Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.04.2021 - 31.03.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Ja
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:	Lars Einar Tingulstad
Dato for fastsettelse av årsregnskapet:	28.09.2022

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 26.01.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	218 660 690	259 207 231
Annen driftsinntekt	2	3 829 370	3 606 581
Sum inntekter		**222 490 060**	**262 813 812**
Kostnader			
Varekostnad		129 554 298	182 806 250
Lønnskostnad	4,10	38 848 652	42 705 107
Avskrivning på varige driftsmidler og immaterielle eiendeler	5	562 665	397 019
Annen driftskostnad	4	15 396 300	12 599 753
Sum kostnader		**184 361 915**	**238 508 129**
Driftsresultat		**38 128 145**	**24 305 683**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	6,11	18 790 189	
Renteinntekt fra foretak i samme konsern		28 809	
Annen renteinntekt			1 241
Annen finansinntekt		2 978 027	29 095 356
Sum finansinntekter		**21 797 025**	**29 096 597**
Rentekostnad til foretak i samme konsern	11	39 327	-15 357
Annen rentekostnad		3 509	42 750
Annen finanskostnad	17	4 399 131	11 045 485
Sum finanskostnader		**4 441 967**	**11 072 878**
Netto finans		**17 355 058**	**18 023 719**
Ordinært resultat før skattekostnad		**55 483 203**	**42 329 402**
Skattekostnad på ordinært resultat	12	8 105 441	6 829 067
Ordinært resultat etter skattekostnad		**47 377 762**	**35 500 335**
Årsresultat		**47 377 762**	**35 500 335**
Overføringer og disponeringer			

Resultatregnskap

Beløp i: NOK	Note	2022	2021
Ordinært utbytte		46 800 000	27 200 000
Konsernbidrag		14 352 000	31 200 000
Overføringer til/fra annen egenkapital		-13 774 238	-22 899 664
Sum overføringer og disponeringer	9	**47 377 762**	**35 500 336**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	5	1 310 100	
Utsatt skattefordel	12	532 342	4 581 236
Sum immaterielle eiendeler		**1 842 442**	**4 581 236**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	5	1 584 857	1 909 722
Sum varige driftsmidler		**1 584 857**	**1 909 722**
Finansielle anleggsmidler			
Investering i datterselskap	6,11,14	6 287 142	5 868 402
Lån til foretak i samme konsern	11	5 268 616	
Andre fordringer		1 846 078	
Sum finansielle anleggsmidler		**13 401 836**	**5 868 402**
Sum anleggsmidler		**16 829 135**	**12 359 360**
Omløpsmidler			
Varer			
Varer	7	23 458 518	22 063 591
Sum varer		**23 458 518**	**22 063 591**
Fordringer			
Kundefordringer	11	45 258 877	46 370 680
Andre fordringer	3	28 907 048	31 671 056
Andre fordringer	12	17 594 295	27 912 117
Sum fordringer		**91 760 220**	**105 953 853**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	15	15 984 036	47 051 573
Sum bankinnskudd, kontanter og lignende		**15 984 036**	**47 051 573**
Sum omløpsmidler		**131 202 774**	**175 069 017**

Balanse

Beløp i: NOK	Note	2022	2021
SUM EIENDELER		**148 031 909**	**187 428 377**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8	2 100 000	2 100 000
Annen innskutt egenkapital	9	5 475 000	5 475 000
Sum innskutt egenkapital		**7 575 000**	**7 575 000**
Opptjent egenkapital			
Annen egenkapital	9	44 301 285	58 075 523
Sum opptjent egenkapital		**44 301 285**	**58 075 523**
Sum egenkapital		**51 876 285**	**65 650 523**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld	11	14 642 720	16 238 575
Betalbar skatt	12	2 138 006	14 691 957
Skyldige offentlige avgifter		3 653 416	5 685 324
Utbytte	11	46 800 000	27 200 000
Kortsiktig konserngjeld	11	18 400 000	40 000 000
Annen kortsiktig gjeld	10	10 521 482	17 961 997
Sum kortsiktig gjeld		**96 155 624**	**121 777 853**
Sum gjeld		**96 155 624**	**121 777 853**
SUM EGENKAPITAL OG GJELD		**148 031 909**	**187 428 376**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer:	2023 302775

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.04.2021 - 31.03.2022

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Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

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Årsregnskapet fastsatt av kompetent organ

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Brønnøysundregistrene, 31.01.2023

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 948 501 430
NORSK ANALYSE AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
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Inntekter			
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Organisasjonsnr: 948 501 430
NORSK ANALYSE AS

BALANSE

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BALANSE - EGENKAPITAL OG GJELD

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Organisasjonsnr: 948 501 430
NORSK ANALYSE AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
4

Antall årsverk i regnskapsåret
40.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Årsregnskap

Norsk Analyse AS

2022

NORSK ANALYSE AS
ORG.NR.: 948 501 430

ÅRSBERETNING 2022

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%), Norsk Analyse Oy (100%) og Norsk Analyse Inc (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.

Rettvisende oversikt over utvikling og resultat
Salgsinntekten er ned med ca 18% sammenlignet med fjoråret. Det er i stor grad en forventet nedgang og selskapet startet derfor våren arbeidet med å omorganisere driften. Det ble gjennomført vesentlige kostnadskutt som har gjort selskapet konkurransedyktig i dagens marked.
Nedgangen i omsetning sammenlignet med fjoråret kommer i all hovedsak fra nedgang i det maritime segmentet og salg av systemer for utslippsmåling for skipsfart (ShipCEMS). Inntekt fra olje & gass viser en marginal nedgang, mens landbasert industri viser en marginal oppgang. Sammenlignet med fjoråret har bruttomarginen styrket seg.

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

Forskning og utvikling
Det har vært noe aktivitet rettet mot forskning og utvikling, og man har gjort en balanseføring for ett produkt, kalt Fuel Gas Analyser. Selskapet har i slutten av året solgt flere slike Fuel Gas Analysers og selskapet har derfor startet nedskrivningen av disse FoU-kostnadene. 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. Etterspørselen er til en vis grad tilbake i det europeiske og nord-amerikanske markedet, mens det fortsatt er meget begrenset etterspørsel fra det asiatiske markedet.

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.

Kredittrisiko
Risikoen for tap på fordringer har øket noe som en følge av Covid-19. Dette er det tatt høyde for i regnskapstallene pr 31.03.2022. 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 5,4% av total arbeidstid i selskapet mot 4,3 % 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.

Norsk Analyse AS har tegnet styreansvarsforsikring for konsernet og tilhørende datterselskaper. Forsikringen dekker styrets og daglig leders rettslige personlige erstatningsansvar for ren formueskade som forårsaket ved bedriftsledende handlinger

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 41 ansatte er det 11 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 forurenser 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 35%, og styret har vurdert at dette er en forsvarlig egenkapital

Tønsberg, 28. September 2022

Claus Nielsen
Styreformann

Tor Erik Sannum
Daglig leder / Styremedlem

John Åge Lazar
Styremedlem

Malin Enarson
Styremedlem

Årsregnskap
Norsk Analyse AS
Resultatregnskap

NOTE	DRIFTSINNTEKTER OG DRIFTSKOSTNADER	2022 *01.04.2021 - 31.03.2022*	2021 *01.04.2020 - 31.03.2021*
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	Driftsresultat	**38 128 145**	**24 305 683**
	FINANSINNTEKTER OG FINANSKOSTNADER		
6,11	Inntekt på investering i datterselskap og tilknyttet selskap	18 790 189	0
	Annen renteinntekt	0	1 241
	Renteinntekt fra foretak i samme konsern	28 809	0
	Annen finansinntekt	2 978 027	29 095 356
	Annen rentekostnad	-3 510	-42 750
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	Foreslått utbytte	46 800 000	27 200 000
	Avgitt konsernbidrag (etter skatt)	14 352 000	31 200 000
9	**Sum overføringer**	47 377 762	35 500 336

Årsregnskap
Norsk Analyse AS
Balanse pr 31. mars

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	Anleggsmidler		
	Immaterielle eiendeler		
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11	Kundefordringer	45 258 877	46 370 680
12	Andre fordringer	17 594 295	27 912 117
	Sum fordringer	62 853 172	74 282 797
15	**Bankinnskudd, kontanter og lignende**	15 984 035	47 051 573
	Sum omløpsmidler	**131 202 773**	**175 069 017**
	SUM EIENDELER	**148 031 909**	**187 428 377**

Årsregnskap
Norsk Analyse AS
Balanse pr 31. mars

NOTE	EGENKAPITAL OG GJELD	2022 31. mars	2021 31. mars
	Egenkapital		
	Innskutt egenkapital		
8	Selskapskapital (2100 aksjer á kr 1000)	2 100 000	2 100 000
9	Annen innskutt egenkapital	5 475 000	5 475 000
	Sum innskutt egenkapital	7 575 000	7 575 000
	Opptjent egenkapital		
9	Annen egenkapital	44 301 285	58 075 523
	Sum opptjent egenkapital	44 301 285	58 075 523
	Sum egenkapital	**51 876 285**	**65 650 523**
	Gjeld		
	Kortsiktig gjeld		
11	Gjeld til foretak i samme konsern	18 400 000	40 000 000
11	Avsatt utbytte	46 800 000	27 200 000
11	Leverandørgjeld	14 642 720	16 238 575
12	Betalbar skatt	2 138 006	14 691 957
	Skyldige offentlige avgifter	3 653 416	5 685 324
3	Annen kortsiktig gjeld	10 521 481	17 961 997
	Sum kortsiktig gjeld	96 155 623	121 777 853
	Sum gjeld	**96 155 623**	**121 777 853**
	SUM EGENKAPITAL OG GJELD	**148 031 909**	**187 428 376**

Tønsberg, 28. September 2022

I styret for Norsk Analyse AS

Claus Nielsen
Styreformann

Tor Erik Sannum
Styremedlem/Daglig leder

John Åge Lazar
Styremedlem

Malin Enarson
Styremedlem

Årsregnskap
Norsk Analyse AS

Noter til regnskapet 2022

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.
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 tilflyte 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 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). Fullførelsesgraden 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 investeringens 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 børsnortert 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:	2022	2021
Europa	179 705 109	202 679 693
Asia	21 657 365	20 820 561
Amerika	20 520 295	27 861 863
Australia	456 359	11 451 695
Afrika	150 932	-
Sum	**222 492 082**	**262 813 812**

Note 3 Anleggskontrakter

	2022	2021
Opptjent, ikke fakturert inntekt	28 907 048	31 671 056

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	2022	2021
Lønn	31 699 617	34 985 146
Folketrygdavgift	4 585 789	5 034 629
Pensjonskostnader (se note 10)	1 630 945	1 715 077
Andre ytelser	932 301	970 256
Sum	**38 848 652**	**42 705 108**
Antall årsverk sysselsatt i regnskapsåret	40	46

Ytelser til ledende personer	Lønn	Pensjons-kostnader	Annen godtgjørelse
Daglig leder	1 817 923	90 896	134 431

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

	2022	2021
Lovpålagt revisjon	234 486	280 500
Andre tjenester utenfor revisjonen		

Note 5 Immaterielle og varige driftsmidler

	FoU ervervet	FoU egenutviklet	Transport-midler	Inventar og kont. Mask	EDB-utstyr	SUM
Anskaffelseskost 01.04.21	435 288	482 091	1 036 555	4 563 519	3 918 839	10 436 292
Tilgang kjøpte driftsmidler			-	118 700	-	118 700
Tilgang egentilv. driftsmidler		1 429 200			-	1 429 200
Anskaffelseskost 31.03.22	435 288	1 911 291	1 036 555	4 682 219	3 918 839	11 984 192
Akk. avskrivninger 31.03.22	435 288	601 191	1 005 450	3 708 531	3 338 774	9 089 234
Bokført verdi pr. 31.03.22	**-**	**1 310 100**	**31 105**	**973 688**	**580 065**	**2 894 957**
Årets avskrivninger	-	119 100	53 520	330 480	59 565	**562 665**
Økonomisk levetid	3 år	3 år	5 år	5 år	3-5 år	
Avskrivningsplan	Lineær	Lineær	Lineær	Lineær	Lineær	
Årets leie lokaler:	1 388 088					

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 %
Nors Analyse Inc.	03.06.2021	*nei*	*Florida, USA*	100 %	100 %

(Tall i 1000 NOK)

Firma	Kostpris	Bokført verdi	Egenkapital i følge siste årsregnskap	Årsresultat i følge siste årsregnskap
Norsk Analyse AB	5 345	5 345	24 813	1 071
Norsk Analyse A/S	523	523	2 216	-1 704
Norsk Analyse Oy	1 870	0	2 729	60
Nors Analyse Inc.	419	419	-779	-1 207
	8 157	**6 287**	**28 979**	**-1 779**

Note 7 Varer

	2022	2021
Varer for videresalg	24 940 518	23 458 591
Varer ukurans	-1 482 000	-1 395 000
Sum	23 458 518	22 063 591

Note 8 Aksjekapital og aksjonærinformasjon

Aksjekapitalen i selskapet pr 31.03.22 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 01.04.21	**2 100 000**	**5 475 000**	**7 575 000**
Årets endring i egenkapital:			
Kapitalutvidelse/ -nedsettelse			-
Mottatt konsernbidrag			-
Egenkapital 31.03.22	**2 100 000**	**5 475 000**	**7 575 000**

Opptjent egenkapital	Annen egenkapital	Sum opptjent egenkapital
Egenkapital 01.04.21	**58 075 523**	**58 075 523**
Årets endring i egenkapital:		
Årets resultat	47 377 762	**47 377 762**
Avgitt konsernbidrag (etter skatt)	-14 352 000	**-14 352 000**
Avsatt utbytte	-46 800 000	**-46 800 000**
Egenkapital 31.03.22	**44 301 285**	**44 301 285**

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	2022	2021
Varekjøp	*Varekostnad*	Norsk Analyse AB	Datter	80 211 801	121 546 393
Varekjøp	*Varekostnad*	Norsk Analyse A/S	Datter	4 779 993	6 107 915
Varekjøp	*Varekostnad*	Norsk Analyse Oy	Datter	33 504	0
Varesalg	*Salgsinntekt*	Norsk Analyse AB	Datter	816 568	1 492 014
Varesalg	*Salgsinntekt*	Norsk Analyse A/S	Datter	8 804 205	4 717 875
Varesalg	*Salgsinntekt*	Analyser Services Trinidad Ltd.	Datter	0	113 334
Varesalg	*Salgsinntekt*	Martin Bruusgaard & Co AS	Søster	127 177	66 283
Varesalg	*Salgsinntekt*	Norsk Analyse Oy	Datter	1 562 022	700 486
Varesalg	*Salgsinntekt*	OmniProcess AB	Søster	0	2 606 726
Betalt corp fee	*ADK*	Addtech Nordic AB	Mor	2 435 672	3 756 565
Fakturert corp fee	*Annen dr. innt.*	Norsk Analyse AB	Datter	1 000 256	910 668
Fakturert corp fee	*Annen dr. innt.*	Norsk Analyse A/S	Datter	1 642 801	1 578 360
Fakturert corp fee	*Annen dr. innt.*	Suomi Analytics Oy	Datter	1 186 313	1 117 553
Mottatt utbytte	*Finans*	Norsk Analyse D/K	Datter	5 568 979	0
Mottatt utbytte	*Finans*	Norsk Analyse AB	Datter	13 221 210	0
Renteinntekt	*Finansinntekt*	Norsk Analyse Inc.	Datter	28 809	0
Renter	*Rentekostnad*	Addtech AB	Konsernspiss	-39 327	-15 358

Mellomværende med nærstående parter:

Motpart	Forhold til motparten	Kundefordringer 2022	Kundefordringer 2021	Andre langsiktige fordringer 2022	Andre langsiktige fordringer 2021
Norsk Analyse AB	Datter	-2 368	1 223 543	0	0
Norsk Analyse A/S	Datter	1 277 863	1 774 504	0	0
Martin Bruusgaard & Co AS	Datter	37 680	0	0	0
Norsk Analyse OY	Datter	292 454	1 381 871	0	0
Norsk Analyse Inc.	Datter	0	0	5 268 616	0
Sum		**1 605 629**	**4 379 918**	-	-

Motpart	Forhold til motparten	Leverandørgjeld 2022	Leverandørgjeld 2021	Annen langsiktig gjeld 2022	Annen langsiktig gjeld 2021
Norsk Analyse AB	Datter	4 824 634	8 358 280	0	0
Norsk Analyse A/S	Datter	79 527	652 406	0	0
Sum		**4 904 161**	**9 010 686**	-	-

Motpart	Forhold til motparten	Andre kortsiktige fordringer 2022	Andre kortsiktige fordringer 2021	Annen kortsiktig gjeld 2022	Annen kortsiktig gjeld 2021
Aratron AS (skyldig konsernbidrag)	Søster	0	0	18 400 000	40 000 000
Addtetch Nordic AS (avsatt utbytte)	Søster	0	0	46 800 000	27 200 000
Sum		-	-	**65 200 000**	**40 000 000**

Gjeld til Addtech AB renteberegnes med NIBOR+1,5%. Fordring mot Norsk Analyse Inc. Renteberegnes med NIBOR 1,41%.

Note 12 Skattekostnad

Årets skattekostnad fremkommer slik:	2022	2021
Betalbar skatt	8 547	84 906
Avsatt kildeskatt	-	2 087 000
Skatteeffekt avgitt/(mottatt) konsernbidrag	4 048 000	8 800 000
Endring i utsatt skatt	4 048 894	-4 142 839
Skattekostnad ordinært resultat	8 105 441	6 829 067

Betalbar skatt i balansen	2022	2021
Årets betalbare skattekostnad	8 547	84 906
Forskuddsskatt februar	-42 449	-2 052 347
Avsatt kildeskatt	2 087 000	2 087 000
Fjorårets utlignede skatt ikke forfalt til betaling	84 908	14 572 396
Betalbar skatt i balansen (+) / Skattefordring (-)	2 138 006	14 691 955

Avstemming fra nominell til faktisk skattesats	2022	2020
Ordinært resultat før skatt	55 483 203	42 329 403
Årsresultat før skatt	55 483 203	42 329 403
Forventet inntektsskatt etter nominell skattesats	12 206 305	9 312 469
Skatteeffekten av følgende poster:		
Skattefritt utbytte	-4 133 842	-
Verdiendring aksjer	-	-
Andre ikke fradragsberettigede kostnader	32 977	10 926
Aksjegevinst salg aksjer Trinidad	-	-4 581 328
Avsatt kildeskatt Trinidad	-	2 087 000
Skattekostnad	8 105 441	6 829 067
Effektiv skattesats	14,6 %	16,1 %

Spesifikasjon av skatteeffekten av midlertidige forskjeller og underskudd til framføring:

	2022		2021	
	Fordel	Forpliktelse	Fordel	Forpliktelse
Driftsmidler	-	25 868	-	15 590
Varebeholdning	326 040	-	306 900	-
Regnskapsmessige avsetninger	506 000	-	1 910 622	-
Tilvirkningskontrakt	-	861 011	2 037 424	-
Kundefordringer	587 180		341 880	
Sum	**1 419 220**	**886 878**	**4 596 826**	**15 590**
Ikke balanseført utsatt skattefordel	-	-	-	-
Netto utsatt fordel/forpl. i balansen	**532 342**		**4 581 236**	

Note 13 Betinget utfall og hendelser etter balansedagen

I ukene før avleggelsen av årsregnskapet for 2021/2022 har utbruddet av krigen i Ukraina gitt utslag i priser og råvaretilgang i Norge og Europa. Situasjonen og omfaget av krigen er uoversiktlig, men selskapet ser at mange leverandører benytter anledningen til å oppjustere sine priser. I tillegg til økt leveringstid på noen produkter. Den største utfordringen for Norsk Analyse AS blir i så måte å videreføre denne prisstigningen og kommunisere den økte leveringstiden til sine kunder.

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 2.617.716 i bundne midler pr 31.03.2022.

Note 16 Pant og garantistillelser.

Det er ikke pant i noen av selskapets eiendeler.

Norsk Analyse AS stiller i tillegg fra tid til annen garantier ovenfor kunder som ledd i ordinær drift.
Pr 31.03.2022 utgjør garantistillelser NOK 6 944 984,-.

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 31.03.2022 var det ingen åpne terminkontrakter.

Årsregnskap
Norsk Analyse AS

Kontantstrømoppstilling

	2022	2021
KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER:		
Ordinært resultat før skattekostnad	55 483 203	42 329 403
Periodens betalte skatt	-12 562 502	-6 149 768
Ordinære avskrivninger	562 665	397 019
Tap/gevinst ved salg av aksjer	0	-20 824 216
Endring i varer	-1 394 927	817 440
Endring i kundefordringer	1 111 803	41 341 115
Endring i leverandørgjeld	-1 595 855	-17 231 274
Endring i andre omløpsmidler og andre gjeldsposter	-3 505 285	-9 208 048
Netto kontantstrømmer fra operasjonelle aktiviteter	**38 099 102**	**31 471 671**
KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER:		
Utbetalinger ved kjøp av varige driftsmidler	-118 700	-1 180 281
Utbetalinger ved kjøp av immaterielle eiendeler	-1 429 200	0
Utbetalinger ved kjøp av finansielle anleggsmidler	-418 740	0
Netto kontantstrøm fra investeringsaktiviteter	**-1 966 640**	**-1 180 281**
KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER:		
Utbetalinger av utbytte	-27 200 000	0
Utbetaling av konsernbidrag	-40 000 000	-84 300 000
Netto kontantstrøm fra finansieringsaktiviteter	**-67 200 000**	**-84 300 000**
Netto endring i bankinnskudd, kontanter og lignende	-31 067 538	-54 008 610
Beholdning av bankinnskudd, kontanter og lignende pr 01.04.	47 051 573	101 060 183
Beholdning av bankinnskudd, kontanter og lignende pr 31.03.	**15 984 035**	**47 051 573**

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Til generalforsamlingen i Norsk Analyse AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert Norsk Analyse AS' årsregnskap som består av balanse per 31. mars 2022, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav,
- gir årsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. mars 2022, 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 de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

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Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

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KPMG

Uavhengig revisors beretning - Norsk Analyse AS

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

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- 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 årsregnskapet, 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 årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.

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Sandefjord, 29. september 2022
KPMG AS

Lars Egill Olavesen
Statsautorisert revisor

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3241 Sandefjord

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

Til generalforsamlingen i Norsk Analyse AS

Uavhengig revisors beretning

Konklusjon

Vi har revidert Norsk Analyse AS' årsregnskap som består av balanse per 31. mars 2022, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

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Norsk Analyse AS
Org nr: 948 501 430

Tønsberg 25.01.2023

Anvendelse av unntaksregelen i regnskapsloven §3-7 første ledd

Ved utarbeidelse av årsregnskapet for 2022 (01.04.2021 – 31.03.2022), 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 Tingulstad
CFO i Norsk Analyse AS


ADDTECH
ANNUAL REPORT
2021/2022
THE YEAR IN BRIEF
Another
successful year
COMMENTS BY
THE CEO
We continue
SUSTAINABILITY REPORT
Partnership for a
sustainable tomorrow
ADDTECH

About the Annual Report
The Annual Report describes Addtech's operations and financial results in 2021/2022. The legal Annual Report comprises pages 53-122. The Annual Report also includes a voluntary report on sustainability that is inspired by integrated reporting and also includes the Statutory Sustainability Report on pages 12-47, 56-58 and the Sustainability Facts on pages 133-147. The Annual Report also includes a Corporate Governance Report on pages 62-70.

The Annual Report is prepared in Swedish and translated into English. Should differences occur between the Swedish Annual Report and the English translation, the Swedish version shall prevail.

Contents

Leading technical solutions for a sustainable tomorrow

Welcome to Addtech's world! Our technical solutions are found throughout society and in many places around the world. We are impelled by both major mega-trends and smaller niche trends and we act as a catalyst for development towards a sustainable society and industry. Our path to long-term success lies in always keeping one step ahead.

The year in brief

Addtech summarises another successful year in which we continued to deliver on our vision to be a leader in technical solutions for a sustainable tomorrow. The year was marked by a strong recovery in market activity and demand for our companies' technical solutions. Our strong position in strategically selected segments generated organic growth of 15 percent while, at the same time, we completed 13 carefully selected acquisitions.

2021/2022

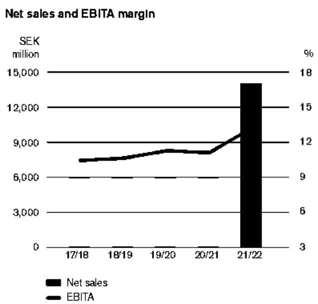
- **Net sales** increased by 24 percent to SEK 14,038 million (11,336).
- **Operating profit before depreciation** on intangible assets (EBITA) increased by 44 percent to SEK 1,803 million (1,251), corresponding to an EBITA margin of 12.8 percent (11.0).
- **Operating profit** increased by 52 percent to SEK 1,501 million (989), corresponding to an operating margin of 10.7 percent (8.7).
- **Profit after tax** increased by 53 percent to SEK 1,117 million (729) while earnings per share before dilution amounted to SEK 4.00 (2.60) and after dilution to SEK 3.95 (2.60).
- **The return on working capital** (P/WC) amounted to 69 percent (52).
- **The return on equity** was 30 percent (23), and the equity/assets ratio was 34 percent (35).
- **Cash flow** from operating activities amounted to SEK 1,121 million (1,503) and cash flow per share from operating activities amounted to SEK 4.15 (5.60).

Financial targets

		OUTCOME 21/22
Earnings growth over a business cycle	>15%	44%
P/WC	>45%	69%

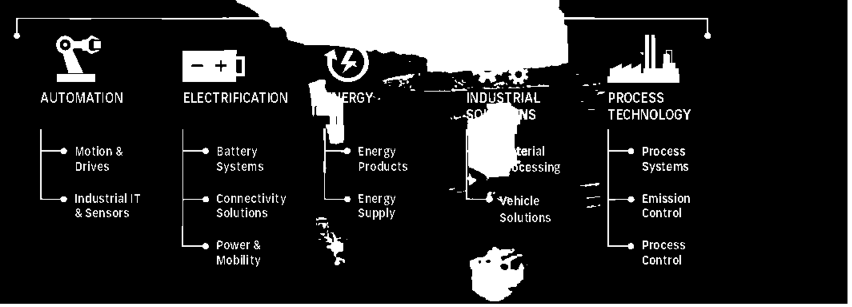
Sustainability targets 2030

		OUTCOME 21/22
Reduced CO_2 intensity 2030* *2019/2020 is the base year	50%	19%
Sales contributing to sustainable development in 2030** ** Share of sales contributing to development towards UN's Sustainable Development Goals	100%	58%
Women in leading positions in 2030	40%	20%
Purchasing volume to be assessed in 2030 based on the Code of Conduct	80%	31%



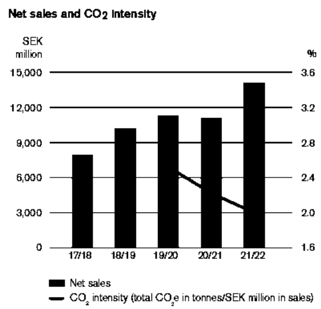
New sharpened organisation

Over the year, Addtech sharpened its organisation to benefit optimally from future growth opportunities. Our new business areas now achieve a clearer demarcation between our various niche strategies and can more effectively respond to future growth potential, both organically and through acquisitions.



13 carefully selected acquisitions

Over the financial year, Addtech conducted 13 carefully selected and important acquisitions. Combined, these contribute annual sales of SEK 1,430 million. Entirely in line with our strategy, the proportion of acquisitions outside the Nordic region and of companies with a clear sustainability profile is increasing. We maintain a favourable view of the opportunities for acquiring market-leading technology companies in the Nordic region, as well as in selected markets elsewhere in Europe to continue our international expansion. Read more on page 24.



20 years as a listed company

In September 2001, Addtech was listed on the Stockholm stock exchange. Since then, we have generated sustained shareholder value through our subsidiaries, of which there are currently 140. Our scalable business model has been an important success factor, with the price for Addtech's shares increasing by an average 21 percent annually. We now continue to deliver value, with stable and sustainable growth as our overriding objective.

ADDTECH

"Our focus is on continuing to build our business by growing organically and making carefully selected acquisitions"

2021/2022 was a very strong year for Addtech in many ways. We continued to deliver on our vision to be a leader in technical solutions for a sustainable tomorrow. The market situation clearly strengthened in most of our important customer segments and we reached record highs in terms of both sales and growth, as well as the profit margin.

positions in strategically selected growth segments that are largely driven by structural changes in the world. Our 140 companies are mainly active in areas of technology with great future potential: for example, renewable energy sources, industrial automation, energy efficiency metering, power grid expansion and the forest and sawmill industry. The business situation over the year was favourable in most of our customer segments and demand for our companies' technical solutions was generally very good. All business areas experienced strong organic growth, favourable acquisition activity and improved their margins.

over the year was to meet the strong demand despite continued disruptions in the supply chain. Under these circumstances, I am impressed with how our companies managed to maintain good delivery capacity while defending their margins. This is clear proof that Addtech's decentralised business model, with entrepreneurial companies, generates the conditions needed to take advantage of opportunities, while being able to adjust quickly and act to resolve the challenges that arise.

a strong recovery in market activity and demand for our companies' sustainable technical solutions. This resulted in a 24-percent increase in sales and 44-percent EBITA growth, with strong contributions from all of our business areas. P/WC landed at a historically high 69 percent, serving as testament to effective measures on working capital, combined with strong growth in earnings. Organic growth amounted to 15 percent and the EBITA-margin strengthened to a record high of 12.8 percent.

carefully selected acquisitions of profitable companies that complement and strengthen our niche strategies. The acquisition rate was high, with 13 acquisitions completed during the financial year. In total, these added SEK 1,430 million to Addtech's sales and we were able to welcome 399 new employees to the Group, distributed across all of our business areas. In line with our strategy, the proportion of acquisitions outside the Nordic region and of companies with a clear sustainability profile increased.

in the acquisition process is the cultural match between Addtech and the acquired company. A good example is Fey Elektronik in Germany, which Addtech acquired during the year. It is the largest company we have acquired to date and it strengthens our position as one of the leading players in industrial battery solutions in Europe. I first met the owners ten years ago. After a decade of trusting relationship building, the owners were finally ready to sell their life's work to Addtech. In the process, we got to know each other well, and we now know what we can expect from one another. Many entrepreneurs view Addtech as an attractive buyer as it allows them to retain decentralised responsibilities while receiving support in their development by a long-term owner. All companies also join the Group's network, generating conditions for various forms of business collaborations.

sharpened its organisation to optimise future growth opportunities. Our five new business areas have clear niche strategies and the networks in our business units have been further strengthened. At the same time, we implemented a seamless generational shift in several key positions. The new organisation has revitalised Addtech as a whole and clarified, both externally and internally, which strategic focus areas we want to focus on in the future.

into our business. By starting from the business, commitment is created among our entrepreneurs to integrate sustainability into their dialogues with both customers and suppliers. Of course, Addtech is committed to, and continues to support, the UN Global Compact and its principles, and we have clear and measurable sustainability goals linked to this. Setting clear goals for the work is important, but, in my opinion, global climate change presupposes that this is primarily advanced by means of profitable and innovative business development. Sustainable change also requires partnership and networking, which is the foundation of Addtech's culture. Thanks to this, we can be at the forefront of contributing to the transition towards a sustainable society.

is that we have consistently adhered to our core values since the outset in 2001. Our business model and culture are largely the same now as they were back then. Key concepts, such as simplicity, decentralised responsibility, small scale business – large scale wise, and our passion for entrepreneurship, remain critical for our success. We have also maintained our strategy of acquiring carefully selected and profitable companies that complement and strengthen our niche strategies. Despite crises and other challenges, we have continuously achieved strong growth and a profit trend that has generated significant shareholder value. No matter how much we grow in a complex world, we are constantly working to make life as easy as possible for our companies. At the same time, we afford all employees the freedom and personal responsibility to handle all changes themselves, which is, in my opinion, the best way to get people to grow and get involved.

industrial player largely driven by global structural trends. Our focus is to continue to generate profit growth of at least 15 percent annually over a business cycle, through organic growth and carefully selected acquisitions. With our very well-positioned companies in growth segments, substantial opportunities exist for continued profitable growth building on our business model and culture. We are entering the new financial year with highly favourable conditions. At the same time, considerable uncertainty prevails in our world, due not least to Russia's invasion of Ukraine. Our undivided thoughts and sympathies go to all affected. The uncertain external factors may have a major impact on market conditions in the future. However, I am firmly convinced that the strength of our model will once again give us the conditions to be able to respond swiftly and appropriately and I therefore look forward very positively to our continued journey – in both the short and long term.

for their amazing efforts over the year! Together, through your exceptionally hard work and incredible commitment, you have managed to deal with all opportunities and challenges most impressively.

Niklas Stenberg
President and CEO
Addtech AB

Leading sustainable technical solutions

With a passion for people, technology and entrepreneurship, Addtech offers leading sustainable technical solutions. We are a catalyst for sustainable growth, with our strong corporate culture and network transforming new opportunities for communities and industries into reality.

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 must 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.

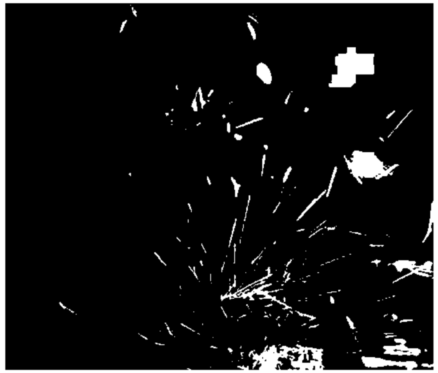
Strategy

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

ABOUT ADDTECH

Offering

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



Corporate culture

Addtech has a strong corporate culture, with four core values: Simplicity – Efficiency – Change – Responsibility and freedom.

Our decentralised structure, in which decisions are made by companies close to the market, has allowed us to build a unique and business-driven culture with a passion for entrepreneurship.

Customers

Addtech operates in the international market for technical solutions with a high technology and knowledge content. A large proportion of sales occur in the Nordic region, although markets in other parts of the world have developed strongly in recent years.

Success factors

- Our employees who continuously develop existing and new areas of business.
- Our decentralised organisation, in which we combine the companies' value-adding capacity with the Parent Company's resources and networks.
- Consistent action and a deeply-rooted corporate culture.
- Skills development facilitating internal recruitment at all levels.

How we generate sustainable value

Addtech generates value for customers, shareholders, employees and other stakeholders.
Everything we do builds on our vision — leading technical solutions for a sustainable tomorrow.

Strong corporate culture with a clear focus on entrepreneurship and decentralised responsibilities

1 Our companies are to be market leaders in selected niches with a high degree of technical content.

2 The companies should be able to act quickly and agilely in response to new business opportunities and challenges.

3 Acquisitions are a key part of our growth philosophy. This enables rapid expansion in new segments, a broadened product range and strengthened market positions

Suppliers
- 31% of the purchase volume assessed based on our Code of Conduct
- We build partnerships with our suppliers

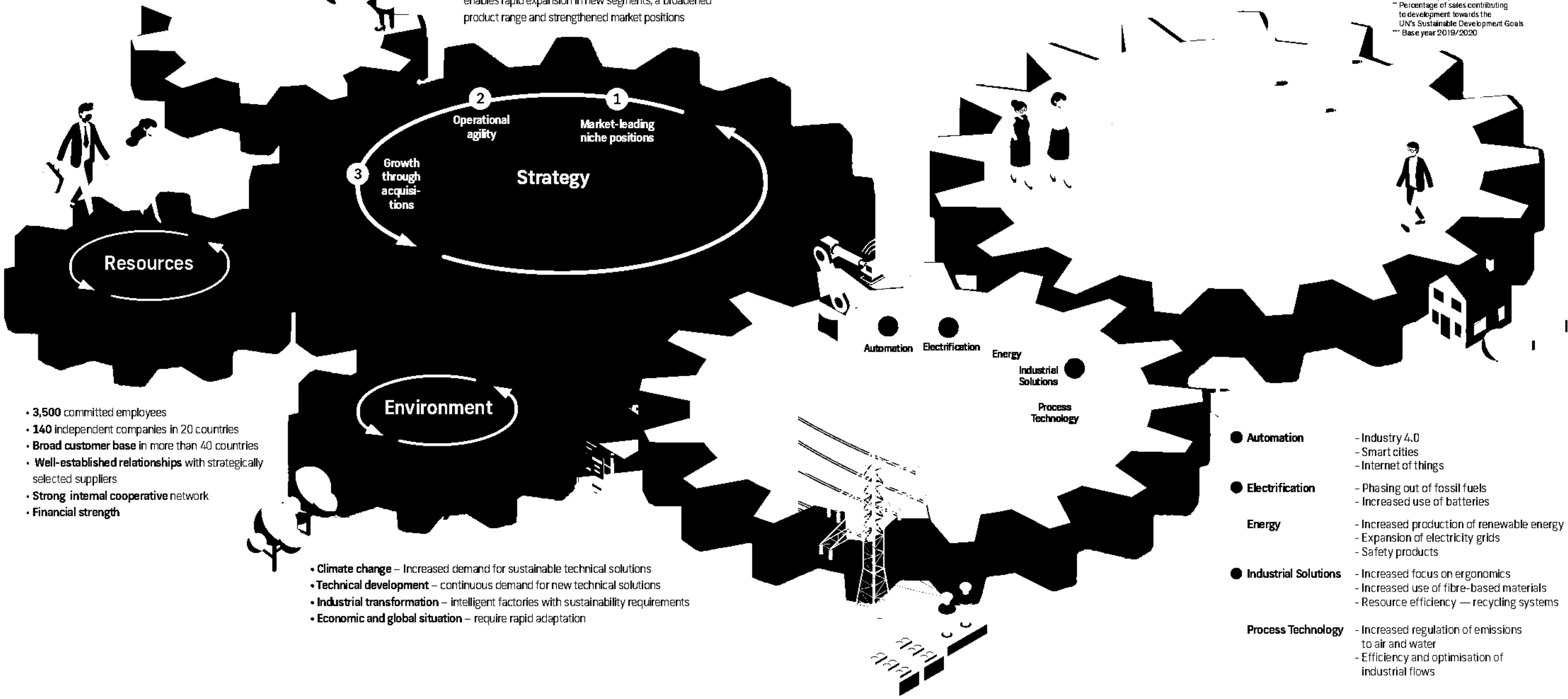
Shareholders
- Share dividend SEK 485 million*
- Share price trend over the financial year, up 40%

Customers
- 58% of sales contribute to sustainable development**
- By means of our high degree of technical expertise, we enhance the efficiency of customers' processes
- We support customers in achieving their sustainability targets

Employees
- 500 employees have received further training through Addtech Academy
- 20% women in leading positions
- A clear model for employees to be able to grow within the organisation

Society
- 19% reduced CO_2 intensity***
- As an employer, contributes to vibrant local communities

*The Board's proposal for 2022
** Percentage of sales contributing to development towards the UN's Sustainable Development Goals
*** Base year 2019/2020



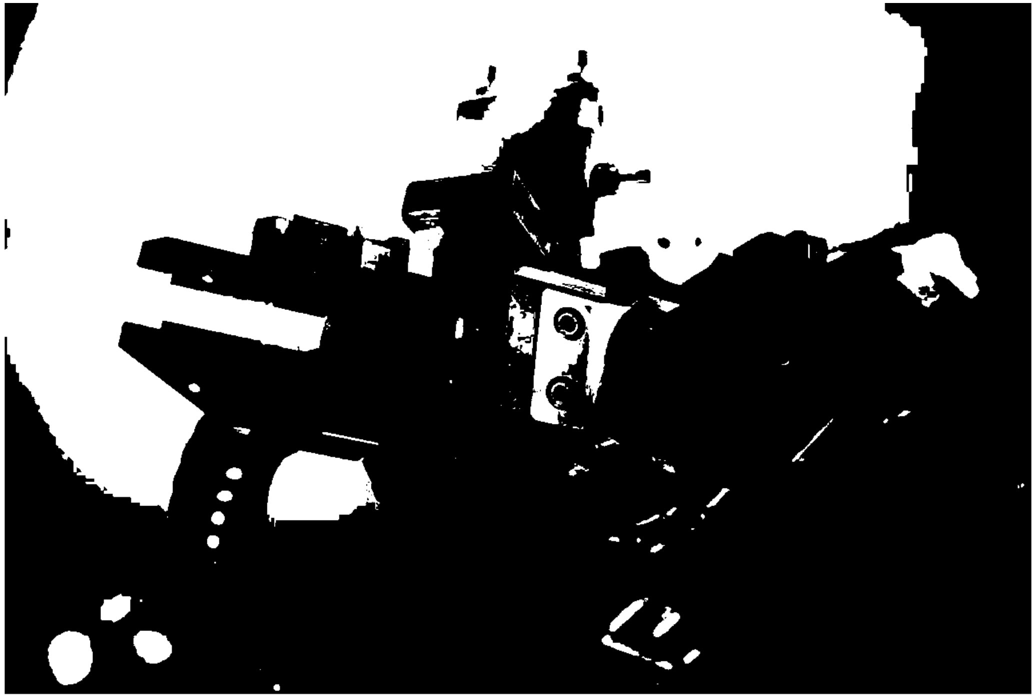
- **3,500** committed employees
- **140** independent companies in 20 countries
- **Broad customer base** in more than 40 countries
- **Well-established relationships** with strategically selected suppliers
- **Strong internal cooperative** network
- **Financial strength**

- **Climate change** – Increased demand for sustainable technical solutions
- **Technical development** – continuous demand for new technical solutions
- **Industrial transformation** – intelligent factories with sustainability requirements
- **Economic and global situation** – require rapid adaptation

● **Automation**	- Industry 4.0 - Smart cities - Internet of things
● **Electrification**	- Phasing out of fossil fuels - Increased use of batteries
Energy	- Increased production of renewable energy - Expansion of electricity grids - Safety products
● **Industrial Solutions**	- Increased focus on ergonomics - Increased use of fibre-based materials - Resource efficiency — recycling systems
Process Technology	- Increased regulation of emissions to air and water - Efficiency and optimisation of industrial flows

Why invest in Addtech?

Addtech generates long-term shareholder value through 140 entrepreneurial subsidiaries. We hold a strong position in strategically selected growth areas and since the listing in September 2001 the share price has increased on average 21 percent annually. Our unique corporate culture, focusing on entrepreneurship, continues to deliver value, with stable and sustainable growth as our overriding objective.



"With us, being an entrepreneur should be easy"

Malin Enarson, CFO Addtech

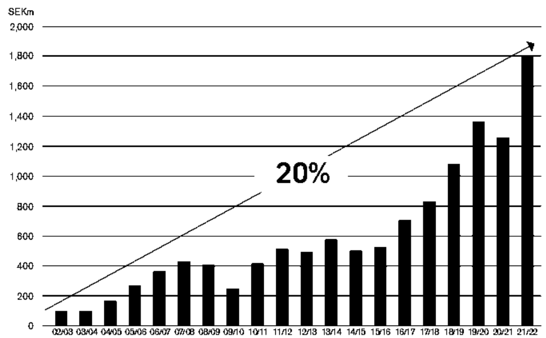
Our strong corporate culture, which focuses on entrepreneurship, forms the core of how we conduct business and operate companies. A prerequisite for the culture is our strictly decentralised model, according to which all business decisions are made in the companies, close to the market and the customer. Our principal task as owners is to make life easier for the 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.

Our strategy of continuous profitable growth, both organically and through acquisitions, has been proven to be effective. When we acquire successful entrepreneurial companies, we do so applying a perpetual horizon and with the aim of developing alongside them to achieve long-term growth and profitability. This approach means that entrepreneurs tend to stay on and grow within the organisation, which strengthens the companies, builds skills and expertise and safeguards our unique culture in the long term.

Our scalable business model, with two straightforward financial targets, has been an important success factor from the start. With a clear focus on earnings growth and profitability, combined with an ambition to increase the spread between segments and geographies, Addtech is a stable investment over time.

Read more about the Addtech share on pages 50–52.

Average annual earnings growth in percent, 2002-2022



Addtech's strategy is to acquire and develop successful, market-leading niche companies with the potential to generate long-term profitable growth. Since the listing in 2001, we have continuously delivered shareholder value with average annual earnings growth of approximately 20 percent.

3 reasons to invest in Addtech

Scalable business model with broad risk diversification
Shareholder value builds on our independent companies, with their clear niche strategies and offerings with a high degree of technical content. Our scalable model allows us to continue growing 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 good resilience and stable development over time.

Earnings doubled every five years
Addtech is an active owner who works alongside the subsidiaries to increase its 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 exceeding our target of doubling our profits every five years, we have repeatedly proven our capacity for delivering sustainable, profitable growth.

Successful acquisition strategy
Acquisitions are an important cornerstone for us in generating long-term earnings growth. 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. The strategy of acquiring on our own cash flow is successful and made possible through a strong balance sheet as well as a clear focus on cash flow throughout the organisation.

Partnership for a sustainable tomorrow

For Addtech, sustainability is an integral part of the operations. By entering into various partnerships along the value chain, we foster opportunities for cooperation to achieve sustainable business with great growth potential. We also act as a catalyst for our customers on issues of sustainability and we help them achieve their objectives with our leading technical solutions.

Sustainability forms a natural part of all strategic decisions at Addtech and is integrated into our annual business planning. Ultimately, our Board of Directors is responsible for the sustainability targets – although all employees contribute and bear an individual responsibility for achieving these goals. Addtech's role is to support and guide the companies in the right direction. According to our decentralised structure, the operational decisions lie with the companies, which bear their own responsibility for achieving their sustainability targets, since these are also part of our shared targets.

Our long-term focus is on:
- Sustainable business development
- Clear partnership throughout the value chain
- Environmentally efficient transport and efficient use of resources and energy
- Equal development opportunities for all
- Good working conditions throughout our value chain
- Learn from each other – co-creation

What do sustainable operations mean for Addtech?
Examples of technical solutions that our companies offer and that have a positive impact on the UN's Sustainable Development Goals:

AUTOMATION: Production lines in medical technology

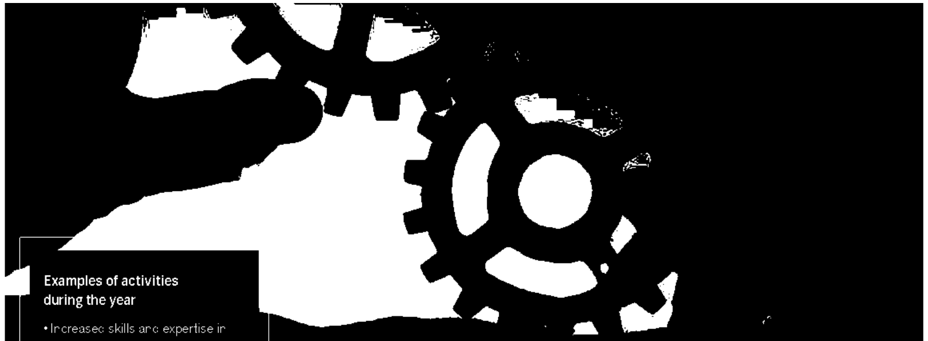
ELECTRIFICATION: Battery system for work machines

ENERGY: Key components in the production of renewable energy

INDUSTRIAL SOLUTIONS: Ergonomically developed work-places in work machines

PROCESS TECHNOLOGY: Exhaust gas purification system

Read more about the business areas' sustainable technical solutions on pages 28-37.



Examples of activities during the year
- Increased skills and expertise in sustainability-driven business development in management teams.
- "Train the trainer". A two-day course in sustainability with links to the business for further education and building an internal ambassador network.
- Workshops with the companies' sales personnel to integrate sustainability into the customer dialogue.
- Workshops with the companies to develop activities for potential CO_2 reduction.

Since 2021, Addtech has committed itself to the UN's Global Compact initiative and its principles in the areas of human rights, working conditions, the environment and anti-corruption.

WE SUPPORT

Addtech's ecosystem

Addtech has a strong corporate culture focusing on entrepreneurship. Our ecosystem includes all stakeholders, both internal and external. To build strong and sustainable partnerships, we maintain a continuous constructive dialogue with our customers and suppliers. Together, we identify solutions to the global challenges that serve to achieve UN's Sustainable Development Goals. Our firm belief is that sustainable business is good, not only for the planet and people, but that it also generates profitable growth.

Our journey towards 2030

Activities	Outcome 2021/2022	Activities	Sub-goals 2025	Activities	Goals 2030
SUSTAINABLE BUSINESS					
- Framework for sustainable business - Increased skills and expertise - Strengthened acquisition strategy	58%	- Sustainability dialogue with key customers - Sustainable business development - Ecosystem	65%	- Enhanced partnership with customers	100% of sales shall contribute to sustainable development*
SUSTAINABLE ORGANISATION					
- Increased skills and expertise - Platform for CO_2 reporting - Diversified teams	19% 20%	- Gender-equal recruitment processes - Activities to reduce our CO_2 footprint	30% 23%	- Further strengthening the cooperation throughout our value chain	50% reduced CO_2 intensity** 40% women in leading positions
SUSTAINABLE SUPPLY CHAIN					
- Increased skills and expertise - Platform for supplier evaluation	31%	- Partnerships with suppliers - Sustainability dialogue with our principal suppliers	60%	- Enhanced partnership with key suppliers	80% of the purchase volume assessed based on our Code of Conduct

* Share of sales contributing to development towards UN's Sustainable Development Goals.

** Base year 2019/2020

"Together towards 2030"

Lena Ekbom, Head of Sustainability Addtech

Our companies are important players in the sustainable transition of society and industry. One of our main focuses is to contribute to reducing the climate impact of industry. Considerable opportunities prevail to develop existing businesses while also capturing new ones. Other areas of future importance and with a clear connection to climate impact are biodiversity and water use. In water purification, many of Addtech's companies are at the forefront of their technical solutions.

Addtech has its own "ecosystem" in which our strong culture and entrepreneurship form the foundation. Many of our companies are interconnected thanks to forward-looking partnerships with shared customers and suppliers. Accordingly, we enjoy considerable opportunities, both for co-creation and strengthening our common value chains. You can read about a good example of this type of sustainable business in the Swedish forest sector on the following pages. At Kåge sawmill outside Skellefteå, four Addtech companies contribute to a responsible and modern sawmill facility. Several technical solutions help the customer achieve its ambitious sustainability targets. In partnership with our customers and suppliers, we will develop towards the global goals for 2030.

Read more in Sustainability Facts on pages 133-147.

At Norra Skog's sawmill in Kåge outside Skellefteå, Addtech companies Valutec, Nordautomation, FB Kedjor and FB Ketju have contributed to a sustainable streamlining of the sawmill process.

Value generation through sustainable technical solutions

Demand for sustainable technical solutions is always growing. This creates business opportunities for Addtech, as well as value for our customers and for society in general. Join us on a customer visit that offers a good example of a sustainable business where several of Addtech's companies contribute to making processes more efficient and sustainable.

Addtech's 140 companies endeavour, on a daily basis, to help customers identify in different ways the best and most sustainable technical solutions. The companies improve their customers' operations while contributing to various societal benefits, such as, more energy-efficient transports and processes, production of renewable energy, cleaner emissions and a better working environment. Since the companies operate in many different areas of technology, they enjoy substantial opportunities to lead the transition to a more sustainable society and industry.

The Swedish forest industry is an example where several Addtech companies contribute to forestry and responsible industrial operations from the perspective of the working environment and the climate. A few miles outside Skellefteå, we find Kåge sawmill, a modern sawmill with the ambition of holding a leading position in sustainability. Kåge sawmill is owned by Norra Skog, a cooperative wood processing company with operations including three sawmills, three processing units and a pole factory. The wood processed here originates from one of the best areas of forest in the world – northern Sweden. The harsh climate means the forest grows slowly, resulting in very high quality timber.

Norra Skog safeguards a sustainable use of the forest's renewable raw material.

"Both Norra Skog and we at the sawmill apply several sustainability targets with the ambition of being undoubtedly at the forefront in the area of sustainability," says Joakim Larsson, site manager at Kåge sawmill. The aspect of sustainability runs like a common thread throughout the sawing process – from saw intake to drying process and final delivery. For example, we work continuously to reduce our CO_2 emissions and energy consumption. We burn bark and woodchip in a modern new boiler and we will soon be able to deliver heat to the community here in Kåge.

There is a great demand for the wood products processed by the sawmill and Joakim Larsson is optimistic about the future.

"It is gratifying that people, both in Sweden and internationally, understand the value of wood as a building material. Our wood products offer great potential in replacing other materials with a higher climate impact.

At Kåge sawmill, timber is processed into sawn lumber of different dimensions and qualities. The objective is to make the best use of the raw material that the log constitutes to be able to achieve the demands on boards and planks set by customers. The process flow, from log to finished products, imposes considerable demands on the machines and equipment used. It must be reliable and energy efficient, while using sustainable materials and maintaining a favourable working environment.

"The Addtech companies' products and solutions have brought an improvement in our entire process flow here at the sawmill," says Joakim Larsson. Valutec, Nordautomation, FB Kedjor and FB Ketju have, in different ways, made it possible to increase the sawmill's capacity, reduce operational disruptions and become more energy efficient. Valutec's intelligent control systems and energy-efficient chamber dryers, wood dryers and TC dryers have, for example, resulted in the optimisation of the entire drying process.

Skellefteå-based company Valutec offers the market's broadest range of wood drying products. With more than 4,000 timber dryers delivered, the company is now a European leader in terms of value-generating timber dryers and intelligent control systems.

"The market's willingness to increase the use of wood is the ultimate reason for our existence," says the company's Managing Director, Robert Larsson. With regard to sustainable business, we focus predominantly on manufacturing wood dryers with a long service life. I estimate that our drying houses last for at least 40 to 50 years. In addition, the dryers have low maintenance costs and efficient energy use throughout the drying process. An increasing number of customers perceive the benefits of the favourable sustainability effects of this.

Valutec has supplied wood dryers to Kåge sawmill since 1984. The company is responsible for all know-how, design and development of the intelligent control system, which plays a key role in optimising energy consumption at the sawmill.

"Our dryers are built of stainless steel, which gives them a significantly longer service life than the aluminium dryers available in the market," says Robert. We offer all variants of wood dryers and can therefore build customised solutions according to the customer's specific needs. The dryers also offer low energy consumption, which is appreciated by our customers in their sustainability objective of reducing their climate impact.

About 20 years ago, Valutec began development work to build more intelligence into its control systems. At that time, an "expert system" was established, with a drying simulator, to make it easier for the sawmill's operators to optimise the entire drying process.

"We have continued to develop our intelligent control system and today it is at the forefront of technical development in wood dryers," says Robert. Our unique simulator technology can, for example, calculate energy efficiency by simulating the energy consumption in the drying process, quality, capacity and cost to simultaneously adjust and optimise this. Kåge sawmill has our control system Valmatics 4.0 and we will continue to develop it to further simplify and improve the system for the drying operators while optimising the process.

Wood is natural, durable and recyclable and one of the most common building materials used today. Demand for wood products is increasing in many parts of the world.

"I am convinced that wood will continue to capture market shares from other building materials. In my opinion, we should use wood because it is renewable and more CO_2-efficient than other materials. New wood products are constantly appearing, such as cross-laminated timber (CLT), which is growing strongly and is in demand for the construction of everything from apartment buildings to industrial properties. In addition, society's and industry's increasing focus on sustainability makes wood a product of the future," concludes Robert Larsson.

Valutec's timber dryers at Kåge sawmill.

"The lifespan of our wood dryers generates sustainable business"

Robert Larsson, Managing Director, Valutec

ADDTECH'S ECONOMIC SOCIETAL VALUE 2021/2022, SEK MILLION	
Financial value generated	14,038
Financial value distributed	13,391
Of which, manufacturing costs	10,081
Of which, salaries and remunerations (salaries, pensions, payroll taxes, social security contributions)	2,499
Of which, disbursements to creditors	72
Of which, disbursements to shareholders (pertains to dividends)	323
Of which, disbursements to governments (tax)	416
Remaining in the company	647

Joakim Larsson, Site Manager at Kåge sawmill.

Nordautomation is another Addtech company that has been supplying equipment and solutions to Kåge sawmill for a long time. The company is a specialist in project deliveries to the wood processing industry and a market-leading manufacturer of log handling systems. To the sawmill in Kåge, Nordautomation has delivered a "key-in-hand solution" for a complete saw intake and has continuously modernised the mill's lumber handling machines.

"In our machine and process solutions, we prioritise technologies that have as little impact on the environment as possible," says Timo Kuusisto, Managing Director of Nordautomation. "We have, for example, replaced environmentally harmful hydraulic drives with electric ones to reduce the risk of emitting pollutants. In addition, our machines are reliable, energy efficient and relatively quiet, which improves the working environment here at Kåge sawmill."

Nordautomation's goal is to improve productivity in the wood processing industry's processes, regardless of whether an individual process stage is involved or a complete production line. The efficiency of their timber sorting is increased by being able to maintain a high speed without affecting safety or availability.

"We have a long-term partnership with Kåge sawmill, making it easier for us to know exactly what solutions and equipment are needed to meet their high demands for efficient operation and sustainability," says Timo.

Nordautomation mainly uses conveyor chains and solutions from its sister companies FB Kedjor and FB Ketju in its machines at the saw intake at Kåge sawmill.

"Our collaboration with FB is an example of co-creation between several Addtech companies," says Timo Kuusisto. Their chains and specially adapted solutions for Kåge sawmill are very well suited to Nordautomation's technology. Together, we have created an efficient, sustainable and reliable solution at the beginning of the production process.

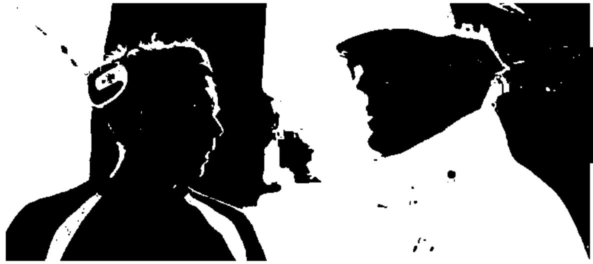
Timo Kuusisto, Managing Director, Nordautomation

Addtech companies FB Kedjor in Sweden and FB Ketju in Finland offer high-quality chains and accessory equipment for mechanical conveyors. The focus is on safety, quality, durability and efficiency. Both companies have contributed in different ways to the efficient transport of logs along the entire saw line at Kåge sawmill.

"Getting the conveyor chains to deliver with the accuracy required here at Kåge sawmill, is a relatively complex task," says Andreas Stenberg, salesman at FB Kedjor. We have customised different specific solutions depending on where the timber is in the process and what occurs there. The sawmill industry in particular is a sector in which we at FB Kedjor have an especially high level of expertise and are confident in our capacity to deliver optimum chain solutions.

When it comes to building sustainable business, FB Kedjor's top priorities are always people and the environment.

"Our solutions and chains shall have a minimal environmental impact, shall reduce wear and tear on the customer's machines and shall be reliable," Andreas Stenberg continues. Our steel chains are always of the highest quality, meaning that they need replacing less frequently. This is of course favourable from the perspective of sustainability. We have also helped Kåge sawmill reduce noise using special solutions, including gliding runners and sprockets.



Andreas Stenberg, FB Kedjor and Mika Suomi, FB Ketju

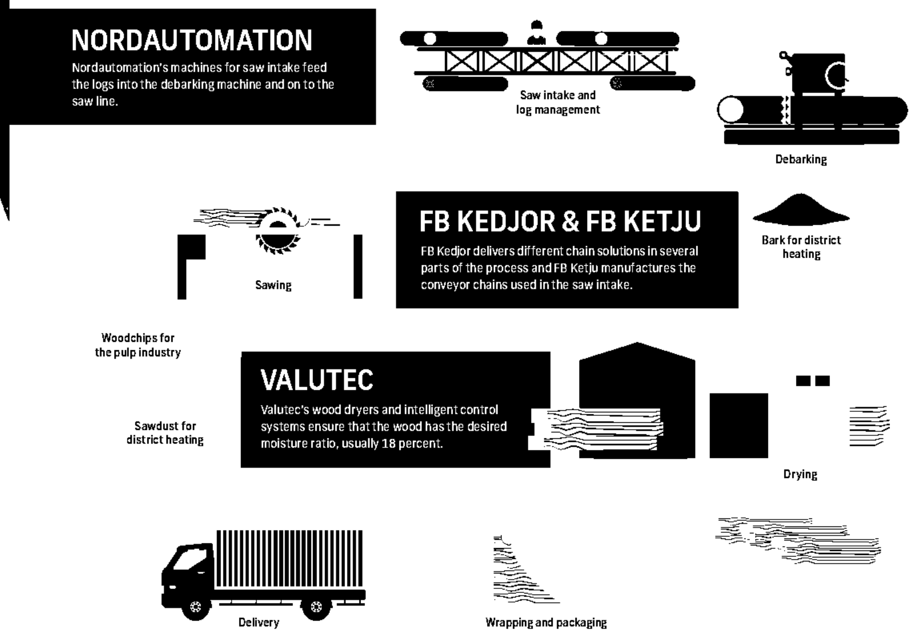
FB Ketju in Finland also has an ongoing collaboration with Nordautomation to develop and improve the saw intake at Kåge sawmill. FB Ketju maintains proprietary production and development of steel conveyor chains. The sawmill industry is the company's foremost sector and some 75 percent of products are exported.

"We have produced and delivered the conveyor chains at the start of the process here at Kåge sawmill," says Mika Suomi, Managing Director of FB Ketju. Our chains are durable with a long service life and are made of recyclable materials. Sustainability is an aspect of continuously increasing importance for us. For this reason, we maintain a constructive dialogue with Addtech's sustainability team to benefit from their expert knowledge in the area, enabling us to develop our business.

Addtech considers managing our natural resources to be of the utmost importance and therefore works for responsible forestry, in line with the international principles for sustainable development. This entails forestry that is ecologically, economically and socially sustainable in the long term.

"We see sustainably managed forest as being of fundamental value as a renewable resource," says Lena Ekbom, Head of Sustainability at Addtech. With their leading technical solutions, our companies operating in the forest sector enjoy substantial opportunities to serve as a catalyst in development towards an increasingly sustainable forest industry. I think that the Addtech companies' deliveries to Kåge sawmill are a good example of sustainable operations in a segment with considerable future potential.

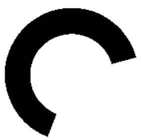
The Addtech companies' contribution to an efficient process flow for Kåge sawmill.



Customer segments and geographies

Addtech 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 2021/2022



- Building and installation (10%)
- Data and telecommunications (4%)
- Electronics (7%)
- Energy (17%)
- Vehicles (12%)
- Medical technology (6%)
- Mechanical industry (14%)
- Forestry and process (15%)
- Transport 7%)
- Other (8%)

Sales by geographic market 2021/2022

- Sweden (28%)
- Denmark (15%)
- Finland (14%)
- Norway (12%)
- Rest of Europe (23%)
- Other countries (8%)

Percentage of sales contributing to the UN's global goals

Each year, Addtech calculates the overall percentage of existing operations that contribute towards UN's Sustainability Development Goals. For 2021/2022, this accounted for 58 percent of total sales, an increase of 4 percentage points on the preceding year. More information about this calculation can be found in the sustainability facts on pages 133-147.

Distribution by global goal, %

- SDG 3: Good health and well-being (13%)
- SDG 7: Affordable and clean energy (27%)
- SDG 8: Decent work and economic growth (7%)
- SDG 9: Sustainable industry, innovation and infrastructure (27%)
- SDG 11: Sustainable cities and communities (14%)
- SDG 12: Sustainable consumption and production (4%)
- SDG 14: Life below water (2%)
- SDG: Other (6%)

Targets for sustainable business

Addtech target

100%

of sales contributing to sustainable development by **2030***

* Part of sales contributing to development towards UN's Sustainable Development Goals.

Acquisitions — an important part of the growth strategy

Growing through acquisitions is a key component in Addtech's strategy. By acquiring niche market-leading companies, we are always able to create new opportunities for sustainable growth. Over the financial year, 13 carefully selected and important acquisitions were made.

Following the company's listing in 2001, we have acquired about 200 entrepreneurial technology companies and established a successful process for integrating and developing each company. The actual acquisition process, however, is always unique, sometimes it progress rapidly, in other cases it can take several years from the first contact to the signed agreement. Put simply, safeguarding a cultural match – an important prerequisite for a successful acquisition – is a process that cannot be hurried.

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. For this reason, we maintain a favourable view of acquisition opportunities in the Nordic region, and of continuing our international expansion in selected markets elsewhere Europe.

Addtech continues to make acquisitions according to plan. In 2021/2022, we acquired 13 companies with total annual sales of SEK 1,430 million, while welcoming 399 new colleagues to the Group. A key acquisition during the year was Fey Elektronik of Germany, which develops, designs and manufactures customised battery solutions for OEM customers. Fey is one of three German acquisitions over the year and will most effectively complement and strengthen the operations of the Battery Systems business unit, currently comprising some ten battery companies.

"The addition of Fey strengthens our position as one of the leading players in the European battery market," says Niklas Stenberg, President and CEO of Addtech. Fey is a good example of how we are complementing and strengthening one of our five business areas with acquisitions beyond the Nordic region.

"Joining Addtech's Battery Systems business unit improves our global service to customers," says Michael Witte, Managing Director of Fey. It also strengthens our possibilities for continued growth in the market, as well as generating new business opportunities.

Increasing the share of sales beyond the Nordic region is an important part of Addtech's growth strategy. Our international expansion entails accompanying our customers further afield or capturing potential by establishing our own operations or making acquisitions within the framework of our five business areas. A selected market offering considerable potential is the DACH area. Karin Grawe, who lives in Germany and is a business developer at one of our companies, devotes an increasing amount of her time at work to identifying potential acquisition candidates in the area.

"There are many well-run privately owned companies in Germany and there is considerable interest and curiosity in our decentralised business model," says Karin Grawe. Given that our model is scalable, complementing and strengthening our offering in additional markets will be an increasingly important success factor in the future. 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. To secure each acquisition, we also conduct a thorough review and assessment based on parameters of sustainability.

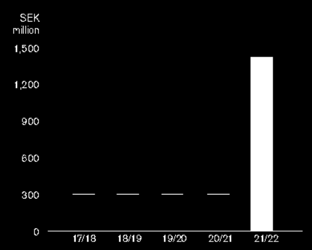
There is no central acquisition team at Addtech. All acquisition processes are conducted within the business units, led by people with extensive experience and in-depth knowledge in relevant areas. This is a prerequisite for effective integration and, by extension, long-term organic growth. All acquisitions are carefully selected to complement and strengthen existing operations and are therefore placed together with similar companies in the business unit. This quickly immerses companies in our business culture, in which they are able to grow alongside like-minded companies. This consistency in culture between the buyer and seller, and the good introduction provided for all new companies, are critical success factors.

"We apply a perpetual horizon to all acquisitions and are genuinely interested in developing the operations alongside the entrepreneurs," says Niklas Stenberg. Success here requires that there is a cultural match between the acquired company and us. A shared approach to entrepreneurship is critical in being able to enter a successful partnership, benefiting both parties and leading to mutual development and growth.

	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
Number of acquisitions	13	14	12	14	11
Net sales (SEK million)*	1,430	1,140	741	960	698
Number of employees	399	321	170	276	171

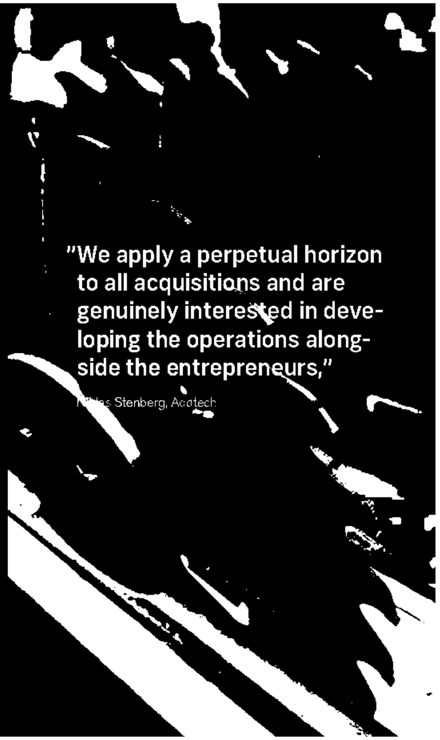
* On a full-year basis at the time of acquisition

Acquired annual sales



We are looking for companies with:

- Good profitability and growth potential
- A high knowledge and technical content
- Developed supplier relationships or proprietary products and solutions
- Niche market focus
- Sustainability focus



Acquired companies 2021/2022

AVT Industriteknik AB, Sweden • Tritech Solutions AB, Sweden • Systerra Computer GmbH, Germany • EK Power Solutions AB, Sweden • ESi Controls Ltd., UK • IETV Elektroteknik AB, Sweden • Hydro-Material Oy, Finland • KZ moder AB, Sweden • Finnchain Oy, Finland • ABH Stromschienen GmbH, Germany • Ko Hartog Verkeerstechniek B.V., Netherlands • Jolex AB, Sweden • Fey Elektronik GmbH, Germany

Why sell to Addtech?

- Long-term and secure owner
- Realising growth potential
- Generational shift
- Securing the workplace
- Adding expertise and networks

…the autumn of 2021, Addtech sharpened its organisation to …nally from future growth opportunities. With five new …earer demarcation is achieved between our … and the network between our companies … business areas comprise a number …g to various market segments. …ping new business opportunities

Business areas

ADDTECH

AUTOMATION
- …tion & …
- Industrial IT & Sensors

ELECTRIFICATION
- Battery Systems
- Connectivity Solutions
- Power & Mobility

ENERGY
- Energy Products
- Energy Supply

INDUSTRIAL SOLUTIONS
- Material Processing
- Vehicle Solutions

PROCESS TECHNOLOGY
- Process Systems
- Emission Control
- Process Control

"The new organisation is able to capture future growth potential even more efficiently — both organically and through acquisitions."

Niklas Stenberg, Addtech

SUSTAINABLE BUSINESS

Automation

Cutting-edge expertise in automated processes

Automation offers intelligent solutions, subsystems and components for industrial automation, infrastructure and medical technology. Within the Motion & Drives and Industrial IT & Sensors business units, we are injecting cutting-edge expertise and sustainable technical solutions. We develop customised solutions in robotics, control systems and IoT in close collaboration with customers and suppliers. We offer proprietary products in several areas of technology – while strong relationships with leading international suppliers are also important for our business.

Our strategy is to foster all existing business opportunities, particularly those associated with growth engines like Industry 4.0, intelligent cities, an ageing population and the Industrial Internet of Things (IIOT). Here, we also serve as a catalyst for the development towards a sustainable society and industry.

The business area's companies hold strong business positions in the Nordic region and other parts of Europe. Customers are predominantly OEM manufacturers and end users in industrial automation, medical technology and the process industry. The products and solutions that we sell have a high technology content and require that we ourselves have the skill to act as a knowledge communicator between customers and suppliers.

2021/2022 in brief

Over the financial year, net sales by the Automation business area increased by 25 percent to SEK 2,716 million (2,180), while EBITA increased by 42 percent to SEK 308 million (217). The business situation was favourable in all segments of significance for the business area: the process industry, the mechanical industry, medical technology and the defence industry.

Future focus

Automation will continue to develop the value it adds by injecting cutting-edge expertise in its technical niches. We perceive substantial future potential in the medical technology segment in particular. With a clear focus on sustainability and a raised acquisition rate, we are continuing our international expansion to generate business that is profitable in the long term.

"Our companies are well positioned to capture the potential of strong driving forces, such as Industry 4.0, intelligent cities, an ageing population and the Industrial Internet of Things."

Martin Fassl, Business Area Manager, Automation

SDGs corresponding to the largest percentages of sales

Examples of products

Solutions for industrial communications, control systems, computers, sensors, vision products, motor drives, linear units, transmissions and components.

AUTOMATION

Key Indicators	2021/2022	2020/2021
Net sales, SEK million	2,716	2,180
EBITA, SEK million	308	217
EBITA margin, %	11.4	10.0
Return on working capital, %	60	46
Average number of employees	603	518
Acquired annual sales, SEK million*	225	196
Proportion sustainable business**, %	43	42

* On a full-year basis at the time of acquisition.
** Percentage of the business area's sales contributing to development towards UN's Sustainable Development Goals.

Sales by geographic market

Sales by customer segment

Electrification

Broad offering for customers' technical leaps

Electrification offers battery solutions, energy-efficient power solutions, as well as components and subsystems in electronics and mechatronics. The Battery Systems, Connectivity Solutions and Power & Mobility business units offer a wide range of products and technical solutions. By being the market leader in selected niches, our companies drive technical development, primarily in electrification, digitalisation and the build-out of 5G.

Our customers are mainly OEM manufacturers in, for example, special vehicles, power production, mining equipment, security and surveillance, as well as production of data communication equipment and the build-out of 5G and future network solutions. We also have a high level of innovation in e-mobility, with solutions that make power electronics intelligent, connected and protected.

For us, a decreased dependency on fossil fuels is a strong driving force. Many of our products aim to replace internal combustion engines with electrified solutions. This allows us to be involved with, and to actively support, our customers in their technological leap towards more sustainable development. Electrification also enables a healthier work environment, while enabling equipment to be connected, as well as being made smaller and more powerful.

2021/2022 in brief

During the financial year, Electrification's net sales rose by 20 percent to SEK 2,629 million (2,194) and EBITA increased by 35 percent to SEK 318 million (236). The year was characterised by a favourable business situation for input components in the largest segments: electronics, energy and special vehicles. In addition, sales of bespoke battery modules rose, and demand from the defence industry increased.

Future focus

Today, electrification companies are already well positioned to respond to the strong driving forces of electrification and CO_2-reduction. We will continue to focus on meeting customers' demands for sustainable technical solutions, strengthening the digital offering and continuing our international expansion. This includes acquisitions of companies in selected segments offering future potential, mainly in the Nordic region and other parts of Europe.

"For us, a decreased dependency on fossil fuels is a strong driving force."

Per Lundblad, Business Area Manager, Electrification

SDGs corresponding to the largest percentages of sales

Examples of products

Battery solutions, power supply components, powertrains, cabling, electric brushes, electronic components, HMI and media conversion.

ELECTRIFICATION

Key Indicators	2021/2022	2020/2021
Net sales, SEK million	2,629	2,194
EBITA, SEK million	318	236
EBITA margin, %	12.1	10.8
Return on working capital, %	58	50
Average number of employees	526	466
Acquired annual sales, SEK million*	730	90
Proportion sustainable business**, %	52	51

* On a full-year basis at the time of acquisition.
** Percentage of the business area's sales contributing to development towards UN's Sustainable Development Goals.

Sales by geographic market

Sales by customer segment

SUSTAINABLE BUSINESS

Energy

Technical expertise for the electrification of society

Energy offers products for electricity transmission, electrical installation and safety products for traffic- and the home environment. The Energy Products and Energy Supply business units have cutting-edge technical expertise to enable the ongoing electrification of society. The offering includes both overheadline products and substation equipment as well as installation materials and products for communication networks. We have a large element of own production, but also strong partnerships with leading suppliers globally.

Our customers are mainly grid owners and entrepreneurs in energy transmission, electrical wholesalers, hospitals and installers of fibre-optic networks. We are a long-term partner that adds value and contributes to customers' development. One explanation for Energy's success is its depth in terms of technology, while we also maintain close relationships to our customers and suppliers.

Thanks to our strong position in electricity transmission, wind power and distribution networks, we are able to generate profitable growth from the ongoing transition to CO_2-neutrality. Even in the niche segments of intelligent homes and public safety, demand is increasing, which benefits our business. With a strong product range and market-leading positions where we operate, Energy will continue to be an important player in the electrification of society.

2021/2022 in brief

During the financial year, Energy's net sales rose by 14 percent to SEK 3,742 million (3,271) and EBITA increased by 19 percent to SEK 467 million (393). Demand for infrastructure products for upgrading and extending national and regional grids increased from already high levels. The business situation was also favourable for the units operating in niche products for electric power distribution, the manufacturing industry, fibre expansion and construction and installation.

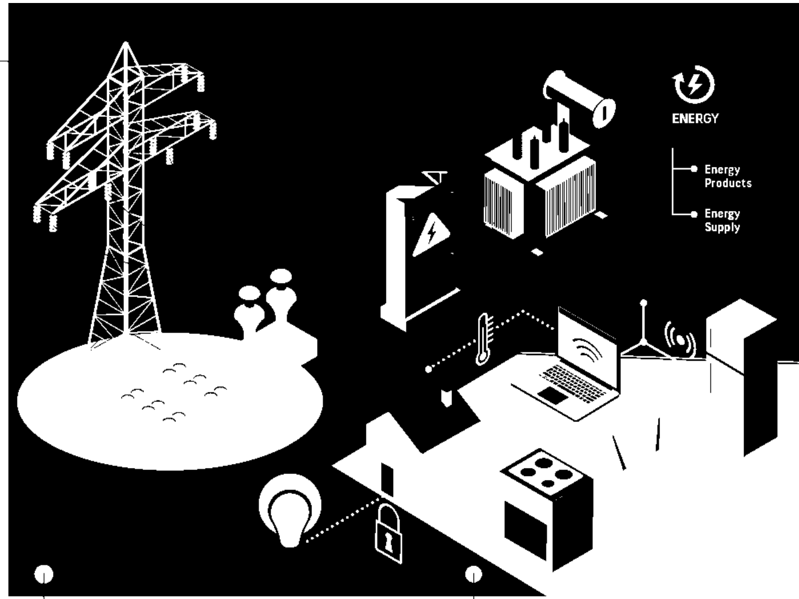
Future focus

With our strong offering in the infrastructure that constitutes the energy systems of the future, we take a favourable view of the business opportunities that lie ahead. The driving forces towards a more sustainable society will increase demand for our companies' products and solutions. We will also continue to invest in the niche segments of intelligent homes and public safety, where we have products that are at the forefront of technical development. We also perceive favourable acquisition opportunities and continued international expansion.

"For us, the most important driving force by far is the ongoing electrification of society."

Hans Andersén, Business Area Manager, Energy

SDGs corresponding to the largest percentages of sales



Examples of products

Transformers, insulators and insulator chains, power line steel, fuses, relays, cable, thermostats, lighting control, crossing signals, safety-enhancing outdoor lighting, signs and traffic control equipment.

ENERGY

Key Indicators	2021/2022	2020/2021
Net sales, SEK million	3,742	3,271
EBITA, SEK million	467	393
EBITA margin, %	12.5	12.0
Return on working capital, %	59	54
Average number of employees	894	834
Acquired annual sales, SEK million*	255	90
Proportion sustainable business**, %	63	56

* On a full-year basis at the time of acquisition.
** Percentage of the business area's sales contributing to development towards UN's Sustainable Development Goals.

Sales by geographic market

Sales by customer segment

SUSTAINABLE BUSINESS

Industrial Solutions

Expertise that mitigates society's environmental impact

Industrial Solutions offers solutions and systems primarily for the forest, special vehicle, mechanical industry and waste and recycling segments. Our companies in the Material Processing and Vehicle Solutions business units maintain a high level of technical expertise and market-leading positions in their niches. We have a high share of own products and sustainable solutions that we sell globally.

In the wood processing segment, we offer high-tech wood dryers and timber handling solutions for increased efficiency in the sawmill process. Our companies' offering in special vehicles comprises customised hydraulic solutions, as well as customised solutions in ergonomics and HMI to improve the working environment for the vehicle operators. The business area's system solutions for waste management and recycling are primarily aimed at industry.

Sustainability issues are a strong driving force in Industrial Solutions' markets and where our companies are at the forefront of technical development. This is true for the forest industry in particular where timber being a CO_2-neutral building material has a great future potential. Our strategy is to continue to develop and offer technical solutions that both reduce society's environmental impact and provide the best possible working environment for people.

2021/2022 in brief

During the financial year, Industrial Solutions' net sales rose by 48 percent to SEK 2,669 million (1,800) and EBITA increased by 79 percent to SEK 452 million (252). For the business area's companies exposed to the forest and sawmill industries, the market situation remained very strong. The same applied to the companies offering in-house developed control and ergonomic products, as well as hydraulic solutions for special vehicles. Demand in waste & recycling was also good.

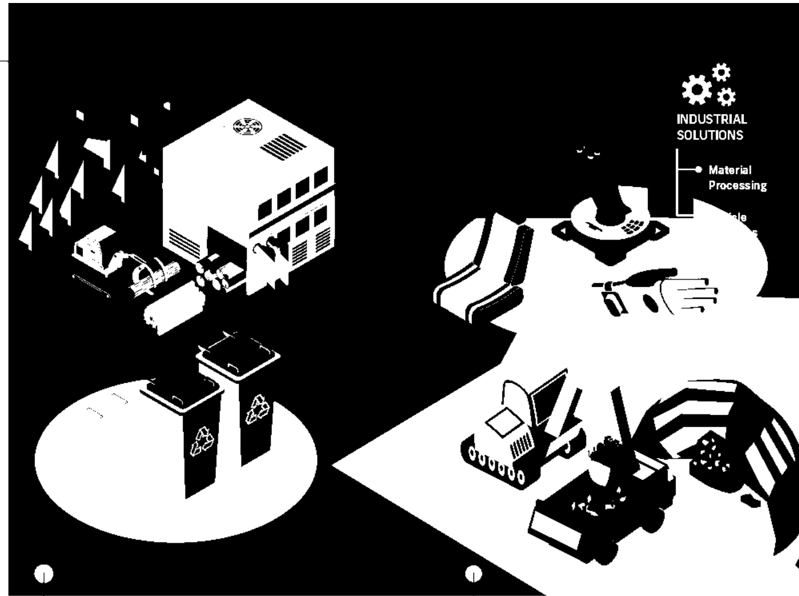
Future focus

Industrial Solutions' focus is to continue to develop our business towards sustainable solutions for our customers. Future growth areas are the increasing use of wood, ergonomic products and waste and recycling systems. Acquisitions are, as always, another focus area where the ambition is to find targets within our selected segments but also take us into new international markets.

"The focus is to be at the forefront of technical development with our own products and to identify new solutions for sustainable business in accordance with customers' needs."

Daniel Prelevic, Business Area Manager, Industrial Solutions

SDGs corresponding to the largest percentages of sales



Examples of products

Timber dryers, timber conveyors, lifting chains, waste and recycling systems, ergonomic driver's seats, joysticks, controls, pedals, hydraulic solutions, electric drive systems and surface treatment machines.

INDUSTRIAL SOLUTIONS

Key indicators	2021/2022	2020/2021
Net sales, SEK million	2,669	1,800
EBITA, SEK million	452	252
EBITA margin, %	16.9	14
Return on working capital, %	179	92
Average number of employees	536	465
Acquired annual sales, SEK million*	50	615
Proportion sustainable business**, %	77	72

*On a full-year basis at the time of acquisition.
** Percentage of the business area's sales contributing to development towards UN's Sustainable Development Goals.

Sales by geographic market

Sales by customer segment

Process Technology

For a reduced environmental impact from industry

Process Technology offers highly advanced solutions for measuring, controlling and streamlining industrial process flows. Our business units Process Systems, Emission Control and Process Control hold strong positions in their respective market niches. Customers are primarily Nordic companies in the process and mechanical industries, as well as international companies in the marine sector.

An increased focus on reduced energy use and lower resource consumption generate an increased need to control and optimise various flows in the marine sector and in process manufacturing. Accordingly, our companies develop and supply complete systems and instruments for, for example, air and water cleaning, pressure and level measurements, analyses of liquids and gases, as well as conveyor chains for high-quality materials.

A strong driving force that generates business opportunities for our companies is increasing demand for a sustainable transition, particularly with regard to industrial emissions to water and air. In close collaboration with our customers, we streamline processes to reduce environmental impact and resource consumption.

2021/2022 in brief

During the financial year, Process Technology's net sales rose by 21 percent to SEK 2,306 million (1,911) and EBITA increased by 78 percent to SEK 299 million (168). The business situation was very strong for the companies operating in the forest and process industry. Demand for components for aftermarket and service, as well as for projects in the energy segment, was favourable, while it was stable in the mechanical industry and increased slightly in the marine segment.

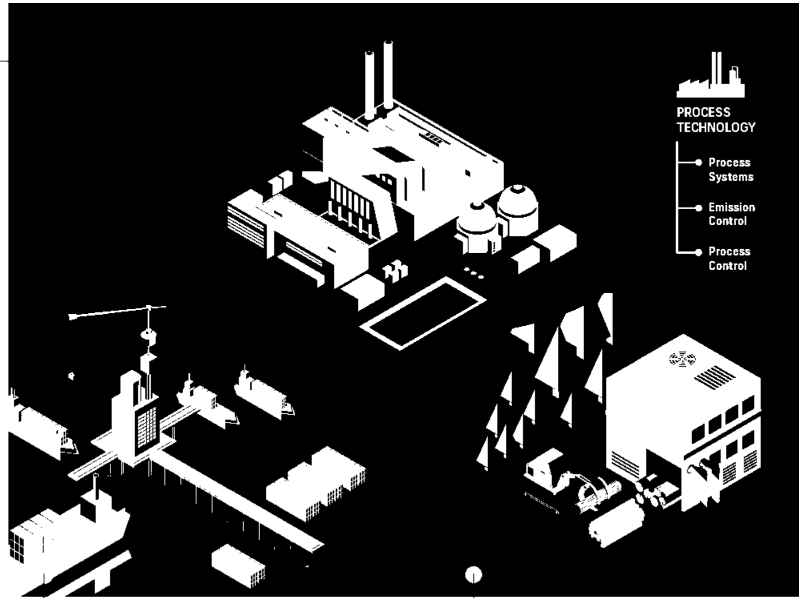
Future focus

Process Technology perceives favourable growth opportunities in most of its segments, partly due to increasingly strict emissions requirements to reduce the industry's environmental impact. There is a growing demand for technical solutions that control and analyse various industrial processes. Here, our companies are at the forefront of technological development to be able to respond to customers' needs. Our ambition is to grow both organically and through acquisitions in selected segments in Europe.

"We perceive considerable business opportunities in the challenge facing industry of reducing its environmental impact."

Claus Nielsen, Business Area Manager, Process Technology

SDGs corresponding to the largest percentages of sales



Examples of products

Transport and lifting chains, systems for waste water treatment, complete systems and instruments for gas and liquid analysis, monitoring and purification of flue gases, instruments and valves for regulation and monitoring of pressure, flows, energy, etc.

PROCESS TECHNOLOGY

Key indicators	2021/2022	2020/2021
Net sales, SEK million	2,306	1,911
EBITA, SEK million	299	168
EBITA margin, %	12.9	8.8
Return on working capital, %	56	35
Average number of employees	688	706
Acquired annual sales, SEK million*	170	149
Proportion sustainable business**, %	52	55

* On a full-year basis at the time of acquisition.
** Percentage of the business area's sales contributing to development towards UN's Sustainable Development Goals.

Sales by geographic market

- Sweden (23%)
- Denmark (15%)
- Finland (18%)
- Norway (14%)
- Rest of Europe (22%)
- Other countries (8%)

Sales by customer segment

- Building and installation (5%)
- Data and telecommunications (0%)
- Electronics (1%)
- Energy (15%)
- Vehicles (6%)
- Medical technology (6%)
- Mechanical industry (17%)
- Forestry and process (29%)
- Transport (16%)
- Other (5%)

50% reduced CO_2 intensity*

40% women in leading positions

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

* Base year 2019/2020

If our employees grow, so will our business. Accordingly, Addtech's objective is to have the most satisfied and competent employees in the industry.

Entrepreneurship – small scale business, large scale wise

The best business decisions are made by people who live close to the market. For this reason, Addtech is strictly decentralised, allowing our companies to focus on their business and develop their operations in a sustainable direction.

Entrepreneurial spirit and a small-scale approach are key components of Addtech's corporate culture. We have a highly decentralised organisation in which our companies enjoy substantial freedom to act independently. At the same time, each company bears responsibility for meeting high expectations in terms of earnings growth and profitability, and for pursuing its operations in accordance with our Code of Conduct. Our success is very much based on a clear organisational structure, clear targets and our core values; Simplicity – Efficiency – Change – Responsibility and freedom.

"Our strong corporate culture, which focuses on entrepreneurship, forms the core of how we conduct business and operate companies," says Malin Enarson, CFO at Addtech. We want to make matters as straightforward as possible for our companies and we work consistently with our group-wide culture, through which simplicity specifically, runs as a common thread.

By means of a constructive dialogue, the Group supports the companies regarding acquisitions, sustainability issues, business development, financing and accounting, for example. Development plans exist in which the companies set targets for sales and margins in particular. Concrete activities are also specified to achieve progress in key areas, such as growth, profitability, sustainability and digitalisation.

Our culture is largely built on the fundamental idea that if our employees grow, the business will also grow. Ultimately, the employees are those who make a difference, and, for this reason, we offer individual development opportunities in an organisation that fosters diversity and equality.

One of Addtech's priority sustainability goals is to achieve 40 percent women in leading positions by 2030. Here, a good example is Leena Tuomikoski, Managing Director of Finnchain – part of the Process Technology business area. The company offers cutting-edge expertise in chain conveyors and specialises in environmental technical applications. Chain-driven sludge conveyor systems for the treatment of sewerage and water are its main product. Covering options with solar cells are also offered, providing energy-efficient and sustainable solutions.

"When I started working at Finnchain in 1992, I was usually the only woman at meetings with our customers," says Leena. Today, I'm happy to say, I often meet women who hold leading positions in the industry. This is particularly true of the environmental area, where Finnchain offers the latest technical and complete solutions with regard to operational reliability.

According to Leena, Finnchain's chain-driven system enables efficient water purification. The company's products also have a long service life, low energy consumption and easily recycled components.

"Finnchain's latest product, Solar Cover, which we developed to prevent odour issues and harmful gases in water treatment tanks, is a good example of a sustainable solution," says Leena. Since these roof modules can be fitted with solar panels, the surface area of the tanks can be used to produce renewable energy. The effect will be a significant reduction in the carbon footprint of the customer's operations.

"Today I often meet women in leading positions"

Leena Tuomikoski, President, Finnchain

We are facing major global challenges to reduce our shared climate impact. Addtech has set itself the target of halving its CO_2 intensity by 50 percent by 2030, with 2019/2020 as the base year. Our greatest impact derives from goods transports (Scope 3) where we are working to streamline transports and transition to more carbon-efficient alternatives. To reduce emissions from proprietary production and operations (Scopes 1 and 2), we foster vehicle upgrades, energy efficiency and transitioning to renewable energy sources.

Teknikprodukter, which are part of the business area Process Technology, has during the year identified and analysed its transports, primarily to reduce CO_2 at the transport stage.

"At Teknikprodukter, we have, for example, conducted a workshop together with Addtech's sustainability team to challenge ourselves to think outside the box in the area of sustainability," says the company's Managing Director, Per Alfredsson. "The CO_2 impact of our transports is our foremost challenge and the workshop gave us a lot of practical advice and tools for reducing our CO_2 intensity."

Teknikprodukter's offering encompasses sealing, friction and power transmission products for industrial customers. The business concept is based on buying and selling products, mainly from suppliers in Europe, and naturally this requires transport solutions of some kind.

"Following the workshop, we have focused on several improvements and how we can foster more intelligent purchasing behaviour to reduce our CO_2 impact," says Per. "This includes how we plan and coordinate our purchases to optimise loading and reduce the number of trucks driving to and from our central warehouse."

"We are reducing our CO_2 footprint through more intelligent purchasing behaviour,"

Per Alfredsson, Manging Director, Teknikprodukter

Addtech believes the best teams are diverse in nature, with an even gender distribution playing an important part. It is therefore crucial that we think and behave appropriately, so that more women choose the technical sector in general and Addtech in particular. AddQ is a network for women at Addtech companies and aims to encourage more women to choose a career path in the currently male-dominated technology sector. Seminars and other activities are organised to build knowledge, provide mutual support and share experiences. Kristina Kristoffersson is Key Account Manager at Compotech, which is part of the Electrification business area. One of the initiators of AddQ, she considers a broad and open approach important in increasing the proportion of women within the group.

"To safeguard its skills supply, Addtech will need female employees," says Kristina. "This applies to technical roles and sales, as well as senior management positions. Accordingly, concrete tips and tools have been developed within Addtech to increase the proportion of female candidates in our recruitment processes.

The quest for gender equality is a prioritised area of focus for Addtech. We seek to recruit and retain skilled employees, regardless of gender.

"We hope that AddQ will help inspire many women to make careers in the innovative technology industry," says Kristina Kristoffersson. "Addtech is strongly committed to the issue of gender equality in securing appropriate skills for the future. Having workplaces with a mix of men and women enhances our capacity to develop sustainable products and technical solutions."

Greenhouse gas emissions 2021/2022

For calculations and the preceding year's figures, see the sustainability facts on pages 133-147.

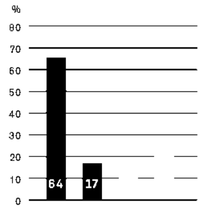
*Calculation method presented on page 146
**Emissions linked to other fuels and business travel by train

Distribution of 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 primarily of freight transport and business travel.

Proportion of women

Percentage of women per function within Addtech



Proportion of women in leading positions

20%

Absence due to illness employees

3%

Energy consumption

Addtech's ambition is to each year enhance its energy consumption by increasing 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 133-147.

SUSTAINABLE ORGANISATION

Ou ploy cus

"In my team we apply the principle that we should make life as simple as possible for our companies"

Monica Stignäs, Head of Group Finance, Addtech

Here at Addtech's head office, we always keep our 140 companies' best interests in focus. We strive to facilitate and ease matters for them as much as possible. My Group Finance team supports the companies with, reporting, instructions, training and general problem solving in the area of finance, for example. In my view, we are good at working in accordance with the core value of "simplicity" – we endeavour always to be available, providing optimum service for the companies.

I am deeply impressed by our companies' spirit of cooperation – exemplified by their capacity to always meet reporting deadlines. A sense of belonging, unpretentiousness and mutual respect prevails between the Parent Company and the companies. Addtech's Business Area Controllers are the companies' principal contacts regarding ongoing processes. Combined, we serve as an effective support function for the companies and are able to adapt quickly to constant change.

Addtech's corporate culture is very clear and we have always been able to refine it, ensuring that it is always topical. Substantial personal responsibilities are delegated and we try to avoid unnecessary complications. I have also been encouraged to work independently within a successful listed company that is growing and developing amidst constant change.

"Addtech's values make it easier to act"

Jonna Suontakanen, warehouse employee, TSP Oy

I have been employed in the warehouse at Addtech company TSP Oy since 2019. We specialise in imports and wholesale of technical products from leading manufacturers in the electrical industry. My job includes picking, packing and delivering products to our customers. I also check incoming shipments, to ensure that all products are of the quality our customers demand.

A major reason for how well I am enjoying my work here is the corporate culture. There is a positive team spirit and we help each other continuously improve and streamline the operations. I see myself as flexible and I like to learn new things. I also like to take personal responsibility, which is really appreciated here at TSP.

I am happy to work for an Addtech company. I like their values – particularly the core values of simplicity, responsibility and freedom, and I believe these permeate how employees think and act on a day-to-day basis. There is also a positive attitude towards living in a changing world and constantly striving to do things a little better – every day.

"Entrepreneurship and innovation run like a common thread through all Addtech's companies."

Mikko Kouvo, Head of R&D at Celltech Solutions Oy

Celltech offers batteries and battery systems for multiple types of applications. From idea to production – from standard products to customised solutions. I started working here because I wanted to be right at the leading edge of development in the electrification of industry. I get to play a role at the Nordic region's leading battery supplier and have the opportunity to influence future battery solutions for applications.

Being part of Addtech gives Celltech stability and access to a large network of matching operations within the Group. There are amazing companies with whom we collaborate here, with a very high degree of technical expertise in their specific areas. I think we are a perfectly fit in the Addtech family, where entrepreneurship and innovation run like a common thread through all of the companies. The decentralised structure also fosters each employee's commitment, really encouraging them to act independently and take personal responsibility.

Celltech will continue to grow thanks to the ongoing electrification of industry. Together with our partners – the world's leading battery manufacturer – I look forward to an exciting journey into the future.

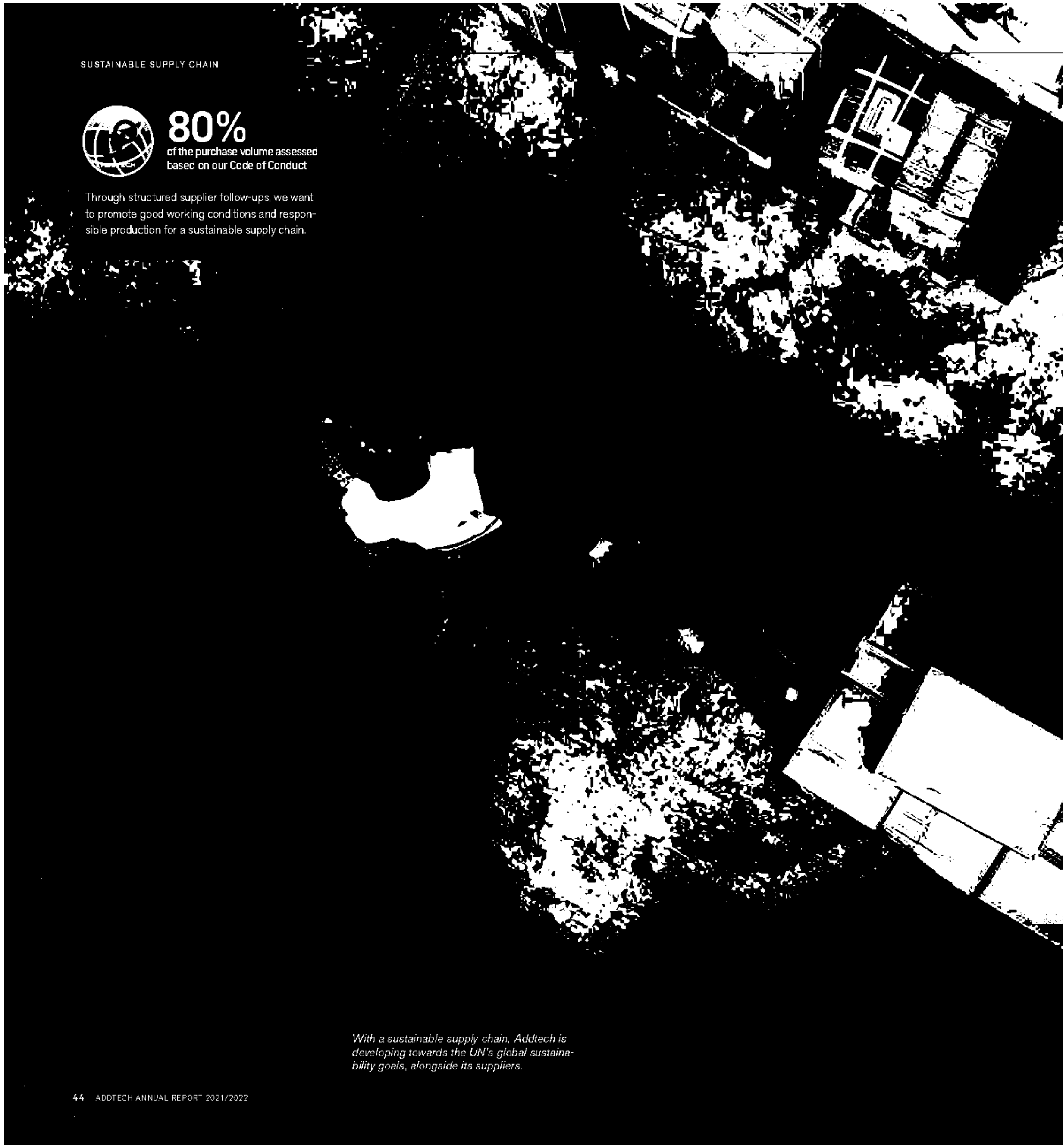
"Within Addtech, there are great opportunities for co-creation between the companies"

Julian Maruhn, Key Account Manager, Systerra Computer GmbH

I have been working as a Key Account Manager at Systerra Computer since 2017. We offer advanced products in embedded computer systems and network solutions. Addtech acquired us in the summer of 2021, which led to several positive changes. I perceive substantial opportunities for co-creation between the sister companies, for example. With the diversity of advanced companies within the Group, we can work together on many types of projects, deepen the value chain, thereby offering even better technical solutions to our customers.

Addtech has a strong focus on sustainability and an inspiring corporate culture. Thanks to the decentralised structure, Systerra can act independently while also enjoying all of the benefits that exist in the Group. Addtech's sound approach to entrepreneurship, responsibility and freedom makes me feel very positive about the future.

I am really looking forward to deepening the partnership with other group companies, and to developing further as an employee through the training offered by Addtech Academy for example.



SUSTAINABLE SUPPLY CHAIN

80%
of the purchase volume assessed based on our Code of Conduct

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

With a sustainable supply chain, Addtech is developing towards the UN's global sustainability goals, alongside its suppliers.

Responsibility for sustainability throughout the supply chain

Addtech's ongoing internationalisation brings many opportunities, while the importance of taking responsibility increases throughout the supply chain. Ensuring a sustainable supply chain is important in delivering value to our customers and contributing to sustainable development.

Addtech's business volumes outside the Nordic region are increasing continuously and the majority suppliers are in Europe. Increasingly, we are becoming an international player in a global market. We are also acquiring international companies with market-leading niche positions. During the financial year, Addtech acquired, for example, ABH Stromschienen GmbH and Fey Elektronik GmbH in Germany and Ko Hartog Verkeerstechniek in the Netherlands.

Addtech's supplier relations are often long-term in nature and are characterised by close collaborations on optimising technical products and solutions in different customer applications. This affords us favourable conditions for constructive dialogues on sustainability risks and continued development throughout the supply chain. All supplier partnerships build on our Code of Conduct for Suppliers. Here we ensure that the minimum requirements in the Code are met in, for example, human rights, working conditions, equal treatment, anti-corruption and the environment.

"We conduct an ongoing constructive dialogue with our customers and suppliers to strengthen our partnerships and identify and take advantage of the opportunities to develop together towards our 2030 goals," says Lena Ekbom, Head of Sustainability at Addtech. With our decentralised model, it is our companies that conduct the ongoing dialogue on sustainability with suppliers. The companies also perform supplier evaluations based on our requirements in the Code of Conduct in order for everyone to take their responsibility for a sustainable supply chain.

Energy efficient and climate smart transport is important for creating a sustainable supply chain. A company that has worked strategically with near sourcing for a long time is PrismaTibro, which is part of the Energy business area. In part, the intention is to continuously lower the CO_2 footprint, partly to gain more control over the supply chain and closer local cooperation with the company's suppliers.

"PrismaTibro has always had the ambition that our suppliers should be located close to us geographically," says the company's Managing Director, Malin Buss. When we are looking for a new supplier or partner, we ask ourselves: which companies do we have nearby? They should be located within 300 kilometres of Tibro – the closer, the better. For example, we have many suppliers in Gnosjö, which is within 300 kilometres and also some in Hjo, which is only just over a mile from here.

PrismaTibro offers four product families in electronics and mechanics. The company develops and manufactures its products itself – both software and hardware – in collaboration with various suppliers. Their advanced features combined with simple solutions have created success worldwide. The most well-known product is probably the crossing signal Prisma Daps, which people touch at a pedestrian crossing.

"Near sourcing is much appreciated by our customers. Our products are manufactured here in Tibro and the components that come from other places are assembled with a flexibility that is difficult to achieve if the geographical distance between us and the supplier is great. The proximity principle definitely makes it easier to resolve different product challenges and to create long-term, local collaborations with our suppliers."

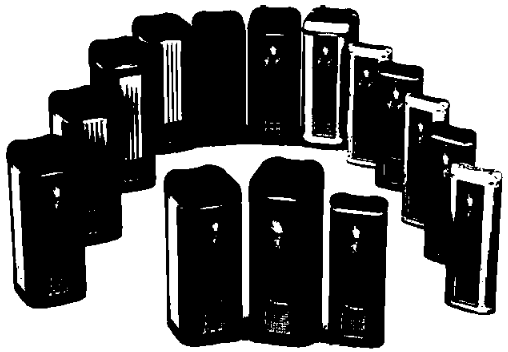
Today, a sustainable supply chain is a prerequisite for profitable operations. Addtech has a high level of ambition in all companies establishing thus sustainable supply chains and driving issues of sustainability forward.

"Another advantage of near sourcing is that we can feel secure that our Swedish suppliers comply with laws and regulations in, for example, the areas of the working environment and environmental legislation," says Malin Buss. It is also easier to follow up our Code of Conduct for suppliers because the short distances allow us to maintain a close and continuous dialogue with suppliers. I think this level of control would be more difficult if they were further afield, and it would also require a completely different effort from us. Naturally, PrismaTibro seeks to contribute to a more sustainable society. In this work, we also receive great help from Addtech, both with concrete tools and expertise that allow us to continuously develop and improve in this important area.

During the year, Addtech held several seminars for our companies in the area of sustainable supply chain. Both risks and opportunities at the supplier level were discussed under the leadership of our sustainability team. Addtech also provides a platform that helps our companies assess and monitor suppliers, no matter where in the world they are located. The platform makes it easier to choose the right supplier, and to continuously improve its supply chain based on each company's key figures and sustainability goals.

TLS Energimätning, which is part of the Process Technology business area, offers different types of measuring equipment for heating and waterworks. The company's customers are increasingly requesting sustainability data on, for example, how much CO_2 is emitted in total at the product level.

"Addtech's sustainability team has helped us prepare CO_2 profiles for some of our energy metres," says Ann-Christin Blom, TLS Energimätning's Managing Director. To be able to produce this data at the product level, it is important to maintain positive and close partnerships with our suppliers and logistics partners. Good relationships throughout the supply chain are simply prerequisites for generating sustainable business and advancing issues of sustainability.



Prisma Daps from PrismaTibro – probably one of the world's most advanced crossing signals.

"Near sourcing is much appreciated by our customers"

Malin Buss, Managing Director, PrismaTibro

Addtech is expanding internationally 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 additional countries to which Addtech exports

20

Percentage of purchasing volume assessed based on the Code of Conduct

A growing international Group

Although Addtech has its roots in the Nordic region, the proportion of its business conducted further afield is continuously increasing. As our customers have become increasingly global, our companies have simply followed them into the international arena. Both through exports and by establishing proprietary operations. We also work with many of the world's leading suppliers, who often have a global presence.

Targets, supply chain

Addtech targets having assessed

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 133-147).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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 2022, 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 40 percent. Over the corresponding period, the exchange's OMX Stockholm index rose by 2 percent. The highest price paid during the year was SEK 224, which was noted on 29 November 2021. The lowest price paid was SEK 130, which was noted on 1 April 2021. The closing price at the end of the financial year was SEK 182, corresponding to a market capitalisation of SEK 47.3 billion (33.8).

During the period from 1 April 2021 to 31 March 2022, 84.4 million shares (60.7) were traded for a total value of about SEK 14.3 billion (10.9). In relation to the average number of Class B shares outstanding, this corresponds to a turnover rate of 32 percent (40). Broken down per trading day, an average 332,104 Addtech shares (241,967) were traded for an average value of approximately SEK 56 million (43).

Share capital

At the end of the period, share capital amounted to SEK 51.1 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	4.7	33.1
Class B shares, 1 vote per share	259,908,240	259,908,240	95.3	66.9
Total number of shares before repurchases	**272,793,984**	**388,765,680**	**100.0**	**100.0**
Of which, repurchased Class B shares	-3,265,552		1.2	0.8
Total number of shares after repurchases	**269,528,432**			

Chapter 6, Section 2a of the Swedish Annual Accounts Act requires listed companies to disclose specific circumstances that may affect the prospects for acquiring the Company via a public share offer. In the event of the Company being de-listed from Nasdaq OMX Stockholm or a party other than the present principal shareholder attaining an ownership holding exceeding 50 percent of the capital or votes, the granted credit line in terms of contractual credit facilities of SEK 2,500 million and overdraft facilities of SEK 1,300 million can be terminated.

Repurchases of treasury shares and incentive programmes

The Annual General Meeting in August 2021 authorised the Board of Directors to repurchase a maximum of 10 percent of all shares in the Company during the period extending until the 2022 Annual General Meeting. During the financial year Addtech repurchased none of its own Class B shares. At the end of the year, 3,265,552 (3,519,272) of the Company's own Class B shares were held, with an average purchase price of SEK 32.73 (32.73). These shares correspond to 1.2 percent (1.3) of the number of shares issued and 0.8 percent (0.9) of the votes.

Addtech has four outstanding call option programmes for a total of 3,129,350 shares. Call options issued on repurchased shares entail a dilution effect of about 0.3 percent over the past 12-month period. Addtech's holdings of treasury shares fully match the needs of the outstanding call option programmes.

Outstanding programme	Number of options	Corresponding number of shares	Percentage of total shares	Initial redemption price	Redemption price per share	Redemption period
2021/2025	768,070	768,070	0.3%	214.40	214.40	9 Sep 2024 – 11 Jun 2025
2020/2024	250,000	1,000,000	0.4%	538.10	134.53	4 Sep 2023 – 5 Jun 2024
2019/2023	300,000	1,200,000	0.4%	321.80	80.45	5 Sep 2022 – 2 Jun 2023
2018/2022	40,320	161,280	0.1%	232.90	58.23	6 Sep 2021 – 3 Jun 2022
Total	**1,358,390**	**3,129,350**				

Ownership structure

On 31 March, 2022, the total number of shareholders was 12,009 (9,409), of whom 9,467 (6,942) each held 1,000 shares or less. The 15 largest shareholders accounted for 60.3 (62.6) percent of the total number of shares and 70.6 (72.3) percent of the total number of votes. Anders Börjesson (including related parties) is the largest shareholder in terms of votes, with a shareholding corresponding to 16.5 percent, followed by Tom Hedelius, with a shareholding corresponding to 15.2 percent. The proportion of foreign owners corresponded to 43 percent (46) of the total capital.

Additional information

Addtech's website www.addtech.com is updated continuously with information about shareholder changes and share price performance. The site also presents information about which analysts monitor Addtech.

Key indicators

	2021/2022	2020/2021	2019/2020
Earnings per share, SEK	4.00	2.60	3.20
Equity per share, SEK	14.60	11.95	11.25
Price/earnings ratio	46	50	19
Share dividend, SEK	1.80 [1]	1.20	1.00
Payout ratio, %	45	46	31
Dividend yield, %	1.0	0.9	1.6
Last price paid, SEK	182.00	130.00	61.13
Price/equity, multiple	11.7	10.3	5.4
Market capitalisation, SEK million	47,303	33,788	15,885
Average number of shares outstanding	269,400,116	269,050,749	268,493,332
Number of shares outstanding at end of year	269,528,432 [2]	269,274,712	268,594,312
Number of shareholders at end of year	12,009	9,409	6,208

[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: 3,265,552 Class B shares as of 31 March 2022.

Addtech's largest shareholders, 31 March 2022

Shareholders	Number of Class A shares	Number of Class B shares	Percentage of capital	Percentage of votes
Anders Börjesson (with companies and family members)	6,348,648	486,000	2.5	16.5
Tom Hedelius	5,895,960	64,800	2.2	15.2
State Street Bank And Trust Co, W9		26,368,252	9.7	6.8
Swedbank Robur Fonder		23,062,533	8.5	5.9
SEB Investment Management		22,434,477	8.2	5.8
The Northern Trust Company		18,193,138	6.7	4.7
Lannebo fonder		12,224,972	4.5	3.1
JP Morgan Chase Bank N.A		10,420,770	3.8	2.7
Handelsbanken fonder		8,197,181	3.0	2.1
Sandrew AB		7,200,000	2.6	1.8
Brown Brothers Harriman & Co., W9		5,944,015	2.2	1.5
Verdipapirfondet Odin Norden		4,897,845	1.8	1.3
Säve family		4,409,997	1.6	1.1
CBNY-Norges Bank		4,200,618	1.5	1.1
Margareta Von Matérn		4,099,932	1.5	1.0
Total, 15 largest shareholders [3]	**12,244,608**	**152,204,530**	**60.3**	**70.6**

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

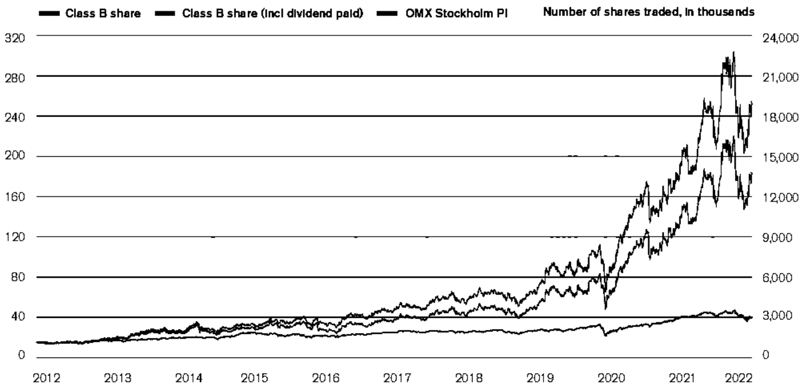
Size classes

Number of shares	% of share capital	Number of shareholders	% of number of shareholders
1 – 500	0	8,565	71
501 – 1,000	0	902	7
1,001 – 5,000	1	1,514	13
5,001 – 10,000	1	365	3
10,001 – 15,000	1	149	1
15,001 – 20,000	1	89	1
20,001 –	96	425	4
Total	**100**	**12,009**	**100**

Holdings by category

	2021/2022		2020/2021	
	Number of shareholders	Percentage of capital	Number of shareholders	Percentage of capital
Swedish shareholders	11,427	57	8,897	54
Foreign shareholders	582	43	512	46
Total	**12,009**	**100**	**9,409**	**100**
Legal entities	921	83	774	82
Natural persons	11,088	17	8,635	18
Total	**12,009**	**100**	**9,409**	**100**

SHARE PERFORMANCE CHART



Administration Report

1 April 2021 – 31 March 2022

The Board of Directors and the CEO of Addtech AB, company ID number 556302-9726, hereby submit the annual and consolidated accounts for the 2021/2022 financial year. Comparisons in parentheses refer to the corresponding period of the previous year, unless stated otherwise. Because, in terms of its size, Addtech 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. The Sustainability Report in accordance with the Annual Accounts Act 6:12-14 is printed together with the annual report and is integrated in the sections Our strategic playing field, Sustainable business, Sustainable organisation, Sustainable supply chain and Sustainability facts, as well as in the section Risks and uncertainties here in the Administration Report.

Operations

Addtech is a listed Swedish corporate group consisting of some 140 independent Group companies that, under their own brands, sell high-tech products and solutions to customers, primarily in industry and infrastructure. The companies hold strong positions in select, well-defined niches with a high knowledge and technology content. The Group has roughly 3,500 employees in 20 countries and generates annual sales of more than SEK 14 billion. Addtech generates optimal conditions for the profitability and growth of the companies. The share has been listed on NASDAQ Stockholm since 2001.

The year in brief

Addtech summarises another successful year in which we clearly continued to deliver on our vision to be a leader in technical solutions for a sustainable tomorrow. The year was marked by a strong recovery in market activity and demand for our companies' sustainable technical solutions. Our strong position in strategically selected segments generated strong organic growth during the year, we also completed 13 carefully selected acquisitions.

The sequential increase in customer activity, combined with lower fixed costs, resulted in a sharp increase in sales of 24 percent and a high EBITA growth of 44 percent, with strong contributions from all business areas.

Recent years' increased focus on sustainable technological solutions, combined with a high acquisition rate, has afforded the Addtech companies strong positions in selected niches, both in the Nordic region and internationally. During the autumn, the organisation was further sharpened to strengthen the network between the companies, thereby creating conditions for optimum utilisation of future growth opportunities. The new organisational structure took effect on 1 October 2021.

Increased tied-up inventory and higher accounts receivable due to sales growth in many companies resulted in slightly weaker cash flow than in the preceding year of SEK 1,121 million (1,503), although, thanks to increased margins, good profit growth and more efficient working capital management overall, P/WC strengthened to a historically high 69 percent.

Our liquidity is good and we have satisfactory credit scope for continued investment opportunities. The acquisition rate was high with 13 completed acquisitions, together contributing annual sales of SEK 1,430 million.

Market development over the year

The market situation has clearly strengthened over the year in most of our important customer segments. Sales of input components to manufacturing companies in special vehicles, the medical and mechanical industries have developed well and the market situation in the forest and process industry, particularly the willingness to invest in the sawmill industry, has developed very strongly. The business situation in other important segments, such as electronics, electricity-related products for building and installation as well as waste and recycling was favourable. In wind power, demand was stable until the final quarter, when we saw some slowdown. The major infrastructure investments to meet the increased energy needs continued to generate favourable demand for our companies operating in the expansion of national and regional grids.

Geographically, the Nordic markets had a strong development, viewed over the full-year. Norway was somewhat weaker than the others, mainly linked to the continued low level of investment in oil and gas. Over the year, our major markets outside the Nordic region, particularly DACH and the UK, strengthened and created favourable conditions for our companies operating in these markets.

Effects of the conflict in Ukraine

As a result of the Russian invasion of Ukraine, our business relations with companies in Russia and Belarus have been halted. Our exposure to these countries, both on the customer and supplier side, is limited and the overall effect on net sales during the financial year was marginal.

Development by business area over the year

The division into business areas reflects Addtech's internal organisation and reporting system. Addtech reports its business areas as operating segments. During 2021/2022, until 30 September, Addtech was organised into the following five business areas: Automation, Components, Energy, Industrial Process and Power Solutions. As of 1 October, Addtech was organised into the following five business areas: Automation, Electrification, Energy, Industrial Solutions and Process Technology. The organisation at the end of 2021/2022 is described below. For further information on the Group's operating segments, see Note 5.

AUTOMATION

Net sales by Automation during the financial year increased by 25 percent to SEK 2,716 million (2,180), while EBITA increased by 42 percent to SEK 308 million (217).

The Automation business area experienced a very favourable market situation throughout the year. The business situation was favourable in all segments of importance to the business area, such as the process industry, the mechanical industry and medical technology, and demand for the companies operating in the defence industry increased towards the end of the year.

ELECTRIFICATION

During the financial year, the Electrification business area's net sales rose by 20 percent to SEK 2,629 million (2,194) and EBITA increased by 35 percent to SEK 318 million (236).

Most of the companies in the Electrification business area developed very well during the year. This was a favourable business situation for input components in the largest segments, such as electronics, energy, special vehicles and telecom. The market situation for customised battery solutions was very strong and demand increased in the defence industry towards the end of the year.

ENERGY

During the financial year, the Energy business area's net sales rose by 14 percent to SEK 3,742 million (3,271) and EBITA increased by 19 percent to SEK 467 million (393).

The Energy business area experienced a favourable market situation over the year. Demand for infrastructure products for upgrading and extending national and regional grids increased from already high levels, and sales increased at the end of the year. The business situation for the units operating in sales of niche products for electricity distribution, manufacturing, fibre expansion and building and installation was favourable, as was the case for the companies operating in wind power, although demand there levelled off at a high level in the fourth quarter.

INDUSTRIAL SOLUTIONS

During the financial year, the Industrial Solutions business area's net sales rose by 48 percent to SEK 2,669 million (1,800) and EBITA increased by 79 percent to SEK 452 million (252).

For the business area's companies exposed to the forest and sawmill industry, the market situation was very strong during the year, as for the companies active in proprietary control and ergonomics products, and hydraulic solutions for special vehicles. In addition, there was good demand in waste and recycling, as well as for components for the mechanical industry.

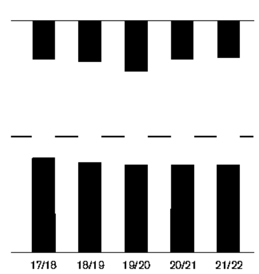
PROCESS TECHNOLOGY

During the financial year, the Process Technology business area's net sales rose by 21 percent to SEK 2,306 million (1,911) and EBITA increased by 78 percent to SEK 299 million (168).

The business situation for the Process Technology business area was generally strong over the year, and particularly favourable for the companies operating in the forest and process industry. Demand was good for components for aftermarket and service, as well as for projects in the energy segment, as was demand in the mechanical industry, although demand levelled off towards the end of the year. Demand in the marine segment increased slightly from low levels in the fourth quarter.

YEAR

SHARE OF NET SALE, %
Sales by business area



Acquisitions

Addtech is constantly on the lookout for companies to acquire and is engaged in discussions with a number of potential companies. During the financial year Addtech completed 13 acquisitions, diversified in terms of their markets and geographies, where it took control of the acquired operations during the year. All business areas completed acquisitions during the year. Since becoming a listed company in 2001, Addtech has acquired about 200 companies. The following companies were acquired during the year:

ESi Controls Ltd.

On 1 April, ESi Controls Ltd. was acquired in the UK, joining the Energy business area. ESi (Energy Saving Innovative) Controls 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.

Hydro-Material Oy

On 1 April, Hydro-Material Oy was acquired in Finland, joining the Industrial Solutions business area. Hydro-Material delivers hydraulic and cooling systems primarily for the special vehicles and the manufacturing industry market segments. Hydro-Material Oy generates annual sales of approximately EUR 5 million and has five employees.

IETV Elektroteknik AB

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, hydro-electric power plants and industry. IETV Elektroteknik AB has 38 employees and generates annual sales of approximately SEK 80 million.

AVT Industriteknik AB

On 11 May, AVT Industriteknik 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.

EK Power Solutions AB

On 1 July, EK Power Solutions AB was acquired in Sweden, joining the Electrification business area. EK Power holds a leading position in the development of power electronics and electric motor control. The company has 25 employees and generates annual sales of approximately SEK 40 million.

KZ moder AB ("KZ Group")

On 1 July, KZ moder AB ("KZ Group") was acquired in Sweden and joined the Process Technology business area. The KZ Group is a leading supplier of components, equipment and solutions for the water network, as well as water and waste water treatment. The KZ Group has 29 employees and generates annual sales of approximately SEK 100 million.

Finnchain Oy

On 5 July, 90 percent of the shares of Finnchain Oy was acquired in Finland and joined the Process Technology business area. Finnchain is a market leader in the design, manufacture and delivery of chain-driven sludge conveyor systems that optimise waste water treatment and desalination of sea water. Finnchain has 20 employees and generates annual sales of approximately EUR 7 million.

Tritech Solutions AB

On 3 August, Tritech Solutions AB was acquired in Sweden, joining the Automation business area. Tritech Solutions delivers customised embedded computer systems primarily for OEM customers in industrial automation, medical technology, telecommunications and transport. The company has 8 employees and generates annual sales of approximately SEK 60 million.

Systerra Computer GmbH ("Systerra")

On 1 September, Systerra Computer GmbH ("Systerra") was acquired in Germany and joined the Automation business area. Systerra delivers advanced standards, customised products and proprietary products in embedded computer systems and network solutions. The company has 16 employees and generates annual sales of approximately EUR 9.5 million.

ABH Stromschienen GmbH ("ABH")

On 1 October, ABH Stromschienen GmbH ("ABH") was acquired in Germany and joined the Electrification business area. ABH develops, designs and delivers energy-saving power distribution systems for applications in data centres, industry and e-mobility. The company has 22 employees and generates annual sales of approximately EUR 10 million.

Ko Hartog Verkeerstechniek B.V.

On 1 October, Ko Hartog Verkeerstechniek B.V. was acquired in the Netherlands, and joined the Energy business area. Ko Hartog Verkeerstechniek B.V. develops, manufactures and sells traffic signal systems and other road safety equipment and offers assembly, installation, service and maintenance of the products. The company has 18 employees and generates annual sales of approximately EUR 8 million.

Jolex AB

On 1 November, Jolex AB was acquired in Sweden, joining the Electrification business area. Jolex AB supplies shielding and thermally conductive products for applications in defence, medicine, data and telecom. The company generates annual sales of approximately SEK 20 million and has one employee.

Fey Elektronik GmbH

On 31 March, 90 percent of the shares of Fey Elektronik GmbH were acquired in Germany, which joined the Electrification business area. Fey serves European OEM customers with the development, design and manufacture of customised battery solutions. The company has 160 employees and generates annual sales of approximately EUR 55 million.

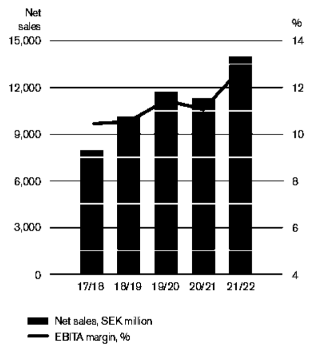
Financial development

Net sales and profit

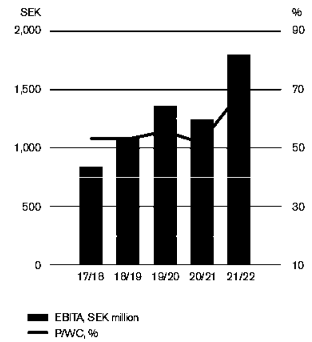
Over the financial year, the net sales of the Addtech Group increased by 24 percent to SEK 14,038 million (11,336). Organic growth amounted to 15 percent and acquired growth amounted to 9 percent. Exchange rate fluctuations had a marginally positive effect on net sales, corresponding to SEK 37 million.

EBITA for the financial year amounted to SEK 1,803 million (1,251), representing an increase of 44 percent. Over the financial year, operating profit increased by 52 percent to SEK 1,501 million (989) and the operating margin amounted to 10.7 percent (8.7). Net financial items were negative in the amount of SEK 68 million (52) and profit after financial items increased by 53 percent to SEK 1,433 million (937). Profit after tax for the financial year rose by 53 percent to SEK 1,117 million (729) and the effective tax rate was 22 percent (22). Earnings per share before dilution for the financial year amounted to SEK 4.00 (2.60) and after dilution to SEK 3.95 (2.60).

Net sales and EBITA margin



EBITA and return on working capital, P/WC



Profitability, financial position and cash flow

The return on equity at the end of the financial year was 30 percent (23), and return on capital employed was 20 percent (15). The return on working capital, P/WC (EBITA in relation to working capital), amounted to 69 percent (52).

At the end of the financial year the equity/assets ratio was 34 percent (35). Equity per share, excluding non-controlling interests, amounted to SEK 14.60 (11.95). Consolidated net debt at the end of the financial year amounted to SEK 3,747 million (2,798), excluding pension liabilities of SEK 314 million (336). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, amounted to 0.9 (0.8).

Cash and cash equivalents, consisting of cash and bank balances together with approved but non-utilised credit facilities, amounted to a combined SEK 1,452 million (2,119) at 31 March 2022.

Cash flow from operating activities amounted to SEK 1,121 million (1,503) during the financial year. Company acquisitions and disposals, including settlement of contingent purchase considerations for acquisitions implemented in previous years, amounted to SEK 1,139 million (1,219). Investments in non-current assets totalled SEK 125 million (90) and disposals of non-current assets amounted to SEK 9 million (11). Buy back of call options totalled SEK 37 million (23). Exercised and issued call options totalled SEK 47 million (48). Dividends paid to shareholders of the Parent Company totalled SEK 323 million (269), corresponding to SEK 1.20 (1.00) per share. The dividend was paid out in the second quarter.

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 unites 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 and geopolitical conflicts, such as Russia's invasion of Ukraine, 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	ADDTECH'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 in 2020/2021, pandemic outbreaks that affect the business climate and in 2021/2022, Russia's invasion of Ukraine. A weakening of these factors in the markets in which Addtech operates could have adverse effects on its financial position and earnings.	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.
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.	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 offset 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 around 3 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.
Competition	
Most of Addtech's subsidiaries operate in sectors that are vulnerable to competition. In addition, consolidation may occur among suppliers in the sector, and larger merged suppliers may have a broader 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, a decline in the ability of a subsidiary to meet new market needs or the on-going situation with component shortages and long lead times could have a negative impact on Addtech's financial position and earnings.	Addtech strives to offer products and services for which price is not the sole deciding factor. By working closely with both suppliers and customers, we are continuously developing 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.
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. There is also a risk that the corporate ID number of a Group subsidiary could entail a historical liability for the company under the Swedish Environmental Code.	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 risks through its sustainability reporting and all companies comply with the Group's Code of Conduct. In conjunction with acquisitions, Addtech conducts an analysis of the potential target's corporate ID number to counter the risk of being held liable for historical environmental issues.
Climate risks	
Climate change entails both transition risks and physical risks that may have a negative impact on Addtech and its subsidiaries. Relevant transition risks are higher taxes on carbon-intensive products and services, disruptive changes in the market and increased raw material prices. Relevant physical risks are increased operating and capital costs, resulting from more frequent damage to our operations caused by the effects of climate change, such as more extreme weather.	For Addtech, managing climate-related risks is an important parameter for future business development and we have conducted scenario analyses to identify financial risks associated with climate change. Risks associated with climate change are part of our analysis of potential acquisitions. The Group works to integrate climate risks into major investments.
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.	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.
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.	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	ADDTECH'S RISK MANAGEMENT
Seasonal effects	
There is a risk that Addtech's operations, earnings and cash flow could be affected by strong seasonal effects driven by customer demand.	No significant seasonal effects are associated with Addtech'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.
Business ethics and human rights	
Addtech'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 would have a negative impact on the Group's reputation among employees, customers and other stakeholders and influence demand for the Group's products.	Internally, the Group works with business ethics through initiatives including the Business School and compliance with anti-corruption and human rights regulations is reviewed annually, which is clearly communicated in our internal Code of Conduct. Addtech's many favourable relationships with carefully selected suppliers reduce the risk of human rights violations occurring among our suppliers. To safeguard the Group's high standards in terms of business ethics, Addtech's Code of Conduct for Suppliers must be followed.
Acquisitions and goodwill	
Historically, Addtech 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 Addtech 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 under-performs in relation to the assumptions that applied at the time of valuation, 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.	Addtech 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 the agreements, 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.
Financial risks	
The Group is exposed to various financial risks. Currency risk is the risk of exchange rates having an adverse impact on Addtech'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 Addtech's financial position and earnings.	Addtech 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 Addtech manages financial risks.
Suppliers and customers	
To deliver products, Addtech is dependent on the ability of external suppliers to fulfil agreements in terms of volume, quality, delivery date, etc. Deliveries that are erroneous or delayed, or that do not occur, may have an adverse impact on Addtech's financial position and earnings. Addtech'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.	Addtech's numerous and favourable relationships with carefully selected suppliers reduce the risk of Addtech not being able to deliver as promised. To safeguard the Group's high standards in terms of business ethics, Addtech's Code of Conduct for Suppliers must be followed. Most of the companies also perform specific supplier reviews. In a longer-term perspective, Addtech is not dependent on any individual supplier or customer. Addtech's largest customer accounts for about 3 percent of consolidated net sales.
IT security and cyber risks	
Throughout society, the digital risks are continuously rising. Like most companies, Addtech 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 crimes, 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 Addtech's capacity to deliver products and services and to generate profits.	To safeguard stable IT environments and prevent incidents, Addtech conducts regular risk assessments, as well as maintaining and reviewing IT security at both the Group and subsidiary levels. Addtech works to systematically identify, analyse and assess IT risks. Addtech 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 customers' increasing cyber security demands.

Employees and development

Employees

At the end of the financial year, the Group had 3,556 employees, compared with 3,133 at the beginning of the financial year. During the financial year, completed acquisitions increased the number of employees by 399. Over the past 12-month period, there were an average 3,317 employees.

	2021/2022	2020/2021	2019/2020
Average number of employees	3,317	3,068	2,913
Proportion of men	74%	74%	74%
Proportion of women	26%	26%	26%
Age distribution up to 29 years	10%	10%	11%
30–49 years	47%	48%	48%
50 and older	43%	42%	41%
Average age	46 years	46 years	45 years
Personnel turnover	14%	13%	10%
Average length of employment	about 10 years	about 10 years	about 9 years

Research and development

The Addtech 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 to senior executives

The Board of Directors has resolved to propose that the Annual General Meeting in August 2022 approve the same guidelines as in the preceding year:

The guidelines do not include remuneration that is resolved by the Annual General Meeting. With regard to employment relationships that are subject to rules other than Swedish rules, as regards pension benefits and other benefits, appropriate adjustments may be made to comply with such mandatory rules or with established local practices, while meeting the overarching objectives of these guidelines as far as possible. The guidelines are to relate to remuneration of the CEO and other members of Addtech Group Management.

The guidelines also apply to Board members insofar as they receive remuneration for services rendered to the company beyond their Board assignments. Where applicable, that stated about the Company also applies to the Group.

The guidelines promote the Company's business strategy, long-term interests and sustainability

Successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, requires that Addtech be able to recruit and retain qualified employees. This requires that the company be able to offer competitive overall remuneration, which is made possible by these guidelines. Overall remuneration must be market-based and competitive, and shall reflect the responsibilities and authority borne by the executive.

Forms of remuneration, etc.

Remuneration must be market-based and consist of the following components: fixed salary, any variable salary in accordance with a separate agreement, pension and other benefits. Beyond this and regardless of these guidelines, the Annual General Meeting may, for example, adopt share and share price-related remunerations.

Fixed salary

Fixed salary must consist of fixed cash salary and must be reviewed annually. The fixed salary must be competitive and reflect the requirements placed on the position regarding skills, responsibilities, complexity and how it contributes to achieving the business goals. The fixed salary must also reflect the performance achieved by the executive and shall thereby be individual and differentiated.

Variable salary

In addition to fixed salary, the CEO and other senior executives may receive variable salary from time to time, in accordance with a separate agreement, when meeting agreed criteria. It shall be possible for any variable salary to consist of annual cash salary, which may not exceed 40 percent of the fixed annual salary. An additional premium may be payable corresponding to 20 percent of paid variable remuneration used to acquire shares in Addtech AB.

To avoid unsound risk-taking, there must be a fundamental balance between fixed and variable salary. The fixed salary must represent a sufficient proportion of the total remuneration paid to the senior executive for the variable component to be reduced to zero. The variable salary shall be linked to one or more predetermined and measurable financial criteria set by the Board of Directors, such as Group profit growth, profitability and cash flow. By linking the senior executives' remuneration to the company's earnings, the targets promote the implementation of the company's business strategy, long-term value-generation and competitiveness. The terms and calculation basis for variable salary must be determined for each financial year. Fulfilment of criteria for the payment of variable salary must be measurable over a period of one financial year. Variable salary is settled the year after it is earned. Once the measurement period for meeting the criteria for the payment of variable salary has been completed, the extent to which the criteria have been met must be assessed. The Board of Directors is responsible for the assessment regarding variable cash remuneration of the CEO. As regards variable cash remuneration of other senior executives, the CEO is responsible for the assessment. As far as financial targets are concerned, the assessment shall be based on the most recent financial information published by the company.

Variable salary conditions may be designed in such a way that, in exceptional financial circumstances, the Board of Directors is able to limit or waive the payment of variable salary if such an action is deemed reasonable. In designing variable remuneration for company management, the Board of Directors shall consider imposing reservations that (i) make the payment of certain portions of such remuneration contingent on performance criteria proving to be sustainable over time, and (ii) allow the company to recover any remuneration paid on the basis of information is subsequently shown to be clearly incorrect.

Additional variable cash remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and are only applied at the individual level, either for the purpose of recruiting or retaining executives, or as compensation for extraordinary efforts beyond the individual's regular duties. Such remuneration may not exceed an amount equivalent to 40 percent of the fixed annual salary and may not be paid more than once a year per individual. Such remuneration shall be decided by the Board of Directors on a proposal from the Remuneration Committee.

Pension
For the CEO and other senior executives, pension benefits are paid in accordance with individual agreements. In principle, pension benefits, including health insurance, shall be defined-contribution benefits, with the size of the pension being determined by the performance of the subscribed pension plans, although defined benefit pension solutions may occur in individual cases. Variable salary can be pensionable. The premiums for defined contribution pensions must not exceed 40 percent of pensionable salary. Pensionable salary corresponds to the fixed monthly salary multiplied by a factor of 12.2 and, where applicable, variable salary. Salary waivers may be used for strengthened occupational pensions through non-recurring pension provisions, provided that the total cost to the company remains neutral.

Other benefits
Other benefits, including company cars, travel benefits, supplementary health insurance and medical insurance, as well as occupational health care and fitness benefits, must be market-based and constitute only a limited part of the total remuneration. Premiums and other expenses attributable to such benefits may amount to at most 10 percent of the fixed annual salary.

Terms upon termination
All senior executives are required to 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. On termination of employment by the company, senior executives may, in addition to salary and other employment benefits during the notice period, be entitled to severance pay corresponding to at most 12 months' fixed salary. The severance pay is not offset against other income. No severance pay will be payable on resigning.

In addition to severance pay, compensation may also be payable for any competition-limiting undertaking. 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. The compensation shall be based on the fixed salary at the time of termination and shall not exceed 60 percent of the fixed salary at the time of termination, subject to mandatory collective agreement provisions, and shall be payable during the period that the competition-limiting undertaking applies, which may not exceed 12 months after termination of employment.

Fees paid to Board members
In specific cases, it shall be possible, during a limited period, to compensate Addtech Board members elected by the Annual General Meeting for services within their particular areas of expertise that do not constitute Board work. A market-based fee shall be paid for such services (including services provided through any company wholly-owned by a Board member), provided that such services contribute to the implementation of Addtech's business strategy and the fostering of the company's long-term interests, including its sustainability. Such consulting fees may never exceed the annual Board fees for each Board member.

Salaries and terms of employment for employees
Employees' salaries and terms of employment have been taken into account when preparing the Board's proposal for these guidelines, with employees' total remuneration, the components of that remuneration, as well as the increase in remuneration and the increase over time having been included when the Remuneration Committee and the Board of Directors assess the reasonableness of the guidelines and the limitations they entail.

Preparation and decision-making
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 Board's decision on proposed guidelines for remuneration of senior executives. The Board of Directors shall prepare 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 have been adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and assess programmes of variable remuneration for senior executives, the application of guidelines for the remuneration of senior executives, as well as current remuneration structures and remuneration levels in the company. Following the preparation of recommendations by the Remuneration Committee, the CEO's remuneration shall be determined, within the framework of approved principles, by the Board of Directors. 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. Board meetings addressing and determining matters of remuneration, shall not be attended by the CEO or other senior executives insofar as these matters affect them.

Share-based incentive programmes approved by the General Meeting
Each year, the Board shall assess the need for share-related incentive programmes and, if necessary, submit proposals for resolution by the Annual General Meeting. Any share and share price-related incentive programmes aimed at senior executives shall be approved by the Annual General Meeting and shall aid long-term growth in value.

Deviation from the guidelines
The Board of Directors may decide to deviate from the guidelines in whole or in part if there are specific reasons for this in an individual case and a deviation is necessary to fulfil the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the tasks of the Remuneration Committee include preparing decisions by the Board of Directors on remuneration issues, which includes decisions regarding deviations from the guidelines. Decisions regarding deviations from the guidelines are to be explained at the next Annual General Meeting. For further information on remuneration of senior executives, see Note 6 Employees and personnel expenses.

Dividend

Addtech'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 1.80 (1.20) per share to the Annual General Meeting in August 2022. The dividend corresponds to a total of SEK 485 million (323), corresponding to a payout ratio of 45 (46) percent.

Parent Company

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

The Parent Company's net sales for the financial year amounted to SEK 64 million (58) and its loss after financial items was SEK 31 million (profit: 378). Net investments in non-current assets were SEK 0 million (0). The Parent Company's net financial liabilities were SEK 350 million (286) at the end of the year.

Future prospects and events after the reporting period

Future prospects
Addtech 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, Addtech'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 and sustainable growth based on the same business concept.

With our sharpened niche strategies, we are well positioned in structurally driven areas of development, such as the transition to renewable energy sources and the ongoing and increasing electrification. In times of crisis, companies with stable business models and 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, Intertrafo Oy was acquired in Finland from Tampereen Sähköpalvelu Oy and joined the Energy business area. The company designs, manufactures and sells transformers in the Finnish market. The company has 15 employees and generates annual sales of approximately EUR 3 million.

On 1 April, Electric Control Systems Automation AS was acquired in Norway and joined the Process Technology business area. ECS is an international supplier of systems integration and automation solutions adapted to customers' needs. The company offers complete control systems that use IoT and produce control panels for automation, both with the aim of increasing productivity and improving data analysis capacity in the process industry. The company has 31 employees and generates annual sales of approximately NOK 70 million.

On 4 April, 88 percent of the shares in Impulseradar Sweden AB were acquired in Sweden, which joined the Industrial Solutions business area. Impulse is a leading developer and manufacturer of ground radar instruments and related software that enables surveying and mapping of functions and structures below the surface. The equipment is used in several areas of application, such as infrastructure projects, road and bridge inspections and mapping of water conduits and sewerage. The company has 27 employees and generates annual sales of approximately SEK 80 million.

On 5 May, C.K Environment A/S was acquired in Denmark, joining the Process Technology business area. C.K. Environment is a leading supplier of instruments and solutions for measuring and analysing gases, liquids, particles, humidity and temperature. The company offers both complete customised solutions, as well as components and services to a broad range of industrial customers. The company has 14 employees and generates annual sales of approximately DKK 30 million.

On 3 June, Arruti Group was acquired in Spain and joined the Energy business area. Arruti Group comprises four companies that develop, manufacture and sell components, as well as equipment for electric transmission lines and stations. The Group has 90 employees and generates annual sales of approximately EUR 27 million.

On July 1, Gotapack International AB was acquired in Sweden, joining the Process Technology business area. Gotapack has strong industry expertise in equipment, spare parts and service to the pharmaceutical industry. The main products include processing and packaging machinery. The company has 5 employees and generates annual sales of approximately SEK 25 million.

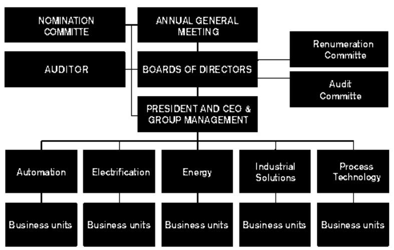
Proposed allocation of earnings 2021/2022

The following amounts are at the disposal of the Annual General Meeting of Addtech AB:	2021/2022
Retained earnings	SEKm 466
Profit for the year	SEKm 209
TOTAL	**SEKm 675**
The Board of Directors and the CEO propose that the funds available be allocated as follows:	
That a dividend of SEK 1.80 per share be paid to shareholders*	SEKm 485
To be carried forward	SEKm 190
TOTAL	**SEKm 675**

* Calculated based on the number of shares outstanding at 31 May 2022. The total dividend payout may change if the number of repurchased treasury shares changes prior to the proposed dividend record date of 31 August 2022.

Corporate governance

Principles of corporate governance
The Addtech 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 Addtech'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
Addtech's shares are admitted to trading on the Nasdaq Stockholm exchange and, accordingly, Addtech complies with the Nasdaq Stockholm Rule Book for Issuers. As a listed company, Addtech also applies the Swedish Code of Corporate Governance (the Code), which can be accessed via www.bolagsstyrning.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 regarding quarterly auditors' reviews.
This Corporate Governance Report has been reviewed by the company's auditors. The URL of the company's website is www.addtech.se

Compliance with applicable exchange rules
No violations of applicable exchange rules occurred in 2021/2022 and Addtech's operations were conducted in accordance with generally accepted stock market practices.

Shares and shareholders
Addtech AB's share register is maintained by Euroclear Sweden AB. According to this share register, Addtech had 12,009 shareholders as of 31 March 2022, with a total 272,793,984 shares divided into 12,885,744 Class A shares, conveying ten votes apiece, and 259,908,240 Class B shares, conveying one vote apiece. There were 388,765,680 votes in total. More information regarding Addtech's share and shareholders can be found in the Addtech share section of this Annual Report.

Key events in 2021/2022
The resolutions of Addtech's Annual General Meeting were announced on 26 August 2021, which included a dividend of SEK 1.20 per share, amounting to a dividend payout ratio of 46 percent and corresponding to SEK 323 million in total. On 1 October 2021, a new organisation came into force consisting of five business areas with clear niche strategies. By adapting its operations and further strengthening the network between the companies, Addtech sharpened its organisation to derive optimum benefit from future growth opportunities. During the financial year, a total of 13 acquisitions were conducted, adding annual sales of SEK 1,430 million.

Articles of Association
The Articles of Association state that the name of the company is Addtech 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 Addtech'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. Addtech'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 Addtech must have received shareholders' requests for these matters to be addressed. No specific arrangements regarding the function of the General Meeting are applied within Addtech 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.

2021 Annual General Meeting
Addtech's Annual General Meeting was held on Thursday, 26 August 2021 in Stockholm. At the Meeting, 258 shareholders were represented, in person, by proxy or by postal ballot. They represented 66.95 percent of the total number of votes and 54.32 percent of the capital. Johan Sjö, Chairman of the Board, was elected Chairman of the Meeting.
All Board members and all members of Group Management attended the Meeting. Authorised Public Accountant Joakim Thilstedt, the Principal Auditor for Addtech, was also present at the meeting.

The Annual General Meeting resolved the following:

- That a dividend of SEK 1.20 per share be paid.
- Re-election of Board members Kenth Eriksson, Malin Nordesjö, Ulf Mattsson, Henrik Hedelius and Niklas Stenberg and new election of Board member Annikki Schaeferdiek. Kenth Eriksson was elected 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 its shares does not, at any given time, exceed 10 percent of the total number of shares in the Company.
- The Board is authorised to approve a new share issue corresponding to up to 5 percent of the number of Class B shares, to be used as a means of payment in connection with acquisitions.
- The remaining resolutions of the Annual General Meeting are included in the complete minutes of the Meeting, which are available at www.addtech.com together with other details of the Annual General Meeting

2022 Annual General Meeting
Addtech's 2022 Annual General Meeting will be held on Thursday, 25 August. For further information about the 2022 Annual General Meeting, see Addtech's website, www.addtech.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, a Chairman of the Board and Board fees 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. Ahead of the 2022 Annual General Meeting, the Nomination Committee held three minuted 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 start of the year (grou-

ped by owners as per 31 December). The Chairman of the Board has the task of convening the Nomination Committee for its first meeting and shall ensure that the Nomination Committee receives relevant information about the results of the Board's assessment of its work. 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 members of the Nomination Committee on 31 December 2021: Anders Börjesson (appointed by Tisenhult Invest), Henrik Hedelius (appointed by Tom Hedelius), Marianne Nilsson (appointed by Swedbank Robur Fonder), Patrik Jönsson (appointed by SEB Investment Management) and Per Trygg (appointed by Lannebo Fonder). The composition of the Nomination Committee was presented in connection with publication of the third quarter report on of 8 February 2022. The composition of the Nomination Committee agrees with the principles set out by the Annual General Meeting.

Members of the Nomination Committee

The Nomination Committee in preparation for the 2022 Annual General Meeting (was appointed by the largest shareholders in terms of votes as of 31 December 2021).

Name	Representing	Share of votes, % 31 Dec 2021
Anders Börjesson (chairman)	Holders of Class A shares for Tisenhult Invest	16.4
Henrik Hedelius	Class A share holding of Tom Hedelius	15.2
Marianne Nilsson	Swedbank Robur Fonder	6.0
Patrik Jönsson	SEB Investment Management funds	5.5
Per Trygg	Lannebo Fonder	3.3
TOTAL		**46.4**

Duties of the Board of Directors

The principal duty of the Board of Directors is to manage the Group's operations on behalf of the shareholders in a manner best meeting the shareholders' interest in a favourable return on capital over the long term. The Board of Directors bears the ultimate responsibility for Addtech's organisation and the administration of Addtech's operations. It is responsible for the Group's long-term development and strategy, for continuously monitoring and assessing the Group's operations and for other duties pursuant to the Swedish Companies Act.

Composition of the Board of Directors

In accordance with the Articles of Association, the Board of Directors shall consist of at least three and at most nine members. Members serve from the close of the Annual General Meeting at which they are elected until the close of the ensuing Annual General Meeting. There is no limit to the number of periods for which a member can sit on the Board of Directors consecutively. The 2021 Annual General Meeting re-elected Board members Kenth Eriksson, Ulf Mattsson, Malin Nordesjö, Henrik Hedelius and Niklas Stenberg, and elected Annikki Schaeferdiek as a new Board member. Kenth Eriksson was elected Chairman of the Board. A presentation of the Board members is provided in the Board of Directors section in this Annual Report and on the Company's website.

In preparing its proposal regarding the Board of Directors, the Nomination Committee has applied Section 4.1 of the Code as its diversity policy. Taking the Company's operations, phase of development and general circumstances into account, this respects the need for the Board of Directors to be appropriately composed and characterised by versatility and breadth in terms of its skills, experience and background. An even gender distribution is to be sought.

Independence of the Board of Directors

Several different types of independence requirements apply to the Board of Directors and its committees. Addtech 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 assesses the independence of the Board of Directors. All Board members except Niklas Stenberg, who is employed by the company as CEO, are independent in relation to the company. Of the members who are independent in relation to the Company, Kenth Eriksson and Annikki Schaeferdiek 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. 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 Addtech regarding issues of ownership.

Work of the Board of Directors in 2021/2022

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 11 meetings over the financial year, of which six were held before the 2021 Annual General Meeting five following the Annual General Meeting. The following tables show the Board members' attendance:

Board member	Elected, year	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
Kenth Eriksson (Chairman)	2016	1961	11 (11)	1 (1)	4 (4)	Yes	Yes	1,200,000
Ulf Mattsson	2012	1964	11 (11)		4 (4)	Yes	Yes	450,000
Malin Nordesjö	2015	1976	11 (11)	1 (1)	4 (4)	Yes	No	550,000
Henrik Hedelius	2017	1966	11 (11)		4 (4)	Yes	No	450,000
Niklas Stenberg	2020	1974	11 (11)			No	Yes	–
Annikki Schaeferdiek	2021	1969	5 (5)		2 (2)	Yes	Yes	450,000
Johan Sjö	2008	1967	6 (6)		2 (2)	Yes	Yes	–

* Number of meetings attended by the member, including the statutory meeting.
** The Audit Committee comprises the Board of Directors in its entirety, with the exception of the 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 key targets.
- 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.
- An additional Board meeting convened in April 2021 addressed the Group's IT and data security strategy.
- An additional Board meeting convened in June 2021 addressed the issue of alternative incentive programmes.

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 Kenth Eriksson, Chairman of the Board, and Malin Nordesjö, Board member, 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 programmes of variable remuneration for Company management ongoing and completed during the year. During the financial year, the Remuneration Committee met on one occasion.

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. Board member Malin Nordesjö brings expertise in accounting 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 2021/2022 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 2021 Annual General Meeting elected KPMG AB as the Company's auditor until the close of the 2022 Annual General Meeting. Authorised Public Accountant Joakim Thilstedt is the Principal Auditor, and is assisted by Authorised Public Accountant 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 Addtech AB. This occurs both during the audit and when approving the annual accounts. KPMG audits Addtech AB and a large number 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 the areas where the services of the external auditor, which are not part of the regular auditing, may be enlisted. The company's auditors continually assesses 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 Addtech. In the past year, the auditors performed advisory assignments, mainly concerning accounting, taxation matters and listing rules.

Quarterly review by auditors

During the 2021/2022 financial year, Addtech's six-month or nine-month report was not reviewed by Addtech'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 THILSTEDT
Principal Auditor
Authorised Public Accountant, Stockholm. Born 1967. Joakim Thilstedt has been the Principal Auditor for the Addtech Group since 2016/2017 and is also the Principal Auditor for AFRY, Ahlsell, Concentric and Husqvarna, among others.

JOHANNA HAGSTRÖM JERKERYD
Assistant Auditor
Authorised Public Accountant, Stockholm. Born 1984. Johanna Hagström Jerkeryd has shared the responsibility for auditing the Addtech Group since 2020/2021 and is also involved in the auditing of the Momentum Group AB, Kinnevik AB, Annehem Fastigheter AB, the Soya Group and the Confederation of Swedish Enterprise. Johanna is also the Principal Auditor for Sensor Control Nordic AB, Compotech Provider AB and several other companies, including Master Builders Solutions Sverige 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 close of the 2021/2022 financial year, Group Management comprised Niklas Stenberg (CEO), Malin Enarson (CFO), Martin Fassl (Business Area Manager Automation), Per Lundblad (Business Area Manager Electrification), Hans Andersén (Business Area Manager Energy), Daniel Prelevic (Business Area Manager Industrial Solutions) and Claus Nielsen (Business Area Manager Process Technology). 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 Addtech are adopted by the Annual General Meeting. Senior executives comprise the CEO and other members of Group Management. The 2021 Annual General Meeting approved the Board of Directors' proposal regarding guidelines for the remuneration for senior executives. These guidelines are consistent with the principles previously applied.

Addtech 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, Addtech had four call option programmes outstanding, involving a total 3,129,350 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 Addtech 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 Addtech 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 Addtech AB adopts guidelines regarding the remuneration of the Board of Directors and the auditors.

In accordance with the resolution of the 2021 Annual General Meeting, Board fees in total SEK 3,100,000 are to be distributed as follows: SEK 1,100,000 to the Chairman of the Board, SEK 450,000 to each of the other Board members appointed by the Annual General Meeting who are not employees of the Company and SEK 100,000 to each member of the Remuneration Committee. For further details of Board fees, see Note 6 in this Annual Report.

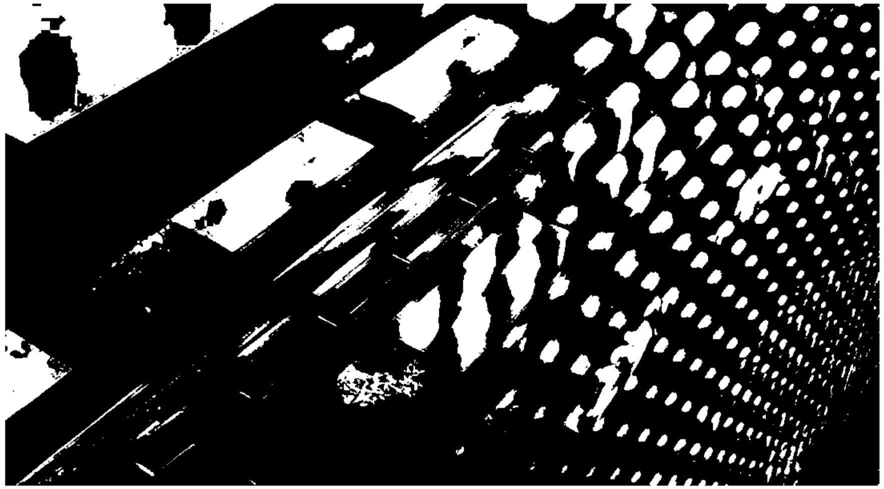
In accordance with the resolution of the Annual General Meeting, auditor's fees are to be paid in accordance with an approved invoice. For further details of auditor's fees and of fees for non-auditing services, see Note 7 of this Annual Report.

Operating organisation and management

During the 2021/2022 financial year, up to and including 30 September, Addtech was organised into the following five business areas: Automation, Components, Energy, Industrial Process and Power Solutions. As of 1 October, Addtech has been organised into the following five business areas: Automation, Electrification, Energy, Industrial Solutions and Process Technology. The division into business areas reflects Addtech's internal organisation and reporting system.

Overall, the Addtech 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 Addtech AB. The business areas and business units hold internal board meetings chaired by the CEO and attended by the CFO of Addtech AB, along with the relevant Business Area Manager and controller. Other officials participate in the business area's Board meetings to present specific matters or if otherwise deemed appropriate.



From the left: Annikki Schaeferdiek, Henrik Hedelius, Kenth Eriksson, Niklas Stenberg, Malin Nordesjö, Ulf Mattson.

Board of Directors

Disclosures of shareholdings and call options pertain to 31 May 2022.

■ **KENTH ERIKSSON**
Chairman of the Board
M. Eng. and MBA Born 1961. Board member since 2016. Other board assignments: Board member at Zalaris and Athanase Innovation AB. Professional experience: CEO of Tradimus and senior positions within Electrolux. Partner at Athanase Industrial Partner. Shareholding: 236,400 Class B shares and 40,320 Class A 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. Other board assignments: Board member at Bergman & Beving AB. Professional experience: Senior positions within Bergman & Beving and previously as a lawyer. Shareholding: 255,456 Class B shares (including related parties). Call options equivalent to 197,000 shares.

■ **ULF MATTSSON**
Board member
M.Sc. Econ. Born 1964. Board member since 2012. Other board assignments: Chairman of the Board at Attendo, Eltel, VaccinDirect, Swemac and Lideta. Board member at Oras Invest Oy and Priveq V & VI. Professional experience: CEO at Domco Tarkett, Mölnlycke Health Care, Capio, Gambro and Karo Pharma. Shareholding: 32,000 Class B shares (including related parties).

■ **ANNIKKI SCHAEFERDIEK**
Board member
M.Sc. in Mechanical Engineering. Born 1969. Board member since 2021. Other board assignments: Chairman of the Board at Formpipe Software AB and Competella AB and Board member at Proact IT AB and Axiell Group AB. Professional experience: Founder and CEO at Syster P AB, CEO at Netwise and Business Area Manager at Ericsson Multimedia. Shareholding: 2,000 Class B shares (including related parties).

■ **MALIN NORDESJÖ**
Board member
M.Sc. Econ. Born 1976. Board member since 2015. Other board assignments: Board member at Bergman & Beving AB and at a number of companies in Tisenhult-gruppen. Professional experience: Senior positions at Tisenhult-gruppen and Tritech Technology. Shareholding: 70,408 Class B shares.

■ **HENRIK HEDELIUS**
Board member
M.Sc. Econ. Born 1966. Board member since 2017. Other board assignments: Chairman of the Board at Fuud AB, Board member at Bergman & Beving, Vembla AB, Wyld Networks AB and at Service and Care AB. Professional experience: Board member at Mannerheim Invest, Vinovo, Team Sportia, Gigasense and Mind Industrial Group. Senior positions at Jarl Securities, Storebrand Kapitalförvaltning, Swedbank and ABN Amro. Shareholding: 39,600 Class B shares (including related parties).

Upper row, from the left: Claus Nielsen, Daniel Prelevic, Hans Andersén, Niklas Stenberg. Lower row, from the left: Per Lundblad, Malin Enarson, Martin Fassl.

Group Management

Disclosures of shareholdings and call options pertain to 31 May 2022.

■ **NIKLAS STENBERG**
Bachelor of Laws
Born 1974. President and CEO. Employed by the Group since 2010. Professional experience: senior positions within Bergman & Beving and previously as a lawyer. Shareholding: 255,456 Class B shares (including related parties). Call options equivalent to 197,000 shares.

■ **MALIN ENARSON**
M.Sc. Economics
Born 1973. CFO. Employed by the Group since 2004. Professional experience: Business Controller Addtech Power Solutions, several accountancy roles at Addtech, Auditor at Mazars (SET) Revisionsbyrå. Shareholding: 37,128 Class B shares (including related parties). Call options equivalent to 142,600 shares.

■ **MARTIN FASSL**
M.Sc. Economics
Born 1960. Business Area Manager Automation. Employed by the Group since 1994. Professional experience: Various management positions at Addtech and Bergman & Beving. Shareholding: 152,480 Class B shares (including related parties). Call options equivalent to 170,000 shares.

■ **PER LUNDBLAD**
Mechanical Engineer and Market Economist DIHM
Born 1967. Business Area Manager Electrification. Employed by the Group since 2008. Professional experience: CEO and partner at Emcomp International AB and Business Unit Manager at Power Systems. Shareholding: 43,400 Class B shares (including related parties). Call options equivalent to 153,600 shares.

■ **HANS ANDERSÉN**
Electric Power Engineer
Born 1961. Business Area Manager Energy. Employed by the Group since 2006. Professional experience: CEO and owner of AB Gevea and Business Unit Manager at Energy Supply. Shareholding: 356,438 Class B shares (including related parties). Call options equivalent to 153,600 shares.

■ **DANIEL PRELEVIC**
M.Sc. Economics
Born 1977. Business Area Manager Industrial Solutions. Employed by the Group since 2011. Professional experience: Deputy Business Area Manager, Business Unit Manager and Business Controller at Industrial Process, several roles in business control and finance at Atlas Copco. Shareholding: 50,000 Class B shares (including related parties). Call options equivalent to 126,000 shares.

■ **CLAUS NIELSEN**
Export Technician
Born 1969. Business Area Manager Process Technology. Employed by the Group since 1994. Professional experience: Various management positions at Addtech and Bergman & Beving. Shareholding: 30,829 Class B shares (including related parties). Call options equivalent to 191,600 shares.

Systems for internal control and risk management in financial reporting

Internal control
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 reports that the Board of Directors receives 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 fulfil 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 process 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 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 25 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.

Financial statements 2021/2022

Consolidated income statement

SEK million	Note	2021/2022	2020/2021
Net sales	4, 5	14,038	11,336
Cost of sales		-9,717	-7,863
GROSS PROFIT		**4,321**	**3,473**
Selling expenses		-2,124	-1,843
Administrative expenses		-753	-637
Other operating income	9	96	76
Other operating expenses	9	-43	-84
Profit from participations in associated companies		4	4
OPERATING PROFIT	3-10, 16	**1,501**	**989**
Financial income	11	4	13
Financial expenses	11	-72	-65
NET FINANCIAL ITEMS		**-68**	**-52**
PROFIT BEFORE TAX		**1,433**	**937**
Tax	13	-316	-208
PROFIT FOR THE YEAR		**1,117**	**729**
Attributable to:			
Parent Company shareholders		1,074	706
Non-controlling interests		43	23
Earnings per share before dilution (SEK)	30	4.00	2.60
Earnings per share after dilution (SEK)	30	3.95	2.60
Average number of shares after repurchases ('000s)		269,400	269,051
Number of shares at end of period after repurchases (thousands)		269,528	269,275

Consolidated statement of comprehensive income

SEK million	2021/2022	2020/2021
Profit for the year	1,117	729
Items that may later be reversed in the income statement		
Changes for the year in fair value of cash flow hedges	3	-4
Translation differences for the year on translation of foreign operations	99	-142
Tax attributable to items that may later be reversed in the income statement	-1	1
Items that may not be reversed in the income statement		
Revaluations of defined benefit pension plans	22	17
Tax attributable to items that may not be reversed in the income statement	-4	-2
OTHER COMPREHENSIVE INCOME	**119**	**-130**
COMPREHENSIVE INCOME FOR THE YEAR	**1,236**	**599**
Attributable to:		
Parent Company shareholders	1,190	580
Non-controlling interests	46	19

Consolidated balance sheet

SEK million	Note	31 March 2022	31 March 2021
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	5,368	4,496
Property, plant and equipment	15	374	326
Right-of-use assets	16	683	682
Deferred tax assets	13	30	29
Other financial assets		35	31
TOTAL NON-CURRENT ASSETS		**6,490**	**5,564**
CURRENT ASSETS			
Inventories	18	2,569	1,661
Tax assets		45	35
Accounts receivable	3	2,558	1,860
Prepaid expenses and accrued income	19	178	137
Other receivables		150	129
Cash and cash equivalents		437	420
TOTAL CURRENT ASSETS		**5,937**	**4,242**
TOTAL ASSETS		**12,427**	**9,806**
EQUITY AND LIABILITIES			
EQUITY	20		
Share capital		51	51
Other contributed capital		344	344
Reserves		137	39
Retained earnings, including profit for the year		3,399	2,785
Equity attributable to Parent Company shareholders		**3,931**	**3,219**
Non-controlling interests		328	231
TOTAL EQUITY		**4,259**	**3,450**
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing liabilities	24	2,136	2,056
Provisions for pensions	22	314	336
Deferred tax liabilities	13	500	388
Non-current non-interest-bearing liabilities		9	9
Total non-current liabilities		**2,959**	**2,789**
Current liabilities			
Current interest-bearing liabilities	25	2,048	1,162
Accounts payable		1,321	972
Tax liabilities		122	151
Other liabilities		951	675
Accrued expenses and prepaid income	26	695	551
Provisions	23	72	56
Total current liabilities		**5,209**	**3,567**
TOTAL LIABILITIES		**8,168**	**6,356**
TOTAL EQUITY AND LIABILITIES		**12,427**	**9,806**

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

Consolidated statement of changes in equity

	2021/2022						
SEK million	Share capital	Other contri-buted capital	Reserves	Retained earnings, including profit for the year	Total, Parent Company sharehol-ders	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE, 1 APR 2021	**51**	**344**	**39**	**2,785**	**3,219**	**231**	**3,450**
Profit for the year	–	–	–	1,074	1,074	43	1,117
Cash flow hedges	–	–	3	–	3	–	3
Translation differences	–	–	96	–	96	3	99
Tax attributable to items that may be reclassified to profit or loss	–	–	-1	–	-1	–	-1
Revaluations of defined benefit pension plans	–	–	–	22	22	–	22
Tax attributable to items that will not be reclassified to profit or loss	–	–	–	-4	-4	–	-4
Other comprehensive income	**–**	**–**	**98**	**18**	**116**	**3**	**119**
Comprehensive income for the year	**–**	**–**	**98**	**1,092**	**1,190**	**46**	**1,236**
Call options issued	–	–	–	17	17	–	17
Call options redeemed	–	–	–	30	30	–	30
Repurchases of call options	–	–	–	-37	-37	–	-37
Repurchases of treasury shares	–	–	–	–	–	–	–
Dividend	–	–	–	-323	-323	-15	-338
Option liability, acquisitions	–	–	–	-157	-157	–	-157
Change in non-controlling interests	–	–	–	-8	-8	66	58
EQUITY, CLOSING BALANCE, 31 MAR 2022	**51**	**344**	**137**	**3,399**	**3,931**	**328**	**4,259**

	2020/2021						
SEK million	Share capital	Other contri-buted capital	Reserves	Retained earnings, including profit for the year	Total, Parent Company sharehol-ders	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE, 1 APR 2020	**51**	**344**	**180**	**2,443**	**3,018**	**58**	**3,076**
Profit for the year	–	–	–	706	706	23	729
Cash flow hedges	–	–	-4	–	-4	–	-4
Translation differences	–	–	-138	–	-138	-4	-142
Tax attributable to items that may be reclassified to profit or loss	–	–	1	–	1	–	1
Revaluations of defined benefit pension plans	–	–	–	17	17	–	17
Tax attributable to items that will not be reclassified to profit or loss	–	–	–	-2	-2	–	-2
Other comprehensive income	**–**	**–**	**-141**	**15**	**-126**	**-4**	**-130**
Comprehensive income for the year	**–**	**–**	**-141**	**721**	**580**	**19**	**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	-4	-273
Option liability, acquisitions	–	–	–	-135	-135	–	-135
Change in non-controlling interests	–	–	–	–	–	158	158
EQUITY, CLOSING BALANCE, 31 MAR 2021	**51**	**344**	**39**	**2,785**	**3,219**	**231**	**3,450**

SEK	2021/2022	2020/2021
Dividend per share	1.80[1]	1.20

[1] As proposed by the Board of Directors.

Consolidated cash flow statement

SEK million	Note	2021/2022	2020/2021
OPERATING ACTIVITIES			
Profit after financial items		1,433	937
Adjustment for items not included in cash flow	28	594	551
Income tax paid		-416	-320
Cash flow from operating activities before changes in working capital		**1,611**	**1,168**
Cash flow from changes in working capital			
Change in inventories		-460	58
Change in operating receivables		-579	249
Change in operating liabilities		549	28
CASH FLOW FROM OPERATING ACTIVITIES		**1,121**	**1,503**
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment		-95	-71
Disposals of property, plant and equipment		6	6
Acquisitions of intangible non-current assets		-31	-20
Acquisitions of operations, net liquidity effect	28	-1,151	-1,198
Disposals of operations, net liquidity effect	28	12	-21
Change in financial assets		4	6
CASH FLOW FROM INVESTING ACTIVITIES		**-1,255**	**-1,298**
FINANCING ACTIVITIES			
Call options redeemed, issued and repurchased		10	25
Borrowings	28	940	1,014
Loan repayments	28	-261	-708
Amortisation of leases	28	-203	-192
Other financing		-1	-4
Dividend paid to Parent Company's shareholders		-323	-269
Dividends paid to non-controlling interests		-15	-4
CASH FLOW FROM FINANCING ACTIVITIES		**147**	**-138**
CASH FLOW FOR THE YEAR		**13**	**67**
Cash and cash equivalents at beginning of the year		420	363
Exchange rate difference in cash and cash equivalents		4	-10
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**437**	**420**

Parent Company income statement

SEK million	Note	2021/2022	2020/2021
Net sales		64	58
Administrative expenses		-96	-73
OPERATING PROFIT	6–8	**-32**	**-15**
Profit from participations in Group companies	11	-1	400
Profit from financial non-current assets	11	37	28
Interest income and similar items	11	4	2
Interest expenses and similar items	11	-39	-37
PROFIT AFTER FINANCIAL ITEMS		**-31**	**378**
Appropriations	12	295	260
PROFIT BEFORE TAX		**264**	**638**
Tax	13	-55	-52
PROFIT FOR THE YEAR		**209**	**586**

Parent Company comprehensive income

SEK million	2021/2022	2020/2021
Profit for the year	209	586
OTHER COMPREHENSIVE INCOME	**–**	**–**
COMPREHENSIVE INCOME FOR THE YEAR	**209**	**586**

Parent Company balance sheet

SEK million	Note	2021/2022	2020/2021
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	3,640	3,238
Other financial assets		2	1
Total financial non-current assets		**4,646**	**4,243**
TOTAL NON-CURRENT ASSETS		**4,647**	**4,244**
CURRENT ASSETS			
Receivables from Group companies		1,009	791
Other receivables		21	13
Prepaid expenses and accrued income	19	20	15
Total current receivables		**1,050**	**819**
Cash and bank balances		–	–
TOTAL CURRENT ASSETS		**1,050**	**819**
TOTAL ASSETS		**5,697**	**5,063**
EQUITY AND LIABILITIES			
EQUITY	20		
Restricted equity			
Share capital		51	51
Statutory reserve		18	18
Unrestricted equity			
Retained earnings		466	193
Profit for the year		209	586
TOTAL EQUITY		**744**	**848**
UNTAXED RESERVES	21	**302**	**211**
PROVISIONS			
Provisions for pensions and similar obligations	22	13	14
LIABILITIES			
Liabilities to Group companies	24	209	318
Liabilities to credit institutions	24	1,475	1,300
Total non-current liabilities		**1,684**	**1,618**
Liabilities to credit institutions	25	1,310	800
Accounts payable		2	1
Liabilities to Group companies		1,599	1,540
Tax liabilities		–	–
Other liabilities		14	6
Accrued expenses and prepaid income	26	29	25
Total current liabilities		**2,954**	**2,372**
TOTAL EQUITY AND LIABILITIES		**5,697**	**5,063**

Changes in the Parent Company equity

	2021/2022			
	Restricted equity		Unrestricted equity	
SEK million	Share capital	Statutory reserve	Retained earnings, including profit for the year	Total equity
EQUITY, OPENING BALANCE, 1 APR 2021	**51**	**18**	**779**	**848**
Profit for the year	–	–	209	209
Comprehensive income for the year	**–**	**–**	**209**	**209**
Dividend	–	–	-323	-323
Call options issued	–	–	17	17
Call options redeemed	–	–	30	30
Repurchases of call options	–	–	-37	-37
Repurchases of treasury shares	–	–	–	0
EQUITY, CLOSING BALANCE, 31 MAR 2022	**51**	**18**	**675**	**744**

	2020/2021			
	Restricted equity		Unrestricted equity	
SEK million	Share capital	Statutory reserve	Retained earnings, including profit for the year	Total equity
EQUITY, OPENING BALANCE, 1 APR 2020	**51**	**18**	**437**	**506**
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**	**848**

For comments on equity, see Note 20.

Parent Company cash flow statement

SEK million	Note	2021/2022	2020/2021
OPERATING ACTIVITIES			
Profit after financial items		-31	378
Adjustment for items not included in cash flow	28	7	7
Income tax paid		-56	-54
Cash flow from operating activities before changes in working capital		**-80**	**331**
Cash flow from changes in working capital			
Change in operating receivables		-11	-4
Change in operating liabilities		6	-15
CASH FLOW FROM OPERATING ACTIVITIES		**-85**	**312**
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible non-current assets		0	0
Increase in non-current receivables from Group companies		-408	-1,476
Decrease on non-current receivables		6	42
CASH FLOW FROM INVESTMENT ACTIVITIES		**-402**	**-1,434**
FINANCING ACTIVITIES			
Repurchases of treasury shares		–	–
Call options issued and redeemed		10	25
Borrowings	28	1,400	994
Loan repayments	28	-715	-650
Change in receivables from Group companies		-174	91
Change in liabilities to Group companies		-49	940
Dividend paid		-323	-269
Group contributions		340	-6
Other financing activities		-2	-3
CASH FLOW FROM FINANCING ACTIVITIES		**487**	**1,122**
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 RFR 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 (1995:1554) and recommendation RFR 2 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, untaxed reserves and appropriations. See also "Parent Company accounting principles".

On 5 July 2022, 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 25 August 2022.

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 2021
No new IFRS standards or IFRIC statements have had 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.

New standards and interpretations applicable to financial years commencing 1 April 2022 or later
No new IFRS standards or IFRIC statements will have a material impact on the Group's earnings or financial position for the 2022/2023 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 of acquisition or disposal.

Contingent purchase considerations 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 receivables and derivatives. Liabilities include accounts payable, loans payable, contingent purchase considerations and 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 instrument, Addtech's business model for the instrument and the types 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 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 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.

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 or 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. Decisive for the assessment of when an additional expense should be added to 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 undepreciated carrying amounts for replaced components, or parts of components, are retired and expensed 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	3–5 years
Land improvements	20 years
Machinery	3–10 years

Leases
As of 1 April 2019, leases are reported in accordance with IFRS 16 Leases, meaning that lessees recognise right-of-use assets and lease liabilities in the balance sheet. The standard includes relief rules for short-term agreements (leases with a term of less than 12 months) and leases where the underlying asset is of low value.

On commencing a contract, Addtech 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 lease term is determined as the non-cancellable period together with the periods by which the contract may be extended or shortened and terminated if Addtech 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, Addtech's marginal borrowing rate is applied, which, in addition to Addtech'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
Addtech 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
Addtech 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 indefinable 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 expenses 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
Trademarks	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, 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 give rises 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 or intangible non-current assets with indeterminable useful lives.

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, Addtech's objective is to maintain a robust equity/assets ratio.

Equity
Addtech'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 Addtech'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 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
Employee benefits following cessation of employment, pension commitments
Addtech 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 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. Because, 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.

Policyholder 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 added to 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. salary. This subsidy shall be paid two years after the decision to implement 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. Addtech 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.

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.

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

Note 1 cont.

which it will be entitled and includes this in the transaction price, taking limitations of uncertain amounts into account. Revenue is reported on a single occasion because the conditions for transfer of control over 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 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 Addtech.

The division into operating segments is based on the business area organisation, by which the Group's operations are managed and monitored. In 2021/2022, up to and including 30 September, Addtech was organised into the following five business areas: Automation, Components, Energy, Industrial Process and Power Solutions. As of 1 October, Addtech has been organised into the following five business areas: Automation, Electrification, Energy, Industrial Solutions and Process Technology. It is the organisation in terms of business area as of the end of the 2021/2022 financial year that has been accounted for in all notes broken down by segment. The comparison year has been recalculated in accordance with the new division of operating segments. Operations that do not belong to these areas of operation are included under the heading Parent Company and Group items.

Earnings per share
Addtech discloses earnings per share (EPS) in direct connection with the income statement. Calculation of EPS is based on consolidated profit or loss for the year attributable to Parent Company shareholders and on the weighted average number of shares outstanding during the year. To calculate diluted EPS, the average number of shares is adjusted to take into account the effect of potentially dilutive ordinary shares that, during the periods reported, result from options awarded to employees.

Cash flow statement
In preparing the cash flow statement, the indirect method was applied as per IAS 7 Statement of Cash Flows. In addition to flows of cash and bank funds, current investments maturing within three months of the acquisition date that can be converted into bank deposits at a previously known amount are classified as cash and cash equivalents.

Events after the balance sheet date
Events that occurred after the balance sheet date but whose circumstances were identifiable at the end of the reporting period are included in the reporting. If significant events occurred after the balance sheet date but did not affect the recognised earnings of operations or financial position, the event is disclosed under a separate heading in the Administration Report and in note 33.

Related party disclosures
Where appropriate, information will be provided about transactions and agreements with related companies and natural persons. In the consolidated accounts, intra-Group transactions fall outside this reporting requirement.

Alternative key financial indicators
The Company presents certain financial measures in the Annual Report that are not defined in accordance with IFRS. The Company believes that these measures provide valuable supplementary information to investors and the Company's management as they enable the evaluation of trends and the Company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. These financial measures should therefore not be seen as compensation for measures that are defined in accordance with IFRS. For definitions of the key financial indicators used by Addtech, see pages 128-131.

Government grants
Government grants refers to support from the government in the form of transfers of resources to a company in exchange for that company fulfilling (in the past or future) certain conditions regarding its operations.

The Group is active in areas where government grants are normally insignificant in scope.

The government subsidies received, or to be received, as a result of the Covid-19 pandemic are reported against profit or loss when it is reasonably certain that the conditions for receiving the aid have been met, or will be. The subsidies have been reported under other income, or as a reduction in personnel costs.

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 prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) 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. Instead of IAS 19, 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 Alecta. Since it is not currently possible to obtain data from Alecta on the Group's share of commitments and plan assets, the pension plan signed with Alecta must be recognised as a defined-contribution plan. The consolidation ratio reported by Alecta does not indicate any deficit, although it is not possible to obtain detailed information from Alecta 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, Addtech 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
Addtech 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 Addtech 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, Addtech AB. Financial derivatives with external counterparties may only be entered by Addtech AB. The subsidiaries hedge their risk via Addtech 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 decentralised 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) as a result of future payment flows in foreign currency, known as transaction exposure, and 2) 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 forecast ingoing 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 2021/2022		Currency flows, net	
	Inflows	Outflows	2021/2022	2020/2021
EUR	3,131	3,170	-39	-288
USD	1,154	1,214	-60	-114
NOK	95	47	48	5
JPY	95	86	9	-1
DKK	63	154	-91	-68
GBP	30	125	-95	-87
CHF	32	59	-27	-29
PLN	0	72	-72	-102

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 8 percent (9) and sales in the purchasing currency make up about 39 percent (39). 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 measures. 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 576 million (273), of which EUR equalled SEK 372 million (201), USD SEK 92 million (24), CAD SEK 60 million (0), PLN SEK 25 million (22), DKK SEK 25 million (23), GBP SEK 2 million (3) and NOK SEK 0 million (1). Of the total contracts, SEK 269 million (123) matures within six months, SEK 140 million (114) within 12 months, SEK 149 million (36) within 18 months and SEK 18 million (0) later than 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 an exposure in several currencies. 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 2022		31 March 2021	
Net investments	SEK million	Sensitivity analysis[1]	SEK million	Sensitivity analysis[2]
NOK	1,659	83.0	1,658	82.9
EUR	2,523	126.2	1,565	78.3
DKK	1,339	67.0	1447	72.4
PLN	17	0.9	11	0.6
GBP	944	47.2	772	38.6
HKD	62	3.1	42	2.1
USD	50	2.5	85	4.3
CNY	220	11.0	231	11.6
CHF	315	15.8	312	15.6

[1] Impact of +/–5% in exchange rate on consolidated equity
[2] 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 +/- 92 million (68) on net sales and SEK +/- 9 million (6) on operating profit.

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

	Average rate		Closing day rate	
Exchange rate	2021/2022	2020/2021	2021/2022	2020/2021
CAD 1	7.03	6.68	7.44	6.93
CHF 1	9.60	9.62	10.07	9.25
CNY 100	137.46	131.01	146.83	133.29
DKK 100	137.61	138.99	138.98	137.66
EUR 1	10.24	10.35	10.34	10.24
GBP 1	12.04	11.60	12.22	12.02
HKD 1	1.13	1.15	1.19	1.12
JPY 1000	78.40	83.80	76.50	78.80
NOK 100	101.58	97.00	106.45	102.43
PLN 1	2.23	2.30	2.22	2.20
RUB 100	11.54	11.88	9.54	11.59
TRY 1	0.87	1.21	0.63	1.05
TTD 1	1.30	1.30	1.38	1.28
TWD 1	0.32	0.31	0.33	0.31
USD 1	8.82	8.88	9.31	8.73

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.

	Group		Parent Company	
Credit facilities, SEK million	2021/2022	2020/2021	2021/2022	2020/2021
Overdraft facilities	1,300	1,300	1,300	1,300
Other agreed credit facilities	2,560	2,517	2,500	2,500
Credit commitments	3,860	3,817	3,800	3,800
Utilised portion of overdraft facilities	335	800	335	800
Utilised portion of other credit facilities	2,510	1,317	2,450	1,300
Unutilised portion of overdraft and credit facilities	1,015	1,700	1,015	1,700

The Parent Company's credit facilities are contingent upon loan covenants, the conditions of which are fulfilled with a wide margin. Addtech has two key financial indicators that serve as covenants: EBITDA/net financial items and equity/assets.

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 2022 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 4,184 million (3,218).

With the current net financial debt, the impact on the Group's net financial items would be SEK +/- 33 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 2021/2022 no surplus funds were invested with any counterparties other than Nordic 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 3 percent (5) of total credit exposure during a one-year period. The equivalent figure for the ten largest customers is about 11 percent (13). Exposure per customer segment and geographic market is presented in Note 5.

Bad debt losses totalled SEK 9 million (6) during the year, equal to 0 percent (0) of net sales.

Accounts receivable, SEK million	31 March 2022	31 March 2021
Carrying amount	2,558	1,860
Impairment	22	17
COST	**2,580**	**1,877**

Change in impaired accounts receivable	2021/2022	2020/2021
Amount at beginning of year	-17	-17
Corporate acquisitions	0	0
Year's impairment losses/reversals	-4	-4
Settled impairment	1	3
Translation effect	-2	1
TOTAL	**-22**	**-17**

Time analysis of accounts receivable that are overdue but not impaired	31 March 2022	31 March 2021
<=30 days	235	182
31–60 days	50	22
>60 days	60	29
TOTAL	**345**	**233**

Note 4

Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

Geographical locations of subsidiaries	2021/2022						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group Items	Addtech Group
Sweden	859	1,442	1,008	1,497	528	-8	5,326
Denmark	587	244	1,160	48	418	-9	2,448
Finland	469	439	243	515	489	-5	2,150
Norway	137	254	697	81	517	-2	1,684
Rest of Europe	653	191	561	352	332	0	2,089
Other countries	11	59	73	176	22	0	341
Total revenue from contracts with customers	**2,716**	**2,629**	**3,742**	**2,669**	**2,306**	**-24**	**14,038**

Geographical locations of customers	2021/2022						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group Items	Addtech Group
Sweden	683	875	928	968	531	-6	3,979
Denmark	537	300	933	30	348	-2	2,146
Finland	458	353	240	454	407	-5	1,907
Norway	192	284	720	108	325	-3	1,626
Rest of Europe	738	646	691	679	509	-6	3,257
Other countries	108	171	230	430	186	-2	1,123
Total revenue from contracts with customers	**2,716**	**2,629**	**3,742**	**2,669**	**2,306**	**-24**	**14,038**

Customer segments	2021/2022						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group Items	Addtech Group
Vehicles	190	394	75	907	138	-19	1,685
Mechanical industry	733	289	262	267	392	22	1,965
Data and telecommunications	81	184	337	0	0	-40	562
Medical technology	462	237	37	27	138	-59	842
Electronics	217	578	187	0	23	-22	983
Energy	163	394	1,459	27	346	-3	2,386
Forestry and process	326	26	112	934	669	39	2,106
Building and installation	109	184	861	80	115	55	1,404
Transport	109	53	262	187	369	3	983
Other	326	290	150	240	116	0	1,122
Total revenue from contracts with customers	**2,716**	**2,629**	**3,742**	**2,669**	**2,306**	**-24**	**14,038**

Geographical locations of subsidiaries	2020/2021						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group Items	Addtech Group
Sweden	653	1,265	938	1,053	401	-8	4,302
Denmark	514	222	983	49	398	-7	2,159
Finland	410	392	211	354	369	-4	1,732
Norway	141	212	678	75	486	-1	1,591
Rest of Europe	457	71	376	137	233	0	1,274
Other countries	5	32	85	132	24	0	278
Total revenue from contracts with customers	**2,180**	**2,194**	**3,271**	**1,800**	**1,911**	**-20**	**11,336**

Geographical locations of customers	2020/2021						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group Items	Addtech Group
Sweden	522	762	871	678	402	-5	3,230
Denmark	461	238	730	30	334	-2	1,791
Finland	397	316	228	374	310	-4	1,621
Norway	185	227	677	137	310	-3	1,533
Rest of Europe	528	490	508	345	399	-5	2,265
Other countries	87	161	257	236	156	-1	896
Total revenue from contracts with customers	**2,180**	**2,194**	**3,271**	**1,800**	**1,911**	**-20**	**11,336**

Customer segments	2020/2021						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group Items	Addtech Group
Vehicles	109	307	33	630	96	-41	1,134
Mechanical industry	502	241	229	216	344	-58	1,474
Data and telecommunications	175	176	294	0	0	35	680
Medical technology	501	241	33	18	115	-1	907
Electronics	87	439	164	0	19	-29	680
Energy	87	329	1,472	36	268	75	2,267
Forestry and process	283	0	65	594	535	-3	1,474
Building and installation	87	154	621	72	57	29	1,020
Transport	131	44	196	144	401	-9	907
Other	218	263	164	90	76	-18	793
Total revenue from contracts with customers	**2,180**	**2,194**	**3,271**	**1,800**	**1,911**	**-20**	**11,336**

Performance commitments

The Group's sales, of both goods sales and services, are invoiced, normally with payment terms of 30-90 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 Addtech's internal organisation and reporting system. Addtech reports its business areas as operating segments. Addtech is organised into the following five business areas: Automation, Electrification, Energy, Industrial Solutions and Process Technology.

Automation

Automation produces and sells subsystems and components for industrial automation and infrastructure. The strategy is to capture the potential in strong driving forces, such as Industry 4.0, intelligent cities and the Industrial Internet of Things (IIOT). The objective is to continue developing added value by securing cutting-edge expertise and growing internationally, with a clear focus on sustainability.

Electrification

Electrification produces and sells battery solutions, energy-efficient power supply and power transmission solutions, as well as components and subsystems for electric driveline solutions. By maintaining our position as market leader in selected niches, the strategy is to generate profitable growth from society's rapid technological development, particularly in terms of electrification, data communications and the 5G expansion. The focus is on strengthening the digital offering, responding to customers' increased demands for sustainable products and continuing to pursue the international agenda.

Energy

Energy produces and sells products for electricity transmission, electrical installation and safety products, primarily in transport. By means of the companies' strong positions in electricity transmission, wind power and distribution networks, the strategy is to generate profitable growth from society's ongoing transition towards CO_2 neutrality. The business area will also continue to invest in the intelligent homes niche, as well as in public safety.

Industrial Solutions

Industrial Solutions produces and sells solutions and systems primarily for the forest, special vehicles and waste/recycling segments. The strategy is to capture the potential of sustainable technological solutions that mitigate society's environmental impact. Waste and recycling systems, ergonomic products (particularly for special vehicles) and the increased use of wood are future growth areas.

Process Technology

Process Technology produces and sells solutions for measuring, controlling and streamlining industrial flows. The strategy is to capture the potential in increased demand for industry's sustainable transformation, particularly in terms of emissions to both water and air. With strong positions in selected market niches and with a growing need for technical solutions that control and analyse various industrial processes, the business area perceives favourable growth opportunities.

Data by operating segment	2021/2022			2020/2021		
Net sales	**External**	**Internal**	**Total**	**External**	**Internal**	**Total**
Automation	2,712	4	2,716	2,174	6	2,180
Electrification	2,622	7	2,629	2,188	6	2,194
Energy	3,740	2	3,742	3,269	2	3,271
Industrial Solutions	2,668	1	2,669	1,800	0	1,800
Process Technology	2,296	10	2,306	1,905	6	1,911
Parent Company and Group items	–	-24	-24	–	-20	-20
TOTAL	**14,038**	**0**	**14,038**	**11,336**	**0**	**11,336**

	2021/2022			2020/2021		
Operating profit, assets and liabilities	**Operating profit**	**Assets[1]**	**Liabilities[1]**	**Operating profit**	**Assets[1]**	**Liabilities[1]**
Automation	247	2,159	589	164	1,711	479
Electrification	281	2,420	648	203	1,405	455
Energy	391	2,833	898	325	2,240	680
Industrial Solutions	374	2,557	1,138	183	2,255	644
Process Technology	251	1,816	548	131	1,582	536
Parent Company and Group items	-43	642	4,347	-17	613	3,562
Operating profit, assets and liabilities	**1,501**	**12,427**	**8,168**	**989**	**9,806**	**6,356**
Financial income and expenses	-68			-52		
Profit after financial items	**1,433**			**937**		

[1] Excluding transactions on Group accounts and financial transactions with Group companies.

	2021/2022			2020/2021		
Investments in non-current assets	**Intangible assets[1]**	**Property, plant and equipment[1]**	**Total**	**Intangible assets[1]**	**Property, plant and equipment[1]**	**Total**
Automation	10	6	16	9	18	27
Electrification	8	24	32	3	8	11
Energy	6	17	23	1	20	21
Industrial Solutions	0	23	23	3	13	16
Process Technology	8	23	31	3	12	15
Parent Company and Group items	0	2	2	1	0	1
TOTAL	**32**	**95**	**127**	**20**	**71**	**91**

[1] Amounts do not include effects of corporate acquisitions.

	2021/2022			2020/2021		
Depreciation, property, plant and equipment	**Intangible assets**	**Property, plant and equipment**	**Total**	**Intangible assets**	**Property, plant and equipment**	**Total**
Automation	-61	-48	-109	-53	-41	-94
Electrification	-37	-40	-77	-33	-41	-74
Energy	-76	-64	-140	-68	-59	-127
Industrial Solutions	-78	-50	-128	-69	-42	-111
Process Technology	-48	-53	-101	-37	-47	-84
Parent Company and Group items	-2	-19	-21	-2	-20	-22
TOTAL	**-302**	**-274**	**-576**	**-262**	**-250**	**-512**

Significant profit or loss items, other than depreciation or amortisation, not matched by payments in 2021/2022	Net gains/ losses	Change in pension liability	Other items	Total
Automation	0	1	2	3
Electrification	–	0	-2	-2
Energy	-2	0	-8	-10
Industrial Solutions	0	2	45	47
Process Technology	0	–	2	2
Parent Company and Group items	0	-5	-17	-22
TOTAL	**-2**	**-2**	**22**	**18**

	2021/2022			2020/2021		
Data by country	**Net sales externally[1]**	**Assets[1]**	**Of which, non-current assets**	**Net sales externally[1]**	**Assets[1]**	**Of which, non-current assets**
Sweden	3,979	4,877	2,846	3,230	3,976	2,561
Denmark	2,146	1,472	624	1,791	1,339	636
Finland	1,907	1,471	684	1,621	1,190	631
Norway	1,626	1,368	701	1,533	1,272	707
Other countries	4,380	2,830	1,541	3,161	1,646	933
Parent Company, Group items and unallocated assets	–	409	29	–	383	36
TOTAL	**14,038**	**12,427**	**6,425**	**11,336**	**9,806**	**5,504**

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

	2021/2022			2020/2021		
Investments in non-current assets	**Intangible assets**	**Property, plant and equipment**	**Total**	**Intangible assets**	**Property, plant and equipment**	**Total**
Sweden	12	38	50	9	31	40
Denmark	4	4	8	2	6	8
Finland	7	24	31	4	5	9
Norway	7	5	12	1	6	7
Other countries	2	24	26	4	23	27
Total	**32**	**95**	**127**	**20**	**71**	**91**

Note 6

Employees and personnel expenses

Average number of employees	2021/2022 Men	2021/2022 Women	2021/2022 Total	2020/2021 Men	2020/2021 Women	2020/2021 Total
Sweden						
Parent Company	6	3	9	6	4	10
Other companies	842	248	1,090	757	241	998
Denmark	235	125	360	242	117	359
Finland	420	81	501	401	107	508
Norway	281	110	391	294	113	407
Other countries	680	286	966	574	212	786
Total	**2,464**	**853**	**3,317**	**2,274**	**794**	**3,068**

Salaries and remunerations	2021/2022 Senior executives	2021/2022 of which bonuses	2021/2022 Other employees	2020/2021 Senior executives	2020/2021 of which bonuses	2020/2021 Other employees
Sweden						
Parent Company	34	10	2	27	6	2
Other companies	69	11	593	57	8	485
Denmark	37	5	274	40	4	256
Finland	32	4	265	36	4	240
Norway	30	4	257	27	4	230
Other countries	49	5	321	38	1	227
Total	**251**	**39**	**1,712**	**225**	**27**	**1,440**

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 2021/2022	Group 2020/2021	Parent Company 2021/2022	Parent Company 2020/2021
Salaries and other remunerations	1,963	1,665	36	29
Contract-based pensions for senior executives	32	29	6	5
Contract-based pensions for others	160	132	2	1
Other social security expenses	344	276	12	10
Total	**2,499**	**2,102**	**56**	**45**

At the end of the year, outstanding pension obligations to the Group's senior executives amounted to SEK 9 million (8) 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 31 March 2022	Group 31 March 2021	Parent Company 31 March 2022	Parent Company 31 March 2021
Board of Directors (excl. alternates)	10%	8%	29%	29%
Other senior executives	22%	19%	14%	14%

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 2021/2022 financial year correspond to those adopted at the 2021 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 Addtech AB.

Call options for senior executives

Background and motivation for long-term incentive programmes

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 Addtech 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 Addtech 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 Addtech Group were adopted by the 2009-2021 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 Addtech, 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, Addtech had four call option programmes outstanding, involving a total 3,129,350 Class B shares.

2021/2025 scheme

The allotment for 2021 approved by the 2021 Annual General Meeting included 100 executives and a total of 1,000,000 call options, corresponding to 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 4,000 and 39,000 options per person. The Chief Executive Officer acquired 39,000 and other members of Group Management 129,000.

Each option entitles the holder to acquire one repurchased Class B share between 9 September 2024 and 11 June 2025. 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 27 August 2021 and 9 September 2021. 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 3 September 2021 and 9 September 2021.

The exercise price for the call options was set at SEK 214.40. The market value of the call options was set at SEK 21.90. The expenses for the scheme consist of the subsidy paid in September 2023, 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 17.5 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.

2020/2024 scheme

The allotment for 2020 approved by the 2020 Annual General Meeting included 25 executives and a total of 250,000 call options, corresponding to 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 7,000 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 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 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 25 executives and a total of 300,000 call options, corresponding

Note 6 cont.

to 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 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 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.

2018/2022 scheme

The allotment for 2018 approved by the 2018 Annual General Meeting included 24 executives and a total of 300,000 call options, corresponding to 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 27,500 options per person. The Chief Executive Officer acquired 27,500 and other members of Group Management 87,500.

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 232.90. 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.

Between 6 September 2021 and 31 March 2022, 213,250 options were repurchased under current market conditions, based on an independent external valuation applying the Black & Scholes model. During the corresponding period, 46,430 options were also redeemed, corresponding to 185,720 shares.

Board of directors

In accordance with the resolution of the Annual General Meeting, the total Board fees of SEK 2,900 thousand (2,590) 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 2021 to 31 March 2022, the Managing Director of the Parent Company, Niklas Stenberg, received a fixed salary of SEK 6,360 thousand (5,548) and variable salary of SEK 2,805 thousand (1,534). Variable remuneration included SEK 759 thousand (514) regarding the subsidy expense for the year for participation in the Group's incentive programmes. He also received taxable benefits amounting to SEK 202 thousand (43). Pension premiums of SEK 1,872 thousand were paid (1,632).

From the age of 65, the Managing Director is covered by a defined contribution pension plan, the scale 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 Addtech AB. On termination by the Company, the period of notice is of 12 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 employee resigns, he/she does not receive any severance pay.

Other members of Group Management

For other members of Group Management, fixed salary of SEK 13,972 thousand (11,838) was paid and variable salary of SEK 7,240 thousand (4,501). Variable remuneration included SEK 3,432 thousand (2,566) regarding the subsidy expense for the year for participation in the Group's incentive programmes. The variable remuneration was expensed in the 2021/2022 financial year and disbursed in 2022/2023. These individuals also received taxable benefits amounting to SEK 561 thousand (382). From the age of 65, members of Group management are covered by pension entitlements in accordance with individual agreements. Certain pension solutions are defined premium 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 2021/2022, a total of SEK 3,356 thousand (3,307) 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 Addtech AB.

On termination by the Company, the maximum period of notice is of 12 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 2021/2022	Basic salary/ Board fees	Variable remuneration[1]	Other benefits	Pension expenses	Total
Chairman of the Board	1.1	–	–	–	1.1
Other Board members	1.8	–	–	–	1.8
Managing Director	6.4	2.8	0.2	1.9	11.3
Other senior executives[2]	14.0	7.2	0.6	3.4	25.2
Total	**23.3**	**10.0**	**0.8**	**5.3**	**39.4**

[1] Including remuneration to senior executives participating in incentive programmes.
[2] During the year, there were seven other senior executives, one woman and six men.

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 senior executives participating in incentive programmes.
[2] At the end of the financial year, there were six other senior executives, one woman and five men.

Board fees, SEK thousands		2021/2022	2020/2021
Name	**Position**	**Fee**	**Fee**
Kenth Eriksson[1]	Chairman of the Board, Chairman of the Remuneration Committee	1,100	370
Malin Nordesjö[1]	Board member, member of the Remuneration Committee	450	370
Henrik Hedelius	Board member	450	370
Ulf Mattsson	Board member	450	370
Annikki Schaeferdiek	Board member	450	–
Niklas Stenberg	Board member	–	–
Eva Elmstedt	Board member	–	370
Johan Sjö	Former Chairman of the Board	–	740
Total		**2,900**	**2,590**

[1] During the 2021/2022 financial year, a fee of SEK 100 thousand, beyond the above, was paid to each member of the Remuneration Committee.

Note 7

Remuneration to Auditors

	Group		Parent Company	
	2021/2022	2020/2021	2021/2022	2020/2021
KPMG				
Audit assignment	11	10	1	2
Tax consultation	0	0	0	0
Other assignments	1	1	0	0
Total remuneration to KPMG	**12**	**11**	**1**	**2**
Other auditors				
Audit assignment	4	3	–	–
Tax consultation	0	0	–	–
Other assignments	1	1	–	–
Total remuneration to other auditors	**5**	**4**	**–**	**–**
TOTAL REMUNERATION TO AUDITORS	**17**	**15**	**1**	**2**

Note 8

Depreciation/amortisation

Depreciation/amortisation by function	Group 2021/2022	Group 2020/2021	Parent Company 2021/2022	Parent Company 2020/2021
Cost of sales	-95	-86	–	–
Selling expenses	-409	-361	–	–
Administrative expenses	-68	-62	0	0
Other operating expenses	-4	-3	–	–
Total	**-576**	**-512**	**0**	**0**

Depreciation/amortisation by asset class	Group 2021/2022	Group 2020/2021	Parent Company 2021/2022	Parent Company 2020/2021
Intangible assets	-302	-262	0	0
Buildings and land	-10	-9	–	–
Leasehold improvements	-3	-3	0	0
Machinery	-20	-18	–	–
Equipment	-35	-34	0	0
Right-of-use assets	-206	-186	–	–
Total	**-576**	**-512**	**0**	**0**

Note 9

Other operating income and expenses

Group	2021/2022	2020/2021
Other operating income		
Rental revenue	12	7
Gain on sale of operations and non-current assets	8	4
Change in value of derivatives, net	1	–
Exchange rate changes, net	–	–
Revaluations of contingent purchase considerations	36	25
Subsidies and compensation received*	22	15
Other	17	25
TOTAL	**96**	**76**
Other operating expenses		
Property expenses	0	0
Loss on sale of operations and non-current assets	-1	-4
Change in value of derivatives, net	–	-2
Exchange losses, net	-14	-22
Revaluations of contingent purchase considerations	-28	-34
Other	0	-22
Total	**-43**	**-84**

Note 10

Operating expenses

Group	2021/2022	2020/2021
Inventories, raw materials and consumables	8,644	7,060
Personnel expenses	2,571	2,154
Depreciation/amortisation	576	512
Impairment of inventories	21	17
Impairment of doubtful accounts receivable	9	6
Other operating expenses	825	678
Total	**12,646**	**10,427**

Note 11

Financial income and expenses

Group	2021/2022	2020/2021
Interest income on bank balances	2	4
Dividends	0	0
Exchange rate changes, net	–	6
Other financial income	2	3
Financial income	**4**	**13**
Interest expense on financial liabilities measured at amortised cost	-35	-29
Interest expense on financial liabilities measured at fair value	-12	-15
Interest expense on pension liability	-4	-4
Exchange rate changes, net	-1	–
Changes in value from revaluation of financial assets/liabilities, net	-5	-1
Other financial expenses	-15	-16
Financial expenses	**-72**	**-65**
Net financial items	**-68**	**-52**

Parent Company	2021/2022	2020/2021
Dividends received	–	400
Impairment of loans	-1	–
Profit from participations in Group companies	**-1**	**400**
Interest income:		
Group companies	37	28
Profit from non-current financial assets	**37**	**28**
Interest income, etc.:		
Group companies	4	2
Other interest income, change in value of derivatives and exchange rate differences	0	0
Interest income and similar items	**4**	**2**
Interest expenses, etc.:		
Group companies	0	0
Other interest expense, change in value of derivatives, exchange rate differences and banking fees	-39	-37
Interest expenses and similar items	**-39**	**-37**
Financial income and expenses	**1**	**393**

Note 12

Appropriations – Parent Company

	2021/2022	2020/2021
Group contributions received	387	448
Group contributions paid	-2	-108
Reversal of tax allocation reserve	–	–
Provision made to tax allocation reserve	-90	-80
Excess amortisation/depreciation	0	0
Total	**295**	**260**

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 61 million (56).

Note 13

Taxes

	Group 2021/2022	Group 2020/2021	Parent Company 2021/2022	Parent Company 2020/2021
Current tax for the period	-347.7	-263.2	-55.8	-52.4
Adjustment from previous years	-3.1	-0.9	–	-0.7
Total current tax expense	**-350.8**	**-264.1**	**-55.8**	**-53.1**
Deferred tax	34.8	56.0	0.3	1.5
Total recognised tax expense	**-316.0**	**-208.1**	**-55.5**	**-51.6**

Group	2021/2022	%	2020/2021	%
Profit before tax	1,432.9		936.9	
Weighted average tax based on national tax rates	-303.1	21.2	-201.3	21.5
Tax effect of				
Non-deductible expenses	-3.8	0.3	-5.2	0.5
Non-taxable income	1.6	-0.1	1.1	-0.1
Adjustment regarding current tax for previous years	-3.1	0.2	-0.9	0.1
Changed tax rate	3.4	-0.2	3.3	-0.3
Transaction expenses, revaluations of contingent considerations for acquisitions	-2.7	0.2	-6.6	0.7
Losses for which carryforwards have not been activated	-5.1	0.3	–	–
Other	-3.2	0.2	1.5	-0.2
Recognised tax expense	**-316.0**	**22.1**	**-208.1**	**22.2**

Parent Company	2021/2022	%	2020/2021	%
Profit before tax	263.9		638.5	
Tax based on current tax rate for Parent Company	-54.4	20.6	-136.6	21.4
Tax effect of				
Standard interest on tax allocation reserves	-0.2	0.1	-0.1	0.0
Non-deductible expenses	-0.9	0.3	-1.3	0.2
Non-taxable dividends	–	–	85.6	-13.4
Other	0.0	0.0	0.8	-0.1
Recognised tax expense	**-55.5**	**21.0**	**-51.6**	**8.1**

Note 13 cont.

Deferred tax, net, at end of year

	31 March 2022			31 March 2021		
Group	**Receivables**	**Liabilities**	**Net**	**Receivables**	**Liabilities**	**Net**
Non-current assets	6	-442	-436	8	-364	-356
Untaxed reserves	–	-89	-89	–	-67	-67
Pension provisions	26	0	26	29	3	32
Other	36	-7	29	59	-27	32
Net recognised	-38	38	0	-67	67	0
Deferred tax, net, at end of year	**30**	**-500**	**-470**	**29**	**-388**	**-359**

	31 March 2022					
Group	**Amount at beginning of year**	**Recognised in the income statement**	**Acquisitions & divestments**	**Recognised in other comprehensive income**	**Translation effect**	**Amount at end of year**
Non-current assets	-355.7	60.7	-137.4	-0.6	-3.4	-436.4
Untaxed reserves	-66.7	-18.2	-3.7	-0.1	–	-88.7
Pension provisions	31.8	-5.5	3.8	-4.3	0.2	26.0
Other	31.6	-2.2	0.3	-0.3	0.0	29.4
Deferred tax, net	**-359.0**	**34.8**	**-137.0**	**-5.3**	**-3.2**	**-469.7**

	31 March 2021					
Group	**Amount at beginning of year**	**Recognised in the income statement**	**Acquisitions & divestments**	**Recognised in other comprehensive income**	**Translation effect**	**Amount at end of year**
Non-current assets	-263.9	57.4	-157.3	-0.3	8.4	-355.7
Untaxed reserves	-54.1	-7.4	-5.2	–	–	-66.7
Pension provisions	36.5	-1.8	–	-2.0	-0.9	31.8
Other	24.5	7.8	-0.2	0.6	-1.1	31.6
Deferred tax, net	**-257.0**	**56.0**	**-162.7**	**-1.7**	**6.4**	**-359.0**

	31 March 2022			31 March 2021		
Parent Company	**Amount at beginning of year**	**Recognised in the income statement**	**Amount at end of year**	**Amount at beginning of year**	**Recognised in the income statement**	**Amount at end of year**
Financial instruments	0.6	1.0	1.6	-0.2	0.8	0.6
Other	0.7	-0.7	–	–	0.7	0.7
Deferred tax, net	**1.3**	**0.3**	**1.6**	**-0.2**	**1.5**	**1.3**

The Group has tax loss carryforwards of SEK 47 million (27) that have not been capitalised.

Note 14

Intangible non-current assets

	31 March 2022							
	Acquired intangible assets						Intangible assets developed internally	
Group	**Goodwill**	**Supplier relationships, customer relationships and technology**	**Trade marks**	**Capitalised R&D expenses**	**Leases and similar rights**	**Software**	**Software**	**Total**
Accumulated cost								
At beginning of year	2,727	2,959	23	59	1	90	4	5,863
Corporate acquisitions	541	537	–	5	–	1	–	1,084
Investments	–	1	0	14	2	15	–	32
Divestments and scrappings	–	–	0	0	–	–	–	0
Reclassifications	–	–	–	0	–	–	–	0
Translation effect for the year	38	41	0	1	0	1	–	81
At end of year	**3,306**	**3,538**	**23**	**79**	**3**	**107**	**4**	**7,060**
Accumulated amortisation and impairment								
At beginning of year	–	-1,254	0	-41	0	-68	-4	-1,367
Corporate acquisitions	–	0	–	-2	–	0	–	-2
Depreciation/amortisation	–	-288	0	-5	0	-9	–	-302
Divestments and scrappings	–	–	–	–	–	–	–	–
Translation effect for the year	–	-20	0	-1	0	0	–	-21
At end of year	**–**	**-1,562**	**0**	**-49**	**0**	**-77**	**-4**	**-1,692**
Carrying amount at end of year	**3,306**	**1,976**	**23**	**30**	**3**	**30**	**0**	**5,368**
Carrying amount at beginning of year	**2,727**	**1,705**	**23**	**18**	**1**	**22**	**0**	**4,496**

	31 March 2021							
	Acquired intangible assets						Intangible assets developed internally	
Group	**Goodwill**	**Supplier relationships, customer relationships and technology**	**Trade marks**	**Capitalised R&D expenses**	**Leases and similar rights**	**Software**	**Software**	**Total**
Accumulated cost								
At beginning of year	1,997	2,204	22	52	1	95	4	4,375
Corporate acquisitions	773	801	0	0	–	3	–	1,577
Investments	–	2	0	9	0	10	–	21
Divestments and scrappings	–	–	–	–	0	-15	–	-15
Reclassifications	–	–	1	–	–	-1	–	0
Translation effect for the year	-43	-48	–	-2	0	-2	–	-95
At end of year	**2,727**	**2,959**	**23**	**59**	**1**	**90**	**4**	**5,863**
Accumulated amortisation and impairment								
At beginning of year	–	-1,015	0	-37	0	-79	-4	-1,135
Corporate acquisitions	–	0	0	–	–	0	–	0
Depreciation/amortisation	–	-250	0	-5	0	-7	–	-262
Divestments and scrappings	–	–	–	–	–	15	–	15
Translation effect for the year	–	11	0	1	0	3	–	15
At end of year	**–**	**-1,254**	**0**	**-41**	**0**	**-68**	**-4**	**-1,367**
Carrying amount at end of year	**2,727**	**1,705**	**23**	**18**	**1**	**22**	**0**	**4,496**
Carrying amount at beginning of year	**1,997**	**1,189**	**22**	**15**	**1**	**16**	**0**	**3,240**

Note 14 cont.

Parent Company	31 March 2022 Software	31 March 2022 Total	31 March 2021 Software	31 March 2021 Total
Accumulated cost				
At beginning of year	4.2	4.2	3.7	3.7
Investments	0.4	0.4	0.5	0.5
At end of year	**4.6**	**4.6**	**4.2**	**4.2**
Accumulated amortisation				
At beginning of year	-3.4	-3.4	-3.0	-3.0
Depreciation/amortisation	-0.6	-0.6	-0.4	-0.4
At end of year	**-4.0**	**-4.0**	**-3.4**	**-3.4**
Carrying amount at end of year	**0.6**	**0.6**	**0.8**	**0.8**
Carrying amount at beginning of year	**0.8**	**0.8**	**0.7**	**0.7**

Goodwill by business area	Group 31 March 2022	Group 31 March 2021
Automation	649	549
Electrification	640	393
Energy	805	678
Industrial Solutions	756	736
Process Technology	456	371
Total	**3,306**	**2,727**

Impairment testing of goodwill
The Group's recognised goodwill amounts to SEK 3,306 million (2,727), 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 2022. 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, 2022/2023, 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 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 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 that is representative of 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 13 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 2-percentage 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 may 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.

Note 15

Property, plant and equipment

Group (31 March 2022)	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
Accumulated cost						
At beginning of year	209	51	359	472	5	1,096
Corporate acquisitions	3	0	4	26	–	33
Investments	18	1	18	37	21	95
Divestments and scrappings	0	0	-3	-10	–	-13
Reclassifications	1	0	7	-1	-8	-1
Translation effect for the year	1	1	4	8	0	14
At end of year	**232**	**53**	**389**	**532**	**18**	**1,224**
Accumulated amortisation and impairment						
At beginning of year	-93	-30	-274	-373	0	-770
Corporate acquisitions	-1	0	-1	-9	–	-11
Depreciation/amortisation	-10	-3	-20	-35	–	-68
Divestments and scrappings	0	0	2	7	–	9
Reclassifications	-1	0	0	1	–	0
Translation effect for the year	-1	-1	-2	-6	0	-10
At end of year	**-106**	**-34**	**-295**	**-415**	**0**	**-850**
Carrying amount at end of year	**126**	**19**	**94**	**117**	**18**	**374**
Carrying amount at beginning of year	**116**	**21**	**85**	**99**	**5**	**326**

Group (31 March 2021)	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
Accumulated cost						
At beginning of year	197	43	365	451	13	1,069
Corporate acquisitions	19	1	5	22	–	47
Investments	3	10	11	39	8	71
Divestments and scrappings	-13	–	-9	-25	–	-47
Reclassifications	13	-1	2	1	-15	0
Translation effect for the year	-10	-2	-15	-16	-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 scrappings	10	-	6	22	–	38
Reclassifications	-2	2	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**	**85**	**99**	**5**	**326**
Carrying amount at beginning of year	**102**	**12**	**95**	**89**	**12**	**310**

Note 15 cont.

Parent Company	31 March 2022 Leasehold improvements	Equipment	Total	31 March 2021 Leasehold improvements	Equipment	Total
Accumulated cost						
At beginning of year	4	3	7	4	3	7
Investments	–	–	–	–	–	–
Divestments and scrappings	–	–	–	–	0	0
At end of year	**4**	**3**	**7**	**4**	**3**	**7**
Accumulated depreciation according to plan						
At beginning of year	-4	-3	-7	-4	-3	-7
Depreciation/amortisation	–	0	0	0	0	0
Divestments and scrappings	–	–	–	–	0	0
At end of year	**-4**	**-3**	**-7**	**-4**	**-3**	**-7**
Carrying amount at end of year	**0**	**0**	**0**	**0**	**0**	**0**
Carrying amount at beginning of year	**0**	**0**	**0**	**0**	**0**	**0**

Note 16

Leases

At the end of 2021/2022, the lease liability amounted to SEK 680 million (676), of which SEK 214 million (186) was a current liability and SEK 466 million (490) was a non-current liability. The average remaining lease term at the end of March 2022 was 19 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 (of, for example, production equipment, office equipment and other assets not considered individually significant). Depreciation of right-of-use assets is specified in Note 8 Depreciation. Interest expenses on the lease liability for the 2021/2022 financial year amounted to SEK 9 million (9) and, in cash flow for the year, the amortisation component of the lease fees amounted to SEK 203 million (192) in addition to the interest expense. The cash flow effect from leases of lesser value amounted to an outflow of SEK 6 million, the cash flow effect from current leases to an outflow of SEK 7 million and cash flow from leases with variable fees to an outflow of SEK 3 million. Rent concessions paid as a result of Covid-19 during 2021/2022 are not considered significant.

Group	31 March 2022 Buildings	Vehicles	Other	Total
Accumulated cost				
At beginning of year	824	104	35	963
Corporate acquisitions	49	6	0	55
Additional right-of-use assets	126	44	3	173
Ended contracts	-57	-30	-5	-92
Translation effect for the year	14	1	0	15
At end of year	**956**	**125**	**33**	**1,114**
Accumulated amortisation and impairment				
At beginning of year	-226	-41	-14	-281
Corporate acquisitions	-1	-1	0	-2
Depreciation/amortisation	-161	-38	-7	-206
Ended contracts	33	26	5	64
Translation effect for the year	-5	-1	0	-6
At end of year	**-360**	**-55**	**-16**	**-431**
Carrying amount at end of year	**596**	**70**	**17**	**683**
Carrying amount at beginning of year	**598**	**63**	**21**	**682**

Group	31 March 2021 Buildings	Vehicles	Other	Total
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	**-226**	**-41**	**-14**	**-281**
Carrying amount at end of year	**598**	**63**	**21**	**682**
Carrying amount at beginning of year	**539**	**61**	**26**	**626**

Maturity structure of lease liabilities	Group 2021/2022	Group 2020/2021
Within one year	217	192
1–2 years	181	169
2–5 years	247	292
Later than 5 years	52	44
Expected future payments	**697**	**697**
Carrying amount	680	676

Contractual expenses from leases	2021/2022	2020/2021
Depreciation/amortisation	-206	-186
Interest on lease liabilities	-9	-9
Lease expenses for current contracts	-7	-10
Lease expenses for lesser-value assets	-6	-2
Lease expenses for variable fees	-3	-1
Lease expenses	**-231**	**-208**

Note 17

Financial assets and liabilities

Receivables from Group companies	Parent Company 31 March 2022	Parent Company 31 March 2021
At beginning of year	3,238	1,804
Increase during the year	408	1,476
Decrease during the year	-6	-42
Carrying amount at end of year	**3,640**	**3,238**

		Parent Company				
Specification of participations in Group companies	**Country**	**Number of shares**	**Quotient value**	**Holding, %**	**Carrying amount, 31 March 2022**	**Carrying amount, 31 March 2021**
Addtech Nordic AB, 556236-3076, Stockholm	Sweden	1,750	100	100	1,004	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 Addtech AB.

Participations in Group companies	Parent Company 31 March 2022	Parent Company 31 March 2021
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.

	31 March 2022			
Group	**Measured at fair value through profit or loss**	**Equity instruments recognised at fair value through other comprehensive income**	**Measured at amortised cost**	**Total carrying amount**
Other financial assets	–	3	–	3
Non-current receivables	–	–	12	12
Accounts receivable	–	–	2,558	2,558
Other receivables	4	6	140	150
Cash and cash equivalents	–	–	437	437
Non-current interest-bearing liabilities	113	–	2,023	2,136
Current interest-bearing liabilities	236	–	1,812	2,048
Accounts payable	–	–	1,321	1,321
Other liabilities	12	3	1	16

	31 March 2021			
Group	**Measured at fair value through profit or loss**	**Equity instruments recognised at fair value through other comprehensive income**	**Measured at amortised cost**	**Total carrying amount**
Other financial assets	–	3	–	3
Non-current receivables	–	–	13	13
Accounts receivable	–	–	1,860	1,860
Other receivables	2	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	3	–	7

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 instrument for larger amounts, since maturity is short.
Interest bearing liabilities measured at fair value in the income statement refer to contingent purchase considerations for acquisitions of operations.

	31 March 2022			31 March 2021		
Financial instruments measured at fair value	**Carrying amount**	**Level 2**	**Level 3**	**Carrying amount**	**Level 2**	**Level 3**
Derivatives – fair value, hedging instruments	6	6	–	2	2	–
Derivatives – fair value through profit or loss	4	4	–	2	2	–
Total financial assets at fair value per level	**10**	**10**	**–**	**4**	**4**	**–**
Derivatives – fair value, hedging instruments	3	3	–	3	3	–
Derivatives – fair value through profit or loss	12	12	–	4	4	–
Contingent purchase considerations – fair value through profit or loss	349	–	349	267	–	267
Total financial liabilities at fair value per level	**364**	**15**	**349**	**274**	**7**	**267**

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. This is done for foreign currency accounts and embedded derivatives.

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	2021/2022	2020/2021
Carrying amount, opening balance	267	151
Acquisitions during the year	170	170
Reversed through the income statement	-8	9
Purchase considerations paid	-96	-64
Interest expenses	12	9
Exchange rate differences	4	-8
Carrying amount, closing balance	**349**	**267**

Impact of financial instruments on net earnings	2021/2022	2020/2021
Assets and liabilities measured at fair value through the income statement	-17	-18
Equity instruments recognised at fair value through other comprehensive income	2	0
Measured at amortised cost	-44	-35
Total	**-59**	**-53**

Note 18

Inventories

Group	31 March 2022	31 March 2021
Raw materials and consumables	285	204
Work in progress	275	129
Finished goods	2,009	1,328
Total	**2,569**	**1,661**

The consolidated cost of sales includes impairment losses of SEK 21 million (17) on inventories. No significant reversals of prior impairment were made in 2021/2022 or 2020/2021.

Note 19

Prepaid expenses and accrued income

	Group		Parent Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Rent	16	13	2	1
Insurance premiums	18	11	8	4
Pension costs	4	4	1	1
Lease fees	4	4	0	0
Other prepaid expenses	61	50	9	9
Other accrued income	75	55	0	0
Total	**178**	**137**	**20**	**15**

Note 20

Equity

Group
Other contributed capital

Refers to equity contributed by shareholders.

	Group	
Reserves[1]	2021/2022	2020/2021
Translation reserve		
Opening translation reserve	41	179
Translation effect for the year	96	-138
Closing translation reserve	**137**	**41**
Hedging reserve[2]		
Opening balance, hedging reserve	-2	1
Revaluations recognised in Other comprehensive income	1	-5
Recognised in profit or loss on disposal (other operating income/expenses)	2	1
Tax attributable to revaluations for the year	0	1
Tax attributable to disposals	-1	0
Closing hedge reserve	**0**	**-2**
Total reserves	**137**	**39**

[1] Refers to reserves attributable to shareholders in the Parent Company.

[2] Refers to cash flow hedges, consisting of currency clauses in customer contracts.

Translation reserve
The translation reserve includes all exchange differences arising on the translation of the financial reports of foreign operations prepared in a currency other than the Group's presentation currency for financial reports. The Parent Company and Group present their financial reports in Swedish kronor (SEK).

Hedging reserve
The hedging reserve includes the effective portion of the accumulated net change in fair value for a cash-flow hedging instrument attributable to hedge transactions that have not yet occurred.

Retained earnings, including profit for the year
Retained earnings including profit for the year include earnings in the Parent Company and its subsidiaries. Prior provisions to the legal reserve are included in this equity item.

Repurchased shares
Repurchased shares includes the cost of treasury shares held by the Parent Company. At the end of the reporting period, the Group's holding of treasury shares was 3,265,552 (3,519,272).

Dividend
After the reporting period, the Board of Directors proposed a dividend of SEK 1.80 per share. The dividend is subject to approval by the Annual General Meeting on 25 August 2022.

Proposed allocation of earnings 2021/2022

The following amounts are at the disposal of the Annual General Meeting of Addtech AB:	
Retained earnings	SEKm 466
Profit for the year	SEKm 209
TOTAL	**SEKm 675**
The Board of Directors and the CEO propose that the funds available for distribution be allocated as follows:	
A dividend be paid to shareholders of SEK 1.80 per share[1]	SEKm 485
To be carried forward	SEKm 190
TOTAL	**SEKm 675**

[1] Calculated based on the number of shares outstanding at 31 May 2022. The total dividend payout may change if the number of repurchased treasury shares changes prior to the proposed dividend record date of 31 August 2022.

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, i e the amount available to be paid as dividends to shareholders.

Number of shares
The number of shares at 31 March 2022 consisted of 12,885,744 Class A shares, entitling the holders to 10 votes per share, and 259,908,240 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 3,265,552 Class B shares within the framework of the Company's ongoing repurchasing programme. After subtracting repurchased shares, the number of Class B shares is 256,642,688.

	31 March 2022		
Number of shares outstanding	**Class A shares**	**Class B shares**	**All share classes**
At beginning of year	12,885,744	256,388,968	269,274,712
Redemption of call options	–	253,720	253,720
Repurchases of treasury shares	–	–	–
Conversion of Class A shares to Class B shares	–	–	–
At end of year	**12,885,744**	**256,642,688**	**269,528,432**

	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**	**256,388,968**	**269,274,712**

Note 21

Untaxed reserves

Parent Company	31 March 2022	31 March 2021
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	80
Tax allocation reserve, 2021/2022	90	–
Accumulated excess depreciation/amortisation	1	0
At end of year	**302**	**211**

SEK 64 million of the Parent Company's total untaxed reserves of SEK 302 million represent deferred tax included in the deferred tax line item in the consolidated balance sheet.

Note 22

Provisions for pensions and similar obligations

Addtech 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 Alecta. According to statement UFR 3 of the Swedish Financial Reporting Board, this is a defined-benefit plan covering multiple employers. For the 2021/2022 financial year, the Company did not have access to information enabling it to report this plan as a defined-benefit plan. Thus the pension plan according to ITP2 and secured by insurance in Alecta is recognised as a defined-contribution plan. The year's fees for pension insurance with Alecta totalled SEK 32 million (30). Fees for the next financial year are considered to be in line with those for the year reported. The collective consolidation level for Alecta was 179 percent (160) in March 2022. 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 8 million (6) will be paid in 2022/2023 to the funded defined-benefit plans. The total number of commitments of 964 (996) included in the obligation consists of 131 active (160), 451 paid-up policy holders (473) and 382 pensioners (363).

Obligations for employee benefits, defined-benefit pension plans

	Group		Parent Company	
Pension liability as per balance sheet	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Pension liability PRI	265	284	13	14
Other pension obligations	49	52	–	–
Total cost of defined-benefit plans	**314**	**336**	**13**	**14**

	Group		Parent Company	
Obligations for defined-benefit plans and the value of plan assets	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Funded obligations:				
Present value of funded defined-benefit obligations	312	308	–	–
Fair value of plan assets	-270	-263	–	–
Net debt, funded obligations	**42**	**45**	**–**	**–**
Present value of unfunded defined-benefit obligations	272	291	13	14
Net amount in the balance sheet (obligation +, asset –)	**314**	**336**	**13**	**14**
Pension obligations and plan assets per country:				
Sweden				
Pension obligations	298	318	13	14
Plan assets	-25	-25	–	–
Net amount in Sweden	**273**	**293**	**13**	**14**
Switzerland				
Pension obligations	256	250	–	–
Plan assets	-222	-218	–	–
Net amount in Switzerland	**34**	**32**	**–**	**–**
UK				
Pension obligations	23	23	–	–
Plan assets	-23	-20	–	–
Net amount in the UK	**0**	**3**	**–**	**–**
Italy				
Pension obligations	7	8	–	–
Plan assets	–	–	–	–
Net amount in Italy	**7**	**8**	**–**	**–**
Net amount in the balance sheet (obligation +, asset –)	**314**	**336**	**13**	**14**

	Group		Parent Company	
Reconciliation of net amount for pensions in the balance sheet	2021/2022	2020/2021	2021/2022	2020/2021
Opening balance	336	332	14	15
Cost of defined-benefit plans	9	8	1	1
Disbursements of benefits	-8	-7	-2	-2
Funds contributed by employer	-4	-5	–	–
Revaluations	-22	-18	–	–
Corporate acquisitions	–	32	–	–
Translation effect	3	-6	–	–
Net amount in the balance sheet (obligation +, asset –)	**314**	**336**	**13**	**14**

	Group	
Changes in the obligation for defined-benefit plans recognised in the balance sheet	2021/2022	2020/2021
Opening balance	599	525
Pensions earned during the period	5	9
Pensions earned prior periods, vested	–	-5
Interest on plan assets	6	6
Benefits paid	-30	-4
Funds contributed by employees	4	3
Revaluations:		
Gain (-)/loss (+) resulting from demographic assumptions	-6	-10
Gain (-)/loss (+) resulting from financial assumptions	-40	13
Experienced-based gains (-)/losses (+)	24	5
Corporate acquisitions	–	89
Translation effect	22	-32
Present value of pension obligations	**584**	**599**

	Group	
Changes in plan assets	2021/2022	2020/2021
Opening balance	263	193
Funds contributed by employer	4	5
Funds contributed by employees	4	3
Benefits paid	-22	3
Interest income recognised in profit or loss	2	2
Return on plan assets, excluding interest income	0	26
Corporate acquisitions	–	57
Translation effect	19	-26
Fair value of plan assets	**270**	**263**

Note 22 cont.

Pension costs	Group 2021/2022	Group 2020/2021	Parent Company 2021/2022	Parent Company 2020/2021
Defined-benefit plans				
Cost for pensions earned during the year	5	9	1	0
Income for pensions earned in prior periods	–	-5	–	–
Interest on plan assets	6	6	0	1
Interest income recognised in profit or loss	-2	-2	–	–
Total cost of defined-benefit plans	**9**	**8**	**1**	**1**
Total cost of defined-contribution plans	187	157	6	6
Social security costs on pension costs	22	20	2	1
Total cost of benefits after termination of employment	**218**	**185**	**9**	**8**

Allocation of pension costs in the income statement	Group 2021/2022	Group 2020/2021
Cost of sales	50	40
Selling and administrative expenses	164	141
Net financial items	4	4
Total pension costs	**218**	**185**

Actuarial assumptions	2021/2022 Sweden	2021/2022 Switzerland	2021/2022 UK	2021/2022 Italy	2020/2021 Sweden	2020/2021 Switzerland	2020/2021 UK	2020/2021 Italy
The following material actuarial assumptions were applied in calculating obligations:								
Discount rate, 1 April, %	1.60	0.40/0.30	2.53	0.72	1.30	0.45	2.81	–
Discount rate, 31 March, %	2.60	1.30	3.23	1.60	1.60	0.40/0.30	2.53	0.72
Future salary increases, %	3.70	0.60/1.00	–	2.00	2.80	0.50/1.00	–	2.00
Future increases in pensions, %	2.70	0.00	3.70	2.25	1.80	0.0	3.22	0.80
Personnel turnover, %	10.0	–	–	5.0	10.0	–	–	5.00
Mortality table	DUS21	BVG 2020 GT	S3PA	Tavole IPS55	DUS14	BVG 2015/2020 GT	S3PA	Tavole IPS55

Sensitivity of pension obligations to changes in assumptions	Sweden	Switzerland	UK	Italy	Total
Defined-benefit pension obligations at 31 March 2022	298	256	23	7	584
The discount rate increases by 0.5%	-29	-13	-1	0	-43
The discount rate decreases by 0.5%	32	14	2	1	49
Expected life expectancy increases by 1 year	15	2	1	–	18
Expected life expectancy decreases by 1 year	-15	-3	0	–	-18

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 these commitments is around 15-19 years (15-18), 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 21, statistical tables prepared by Insurance Sweden and Försäkringssällskapet (the Insurance Society), in Switzerland on BVG 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 2021/2022	Premises	Personnel	Warranties	Other	Total
Carrying amount at beginning of period	1	8	25	22	56
Corporate acquisitions	–	–	5	–	5
Provisions made during the period	0	11	18	11	40
Amounts utilised during the period	0	0	-2	-9	-11
Unutilised amounts reversed	-1	-5	-12	–	-18
Translation effect	0	0	0	0	0
Carrying amount at end of period	**0**	**14**	**34**	**24**	**72**

Group 2020/2021	Premises	Personnel	Warranties	Other	Total
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**

Premises
The provision for premises refers to premises that the Group has vacated and cannot sublet or use during the remainder of the lease.

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	
	31 March 2022	31 March 2021
Liabilities to credit institutions:		
Maturing within 2 years	911	400
Maturing within 3-5 years	575	900
Maturing after 5 years or later	–	–
Total non-current liabilities to credit institutions	**1,486**	**1,300**
Lease liability:		
Maturing within 2 years	177	165
Maturing within 3-5 years	240	283
Maturing after 5 years or later	49	42
Total lease liability	**466**	**490**
Other interest-bearing liabilities:		
Maturing within 2 years	140	212
Maturing within 3 years	11	54
Maturing within 4-5 years	–	–
Maturing after 5 years or later	33	–
Total other non-current interest-bearing liabilities	**184**	**266**
Total	**2,136**	**2,056**

The non-current interest-bearing liabilities in the Parent Company at 31 March 2022 amounted to SEK 1,475 million (1,300). Other interest-bearing liabilities largely consist of additional contingent purchase considerations with estimated interest of 5.0 percent.

The Addtech Group's non-current liabilities to credit institutions are divided among currencies as follows:

	31 March 2022		31 March 2021	
Currency	Local currency	SEK million	Local currency	SEK million
SEK	1,475	1,475	1,300	1,300
Other	1	11	0	0
Total		**1,486**		**1,300**

	Parent Company	
	31 March 2022	31 March 2021
Liabilities to credit institutions:		
Maturing within 2 years	900	400
Maturing within 3-5 years	575	900
Maturing after 5 years or later	–	–
Total non-current liabilities to credit institutions	**1,475**	**1,300**
Liabilities to Group companies	209	318
TOTAL	**1,684**	**1,618**

The Parent Company's liabilities to Group companies have no fixed maturity dates.

Note 25

Current interest-bearing liabilities

	Group		Parent Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Credit facilities				
Approved bank overdraft facility	1,300	1,300	1,300	1,300
Approved other liabilities to credit institutions	1,600	1,201	1,600	1,200
Reclassifications	-575	-	-575	–
Unutilised portion	-1,015	-1,700	-1,015	-1,700
Credit amount utilised	**1,310**	**801**	**1,310**	**800**
Other liabilities to credit institutions	49	16	–	–
Lease liability	214	186	–	–
Other interest-bearing liabilities	475	159	–	–
Total	**2,048**	**1,162**	**1,310**	**800**

Other interest-bearing liabilities largely consist of contingent purchase considerations with estimated interest of 5.0 percent.

The Addtech Group's current liabilities to credit institutions are divided among currencies as follows:

	31 March 2022		31 March 2021	
Currency	Local currency	SEK million	Local currency	SEK million
SEK	975	975	–	–
EUR	4	43	–	–
CNY	4	6	9	12
Other	0	0	0	4
Total		**1,024**		**16**

Note 26

Accrued expenses and prepaid income

	Group		Parent Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Other prepaid income	27	15	1	1
Salaries and holiday pay	384	342	17	13
Social security contributions and pensions	130	108	8	7
Other accrued expenses[1]	154	86	3	4
Total	**695**	**551**	**29**	**25**

[1] Other accrued expenses mainly consist of overhead accruals.

Note 27

Pledged assets and contingent liabilities

	Group		Parent Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Pledged assets for liabilities to credit institutions				
Real estate and site leasehold mortgages	16	19	–	–
Floating charges	7	7	–	–
Other pledged assets	32	31	–	–
Total	**55**	**57**	**–**	**–**
Contingent liabilities				
Guarantees and other contingent liabilities	222	266	14	84
Guarantees for subsidiaries	–	–	522	136
Total	**222**	**266**	**536**	**220**

Note 28

Cash flow statement

Adjustment for items not included in cash flow	Group		Parent Company	
	2021/2022	2020/2021	2021/2022	2020/2021
Depreciation/amortisation	576	512	0	0
Revaluations of contingent purchase considerations	-8	9	–	–
Gain/loss on sale of operations and non-current assets	-2	0	–	–
Change in pension liability	-2	-4	2	2
Change in other provisions and accrued items	11	8	–	–
Other	19	26	5	5
Total	**594**	**551**	**7**	**7**

For the Group, interest received during the year totalled SEK 2 million (4), and interest paid was SEK 26 million (26). For the Parent Company, interest received during the year was SEK 42 million (31), and interest paid was SEK 24 million (22).

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:

	2021/2022	2020/2021
Non-current assets	1,106	1,612
Inventories	317	138
Receivables	245	160
Cash and cash equivalents	142	285
Total	**1,810**	**2,195**
Interest-bearing liabilities and provisions	-228	-237
Non-interest-bearing liabilities and provisions	-433	-553
Total	**-661**	**-790**
Total adjustments of assets and liabilities	**1,149**	**1,405**
Consideration paid, the year's acquisitions	-1,149	-1,405
Consideration paid, prior years' acquisitions	-144	-78
Cash and cash equivalents in acquired companies	142	285
Effect on consolidated cash and cash equivalents	**-1,151**	**-1,198**

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:

	2021/2022	2020/2021
Non-current assets	–	1
Inventories	–	4
Receivables	–	4
Cash and cash equivalents	–	22
Interest-bearing liabilities and provisions	–	–
Non-interest-bearing liabilities and provisions	–	-6
Divested net assets	**–**	**25**
Capital gains	1	2
Consideration received from previous years' divestments	11	–
Currency effects	–	-6
Consideration received	**12**	**21**
Cash and cash equivalents in divested operations	–	-22
Consideration yet to be received	–	-20
Effect on consolidated cash and cash equivalents	**12**	**-21**

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	1 April 2021	Cash flows	Non-cash flow affecting changes: Acquisitions of subsidiaries	Adjustment via the income statement	Exchange rate differences	New leases	Terminated leases	31 March 2022
Bank overdraft facility	801	-466	–	–	0	–	–	335
Liabilities to credit institutions	1,316	1,148	44	–	2	–	–	2,510
Other interest-bearing liabilities	425	-3	208	23	6	–	–	659
Lease liability	676	-203	53	9	10	163	-28	680
Liabilities stemming from financing activities	**3,218**	**476**	**305**	**32**	**18**	**163**	**-28**	**4,184**

Group	1 April 2020	Cash flows	Non-cash flow affecting changes: Acquisitions of subsidiaries	Adjustment via the income statement	Exchange rate differences	New leases	Terminated leases	31 March 2021
Bank overdraft facility	157	644	–	–	0	–	–	801
Liabilities to credit institutions	1,649	-336	6	–	-3	–	–	1,316
Other interest-bearing liabilities	183	-2	232	21	-9	–	–	425
Lease liability	627	-192	51	9	-18	225	-26	676
Liabilities stemming from financing activities	**2,616**	**114**	**289**	**30**	**-30**	**225**	**-26**	**3,218**

Reconciliation of debts arising from financing activities

Parent Company	1 April 2021	Cash flows	31 March 2022
Bank overdraft facility	800	-465	335
Liabilities to credit institutions	1,300	1,150	2,450
Liabilities stemming from financing activities	**2,100**	**685**	**2,785**

Parent Company	1 April 2020	Cash flows	31 March 2021
Bank overdraft facility	156	644	800
Liabilities to credit institutions	1,600	-300	1,300
Liabilities stemming from financing activities	**1,756**	**344**	**2,100**

Note 29

Acquisitions of companies

During the financial year, 13 acquisitions were completed including transfer of control – these being diversified in terms of their markets and geographies. All business areas completed acquisitions during the year.

The following companies were acquired during the year:

ESi Controls Ltd.
On 1 April, ESi Controls Ltd. was acquired in the UK, joining the Energy business area. ESi (Energy Saving Innovative) Controls 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.

Hydro-Material Oy
On 1 April, Hydro-Material Oy was acquired in Finland, joining the Industrial Solutions business area. Hydro-Material delivers hydraulic and cooling systems primarily for the special vehicles and the manufacturing industry market segments. Hydro-Material Oy generates annual sales of approximately EUR 5 million and has 5 employees.

IETV Elektroteknik AB
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 80 million.

AVT Industriteknik AB
On 11 May, AVT Industriteknik 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.

EK Power Solutions AB
On 1 July, EK Power Solutions AB was acquired in Sweden, joining the Electrification business area. EK Power holds a leading position in the development of power electronics and electrical motor drives. The company has 25 employees and generates annual sales of approximately SEK 40 million.

KZ moder AB ("the KZ Group")
On 1 July, KZ moder AB ("the KZ Group") was acquired in Sweden, joining the Process Technology business area. The KZ Group is a leading supplier of components, equipment and solutions for the water mains networks, as well as for the purification of water and waste water. The KZ Group has 29 employees and generates annual sales of approximately SEK 100 million.

Finnchain Oy
On 5 July, 90 percent of the shares in Finnchain Oy were acquired in Finland for the Process Technology business area. Finnchain is a market leader in the design, manufacture and delivery of chain-driven sludge transport systems that optimise waste water treatment and seawater desalination. Finnchain has 20 employees and generates annual sales of approximately EUR 7 million.

Tritech Solutions AB
On 3 August, Tritech Solutions AB, was acquired in Sweden, joining the Automation business area. Tritech Solutions provides customised, embedded computer systems aimed primarily at OEM customers in industrial automation, medical technology, telecommunications and transportation. The company has 8 employees and generates annual sales of approximately SEK 60 million.

Systerra Computer GmbH ("Systerra")
On 1 September, Systerra Computer GmbH ("Systerra") was acquired in Germany, joining the Automation business area. Systerra provides advanced standard, customised and proprietary products in embedded computer systems and networking solutions. The company has 16 employees and generates annual sales of approximately EUR 9.5 million.

ABH Stromschienen GmbH ("ABH")
On 1 October, ABH Stromschienen GmbH ("ABH") was acquired in Germany, joining the Electrification business area. ABH develops, designs and delivers energy-saving power distribution systems for data centre applications, industry and e-mobility. The company has 22 employees and generates annual sales of approximately EUR 10 million.

Ko Hartog Verkeerstechniek B.V.
On 1 October, Ko Hartog Verkeerstechniek B.V. was acquired in the Netherlands, joining the Energy business area. Ko Hartog Verkeerstechniek B.V. develops, produces and sells traffic signal systems and other traffic safety equipment and offers assembly, installation, service and maintenance of these products. The company has 18 employees and generates annual sales of approximately EUR 8 million.

Jolex AB
On 1 November, Jolex AB was acquired in Sweden, joining the Electrification business area. Jolex AB delivers shielding and heat-conducting products for applications in the defence, medical, data and telecom industries. The company generates annual sales of approximately SEK 20 million and has 1 employee.

Fey Elektronik GmbH
On 31 March, 90 percent of the shares in Fey Elektronik GmbH were acquired in Germany for the Electrification business area. Fey serves European OEM customers with development, design and manufacturing of customised battery solutions. The company has 160 employees and generates annual sales of approximately EUR 55 million.

Note 29 cont.

Acquisitions completed as of the 2020/2021 financial year are distributed among the Group's business areas as follows:

Acquisitions	Country	Date of acquisition	Acquired share, %	Net sales, SEK million*	Number of employees*	Business area
Elkome Group Oy	Finland	April, 2020	100	85	38	Automation
Peter Andersson AB	Sweden	April, 2020	100	30	9	Energy
Valutec Group AB	Sweden	April, 2020	86	350	45	Industrial Solutions
Fluidcontrol Oy	Finland	September, 2020	100	41	20	Process Technology
Kaptas Oy	Finland	September, 2020	100	41	27	Automation
Elsystem i Perstorp AB	Sweden	September, 2020	100	40	18	Automation
Martin Bruusgaard AS	Norway	September, 2020	80	108	30	Process Technology
Satco Komponent AB	Sweden	October, 2020	100	18	2	Electrification
Skyltar & Märken Gruppen AB	Sweden	October, 2020	100	60	23	Energy
OF-Beteiligungs AG	Switzerland	December, 2020	100	170	35	Industrial Solutions
Powernor AS	Norway	January, 2021	100	35	6	Electrification
Synective Labs AB	Sweden	January, 2021	100	30	27	Automation
Impact Air Systems Ltd. and Impact Technical Services Ltd.	UK	January, 2021	100	95	33	Industrial Solutions
Fairfield Trading Company Ltd.	UK	March, 2021	100	37	8	Electrification
ESi Controls Ltd.	UK	April, 2021	100	95	15	Energy
Hydro-Material Oy	Finland	April, 2021	100	50	5	Industrial Solutions
IETV Elektroteknik AB	Sweden	May, 2021	100	80	38	Energy
AVT Industriteknik AB	Sweden	May, 2021	100	70	42	Automation
EK Power Solutions AB	Sweden	July, 2021	100	40	25	Electrification
KZ moder AB	Sweden	July, 2021	100	100	29	Process Technology
Finnchain Oy	Finland	July, 2021	90	70	20	Process Technology
Tritech Solutions AB	Sweden	August, 2021	100	60	8	Automation
Systerra Computer GmbH	Germany	September, 2021	100	95	16	Automation
ABH Stromschienen GmbH	Germany	October, 2021	100	100	22	Electrification
Ko Hartog Verkeerstechniek B.V.	Netherlands	October, 2021	100	80	18	Energy
Jolex AB	Sweden	November, 2021	100	20	1	Electrification
Fey Elektronik GmbH	Germany	March, 2022	90	570	160	Electrification
Intertrafo Oy	Finland	April, 2022	100	30	15	Energy
Electric Control Systems Automation AS	Norway	April, 2022	100	75	31	Process Technology
Impulseradar Sweden AB	Sweden	April, 2022	88	80	27	Industrial Solutions
C.K. Environment A/S	Denmark	May, 2022	100	40	14	Process Technology
Arruti Group	Spain	June, 2022	100	280	90	Energy
Gotapack International AB	Sweden	July, 2022	100	25	5	Process Technology

*Refers to the assessed situation on a full-year basis at the time of acquisition.

The value of assets and liabilities included in acquisitions from the 2020/2021 financial year have been determined conclusively. No significant adjustments have been made to the calculations. According to the adopted acquisition analyses, the assets and liabilities included in the acquisitions for the year were as follows:

	2021/2022			2020/2021		
Fair value	**Fey Elektronik GmbH**	**Other acquisitions**	**Total**	**Valutec Group AB**	**Other acquisitions**	**Total**
Intangible non-current assets	170	371	541	483	321	804
Other non-current assets	11	18	29	8	27	35
Inventories	174	143	317	37	101	138
Other current assets	83	304	387	117	327	444
Deferred tax liability/tax asset	-51	-85	-136	-100	-61	-161
Other liabilities	-94	-206	-300	-72	-195	-267
Acquired net assets	**293**	**545**	**838**	**473**	**520**	**993**
Goodwill[1]	169	367	536	456	317	773
Non-controlling interests[2]	-46	-10	-56	-130	-33	-163
Consideration[3]	**416**	**902**	**1,318**	**799**	**804**	**1,603**
Less: cash and cash equivalents in acquired operations	-4	-138	-142	-82	-203	-285
Less: consideration not yet paid	-43	-127	-170	-71	-128	-199
Effect on consolidated cash and cash equivalents	**369**	**637**	**1,006**	**646**	**473**	**1,119**

[1] Goodwill is motivated by the anticipated future sales trend and profitability, as well as the personnel included in the acquired companies.
[2] Holdings without a controlling influence have been reported at fair value, which means that holdings without a controlling influence have a share in goodwill.
[3] The consideration is stated excluding transaction expenses for the acquisitions.

The combined consideration for the year's acquisitions was SEK 1,318 million, of which SEK 1,077 million, according to preliminary acquisition analyses, was allocated to goodwill and other intangible assets. Had the acquisitions been completed on 1 April 2021, their impact would have been an estimated SEK 1,500 million on consolidated net sales, about SEK 155 million on operating profit and about SEK 120 million on profit after tax.

The acquisition of Fey Elektronik GmbH includes a commitment to acquire the remaining 10 percent of the company, with this commitment being valued at SEK 33 million. The acquisition of Valutec Group AB includes a commitment to acquire the remaining 14 percent of the company, with this commitment being valued at SEK 227 million following revaluation. These commitments are recognised as interest-bearing liabilities.

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 177 million. The contingent considerations fall due within three years and the outcome may not exceed SEK 207 million.

For acquisitions that resulted in ownership transfer during the financial year, transaction costs totalled SEK 10 million (12) and are recognised in selling expenses.

Revaluations of contingent considerations had a net positive impact of SEK 8 million (-9) 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 2022 non-taxable goodwill amounted to SEK 3,306 million, to be compared with SEK 2,727 million as of 31 March 2021. 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 55 million.

Note 30

Earnings per share before and after dilution

	2021/2022	2020/2021
Earnings per share before and after dilution (SEK)		
Earnings per share before dilution	4.00	2.60
Earnings per share after dilution	3.95	2.60

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.

Earnings per share before dilution

The calculation of earnings per share for 2021/2022 is based on profit for the year attributable to Parent Company shareholders, totalling SEK 1,074 million (706), and a weighted average number of shares outstanding during 2021/2022 of 269,400 thousand (269,051). The two components were calculated in the following manner:

	2021/2022	2020/2021
Profit for the year attributable to the equity holders of the Parent Company, before dilution (SEK million)	1,074	706

Weighted average number of shares during the year, before dilution

In thousands of shares	2021/2022	2020/2021
Total number of shares, 1 April	269,275	268,594
Effect of treasury shares held	125	457
Weighted average number of shares during the year, before dilution	**269,400**	**269,051**

Earnings per share after dilution

The calculation of diluted earnings per share for 2021/2022 is based on profit attributable to Parent Company shareholders, totalling SEK 1,074 million (706), and a weighted average number of shares outstanding during 2021/2022 of 270,346 thousand (269,969). The two components were calculated in the following manner:

	2021/2022	2020/2021
Profit for the year attributable to Parent Company shareholders, after dilution (SEK million)	1,074	706

Average number of shares outstanding, after dilution

In thousands of shares	2021/2022	2020/2021
Weighted average number of shares during the year, before dilution	269,400	269,051
Effect of share options issued	946	918
Weighted average number of shares during the year, after dilution	**270,346**	**269,969**

Note 31

Disclosures regarding the Parent Company

Addtech AB, corporate ID number 556302-9726, 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
Fax +46 8 470 49 01
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, Intertrafo Oy was acquired by Tampereen Sähköpalvelu Oy in Finland, joining the Energy business area. The company designs, manufactures and sells transformers in the Finnish market. The company has 15 employees and generates annual sales of approximately EUR 3 million.

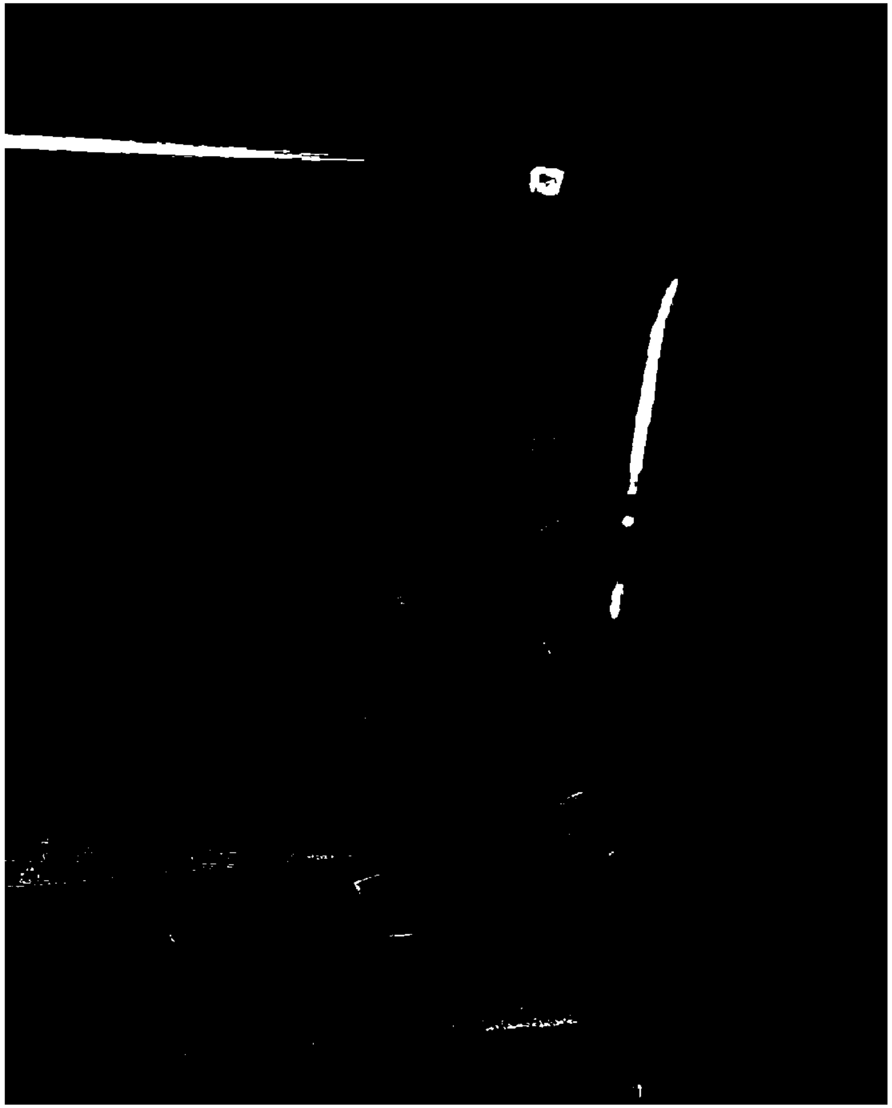
On 1 April, Electric Control Systems Automation AS was acquired in Norway, joining the Process Technology business area. ECS is an international supplier of system integration and automation solutions tailored to customers' needs. The company offers complete control systems using IoT and produces control panels for automation, both with the aim of increasing productivity and improving data analysis capability in the process industry. The company has 31 employees and generates annual sales of approximately NOK 70 million.

On 4 April, 88 percent of the shares in Impulseradar Sweden AB were acquired for the Industrial Solutions business area. Impulse is a leading developer and manufacturer of ground radar instruments and related software facilitating the surveying and mapping of sub-surface functions and structures. The equipment is used in several areas of application, including infrastructure projects, road and bridge inspections, as well as for mapping of water and sewerage lines. The company has 27 employees and generates annual sales of approximately SEK 80 million.

On 5 May, C.K. Environment A/S was acquired in Denmark, joining the Process Technology business area. C.K Environment is a leading supplier of instruments and solutions for measuring and analysing gases, liquids, particles, humidity and temperature. The company offers both complete customised solutions, as well as components and service for a wide range of industrial customers. The company has 14 employees and generates annual sales of approximately DKK 30 million.

On 3 June, the Arruti Group was acquired in Spain, joining the Energy business area. The Arruti Group comprises four companies that develop, manufacture and sell components and equipment for electrical transmission lines and substations. The Group has 90 employees and generates annual sales of approximately EUR 27 million.

On July 1, Gotapack International AB was acquired in Sweden, joining the Process Technology business area. Gotapack has strong industry expertise in equipment, spare parts and service to the pharmaceutical industry. The main products include processing and packaging machinery. The company has 5 employees and generates annual sales of approximately SEK 25 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 5 July 2022

Kenth Eriksson
Chairman of the Board

Henrik Hedelius
Board member

Ulf Mattsson
Board member

Malin Nordesjö
Board member

Annikki Schaeferdiek
Board member

Niklas Stenberg
CEO and Board member

Our Audit Report was submitted on 5 July 2022

KPMG AB

Joakim Thilstedt
Authorised Public Accountant
Principal auditor

Johanna Hagström 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 2021-04-01–2022-03-31. The annual accounts and consolidated accounts of the company are included on pages 53-122 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 2022 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 2022 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 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 5.1 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 83-84 and 87 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 5 335 million as at 31 March 2022, representing 43 % 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 judgments. 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 at 31 March 2022. 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 127-131. 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 Director's 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.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

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 Addtech AB (publ) for the financial year 2021-04-01–2022-03-31 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's 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 fulfill 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 appropriations 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 violations 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 examination of the Esef report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Addtech AB (publ) for the financial year 2021-04-01–2022-03-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #GcpSt3i3Z3fc2J8= has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Addtech AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Addtech AB (publ) by the general meeting of the shareholders on the 26 08 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 1997.

Stockholm 5 July 2022

KPMG AB
Joakim Thilstedt
AUTHORIZED PUBLIC ACCOUNTANT
Huvudansvarig revisor

Johanna Hagström Jerkeryd
AUTHORIZED PUBLIC ACCOUNTANT

Multi-year summary

SEK million, unless otherwise stated	2021/2022	2020/2021	2019/2020	2018/2019
Net sales	14,038	11,336	11,735	10,148
EBITDA	2,077	1,501	1,579	1,137
EBITA	1,803	1,251	1,364	1,085
Operating profit	1,501	989	1,161	910
Profit after financial items	1,433	937	1,105	865
Profit for the year	**1,117**	**729**	**873**	**672**
Intangible non-current assets	5,368	4,496	3,240	2,953
Property, plant and equipment and financial non-current assets	439	386	374	315
Right-of-use assets	683	682	626	–
Inventories	2,569	1,661	1,642	1,417
Current receivables	2,931	2,161	2,261	2,065
Cash and cash equivalents	437	420	363	295
TOTAL ASSETS	**12,427**	**9,806**	**8,506**	**7,045**
Equity attributable to shareholders	3,931	3,219	3,018	2,470
Non-controlling interests	328	231	58	50
Interest-bearing liabilities and provisions	4,498	3,554	2,948	2,256
Non-interest-bearing liabilities and provisions	3,670	2,802	2,482	2,269
TOTAL EQUITY AND LIABILITIES	**12,427**	**9,806**	**8,506**	**7,045**
Capital employed	8,757	7,005	6,023	4,775
Working capital	2,618	2,416	2,415	2,029
Financial net debt	4,061	3,134	2,585	1,960
Net debt excluding pensions	3,747	2,798	2,253	1,700
EBITA margin, %	12.8	11.0	11.6	10.7
Operating margin, %	10.7	8.7	9.9	9
Profit margin, %	10.2	8.3	9.4	8.5
Return on equity, %	30	23	32	29
Return on capital employed, %	20	15	21	21
Return on working capital (P/WC), %	69	52	56	53
Equity/assets ratio, %	34	35	36	36
Debt/equity ratio, multiple	1	0.9	0.8	0.8
Net debt/equity ratio, multiple	0.9	0.8	0.7	0.7
Interest coverage ratio, multiple	22.4	15.8	20.5	22.1
Financial net debt/EBITDA, multiple	2	2.1	1.6	1.7
Earnings per share, SEK	4.00	2.60	3.20	2.45
Earnings per share after dilution effect, SEK	3.95	2.60	3.20	2.45
Cash flow per share, SEK	4.15	5.60	4.15	1.95
Equity per share, SEK	14.60	11.95	11.25	9.20
Dividend per share, SEK	1.80[1]	1.20	1.00	1.25
Average number of shares after repurchases (thousands)	269,400	269,051	268,493	268,187
Average number of shares after repurchases, adjusted for dilution (thousands)	270,346	269,969	269,200	268,755
Share price on 31 March, SEK	182.00	130.00	61.13	48.25
Cash flow from operating activities	1,121	1,503	1117	524
Cash flow from investing activities	-1,255	-1,298	-532	-725
Cash flow from financing activities	147	-138	-507	294
Cash flow for the year	13	67	78	93
Average number of employees	3,317	3,068	2,913	2,590
Number of employees at end of year	3,556	3,133	2,981	2,759

[1] As proposed by the Board of Directors.

Definitions

Acquired growth[1]
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, divestments and exchange rate effects, see reconciliation table on the next pages.

Capital employed[1]
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 share[1]
Cash flow from operating activities, divided by the average number of outstanding shares after repurchase.

This measure is used so investors can easily analyse the size of the surplus generated per share from operating activities.

Debt/equity ratio[1 2]
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.

EBITA[1]
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-margin[1]
EBITA as a percentage of net sales.

EBITA margin is used to the show the degree of profitability in operating activities.

EBITDA[1]
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 ratio[1 2]
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 share[1]
Equity divided by number of shares outstanding at the reporting period's end.

This measures 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 debt[1]
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/EBITDA[1]
Net financial debt divided by EBTIDA.

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 items[1]
Finance income minus finance costs.

Used to describe changes in the Group's financial activities.

Interest coverage ratio[1]
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 pensions[1]
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 ratio[1 2]
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 assets[1]
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 margin[1]
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 profit[1]
Operating income minus operating expenses.

Used to describe the Group's earnings before interest and tax.

Organic growth[1]
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 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 items[1]
Profit/loss for the period before tax.

Used to analyse the business' profitability including financial activities.

Return on capital employed[1]
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 equity[2]
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 capital[1]
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	2021/2022	2020/2021	2019/2020	2018/2019
Operating profit	1,501	989	1,161	910
Amortisation, intangible non-current assets (+)	302	262	203	175
EBITA	**1,803**	**1,251**	**1,364**	**1,085**
Depreciation, property, plant and equipment (+)	274	250	215	52
EBITDA	**2,077**	**1,501**	**1,579**	**1,137**

Working capital and return on working capital (P/WC)

Group, SEK million	2021/2022	2020/2021	2019/2020	2018/2019
EBITA (rolling 12 months)	1,803	1,251	1,364	1,085
Inventories, annual average (+)	2,058	1,722	1,594	1,304
Accounts receivable, annual average (+)	2,078	1,756	1,854	1,542
Accounts payable, annual average (-)	1,518	1,062	1,033	817
Working capital (annual average)	**2,618**	**2,416**	**2,415**	**2,029**
Return on working capital (P/WC) (%)	**69%**	**52%**	**56%**	**53%**

Acquired growth and organic growth

Group	2021/2022	2020/2021	2019/2020	2018/2019
Acquired growth (SEK million, %)	**998 (9%)**	**809 (7%)**	**774 (8%)**	**999 (12%)**
Organic growth (SEK million, %)	**1,679 (15%)**	**-906 (-8%)**	**765 (8%)**	**903 (11%)**
Divestments (SEK million, %)	-12 (0%)	-4 (0%)	-59 (-1%)	-65 (-1%)
Exchange rate effects (SEK million, %)	37 (0%)	-298 (-2%)	107 (1%)	289 (4%)
Total growth (SEK million, %)	**2,702 (24%)**	**-399 (-3%)**	**1,587 (16%)**	**2,126 (26%)**

Net debt excluding pensions and net debt/equity ratio excluding pensions

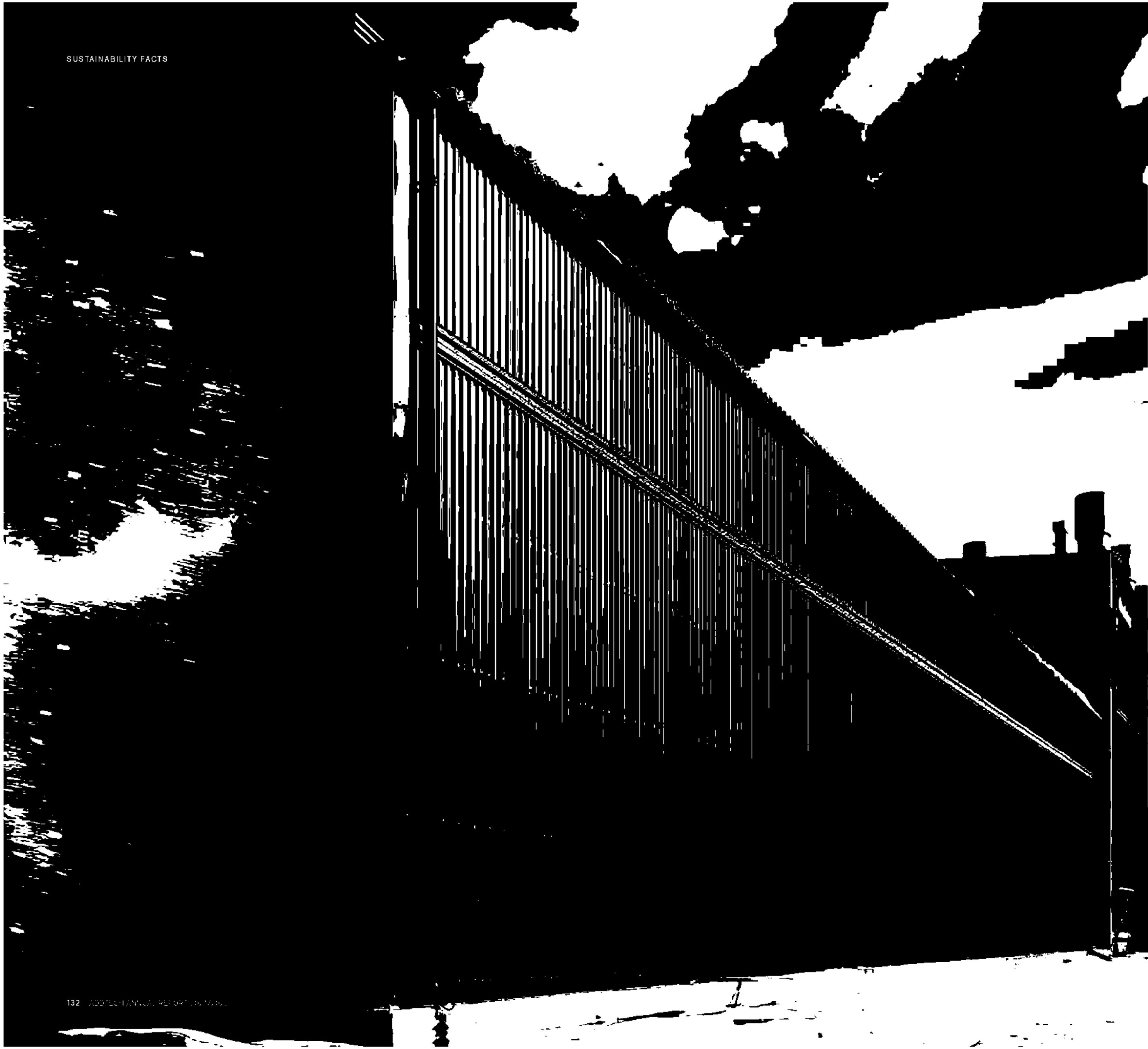
Group	2021/2022	2020/2021	2019/2020	2018/2019
Financial net debt, SEK million	4,061	3,134	2,585	1,960
Pensions, SEK million (-)	-314	-336	-332	-260
Net debt excluding pensions, SEK million	**3,747**	**2,798**	**2,253**	**1,700**
Equity, SEK million	4,259	3,450	3,076	2,520
Net debt/equity ratio excluding pensions, multiple	**0.9**	**0.8**	**0.7**	**0.7**

Interest coverage ratio

Group	2021/2022	2020/2021	2019/2020	2018/2019
Profit after financial items, SEK million	1,433	937	1,105	865
Interest expenses and bank charges, SEK million (+)	67	63	57	41
Total	1,500	1,000	1,162	906
Interest coverage ratio, multiple	**22.4**	**15.8**	**20.5**	**22.1**

Capital employed and return on capital employed

Group, SEK million	2021/2022	2020/2021	2019/2020	2018/2019
Profit after financial items	1,433	937	1,105	865
Financial expenses (+)	152	93	79	62
Profit after financial items plus financial expenses	**1,585**	**1,030**	**1,184**	**927**
Total assets, annual average (+)	11,001	9,309	7,926	6,324
Non-interest-bearing liabilities, annual average (-)	-2,705	-2,153	-1,947	-1,604
Non-interest-bearing provisions, annual average (-)	-485	-413	-379	-378
Capital employed	**7,811**	**6,743**	**5,600**	**4,342**
Return on capital employed, %	**20%**	**15%**	**21%**	**21%**



Sustainability facts

About the 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 2021 to March 2022. This report covers Addtech AB company ID number 556302-9726 with 140 associated subsidiaries. All subsidiaries, the Parent Company and the Board of Directors are subject to 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 the 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, the EU Taxonomy and Addtech's own key indicators for sustainable development. Sustainability facts are reviewed by an external party, see statement on page 147.

On the following pages, supplementary sustainability information is presented, such as: generating value, sustainability targets, governance, material areas, materiality analysis, stakeholder dialogue, key indicators and calculation methods.

Contents

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 technical 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 bound 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 138). 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 (SDGs).

100%
of sales shall contribute to sustainable development*

50%
reduced CO_2 intensity**

40%
women in leading positions

80%
of the purchase volume assessed based on our Code of Conduct

* Percentage of sales contributing to development towards the UN's Sustainable Development Goals.
** Base year 2019/2020, includes Scope 1, 2 and 3 (category 3, 4, 6, 9).

Our sustainability model

Sustainable business

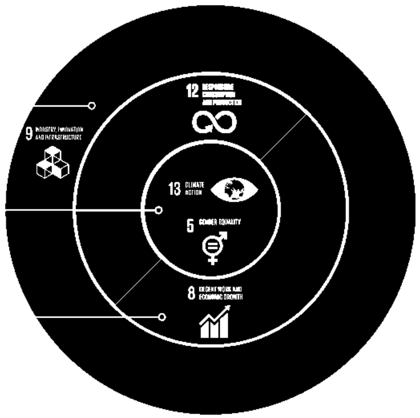
By offering technical solutions that contribute to our customers' transition and development, we aim to generate sustainable business.

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, who reports to the CEO, 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 help achieve our shared 2030 goals. If deficiencies are identified, the companies apply appropriate measures with the support of the Group. A clear goal within our acquisition strategy is to acquire companies in areas that drive development towards more sustainable industries and communities. In our acquisition process, sustainability is an important parameter in identifying potential acquisitions and is integrated into the Due Diligence process. 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). Addtech continuously conducts skills-enhancing efforts in sustainability. For example, the management team is continuously trained in relevant issues, we hold inspiring and skills-enhancing seminars, offer individual training courses for our companies and apply the concept of "Train the trainer" – where employees from our companies are trained in sustainability and then further train their colleagues.

Sustainable business
Addtech seeks to be part of the transition to more sustainable industry and to a more sustainable society. We perceive considerable opportunities in transactions with a favourable external impact. We attach great importance to 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 continued to train the organisation in sustainability-related risks and opportunities, focusing on business development.

The purpose of the key indicator for sustainable business is to monitor the development, over time, of the share of sales contributing positively to sustainable development.

This year's survey shows that 58 percent of Addtech's sales contribute positively towards the UN Sustainable Development Goals. On pages 19–23, you can read more about examples of our offerings and products contributing to sustainable development.

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 Teknikspranget (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 common 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 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 for example through further energy efficiency improvements, optimised logistics chains and safeguarding favourable production conditions at the supplier level.

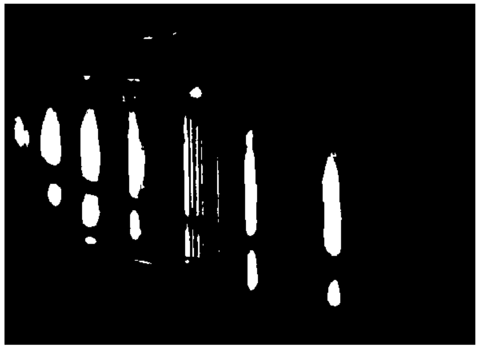
Climate impact
We work systematically to streamline and reduce our consumption of resources, and our emissions of greenhouse gases to achieve our climate goal by 2030. Our target means that we will reduce our carbon dioxide intensity by 50 percent by 2030, from the base year 2019/2020, a target that is in line with the Paris Agreement. During the year, we continued our work with internal courses in climate impact and our climate objective is integrated into our strategic planning.

Emissions from our own production and operations (Scopes 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 vehicles, 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 19 percent from the base year (2019/2020), derives primarily from increased sales with a slight increase in emissions of climate gases, in other words, some decoupling of growth based on the areas we measure (Scope 1, 2, freight transport and business travel in Scope 3). The reduced carbon dioxide intensity is also affected by efficiency enhancements to freight transports and an upgraded data reporting process. Freight transport (Scope 3) continue to account for the majority of Addtech's greenhouse gas emissions (76 percent), with air freight accounting for 44 percent. Despite the persistent lack of components and challenges in transport chains, emissions in many companies remained at the same level as in the preceding year. We will continue to focus on optimising loading, planning and mode of transport to reduce our climate impact. We believe that we will be able to collaborate within our value chains and, above all, to influence our customers' choice of transport method. Over the year, we continued our efforts to shift to more renewable sources in the energy we consume, increasing to 68 percent (63) of renewable energy in 2021/2022, which also affects the results of our KPI for market-based energy consumption.

The pandemic has resulted in a changed pattern of behaviour for business travel and we see that, to some extent, this effect persists even after restrictions have been rescinded. We are seeing a small increase in business travel during the year, in which primarily trips to customers to perform service and to hold customer meetings represent the increase. We will continue to take a favourable view of this changed behaviour, now that we have entered a time without travel restrictions, and we will continue to take efforts to reduce our 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 purchased raw materials, the production of purchased products and the use of the products sold, constitute a relevant share of our indirect climate impact. Although we regard the area as challenging, we have an ambition to develop our Scope 3 reporting over time by gradually increasing the proportion of categories included.



Efficient resource management

Addtech's sustainability and environmental policy is the basis for how our companies integrate environmental issues into their operations. Important areas include optimising and reducing the amount of consumed energy, water, regulated products and reducing the amount of waste. The number of producing companies is limited and Addtech's impact on waste and water consumption is low. This year's reporting of water consumption showed that 2 percent of the companies use a smaller amount of water in their production. To obtain a clearer view of Addtech's impact on biodiversity, a study is planned in order to identify risks and increase knowledge.

For Addtech, it is important that our companies offer more circular solutions and products in the future. It is therefore important, over time, to head towards products manufactured from recycled materials and recycled at the end of life. 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. No environmental incidents were recorded during the year.

Gender equality and equal opportunities

Addtech has zero tolerance for all forms of discrimination, harassment, sexual harassment and bullying, and this is communicated in Addtech'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 have developed a guide to increase diversity among candidates in recruitment, and we also demand that female candidates be represented in all recruitments for management positions. We currently have 20 percent (19) women in leading positions. The increase from the preceding year is a result of 19 more women entering management positions. Today, Addtech has 9 female Managing Directors in our companies, an increase by four from the preceding year, with two female Managing Directors coming from the companies acquired during the year.

Health and safety

Addtech 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 our companies. This year, the number of accidents reported increased from 38 to 44. None of the accidents had a serious outcome and all were followed up with corrective measures. To some extent, the increase derives from cases of Covid infection occurring at the workplace being reported as accidents.

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. The regular employee survey will be conducted in 2022, including all employees at Addtech. The average absence due to illness of 3 percent remained unchanged from the preceding year.

Business ethics

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. Addtech has a clearly communicated zero tolerance for all forms of bribery, corruption and irregularities, applicable to all of our employees and partners. The basis for our work with suppliers is our Supplier Code of Conduct, which includes our anti-corruption policy. The Supplier Code of Conduct and the Code of Conduct are approved annually by the Board of Directors. The codes can be found on our website www.addtech.com. Read more about our Supplier Code of Conduct on pages 44-47. Addtech's Code of Conduct encompasses all of the companies and all employees. Addtech continuously trains our companies' Managing Directors in core values and the Code of Conduct, which they are responsible for passing on to their organisations. The responsibility to counteract irregularities, and efforts in this direction, apply to the entire Addtech value chain, as communicated in the Code of Conduct and Supplier Code of Conduct. Each year, a risk analysis is performed on our companies and purchasing volumes per country, with the Transparency International Index being included as a parameter. Following the ongoing invasion of Ukraine, trade sanctions have been imposed on Russia, which has little impact on Addtech's value chain (see page 53).

Whistle-blower function

We do not tolerate any form of irregularity in violation of any legislation or of 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 of Conduct 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 affect 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.addtech.com, in our Code of Conduct and Supplier Code of Conduct and in our supplier follow-up platform. During the year, we had a total of 13 (6) registered reports in our whistle-blower service. All cases were investigated during the year, preventive measures were implemented and all cases were closed. The majority of reported cases relate to weak leadership and discrimination, which has led us to strengthen follow-up in these areas in our updated employee survey.

Sustainable supply chain

Our companies' supply chains are global and rely on a network of suppliers, with 30 percent of purchases being made from Nordic countries and 49 percent from the rest of Europe. Purchases from Germany, Sweden, China and Hong Kong account for 44 percent of total purchases. In some cases, global supply chains entail increased sustainability risks. The annual risk analysis (see definition below) shows that 18 percent of our purchasing volume is linked to suppliers who are in a country with medium risk and 1 percent is linked to suppliers who are in a country with high risk. We continuously train and encourage the companies to work with sustainability risks and to perform supplier evaluations. 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 continued development. During the year, there were several collaborations between our companies that have shared suppliers, where sustainability dialogues were conducted together, which has shown positive results in supplier evaluations.

The basis for cooperation with suppliers is our Code of Conduct for suppliers. In dialogue, we ensure that the requirements in our Code are minimum requirements in areas such as: human rights, working conditions, equal treatment, anti-corruption and the environment. We also have zero tolerance areas requiring immediate action in the case of identified deviations. Each year, we map the Group's suppliers and what sustainability activities have been performed, increasing traceability, transparency and the opportunity to identify risks linked to different areas within the Supplier Code of Conduct. During the year, we trained key people in the companies within the related risks of sustainability at the supplier level. We consider it important that all those who have direct contact with suppliers gain increased awareness, enabling us to work with improvements and development together with suppliers to minimise risks and increase opportunities. The ongoing lack of components entails an increased need for attention to always include our Code of Conduct for suppliers in new agreements with suppliers and to ensure that we do business in line with our internal Code of Conduct even when competition has increased.

Supplier assessment

The work of evaluating suppliers based on the Supplier Code of Conduct 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. The platform for risk analysis and supplier evaluations is a global platform that enables a clear follow-up process in which suppliers receive a grade based on reported responses. Our companies use the various methods of risk analysis, self-assessments, evaluations and audits to varying degrees to follow up their suppliers. We encourage our companies to use reported results from supplier evaluation as a basis for dialogue with suppliers and, in the event of identified deviations, to develop a deadline driven corrective action plan.

- **Risk analysis** based on country-specific indices, 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 Addtech's Supplier Code of Conduct, where areas of zero tolerance are particularly weighted. In the self-assessment, documentation linked to certifications and legislation is recorded, areas of examples are management systems, conflict minerals and regulated topics.
- **Sustainability reviews** includes analysis of suppliers documentation within sustainability or sustainability audits performed by the companies, third parties or 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 fixed-term plan for corrective measures.

Prioritisation

All of Addtech'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.

All of the global goals are of significance to Addtech, but to be able to focus our efforts and drive them forward, prioritisation is necessary. Our material areas are followed up with GRI indicators and our own key indicators.

Priority	Sustainable Development Goals	Implication for Addtech	Area	KPI
		PRIORITISED AREAS		
1	7: Affordable and clean energy 7.2 Increase the share of renewable energy 7.3 Double the global rate of improvement in energy efficiency	That we increase the share of business contributing to the transformation to renewable energy consumption and improve the efficiency of our own energy consumption and transition to renewable energy sources. Also included in goals 9 and 13.		GRI 302-1 Energy consumption GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption
2	13: Climate action 13.3 Improve knowledge and capacity on climate change mitigation	That we map, set targets and reduce our emissions.		GRI 305-1 Scope 1 GRI 305-2 Scope 2 GRI 305-3 Scope 3 GRI 305-4 GHG emissions intensity GRI 305-5 Reduction of GHG emissions
3	9: Industry, innovation and infrastructure 9.4 Upgrade infrastructure and retrofit industries to make them sustainable	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 Addtech KPI: The share of sales that contributes to sustainable development in total by business area and by global goal.
4	8: Decent work and economic growth 8.8 Protect labour rights and promote safe and secure work environments	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 Addtech KPI: Share of the purchase volume for which suppliers participated in a sustainability assessment based on the Supplier Code.
5	5: Gender equality 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making.	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 Addtech KPI: Proportion of women in leading positions Addtech KPI: Number of reported whistle-blower cases Addtech KPI: Proportion of employees who ever
6	12: Responsible consumption and production 12.2 Sustainable management and efficient use of natural resources	Increasing the share of transactions within the circular offering and ensuring that our offering achieves an efficient use of natural resources.		Addtech KPI: Percentage of the purchase volume for which the supplier signed the Supplier Code Addtech KPI: Share of the purchase volume for which suppliers participated in a sustainability assessment based on the Supplier Code
7	3: Good health and well-being 3.4 Reduce premature mortality from non-communicable diseases and promote mental health	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

Materiality analysis

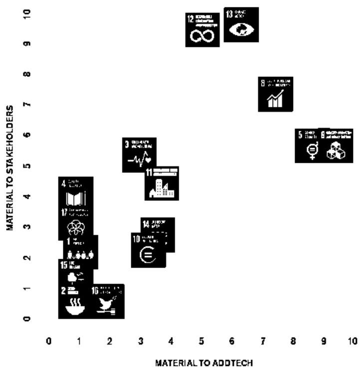
To be able to work strategically and in a manner integrated with sustainable development, we update our materiality analysis and stakeholder dialogue regularly, and set out targets for our long-term work. The most recent materiality analysis was approved by Group Management in November 2019, with the 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 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 global 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 can 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	DIALOGUE 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, 13
Employees	In-depth interviews with focus groups from every business area, sustainability surveys 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, 12, 13
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.	9, 12, 13
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.	8, 9, 11

EU Taxonomy
The objective of the EU Taxonomy is to establish a common definition of environmentally sustainable activities. Addtech welcomes the objective of the EU Taxonomy to enable comparable financial KPIs for green activities. The EU Taxonomy is still evolving and it is important to note that the current Taxonomy does not cover all sustainable activities on the market. In the first phase, the EU has prioritised the most CO_2 intensive activities. Accordingly, Addtech, whose activities largely focus on technical solutions that are part of end-products in industry and infrastructure, is covered by the Taxonomy to a limited extent for the 2021/2022 reporting. On the other hand, Addtech is a key supplier and enables many of our customers' activities in Taxonomy. Examples of technical solutions in which we deliver key components are in the production of renewable energy, forestry, manufacturing of low-CO_2 technology, recycling systems and transport systems. Read more about Addtech's technical solutions that contribute to sustainable development on pages 19-23.

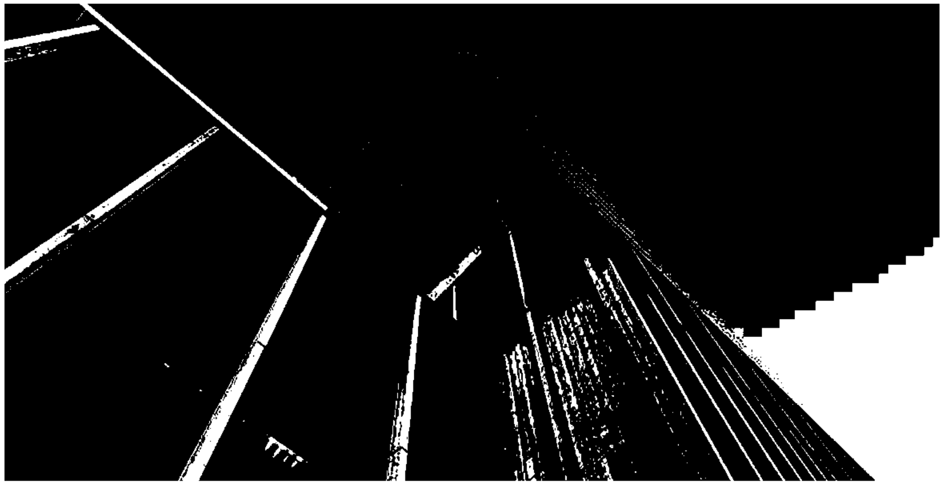
The reporting requirements for the 2021/2022 financial year are limited to Taxonomy eligible activites. For the following year, Addtech will, by law, report the proportion of sales, costs of capital and operating expenses that also are Taxonomy aligned. The collection of data for activities covered by the Taxonomy is further developed from the already established follow-up of the "Percentage of sales contributing to the UN's sustainable development goals". Data for Taxonomy eligible activities were analysed and verified in each business area to determine the final result.

Taxonomy eligible activities
Manufacture of batteries (3.4) includes, for example, batteries for trains, electric vehicles or stationary energy storage. Batteries for transport and vehicles replace combustion engines and can therefore reduce greenhouse gas emissions. A large part of our battery unit is not covered by the Taxonomy due to the fact that several companies do not have their own production. Although the 3.4 activity represents a small part of Addtech's sales today, we see growth potential in the area in the future.

	Total	Covered by the Taxonomy		Not covered by the Taxonomy	
	SEK million	%	SEK million	%	SEK million
Turnover	14,038	0.1	15.85	99.9	14,022.15
CapEx	931	0.0	0.00	100	931.00
OpEx	15	0.1	0.02	99.9	15.18

Taxonomy KPIs
Turnover
Turnover in the denominator include Addtech's total external sales in accordance with Notes 4 and 5. The turnover in the numerator relate to external sales of the activities eligible according to the Taxonomy.

CapEx
Capital expenditure refers to investments for the acquisition of a non-current asset before depreciation, appreciation and impairment, and excluding goodwill. The denominator includes Addtech's total investments for the financial year presented in Note 14 Intangible non-current assets, Note 15 Property, plant and equipment, and Note 16 Leases. The numerator refers to the capital expenditure associated with the activities covered by the Taxonomy.



OpEx
Operating expenses are defined as non-capitalised expenses for short-term leases, maintenance and repair costs, renovation of buildings and R&D expenses. Only costs for the maintenance, repair and renovation of buildings have been included in this report, as other areas are considered insignificant. The numerator refers to the operating expenses associated with the activities covered by the Taxonomy.

Area with potential to be included in a future expansion of the scope of "Transmission and distribution of electricity"
Addtech's business area Energy provides products that enable the distribution and transmission of electricity, such as cables, transformers and insulators. Currently, the Taxonomy's definition of activity 4.9 "transmission and distribution of electricity" focuses only on the construction and operation of transmission and distribution systems. Addtech sees the possibility that our solutions may be included in the Taxonomy when further clarifications are published. A clear indicator of this is that equipment and infrastructure are currently mentioned in the criteria for "substantial contribution".

If the definition of the "transmission and distribution of electricity" activity were to be clarified and products that transmit and distribute electricity were to be included, we estimate that Addtech's total sales covered by the Taxonomy would amount to 10 percent with 2021/2022 data.

Climate-related information
For Addtech, it is important to provide our stakeholders with transparent and relevant climate-related data, which is why we have for several years reported to the Carbon Disclosure Project (CDP) to ensure transparency in our reporting. Addtech increased its CDP results to a C in 2021. To further strengthen our reporting, we have chosen to be inspired by the recommendations of the voluntary framework Task Force on Climate-related Financial Disclosures (TCFD), with the aim of transparently reporting climate-related risks and opportunities and how this can affect profitability. Addtech conducted scenario analyses (RCP 8.5 and RCP 2.6) (www.addtech.com) 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 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 12-13 and 62-70. At the operational level, the CEO, Head of Sustainability, management team, 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. Our risk and opportunity analysis in the area of climate has 2030 as the time frame (see table on page 142).
  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. An impact analysis based on physical risks was initiated during the year to identify areas of increased risk and will be completed in the upcoming year.
  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.

- *Impact on strategy and financial planning.*
  Addtech's climate-related risk and opportunity analysis is an important and integrated part of our overall risk analysis, with our scenario analysis (for RCP 8.5 and RCP 2.6) (www.addtech.com) also providing a good basis for decisions. Addtech's climate goal is to reduce our CO_2 intensity by 50 percent by 2030 with 2019/2020 as base years. We are also working to implement climate analyses in connection with major investments. Over the year, we also produced an estimate of our indirect exposure to oil and gas (through customers) of less than 3 percent of our annual sales. We see that this percentage has an increased risk of being affected by the transformation in society.

Risk management
- *Processes for identifying and evaluating climate-related risks and integration in general risk management.*
  Head of Sustainability is responsible for identifying transition risks, physical risks and opportunities, as well as informing the CEO and management team 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 management team.

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 145 for emissions within Scope 1, 2 and 3.

Climate-related opportunities

In our strategy, we have identified a number of business opportunities linked to the climate area. Together with our companies, we have the opportunity to have a positive impact on our customers' efficiency and their reduced climate impact. Our products and solutions entail, for example, upgrading the power grid, energy efficiency improvement in customers' production, key components for customers producing renewable energy and solutions that increase our customers' resilience to climate change. Internally, we work for effective and climate-efficient freight transport, general 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)
Policies and regulations		
	Increased taxes on carbon-intensive products, activities and services – increased operating costs for energy and freight transport.	Optimisation and streamlining of freight transport (O). Increased awareness and setting of targets for energy efficiency in companies with proprietary production (O).
	Increased reporting requirements, such as the EU Taxonomy – unclear criteria can cause difficulties in reporting.	Follow the development of reporting criteria for the EU Taxonomy and analysis of Addtech based on established criteria (O). 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.
	Costs for transition to climate-friendly technology – investment risk.	Climate risk analysis in connection with all major investments (P).
Market		
	Changed customer behaviours – may cause changes in the market.	Strategy to develop in sustainable business (O).
	Increased costs for raw materials – increased operating costs.	Strategy to increase awareness of the impact on climate and on pricing (O) of products and services.
Reputation		
	Changed requirements from customers – lost sales.	Strong partnerships with key customers and suppliers regarding climate-related effects (O, P).
	Stigmatisation of certain markets – lost sales.	Strong partnerships with key customers and suppliers regarding climate-related effects (O, P).
	Increased demands from stakeholders – negative feedback.	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 (0, P).
Long term	Rising average temperature – increasing operating cost.	Implementing physical risk analysis for key suppliers and for our companies (0, P).
	Rising sea levels – increasing operating costs.	Implementing physical risk analysis for key suppliers and for our companies (0, P).
	Changed precipitation patterns and major weather variations – increasing operating costs.	Implementing physical risk analysis for key suppliers and for our companies (0, P).

Key indicators

For each focus area, Addtech sets long-term targets that are measurable and time-limited to 2030 in accordance with the UN's Sustainable Development Goals (SDG). 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 received further training in sustainability reporting. To ensure a reliable climate data process, the method was reviewed by a third party based on the GHG protocol.

KPI			2021/2022	2020/2021	2019/2020
	THE BUSINESS				
Sustainable development					
Percentage of sales from business that contributes to sustainable development (%)*			58	54	37
Distribution by business area (%)	Automation:		14	15	9
	Electrification:		17	18	18
	Energy:		29	29	37
	Industrial Solutions:		25	21	11
	Process Technology:		15	17	25
Distribution by sustainable development goal (SDG)(%)	SDG 3	Good health and well-being:	13	13	4
	SDG 7	Affordable and clean energy:	27	27	28
	SDG 8	Decent work and economic growth	7	7	–
	SDG 9	Industry, innovation and infrastructure:	27	23	38
	SDG 11	Sustainable cities and communities:	14	12	9
	SDG 12	Responsible consumption and production:	4	5	2
	SDG 14	Life below water:	2	6	18
	Other SDGs:		6	7	1
Economic value					
Financial value generated (SEK million)			14,038	11,336	11,735
Financial value distributed (SEK million)			13,391	10,977	11,510
Of which, manufacturing costs (SEK million)			10,081	8,221	8,725
Of which, salaries and remunerations (salaries, pensions, payroll taxes, social security contributions) (SEK million)			2,499	2,102	2,114
Of which, disbursements to creditors (SEK million)			72	65	62
Of which, disbursements to shareholders (SEK million)			323	269	336
Of which, disbursements to governments (SEK million)			416	320	273
Remaining in the company (SEK million)			647	359	225

* see calculation method

KPI	2021/2022	2020/2021	2019/2020
ORGANISATION (SOCIAL)			
Diversity & equal opportunity			
Proportion of women in leading positions (%)*	20	19	17
Proportion of women, administration, finance & purchasing (%)*	64	65	65
Proportion of women, sales (%)*	17	15	14
Proportion of women, technical service, support, production, warehousing (%)*	17	18	19
Proportion of women, total (%)	26	26	26
Proportion of employees who ever felt discriminated (%)* (Survey is done every two years)	–	2.3	–
Number of reported whistle-blower cases*	13	6	0
Employment			
Average number of employees	3,317	3,068	2,913
Percentage of permanent employees (%)	95	91	91
Percentage of full-time employees (%)	92	94	94
Personnel turnover (%)	14	13	10
Personnel turnover, women (%)	15	13	10
Personnel turnover, men (%)	13	13	10
Health & safety			
Absence due to illness (%)	3	3	3
Number of accidents*	44	38	32
Number of workdays lost due to accidents	82	178	–
Number of fatal accidents	0	0	0
Training & development			
Total number of invested training hours	28,016	23,305	24,137
Number of invested training hours/employee	8.5	7.6	8.3
Percentage of invested training hours per female employee, weighted gender distribution (%)	54	57	54
Percentage of invested training hours per male employee, weighted gender distribution (%)	46	43	46
Percentage of documented performance and development interviews (%)	53	60	63

* see calculation method

KPI	2021/2022	2020/2021	2019/2020
ORGANISATION (ENVIRONMENT)			
Emissions of greenhouse gases*			
Carbon dioxide intensity (total CO_2e tonnes/net sales SEK million)	2.05	2.21	2.54
Total emissions (tonnes CO_2e)	28,711	25,165	29,182
SCOPE 1 (tonnes CO_2e)	2,041	1,910	2,071
Emissions from own vehicle fleet (tonnes CO_2e)	1,500	1,356	2,071
Emissions combustion fuels (tonnes CO_2e)	541	554	–
SCOPE 2 (tonnes CO_2e)	3,709	3,395	3,979
Emissions, energy consumption – Location Based Method (tonnes CO_2e)	3,709	3,395	3,979
Emissions, energy consumption – Market Based Method (tonnes CO_2e)	4087	4250	N/A
SCOPE 3 (tonnes CO_2e)	22,961	19,860	23,132
Emissions freight, upstream & downstream (tonnes CO_2e)	21,782	18,733	18,362
Emissions freight, upstream (tonnes CO_2e)			10,581
Emissions freight, downstream (tonnes CO_2e)			7,781
Whereof data from carrier suppliers (%))	43	45	–
Whereof data calculated using distance & spend based method (%)	57	55	–
Business travel emissions, air and train (tonnes CO_2e)	1,097	1,021	4,770
Emissions, extraction, production and transport of purchased fuels (tonnes CO_2e)	82	106	–
Energy consumption (Scope 2)			
Total energy consumption (MWh)	29,465	26,043	24,935
Whereof electricity (MWh)	18,205	16,420	16,317
Whereof heating (MWh)	11,260	9,623	8,618
Share of electricity from renewable sources (%)	68	63	59
Energy consumption in relation to net sales (%)	2.1	2.3	2.1

* see calculation method

KPI	2021/2022	2020/2021	2019/2018
THE SUPPLY CHAIN			
Follow-up of suppliers*			
Share of purchase volume where the Supplier Code of Conduct has been signed (%)	55	49	–
Share of purchase volume where the supplier has participated in a sustainability self-assessment based on the Supplier Code of Conduct (%)	31	24	–
Share of purchase volume where the supplier has participated in a sustainability documentation review or sustainability audit (%)	5	11	–
Share of purchase volume for which a sustainability dialogue has taken place (%)	Question divided into three for greater precision – see above and calculation method	Question divided into three for greater precision – see above and calculation method	51

* see calculation method

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 (SDGs). Sales, as above, divided by total sales, provides the share contributing to sustainable development. The reported percentage of the companies' sales contributing to the SDGs can, on a case-by-case basis, reasonably be rounded off due to limited data availability. For the year's reporting, the exact percentage was reported, a change from previous years when the KPI was rounded to the nearest tens. 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 in leading positions

The calculation of the number of women working in management groups is performed at the Group and company level, in relation to the total number of employees that work in management groups. Employees in management teams must be entitled to make decisions to be counted as holding "leading positions". This represents a clarification of the definition of "leading position" from 2019/2020, when a proportion of the companies reported only to 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.

Organisation (Social)

Both the average number of employees and employees at the end of the period have been used to calculate the KPIs in the table.

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, which is conducted every second year.

Number of reported whistle-blower cases

Area	Number of reported cases	Number of investigations completed with measures being implemented
Business ethics related (e.g. corruption, anti-trust)	4	4
HR-related (e.g., discrimination and management-related)	9	9
Other	–	–

All cases are 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 work-related injuries, but not injuries caused during travel to and from work.

Follow-up of suppliers

The data collection was developed in the previous year by dividing the metrics for supplier evaluation into three areas.

- Share of purchase volume where Addtech'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 where the supplier has participated in a sustainability self-assessment based on the Supplier Code of Conduct – the supplier makes a sustainability self-assessment in the form of a survey in which the questions cover Addtech's Supplier Code of Conduct. The supplier then receives a rating on sustainability.

Emissions of greenhouse gases

Addtech'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. Newly acquired companies that were part of the Group less than three months before the beginning of the reporting period are not included in the reporting.

Scope 1 pertains to direct emissions from operations owned and controlled by Addtech. The operational control method has been applied.

- The kilometres driven by the vehicle fleet are calculated with average emissions of 124 g CO_2e/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 historical location-based emissions were recalculated.

- Emission factors for electricity are from AIB, IEA and country-specific reports.
- For district heating, an average emission factor for Europe is applied 112g CO_2e/kWh.
- District cooling is mainly produced through a compression process and therefore the country mix for electricity is divided by three to calculate emissions.
- Electricity from electric cars in the vehicle fleet is also reported in Scope 2, where the calculation is based on each km driven consuming 19g CO_2e.

Scope 3 pertains to indirect emissions from sources that are not owned or controlled by Addtech. This year, categories 3, 4, 6 and 9 were included. The calculations for freight (categories 4 and 9) are based on three methods: data from freight companies and the cost- and distance-based calculation methods. The price of maritime freight increased significantly in 2021 compared with the preceding year. To obtain comparable data for the reported amounts under the cost method, a percentage decrease of 311% was applied to the price. The reduction is based on the Global Container Freight Rate Index of Statista and samples of own price increases. 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 challenge of reliable data.

- EcoTransit's calculator was used to calculate the distance-based method.

Calculations for business travel (category 6) include travel by air and rail, with air accounting for 99.7 percent of emissions.

- Flights are calculated using the ICAO Carbon Emissions Calculator tool or reports from travel agencies where we calculated with RFI factor 2 and recalculated historical data to include the high-altitude effect.
- For rail travel, a European average of 28g CO_2e/km provided by the European Environment Agency (EEA) was applied.

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.

Auditor's Limited Assurance Report on Addtech AB's Sustainability Report and statement regarding the Statutory Sustainability Report

To Addtech AB, org. no. 556302-9726

Introduction

We have been engaged by the Board of Directors and the Managing Director of Addtech AB to undertake a limited assurance engagement of Addtech AB's Sustainability Report for period 2021-04-01 – 2022-03-31. Addtech AB has defined the scope of the Sustainability Report that also is the Statutory Sustainability Report on page 133.

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 Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 133 in the Sustainability Report and are part of the Sustainability Reporting Standards published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information (revised). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12 The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 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.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Addtech AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and Managing Director as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 5 July, 2022

KPMG AB

Joakim Thilstedt
Authorized Public Accountant

Torbjörn Westman
Expert Member of FAR