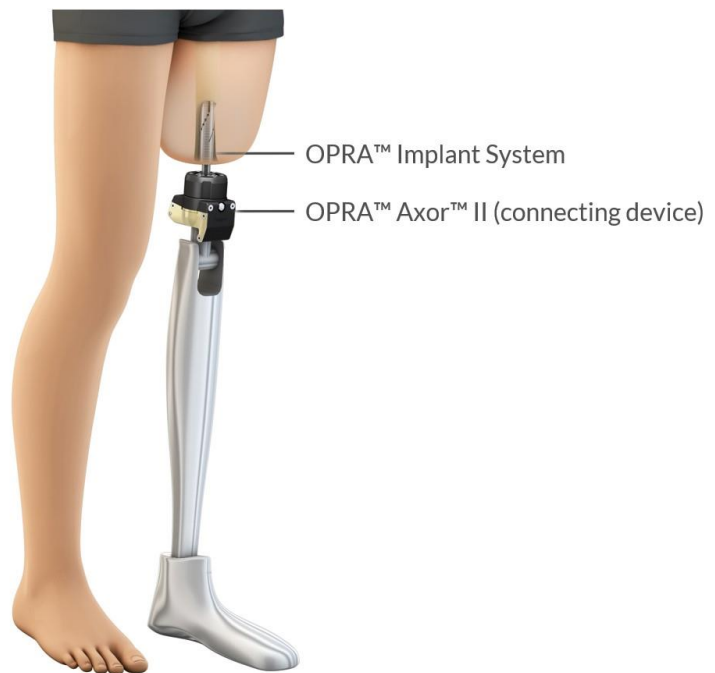

**INTERIM REPORT
MAY – JULY 2022
INTEGRUM AB (PUBL)**



Integrum

STEADY SALES GROWTH FUELLED BY INCREASED MARKET PENETRATION IN THE US

FIRST QUARTER 2022/23 (MAY – JULY)

- Net sales amounted to SEK 17.2 (12.9) million, which is an increase of 34% compared with the corresponding period last year. Strong growth of 45% in the US market, compared with the corresponding period last year
 - Operating profit amounted to SEK 0.4 (1.2) million.
 - Profit/loss after tax amounted to SEK -0.6 (1.3) million, which resulted in earnings per share of SEK -0.03 (0.08).
 - Cash flow from operating activities amounted to SEK -13.0 (-8.6) million, -4.8 MDR project and -12.8 Accounts Receivables, respectively.
Liquid assets as of 31 July 2022 amounted to SEK 57.3 (115.7) million.
- Significant events in the quarter**
- The number of centers that offers the treatment continues to grow. In the period three new centers in the US treated their first patients. And in Europe at the Karolinska University Hospital treated its first patient.
 - To streamline the market outreach, the marketing organization will be consolidated to the US subsidiary, which will oversee the company's marketing efforts in the US and globally. To lead this updated organization Ian Dawson has been recruited. He has held senior global marketing positions and brings over 25 years of experience in the marketing of orthopaedic implant systems.
 - Integrum will move its headquarter to the GoCo House, in the center of Health Innovation City. This new life science district in Gothenburg, is set to cover over 200 000 square meters of newly developed offices and facilities.
 - The board appointed Rickard Brånemark as the company's new CEO. In connection with this, Rickard Brånemark resigned as Chair of the Board, and Bengt Sjöholm was appointed Chair of the Board.
 - The ongoing MDR project has entered into a less intensive phase, with a lower cost level than previous periods. In the period 4.8 MSEK have been invested in the project and we expect the costs to remain on or below this level through the coming quarter.

GROUP KEY RATIOS

	May – July		May – April	
	2022/23	2021/22	2021/22	2020/21
Net sales, SEK thousand	17,235	12,882	55,724	43,093
Net sales growth (%)	33.8	78.6	29.3	61.1
Operating income growth (%)	86.7	119.3	49.0	72.4
Operating profit/loss, SEK thousand	366	1,247	1,039	-1,822
Profit/loss after financial items, SEK thousand	-550	1,282	1,185	-2,149
Balance sheet total, SEK thousand	170,590	151,861	180,371	38,220
Equity/assets ratio, %	89.8	92.2	88.5	63.5
Number of employees at end of period	32	22	29	20
Equity per share, SEK	8.6	8.8	9.0	1.5
Share price on balance sheet date, SEK	53	81.1	42	54.8
Market value on balance sheet date, SEK million	943.5	1,284.5	747.7	868.1

For definitions, see page 20.

CEO's statement

Integrum continues to deliver steady sales growth. During the past quarter, Integrum's revenues amounted to SEK 17.2 million, representing a growth of 34 percent compared to the corresponding quarter last year. This marks a solid start for a new financial year and strengthens us in our endeavour for further growth.

In our most important market – the US – we are proud to announce a growth of 45 percent. During the quarter, three new centers in the US performed their first surgeries. Also, the structure of the new treatment program within the US Department of Veterans Affairs (VA) is now in place, the first patients are being recruited and treated.

To strengthen the support to customers and deepen our relations with payers, we have initiated a comprehensive reimbursement project that will further elucidate the long-term benefits and value added by the use of our products.

For continued growth, we need to constantly expand our patient base. Most amputees suffering from a bad functioning socket prosthesis are still unaware that our OPRA™ Implant System may offer a considerably higher quality of life, much of our untapped potential lies in increased awareness among patients. We are in the US launching an extensive social media campaign and other PR activities to help increase awareness around the OPRA™ Implant System as a better alternative for transfemoral amputees. We also hosting an increasing number of OPRA™ Insight Forum where we gathered professionals and patients to educate them about the benefits of our treatment.

Successful marketing is increasingly important in this phase of the company's development. To streamline our market outreach, we have started to consolidate our marketing organization to our US subsidiary, which will oversee the company's marketing efforts in the US and globally. To lead this updated organization we have recruited Ian Dawson, who has held senior global marketing positions in several leading medical device companies and brings over 25 years of experience in the marketing of orthopaedic implant systems. In his most recent role, he was leading the launch

of the Zimmer Biomet orthopaedic robotic platform in the US, and we are very pleased to have managed to attract Ian to Integrum. This organizational update will help us in establishing the infrastructure needed to drive further growth.

The list of top-performing and reputable medical institutions around the globe using our solution is growing. During the quarter, Karolinska University Hospital in Solna, Sweden, performed its first surgeries with Integrum OPRA™ Implant System and is now offering our innovative bone anchored prosthesis technology to patients.

Integrum is not just growing in terms of sales, we are expanding our business and have decided to relocate to new premises. In the spring of 2023, Integrum will move headquarter to the GoCo House, in the center of Health Innovation City. This new life science district in Mölndal, Gothenburg, is set to cover over 200 000 square meters of newly developed offices and facilities, with the aim of promoting knowledge exchange, business collaboration, and world-class innovation in life science and health care.

We are convinced that the move will not only bring us both more space for our ongoing expansion but also make us an even more attractive employer to those who want to join our journey to change amputee care forever.

In close collaboration with health providers, leading surgeons, and rehabilitation professionals, and prosthetists, we are now even more forcefully continuing our efforts to improve access to our unique implant system with the aim of improving the quality of life for patients all over the world.

Mölndal, 31 August 2022

Rickard Brånemark
Chief Executive Officer

Period 2022/23 (1 May 2022 – 31 July 2022)

Net sales

Net sales for the first quarter of the year amounted to SEK 17.2 (12.9) million, an increase of 34% compared with the same period in the previous year. Calculated in local currency, sales increased by 33%. For revenue per market, see note 4 on page 19.

In the period, the US market accounted for 76% (70%) of net sales. We have continued to host OPRA™ Insight Forums, with 2 events having taken place in the period. These events are a good way for potential patients to meet surgeons, company representatives and amputees who have already made the decision and completed the treatment.

In markets outside the US, especially the German market is continuing to develop with new hospitals showing interest and starting up the treatment. Main portion of sales is coming from centers in Sweden, Germany and Australia. The recovery after the pandemic has been faster in the US, but we are now starting to see that the recovery is picking up outside the US too. The limited growth in Europe during the quarter is partly due to the vacation period.

Costs and profit/loss

The cost of goods sold amounted to SEK -2,435 thousand, corresponding to a gross margin of 86% (82%). Taking into account the currency effects related to internal sales to the subsidiary company Integrum Inc., the gross margin for the period amounted to 85% (83%). 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 compensation that the company's contracted sellers receive, primarily in the US, in connection with product sales. This also includes agreements with Onkos Surgical and Implantcast Benelux.

Other external costs during the quarter amounted to SEK -10,741 (-5,601) thousand. Sales and marketing costs during the period amounted to SEK -4,181 (-1,695) thousand, corresponding to 39% (30%) of other external costs.

Employee benefit expenses during the period amounted to SEK -8,514 (-4,310) thousand. During the period, employee benefit expenses of SEK 999 (0) thousand were capitalized for work related to the ongoing MDR certification. The increase between periods is due to new recruitment. 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 6,942 thousand on the quarter's operating profit, attributable among other things to the translation of the receivables 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 4,107 thousand. Negative currency effects are recognised as other operating expenses and amounted to SEK -2,835 thousand during the quarter.

During the quarter, SEK 4,810 (233) thousand was capitalized as intangible assets. The costs refer to other external costs as well as time spent internally. 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 decrease in scale in the coming quarters.

Total depreciation/amortization amounted to SEK 284 (324) thousand during the quarter. Depreciation/amortization attributable to the application of IFRS 16 amounted to SEK 174 (194) thousand. The remaining amount relates to amortization of patents granted.

Cash flow

During the period May – July 2022, cash flow from operating activities amounted to SEK -265 thousand as compared with SEK 1,606 thousand for the corresponding period in 2021/22.

Cash flow from changes in working capital amounted to SEK -13,030 (-8,553) thousand. Accounts receivable increased on the asset side, and the company's operating liabilities and inventory reduced during the quarter.

Cash flow from investing activities amounted to SEK -4,930 (-272) thousand. The ongoing MDR project amounts to SEK -4,810 thousand.

Cash flow from financing activities amounted to SEK -97 (-116,833) thousand.

Financial position

As of 31 July 2022, the group's liquid assets amounted to SEK 57.3 million, with equity of SEK 153.2 million and the equity/assets ratio being 86.1%. As of 31 July 2021, the group's liquid assets amounted to SEK 115.7 million, with equity of SEK 140.0 million and the equity/assets ratio being 92.2%. Equity per share amounted to SEK 8.6 (8.8) as of 31 July 2022.

Parent company

In the period the parent company Integrum AB signed an agreement for new office spaces. The relocation is expected to take place in the spring of 2023. The new office space is located at GoCo Health Innovation City located in Gothenburg.

Future prospects

Integrum predicts that the growth rate of the company's sales revenues will still continue to be affected by the COVID-19 pandemic effects in the short term. The healthcare sector is now starting to return to full surgical capacity, but there remains a backlog of elective surgeries.

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

We are continuing 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 cash position, which on 31 July amounted to SEK 57.3 million, provides a solid basis 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 32 (22), of which 15 (12) are women and 17 (10) men. Of these, 25 (19) were people employed in Sweden and 7 (3) in the US. In addition, the company is retaining external consultants as needed for individual projects. The cost of consultants is recognised as other external costs.

Related party transactions

During the period, companies related to CEO Rickard Brånemark invoiced the company SEK 455 thousand for his job as CEO for the company in the period. 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.

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

Financial statements

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

Upcoming reports

- The annual report for the 2021/22 financial year will be published in the week starting 5 Sept 2022
- The interim report for the second quarter 2022/23 will be published on 1 December 2022
- The interim report for the third quarter 2022/23 will be published on 1 March 2023
- The year-end report for the 2022/2023 financial year will be published on 8 June 2023

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 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

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

Assurance

The board of directors and the CEO declare that the interim report 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, 31 August 2022

Rickard Brånemark
Chief Executive Officer
and Board Member

Bengt Sjöholm
Chair of the Board

Artur Aira
Board Member

Andrew Christensen
Board Member

Patric Lindgren
Board Member

Karin Johansson Wingstrand
Board Member

Cecilia Wikström
Board Member

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, CFO
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dennis.baecklund@integrum.se

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousand	Note	May – July		May – April
		2022/2023	2021/2022	2021/2022
Net sales	4	17,235	12,882	55,724
Work performed by company for own use and capitalized		999	0	2,431
Other operating income	5	6,942	3,076	18,527
Total		25,176	15,957	76,682
Cost of goods sold		-2,435	-2,358	-11,597
Other external costs	7	-10,741	-5,601	-29,580
Personnel expenses		-8,514	-4,310	-25,825
Depreciation and impairment of intangible assets		-284	-324	-1,264
Other operating expenses	6	-2,835	-2,118	-7,377
Total expenses		-24,810	-14,711	-75,643
Operating profit/loss		366	1,247	1,039
Financial income and expenses				
Financial income		45	102	308
Financial expenses		-960	-67	-163
Net financial items		-550	35	146
Profit/loss after financial items		-550	1,282	1,185
Profit/loss before tax		-550	1,282	1,185
Income tax		-	-	20,088
Profit/loss for the period		-550	1,282	21,272
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		-5,966	-394	-4,331
Other comprehensive income for the period		-5,966	-394	-4,331
Total comprehensive income for the period		-6,516	888	16,941

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	May – July		May – April
		2022/2023	2021/2022	2021/2022
Earnings per share before dilution	8	-0.03	0.08	1.19
Earnings per share after dilution	8	-0.03	0.08	1.17

STATEMENT ON CONSOLIDATED FINANCIAL POSITION

Amounts in SEK thousand	Note	31/07/2022	31/07/2021	30/04/2022
ASSETS				
Non-current assets				
Intangible assets				
Capitalized expenditure for development work and similar work		35,873	1,745	30,973
Concessions, patents, licences, trademarks and similar rights		279	688	389
Total intangible assets		43,622	2,433	31,363
Right of use		159	872	349
Deferred tax assets		22,036	2,165	21,903
Total non-current assets		58,258	5,470	53,614
Current assets				
Inventories				
Finished goods and goods for resale		19,959	11,459	20,119
Total inventories		19,959	11,459	20,119
Current receivables				
Accounts receivable		27,846	14,712	24,106
Tax assets		1,007	369	414
Other receivables		3,288	740	-
Prepaid expenses and accrued income		2,969	3,418	6,799
Liquid assets		57,262	115,667	75,319
Total current receivables		92,373	134,933	106,638
Total current assets		112,332	146,392	126,757
TOTAL ASSETS		170,590	151,861	180,371

STATEMENT ON CONSOLIDATED FINANCIAL POSITION cont.

Amounts in SEK thousand	Note	31/07/2022	31/07/2021	30/04/2022
EQUITY				
Share capital		1,275	1,263	1,275
Other contributed capital		205,921	201,508	205,921
Reserves		-8,727	1,211	-2,726
Profit/loss brought forward, including profit/loss for the period		-45,305	-63,962	-44,755
Total equity attributable to parent company shareholders		153,164	140,020	159,715
LIABILITIES				
Long-term liabilities				
Lease liabilities		-	168	-434
Total non-current liabilities		-	168	-434
Current liabilities				
Liabilities to credit institutions		169	254	232
Accounts payable		6,060	2,983	10,800
Lease liabilities		243	859	711
Other current liabilities		2,214	1,079	1,163
Accrued expenses and deferred income		7,068	6,498	8,183
Total current liabilities		17,426	11,673	21,089
TOTAL EQUITY AND LIABILITIES		170,590	151,861	180,371

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 2021		1,109	87,568	1,605	-66,028	23,694
Profit/loss for the period					-2,149	-2,149
Other comprehensive income for the period				-394		2,431
Total comprehensive income		0	0	-394	-2,149	283
Transactions with shareholders						
New share issue		154	114,865			115,019
Warrants						
Total transactions with shareholders		154	114,865			115,019
Closing balance on 31 July 2021		1,263	202,433	1,211	-64,745	140,161
Opening balance on 1 May 2022		1,275	205,931	-2,726	-44,755	159,715
Profit/loss for the period					-550	-550
Other comprehensive income for the period				-5,966		-35
Total comprehensive income		0	0	-5,966	-550	-6,516
Transactions with shareholders						
New share issue						
Warrants						
Total transactions with shareholders		0	0	0	0	0
Closing balance on 31 July 2022		1,275	205,921	-8,727	-45,305	153,164

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

Amounts in SEK thousand	Note	May – July		May – April
		2022/2023	2021/2022	2021/2022
Operating activities				
Profit/loss before financial items		366	1,247	1,039
Interest received		45	102	308
Interest paid		-960	-67	-163
Adjustments for items not included in cash flow etc.		284	324	1,264
Cash flow from operating activities before change in working capital		-265	1,606	2,449
Cash flow from changes in working capital				
Changes in inventories		160	-1,934	-10,905
Changes in operating receivables		-6,792	-5,315	-17,991
Changes in operating liabilities		-6,132	-2,909	6,054
Cash flow from operating activities		-13,030	-8,553	-20,393
Investing activities				
Purchase of intangible assets		-4,930	-272	-29,268
Cash flow from investing activities		-4,930	-272	-29,268
Financing activities				
New share issue		-	117,092	117,092
Warrants		-	0	1,261
Leases		-34	-195	-777
Repayment of debt		-63	-64	-254
Cash flow from financing activities		-97	-116,833	117,322
Cash flow for the period		-18,057	-108,009	67,661
Liquid assets at the start of the period		75,319	7,658	7,658
Liquid assets at end of period		57,262	115,667	75,319

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK thousand	Note	May – July		May – April
		2021/2022	2020/2021	2021/2022
Net sales	7	6,475	18,242	55,748
Work performed by company for own use and capitalized		999	-	2,431
Other operating income		6,530	3,056	18,532
Total		14,003	21,297	76,711
Cost of goods sold		-1,488	-1,944	-16,317
Other external costs	7	-7,165	-4,489	-20,120
Personnel expenses		-5,291	-3,355	-17,954
Depreciation of intangible assets		-110	-130	-534
Other operating expenses		-2,700	-1,160	-7,488
Total operating expenses		-16,754	-12,077	-62,412
Operating profit/loss		-2,751	9,220	14,298
Financial income and expenses				
Interest income and similar income statement items		42	110	308
Interest expenses and similar income statement items		-961	-69	-183
Total profit/loss from financial items		-3,670	9,262	14,424
Profit/loss after financial items		-3,670	9,262	14,424
Appropriations		-	-	340
Tax on profit for the period		-	-	6,341
Profit/loss for the period		-3,670	9,262	21,106

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	31/07/2022	31/07/2021	30/04/2022	30/04/2021
ASSETS					
Non-current assets					
Capitalized expenditure for development work		35,873	1,745	30,973	1,512
Concessions, patents, licences, trademarks and similar rights		279	689	389	807
Total intangible assets		36,153	2,434	31,363	2,319
Financial assets					
Participations in group companies		564	453	517	521
Deferred tax assets		8,056	1,714	8,056	1,714
Total financial assets		8,619	2,167	8,573	2,235
Total non-current assets		44,772	4,601	39,935	4,554
Current assets					
Inventories					
Finished goods and goods for resale		7,811	9,427	6,070	8,383
Total inventories		7,811	9,427	6,070	8,383
Current receivables					
Accounts receivable		1,135	2,385	3,108	1,901
Receivables from group companies		92,982	55,573	84,123	41,436
Tax assets		898	304	239	239
Other receivables		1,551	740	-	1,034
Prepaid expenses and accrued income		1,412	1,144	4,523	1,388
Total current receivables		97,981	60,146	91,994	45,998
Cash and bank balances		53,164	113,313	72,292	4,938
Total current assets		158,956	182,887	170,280	59,320
TOTAL ASSETS		203,728	187,488	210,216	63,874

PARENT COMPANY BALANCE SHEET IN SUMMARY cont.

Amounts in SEK thousand	Note	31/07/2021	31/07/2021	30/04/2022	30/04/2021
EQUITY AND LIABILITIES					
EQUITY					
Restricted equity					
Share capital		1,275	1,263	1,275	1,109
Statutory reserve		5	5	5	5
Total restricted equity		1,280	1,268	1,280	1,114
Non-restricted equity					
Share premium reserve		205,024	200,564	204,684	68,599
Profit or loss from previous period		-12,138	-32,942	-33,243	-32,942
Profit/loss for the period		-3,670	9,262	21,106	18,025
Total non-restricted equity		189,217	176,885	192,547	53,683
TOTAL EQUITY		190,497	178,153	193,827	54,797
LIABILITIES					
Long-term liabilities					
Other liabilities to credit institutions		-	168	-	444
Total non-current liabilities		-	168	-	444
Current liabilities					
Liabilities to credit institutions		169	254	232	42
Accounts payable		5,258	2,673	9,606	3,230
Other current liabilities		2,214	1,079	1,163	1,044
Accrued expenses and deferred income		5,590	5,160	5,384	4,317
Total current liabilities		13,231	9,167	16,389	8,633
TOTAL LIABILITIES		13,231	9,335	16,389	9,077
TOTAL EQUITY AND LIABILITIES		203,728	187,488	210,216	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 Corporate 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 amortized 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 amortization 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 amortized 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 of 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 maximize 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 Capitalized 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 capitalized 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 amortization and impairment. Expenses for internally generated goodwill and brands are recognised in the income statement as expenditure as they arise.

Capitalized development costs are recognised as intangible assets and are amortized 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 amortization and impairment.

2.9.3 Useful lives for the group's intangible assets

Capitalized 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 (capitalized expenditure for development work) are not amortized but are tested annually for any impairment requirements. Assets that are amortized 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 *amortized cost* category.

Financial assets at amortized 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 amortized 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 amortized cost consist of the items other long-term receivables, accounts receivable and liquid assets.

Financial liabilities measured at amortized cost

The group's financial liabilities are classified as subsequently valued at amortized 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 amortized 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 amortized cost

The group assesses future expected loan losses that are linked to assets recognised at amortized 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 amortized 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 amortized 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 linked to the possibility of being capitalized as capitalized development assets.

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

Each year the group investigates whether there are any impairment requirements for capitalized 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 7,469 thousand have been included in leasing liabilities as it is regarding the new office lease that was signed in June 2022.

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 deficits in the companies will be used in the foreseeable future. In the financial statements as at 30 April 2022 the company has therefore assessed that reporting a deferred tax asset for the available taxable deficits 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	May – July		May – April
	2022/ 2023	2021/ 2022	2021/ 2022
Sweden	673	850	4,437
US	13,122	9,030	43,086
Other countries	3,441	3,002	8,201
Total	17,235	12,882	55,724

Note 5 Other operating income

Amounts in SEK thousand	May – July		May – April
	2022/ 2023	2021/ 2022	2021/ 2022
Exchange gains	6,942	3,041	15,866
Other income	999	35	2,661
Total	7,941	3,076	18,527

Note 6 Other operating expenses

Amounts in SEK thousand	May – July		May – April
	2022/ 2023	2021/ 2022	2021/ 2022
Exchange losses	-2,835	-2,118	-7,388
Total	2,835	-2,118	-7,388

Note 7 Transactions with related parties

Related party relationships

The parent company has related party relationships with the Integrum Inc. and Integrum Sweden AB subsidiaries. Of the parent company's total income and purchases, SEK 10,842 (10,916) thousand relates to income from the subsidiary and SEK 0 (0) thousand to purchases from the subsidiary.

Amounts in SEK thousand	May – July		May – April
	2022/ 2023	2021/ 2022	2021/ 2022
Sales to related companies	10,842	10,916	43,688

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 remuneration, CEO Rickard Brånemark, received consultancy fees of SEK 455 (695) thousand for his job as CEO for the company in the period. The cost has been recognised in other external expenses. Transactions with related parties take place on market terms.

Amounts in SEK thousand	May – July		May – April
	2022/ 2023	2021/ 2022	2021/ 2022
Purchases from senior executives	455	695	3,476

Note 8 Earnings per share

	May – July		May – April
	2022/ 2023	2021/ 2022	2021/ 2022
Consolidated profit/loss for the period, SEK thousand	-550	1,282	21,273
Weighted average number of shares before dilution	17,801,305	15,838,039	17,801,305
Dilution effect of option programs	368,350	545,350	368,350
Weighted average number of shares after dilution	18,169,655	16,383,389	18,169,655
Earnings per share before dilution	-0.03	0.08	1.19
Earnings per share after dilution	-0.03	0.08	1.17

Share warrant program

At Integrum's annual general meeting on 30 September 2019, it was decided that a new incentive program 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 program, 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 program, 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 3,943 shareholders registered at Euroclear, of which 3,832 (97.18%) are resident in Sweden.

	Number of shareholders	Shareholders (%)	Holding (%)
Sweden	3,832	97.18	81.83
Rest of Nordic region	59	1.50	0.63
Rest of Europe	40	1.01	5.89
US	10	0.25	11.64
Rest of the world	2	0.05	0.00
Total	3,943	100	100

Note 9 Events after the end of the interim period

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

Note 10 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