

Continued sales and earnings growth in the second quarter

SECOND QUARTER APRIL–JUNE

- The Group's net turnover totalled SEK 233.4 million (209.3), an increase of 12 percent.
- The Group's EBITDA totalled SEK 46.1 million (41.0), an increase of 12 percent.
- The EBITDA margin was 20 percent (20).
- Earnings after tax from remaining operations amounted to SEK 16.4 million (19.5).
- Earnings per share were SEK 1.1 (1.3).
- Cash flow from operating activities totalled SEK 33.1 million (48.5).

HALF-YEAR JANUARY–JUNE

- The Group's net turnover totalled SEK 456.0 million (415.0), an increase of 10 percent.
- The Group's EBITDA totalled SEK 86.6 million (72.5), an increase of 19 percent.
- The EBITDA margin was 19 percent (17).
- Earnings after tax from remaining operations amounted to SEK 31.5 million (29.8).
- Earnings per share were SEK 2.0 (2.1).
- Cash flow from operating activities totalled SEK 50.4 million (76.3).

SEK million	Second quarter			January-June			Rolling 12	YTD Jan-Dec
	2021	2020	Change	2021	2020	Change	2021	2020
Net sales	233.4	209.3	24.1	456.0	415.0	41.0	858.4	817.4
EBITDA	46.1	41.0	5.0	86.6	72.5	14.1	171.2	157.2
EBITDA, %	19.7%	19.6%	0.1%	19.0%	17.5%	1.5%	19.9%	19.2%
EBITA	35.9	31.6	4.3	66.3	53.7	12.6	131.6	118.9
EBITA, %	15.4%	15.1%	0.3%	14.5%	12.9%	1.6%	15.3%	14.5%
Earnings per share (SEK)	1.1	1.3	-0.3	2.0	2.1	-0.1	4.5	4.2

For definitions and explanations, see page 25.



MEDCAP

CEO's comments

In the second quarter, the Group continued to deliver growth and good profitability. Overall, sales increased by 12 percent and EBITDA by 12 percent.

The positive performance of the Group is being driven by increased earnings in the MedTech segment.

We note that Abilia, which was severely affected by the pandemic, especially in Norway, has returned to good levels and delivered a strong quarter with sales up nearly 40 percent.

Abilia's products help people with special needs to achieve participation and independence in everyday life. The devices are mainly provided through prescriptions to individuals, but we are also seeing some increase in demand from care organisations. We see that Abilia is well positioned with its digital tools to expand in the field of welfare technology.

Inpac also contributed to the Group's improved performance compared to the previous year, and demand for most of the company's packaging solutions is high.

Growth was also partly driven by the acquisition of Multi-Ply, whose post-pandemic recovery continues but has not yet reached the level we are anticipating.

Cardiolex, whose ECG systems met with increased demand last year, delivered sales on the same level. Healthcare costs have risen during the pandemic, which may affect the available capacity for investment. At the same time, we believe that demand for the digital workflows offered by Cardiolex will increase.

The businesses have coped well with the supply chain issues identified during the first quarter and the Group's sales were not, and are not expected to be, impacted to any material extent.

The Specialty Pharma segment delivered lower sales and earnings. The comparison quarter last year was driven by a one-time sale of inventory and some increased demand due to Covid-19.

Development in the Nordic specialty pharma portfolio continued during the quarter, with sales of the top seven products increasing by five percent.

In addition, subsidies for Unimedic Pharma's Melatonin were approved in Sweden and Norway. This is the first registered oral solution containing melatonin in these markets that is subsidised for children and adolescents with ADHD where sleep hygiene measures are inadequate.

During the quarter, MedCap acquired the remaining shares outstanding in Abilia, from one of the founders of the business.

The second quarter confirms that the Group is continuing to develop in a positive direction. Active business development work is being conducted in the Group's companies and I look forward to these efforts achieving further potential.

Anders Dahlberg, CEO

Stockholm 30 July 2021



MedCap acquires and develops profitable, market-leading niche life science companies, many with international growth ambitions. Operations are conducted in two 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 support for decision-making that otherwise may be difficult to achieve within smaller companies. MedCap's governance is exercised on the basis of a clear allocation of mandates, values and corporate philosophy to provide the best possible conditions for profitability and growth.

Growth through acquisitions is an important and key part of the Group's business strategies and a critical part of

expected future growth. This will mainly take the form of additional acquisitions for existing subsidiaries, but also through the acquisition of new core holdings of companies based in northern Europe and with international potential. Companies acquired typically have a turnover of SEK 50–200 million.

The companies should have a proven business model where we can work with the company's management or founders to identify and achieve the company's inherent potential and create ambitious plans for further development. MedCap usually acquires a majority holding, but seeks to enter into joint investments in businesses with strong entrepreneurs and management in an initial phase that leads to a greater ownership role.

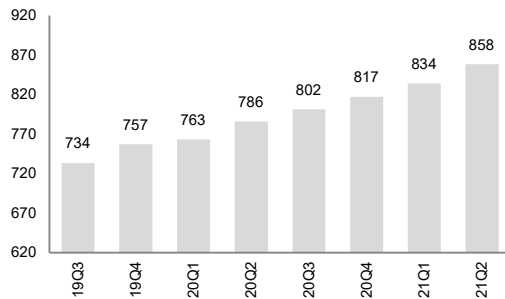
The Group is listed in the Mid Cap segment of Nasdaq Stockholm.

For further information, go to: www.medcap.se

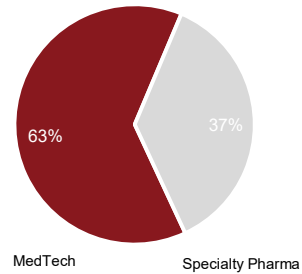




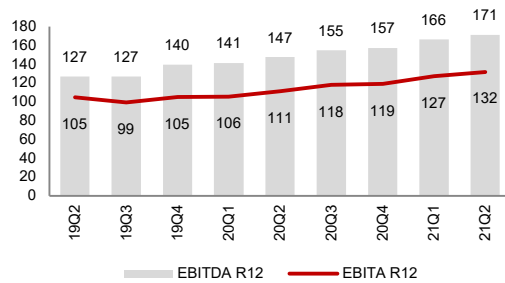
Group's net turnover, trailing 12 months (SEK m.)



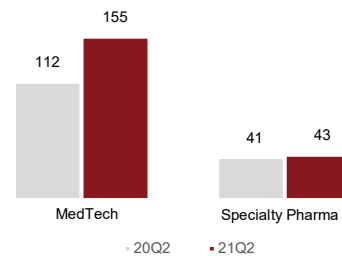
Turnover, trailing 12-month, by business area (%)



Group EBITDA and EBITA, trailing 12 months (SEK m.)



EBITDA by business area, trailing 12 months (SEK m.)



APRIL-JUNE

Turnover

Sales increased by 12 percent to SEK 233.4 million (209.3) in the year's second quarter. Currency-adjusted turnover increased by 10 percent.

The MedTech Business Area contributed SEK 153.8 million during the quarter, an increase of as much as 35 percent. The increase was partly due to the acquisition of Multi-Ply, but also to Abilia showing a clear recovery in the quarter. Inpac also contributed to the increase, mainly via sales of nutritional products. Cardiolex reports sales at the same level as last year. The Specialty Pharma Business Area contributed SEK 79.7 million, an increase over the preceding quarter but a decrease of 17 percent compared to the previous year. This is explained mainly by a one-off sale of inventory in 2020, valued at SEK 8 million, and by the fact that in 2020 the pandemic created some increase in demand but this year negatively affected demand for CDMO.

Earnings

EBITDA increased by 12 percent to SEK 46.1 million (41.0) in the second quarter of the year.

MedTech contributed SEK 42.5 million, 54 percent higher than in the previous year. Growth in turnover (both organic and through acquisitions), combined with higher gross margins, contributed to the improvement in earnings. Earnings were charged with the cost of overvalued inventory (of Multi-Ply) at the date of acquisition in the amount of SEK -0.5 million.

Specialty Pharma decreased by 35 percent to SEK 11.3 million, mainly as a result of lower sales. The previous quarter included the effect of the one-off sale of inventory to Tamro.

The EBITDA margin was 20 percent (20).



MEDCAP

During the period, the Group received furlough subsidies of more than SEK 1.3 million. Abilia's UK subsidiary received SEK 0.2 million and Unimedica received a total of SEK 1.1 million.

Net financial income amounted to SEK -5.8 million (-2.1) during the period, including discounting and translation effects relating to additional purchase considerations totalling approximately SEK -2.5 million.

Recognised tax for the second quarter amounted to SEK -5.4 million (-2.6). Recognised tax relative to pretax earnings was 24.8 percent. The deviation from 20.6 percent mainly arises from differences in tax rates in foreign subsidiaries and adjustment of taxes pertaining to the preceding year.

JANUARY-JUNE

Turnover

Sales increased by 10 percent to SEK 456.0 million (415.0) in the January-June period. Currency-adjusted turnover increased by 9 percent. The MedTech business contributed SEK 301.4 million, an increase of 25 percent. The acquisition of Multi-Ply makes a positive contribution, but Abilia also shows a clear recovery, above all in the second quarter. Inpac reports increased sales, mainly in nutrition. The Specialty Pharma business contributed SEK 154.7 million, 11 percent less than in the previous year. This is explained mainly by a one-off sale of inventory in 2020, valued at SEK 8 million, and by the fact that in 2020 the pandemic created some increase in demand but this year negatively affected demand for CDMO.

Earnings

EBITDA increased by 19 percent to SEK 86.6 million (72.5) in the January-June period.

MedTech contributed SEK 83.5 million, 43 percent higher than in the previous year. Growth in turnover (both organic and through acquisitions), combined with higher gross margins, contributed to the improvement in earnings. Earnings were charged with the cost of overvalued inventory (of Multi-Ply) at the date of acquisition, in the amount of SEK -2.0 million.

Specialty Pharma decreased by 11 percent to SEK 19.6 million, mainly as a result of lower sales.

Earnings in the previous year included the effect of the one-off sale of inventory to Tamro.

The EBITDA margin was 19 percent (17).

During the period, the Group received furlough subsidies of more than SEK 1.7 million. Abilia's UK subsidiary UK received SEK 0.3 million and MedCap's UK subsidiary, Multi-Ply, received a total of SEK 0.3 million. Unimedica received furlough subsidies totalling SEK 1.1 million.

EBITDA includes an expense of SEK 1.8 million for the CEO stock option plan, which was approved in December 2020. This expense is recognised in equity and does not create any cash flow.

Net financial items totalled SEK -7.2 million (-3.3) during the period, including discounting and translation effects relating to additional purchase considerations of around SEK -3 million.

Recognised tax amounted to SEK -10.4 million (-5.5). Recognised tax relative to pretax earnings was 24.7 percent. The deviation from 20.6 percent mainly arises from differences in tax rates in foreign subsidiaries and adjustment of taxes pertaining to the preceding year.

**Financial position**

Cash flow from operating activities in the January–June period totalled SEK 50.4 million (76.3). The change arose mainly through an increase in working capital.

Goodwill and other intangible assets have decreased by SEK 18 million since the beginning of the year, partly in connection with amortisation of development expenditure and partly due to adjustment of the acquisition analysis for Multi-Ply, see Note 3. During the quarter, investments in tangible assets were higher than normal, mainly due to the modernisation of the machinery at Unimedica CDMO and Multi-Ply.

Cash flow from financing activities in the same period was SEK -33.2 million (199.9). The change arose mainly through the new share issue that took place in the second quarter of 2020 and the acquisition loan raised in 2020 for Somna AB.

At the end of the period, the Group's cash and cash equivalents amounted to SEK 137.9 million (209.5).

Net debt amounted to SEK 143.7 million (99.6). Net debt excluding IFRS16 totalled SEK 10.5 million (-43.7). The increase relates mainly to liabilities related to additional purchase considerations added in connection with acquisitions in autumn 2020. However, during the second quarter, one of the liabilities was reversed, see Note 3. Also contributing to the increase in debt was the equity swap arrangement entered into in the first quarter of the year. The debt-to-equity ratio was 0.8 (0.6) including IFRS16 and 0.1 (-0.3) excluding IFRS16.

The equity-to-assets ratio was 57 percent (52).

Changes in equity

The Group's equity on 30 June 2021 amounted to SEK 614.0 million (578.6) million, of which SEK 612.3 (573.1) million is attributable to shareholders of the Parent Company and SEK 1.7 million (5.5) million to non-controlling interests. During the second quarter, MedCap acquired the remaining shares outstanding in Abilia, from one of the founders of the business, for a purchase consideration of SEK 10.3 million. MedCap now holds 99.92% of the shares. A new share issue was carried out during the second quarter of the year, linked to the option programme approved by

the 2018 AGM. As a result, the Company's equity increased by SEK 1.1 million.

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 at the end of June was SEK 5,922,942, including shares in the ongoing new share issue. Basic equity per share totalled SEK 41.4 (38.7).

Employees

At the end of the period, 353 (283) people were employed in the Group. The increase arose primarily through the acquisition of Multi-Ply Ltd.

Material risks

The material risks and uncertainties of the Group and the Parent Company include business risks in the form of high exposure to a particular sector (pharmaceuticals and medical devices) and to individual holdings in the portfolio.

The Group is exposed in the short term to price and currency risks associated with its business activities in relation to the purchase of products and materials, as well as an operational risk in the form of the loss of major customers. For more information, see the Company's latest annual report.

In response to COVID-19, work continues to address short-term operational challenges and to find options to ensure a continued focus on long-term development of the business. In addition to the risk of reduced sales in the event of a global economic downturn, movements in the currency markets may also have negative impact on future performance.

Transactions with related parties

Transactions between the Parent Company and Group companies during the January–June period amounted to SEK 14.7 million (13.1). These transactions consist of management fees, passed-on costs and interest payments.

Significant events after the end of the period

No significant events have occurred since the end of the period.



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. MedTech’s customers are mainly regional authorities, municipalities and hospitals, as well as medical technology and pharmaceutical companies. The MedTech Business Area includes operating companies Cardiolex, Abilia, Inpac and Multi-Ply.

SEK million	Second quarter			January-June			Rolling 12	YTD Jan-Dec
	2021	2020	Change	2021	2020	Change	2021	2020
Net sales	153.8	113.7	40.0	301.4	240.3	61.1	543.7	482.6
EBITDA	42.5	27.6	15.0	83.5	58.4	25.1	155.1	130.1
EBITDA margin	27.7%	24.3%	3 ppt	27.7%	24.3%	3 ppt	28.5%	26.9%
EBITA	36.9	22.7	14.1	72.3	48.8	23.5	133.6	110.1
EBITA margin	24.0%	20.0%	4 ppt	24.0%	20.3%	4 ppt	24.6%	22.8%

*The performance measure reported for the operating companies is adjusted EBITDA for the period. The measure is operating earnings adjusted for the Parent Company’s invoiced management fees and before depreciation and amortisation. From the second quarter of 2021 onwards, the results in the table above are presented including IFRS16. Periods for comparison have been recalculated and are also presented including IFRS16. Information on earnings excluding IFRS16 is shown in Note 5.

Turnover rose by 35 percent to SEK 153.8 million (113.7) during the second quarter. This growth was driven by the acquisition of Multi-Ply and by a clear recovery by Abilia from low sales levels in 2020 due to the pandemic.

EBITDA increased to SEK 42.5 million (27.6) during the quarter. The increase was mainly attributable to higher earnings at Abilia. The cost of overvalued inventory on the date of acquisition was charged to earnings in the amount of SEK -0.5 million, in connection with the acquisition of Multi-Ply. The EBITDA margin rose to 28 percent (24).

Abilia, which was severely affected by the pandemic in Norway, delivered a strong quarter with sales up nearly 40 percent.

Abilia’s products help people with special needs to achieve participation and independence in everyday life. The devices are mainly provided through prescriptions to individuals, but we are also seeing some increase in demand from care organisations.

We see that Abilia is well positioned with its digital tools to expand in the field of welfare technology.

Abilia’s products and product development are centred on the user. High quality and value-adding functionality are essential, and in the second quarter all the Company’s products were ready for the new Medical Device Regulation "MDR" and registered with the Swedish Medical Products Agency.

It is also encouraging to note that Abilia continues to receive renewed trust in a number of tendering processes.

Cardiolex, whose ECG systems met with increased demand last year, delivered sales on the same level. Healthcare costs have risen during the pandemic, which may affect the available capacity for investment. At the same time, we believe that demand for the digital workflows offered by Cardiolex will increase. It is clear from tendering processes that Cardiolex has a competitive offering.

Inpac increased sales and profitability compared to last year, with the largest increase seen in Nutrition.

Growth was also partly driven by the acquisition of Multi-Ply, whose post-pandemic recovery continues but has not yet reached the level we are anticipating.



The companies in Specialty Pharma Business Area develop and sell pharmaceuticals in the regulatory categories of registered, extemporaneous and licensed pharmaceuticals. Customers are mainly pharmacies, the pharmaceutical industry, and care institutions. The Specialty Pharma Business Area includes the operating companies Unimedic Pharma AB and Unimedic AB.

SEK million	Second quarter			January-June			YTD	
	2021	2020	Change	2021	2020	Change	Rolling 12 2021	Jan-Dec 2020
Net sales	79.7	95.6	-15.9	154.7	174.7	-20.0	314.7	334.7
EBITDA	11.3	17.4	-6.1	19.6	22.4	-2.8	42.8	45.7
EBITDA margin	14.1%	18.2%	-4 ppt	12.7%	12.8%	0 ppt	13.6%	13.6%
EBITA	6.7	12.8	-6.1	10.5	13.2	-2.8	24.6	27.3
EBITA margin	8.4%	13.4%	-5 ppt	6.8%	7.6%	-1 ppt	7.8%	8.2%

*The performance measure reported for the operating companies is adjusted EBITDA for the period. The measure is operating earnings adjusted for the Parent Company's invoiced management fees and before depreciation and amortisation. From the second quarter of 2021 onwards, the results in the table above are presented including IFRS 16. Periods for comparison have been recalculated and are also presented including IFRS16. Information on earnings excluding IFRS16 is shown in Note 5.

Turnover in the segment decreased by 17 percent to SEK 79.7 million (95.6) in the second quarter compared to the previous year, with turnover down in both Unimedic Pharma AB and Unimedic AB (CDMO).

EBITDA was SEK 11.3 million (17.4). The decrease compared to last year was mainly attributable to the lower turnover in the period.

The gross margin in the segment was 53.5 percent (50.4).

Sales in Unimedic Pharma's registered specialty pharmaceutical portfolio decreased compared to the previous year, which, however, included a non-recurring effect from a sale of inventories. Adjusted for the non-recurring effect in the preceding year, portfolio sales increased in the second quarter, accounting for 48 percent of total sales in the segment.

The pharmaceutical portfolio of seven key registered medicines increased by 5 percent year-on-year.

In the registered pharmaceutical portfolio, subsidies for Unimedic Pharma's Melatonin were approved in Sweden and Norway. This is the first registered oral solution containing melatonin in these markets that is subsidised for children and adolescents with ADHD where sleep hygiene measures are inadequate.

Licensed medicines accounted for 27 percent of total sales in the segment. Licensed medicines play an important role when there is a shortage of medicines or when there are no registered medicines for a particular treatment.

Unimedic AB (CDMO) accounted for 25 percent of total external sales in the segment. Profitability improvement initiatives carried out in CDMO helped to mitigate the impact of reduced volumes due to the pandemic. Unimedic received furlough subsidies of SEK 1.1 million in the second quarter.

**CONSOLIDATED INCOME STATEMENT**

SEK million	Note	Second quarter		January-June		Full year (Jan-Dec)
		2021	2020	2020	2021	2020
Net sales	1	233.4	209.3	456.0	415.0	817.4
Other operating income		1.7	4.3	4.1	5.9	18.5
		235.1	213.6	460.1	420.9	835.9
Work performed by the Company and capitalised		0.0	0.0	0.0	0.0	0.0
Raw materials and consumables		-91.4	-92.0	-179.8	-180.8	-344.6
Change in inventories		-0.9	-1.6	-0.3	-2.1	-5.6
Other external costs		-28.0	-25.9	-54.5	-55.6	-109.4
Personnel expenses		-69.9	-52.8	-140.3	-109.9	-219.8
Other operating expenses		-0.9	-2.8	-2.7	-4.8	-7.8
Operating profit before depreciation, amortisation and impairment (EBITDA)		46.1	41.0	86.6	72.5	157.2
Depreciation and impairment of property, plant and equipment		-10.2	-9.4	-20.2	-18.8	-38.3
Operating profit before amortisation and impairment of intangible assets (EBITA)		35.9	31.6	66.3	53.7	118.9
Amortisation and impairment of intangible assets		-8.3	-7.4	-17.2	-15.0	-29.9
Operating profit (EBIT)		27.6	24.2	49.1	38.6	89.1
Finance income		0.0	0.3	0.1	0.6	1.5
Finance costs		-5.8	-2.4	-7.3	-3.9	-9.1
Net financial items		-5.8	-2.1	-7.2	-3.3	-7.6
Profit before tax		21.8	22.1	41.9	35.3	81.5
Income tax		-5.4	-2.6	-10.4	-5.5	-17.0
Profit for the period from continuing operations		16.4	19.5	31.5	29.8	64.5
Profit from discontinued operations	4	0.0	-0.2	-0.6	-0.4	-1.7
Profit for the period		16.4	19.2	30.9	29.4	62.8

EBITDA includes an expense for the CEO stock option plan, which was approved in December 2020. The cost was SEK 0.9 million in the second quarter and SEK 1.8 million in the January to June period. This expense is recognised in equity and does not create any cash flow.



CONSOLIDATED INCOME STATEMENT (CONT.)

SEK million	Note	Second quarter		January-June		Full year (Jan-Dec)
		2021	2020	2021	2020	2020
Profit for the period attributable to						
Parent Company shareholders		15.7	18.9	29.6	28.6	60.9
Non-controlling interests		0.7	0.3	1.3	0.8	1.9
Earnings per share, calculated based on profit from continuing operations attributable to Parent Company shareholders:						
Basic earnings per share, SEK		1.1	1.3	2.0	2.1	4.4
Diluted earnings per share, SEK		1.1	1.3	2.0	2.1	4.4
Earnings per share, calculated based on profit attributable to Parent Company shareholders:						
Basic earnings per share, SEK		1.1	1.3	2.0	2.1	4.2
Diluted earnings per share, SEK		1.1	1.3	2.0	2.1	4.2
Number of shares before dilution		14 798 083	14 352 786	14 797 156	13 901 952	14 351 534
Number of shares after dilution		14 798 083	14 356 950	14 797 156	13 906 150	14 356 416
Dilution		–	4 164	–	4 198	4 882

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



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Second quarter		January-June		Full year (Jan-Dec)
		2021	2020	2021	2020	2020
Profit for the period		16.4	19.2	30.9	29.4	62.8
Translation differences in foreign operations		-6.0	-10.6	10.7	-7.3	-17.7
Comprehensive income for the period		10.4	8.7	41.7	22.1	45.1
Comprehensive income attributable to:						
Parent Company shareholders		10.1	8.7	40.4	21.6	43.9
Non-controlling interests		0.3	0.0	1.3	0.5	1.2
Comprehensive income attributable to Parent Company shareholders:						
Continuing operations		10.1	8.9	41.0	22.0	45.6
Discontinued operations		0.0	-0.2	-0.6	-0.4	-1.7

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	Note	2021 30 June	2020 30 June	2020 31 December
ASSETS				
Non-current assets				
Goodwill		228.6	203.5	240.9
Other intangible assets		212.3	214.2	217.4
Property, plant and equipment		59.8	47.9	54.9
Right-of-use assets		127.4	140.1	137.7
Financial assets		1.1	1.7	1.1
Deferred tax asset		4.9	2.4	2.6
		634.1	609.8	654.6
Current assets				
Inventories		139.3	122.6	138.0
Current tax asset		12.7	6.4	2.8
Trade and other receivables		158.1	143.9	138.7
Cash and cash equivalents		137.9	209.5	146.5
		448.0	482.4	426.0
Assets held for sale	4	0.6	0.5	0.7
TOTAL ASSETS		1 082.8	1 092.7	1 081.3



SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

EQUITY AND LIABILITIES	Note	2021 30 June	2020 30 June	2020 31 December
Equity attributable to Parent Company shareholders		612.3	573.1	595.7
Equity attributable to non-controlling interests		1.7	5.5	6.3
Total equity		614.0	578.6	602.0
Non-current liabilities				
Liabilities to credit institutions	2, 3	27.4	71.8	41.5
Other non-current liabilities	3	47.0	11.1	22.5
Liabilities related to right-of-use assets		105.6	118.3	115.6
Provisions		2.1	2.4	2.3
Deferred tax liabilities		36.9	35.0	36.8
		219.0	238.4	218.7
Current liabilities				
Liabilities to credit institutions	2, 3	74.1	87.1	80.1
Liabilities related to right-of-use assets		27.5	25.1	26.6
Current tax liabilities		12.6	8.0	10.7
Trade and other payables	3	134.0	153.9	142.0
		248.3	274.1	259.4
Liabilities directly related to assets held for sale	4	1.4	1.6	1.2
TOTAL EQUITY AND LIABILITIES		1 082.8	1 092.7	1 081.3

SUMMARY 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 2020	327.8	5.0	332.9
Profit for the period	28.6	0.8	29.4
Other comprehensive income	-7.0	-0.4	-7.3
Comprehensive income for the period	21.6	0.5	22.1
New share issue	223.7	–	223.7
Equity, 30 June 2020	573.1	5.5	578.6
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	0.0	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

During the second quarter, MedCap acquired, from one of the founders of the business, the remaining shares outstanding in Abilia for a purchase consideration of SEK 10.3 million. A new share issue was carried out during the second quarter of the year, linked to the option programme approved by the 2018 AGM. As a result, the Company's equity increased by SEK 1.1 million. During the first quarter, MedCap AB entered into an equity swap arrangement with Danske Bank to cover commitments under the CEO option programme approved in 2020



CONSOLIDATED STATEMENT OF CASH FLOWS

SEK million	Note	Second quarter		January-June		Full year
		2021	2020	2021	2020	Jan-Dec 2020
Cash flow from operating activities						
Operating profit before financial items		27.6	24.2	49.1	38.6	89.1
Profit from discontinued operations		0.0	-0.2	-0.6	-0.4	-1.7
Operating profit before financial items including discontinued operations		27.6	24.0	48.5	38.2	87.3
Depreciation, amortisation and impairment		18.4	16.8	37.4	33.9	68.1
Other non-cash items		2.2	2.0	7.4	0.9	-3.0
Interest received		0.0	0.1	0.1	0.1	0.2
Interest paid		-1.8	-1.9	-2.9	-4.0	-8.6
Income tax paid		-6.0	-3.7	-21.9	-11.9	-22.3
Cash flow from operating activities before changes in working capital		40.4	37.2	68.7	57.2	121.7
Increase/decrease in inventories		7.6	-7.7	-7.2	-8.2	-16.5
Increase/decrease in operating receivables		-10.9	5.8	-16.8	5.1	15.6
Increase/decrease in operating liabilities		-4.0	13.2	5.7	22.3	-5.3
Cash flow from operating activities		33.1	48.5	50.4	76.3	115.6
Cash flow from investing activities						
Acquisition of subsidiaries		-10.3	-	-10.3	-73.6	-107.9
Purchase of property, plant and equipment		-8.8	-2.2	-13.2	-4.0	-11.3
Purchase of intangible assets		-3.4	-5.1	-6.1	-9.6	-13.1
Increase/decrease in current financial assets		0.0	0.1	0.0	0.2	0.3
Disposal of non-current assets		0.0	-	0.0	-	-
Cash flow from investing activities		-22.4	-7.2	-29.6	-87.0	-131.9
Cash flow from financing activities						
Proceeds from borrowings		0.0	-	0.0	83.0	83.0
Repayments		-18.5	-20.2	-34.6	-38.4	-89.7
New share issue		1.1	223.7	1.1	223.7	223.7
Increase/decrease in short-term credit		1.4	-58.8	0.3	-68.4	-72.4
Cash flow from financing activities		-16.0	144.7	-33.2	199.9	144.6
Decrease/increase in cash and cash equivalents		-5.3	185.9	-12.3	189.2	128.3
Cash and cash equivalents at beginning of period		142.3	25.2	146.5	20.8	20.8
Cash from discontinued operations		0.2	-0.4	0.3	-0.4	-0.4
Exchange difference in cash and cash equivalents		0.7	-1.3	3.5	-0.1	-2.1
Cash and cash equivalents at end of period		137.9	209.5	137.9	209.5	146.5

During the second quarter, MedCap acquired, from one of the founders of the business, the remaining shares outstanding in Abilia for a purchase consideration of SEK 10.3 million. The transaction is recognised on the line Acquisitions of subsidiaries.



PARENT COMPANY INCOME STATEMENT

SEK million	Second quarter		January-June		Full year (Jan-Dec)
	2021	2020	2021	2020	2020
Net sales	3.8	3.1	7.6	5.7	11.4
Other income	–	0.0	–	0.1	1.6
Total	3.8	3.1	7.6	5.8	13.0
Other external costs	-2.3	-0.9	-3.4	-2.3	-5.5
Personnel expenses	-5.0	-3.0	-11.2	-6.2	-13.4
Depreciation/amortisation	0.0	–	-0.1	–	0.0
Operating profit	-3.6	-0.8	-7.1	-2.7	-6.0
Profit/loss from investments in Group companies	–	–	–	–	–
Interest and similar income	3.6	3.5	7.2	7.3	14.4
Interest and similar expenses	-3.4	-0.6	-2.7	0.3	0.3
Profit before appropriations and tax	-3.4	2.0	-2.6	4.9	8.7
Group contributions	–	–	–	–	–
Tax on profit for the year	–	–	–	0.3	0.3
Profit for the period	-3.4	2.0	-2.6	5.2	9.1

The Parent Company's turnover consists of an invoiced management fee. Of earnings before appropriations and tax, internal interest payments accounted for SEK 7.2 million (7.3). The item Personnel expenses includes an expense for the CEO stock option plan, which was approved in December 2020. The cost was SEK 0.9 million in the second quarter and SEK 1.8 million in the January to June period. This expense is recognised in equity and does not create any cash flow.



SUMMARY PARENT COMPANY BALANCE SHEET

	Note	2021 30 June	2020 30 June	2020 31 December
ASSETS				
Non-current assets				
Intangible assets		0.7	0.5	0.8
Property, plant and equipment		–	–	–
Financial assets		423.1	324.6	427.6
		423.8	325.1	428.4
Current assets				
Trade and other receivables		3.6	1.7	0.5
Receivables from Group companies		33.8	24.3	29.0
Cash pool receivables from Group companies		101.5	96.1	103.3
Cash and cash equivalents		84.8	182.6	90.7
		223.6	304.8	223.6
TOTAL ASSETS		647.4	629.9	652.0
EQUITY AND LIABILITIES				
Restricted equity		40.0	40.0	40.0
Unrestricted equity		492.2	510.0	514.1
Total equity		532.2	550.0	554.1
Provisions		0.3	–	0.1
Non-current liabilities				
Liabilities to Group companies		4.9	4.9	4.9
Non-current financial liabilities	3	47.0	–	22.5
		51.9	4.9	27.5
Current liabilities				
Liabilities to credit institutions		–	10.0	0.0
Cash pool liabilities to Group companies		54.7	60.5	51.4
Liabilities to Group companies		–	–	0.0
Current tax liabilities		1.3	–	–
Trade and other payables	3	7.0	4.4	18.9
		63.0	75.0	70.3
TOTAL EQUITY AND LIABILITIES		647.4	629.9	652.0

The Parent Company's investments in intangible assets and property, plant and equipment amounted to SEK 0.0 (0.5) million. During the second quarter, MedCap acquired, from one of the founders of the business, the remaining shares outstanding in Abilia for a purchase consideration of SEK 10.3 million and a liability for a additional purchase consideration in connection with the acquisition of Multi-Ply was liquidated; see Note 3.



MEDCAP

DECLARATION OF THE BOARD OF DIRECTORS

The Board of Directors and the CEO of MedCap AB hereby declare that the financial report gives a true and fair view of the Parent Company's and the Group's operations, position and results, and describes the principal risks and uncertainties facing the Company and the companies in the Group.

Stockholm, 30 July 2021

MedCap AB (publ)

Peter von Ehrenheim
Chairman of the Board

Anders Lundmark
Board member

Anders Hansen
Board member

Henrik Blomquist
Board member

Nina Rawal
Board member

Anders Dahlberg
CEO

This information is such 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 for publication, through the agency of the contact person set out below, at 06.30 CET on 30 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 audited by the Company's auditor.

Contact details

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FINANCIAL CALENDAR

Interim Report 3 2021, 29 October 2021

Year-end report 2021, 18 February 2022

Interim Report 1 2022, 6 May 2022

Annual General Meeting, 9 May 2022

Interim Report 2 2022, 29 July 2022



ACCOUNTING AND VALUATION POLICIES

This interim report has been prepared in accordance with the IFRS adopted by the EU and the interpretations of the applicable standards adopted by the EU, IFRIC. This report for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting, and the 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 Report, and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. For both Group and Parent Company, the same policies and principles of calculation have been applied as in the Company's most recent annual report. No standards, amendments or other interpretations applying to financial years beginning on or after 1 January 2021 have had any material impact on the Group's financial statements.

NOTES

Note 1 Operating segments

Management has established operating business areas (Business Areas) based on the information considered by the Chief Executive Officer and used to make strategic decisions. The CEO assesses the business by operating segment. The operating segments for which information is disclosed derive their revenues above all from the sale and production of pharmaceuticals and the sale of medical technology. The tables below show EBITDA including IFRS16 from the second quarter of 2021 onwards. Periods for comparison have been restated and are also presented including IFRS16.

Second quarter	MedTech		Specialty Pharma		Other and eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Segment net sales	153.8	113.7	79.7	95.6	–	0.0	233.4	209.3
EBITDA, adjusted	42.5	27.6	11.3	17.4	-7.7	-3.9	46.1	41.0
Depreciation/amortisation of property, plant and equipment and intangible assets	-10.1	-9.8	-7.4	-7.4	-0.9	0.3	-18.4	-16.8
Operating profit	32.4	17.8	3.9	10.0	-8.6	-3.6	27.6	24.2
Finance income and costs	-2.9	-2.4	-3.1	-2.8	0.2	3.0	-5.8	-2.1
Profit before tax	29.5	15.5	0.8	7.2	-8.5	-0.6	21.8	22.1

January-June	MedTech		Specialty Pharma		Other and eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Segment net sales	301.4	240.3	154.7	174.7	–	0.0	456.0	415.0
EBITDA, adjusted	83.5	58.4	19.6	22.4	-16.5	-8.4	86.6	72.5
Depreciation/amortisation of property, plant and equipment and intangible assets	-20.8	-19.5	-14.9	-14.6	-1.8	0.3	-37.4	-33.9
Operating profit	62.7	38.9	4.7	7.8	-18.3	-8.0	49.1	38.6
Finance income and costs	-6.8	-5.9	-4.9	-5.2	4.4	7.9	-7.2	-3.3
Profit before tax	55.9	32.9	-0.2	2.6	-13.8	-0.2	41.9	35.3



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Note 1 Operating segments (cont.)

Net turnover per product category

Second quarter	MedTech		Specialty Pharma		Total	
	2021	2020	2021	2020	2021	2020
Pharmaceuticals	3.9	6.5	76.1	92.1	79.9	98.6
Assistive technology	66.8	46.2	–	–	66.8	46.2
Medical devices	47.5	33.6	–	–	47.5	33.6
Food	29.0	24.4	3.5	3.3	32.5	27.7
Other	6.6	3.0	0.1	0.2	6.7	3.2
	153.8	113.7	79.7	95.6	233.4	209.3

January-June	MedTech		Specialty Pharma		Total	
	2021	2020	2021	2020	2021	2020
Pharmaceuticals	10.0	11.6	147.6	169.4	157.6	181.0
Assistive technology	123.8	109.7	–	–	123.8	109.7
Medical devices	95.2	66.2	–	–	95.2	66.2
Food	54.8	47.1	6.1	5.0	60.9	52.0
Other	17.6	5.6	0.9	0.4	18.5	6.0
	301.4	240.3	154.7	174.7	456.0	415.0

Net turnover per geographical region

Second quarter	MedTech		Specialty Pharma		Total	
	2021	2020	2021	2020	2021	2020
Sweden	66.1	51.3	59.4	73.9	125.5	125.1
Nordic (excl. Sweden)	33.4	28.6	13.7	12.4	47.1	41.0
Europe (excl. Nordic)	49.5	31.5	6.2	8.9	55.7	40.4
Rest of the world	4.8	2.3	0.3	0.4	5.1	2.7
	153.8	113.7	79.7	95.6	233.4	209.3

January-June	MedTech		Specialty Pharma		Total	
	2021	2020	2021	2020	2021	2020
Sweden	128.0	104.0	118.5	132.7	246.5	236.7
Nordic (excl. Sweden)	69.8	66.7	25.1	23.0	95.0	89.7
Europe (excl. Nordic)	89.6	64.6	10.7	18.7	100.3	83.2
Rest of the world	13.9	5.0	0.3	0.4	14.3	5.4
	301.4	240.3	154.7	174.7	456.0	415.0

Note 2 Pledged assets and contingent liabilities

SEK million	Group		Parent company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Pledged assets				
Floating charges	71.6	72.2	-	-
Pledged inventory	1.6	2.2	-	-
Shares in subsidiaries	250.3	185.1	139.1	143.6
Blocked funds	0.4	0.8	-	-
Pledged trade receivables	75.0	74.6	-	-
Other	-	-	-	-
Total pledged assets	399.0	334.9	139.1	143.6
Contingent liabilities	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	General guarantee	General guarantee	General guarantee	General guarantee

Guarantees for all borrowings are in place, through Danske Bank, between MedCap AB and its subsidiaries.

Note 3 Financial instruments

Financial liabilities and financial assets are recognised at amortised cost, other than the contingent consideration liability, which is recognised at fair value, see table below. The carrying amount for loans receivable, trade receivables, other receivables, cash and cash equivalents, loans payable, trade payables and other liabilities represents a reasonable approximation of their fair values.

During the first quarter, MedCap AB entered into an equity swap arrangement with Danske Bank to cover commitments under the CEO option programme approved in the preceding year. The liability of SEK 22.2 million is measured at amortised cost and has been charged to equity. The liability falls due for payment in 2024.

SEK million	30 June 2021		30 June 2020		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Carrying amount
<i>Liabilities measured at fair value</i>						
Opening balance	36.5	36.5	9.8	9.8	9.8	9.8
Acquisitions	0.0	0.0	0.0	0.0	36.5	36.5
Settlement during the year	-	-	-2.9	-2.9	-9.8	-9.8
Adjustment of purchase price allocation	-14.8	-14.8	-	-	-	-
Remeasurement/discounting	1.0	1.0	-	-	-	-
Exchange difference	2.0	2.0	-	-	-	-
Closing balance	24.7	24.7	6.9	6.9	36.5	36.5

During the second quarter, part of the contingent consideration liability in connection with the acquisition of Multi-Ply was reversed. The purchase consideration was partly conditional on performance, based on a predetermined level of gross profit. After expiry of the first of the two time periods, it was established that the Company had not achieved the predetermined level and the additional purchase consideration for that period therefore lapsed. Goodwill in the acquisition analysis of Multi-Ply has been adjusted by the corresponding amount. The remaining liability, SEK 24.7 million, is based on a predetermined gross profit level for the period 1 July 2021–30 June 2022. The best estimate at the current financial closing date is that this amount will fall due and full provision has therefore been made. The liability is discounted to present value and an interest rate of 10 percent has been applied in discounting.

Note 4 Discontinued operations

Following the Company's strategic review in autumn/winter 2017, it was decided in January 2018 to prioritise the Specialty Pharma and Medical Technology segments. In early May 2018, it was decided that MedCap should divest its pharmaceutical distribution business and began the process of finding another owner for that business. In the consolidated income statement, income items for pharmaceutical distribution (the Cross Pharma Group) business have been excluded for all periods and are recognised only as an item on the line "Result from discontinued operations". The assets and liabilities of the business are recognised as held for sale. Discontinuation of the pharmaceutical distribution business is nearing completion. The result from discontinued operations on 30 June 2021 amounted to SEK -0.6 million (-0.4).



Note 5 Use of alternative key performance indicators

In this report, reference is made to a number of alternative key performance indicators that are used to help investors and management analyse the Company's operations. In the following, we describe the various measures used to supplement the financial information disclosed in accordance with IFRS but not explained in the report. For definitions, see page 25.

Adjusted EBITDA incl. and excl. IFRS16, SEK m.

Second quarter	MedTech		Specialty Pharma		Other and eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating profit	32.4	17.8	3.9	10.0	-8.6	-3.6	27.6	24.2
Depreciation/amortisation	10.1	9.8	7.4	7.4	0.9	-0.3	18.4	16.8
Adjusted EBITDA, incl. IFRS 16	42.5	27.6	11.3	17.4	-7.7	-3.9	46.1	41.0
IFRS 16 effect on EBITDA	3.7	3.3	3.4	3.4	–	–	7.1	6.7
Adjusted EBITDA, excl. IFRS 16	38.9	24.3	7.9	14.0	-7.7	-3.9	39.0	34.4

January-June	MedTech		Specialty Pharma		Other and eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating profit	62.7	38.9	4.7	7.8	-18.3	-8.0	49.1	38.6
Depreciation/amortisation	20.8	19.5	14.9	14.6	1.8	-0.3	37.4	33.9
Adjusted EBITDA, incl. IFRS 16	83.5	58.4	19.6	22.4	-16.5	-8.4	86.6	72.5
IFRS 16 effect on EBITDA	7.2	6.6	6.8	6.8	–	–	14.0	13.4
Adjusted EBITDA, excl. IFRS 16	76.3	51.8	12.8	15.6	-16.5	-8.4	72.6	59.1

Working capital, SEK m.

	MedTech		Specialty Pharma		Other and eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Inventory	63.8	63.7	75.6	58.9	0.0	0.0	139.3	122.6
Account receivables	74.4	48.0	56.2	66.6	-0.1	0.0	130.4	114.6
Account payables	-21.5	-19.9	-32.0	-48.3	-0.4	-0.6	-53.9	-68.7
	116.7	91.8	99.7	77.2	-0.5	-0.6	215.9	168.5



MEDCAP

KEY PERFORMANCE INDICATORS

	Second quarter		January-June		Full year (Jan-Dec)	
	2021	2020	2021	2020	2020	
Return on equity, %	2.6	4.2	4.9	6.3	13.2	
Basic equity per share, SEK	41.4	38.7	41.4	38.7	40.3	
Diluted equity per share, SEK	41.4	38.7	41.4	38.7	40.3	
Earnings per share, SEK	1.1	1.3	2.0	2.1	4.2	
Equity/assets ratio, %	57	52	57	52	55	
Number of shares	14 807 353	14 796 229	14 807 353	14 796 229	14 796 229	
Average number of shares	14 798 083	14 352 786	14 797 156	13 901 952	14 351 534	
Number of shares after dilution	14 798 083	14 356 950	14 797 156	13 906 150	14 356 416	

DEFINITIONS OF TERMS USED IN THE REPORT

EBITDA	Earnings before interest, tax, depreciation and amortisation (Earnings before financial items and depreciation and amortisation of property, plant and equipment and intangible fixed assets)
Adjusted EBITDA	EBITDA adjusted for management fee charged (not applicable to the consolidated financial statements)
EBITA	Earnings before interest, tax and amortisation (Earnings before financial items and depreciation and amortisation of property, plant and equipment and intangible fixed assets)
Working capital	Total inventories and trade receivables less trade payables
Equity/assets ratio	Equity attributable to Parent Company shareholders, as a percentage of total assets
Return on equity	Earnings for the period attributable to owners of the Parent Company, as a percentage of average equity
Equity per share	Equity attributable to owners of the Parent Company, in relation to the number of shares outstanding at the end of the period
Earnings per share	Earnings for the period attributable to owners of the Parent Company, in relation to 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 the Company's management, as they provide a means of evaluating relevant trends and the Company's performance. Because not all companies calculate financial measures in the same way, these are not in all cases comparable with measures used by other companies. These financial measures should therefore not be considered as a substitute for measures defined under IFRS.