

INTERIM REPORT

APRIL–JUNE 2022

SECOND QUARTER APRIL–JUNE

A strong quarter throughout the Group - EBITDA increased by 29 percent

SECOND QUARTER APRIL–JUNE

- The Group's net sales amounted to SEK 284.1 (233.4) million, an increase of 22 percent.
- The Group's EBITDA was SEK 59.4 (46.1) million, an increase of 29 percent.
- The EBITDA margin was 21 (20) percent.
- Profit after tax amounted to SEK 21.1 (16.4) million.
- Earnings per share amounted to SEK 1.4 (1.1).
- Cash flow from operating activities was SEK 24.4 (33.1) million.

HALF-YEAR JANUARY–JUNE

- The Group's net sales amounted to SEK 546.9 (456.0) million, an increase of 20 percent.
- The Group's EBITDA was SEK 115.6 (86.6) million, an increase of 34 percent.
- The EBITDA margin was 21 (19) percent.
- Profit after tax amounted to SEK 40.8 (31.5) million.
- Earnings per share amounted to SEK 2.7 (2.0).
- Cash flow from operating activities was SEK 80.7 (50.4) million.

SEK MILLION	SECOND QUARTER		CHANGE	JANUARY-JUNE		CHANGE	R12	JAN-DEC
	2022	2021		2022	2021			
Net sales	284.1	233.4	50.7	546.9	456.0	90.9	1 007.1	916.3
EBITDA	59.4	46.1	13.3	115.6	86.6	29.1	231.6	202.5
EBITDA, %	20.9%	19.7%	1.2 ppt	21.1%	19.0%	2.2 ppt	23.0%	22.1%
EBITA	43.4	35.9	7.5	88.2	66.3	21.9	182.1	160.2
EBITA, %	15.3%	15.4%	-0.1 ppt	16.1%	14.5%	1.6 ppt	18.1%	17.5%
Earnings per share (SEK)	1.4	1.1	0.4	2.7	2.0	0.7	7.3	6.5

For definitions and explanations, see page 26.

CEO'S COMMENTS

“POSITIVE DEVELOPMENT FOR ALL GROUP COMPANIES”

Sales growth

The Group's sales increased by 22 percent in the second quarter. All Group companies experienced strong demand and both business areas showed an increase in net sales. The Specialty Pharma business area reported the highest percentage growth, up 29 percent from the previous year. The growth was driven by the registered pharmaceutical portfolio and also the unlicensed portfolio, which is characterised by fluctuating volumes. As of the second quarter, the Group's net sales for the last 12-month period exceed SEK 1 billion.

Increased earnings

EBITDA increased by 29 percent as all companies in the Group increased their earnings. The margin was 21 percent, an increase of one percentage point.

The Specialty Pharma business area increased its earnings and margin as a result of higher volumes. The MedTech business area also showed an increase in earnings, with a slightly lower margin than in the previous year, which is explained by the product mix and higher purchase and transport costs in some operations.

Strong financial position and acquisitions

Growth through acquisitions is a key part of MedCap's growth strategy. A small add-on acquisition – Cognita – was completed during the quarter, which complements Abilia's operations in Norway.

MedCap is working actively to identify and evaluate acquisition candidates, and the number of potential transactions has increased compared with the previous year. The cooling of the acquisition market may affect the acquisition multiples. Overall, with the Group's strong balance sheet and financial capacity, we see good opportunities for acquisitions.

In conclusion

In the second quarter, all Group companies showed a positive trend in terms of both results and operations. We see steps are being taken in the right direction for new product launches in both the pharmaceutical and medical technology portfolios, which are important for continued organic growth. I see good opportunities for continued positive development.

Anders Dahlberg, CEO
Stockholm, 29 July 2022



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.

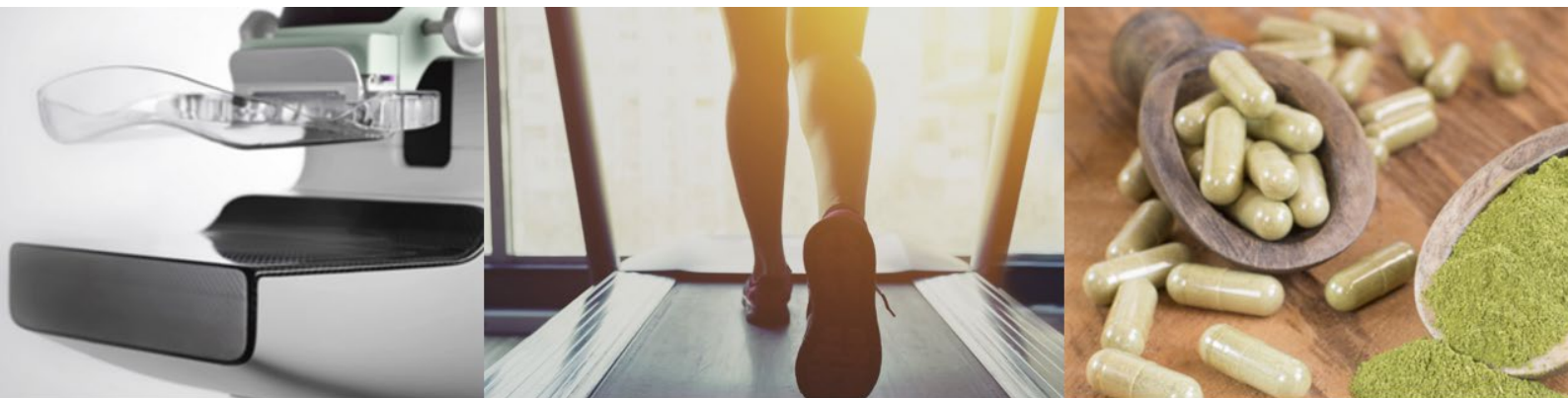
Growth through acquisitions is a key element of MedCap's business strategies

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 50-200 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.

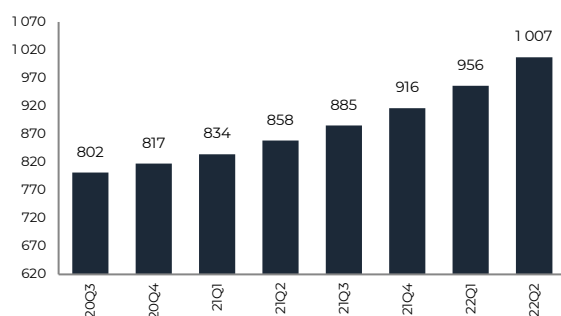
The Group is listed on Nasdaq Stockholm's Mid Cap segment.

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

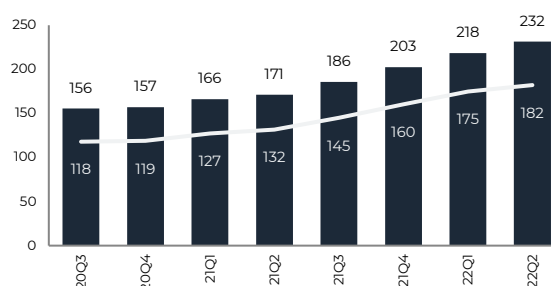


NET SALES AND EARNINGS

The Group's net sales R12 (SEK million)



The Group's EBITDA and EBITA (line) R12 (SEK million)



APRIL-JUNE

Net sales

Net sales for the second quarter increased by 22 percent to SEK 284.1 (233.4) million. Adjusted for currency effects, net sales increased by 20 percent.

The MedTech business area contributed SEK 181.5 (153.8) million, an increase of 18 percent. Growth was driven by all companies in the segment and is due to a combination of new products and markets together with increased demand for existing products.

The Specialty Pharma business area contributed SEK 102.5 (79.7) million, an increase of 29 percent compared with the previous year. The growth was mainly driven by products in the registered pharmaceutical portfolio and the unlicensed portfolio, but contract manufacturing also contributed.

Earnings

EBITDA for the second quarter increased by 29 percent to SEK 59.4 (46.1) million.

MedTech contributed SEK 47.9 (42.5) million, which is 13 percent higher than in the previous year. Sales growth was the main contributor to the earnings improvement. Earnings were adversely affected by an acquisition-date inventory value adjustment of SEK -0.3 million (Cognita).

Specialty Pharma increased by 45 percent to SEK 16.3 (11.3) million, mainly due to increased sales.

The EBITDA margin was 21 (20) percent.

Net financial items for the period amounted to SEK -4.4 (-5.8) million and include discounting and translation effects of approximately SEK -0.4 million related to additional consideration.

Recognised tax for the second quarter amounted to SEK -9.6 (-5.4) million. Recognised tax as a proportion of profit before tax was 31.4 percent. The deviation from 20.6 percent is mainly an effect of differences in tax rates in foreign subsidiaries and unrecognised tax loss carry-forwards.

JANUARY-JUNE

Net sales

Net sales for the period January-June increased by 20 percent to SEK 546.9 (456.0) million. Adjusted for currency effects, net sales increased by 18 percent.

The MedTech business area contributed SEK 356.7 (301.4) million, an increase of 18 percent. Growth was driven by all companies in the segment and is due to a combination of new products and markets together with increased demand for existing products.

The Specialty Pharma business area contributed SEK 190.2 (154.7) million, an increase of 23 percent compared with the previous year. The growth was mainly driven by products in the registered pharmaceutical

NET SALES AND EARNINGS

portfolio and the unlicensed portfolio, but contract manufacturing also contributed.

Earnings

EBITDA for the period January-June increased by 34 percent to SEK 115.6 (86.6) million.

MedTech contributed SEK 97.0 (83.5) million, which is 16 percent higher than in the previous year and is mainly due to sales growth. Earnings were adversely affected by an acquisition-date inventory value adjustment of SEK -0.3 million (Cognita).

Specialty Pharma increased by 44 percent to SEK 28.3 (19.6) million, mainly due to increased sales.

The EBITDA margin was 21 (19) percent.

Net financial items for the period amounted to SEK -14.5 (-7.2) million and include discounting and translation effects of SEK -0.8 million related to additional purchase consideration and a cost of SEK -7.4 million for redemption of the share swap arrangement. The reason for the settlement 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 -16.4 (-10.4) million. Recognised tax as a proportion of profit before tax was 28.7 percent. The deviation from 20.6 percent is mainly an effect of differences in tax rates in foreign subsidiaries and unrecognised tax loss carry-forwards.

FINANCIAL POSITION AND OTHER INFORMATION

Financial position

Property, plant and equipment increased by SEK 7 million during the period, which is mainly attributable to the adaptation and installation of Multi-Ply's new factory in the UK.

Cash flow from operating activities in the period January-June amounted to SEK 80.7 (50.4) million. Higher operating profit contributed to the improvement. Working capital has been negatively affected by higher trade receivables, driven by increased sales.

Cash flow from investing activities was SEK -38.3 (-29.6) million and includes the acquisition of Cognita for SEK 12.2 million. Cash flow from financing activities was SEK -39.7 (-33.2) million.

The Group's cash and cash equivalents at the end of the period amounted to SEK 144.4 (137.9) million.

Net debt amounted to SEK 105.9 (143.7) million. Net debt, excl. IFRS 16 amounted to SEK -61.3 (10.5) million. The change is partly due to the termination of a share swap arrangement of SEK -22.5 million and positive cash flow from operating activities. Net debt/EBITDA was 0.5 (0.8) incl. IFRS 16 and -0.3 (-0.1) excl. IFRS 16.

The equity/assets ratio was 63 (57) percent.

Changes in equity

The Group's equity on 30 June 2022 was SEK 770.4 (614.0) million, distributed as follows: SEK 768.4 (612.3) million attributable to Parent Company shareholders and SEK 2.0 (1.7) million attributable to non-controlling interests.

The number of shares at the end of June 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 51.9 (41.4).

Employees

At the end of the period, 369 (353) individuals were employed in the Group. The acquisition of Cognita AS brought an increase of 6 employees.

Material risks

Material risks and uncertainties for the Group and Parent Company include business risks in the form of high 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 purchases of products and materials, and an operational risk in the form of the loss of major customers.

The ongoing invasion of Ukraine has had a limited impact on the Group's operations to date. The combination of the war and the continuing impact of the pandemic in China, for example, may cause difficulties in accessing raw materials, components, transport and logistics services. Related cost increases could affect the profitability of the Group's companies if we do not manage to implement price increases to customers to the same extent.

More information can be found in the Company's most recent annual report.

Related-party transactions

Transactions between the Parent Company and Group companies during the period January-June amounted to SEK 32.1 (14.7) million. The transactions consist of dividends, management fees, passed-on costs and interest.

Significant events after the end of the period

After the end of the period, Unimedica has divested the rights to the product D-vitamin. The sale price and the capital gain amount to SEK 20 million and will have a positive one-time effect in the third quarter.

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 Cardiolex, Abilia, Inpac and Multi-Ply.

SEK MILLION	SECOND QUARTER		CHANGE	JANUARY-JUNE		CHANGE	R12	JAN-DEC
	2022	2021		2022	2021		2022	2021
Net sales	181.5	153.8	27.7	356.7	301.4	55.4	654.9	599.5
EBITDA	47.9	42.5	5.4	97.0	83.5	13.6	181.3	167.8
EBITDA margin	26.4%	27.7%	-1.3 ppt	27.2%	27.7%	-0.5 ppt	27.7%	28.0%
EBITA	36.5	36.9	-0.4	78.8	72.3	6.5	150.2	143.7
EBITA margin	20.1%	24.0%	-3.9 ppt	22.1%	24.0%	-1.9 ppt	22.9%	24.0%

*) 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 and amortisation. With effect from Q2 2021, the results in the table above include IFRS 16. Comparative periods have been restated to include IFRS16. EBITDA excl. IFRS 16 is presented in note 5.

The MedTech business area continued to perform well in the second quarter. Sales increased in all of the business area's companies. Net sales for the second quarter increased by 18 percent to SEK 181.5 (153.8) million.

EBITDA for the second quarter increased to SEK 47.9 (42.5) million. The increase was mainly driven by Cardiolex and Multi-Ply. Abilia and Inpac also showed good earnings.

The EBITDA margin fell to 26 (28) percent, which is mainly an effect of the mix change in the business area.

Abilia

Abilia's sales continue to develop well in Sweden and Norway, while the UK market is weak. At the end of May, Cognita was acquired as a complement to Abilia's portfolio of assistive technology in the Norwegian market.

Cardiolex

Cardiolex has shown growth mainly in its German operations, which also distribute to other markets. The company won a framework agreement in the quarter. Although the agreement does not guarantee volumes, it increases the company's opportunities for continuing growth in the large German market.

Inpac

Demand in the Nutrients business area was strong and drove sales growth, together with increased sales of packaging for temperature controlled transportation. However, some production disruptions and increased costs of inputs contributed to a lower margin in the quarter. Price adjustments are gradually compensating for the higher costs.

Multi-Ply

Multi-Ply delivered strong sales growth and improved profitability. The order intake was good. The move to the new factory has been completed without major impact on deliveries and sales.

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	SECOND QUARTER		CHANGE	JANUARY-JUNE		CHANGE	R12	JAN-DEC
	2022	2021		2022	2021			
Net sales	102.7	79.7	23.0	190.2	154.7	35.5	352.3	316.8
EBITDA	16.3	11.3	5.0	28.3	19.6	8.7	57.2	48.5
EBITDA margin	15.9%	14.1%	1.7 ppt	14.9%	12.7%	2.2 ppt	16.2%	15.3%
EBITA	11.7	6.7	5.1	19.2	10.5	8.7	38.8	30.1
EBITA margin	11.4%	8.4%	3.0 ppt	10.1%	6.8%	3.3 ppt	11.0%	9.5%

*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 and amortisation. With effect from Q2 2021, the results in the table above include IFRS 16. Comparative periods have been restated to include IFRS16. EBITDA excl. IFRS16 is presented in note 5.

The Specialty Pharma business area grew and increased its margins during the second quarter. Net sales for the second quarter increased by 29 percent to SEK 102.7 (79.7) million compared with the previous year. The growth was driven by products in both the registered pharmaceutical portfolio and the unlicensed portfolio. Contract manufacturing (CDMO) also showed a slight increase in sales. EBITDA amounted to SEK 16.3 (11.3) million. The increase compared with the previous year is due to higher sales, particularly of proprietary products in the registered pharmaceutical portfolio.

The business area's gross margin was slightly lower at 50.9 (53.5) percent. The difference is due to a lower gross margin in contract manufacturing as a result of the product mix and also increased purchase prices.

Unimedic Pharma

Sales in Unimedic Pharma's registered specialty pharmaceutical portfolio showed a strong increase from the previous year and accounted for 49 percent of the business area's total sales.

The sales growth was driven in particular by the products Melatonin, Cresemba and Ephedrine. The portfolio of eight key pharmaceuticals grew by 38 percent during the quarter.

Unlicensed pharmaceuticals also showed strong growth, accounting for 30 percent of the business area's total sales. The unlicensed pharmaceutical business is by its nature subject to sales fluctuations.

Unimedic AB

Unimedic AB's contract manufacturing (CDMO) accounted for 21 percent of the business area's total external sales. External sales increased in the second quarter compared with the previous year.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

SEK MILLION	NOTE	SECOND QUARTER		JANUARY-JUNE		JAN-DEC
		2021	2020	2020	2021	2020
Net sales	1	284.1	233.4	546.9	456.0	916.3
Other operating income		2.1	1.7	5.1	4.1	23.3
		286.3	235.1	552.0	460.1	939.6
Work performed by the Company and capitalised		4.6	2.0	7.6	4.1	10.0
Raw materials and consumables		-114.5	-91.4	-221.9	-179.8	-355.8
Change in inventories		-2.4	-0.9	0.8	-0.3	-1.9
Other external costs		-37.3	-28.0	-74.1	-54.5	-111.9
Personnel expenses		-75.8	-69.9	-145.7	-140.3	-272.7
Other operating expenses		-1.6	-0.9	-3.1	-2.7	-4.7
Operating profit before depreciation, amortisation and impairment (EBITDA)		59.4	46.1	115.6	86.6	202.5
Depreciation and impairment of property, plant and equipment		-16.0	-10.2	-27.4	-20.2	-42.4
Operating profit before amortisation and impairment of intangible assets (EBITA)		43.4	35.9	88.2	66.3	160.2
Amortisation and impairment of intangible assets		-8.3	-8.3	-16.5	-17.2	-33.1
Operating profit (EBIT)		35.1	27.6	71.7	49.1	127.0
Finance income		0.1	0.0	0.2	0.1	1.7
Finance costs		-4.5	-5.8	-14.7	-7.3	-11.8
Net financial items		-4.4	-5.8	-14.5	-7.2	-10.1
Profit before tax		30.7	21.8	57.2	41.9	117.0
Income tax		-9.6	-5.4	-16.4	-10.4	-18.9
Profit for the period from continuing operations		21.1	16.4	40.8	31.5	98.1
Profit from discontinued operations		-	0.0	-	-0.6	-
Profit for the period		21.1	16.4	40.8	30.9	98.1

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT, CONT'D

SEK MILLION	NOTE	SECOND QUARTER		JANUARY-JUNE		JAN-DEC
		2022	2021	2022	2021	2021
Profit for the period attributable to						
Parent Company shareholders		21.0	15.7	40.6	29.6	96.5
Non-controlling interests		0.1	0.7	0.2	1.3	1.6
Earnings per share, calculated based on profit attributable to Parent Company shareholders:						
Basic earnings per share, SEK		1.4	1.1	2.7	2.0	6.5
Diluted earnings per share, SEK		1.4	1.1	2.7	2.0	6.5
Number of shares before dilution		14 807 353	14 798 083	14 807 353	14 797 156	14 801 837
Number of shares after dilution		14 807 353	14 798 083	14 807 353	14 797 156	14 801 837
Dilution		-	-	-	-	-

Unless otherwise stated, earnings per share is the total for the Group, including discontinued operations.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	NOTE	SECOND QUARTER		JANUARY-JUNE		JAN-DEC
		2022	2021	2022	2021	2021
Profit for the period		21.1	16.4	40.8	30.9	98.1
Translation differences in foreign operations		4.1	-6.0	9.7	10.7	17.5
Comprehensive income for the period		25.2	10.4	50.5	41.7	115.5
Comprehensive income attributable to:						
Parent Company shareholders		25.0	10.1	50.2	40.4	114.3
Non-controlling interests		0.2	0.3	0.3	1.3	1.2
Comprehensive income attributable to Parent Company shareholders:						
Continuing operations		25.0	10.1	50.2	41.0	114.3
Discontinued operations		-	0.0	-	-0.6	-

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK MILLION	NOTE	2022	2021	2021
		30 JUNE	30 JUNE	31 DECEMBER
ASSETS				
Non-current assets				
Goodwill		239.1	228.6	229.5
Other intangible assets		205.4	212.3	208.3
Property, plant and equipment		92.7	59.8	85.6
Right-of-use assets		163.0	127.4	168.2
Financial assets		0.3	1.1	0.3
Deferred tax asset		3.4	4.9	2.7
		703.9	634.1	694.6
Current assets				
Inventories		154.5	139.3	150.2
Current tax asset		8.2	12.7	7.7
Trade and other receivables		208.5	158.1	177.2
Cash and cash equivalents		144.4	137.9	139.7
		515.7	448.0	474.9
Assets held for sale		–	0.6	–
TOTAL ASSETS		1 219.6	1 083	1 169.5

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT'D

SEK MILLION	NOTE	2022	2021	2021
		30 JUNE	30 JUNE	31 DECEMBER
EQUITY AND LIABILITIES				
Equity attributable to Parent Company shareholders		768.4	612.3	696.0
Equity attributable to non-controlling interests		2.0	1.7	1.7
TOTAL EQUITY		770.4	614.0	697.7
Non-current liabilities				
Liabilities to credit institutions	2.4	9.1	27.4	18.3
Other non-current liabilities	3	0.1	47.0	22.5
Liabilities related to right-of-use assets		140.4	105.6	147.1
Provisions		4.1	2.1	3.9
Deferred tax liabilities		39.3	36.9	38.1
		193.1	219.0	229.9
Current liabilities				
Liabilities to credit institutions	2.4	56.4	74.1	67.0
Liabilities related to right-of-use assets		26.7	27.5	24.5
Current tax liabilities		11.1	12.6	10.1
Trade and other payables	4	161.8	134.0	140.4
		256.1	248.3	241.9
Liabilities directly related to assets held for sale		–	1.4	–
TOTAL EQUITY AND LIABILITIES		1 219.6	1 082.8	1 169.5

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 2021	595.7	6.3	602.0
	–	–	–
Profit for the period	29.6	1.3	30.9
Other comprehensive income	10.7	–	10.7
Comprehensive income for the period	40.4	1.3	41.7
Employee share options	1.8	–	1.8
Share swap	-22.2	–	-22.2
New share issue	1.1	–	1.1
Transactions with non-controlling interests in non-wholly owned subsidiaries	-4.5	-5.8	-10.3
Equity, 30 June 2021	612.3	1.7	614.0
Equity, 1 January 2022	696.0	1.7	697.7
Profit for the period	40.6	0.2	40.8
Other comprehensive income	9.6	0.1	9.7
Comprehensive income for the period	50.2	0.3	50.5
Employee share options	–	–	–
Warrants	–	–	–
Share swap	22.2	–	22.2
New share issue	–	–	–
Transactions with non-controlling interests in non-wholly owned subsidiaries	–	–	–
Equity, 30 June 2022	768.4	2.0	770.4

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK MILLION	NOTE	SECOND QUARTER		JANUARY-JUNE		JAN-DEC
		2022	2021	2022	2021	2021
Cash flow from operating activities						
Operating profit before financial items		35.1	27.6	71.7	49.1	127.0
Profit from discontinued operations		–	0.0	–	-0.6	–
Operating profit before financial items including discontinued operations		35.1	27.6	71.7	48.5	127.0
Depreciation, amortisation and impairment		24.3	18.4	43.9	37.4	75.5
Other non-cash items		-0.1	2.2	-1.6	7.4	1.0
Interest received		0.1	0.0	0.2	0.1	0.1
Interest paid		-0.2	-1.8	-0.5	-2.9	-7.7
Income tax paid		-9.9	-6.0	-17.3	-21.9	-24.2
Cash flow from operating activities before changes in working capital		49.2	40.4	96.4	68.7	171.7
Increase/decrease in inventories		0.4	7.6	-1.3	-7.2	-16.0
Increase/decrease in operating receivables		-29.2	-10.9	-33.2	-16.8	-36.5
Increase/decrease in operating liabilities		4.0	-4.0	18.9	5.7	-2.9
Cash flow from operating activities		24.4	33.1	80.7	50.4	116.3
Cash flow from investing activities						
Acquisition of subsidiaries		-12.2	-10.3	-11.9	-10.3	-4.6
Purchase of property, plant and equipment		-4.4	-8.8	-18.2	-13.2	-45.3
Purchase of intangible assets		-4.8	-3.4	-8.2	-6.1	-15.6
Increase/decrease in current financial assets		–	–	–	–	0.7
Cash flow from investing activities		-21.4	-22.4	-38.3	-29.6	-64.8
Cash flow from financing activities						
Repayments		-14.5	-18.5	-30.1	-34.6	-66.0
New share issue		–	1.1	–	1.1	1.1
Share swap		–	–	-7.4	–	–
Option premiums		–	–	5.7	–	–
Increase/decrease in short-term credit		-10.1	1.4	-7.8	0.3	0.9
Cash flow from financing activities		-24.6	-16.0	-39.7	-33.2	-64.1
Decrease/increase in cash and cash equivalents		-21.6	-5.3	2.8	-12.3	-12.5
Cash and cash equivalents at beginning of period		167.6	142.3	139.7	146.5	146.5
Cash from discontinued operations		–	0.2	–	0.3	–
Exchange difference in cash and cash equivalents		-1.6	0.7	1.9	3.5	5.7
Cash and cash equivalents at end of period		144.4	137.9	144.4	137.9	139.7

FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

SEK MILLION	SECOND QUARTER		JANUARY-JUNE		JAN-DEC
	2022	2021	2022	2021	2021
Net sales	3.0	3.8	4.6	7.6	15.1
Other income	–	–	–	–	1.1
Total	3.0	3.8	4.6	7.6	16.3
Other external costs	-1.8	-2.3	-3.2	-3.4	-7.3
Personnel expenses	-3.5	-5.0	-7.3	-11.2	-20.8
Depreciation/amortisation	-0.1	0.0	-0.1	-0.1	-0.2
Operating profit	-2.2	-3.6	-6.0	-7.1	-12.0
Profit/loss from investments in Group companies	20.0	–	20.0	–	–
Interest and similar income	3.7	3.6	7.7	7.2	14.4
Interest and similar expenses	-0.5	-3.4	-8.2	-2.7	-4.2
Profit before appropriations and tax	20.9	-3.4	13.5	-2.6	-1.8
Group contributions	–	–	–	–	31.0
Profit for the period	20.9	-3.4	13.5	-2.6	29.2

The Parent Company's net sales consist of invoiced management fees. Of the profit before appropriations and tax for the period January-June, SEK 20.0 (-) million is dividends from Group companies, SEK 7.5 (7.2) million is internal interest and SEK -7.4 million is the cost of early termination of a share swap arrangement.

FINANCIAL STATEMENTS

CONDENSED PARENT COMPANY BALANCE SHEET

SEK MILLION	NOTE	2022 30 JUNE	2021 30 JUNE	2021 31 DECEMBER
ASSETS				
Non-current assets				
Intangible assets		0.7	0.7	0.9
Financial assets		467.1	423.1	458.9
		467.8	423.8	459.8
Current assets				
Trade and other receivables		3.9	3.6	2.1
Receivables from Group companies		24.1	33.8	19.8
Cash pool receivables from Group companies		93.7	101.5	105.2
Cash and cash equivalents		108.5	84.8	108.2
		230.1	223.6	235.3
TOTAL ASSETS		698.0	647.4	695.1
EQUITY AND LIABILITIES				
Restricted equity				
Unrestricted equity		40.0	40.0	40.0
TOTAL EQUITY		603.9	532.2	568.2
Provisions				
		–	0.3	–
Non-current liabilities				
Liabilities to Group companies		1.3	4.9	1.3
Non-current financial liabilities	3	–	47.0	22.5
		1.3	51.9	23.8
Current liabilities				
Cash pool liabilities to Group companies		68.1	54.7	78.4
Liabilities to Group companies		–	–	–
Current tax liabilities		–	1.3	–
Trade and other payables	3	24.7	7.0	24.8
		92.8	63.0	103.2
TOTAL EQUITY AND LIABILITIES		698.0	647.4	695.1

The Parent Company's investments in intangible assets and property, plant and equipment amounted to SEK - (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 interim 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, 29 July 2022

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 29 July.

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

Engelbretsgatan 9-11, SE-114 32 Stockholm +46 8 34 71 10

www.medcap.se

FINANCIAL CALENDAR

Interim Report 3 2022, 28 October 2022

Year-end report 2022, 10 February 2023

Interim Report 1 2023, 3 May 2023

Interim Report 2 2023, 28 July 2023

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 2022 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. With effect from Q2 2021, the tables below show EBITDA including IFRS 16. Comparative periods have been restated to include IFRS 16.

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
SECOND QUARTER								
Segment net sales	181.5	153.8	102.7	79.7	–	–	284.1	233.4
EBITDA, adjusted	47.9	42.5	16.3	11.3	-4.9	-7.7	59.4	46.1
Depreciation/amortisation of property, plant and equipment and intangible assets	-16.0	-10.1	-7.2	-7.4	-1.0	-0.9	-24.3	-18.4
Operating profit	31.9	32.4	9.1	3.9	-5.9	-8.6	35.1	27.6
Finance income and costs	-5.2	-2.9	-2.3	-3.1	3.1	0.2	-4.4	-5.8
Profit before tax	26.7	29.5	6.7	0.8	-2.8	-8.5	30.7	21.8

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
JANUARY-JUNE								
Segment net sales	356.7	301.4	190.2	154.7	–	–	546.9	456.0
EBITDA, adjusted	97.0	83.5	28.3	19.6	-9.7	-16.5	115.6	86.6
Depreciation/amortisation of property, plant and equipment and intangible assets	-27.4	-20.8	-14.5	-14.9	-2.1	-1.8	-43.9	-37.4
Operating profit	69.7	62.7	13.8	4.7	-11.8	-18.3	71.7	49.1
Finance income and costs	-9.5	-6.8	-4.5	-4.9	-0.5	4.4	-14.5	-7.2
Profit before tax	60.1	55.9	9.3	-0.2	-12.2	-13.8	57.2	41.9

NOTES

Note 1 Operating segments, cont'd

Net sales by product category

SEK MILLION SECOND QUARTER	MEDTECH		SPECIALTY PHARMA		TOTAL	
	2022	2021	2022	2021	2022	2021
Pharmaceuticals	6.2	3.9	98.4	76.1	104.6	79.9
Assistive technology	69.4	66.8	–	–	69.4	66.8
Medical devices	56.3	47.5	–	–	56.3	47.5
Food	41.9	29.0	3.6	3.5	45.4	32.5
Other	7.6	6.6	0.7	0.1	8.4	6.7
	181.5	153.8	102.7	79.7	284.1	233.4

SEK MILLION JANUARY-JUNE	MEDTECH		SPECIALTY PHARMA		TOTAL	
	2022	2021	2022	2021	2022	2021
Pharmaceuticals	14.5	10.0	182.2	147.6	196.7	157.6
Assistive technology	133.0	123.8	–	–	133.0	123.8
Medical devices	114.9	95.2	–	–	114.9	95.2
Food	79.1	54.8	6.5	6.1	85.6	60.9
Other	15.2	17.6	1.5	0.9	16.7	18.5
	356.7	301.4	190.2	154.7	546.9	456.0

Net sales by geographical region

SEK MILLION SECOND QUARTER	MEDTECH		SPECIALTY PHARMA		TOTAL	
	2022	2021	2022	2021	2022	2021
Sweden	70.4	66.1	80.2	59.4	150.5	125.5
Nordic (excl. Sweden)	51.2	33.4	20.0	13.7	71.2	47.1
Europe (excl. Nordic)	49.3	49.5	2.5	6.2	51.9	55.7
Rest of the world	10.6	4.8	–	0.3	10.6	5.1
	181.5	153.8	102.7	79.7	284.1	233.4

SEK MILLION JANUARY-JUNE	MEDTECH		SPECIALTY PHARMA		TOTAL	
	2022	2021	2022	2021	2022	2021
Sweden	144.2	128.0	142.0	118.5	286.1	246.5
Nordic (excl. Sweden)	94.2	69.8	36.6	25.1	130.8	95.0
Europe (excl. Nordic)	94.8	89.6	11.6	10.7	106.4	100.3
Rest of the world	23.6	13.9	–	0.3	23.6	14.3
	356.7	301.4	190.2	154.7	546.9	456.0

NOTES

Not 2 Ställda säkerheter och eventalförNote 2 Pledged assets and contingent liabilities

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
PLEGDED ASSETS	30 JUNE	30 JUNE	30 JUNE	30 JUNE
Floating charges	68.6	71.6	-	-
Pledged inventory	3.2	1.6	-	-
Shares in subsidiaries	319.6	250.3	154.9	139.1
Blocked funds	0.7	0.4	-	-
Pledged trade receivables	101.6	75.0	-	-
Other	0.1	0.0	-	-
Total pledged assets	493.8	399.0	154.9	139.1
CONTINGENT LIABILITIES	2022	2021	2022	2021
	30 JUNE	30 JUNE	30 JUNE	30 JUNE
	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.

NOTES

Note 3 Business acquisitions

On 31 May 2022, Abilia AS signed an agreement for the acquisition of Cognita AS. The transaction was finalised on 1 June 2022. Information about the acquisition is provided below. For Abilia, which has a leading position in assistive technology in the Nordic region, the transaction is of key value as it strengthens and broadens the position in digital assistive products. Cognita has long established itself as a leading supplier of assistive technology in Norway. The company's sales in 2021 were NOK 15 million.

SEK million	Cognita AS
Date of acquisition	2022-06-01
Acquired share	100%
Cost	
Of which cash payment	12.4
Of which remaining consideration	0.0
Total cost	12.4
Identifiable assets acquired	
Customer relationships	2.8
Property, plant and equipment	1.3
Inventory	2.9
Trade receivables	1.8
Other assets	0.2
Cash and cash equivalents	0.2
Deferred tax	-0.8
Liabilities to credit institutions	-0.1
Trade payables	-0.9
Other current liabilities	-1.8
Net identifiable assets acquired	5.4
Goodwill	6.9
Net assets acquired	12.4
Cash consideration paid	12.4
Acquired cash	-0.2
Effect on cash flow	12.2

Total acquisition expenses amounted to SEK 201 thousand. The acquisition analysis is preliminary.

NOTES

The acquisition of Cognita has affected the Group's financial statements as follows: net sales SEK 1.4 million, EBITDA SEK -0.2 million, operating profit SEK -0.4 million and profit after tax for the period SEK -0.4 million. If the acquisition had been completed on 1 January 2022, the estimated effect would have been as follows: net sales SEK 9.0 million, EBITDA SEK 0.4 million, operating profit SEK 0.1 million and profit after tax for the year SEK 0.1 million. Earnings were adversely affected by an acquisition-date inventory value adjustment of SEK -0.3 million.

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	2022		2021		2021	
	30 JUNE		30 JUNE		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	36.5	36.5	36.5	36.5
Adjustment of purchase price allocation	–	–	-14.8	-14.8	-14.8	-14.8
Remeasurements	0.5	0.5	1.0	1.0	-7.8	-7.8
Exchange difference	0.3	0.3	2.0	2.0	2.7	2.7
Closing balance	17.5	17.5	24.7	24.7	16.6	16.6

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 26.

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

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
SECOND QUARTER	2022	2021	2022	2021	2022	2021	2022	2021
Operating profit	31.9	32.4	9.1	3.9	-5.9	-8.6	35.1	27.6
Depreciation/amortisation	16.0	10.1	7.2	7.4	1.0	0.9	24.3	18.4
Adjusted EBITDA, incl. IFRS 16	47.9	42.5	16.3	11.3	-4.9	-7.7	59.4	46.1
IFRS 16 effect on EBITDA	-4.4	-3.7	-3.6	-3.4	-0.1	-	-8.0	-7.1
Adjusted EBITDA, excl. IFRS 16	43.6	38.9	12.7	7.9	-5.0	-7.7	51.3	39.0

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
JANUARY-JUNE	2022	2021	2022	2021	2022	2021	2022	2021
Operating profit	69.7	62.7	13.8	4.7	-11.8	-18.3	71.7	49.1
Depreciation/amortisation	27.4	20.8	14.5	14.9	2.1	1.8	43.9	37.4
Adjusted EBITDA, incl. IFRS 16	97.0	83.5	28.3	19.6	-9.7	-16.5	115.6	86.6
IFRS 16 effect on EBITDA	-8.7	-7.2	-7.1	-6.8	-0.2	-	-16.0	-14.0
Adjusted EBITDA, excl. IFRS 16	88.3	76.3	21.2	12.8	-9.8	-16.5	99.7	72.6

Working capital, SEK million

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
30 JUNE	2022	2021	2022	2021	2022	2021	2022	2021
Inventory	80.8	63.8	73.7	75.6	-	0.0	154.5	139.3
Trade receivables	90.3	74.4	77.9	56.2	-0.1	-0.1	168.1	130.4
Trade payables	-25.4	-21.5	-35.4	-32.0	-1.7	-0.4	-62.5	-53.9
Working capital	145.7	116.7	116.2	99.7	-1.8	-0.5	260.1	215.9

KEY PERFORMANCE MEASURES AND DEFINITIONS

KEY PERFORMANCE MEASURES

SEK MILLION	SECOND QUARTER		JANUARY-JUNE		JAN-DEC
	2022	2021	2022	2021	2021
Return on equity, %	2.9	2.6	5.6	4.9	14.9
Basic equity per share, SEK	51.9	41.4	51.9	41.4	47.0
Diluted equity per share, SEK	51.9	41.4	51.9	41.4	47.0
Earnings per share, SEK	1.4	1.1	2.7	2.0	6.5
Equity/assets ratio, %	63	57	63	57	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	14 798 083	14 807 353	14 797 156	14 801 837
Number of shares after dilution	14 807 353	14 798 083	14 807 353	14 797 156	14 801 837

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 management fees charged (not applicable to consolidated financial statements)
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 as a substitute for measures defined under IFRS.