are included on pages 64-122 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 March 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 March 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and the Annual Accounts Act.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 6.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of acquired intangible assets and the parent company's interests in group companies

See disclosure 14 and 17 and accounting principles on pages 85-86 and 88 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The book value of acquired intangible assets, consisting of goodwill, supplier relationships, technology etc., amount to SEK 4,473 million as of 31 March 2021, representing 46 % of total assets. Goodwill and intangible assets with an indefinite useful life should be subject to an annual impairment test. Other intangible assets are tested when impairment indicators are identified.

Impairment tests are complex and include significant levels of judgment. The calculation of the assets' recoverable amount is based on forecasts and discounted future cash flow projections, which are established with reference to factors such as estimated discount rates, revenue- and profit forecasts and predicted long-term growth that may be influenced by management's assessments.

The parent company's interests in group companies amount to SEK 1,004 million as of 31 March 2021. If the book value of the interests exceeds the equity in the respective group company, an impairment test is performed following the same methodology and using the same assumptions as for goodwill valuation.

Response in the audit

We have obtained and assessed the group's impairment tests to ensure they have been carried out in accordance with the technique stipulated in IFRS.

Furthermore, we have evaluated management's future cash flow forecasts and the underlying assumptions, which includes the long-term growth rate and the assumed discount rate, by obtaining and evaluating the group's written documentation and plans. We have also considered previous years' forecasts in relation to the actual outcome.

An important part of our work has also been to evaluate how changes to the assumptions may impact the valuation. The evaluation has been carried out by obtaining and assessing the group's sensitivity analysis.

We have also analysed the disclosures in the Annual Report and considered whether they accurately reflect the assumptions that group management apply in their valuation and whether they, in all material respects, are in line with the disclosures required by IFRS.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-52 and 126-144. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with



the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts we have also audited the administration of the Board of Directors and the Managing Director of Adtech AB (publ.) for the financial year 2020-04-01–2021-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appro-

prations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and variations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 12-47, 69-90 and 122-144, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with IFRS auditing standard ReR-12. The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion. A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Adtech AB (publ.) by the general meeting of the shareholders on 28 August 2020. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 1897.

Stockholm, June 24 2021

KPMG AB

Joakim Thilstedt

AUTHORIZED PUBLIC ACCOUNTANT

Principal Auditor

Johanna Hagström Jekeryd

AUTHORIZED PUBLIC ACCOUNTANT



MULTI-YEAR SUMMARY

Multi-year summary

SEK million, unless otherwise stated	2020/2021	2019/2020	2018/2019	2017/2018
Net sales	11,336	11,735	10,148	8,022
EBITDA	1,501	1,579	1,137	881
Operating profit	1,251	1,394	1,085	838
Profit after financial items	989	1,161	910	701
Profit for the year	729	873	672	526
Intangible non-current assets	4,496	3,240	2,963	2,463
Property, plant and equipment and financial non-current assets	386	374	315	239
Right-of-use assets	682	626	-	-
Inventories	1,661	1,642	1,417	1,118
Current receivables	2,161	2,261	2,065	1,507
Cash and cash equivalents	420	363	295	192
TOTAL ASSETS	9,806	8,506	7,045	5,519
Equity attributable to shareholders	3,219	3,016	2,470	2,065
Non-controlling interests	231	58	50	48
Interest-bearing liabilities and provisions	3,654	2,948	2,266	1,588
Non-interest-bearing liabilities and provisions	2,892	2,482	2,269	1,790
TOTAL EQUITY AND LIABILITIES	9,806	8,506	7,045	5,519
Capital employed	7,005	6,023	4,775	3,728
Working capital	2,416	2,415	2,029	1,891
Financial net debt	3,134	2,656	1,960	1,405
Net debt excluding pensions	2,798	2,253	1,700	1,176
EBITDA margin, %	11.0	10.7	10.7	10.5
Operating margin, %	8.7	9.9	9.0	8.7
Profit margin, %	8.3	9.4	6.5	6.3
Return on equity, %	23	32	29	28
Return on capital employed, %	15	21	21	22
Return on working capital (P/WC), %	52	56	53	53
Equity/assets ratio, %	35	36	36	36
Debt/equity ratio, multiple	0.9	0.8	0.8	0.7
Net debt/equity ratio, multiple	0.8	0.7	0.7	0.6
Interest coverage ratio, multiple	15.8	20.5	22.1	22.7
Financial net debt/EBITDA, multiple	2.1	1.5	1.7	1.6
Earnings per share, SEK	2.60	3.20	2.45	1.90
Earnings per share after dilution effect, SEK	2.60	3.20	2.45	1.90
Cash flow per share, SEK	5.60	4.15	1.95	2.00
Equity per share, SEK	11.95	11.26	9.20	7.80
Dividend per share, SEK	1.20 ¹⁾	1.00	1.25	1.00
Average number of shares after repurchases (thousands)	269,051	268,453	268,187	267,799
Average number of shares after repurchases, adjusted for dilution (thousands)	269,969	269,200	268,755	268,710
Share price on 31 March, SEK	130.00	61.13	48.25	42.00
Cash flow from operating activities	1,693	1,117	624	539
Cash flow from investing activities	-1,298	-532	-725	-520
Cash flow from financing activities	-138	-507	294	-12
Cash flow for the year	67	78	93	7
Average number of employees	3,069	2,913	2,690	2,263
Number of employees at end of year	3,133	2,981	2,759	2,358

¹⁾As proposed by the Board of Directors.

The number of shares has been recalculated with regard to the share split (4:1) implemented in September 2020 and applied in all calculations of key financial indicators in terms of SEK/share.

126 ADITECH ANNUAL REPORT 2022/2021

Definitions

Acquired growth¹
Changes in net sales attributable to business acquisitions compared with the same period last year.

Acquired growth is used as a component to describe the change in consolidated net sales in which acquired growth is distinguished from organic growth, investments and exchange rate effects, see reconciliation table on the next pages.

Capital employed¹
Total assets minus non-interest-bearing liabilities and provisions. Capital employed shows the size of the company's assets that have been lent to the company's owners or that have been lent out by lenders, see reconciliation table on the next pages.

Cash flow from operating activities per share¹
Cash flow from operating activities, divided by the average number of outstanding shares after repurchases.

This measure is used so investors can easily analyse the size of the surplus generated per share from operating activities.

Debt/equity ratio¹
Financial net liabilities divided by equity.
A measure used to analyse financial risk.

Earnings per share (EPS)
Shareholders' share of profit for the period after tax, divided by the weighted average number of shares during the period. Performance measures under IFRS.

Earnings per share (EPS), diluted
Shareholders' share of profit for the period after tax, divided by the weighted average number of shares during the period, adjusted for the additional number of shares in the event of outstanding options being used.

EBITA¹
Operating profit before amortisation of intangible assets.
EBITA is used to analyse the profitability generated by operating activities, see reconciliation table on the next pages.

EBITA-margin¹
EBITA as a percentage of net sales.
EBITA margin is used to show the degree of profitability in operating activities.

EBITDA¹
Operating profit before depreciation and amortisation.
EBITDA is used to analyse the profitability generated by operating activities, see reconciliation table on the next pages.

Equity ratio¹
Equity as a percentage of total assets.
The equity/assets ratio is used to analyse financial risk and show the percentage of assets that are funded with equity.

Equity per share¹
Equity divided by number of shares outstanding at the reporting period's end.
This measure shows how much equity is attributable to each share and is published to make it easier for investors to conduct analyses and make decisions.

Financial net debt¹
The net of interest-bearing debt and provisions minus cash and cash equivalents.
Net debt is used to monitor changes in debt, analyse the Group indebtedness and its ability to repay its debts using liquid funds generated from the Group's operating activities if all debt fell due for repayment today and any necessary refinancing.

Financial net debt/EBITDA¹
Net financial debt divided by EBITDA.
Net financial debt compared with EBITDA provides a performance measure for net debt in relation to cash-generating earnings in the business, i.e. it gives an indication of the business' ability to repay its debts. This measure is generally used by financial institutions to measure creditworthiness.

Financial items¹
Finance income minus finance costs.
Used to describe changes in the Group's financial activities.

Interest coverage ratio¹
Earnings after net financial items plus interest expense and bank charges divided by interest expense and bank charges.
This performance indicator measures the Group's capacity through its business operations and finance income to generate a sufficiently large surplus to cover its finance costs, see reconciliation table on the next pages.

Net debt excluding pensions¹
The net of interest-bearing debt and provisions excluding pensions minus cash and cash equivalents.
A measure used to analyse financial risk, see reconciliation table on the next pages.

Net debt excluding pensions/ equity ratio¹
Net debt excluding pensions divided by shareholders' equity.
A measure used to analyse financial risk, see reconciliation table on the next pages.

Net investments in non-current assets¹
Investments in non-current assets minus sales of non-current assets.
This measure is used to analyse the Group's investments in renewing and developing property, plant and equipment.

Operating margin¹
Operating profit as a percentage of net sales.
This measure is used to specify the percentage of sales that is left to cover interest and tax, and to provide a profit, after the company's costs have been paid.

Operating profit¹
Operating income minus operating expenses.
Used to describe the Group's earnings before interest and tax.

Organic growth¹
Changes in net sales excluding currency effects, acquisitions and divestments compared with the same period last year.
Organic growth is used to analyse underlying sales growth driven by a change in volumes, product range and price for similar products between different periods, see reconciliation table on the next pages.

Outstanding shares
Total number of shares (less treasury shares repurchased by the Company).

Profit after financial items¹
Profit/loss for the period before tax.
Used to analyse the business' profitability including financial activities.

Return on capital employed¹
Profit before tax plus financial expenses as a percentage of capital employed. The components are calculated as the average of the last 12 months.
Return on capital employed shows the Group's profitability in relation to externally financed capital and equity, see reconciliation table on the next pages.

Return on equity¹
Earnings after tax divided by equity. The components are calculated as the average of the last 12 months.
Return on equity measures the return generated on owners' invested capital.

Return on working capital (P/WC)¹
EBITA divided by working capital.
P/WC is used to analyse profitability and is a measure that encourages high EBITA and low working capital requirements, see reconciliation table on the next pages.

Working capital¹
Working capital (WC) is measured through an annual average defined as inventories plus accounts receivable less accounts payable.
Working capital is used to analyse how much working capital is tied up in the business, see reconciliation table on the next pages.

¹ The performance measure is an alternative performance measure according to ESMA's guidelines.
² Minority interest is included in equity when the performance measures are calculated.

Reconciliation tables, alternative key financial indicators

EBITA and EBITDA				
Group, SEK million	2020/2021	2019/2020	2018/2019	2017/2018
Operating profit	989	1,161	910	701
Amortisation, intangible non-current assets (+)	262	203	175	137
EBITA	1,251	1,364	1,085	838
Depreciation, property, plant and equipment (+)	250	215	52	43
EBITDA	1,501	1,579	1,137	881

Working capital and return on working capital (P/WC)				
Group, SEK million	2020/2021	2019/2020	2018/2019	2017/2018
EBITA (rolling 12 months)	1,251	1,364	1,085	838
Inventories, annual average (+)	1,722	1,584	1,304	1,037
Accounts receivable, annual average (+)	1,755	1,854	1,542	1,231
Accounts payable, annual average (-)	1,062	1,033	817	677
Working capital (annual average)	2,416	2,415	2,029	1,591
Return on working capital (P/WC) (%)	52%	56%	53%	53%

Acquired growth and organic growth				
Group	2020/2021	2019/2020	2018/2019	2017/2018
Acquired growth (SEK million, %)	803 (7%)	774 (6%)	999 (12%)	557 (6%)
Organic growth (SEK million, %)	-906 (-9%)	765 (6%)	903 (11%)	356 (5%)
Divestments (SEK million, %)	-4 (-0%)	-59 (-1%)	-58 (-1%)	-115 (-2%)
Exchange rate effects (SEK million, %)	-295 (-2%)	107 (1%)	289 (4%)	45 (1%)
Total growth (SEK million, %)	-398 (-3%)	1,567 (16%)	2,126 (26%)	844 (12%)

Net debt excluding pensions and net debt/equity ratio excluding pensions				
Group	2020/2021	2019/2020	2018/2019	2017/2018
Financial net debt, SEK million	3,134	2,585	1,560	1,405
Pensions, SEK million (-)	-536	-332	-260	-229
Net debt excluding pensions, SEK million	2,798	2,253	1,700	1,176
Equity, SEK million	3,450	3,076	2,520	2,131
Net debt/equity ratio excluding pensions, multiple	0.8	0.7	0.7	0.6

Interest coverage ratio				
Group	2020/2021	2019/2020	2018/2019	2017/2018
Profit after financial items, SEK million	937	1,105	865	665
Interest expenses and bank charges, SEK million (-)	63	57	41	31
Total	1,000	1,162	9,06	866
Interest coverage ratio, multiple	15.8	20.5	22.1	22.7

Capital employed and return on capital employed				
Group, SEK million	2020/2021	2019/2020	2018/2019	2017/2018
Profit after financial items	937	1,105	865	665
Financial expenses (-)	93	79	62	71
Profit after financial items plus financial expenses	1,030	1,184	927	736
Total assets, annual average (+)	9,309	7,826	6,324	4,896
Non-interest-bearing liabilities, annual average (-)	-2,153	-1,847	-1,604	-1,319
Non-interest-bearing provisions, annual average (-)	-413	-379	-378	-335
Capital employed	6,743	5,600	4,342	3,342
Return on capital employed, %	15%	21%	21%	22%



Sustainability facts

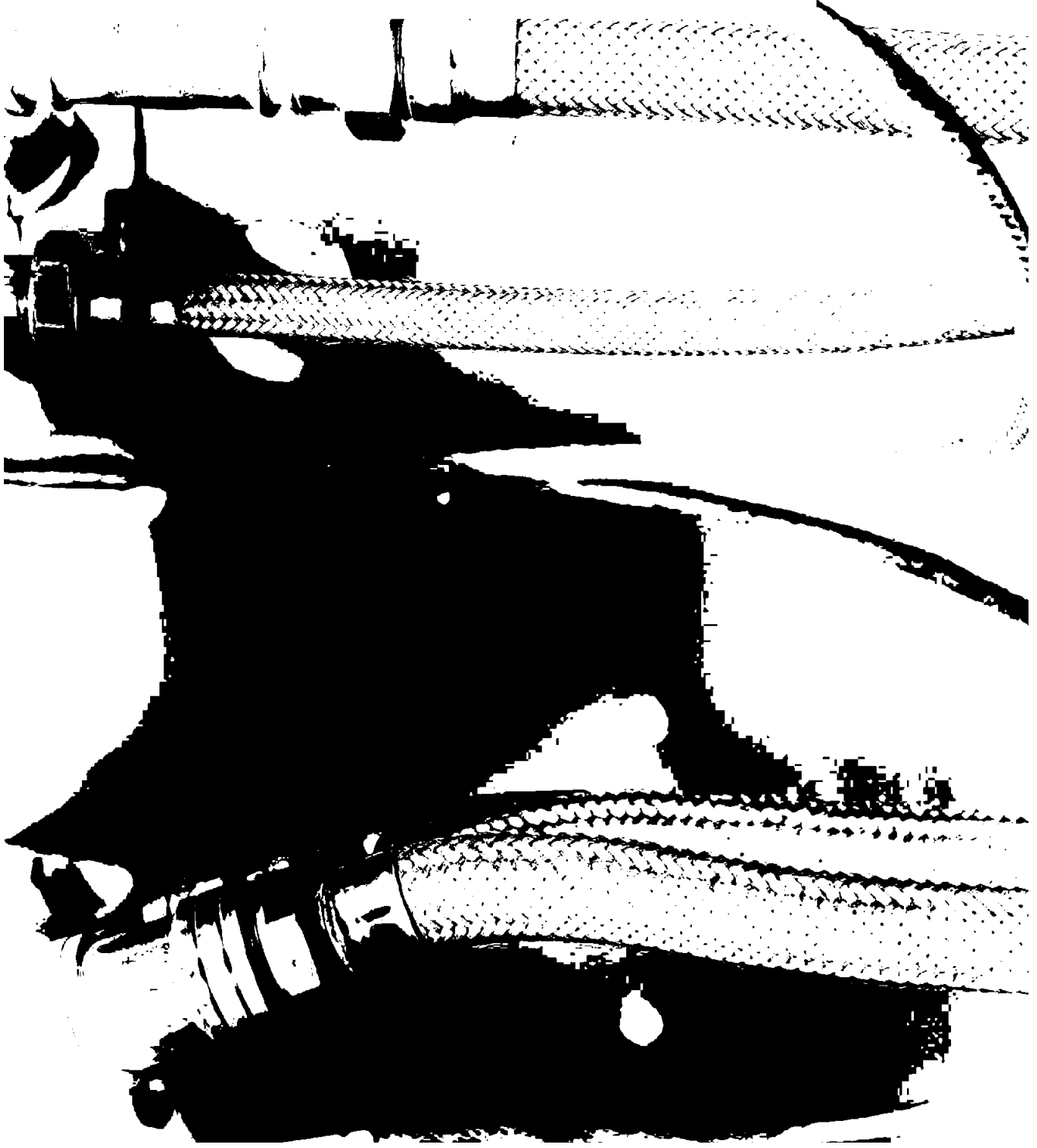
About sustainability reporting

Addtech's sustainability efforts are a central and integrated part of our business, organisation and value chain. We have therefore chosen to integrate the Sustainability Report into our Annual Report for the financial year from April 2020 to March 2021. This report covers Addtech AB company ID number 566302-9726 including its associated 140 subsidiaries. All subsidiaries, the parent company and the board are covered by all guidelines, policies and codes.

In the reporting, Addtech has been inspired by the International Integrated Reporting Framework (IIRC). The report also pertains to the statutory reporting of sustainability in accordance with sections 6:10-14 of the Annual Accounts Act, contains information on how Addtech works with the ten areas of UN Global Compact, with UN Sustainable Development Goals and how Addtech's report is inspired by the recommendations of TCFD. Key indicators are reported according to the Global Reporting Initiative (GRI) Standards, Greenhouse Gas Protocol and Addtech's own key indicators for sustainable development. Sustainability facts are reviewed by an external party, see statement on page 145. The following pages present supplementary sustainability information, including: value generation, sustainability goals, governance, material areas, materiality analysis, stakeholder dialogue, key indicators and calculation methods.

Contents

How Addtech generates value	134
Sustainability governance	135
Sustainable business	135
Sustainable organisation	136
Sustainable supply chain	137
Prioritisation	138
Materiality analysis	139
EU taxonomy	139
Climate-related information	141
Key indicators	141
Calculation methods	144
Auditor's report	145



How Addtech generates value

By continuously developing and strengthening our sustainability work, we generate value for our customers, suppliers, shareholders and society at large. We maintain a long-term and sustainable perspective in everything we do and safeguarding the resilience of our Group is an important part of our strategy. In our operations and our business we maintain a clear focus on contributing to a more sustainable industry. Our companies support their customers, identify optimal and sustainable technical solutions and act as partners and specialists. The companies often act as catalysts in customers' development towards more sustainable operations.

To continue the development towards our vision of "providing leading technological solutions for a sustainable tomorrow", we apply Group-wide sustainability targets in our three focus areas: sustainable business, sustainable organisation and sustainable supply chain. To achieve our targets and secure sustainable development in industry, we need to collaborate and build strong partnerships along our value chain.

Our focus areas, including quantifiable, time bounded 2030 goals, establish a clear direction for our development and the value we generate. We apply a shared sustainability strategy, having integrated our focus areas into our strategic planning. In accordance with our decentralised model, all of our companies have prepared action plans and activities to secure their development towards our 2030 goals.

Our three focus areas are based on the areas of highest priority, for Addtech and its stakeholders alike (see table on page 137). We have translated the outcome of our materiality analysis into a sustainability model illustrating the areas we prioritise highest and how these are linked to the UN Sustainable Development Goals.

Our sustainability model

Sustainable business

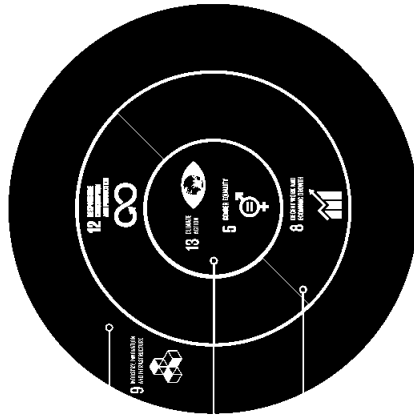
By offering technological solutions that contribute to our customers' transition and development, we aim to generate sustainable business.

Sustainable organisation

With equal opportunity and climate smart operations, we seek to build an attractive and sustainable organisation.

Sustainable supply chain

Through structured supplier follow-ups, we want to promote good working conditions and responsible production for a sustainable supply chain.



Sustainability governance

Ultimately, the Group's Board of Directors, is responsible, through Group Management, for Addtech's overall, long-term sustainability targets. Addtech's Head of Sustainability is responsible for continuously monitoring and reporting on development and key indicators and for supporting the companies with regard to sustainability. The overarching objectives are supplemented by the individual business areas and companies, which prepare sub-targets, action plans and activities. Our operational sustainability efforts are conducted in line with our well established corporate culture through decentralised responsibilities in our companies. Addtech practices active ownership through Board work and follow-up. Each year, the companies report their key indicators, detail their individual sustainability efforts, report on activities designed to achieve our shared 2030 goals. If deficiencies are identified, the companies apply appropriate measures with the support of the Group. In our acquisition process, sustainability is integrated into the Due Diligence process, and, to ensure that newly acquired companies are integrated into our Group-wide sustainability work, sustainability is included in our introductory programme for new companies (see page 24).

Sustainable business

Addtech has the ambition to be part of the transition to a more sustainable industry and to a more sustainable society. We perceive considerable business opportunities in transactions with a favourable external impact. We highly value building partnerships along our value chain to enable and optimise our contribution towards the transition to a more sustainable future and to increase the share of sales that contribute positively to development towards the sustainable development goals. Over the year, to safeguard long-term sustainable profitability, we trained the organisation in sustainability-related risks and opportunities, focusing on business development.

The purpose of the key indicator for sustainable business is to over time monitor the development of the share of sales contributing positively to sustainable development.

This year's survey shows that 60 percent of Addtech's sales contribute positively towards the UN Sustainable Development Goals. On pages 19-22, you can read more about examples of our offerings and products contributing to development towards the sustainable development goals.

Sustainable organisation

We want to ensure that we are well-equipped for the future. Our employees are our most important asset. They are driven by helping their customers identify the best technical solution in a strong entrepreneurial spirit. Our companies make a positive contribution to the local communities in which they operate by being attractive, committed employers who support, for example, local youth unions or who collaborate with schools. Several of our Swedish companies participate in the Tekniksprånget (Technology Leap) initiative, with the aim of increasing young people's interest in applying to engineering programmes.

In our view, we face major global challenges in reducing our collective impact on climate and are therefore working to ensure that Addtech's impact is reduced. We take responsibility for reducing our negative impact in terms of development towards the sustainable development goals and have identified our impact as primarily concerning goals numbers 13 and 8. Here, we work systematically to reduce our impact on the climate and to safeguard favourable production conditions at the supplier level.

Climate impact

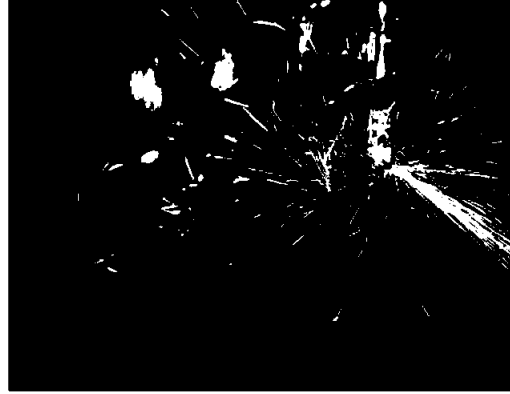
We work systematically to streamline and reduce our consumption of resources, and our emissions of greenhouse gases to achieve our climate goal. During the year, we held internal trainings in climate impact and our climate objective is integrated into our strategic planning. Emissions from our own production and operations (Scope 1 and 2)

account for a minor part of Addtech's total climate impact. At the same time, we maintain control within our own operations, continuing the process of upgrading our own vehicle fleet, enhancing energy efficiency and switching to renewable energy sources. Our companies have varied operations and different geographical conditions and it is therefore important that, in accordance with our decentralised model, the companies determine their own targets and activities in line with our 2030 goals.

Addtech's reduced carbon dioxide intensity of 11 percent is primarily due to reduced business travel and an upgraded data-reporting process. The clear majority of green house gas emissions derive from freight transport (Scope 3), within which, air freight accounts for 41 percent. The past year's conditions were challenging over the year and our companies have had limited opportunities to influence transport modes and, consequently, greenhouse gas emissions. In the future, the focus will be on optimising loading planning and mode of transport to reduce our climate impact. From our perspective, we have the opportunity to influence our value chain and our customers' choice of transport mode, an initiative from one of our companies having spread through the Group (see page 40).

The pandemic has had a significant impact on business travel, with only business-critical journeys being made when circumstances have allowed. Our organisation has adapted to meeting digitally, both internally and externally. We will continue to call for this new behaviour, even once travel restrictions have been eased as we will continue to take efforts to reduce business travel significantly. This has additional favourable effects, such as reduced costs, higher efficiency and, in some cases, a better work-life balance.

We are aware that the production of purchased products, and the use of the products sold, constitute a relevant share of our indirect climate impact. In the absence of standardised data and calculation tools, we view the area as challenging, although it is, at the same time, an area that we promise to develop.



Prioritisation
All of Aditech's areas of strategic priority are included within the three focus areas. The table below presents our most material sustainability areas and their relation to the UN Sustainable Development Goals. The questions are ranked according to the company's and the stakeholders' prioritisation based on the materiality and stakeholder analysis performed.

Priority	Sustainable Development Goals	Implication for Aditech	Area	KPI
1	7: Affordable and clean energy	That we increase the share of business contributing to the transformation to renewable energy consumption and improve the efficiency of our own energy consumption. Also included in goals 9 and 13.		GRI 302-1 Energy consumption GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption
	7.2 Increase the share of renewable energy			
	7.3 Double the global rate of improvement in energy efficiency			
2	13: Climate action	That we map, set targets and reduce our emissions.		GRI 305-1 Scope 1 GRI 305-2 Scope 2 GRI 308-1 GHG emissions intensity GRI 308-3 Reduction of GHG emissions
	13.3 Improve knowledge and capacity on climate change mitigation			
3	9: Industry, innovation and infrastructure	That we increase the share of business that offers technical solutions for the transformation to sustainable innovation, industries and infrastructure.		GRI 201-1 Direct economic value generated and distributed Aditech KPI: The share of sales that contribute to sustainable development in total by business area and by global goal.
	9.4 Upgrade infrastructure and retrofit industries to make them sustainable			
4	8: Decent work and economic growth	That we ensure a long-term perspective in our growth without risking working conditions for our own employees and at our suppliers.		GRI 102-8 Information on employees and other workers GRI 401-1 New employee hires and employee turnover GRI 404-1 Average hours of training per year per employee GRI 404-3 Percentage of employees receiving regular performance and career development reviews
	8.8 Protect labour rights and secure work environments			
5	5: Gender equality	That we have a gender equal and inclusive working environment that promotes female leadership.		GRI 405-1 Diversity of governance bodies and employees GRI 404-1 Average hours of training per year per employee, by gender Aditech KPI: Proportion of women in leading positions Aditech KPI: Number of reported whistle-blower cases Aditech KPI: Proportion of employees who ever felt discriminated
	5.5 Ensure women's full and effective participation and leadership at all levels of decision making.			
6	12: Responsible consumption and production	In increasing the share of transactions within the circular offering and ensuring that our offering achieves an efficient use of natural resources.		Aditech KPI: Percentage of the purchase volume for which suppliers signed the Supplier Code Aditech KPI: Share of the purchase volume for which suppliers participated in a sustainability assessment based on the Supplier Code
	12.2 Sustainable management and efficient use of natural resources			
7	3: Good health and well-being	That we work systematically to promote health and safety at our workplaces.		GRI 403-1 Occupational health and safety management system GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health
	3.4 Reduce premature mortality from non-communicable diseases and promote mental health			

Whistle-blower function
We do not tolerate any form of irregularity in violation of any legislation or our Code of Conduct. If this nonetheless occurs, our objective is to enable the reporting of violations of the Code of Conduct, the Supplier Code or of legislation, or suspicions thereof, in a simple and anonymous manner. Our whistle-blower service is available to all employees and external partners. All reports submitted are handled confidentially and professionally by an internal council and, if necessary, a third-party expert in accordance with established procedures. The follow-up of reported cases focuses on consequences, changes and preventive measures. In the event that a suspected violation would concern a member of the council, that individual is excluded from participating in the investigation, and an independent third party is engaged for the purposes of investigation.

The whistle-blower function has been implemented via our companies' Managing Directors, who have informed their employees and union representatives. The whistle-blower function is available at www.aditech.com, in our Code of Conduct and Supplier Code and in our supplier follow-up platform.

Sustainable supply chain

Our companies' supply chains are global and rely on a network of suppliers, with 78 percent of purchases being made within Europe. Purchases from Germany, Sweden, China and Hong Kong account for 46 percent of total purchasing volume. In some cases, global supply chains entail increased sustainability risks. Our supplier relations are often long-term in nature and are characterised by close cooperation on how the supplier's products can be used in different customer applications. The collaboration benefits quality, price, lead times and customer satisfaction, while at the same time providing us with favourable conditions for constructive dialogue with suppliers regarding sustainability risks and further development.

The basis for cooperation with suppliers is our Code of Conduct for suppliers. In dialogue, we ensure that the requirements in our Supplier Code are minimum requirements in areas such as human rights, working conditions, equal treatment, anti-corruption and the environment. During the year, we conducted an updated mapping of our suppliers. This mapping increases traceability, transparency and the ability to identify risks linked to different areas within the Supplier Code.

Supplier assessment

The work of evaluating suppliers based on the Supplier Code is decentralised in our companies, we train and support the organisation in the area and provide a platform for managing supplier follow-up and storing supplier data. Our companies use the various methods of risk analysis, self-assessments, evaluations and audits to varying degrees to follow up their suppliers.

- **Risk analysis** based on country-specific index, such as Transparency International, Environmental Performance Index and ITUC Global Rights Index. The risk analysis provides overall information on which areas require additional focus.

- **Self-assessment and evaluation** consists of questions to suppliers that cover our Supplier Code, where areas of zero tolerance are particularly weighted. In the self-assessment, documentation linked to certifications and legislation is recorded, with the focus being on management systems, conflict minerals and regulated substances.

- **Sustainability audits** are performed by third parties and often in collaboration with the customer. The pandemic has had a negative impact on the capacity to conduct on-site audits. If deviations are identified, each company is responsible for communicating such deviations to its suppliers and for producing a time-bound plan for corrective measures.

Efficient resource management

Aditech's Sustainability and Environmental Policy is the basis for how our companies are to integrate environmental issues into their operations. Important areas include optimising and reducing the amount of energy, water, regulated products and reducing the amount of used waste. Several of our companies are certified in accordance with ISO 14001 and work in an integrated manner to systematically reduce their impact on the environment. One environmental incident was registered during the year, with corrective measures taken.

Gender equality and equal opportunities

Aditech has zero tolerance for all forms of discrimination, harassment, sexual harassment and bullying, and this is communicated in Aditech's Equality & Diversity Policy and Code of Conduct and Supplier Code of Conduct. We seek to be an attractive employer that attracts skilled employees to secure a positive development and increased well-being. We are convinced that diversified teams are an important parameter in achieving this and, accordingly, seek employees with different backgrounds. We also seek to increase the proportion of women and promote female leadership. We currently have 19 percent (17) women in leading positions. The increase on the preceding year reflects an increased share of female Managing Directors and a clarification in the definition of "leading positions", see page 144.

Health and safety

Aditech applies a zero vision when it comes to work-related accidents and illnesses. We foster a safe working environment, good health and well-being among all of our employees, including consultants and contract workers. We continuously follow up key indicators for health and safety at all of our companies. This year, the number of accidents reported increased from 32 to 38. None of the accidents had a serious outcome and all were followed up with corrective measures.

The pandemic brought new circumstances for safeguarding the health and safety of our employees. All of the companies have made adjustments based on their local conditions and guidelines to ensure that they have a good working environment. Over the year, we followed up on how our employees were affected during the ongoing pandemic and how they experienced the changed working conditions. Follow-up was carried out in connection with our recurring employee survey. The survey shows that 88 percent are satisfied with their company's handling of the pandemic situation. The average absence due to illness of 3 percent remained unchanged from the preceding year.

Business ethics

Aditech has a clearly communicated zero tolerance for all forms of bribery, corruption and irregularities, applicable to all of our employees and partners. The foundation for our work in business ethics is our internal Code of Conduct and our Code of Conduct for Suppliers (Supplier Code), which includes an anti-corruption policy. The Code of Conduct and the Supplier Code are approved annually by the Board of Directors. The codes can be found on our website www.aditech.com. Read more about our Supplier Code on pages 45-47.

Alongside our core values, our Code of Conduct forms the basis for how we conduct business, behave and act in our day-to-day work, and in our relationships with the external community. The Code encompasses all of the companies and all employees. The responsibility to counteract irregularities, and efforts in this direction, apply to the entire Aditech value chain, as communicated in the Code of Conduct and Supplier Code.

Impact on strategy and financial planning. Addtech has continued to implement its new vision and strategy, which includes reduced climate impact and measurable goals by 2030. Our climate-related risk and opportunity analysis is an important and integral part of our overall risk analysis. Addtech's climate goal is to reduce our CO₂ intensity by 50 percent by 2030. During the year, we conducted scenario analysis (for RCP 8.5 and RCP 2.6) and plan to introduce climate analyses for major investments.

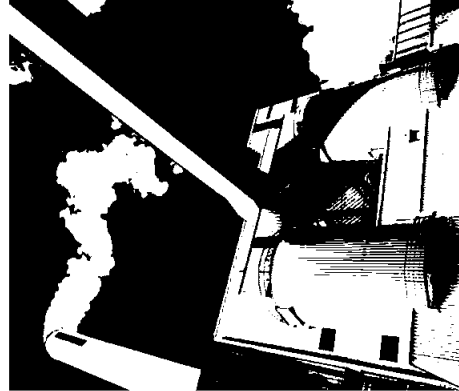
Risk management

- Processes for identifying and evaluating climate-related risks and opportunities in general risk management. Head of Sustainability is responsible for identifying transition risks, physical risks and opportunities, as well as informing the CEO and Group Management about long-term and short-term changes. The major climate-related risks are integrated into Addtech's annual risk management process. Head of Sustainability is responsible for communicating and updating the organisation on climate-related risks and opportunities.

- Processes for managing climate-related risks. Transition risks are managed in the annual strategy and activity planning with our companies. When relevant risks and opportunities are identified, they are discussed and activities determined. Processes for identifying, evaluating and managing climate-related risks are integrated into the organisation's overall risk management. Addtech's risk management includes identification, assessment and measures for managing climate-related risks. Head of Sustainability is responsible for the process and reports to the CEO and Group Management.

Measurements and goals

Addtech has set long-term climate-related goals and established relevant key indicators to follow developments. The key indicators are reported annually by our companies and follow-up takes place on the companies' boards. Addtech uses external review of climate reporting. See table page 143 for emissions within Scope 1, 2 and 3.



ADOTECH ANNUAL REPORT 2020/2021 139

EU Taxonomy

The EU is working to develop the framework of the taxonomy, with the aim of channelling investment towards promoting sustainable development. The framework will affect the companies' sustainability reporting. Stakeholders will request reporting of the share of sales in line with the criteria of the taxonomy.

Addtech follows the development of the framework for taxonomy, as well as the criteria that have been established. We have commenced the process of assessing the activities conducted within our companies and how well they fall under the criteria of the taxonomy. Addtech already reports in the share of its sales contributing positively to development towards UN Sustainable Development Goals. We are working to integrate reporting under the taxonomy with existing reporting.

Climate-related information

For several years, Addtech has reported to the Carbon Disclosure Project (CDP) to ensure transparency in climate-related reporting. The Task Force on Climate-related Financial Disclosures (TCFD) is also a voluntary framework for businesses that want to increase transparency in their reporting on climate-related risks and opportunities and how this can affect profitability. Although Addtech is not a member of the TCFD, we do view it as important to be inspired by the TCFD's recommendations to secure relevant information. Our reporting is not fully in line with the framework, and we consider estimating the financial impact from the climate impact to be challenging. Over the year, we conducted scenario analysis (RCP 8.5 and RCP 2.6) to support our organisation in future decision-making processes.

For Addtech, the management of climate-related issues is an important parameter for future business development. Addtech comprises some 140 companies and there are considerable variations within the Group, which represents a challenge in the implementation of climate-related risk and opportunity analysis. We have both producing companies and companies that focus on technical support and sales. Our reporting of climate-related risks and opportunities is important to us and our stakeholders, and we will ensure that climate analysis forms an integral part of our business to ensure long-term profitability.

The responsibilities of the Board of Directors and the tasks assigned to management

The Board of Directors bears the strategic responsibility for general governance in the area of sustainability. The board handles strategic areas linked to the organisation, such as investments and acquisitions. Climate-related issues are included, and managed, within our overall risk and opportunity analysis. For more information about our control model, see pages 10-11 and 65-66. At the operational level, the CEO, Head of Sustainability, Group Management, as well as the Group's companies and their employees, manage climate-related risks and opportunities. Head of Sustainability is responsible for transparent reporting and follow-up of climate-related areas.

Strategy

- Risks and opportunities identified in the area of climate. Climate-related risks and opportunities are relevant to Addtech and affect our companies to varying degrees due to the variation in the companies' offerings. A general change is in progress within industry focused on climate-friendly alternatives and generating new opportunities and risks for Addtech. During the year, we performed a risk and opportunity analysis in the area of climate, with 2030 as the time frame (see table on page 140). The climate-related risks associated with realignment are predominantly reduced demand from customers in the transition to a more climate-friendly economy and dependence on business in potentially transformational markets. We identified a number of opportunities linked to the realignment to a more climate-friendly economy. Among other things, we see opportunities in markets such as the generation of renewable energy, waste management and the electrification of society.

Materiality analysis

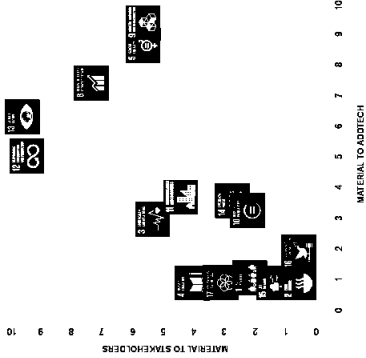
To be able to work strategically and in a manner integrated with sustainable development, we update our materiality analysis and stakeholder dialogue regularly, and set out targets for long-term work. The most recent materiality analysis was approved by Group Management in November 2019, with the aim of updating the analysis every three years.

Material to stakeholders

In connection with the materiality analysis, a stakeholder dialogue is held with prioritised stakeholder groups. The UN Global Sustainable Development Goals are used as a starting point for the dialogue. The dialogue comprises in-depth interviews and surveys in which the stakeholder groups respond to questions regarding which sustainability issues are of importance for them and regarding their expectations of Addtech's continued sustainability strategy. They also have the opportunity to prioritise the sustainable development goals most important to those with whom Addtech works. The results are reported in the Y axis of the materiality matrix: Material to Stakeholders.

Material to Addtech

In a survey, the Board of Directors and Management Group for Addtech prioritises the sustainable development goals according to what goals constitute risks, as well as business opportunities for the Group. The responses are then presented at a workshop with the Management Group where the relation between Addtech's ambitions and stakeholder expectations are discussed. The results are reported in the X axis of the materiality matrix: Material to Addtech.



STAKEHOLDER GROUP	IALOGUE METHOD	IMPORTANT ISSUES FOR THEM	PRIORITISED SUSTAINABLE DEVELOPMENT GOALS
Shareholders	In-depth interviews with a selection of our largest shareholders and analysts that follow the Addtech share, capital market day, Annual General Meeting, Annual Report, Interim Reports and website.	Earnings trend, human rights, anti-corruption, climate impact, sustainable business models and gender equality.	5, 8, 9, 10, 11, 12, 13, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50
Employees	In-depth interviews with focus groups from all business areas, sustainability questionnaires for selected employees, development interviews, courses and the Intranet.	Gender equality, working conditions, skills development, responsible suppliers, sustainable business opportunities and climate impact.	5, 8, 9, 10, 11, 12, 13, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50
Customers	In-depth interviews with a selection of our largest customers, the companies' own channels and meetings and the website.	Innovation, human rights, responsible resource consumption, anti-corruption, working conditions and climate impact.	5, 8, 9, 10, 11, 12, 13, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50
Suppliers	In-depth interviews with a selection of our most important suppliers, the subsidiaries' own channels and meetings, supplier evaluations and visits.	Business ethics, customer satisfaction, collaboration and the climate impact.	5, 8, 9, 10, 11, 12, 13, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50

138 ADOTECH ANNUAL REPORT 2020/2021

Climate-related opportunities

The climate-related risks and opportunities identified are central to Addtech's business strategy and we have identified a number of business opportunities. Together with our customers, we have the opportunity to have a positive impact on our customers' efficiency and their reduced climate impact. Our products and solutions, for example, enhance energy

efficiency, support the production of renewable energy and increase our customers' resilience to climate change. Internally, we work for effective and climate-efficient freight transport, energy efficiency, purchasing of renewable energy and a growth strategy in climate-friendly markets.

Climate-related risk assessment

Transition risks

Material risks and potential effects

Mitigating activities ongoing (O), planned (P)

Increased taxes for carbon-intensive products, activities and services – increased operating costs for energy and freight transport.
Increased reporting requirements, such as the EU Taxonomy – unclear criteria can cause difficulties in reporting.

Optimisation and streamlining of freight transport (O).
Increased awareness and setting of targets for energy efficiency in companies with proprietary production (P).
Follow the development of reporting criteria for the EU Taxonomy and an analysis of Addtech based on established criteria (O). We work continuously to develop the reporting for all our companies (O).

Technology

Substitution of existing products and services with more climate-friendly alternatives – reduced demand for products that may have a higher climate impact.

Strategy to increase awareness of the climate impact (O) of different products and services.

Market

Costs for transition to climate-friendly technology – investment risk.
Changed customer behaviours – may cause changes in the market.

Climate risk analysis in connection with all major investments (P).

Reputation

Increased costs for raw materials – increased operating costs.
Changed requirements from customers – lost sales.

Strategy to develop in sustainable business (O).
Strategy to increase awareness of the impact on climate and on pricing (O) of products and services.

Stigmatisation of certain markets – lost sales.
Increased demands from stakeholders – negative feedback.

Strong partnerships with key customers and suppliers regarding climate-related effects (O, P).
Strong partnerships with key customers and suppliers regarding climate-related effects (O, P).
Strategy to be in line with stakeholder requirements (O).

Physical risks

Short-Term

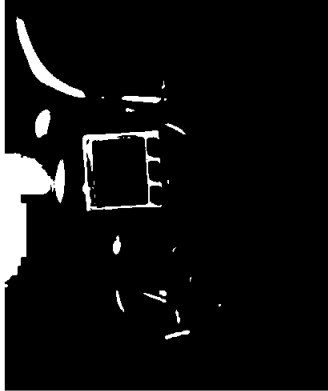
Increased consequences of extreme weather – increased operating costs.

Implementing physical risk analysis for key suppliers and for our companies (P).

Long term

Rising average temperature – increasing operating costs.
Rising sea levels – increasing operating costs.
Changed precipitation patterns and major weather variations – increasing operating costs.

Implementing physical risk analysis for key suppliers and for our companies (P).
Implementing physical risk analysis for key suppliers and for our companies (P).
Implementing physical risk analysis for key suppliers and for our companies (P).



Key indicators

For each focus area, Addtech sets long-term targets that are measurable and time bounded to 2030 in accordance with the sustainable development goals. By expressing this direction, we clarify where we want to go and the value that we generate. Aided by the continuous follow-up of our key indicators, we safeguard our development in the right direction.

In 2020, a process was conducted to increase transparency, data quality and reliability in our key indicators. This development ensures greater transparency in how our companies measure themselves in terms of environmental, social and economic sustainability and that this takes place in a uniform manner throughout the Group. During the year, all individuals responsible for reporting were trained in sustainability reporting. To ensure a reliable climate data process, the method was reviewed by a third party based on the GHG protocol.

KPI	2020/2021	2019/2020	2018/2019
THE BUSINESS			
Sustainable development			
Percentage of sales from business that contributes to sustainable development (%)*	50	40	-
Distribution by business area (%)	17	12	-
Automation:	14	8	-
Components:	23	32	-
Energy:	29	29	-
Industrial Process:	17	19	-
Power Solutions:	13	4	-
SDG 3 Good health and well-being:	27	28	-
SDG 7 Affordable and clean energy:	7	-	-
SDG 8 Decent work and economic growth:	23	38	-
SDG 9 Industry, innovation and infrastructure:	12	9	-
SDG 11 Sustainable cities and communities:	5	2	-
SDG 12 Responsible consumption and production:	6	18	-
SDG 14 Life below water:	7	1	-
Other SDG:	11,336	11,735	10,148
Economic value	10,977	11,510	9,787
Financial value generated (SEK million)	8,221	8,725	7,398
Financial value distributed (SEK million)	2,102	2,114	1,840
Of which, manufacturing costs (SEK million)	65	62	50
Of which, salaries and remunerations (salaries, pensions, payroll taxes, social security contributions) (SEK million)	269	336	269
Of which, disbursements to creditors (SEK million)	320	273	230
Of which, disbursements to shareholders (SEK million)	359	225	361
Of which, disbursements to governments (SEK million)			
Remaining in the company (SEK million)			

* see calculation method



KPI	2020/2021	2019/2020	2018/2019
ORGANISATION (SOCIAL)			
Diversity & equal opportunity			
Proportion of women in leading positions (%)*	19	17	16
Proportion of women in administration, finance & purchasing (%)*	65	65	66
Proportion of women in sales (%)*	15	14	14
Proportion of women in technical services, support, production, warehousing (%)*	18	19	21
Proportion of women, total (%)	26	26	26
Proportion of employees who ever felt discriminated (%)* (Survey is done every two years)	2.3	-	2.3
Number of reported whistle-blower cases*	6	0	0
Employment			
Average number of employees	3,068	2,913	2,590
Proportion of permanent employees (%)	98	97	98
Proportion of full-time employees (%)	94	94	94
Personnel turnover (%)	13	10	12
Personnel turnover, women (%)	13	10	13
Personnel turnover, men (%)	13	10	11
Health & safety			
Absence due to illness (%)	3	3	3
Number of accidents	38	32	32
Number of lost days due to accidents	178	-	-
Number of fatal accidents	0	0	0
Training & development			
Total number of invested training hours	23,305	24,137	22,585
Number of invested training hours/employee	7.60	8.29	8.72
Percentage of invested training hours per female employee, weighted gender distribution (%)	57	54	52
Percentage of invested training hours per male employee, weighted gender distribution (%)	43	46	48
Percentage of documented performance and development interviews (%)	60	63	63

* see calculation method

KPI	2020/2021	2019/2020	2018/2019
ORGANISATION (ENVIRONMENT)			
Emissions of greenhouse gases*			
Carbon dioxide intensity (total CO ₂ e tonnes/net sales SEK million)	2.2	2.5	2.5
Total emissions (tonnes CO ₂ e)	25,165	29,182	25,808
SCOPE 1			
Emissions from own vehicle fleet (tonnes CO ₂ e)	1,910	2,071	1,869
Emissions combustion of fuels (tonnes CO ₂ e)	1,366	2,071	1,869
SCOPE 2			
Emissions energy consumption - Location Based Method (tonnes CO ₂ e)	3,395	3,979	3,713
Emissions energy consumption - Market Based Method (tonnes CO ₂ e)	3,395	3,979	3,713
SCOPE 3			
Emissions freight, upstream & downstream (tonnes CO ₂ e)	4,260	N/A	N/A
Emissions freight, upstream & downstream (tonnes CO ₂ e)	19,860	23,132	20,226
Emissions freight, upstream (tonnes CO ₂ e)	18,733	18,362	15,930
Emissions freight, downstream (tonnes CO ₂ e)	10,581	10,581	9,892
Whereof data from carrier suppliers (%)	45	-	-
Whereof data calculated using distance & spend based method (%)	55	-	-
Business travel emissions, air & train (tonnes of CO ₂ e)	1,021	4,770	4,296
Emissions extraction, production and transport of purchased fuels (tonnes CO ₂ e)	106	-	-
Energy consumption (Scope 2)			
Total energy consumption (MWh)	26,043	24,935	23,184
Whereof electricity (MWh)	16,420	16,317	15,695
Whereof heating (MWh)	9,623	8,618	7,589
Share of electricity from renewable sources (%)	63	59	59
Energy consumption in relation to net sales (%)	2.3	2.1	2.3

* see calculation method

KPI	2020/2021	2019/2020	2018/2019
THE SUPPLY CHAIN			
Supplier evaluations*			
Percentage of purchasing volume where the Supplier Code of Conduct has been signed (%)	49	-	-
Percentage of purchasing volume where suppliers have participated in a sustainability assessment based on the Supplier Code of Conduct (%)	24	-	-
Percentage of purchasing volume where suppliers have participated in a sustainability audit (%)	11	-	-
Percentage of purchasing volume where a sustainability dialogue has occurred (%)	51	-	-

Divided the question into three for increased precision - see above and calculation methods

* see calculation method

Independent Limited Assurance Report

Auditor's Independent Limited Assurance Report on the review of non-financial disclosures for Aditech AB's annual report 2020/2021.

To Aditech AB, org. no. 556302-9726

Introduction

I have been assigned by the board of directors for Aditech AB to perform a limited assurance engagement of Aditech AB's non-financial disclosures in the annual report for the accounting year of 2020/2021. Aditech AB has defined the scope of the non-financial disclosures on page 132-144 in the annual report.

Responsibility of the board of directors and group management

It is the responsibility of the board of directors and group management to ensure the preparation of the reported data in accordance with the applicable criteria. The criteria are set out on page 133 in the annual report, which are aligned with the relevant sections of the sustainability reporting frameworks issued by Global Reporting Initiative and Greenhouse Gas Protocol, as well as Aditech AB's own non-financial disclosures. This responsibility also includes the level of internal control that is necessary to prepare non-financial disclosures that does not contain material misstatements, whether due to fraud or errors.

Auditor's responsibility

My responsibility is to express a conclusion on the specified non-financial disclosures based on my limited assurance.

I have performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements other than Audits and Reviews of Historical Financial Information*. A limited assurance consists of making inquiries to those responsible for the issuing of the non-financial disclosures, conduct analytical reviews and undertaking other review measures. A limited assurance has a different focus and a smaller scope compared to the focus and scope of an audit in accordance with IASB's auditing standards. Grant Thornton Sweden AB applies ISOC 1 (International Standard on Quality Control) and thus has a comprehensive, quality control system which includes documented guidelines and procedures regarding compliance with professional ethical requirements, standards or professional practice and applicable requirements in laws and regulations. I am independent in relation to Aditech AB in accordance with generally accepted auditing standards in Sweden and have fulfilled my professional ethical responsibilities in accordance with these requirements.

Markus Håkansson

Certified Public Accountant/Specialist member FAR

Statements

Based on my limited assurance, no circumstances have occurred that give me a reason to believe that the non-financial disclosures has not, in all material aspects, been prepared in accordance with the criteria stated above.

Stockholm, June 24 2021

Grant Thornton Sweden AB

- Share of purchase volume for which Aditech's Supplier Code of Conduct has been signed – for cases where the supplier cites its own Supplier Code and internal code, a comparative analysis has been performed. This is included as our companies have suppliers who are large multi-national companies where the opportunity to influence is smaller.
- Share of purchase volume for which the supplier has participated in a sustainability assessment based on the Supplier Code – the supplier makes a sustainability self-assessment in the form of a survey in which the questions cover Aditech's Supplier Code of Conduct. The supplier then receives a rating on sustainability.

Emissions of greenhouse gases

Aditech's emissions are calculated according to the Greenhouse Gas Protocol (GHG protocol) and are reported in accordance with three different scopes. The precautionary principle has been applied to all calculations.

Scope 1 pertains to direct emissions from operations owned and controlled by Aditech. The operational control method has been applied.

- The kilometres driven by the vehicle fleet are calculated with average emissions of 124 g CO₂e/km collected from leasing suppliers in the Nordic region.
- Combustion of fuels was calculated applying the conversion rates and emission factors stated by the Swedish Energy Agency and the Swedish Environmental Protection Agency.

Scope 2 pertains to indirect emissions from purchased and consumed electricity, heating and cooling. Emissions are reported in accordance with both the location- and market-based method, where the locational based emissions have been recalculated.

- Emission factors for electricity are from AB, IEA and country-specific reports.

- For district heating, an average emission factor for Europe is applied: 112 CO₂e/gkWh.

• District cooling is mainly produced through a compression process and therefore the country mix for electricity is divided by three to calculate emissions.

• Electricity consumption by the electric cars in the vehicle fleet is also reported in Scope 2, where the calculation is based on each km driven consuming 19 g CO₂e.

Scope 3 pertains to indirect emissions from sources that are not owned or controlled by Aditech. The freight calculations (categories 4 and 5) were further developed on the basis of three methods: data from freight companies and the spend and distance-based calculation methods. Freight emissions, where the supplier/customer is responsible for the transport, are part of the data we compile and of our climate impact. The figure is not included in the table due to the challenges of reliable data.

- Ecofantis's calculator was used to calculate the distance-based method. Calculations for business travel (category 6) include travel by air and rail, with an accounting for 95.8 percent of emissions.

• Air travel is calculated using the ICAO Carbon Emissions Calculator tool, where we calculated with RF factor 2 and recalculated historical data to include the high altitude effect.

- For rail travel, an average European factor of 26g CO₂e/ton was applied, that is provided by the European Environment Agency (EEA).

Calculations from the extraction, production and transport of fuels (category 3) refer to fuel that has been purchased to produce energy in operations.

- Calculated with the help of the conversion rate and emission factors provided by the Swedish Energy Agency and the Swedish Environmental Protection Agency.

Calculation methods

Percentage of sales from business that contributes to sustainable development

Our companies are responsible for reporting a mapping of their product and service offerings with a positive impact on the UN Sustainable Development Goals. Sales from above, divided by total sales, provides the share contributing to sustainable development. The percentage has been rounded to the nearest ten. The reporting process has been further developed compared with the preceding year, during which an estimate was made at the business area level. The year's reporting process showed that some companies' sales are related to resellers or distributors. Because this causes difficulties in obtaining knowledge regarding the end customer's area of use, we exclude this group.

Proportion of women, leading positions

The calculation consists of the number of women working in management groups at Group and company level, in relation to the total number of employees that work in management groups. Employees in management groups must be entitled to make decisions to be counted as holding "leading positions". This represents a clarification of the definition for "leading position" compared with the preceding year, when a proportion of the companies solely reported the CEO and Vice CEO.

Proportion of women, by personnel category

To take note of employees with more than one area of responsibility, the personnel categories are weighted based on the amount of time devoted to each position.

Proportion of employees who ever felt discriminated

The number of responses of the nature "Disagree" to the statement "I have never been discriminated against at work", is set in relation to the number of employees who participated in the employee survey. The question is posed in the employee survey carried out every second year.

Number of reported whistle-blower cases

Area	Number of reported cases	Number of investigated cases	Number of implemented measures
Business ethics related (e.g. corruption, anti-trust)	1	-	-
HR-related (e.g. discrimination and leadership related)	5	5	5
Other	-	-	-

All cases were reported to an external whistle-blower function. The cause of the whistle blowing may relate to any kind of impropriety or irregularity that is in conflict with our Code of Conduct.

Number of accidents

For the calculation of the number of accidents, each company in the Group has reported the number of accidents that relates to the work, but not accidents caused during travel to and from work.

Supplier evaluations

This year, the data collection method was developed by separating last year's metrics for supplier assessment into three areas: signed Supplier Code of Conduct, supplier evaluation and sustainability audit.





Årsregnskap Norsk Analyse AS

Noter til regnskapet 2021

Note 1 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven av 1998 og god regnskapsskikk i Norge.

Hovedregel for vurdering og klassifisering av eiendeler og gjeld

Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Andre eiendeler er klassifisert som omløpsmidler. Fordringer som skal tilbakebetales innen et år er klassifisert som omløpsmidler. Ved klassifisering av kortsiktig og langsiktig gjeld er tilsvarende kriterier lagt til grunn.

Omløpsmidler er vurdert til laveste av anskaffelseskost og virkelig verdi.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til gjenvinnbart beløp dersom dette er lavere enn bokført verdi, og verdifallet forventes ikke å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig.

Annen langsiktig gjeld og kortsiktig gjeld er vurdert til pålydende beløp.

Eiendeler og gjeld i utenlandsk valuta

Pengeposter i utenlandsk valuta er i balansen omregnet til balansedagens kurs. Valutakursdifferanser presenteres som annen finansinntekt/kostnad i resultatregnskapet. Valutatemer behandles ihht NRS 18 pkt A11 alt. 2b. Det henvises til note 17 for ytterligere omtale.

Immaterielle eiendeler

Utgifter til egen tilvirkning av immaterielle eiendeler, herunder utgifter til egen forskning og utvikling, balanseføres når det er sannsynlig at de fremtidige økonomiske fordelene knyttet til eiendelene vil tilflytte selskapet og anskaffelseskost kan måles pålitelig.

Immaterielle eiendeler som er kjøpt enkeltvis, er balanseført til anskaffelseskost. Immaterielle eiendeler overført ved kjøp av virksomhet, er balanseført til anskaffelseskost når kriteriene for balanseføring er oppfylt.

Immaterielle eiendeler med begrenset økonomisk levetid avskrives planmessig. Immaterielle eiendeler nedskrives til gjenvinnbart beløp dersom de forventede økonomiske fordelene ikke dekker balanseført verdi og eventuelle gjenstående tilvirkningsutgifter.

Leieavtaler

Driftsmidler som leies på betingelser som i det vesentlige overfører økonomisk risiko og kontroll til selskapet (finansiell leasing), balanseføres under varige driftsmidler og tilhørende leieforpliktelse medtas som forpliktelse under rentebærende langsiktig gjeld til nåverdien av leiebetalinger. Driftsmiddelet avskrives planmessig, og forpliktelsen reduseres med betalt leie etter fradrag for beregnet rentekostnad. Operasjonell leasing regnskapsføres som annen driftskostnad.

Aksjer og andeler i datterselskap

Investeringer i datterselskaper vurderes etter kostmetoden. Investeringene blir nedskrevet til virkelig verdi dersom verdifallet ikke er forbigående og det må anses nødvendig etter god regnskapsskikk. Mottatt utbytte og konsernbidrag fra datterselskapene er inntektsført som annen finansinntekt.

Varer

Varer er vurdert til laveste av anskaffelseskost etter FIFO-metoden og netto salgsverdi. For råvarer og varer i arbeid beregnes netto salgsverdi til salgsverdien av ferdig tilvirkede varer redusert for gjenværende tilvirkningskostnader og salgskostnader. Egenproduserte varer er verdsatt til laveste av full tilvirkningskost og virkelig verdi.

Inntekter

Ved varesalg:

Inntekt regnskapsføres når den er opptjent, altså når både risiko og kontroll i hovedsak er overført til kunden. Dette vil normalt være tilfellet når varen er levert til kunden. Inntektene regnskapsføres med



verdien av vederlaget på transaksjonstidspunktet



Ved tjenestesalg:

Inntekt regnskapsføres når den er opptjent, altså når krav på vederlag oppstår. Dette skjer når tjenesten ytes, i takt med at arbeidet utføres. Inntektene regnskapsføres med verdien av vederlaget på transaksjonstidspunktet.

Anleggskontrakter

For anleggskontrakter foretas det løpende inntektsføring i takt med fremdriften av prosjektet (løpende avregnings metode). Fullføringsgraden beregnes som påløpte kostnader på balansedagen i prosent av estimert totalkostnad. For anleggskontrakter som forventes å gi tap, gjøres det avsetning for nettokostnaden ved gjenværende kontraktsfestet produksjon.

Fordringer

Kundefordringer og andre fordringer er oppført til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene.

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter ol. inkluderer kontanter, bankinnskudd og andre betalingsmidler med forfallsdato som er kortere enn tre måneder fra anskaffelse.

Garantier og servicearbeid

Ved salg er hele salgsprisen, inklusive den delen som gjelder fremtidige garanti- og serviceytelser, tatt til inntekt på salgstidspunktet. Det er gjort en avsetning for fremtidige garanti- og serviceytelser.

Pensjoner

Innskuddsplaner periodiseres etter sammenstillingsprinsippet. Årets innskudd til pensjonsordningen kostnadsføres

Kostnader

Kostnader regnskapsføres som hovedregel i samme periode som tilhørende inntekt. I de tilfeller det ikke er en klar sammenheng mellom utgifter og inntekter fastsettes fordelingen etter skjønnsmessige kriterier. Øvrige unntak fra sammenstillingsprinsippet er angitt der det er aktuelt.

Skatter

Skattekostnaden sammenstilles med regnskapsmessig resultat før skatt. Skatt knyttet til egenkapitaltransaksjoner er ført mot egenkapitalen. Skattekostnaden består av betalbar skatt (skatt på årets direkte skattepliktige inntekt) og endring i netto utsatt skatt. Skattekostnaden er fordelt på ordinært resultat og resultat av ekstraordinære poster i henhold til skattegrunnlaget. Utsatt skatt og utsatt skattefordel er presentert netto i balansen.

Offentlige tilskudd

Investeringstilskudd er ført brutto i balansen og periodiseres over investeringsens økonomiske levetid som driftsinntekt. Driftstilskudd periodiseres samtidig med den inntekten det skal øke eller den kostnaden det skal redusere.

Avvikende regnskapsår

Det svenske selskapet Addtech Nordic AB kjøpte alle aksjene i Norsk Analyse AS med virkning fra 8. januar 2013. Addtech konsernet er børsnotert i Sverige og har avvikende regnskapsår med regnskapsavslutning 31. mars. For å tilpasse seg konsernet, har også Norsk Analyse AS endret sitt regnskapsår tilsvarende.



Note 2 Driftsinntekter

Per geografisk marked:	2021	2020
<i>Europa</i>	202 679 693	365 759 257
<i>Asia</i>	20 820 561	68 073 534
<i>Amerika</i>	27 861 863	50 429 702
<i>Australia</i>	11 451 695	925 202
<i>Afrika</i>	-	19 125
Sum	262 813 812	485 206 820

Note 3 Anleggskontrakter

	2021	2019
Opptjent, ikke fakturert inntekt	31 671 056	18 905 883

Fullføringsgraden beregnes på bakgrunn av påløpte kostnader i forhold til estimerte totalkostnader på hvert prosjekt. Av konkurransemessige hensyn utelates ytterligere informasjon om estimert kontaktsfortjeneste på balansedagen.

Note 4 Lønnskostnad, antall ansatte, godtgjørelser mm

Lønnskostnad	2021	2020
Lønn	34 985 146	33 901 483
Folketrygdavgift	5 034 629	5 013 329
Pensjonskostnader (se note 10)	1 715 077	1 104 206
Andre ytelser	970 256	1 032 852
Sum	42 705 108	41 051 870

Antall årsverk sysselsatt i regnskapsåret 46 35

Ytelser til ledende personer	Lønn	Pensjons- kostnader	Annen godtgjørelse
Daglig leder	2 205 238	110 262	133 011

Revisor

Periodens kostnadsførte godtgjørelse til revisor ekskl. mva. fordeler seg slik:

	2021	2020
Lovpålagt revisjon	280 500	127 500
Andre tjenester utenfor revisjonen		

Note 5 Immaterielle og varige driftsmidler

	FoU ervervet	FoU egenutviklet	Transport- midler	Inventar og kont. Mask	EDB- utstyr	SUM
Anskaffelseskost 01.04.20	435 288	482 091	1 036 555	3 659 769	3 642 308	9 256 011
Tilgang kjøpte driftsmidler			-	903 750	276 531	1 180 281
Avgang			-			-
Anskaffelseskost 31.03.21	435 288	482 091	1 036 555	4 563 519	3 918 839	10 436 292
Akk. avskrivninger 31.03.21	435 288	482 091	951 930	3 378 051	3 279 209	8 526 569
Bokført verdi pr. 31.03.21	-	-	84 625	1 185 468	639 630	1 909 722
Årets avskrivninger	-	-	53 520	258 009	85 490	397 019
Økonomisk levetid	3 år	3 år	5 år	5 år	3-5 år	
Avskrivningsplan	Lineær	Lineær	Lineær	Lineær	Lineær	



Årets leie lokaler: 1 345 167



Note 6 Datterselskap, tilknyttet selskap m.v.

Firma	Ansk.- tidspunkt	Konsolidert (ja/nei)	Foretnings- kontor	Stemme-andel	Eier- andel
Norsk Analyse AB	17.11.1999	nei	Grums, Sverige	100 %	100 %
Norsk Analyse A/S	31.03.2000	nei	Køge, Danmark	100 %	100 %
Norsk Analyse Oy	21.09.2012	nei	Espoo, Finland	100 %	100 %

(Tall i 1000 NOK)		Kostpris	Bokført verdi	Egenkapital i følge siste årsregnskap	Årsresultat i følge siste årsregnskap
Firma					
Norsk Analyse AB		5 345	5 345	44 019	1 287
Norsk Analyse A/S		523	523	9 750	-1 591
Norsk Analyse Oy		1 870	0	3 748	50
		7 738	5 868	57 517	-254

Note 7 Varer

	2021	2020
Varer for videresalg	23 458 591	24 181 031
Varer ukurans	-1 395 000	-1 300 000
Sum	22 063 591	22 881 031

Note 8 Aksjekapital og aksjonærinformasjon

Aksjekapitalen i selskapet pr 31.03.21 består av følgende aksjeklasser:

	Antall	Pålydende verdi	Bokført verdi
Aksjer	2 100	1 000	2 100 000
Sum	2 100		2 100 000

Det er ingen bestemmelser i vedtektene om begrensninger i stemmerett. Hver aksje teller en stemme.

Eierstruktur

De største aksjonærene i selskapet pr 31.03.21 var:

	Aksjer	Sum	Eier- andel	Stemme- andel
Addtech Nordic AB	2 100	2 100	100 %	100 %
Totalt antall aksjer	2 100	2 100	100 %	100 %

Norsk Analyse AS inngår i konsernregnskapet til Addtech AB. Dette konsernregnskapet er tilgjengelig på www.addtech.com. Unntaksregelen i regnskapsloven §3-7 første ledd er med denne bakgrunn anvendt for Norsk Analyse AS.

Note 9 Egenkapital

Innskutt egenkapital	Aksje- kapital	Annen innskutt egenkapital	SUM
Egenkapital 01.04.20	2 100 000	5 475 000	7 575 000
Årets endring i egenkapital:			
Kapitalutvidelse/ -nedsettelse			-
Mottatt konsernbidrag			-
Egenkapital 31.03.21	2 100 000	5 475 000	7 575 000

Opptjent egenkapital	Annen egenkapital	Sum opptjent egenkapital
Egenkapital 01.04.20	80 975 187	80 975 187
Årets endring i egenkapital:		
Årets resultat	35 500 336	35 500 336
Avgitt konsernbidrag (etter skatt)	-31 200 000	-31 200 000
Egenkapital 31.03.21	58 075 523	58 075 523



Note 10 Pensjonskostnader, -midler og -forpliktelser

Foretaket er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon og har pensjonsordning som oppfyller kravene etter denne loven.

Note 11 Transaksjoner og mellomværende med nærstående parter m.v.

Resultatmessige transaksjoner med nærstående parter:

Transaksjonsgruppe	Tilhører resultatlinje	Motpart	Forhold til motparten	2021		2020	
Varekjøp	Varekostnad	Norsk Analyse AB	Datter	121 546 393	202 990 308		
Varekjøp	Varekostnad	Norsk Analyse A/S	Datter	6 107 915	3 808 625		
Varekjøp	Varekostnad	Norsk Analyse Oy	Datter	0	207 624		
Varekjøp	Varekostnad	Analyser Services Trinida Ltd	Datter	0	40 164		
Varesalg	Salgsinntekt	Norsk Analyse AB	Datter	1 492 014	7 849 925		
Varesalg	Salgsinntekt	Norsk Analyse A/S	Datter	4 717 875	10 275 279		
Varesalg	Salgsinntekt	Analyser Services Trinidad Ltd.	Datter	113 334	0		
Varesalg	Salgsinntekt	Martin Bruusgaard & Co AS	Søster	66 283	0		
Varesalg	Salgsinntekt	Norsk Analyse Oy	Datter	700 486	2 531 524		
Varesalg	Salgsinntekt	OmniProcess AB	Søster	2 606 726	725 179		
Betalt corp fee	ADK	Addtech Nordic AB	Mor	3 756 565	1 750 440		
Fakturert corp fee	Annen dr. innt.	Norsk Analyse AB	Datter	910 668	771 554		
Fakturert corp fee	Annen dr. innt.	Norsk Analyse A/S	Datter	1 578 360	1 121 361		
Fakturert corp fee	Annen dr. innt.	Suomi Analytics Oy	Datter	1 117 553	852 573		
Mottatt utbytte	Finans	Norsk Analyse D/K	Datter	0	1 570 440		
Renter	Rentekostnad	Addtech AB	Konsernspiss	-15 358	-274 609		

Mellomværende med nærstående parter:

Motpart	Forhold til motparten	Kundefordringer		Andre langsiktige fordringer	
		2021	2020	2021	2020
Norsk Analyse AB	Datter	1 223 543	3 139 402	0	0
Norsk Analyse A/S	Datter	1 774 504	8 312 224	0	0
Analyser Services Trinidad Ltd.	Datter	0	31 221	0	0
Norsk Analyse OY	Datter	1 381 871	1 584 929	0	0
Sum		4 379 918	13 067 776	-	-

Motpart	Forhold til motparten	Leverandørgjeld		Annen langsiktig gjeld	
		2021	2020	2021	2020
Norsk Analyse AB	Datter	8 358 280	16 577 687	0	0
Norsk Analyse A/S	Datter	652 406	1 843 528	0	0
Analyser Services Trinidad Ltd.	Datter	0	89 728	0	0
Norsk Analyse Oy	Datter	0	0	0	0
Sum		9 010 686	18 510 943	-	-

Motpart	Forhold til motparten	Andre kortsiktige fordringer		Annen kortsiktig gjeld	
		2021	2020	2021	2020
Aratron AS (skyldig konsemdrag)	Søster	0	0	40 000 000	84 300 000
Aratron AS (avsatt utbytte)	Søster	0	0	27 200 000	0
Sum		-	-	67 200 000	84 300 000

Gjeld til Addtech AB renteberegnes med NIBOR+1,5%



Note 12 Skattekostnad

Årets skattekostnad fremkommer slik:	2021	2020
Betalbar skatt	84 906	14 572 396
Avsatt kildeskatt	2 087 000	
Skatteeffekt avgitt/(mottatt) konsernbidrag	8 800 000	18 546 000
Endring i utsatt skatt	-4 142 839	-237 164
Skattekostnad ordinært resultat	6 829 067	32 881 232

Betalbar skatt i balansen	2021	2020
Årets betalbare skattekostnad	84 906	14 572 396
Forskuddsskatt februar	-2 052 347	-7 273
Avsatt kildeskatt	2 087 000	
Fjorårets utlignede skatt ikke forfalt til betaling	14 572 396	4 104 695
Betalbar skatt i balansen (+) / Skattefordring (-)	14 691 955	18 669 818

Avstemming fra nominell til faktisk skattesats	2021	2020
Ordinært resultat før skatt	42 329 403	150 833 381
Årsresultat før skatt	42 329 403	150 833 381

Forventet inntektsskatt etter nominell skattesats 9 312 469 33 183 344

Skatteeffekten av følgende poster:

Skattefritt utbytte	-	-335 133
Verdiendring aksjer	-	9 161
Andre ikke fradragsberettigede kostnader	10 926	23 860
Aksjegevinst salg aksjer Trinidad	-4 581 328	-
Avsatt kildeskatt Trinidad	2 087 000	-
Skattekostnad	6 829 067	32 881 232
Effektiv skattesats	16,1 %	21,8 %

Spesifikasjon av skatteeffekten av midlertidige forskjeller og underskudd til framføring:

	2021		2020	
	Fordel	Forpliktelse	Fordel	Forpliktelse
Driftsmidler	-	15 590	23 630	-
Varebeholdning	306 900	-	286 000	-
Regnskapsmessige avsetninger	1 910 622	-	1 474 000	-
Tilvirkningskontrakt	2 037 424	-	-	1 565 233
Kundefordringer	341 880	-	220 000	-
Sum	4 596 826	15 590	2 003 630	1 565 233
Ikke balanseført utsatt skattefordel	-	-	-	-
Netto utsatt fordel/forpl. i balansen	4 581 236		438 397	

Note 13 Betinget utfall og hendelser etter balansedagen

Det eksisterer ingen forhold ved regnskapsårets slutt med betinget utfall.

Covid-19 har medført en midlertidig nedgang i etterspørselen etter selskapets produkter og tjenester.

Det forventes at etterspørselen vil komme tilbake i takt med at restriksjoner oppheves når verden vender tilbake til normalen.

Det har ikke oppstått hendelser etter balansedagen som påvirker det avlagte årsregnskap.

Note 14 Valuta

Selskapets datterselskaper avlegger årsregnskap i utenlandsk valuta, hhv Danske Kroner (DKK), Svenske Kroner (SEK) og Euro (EUR). I note 6 og 11 er det benyttet sluttkurs pr 31.03 for balanseposter og gjennomsnittskurs for året for resultatposter ihht Addtech's konsernkurser.

Note 15 Bankinnskudd

Bankinnskudd, kontanter o.l. omfatter kr 2.755.572 i bundne midler pr 31.03.2021.



**Note 16 Pant**

Det er ikke pant i noen av selskapets eiendeler

Note 17 Kontantstrømsikring**Valutaterminer**

Ved behov gjennomfører selskapet kontantstrømsikring ved bruk av valutaterminkontrakter. Disse bokføres ihht NRS 18 pkt A11 alt. 2b., det vil si at terminkontrakter ikke reflekteres i regnskapet før realisasjonstidspunktet. Verdiendringer på åpne terminkontrakter ved periodeslutt regnskapsføres ikke.
Pr 31.03.2021 var det ingen åpne terminkontrakter.