



**Interim report, Q3 2022**  
Dentalum Operations AB (publ)

## Summary

### Third quarter, July -September 2022

- Operating revenue amounted to SEK 89.7 million (53.6)
- EBITDA amounted to SEK 13.8 million (9.9)
- Certain clinics have performed in excess of forecast and as a consequence Dentalum has revaluated the contingent liabilities related to earn-outs. The total effect of the revaluation in the profit and loss statement accumulated to SEK -54.3 million (0).
- Net loss amounted to SEK -59.7 million (-2.8).
- Operating cash flow amounted to SEK 4.0 million (6.1). Net cash flow totalled SEK -52.6 million (-2.1).
- Total equity amounts to SEK 228.6 million (144.9), cash balance of SEK 146.0 million (108.3) and interest-bearing debt of SEK 398.0 million (295.2).
- During the quarter Dentalum acquired six (6) clinics. Five of the clinics in the form of separate legal entities and one clinic was acquired in an asset deal.

### First nine months, January - September 2022

- Operating revenue increased, compared to the same period previous year, by 74.1 % to SEK 281.2 million (161.5).
- Net loss for the first nine months amounted to SEK -51.5 million (-6.7).
- Cash flows from operations amounted to SEK 42.6 million (22.9). Net cash flow totalled SEK -124.6 million (-73.0).

### Pro forma LTM 01/21 – 09/22<sup>1</sup>

- Pro forma operating revenue amounted to SEK 458,2 million
- Pro forma consolidated clinic EBITDA (ex IFRS 16 and DD-adjustments) reached SEK 113,3 million

### Significant events after the period

- No significant events after the period

## Financial overview

Amounts in kSEK	Q3 2022	Q1 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Operating revenues	89 665	53 645	281 187	161 519	234 631
EBITDA	13 829	9 883	59 340	32 223	38 477
% of revenues	15%	18%	21%	20%	16%
Net financial expenses	-8 735	-6 731	-25 915	-20 176	-28 523
Earnings before tax /EBT	5 094	3 152	33 425	12 047	-38 732
% of revenues	6%	6%	12%	7%	-17%
Income tax expenses	558	1 537	-981	2 898	-530
Net earnings	-59 661	-2 845	-51 481	-6 657	-39 262
Net cash flow	-52 616	-2 138	-124 590	-73 019	89 166
Cash flow from operations	13 341	3 706	42 628	22 855	37 182
Cash flow from investing activities	-62 357	-33 656	-140 877	-108 017	-172 306
Cash flow from financing activities	-3 600	27 812	-26 341	12 143	224 290
Net cash - interest bearing debt	-252 048	-186 906	-252 048	-186 906	-126 629
Cash & cash equivalents	145 972	108 294	145 972	108 294	270 562
Interest bearing debt	-398 020	-295 200	-398 020	-295 200	397 191
Total assets	891 352	548 576	891 352	548 576	786 356
Equity	228 653	144 901	228 653	144 901	253 796

Tables and calculations in the report do not always summarize to the totals due to roundings.  
Comparison refer to the same period in the previous year unless otherwise stated.

<sup>1</sup> Pro forma refers to the period July 2021 – June 2022 for the companies  
Dentalum has fully acquired and signed agreements to acquire as per 30 June

2022 and has been recalculated to show the results as if Dentalum had owned the companies throughout the last 12 months including adjustments for IFRS 16.



## CEO's comments

### Strong operational focus while continuing our expansion

*During the third quarter, we have completed acquisitions of six clinics and expanded to a ninth region in Sweden. Dentalum now comprises 30 clinics with more than 300 highly skilled colleagues working across the country.*

*In total, Dentalum's quarterly revenue grew by 67% to MSEK 89.7 (56.4), and with an EBITDA amounting to MSEK 13.8 it corresponds to a profitability of 15% EBITDA margin. The slightly lower margin in Q3 compared to previous quarters in 2022, is mainly driven by the annual vacation periods in July and August. On a proforma and LTM basis, Dentalum generated consolidated revenues of MSEK 458 and an EBITDA of MSEK 106, yielding a margin of 23%<sup>2</sup>.*

#### **Acquisitions and expansion to a ninth region**

Thus far in 2022, we have had the honour to welcome ten clinics to Dentalum, generating annual revenues of approximately MSEK 130. During the quarter, we expanded to a new region, Västerbotten, through the acquisitions of five clinics: Skellefteå Tandvård, Tandhälsan i Jörn, Tandcenter Umeå and Tandcenter Lövsånger. We are very happy to offer high quality dental care to patients in Västerbotten as part of Dentalum's offering. The patient demand for dental care in the area is very high and unfortunately the accessibility is generally limited. Together with our clinic heads, we explore further opportunities to continue our joint expansion in the region, both by evaluating new establishments and potential add-on acquisitions to contribute to meet the unserved demand for dental care. In addition to expanding into a new region, we also strengthened our presence in the greater Stockholm region by the acquisition of Novo Dental, located centrally in the expanding area of Sundbyberg.

During the quarter, one of our existing clinics also acquired another local clinic, thereby increasing its capacity to serve a greater area in the region. We will continue to support these local organic M&A opportunities to add on our existing M&A activities given that we now have a platform, structure, and a greater geographic reach through our 30 clinics to execute from.

#### **Pent-up demand in uncertain times**

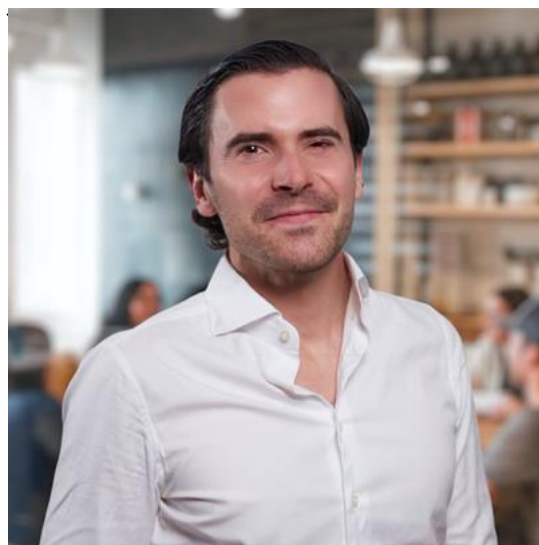
As a consequence of rising inflation, increased interest rates, higher energy costs and Russia's prolonged aggression war on Ukraine, we start to see an impact also on the dental care sector. Suppliers have increased pricing and we also see that patients in some regions are more carefully planning appointments when it comes to extensive

treatments or recall visits to the hygienist. We believe that this could have a negative impact on our patient's dental health and thereby accumulate a pent-up demand. The current market uncertainties and patient sentiment makes it difficult to predict the full effects. In general, however, the dental care market is resilient as the underlying need for dental care remains stable. We work closely with our clinics to mitigate these effects in terms of procurement, patient management and daily operations.

#### **Strong focus on continuous improvement**

We strongly believe in our decentralised model, allowing our clinics to maintain a high degree of autonomy post-acquisition. Our clinics do, however, gain access to a larger platform which provides the opportunity to share ideas, experiences and best practice within the group.

As part of our work to facilitate best practice, we have continued our exciting collaboration with our clinic teams to develop Dentalum's unique quality and care program. Through meticulous work and commitment from the organisation, we have gathered a unique internal knowledge base that is being used as a base to build our educational platform, Dentalum Academy. Through a bottom-up approach and with great precision, we can create specific courses and entire programs tailored for each and every clinics' individual needs. This will not only create a sustainable work environment, but also ensure that we continuously improve our way of working to always provide the best possible care to our patients.



**Max Dorthé Ladow**  
CEO, Dentalum

<sup>2</sup> Revenue and EBITDA is proforma based on LTM09/22 including the cost for the headquarter and IFRS 16 adjustments, see pro forma report.

## We are Dentalum

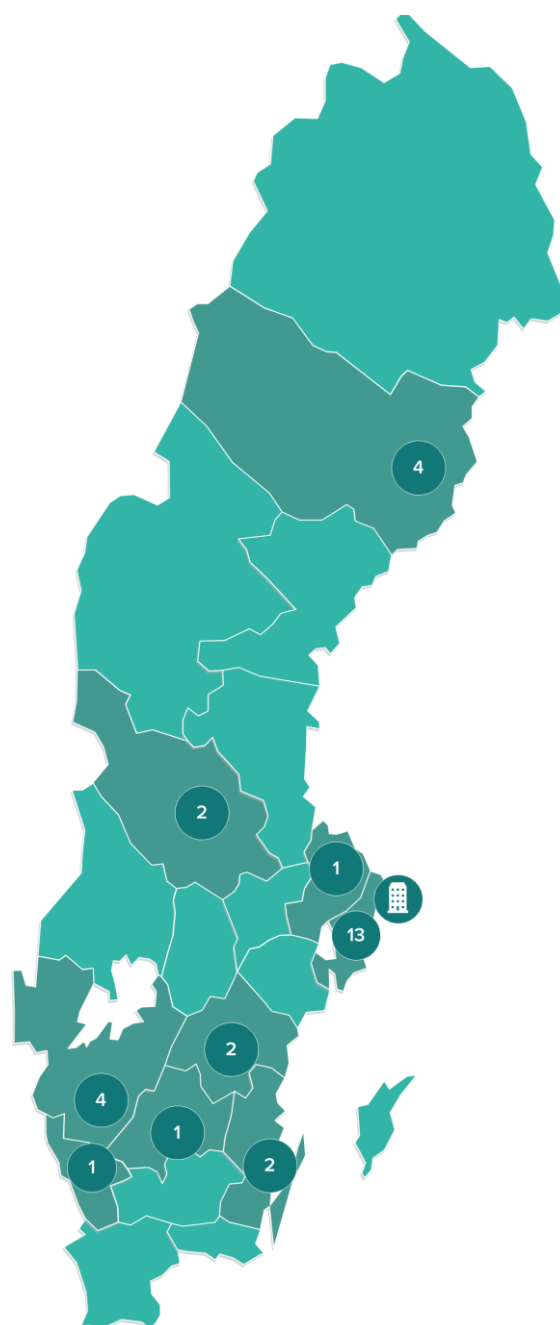
Dentalum is one of the leading and fastest growing dental care groups in Sweden. We invest in our employees and in high-quality dental clinics with the goal of building a world-class organization. Today, Dentalum has 30 clinics located in nine regions in Sweden.

### Decentralized organization

Dentalum's organization is based on a decentralized structure, driven by a business model that protects each clinic's local identity and independence. We believe that decisions are best made when it takes place as close to the business as possible. Our model encourages independence and entrepreneurship, which gives room for different ways of working when it comes to how a clinic is run in a successful way. It is precisely in these differences that we see as a great potential and strength to learn from within the group. Our goal is to create a quality-oriented and continuously improving work environment by providing our operations with the right support, training, digital tools, analyses and knowledge exchange.

### 30 clinics in nine regions

Our journey began in October 2019, when Dentalum completed its first acquisition of a small dental clinic in Halland. Since then, the company has experienced strong growth and at the end of Q3 2022 consist of 30 clinics, located in nine regions in Sweden. In total, the group consists of more than 300 employees.



**Q3 EBITDA  
margin  
15.1%**



**Annual  
Revenue  
458 MSEK**  
(pro forma LTM 09/22)



**Net  
leverage  
3.7**  
(pro forma LTM 09/22)



**Revenue  
growth  
74%**  
(Year on year)

## New members of the Dentalum-family in Q3



### Novo Dental

#### Araz Borna

Araz founded the clinic in 2016. Novo Dental has a focus on general dentistry, aesthetics and cosmetic dentistry, surgery, implant treatments and orthodontics with Invisalign.

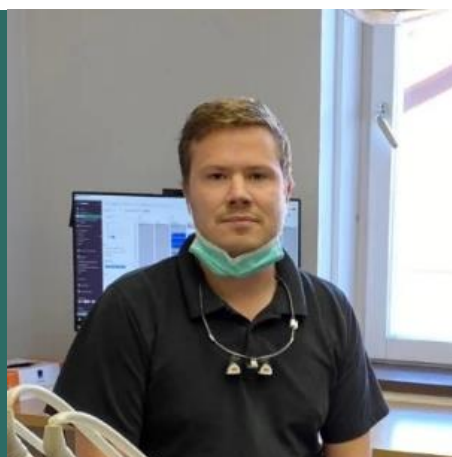
*"I came in contact with Dentalum already in 2019 and we have been following each other's developments since and have always had constructive meetings. Since Novo Dental has grown, the decision to become part of something bigger felt like a natural next step. Dentalum is making an exciting journey. It feels fantastic to become a part of Dentalum and I am looking forward to sharing best practice and learn more from my colleagues within the group"*

### Skellefteå Tandvård

#### Andreas Eriksson

On September 1, 2022, Dentalum commenced a partnership with Andreas Eriksson and his team at Skellefteå Tandvård and Tandhälsan i Jörn. The clinics provide patients mainly with general dental care, implant surgery and cosmetic treatments such as teeth whitening and orthodontic treatments with Invisalign.

*"I have always been driven to continue to develop my businesses and to ensure high-quality care for my patients. With Dentalum, I get the chance to realize this and through their business model that ensures each clinic manager an autonomy and control of their own clinic, we will be able to attract the right people to the clinics"*



### Tandcenter Umeå and Lövånger

#### Cardo Toma

On September 31 2022, Dentalum acquired Tandcenter's 2 clinics from Cardo, Sandra and Carlen Toma. Nima Erfanian was appointed new head of the clinics. Tandcenter's are well-positioned in the two cities and offer general dentistry, aesthetics, implant treatments and orthodontics with ClearCorrect.

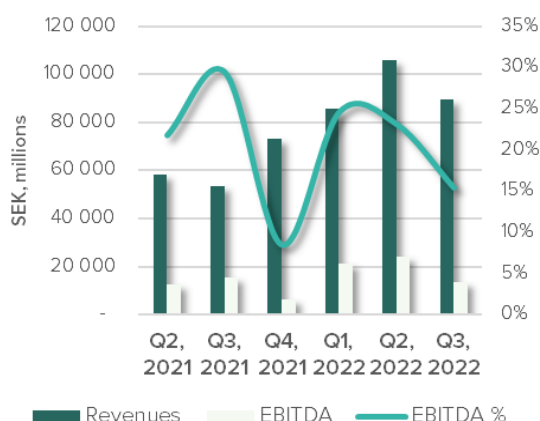
*"When we had decided to move from Umeå down to Norrköping, we were looking for a partner who could continue the work we had begun at the clinics in Västerbotten. With Dentalum, we got to learn that the clinics could not only continue to work as before in their decentralized structure, but also that the future development would be in line with our vision of care and service to our patients"*

## Financial report comments

This interim report is presented, based on the information available to management and to the best of their knowledge at the time of issue. For further information, please see section significant estimates and assumptions. The third quarter interim report of Dentalum Operations AB includes consolidation of 30 dental clinics, operating in nine regions in Sweden – the regions of Halland, Dalarna, Stockholm, Uppland, Västra Götaland, Jönköping, Kalmar, Östra Götaland and Västerbotten. In total, 25 legal entities are consolidated, including Dentalum Operations AB.

### Summary of acquisitions

Dentalum continues to deliver growth through acquisition via long-term partnerships with the entrepreneurs behind the acquired clinics. During the third quarter the acquisition of Skellefteå Tandvård, Tandhälsan i Jörn, Novo Dental, City Praktiken, Fritidstandläkarna and Tandcenter Lövånger were completed. The transactions were financed by a combination of equity contributions and cash. Since inception in 2019, acquisitions of total 30 clinics have been carried out. Thus far in 2022 Dentalum has acquired 10 dental clinics compared to 8 clinics during the previous financial year. In 2020 eleven clinics were acquired and in 2019 the first clinic was acquired.



### Acquisitions carried out

2022	Company/clinic	Closing date
Q3	Fritidstandläkarna	September 30, 2022
	Tandcenter Lövånger	September 30, 2022
	City Praktiken	September 6, 2022
	Skellefteå Tandvård	September 1, 2022
	Tandhälsan i Jörn	September 1, 2022
	Novo Dental	August 30, 2022
Q2	Karlatandläkarna and Mälarkliniken	May, 2022
	Swedish Dental	April 1, 2022
Q1	Tandläkarhuset Enköping	January 31, 2022
<b>2021</b>		
Q4	Erik Lennartsson "Dentalakademin"	November 1, 2021
	Estetikcenter Göteborg , 2 clinics	November 30, 2021
Q3	Stångå Tandkliniken , 2 clinics	September 27, 2021
Q2	Tareq's klinik	May 18, 2021
	Solna Dental & Solna Dental Arenatandläkarna	
<b>2020</b>		
Q4	Sthlm Dental Clinics, 3 clinics	November 2, 2020
	City Dental i Stockholm	December 1, 2020
	Vesalis Dental	December 29, 2020
Q3	"Kungsforsbolagen", 3 legal entities	August 4, 2020
	Kungsfors Tandvård	
	Borås Tandvård	
Q2	Kinna Tandvård	
	Ludvika Tandläkarna , 2 clinics	April 8, 2020
	Dentalum Tandvårdsteam	June 1, 2020
<b>2019</b>		
Q3	Moberg-Stenberg	September, 2019

## Group performance Q3, July - Sept 2022

### Income statement

#### Revenues

Operating revenue during the third quarter 2022 amounts to SEK 89.7 million (53.6). The quarterly revenues are negatively affected by seasonal effects such as vacation periods among key staff and patients. During the third quarter, six clinics were added to the consolidated financial statements.

#### Expenses

Operating expenses during the third quarter of 2022 amounted to SEK 75.9 million (43.8), of which the major part constitutes personnel expenses of SEK 43.2 million (26.9). The overall operating expense ratio to revenues in the third quarter of 84.6% is somewhat higher compared to the same quarter last year (81.6%).

#### Financial expenses

In conjunction with the fair value assessment of contingent liabilities related to earnouts during the third quarter Dentalum concluded that several sellers are close to reach earn-outs defined in the share purchase agreements. Consequently, the change in fair value has been added to the profit and loss statement as a financial item. The total effect of the revaluation of contingent liabilities during the third quarter amounts to SEK 54.3 million (0). The net financial expense of SEK -8.7 million (-6.7) consists of interest expense and financing fees.

#### Earnings

EBITDA (earnings before interest, tax, depreciation, and amortization) for the third quarter amounts to SEK 13.8 million (9.9). Third quarter earnings before financial items and tax amounts to a profit of SEK 2.8 million (2.3). Net earnings, after financial items and tax, amounts to a net loss of SEK -59.7 million (-2.8).

### Balance sheet

#### Assets

The Group had intangible assets worth SEK 630.7 million at the end of the quarter (357.8). Intangible assets are attributable to identified surplus value from acquisitions amounted and goodwill. Total assets at the end of the quarter amounted to SEK 891.4 m (548.6).

Cash and cash equivalents at the end of the quarter amounted to SEK 146.0 million (108.3).

#### Equity

At the end of the quarter the Group's equity amounted to SEK 228.7 million (144.9). The equity was also affected by the fair value assessment of contingent liabilities related to earn-outs via the loss for the period

#### Liabilities

Total liabilities increased compared with the corresponding quarter last year, which is attributable to the Group's outstanding bond. In addition, Dentalum increased the provisions related to long term earn-outs, SEK 55.7 million (25.7) as well as other current liabilities related to short term earnouts, SEK 80.2 million (8.1).

#### Net interest-bearing debt

Net interest-bearing debt, excluding IFRS reclassification of lease contracts, amounts to SEK 252.0 million (186.9). The net increase compared to the same period previous year corresponds to an increase in cash balance following financing and acquisition activities, as well as the increase in debt by SEK 100 million bond issue in 2021.

Amounts in kSEK	2022 Q3	2021 Q3	FY 2021
Cash - debt	-252 048	-186 906	-126 629
Cash	145 972	108 294	270 562
Interest bearing debt	-398 020	-295 200	397 191

#### Cash flow

Cash flow from operations before changes in working capital generated during the third quarter 2022 decreased to SEK 4.0 million (6.2). Cash flow used for investing activities during Q3 2022 accumulated to SEK 62.4 million (33.7). Cash flow relating to financing activities amounted to SEK -3.6 million (27.8).

## Group performance, January – Sept 2022

### Revenue and earnings

Consolidated revenue for the first nine months amounted to SEK 281.2 million (161.5), an increase of 74.1%.

EBITDA increased by 84.2% compared to the same period previous year and amounted to SEK 59.3 million (32.2), and the EBITDA margin was 21.1% (20.0%). No items affecting comparability have impacted EBITDA-margin during the period. EBIT (operating profit) was SEK 29.6 million (11.5), with an operating profit margin of 10.6 % (7.1%). Net loss for the half-year period increased to SEK 51.5 million (-6.7). Mainly due to revaluation of contingent liabilities SEK -54.4 million (0).

### Cash flow

Cash flow from operating activities increased during the first nine months SEK 40.5 million (22.9). The increase is mainly explained by acquisition of profitable dental clinics. Cash flow during the period was also charged with payment of SEK 17.4 million (8.4) in income tax. The difference in paid income tax is explained by an overall higher taxable income of the Group. Investments in dental clinics, amounted to SEK 136.8 million (105.3)



## Other information

### *Outlook and financial targets*

The Board of Dentalum Group AB have declared the intention to list the shares of Dentalum Group AB on a regulated market or multilateral trading platform (MTF) during 2023.

Financial targets for the period 2022-2024:

1. EBITDA should reach SEK 280 million by the end of 2024.
2. EBITDA-margin: Dentalum's target is to continue having a sustainable and high profitability exceeding an average annual EBITDA-margin of 20%.

### *Parent company*

Dentalum Operations AB (publ.) ("Parent Company") invests in companies that offer dental care. The Parent Company does not provide dental care to patient. The Parent Company's revenue for the third quarter totalled SEK 0.9 million (0.6), and loss after tax SEK -17.1 million (-10.2). Apart from dividends from subsidiaries, the result is influenced by invoiced management and accounting services and other operating expenses. In addition, the effect of the net present valuation of revalued liabilities related to earn-outs appears according to standards as interest expense and similar items in the parent company. Cash and cash equivalents amounted to SEK 26.1 million (41.8).

### *Accounting policies*

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IAS/IFRS, as endorsed by the European Union) issued by the International Accounting Standards Board, interpretations issued by the IFRS Interpretation Committee (formerly IFRIC), the Swedish Annual Accounts Act, and Swedish Financial Reporting Board (RFR) standard RFR 1 "Supplementary Accounting Rules for Groups". This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 "Accounting for Legal Entities".

From January 1, 2022, other standards, amendments, and interpretations of existing standards that have not yet entered into force or been published by the IASB have not been applied by the Group.

### *Significant estimations and assumptions*

When preparing interim reports, the Board and the Management must, in accordance with the applicable accounting and valuation principles, make certain estimates, assessments and

assumptions that affect the recognition and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these estimates and assessments and will rarely amount to the same sum as the estimated outcome.

Material estimates and assumptions are described in the 2021 annual report. No changes to such estimates and assumptions, that would have a material impact on this interim report, have been introduced.

### *Revenues and segments*

Operating segment is reported in line with internal management reporting, presented to the top executive body, representing the function responsible for allocation of resources and assessment of the profitability of the operating segment. Such function has been identified as the Group Management, consisting of five persons, including the Chief Executive Officer. Group Management has determined the group as a whole constituting one segment, based on the information considered, in agreement with the Board of Directors, as base for resource allocation and assessment of earnings and profitability. The total amount of net revenues constitutes entirely of sales of dental care services. Revenues from third party clients, based on the location where the dental services are being provided, are all generated in Sweden.

### *Alternative performance measures*

In this interim report, reference is made to measures that Dentalum Operations AB and others use in the evaluation of Dentalum Group's consolidated performance that are not explicitly defined in IFRS. These measures provide management and investors with important information to analyse trends in the company's business activities. These Alternative Performance Measures are intended to complement, not replace, financial measures that are presented in accordance with IFRS. For definitions, see the section "Definitions of Alternative Performance Measures".

### *Pro forma reporting*

Due to Dentalum's rapid growth, the company has chosen to prepare a pro forma report. The purpose of the pro forma report is to provide an overview of the consolidated income statement and balance sheet for the period as if the acquisitions which took place before September 30, 2022, as described above, were completed on October 1, 2021. The sole purpose of the pro forma reporting is to inform and highlight facts with the intention of describing a hypothetical situation. The pro forma financial information does not necessarily reflect the Group's actual results and/or financial position if the acquisitions had been made earlier than the date stated above, and such pro forma financial information should not be viewed as an indication of

the Group's earnings trend or financial position for any future period. The pro forma information should be read together with all other information in this interim report.

The pro forma reporting has been prepared in accordance with Dentalum's accounting principles. In preparing the pro forma information, an analysis has been made of the effects of differences in accounting principles between Dentalum and the acquired companies. The applicable parts of the acquired companies' financial information have been adapted to Dentalum's accounting principles. In regard to IFRS 16 – Leasing agreements and accrual of costs Dentalum has opted to emulate the effects of IFRS-16 on EBITDA. It should however be noted that the historical effects of IFRS 16 predating Dentalum's acquisition are estimations.

#### *Proforma net leverage*

Pro forma net leverage, calculated as per the definition in the Senior secured Bond Terms & Conditions (for calculation see pro forma report at the end of this report), decreased to 3.7 x EBITDA, compared to 2.7 x by the end of last quarter. The increase is related to an increase of liabilities from deferred purchase price assessments.

#### *Transactions with related parties*

Dentalum Operations AB (publ) has not had any transactions with related parties that significantly affected the company's position and result during the period.

#### *Risks*

A detailed description of identified risks and uncertainties is provided in the 2021 Annual Report, which can be downloaded via [www.dentalum.com](http://www.dentalum.com).

#### *Risks and uncertainties due to Covid-19*

As per September 30, 2022, there has not been any significant impact on the financial reporting due to Covid-19, related to valuation of goodwill, expected credit losses, valuation of inventory or government grants.

During the third quarter, Dentalum clinics have seen stable patient inflow as the majority part of the population has been vaccinated, although the spreading of mutations of the Covid-19 virus have increased,

Risks and uncertainties connected to the pandemic do remain, considering potential mutated virus variants, potentially resistant to available vaccines, that may occur and reach Sweden. The development of the situation is closely monitored by Dentalum to protect employees, patients as well as to mitigate potential negative financial impact.

#### *Risk on the financial reporting due to Russia's war against Ukraine*

Dentalum has not identified any direct exposure to the Russian or Ukrainian markets. It is uncertain to what extent the conflict will come to influence the business climate in the future for Dentalum's clinics. Both Russia and Ukraine are producer and supplier of some dental materials, but a potential stop to supplies will not cause any material effects on Dentalum's financial position or result. Dentalum continues to monitor the development.

#### *Financial calendar*

Dentalum's financial calendar is outlined below:

- February 28: Interim report Q4 2022
- April 29: Annual report 2022
- May 30: Interim report Q1 2023
- August 31: Interim report Q2 2023
- November 30: Interim report Q3 2023

## Consolidated Income Statement

kSEK	2022 Q3	2021 Q3	Q1-Q3 2022	Q1-Q3 2021	FY 2021
<b>Operating revenues</b>					
Net revenues	87 229	53 281	277 027	160 332	232 254
Other operating revenues	2 436	364	4 160	1 187	2 377
<b>Total operating revenues</b>	<b>89 665</b>	<b>53 645</b>	<b>281 187</b>	<b>161 519</b>	<b>234 631</b>
<b>Operating expenses</b>					
Direct expenses	-16 463	-9 627	-53 287	-27 492	-44 668
Other external operating expenses	-16 183	-7 262	-41 966	-22 746	-36 155
Personnel expenses	-43 191	-26 873	-126 593	-79 058	-115 331
<b>EBITDA</b>	<b>13 829</b>	<b>9 883</b>	<b>59 340</b>	<b>32 223</b>	<b>38 477</b>
Depreciations and amortizations	-11 064	-7 534	-29 562	-20 758	-29 157
<b>Earnings before financial items and tax / EBIT</b>	<b>2 765</b>	<b>2 349</b>	<b>29 779</b>	<b>11 465</b>	<b>9 320</b>
<b>Financial items</b>					
Revaluation of contingent liabilities	-54 251	0	-54 366	0	-19 529
Income/expenses from other financial items	3	0	3	-844	0
Interest income/expenses and similar items	-8 735	-6 731	-25 915	-20 176	-28 523
<b>Profit after financial items</b>	<b>-60 219</b>	<b>-4 382</b>	<b>-50 500</b>	<b>-9 555</b>	<b>-38 732</b>
Appropriations	0	0	0	0	0
<b>Earnings before tax / EBT</b>	<b>-60 219</b>	<b>-4 382</b>	<b>-50 500</b>	<b>-9 555</b>	<b>-38 732</b>
Tax	558	1 537	-981	2 898	-530
<b>Net Earnings</b>	<b>-59 661</b>	<b>-2 845</b>	<b>-51 481</b>	<b>-6 657</b>	<b>-39 262</b>

## Consolidated Balance Sheet

(kSEK)

ASSETS	30-09-2022	30-09-2021	31-12-2021
Intangible assets	630 662	357 787	434 638
Improvements on leasehold	12 184	12 291	13 320
Equipment and tools	13 741	8 693	9 460
Other fixed assets	7	436	386
Right of use assets	30 303	18 721	23 103
Tenant owned apartments	1 838	1 838	1 838
Non-current receivables	1 389	1 211	789
Deferred tax assets	5 843	5 217	4 821
<b>Total non-current assets</b>	<b>695 968</b>	<b>406 194</b>	<b>488 354</b>
Inventories	9 477	9 186	8 045
Accounts receivables	13 203	5 634	5 814
Other current receivables	1 095	2 391	2 833
Current tax assets	17 799	13 240	5 895
Prepaid expenses and accrued income	7 838	3 636	4 854
Cash and cash equivalents	145 972	108 294	270 562
<b>Total current assets</b>	<b>195 385</b>	<b>142 382</b>	<b>298 002</b>
<b>TOTAL ASSETS</b>	<b>891 352</b>	<b>548 576</b>	<b>786 356</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	500	500	500
Shareholders contributions	328 180	160 342	301 842
Retained earnings	-48 546	-9 284	-9 284
Profit/loss for the period	-51 481	-6 657	-39 262
<b>Total Equity</b>	<b>228 653</b>	<b>144 901</b>	<b>253 796</b>
Deferred tax	25 216	21 205	19 174
Other provisions	55 670	25 700	25 700
<b>Total provisions</b>	<b>80 885</b>	<b>46 905</b>	<b>44 874</b>
<b>Long term liabilities</b>			
Non-current interest bearing liabilities	398 020	295 200	397 191
Other non-current liabilities	-138	5	0
Long term (IFRS) lease liabilities	19 248	10 212	14 535
<b>Total long term liabilities</b>	<b>417 130</b>	<b>305 417</b>	<b>411 726</b>
<b>Short term liabilities</b>			
Prepayments from customer	14 878	2 149	3 611
Accounts payables	11 969	7 323	9 178
Current interest bearing liabilities	0	538	527
Current (IFRS) lease liabilities	9 117	8 872	8 867
Current liabilities group companies	0	0	0
Current tax liabilities	15 798	2 269	6 556
Other current liabilities	80 154	8 148	24 703
Accrued expenses and prepaid income	32 767	22 053	22 517
<b>Total short term liabilities</b>	<b>164 684</b>	<b>51 352</b>	<b>75 959</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>891 352</b>	<b>548 575</b>	<b>786 356</b>



## Changes in consolidated equity

(kSEK)	Share capital	Shareholder contributions	Retained earnings	Profit/loss for the period	Total Equity
Opening equity January 1, 2021	500	96 517	87	-9 371	87 733
Transfer of profit from previous year	-	-	-9 284	-	-
New share issue	-	-	-	-	-
Shareholder contributions	-	205 325	-	-	205 325
Profit/loss for the period	-	-	-	-39 262	-39 262
Closing balance December 31, 2021	500	301 842	-9 284	-39 262	253 796
Opening balance as of January 1, 2022	500	301 842	-48 546	-	253 796
Transfer of profit from previous year	-	-	-	-	-
New share issue	-	-	-	-	-
Shareholder contributions	-	26 338	-	-	26 338
Profit/loss for the period	-	-	-	-51 481	-51 481
Closing balance as of September 30, 2022	500	328 180	-48 546	-51 481	228 653

## Consolidated Cash Flow Statement

(kSEK)	2022 Q3	2021 Q3	Q1-Q3 2022	Q1-Q3 2021	2021 FY
<b>Cash flow from operating activities</b>					
Income before financial items (EBIT)	2 765	2 349	29 779	11 464	9 320
Adjustments for non cash affecting items	11 063	7 623	29 561	20 847	29 170
Net interest paid on operating receivables/liabilities	-580	-318	-1 415	-938	-1 392
Income tax paid	-9 256	-3 535	-17 395	-8 429	-8 293
<b>Cash flow from operations before changes in working capital</b>	<b>3 992</b>	<b>6 119</b>	<b>40 530</b>	<b>22 944</b>	<b>28 805</b>
<b>Cash flow from changes in working capital</b>					
Change in inventories	217	155	610	555	1 935
Change in operating receivables	5 392	1 351	-2 990	-1 601	-1 122
Change in operating liabilities	3 740	-3 919	4 478	957	7 564
<b>Cash flow from changes in working capital</b>	<b>9 349</b>	<b>-2 413</b>	<b>2 098</b>	<b>-89</b>	<b>8 377</b>
<b>Net cash flow from operations</b>	<b>13 341</b>	<b>3 706</b>	<b>42 628</b>	<b>22 855</b>	<b>37 182</b>
<b>Cash flow from investing activities</b>					
Acquisition of intangible assets	-1 199	0	-1 199	0	0
Acquisition of tangible assets	-1 843	-823	-2 238	-2 707	-2 850
Acquisition of companies and shares	-59 315	-32 833	-136 840	-105 310	-169 456
Other financing activities	0	0	-600	0	0
<b>Cash flow from investing activities</b>	<b>-62 357</b>	<b>-33 656</b>	<b>-140 877</b>	<b>-108 017</b>	<b>-172 306</b>
<b>Cash flow after investing activities</b>	<b>-49 016</b>	<b>-29 950</b>	<b>-98 249</b>	<b>-85 162</b>	<b>-135 124</b>
<b>Cash flow from financing activities</b>					
New share issue	0	0	0	0	0
Shareholders contributions received	0	30 000	0	30 000	155 000
Net change in interest-bearing debt, incl. interest coupon	0	-2 188	-15 875	-17 857	78 340
Amortization, lease liabilities	-3 600	0	-10 466	0	-9 050
<b>Cash flow from financing activities</b>	<b>-3 600</b>	<b>27 812</b>	<b>-26 341</b>	<b>12 143</b>	<b>224 290</b>
<b>Total cash flow for the period</b>	<b>-52 616</b>	<b>-2 138</b>	<b>-124 590</b>	<b>-73 019</b>	<b>89 166</b>
<i>Changes in cash and cash equivalents</i>					
<b>Cash and cash equivalents at the beginning of the period</b>	<b>198 588</b>	<b>110 515</b>	<b>270 562</b>	<b>181 396</b>	<b>181 396</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>145 972</b>	<b>108 377</b>	<b>145 972</b>	<b>108 377</b>	<b>270 562</b>

## Parent company - income statement

Amounts in kSEK	2022 Q3	2021 Q3	Q1-Q3 2022	Q1-Q3 2021	FY 2021
<b>Operating revenues</b>					
Net revenues	880	564	2 509	1 933	2 661
Other operating revenues	7	0	12	0	-6
<b>Total operating revenues</b>	<b>887</b>	<b>564</b>	<b>2 521</b>	<b>1 933</b>	<b>2 655</b>
<b>Operating expenses</b>					
Direct expenses	-1	-245	-1	-245	0
Other external operating expenses	-4 415	-1 959	-11 585	-6 934	-10 071
Personnel expenses	-3 885	-2 076	-10 772	-5 689	-8 453
<b>EBITDA</b>	<b>-7 414</b>	<b>-3 716</b>	<b>-19 838</b>	<b>-10 935</b>	<b>-15 869</b>
Depreciations and amortizations	-3	-1	-8	-3	-6
<b>Earnings before financial items and tax / EBIT</b>	<b>-7 417</b>	<b>-3 717</b>	<b>-19 846</b>	<b>-10 938</b>	<b>-15 875</b>
<b>Financial items</b>					
Revaluation of contingent liabilities	0	0	0	0	0
Income/expenses from shares in Associated companies	1	0	18 001	0	0
Interest income/expenses and similar items	-9 680	-6 439	-26 051	-19 329	-27 309
<b>Profit after financial items</b>	<b>-17 096</b>	<b>-10 156</b>	<b>-27 896</b>	<b>-30 267</b>	<b>-43 184</b>
Appropriations	0	0	0	0	40 019
<b>Earnings before tax / EBT</b>	<b>-17 096</b>	<b>-10 156</b>	<b>-27 896</b>	<b>-30 267</b>	<b>-3 165</b>
Income tax expenses	0	0	0	0	-3 721
<b>Net Earnings</b>	<b>-17 096</b>	<b>-10 156</b>	<b>-27 896</b>	<b>-30 267</b>	<b>-6 887</b>

## Parent company - balance sheet

(kSEK)

ASSETS	30-09-2022	30-09-2021	31-12-2021
Intangible assets	0	0	0
Improvements on leasehold	0	0	0
Equipment and tools	42	9	31
Other fixed assets	0	84	0
Shares in group companies	805 426	409 269	515 519
Tenant owned apartments	0	0	0
Non-current receivables	762	0	162
Deferred tax assets	0	1 286	0
<b>Total non-current assets</b>	<b>806 230</b>	<b>410 648</b>	<b>515 712</b>
Inventories	0	0	0
Accounts receivables	0	0	0
Other current receivables	789	903	885
Receivables associated companies	1 781	7 258	41 302
Prepaid expenses and accrued income	523	222	516
Cash and cash equivalents	26 111	41 830	181 190
<b>Total current assets</b>	<b>29 204</b>	<b>50 213</b>	<b>223 893</b>
<b>TOTAL ASSETS</b>	<b>835 434</b>	<b>460 861</b>	<b>739 605</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	500	500	500
Shareholders contributions	328 180	160 342	301 842
Retained earnings	-18 497	-11 621	-11 621
Profit/loss for the period	-27 896	-30 262	-6 876
<b>Total Equity</b>	<b>282 287</b>	<b>118 959</b>	<b>283 845</b>
Deferred tax	0	0	0
Other provisions	55 670	25 700	0
<b>Total provisions</b>	<b>55 670</b>	<b>25 700</b>	<b>0</b>
<b>Long term liabilities</b>			
Non-current interest bearing liabilities	398 020	295 200	397 191
Other non-current liabilities	0	0	25 700
Long term (IFRS) lease liabilities	0	0	0
<b>Total long term liabilities</b>	<b>398 020</b>	<b>295 200</b>	<b>422 891</b>
<b>Short term liabilities</b>			
Prepayments from customer	0	0	0
Accounts payables	1 045	939	1 383
Current interest bearing liabilities	0	0	0
Current liabilities group companies	5 825	4 856	0
Current tax liabilities	2 718		2 654
Other current liabilities	71 484	2 347	19 391
Accrued expenses and prepaid income	18 386	12 861	9 440
<b>Total short term liabilities</b>	<b>99 457</b>	<b>21 003</b>	<b>32 869</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>835 434</b>	<b>460 862</b>	<b>739 605</b>



## Parent company – changes in equity

(kSEK)	Share capital	Shareholder contributions	Retained earnings	Profit/loss for the period	Total Equity
Opening equity January 1, 2021	500	90 875	-6 509	-	84 866
Transfer of profit from previous year	-	-	-5 112	-	-5 112
New share issue	-	-	-	-	-
Shareholder contributions	-	210 967	-	-	210 967
Profit/loss for the period	-	-	-	-6 876	-6 876
Closing balance December 31, 2021	500	301 842	-11 621	-6 876	283 845
Opening balance as of January 1, 2022	500	301 842	-18 497	-	283 845
Transfer of profit from previous year	-	-	-	-	-
New share issue	-	-	-	-	-
Shareholder contributions	-	26 338	-	-	26 338
Profit/loss for the period	-	-	-	-27 896	-27 896
Closing balance as of September 30, 2022	500	328 180	-18 497	-27 896	282 287

## Parent company - cash flow statement

(kSEK)	2022 Q3	2021 Q3	Q1-Q3 2022	Q1-Q3 2021	2021 FY
<b>Cash flow from operating activities</b>					
Income before financial items (EBIT)	-7 417	-3 717	-19 846	-10 938	-15 863
Adjustments for non cash affecting items	3	0	8	3	10
interest paid	-51	18	-76	-24	-116
Income tax paid	0	0	0	0	-2 436
<b>Cash flow from operations before changes in working capital</b>	<b>-7 465</b>	<b>-3 699</b>	<b>-19 914</b>	<b>-10 959</b>	<b>-18 405</b>
<b>Cash flow from changes in working capital</b>					
Change in inventories	0	0	0	0	0
Change in operating receivables	-514	1 069	-451	-1 055	-1 355
Change in operating liabilities	7 897	3 973	7 027	5 984	4 890
<b>Cash flow from changes in working capital</b>	<b>7 383</b>	<b>5 042</b>	<b>6 576</b>	<b>4 929</b>	<b>3 535</b>
<b>Net cash flow from operations</b>	<b>-82</b>	<b>1 343</b>	<b>-13 338</b>	<b>-6 030</b>	<b>-14 870</b>
<b>Cash flow from investing activities</b>					
Acquisition of intangible assets	0	0	0	0	0
Acquisition of tangible assets	-19	0	-19	0	-25
Acquisition of companies and shares	-70 933	-33 992	-183 267	-112 871	-180 690
Other financing activities	-1 200	0	-600	0	0
<b>Cash flow from investing activities</b>	<b>-72 152</b>	<b>-33 992</b>	<b>-183 886</b>	<b>-112 871</b>	<b>-180 715</b>
<b>Cash flow after investing activities</b>	<b>-72 234</b>	<b>-32 649</b>	<b>-197 224</b>	<b>-118 901</b>	<b>-195 585</b>
<b>Cash flow from financing activities</b>					
New share issue	0	0	0	0	0
Shareholders contributions received	0	30 000	0	30 000	155 000
Net change in interest-bearing debt, incl. interest coupon	0	-79	-15 875	-11 704	78 340
Net of group contributions received	0	0	58 019	0	1 000
<b>Cash flow from financing activities</b>	<b>0</b>	<b>29 921</b>	<b>42 144</b>	<b>18 296</b>	<b>234 340</b>
<b>Total cash flow for the period</b>	<b>-72 234</b>	<b>-2 728</b>	<b>-155 080</b>	<b>-100 605</b>	<b>38 755</b>
<i>Changes in cash and cash equivalents</i>					
<b>Cash and cash equivalents at the beginning of the period</b>	<b>98 344</b>	<b>44 557</b>	<b>181 190</b>	<b>142 434</b>	<b>142 434</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>26 111</b>	<b>41 829</b>	<b>26 111</b>	<b>41 829</b>	<b>181 190</b>

## Pro forma report

<i>Amounts in SEK millions</i>	17 clinics LTM 09/21	20 clinics LTM 12/21	21 clinics LTM 03/22	24 clinics LTM 06/22	30 clinics LTM 09/22
Operating revenues	270,7	304,1	344,0	409,2	458,2
Direct expenses	-41,0	-50,2	-61,7	-84,6	-93,0
Gross profit	229,7	253,9	282,3	324,6	365,2
% of revenues	85%	83%	82%	79%	80%
Other external operating expenses	-44,8	-47,7	-51,8	-60,5	-72,3
Personnel expenses	-125,5	-140,2	-150,4	-162,1	-179,7
PF EBITDA ex adjustments	59,4	66,0	80,1	102,1	113,3
% of revenues	22%	22%	23%	25%	25%
IFRS 16 adjustments	10,8	11,7	12,3	13,1	15,2
DD and management adjustments	4,0	4,3	2,9	2,6	2,5
Parent company expenses	-10,9	-15,9	-20,6	-21,1	-24,8
PF Group EBITDA	63	66	75	97	106
% of revenues	23%	22%	22%	24%	23%
Pro forma Gross Debt:	358,8	466,2	498,7	481,9	567,0
Interest bearing debt, incl. accrued interest	312,0	397,7	412,7	405,0	413,0
IFRS leases	19,1	23,4	26,1	24,3	28,4
Liabilities, deferred purchase price	2,0	19,4	8,9	3,6	0,0
Provisions for earn-outs	25,7	25,7	51,0	49,0	125,6
Total cash balance	108,3	270,5	245,3	198,6	146,0
Escrow	0,0	42,7	15,9	15,9	5,4
Non restricted cash	108,3	227,8	229,4	182,7	140,6
Net debt computation	232,1	177,3	227,1	257,0	391,4
Gross Debt:	358,8	466,2	498,7	481,9	567,0
Reinvestments related to earn-outs	-18,4	-18,4	-26,3	-26,3	-29,6
Cash balance	-108,3	-270,5	-245,3	-198,6	-146,0
Gross Debt / EBITDA	5,7	7,1	6,7	5,0	5,3
Net Leverage	3,7	2,7	3,0	2,7	3,7

## Pro forma P&L LTM development, 30 clinics

<i>Amounts in SEK millions</i>	30 clinics LTM 09/21	30 clinics FY 2021	30 clinics LTM 03/22	30 clinics LTM 06/22	30 clinics LTM 09/22
PF Operating revenues	433,7	438,1	448,7	455,1	458,2
Expenses	324,9	329,0	333,6	339,5	345,0
% of revenues	74,9%	75,1%	74,4%	74,6%	75,3%
PF EBITDA ex adjustments	108,8	109,1	115,1	115,7	113,3
% of revenues	25,1%	24,9%	25,6%	25,4%	24,7%

## Pro forma pre tax operating cash flow, 30 clinics

	30 clinics LTM 09/21	30 clinics FY 2021	30 clinics LTM 03/22	30 clinics LTM 06/22	30 clinics LTM 09/22
PF EBITDA ex adjustments	108,8	109,1	115,1	115,7	113,3
Δ Inventory	-4,3	0,9	1,1	1,3	1,6
Δ Accounts receivables	3,6	-0,3	0,1	-3,0	-1,3
Δ Other receivables	-0,5	-0,6	0,0	0,5	0,5
Δ Prepayments and accrued income	-0,4	-0,5	0,7	1,1	1,4
Δ Current assets	-1,6	-0,5	1,8	-0,2	2,2
Δ Accounts payable	6,2	6,0	5,5	0,7	4,8
Δ Other paybles	-3,5	-3,3	-1,9	-1,2	2,3
Δ Prepaid expenses and accrued liabilities	0,4	2,5	2,8	3,0	3,2
Δ Current liabilities	3,1	5,2	6,4	2,5	10,3
Δ Other cashflow items	-2,0	0,0	0,0	0,0	0,0
Working capital	108,3	113,8	123,3	118,1	125,8
Capex	-3,7	-2,1	-5,5	-6,6	-8,3
Pre tax operating cash flow	102,6	108,7	117,8	111,5	117,5
Cash converion %	94%	100%	102%	96%	104%

### Definitions of alternative performance measures

Dentalum presents certain financial measures that are not defined in the interim report in accordance with IFRS, however providing meaningful supplemental information to investors and the company's management. These definitions cannot be fully compared with other companies' definitions of corresponding performance measures and measures and should not be seen as a substitute for measures defined under IFRS.

EBITDA:	Earnings before interest, tax, depreciation, and amortization and before write-down of intangible and tangible assets
Adjusted EBITDA:	EBITDA adjusted for non-recurring income and expense, identified as not related to the dental operations of the acquired entities, excluding any transaction expenses, and excluding items affecting comparability
EBITDA-margin:	EBITDA as a ratio of operating revenues
Net Debt:	Interest-bearing liabilities, excluding lease liabilities, less cash and cash equivalents
Net Debt incl. IFRS 16	Interest-bearing liabilities, including lease liabilities, less cash and cash equivalents
Net Debt as per the definition in the Bond Terms & Conditions	Interest-bearing debt, adding IFRS 16 adjustments for lease liabilities and net of liabilities for contingent considerations (earn-outs) and related shareholder contributions, deducted for cash balance
Net Working Capital (NWC):	Total of inventories, trade receivables, accounts payables and other current non-interest-bearing receivables and liabilities, excluding tax assets and liabilities and provisions
Organic growth:	Growth in net sales excluding growth related to acquisitions and divestments and other non-recurring adjustments



## Signatures

The set of financial statements in this interim report were prepared in accordance with IFRS, with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Parent Company.

The Board of Directors of Dentalum Operations AB (publ), has approved to publish this Interim Report.

Stockholm, November 30, 2022

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Mikael Lönn  
Chairman of the Board

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Roberto Rutili  
Board member

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Marcus Ladow  
Board member

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Gunilla Öhman  
Board member

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Lars Kvarnsund  
Board member

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Max Dorthé Ladow  
CEO

The report has not been subject to review by the Company's auditors.