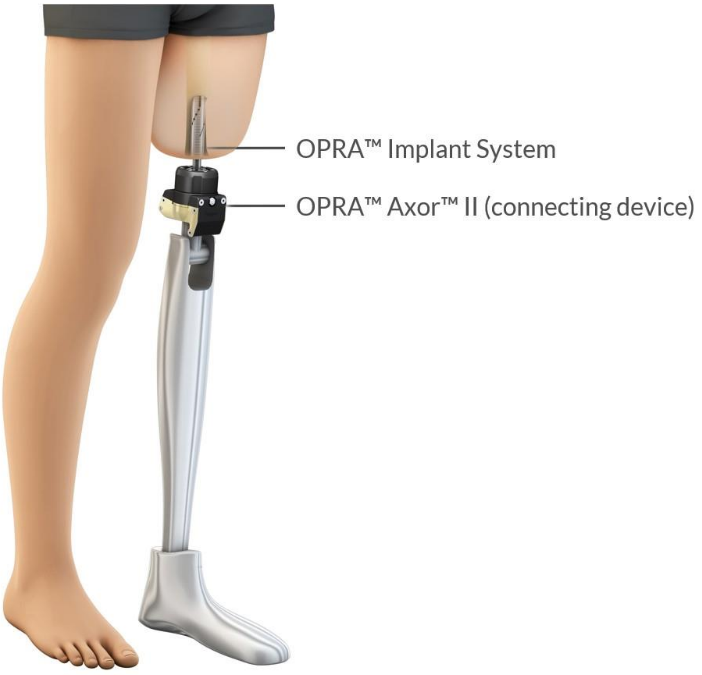
INTERIM REPORT
MAY – OCTOBER 2022
INTEGRUM AB (PUBL)



CONTINUED STEADY GROWTH SHOWS THAT WE ARE ON TRACK TO ESTABLISH OPRA™ IN THE US

SECOND QUARTER 2022/23 (AUG – OCT)

- Net sales amounted to SEK 20,2 (11,9) million, which is an increase of 70% compared with the corresponding period last year. The growth in the US market is 78% compared with the corresponding period last year.
- Operating profit amounted to SEK 0,9 (-0,2) million.
- Profit/loss after tax amounted to SEK 2,3 (16,2) million, which resulted in earnings per share of SEK 0,13 (0,90).
- Cash flow from operating activities amounted to SEK -1,0 (1,2) million. Liquid assets as of 2022-10-31 amounted to SEK 53,4 (110,6) million.

Significant events in the second quarter

- The number of hospitals offering the treatment continue to increase. In the period 6 new hospitals approved the treatment in the US. In Europe, Oslo University Hospital and the Karolinska University Hospital in Stockholm are expanding the treatment with additional amputation levels on both upper and lower limb. University Hospital of Regensburg in Germany recently started a treatment program.
- Researchers at Massachusetts Institute of Technology (MIT) have decided to use OPRA™ and e-OPRA™ in its research. This is a great recognition of the unique capabilities that our research and implant systems bring to patients, both today with OPRA™ and tomorrow with e-OPRA™.
- United States Patent and Trademark Office approved patent for the OPRA™ Implant System. The system is now patent protected until 2044 in the US.
- The company received ISO 13485 certification in the quarter. This is a part of the investments done in the MDR project. Is it now verified that Integrum's QMS system is appropriate and meet regulatory medical device requirements.
- A scientific paper on sensory feedback using the OPRA™ Implant System together with e-OPRA™ is under academic evaluation regarding potential research misconduct.

1 MAY – 31 OCTOBER 2022/23 (6 MONTHS)

- Net sales amounted to SEK 37,5 (24,8) million, which is an increase of 51% compared with the corresponding period last year. The growth in the US market is 62% compared with the corresponding period last year
- Operating profit amounted to SEK 0,3 (1,0) million.
- Profit/loss after tax amounted to SEK 1,8 (17,5) million, which resulted in earnings per share of SEK 0,10 (0,97).
- Cash flow from operating activities amounted to SEK -14,0 (-5,3) million.
- 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.

GROUP KEY RATIOS

	August – October		May – October		Full year
	2022	2021	2022	2021	2021/22
Net sales, SEK thousand	20 226	11 883	37 461	24 765	55 724
Net sales growth (%)	70,2	-5,5	51,3	25,2	29,3
Operating profit/loss, SEK thousand	873	-243	1 239	1 003	1 039
Profit/loss after financial items, SEK thousand	883	-321	333	961	1 185
Balance sheet total, SEK thousand	167 894	176 553	167 894	176 533	180 371
Equity/assets ratio, %	89,3	89,6	89,3	89,6	88,5
Number of employees at end of period	31	23	31	23	29
Equity per share, SEK	8,4	8,77	8,4	8,77	9,0
Share price on balance sheet date, SEK	27,7	79,5	27,7	79,5	42
Market value on balance sheet date, SEK million	485,9	1 434,0	485,9	1 434,0	747,7

For definitions, see page 22.

CEO's statement

In our second quarter, revenues amounted to SEK 20,2 million, representing a growth of 70 percent compared to the corresponding quarter last year. Growth in local currency was 42 percent for the total group as well as in the US compared to the same period last year. The numbers show that we are on track to establish the OPRA™ Implant System in the US market and that our focused strategy pays off. We are at the same time determined to accelerate our efforts in both the US and Europe to speed up market penetration, and to offer an even larger group of persons with mobility challenges a normalized and active life.

Continued focus to enable long-term growth in the US
One of our focus areas in the US is to increase the number of hospitals that approve treatments with the OPRA™ Implant System. The process to receive a new hospital approval can be demanding, due to administrative processes and extensive evaluations pertaining to performance and pricing. We are learning by doing. During the second quarter we received six new hospital approvals, and in total we have now signed agreements with 35 hospitals in the US. Another focus area is to increase the number of treatments per hospital. There are several steps involved and increasing the awareness among all stakeholders is crucial. One part of the significant marketing effort is the recently launched social media campaign primarily increasing awareness among persons living with mobility challenges. We have also launched the OPRA™ Ambassador program which, together with a PR campaign and the social media program, will generate broad attention to the treatment benefits with our bone-anchored implant system.

The US reimbursement system is complex, and for longer term growth we are establishing a comprehensive plan for gaining wider-spread reimbursement, including MediCare During the quarter we have developed and started to implement such a plan together with leading strategists in the area. The goal is to create a new standard of care.

In discussions with payers, health economics is key, and we have already collected a first set of data showing convincing evidence for the economic benefits of using OPRA™ Implant System in the US market.

In October we received approval in the US for a patent covering not only important design features of the OPRA™ Implant System, but also design features that are of vital importance to e-OPRA™ and other future versions of the implant system. The patent grants Integrum exclusivity to these design features until 2044 and provides a good foundation for our long-term growth in the US.

Delayed scaling up in Europe
In Europe we continue to see a delayed pandemic effect on elective surgeries. Still, we are delighted to welcome the scale-up of the use of OPRA™ Implant System at the Oslo University Hospital. The hospital has expanded its patient offering to include artificial thumb replacement surgery, while the number of above-knee patients is also expected to increase. We see the same interest at the Karolinska University Hospital in Sweden, and at the University Hospital of Regensburg in Germany surgeons have performed the first thumb replacement using OPRA™ Implant System, a procedure which now will be offered to additional patients.

ISO 13485 certification confirms our quality work
Being a growing MedTech company with global ambitions, we need a best-in-class quality management system (QMS). In October we received the ISO 13485 certification for medical devices, confirming that our QMS is appropriate and meet regulatory requirements.

Transparency and quality are core values both for Integrum as a company and for me personally as a scientist and clinician. I, therefore, welcome the recent correction of the Brief Report originally published in the New England Journal of Medicine (NEJM) in April 2020, and the assessment that has been initiated by an academic external ethics committee of me personally, in my role as a researcher affiliated with Gothenburg University.

MIT using e-OPRA™ underpins future possibilities
The development of e-OPRA™ – the world's first mind-controlled prosthesis – is continuing and new pathways are being explored together with MIT. At the Center for Bionics the lower limb is at focus and e-OPRA™ will, in combination with novel reconstructive procedures drive restoration possibilities after amputation to the unimaginable …

This is not only a great recognition of the unique capabilities that Integrum's research brings to patients, but also a cost-effective way to explore future research possibilities.

Based on the current macro-economic situation we consider growth with cost awareness to be the prevailing strategy. This is not stopping us from aggressively pursue R&D with soft money from international research programs collaborations

We are here for those that can benefit from our achievements, and I know I speak for all my fantastic co-workers at Integrum, we are proud to be able to help other humans to live better lives. We can do more, and we will do more.

Mölndal, 1 December 2022

Rickard Brånemark
Chief Executive Officer

Second Quarter 2022/23 (August – October)

Net sales

Net sales for the second quarter of the year amounted to SEK 20,2 (11,9) million, an increase of 70% compared with the same period in the previous year. Calculated in local currency, sales increased by 42%. For revenue per market, see note 4 on page 21.

In the period, the US market accounted for 84% (80) of net sales.

Costs and profit/loss

The cost of goods sold amounted to SEK -4 087 thousand, corresponding to a gross margin of 80% (90). Taking into account the currency effects related to internal sales to the subsidiary Integrum Inc., the gross margin for the period amounted to 81% (79). The gross margin is affected by the distribution between the OPRA™ Implant System and the Axor™ safety device. 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 -11 732 (-6 353) thousand. Sales and marketing costs during the period amounted to SEK -4 332 (-2 604) thousand, corresponding to 37% (41) of other external costs.

Employee benefit expenses during the period amounted to SEK -10 766 (-5 858) thousand. During the period, employee benefit expenses of SEK 1 299 (0) thousand were capitalized for work related to the ongoing MDR certification. The increase between periods is due to new recruitment. The company is expanding and the increase in employee benefit expenses is estimated to continue in the next quarter.

Unrealised currency effects had a positive impact of SEK 6 209 thousand on the quarter's operating profit, attributable among other things to the translation of the receivables from the subsidiary 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 10 873 thousand. Negative currency effects are recognised as other operating expenses and amounted to SEK -4 663 thousand during the quarter.

During the quarter, SEK 3 242 (6 046) 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 expenses related to the MDR adaptation will continue to decrease in the coming quarters.

Total depreciation/amortization amounted to SEK 276 (298) thousand during the quarter. Depreciation/amortization attributable to the application of IFRS 16 amounted to SEK 174 (174) thousand. The remaining amount relates to amortization of patents granted.

Cash flow

During the period August – October 2022, cash flow from operating activities before changes in working capital amounted to SEK -5 252 thousand as compared with SEK 1 238 thousand for the corresponding period in 2021/22. Cash flow from changes in working capital amounted to SEK 4 219 (1 236) 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 -3 318 (-6 046) thousand. The ongoing MDR project amounts to SEK -3 318 thousand.

Cash flow from financing activities amounted to SEK 529 (-236) thousand.

1 May 2022 – 31 October 2022 (6 months)

Net sales

Net sales for the period amounted to SEK 37,5 (24,8) million, an increase of 51% compared with the same period in the previous year. Calculated in local currency, sales increased by 29%. For revenue per market, see note 4 on page 21.

In the period, the US market accounted for 80% (75) of net sales.

Costs and profit/loss

The cost of goods sold amounted to SEK -6 522 thousand, corresponding to a gross margin of 83% (86). Taking into account the currency effects related to internal sales to the subsidiary company Integrum Inc., the gross margin for the period amounted to 83% (81).

Other external costs during the period amounted to SEK -22 473 (-11 954) thousand. Sales and marketing costs during the period amounted to SEK -10 637 (-4 300) thousand, corresponding to 47% (36) of other external costs.

Employee benefit expenses during the period amounted to SEK -19,281 (-10,168) thousand. During the period, employee benefit expenses of SEK 2,298 (0) thousand were capitalized for work related to the ongoing MDR certification. The increase between periods is due to new recruitment.

Unrealised currency effects had a positive impact of SEK 10 316 thousand on in the periods 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 period amounted to SEK 17 814 thousand. Negative currency effects are recognised as other operating expenses and amounted to SEK -7 498 thousand during the period.

During the period, SEK 7 343 (6 283) 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).

Total depreciation/amortization amounted to SEK 560 (622) thousand during the period. Depreciation/amortization attributable to the application of IFRS 16 amounted to SEK 348 (349) thousand. The remaining amount relates to amortization of patents granted.

Cash flow

During the period May – October 2022, cash flow from operating activities before changes in working capital amounted to SEK -11 548 thousand as compared with SEK -5 274 thousand for the corresponding period in 2021/22. Cash flow from changes in working capital amounted to SEK 2 409 (-6 857) thousand.

Cash flow from investing activities amounted to SEK -8 352 (-6 283) thousand. The ongoing MDR project amounts to SEK –7 479 thousand.

Cash flow from financing activities amounted to SEK 432 (-114 524) thousand.

Financial position

As of 31 October 2022, the group's liquid assets amounted to SEK 53,4 million, with equity of SEK 149,9 million and the equity/assets ratio being 89,3%. As of 31 Oct 2021, the group's liquid assets amounted to SEK 110,6 million, with equity of SEK 158,2 million and the equity/assets ratio being 89,6%. Equity per share amounted to SEK 8,4 (8,77) as of 31 October 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.

Current market activities and future prospects

Integrum predicts that the growth rate of the company's sales revenues will still partly be affected by the lingering effects of the pandemic in the short term. However, the recovery after the pandemic has been faster in the US where it now is back to full surgical capacity, but there remains a backlog of selective surgeries.

We have continued to work on our focus areas such as creating awareness. One such activity is to host OPRA™ Insight Forums in the US, with 4 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 all ongoing discussions with payers, health economic evidence is key. We are therefore continuously working on collecting data to compile convincing evidence for the economic benefits of using OPRA Implant System. In November, one such analysis was presented at the American Congress of Rehabilitation Medicine (ACRM) meeting. The research concluded that the OPRA™ Implant System is a cost effective solution for above knee amputees.

Markets outside the US, especially Germany, are continuing to develop with new hospitals showing interest and starting up the treatment. Main portion of sales is coming from centers in Sweden, Germany, Benelux and Australia. The recovery after the pandemic has been faster in the US, but we are now starting to see that it is picking up outside the US too.

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.

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.

The cash position, which on 31 October amounted to SEK 53,4 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

An academic ethics committee has initiated a review of a scientific article describing cases of patients treated with the OPRA™ Implant System and then with e-OPRA™ . The article, published in the New England of Journal (NEJM) in April 2020, did not contain information that one patient had been treated for sepsis. Integrum reported the complication to relevant authorities in accordance with regulatory requirement when it occurred. The journal has now updated the article with a correction. The academic ethics committee is reviewing whether the authors of the article, including Integrum's CEO Rickard Brånemark (in his position as affiliated to Gothenburg University), did anything wrong when it was first published.

Clinical research and partnerships
Integrum's clinical research focus on the e-OPRA™ Implant System, which provides amputees not only with the benefits of a bone anchored prosthesis but also with the possibilities of being able to control the prosthesis and to receive sensory feedback.

Three clinical studies are currently ongoing at least partly funded by external research grants:

Two in United States, at Massachusetts Institute of Technology, University of California San Francisco and Brigham and Women's Hospital in Boston. These two studies, one in patients amputated above knee and the other on patients with below knee amputations, evaluate how well a person with the e-OPRA™ Implant System can exhibit full neural control over the neuro-mechanical prosthetic system and how well walking metrics are normalized.

The third e-OPRA™ study is conducted in Sweden and evaluates the e-OPRA™ system with regards to improvements in prosthetic control; myoelectric signals long-term stability and sensory perception in patients with upper limb amputations.

Another clinical study on Neuromotus™, Integrum's therapy to reduce phantom limb pain after amputation, has enrolled over 70 patients in 7 countries (SE, SI, BE, NL, CA, IR, US). This investigation evaluated Neuromotus combined with two different virtual reality techniques: Phantom Motor Execution (PME) and Phantom Motor Imagery (PMI) as treatments of Phantom Limb Pain (PLP). This study was recently completed, and the results are being processed.

Personnel and organisation

At the end of the period, the number of employees amounted to 31 (23), of which 15 (9) are women and 16 (10) men. Of these, 24 (19) were people employed in Sweden and 7 (4) 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 829 thousand for work regarding technical expertise regarding the company's products. 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 4 of the company's annual report for the 2021/2022 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

A press release on the Health Economic benefits of the OPRA™ Implant System was published. The poster summarized the first cost-effectiveness analyses for the US covering life time costs and effectiveness of the OPRA™ Implant System for above knee use in amputees versus socket prostheses. Data that is important for gaining reimbursement.

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.

Mölndal, 1 December 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	

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 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 annual report for the 2022/23 financial year will be published in the week starting 5 Sept 2023

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
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Please refer any questions to

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK thousand	Note	August - October 2022/2023	2021/2022	May – October 2022/2023	2021/2022	May – April 2021/2022
Net sales	4	20 226	11 883	37 461	24 765	55 724
Work performed by company for own use and capitalized		1 299	-	2 298	-	2 431
Other operating income	5	10 873	3 329	17 814	6 404	18 527
Total		**32 398**	**15 212**	**57 573**	**31 169**	**76 682**
Cost of goods sold		-4 087	-1 174	-6 522	-3 532	-11 597
Other external costs	7	-11 732	-6 353	-22 473	-11 954	-29 580
Personnel expenses		-10 766	-5 858	-19 281	-10 168	-25 825
Depreciation and impairment of intangible assets		-276	-298	-560	-622	-1 264
Other operating expenses	6	-4 663	-1 773	-7 498	-3 891	-7 377
Total expenses		**-31 525**	**-15 455**	**-56 334**	**-30 166**	**-75 643**
Operating profit/loss		**873**	**-243**	**1 239**	**1 003**	**1 039**
Financial income and expenses						
Financial income		11	0	55	102	308
Financial expenses		-1	-78	-961	-145	-163
Net financial items		**9**	**-78**	**-906**	**-42**	**146**
Profit/loss after financial items		**883**	**-321**	**333**	**961**	**1 185**
Profit/loss before tax		**883**	**-321**	**333**	**-961**	**1 185**
Income tax		1 437	16 507	1 437	16 507	20 088
Profit/loss for the period		**2 320**	**16 186**	**1 770**	**17 468**	**21 272**
Other comprehensive income:						
Items that may be reclassified for the net profit/loss for the period						
Exchange rate differences when translating foreign operations		-5 323	1 583	-11 289	1 450	-4 051
Other comprehensive income for the period		**-5 323**	**1 583**	**-11 289**	**1 450**	**-4 051**
Total comprehensive income for the period		**-3 003**	**17 769**	**-9 519**	**18 918**	**17 222**

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	August - October 2022/2023	2021/2022	May – July 2022/2023	2021/2022	May – April 2021/2022
Earnings per share before dilution	8	0,13	0,92	0,10	1,10	1,19
Earnings per share after dilution	8	0,13	0,89	0,10	1,07	1,17

STATEMENT ON CONSOLIDATED FINANCIAL POSITION

Amounts in SEK thousand	Note	31/10/2022	31/10/2021	30/04/2022
ASSETS				
Non-current assets				
Intangible assets				
Capitalized expenditure for development work and similar work		39 115	7 755	30 973
Concessions, patents, licences, trademarks and similar rights		149	574	389
Total intangible assets		**39 264**	**8 329**	**31 363**
Right of use		-	697	349
Deferred tax assets		23 579	18 665	21 903
Total non-current assets		**62 842**	**27 691**	**53 614**
Current assets				
Inventories				
Finished goods and goods for resale		20 317	15 066	20 119
Total inventories		**20 317**	**15 066**	**20 119**
Current receivables				
Accounts receivable		23 686	16 157	24 138
Tax assets		444	461	414
Other receivables		4 619	1 639	-
Prepaid expenses and accrued income		2 543	4 914	6 876
Liquid assets		53 442	110 624	75 344
Total current receivables		**84 735**	**133 796**	**106 702**
Total current assets		**105 052**	**148 861**	**126 822**
TOTAL ASSETS		**167 894**	**176 553**	**180 435**

STATEMENT ON CONSOLIDATED FINANCIAL POSITION cont.

Amounts in SEK thousand	Note	31/10/2022	31/10/2021	30/04/2022
EQUITY				
Share capital		1 275	1 263	1 275
Other contributed capital		206 757	202 433	205 921
Reserves		-15 183	3 692	-2 726
Profit/loss brought forward, including profit/loss for the period		-42 985	-49 197	-44 755
Total equity attributable to parent company shareholders		**149 864**	**158 191**	**159 715**
LIABILITIES				
Long-term liabilities				
Lease liabilities		-	104	-434
Total non-current liabilities		**-**	**104**	**-434**
Current liabilities				
Liabilities to credit institutions		106	254	232
Accounts payable		4 811	9 490	10 800
Lease liabilities		-	688	711
Other current liabilities		5 985	1 843	1 163
Accrued expenses and deferred income		7 128	5 983	8 151
Total current liabilities		**18 030**	**18 259**	**20 695**
TOTAL EQUITY AND LIABILITIES		**167 894**	**176 553**	**180 435**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

Amounts in SEK thousand	Note	Share capital	Other contri-buted capital	Reserves	Profit/loss brought forward (including profit/loss for the period)	Total equity
Opening balance on 1 May 2021		**1 109**	**87 568**	**1 580**	**-66 003**	**24 254**
Profit/loss for the period					17 468	**17 468**
Other comprehensive income for the period				1 450		**1 450**
Total comprehensive income		**-**	**-**	**1 450**	**17 468**	**18 918**
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 Oct 2021		**1 263**	**202 433**	**3 030**	**-48 535**	**158 191**
Opening balance on 1 May 2021		**1 109**	**87 568**	**1 605**	**-66 028**	**24 254**
Profit/loss for the period					21 272	**21 272**
Other comprehensive income for the period				-4 051		**-4 051**
Total comprehensive income		**-**	**-**	**-4 051**	**21 272**	**17 222**
Transactions with shareholders						
New share issue		166	117 060			**117 060**
Warrants			1 038			**1 027**
Total transactions with shareholders		166	118 098	-	-	**118 519**
Closing balance on 30 Apr 2022		**1 275**	**205 666**	**-2 446**	**-44 755**	**159 740**
Opening balance on 1 May 2022		**1 275**	**205 666**	**-2 446**	**-44 755**	**159 740**
Profit/loss for the period					**1 770**	**1 770**
Other comprehensive income for the period				**-11 289**		**-11 289**
Total comprehensive income		**-**	**-**	**-11 289**	**1 770**	**-9 519**
Transactions with shareholders						
New share issue						
Warrants			836			**836**
Total transactions with shareholders		**-**	**836**	**-**	**-**	**836**
Closing balance on 31 Oct 2022		**1 275**	**206 757**	**-14 015**	**-42 985**	**-149 864**

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

		August – October		April – October	
Amounts in SEK thousand	**Note**	**2022/2023**	**2021/2022**	**2022/2023**	**2021/2022**
Operating activities					
Profit/loss before financial items		874	-243	1 239	1 003
Interest received		11	-	55	102
Interest paid		-1	-78	-61	-145
Adjustments for items not included in cash flow etc.		-6 135	324	-11 881	622
Cash flow from operating activities before change in working capital		**-5 252**	**3**	**-11 548**	**1 582**
Cash flow from changes in working capital					
Changes in inventories		-358	-3 210	-198	-4 729
Changes in operating receivables		3 720	-3 112	11	-7 598
Changes in operating liabilities		858	7 558	-2 222	5 471
Cash flow from operating activities		**-1 032**	**1 238**	**-13 957**	**-5 274**
Investing activities					
Purchase of intangible assets		-3 318	-6 046	-8 352	-6 283
Cash flow from investing activities		**-3 318**	**-6 046**	**-8 141**	**-6 283**
Financing activities					
New share issue		-	-	-	115 019
Warrants		836	-	836	-
Leases		-243	-172	-277	-367
Repayment of debt		-63	-63	-127	-128
Cash flow from financing activities		**529**	**-236**	**432**	**114 524**
Cash flow for the period		**-3 821**	**-5 043**	**-21 878**	**102 967**
Liquid assets at the start of the period		57 262	115 667	75 319	7 658
Liquid assets at end of period		**53 442**	**110 624**	**53 442**	**110 624**

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK thousand	Note	August – October 2022/2023	August – October 2021/2022	May - October 2022/2023	May - October 2021/2022	May – April 2021/2022
Net sales	7	12 268	6 915	18 743	25 157	55 748
Work performed by company for own use and capitalized		1 299	-	2 298	-	2 431
Other operating income		**10 141**	3 325	16 670	6 380	18 532
Total		**23 708**	**10 240**	**37 711**	**31 537**	**76 711**
Cost of goods sold		-2 023	-1 791	-3 511	-3 735	-16 317
Other external costs	7	-6 289	-4 322	-13 454	-8 810	-20 120
Personnel expenses		-6 050	-4 640	-11 342	-7 995	-17 954
Depreciation of intangible assets		-102	-143	-212	-273	-534
Other operating expenses		-3 899	-1 783	-6 599	-3 944	-7 488
Total operating expenses		**-18 364**	**-12 679**	**-35 118**	**-24 756**	**-62 412**
Operating profit/loss		**5 344**	**-2 440**	**2 593**	**6 781**	**14 298**
Financial income and expenses						
Interest income and similar income statement items		-	-	42	102	308
Interest expenses and similar income statement items		-2	-72	-963	-133	-183
Total profit/loss from financial items		**5 341**	**-2 512**	**1 672**	**6 750**	**14 424**
Profit/loss after financial items		**5 341**	**-2 512**	**1 672**	**6 750**	**14 424**
Appropriations						340
Tax on profit for the period		-756	6 280	-756	6 280	6 341
Profit/loss for the period		**4 585**	**3 768**	**916**	**13 030**	**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	31/10/2022	31/10/2021	30/04/2022
ASSETS				
Non-current assets				
Capitalized expenditure for development work		39 112	7 755	30 973
Concessions, patents, licences, trademarks and similar rights		178	574	389
Total intangible assets		**39 289**	**8 329**	**31 363**
Financial assets				
Participations in group companies		590	451	546
Deferred tax assets		8 056	7 994	8 056
Total financial assets		**8 645**	**8 445**	**8 573**
Total non-current assets		**47 934**	**16 774**	**39 964**
Current assets				
Inventories				
Finished goods and goods for resale		8 486	10 822	6 070
Total inventories		**8 486**	**10 822**	**6 070**
Current receivables				
Accounts receivable		281	2 130	3 108
Receivables from group companies		99 592	55 495	84 345
Tax assets		326	369	239
Other receivables		2 949	1 639	-
Prepaid expenses and accrued income		2 219	3 510	4 523
Total current receivables		**105 367**	**63 144**	**92 306**
Cash and bank balances		48 119	107 171	72 217
Total current assets		**161 972**	**181 137**	**164 523**
TOTAL ASSETS		**209 907**	**197 911**	**210 556**

PARENT COMPANY BALANCE SHEET IN SUMMARY cont.

Amounts in SEK thousand	Note	31/10/2021	31/10/2021	30/04/2022
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital		1 275	1 263	1 275
Statutory reserve		5	5	5
Total restricted equity		**1 280**	**1 273**	**1 280**
Non-restricted equity				
Share premium reserve		206 198	202 433	185 614
Profit or loss from previous period		-12 138	-33 248	-13 833
Profit/loss for the period		1 672	13 030	21 106
Total non-restricted equity		**195 732**	**182 215**	**192 887**
TOTAL EQUITY		**197 012**	**183 488**	**194 167**
LIABILITIES				
Long-term liabilities				
Other liabilities to credit institutions		-	105	-
Total non-current liabilities		**-**	**105**	**-**
Current liabilities				
Liabilities to credit institutions		106	254	232
Accounts payable		3 717	8 578	9 609
Other current liabilities		4 195	1 843	1 163
Accrued expenses and deferred income		4 877	3 643	5 384
Total current liabilities		**12 895**	**14 318**	**16 389**
TOTAL LIABILITIES		**12 895**	**14 423**	**16 389**
TOTAL EQUITY AND LIABILITIES		**209 907**	**197 911**	**210 556**

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.

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).

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	Aug - Oct 2022	Aug - Oct 2021	May - Oct 2022	May - Oct 2021	Full year 2021/ 2022
Sweden	634	1 061	1 286	2 136	4 437
USA	16 985	9 536	30 107	18 566	43 086
Other countries	2 607	1 286	6 068	4 064	8 201
Total	**20 226**	**11 883**	**37 461**	**24 766**	**55 724**

Note 5 Other operating income

Amounts in SEK thousand	Aug - Oct 2022	Aug - Oct 2021	May - Oct 2022	May - Oct 2021	Full year 2021/ 2022
Exchange gains	10 872	1 542	17 814	4 438	15 866
Other income	-	1 787	-	1 966	2 661
Total	**10 872**	**3 329**	**17 814**	**6 404**	**18 527**

Note 6 Other operating expenses

Amounts in SEK thousand	Aug - Oct 2022	Aug - Oct 2021	May - Oct 2022	May - Oct 2021	Full year 2021/ 2022
Exchange losses	- 4 663	- 1 773	- 7 498	- 3 891	- 7 388
Total	**- 4 663**	**- 1 773**	**- 7 498**	**- 3 891**	**- 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 7 297 (3 707) thousand relates to income from the subsidiary and SEK 0 (0) thousand to purchases from the subsidiary.

Amounts in SEK thousand	Aug - Oct 2022	Aug - Oct 2021	May - Oct 2022	May - Oct 2021	Full year 2021/ 2022
Sales to related companies	7 297	3 707	13 336	18 962	43 688
Total	**7 297**	**3 707**	**13 336**	**18 962**	**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

During the period, companies related to CEO Rickard Brånemark invoiced the company SEK 829 thousand for work regarding technical expertise regarding the company's products. 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.

Amounts in SEK thousand	Aug - Oct 2022	Aug - Oct 2021	May - Oct 2022	May - Oct 2021	Full year 2021/ 2022
Purchases from senior executives	892	379	1 187	928	3 476
Total	**892**	**379**	**1 187**	**928**	**3 476**

Note 8 Earnings per share

Amounts in SEK thousand	Aug - Oct 2022	Aug - Oct 2021	May - Oct 2022	May - Oct 2021	Full year 2021/ 2022
Consolidated profit/loss for the period, SEK thousand	2 320	16 186	1 770	17 468	21 273
Weighted average number of shares before dilution	17 801 305	17 624 305	17 801 305	17 624 305	17 801 305
Dilution effect of option programs	223 250	545 350	223 250	545 350	368 350
Weighted average number of shares after dilution	18 024 555	18 169 655	18 024 555	18 169 655	18 169 655
Earnings per share before dilution	0,13	0,92	0,10	1,10	1,19
Earnings per share after dilution	0,13	0,89	0,10	1,07	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.

From October 2022 there was a fourth incentive program, aimed at the employees of Integrum AB. The warrants give the holders the right to subscribe to 405 000 series B shares at a subscription price of SEK 50,99 per share between 1 October up to and including 30 November 2025.

At the end of the period the company had a total of 3 833 shareholders registered at Euroclear, of which 3 722 (97,10%) are resident in Sweden.

	Number of shareholders	Shareholders (%)	Holding (%)
Sweden	3 722	97,10	82,56
Rest of Nordic region	57	1,49	0,65
Rest of Europé	42	1,10	4,97
US	10	0,26	11,81
Rest of the world	2	0,05	0,00
Total	**3 833**	**100**	**100**

Note 9 Events after the end of the interim period

A press release on the Health Economic benefits of the OPRA™ Implant System was published. The poster summarized the first cost-effectiveness analyses for the US covering life time costs and effectiveness of the OPRA™ Implant System for above knee use in amputees versus socket prothesis. Data that is important for gaining reimbursement.

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