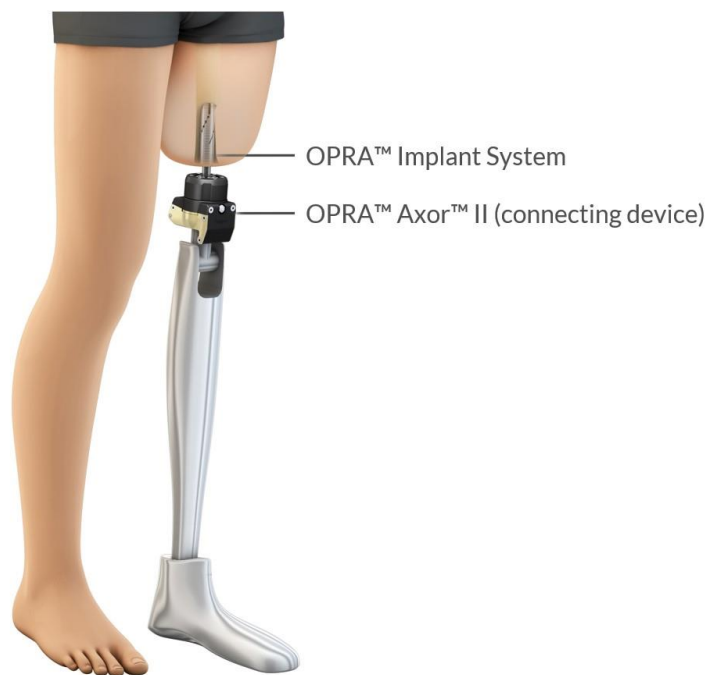

INTERIM REPORT

MAY 2021 – JANUARY 2022

INTEGRUM AB (PUBL)



Integrum

A QUARTER WITH NEW STRATEGICALLY IMPORTANT CUSTOMERS AND COLLABORATIONS IN THE US

THIRD QUARTER 2021/22 (NOV–JAN)

- Net sales amounted to SEK 12.6 (10.9) million, which is an increase of 16.2% compared with the corresponding period last year.
 - Operating profit/loss amounted to SEK 0.5 (1.3) million.
 - Profit/loss after tax amounted to SEK 0.5 (0.3) million, which resulted in earnings per share of SEK 0.03 (0.02).
 - Cash flow from operating activities amounted to SEK -9.3 (1.7) million. Liquid assets as of 31 January 2022 amounted to SEK 93.8 (9.4) million.
 - During the period, three new centres, two of which are in the US, performed their first OPRA™ Implant System operations. The treatment is now offered globally at about 40 centres.
 - The company continue to invest in the business, and as a result of this there is an increased cost basis. The intensified market presence resulted in that the Sales and Marketing costs in the period contributed to 41% of total Other Expenses.
 - The work on the transition to certification according to MDR continues, during the period costs of SEK 10.6 million were capitalized as intangible assets. The cost refers to external costs as well as internally earned time.
- Significant events in the third quarter**
- Integrum has been selected as a strategic partner for US Veterans Affairs (VA). This a strategic and long-term partnership for our work in establishing the OPRA™ Implant System as a standard treatment.

1 MAY – 31 JANUARY 2021/22 (9 MONTHS)

- Net sales amounted to SEK 37.4 (30.7) million, an increase of 22% compared with the corresponding period in the previous year.
- Operating profit amounted to SEK 0.9 (0.0) million.
- Profit after tax amounted to SEK 16.4 (0.1) million, which resulted in earnings per share of SEK -0.05 (0.02).
- Cash flow from operating activities amounted to SEK -16.1 (-3.8) million.
- A directed issue was performed in mid-June and the company received a total of SEK 121 million before issue expenses. A number of Swedish and international institutional investors have been added through this issue, including Didner & Gerge Fonder, Stena Finans, Vasastaden Holding and Consensus Fonder.
- Costs of SEK 16.9 million have been capitalized as intangible assets, the costs are related to the ongoing transition from certification according to MDD (the former European regulations Medical Device Directive) to the more comprehensive MDR (Medical Device Regulation).

GROUP KEY RATIOS

	November – January		May – January		Full year
	2021/22	2020/21	2021/22	2020/21	2020/21
Net sales, SEK thousand	12 636	10 877	37 401	30 664	43 093
Net sales growth (%)	16,2	40,6	22,0	55,2	61,1
Operating income growth (%)	40,1	73,8	36,2	73,1	72,4
Operating profit/loss, SEK thousand	503	1 265	1 486	1 298	-1 823
Profit/loss after financial items, SEK thousand	541	334	1 482	121	-2 149
Balance sheet total, SEK thousand	171 402	36 954	171 402	36 954	38 220
Equity/assets ratio, %	92,1	72,3	92,1	72,3	63,5
Number of employees at end of period	22	20	22	20	21
Equity per share, SEK	8,4	1,6	8,4	1,6	1,5
Share price on balance sheet date, SEK	67,1	39,1	67,1	39,1	55,0
Market value on balance sheet date, SEK million	1 246,9	640,6	1 246,9	640,6	871,1

For definitions, see page 25.

CEO's statement

Integrum is working intensively and systematically to make the OPRA™ Implant System the new standard of care for all amputee patients around the world who are medically suitable. We know that patients with our bone-anchored products, which are integrated with the skeleton, enjoy a considerably higher quality of life compared to the classical socket prosthesis. It makes a difference to the rest of their lives, and we are firmly resolved to offer all suitable patients a bone-anchored prosthesis system from Integrum.

Reforming healthcare is a substantial task. In this work, news of the kind we were able to communicate on 23 December is very encouraging. We announced then that Integrum had been selected as strategic partner for US Veterans Affairs (VA). In its new programme for osseointegration, the VA will offer patients who currently have a sleeve prosthesis the chance to switch to Integrum's bone-anchored prosthesis system. The VA, which administers the largest integrated healthcare system in the US, has a clear focus on offering the best possible healthcare and is responsible for almost 1,300 care facilities and more than 9 million active and former military personnel. For Integrum this is a strategic and long-term partnership, and in our work establishing the OPRA™ Implant System as the standard of care, collaboration, and recognition such as this are invaluable. The sales volumes, as a direct result of the agreement, are short term expected to be limited, but long term the potential is substantial and we look forward to assisting VA as the new treatment programme is expanded.

During the quarter, Integrum's sales amounted to SEK 12.6 million, which is an increase of 16 per cent compared with the same period in the previous year. The total sales during the first three quarters of the financial year amounted to SEK 37.4 million, which is 22 per cent more than in the previous year. Sales during a rolling 12-month period are now at SEK 49.8 million. The COVID-19 pandemic continues to affect the businesses in both the US and Europe. Even though the social restrictions are about to be lifted, we still expect some sluggishness for a while due to the remaining lag effects on healthcare. When scheduled operations start to be performed on a major scale once again, healthcare must prioritise postponed operations. There remains therefore a degree of uncertainty as to when the effects of the pandemic on orthopaedic companies such as Integrum will subside.

At the same time, a clear strategy for growth in the US is starting to take shape under the leadership of Thomas Dugan. In order to succeed with the complex sales process for advanced medical technology in the US, we are now organising our work around five key target groups: hospitals, surgeons, prosthetist, insurance companies and patients. By successively increasing awareness of the OPRA™ Implant System and establishing the infrastructure that is required, we can gain the momentum needed to fully establish our system in the US market.

In the past few months, several other reputable US clinics have performed their first successful operations with the OPRA™ Implant System, among them Eire County Medical Center in New York. The fact that we have managed to add new hospitals during the pandemic is testament to our work and shows the attractiveness of our products. Because Integrum is the only bone-anchoring prosthesis system that is approved in the US, more and more clinics are seeing the competitive advantage in being able to offer our ground-breaking system to their patients.

In Europe the focus is still on increasing awareness of the unique benefits of our products. In Germany, which is an important market in Europe, we are strengthening our collaboration with prosthetist and patient associations, among others, to help patients find the clinics that offer the OPRA™ Implant System. Sweden is also an important market in Europe and Integrum continues to strive to offer the treatment at additional well recognized hospital systems. For us at Integrum, it is positive for our international expansion with a strong position in our home market.

We are now recruiting more key people to implement our growth strategy, especially with the US market in mind. At the same time, we are strengthening our resources in research and development, as well as the regulatory area at our headquarters in Mölndal. In addition to supporting the expansion of our existing products, the reinforcements will focus on driving the development of our future products, such as e-OPRA™. The potential of what we can achieve together for patients with our products is enormous.

Mölndal, 2 March 2022

Maria Elena López
Chief Executive Officer

Third quarter 2021/22 (November – January)

Net sales

Net sales for the third quarter of the year amounted to SEK 12.6 (10.9) million, an increase of 16.2% compared with the same period in the previous year. Calculated in local currency, sales increased by 15.4%. For revenue per market, see note 4 on page 20.

In the quarter, the US market stood at 80% (76%) of net sales. However, the pandemic continues to affect the ability of hospitals to meet patients for consultations or perform non-essential surgery. Another two centres in the US have performed their first OPRA™ Implant System operations, and one centre has been granted approval to perform operations.

The effects of the pandemic are similar in Europe and the majority of sales will continue to come from Sweden, Germany and the Netherlands. In Germany, which is a priority market in EMEA, Integrum was well represented at VQSA's annual meeting (an association for Germany's leading orthopaedic engineers working with arm and hand prosthetics).

Costs and profit/loss

Costs of goods sold amounted to SEK -4,903 thousand, corresponding to a gross margin of 61% (81%). Taking into account the currency effects related to internal sales to the subsidiary company Integrum Inc, the gross margin for the period amounted to 81% (68%). The gross margin is affected by the distribution between the OPRA™ Implant System and the Axor safety coupling. The gross margin is also charged by the variable remuneration that the company's contracted sellers receive in the US in connection with patient treatment. This also includes agreements entered into with Onkos Surgical and Implantcast Benelux.

Other external costs in the quarter amounted to SEK -6,657 (-3,890) thousand, and sales and marketing costs in the period amounted to SEK -2,370 (-643) thousand, corresponding to 34% (17) of other external costs.

Employee benefit expenses in the period amounted to SEK -7,044 (-4,710) thousand, where the increase was due to new recruitment between the periods. The company is in an expansion phase and estimates that the increase in employee benefit expenses will also continue in the next quarter.

Unrealised currency effects had a positive impact of SEK 5,441 thousand on the quarter's operating profit, attributable among other things to the translation of the receivable from the subsidiary company Integrum Inc at the rate on the balance sheet date.

The positive currency effect is recognised as other operating income, which during the quarter amounted to SEK 6,477 thousand. Negative current effects are recognised as other operating expenses and amounted during the quarter to SEK -1,036 thousand.

During the quarter, SEK 10,589 (1,424) thousand was capitalised as intangible assets. The expenses refer to expenditure for activities related to the ongoing transition from certification according to MDD (the former European Medical Device Directive) to the more comprehensive MDR (Medical Device Regulation). The company estimates that expenses related to this work will continue to be significant, mainly during the current financial year. Total depreciation/amortisation amounted to SEK 323 (323) thousand during the quarter.

Depreciation/amortisation attributable to the application of IFRS 16 amounted to SEK 174 (174) thousand. The remaining part relates to amortisation of patents granted.

Cash flow

During the period November–January 2021/22, cashflow from operating activities amounted to SEK 863 thousand compared with SEK 737 thousand for the corresponding period in 2020.

Cash flow from changes in working capital amounted to SEK -9,277 (-1,697) thousand. Inventories and accounts receivable increased on the asset side, and the company's operating liabilities reduced during the quarter.

Cash flow from investing activities amounted to SEK -10,589 (-1,424) thousand and consists of investments related to ongoing MDR certification.

Cash flow from financing activities amounted to SEK 3,088 (-125) thousand, the positive cash flow being attributable to the utilisation of an issue of 177,000 shares related to incentive programmes for the company's employees and board for which the company received SEK 2,073 thousand. In addition to this, options for incentive programmes for the years 2021/2024 were subscribed for, for which the company received SEK 1,261 thousand.

1 May 2020 – 31 January 2021/22 (9 months)

Net sales

The net sales for the first nine months of the year amounted to SEK 37.4 (30.7) million, an increase of 22% compared with the same period in the previous year. Calculated in local currency, sales increased by 21%. For revenue per market, see note 4 on page 20.

In the period the US market represented 77% (78%) of net sales.

Costs and profit/loss

The cost of goods sold amounted to SEK -8,435 thousand, corresponding to a gross margin of 77% (85%). Taking into account the currency effects related to internal sales to the subsidiary company Integrum Inc, the gross margin for the period amounted to 81% (78%).

Other external costs during the period amounted to SEK -18,611 (-13,050) thousand. Sales and marketing costs during the period amounted to SEK -6,670 (-1,654) thousand, corresponding to 35% (13%) of other external costs. The increase between the periods can be attributed among other things to increased marketing activities, primarily in the US, as well as participation in trade fairs in both the US and Germany during the period.

Employee benefit expenses during the period amounted to SEK -17,212 (-11,434) thousand. The increase between the periods is due to new recruitment. The company is in an expansion phase and estimates that employee benefit expenses will increase in the coming quarters.

Unrealised currency effects had a positive impact of SEK 7,935 thousand on the period's operating profit/loss, attributable among other things to the translation of the receivable from the subsidiary company Integrum Inc at the rate on the balance sheet date.

A positive currency effect is recognised as other operating income, which during the period amounted to SEK 12,861 thousand. Negative currency effects are reported as other operating expenses and during the period amounted to SEK -4,926 thousand.

During the period, SEK 16,872 (1,535) thousand was capitalised as intangible assets. The expenses refer to expenditure related to the ongoing transition from certification in accordance with MDD to MDR. Total depreciation/amortisation amounted to SEK 944 (969) thousand in the period, of which SEK 73 (0) thousand derives from amortisation of expenditure for regulatory approval in the US.

Depreciation/amortisation attributable to the application of IFRS 16 amounted to SEK 523 (523) thousand. The remaining part relates to amortisation of patents granted.

Cash flow

During the period May–January 2021/22, cash flow from operating activities amounted to SEK 2,261 thousand compared with SEK -1,166 thousand for the corresponding period in 2020. Cash flow from changes in working capital amounted to SEK -14,548 (-3,849) thousand. Inventories and accounts receivable have increased on the asset side. On the liability side, accounts payable have reduced.

Cash flow from investing activities amounted to SEK -16,872 (-1,535) thousand and consists of investments related to ongoing MDR certification and the approved PMA application.

Cash flow from financing activities during the period amounted to SEK 117,612 (1,756) thousand. The positive cash flow from financing activities are related to capital injection in June 2021, and utilization of warrants in January 2022, as part of the incentives program for employees and members of the Board of Directors, in total the company received SEK 121,000 thousand (prior fees) in June and SEK 2,073 thousand in January 2022.

Financial position

As of 31 January 2021, the group's liquid assets amounted to SEK 93.8 million, with equity of SEK 158.0 million and the equity/assets ratio being 92.1%. On 31 January 2020 the group's liquid assets amounted to SEK 9.4 million, with equity of SEK 26.4 million and equity/assets ratio being 72.3%. Equity per share amounted to SEK 8.4 (1.6) as at 31 January 2021.

Parent company

In the parent company, Integrum AB, the costs for raising capital were recognised in connection with the rights issue which was performed in June 2021. In total, these costs amounted to SEK 6.3 million. These costs have been reported directly against equity.

Future prospects

Integrum predicts that the growth rate of the company's sales revenues will continue to be affected by the COVID-19 pandemic in the short term.

To what extent depends largely on how quickly healthcare can return to full operational capacity. This is of course affected by new variants of the coronavirus and the availability of healthcare professionals.

At the same time, work is continuing to create the conditions for a global scalable business and a high-performing sustainable organisation and thereby the successful commercialisation of our entire product portfolio.

We are still planning the expansion of our business in the US at a rapid pace, which is key to our long-term growth. In parallel, investments are being made through partners in key markets within the EMEA, where we see opportunities especially in the German market.

The strong cash position, which on 31 January amounted to SEK 93.8 million, provides excellent conditions for further broadening and strengthening the competence in the organisation and continued market investments for long-term strong growth.

Other information

Personnel and organisation

At the end of the period, the number of employees amounted to 22 (20), of which 8 (8) are women and 14 (12) men. Of these, 17 (18) were people employed in Sweden and 5 (2) in the US. In addition, the company is hiring external consultants for individual projects. The cost of consultants is recognised as other external costs.

Transactions with related parties

During the period, companies related to Chairman of the Board Rickard Brånemark invoiced the company SEK 1,459 thousand for clinical expertise work during the period. The cost has been recognised in other operating expenses.

During the quarter, board member Patric Lindgren invoiced the company SEK 276 thousand for work associated with raising capital during the year. The cost has been recognised in other external expenses.

No other transactions that significantly affected the company's profit/loss or financial position were performed with related parties during the quarter or period.

Significant risks and uncertainties

Integrum strives to continually identify, evaluate and manage risks in different systems and processes. Risk analyses are performed continually in connection with normal operations and major activities.

The most significant strategic and operational risks that affect the company's business and industry are described on page 5 of the company's annual report for the 2020/2021 financial year. The main risks and uncertainties include market risks, seasonal risks, currency risks, permits and

This interim report has not been subject to review by the company's auditors.

Financial statements

Interim reports and other financial reports are available at www.integrum.se

Upcoming reports

- The year-end report for the 2021/2022 financial year will be published on 10 June 2022
- The annual report for the 2021/22 financial year will be published in August 2022

certifications, product quality, dependence on suppliers and liquidity risks. The reported risks as described in the annual report are deemed to be essentially unchanged.

Events after the balance sheet date

The company continues to grow its workforce, and in the first month of the fourth quarter the company welcomed three new employees. In addition, another four employees were about to start at the company during the fourth quarter.

There are no other significant events to report after the end of the period.

Assurance

The board of directors and the CEO declare that the interim report for the nine-month period in 2021/2022 gives a full and fair view of the operations, position and performance of the parent company and group and describes the significant risks and uncertainty factors faced by the parent company and the companies included in the group.

Mölnadal 2 March 2022

Maria Lopez Damian Chief Executive Officer	Rickard Brånemark Chairman of the Board
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Artur Aira Board Member	Andrew Christensen Board Member
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Karin Johansson Wingstrand Board Member	Bengt Sjöholm Board Member
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Patric Lindgren Board Member	Cecilia Wikström Board Member
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Trading venue and Certified Adviser

Since 15 May 2017 Integrum's share has been listed on Nasdaq First North Growth Market. The company's Certified Adviser is Erik Penser Bank (tel. no.: +46 (0)8-463 83 00, e-mail: certifiedadviser@penser.se).

Please refer any questions to

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dennis.baecklund@integrum.se

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousand	Note	November – January		May – January		Full year
		2021/2022	2020/2021	2021/2022	2020/2021	2020/2021
Net sales	4	12,636	10,877	37,401	30,664	43,093
Capitalized work for own account		1,353	-	1,353	-	-
Other operating income	5	6,477	3,726	12,861	7,232	8,385
Total		20,466	14,604	51,615	37,896	51,478
Raw materials and consumables		-4,903	-2,067	-8,435	-4,691	-8,205
Other external costs	7	-6,657	-3,890	-18,611	-13,050	-18,140
Employee benefit expenses		-7,044	-4,710	-17,212	-11,434	-16,571
Depreciation and impairment of property, plant and equipment and intangible assets		-323	-323	-944	-969	-1,292
Other operating expenses	6	-1,036	-2,349	-4,926	-6,454	-9,093
Total expenses		-19,963	-13,339	-50,129	-36,597	-53,301
Operating profit		503	1,265	1,486	1,298	-1,823
Financial income		74	201	177	337	455
Financial expenses		-36	-1,131	-181	-1,514	-781
Net financial items		38	-930	-5	-1,177	-326
Profit after financial items		541	334	1,482	121	-2,149
Profit/loss before tax		541	334	1,482	121	-2,149
Income tax		-9	-	16,498	-	-
Profit/loss for the period		532	334	17,980	121	-2,149
Other comprehensive income:						
<i>Items that may be reclassified for the net profit/loss for the period</i>						
Exchange rate differences when translating foreign operations		-4,228	-	-2,778	2,466	2,406
Other comprehensive income for the period		-4,228	-	-2,778	2,466	2,406
Total comprehensive income for the period		-3,696	334	15,202	2,587	257

The profit/loss and comprehensive income for the period are wholly attributable to parent company shareholders.

Earnings per share, calculated on the profit/loss for the period attributable to parent company shareholders:

Amounts in SEK	Note	November–January		May–January		Full year
		2021/2022	2020/2021	2021/2022	2020/2021	2020/2021
Earnings per share before dilution	8	0.03	0.02	0.97	0.01	-0.14
Earnings per share after dilution	8	0.03	0.02	0.95	0.01	-0.13

STATEMENT ON CONSOLIDATED FINANCIAL POSITION

Amounts in SEK thousand	Note	31/01/2022	31/01/2021	30/04/2021
ASSETS				
Non-current assets				
Intangible assets				
Capitalised expenditure for development work and similar work		18,351	182	1,512
Concessions, patents, licences, trademarks and similar rights		419	2,113	807
Total intangible assets		18,769	2,294	2,319
			0	
Right of use		523	1,220	1,046
Deferred tax assets		18,824	2,153	2,157
Total non-current assets		38,117	5,667	5,522
Current assets				
Inventories				
Finished goods and goods for resale		15,440	7,514	10,047
Total inventories		15,440	7,514	10,047
Current receivables				
Accounts receivable		16,910	11,793	12,027
Tax assets		536	405	329
Other receivables		1,795	586	1,034
Prepaid expenses and accrued income		4,758	1,552	1,607
Liquid assets		93,846	9,437	7,658
Total current receivables		117,845	23,773	22,652
Total current assets		133,285	31,287	32,699
TOTAL ASSETS		171,402	36,954	38,220

STATEMENT ON CONSOLIDATED FINANCIAL POSITION cont.

Amounts in SEK thousand	Note	31/01/2022	31/01/2021	30/04/2021
EQUITY				
Share capital		1,275	1,109	1,109
Other contributed capital		205,921	87,568	87,568
Reserves		-1,198	1,760	2,242
Profit/loss brought forward, including profit/loss for the period		-48,023	-63,733	-66,665
Total equity attributable to parent company shareholders		157,975	26,704	24,254
LIABILITIES				
Long-term liabilities				
Other liabilities to credit institutions		-	401	444
Lease liabilities		-	687	344
Total non-current liabilities		-	1,088	788
Current liabilities				
Liabilities to credit institutions		296	193	42
Advance payments from customers		-	144	-
Accounts payable		5,535	2,657	4,425
Lease liabilities		503	711	711
Other current liabilities		1,189	2,970	1,044
Accrued expenses and deferred income		5,905	2,487	6,957
Total current liabilities		13,428	9,161	13,179
TOTAL EQUITY AND LIABILITIES		171,402	36,954	38,220

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

Amounts in SEK thousand	Note	Share capital	Other contributed capital	Reserves	Profit/loss brought forward (including profit/loss for the period)	Total equity
Opening balance on 1 May 2019		877	63,973	-662	-48,137	16,051
Effect of transition to IFRS				662	-662	0
IFRS 01-05-2019		877	63,973	0	-48,799	16,051
Profit/loss for the period					-15,717	-15,717
Other comprehensive income for the period				-165		-165
Total comprehensive income		0	0	-165	-15,717	-15,882
Transactions with shareholders						
New share issue		180	19,166			19,346
Options			179			179
Ongoing new share issue			4,000			4,000
Total transactions with shareholders		180	23,345		0	23,525
Closing balance on 30 April 2020		1,057	87,318	-165	-64,516	23,694
Opening balance on 1 May 2020		1,057	87,318	-165	-64,516	23,694
Profit/loss for the period					121	121
Other comprehensive income for the period				2,587		2,587
Total comprehensive income		0	0	2,587	121	2,708
Transactions with shareholders						
New share issue		52	-52			0
Options			302			302
Total transactions with shareholders		52	250	0	0	302
Closing balance on 31 January 2021		1,109	87,568	1,760	-63,733	26,704
Opening balance on 1 May 2020		1,057	87,318	-827	-63,854	23,694
Profit/loss for the period					-2,149	-2,149
Other comprehensive income for the period				2,406		2,406
Total comprehensive income		0	0	2,406	-2,149	257
Transactions with shareholders						
New share issue		52	-52			0
Options			302			302
Total transactions with shareholders		52	250			302
Closing balance on 30 April 2021		1,109	87,568	1,580	-66,003	24,254
Opening balance on 1 May 2021		1,109	87,568	1,580	-66,003	24,254
Profit/loss for the period					17,980	16,966
Other comprehensive income for the period				-2,778		-2,778
Total comprehensive income		0	0	-2,778	17,980	15,202
Transactions with shareholders						
New share issue		166	117,092			117,258
Options			1,261			1,261
Total transactions with shareholders		166	118,353	0	0	118,519
Closing balance on 31 January 2022		1,275	205,921	-1,198	-48,023	157,975

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

Amounts in SEK thousand	Note	November – January		May – January	
		2021/2022	2020/2021	2021/2022	2020/2021
Operating activities					
Profit/loss before financial items		503	334	1,486	121
Interest received		74	80	-	76
Interest paid		-36		-170	
Adjustments for items not included in cash flow etc.		323	323	944	969
Cash flow from operating activities before change in working capital		863	737	2,261	1,166
Cash flow from changes in working capital					
Changes in inventories		-1,241	-1,133	-5,916	-2,056
Changes in operating receivables		-2,519	2,432	-10,050	-4,522
Changes in operating liabilities		-6,381	-339	-842	1,563
Cash flow from operating activities		-9,277	1,697	-14,548	-3,849
Investing activities					
Purchase of intangible assets		-10,589	-1,424	-16,872	-1,535
Cash flow from investing activities		-9,380	-1,424	-16,872	-1,535
Financing activities					
New share issue		2,073	0	117,092	2,003
Options		1,261	0	1,261	260
Leases		-184	-16	-551	-378
Repayment of debt		-62	-109	-190	-130
Cash flow from financing activities		3,088	-125	117,612	1,756
Cash flow for the period		-16,778	149	86,192	-3,627
Liquid assets at the start of the period		110,624	9,288	7,658	13,064
Liquid assets at end of period		93,846	9,437	93,846	9,437

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK thousand	Note	November – January		May – January		Full year
		2021/2022	2020/2021	2021/2022	2020/2021	2020/2021
Net sales	7	15,080	15,850	40,237	45,952	55,901
Capitalized work for own account		1,353	-	1,353	-	-
Other operating income		477	776	12,857	4,282	4,940
Total		22,910	16,626	54,447	50,233	60,841
Raw materials and consumables		-2,182	-527	-5,916	-3,215	-4,401
Other external costs	7	-4,924	-4,328	-13,734	-11,599	-15,040
Employee benefit expenses		-5,329	-2,773	-13,324	-9,144	-13,432
Depreciation of property, plant and equipment		-148	-149	-421	-446	-595
Other operating expenses		-964	-2,349	-4,908	-6,454	-9,060
Total operating expenses		-13,547	-10,126	-38,303	-30,858	-42,528
Operating profit		9,363	6,500	16,144	19,376	18,313
Profit from financial items						
Interest income and similar income statement items		74	201	177	337	455
Interest expenses and similar income statement items		-32	-1,122	-165	-1,484	-743
Total profit/loss from financial items		9,406	5,578	16,156	18,229	18,025
Profit after financial items		9,406	5,578	16,156	18,229	18,025
Tax on profit for the period		-1,938	-	4,342	-	-
Profit/loss for the period		7,468	5,578	20,498	18,229	18,025

In the parent company there are no items that are recognised as other comprehensive income, which is why the comprehensive income for the period corresponds to the profit/loss for the period.

PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK thousand	Note	31/01/2022	31/01/2021	30/04/2021
ASSETS				
Non-current assets				
Capitalised expenditure for development work		18,351	2,113	1,512
Concessions, patents, licences, trademarks and similar rights		419	182	807
Total intangible assets		18,769	2,294	2,319
Financial assets				
Participations in group companies		497	441	521
Deferred tax assets		6,056	1,714	1,714
Total financial assets		6,553	2,155	2,235
Total non-current assets		25,323	4,449	4,554
Current assets				
Inventories				
Finished goods and goods for resale		12,025	6,060	8,383
Total inventories		12,025	6,060	8,383
Current receivables				
Accounts receivable		1,930	2,419	1,901
Receivables from group companies		71,367	40,156	41,436
Tax assets		435	325	239
Other receivables		1,795	586	1,034
Prepaid expenses and accrued income		3,921	1,313	1,388
Total current receivables		79,448	44,799	45,998
Cash and bank balances		87,474	7,355	4,938
Total current assets		178,947	58,213	59,320
TOTAL ASSETS		204,270	62,662	63,874

PARENT COMPANY BALANCE SHEET IN SUMMARY cont.

Amounts in SEK thousand	Note	31/01/2022	31/01/2021	30/04/2021
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital		1,275	1,109	1,109
Statutory reserve		5	5	5
Total restricted equity		1,280	1,114	1,114
Non-restricted equity				
Share premium reserve		204,967	68,599	68,599
Profit or loss from previous period		-33,243	-32,942	-32,942
Profit/loss for the period		20,498	18,229	18,025
Total non-restricted equity		192,222	53,886	53,683
TOTAL EQUITY		193,502	55,000	54,797
LIABILITIES				
Long-term liabilities				
Other liabilities to credit institutions		-	401	444
Total non-current liabilities		-	401	444
Current liabilities				
Liabilities to credit institutions		296	193	42
Advance payments from customers		-	144	-
Accounts payable		5,206	2,583	3,230
Other current liabilities		1,189	2,461	1,044
Accrued expenses and deferred income		4,077	1,879	4,317
Total current liabilities		10,768	7,261	8,633
TOTAL LIABILITIES		10,768	7,662	9,077
TOTAL EQUITY AND LIABILITIES		204,270	62,662	63,874

NOTES

Note 1 General information

Integrum AB (publ) ("Integrum"), corporate ID number 556407-3145 is a parent company registered in Sweden with its registered office in Mölndal, street address Krokslätts Fabriker 50, 431 37 Mölndal, Sweden.

Unless otherwise stated, all amounts are reported in thousands of Swedish kronor (SEK thousand). Information in brackets refers to the comparison period.

Note 2 Summary of key accounting principles

The most important accounting principles that are applied when these consolidated financial statements were prepared are set out below. Unless otherwise stated, these principles have been applied consistently for all of the periods presented.

2.1 Basis for preparing the reports

The consolidated financial statements for Integrum have been prepared in accordance with the Annual Accounts Act and RFR 1 *Supplementary accounting rules for groups*, as well as International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) which have been adopted by the EU. The consolidated financial statements have been prepared in accordance with the cost method. The interim report has been prepared according to IAS 34 *Interim Financial Reporting* and the Annual Accounts Act. See note 10 regarding the choices that have been made in connection with the preparation of the opening balance for accounting according to IFRS as at 1 May 2019.

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain judgments about the application of group accounting concepts. Areas that entail a high level of judgment, areas that are complex, and areas where assumptions and estimates are of significance for the consolidated financial statements are specified in note 3.

The parent company applies RFR 2 *Accounting for Legal Entities* and the Annual Accounts Act. The application of RFR 2 means that the parent company in the interim report for the legal entity shall apply all of the IFRS and statements adopted by the EU where this is possible within the framework of the Annual Accounts Act and the Safeguarding of Pension Commitments, etc. Act, taking into account the link between accounting and taxation.

In connection with the transition to reporting the consolidated financial statements according to IFRS, the parent company has transitioned to applying RFR 2. The transition from the previously applied accounting principles to RFR 2 has not had any effect on the parent company's income statement and balance sheet, equity or cash flow.

The parent company applies different accounting principles to the group in the cases provided below:

Presentation formats

The income statement and balance sheet comply with the format in the Annual Accounts Act. The report on change in equity also follows the group's presentation format but will contain the columns that are specified in the Annual Accounts Act. This means there is a difference in designations compared with the consolidated financial statements, primarily regarding financial income, financial expenses, and equity.

Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any impairment. The cost includes acquisition-related expenses and any additional purchase prices paid.

When there is an indication that the value of participations in subsidiaries has declined, an assessment is made of the recoverable amount. If it is less than the carrying amount, an impairment loss is made. Impairment losses are recognised in the item "Profit/loss from participations in group companies".

Financial instruments

IFRS 9 is not applied in the parent company. The parent company instead applies the points specified in RFR 2 (IFRS 9 *Financial instruments*, pp. 3–10). Financial instruments are valued at cost. In subsequent periods, financial assets acquired with the intention of holding them in the short term will be recognised in accordance with the lowest value principle, i.e. at the lower of cost or market value.

When calculating the net realisable value of receivables that are recognised as current assets, the principles for impairment testing and loss risk provision in IFRS 9 shall be applied. For a receivable that is recognised at amortised cost at group level, this means that the loss risk provision that is reported in the group in accordance with IFRS 9 will also be recognised by the parent company.

Leases

The parent company does not apply IFRS 16 to a legal entity in accordance with the exception in RFR 2.

2.2 Consolidated financial statements

2.2.1 Basic accounting policies

Subsidiaries

Subsidiaries are all companies over which the group has a controlling influence. The group controls a company when it is exposed to or is entitled to a variable return from its holding in the company and has the opportunity to affect the return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the group. Subsidiaries are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The acquisition method is used to report the group's business acquisitions. The purchase price of acquiring a subsidiary consists of the fair value of transferred assets, liabilities that the group incurs to from previous owners of the acquired company and the shares issued by the group. The purchase price also includes the fair value of all liabilities that are a consequence of the agreed contingent purchase price. Identifiable acquired assets and assumed liabilities in

a business acquisition are initially measured at their fair value on the acquisition date.

Acquisition-related costs are expenses when they arise and are reported in the item "other operating expenses" in the group's statement of comprehensive income.

Intra-group transactions, balance sheet items, revenue and transaction costs between group companies are eliminated. Profits and losses that result from intra-group transactions and that are reported in assets are also eliminated. The accounting policies for subsidiaries have been amended as appropriate to ensure consistent application of the group's policies.

2.3 Reporting by segment

Operating segments are reported in a way that agrees with the internal report that is submitted to the highest executive decision-maker. The highest executive decision-maker is the function responsible for allocating resources and assessing the operating segment's profit/loss. Integrum's CEO is the group's highest executive decision-maker. Integrum has identified an operating segment that constitutes the group's business as a whole. The assessment is based on the business as a whole regularly being reviewed by the CEO as a basis for decisions on the allocation of resources and assessment of its profit/loss.

2.4 Translation of foreign currencies

2.4.1 Functional currency and presentation currency

The different units in the group have the local currency as their functional currency, and the local currency is defined as the currency used in the primary economic environment in which each unit primarily operates. The consolidated financial statements are presented in Swedish kronor (SEK), which is the parent company's functional currency and the group's presentation currency.

2.4.2 Transactions and balance sheet items

Transactions in foreign currencies are translated into the functional currency using the exchange rates in force on the transaction date. Exchange rate gains and losses arising upon payment of such transactions and upon translating monetary assets and liabilities in foreign currencies at the rate on the balance sheet date are recognised in the operating profit in the statement of comprehensive income.

Exchange gains and losses attributable to loans and liquid assets are recognised in the statement of comprehensive income as financial income or costs. All other exchange rate gains and losses are recognised in the item "other operating expenses" or "other operating income" in the statement of comprehensive income.

2.4.3 Translation of foreign group companies

The figures and financial position of all group companies with a functional currency different to the reporting currency are translated into the group's reporting currency. Assets and liabilities for each of the balance sheets are translated from the foreign company's functional currency into the group's reporting currency, the Swedish krona, at the exchange rate prevailing on the balance sheet date. Income and expenses for each of the income statements are translated to Swedish kronor at the average exchange rate that existed at each transaction date. Translation differences that arise when translating the accounts of foreign operations are recognised in other comprehensive income.

Accumulated profits and losses are recognised in the profit/loss for the period when the foreign business is divested wholly or in part.

2.5 Revenue recognition

The group's principles for reporting income from agreements with customers appear below.

2.5.1 Sale of goods

The group develops and markets systems for bone-anchored prostheses. Sales are made to hospitals, clinics and orthopaedists all over the world. All sales in the US market take place through the subsidiary Integrum Inc; sales in markets outside the US take place directly from the parent company, Integrum AB. Income is recognised as separate performance commitments and is classified as income from sales of goods. Income is recognised when control has been transferred to the buyer. Income from the sale of goods is reported on one occasion.

2.5.2 Other operating income/expenses

Income and expenses from activities outside ordinary operations are recognised as other operating income and operating expenses.

2.5.3 Interest income

Interest income is recognised as income using the effective interest rate method.

2.6 Leasing

The group leases premises and machines to some extent. Leases are recognised as right of use and as a corresponding liability on the date that the leased asset is available for use by the group. Each lease payment is divided between amortisation of the liability and financial cost. The financial cost will be distributed over the leasing period so that each accounting period is charged with an amount corresponding to a fixed interest rate for the reported liability during each period. The right of use is amortised on a straight-line basis over the asset's useful life and the length of the lease.

Assets and liabilities arising from leases are recognised initially at current value. Since this is the first report according to IFRS, all rights of use have been valued at the value of the lease liability with adjustment for prepaid lease fees attributable to the agreements as at 1 May 2019.

The leasing liabilities include the current value of the following lease payments:

- fixed fees
- variable leasing fees that depend on an index

The leasing payments are discounted by the marginal borrowing rate.

The assets with right of use are valued at cost and include the following:

- the initial value of the lease liability and
- payments made at or before the date when the leased asset is made available to the lessee.

Leases of a lesser value or for a shorter period (less than one year) are expensed on a straight-line basis in the statement of comprehensive income.

Options to extend and terminate agreements

Options to extend agreements are included in the group's property leases. The conditions are used to maximise the flexibility in the handling of the agreements.

2.7 Remuneration to employees

2.7.1 Short-term remuneration

Liabilities for salaries and benefits, including non-monetary benefits and paid absences, which are expected to be settled within 12 months of the end of the financial year are reported as current liabilities at the undiscounted amount that is expected to be paid when the debts are settled. Expenses are recognised as the services are performed by the employees. Liability is recognised as an obligation for remuneration to employees in the statement on consolidated financial position.

2.7.2 Post-employment remuneration

The group companies have defined-contribution pension plans only. A defined contribution pension plan is a pension plan according to which the group pays fixed fees to a separate legal entity. The group does not have any legal or informal obligation to pay additional fees if this legal entity does not have sufficient assets to pay all remuneration to employees relating to the employees' service during the current or previous periods. The fees are recognised as expenses in the profit/loss for the period as they are earned by the employees' performing services for the company during the period.

2.7.3 Remuneration upon termination of employment

Remuneration upon termination of employment, to the extent the remuneration does not provide the company any future economy benefits, is recognised as a liability and an expense only where the company has a legal or informal obligation to either

- a) terminate the employment of an employee or a group of employees before the normal time of termination of employment or
- b) provide remuneration upon termination of employment through an offer to encourage voluntary departure from employment.

Remuneration upon termination of employment is recognised only when the company has a detailed plan for the termination and does not have any realistic opportunity to cancel the plan.

2.8 Current and deferred income tax

The tax expense for the period includes current and deferred tax. Tax is recognised in the statement of comprehensive income, except when the tax relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or equity.

Current tax is income tax for the current financial year that relates to the taxable profit for the year and the proportion of income tax for the previous financial year that has not yet been recognised. Deferred tax is income tax on taxable profit or loss pertaining to future financial years as a consequence of previous transactions or events.

Current tax is calculated on taxable profit for the period using the applicable tax rate. The current tax expense is calculated on the basis of the tax regulations that on the balance sheet date are decided or in practice decided in the countries where the parent company and its subsidiaries

are active and generate taxable income. The management regularly evaluates the claims made in self-declarations regarding situations where applicable tax rules are subject to interpretation. When deemed appropriate, it makes provisions for amounts that will probably have to be paid to the tax authority.

Deferred tax is recognised on all temporary differences that arise between the value for tax purposes of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise as a result of the first recognition of goodwill. Deferred tax is not recognised if it arises as a result of a transaction that constitutes the initial recognition of an asset or liability which is not a business acquisition and which, at the time of the transaction, did not affect the reported or taxable profit. Deferred income tax is calculated by applying the tax rates (and laws) that have been decided or announced by the balance sheet date and which are expected to apply when the deferred tax asset in question is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future tax surpluses will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legal right of set-off for the current tax assets and tax liabilities and when the deferred tax assets and tax liabilities relate to taxes debited by the same tax authority and refer either to the same taxable entity or different taxable entities where there is an intention to regulate the balances through net payments.

2.9 Intangible assets

2.9.1 Capitalised expenditure for development work

Expenditure for research, i.e. planned and systematic applications for the purpose of obtaining new scientific or technical knowledge and insight, are recognised as expenses when they arise. Development costs that are directly attributable to the development of Integrum's products and systems and that are controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the products and systems so that they can be used;
- the company's intention is to complete them and use or sell them;
- there are conditions to use or sell them;
- it can be shown how they will generate likely future economic benefits;
- adequate technical, financial, and other resources to complete the development and to use or sell them are available; and
- the expenditure that is attributable to them during development can be calculated reliably.

Directly attributable expenses that are capitalised as part of the development work include expenses for employees and external consultants.

Other intangible assets acquired by the company are recognised at cost less accumulated amortisation and impairment. Expenses for internally generated goodwill and brands are recognised in the income statement as expenditure as they arise.

Capitalised development costs are recognised as intangible assets and are amortised from the time the assets are ready to be used.

2.9.2 Patents

Patents that are acquired separately are recognised at cost. Patents have a fixed useful life and are recognised at cost less accumulated amortisation and impairment.

2.9.3 Useful lives for the group's intangible assets

Capitalised expenditure for development work	5–10 years
Patents	5 years

2.10 Impairment of non-financial assets

Intangible assets that are not ready for use (capitalised expenditure for development work) are not amortised but are tested annually for any impairment requirements. Assets that are amortised due to a decrease in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The asset is impaired by the amount that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling costs and its value in use. When assessing impairment, assets are grouped at the lowest levels where there are significantly independent cash flows (cash-generating units). For assets which have previously been impaired, an examination is made on each balance sheet date as to whether a reversal should be made.

2.11 Financial instruments

2.11.1 Initial recognition

Financial assets and financial liabilities are recognised when the group becomes party to the instrument's contractual terms. The purchase and sale of financial assets are recognised on the transaction date, which is the date the group undertakes to buy or sell the asset.

Financial instruments are recognised at the initial recognition at fair value plus transaction costs that are directly attributable to acquisitions or issues of financial assets or financial liability, such as fees and commissions.

2.11.2 Classification

The group classifies its financial assets and liabilities in the *amortised cost* category.

Financial assets at amortised cost

The classification of investments in debt instruments depends on the group's business model for managing financial assets and the contractual terms for the assets' cash flow. The group reclassifies debt instruments only in cases where the group's business model for instruments changes.

Assets held for the purpose of collecting contractual cash flows where these cash flows constitute only capital and interest are valued at amortised cost. The carrying amount of these assets is adjusted for any expected loan losses that are recognised (see impairment below). Interest income from these financial assets is recognised using the effective interest method and included in financial income. The group's financial assets measured at amortised cost consist of the items other long-term receivables, accounts receivable and liquid assets.

Financial liabilities measured at amortised cost

The group's financial liabilities are classified as subsequently valued at amortised cost using the effective interest rate method. Financial liabilities consist of long-term liabilities to credit institutions, long-term and current lease liabilities and accounts payable.

Financial assets and liabilities at fair value

Derivatives for hedging changes in exchange rates are recognised at fair value where changes in fair value are recognised in the operating profit/loss as the accounts receivables are hedged.

Integrum signs currency option agreements which constitute a financial instrument that is recognised at fair value through the income statement. Financial assets in this category consist of derivatives. They are included in current assets if they are expected to be settled within 12 months after the end of the reporting period; otherwise they are classified as non-current assets. All derivatives are recognised at fair value in the balance sheet. Integrum does not currently apply hedge accounting, which is why all derivative instruments are recognised at fair value through the income statement. The presented fair values of derivative instruments have been calculated on the basis of the most reliable market prices available. All derivatives are found within level 2 in the value hierarchy and no transfers between the levels have occurred. Level 2 in the fair value hierarchy is based on observable data for the asset or liability other than the quoted prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations). With regard to other financial instruments recognised at amortised cost, the carrying amount is deemed to constitute a reasonable approximation of the fair value.

2.11.3 Derecognition of financial instruments

Derecognition of financial assets

Financial assets, or part of them, are removed from the statement of financial position when the contractual rights to receive cash flows from the assets have expired or been transferred and either (i) the group transfers all significant risks and benefits that are associated with ownership or (ii) the group does not transfer or retain all substantial risks and benefits associated with ownership and the group has not retained control of the asset.

Derecognition of financial liabilities

Financial liabilities are removed from the statement of financial position when the obligations have been regulated, cancelled or otherwise terminated. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the remuneration that has been paid, including transferred assets that are not cash or assumed liabilities, is recognised in the statement of comprehensive income.

When the terms of a financial liability are renegotiated and not derecognised from the statement of financial position, a profit or loss is recognised in the statement of comprehensive income. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

2.11.4 Offsetting financial instruments

Financial assets and liabilities are offset and entered as a net amount in the statement of financial position only when a legal right exists to offset the recognised amounts and there is an intention to settle them with a net amount or to simultaneously realise the asset and settle the liability. The legal right must not be dependent on future events and must be legally binding on the company and the counterparty both in the normal business operations and in the event of suspension of payments, insolvency or bankruptcy.

2.11.5 Impairment of financial assets

Assets recognised at amortised cost

The group assesses future expected loan losses that are linked to assets recognised at amortised cost. The group reports a credit reserve for such expected loan losses at each reporting date. For accounts receivable, the group applies the simplified approach to credit reserve; i.e. the reserve will correspond to the expected loss over the entire life of accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on the distributed credit risk characteristics and due dates. The group uses forward-looking variables for expected credit losses. Integrum has not historically had any credit losses and currently does not expect any in future either in view of its customer structure.

2.12 Inventories

Inventories are recognised by applying the first-in, first-out principle, at the lower of cost and net realisable value. The net realisable value is the estimated selling price as part of operating activities less applicable variable selling expenses.

2.13 Accounts receivable

Accounts receivable are amounts attributable to customers for sold goods in operating activities. Accounts receivable are classified as current assets. Accounts receivable are initially recognised at the transaction price. The group holds accounts receivables for the purpose of collecting contractual cash flows, so they are valued at subsequent reporting dates at amortised cost by applying the effective interest rate method.

2.14 Liquid assets

In both the statement on financial position and in the statement on cash flows, liquid assets include cash and bank balances.

2.15 Share capital

Ordinary shares are classified as equity. Transaction costs that can be directly attributed to the issue of new ordinary shares are recognised net after tax in equity as a deduction from the issue proceeds.

2.16 Accounts payable

Accounts payable are financial instruments and refer to obligations to pay for goods and services that have been acquired in operating activities from suppliers. Accounts payable are classified as current liabilities if they fall due for payment within one year. If not, they are recognised as non-current liabilities.

The liabilities are initially recognised at fair value and subsequently at amortised cost by applying the effective interest rate method.

2.17 Cash flow statement

The cash flow statement is prepared using the indirect method. The recognised cash flow includes only transactions that have resulted in incoming and outgoing payments.

2.18 Earnings per share

(i) Earnings per share before dilution

Earnings per share before dilution are calculated by dividing:

- profit/loss attributable to the parent company's shareholders
- by a weighted average number of outstanding ordinary shares during the period.

(ii) Earnings per share after dilution

To calculate earnings per share after dilution, the amounts used for calculating earnings per share before dilution are adjusted by taking into account:

- the effect, after tax, of dividends and interest expenses on potential ordinary shares, and
- the weighted average of the additional ordinary shares that would have been outstanding in a conversion of all potential ordinary shares.

2.19 Dividends

Dividends to the parent company's shareholders are recognised as liabilities in the consolidated financial statements in the period in which the dividends are approved by the parent company's shareholders

Note 3 Important estimates and assumptions for accounting purposes

The group makes estimates and assumptions regarding the future. The estimates for accounting purposes that result from these will, by definition, rarely correspond to the actual outcome. Estimates and assumptions that entail a significant risk of material adjustment to the recognised amounts for assets and liabilities in the coming financial year are dealt with in general below.

(a) Intangible assets

Development costs that are directly attributable to the development of the group's products are subject to assessments and estimates.

(b) Review of impairment requirements for capitalised expenditure for the development work

Each year the group investigates whether there are any impairment requirements for capitalised expenditure for the development work according to the accounting principle described in note 1. The recoverable amounts for cash-generating units have been established by calculating the value in use.

(c) The term of leases

When the term of the leases is established, management considers all available information that provides a financial incentive to exercise an extension option or not to exercise

an option to terminate an agreement. Options to extend an agreement are included in the term of the lease only if it is reasonable to assume that the agreement will be extended (or not terminated). Possible future cash flows of SEK 426 thousand have not been included in leasing liabilities as it is reasonable to assume that the agreements will not be extended.

The assessment will be reassessed if any significant event or change in circumstances occurs that affects this assessment and the change is within the control of the lessee.

(d) Deferred tax assets

The parent company and the group's subsidiaries in the US recognised taxable surpluses in the most recent tax assessment, and the management makes the assessment that continued taxable surpluses will be recognised to such an extent that the taxable surpluses in the companies will be used in the foreseeable future. In the financial statements as at 31 October 2021 the company has therefore assessed that reporting a deferred tax asset for the available taxable surpluses will be realised. Within the group there are also unrealised internal gains in inventories as a result of sales between the parent company in Sweden and the subsidiary company in the US. The company's assessment is that the goods will be sold externally and that the deferred tax asset linked to these goods will then be realised, which means that this deferred tax asset will also be recognised in the balance sheet

Note 4 Revenue by market

Amounts in SEK thousand	Nov – Jan		May – Jan		Full year 2020/2021
	2021/2022	2020/2021	2021/2022	2020/2021	
Sweden	1,076	889	3,212	1,790	2,795
US	10,090	8,252	28,656	23,886	33,085
Other countries	1,470	1,736	5,533	4,988	7,214
Total	12,636	10,877	37,401	30,664	43,093

Note 5 Other operating income

Amounts in SEK thousand	Nov – Jan		May – Jan		Full year 2020/2021
	2021/2022	2020/2021	2021/2022	2020/2021	
Exchange gains	6,477	846	10,857	2,797	4,749
Other income	-	-	2,005	1,579	3,636
Total	6,477	846	12,862	4,376	8,385

Note 6 Other operating expenses

Amounts in SEK thousand	Nov – Jan		May – Jan		Full year 2020/2021
	2021/2022	2020/2021	2021/2022	2020/2021	
Exchange losses	-1,036	-2,349	-4,926	-6,454	-9,093
Total	-1,036	-2,349	-4,926	-6,454	-9,093

Note 7 Transactions with related parties

Related party relationships

The parent company has related party relationships with the Integrum Inc subsidiary. Of the parent company's total

income and purchases, SEK 12,530 (13,207) thousand relates to income from the subsidiary and SEK 0 (0) thousand to purchases from the subsidiary.

Amounts in SEK thousand	Nov – Jan		May – Jan		Full year 2020/2021
	2021/2022	2020/2021	2021/2022	2020/2021	
Sales to related companies	12,530	13,207	31,492	39,519	47,082

Internal prices between group companies are set based on the "arm's length" principle, i.e. between parties that are independent of each other and well-informed and have an interest in the transactions.

Transactions with key individuals in senior positions

In addition to board fees, the Chairman of the Board, Rickard Brånemark, received consultancy fees of SEK 531 (422) thousand for clinical expertise work in the quarter. In addition to board fees, board member Patrik Lindgren received consultancy fees of SEK 276 (0) thousand for work associated with raising capital during the year. The cost has been recognised in other external expenses. Transactions with related parties take place on market terms.

Amounts in SEK thousand	Nov – Jan		May – Jan		Full year 2020/2021
	2021/2022	2020/2021	2021/2022	2020/2021	
Purchases from senior executives	807	422	1,735	695	2,415

Note 8 Earnings per share

	Nov – Jan		May – Jan		Full year 2021
	2021/2022	2020/2021	2021/2022	2020/2021	
Consolidated profit/loss for the period, SEK thousand	532	334	17,980	121	-2,149
Weighted average number of shares before dilution	18,583,389	16,383,389	18,583,389	16,383,389	15,838,039
Dilution effect of option programmes	368,350	545,350	368,350	545,350	400,250
Weighted average number of shares after dilution	18,951,739	16,928,739	18,951,739	16,928,739	16,238,289
Earnings per share before dilution	0.03	0.02	0.97	0.01	-0.14
Earnings per share after dilution	0.03	0.02	0.95	0.01	-0.13

Share warrant programme

At Integrum's annual general meeting on 30 September 2019, it was decided that a new incentive programme for the company's board and employees would be established. The warrants give the holders the right to subscribe to 223,250 series B shares at a subscription price of SEK 15.51 per share during the period between 1 October up to and including 30 November 2022.

From October 2020 there was a third incentive programme, aimed at the board and employees of Integrum AB. The warrants give the holders the right to subscribe to

145,100 series B shares at a subscription price of SEK 37.25 per share between 1 October up to and including 30 November 2023.

From October 2021 there was a third incentive programme, aimed at the board and employees of Integrum AB. The warrants give the holders the right to subscribe to 142,000 series B shares at a subscription price of SEK 158.16 per share between 1 October up to and including 30 November 2024.

At the end of the period the company had a total of 4,220 shareholders registered at Euroclear, of which 4,082 (96.7%) are resident in Sweden.

	Number of shareholders	Shareholders (%)	Holding (%)
Sweden	4,082	96.7	80.5
Rest of Nordic region	77	1.8	1.0
Rest of Europe	46	1.1	8.4
US	11	0.3	9.3
Rest of the world	4	0.1	0.9
Total	4,220	100	100.0

Note 9 Events after the end of the interim period

No other significant company events have occurred since the end of the reporting period on 31 January 2022.

Note 10 Effects of the transition to International Financial Reporting Standards (IFRS)

The transition to IFRS was made at the end of the financial year on 31 October 2021. The accounting principles that are set out in note 2 were applied when the consolidated financial statements for the Integrum group were prepared on 31 January 2022 and for the comparative information that was presented on 31 January 2021, on 30 April 2021 and when preparing the report of the period's opening financial position (opening balance sheet) on 1 May 2019 (the group's date for transition to IFRS).

According to IFRS 1, the group must show a reconciliation of the equity and total comprehensive income that were recognised according to previous accounting principles for previous periods with corresponding items according to IFRS. The transition date to IFRS was 1 May 2019. Explanations for the transition from previously applied accounting principles to IFRS and the effects the translation has had on the group's reporting of comprehensive income and equity are set out in this note.

As the consolidated financial statements according to IFRS are prepared, the parent company, Integrum AB, will apply RFR 2 *Accounting for legal entities* retroactively to the transition date of 1 May 2019. The transition to RFR 2 means no change for the parent company. The annual report for the parent company has been prepared in accordance with RFR 2 *Accounting for legal entities* and the Annual Accounts Act.

Choices that are being made during the transition to accounting according to IFRS

The transition to IFRS is reported in accordance with IFRS 1 *First-time adoption of International Financial Reporting*

Standards. The general rule is that all applicable IFRS and IAS standards that entered into force and were approved by the EU as at 31 October 2021 shall be applied with retroactive effect. However, IFRS 1 contains transitional provisions that give companies a certain choice.

Specified below are the IFRS-permitted exceptions from full retroactive application of all standards that Integrum has chosen to apply in the transition from the previously applied accounting principles to IFRS.

Exception for accumulated translation differences

IFRS 1 allows accumulated translation differences recognised in the equity to be set to zero on the date of transition to IFRS. This is a relief compared with determining accumulated translation differences in accordance with IAS 21, *The effects of changes in foreign exchange rates*, from the date a subsidiary was formed or acquired. Integrum has chosen to set to zero all accumulated translation differences in the translation reserve and reclassify these as profit brought forward on the date of transition to IFRS on 1 May 2019.

Leases

Commitments for operational leases according to the previously applied accounting principles on 30 April 2019	SEK 665 thousand
Discounting with the group's marginal borrowing rate 2.5%	SEK -34 thousand
Less short-term leases that are expensed on a straight-line basis	SEK -28 thousand
Additions: adjustments due to other management of options to extend or terminate agreements	SEK 1,842 thousand
Lease liability recognised in accordance with IFRS 16 as of 1 May 2019	SEK 2,445 thousand

When IFRS 16 was applied for the first time, the group used the following practical solutions that are permitted in IFRS 1:

- Rights of use have been valued at the lease liability value, with adjustment for prepaid or accrued lease fees attributable to the agreement as at 1 May 2019.
- The same discount rate has been used for leasing portfolios with similar characteristics
- Operational leases with a remaining leasing term of less than 12 months as at 1 May 2019 have been recognised as short-term leases
- Direct acquisition costs for rights of use have been excluded in the transition to IFRS, and
- historical information has been used in assessing the length of a lease in cases where there are options to extend or terminate an agreement.

Reconciliation between previously applied accounting principles and IFRS

According to IFRS 1, the group must present a reconciliation of equity and total comprehensive income that has been recognised according to previously applied accounting principles and equity and total comprehensive income according to IFRS. The group's transition to accounting in accordance with IFRS has had no impact on the total cash flows from operating activities, investing activities or financing activities. The tables below show the reconciliation

between the previously applied accounting principles and IFRS for each period for equity and total comprehensive income.

Reconciliation of assets and equity as at 01-05-2019, 30-04-2020 and 30-04-2021

Amounts in SEK thousand	Note	1 May 2019			Note	30 April 2020			Note	30 April 2021		
		According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS		According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS		According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS
ASSETS												
Subscribed but unpaid capital						2,000				2,000		
Non-current assets												
<i>Intangible assets</i>												
Capitalised expenditure for development work and similar work		179		179		93		93		1,512		1,512
Concessions, patents, licences, trademarks and similar rights		1,251		1,251		1,113		1,113		807		807
Total intangible assets		1,430		1,430		1,206		1,206		2,319		2,319
<i>Financial assets</i>												
Other long-term receivables		95		95								
Total financial assets		95		95								
Right of use assets	b)		2,441	2,441	b)		1,743	1,743	b)		1,046	1,046
Deferred tax assets		2,215		2,215		2,232		2,232		2,157		2,157
Total non-current assets	b)	3,740	2,441	6,181	b)	3,438	1,743	5,181	b)	4,476	1,046	5,522
Current assets												
<i>Inventories</i>												
Finished goods and goods for resale		4,797		4,797		4,932		4,932		10,047		10,047
Total inventories		4,797		4,797		4,932		4,932		10,047		10,047
<i>Current receivables</i>												
Accounts receivable	a)	3,492		3,492	a)	6,024		6,024	a)	12,059	-33	12,027
Tax assets		190		190		220		220		329		329
Other receivables		1,517		1,517		1,546		1,546		1,034		1,034
Prepaid expenses and accrued income		548		548		972		972		1,604		1,604
Liquid assets		10,621		10,621		13,064		13,064		7,658		7,658
Total current receivables	a)	5,747		16,368	a)	21,826		21,826	a)	22,684	-33	22,652
Total current assets	a)	21,165		21,165	a)	26,758		26,758	a)	32,731	-33	32,699
TOTAL ASSETS		24,905	2,441	27,346		32,196	1,743	33,939		37,207	1,013	38,220

Amounts in SEK thousand	Note	1 May 2019			Note	30 April 2020			Note	30 April 2021		
		According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS		According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS		According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS
EQUITY AND LIABILITIES												
Share capital		877		877		1,057		1,057		1,109		1,109
Other contributed capital		63,973		63,973		87,318		87,318		87,568		87,568
Reserves		-662	662	-		-827	662	-165		1,448	794	2,242
Profit/loss brought forward, including profit/loss for the period	a) b)	-48,137	-662	-48,799	a) b)	-63,822	-694	-64,516	a) b)	-65,830	-835	-66,665
Total equity attributable to parent company shareholders		16,051		16,051		23,726	-32	23,694		24,295	-41	24,254
Long-term liabilities												0
Other liabilities to credit institutions		503		503		486	0	486		444	0	444
Lease liability	b)		1,730	1,730	b)	0	1,065	1,065	b)	0	344	344
Total non-current liabilities		503	1,730	2,233		486	1,065	1,551		444	344	788
Current liabilities												
Other liabilities to credit institutions		904		904		238		238		42		42
Advance payments from customers						144		144				
Accounts payable		4,639		4,639		2,601		2,601		4,425		4,425
Lease liability	b)		711	711	b)	0	711	711	b)		711	711
Current tax liability												
Other liabilities		633		633		1,484		1,484		1,044		1,044
Accrued expenses and deferred income		2,174		2,174		3,517		3,517		6,957		6,957
Total current liabilities	a) b)	8,350	711	9,061	a) b)	7,984	711	8,695	a) b)	12,468	711	13,179
TOTAL EQUITY AND LIABILITIES	a) b)	24,904	2,441	27,345	a) b)	32,196	1,743	33,939	a) b)	37,207	1,013	38,220

Reconciliation of assets and equity as at 31-10-2019 and 31-10-2020

Amounts in SEK thousand	31 January 2020				31 January 2021			
	Note	According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS
ASSETS								
Subscribed but unpaid capital								
Non-current assets								
<i>Intangible assets</i>								
Capitalised expenditure for development work and similar work		115		115		182		182
Concessions, patents, licences, trademarks and similar rights		1,201		1,201		2,113		2,113
Total intangible assets		1,316		1,316		2,294		2,294
<i>Financial assets</i>								
Other long-term receivables	b)				b)			
Total financial assets	b)				b)			
Right of use assets			1917.8	1917.8			1,220	1,220
Deferred tax assets		2,222	0	2,222		2,153		2,153
Total non-current assets	b)	3,538	1,918	5,456	b)	4,447	1,220	5,667
Current assets								
<i>Inventories</i>								
Finished goods and goods for resale		4,365		4,365		7,514		7,514
Total inventories		4,365		4,365		7,514		7,514
<i>Current receivables</i>								
Accounts receivable	a)	9,988	16	10,004	a)	11,831	-37	11,793
Tax assets		154		154		405		405
Other receivables		1,343		1,343		586		586
Prepaid expenses and accrued income		1,013		1,013		1,552		1,552
Liquid assets		9,138		9,138		9,437		9,437
Total current receivables	a)	21,636	16	21,652	a)	23,810	-37	23,773
Total current assets	a)	26,000	16	26,016	a)	31,324	-37	31,287
TOTAL ASSETS		29,538	1,934	31,472		35,771	1,183	36,954

Amounts in SEK thousand	31 January 2020				31 January 2021			
	Note	According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS
EQUITY AND LIABILITIES								
Share capital		1,096		1,096		1,109		1,109
Other contributed capital		83,277		83,277		87,568		87,568
Reserves			9	9		1,794	-33	1,760
Profit/loss brought forward, including profit/loss for the period	a) b)	-60,068	75	-59,993	a) b)	-63,731	-2	-63,733
Total equity attributable to parent company shareholders		24,306	84	24,390		26,740	-35	26,704
Long-term liabilities								
Other liabilities to credit institutions	b)	423		423	b)	401		401
Lease liability	b)		1,323	1,323	b)	0	687	687
Total non-current liabilities		423	1,323	1,746		401	687	1,088
Current liabilities								
Liabilities to credit institutions		538		538		193		193
Advance payments from customers						144		144
Accounts payable		2,339	-184	2,155		2,836	-179	2,657
Lease liability	b)		711	711	b)		711	711
Current tax liability								
Other current liabilities		527		527		2,970		2,970
Accrued expenses and deferred income		1,406		1,406		2,487		2,487
Total current liabilities	a) b)	4,810	527	5,337	a) b)	8,629	532	9,161
TOTAL EQUITY AND LIABILITIES	a) b)	29,538	1,934	31,472	a) b)	35,771	1,183	36,954

Reconciliation of total comprehensive income as at 1 May 2019 – 30 April 2020 and 1 May 2020 – 30 April 2021

Amounts in SEK thousand	1 May 2019 – 30 April 2020				1 May 2020 – 30 April 2021			
	Note	According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS	Note	According to previous accounting principles	Total effect of transition to IFRS	Acc. to IFRS
Net sales		26,746		26,746		43,093		43,093
Other operating income		3,110		3,110	a)	8,385		8,385
Total		29,856		29,856		51,478		51,478
Raw materials and consumables		-5,381		-5,381		-8,205		-8,205
Other external costs	b)	-23,126	721	-22,405	b)	-18,899	759	-18,140
Employee benefit expenses		-14,686		-14,686		-16,571		-16,571
Depreciation of property, plant and equipment and amortisation of intangible assets		-567	-697	-1,264		-595	-697	-1,292
Other operating expenses		-1,776		-1,776	a)	-9,060	-33	-9,093
Total expenses		-45,536	24	-45,513		-53,330	29	-53,301
Operating profit		-15,680	24	-15,657		-1,852	29	-1,823
Financial income		218		218		455		455
Financial expenses	b)	-215	-56	-271	b)	-743	-38	-781
Net financial items		3	-56	-53		-288	-38	-326
Profit/loss before tax		-15,677	-32	-15,709		-2,140	-9	-2,149
Income tax		-8		-8				
Profit/loss for the period	a) b)	-15,685	-32	-15,717	a) b)	-2,140	-9	-2,149
Other comprehensive income:								
<i>Items that may be reclassified as profit/loss for the period</i>								
Exchange rate differences when translating foreign operations		-164	-15	-179		2,407	25	2,431
Other comprehensive income for the period		-164	-15	-179		2,407	25	2,431
Total comprehensive income for the period	a) b)	-15,849	-47	-15,896	a) b)	267	16	282

Reconciliation of total comprehensive income as at 1 May 2019 – 31 January 2020 and 1 May 2020 – 31 January 2021

Amounts in SEK thousand	1 May 2019 – 31 January 2020				1 May 2020 – 31 January 2021			
	Note	According to previous accounting principles	Total effect of IFRS	Acc. to IFRS	Note	According to previous accounting principles	Total effect of IFRS	Acc. to IFRS
Net sales		19,763		19,763		30,664		30,664
Other operating income		2,130		2,130		7,232		7,232
Total		21,893		21,893		37,896		37,896
Raw materials and consumables		-3,749		-3,749		-4,691		-4,691
Other external costs	b)	-16,271	523	-15,748	b)	-13,621	571	-13,050
Employee benefit expenses		-11,478		-11,478		-11,434		-11,434
Depreciation of property, plant and equipment and amortisation of intangible assets		-422	-523	-945		-446	-523	-969
Other operating expenses	a)	-1,137		-1,137	a)	-6,454		-6,454
Total expenses		-33,057	-1	-33,058		-36,645	48	-36,597
Operating profit		-11,164	-1	-11,165		1,251	48	1,298
Financial income		121		121		337		337
Financial expenses	b)	-150	-43	-194	b)	-1,484	-30	-1,514
Net financial items		-29	-43	-73		-1,147	-30	-1,177
Profit/loss before tax		-11,194	-44	-11,237		104	17	121
Income tax		-8		-8				
Profit/loss for the period	a) b)	-11,201	-44	-11,245	a) b)	104	17	121
Other comprehensive income:								
<i>Items that may be reclassified as profit/loss for the period</i>								
Exchange rate differences when translating foreign operations						2,466		2,466
Other comprehensive income for the period						2,466		2,466
Total comprehensive income for the period	a) b)	-11,201	-44	-11,245	a) b)	2,570	17	2,587

Reconciliation of total comprehensive income as at 1 November 2019 – 31 January 2020 and 1 November 2020 – 31 January 2021

Amounts in SEK thousand	Note	1 November 2019 – 31 January 2020			1 November 2020 – 31 January 2021			
		According to previous accounting principles	Total effect of IFRS	Acc. to IFRS	Note	According to previous accounting principles	Total effect of IFRS	Acc. to IFRS
Net sales		7,736		7,736		10,877		10,877
Other operating income		669		669		3,726		3,726
Total		8,405		8,405		14,604		14,604
Raw materials and consumables		-1,472		-1,472		-2,067		-2,067
Other external costs	b)	-5,385	197	-5,187	b)	-4,078	188	-3,890
Employee benefit expenses		-4,790		-4,790		-4,710		-4,710
Depreciation of property, plant and equipment and amortisation of intangible assets		-146	-174	-320		-149	-174	-323
Other operating expenses	a)	-516		-516	a)	-2,349		-2,349
Total expenses		-12,310	23	-12,286		-13,353	14	-13,339
Operating profit		-3,905	23	-3,882		1,251	14	1,265
Financial income		61		61		201		201
Financial expenses	b)	-74	-13	-87	b)	-1,122	-9	-1,131
Net financial items		-13	-13	-26		-921	-9	-930
Profit/loss before tax		-3,917	10	-3,908		330	5	334
Income tax		-8		-8				
Profit/loss for the period	a) b)	-3,925	10	-3,915	a) b)	330	5	334
Other comprehensive income:								
<i>Items that may be reclassified as profit/loss for the period</i>								
Exchange rate differences when translating foreign operations								
Other comprehensive income for the period								
Total comprehensive income for the period	a) b)	-3,925	10	-3,915	a) b)	330	5	334

- a) In the transition to IFRS 13, the group recognises unrealised currency effects attributable to currency hedging which previously were not recognised in the income statement as other operating income/expenses. The effect of currency hedging is recorded in the balance sheet against accounts receivable. This is because hedging is designed to mitigate currency fluctuations in intra-group receivables. In the income statement for the full 2020/21 year, the total net effect on the profit/loss for the year regarding unrealised currency effects amounts to SEK -33 thousand.
- b) In the transition to IFRS 16 the group recognises lease liabilities attributable to leases that were previously classified as operational leases in accordance with the rules in IFRS 16 Leases. These liabilities have been valued at the current value of future minimum lease fees. For the calculation, the lessee's marginal borrowing rate as at 1 October 2021 has been used. The lessee's weighted average marginal borrowing rate that is applied for these lease liabilities as at 1 October 2021 amounted to 2.5%. As a result of IFRS 16, the opening balance on 01-05-2019 entailed increased lease liabilities of SEK 2,441 thousand. As a result of IFRS 16, assets with a right of use have been recognised as SEK 2,441 thousand in the opening balance on 01-05-2019. Rights of use have been recognised for the initial lease liability adjusted for advance payments. In the income statement for the 2021/22 half year, the total net effect on the profit/loss for the period regarding leases amounted to SEK 18 thousand.

Note 11 Financial key ratios

In addition to the financial key ratios that have been prepared in accordance with IFRS, Integrum presents financial key ratios that are not defined according to IFRS, such as the operating margin and equity/assets ratio. These alternative key ratios are considered to be important key results and

performance indicators for investors and other users of the interim report. The alternative key ratios must be regarded as a supplement to, and not a replacement for, the financial information that has been prepared in accordance with IFRS. The Integrum group's definitions of these indicators, which are not defined according to IFRS, are described in this note.

Key ratios	Definition	Reasons for use
Net sales growth	The percentage net sales increase compared with a previous period.	Follow the company's net sales growth.
Operating income growth	The percentage change in the total operating income compared with a previous period.	Follow the company's operating income growth.
Operating profit/loss (EBIT)	Profit/loss before financial items and tax	Follow the company's profit/loss trend.
Operating margin (EBIT) (%)	EBIT in per cent of the period's net sales.	Follow the company's profit/loss trend.
Equity/assets ratio in %	Equity at the end of the period in relation to the balance sheet total at the end of the period	The equity/assets ratio shows the proportion of the balance sheet total that consists of equity and has been included so that investors can get an idea of the company's capital structure.
Equity per share	Equity divided by the number of shares at the end of the period.	Follow the company's historical earnings per share.
Employees	The number of employees at the end of the period.	Follow the company's growth in number of employees