



# INTERIM REPORT

JULY-SEPTEMBER 2023

MEDCAP AB (PUBL.)

## THIRD QUARTER JULY-SEPTEMBER

Continued strong growth in the quarter – EBITDA increased by 63 percent

### THIRD QUARTER JULY-SEPTEMBER

- The Group's net sales amounted to SEK 364.5 (241.5) million, an increase of 51 percent.
- The Group's EBITDA was SEK 81.0 (69.7) million, an increase of 16 percent. Adjusted for items affecting comparability previous year<sup>\*)</sup>, the increase was 63 percent.
- The EBITDA margin was 22 (29) percent. Adjusted for items affecting comparability<sup>\*)</sup>, the margin was 22 (21) percent.
- Profit after tax amounted to SEK 38.3 (36.6) million.
- Earnings per share amounted to SEK 2.6 (2.5).
- Cash flow from operating activities was SEK 61.0 (43.8) million.

### NINE MONTHS JANUARY-SEPTEMBER

- The Group's net sales amounted to SEK 1 130.8 (788.5) million, an increase of 43 percent.
- The Group's EBITDA was SEK 227.1 (185.3) million, an increase of 23 percent. EBITDA adjusted for items affecting comparability<sup>\*)</sup> amounted to 242.5 million, an increase of 47 percent.
- The EBITDA margin was 20 (24) percent. Adjusted for items affecting comparability<sup>\*)</sup>, the margin was 21 (21) percent.
- Profit after tax amounted to SEK 110.0 (77.4) million.
- Earnings per share amounted to SEK 7.4 (5.2).
- Cash flow from operating activities was SEK 153.3 (124.5) million.

SEK MILLION	THIRD QUARTER		CHANGE	JAN-SEPT		CHANGE	R12	JAN-DEC
	2023	2022		2023	2022			
Net sales	364.5	241.5	122.9	1 130.8	788.5	342.3	1 453.6	1 111.3
EBITDA	81.0	69.7	11.4	227.1	185.3	41.8	300.4	258.7
EBITDA, %	22.2%	28.8%	-6.6 ppt	20.1%	23.5%	-3.4 ppt	20.7%	23.3%
EBITA	66.4	58.7	7.7	183.9	147.0	37.0	244.4	207.4
EBITA, %	18.2%	24.3%	-6.1 ppt	16.3%	18.6%	-2.4 ppt	16.8%	18.7%
Earnings per share (SEK)	2.6	2.5	0.1	7.4	5.2	2.2	10.1	7.9
Adjusted EBITDA	81.0	49.7	31.4	242.5	165.3	77.2	315.8	238.7
Adjusted EBITDA %	22.2%	20.6%	1.7 ppt	21.4%	21.0%	0.5 ppt	21.7%	21.5%
Adjusted EBITA	66.4	38.7	27.7	199.3	127.0	72.4	259.8	187.4
Adjusted EBITA %	18.2%	16.0%	2.2 ppt	17.6%	16.1%	1.5 ppt	17.9%	16.9%

For definitions and explanations, see page 34.

\*) Items affecting comparability consist of: First quarter 2023: Inventory value adjustment related to the acquisition of AdderaCare and restructuring costs, also related to the acquisition of AdderaCare totalling SEK 15.4 million Third quarter 2022: Sale of the rights to the vitamin D product totalling SEK 20.0 million.

## CEO'S COMMENTS

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### “Strong growth in the third quarter – EBITDA increased by 63 percent”

#### Third quarter

Sales increased by a full 51 percent, largely due to acquisitions but also good organic growth of over 20 percent.

With effect from the third quarter, MedCap reports in three business areas: Assistive Tech, MedTech and Specialty Pharma. All business areas showed strong sales growth and experienced generally good demand.

The new Assistive Tech business area had high demand, particularly in the Norwegian and Swedish markets, and a strong sales increase during the quarter. The businesses that were acquired in the beginning of the year also contributed to the earnings and we see that synergies are being realised.

MedTech also increased sales in most markets, with Nutrition and ECG in particular contributing to the increase. The acquired companies SurgiCube and Toul Meditech were added to the business area during the quarter. The business area's sales were also positively affected by currency effects.

Specialty Pharma continued to show good growth, with international sales making a strong contribution in the quarter. However, we are seeing increased competition which is expected to affect profitability in the segment in the short term. Work on business development continues, both in the Nordic region and internationally, with high priority.

Overall, the Group delivered a very strong third quarter with high sales growth and increased earnings. EBITDA increased by 63 percent adjusted for items affecting comparability previous year, and the margin was 22 percent.

#### Three business areas

The new “Assistive Tech” business area encompasses operations in assistive and welfare technology with the aim of linking and utilising expertise about users, product development and the market. The new business area provides a

platform and a home for companies in the same sector, with network and synergies that enable both organic and acquisitive growth.

Tove Christiansson, who has been a subsidiary Managing Director in the MedCap Group since 2015, has been appointed as Assistive Tech's Business Area Manager and brings solid experience to continue to develop and support existing and new companies in the business area.

We see this as a natural step in the Group's growth and a confirmation of our long-term model. Since the first investment in GEWA, nowadays Abilia, in 2007, active ownership has created a successful group of companies that now form a new business area. After the end of the quarter, as a step in further building the business area, Swedelift was acquired which broaden the offering in accessibility.

MedCap now has three business areas, and in all of them we see good opportunities to continue to grow and allocate capital to create value for customers and shareholders.

#### In summary

The Group delivered a very strong third quarter with a combination of organic and acquisitive growth. In general, we see good demand in the market, but we appreciate that the economy and competition can affect certain markets. Acquisitions are a cornerstone of MedCap's strategy, and we see good opportunities to utilise the Group's strong balance sheet for further acquisitions in a slower acquisition market, with competition likely to be lower and with continued good access to potential transaction. The Group's three business areas provide excellent platforms for growth and good homes for life science companies.

Anders Dahlberg, CEO  
Stockholm  
27 October 2023



## THE MEDCAP GROUP IN BRIEF

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MedCap acquires and develops profitable, market-leading niche life science companies, many with international growth ambitions. Operations are conducted in three business areas: Assistive Tech, MedTech and Specialty Pharma.

MedCap is an active and long-term owner, with independent subsidiaries operated under their own brands but benefiting from Group-wide strategies and synergies. Our subsidiaries have access to resources, expertise, networks and active decision-making support that may otherwise be difficult to achieve in smaller companies. MedCap's governance is based on a clear allocation of mandates, values and corporate philosophy, with the aim of creating the best possible conditions for profitability and growth.

Growth through acquisitions is a key element of MedCap's business strategies

and a critical component of expected future growth. This growth comes mainly from add-on acquisitions for existing subsidiaries, but is also achieved through acquisitions of new core holdings of companies based in northern Europe that have international potential. Acquired companies normally have net sales of SEK 50-250 million.

Each acquired company should have a proven business model enabling us to work with its management or founder to identify and realise the company's full potential and create ambitious plans for further development. MedCap is normally a majority shareholder, but is happy to co-invest in companies with strong entrepreneurs and management as a first step towards a larger ownership role.

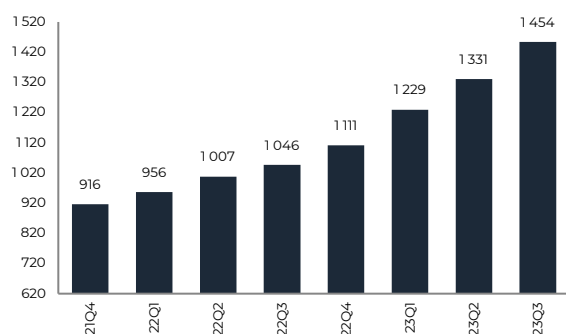
The Group is listed in Nasdaq Stockholm's Mid Cap segment.

Further information can be found at: [www.medcap.se](http://www.medcap.se)

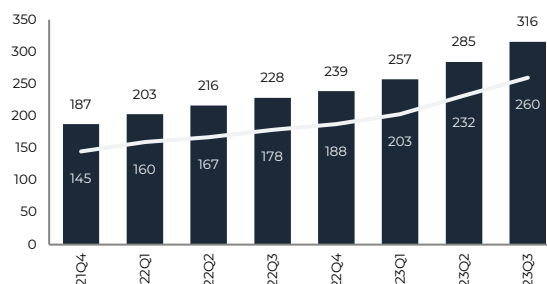


## NET SALES AND EARNINGS

The Group's net sales LTM (SEK million) excluding items affecting comparability



The Group's EBITDA and EBITA (line) LTM (SEK million) excluding items affecting comparability



## JULY-SEPTEMBER

### Net sales

Net sales for the third quarter increased by 51 percent to SEK 364.5 (241.5) million. The growth was partly driven by the acquisition of AdderaCare, completed on 2 January 2023, and SurgiCube, and Toul Meditech, completed on 24 July, but also strong organic growth in several of the Group's companies, mainly due to new products in the market, out-licensing to more markets and increased demand for existing products.

Adjusted for currency effects, net sales increased by 48 percent.

### Earnings

EBITDA for the third quarter increased by 16 percent to SEK 81.0 (69.7) million. The comparative figure includes SEK 20 million related to the sale of the rights to the vitamin D product. Adjusted EBITDA, excluding items affecting comparability, increased by 63 percent to 81.0 (49.7) million.

Earnings were positively affected by sales growth for the quarter.

The EBITDA margin was 22 (29) percent. The adjusted EBITDA margin was 22 (21) percent.

Net financial items for the period amounted to SEK -2.4 (-2.2) million and include discounting and translation effects of SEK -0.4 (-) million related to additional consideration, and unrealised currency effects.

Recognised tax for the third quarter amounted to SEK -12.6 (-9.3) million. Recognised tax as a proportion of profit before tax was 24.7 percent. The deviation from 20.6 percent is mainly an effect of differences in tax rates in foreign subsidiaries.

### Seasonal effects

The Group's operations are affected by seasonal fluctuations owing to holiday periods. The third quarter is normally weaker than the rest of the year.

## NET SALES AND EARNINGS

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### JANUARY-SEPTEMBER

#### Net sales

Net sales for the period January-September increased by 43 percent to SEK 1,130.8 (788.5) million. The growth was partly driven by the acquisition of AdderaCare, completed on 2 January 2023, and SurgiCube and Toul Meditech, completed on 24 July 2023, but also strong organic growth in several of the Group's companies, mainly due to new products in the market, out-licensing to more markets and increased demand for existing products.

Adjusted for currency effects, net sales increased by 42 percent.

#### Earnings

EBITDA for the period January-September increased by 23 percent to SEK 227.1 (185.3) million. Adjusted EBITDA, excluding items affecting comparability, increased by 47 percent to 242.5 (165.3) million. Earnings were positively affected by the organic sales growth during the period, although this was offset by acquisition-related costs in the form of a negative inventory value adjustment and restructuring costs.

The above-mentioned inventory adjustment had an adverse effect of approximately 0.9 percent on the gross margin. Several of the companies in the Group have shown an improved gross margin due to the sales mix. AdderaCare, which was acquired at the beginning of the year, has had a negative impact on the margin compared with the previous year.

The acquisition-date inventory adjustment had a negative effect of SEK -10.4 million on earnings (AdderaCare).

The EBITDA margin was 20 (24) percent. The adjusted EBITDA margin was 21 (21) percent.

Net financial items for the period amounted to SEK -4.9 (-16.8) million and include discounting and translation effects of SEK -0.4 (-0.8) million related to additional consideration, and unrealised currency effects. The comparative figure for 2022 includes a cost of SEK -7.4 million for early termination of a share swap arrangement. The reason for the redemption is that the agreement was set up to cover commitments under the CEO share option programme, which has been replaced by another programme.

Recognised tax amounted to SEK -33.8 (-25.7) million. Recognised tax as a proportion of profit before tax was 23.5 percent. The deviation from 20.6 percent is mainly an effect of differences in tax rates in foreign subsidiaries.



## FINANCIAL POSITION AND OTHER INFORMATION

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### Financial position

Cash flow from operating activities in the period January-September amounted to SEK 153.3 (124.5) million.

Cash flow from investing activities was SEK -95.9 (-45.6) million and includes SEK +0.2 million related to the acquisition of AdderaCare and SEK 69.3 million related to the acquisition of SurgiCube and Toul Meditech. Total cash flow from the acquisition of AdderaCare amounts to SEK 114.6 million, but an advance of SEK 114.8 million was paid at the end of 2022. The effect on cash flow in 2023 consists of the acquisition of the remaining shares and acquired cash in the acquiring company.

Cash flow from financing activities was SEK -98.7 (-48.9) million. The difference from the previous year is mainly due to a decrease in invoice discounting and an increase in repayments.

The Group's cash and cash equivalents at the end of the period amounted to SEK 193.9 (173.0) million.

Net debt amounted to SEK 117.9 (51.9) million. Net debt, excl. IFRS 16, amounted to SEK -37.4 (-108.2) million. The change is mainly due to positive cash flow from operating activities, which was offset by acquisitions of subsidiaries. Net debt/EBITDA was 0.4 (0.2) incl. IFRS 16 and -0.1 (-0.5) excl. IFRS 16.

The equity/assets ratio was 61 (66) percent.

### Changes in equity

The Group's equity on 30 September was SEK 982,7( 812.3) million, distributed as follows: 977.5 (810.3) million attributable to Parent Company shareholders and SEK 5.2 (2.1) million attributable to non-controlling interests.

The number of shares was 14,807,353 on 30 September. With a quotient value of SEK 0.4 per share, the Company's share capital at the end of September was SEK 5,922,942. Basic equity per share was SEK 66.0 (54.7).

### Employees

At the end of the period, 474 (375) individuals were employed in the Group. The acquisition of AdderaCare increased the number of employees by 86 and the acquisition of SurgiCube and Toul Meditech increased the number by 10.

### Material risks

Material risks and uncertainties for the Group and Parent Company include business risks in the form of exposure to a particular sector (pharmaceuticals, medical technology and assistive technology) and to individual holdings in the portfolio.

The Group is exposed to short-term price and currency risks associated with its business activities involving sales and purchases of products and materials, and an operational risk in the form of loss of major customers.

Geopolitical changes may affect both demand and international supply chains. Increased energy prices have a particularly negative impact on manufacturing units and are countered by consumption-saving measures. Inflation and cost increases could affect the profitability of the Group's companies if the increases cannot be passed on as price increases to customers to the same extent. A slowdown in the economy could affect demand for the Group's companies. More information can be found in the Company's most recent annual report.

## FINANCIAL POSITION AND OTHER INFORMATION

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### Related-party transactions

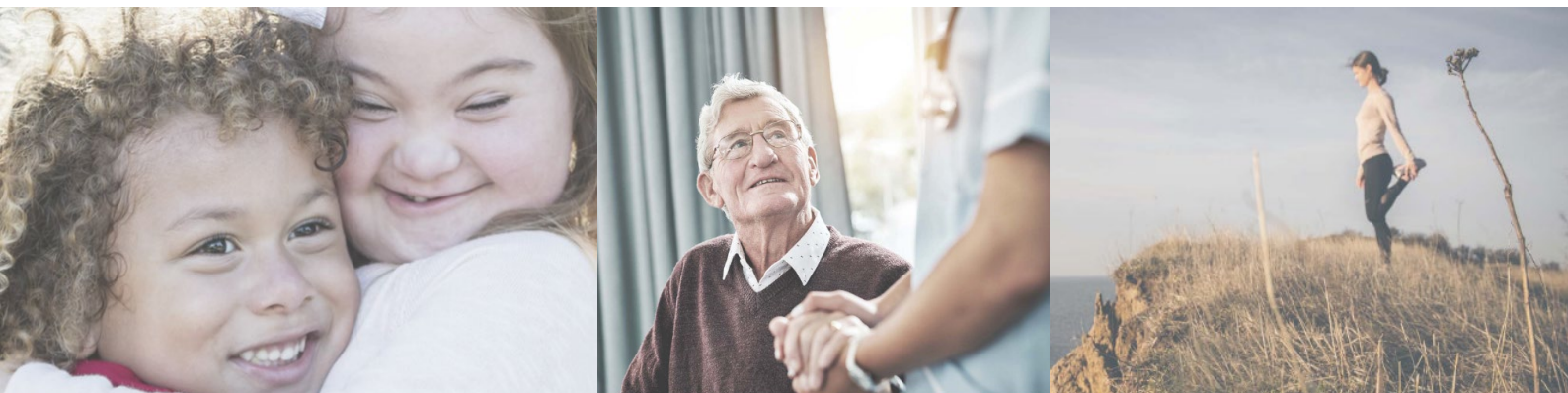
Transactions between the Parent Company and Group companies during the period January-September amounted to SEK 27.0 (39.2) million. The transactions consist of dividends, management fees, passed-on costs and interest.

### Significant events after the end of the period

On October 26 MedCap announced that its subsidiary Trident Industri AB has acquired Swedelift AB. Swedelift sells and installs elevators to enable accessibility in homes and public buildings.

Swedelift's sales in 2022 amounted to 96 mSEK and an operating profit of 9.5 mSEK.

Trident paid 47 mSEK and adjustments for net cash and working capital at closing, and 3 mSEK through a vendor note 12 months after closing. In addition, an earn-out payment of up to 10 mSEK can be paid based on Swedelift's results until December 2024.





## ASSISTIVE TECH BUSINESS AREA

The companies in the Assistive Tech business area mainly sell assistive and welfare technology. The customer offering includes both digital and physical aids in areas such as cognition, communication, environmental control, alarms, mobility, accessibility and orthotics. Customers include regions, municipalities, healthcare providers, property owners and users. The Assistive Tech business area consists of the operating companies Abilia, Huka, Trident, Erimed, Komikapp and Amajo.

SEK MILLION	THIRD QUARTER		CHANGE	JAN-SEPT		CHANGE	R12	JAN-DEC
	2023	2022		2023	2022			
Net sales	126.1	54.0	72.1	409.2	187.6	221.7	491.7	270.0
EBITDA	35.6	19.0	16.7	91.2	68.9	22.3	121.2	98.9
EBITDA margin	28.3%	35.2%	-6.9 ppt	22.3%	36.7%	-14.5 ppt	24.7%	36.6%
EBITA	30.9	18.1	12.9	77.3	64.7	12.6	104.4	91.7
EBITA margin	24.5%	33.4%	-8.9 ppt	18.9%	34.5%	-15.6 ppt	21.2%	34.0%
Adjusted EBITDA	35.6	19.0	16.7	106.6	68.9	37.7	136.6	98.9
Adjusted EBITDA %	28.3%	35.2%	-6.9ppt	26.0%	36.7%	-10.7 ppt	27.8%	36.6%

The performance measure reported for the operating companies is adjusted EBITDA for the period. The measure is defined as operating profit, adjusted for the Parent Company's invoiced management fees, before depreciation, amortisation and impairment. Earnings excl. IFRS 16 are shown in note 5.

### JULY-SEPTEMBER

#### Net sales

The Assistive Tech business area delivered strong growth in the third quarter. Net sales increased by 133 percent to SEK 126.1 (54.0) million, largely driven by acquisitions but also good organic growth.

large parts of the product portfolio. The Norwegian company Cognita, acquired in June 2022, has become an integral part of Abilia, complementing the product portfolio. Similarly, Abilia has now integrated KomiKapp and Amajo which were acquired via Addera Care in the first quarter of this year.

#### Earnings

The business area's EBITDA was SEK 35.6 (19.0) million, which is 88 percent higher than in the previous year. Sales growth was the main contributor to the earnings improvement.

#### Trident, Huka & Erimed

The companies, which offer products for mobility, accessibility and orthopaedics, had stable demand and developed according to plan overall. As part of our active ownership, we continued the process of developing the companies both commercially and operationally during the quarter in order to take advantage of opportunities for growth and improved profitability.

#### Abilia

During the quarter, Abilia experienced high demand in the Nordic region, particularly the Norwegian market, and good sales growth for

## ASSISTIVE TECH BUSINESS AREA

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### JANUARY-SEPTEMBER

#### Net sales

The business area's net sales amounted to SEK 409.2 (187.6) million, an increase of 118 percent.

The acquisition of AdderaCare contributed significantly to the increase in sales.

#### Earnings

The business area's EBITDA was SEK 91.2 (68.9) million, which is 32 percent higher than in the previous year. EBITDA was negatively affected by acquisition-related non-recurring items from the first quarter, which amounted to SEK 15.4 million. Adjusted EBITDA was SEK 106.6 (68.9) million, which is 55 percent higher than in the previous year.

#### Assistive Tech as a new business area

With effect from the third quarter, "Assistive Tech" will be reported as a new business area.

Tove Christiansson has been appointed Business Area Manager. Tove has been a subsidiary Managing Director within the MedCap Group since 2015.

*"I look forward to leading the Assistive Tech business area. We are accelerating the growth journey of the small entrepreneurial company to a profitable, growing company in assistive and welfare technology here. The business area offers an affiliation for companies in the same sector, enabling them to benefit from developing in our decentralised model. Assistive Tech has a broad product portfolio that meets global societal challenges and the needs of an international market. Its products and services create independence and participation for individuals and their families, providing good health economics and increased inclusion in society" says Tove Christiansson, Business Area Manager, Assistive Tech.*



## MEDTECH BUSINESS AREA

The companies in the MedTech business area are mainly engaged in the sale of various medical technology products and services. The customer offering includes medical devices and software, components for medical device manufacturers, and packaging solutions for life science products. Customers are mainly regions, hospitals and medtech and pharmaceutical companies. The MedTech business area includes the operating companies Cardiolex, Inpac, Multi-Ply, SurgiCube and Toul Meditech.

SEK MILLION	THIRD QUARTER		CHANGE	JAN-SEPT		CHANGE	R12	JAN-DEC
	2023	2022		2023	2022			
Net sales	119.6	96.7	23.0	363.8	319.9	43.9	488.2	444.3
EBITDA	22.1	17.6	4.5	69.2	64.7	4.5	95.8	91.3
EBITDA margin	18.5%	18.2%	0.2 ppt	19.0%	20.2%	-1.2ppt	19.6%	20.5%
EBITA	16.8	12.2	4.6	53.9	44.4	9.6	75.2	65.6
EBITA margin	14.0%	12.6%	1.4 ppt	14.8%	13.9%	1.0 ppt	15.4%	14.8%

The performance measure reported for the operating companies is adjusted EBITDA for the period. The measure is defined as operating profit, adjusted for the Parent Company's invoiced management fees, before depreciation, amortisation and impairment. Earnings excl. IFRS 16 are shown in note 5.

### JULY-SEPTEMBER

#### Net sales

The MedTech business area delivered strong growth in the third quarter. Net sales increased by 24 percent to SEK 119.6 (96.7) million.

Most companies performed well, with growth being driven in particular by Cardiolex and Inpac and the acquisitions of SurgiCube and Toul Meditech.

#### Earnings

The business area's EBITDA was SEK 22.1 (17.6) million, which is 25 percent higher than in the previous year. Sales growth was the main contributor to the earnings improvement.

#### Cardiolex

Cardiolex's sales of ECG products and systems increased in both the Swedish and German markets, while sales of vacuum systems were slightly weaker. Currency effects also made a positive contribution to the company's sales, which are largely in the German market. The Swedish subsidiary Cardiolex Medical AB continued to work on the Medical Device Regulation (MDR) during the quarter. After the end of the quarter, the company received MDR certification. This is an important milestone that confirms that the company's products fulfil the strict regulatory requirements and enables future expansion.

## MEDTECH BUSINESS AREA

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### Inpac

Inpac delivered a strong quarter with good demand and good sales growth in several of the company's areas of activity. Inpac is going through an intensive phase, with a strong focus on meeting customer demand in parallel with preparations for the new production facility that will be commissioned next year.

### Multi-Ply

Sales in the third quarter remained at a lower level than in the previous year partly due to temporarily lower volumes to one of the company's major customers, which are expected to normalise next year, and partly due to longer lead times in the manufacturing chain, which is also considered to be temporary. Demand and the order intake were good.

### SurgiCube & Toul Meditech

The quarter saw the acquisition of SurgiCube and Toul Meditech, which provide equipment and consumables that generate ultra-clean air in surgical environments. The companies represent an interesting new area of activity within the MedTech business area. Sales were stable and with a good margin.

## JANUARY-SEPTEMBER

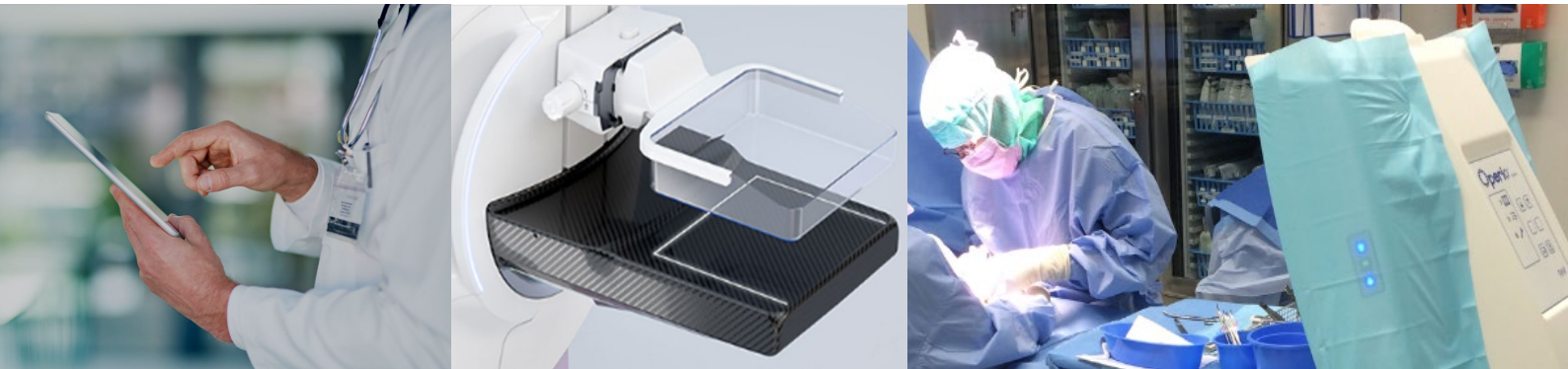
### Net sales

The business area's net sales amounted to SEK 363.8 (319.9) million, an increase of 14 percent.

Most companies performed well and growth was driven in particular by Inpac, with increased demand for existing products, and Cardiolex, which benefitted from currency effects. The acquisitions of SurgiCube and Toul Meditech are also contributing to growth.

### Earnings

The business area's EBITDA was SEK 69.2 (64.7) million, which is 7 percent higher than in the previous year, mainly due to sales growth.



## SPECIALTY PHARMA BUSINESS AREA

The Specialty Pharma companies develop and sell registered and unlicensed pharmaceuticals, as well as extemporaneous formulations. Customers are found mainly in the pharmacy and pharmaceutical industry, and also include public sector customers in regions and municipalities. The Specialty Pharma business area includes the operating companies Unimedic Pharma AB and Unimedic AB.

SEK MILLION	THIRD QUARTER		CHANGE	JAN-SEPT		CHANGE	R12	JAN-DEC
	2023	2022		2023	2022			
Net sales	118.7	90.9	27.9	357.8	281.0	76.8	473.8	397.0
EBITDA	29.0	38.1	-9.0	84.0	66.3	17.7	108.0	90.3
EBITDA margin	24.5%	41.9%	-17.4 ppt	23.5%	23.6%	-0.1 ppt	22.8%	22.8%
EBITA	24.4	33.5	-9.0	70.1	52.6	17.5	89.5	72.0
EBITA margin	20.6%	36.8%	-16.2 ppt	19.6%	18.7%	0.9 ppt	18.9%	18.1%
Adjusted EBITDA	29.0	18.1	11.0	84.0	46.3	37.7	108.0	70.3
Adjusted EBITDA %	24.5%	19.9%	4,6 ppt	23.5%	16.5%	7,0 ppt	22.8%	17.7%

The performance measure reported for the operating companies is adjusted EBITDA for the period. The measure is defined as operating profit, adjusted for the Parent Company's invoiced management fees, before depreciation, amortisation and impairment. Earnings excl. IFRS 16 are shown in Note 5.

### JULY-SEPTEMBER

#### Net sales

The Specialty Pharma business area continued to grow, with Q3 sales increasing by 31 percent to SEK 118.7 (90.9) million compared with the previous year. The growth was driven by both the registered pharmaceutical portfolio and contract manufacturing (CDMO).

#### Earnings

EBITDA amounted to SEK 29.0 (38.1) million. The previous year's figure included a positive non-recurring effect of SEK 20 million from the sale of the product rights for vitamin D.

Adjusted EBITDA increased by 61 percent, which was mainly driven by sales growth but was also due to a more favourable product mix having a positive impact on the gross margin.

The EBITDA margin was 24.5 percent.

#### Unimedic Pharma AB

Sales in Unimedic Pharma's registered pharmaceutical portfolio increased and accounted for 52 percent of the business area's total sales.

The portfolio of eight key pharmaceuticals (excluding royalties) grew by 6 percent during the quarter, mainly driven by Melatonin. Out-licensing of Melatonin outside the Nordic region continued to contribute to the strong sales growth, but increased competition was also noted, which is expected to affect volumes and prices going forward.

Business development is high on the agenda to continue broadening the product portfolio through in-house development as well as licence transactions and possible acquisitions.

Unlicensed pharmaceuticals reported stable sales, accounting for 25 percent of the business area's total sales.

## SPECIALTY PHARMA BUSINESS AREA

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### Unimedic AB

External sales in Unimedic AB's contract manufacturing (CDMO) increased strongly in the third quarter and accounted for 23 percent of the business area's total external sales.

#### JANUARY-SEPTEMBER

##### Net sales

Sales for the period January-September amounted to SEK 357.8 (281.0) million, an increase of 27 percent compared with the previous year. Growth was driven mainly by products in the registered pharmaceutical portfolio and contract manufacturing.

### Earnings

EBITDA for the period January-September amounted to SEK 84.0 (66.3) million, an increase of 27 percent. Adjusted for items affecting comparability in the third quarter of the previous year, EBITDA growth was 81 percent.

The increase was partly due to sales growth but also a more favourable product mix, which has a positive effect on the gross margin.



## FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

SEK MILLION	NOTE	THIRD QUARTER		JAN-SEPT		JAN-DEC
		2023	2022	2023	2022	2022
Net sales	1	364.5	241.5	1 130.8	788.5	1 111.3
Other operating income		3.7	22.4	11.4	27.5	30.3
		<b>368.1</b>	<b>264.0</b>	<b>1 142.2</b>	<b>816.0</b>	<b>1 141.6</b>
Work performed by the Company and capitalised		2.8	2.6	7.6	10.3	12.5
Raw materials and consumables		-150.5	-96.9	-476.3	-318.8	-441.7
Change in inventories		-2.3	-2.7	-3.9	-2.0	-5.1
Other external costs		-41.6	-35.1	-136.0	-111.7	-148.1
Personnel expenses		-93.0	-61.0	-298.1	-204.1	-295.4
Other operating expenses		-2.6	-1.2	-8.4	-4.4	-5.2
Operating profit before depreciation, amortisation and impairment (EBITDA)		<b>81.0</b>	<b>69.7</b>	<b>227.1</b>	<b>185.3</b>	<b>258.7</b>
Depreciation and impairment of property, plant and equipment		-14.6	-11.0	-43.1	-38.3	-51.3
Operating profit before amortisation and impairment of intangible assets (EBITA)		<b>66.4</b>	<b>58.7</b>	<b>183.9</b>	<b>147.0</b>	<b>207.4</b>
Amortisation and impairment of intangible assets		-13.0	-10.6	-35.2	-27.1	-36.5
Operating profit (EBIT)		<b>53.4</b>	<b>48.1</b>	<b>148.7</b>	<b>119.8</b>	<b>170.9</b>
Finance income		1.5	0.7	6.6	0.9	2.3
Finance costs		-3.9	-3.0	-11.5	-17.6	-21.2
Net financial items		-2.4	-2.2	-4.9	-16.8	-18.9
Profit before tax		<b>51.0</b>	<b>45.9</b>	<b>143.8</b>	<b>103.1</b>	<b>152.0</b>
Income tax		-12.6	-9.3	-33.8	-25.7	-34.0
Profit for the period		<b>38.4</b>	<b>36.6</b>	<b>110.0</b>	<b>77.4</b>	<b>118.0</b>

## FINANCIAL STATEMENTS

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### CONSOLIDATED INCOME STATEMENT, CONT'D

SEK MILLION	NOTE	THIRD QUARTER		JAN-SEPT		JAN-DEC
		2023	2022	2023	2022	2022
Profit for the period attributable to						
Parent Company shareholders		38.3	36.6	110.0	77.3	117.6
Non-controlling interests		0.1	0.0	0.0	0.1	0.4
Earnings per share, calculated based on profit attributable to Parent Company shareholders:						
Basic earnings per share, SEK		2.6	2.5	7.4	5.2	7.9
Diluted earnings per share, SEK		2.6	2.5	7.4	5.2	7.9
Number of shares before dilution		14 807 353	14 807 353	14 807 353	14 807 353	14 807 353
Number of shares after dilution		14 861 408	14 807 353	14 851 591	14 807 353	14 807 353
Dilution		54 055	-	44 238	-	-



## FINANCIAL STATEMENTS

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### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	NOTE	THIRD QUARTER		JAN-SEPT		JAN-DEC
		2023	2022	2023	2022	2022
Profit for the period		38.4	36.6	110.0	77.4	118.0
Translation differences in foreign operations		-5.9	5.4	12.2	15.1	20.9
Comprehensive income for the period		32.5	42.0	122.2	92.5	138.8
Comprehensive income attributable to:						
Parent Company shareholders		29.9	41.8	119.3	92.1	138.1
Non-controlling interests		2.6	0.1	2.9	0.4	0.7

## FINANCIAL STATEMENTS

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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK MILLION	NOTE	2023	2022	2022
		30 SEPTEMBER	30 SEPTEMBER	31 DECEMBER
<b>ASSETS</b>				
Non-current assets				
Goodwill		322.1	241.0	242.6
Other intangible assets		285.4	199.3	198.9
Property, plant and equipment		100.5	93.0	93.0
Right-of-use assets		150.4	155.5	149.6
Financial assets		0.4	0.2	0.2
Deferred tax asset		5.6	2.9	3.1
		<b>864.3</b>	<b>691.8</b>	<b>687.4</b>
Current assets				
Inventories		266.9	162.3	162.7
Current tax asset		9.0	6.5	5.7
Trade and other receivables		268.3	187.9	337.2
Cash and cash equivalents		193.9	173.0	236.2
		<b>738.1</b>	<b>529.7</b>	<b>741.9</b>
<b>TOTAL ASSETS</b>		<b>1 602.4</b>	<b>1 221.6</b>	<b>1 429.3</b>

## FINANCIAL STATEMENTS

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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT'D

SEK MILLION	NOTE	2023	2022	2022
		30 SEPTEMBER	30 SEPTEMBER	31 DECEMBER
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to Parent Company shareholders		977.5	810.3	856.3
Equity attributable to non-controlling interests		5.2	2.1	2.4
<b>TOTAL EQUITY</b>		<b>982.7</b>	<b>812.3</b>	<b>858.7</b>
<b>Non-current liabilities</b>				
Liabilities to credit institutions	2.4	84.0	4.6	96.0
Other non-current liabilities	0	20.5	0.1	0.1
Liabilities related to right-of-use assets		125.7	131.9	127.9
Provisions		6.4	5.1	5.5
Deferred tax liabilities		63.2	37.3	39.0
		<b>299.7</b>	<b>179.1</b>	<b>268.5</b>
<b>Current liabilities</b>				
Liabilities to credit institutions	2.4	52.0	60.1	88.2
Liabilities related to right-of-use assets		29.6	28.2	27.9
Current tax liabilities		39.5	17.0	21.0
Trade and other payables	4	198.8	124.9	165.0
		<b>320.0</b>	<b>230.2</b>	<b>302.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 602.4</b>	<b>1 221.6</b>	<b>1 429.3</b>

## FINANCIAL STATEMENTS

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK MILLION	Equity attributable to Parent Company shareholders	Equity attributable to non-controlling interests	Total Equity
Equity, 1 January 2022	696.0	1.7	697.7
	–	–	–
Profit for the period	77.3	0.1	77.4
Other comprehensive income	14.8	0.3	15.1
Comprehensive income for the period	92.1	0.4	92.5
Share swap	22.2	–	22.2
Equity, 30 September 2022	810.3	2.1	812.3
Equity, 1 January 2023	856.3	2.4	858.7
Profit for the period	110.0	0.0	110.0
Other comprehensive income	9.3	2.8	12.2
Comprehensive income for the period	119.3	2.9	122.2
Employee share options	1.8	–	1.8
Equity, 30 September 2023	977.5	5.2	982.7

## FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF CASH FLOWS

SEK MILLION	THIRD QUARTER		JAN-SEPT		JAN-DEC
	2023	2022	2023	2022	2022
Operating profit before financial items	53.4	48.1	148.7	119.8	170.9
Depreciation, amortisation and impairment	27.6	21.5	78.3	65.5	87.8
Other non-cash items	-3.4	0.7	9.0	-0.9	-1.7
Interest received	2.7	0.0	5.3	0.2	1.6
Interest paid	-1.7	-1.0	-6.4	-1.5	-3.0
Income tax paid	-4.1	-3.7	-24.7	-21.0	-23.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>74.5</b>	<b>65.7</b>	<b>210.3</b>	<b>162.1</b>	<b>231.7</b>
Increase/decrease in inventories	-11.2	-8.6	-38.1	-9.9	-10.8
Increase/decrease in operating receivables	8.3	22.7	7.5	-10.5	-159.8
Increase/decrease in operating liabilities	-10.6	-36.0	-26.4	-17.1	24.4
<b>Cash flow from operating activities</b>	<b>61.0</b>	<b>43.8</b>	<b>153.3</b>	<b>124.5</b>	<b>85.5</b>
Cash flow from investing activities					
Acquisition of subsidiaries	-69.3	0.0	-69.1	-11.9	-11.9
Purchase of property, plant and equipment	-5.4	-4.6	-14.6	-22.9	-26.3
Purchase of intangible assets	-3.5	-2.7	-12.3	-10.9	-18.0
Increase/decrease in current financial assets	-	0.0	0.1	0.0	0.1
<b>Cash flow from investing activities</b>	<b>-78.2</b>	<b>-7.4</b>	<b>-95.9</b>	<b>-45.6</b>	<b>-56.1</b>
Cash flow from financing activities					
Proceeds from borrowings	-	-	-	-	120.0
Repayments	-10.4	-12.6	-65.1	-42.7	-54.4
Share swap	-	-	-	-7.4	-7.4
Option premiums	-	-	1.8	5.7	5.7
Increase/decrease in short-term credit	-0.8	3.4	-35.4	-4.5	-2.8
<b>Cash flow from financing activities</b>	<b>-11.2</b>	<b>-9.2</b>	<b>-98.7</b>	<b>-48.9</b>	<b>61.2</b>
<b>Decrease/increase in cash and cash equivalents</b>	<b>-28.4</b>	<b>27.2</b>	<b>-41.3</b>	<b>30.0</b>	<b>90.5</b>
Cash and cash equivalents at beginning of period	223.3	144.4	236.2	139.7	139.7
Exchange difference in cash and cash equivalents	-1.0	1.3	-1.0	3.3	5.9
<b>Cash and cash equivalents at end of period</b>	<b>193.9</b>	<b>173.0</b>	<b>193.9</b>	<b>173.0</b>	<b>236.2</b>

Other non-cash cost items include an inventory value adjustment of SEK 10.4 million. The acquisition of shares in AdderaCare was paid in advance at the end of December 2022 (SEK 114.8 million) and recognised in cash flow as a change in operating receivables as the shares had not yet been taken over. They have been taken over during 2023 and the remaining shares corresponding to SEK 6.6 million have been acquired during the period. Acquired cash amounts to SEK 6.8 million, with the net effect amounting to SEK 0.2 million. SurgiCube was acquired for SEK 76.3 million during the third quarter. Acquired cash amounts to SEK 7.0 million, which means a net effect of SEK 69.3 million on cash flow.

## FINANCIAL STATEMENTS

### PARENT COMPANY INCOME STATEMENT

SEK MILLION	THIRD QUARTER		JAN-SEPT		JAN-DEC
	2023	2022	2023	2022	2022
Net sales	3.0	3.0	9.8	7.6	10.7
Other income	1.2	1.2	1.5	1.2	1.2
<b>Total</b>	<b>4.2</b>	<b>4.3</b>	<b>11.3</b>	<b>8.8</b>	<b>11.9</b>
Other external costs	-2.8	-2.8	-6.9	-6.0	-7.2
Personnel expenses	-3.8	-3.5	-11.8	-10.7	-16.8
Depreciation/amortisation	-0.1	-0.1	-0.2	-0.2	-0.3
<b>Operating profit</b>	<b>-2.5</b>	<b>-2.1</b>	<b>-7.5</b>	<b>-8.1</b>	<b>-12.4</b>
Profit/loss from investments in Group companies	-	-	-	20.0	20.0
Interest and similar income	8.6	5.0	26.2	12.8	21.0
Interest and similar expenses	-1.6	-0.8	-4.3	-9.0	-10.5
<b>Profit before appropriations and tax</b>	<b>4.6</b>	<b>2.1</b>	<b>14.4</b>	<b>15.7</b>	<b>18.1</b>
Group contributions	-	-	-	-	16.9
<b>Profit for the period</b>	<b>4.6</b>	<b>2.1</b>	<b>14.4</b>	<b>15.7</b>	<b>35.0</b>

The Parent Company's net sales consist of invoiced management fees. Dividends from Group companies accounted for SEK - (20.0) million of profit before appropriations and tax for the period January-September and internal interest accounted for SEK 17.2 (11.6) million. The comparative period includes a cost of SEK -7.4 million for early termination of a share swap arrangement.

## FINANCIAL STATEMENTS

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### CONDENSED PARENT COMPANY BALANCE SHEET

SEK MILLION	NOTE	2023	2022	2022
		30 SEPTEMBER	30 SEPTEMBER	31 DECEMBER
<b>ASSETS</b>				
Non-current assets				
Intangible assets		0.4	0.7	0.6
Financial assets		566.4	467.1	490.4
		<b>566.9</b>	<b>467.8</b>	<b>491.0</b>
Current assets				
Trade and other receivables		2.5	3.0	1.6
Receivables from Group companies		6.8	26.5	10.4
Cash pool receivables from Group companies		65.3	86.8	78.2
Cash and cash equivalents		155.0	131.2	199.9
		<b>229.7</b>	<b>247.5</b>	<b>290.1</b>
<b>TOTAL ASSETS</b>		<b>796.6</b>	<b>715.2</b>	<b>781.2</b>
<b>EQUITY AND LIABILITIES</b>				
Restricted equity				
Unrestricted equity		40.0	40.0	40.0
		599.7	566.0	585.4
<b>TOTAL EQUITY</b>		<b>639.8</b>	<b>606.0</b>	<b>625.4</b>
Non-current liabilities				
Liabilities to Group companies		1.3	1.3	1.3
Non-current financial liabilities	4	–	–	–
		<b>1.3</b>	<b>1.3</b>	<b>1.3</b>
Current liabilities				
Cash pool liabilities to Group companies		147.9	100.8	144.4
Trade and other payables	4	7.6	7.1	10.1
		<b>155.5</b>	<b>107.9</b>	<b>154.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>796.6</b>	<b>715.2</b>	<b>781.2</b>

There were no investments in intangible and assets and property, plant and equipment during the period or the comparative period.

## DECLARATION BY THE BOARD OF DIRECTORS

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### DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors and the CEO of MedCap AB hereby declare that this financial report provides a true and fair overview of the operations, financial position and performance of the Parent Company and Group and describes significant risks and uncertainties faced by the Parent Company and Group companies.

Stockholm, 27 October 2023

MedCap AB (publ)

Karl Tobieson  
*Chairman of the Board*

Otto Ankarcrona  
*Board member*

Malin Enarson  
*Board member*

David Jern  
*Board member*

Lena Söderström  
*Board member*

Anna Törner  
*Board member*

Anders Dahlberg  
*CEO*

This information is information that MedCap AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted through the agency of the contact person below for publication at 06.30 CET on 27 October.

This is a translation of the Swedish interim report of MedCap AB (publ.). In the event of inconsistency between the English and the Swedish version, the Swedish version shall prevail.

This report has been reviewed by the Company's auditor.

#### Contact details

Anders Dahlberg, CEO, +46 704 269 262

MedCap AB (publ) Corp ID 556617-1459  
Engelbrektsgatan 9-11, SE-114 32 Stockholm +46 8 34 71 10  
[www.medcap.se](http://www.medcap.se)

#### FINANCIAL CALENDAR

Year-end Report 2023, 9 February 2024

Interim Report 1 2024, 3 May 2024

Interim Report 2 2024, 19 July 2024

Interim Report 3 2024, 25 October 2024



# AUDITOR'S REVIEW REPORT

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## Review report

To the Board of Directors of MedCap AB (publ)

Corp. ID 556617-1459

## Introduction

We have reviewed the condensed interim financial information (interim report) for MedCap AB (publ) as of 30 September 2023 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent in accordance with the Annual Accounts Act.

Stockholm, 27 October 2023

KPMG AB

Fredrik Sjölander

Authorised Public Accountant

## NOTES

### ACCOUNTING AND MEASUREMENT POLICIES

The interim report has been prepared in accordance with the IFRS adopted by the EU and the IFRIC interpretations of applicable standards adopted by the EU. The interim report for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Reports, and RFR 2, Accounting for Legal Entities. For the Group and Parent Company, the same accounting policies and computation methods have been applied as in the most recent annual report. No other standards, amendments or interpretations effective for annual financial periods beginning on or after 1 January 2023 have had any material impact on the Group's financial statements.

### NOTES

#### Note 1 Operating segments

Management has established operating segments based on the information that is dealt with by the CEO and used to make strategic decisions. The CEO assesses the business by operating segment. The operating segments for which information is provided derive their revenues primarily from the sale and production of assistive technology, medical devices, software and components, packaging and pharmaceuticals. With effect from the third quarter, "Assistive Tech" will be reported as a new business area and the Group now has three business areas.

SEK MILLION	ASSISTIVE TECH		MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
THIRD QUARTER										
Segment net sales	126.1	54.0	119.6	96.7	118.7	90.9	–	–	364.5	241.5
EBITDA	35.6	19.0	22.1	17.6	29.0	38.1	-5.7	-5.0	81.0	69.7
Depreciation/amortisation of property, plant and equipment and intangible assets	-10.1	-5.1	-9.3	-8.1	-7.1	-7.3	-1.2	-1.1	-27.6	-21.5
<b>Operating profit</b>	<b>25.6</b>	<b>13.9</b>	<b>12.8</b>	<b>9.5</b>	<b>22.0</b>	<b>30.7</b>	<b>-6.9</b>	<b>-6.0</b>	<b>53.4</b>	<b>48.1</b>
Finance income and costs	-3.3	-0.4	-2.2	-3.6	-4.1	-2.4	7.1	4.2	-2.4	-2.2
<b>Profit before tax</b>	<b>22.3</b>	<b>13.5</b>	<b>10.6</b>	<b>5.9</b>	<b>17.9</b>	<b>28.3</b>	<b>0.2</b>	<b>-1.8</b>	<b>51.0</b>	<b>45.9</b>

## NOTES

### Note 1 Operating segments (cont.)

SEK MILLION	ASSISTIVE TECH		MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
JAN-SEPT										
Segment net sales	409.2	187.6	363.8	319.9	357.8	281.0	–	–	1 130.8	788.5
EBITDA, adjusted	91.2	68.9	69.2	64.7	84.0	66.3	-17.4	-14.6	227.1	185.3
Depreciation/amortisation of property, plant and equipment and intangible assets	-28.4	-12.5	-24.9	-28.0	-21.8	-21.8	-3.3	-3.1	-78.3	-65.5
Operating profit	62.8	56.4	44.4	36.7	62.3	44.5	-20.7	-17.8	148.7	119.8
Finance income and costs	-7.3	-4.2	-10.4	-9.4	-9.3	-6.9	22.1	3.7	-4.9	-16.8
Profit before tax	55.5	52.2	34.0	27.3	53.0	37.6	1.4	-14.1	143.8	103.1

### Net sales by product category

SEK MILLION	ASSISTIVE TECH		MEDTECH		SPECIALTY PHARMA		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
THIRD QUARTER								
Pharmaceuticals	–	–	2.2	4.0	116.9	87.5	119.0	91.6
Assistive technology	125.6	53.8	–	–	–	–	125.6	53.8
Medical devices	–	–	63.3	54.5	–	–	63.3	54.5
Nutrition and other food	–	–	43.9	32.7	1.6	2.8	45.5	35.5
Other	0.5	0.2	10.3	5.4	0.3	0.5	11.1	6.1
	126.1	54.0	119.6	96.7	118.7	90.9	364.5	241.5

SEK MILLION	ASSISTIVE TECH		MEDTECH		SPECIALTY PHARMA		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
JAN-SEPT								
Pharmaceuticals	–	–	10.2	18.5	348.0	269.7	358.1	288.2
Assistive technology	407.4	186.9	–	–	–	–	407.4	186.9
Medical devices	–	–	182.4	169.4	–	–	182.4	169.4
Nutrition and other food	–	–	150.4	111.8	8.8	9.3	159.2	121.1
Other	1.8	0.7	20.8	20.1	1.0	2.0	23.7	22.8
	409.2	187.6	363.8	319.9	357.8	281.0	1 130.8	788.5

## NOTES

### Note 1 Operating segments, cont'd

#### Net sales by geographical region

SEK MILLION	ASSISTIVE TECH		MEDTECH		SPECIALTY PHARMA		TOTAL	
THIRD QUARTER	2023	2022	2023	2022	2023	2022	2023	2022
Sweden	49.8	21.7	43.6	34.5	78.9	68.0	172.3	124.2
Nordic (excl. Sweden)	44.3	26.6	13.0	12.1	18.5	17.7	75.9	56.4
Europe (excl. Nordic)	29.8	3.0	55.0	36.2	21.3	5.0	106.1	44.2
Rest of the world	2.1	2.7	8.0	13.9	–	0.1	10.1	16.7
	<b>126.1</b>	<b>54.0</b>	<b>119.6</b>	<b>96.7</b>	<b>118.7</b>	<b>90.9</b>	<b>364.5</b>	<b>241.5</b>

SEK MILLION	ASSISTIVE TECH		MEDTECH		SPECIALTY PHARMA		TOTAL	
JAN-SEPT	2023	2022	2023	2022	2023	2022	2023	2022
Sweden	177.7	82.4	151.5	117.9	232.5	210.0	561.7	410.3
Nordic (excl. Sweden)	144.3	89.4	42.2	43.5	57.7	54.3	244.2	187.2
Europe (excl. Nordic)	77.2	11.3	150.5	122.7	67.0	16.7	294.7	150.6
Rest of the world	10.0	4.4	19.6	35.8	0.7	0.1	30.3	40.3
	<b>409.2</b>	<b>187.6</b>	<b>363.8</b>	<b>319.9</b>	<b>357.8</b>	<b>281.0</b>	<b>1 130.8</b>	<b>788.5</b>

## NOTES

### Note 2 Pledged assets and contingent liabilities

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
PLEGDED ASSETS	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER
Floating charges	71.6	71.6	-	-
Pledged inventory	20.6	3.1	-	-
Shares in subsidiaries	470.3	337.6	155.2	154.9
Blocked funds	0.5	0.6	-	-
Pledged trade receivables	37.6	81.1	-	-
Other	3.3	0.1	-	-
<b>Total pledged assets</b>	<b>603.8</b>	<b>494.0</b>	<b>155.2</b>	<b>154.9</b>

CONTINGENT LIABILITIES	2023	2022	2023	2022
	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER	30 SEPTEMBER
	General guarantee	General guarantee	General guarantee	General guarantee

Guarantees between MedCap AB and all its subsidiaries apart from Multi-Ply are in place for all borrowings through Danske Bank. MedCap AB has a guarantee commitment to the lessor of premises to the subsidiary Inpac. The lease is for 15 years from the date of occupation, which is expected to be in 2024. Estimated annual rent is approximately SEK 10 million.

### Note 3 Business acquisitions

#### AdderaCare AB (publ)

On 17 November 2022, MedCap announced a public offer to the shareholders of AdderaCare to transfer all their shares in AdderaCare to MedCap at a cash price of SEK 3.60 per share. On 23 December 2022, more than 90 percent of the shareholders had accepted the offer, and MedCap extended the acceptance period until 9 January 2023. Payment for the shares was made at the end of December 2022 but the shares were not taken over until 2 January 2023. On 10 January, it was announced that 97.2 percent of shareholders had accepted the offer, corresponding to 32,759,343 shares. Each ordinary share represents one vote. On 3 January 2023, MedCap called for compulsory redemption of the remaining shares in AdderaCare. AdderaCare's shares were delisted from Nasdaq First North Growth Market on 20 January 2023. On 28 April, Abilia Sverige Holding AB took possession of all outstanding shares in AdderaCare AB.

AdderaCare's five subsidiaries provide assistive technology, home adaptation and welfare technology, primarily in the Swedish, Norwegian and Dutch markets. The companies complement and broaden MedCap's portfolio of assistive and welfare technology, which currently consists of Abilia. MedCap intends to merge the businesses into a new segment of the Group. This will help reinforce the offering and reach to customers and continue to develop and grow the Group's assistive and welfare technology business for both individuals with disabilities and the elderly in need of assistance.

The acquisition of AdderaCare affected the Group's financial statements as follows: net sales SEK 178.7 million, EBITDA SEK 9.5 million, operating profit SEK -3.0 million and profit after tax for the period SEK -3.1 million. Earnings were adversely affected by an acquisition-date inventory value adjustment of SEK -10.4 million and restructuring costs of SEK -5 million.

Total acquisition expenses amounted to SEK 2.2 million.

#### SurgiCube and Toul Meditech

MedCap announced the acquisition of SurgiCube Group on 24 July.

SurgiCube Group's products provide ultra-clean airflow around surgical environments, offering a high-quality and cost-effective solution for both hospitals and smaller clinics. The solutions are used in both eye and orthopaedic surgery, and are mainly sold to markets in Europe. Over the last 10+ years, the company has established a strong offering, with an installed base and recurring revenue, in a niche that is expected to continue to grow.

The SurgiCube acquisition has affected the Group's financial statements as follows: net sales SEK 5.9 million, EBITDA SEK 1.4 million, operating profit SEK 0.1 million and profit after tax for the period SEK 0.8 million. If the acquisition had been completed on 1 January 2023, the estimated effect would have been as follows: net sales SEK 30.3 million, EBITDA SEK 6.9 million, operating profit SEK 3.8 million and profit after tax for the period SEK 4.7 million.

Total acquisition expenses amounted to SEK 0.7 million.

## NOTES

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### Note 3 Business acquisitions, cont'd

MSEK	AdderaCare	SurgiCube
Date of acquisition	2023-01-02	2023-07-24
Acquired share initial date of acquisition	97.20%	97.00%
Acquired share after compulsory redemption	100.00%	-
<b>Cost</b>		
Of which cash payment	121.4	76.3
Of which remaining consideration	0.0	20.4
<b>Total cost</b>	121.4	96.1
Intangible assets	50.2	58.9
Tangible assets incl Right-of-use assets	20.6	5.7
Current assets incl cash	117.6	21.6
Non-current liabilities incl. deferred tax	-52.4	-17.7
Current liabilities	-58.3	-4.4
<b>Net identifiable assets acquired</b>	77.7	64.1
Goodwill	43.7	31.9
<b>Net assets acquired</b>	121.4	96.1
Cash consideration paid	121.4	76.3
Acquired cash	-6.8	-7.0
<b>Effect on cash flow</b>	114.6	69.3

## NOTES

### Note 4 Financial instruments

Financial liabilities and assets are recognised at amortised cost, apart from the contingent consideration liability, which is recognised at fair value, see table below. The carrying amounts of loan receivables, trade and other receivables, cash and cash equivalents, loan liabilities, and trade and other payables are a reasonable approximation of their fair values.

SEK MILLION	2023		2022		2022	
	30 SEPTEMBER		30 SEPTEMBER		31 DECEMBER	
LIABILITIES MEASURED AT FAIR VALUE	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Opening balance	–	–	16.6	16.6	16.6	16.6
Acquisition						
Other liabilities	1.3	1.3	–	–	–	–
Settlement during the year	-1.4	-1.4	-17.5	-17.5	-17.5	-17.5
Adjustment of purchase price allocation	–	–	–	–	–	–
Remeasurements	0.2	0.2	0.5	0.5	0.5	0.5
Exchange difference	-0.6	-0.6	0.3	0.3	0.3	0.3
<b>Closing balance</b>	<b>19.9</b>	<b>19.9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

SurgiCube and Toul Meditech were acquired during the third quarter (see note 3). The purchase consideration is partly contingent on a performance based on development of the gross profit level and certain commercial milestones during the period 1 January 2023 to 31 December 2024. The best estimate at this financial closing date is that this will materialise and a full provision has therefore been made. A contingent consideration liability of SEK 20.4 million has been recognised (see Acquisitions in the table above). The liability has been discounted to present value using a discount rate of 10 percent.

The item Other liabilities refers to the additional consideration for AdderaCare's previous acquisition of Huka, which was settled during the second quarter.



## NOTES

### Note 5 Use of alternative performance measures

In this report, reference is made to a number of alternative performance measures that are used to help investors and management analyse the Company's operations. Below we describe the various measures used to complement the financial information reported under IFRS but not explained in the report. For definitions, see page 34.

#### Adjusted EBITDA, incl. and excl. IFRS 16, SEK million

SEK MILLION	ASSISTIVE TECH		MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
THIRD QUARTER										
Operating profit	25.6	13.9	12.8	9.5	22.0	30.7	-6.9	-6.0	53.4	48.1
Depreciation/amortisation	10.1	5.1	9.3	8.1	7.1	7.3	1.2	1.1	27.6	21.5
Adjusted EBITDA, incl. IFRS 16	35.6	19.0	22.1	17.6	29.0	38.1	-5.7	-5.0	81.0	69.7
IFRS 16 effect on EBITDA	-3.5	-0.9	-2.6	-2.6	-3.9	-3.6	-0.1	-0.1	-10.2	-7.1
Adjusted EBITDA, excl. IFRS 16	32.1	18.1	19.5	15.0	25.1	34.5	-5.8	-5.1	70.9	62.5

SEK MILLION	ASSISTIVE TECH		MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
JAN-SEPT										
Operating profit	62.8	56.4	44.4	36.7	62.3	44.5	-20.7	-17.8	148.7	119.8
Depreciation/amortisation	28.4	12.5	24.9	28.0	21.8	21.8	3.3	3.1	78.3	65.5
EBITDA, incl. IFRS 16	91.2	68.9	69.2	64.7	84.0	66.3	-17.4	-14.6	227.1	185.3
IFRS 16 effect on EBITDA	-13.1	-4.3	-7.5	-7.8	-11.8	-10.7	-0.3	-0.3	-32.7	-23.1
EBITDA, excl. IFRS 16	78.1	64.6	61.7	56.9	72.2	55.7	-17.7	-14.9	194.4	162.2

#### Working capital, SEK million

SEK MILLION	ASSISTIVE TECH		MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
30 SEPTEMBER										
Inventory	81.9	30.6	89.4	57.8	95.7	74.0	-	-	266.9	162.3
Trade receivables	66.3	29.4	66.8	50.7	77.8	64.7	-0.2	-0.1	210.7	144.8
Trade payables	-15.1	-5.4	-29.3	-18.1	-37.2	-27.0	-0.2	-0.4	-81.7	-50.9
Working capital	133.1	54.5	126.9	90.4	136.3	111.7	-0.4	-0.5	395.9	256.2

## KEY PERFORMANCE MEASURES AND DEFINITIONS

### KEY PERFORMANCE MEASURES

SEK MILLION	THIRD QUARTER		JAN-SEPT		JAN-DEC
	2023	2022	2023	2022	2022
Return on equity, %	4.0	4.6	12.0	10.3	15.2
Basic equity per share, SEK	66.0	54.7	66.0	54.7	57.8
Diluted equity per share, SEK	65.8	54.7	65.8	54.7	57.8
Earnings per share, SEK	2.6	2.5	7.4	5.2	7.9
Equity/assets ratio, %	61	66	61	66	60
Number of shares	14 807 353	14 807 353	14 807 353	14 807 353	14 807 353
Average number of shares	14 807 353	14 807 353	14 807 353	14 807 353	14 807 353
Number of shares after dilution	14 861 408	14 807 353	14 851 591	14 807 353	14 807 353

## KEY PERFORMANCE MEASURES AND DEFINITIONS

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### DEFINITIONS OF TERMS USED IN THE REPORT

EBITDA	Earnings before interest, taxes, depreciation and amortisation
Adjusted EBITDA	EBITDA excluding items affecting comparability
EBITA	Earnings before interest, taxes and amortisation
Working capital	Inventories plus trade receivables less trade payables
Equity/assets ratio	Equity attributable to Parent Company shareholders as a percentage of total assets
Return on equity	Profit for the period attributable to Parent Company shareholders as a percentage of average equity
Equity per share	Equity attributable to Parent Company shareholders divided by the number of shares outstanding at the end of the period
Earnings per share	Profit for the period attributable to Parent Company shareholders divided by the average number of shares during the period

In this report, MedCap presents data used by management to assess the Group's performance. Some of the financial measures presented are not defined under IFRS. The Company believes that these measures provide valuable supplementary information to stakeholders and management as they contribute to the evaluation of relevant trends and the Company's performance. As 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 considered to be a substitute for measures defined under IFRS.