



INTERIM REPORT

JANUARY-MARCH 2023

Strong growth in the first quarter – adjusted EBITDA up 33 percent

FIRST QUARTER, JANUARY-MARCH

- The Group's net sales amounted to SEK 380.2 (262.8) million, an increase of 45 percent.
- The Group's EBITDA was SEK 59.4 (56.3) million, an increase of 6 percent. EBITDA adjusted for items affecting comparability^{*)} amounted to 74.8 million, an increase of 33 percent.
- The EBITDA margin was 16 (21) percent (20 percent adjusted for items affecting comparability^{*)}).
- Profit after tax amounted to SEK 24.8 (19.7) million.
- Earnings per share amounted to SEK 1.7 (1.3).
- Cash flow from operating activities was SEK 52.5 (56.3) million.

SEK MILLION	FIRST QUARTER		CHANGE	R12	JAN-DEC
	2023	2022		2023	2022
Net sales	380.2	262.8	117.5	1 228.8	1 111.3
EBITDA	59.4	56.3	3.1	261.8	258.7
EBITDA, %	15.6%	21.4%	-5,8 ppt	21.3%	23.3%
EBITA	45.3	44.9	0.4	207.8	207.4
EBITA, %	11.9%	17.1%	-5,2 ppt	16.9%	18.7%
Earnings per share (SEK)	1.7	1.3	0.3	8.3	7.9
Adjusted EBITDA	74.8	56.3	18.5	257.2	238.7
Adjusted EBITDA %	19.7%	21.4%	-1.7 ppt	20.9%	21.5%
Adjusted EBITA	60.7	44.9	15.8	203.2	187.4
Adjusted EBITA %	16.0%	17.1%	-1,1% enh	16.5%	16.9%

For definitions and explanations, see page 29.

^{*)} Items affecting comparability consist of an inventory value adjustment related to the acquisition of AdderaCare and restructuring costs, also related to the acquisition of AdderaCare, totalling SEK 15.4 million. For the full year 2022, items affecting comparability consist of the sale of the rights to the vitamin D product (SEK 20.0 million).

CEO'S COMMENTS

“Strong growth in the first quarter – adjusted EBITDA up 33 percent”

The first quarter was intensive and demand was high, with several companies delivering excellent results and the integration and cost synergies of AdderaCare proceeding according to plan.

Sales were very strong in the first quarter and the Group grew by as much as 45 percent. It was reassuring to see that organic growth was particularly strong, accounting for more than half of the increase. The Group's sales also increased, largely due to the acquisition of AdderaCare, which was completed in early January.

For the Group as a whole, the increase in sales has been mainly driven by increased demand and volume, while price increases have had less of an impact as several of the subsidiaries sell under procurement contracts at fixed prices.

The Specialty Pharma business area delivered increased sales in all three segments: Registered pharmaceutical portfolio, Unlicensed pharmaceuticals and Contract manufacturing. The registered pharmaceutical portfolio accounted for the largest growth, driven mainly by Melatonin and Cresemba, and good demand in both the Nordic region and out-licensed markets. The pharmaceutical portfolio growth also contributed to a significant margin improvement. It is obviously very pleasing that longer-term product development and commercialisation work is showing good results, with demand generally continuing to be good, but we have the humility to recognise that market conditions can change. In the long term, it is therefore important to work continuously on business development and to broaden the Company's portfolio.

The MedTech business area continued to see high demand in assistive technology and nutrition, with both Abilia and Inpac delivering good results. It was in many ways an intensive quarter for MedTech, with increased production and delivery to customers, work on product development and

regulatory certification, and integration of acquisitions.

Integration within the cluster of assistive technology companies progressed according to plan. The costs of AdderaCare's parent company were eliminated and two of the five companies are integrated with Abilia. The synergies amount to approximately SEK 14 million on an annual basis, about half of which is expected to contribute to the result in 2023.

The Group's EBITDA increased by 33 percent excluding an inventory value adjustment, which was recognised as an expense, and restructuring costs. Both items were related to the acquisition of AdderaCare and totalled SEK 15.4 million. Adjusted for these non-recurring items, which largely do not affect cash flow, EBITDA amounted to SEK 74.8 million.

The MedTech business area's margin is significantly affected by the lower margin in acquired businesses, which was expected. After integration and synergies, much work remains to improve product mix and margins to reach a better profitability over time in acquired entities.

For the Group, the margin was offset by the strong performance of Specialty Pharma and the Group's adjusted EBITDA margin was 19.7 percent.

To summarise, the Group delivered a very strong first quarter, with decisive integration of acquisitions. We acknowledge the uncertainty of the current economic situation that is likely to characterise 2023, but note that the Group has proved to be well positioned so far. MedCap has a net cash position and a strong balance sheet, enabling investments and additional acquisitions. We are in continuous dialogue with companies that would fit in well and develop within the MedCap Group.

Anders Dahlberg, CEO

Stockholm
3 May 2023



THE MEDCAP GROUP IN BRIEF

MedCap acquires and develops profitable, market-leading niche life science companies, many with international growth ambitions. Operations are conducted in two business areas: 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.

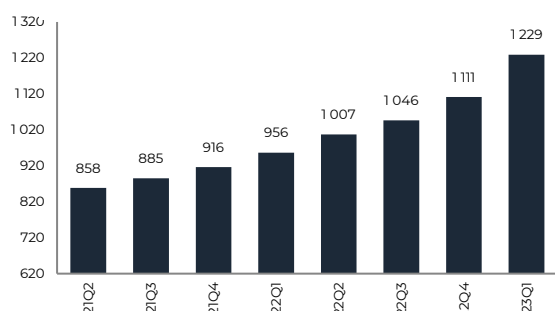
The Group is listed in Nasdaq Stockholm's Mid Cap segment.

Further information can be found at: www.medcap.se

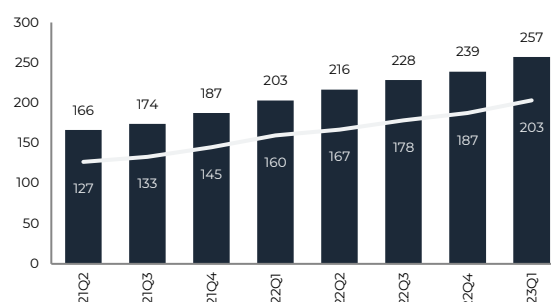


NET SALES AND EARNINGS

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



JANUARY-MARCH

Net sales

Net sales for the first quarter increased by 45 percent to SEK 380.2 (262.8) million. The growth was partly driven by the acquisition of AdderaCare, which was completed on 2 January 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 44 percent.

Earnings

EBITDA for the first quarter increased by 6 percent to SEK 59.4 (56.3) million. Adjusted EBITDA, excluding items affecting comparability, increased by 33 percent to 74.8 (56.3) million. Earnings were positively affected by the organic sales growth during the quarter, 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 3 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 quarter, 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 16 (21) percent. Adjusted EBITDA margin was 20 percent.

Net financial items amounted to SEK -1.1 (-10.1) million during the period. 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 for the first quarter amounted to SEK -7.7 (-6.8) million. Recognised tax as a proportion of profit before tax was 23.8 percent.

FINANCIAL POSITION AND OTHER INFORMATION

Financial position

Cash flow from operating activities for the quarter was SEK 52.5 (56.3) million.

Cash flow from investing activities was SEK -4.6 (-16.9) million and includes the acquisition of AdderaCare (SEK +3.3 million). Total cash flow from the acquisition amounts to SEK 111.5 million, but an advance of SEK 114.8 million was paid at the end of 2022. The effect on cash flow in the first quarter consists of the acquisition of minority shares and acquired cash in the acquiring company.

Cash flow from financing activities was SEK -68.9 (-15.1) 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 213.8 (167.6) million.

Net debt amounted to SEK 99.9 (102.6) million. Net debt excl. IFRS 16 amounted to SEK -65.6 (-69.5) million. Net debt/EBITDA was 0.4 (0.5) incl. IFRS 16 and -0.3 (-0.4) excl. IFRS 16.

The equity/assets ratio was 59 (62) percent.

Changes in equity

The Group's equity on 31 March 2023 was SEK 885.7 (745.2) million, distributed as follows: SEK 880.2 (743.4) million attributable to Parent Company shareholders and SEK 5.5 (1.8) million attributable to non-controlling interests.

The number of shares at the end of March was 14,807,353. With a quotient value of SEK 0.4 per share, the Company's share capital on 31 March was SEK 5,922,942. Basic equity per share was SEK 59.4 (50.2).

Employees

At the end of the quarter, 478 (363) individuals were employed in the Group. The acquisition of the AdderaCare Group increased the number of employees by 86.

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 and medical 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.

The ongoing invasion of Ukraine has had a limited impact on the Group's operations to date. The war may cause difficulties in accessing raw materials, components, transport and logistics services. 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

Related-party transactions

Transactions between the Parent Company and Group companies during the period January-March amounted to SEK 9.3 (5.2) million. The transactions consist of management fees, passed-on costs and interest.

Significant events after the end of the period

As part of the ongoing compulsory redemption process, Abilia Sverige Holding AB took possession of all outstanding shares in AdderaCare AB as of 28 April.



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, healthcare equipment and packaging solutions for life science products. Customers are mainly regional authorities, municipalities and hospitals, as well as medical technology and pharmaceutical companies. The MedTech business area consists of the operating companies Abilia, Cardiolex, Inpac, Multi-Ply, Huka, Trident, Erimed, Kom-i-kapp and Amajo.

SEK MILLION	FIRST QUARTER		CHANGE	R12	JAN-DEC
	2023	2022		2023	2022
Net sales	259.1	175.3	83.8	798.1	714.3
EBITDA	37.8	49.1	-11.3	178.9	190.2
EBITDA margin	14.6%	28.0%	-13.4 ppt	22.4%	26.6%
EBITA	28.3	42.3	-14.0	143.4	157.4
EBITA margin	10.9%	24.1%	-13.2 ppt	18.0%	22.0%
Adjusted EBITDA	53.2	49.1	4.1	194.3	190.2
Adjusted EBITDA %	20.5%	28.0%	-7.5 ppt	24.3%	26.6%

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.

JANUARY-MARCH

Net sales

The MedTech business area continued to perform well in the first quarter. Net sales increased by 48 percent to SEK 259.1 (175.3) million.

Most companies performed well and growth was driven in particular by Abilia and Inpac and increased demand for existing products. The acquisition of AdderaCare contributed significantly to the increase in sales.

Abilia and AdderaCare

There was strong demand for Abilia's assistive technology in the Nordic market. Exports to other markets also increased, but from low levels. Continued internationalisation has long been part of Abilia's strategy and work, and during the quarter progress was made that

may eventually enable increased prescriptions and sales in both Finland and Germany.

The AdderaCare acquisition was completed on 2 January, and the company, together with Abilia, forms a cluster of companies in assistive technology and welfare technology under the leadership of Abilia's CEO. The integration was carried out decisively, with the costs of AdderaCare's parent company being eliminated and two of its five subsidiaries integrated into Abilia. The synergies amount to approximately SEK 14 million, about half of which is expected to contribute to the result in 2023. The longer-term process of developing the assistive technology cluster and companies was also initiated. Sales in the acquired companies are affected by significant seasonal variation, with typically weaker sales and earnings at the beginning of the year. Overall, sales were about as expected, but weaker in one of the companies.

MEDTECH BUSINESS AREA

Cardiolex

Cardiolex reported increased sales, mainly driven by Vacuum systems. At the same time, the company is going through an intensive phase in its work on MDR certification and product maintenance, which will contribute to higher costs and lower profitability for a period of time.

Inpac

Inpac stepped up production to meet the strong demand, particularly in nutrients. It is clear that the company is a valued partner to its customers, who are increasingly turning to Inpac. The first ground was broken for a new production facility during the quarter and operations are scheduled to move there in 2024.

Multi-Ply

Sales to one of the company's major customers declined and are expected to remain at a lower level in 2023 until the customer has moved its assembly to a new facility, at which point they are expected to return to previous levels. The decline in sales was partly offset by strong demand from other customers. The technical development work with new customers progressed and is expected to turn into production orders in the coming quarters.

Earnings

The business area's EBITDA was SEK 37.8 (49.1) million, which is 23 percent lower than in the previous year. Q1 EBITDA was negatively affected by acquisition-related non-recurring items totalling SEK 15.4 million. Adjusted EBITDA was SEK 53.2 (49.1) million, which is 8 percent higher than in the previous year.



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	FIRST QUARTER		CHANGE	R12	JAN-DEC
	2023	2022		2023	2022
Net sales	121.2	87.5	33.6	430.6	397.0
EBITDA	26.7	12.0	14.7	105.0	90.3
EBITDA margin	22.1%	13.7%	8.3 ppt	24.4%	22.8%
EBITA	22.1	7.4	14.7	86.7	72.0
EBITA margin	18.3%	8.5%	9.8 ppt	20.1%	18.1%

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.

JANUARY-MARCH

Net sales

The Specialty Pharma business area grew strongly and sales increased by 38 percent to SEK 121.2 (87.5) million in the first quarter compared with the previous year. Growth was driven in particular by the registered pharmaceutical portfolio. Contract manufacturing (CDMO) also showed an increase in sales.

Unimedic Pharma AB

Sales in Unimedic Pharma's registered specialty pharmaceutical portfolio showed a strong increase and accounted for 55 percent of the business area's total sales.

The portfolio of eight key pharmaceuticals (excluding royalties) grew by 42 percent during the quarter, mainly driven by the products Cresemba, Melatonin, Phenylephrine and Ephedrine.

Sales to out-licensed markets contributed strongly to the sales increase.

Unlicensed pharmaceuticals also showed an increase in sales, accounting for 22 percent of the business area's total sales.

Unimedic AB

External sales in Unimedic AB's contract manufacturing (CDMO) increased strongly in the first quarter and accounted for 23 percent of the business area's total external sales. The business had to deal with a production disruption in some equipment, which delayed deliveries but overall the quarter was a step forward for CDMO.

SPECIALTY PHARMA BUSINESS AREA

Earnings

EBITDA increased by 123 percent to SEK 26.7 (12.0) million.

The EBITDA margin was 22.1 percent.

The business area's gross margin was 54.4 (53.0). This is slightly higher than in the previous

year and is largely due to a positive product mix.



FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

SEK MILLION	NOTE	FIRST QUARTER		JAN-DEC
		2023	2022	2022
Net sales	1	380.2	262.8	1 111.3
Other operating income		3.8	3.0	30.3
		384.0	265.7	1 141.6
Work performed by the Company and capitalised		1.5	3.1	12.5
Raw materials and consumables		-173.6	-107.4	-441.7
Change in inventories		-0.3	3.1	-5.1
Other external costs		-50.0	-36.8	-148.1
Personnel expenses		-99.0	-69.9	-295.4
Other operating expenses		-3.3	-1.6	-5.2
Operating profit before depreciation, amortisation and impairment (EBITDA)		59.4	56.3	258.7
Depreciation and impairment of property, plant and equipment		-14.1	-11.4	-51.3
Operating profit before amortisation and impairment of intangible assets (EBITA)		45.3	44.9	207.4
Amortisation and impairment of intangible assets		-11.7	-8.3	-36.5
Operating profit (EBIT)		33.6	36.6	170.9
Finance income		3.5	0.1	2.3
Finance costs		-4.6	-10.2	-21.2
Net financial items		-1.1	-10.1	-18.9
Profit before tax		32.5	26.5	152.0
Income tax		-7.7	-6.8	-34.0
Profit for the period		24.8	19.7	118.0

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT, CONT'D

SEK MILLION	NOTE	FIRST QUARTER		JAN-DEC
		2023	2022	2022
Profit for the period attributable to				
Parent Company shareholders		24.8	19.6	117.6
Non-controlling interests		0.0	0.1	0.4
Earnings per share, calculated based on profit attributable to Parent Company shareholders:				
Basic earnings per share, SEK		1.7	1.3	7.9
Diluted earnings per share, SEK		1.7	1.3	7.9
Number of shares before dilution		14 807 353	14 807 353	14 807 353
Number of shares after dilution		14 825 523	14 807 353	14 807 353
Dilution		18 170	-	-

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	NOTE	FIRST QUARTER		JAN-DEC
		2023	2022	2022
Profit for the period		24.8	19.7	118.0
Translation differences in foreign operations		-0.9	5.6	20.9
Comprehensive income for the period		23.9	25.3	138.8
Comprehensive income attributable to:				
Parent Company shareholders		23.9	25.2	138.1
Non-controlling interests		0.0	0.1	0.7

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK MILLION	NOTE	2023	2022	2022
		31 MARCH	31 MARCH	31 DECEMBER
ASSETS				
Non-current assets				
Goodwill		287.0	230.2	242.6
Other intangible assets		238.8	205.6	198.9
Property, plant and equipment		95.7	94.8	93.0
Right-of-use assets		160.3	168.4	149.6
Financial assets		0.5	0.3	0.2
Deferred tax asset		4.7	3.3	3.1
		787.0	702.6	687.4
Current assets				
Inventories		230.5	152.1	162.7
Current tax asset		8.1	9.2	5.7
Trade and other receivables		244.3	177.2	337.2
Cash and cash equivalents		213.8	167.6	236.2
		696.6	506.1	741.9
TOTAL ASSETS		1 483.6	1 208.8	1 429.3

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT'D

SEK MILLION	NOTE	2023 31 MARCH	2022 31 MARCH	2022 31 DECEMBER
EQUITY AND LIABILITIES				
Equity attributable to Parent Company shareholders		880.2	743.4	856.3
Equity attributable to non-controlling interests		5.5	1.8	2.4
TOTAL EQUITY		885.7	745.2	858.7
Non-current liabilities				
Liabilities to credit institutions	2.4	90.0	13.7	96.0
Other non-current liabilities	3	0.2	0.1	0.1
Liabilities related to right-of-use assets		129.9	145.6	127.9
Provisions		11.3	3.8	5.5
Deferred tax liabilities		51.2	38.7	39.0
		282.6	201.9	268.5
Current liabilities				
Liabilities to credit institutions	2.4	58.0	67.3	88.2
Liabilities related to right-of-use assets		35.6	26.5	27.9
Current tax liabilities		25.6	11.8	21.0
Trade and other payables	4	196.2	156.0	165.0
		315.3	261.6	302.1
TOTAL EQUITY AND LIABILITIES		1 483.6	1 208.8	1 429.3

FINANCIAL STATEMENTS

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	19.6	0.1	19.7
Other comprehensive income	5.6	0.0	5.6
Comprehensive income for the period	25.2	0.1	25.3
Share swap	22.2	–	22.2
Equity, 31 March 2022	743.4	1.8	745.2
Equity, 1 January 2023	856.3	2.4	858.7
Profit for the period	24.8	0.0	24.8
Other comprehensive income	-0.9	0.1	-0.9
Comprehensive income for the period	23.9	0.0	23.9
Acquisition	–	3.1	3.1
Equity, 31 March 2023	880.2	5.5	885.7

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK MILLION	FIRST QUARTER		JAN-DEC
	2023	2022	2022
Cash flow from operating activities			
Operating profit before financial items	33.6	36.6	170.9
Depreciation, amortisation and impairment	25.8	19.7	87.8
Other non-cash items	17.5	-1.5	-1.7
Interest received	1.1	0.1	1.6
Interest paid	-2.6	-0.3	-3.0
Income tax paid	-9.2	-7.3	-23.9
Cash flow from operating activities before changes in working capital	66.3	47.2	231.7
Increase/decrease in inventories	-13.6	-1.7	-10.8
Increase/decrease in operating receivables	23.9	-4.0	-159.8
Increase/decrease in operating liabilities	-24.2	14.8	24.4
Cash flow from operating activities	52.5	56.3	85.5
Cash flow from investing activities			
Acquisition of subsidiaries	3.3	0.3	-11.9
Purchase of property, plant and equipment	-3.8	-13.8	-26.3
Purchase of intangible assets	-4.2	-3.4	-18.0
Increase/decrease in current financial assets	-	0.0	0.1
Disposal of non-current assets	0.1	-	-
Cash flow from investing activities	-4.6	-16.9	-56.1
Cash flow from financing activities			
Proceeds from borrowings	0.0	0.0	120.0
Repayments	-31.8	-15.6	-54.4
Share swap	-	-7.4	-7.4
Option premiums	-	5.7	5.7
Increase/decrease in short-term credit	-37.1	2.2	-2.8
Cash flow from financing activities	-68.9	-15.1	61.2
Decrease/increase in cash and cash equivalents	-21.0	24.3	90.5
Cash and cash equivalents at beginning of period	236.2	139.7	139.7
Exchange difference in cash and cash equivalents	-1.4	3.5	5.9
Cash and cash equivalents at end of period	213.8	167.6	236.2

Other non-cash cost items include an inventory value adjustment of SEK 10.4 million and restructuring costs of SEK 5.0 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 were taken over during Q1 2023 and additional shares corresponding to SEK 3.5 million were acquired during the period. Acquired cash amounts to SEK 6.8 million, with the net effect amounting to SEK 3.3 million.

FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

SEK MILLION	FIRST QUARTER		JAN-DEC
	2023	2022	2022
Net sales	3.8	1.5	10.7
Other income	0.2	–	1.2
Total	4.0	1.5	11.9
Other external costs	-1.8	-1.4	-7.2
Personnel expenses	-3.6	-3.8	-16.8
Depreciation/amortisation	-0.1	-0.1	-0.3
Operating profit	-1.5	-3.7	-12.4
Profit/loss from investments in Group companies	–	–	20.0
Interest and similar income	9.7	4.0	21.0
Interest and similar expenses	-1.8	-7.6	-10.5
Profit before appropriations and tax	6.4	-7.3	18.1
Group contributions	–	–	16.9
Profit for the period	6.4	-7.3	35.0

The Parent Company's net sales consist of invoiced management fees. Internal interest accounted for SEK 5.5 (3.7) million of profit before appropriations and tax for the period January-March. The comparative period includes a cost of SEK -7.4 million for early termination of a share swap arrangement.

FINANCIAL STATEMENTS

CONDENSED PARENT COMPANY BALANCE SHEET

SEK MILLION	NOTE	2023	2022	2022
		31 MARCH	31 MARCH	31 DECEMBER
ASSETS				
Non-current assets				
Intangible assets		0.5	0.8	0.6
Financial assets		490.4	467.1	490.4
		490.9	467.9	491.0
Current assets				
Trade and other receivables		2.6	2.2	1.6
Receivables from Group companies		7.1	22.5	10.4
Cash pool receivables from Group companies		91.9	98.9	78.2
Cash and cash equivalents		173.1	126.4	199.9
		274.7	249.9	290.1
TOTAL ASSETS		765.7	717.8	781.2
EQUITY AND LIABILITIES				
Restricted equity				
Unrestricted equity		40.0	40.0	40.0
TOTAL EQUITY		631.8	583.0	625.4
Provisions				
		–	–	–
Non-current liabilities				
Liabilities to Group companies		1.3	1.3	1.3
Non-current financial liabilities	4	–	–	–
		1.3	1.3	1.3
Current liabilities				
Cash pool liabilities to Group companies		120.3	106.7	144.4
Trade and other payables	4	12.2	26.8	10.1
		132.5	133.5	154.4
TOTAL EQUITY AND LIABILITIES		765.7	717.8	781.2

The Parent Company's investments in intangible assets and property, plant and equipment amounted to SEK 0.0 (0.0) million.

DECLARATION BY THE BOARD OF DIRECTORS

DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors and the CEO of MedCap AB hereby declare that the year-end 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, 3 May 2023

MedCap AB (publ)

Karl Tobieson
Chairman of the Board

Anders Hansen
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 3 May.

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 not 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

FINANCIAL CALENDAR

Annual General Meeting, 8 May 2023

Interim Report 2 2023, 28 July 2023

Interim Report 3 2023, 27 October 2023

Year-end Report 2023, 9 February 2024

Interim Report 1 2024, 3 May 2024

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 (business areas) 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 pharmaceuticals and the sale of medical technology.

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
FIRST QUARTER								
Segment net sales	259.1	175.3	121.2	87.5	–	–	380.2	262.8
EBITDA	37.8	49.1	26.7	12.0	-5.1	-4.8	59.4	56.3
Depreciation/amortisation of property, plant and equipment and intangible assets	-17.3	-11.3	-7.4	-7.3	-1.1	-1.0	-25.8	-19.7
Operating profit	20.5	37.8	19.3	4.7	-6.1	-5.8	33.6	36.6
Finance income and costs	-5.9	-4.4	-3.0	-2.2	7.9	-3.6	-1.1	-10.1
Profit before tax	14.5	33.4	16.3	2.5	1.7	-9.5	32.5	26.5

NOTES

Note 1 Operating segments, cont'd

Net sales by product category

SEK MILLION	MEDTECH		SPECIALTY PHARMA		TOTAL	
FIRST QUARTER	2023	2022	2023	2022	2023	2022
Pharmaceuticals	5.3	8.3	116.8	83.8	122.0	92.1
Assistive technology	137.9	63.6	–	–	137.9	63.6
Medical devices	58.0	58.6	–	–	58.0	58.6
Food	51.4	37.2	3.8	3.0	55.1	40.2
Other	6.6	7.6	0.6	0.8	7.2	8.4
	259.1	175.3	121.2	87.5	380.2	262.8

Net sales by geographical region

SEK MILLION	MEDTECH		SPECIALTY PHARMA		TOTAL	
FIRST QUARTER	2023	2022	2023	2022	2023	2022
Sweden	108.7	73.8	77.3	61.8	186.0	135.6
Nordic (excl. Sweden)	66.6	43.0	20.2	16.6	86.8	59.6
Europe (excl. Nordic)	73.3	45.4	23.0	9.1	96.3	54.5
Rest of the world	10.5	13.1	0.7	–	11.2	13.1
	259.1	175.3	121.2	87.5	380.2	262.8

NOTES

Note 2 Pledged assets and contingent liabilities

SEK MILLION	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
PLEGED ASSETS	31 MARCH	31 MARCH	31 MARCH	31 MARCH
Floating charges	71.6	71.6	-	-
Pledged inventory	24.7	1.0	-	-
Shares in subsidiaries	382.3	319.4	155.2	154.9
Blocked funds	4.7	0.4	-	-
Pledged trade receivables	43.1	84.7	-	-
Other	2.2	0.0	-	-
Total pledged assets	528.5	477.1	155.2	154.9

CONTINGENT LIABILITIES	2023	2022	2023	2022
	31 MARCH	31 MARCH	31 MARCH	31 MARCH
	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 will run for 15 years from 1 October 2023. 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.

AdderaCare's five subsidiaries provide assistive technology, home adaptation and welfare technology, primarily on 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 has affected the Group's financial statements as follows: net sales SEK 55.7 million, EBITDA SEK -13.0 million, operating profit SEK -17.0 million and profit after tax for the year SEK -14.2 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 0,8 million.

NOTES

MSEK	AdderaCare
Date of acquisition	2023-01-02
Acquired share	97.44%
Cost	
Of which cash payment	118.3
Of which remaining consideration	0.0
Total cost	118.3
Identifiable assets acquired	
Customer relationships	38.1
Trademarks	9.5
Other intangible assets	2.6
Property, plant and equipment	5.6
Right-of-use assets	14.7
Financial assets	0.3
Inventory	65.9
Trade receivables	40.4
Other assets	4.5
Cash and cash equivalents	6.8
Deferred tax	-14.7
Liabilities to credit institutions	-22.1
Liabilities related to right-of-use assets	-14.2
Non-current liabilities	-1.3
Trade payables	-21.7
Other current liabilities	-36.6
Net identifiable assets acquired	77.7
Goodwill	43.7
Non-controlling interests	-3.1
Net assets acquired	118.3
Cash consideration paid	118.3
Acquired cash	-6.8
Effect on cash flow	111.5

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	
	31 MARCH		31 MARCH		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
Other liabilities	1.3	1.3	–	–	–	–
Settlement during the year	–	–	–	–	-17.5	-17.5
Adjustment of purchase price allocation	–	–	–	–	–	–
Remeasurements	–	–	0.4	0.4	0.5	0.5
Exchange difference	–	–	0,0	0,0	0.3	0.3
Closing balance	1.3	1.3	17.0	17.0	–	–

The item other liabilities refer to an earn-out attributable to AdderaCare's previous acquisition of Huka.

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 29.

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

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
FIRST QUARTER								
Operating profit	20.5	37.8	19.3	4.7	-6.1	-5.8	33.6	36.6
Depreciation/amortisation	17.3	11.3	7.4	7.3	1.1	1.0	25.8	19.7
EBITDA, incl. IFRS 16	37.8	49.1	26.7	12.0	-5.1	-4.8	59.4	56.3
IFRS 16 effect on EBITDA	-7.3	-4.3	-3.9	-3.6	-0.1	-0.1	-11.3	-8.0
EBITDA, excl. IFRS 16	30.5	44.8	22.8	8.4	-5.2	-4.9	48.1	48.3

NOTES

Working capital, SEK million

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
31 MARCH								
Inventory	155.1	82.7	75.3	69.4	-	-	230.5	152.1
Trade receivables	138.9	82.4	54.1	58.4	-0.1	-0.1	192.8	140.7
Trade payables	-43.8	-25.6	-29.4	-28.0	-0.5	-0.7	-73.8	-54.4
Working capital	250.1	139.5	100.0	99.8	-0.6	-0.9	349.5	238.4

KEY PERFORMANCE MEASURES AND DEFINITIONS

KEY PERFORMANCE MEASURES

SEK MILLION	FIRST QUARTER		JAN-DEC
	2023	2022	2022
Return on equity, %	2.9	2.7	15.2
Basic equity per share, SEK	59.4	50.2	57.8
Diluted equity per share, SEK	59.4	50.2	57.8
Earnings per share, SEK	1.7	1.3	7.9
Equity/assets ratio, %	59	62	60
Number of shares	14 807 353	14 807 353	14 807 353
Average number of shares	14 807 353	14 807 353	14 807 353
Number of shares after dilution	14 825 523	14 807 353	14 807 353

KEY PERFORMANCE MEASURES AND DEFINITIONS

DEFINITIONS OF TERMS USED IN THE REPORT

EBITDA	Earnings before interest, taxes, depreciation and amortisation
Adjusted EBITDA	EBITDA adjusted for 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.