



YEAR-END REPORT

JANUARY-DECEMBER 2022

MEDCAP AB (PUBL.)

JANUARY-DECEMBER 2022

Strong organic growth in both the quarter and the year

FOURTH QUARTER OCTOBER-DECEMBER

- The Group's net sales amounted to SEK 322.8 (257.9) million, an increase of 25 percent.
- The Group's EBITDA was SEK 73.3 (66.5) million, an increase of 10 percent. Adjusted for items affecting comparability^{*)}, the increase was 16 percent.
- The EBITDA margin was 23 (26) percent. Adjusted for items affecting comparability^{*)}, the margin was 23 (24) percent.
- Profit after tax amounted to SEK 40.5 (40.8) million.
- Earnings per share amounted to SEK 2.7 (2.7).
- Cash flow from operating activities was SEK -39.1 (42.6) million. Adjusted for the advance of approximately SEK 115 million paid for shares in AdderaCare, cash flow from operating activities amounts to SEK 75.7 million.

TWELVE MONTHS JANUARY-DECEMBER

- The Group's net sales amounted to SEK 1,111.3 (916.3) million, an increase of 21 percent.
- The Group's EBITDA was SEK 258.7 (202.5) million, an increase of 28 percent. Adjusted for items affecting comparability^{*)}, the increase was 27 percent.
- The EBITDA margin was 23 (22) percent. Adjusted for items affecting comparability^{*)}, the margin was 21 (20) percent.
- Profit after tax amounted to SEK 118.0 (98.1) million.
- Earnings per share amounted to SEK 7.9 (6.5).
- Cash flow from operating activities was SEK 85.5 (116.3) million. Adjusted for the advance of approximately SEK 115 million paid for shares in AdderaCare, cash flow from operating activities amounts to SEK 200.3 million.

SEK MILLION	FOURTH QUARTER		CHANGE	JANUARY-DECEMBER		CHANGE
	2022	2021		2022	2021	
Net sales	322.8	257.9	65.0	1 111.3	916.3	195.1
EBITDA	73.3	66.5	6.8	258.7	202.5	56.1
EBITDA, %	22.7%	25.8%	-3.1 ppt	23.3%	22.1%	1.2 ppt
EBITA	60.4	54.8	5.7	207.4	160.2	47.2
EBITA, %	18.7%	21.2%	-2.5 ppt	18.7%	17.5%	1.2 ppt
Earnings per share (SEK)	2.7	2.7	0.0	7.9	6.5	1.4

For definitions and explanations, see page 30.

^{*)} Items affecting comparability for 2022 consist of the sale of the rights to the vitamin D product (SEK 20.0 million) and non-recurring income in the previous year related to the acquisition of Multi-ply (SEK 15.1 million), 3.3 of which was in the fourth quarter of 2021.

CEO'S COMMENTS

“Strong organic growth in both the quarter and the year”

Fourth quarter

Sales were very strong in the fourth quarter and the Group grew by 25 percent. There is often slightly higher demand in the fourth quarter than the other quarters, as was also the case this year. The continued positive development in the fourth quarter contributed to annual growth of 21 percent. Growth is largely organic and demand for our products is strong. The companies have been able to meet demand and increase deliveries.

The Specialty Pharma business area continued to perform well in the fourth quarter and sales increased as a result of contracts awarded and continued growth in launched pharmaceuticals.

The MedTech business area also performed well in the fourth quarter, with strong demand particularly in the areas of assistive technology and nutrition. The business area's companies have made progress in both marketing and product development, which contributed both to the positive development during the quarter and to longer-term opportunities.

The Group's EBITDA increased by 16 percent, adjusted for items affecting comparability. Sales mix and, to some extent, the cost increases contributed to a slightly lower gross margin. Expenses increased, driven in part by personnel costs, marketing and development activities and acquisition-driven expenses.

Growth through acquisitions and active ownership

During the quarter, MedCap announced a takeover offer to the shareholders of AdderaCare through its subsidiary Abilia Sverige Holding.

By December 23rd, the offer had been accepted by approximately 95 percent of the shareholders and was therefore completed. Since the end of the quarter, additional shareholders have accepted the offer, the shares have been taken over, and AdderaCare was delisted from Nasdaq First North 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 thus complement and broaden MedCap's portfolio of assistive and welfare technology, which currently consists of Abilia. The businesses will be brought together in a new segment of the Group and will help reinforce the offering and reach to our customers and continue to develop and grow the Group's assistive and welfare technology business. Through MedCap, the subsidiaries will have a good home in a larger group and synergies can be realised.

In summary

The fourth quarter was the strongest ever and ended a very good year for the Group. Even after the acquisition of AdderaCare, MedCap has substantial financial headroom to make further acquisitions, and opportunities are continually being evaluated. The Group's growth opportunities, both organically and through acquisitions, are deemed good. We are an active owner with ambition to strengthen the company's existing businesses or contribute new product or market segments where there are opportunities to assume leading niche positions.

I look forward to the journey ahead.

Anders Dahlberg, CEO
Stockholm
10 February 2023



THE MEDCAP GROUP IN BRIEF

MedCap acquires and develops profitable, market-leading niche life science companies, usually 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.

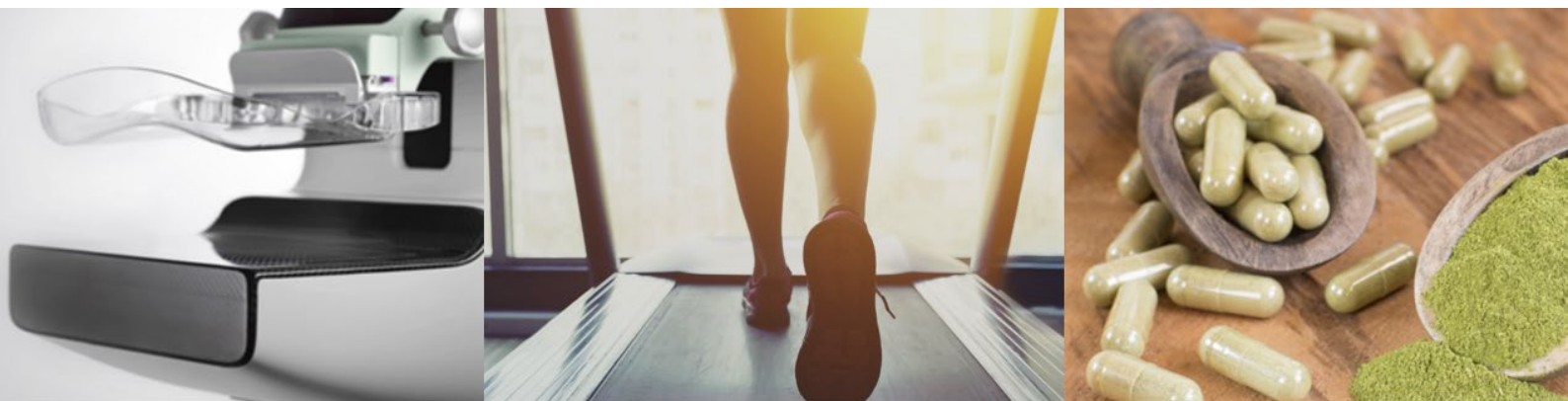
Growth through acquisitions is a key element of MedCap's business strategies

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.

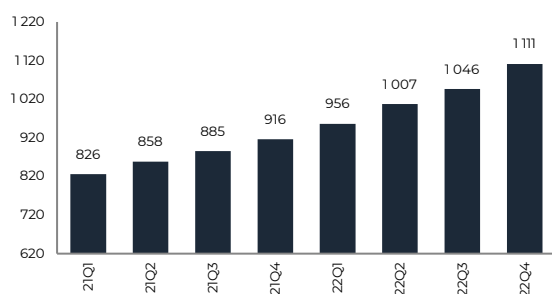
The Group is listed in Nasdaq Stockholm's Mid Cap segment.

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

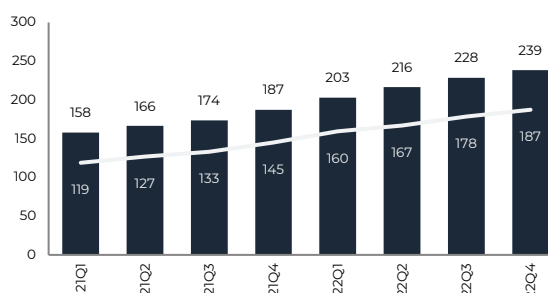


NET SALES AND EARNINGS

The Group's net sales LTM (SEK million) excluding one-time effects



The Group's EBITDA and EBITA (line) LTM (SEK million) excluding one-time effects



OCTOBER-DECEMBER

Net sales

Net sales for the fourth quarter increased by 25 percent to SEK 322.8 (257.9) million. Growth was driven by all companies in the Group and is due to new products on the market and increased demand for existing products.

Adjusted for currency effects, net sales increased by 22 percent.

Earnings

EBITDA for the fourth quarter increased by 10 percent to SEK 73.3 (66,5) million. Earnings benefitted from sales growth during the quarter, which was slightly offset by increased costs. This was mainly due to higher personnel expenses, higher electricity prices and increased costs for consumables. The gross margin was negatively affected by sales mix and higher raw material prices, but these price increases were largely passed on to customers.

The EBITDA margin was 23 (26) percent.

Net financial items for the period amounted to SEK -2.2 (-2.7) million and include discounting and translation effects of SEK 0.0 (-0.9) million related to additional considerations.

Recognised tax for the fourth quarter amounted to SEK -8.3 (-2.9) million.

Recognised tax as a proportion of profit before tax was 17.1 percent.

JANUARY-DECEMBER

Net sales

Net sales for the year increased by 21 percent to SEK 1,111.3 (916.3) million. Growth was driven by all companies in the Group and, just as for the quarter, it is due to new products and increased demand for existing products.

Adjusted for currency effects, net sales increased by 18 percent.

Earnings

EBITDA increased by 28 percent to SEK 258.7 (202.5) million for the year, including SEK 20 million related to the sale of rights to the vitamin D product. The sales growth during the year had a positive impact on earnings, while at the same time prices increased for electricity, consumables and shipping, among other things. Selling expenses increased during the period owing to increased activity following the pandemic. During the period, product development and regulatory certification costs also increased compared with the previous year. The gross margin was affected by higher raw material prices but managed to remain relatively stable thanks to price increases to customers and mix effects.

NET SALES AND EARNINGS

Earnings were adversely affected by an acquisition-date inventory value adjustment of SEK -1.0 million (Cognita).

The EBITDA margin was 23 (22) percent.

Net financial items for the year amounted to SEK -18.9 (-10.1) million and include discounting and translation effects of SEK -0.8 (-5.1) million related to additional considerations and a cost of SEK -7.4 million for redemption of the 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 -34.0 (-18,9) million. Recognised tax as a proportion of profit before tax was 22.4 percent. The deviation from 20.6 percent is mainly an effect of differences in tax rates in foreign subsidiaries.



FINANCIAL POSITION AND OTHER INFORMATION

Financial position

Cash flow from operating activities amounted to SEK 85.5 (116.3) million for the year, which includes the advance of approximately SEK 115 million paid for shares in AdderaCare.

Excluding this effect, cash flow from operating activities amounts to SEK 200.3 million. The year-on-year increase is mainly explained by a higher operating profit.

Cash flow from investing activities was SEK -56.1 (-64.8) million and includes the acquisition of Cognita for SEK 12.2 million. Cash flow from financing activities was SEK 61.2 (-64.1) million, and includes a loan of SEK 120 million related to the acquisition of AdderaCare. The Group's cash and cash equivalents at the end of the year amounted to SEK 236.2 (139.7) million.

Net debt amounted to SEK 103.9 (156.3) million. Net debt, excl. IFRS 16, amounted to SEK -51.9 (-15.3) million. The change is mainly due to positive cash flow from operating activities. Net debt/EBITDA was 0.4 (0.8) incl. IFRS 16 and -0.2 (-0.1) excl. IFRS 16.

The equity/assets ratio was 60 (60) percent.

Changes in equity

The Group's equity on 31 December 2022 was SEK 858.7 (697.7) million, distributed as follows: SEK 856.3 (696.0) million attributable to Parent Company shareholders and SEK 2.4 (1.7) million attributable to non-controlling interests.

The number of shares on 31 December was 14,807,353. With a quotient value of SEK 0.4 per share, the Company's share capital on 31 December was SEK 5,922,942. Basic equity per share was SEK 57.8 (47.0).

Employees

At the end of the year, 368 (361) 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 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 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. Rising energy prices negatively affect manufacturing units in particular, 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-December amounted to SEK 67.7 (61.7) million. The transactions consist of dividends, management fees, passed-on costs, interest and Group contributions.

Significant events after the year-end

On 17 November, MedCap announced a takeover offer to the shareholders of AdderaCare to transfer all their shares in AdderaCare at a cash price of SEK 3.60 per share. The offer was made through Abilia Sverige Holding AB, a subsidiary of MedCap AB. On 23 December 2022, MedCap announced that the offer had been provisionally accepted by 94.6 percent of the shareholders and that MedCap was proceeding with the offer and extending 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. On 3 January 2023, MedCap called for compulsory redemption of the remaining shares in AdderaCare. At the same time, the Board of AdderaCare applied for delisting of AdderaCare's shares from Nasdaq First North Growth Market and the last day for trading was 20 January 2023.



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 and Multi-Ply.

SEK MILLION	FOURTH QUARTER		CHANGE	JANUARY-DECEMBER		CHANGE
	2022	2021		2022	2021	
Net sales	206.9	168.3	38.6	714.3	599.5	114.8
EBITDA	56.5	52.0	4.5	190.2	167.8	22.4
EBITDA margin	27.3%	30.9%	-3.6 ppt	26.6%	28.0%	-1.4 ppt
EBITA	48.3	44.9	3.4	157.4	143.7	13.7
EBITA margin	23.3%	26.7%	-3.3 ppt	22.0%	24.0%	-1.9 ppt

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.

OCTOBER-DECEMBER

Net sales

The MedTech business area continued to perform well in the fourth quarter. Net sales increased by 23 percent to SEK 206.9 (168.3) million.

All companies performed well and growth was driven in particular by Abilia and Inpac and increased demand for existing products.

Abilia

Demand for the company's assistive technology was strong on the Nordic market. In the quarter, the company gained renewed trust and signed an important contract on the Norwegian market through tender procurement. Efforts in both marketing and product development aimed at reaching more customers and maintaining a leading product portfolio continued during the quarter.

Abilia primarily provides digital assistive technology in the areas of cognition, communication, environmental control and alarms. Through products and services focused on the needs of users, the company has established a leading position on the Nordic market and also has a wide network of international distributors.

The acquisition of AdderaCare is intended to build on the expertise and position that Abilia has built up by bringing the companies together in a new segment of assistive and welfare technology within the MedCap Group. Tove Christiansson will continue in her role as CEO of Abilia and will also be responsible for the new segment. The AdderaCare companies broaden the portfolio with physical products and assistive technology, new customers and markets. The acquired businesses have a lower profitability margin than the MedCap Group but are expected to enable synergies.

MEDTECH BUSINESS AREA

Cardiolex

Vacuum systems generally saw good demand, as did the Swedish market for ECG systems. Sales of ECG systems on the German market started weakly but improved slightly towards the end of the quarter.

Inpac

Sales grew strongly in both nutrition and probiotics. Both the increase in volume and the price increases that were implemented to compensate for higher costs contributed to improving profitability.

Multi-Ply

Demand was good in the quarter and the important work of developing new products with the company's customers continued in a satisfactory manner.

Earnings

The business area's EBITDA was SEK 56.5 (52.0) million, 9 percent higher than in the previous year. Sales growth was the main contributor to the earnings improvement.

JANUARY-DECEMBER

Net sales

The business area's net sales amounted to SEK 714.3 (599.5) million, an increase of 19 percent.

Growth was driven by all companies in the segment and is due to a combination of new products and markets and increased demand for existing products.

Earnings

EBITDA was SEK 190.2 (167.8) million, which is 13 percent higher than in the previous year and is 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	FOURTH QUARTER		CHANGE	JANUARY-DECEMBER		CHANGE
	2022	2021		2022	2021	
Net sales	115.9	89.6	26.4	397.0	316.8	80.2
EBITDA	24.0	18.4	5.6	90.3	48.5	41.8
EBITDA margin	20.7%	20.5%	0.1 ppt	22.8%	15.3%	7.4 ppt
EBITA	19.3	13.7	5.6	72.0	30.1	41.9
EBITA margin	16.7%	15.3%	1.3 ppt	18.1%	9.5%	8.6 ppt

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.

OCTOBER-DECEMBER

Net sales

The Specialty Pharma business had a strong growth and net sales for the fourth quarter increased by 29 percent to SEK 115.9 (89.6) million compared with the previous year. The growth was mainly driven by the registered pharmaceutical portfolio and a good demand in the unlicensed pharmaceutical portfolio. Contract manufacturing (CDMO) sales also increased.

Unimedic Pharma AB

Sales in Unimedic Pharma's registered specialty pharmaceutical portfolio showed a strong increase and accounted for 57 percent of the business area's total sales.

The portfolio of eight key pharmaceuticals grew by 29 percent during the quarter, driven by products including Cresemba, Melatonin and Adrenalin. Both demand and new contracts contributed to the increase in sales on the domestic market. Growth on other markets where the company sells through partners also contributed to higher sales.

Unlicensed pharmaceuticals also experienced good demand, accounting for 23 percent of the business area's total sales.

Unimedic AB

External sales in Unimedic AB's contract manufacturing (CDMO) increased in the fourth quarter and accounted for 20 percent of the business area's total external sales.

Earnings

EBITDA increased by 30 percent to SEK 24.0 (18.4) million.

The EBITDA margin was 20.7 percent.

The business area's gross margin was 54.9 (55.0), in line with the previous year. Increased purchase prices were offset by a positive product mix. Increased personnel costs had a negative impact on earnings during the period.

SPECIALTY PHARMA BUSINESS AREA

JANUARY-DECEMBER

Net sales

Sales for the period January-December amounted to SEK 397.0 (316.8) million, an increase of 25 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

Specialty Pharma increased its EBITDA by 86 percent to SEK 90.3 (48.5) million, partly driven by sales growth but also benefiting from SEK 20 million from the sale of the vitamin D product. Adjusted for the impact of these sales on earnings, EBITDA growth was 45 percent.



FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

SEK MILLION	NOTE	FOURTH QUARTER		JANUARY-DECEMBER	
		2022	2021	2022	2021
Net sales	1	322.8	257.9	1 111.3	916.3
Other operating income		2.8	5.6	30.3	23.3
		325.6	263.5	1 141.6	939.6
Work performed by the Company and capitalised		2.2	4.5	12.5	10.0
Raw materials and consumables		-122.9	-95.5	-441.7	-355.8
Change in inventories		-3.1	-2.1	-5.1	-1.9
Other external costs		-40.2	-33.3	-148.1	-111.9
Personnel expenses		-87.5	-69.6	-295.4	-272.7
Other operating expenses		-0.8	-1.0	-5.2	-4.7
Operating profit before depreciation, amortisation and impairment (EBITDA)		73.3	66.5	258.7	202.5
Depreciation and impairment of property, plant and equipment		-12.9	-11.7	-51.3	-42.4
Operating profit before amortisation and impairment of intangible assets (EBITA)		60.4	54.8	207.4	160.2
Amortisation and impairment of intangible assets		-9.4	-8.5	-36.5	-33.1
Operating profit (EBIT)		51.0	46.3	170.9	127.0
Finance income		1.4	0.3	2.3	1.7
Finance costs		-3.6	-2.9	-21.2	-11.8
Net financial items		-2.2	-2.7	-18.9	-10.1
Profit before tax		48.9	43.6	152.0	117.0
Income tax		-8.3	-2.9	-34.0	-18.9
Profit for the year		40.5	40.8	118.0	98.1

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT, CONT'D

SEK MILLION	NOTE	FOURTH QUARTER		JANUARY-DECEMBER	
		2022	2021	2022	2021
Profit for the year attributable to					
Parent Company shareholders		40.3	40.6	117.6	96.5
Non-controlling interests		0.2	0.2	0.4	1.6
Earnings per share, calculated based on profit attributable to Parent Company shareholders:					
Basic earnings per share, SEK		2.7	2.7	7.9	6.5
Diluted earnings per share, SEK		2.7	2.7	7.9	6.5
Number of shares before dilution		14 807 353	14 807 353	14 807 353	14 801 837
Number of shares after dilution		14 807 353	14 807 353	14 807 353	14 801 837

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	NOTE	FOURTH QUARTER		JANUARY-DECEMBER	
		2022	2021	2022	2021
Profit for the year		40.5	40.8	118.0	98.1
Translation differences in foreign operations		5.8	6.8	20.9	17.5
Comprehensive income for the year		46.3	47.6	138.8	115.5
Comprehensive income attributable to:					
Parent Company shareholders		46.0	47.7	138.1	114.3
Non-controlling interests		0.3	-0.1	0.7	1.2

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK MILLION	NOTE	2022	2021
		31 DECEMBER	31 DECEMBER
ASSETS			
Non-current assets			
Goodwill		242.6	229.5
Other intangible assets		198.9	208.3
Property, plant and equipment		93.0	85.6
Right-of-use assets		149.6	168.2
Financial assets		0.2	0.3
Deferred tax asset		3.1	2.7
		687.4	694.6
Current assets			
Inventories		162.7	150.2
Current tax asset		5.7	7.7
Trade and other receivables		337.2	177.2
Cash and cash equivalents		236.2	139.7
		741.9	474.9
TOTAL ASSETS		1 429.3	1 169.5

Trade receivables and other receivables include advance payment for shares in AdderaCare amounting to SEK 115 million.

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONT'D

SEK MILLION	NOTE	2022 31 DECEMBER	2021 31 DECEMBER
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders		856.3	696.0
Equity attributable to non-controlling interests		2.4	1.7
TOTAL EQUITY		858.7	697.7
Non-current liabilities			
Liabilities to credit institutions	2.4	96.0	18.3
Other non-current liabilities	3	0.1	22.5
Liabilities related to right-of-use assets		127.9	147.1
Provisions		5.5	3.9
Deferred tax liabilities		39.0	38.1
		268.5	229.9
Current liabilities			
Liabilities to credit institutions	2.4	88.2	67.0
Liabilities related to right-of-use assets		27.9	24.5
Current tax liabilities		21.0	10.1
Trade and other payables	4	165.0	140.4
		302.1	241.9
TOTAL EQUITY AND LIABILITIES		1 429.3	1 169.5

Liabilities to credit institutions include a loan taken out to finance the acquisition of the shares in AdderaCare, which amounts to SEK 120 million.

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 year	96.5	1.6	98.1
Other comprehensive income	17.8	-0.3	17.5
Comprehensive income for the year	114.3	1.2	115.5
Employee share options	5.9	–	5.9
New issue due to share subscriptions with employee share options	5.7	–	5.7
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, 31 December 2021	696.0	1.7	697.7
Equity, 1 January 2022	696.0	1.7	697.7
Profit for the year	117.6	0.4	118.0
Other comprehensive income	20.5	0.3	20.9
Comprehensive income for the year	138.1	0.7	138.8
Share swap	22.2	–	22.2
Equity, 31 December 2022	856.3	2.4	858.7

During the year, a share swap arrangement was redeemed prematurely. 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.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK MILLION	FOURTH QUARTER		JANUARY-DECEMBER	
	2022	2021	2022	2021
Cash flow from operating activities				
Operating profit before financial items	51.0	46.3	170.9	127.0
Depreciation, amortisation and impairment	22.3	20.2	87.8	75.5
Other non-cash items	-0.8	8.9	-1.7	1.0
Interest received	1.4	0.0	1.6	0.1
Interest paid	-1.5	-3.8	-3.0	-7.7
Income tax paid	-2.9	2.6	-23.9	-24.2
Cash flow from operating activities before changes in working capital	69.6	74.2	231.7	171.7
Increase/decrease in inventories	-0.9	-1.4	-10.8	-16.0
Increase/decrease in operating receivables	-149.3	-27.5	-159.8	-36.5
Increase/decrease in operating liabilities	41.5	-2.7	24.4	-2.9
Cash flow from operating activities	-39.1	42.6	85.5	116.3
Cash flow from investing activities				
Acquisition of subsidiaries	-	5.7	-11.9	-4.6
Purchase of property, plant and equipment	-3.5	-26.4	-26.3	-45.3
Purchase of intangible assets	-7.1	-6.8	-18.0	-15.6
Increase/decrease in current financial assets	0.1	0.7	0.1	0.7
Cash flow from investing activities	-10.5	-26.8	-56.1	-64.8
Cash flow from financing activities				
Proceeds from borrowings	120.0	-	120.0	-
Repayments	-11.7	-13.4	-54.4	-66.0
New share issue	-	-	-	1.1
Share swap	-	-	-7.4	-
Option premiums	-	-	5.7	-
Increase/decrease in short-term credit	1.7	1.3	-2.8	0.9
Cash flow from financing activities	110.1	-12.0	61.2	-64.1
Decrease/increase in cash and cash equivalents	60.5	3.8	90.5	-12.5
Cash and cash equivalents at beginning of year	173.0	132.5	139.7	146.5
Exchange difference in cash and cash equivalents	2.6	3.6	5.9	5.7
Cash and cash equivalents at end of year	236.2	139.7	236.2	139.7

Increase/decrease in operating receivables includes a receivable of SEK 115 million relating to the advance payment made at the end of the year as payment for the shares in AdderaCare. The shares were not taken over until 2 January 2023.

FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

SEK MILLION	FOURTH QUARTER		JANUARY-DECEMBER	
	2022	2021	2022	2021
Net sales	3.1	3.8	10.7	15.1
Other income	–	–	1.2	1.1
Total	3.1	3.8	11.9	16.3
Other external costs	-1.2	-1.3	-7.2	-7.3
Personnel expenses	-6.1	-6.4	-16.8	-20.8
Depreciation/amortisation	-0.1	-0.1	-0.3	-0.2
Operating profit	-4.3	-4.0	-12.4	-12.0
Profit/loss from investments in Group companies	–	–	20.0	–
Interest and similar income	8.2	3.7	21.0	14.4
Interest and similar expenses	-1.5	-0.8	-10.5	-4.2
Profit before appropriations and tax	2.4	-1.2	18.1	-1.8
Group contributions	16.9	31.0	16.9	31.0
Profit for the year	19.4	29.8	35.0	29.2

The Parent Company's net sales consist of invoiced management fees. Of the profit before appropriations and tax for the period January-December, SEK 20.0 (-) million is dividends from Group companies, SEK 17.8 (14.4) million is internal interest and SEK -7.4 million is the cost of premature termination of a share swap arrangement.

FINANCIAL STATEMENTS

CONDENSED PARENT COMPANY BALANCE SHEET

SEK MILLION	NOTE	2022 31 DECEMBER	2021 31 DECEMBER
ASSETS			
Non-current assets			
Intangible assets		0.6	0.9
Financial assets		490.4	458.9
		491.0	459.8
Current assets			
Trade and other receivables		1.6	2.1
Receivables from Group companies		10.4	19.8
Cash pool receivables from Group companies		78.2	105.2
Cash and cash equivalents		199.9	108.2
		290.1	235.3
TOTAL ASSETS		781.2	695.1
EQUITY AND LIABILITIES			
Restricted equity			
Unrestricted equity		40.0	40.0
		585.4	528.1
TOTAL EQUITY		625.4	568.2
Non-current liabilities			
Liabilities to Group companies		1.3	1.3
Non-current financial liabilities	4	–	22.5
		1.3	23.8
Current liabilities			
Cash pool liabilities to Group companies		144.4	78.4
Trade and other payables	4	10.1	24.8
		154.4	103.2
TOTAL EQUITY AND LIABILITIES		781.2	695.1

The Parent Company's investments in intangible assets and property, plant and equipment amounted to SEK 0.0 (0.3) 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, 10 February 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 below for publication at 06:30 CET on 10 February.

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

Interim Report 1 2023, 3 May 2023

Interim Report 2 2023, 28 July 2023

Interim Report 3 2023, 27 October 2023

Year-end report 2023, 9 February 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 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.

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
FOURTH QUARTER								
Segment net sales	206.9	168.3	115.9	89.6	–	–	322.8	257.9
EBITDA, adjusted	56.5	52.0	24.0	18.4	-7.2	-3.9	73.3	66.5
Depreciation/amortisation of property, plant and equipment and intangible assets	-13.9	-11.7	-7.3	-7.2	-1.1	-1.3	-22.3	-20.2
Operating profit	42.6	40.3	16.7	11.2	-8.2	-5.2	51.0	46.3
Finance income and costs	-6.4	-3.6	-2.5	-1.9	6.8	2.8	-2.2	-2.7
Profit before tax	36.2	36.7	14.2	9.3	-1.5	-2.4	48.9	43.6

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
JANUARY-DECEMBER								
Segment net sales	714.3	599.5	397.0	316.8	–	–	1 111.3	916.3
EBITDA, adjusted	190.2	167.8	90.3	48.5	-21.8	-13.8	258.7	202.5
Depreciation/amortisation of property, plant and equipment and intangible assets	-54.5	-42.7	-29.1	-29.2	-4.2	-3.6	-87.8	-75.5
Operating profit	135.7	125.1	61.2	19.4	-26.0	-17.4	170.9	127.0
Finance income and costs	-20.0	-13.4	-9.4	-6.9	10.5	10.2	-18.9	-10.1
Profit before tax	115.7	111.7	51.8	12.5	-15.5	-7.2	152.0	117.0

NOTES

Note 1 Operating segments, cont'd

Net sales by product category

SEK MILLION	MEDTECH		SPECIALTY PHARMA		TOTAL	
FOURTH QUARTER	2022	2021	2022	2021	2022	2021
Pharmaceuticals	5.4	5.8	112.5	85.7	117.9	91.5
Assistive technology	82.2	61.2	–	–	82.2	61.2
Medical devices	65.0	62.0	–	–	65.0	62.0
Food	47.6	24.7	2.4	3.1	50.0	27.7
Other	6.7	14.6	1.0	0.8	7.7	15.5
	206.9	168.3	115.9	89.6	322.8	257.9

SEK MILLION	MEDTECH		SPECIALTY PHARMA		TOTAL	
JANUARY-DECEMBER	2022	2021	2022	2021	2022	2021
Pharmaceuticals	23.9	20.0	382.2	303.1	406.1	323.1
Assistive technology	269.1	230.1	–	–	269.1	230.1
Medical devices	234.5	207.9	–	–	234.5	207.9
Food	159.4	103.7	11.8	10.7	171.1	114.4
Other	27.5	37.9	3.1	2.9	30.6	40.8
	714.3	599.5	397.0	316.8	1 111.3	916.3

Net sales by geographical region

SEK MILLION	MEDTECH		SPECIALTY PHARMA		TOTAL	
FOURTH QUARTER	2022	2021	2022	2021	2022	2021
Sweden	83.4	70.5	64.0	66.3	147.4	136.8
Nordic (excl. Sweden)	58.4	37.1	27.7	18.4	86.1	55.4
Europe (excl. Nordic)	51.6	45.5	23.7	4.2	75.3	49.7
Rest of the world	13.5	15.3	0.5	0.7	14.0	16.0
	206.9	168.3	115.9	89.6	322.8	257.9

SEK MILLION	MEDTECH		SPECIALTY PHARMA		TOTAL	
JANUARY-DECEMBER	2022	2021	2022	2021	2022	2021
Sweden	283.8	244.3	274.0	240.3	557.8	484.6
Nordic (excl. Sweden)	191.3	138.3	82.0	57.1	273.3	195.4
Europe (excl. Nordic)	185.5	172.3	40.4	18.3	225.9	190.6
Rest of the world	53.7	44.6	0.6	1.0	54.3	45.6
	714.3	599.5	397.0	316.8	1 111.3	916.3

NOTES

Note 2 Pledged assets and contingent liabilities

SEK MILLION	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
PLEGED ASSETS	31 DECEMBER	31 DECEMBER	31 DECEMBER	31 DECEMBER
Floating charges	76.6	76.6	-	-
Pledged inventory	2.9	1.4	-	-
Shares in subsidiaries	376.9	291.1	155.2	154.9
Blocked funds	0.9	0.7	-	-
Pledged trade receivables	105.7	87.6	-	-
Other	0.1	0.0	-	-
Total pledged assets	563.1	457.3	155.2	154.9
CONTINGENT LIABILITIES	2022	2021	2022	2021
	31 DECEMBER	31 DECEMBER	31 DECEMBER	31 DECEMBER
	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.

NOTES

Note 3 Business acquisitions

Cognita AS

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.

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 201,000.

NOTES

The acquisition of Cognita has affected the Group's financial statements as follows: net sales SEK 9.6 million, EBITDA SEK -0.6 million, operating profit SEK -1.4 million and profit after tax for the year SEK -1.2 million. If the acquisition had been completed on 1 January 2022, the estimated effect would have been as follows: net sales SEK 17.2 million, EBITDA SEK 0.0 million, operating profit SEK -0.9 million and profit after tax for the year SEK -0.7 million. Earnings were adversely affected by an acquisition-date inventory value adjustment of SEK -1.0 million.

AdderaCare AB (publ)

On 17 November 2022, MedCap announced a takeover 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. 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.

In 2021, AdderaCare had sales of SEK 247.8 million and EBITDA of SEK 23.6 million. The number of employees was 109 at the end of 2021.

As the shares were acquired after the reporting date, the acquisition is not included in the consolidated financial statements for 2022.

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	2022		2021	
	31 DECEMBER		31 DECEMBER	
LIABILITIES MEASURED AT FAIR VALUE	Carrying amount	Fair value	Carrying amount	Fair value
Opening balance	16.6	16.6	36.5	36.5
Acquisitions	0.0	0.0	0.0	0.0
Settlement during the year	-17.5	-17.5	0.0	0.0
Adjustment of purchase price allocation	–	–	-14.8	-14.8
Remeasurements	0.5	0.5	-7.8	-7.8
Exchange difference	0.3	0.3	2.7	2.7
Closing balance	0.0	0.0	16.6	16.6

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 30.

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

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating profit	42.6	40.3	16.7	11.2	-8.2	-5.2	51.0	46.3
Depreciation/amortisation	13.9	11.7	7.3	7.2	1.1	1.3	22.3	20.2
Adjusted EBITDA, incl. IFRS 16	56.5	52.0	24.0	18.4	-7.2	-3.9	73.3	66.5
IFRS 16 effect on EBITDA	-4.8	-5.0	-3.6	-3.4	-0.1	–	-8.5	-8.4
Adjusted EBITDA, excl. IFRS 16	51.7	47.0	20.4	15.0	-7.3	-3.9	64.9	58.1

NOTES

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
JANUARY-DECEMBER	2022	2021	2022	2021	2022	2021	2022	2021
Operating profit	135.7	125.1	61.2	19.4	-26.0	-17.4	170.9	127.0
Depreciation/amortisation	54.5	42.7	29.1	29.2	4.2	3.6	87.8	75.5
Adjusted EBITDA, incl. IFRS 16	190.2	167.8	90.3	48.5	-21.8	-13.8	258.7	202.5
IFRS 16 effect on EBITDA	-17.0	-16.1	-14.2	-14.1	-0.3	-	-31.6	-30.1
Adjusted EBITDA, excl. IFRS 16	173.1	151.7	76.1	34.5	-22.2	-13.8	227.1	172.4

Working capital, SEK million

SEK MILLION	MEDTECH		SPECIALTY PHARMA		OTHER AND ELIM.		TOTAL	
31 DECEMBER	2022	2021	2022	2021	2022	2021	2022	2021
Inventory	89.7	78.2	73.0	72.0	-	-	162.7	150.2
Trade receivables	99.9	78.6	69.5	59.4	-0.1	-0.1	169.3	137.9
Trade payables	-28.4	-21.1	-47.2	-28.6	-0.3	-0.3	-75.8	-50.0
Working capital	161.2	135.7	95.3	102.8	-0.4	-0.4	256.2	238.2

KEY PERFORMANCE MEASURES AND DEFINITIONS

KEY PERFORMANCE MEASURES

SEK MILLION	FOURTH QUARTER		JANUARY-DECEMBER	
	2022	2021	2022	2021
Return on equity, %	4.8	6.1	15.2	14.9
Basic equity per share, SEK	57.8	47.0	57.8	47.0
Diluted equity per share, SEK	57.8	47.0	57.8	47.0
Earnings per share, SEK	2.7	2.7	7.9	6.5
Equity/assets ratio, %	60	60	60	60
Number of shares	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	14 801 837
Number of shares after dilution	14 807 353	14 807 353	14 807 353	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 to be a substitute for measures defined under IFRS.