

YEAR-END REPORT 2022

January - December



Challenging operating environment continues

Fourth quarter of 2022 in brief

- Sales totaled SEK 2,364 million (3,146)
- Operating profit (EBITA) was SEK 163 million (336)
- EBITA margin of 6.9% (10.7)
- Profit after tax was SEK 105 million (271), excl. non-recurring items*
- Diluted earnings per share were SEK 0.39 (1.01), excl. non-recurring items
- Cash flow after investments amounted to SEK -188 million (-87)

Full year 2022 in brief

- Sales totaled SEK 10,774 million (11,610)
- Operating profit (EBITA) was SEK 908 million (1,319 excl. non-recurring items)
- Diluted earnings per share were SEK 2.44 (3.70), excl. non-recurring items
- Cash flow after investments amounted to SEK 8 million (446)
- The equity/assets ratio was 54% (47) and net financial liabilities were SEK 708 million (51)
- The Board proposes an unchanged dividend of SEK 1.90 (1.90) per share

* Net financial income and expense include positive non-recurring items of SEK 41 million (115), which arose from the revaluation of contingent consideration concerning the acquisition of GW Plastics. See pages 4 and 5 for more details on non-recurring items.

Comments from the President and CEO - Intensified efforts to cope with challenging operating environment

Adjusted for currency, net sales decreased by 34% in the fourth quarter to SEK 2,364 million, with an EBITA margin of 6.9%. The decrease in sales was due to Integrated Solutions, whose VHP production volumes gradually declined during the year as a result of Russia's invasion of Ukraine. It was also due to the customer's change in sourcing strategy. In addition, the VHP business had to halt production from the start of the fourth quarter until 5 December as a result of licensing in China.

Challenging external factors and general cost inflation of materials, labor and energy resulted in lower margins for Nolato during the year. This was despite continual efforts to pass on cost increases to customers and to make internal processes more efficient. We have also seen a continued component shortage, particularly in automotive but in other areas too, which has impacted the demand our customers are experiencing. This is resulting in fluctuating production planning and consequent lower production efficiency for Nolato, which is adversely impacting the margin. We also expect weaker industrial activity in general going forward, which primarily affects our Industrial Solutions business area. Adjusted for currency, Medical Solutions sales increased by 9%, due in particular to the charging on of cost increases and healthy growth in the surgery segment.

Overall, we have a diversified customer portfolio and a good financial position, allowing us to continue to focus on advancing our position as a global strategic partner with production on three continents. We have begun intensified efforts to further reduce our total costs and boost our efficiency to improve our margins.



Christer Wahlquist, President and CEO, Nolato AB

Group highlights

| SEK million unless otherwise specified | Note | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|------|------------|------------|-------------------|-------------------|
| Net sales | 1 | 2,364 | 3,146 | 10,774 | 11,610 |
| Operating profit (EBITDA) | | 296 | 449 | 1,411 | 1,805 |
| Operating profit (EBITA) | | 163 | 336 | 908 | 1,369 |
| EBITA margin, % | | 6.9 | 10.7 | 8.4 | 11.8 |
| Operating profit (EBIT) | 2 | 152 | 326 | 867 | 1,333 |
| Profit after financial income and expense | 2 | 186 | 433 | 875 | 1,401 |
| Profit after tax | | 146 | 386 | 697 | 1,160 |
| Diluted earnings per share, SEK | 3 | 0.54 | 1.43 | 2.59 | 4.32 |
| Diluted adjusted earnings per share, SEK | 3 | 0.57 | 1.46 | 2.70 | 4.42 |
| Cash flow after investments, excluding acquisitions and disposals | | - 188 | - 87 | 8 | 446 |
| Net investments affecting cash flow, excluding acquisitions and disposals | | 99 | 205 | 451 | 782 |
| Cash conversion, % | | — | — | 1 | 35 |
| Return on capital employed, % | | — | — | 12.8 | 22.8 |
| Return on shareholders' equity, % | | — | — | 13.6 | 28.0 |
| Equity/assets ratio, % | | — | — | 54 | 47 |
| Net financial liabilities, excluding pension- & lease liabilities | | — | — | - 708 | - 51 |

See definitions of IFRS measures and alternative performance measures on page 22.

Including a non-recurring item of SEK 41 million in profit after financial items in Q4-2022 and full year 2022, which also impacted the profit after tax.

Including a non-recurring item of SEK 50 million in operating profit for the full year 2021 and SEK 115 million in profit after financial items in Q4-2021 and full year 2021, which in total impacted the profit after tax by SEK 165 million.

This document is a translation from Swedish. In the event of any difference between this version and the Swedish original, the latter shall prevail.

Fourth quarter 2022

- Sales totaled SEK 2,364 million (3,146), which, adjusted for currency, was a 34% decrease
- Strong growth for Medical Solutions, while lower volumes had a negative impact on the other business areas
- Operating profit (EBITA) was SEK 163 million (336)
- EBITA margin of 6.9% (10.7), which was impacted by lower volumes and cost inflation
- Cash flow after investments totaled SEK –188 million (–87) because of increased working capital requirements

Sales

Consolidated sales totaled SEK 2,364 million (3,146). Adjusted for currency, this was a decrease of 34%.

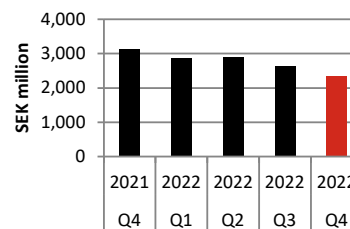
Medical Solutions sales amounted to SEK 1,312 million (1,063); adjusted for currency, sales increased by 9%. The surgery area saw good growth in the quarter, while in vitro diagnostics (IVD) volumes were lower due to pandemic-related inventory adjustments, which continued to affect the fourth quarter.

Integrated Solutions sales totaled SEK 407 million (1,476). Adjusted for currency, this was a decrease of some 78%. Licensing due to new regulatory requirements for Vaporiser Heating Products (VHP) in China resulted in sales being halted in the quarter until December 5 (see also relevant press releases). Demand in Eastern Europe has been adversely affected following Russia's invasion of Ukraine. Nolato believes that the VHP segment will continue to be impacted by the situation in Eastern Europe and the effects of dual sourcing. Volumes in the first quarter of 2023 are also consequently expected to remain at similar levels as in the fourth quarter. The EMC segment is continuing to perform well, with sales increasing to SEK 165 million (143).

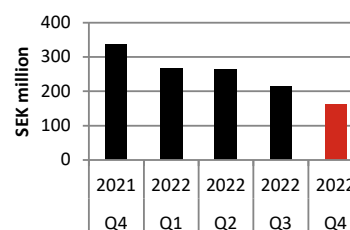
Industrial Solutions sales amounted to SEK 651 million (609); adjusted for currency, sales decreased by 2%. Disruptions to the supply chain at the start of the quarter had an impact, leading to lower volumes, primarily in automotive, while the charging on of cost increases made a positive contribution to sales. Demand for products supplied to areas in the consumer discretionary sector was slightly lower, and this is expected to continue in 2023, due to worse economic conditions and more restrained consumer spending.

Strong growth in Medical Solutions, but lower volumes adversely impacted other business areas

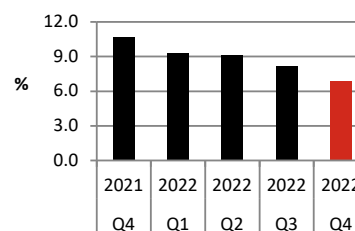
● Sales



● Operating profit (EBITA)



● EBITA margin



Profit

The Group's operating profit (EBITA) was SEK 163 million (336).

Operating profit (EBITA) increased to SEK 126 million (112) for Medical Solutions, while for Integrated Solutions it declined significantly to SEK 25 million (192), and for Industrial Solutions it decreased to SEK 18 million (38).

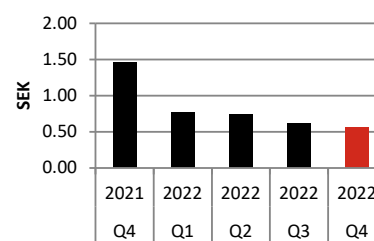
The EBITA margin for Medical Solutions was 9.6% (10.5). The combination of a change in the sales mix, with a greater proportion from the surgery area and a lower proportion from IVD, had a negative impact on the margin. Previous investments in capacity are still not being fully used and are consequently having a negative impact on the margin. For Integrated Solutions, the margin was 6.1% (13.0). Lower VHP volumes had an adverse effect. The EBITA margin for Industrial Solutions was 2.8% (6.2). A component shortage, primarily in automotive at the beginning of the quarter, has impacted customer demand and led to fluctuating production planning for Nolato. This has led to lower production efficiency, which, together with lower volumes and the inflationary effects of labor and energy costs, has had an adverse impact on the margin. Overall, the Group's EBITA margin was 6.9% (10.7).

Operating profit (EBIT) was SEK 152 million (326).

Operating profit after net financial income and expense decreased to SEK 145 million (318), excluding non-recurring items. Including non-recurring items, profit amounted to SEK 186 million (433). Net financial income and expense include positive non-recurring items of SEK 41 million (115), which arose from the revaluation of contingent consideration concerning the acquisition of GW Plastics.

Profit after tax was SEK 105 million (271), excluding non-recurring items. Including non-recurring items, profit amounted to SEK 146 million (386). Diluted earnings per share were SEK 0.39 (1.01), excluding non-recurring items. Including non-recurring items, earnings per share amounted to SEK 0.54 (1.43). Adjusted earnings per share after dilution but excluding amortization of intangible assets arising from acquisitions amounted to SEK 0.42 (1.04), excluding non-recurring items.

Adjusted diluted earnings per share



Sales, operating profit (EBITA) and EBITA margin by business area

| SEK million | Sales | | EBITA | | EBITA marg. | |
|-----------------------------|--------------|--------------|------------|------------|-------------|--------------|
| | Q4/2022 | Q4/2021 | Q4/2022 | Q4/2021 | Q4/2022 | Q4/2021 |
| Medical Solutions | 1,312 | 1,063 | 126 | 112 | 9.6% | 10.5% |
| Integrated Solutions | 407 | 1,476 | 25 | 192 | 6.1% | 13.0% |
| Industrial Solutions | 651 | 609 | 18 | 38 | 2.8% | 6.2% |
| Intra-Group adj., Parent Co | -6 | -2 | -6 | -6 | — | — |
| Group total | 2,364 | 3,146 | 163 | 336 | 6.9% | 10.7% |

Operating profit (EBITA): Earnings before financial income and expense, taxes and amortization of intangible assets arising from acquisitions.

Full year 2022

Sales and profit

Consolidated sales totaled SEK 10,774 million (11,610). Adjusted for currency, this was a decrease of 17%.

Sales for Medical Solutions rose by 19% to SEK 4,859 million (4,067), while for Integrated Solutions they decreased by 37% to SEK 3,311 million (5,226) and increased for Industrial Solutions by 13% to SEK 2,618 million (2,324).

The Group's operating profit (EBITA) was SEK 908 million (SEK 1,319 million excluding non-recurring items). The previous year included a positive non-recurring item of SEK 50 million, which related to a remitted loan. Overall, the Group's EBITA margin was 8.4% (11.4% excluding non-recurring items).

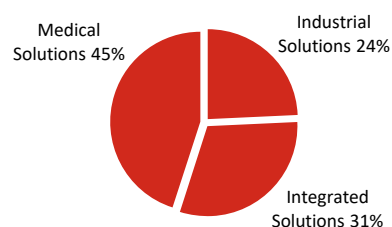
Operating profit (EBIT) amounted to SEK 867 million (SEK 1,283 million excluding non-recurring items).

Profit after net financial income and expense was SEK 834 million (1,236), excluding non-recurring items. Including non-recurring items, profit amounted to SEK 875 million (1,401).

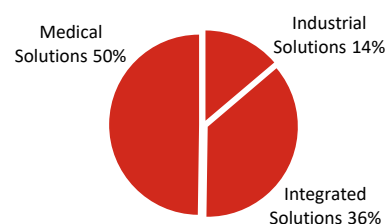
Profit after tax amounted to SEK 656 million (995), excluding non-recurring items. Including non-recurring items, profit amounted to SEK 697 million (1,160). Diluted earnings per share were SEK 2.44 (3.70), excluding non-recurring items. Including non-recurring items, diluted earnings per share were SEK 2.59 (4.32). Adjusted earnings per share after dilution but excluding amortization of intangible assets arising from acquisitions amounted to SEK 2.55 (3.81), excluding non-recurring items. The effective tax rate was 20.3% (17.2). Excluding non-recurring items, the tax rate was 21.3% (19.5).

The return on capital employed was 12.8% (22.8). Return on equity was 13.6% (28.0). Cash conversion was 1% (35).

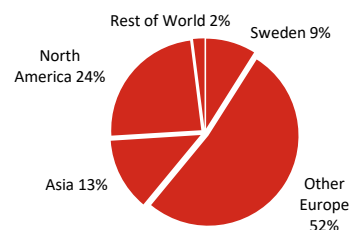
• Business areas' share of sales



• Business areas' share of operating profit (EBITA)



• Sales by geographic markets



Medical Solutions

| Sales and profit full year (SEK million) | 2022 | 2021 |
|--|-------|-------|
| Sales | 4,859 | 4,067 |
| Operating profit (EBITA) | 457 | 457 |
| EBITA margin (%) | 9.4 | 11.2 |
| Operating profit (EBIT) | 427 | 430 |

Medical Solutions sales amounted to SEK 4,859 million (4,067); adjusted for currency, sales increased by 8%. The charging on of higher costs contributed to the increase in sales. The surgery area saw good growth, while in vitro diagnostics (IVD) volumes were lower due to pandemic-related inventory adjustments, which have continued to have an impact.

Operating profit (EBITA) was unchanged at SEK 457 million (457).

The EBITA margin decreased to 9.4% (11.2). The combination of a change in the sales mix, with a greater proportion from the surgery area and a lower proportion from IVD, had a negative impact on the margin. A time lag in the charging on of cost increases also had an effect. Previous investments in capacity are still not being fully used and are consequently having a negative impact on the margin.

Integrated Solutions

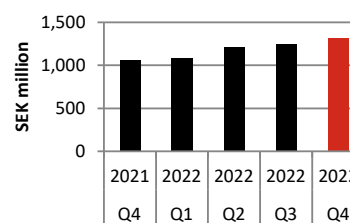
| Sales and profit full year (SEK million) | 2022 | 2021 |
|--|-------|-------|
| Sales | 3,311 | 5,226 |
| Operating profit (EBITA) | 334 | 671 |
| EBITA margin (%) | 10.1 | 12.8 |
| Operating profit (EBIT) | 333 | 670 |

Integrated Solutions sales totaled SEK 3,311 million (5,226). Adjusted for currency, sales decreased by some 46%. Demand for Vaporiser Heating Products (VHP) in Eastern Europe has been adversely affected following Russia's invasion of Ukraine. In addition, from the beginning of the fourth quarter until December 5 Nolato did not manufacture any VHP products in China because of new regulatory requirements relating to VHP products established by Chinese authorities. Nolato believes that the VHP segment will continue to be impacted by the situation in Eastern Europe and the effects of dual sourcing. Volumes in the first quarter of 2023 are also consequently expected to remain at similar levels as in the fourth quarter. The EMC business is continuing to perform well.

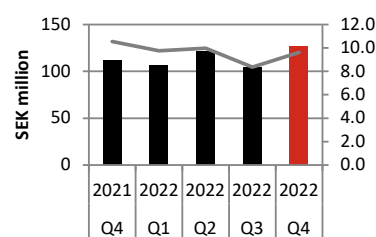
Operating profit (EBITA) was SEK 334 million (671).

The EBITA margin was 10.1% (12.8). Lower VHP volumes had an adverse effect.

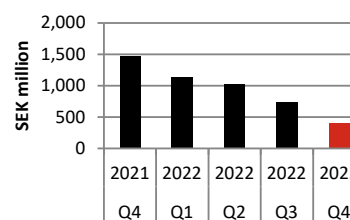
Medical Solutions sales



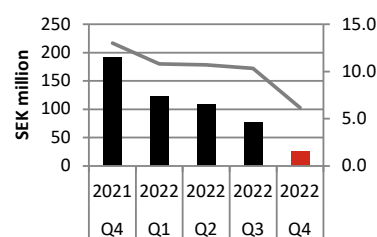
Medical Solutions operating profit (EBITA) & EBITA margin %



Integrated Solutions sales



Integrated Solutions operating profit (EBITA) & EBITA margin %



Industrial Solutions

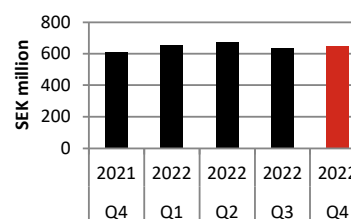
| Sales and profit full year (SEK million) | 2022 | 2021 |
|--|-------|-------|
| Sales | 2,618 | 2,324 |
| Operating profit (EBITA) | 128 | 208 |
| EBITA margin (%) | 4.9 | 9.0 |
| Operating profit (EBIT) | 118 | 200 |

Industrial Solutions sales amounted to SEK 2,618 million (2,324); adjusted for currency, sales increased by 6%. Volumes decreased somewhat compared with the same period last year, while the charging on of cost increases contributed positively to sales. Demand was stable in most market areas, but for products supplied to areas in the consumer discretionary sector it was slightly lower in the fourth quarter, and this is expected to continue in 2023, due to worse economic conditions and more restrained consumer spending.

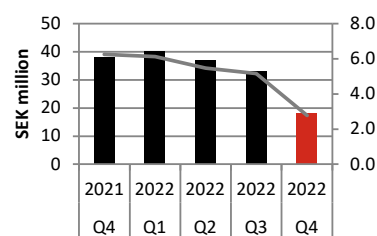
Operating profit (EBITA) was SEK 128 million (208).

The EBITA margin decreased to 4.9% (9.0). A component shortage, particularly in automotive but in other areas too, has impacted customer demand and led to fluctuating production planning for Nolato. This has resulted in lower production efficiency, which, together with a time lag in the charging on of cost increases, has adversely affected the margin.

Industrial Solutions sales



Industrial Solutions operating profit (EBITA) & EBITA margin %



Cash flow

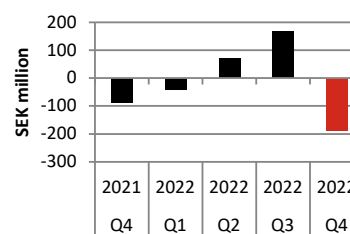
Cash flow after investments in the fourth quarter amounted to SEK -188 million (-87). Tied-up working capital increased by SEK 277 million (195) in the quarter. Net investments affecting cash flow decreased in the quarter to SEK 99 million (205).

For the full year 2022, cash flow after investments was SEK 8 million (446), excluding contingent consideration for acquisition. Cash flow from operating activities before changes in working capital decreased to SEK 1,021 million (1,402), mainly because of lower profit. Working capital requirements increased by SEK 615 million (174), which impacts cash flow for the year. Within this part, payment of contingent consideration for the acquisition of GW Plastics, Inc., had a negative impact of SEK 53 million, but in particular, the use of supplier finance for trade receivables has decreased. The low deliveries of VHP products towards the end of the year, which was unplanned, further increased tied-up capital. Net investments affecting cash flow decreased to SEK 451 million (782). Cash conversion for the last 12 months was 1% (35% for the 2021 calendar year). A dividend totaling SEK 512 million (428) was paid to shareholders in the second quarter.

Financial position

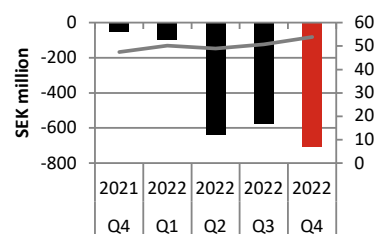
Interest-bearing assets decreased to SEK 1,011 million (1,448), and interest-bearing financial liabilities rose to SEK 1,719 million (1,499). Net financial liabilities consequently totaled SEK 708 million (51). The dividend payment and currency effects have increased net financial liabilities. There are also interest-bearing pension liabilities of SEK 173 million (247) and interest-bearing lease liabilities of SEK 314 million (295). Shareholders' equity rose to SEK 5,392 million (4,768). The equity/assets ratio was 54% (47).

• Cash flow after investments



Excluding acquisitions and disposals

• Net financial liabilities & equity/assets ratio %



Financial position

| SEK million | 31/12/2022 | 31/12/2021 |
|---|------------|------------|
| Interest-bearing liabilities, credit institutions | - 1,719 | - 1,499 |
| Cash and bank | 1,011 | 1,448 |
| Net financial liabilities | - 708 | - 51 |
| Interest-bearing pension liabilities | - 173 | - 247 |
| Net financial liabilities, including pension liabilities | - 881 | - 298 |
| Lease liabilities | - 314 | - 295 |
| Net financial liabilities, including pension- & lease liabilities | - 1,195 | - 593 |
| Working capital | 1,108 | 480 |
| As a percentage of sales (average) (%) | 7.4 | 3.7 |
| Capital employed | 7,597 | 6,809 |
| Return on capital employed (average) (%) | 12.8 | 22.8 |
| Shareholders' equity | 5,392 | 4,768 |
| Return on shareholders' equity (average) (%) | 13.6 | 28.0 |

Consolidated performance analysis

| SEK million | Note | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|--|------|------------|------------|-------------------|-------------------|
| Net sales | 1 | 2,364 | 3,146 | 10,774 | 11,610 |
| Gross profit excluding depreciation/amortization | | 439 | 582 | 1,924 | 2,250 |
| <i>As a percentage of net sales</i> | | 18.6 | 18.5 | 17.9 | 19.4 |
| Costs | | - 143 | - 133 | - 513 | - 445 |
| <i>As a percentage of net sales</i> | | 6.0 | 4.2 | 4.8 | 3.8 |
| Operating profit (EBITDA) | | 296 | 449 | 1,411 | 1,805 |
| <i>As a percentage of net sales</i> | | 12.5 | 14.3 | 13.1 | 15.5 |
| Depreciation and amortization | | - 133 | - 113 | - 503 | - 436 |
| Operating profit (EBITA) | | 163 | 336 | 908 | 1,369 |
| <i>As a percentage of net sales</i> | | 6.9 | 10.7 | 8.4 | 11.8 |
| Amortization of intangible assets arising from acquisitions | | - 11 | - 10 | - 41 | - 36 |
| Operating profit (EBIT) | 2 | 152 | 326 | 867 | 1,333 |
| Financial income and expense | 2 | 34 | 107 | 8 | 68 |
| Profit after financial income and expense | 2 | 186 | 433 | 875 | 1,401 |
| Tax | | - 40 | - 47 | - 178 | - 241 |
| <i>As a percent of profit after financial income and expense</i> | | 21.5 | 10.9 | 20.3 | 17.2 |
| Profit after tax | | 146 | 386 | 697 | 1,160 |

Personnel

The average number of employees in 2022 was 6,627 people (8,669). The decrease in the number of employees is mainly attributable to Integrated Solutions' operations in China and, to a lesser extent, Industrial Solutions' operations in Europe.

Significant risks and uncertainty factors

The Group and parent company's business risks and risk management, as well as the management of financial risks, are described on pages 59–61 and in Note 30 on pages 89–92 of the 2021 annual accounts.

High inflation, geopolitical effects of the invasion of Ukraine and Covid-19 naturally also affect Nolato's operations and its customers. At present, it is not possible to predict the duration or scope and thus not quantify these effects for the Group.

No other events of material significance occurred in the period that materially affect or change these descriptions of the Group and parent company's risks and their management.

Seasonal effects

Nolato does not experience any significant seasonal variations. However, in the third quarter sales within Industrial Solutions, and to a certain degree Medical Solutions, can be negatively affected by the fact that the holiday period falls in this quarter both for Nolato and its customers.

Events after the balance sheet date

No significant events have occurred since the end of the period, but high inflation, geopolitical impact from the invasion of Ukraine and the Covid-19 pandemic are, of course, also affecting Nolato's business and its customers. It is not currently possible to foresee the extent of this or how long it is likely to continue, nor is it possible to quantify its effects on the Group.

• Contact:

- Christer Wahlquist, President and CEO, tel. +46705 804848.
- Per-Ola Holmström, CFO, tel. +46705 763340.

• Webcast conference call on 8 February:

In connection with the year-end report, Nolato will hold a webcast conference call in English at 2:45 p.m. CET. Nolato will be represented by President and CEO Christer Wahlquist and CFO Per-Ola Holmström, who will present the year-end report and answer questions. Information regarding telephone numbers and the website is available at <https://financialhearings.com/event/43265>. The presentation will be available at www.nolato.com/ir after publication of the year-end report. The webcast will be available at the same address after the live broadcast.

Dividend

At the Annual General Meeting, the Board of Directors and the President and CEO will propose an unchanged dividend of SEK 1.90 per share (1.90), which corresponds to SEK 512 million (512). The pay-out ratio is 78% (51), excluding non-recurring items. The dividend yield was 3.5% on the share price as of December 31, 2022. Nolato's dividend policy is to propose a dividend that exceeds 50% of profit after tax, taking account of Nolato's long-term development opportunities, financial position and investment needs.

Prior to publication this information constituted inside information that Nolato AB is obliged to publish pursuant to the EU Market Abuse Regulation. The information was issued for publication by the above contact persons on February 8, 2023 at 2 p.m. CET.

This report has not been audited by the company's auditors.

Ownership and legal structure

Nolato AB (publ), Swedish corporate identity number 556080-4592, is the Parent Company of the Nolato Group.

Nolato's Class B shares are listed on Nasdaq Stockholm in the Large Cap segment, where they are included in the Industrials sector.

There were 17,142 shareholders as of December 31. The largest shareholders are the Jorlén family, the Boström family and the Hamrin family with 9% each, Första AP-fonden and Lannebo Funds with 7% each, and Nordea Funds and Andra AP-fonden with 4% each of capital.

The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 65 million (69). Profit after financial income and expense was SEK 184 million (687) and was mainly affected by lower profit from participations in Group companies (dividends from subsidiaries) and higher financial costs.

Contingent liabilities totaled SEK 315 million (293).

Accounting and valuation principles

Nolato's consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as 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. Publication of this interim report is subject to the Swedish Securities Market Act.

The consolidated accounts have been prepared according to the same principles as in the most recent annual accounts, as set out in the Annual Report 2021.

IASB and the IFRS Interpretations Committee have issued new standards and statements that apply to financial years starting January 1, 2022, or later. There are no plans for the early application of new or amended standards for future application. None of the standards or interpretations published by IASB are expected to have a material impact on the Group or Parent Company's financial statements.

The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act.

Annual General Meeting

The Annual General Meeting will be held on May 3, 2023. The Nomination Committee proposes the re-election of the Chairman of the Board and other Board members. Shareholders who would like to submit proposals to the Nomination Committee can contact the chairman of the Nomination Committee, Henrik Jorlén, by email at henrik.jorlen@gmail.com or by mail at Kommendörsgatan 4, 269 77 Torekov, Sweden.

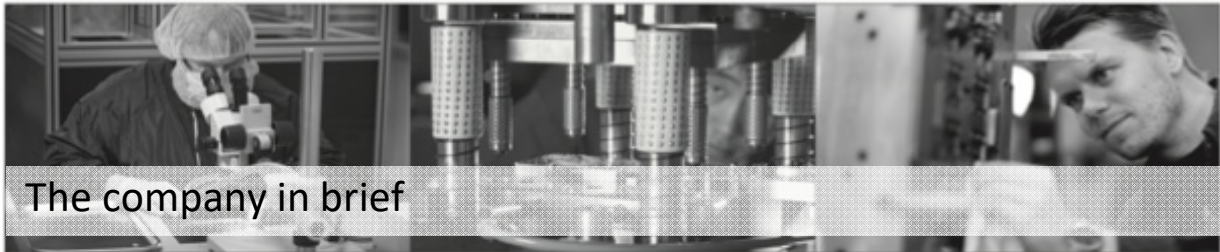
Financial information schedule

- Three-month interim report 2023: 3 May 2023
- 2023 Annual General Meeting: 3 May 2023
- Six-month interim report 2023: 20 July 2023
- Nine-month interim report 2023: 26 October 2023
- 2023 year-end report: 6 February 2024

Torekov February 8, 2023

Nolato AB (publ)

Nolato's Board of Directors



The company in brief

Nolato's business

Nolato is a global, advanced high-tech cooperation partner and manufacturer of polymer products and systems for leading customers in well-defined market areas such as medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors.

With its many years of experience, in-depth materials and processes expertise, early involvement in customer projects, advanced project management and detailed knowledge of each customer's specific requirements, Nolato is an effective and innovative partner.

Nolato's business model

Our business model is based on three decentralised business areas, which with their own decision-making and shared ambitions endeavour to fulfil our vision and financial targets.

The sharing of experience between our business areas, leading-edge technology, wide-ranging development and design know-how, advanced project management and efficient production allow us to establish long-term, innovative cooperation with our customers and partners and generate added value for both them and our shareholders.

Our shared values of being professional, well organised and responsible are reflected in everything we do.

Nolato's strategies

- Early involvement in customers' development processes
- Close and long-term collaboration/Partnerships with our customers
- Innovative, integrated and high-tech solutions
- High productivity/Lean manufacturing
- Advancing up the value chain/Greater added value
- Global presence
- Responsible business practice

Nolato is a Swedish group with operations in Europe, Asia and North America.

We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors.

Nolato's shares are listed on Nasdaq Stockholm in the Large Cap segment, where they are included in the Industrials sector.

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Consolidated income statement (summary)

| SEK million | Note | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|--|------|-------------|-------------|-------------------|-------------------|
| Net sales | 1 | 2,364 | 3,146 | 10,774 | 11,610 |
| Cost of goods sold | | - 2,056 | - 2,678 | - 9,346 | - 9,793 |
| Gross profit | | 308 | 468 | 1,428 | 1,817 |
| Other operating income | | — | 15 | 41 | 70 |
| Selling expenses | | - 56 | - 47 | - 213 | - 178 |
| Administrative expenses | | - 100 | - 97 | - 389 | - 357 |
| Other operating expenses | | — | - 13 | — | - 19 |
| | | - 156 | - 142 | - 561 | - 484 |
| Operating profit | 2 | 152 | 326 | 867 | 1,333 |
| Financial income and expense | 2 | 34 | 107 | 8 | 68 |
| Profit after financial income and expense | 2 | 186 | 433 | 875 | 1,401 |
| Tax | | - 40 | - 47 | - 178 | - 241 |
| Profit after tax | | 146 | 386 | 697 | 1,160 |
| All earnings are attributable to the Parent Co.'s shareholders | | | | | |
| Depreciation/amortization reg. non-current assets | | 144 | 123 | 544 | 472 |
| Basic earnings per share, SEK | 3 | 0.54 | 1.43 | 2.58 | 4.32 |
| Diluted earnings per share, SEK | 3 | 0.54 | 1.43 | 2.59 | 4.32 |
| Number of shares at the end of the period, before dilution | | 269,377,080 | 269,377,080 | 269,377,080 | 269,377,080 |
| Number of shares at the end of the period, after dilution | | 269,377,080 | 269,379,505 | 269,377,080 | 269,379,505 |
| Average number of shares, before dilution | | 269,377,080 | 269,329,580 | 269,377,080 | 268,491,580 |
| Average number of shares, after dilution | | 269,377,080 | 269,383,190 | 269,377,080 | 268,779,516 |

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. For more information please see Note 3 Earnings per share on page 16.

Consolidated comprehensive income

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|--------------|------------|-------------------|-------------------|
| Profit after tax | 146 | 386 | 697 | 1,160 |
| Other comprehensive income | | | | |
| <i>Items that cannot be transferred to profit for the period</i> | | | | |
| Revaluations of defined benefit pension plans | 6 | 19 | 102 | 41 |
| Tax attributable to items that cannot be transferred to profit for the period | - 2 | - 3 | - 17 | - 6 |
| | 4 | 16 | 85 | 35 |
| <i>Items that have been converted or can be converted into profit for the period</i> | | | | |
| Translation differences for the period on translation of foreign operations | - 172 | 78 | 344 | 195 |
| Changes in the fair value of cash flow hedges for the period | 12 | — | 3 | 9 |
| Tax attributable to changes in the fair value of cash flow hedges | - 4 | — | - 1 | - 2 |
| | - 164 | 78 | 346 | 202 |
| Other comprehensive income, net of tax | - 160 | 94 | 431 | 237 |
| Total comprehensive income for the period attributable to the Parent Co.'s shareh. | - 14 | 480 | 1,128 | 1,397 |

Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.

Consolidated balance sheet (summary)

| SEK million | 31/12/2022 | 31/12/2021 |
|---|---------------|---------------|
| Assets | | |
| Non-current assets | | |
| Intangible non-current assets | 2,472 | 2,234 |
| Property, plant and equipment | 3,174 | 2,868 |
| Non-current financial assets | 2 | 2 |
| Other non-current receivables | 1 | 2 |
| Deferred tax assets | 87 | 69 |
| Total fixed assets | 5,736 | 5,175 |
| Current assets | | |
| Inventories | 1,283 | 1,340 |
| Accounts receivable | 1,522 | 1,574 |
| Other current assets ²⁾ | 455 | 518 |
| Cash and bank | 1,011 | 1,448 |
| Total current assets | 4,271 | 4,880 |
| Total assets | 10,007 | 10,055 |
| Shareholders' equity and liabilities | | |
| Shareholders' equity | 5,392 | 4,768 |
| Long-term liabilities and provisions ¹⁾ | 1,945 | 1,921 |
| Deferred tax liabilities ¹⁾ | 294 | 254 |
| Current liabilities and provisions ^{1) 3)} | 2,376 | 3,112 |
| Total liabilities and provisions | 4,615 | 5,287 |
| Total shareholders' equity and liabilities | 10,007 | 10,055 |
| ¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions: | | |
| Interest-bearing liabilities and provisions | 2,206 | 2,041 |
| Non-interest-bearing liabilities and provisions | 2,409 | 3,246 |
| Total liabilities and provisions | 4,615 | 5,287 |
| Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2. | | |
| ²⁾ Derivative assets are included in other current assets at | 4 | 1 |
| ³⁾ Derivative liabilities are included in current liabilities and provisions at | 10 | 5 |

Changes in consolidated shareholders' equity (summary)

| SEK million | Full year 2022 | Full year 2021 |
|--|-------------------|-------------------|
| Shareholders' equity at the beginning of the period | 4,768 | 3,699 |
| Total comprehensive income for the period | 1,128 | 1,397 |
| Dividends | – 512 | – 428 |
| Share warrants included in incentive programmes | 8 | 3 |
| Exercise of warrants included in incentive programmes | – | 97 |
| Shareholders' equity at the end of period attributable to Parent Co's shareholders | 5,392 | 4,768 |

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. In Incentive Programme 2019/2024, Series 2020/2023 has redemptions from 01/05/2023 to 15/12/2023 and Series 2021/2024 has redemptions from 01/05/2024 to 15/12/2024. The subscription price is SEK 92.88 for Series 2020/2023 and SEK 140.20 for Series 2021/2024. In Incentive Programme 2022/2028, Series 2022/2026 has redemptions from 15/12/2025 to 15/06/2026, Series 2023/2027 has redemptions from 15/12/2026 to 15/06/2027 and Series 2024/2028 has redemptions from 15/12/2027 to 15/06/2028. The subscription price is SEK 57.80 for Series 2022/2026. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 7,549,500 new class B shares.

Consolidated cash flow statement (summary)

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|------------|------------|-------------------|-------------------|
| Cash flow from operating activities before changes in working capital | 188 | 313 | 1,021 | 1,402 |
| Changes in working capital | – 277 | – 195 | – 615 | – 174 |
| Cash flow from operating activities | – 89 | 118 | 406 | 1,228 |
| Cash flow from investment activities | – 99 | – 205 | – 451 | – 782 |
| Cash flow before financing activities | – 188 | – 87 | – 45 | 446 |
| Cash flow from financing activities | 52 | 77 | – 487 | – 634 |
| Cash flow for the period | – 136 | – 10 | – 532 | – 188 |
| Cash and cash equivalents at the beginning of the period | 1,193 | 1,400 | 1,448 | 1,487 |
| Exchange rate difference in liquid assets | – 46 | 58 | 95 | 149 |
| Cash and cash equivalents at the end of the period | 1,011 | 1,448 | 1,011 | 1,448 |

Note 1 Revenue

| SEK million | Full year - 2022 | | | | Full year - 2021 | | | |
|---|------------------|--------------|--------------|--------------|------------------|--------------|--------------|--------------|
| | Sum | Med. Sol. | Integr. Sol. | Indust. Sol. | Sum | Med. Sol. | Integr. Sol. | Indust. Sol. |
| Sweden | 963 | 138 | 35 | 790 | 914 | 117 | 29 | 768 |
| Other Europe | 5,657 | 2,317 | 1,953 | 1,387 | 5,839 | 1,998 | 2,638 | 1,203 |
| North America | 2,622 | 2,085 | 178 | 359 | 2,083 | 1,668 | 154 | 261 |
| Asia | 1,371 | 166 | 1,137 | 68 | 2,588 | 153 | 2,352 | 83 |
| Rest of world | 175 | 153 | 8 | 14 | 193 | 131 | 53 | 9 |
| Elimination internal sales | – 14 | | | | – 7 | | | |
| Total revenues from customer contracts | 10,774 | 4,859 | 3,311 | 2,618 | 11,610 | 4,067 | 5,226 | 2,324 |

The above table essentially covers products transferred at a specific date.

For the year 2022, the Group recognized decreased provision of impaired trade receivables of SEK 2 million. Impairment losses are recognized in the cost of goods sold.

Note 2 Reconciliation of consolidated income before tax

| SEK million | Full year 2022 | Full year 2021 |
|--|-------------------|-------------------|
| Operating profit (EBIT) | | |
| Medical Solutions | 427 | 430 |
| Integrated Solutions | 333 | 670 |
| Industrial Solutions | 118 | 200 |
| Group adjustments, Parent Company | – 11 | 33 |
| Consolidated operating profit (EBIT) | 867 | 1,333 |
| Financial income and expense (not distributed by business areas) | 8 | 68 |
| Consolidated profit before tax | 875 | 1,401 |

Including a non-recurring item of SEK 41 million in financial income and expense in Q4-2022 and full year 2022. The non-recurring items have been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK 50 million in operating profit for the full year 2021 and SEK 115 million in financial income and expense in Q4-2021 and full year 2021. The non-recurring items have been recognised at Group level and has therefore not affected the earnings of the business areas.

Note 3 Earnings per share (IFRS measures/alternative performance measures)

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|-------------|-------------|-------------------|-------------------|
| Profit after tax | 146 | 386 | 697 | 1,160 |
| Average number of shares, before dilution | 269,377,080 | 269,329,580 | 269,377,080 | 268,491,580 |
| Basic earnings per share (SEK) | 0.54 | 1.43 | 2.58 | 4.32 |
| Non-recurring items | – 41 | – 115 | – 41 | – 165 |
| Profit after tax excluding non-recurring items | 105 | 271 | 656 | 995 |
| Basic earnings per share excluding non-recurring items (SEK) | 0.39 | 1.01 | 2.44 | 3.71 |
| Dilutive shares from Series 2018/2021 incentive programme with exercise price SEK 50.20 per share; total 1,935,000 warrants | — | 23,540 | — | 287,451 |
| Dilutive shares from Series 2020/2023 incentive programme with exercise price SEK 92.88 per share; total 287,500 warrants | — | 30,070 | — | 485 |
| Average number of shares, after dilution | 269,377,080 | 269,383,190 | 269,377,080 | 268,779,516 |
| Diluted earnings per share (SEK) | 0.54 | 1.43 | 2.59 | 4.32 |
| Diluted earnings per share excluding non-recurring items (SEK) | 0.39 | 1.01 | 2.44 | 3.70 |
| Number of shares at the end of the period, before dilution | 269,377,080 | 269,377,080 | 269,377,080 | 269,377,080 |
| Number of shares at the end of the period, after dilution | 269,377,080 | 269,379,505 | 269,377,080 | 269,379,505 |

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. In Incentive Programme 2019/2024, Series 2020/2023 has redemptions from 01/05/2023 to 15/12/2023 and Series 2021/2024 has redemptions from 01/05/2024 to 15/12/2024. The subscription price is SEK 92.88 for Series 2020/2023 and SEK 140.20 for Series 2021/2024. In Incentive Programme 2022/2028, Series 2022/2026 has redemptions from 15/12/2025 to 15/06/2026, Series 2023/2027 has redemptions from 15/12/2026 to 15/06/2027 and Series 2024/2028 has redemptions from 15/12/2027 to 15/06/2028. The subscription price is SEK 57.80 for Series 2022/2026. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 7,549,500 new class B shares.

Adjusted earnings per share (alternative performance measures)

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|--|-------------|-------------|-------------------|-------------------|
| Profit after tax | 146 | 386 | 697 | 1,160 |
| Adjusted earnings: | | | | |
| Amortization of intangible assets arising from acquisitions | 11 | 10 | 41 | 36 |
| Tax on amortization | - 3 | - 2 | - 9 | - 7 |
| Adjusted earnings | 154 | 394 | 729 | 1,189 |
| Average number of shares, before dilution | 269,377,080 | 269,329,580 | 269,377,080 | 268,491,580 |
| Adjusted basic earnings per share (SEK) | 0.57 | 1.46 | 2.70 | 4.43 |
| Non-recurring items | - 41 | - 115 | - 41 | - 165 |
| Adjusted earnings after tax, excluding non-recurring items | 113 | 279 | 688 | 1,024 |
| Adjusted basic earnings per share excluding non-recurring items (SEK) | 0.42 | 1.04 | 2.55 | 3.81 |
| Average number of shares, after dilution | 269,377,080 | 269,383,190 | 269,377,080 | 268,779,516 |
| Adjusted diluted earnings per share (SEK) | 0.57 | 1.46 | 2.70 | 4.42 |
| Adjusted diluted earnings per share excluding non-recurring items (SEK) | 0.42 | 1.04 | 2.55 | 3.81 |

Five-year overview

| IFRS measures | 2022 | 2021 | 2020 | 2019 | 2018 |
|---------------------------------------|------|-------|-------|------|------|
| Operating profit (EBIT) (SEK million) | 867 | 1,333 | 1,048 | 887 | 941 |
| Basic earnings per share (SEK) | 2.58 | 4.32 | 3.03 | 2.66 | 2.74 |
| Diluted earnings per share (SEK) | 2.59 | 4.32 | 3.02 | 2.66 | 2.74 |

| Alternative performance measures | | | | | |
|--|--------|--------|-------|-------|-------|
| Net sales (SEK million) | 10,774 | 11,610 | 9,359 | 7,919 | 8,102 |
| Operating profit (EBITA) (SEK million) | 908 | 1,369 | 1,066 | 895 | 949 |
| EBITA margin (%) | 8.4 | 11.8 | 11.4 | 11.3 | 11.7 |
| Profit after financial income and expense (SEK million) | 875 | 1,401 | 1,014 | 857 | 921 |
| Profit after tax (SEK million) | 697 | 1,160 | 806 | 703 | 722 |
| Cash flow after investments, excl. acq. and disposals (SEK million) | 8 | 446 | 905 | 800 | 593 |
| Cash conversion (%) | 1 | 35 | 87 | 88 | 60 |
| Return on capital employed (%) | 12.8 | 22.8 | 20.7 | 23.1 | 29.7 |
| Return on shareholders' equity (%) | 13.6 | 28.0 | 23.9 | 25.5 | 30.4 |
| Net financial liabilities (-) / assets (+), excl. pension- & lease liabilities (SEK million) | - 708 | - 51 | - 298 | 666 | 341 |
| Equity/assets ratio (%) | 54 | 47 | 43 | 48 | 50 |
| Adjusted basic earnings per share (SEK) | 2.70 | 4.43 | 3.08 | 2.68 | 2.77 |
| Adjusted diluted earnings per share (SEK) | 2.70 | 4.42 | 3.08 | 2.68 | 2.76 |
| Dividend per share (2022 proposal) (SEK) | 1.90 | 1.90 | 1.60 | — | 1.40 |
| Average number of employees | 6,627 | 8,669 | 6,721 | 5,941 | 6,449 |

Including any non-recurring items.

Quarterly data (summary)

| IFRS measures | Note | | Q1 | Q2 | Q3 | Q4 | Full year |
|---|------|------|-------|-------|-------|-------|-----------|
| Operating profit (EBIT) (SEK million) | 2 | 2022 | 258 | 252 | 205 | 152 | 867 |
| | 2 | 2021 | 299 | 377 | 331 | 326 | 1,333 |
| | | 2020 | 225 | 267 | 282 | 274 | 1,048 |
| Basic earnings per share (SEK) | 3 | 2022 | 0.75 | 0.71 | 0.59 | 0.54 | 2.58 |
| | 3 | 2021 | 0.85 | 1.09 | 0.96 | 1.43 | 4.32 |
| | | 2020 | 0.67 | 0.78 | 0.79 | 0.79 | 3.03 |
| Diluted earnings per share (SEK) | 3 | 2022 | 0.75 | 0.71 | 0.59 | 0.54 | 2.58 |
| | 3 | 2021 | 0.84 | 1.08 | 0.95 | 1.43 | 4.32 |
| | | 2020 | 0.67 | 0.78 | 0.79 | 0.79 | 3.02 |
| Alternative performance measures | Note | | Q1 | Q2 | Q3 | Q4 | Full year |
| Net sales (SEK million) | 1 | 2022 | 2,879 | 2,905 | 2,626 | 2,364 | 10,774 |
| | 1 | 2021 | 2,645 | 2,786 | 3,033 | 3,146 | 11,610 |
| | | 2020 | 2,065 | 2,307 | 2,500 | 2,487 | 9,359 |
| Operating profit (EBITDA) (SEK million) | | 2022 | 386 | 386 | 343 | 296 | 1,411 |
| | | 2021 | 414 | 492 | 450 | 449 | 1,805 |
| | | 2020 | 319 | 360 | 388 | 389 | 1,456 |
| Operating profit (EBITA) (SEK million) | | 2022 | 267 | 264 | 214 | 163 | 908 |
| | | 2021 | 308 | 386 | 339 | 336 | 1,369 |
| | | 2020 | 227 | 269 | 287 | 283 | 1,066 |
| EBITA margin (%) | | 2022 | 9.3 | 9.1 | 8.1 | 6.9 | 8.4 |
| | | 2021 | 11.6 | 13.9 | 11.2 | 10.7 | 11.8 |
| | | 2020 | 11.0 | 11.7 | 11.5 | 11.4 | 11.4 |
| Profit after financial income and exp. (SEK million) | 2 | 2022 | 251 | 241 | 197 | 186 | 875 |
| | 2 | 2021 | 286 | 360 | 322 | 433 | 1,401 |
| | | 2020 | 221 | 257 | 267 | 269 | 1,014 |
| Profit after tax (SEK million) | | 2022 | 201 | 190 | 160 | 146 | 697 |
| | | 2021 | 226 | 291 | 257 | 386 | 1,160 |
| | | 2020 | 177 | 207 | 211 | 211 | 806 |
| Cash flow from operating activities (SEK million) | | 2022 | 89 | 131 | 275 | -89 | 406 |
| | | 2021 | 249 | 500 | 361 | 118 | 1,228 |
| | | 2020 | -3 | 748 | 76 | 343 | 1,164 |
| Cash fl. from operations per share bef. dilution (SEK) | | 2022 | 0.33 | 0.49 | 1.02 | -0.33 | 1.51 |
| | | 2021 | 0.93 | 1.86 | 1.34 | 0.44 | 4.58 |
| | | 2020 | -0.01 | 2.82 | 0.29 | 1.28 | 4.37 |
| Cash flow after investments, excluding acquisitions and disposals (SEK million) | | 2022 | -41 | 71 | 166 | -188 | 8 |
| | | 2021 | 71 | 346 | 116 | -87 | 446 |
| | | 2020 | -73 | 685 | 82 | 211 | 905 |
| Cash flow after investments, excl. acquisitions and disposals per share before dilution (SEK) | | 2022 | -0.15 | 0.26 | 0.62 | -0.70 | 0.03 |
| | | 2021 | 0.27 | 1.29 | 0.43 | -0.32 | 1.66 |
| | | 2020 | -0.27 | 2.58 | 0.31 | 0.79 | 3.40 |
| Adjusted basic earnings per share (SEK) | 3 | 2022 | 0.77 | 0.74 | 0.62 | 0.57 | 2.70 |
| | 3 | 2021 | 0.87 | 1.11 | 0.98 | 1.46 | 4.43 |
| | | 2020 | 0.67 | 0.78 | 0.81 | 0.82 | 3.08 |
| Shareholders' equity per share, before dilution (SEK) | | 2022 | 19 | 19 | 20 | 20 | 20 |
| | | 2021 | 15 | 15 | 16 | 18 | 18 |
| | | 2020 | 12 | 13 | 14 | 14 | 14 |
| Return on total capital (%) | | 2022 | 14.8 | 13.3 | 11.6 | 9.1 | 9.1 |
| | | 2021 | 14.0 | 14.6 | 14.3 | 15.7 | 15.7 |
| | | 2020 | 15.7 | 15.8 | 14.8 | 14.3 | 14.3 |

| Alternative performance measures | | Q1 | Q2 | Q3 | Q4 | Full year |
|---|------|-------|-------|--------|--------|-----------|
| Return on capital employed (%) | 2022 | 21.6 | 19.4 | 16.7 | 12.8 | 12.8 |
| | 2021 | 20.2 | 21.0 | 20.6 | 22.8 | 22.8 |
| | 2020 | 23.2 | 23.4 | 21.8 | 20.7 | 20.7 |
| Return on operating capital (%) | 2022 | 25.3 | 21.8 | 18.3 | 14.4 | 14.4 |
| | 2021 | 28.0 | 28.5 | 26.8 | 27.1 | 27.1 |
| | 2020 | 31.2 | 33.1 | 30.9 | 29.2 | 29.2 |
| Return on shareholders' equity (%) | 2022 | 25.8 | 22.5 | 19.2 | 13.6 | 13.6 |
| | 2021 | 23.8 | 25.1 | 25.1 | 28.0 | 28.0 |
| | 2020 | 26.0 | 25.9 | 25.0 | 23.9 | 23.9 |
| Closing share price Nolato B (Nasdaq Stockholm) | 2022 | 70.00 | 55.00 | 50.85 | 54.65 | 54.65 |
| | 2021 | 77.80 | 84.20 | 104.70 | 107.90 | 107.90 |
| | 2020 | 44.94 | 62.80 | 87.30 | 83.20 | 83.20 |

Including a non-recurring item of SEK 41 million in profit after financial income and expense and profit after tax in Q4-2022.

Including a non-recurring item of SEK 50 million in operating profit in Q2-2021 and SEK 115 million in profit after financial income and expense and profit after tax in Q4-2021, which in total impacted the profit after tax by SEK 165 million.

Including a non-recurring item of SEK -17 million in operating profit in Q3 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -14 million.

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020 and tax effects of SEK +3 million, which impacted profit after tax by SEK -11 million.

Quarterly data business areas

| Alternative performance measures | | | | Q1 | Q2 | Q3 | Q4 | Full year |
|-----------------------------------|---|------|--|--------------|--------------|--------------|--------------|---------------|
| Net sales (SEK million) | | Note | | | | | | |
| Medical Solutions | 1 | 2022 | | 1,088 | 1,214 | 1,245 | 1,312 | 4,859 |
| | 1 | 2021 | | 1,006 | 1,021 | 977 | 1,063 | 4,067 |
| | | 2020 | | 642 | 700 | 796 | 951 | 3,089 |
| Integrated Solutions | 1 | 2022 | | 1,140 | 1,019 | 745 | 407 | 3,311 |
| | 1 | 2021 | | 1,045 | 1,186 | 1,519 | 1,476 | 5,226 |
| | | 2020 | | 854 | 1,149 | 1,158 | 907 | 4,068 |
| Industrial Solutions | 1 | 2022 | | 653 | 676 | 638 | 651 | 2,618 |
| | 1 | 2021 | | 595 | 580 | 540 | 609 | 2,324 |
| | | 2020 | | 570 | 459 | 547 | 629 | 2,205 |
| Group adjustments, Parent Company | 1 | 2022 | | -2 | -4 | -2 | -6 | -14 |
| | 1 | 2021 | | -1 | -1 | -3 | -2 | -7 |
| | | 2020 | | -1 | -1 | -1 | - | -3 |
| Group total | 1 | 2022 | | 2,879 | 2,905 | 2,626 | 2,364 | 10,774 |
| | 1 | 2021 | | 2,645 | 2,786 | 3,033 | 3,146 | 11,610 |
| | | 2020 | | 2,065 | 2,307 | 2,500 | 2,487 | 9,359 |

| Alternative performance measures | | Q1 | Q2 | Q3 | Q4 | Full year |
|--|-------------------------|------|------|------|------|-----------|
| Operating profit (EBITA) (SEK million) | | | | | | |
| Medical Solutions | 2022 | 106 | 121 | 104 | 126 | 457 |
| | <i>EBITA margin (%)</i> | 9.7 | 10.0 | 8.4 | 9.6 | 9.4 |
| | 2021 | 121 | 124 | 100 | 112 | 457 |
| | <i>EBITA margin (%)</i> | 12.0 | 12.1 | 10.2 | 10.5 | 11.2 |
| Integrated Solutions | 2022 | 123 | 109 | 77 | 25 | 334 |
| | <i>EBITA margin (%)</i> | 10.8 | 10.7 | 10.3 | 6.1 | 10.1 |
| | 2021 | 125 | 154 | 200 | 192 | 671 |
| | <i>EBITA margin (%)</i> | 12.0 | 13.0 | 13.2 | 13.0 | 12.8 |
| Industrial Solutions | 2022 | 40 | 37 | 33 | 18 | 128 |
| | <i>EBITA margin (%)</i> | 6.1 | 5.5 | 5.2 | 2.8 | 4.9 |
| | 2021 | 66 | 62 | 42 | 38 | 208 |
| | <i>EBITA margin (%)</i> | 11.1 | 10.7 | 7.8 | 6.2 | 9.0 |
| Group adjustments, Parent Company | 2022 | -2 | -3 | — | -6 | -11 |
| | 2021 | -4 | 46 | -3 | -6 | 33 |
| | 2020 | -18 | -8 | -24 | -2 | -52 |
| | <i>EBITA margin (%)</i> | 8.2 | 2.4 | 8.8 | 9.9 | 7.6 |
| Group total | 2022 | 267 | 264 | 214 | 163 | 908 |
| | <i>EBITA margin (%)</i> | 9.3 | 9.1 | 8.1 | 6.9 | 8.4 |
| | 2021 | 308 | 386 | 339 | 336 | 1,369 |
| | <i>EBITA margin (%)</i> | 11.6 | 13.9 | 11.2 | 10.7 | 11.8 |
| | 2020 | 227 | 269 | 287 | 283 | 1,066 |
| | <i>EBITA margin (%)</i> | 11.0 | 11.7 | 11.5 | 11.4 | 11.4 |

Including a non-recurring item of SEK 50 million in operating profit in Q2 2021. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK -17 million in operating profit in Q3 2020. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK -14 million in operating profit in Q1 2020. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

| Depreciation/write-downs/amortization (SEK million) | | Q1 | Q2 | Q3 | Q4 | Full year |
|---|------|-----|-----|-----|-----|-----------|
| Medical Solutions | 2022 | 69 | 74 | 79 | 86 | 308 |
| | 2021 | 61 | 61 | 63 | 64 | 249 |
| | 2020 | 41 | 41 | 48 | 63 | 193 |
| Integrated Solutions | 2022 | 15 | 17 | 16 | 14 | 62 |
| | 2021 | 15 | 16 | 15 | 16 | 62 |
| | 2020 | 17 | 16 | 15 | 15 | 63 |
| Industrial Solutions | 2022 | 43 | 43 | 43 | 44 | 173 |
| | 2021 | 39 | 38 | 41 | 42 | 160 |
| | 2020 | 36 | 36 | 43 | 36 | 151 |
| Group adjustments, Parent Company | 2022 | 1 | — | — | — | 1 |
| | 2021 | — | — | — | 1 | 1 |
| | 2020 | — | — | — | 1 | 1 |
| Group total | 2022 | 128 | 134 | 138 | 144 | 544 |
| | 2021 | 115 | 115 | 119 | 123 | 472 |
| | 2020 | 94 | 93 | 106 | 115 | 408 |

Group financial highlights

| IFRS measures | Note | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|--|------|------------|------------|-------------------|-------------------|
| Basic earnings per share (SEK) | 3 | 0.54 | 1.43 | 2.58 | 4.32 |
| Diluted earnings per share (SEK) | 3 | 0.54 | 1.43 | 2.59 | 4.32 |
| Alternative performance measures | | | | | |
| Net sales (SEK million) | 1 | 2,364 | 3,146 | 10,774 | 11,610 |
| Sales growth (%) | | - 25 | 26 | - 7 | 24 |
| Percentage of sales outside Sweden (%) | | 89 | 93 | 91 | 92 |
| Operating profit (EBITDA) (SEK million) | | 296 | 449 | 1,411 | 1,805 |
| Operating profit (EBITA) (SEK million) ¹⁾ | | 163 | 336 | 908 | 1,369 |
| EBITA margin (%) ¹⁾ | | 6.9 | 10.7 | 8.4 | 11.8 |
| Profit after financial income and expense (SEK million) | 2 | 186 | 433 | 875 | 1,401 |
| Profit margin (%) ¹⁾ | | 7.9 | 13.8 | 8.1 | 12.1 |
| Profit after tax (SEK million) | | 146 | 386 | 697 | 1,160 |
| Return on total capital (%) ¹⁾ | | — | — | 9.1 | 15.7 |
| Return on capital employed (%) ¹⁾ | | — | — | 12.8 | 22.8 |
| Return on operating capital (%) ¹⁾ | | — | — | 14.4 | 27.1 |
| Return on shareholders' equity (%) ¹⁾ | | — | — | 13.6 | 28.0 |
| Equity/assets ratio (%) | | — | — | 54 | 47 |
| Debt/equity (%) | | — | — | 41 | 43 |
| Interest coverage ratio (times) | | 14 | 49 | 17 | 34 |
| Net investments affecting cash flow, excluding acquisitions and disposals (SEK million) | | 99 | 205 | 451 | 782 |
| Cash flow after investments, excluding acquisitions and disposals (SEK million) | | - 188 | - 87 | 8 | 446 |
| Cash conversion (%) ¹⁾ | | — | — | 1 | 35 |
| Net financial liabilities (-) / assets (+), excl. pension- & lease liab. (SEK million) | | — | — | - 708 | - 51 |
| Adjusted basic earnings per share (SEK) | 3 | 0.57 | 1.46 | 2.70 | 4.43 |
| Adjusted diluted earnings per share (SEK) | 3 | 0.57 | 1.46 | 2.70 | 4.42 |
| Cash flow from operations per share, before dilution (SEK) | | - 0.33 | 0.44 | 1.51 | 4.58 |
| Cash flow from operations per share, after dilution (SEK) | | - 0.33 | 0.44 | 1.51 | 4.57 |
| Cash flow after investments excluding acquisitions and disposals, per share, before dilution (SEK) | | - 0.70 | - 0.32 | 0.03 | 1.66 |
| Cash flow after investments excluding acquisitions and disposals, per share, after dilution (SEK) | | - 0.70 | - 0.32 | 0.03 | 1.66 |
| Shareholders' equity per share, before dilution (SEK) | | — | — | 20 | 18 |
| Shareholders' equity per share, after dilution (SEK) | | — | — | 20 | 18 |
| Average number of employees | | — | — | 6,627 | 8,669 |

See definitions of IFRS measures and alternative performance measures on page 22.

¹⁾ KPIs calculated as specified on pages 23 and 24.

Including a non-recurring item of SEK 41 million in profit after financial items in Q4-2022 and full year 2022, which also impacted the profit after tax.

Including a non-recurring item of SEK 50 million in operating profit for the full year 2021 and SEK 115 million in profit after financial items in Q4-2021 and full year 2021, which in total impacted the profit after tax by SEK 165 million.

Definitions - IFRS measures

Earnings per share

Earnings for the period that are attributable to the parent company's owners divided by the average number of outstanding shares.

Operating profit (EBIT)

Earnings before financial income and expense and taxes.

Definitions - Alternative performance measures

Nolato presents certain financial measures in this report that are not defined according to IFRS. Nolato considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of trends and the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not therefore be regarded as substitutes for measures defined according to IFRS.

Adjusted earnings per share

Profit after tax, excluding amortization of intangible assets arising from acquisitions, divided by the average number of shares.

Average number of shares

The average basic number of shares comprises the parent company's weighted average number of outstanding shares during the period. After dilution, a weighted average of the shares that may be issued under the ongoing share warrant programme is added, if they are in-the-money, but only insofar as the average listed share price for the period exceeds the subscription price of the warrants.

Cash conversion

Cash flow after investments, excl. acquisitions and disposals, divided by operating profit (EBIT). Cash flow and operating profit have been adjusted by non-recurring items, if any.

Cash flow after investments, excl. acquisitions and disposals per share

Cash flow after investing activities excl. acquisitions and disposals, divided by the average number of shares.

Cash flow from operating activities per share

Cash flow from operating activities, divided by the average number of shares.

Debt/equity ratio

Interest-bearing liabilities and provisions divided by shareholders' equity.

EBITA margin

Operating profit (EBITA) as a percentage of net sales.

Equity/assets ratio

Shareholders' equity as a percentage of total capital in the balance sheet.

Interest coverage ratio

Profit after financial income and expense, plus financial expenses, divided by financial expenses.

Net financial liabilities (-) / financial assets (+)

Interest-bearing liabilities from credit institutions less interest-bearing assets.

Operating profit (EBITA)

Earnings before financial income and expense, taxes and amortization of intangible assets arising from acquisitions.

Operating profit (EBITDA)

Earnings before financial income and expense, taxes and depreciation/amortization.

Profit margin

Profit after financial income and expense as a percentage of net sales.

Return on capital employed

Profit after financial income and expense, plus financial expenses as a percentage of average capital employed. Capital employed consists of total capital less non-interest-bearing liabilities and provisions.

Return on operating capital

Operating profit as a percentage of average operating capital. Operating capital consists of total capital less non-interest-bearing liabilities and provisions, less interest-bearing assets.

Return on shareholders' equity

Profit after tax as a percentage of average shareholders' equity.

Return on total capital

Profit after financial income and expense, plus financial expenses as a percentage of average total capital in the balance sheet.

Forward-looking information

Some of the items reported relate to future events and actual outcomes may differ materially. In addition to those factors explicitly commented on, other factors may also materially affect the actual outcome, such as economic conditions, exchange rates and interest rate levels, political risks, competition and pricing, product development, commercialisation and technical difficulties, supply problems and customer credit losses.

Alternative performance measures

| SEK million unless otherwise specified | Note | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|---|------|------------|-------------|-------------------|-------------------|
| Operating profit (EBITDA) | | 296 | 449 | 1,411 | 1,805 |
| Non-recurring items | | — | — | — | – 50 |
| Adjusted operating profit (EBITDA) | | 296 | 449 | 1,411 | 1,755 |
| Operating profit (EBIT) | 2 | 152 | 326 | 867 | 1,333 |
| Reversal of amortization of intangible assets arising in connection with acquisitions | | 11 | 10 | 41 | 36 |
| Operating profit (EBITA) | | 163 | 336 | 908 | 1,369 |
| Non-recurring items | | — | — | — | – 50 |
| Adjusted operating profit (EBITA) | | 163 | 336 | 908 | 1,319 |
| EBITA margin (%) | | 6.9 | 10.7 | 8.4 | 11.8 |
| Adjusted EBITA margin (%) | | 6.9 | 10.7 | 8.4 | 11.4 |
| Profit after financial income and expense | 2 | 186 | 433 | 875 | 1,401 |
| Non-recurring items | | – 41 | – 115 | – 41 | – 165 |
| Adjusted profit after financial income and expense | | 145 | 318 | 834 | 1,236 |
| Profit margin (%) | | 7.9 | 13.8 | 8.1 | 12.1 |
| Adjusted profit margin (%) | | 6.1 | 10.1 | 7.7 | 10.6 |
| Profit after tax | | 146 | 386 | 697 | 1,160 |
| Non-recurring items | | – 41 | – 115 | – 41 | – 165 |
| Tax on non-recurring items | | — | — | — | — |
| Adjusted profit after tax | | 105 | 271 | 656 | 995 |
| Cash flow after investments, excluding acquisitions and disposals | | — | — | 8 | 446 |
| Non-recurring items (affecting cash flow) | | — | — | — | — |
| Adjusted cash flow after investments, excl. acquisitions and disposals | | — | — | 8 | 446 |
| Operating profit (EBIT) | 2 | — | — | 867 | 1,333 |
| Non-recurring items | | — | — | — | – 50 |
| Adjusted operating profit (EBIT) | | — | — | 867 | 1,283 |
| Cash conversion (%) | | — | — | 1 | 35 |

Including a non-recurring item of SEK 41 million in profit after financial items and profit after tax in Q4-2022 and full year 2022. The non-recurring items have been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK 50 million in operating profit for the full year 2021 and SEK 115 million in profit after financial items in Q4-2021 and full year 2021, which in total impacted the profit after tax by SEK 165 million. The non-recurring items have been recognised at Group level and has therefore not affected the earnings of the business areas.

| Alternative performance measures SEK million unless otherwise specified | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 | Q4 2020 |
|--|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|
| Profit after financial income and exp., rolling 12 months | 875 | 1,122 | 1,247 | 1,367 | 1,401 | | | | |
| Financial expense, rolling 12 months | 56 | 51 | 46 | 43 | 43 | | | | |
| Adj. profit after financial inc. and exp., rolling 12 months | 931 | 1,173 | 1,293 | 1,410 | 1,444 | | | | |
| Total capital, at the end of period | 10,007 | 10,635 | 10,220 | 9,984 | 10,056 | 9,542 | 8,784 | 9,191 | 8,482 |
| Average total capital, last 5 quarters | 10,180 | 10,087 | 9,717 | 9,511 | 9,211 | | | | |
| Return on total capital (%) | 9.1 | 11.6 | 13.3 | 14.8 | 15.7 | | | | |
| Adj. profit after financial inc. and exp., rolling 12 months | 931 | 1,173 | 1,293 | 1,410 | 1,444 | | | | |
| Capital employed, at the end of period | 7,597 | 7,659 | 7,220 | 7,074 | 6,809 | 6,318 | 5,984 | 6,479 | 6,116 |
| Average capital employed, last 5 quarters | 7,272 | 7,016 | 6,681 | 6,533 | 6,341 | | | | |
| Return on capital employed (%) | 12.8 | 16.7 | 19.4 | 21.6 | 22.8 | | | | |
| Operating profit (EBIT), rolling 12 months | 867 | 1,041 | 1,167 | 1,293 | 1,333 | | | | |
| Capital employed, at the end of period | 7,597 | 7,659 | 7,220 | 7,074 | 6,809 | 6,318 | 5,984 | 6,479 | 6,116 |
| Cash and bank, at the end of period | -1,011 | -1,193 | -1,115 | -1,408 | -1,448 | -1,400 | -1,248 | -1,563 | -1,487 |
| Operating capital, at the end of period | 6,586 | 6,466 | 6,105 | 5,666 | 5,361 | 4,918 | 4,736 | 4,916 | 4,629 |
| Average operating capital, latest 5 quarters | 6,037 | 5,703 | 5,357 | 5,119 | 4,912 | | | | |
| Return on operating capital (%) | 14.4 | 18.3 | 21.8 | 25.3 | 27.1 | | | | |
| Profit after tax, rolling 12 months | 696 | 937 | 1,034 | 1,135 | 1,160 | | | | |
| Shareholders' equity, at the end of period | 5,392 | 5,398 | 4,998 | 5,010 | 4,768 | 4,280 | 3,951 | 4,025 | 3,699 |
| Average shareholders' equity, latest 5 quarters | 5,113 | 4,891 | 4,601 | 4,407 | 4,145 | | | | |
| Return on shareholders' equity (%) | 13.6 | 19.2 | 22.5 | 25.8 | 28.0 | | | | |

Parent Company income statement (summary)

| SEK million | Q4 2022 | Q4 2021 | Full year 2022 | Full year 2021 |
|--|------------|------------|-------------------|-------------------|
| Net sales | 12 | 16 | 65 | 69 |
| Selling expenses | -2 | -3 | -7 | -8 |
| Administrative expenses | -13 | -17 | -57 | -57 |
| Other operating income | 2 | 1 | 5 | 10 |
| Other operating expenses | -13 | -10 | -61 | -38 |
| Operating profit | -14 | -13 | -55 | -24 |
| Profit from participations in Group companies | 141 | 457 | 282 | 690 |
| Financial income | 14 | 20 | 60 | 74 |
| Financial expenses | -1 | -34 | -103 | -53 |
| Profit after financial income and expense | 140 | 430 | 184 | 687 |
| Appropriations | 266 | 255 | 266 | 256 |
| Tax | -57 | -89 | -42 | -80 |
| Profit after tax | 349 | 596 | 408 | 863 |
| Depreciation/amortization | - | - | - | - |

Parent Company balance sheet (summary)

| SEK million | 31/12/2022 | 31/12/2021 |
|---|--------------|--------------|
| Assets | | |
| Property, plant and equipment | 1 | 1 |
| Financial assets | 4,061 | 3,821 |
| Total fixed assets | 4,062 | 3,822 |
| Other receivables | 890 | 1,104 |
| Cash and bank | 6 | 60 |
| Total current assets | 896 | 1,164 |
| Total assets | 4,958 | 4,986 |
| Shareholders' equity and liabilities | | |
| Shareholders' equity | 3,004 | 3,108 |
| Untaxed reserves | 247 | 283 |
| Deferred tax liabilities | 1 | 17 |
| Other provisions | 4 | 6 |
| Long-term liabilities | 1,511 | 1,275 |
| Current liabilities | 191 | 297 |
| Total shareholders' equity and liabilities | 4,958 | 4,986 |

| Transactions with related parties | Period | Services sold | Services bought | Interest income | Interest expenses | Result from shares in Group com | Rec fr rel part on bal sheet date | Liab to rel part on bal sheet date |
|-----------------------------------|----------------|------------------|--------------------|--------------------|----------------------|---------------------------------------|---|--|
| SEK million | | | | | | | | |
| Subsidiary | Full year 2022 | 65 | -22 | 60 | -1 | 282 | 1,824 | 181 |
| Subsidiary | Full year 2021 | 69 | -23 | 74 | - | 690 | 2,921 | 238 |

None of the company's Board members or senior executives currently have, or have previously had, any direct or indirect involvement in any business transaction with the company which is, or was, of an unusual character in terms of its conditions. Nor has the Group issued any loans, pledged any guarantees or entered into any surety arrangements for any of the company's Board members or senior executives.

Nolato AB (publ), Nolatovägen 32, SE-269 78 Torekov, Sweden

• Tel. +46 431 442290 • Fax +46 431 442291

• Corp. id. number 556080-4592

• E-mail info@nolato.com • Website www.nolato.com