



Interim report Q1 2022
Dentalum Operations AB (publ)

Strong growth and restored profitability

First quarter, January - March 2022

- Operating revenue increased by 72.8 % to SEK 85.8 million (49.7). The increase in revenue was driven by the acquisition of dental clinics.
- The spread of omicron in the start of the year affected the financial results negative, but already by March there were clear indications of a recuperation.
- On February 1, Tandläkarhuset Enköping AB was acquired during thereby expanding Dentalum into an eighth region and contributing annual revenues by approximately SEK 26 million.
- Esmailzadeh Holding AB increased its shareholding and holds a stake equal to 45.98 % of the shares and votes.
- Dentalum acquired Karlstad Tandläkarna and Mälarkliniken. The acquisition is expected to be completed in May 2022.
- Jens Bruno was recruited as CFO while Sofi Eriksson, former CFO, takes on a strategic role as Executive Advisor, focusing on M&A and leading the preparations for the planned IPO in 2023.
- Net earnings for the quarter amounted to SEK 3.3 million (-3.4).
- Cash flows from operations amounted to SEK 13.2 million (6.8). Net cash flow totalled SEK - 25.3 million (- 6.9).
- As per March 31, 2021, total equity amounts to SEK 257.1 million (84.3), cash balance of SEK 245.3 million (174.5) and interest-bearing debt of SEK 397.7 million (305.5), consisting of bond debt of SEK 400 million.

Significant Events after the reporting period

- Matts Tannerfeldt was appointed new COO and member of the management team. Matts will start his employment on September 1, 2022.
- On April 1, Dentalum completed the acquisition of Swedish Dental.
- At the Annual General Meeting elected Gunilla Öhman and Lars Kvarnsund as new board members and Mikael Lönn was appointed as the new Chairman of the Board.

Financial overview

Amounts in kSEK	2022 Q1	2021 Q1	FY 2021
Operating revenues	85 806	49 688	234 631
EBITDA	21 089	9 679	38 477
% of revenues	0	0	0
Net financial expenses	-8 594	-6 725	-28 523
Earnings before tax /EBT	3 801	-4 351	-38 732
% of revenues	0	0	0
Income tax expenses	-461	933	-530
Net earnings	3 339	-3 418	-39 262
Net cash flow	-25 266	-6 907	89 166
Cash flow from operations	4 022	6 552	37 182
Cash flow from investing activities	-17 069	-11 488	-172 306
Cash flow from financing activities	-12 219	-1 971	224 290
Net cash - interest bearing debt	-152 357	-131 007	-126 629
Cash & cash equivalents	245 297	174 489	270 562
Interest bearing debt	-397 654	-305 496	-397 191
Total assets	828 371	485 890	786 356
Equity	257 136	84 314	253 796

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

CEO's comments

Despite the spreading of Omicron in the beginning of the quarter, we noticed a recuperation already in March. Comparing with same period last year, the group EBITDA increased with almost 120 percent. During the quarter Dentalum has continued to grow by completing the acquisition of Tandläkarhuset Enköping, adding annual revenues of approximately 26 million kronor to the group. In addition, we have after the end of the quarter completed the acquisition of Swedish Dental and by end of May we will execute the acquisitions of Karlatandläkarna and Mälarkliniken thus adding a total of 57 million kronor in annual revenues.

Recovery from the Covid-19 pandemic

The spreading of Covid-19 and Omicron continued to affect the results in January and February. In the dental sector this was manifested by sick leaves and rescheduling of patient appointments. Despite this, we experienced in March a stronger recovery than expected leading to a normalized revenue and EBITDA for the quarter as a whole. In Q1 our 21 clinics generated a combined revenue of 85.8 million kronor, which is a growth of 72.7 percent compared to Q1 2021 and 17 percent compared to the previous quarter. The EBITDA reached 21.1 million kronor, which is growth of approximately 120 percent compared to the same period last year and 240 percent compared to the Q4 2021. At the same time, the margin was strengthened, reaching 24.6 percent compared to 19 percent in Q1 2021. The recent upturn makes me cautiously optimistic that we are starting to see a return to normal when it comes to the daily operations of our clinics.

Executing on our acquisition strategy

I am very happy that we have received such a great interest from the market. Dentalum has a strong entrepreneurial focus and through our decentralized model we encourage our clinic managers to continue to develop their own business after the acquisition. Together with the clinics, we create better conditions for long-term and sustainable growth at the same time as we continuously develop and improve the quality and care to our patients.

During the quarter, we acquired four clinics, adding annual revenues of 83 million SEK. We continue to build on the momentum we have right now in our M&A-activities to further strengthen the group and Dentalum's position in the market.

Strengthening our organisation and the integration process

In parallel to investing in acquisition-based growth, we have also invested in our organisation. During the quarter, we have made several recruitments in key positions, which will not only strengthen the onboarding of our acquired clinics, but also enable a closer relationship with all our clinic managers. This, in turn, will contribute to increased organic growth in all our clinics.

We continue to develop our integration process to ensure an efficient and smooth onboarding for our new clinic members. This process will increase our

ability to facilitate further organic growth already from the get-go of our partnership. We have also invested in a digital platform that provides key insights to our clinic heads in an efficient and intuitive way. This platform will be launched in Q2.

On track with IPO while keeping a close eye on the macro environment

We continue to work on our acquisitions while developing our own structure to create organic growth in our clinics. In parallel, we are working towards our upcoming IPO and all that it entails. Russia's invasion of Ukraine has not caused any direct impact on Dentalum's clinics. We are however monitoring the situation closely as there may be indirect effects such as higher prices for dental supplies. At the same time, inflation and interest rates are increasing, these factors may influence the household's economy and could result in a more cautious approach from our patients. We follow the development carefully as we continue to further strengthen our organization and work with both our organic and acquisition-based growth.



Max Dorthé Ladow
CEO, Dentalum

Financial report summary and comments

This interim report is presented, based on the information available to management and to the best of their knowledge at the time of issue. For further information, please see section significant estimates and assumptions. The first quarter interim report of Dentalum Operations AB includes consolidation of 21 dental clinics, operating in seven regions in Sweden – the regions of Halland, Dalarna, Stockholm, Uppland, Västra Götaland, Jönköping, Kalmar and Östra Götaland. In total, 18 legal entities are consolidated, including Dentalum Operations AB.

Summary, acquisition driven growth

Dentalum has continued to deliver on the strategy to grow through acquisition and long-term partnerships with the entrepreneurs behind the acquired clinics. During the first quarter the acquisition of Tandläkarhuset Enköping AB was completed. In addition, agreements were signed with 3 clinics in the Stockholm area. These will be consolidated during the second quarter 2022. The transaction was financed by a combination of equity contributions and cash. Since inception in 2019, acquisitions of total 21 clinics have been carried out and in total SEK 345 million of net sales and SEK 90 million of EBITDA. (pro forma annual basis). Eight dental clinics were acquired during the previous financial year. In 2020 eleven clinics were acquired and in 2019 the first clinic was acquired.



Acquisitions executed

2022	Company/clinic	Closing date	Annual revenues (SEK million)	No. of employees
Q2	Karlatandläkarna and Mälarkliniken	May, 2022	26 (2021)	14
	Swedish Dental AB	April 1, 2022	31 (2021)	11
Q1	Tandläkarhuset Enköping AB	January 31, 2022	26 (2020)	
2021				
Q4	Erik Lennartsson AB "Dentalakademin"	November 1, 2021	21.8 (2020)	9
	Estetikcenter Göteborg AB, 2 clinics	November 30, 2021	8.8 (2020)	6
Q3	Stångå Tandkliniken AB, 2 clinics	September 27, 2021	20.5 (2020)	18
Q2	Tareqs klinik AB	May 18, 2021	15.1 (2020)	5
	Solna Dental & Solna Dental Arenatandläkarna		32.6 (2020)	22
2020				
Q4	Sthlm Dental Clinics, 3 clinics	November 2, 2020	38 (2019)	15
	City Dental i Stockholm AB	December 1, 2020	90 (2019)	62
	Vesalis Dental AB	December 29, 2020	14 (2019)	11
Q3	"Kungsforsbolagen", 3 legal entities	August 4, 2020	20 (2019)	16
	Kungsfors Tandvård AB			9
	Borås Tandvård AB			5
	Kinna Tandvård AB			2
Q2	Ludvika Tandläkarna AB, 2 clinics	April 8, 2020	22.9 (2019)	20
	Dentalum Tandvårdsteam AB	June 1, 2020	29.9 (2019)	4
2019				
Q3	Moberg-Stenberg AB	September, 2019	5.5 (2018)	4

Revenues and earnings for the First quarter January – March 2022

Net operating revenues

Reported operating revenue during the First quarter 2022 amounts to SEK 85.8 million (49.7). The increase in quarterly revenues compared to the same quarter in 2021, was driven by the additional nine (9) dental clinics that were acquired since the same quarter 2021. During the first quarter one clinic, Tandläkarhuset Enköping AB, was added to the consolidated financial statements. Patient inflow recovered somewhat as a result of the roll-out of the Covid-19 vaccination program but declined during the first weeks of Q1 due to the outburst of the mutation "omicron". Yet, by the end of the first quarter revenues recovered.

Operating expenses

Operating expenses during the First quarter of 2021 amounted to SEK 64.7 million (40.0), of which the major part constitutes personnel expenses of SEK 37.0 million (24.6). Direct expenses for material utilized in the dental care service amounts to 15.8 million (8.6). The increase in total operating expenses compared to the same quarter in 2021, is related to expenses in the nine clinics, acquired during the last twelve months. The overall operating expense ratio to revenues in the First quarter of 75% is somewhat lower compared to the same quarter last year (81%).

Financial expenses

Net financial expense of SEK -8.6 million (-6.7) consists of interest expense and financing fees of the increase in interest expense compared to the same period last year, relates to the increase in debt by SEK 100 million of bond issue, executed in Q4 of 2021.

Earnings for the period

EBITDA (earnings before interest, tax, depreciation, and amortization) for the First quarter amounts to SEK 21.1 million (9.7). First quarter earnings before financial items and tax amounts to a profit of SEK 12.4 million (-2.4). Net earnings, after financial items and tax, amounts to a net profit of SEK 3.3 million (-3.4).

Consolidated Income Statement

<i>Amounts in kSEK</i>	2022 Q1	2021 Q1	FY 2021
Operating revenues			
Net revenues	84 366	49 161	232 254
Other operating revenues	1 440	527	2 377
Total operating revenues	85 806	49 688	234 631
Operating expenses			
Direct expenses	-15 770	-8 592	-44 668
Other external operating expenses	-11 924	-6 856	-36 155
Personnel expenses	-37 023	-24 561	-115 331
EBITDA	21 089	9 679	38 477
Depreciations and amortizations	-8 694	-7 305	-29 157
Earnings before financial items and tax / EBIT	12 395	2 374	9 320
Financial items			
Revaluation of contingent liabilities	0	0	-19 529
Income/expenses from shares in Associated companies	0	0	0
Interest income/expenses and similar items	-8 594	-6 725	-28 523
Profit after financial items	3 801	-4 351	-38 732
Appropriations	0	0	0
Earnings before tax / EBT	3 801	-4 351	-38 732
Income tax expenses	-461	933	-530
Net Earnings	3 339	-3 418	-39 262
Other comprehensive income	2022 Q1	2021 Q1	FY 2021
Net Earnings	3 339	-3 418	-39 262
Other comprehensive income	0	0	0
Total comprehensive income for the period	3 339	-3 418	-39 262

Balance sheet and cash flow statement, January – March 2022

Equity

The capital structure of the group remains strong with a total equity of 257.1 million as per March 31, 2022 (84.3).

Debt

Leverage and debt has in large remained on the same level as at the end of the previous period.

Debt to Equity

Net debt / Equity ratio, strengthened to 0.6 Q1 2022 compared to 1.5 at the end of the first quarter 2021. Current assets as per March 31, 2021, amounts to SEK 281.6 million (193.0).

Interest-bearing liabilities as per balance sheet, amounts to SEK 397.7 million (305.5), including accrued interest. Adding IFRS reclassification of lease contracts of SEK 26.1 million (17.4, interest-bearing liabilities amounted to SEK 423.8 million (322.9).

Net interest-bearing debt

Net interest-bearing debt, including IFRS reclassification of lease contracts, amounts to SEK 178.5 million (148.4). The net increase compared to the same period previous year corresponds to an increase in cash balance following financing and acquisition activities, as well as the increase in debt by SEK 100 million bond issue.

Proforma net leverage

Pro forma net leverage, calculated as per the definition in the Senior secured Bond Terms & Conditions, increased to decreased to 3.04x EBITDA, compared to 2.67x by the end of 2021. The increase is related to the acquisition completed in the first quarter, including related contingent purchase price, recorded as liability.

Cash flow

Cash flow from operations before changes in working capital generated during the first quarter 2022 increased to SEK 13.2 million (6.7). Excluding the Parent company, cash flow generated from operations in the dental clinics was SEK 18.9 (9.8). Cash flow used for investing activities during Q1 2022 accumulated to SEK 17.1 million (11.5). Cash flow relating to financing activities amounted to SEK -12.2 million (2.0). The increase relates mainly to a net increase of the interest-bearing debt.

Amounts in kSEK	2022 Q1	2021 Q1	FY 2021
Cash & cash equivalents	245 297	174 489	270 562
Interest bearing debt	-397 654	-305 496	-397 191
Cash - interest bearing debt	-152 357	-131 007	-126 629

Consolidated Balance Sheet

(kSEK)

ASSETS	31-03-2022	31-03-2021	31-12-2021
Intangible assets	490 177	264 601	434 638
Improvements on leasehold	12 981	3 339	13 320
Equipment and tools	9 199	4 843	9 460
Other fixed assets	0	537	386
Right of use assets	25 850	17 152	23 103
Tenant owned apartments	1 838	537	1 838
Non-current receivables	1 389	627	789
Deferred tax assets	5 378	1 286	4 821
Total non-current assets	546 811	292 922	488 354
Inventories	7 995	8 209	8 045
Accounts receivables	8 880	3 699	5 814
Other current receivables	2 994	1 822	2 833
Current tax assets	10 184	2 723	5 895
Prepaid expenses and accrued income	6 210	2 026	4 854
Cash and cash equivalents	245 297	174 489	270 562
Total current assets	281 560	192 968	298 002
TOTAL ASSETS	828 371	485 890	786 356
EQUITY AND LIABILITIES			
Share capital	500	500	500
Shareholders contributions	301 842	96 517	301 842
Retained earnings	-48 546	-9 284	-9 284
Profit/loss for the period	3 339	-3 418	-39 262
Total Equity	257 136	84 314	253 796
Deferred tax	19 467	15 011	19 174
Other provisions	51 046	23 700	0
Total provisions	70 514	38 711	19 174
Long term liabilities			
Non-current interest bearing liabilities	397 654	305 496	397 191
Other non-current liabilities	0	0	25 700
Long term (IFRS) lease liabilities	17 039	9 318	14 535
Total long term liabilities	414 693	314 814	437 426
Short term liabilities			
Prepayments from customer	9 663	1 597	3 611
Accounts payables	9 726	6 580	9 178
Current interest bearing liabilities	0	562	527
Current (IFRS) lease liabilities	9 068	8 043	8 867
Current liabilities group companies	0	1	0
Current tax liabilities	8 395	1 398	6 556
Other current liabilities	33 614	20 416	24 703
Accrued expenses and prepaid income	15 563	9 454	22 517
Total short term liabilities	86 029	48 051	75 959
TOTAL EQUITY AND LIABILITIES	828 371	485 890	786 356

Changes in consolidated equity

(kSEK)	Share capital	Shareholder contributions	Retained earnings	Profit/loss for the period	Total Equity
Opening equity January 1, 2021	500	96 517	87	-9 371	87 733
Transfer of profit from previous year			-9 284		
New share issue					
Shareholder contributions		205 325			205 325
Profit/loss for the period				-39 262	-39 262
Closing balance December 31, 2021	500	301 842	-9 284	-39 262	253 796
Opening balance as of January 1, 2022	500	301 842	-9 284	-39 262	253 796
Transfer of profit from previous year			-48 546		
New share issue					
Shareholder contributions					
Profit/loss for the period				3 339	3 339
Closing balance as of March 31, 2022	500	301 842	-48 546	3 339	257 136

Consolidated Cash Flow Statement

(kSEK)	2022 Q1	2021 Q1	2021
Cash flow from operating activities			
Income before financial items (EBIT)	12 395	2 374	9 320
Adjustments for non cash affecting items	8 694	7 305	29 170
Net interest paid on operating receivables/liabilities	-443	-312	-1 392
Income tax paid	-7 397	-2 601	-8 293
Cash flow from operations before changes in working capital	13 249	6 766	28 805
Cash flow from changes in working capital			
Change in inventories	152	141	1 935
Change in operating receivables	-3 627	-2 154	-1 122
Change in operating liabilities	-5 752	1 799	7 564
Cash flow from changes in working capital	-9 227	-214	8 377
Net cash flow from operations	4 022	6 552	37 182
Cash flow from investing activities			
Acquisition of tangible assets	-74	-690	-2 850
Acquisition of companies and shares	-16 995	-10 798	-169 456
Cash flow from investing activities	-17 069	-11 488	-172 306
Cash flow after investing activities	-13 047	-4 936	-135 124
Cash flow from financing activities			
New share issue	0	0	0
Shareholders contributions received	0	0	155 000
Net change in interest-bearing debt, incl. interest coupon	-12 219	-1 971	78 340
Amortization, lease liabilities	0	0	-9 050
Cash flow from financing activities	-12 219	-1 971	224 290
Total cash flow for the period	-25 266	-6 907	89 166
<i>Changes in cash and cash equivalents</i>			
Cash and cash equivalents at the beginning of the period	270 562	181 396	181 396
Cash and cash equivalents at the end of the period	245 297	174 489	270 562
<i>Summary</i>			
Cash flow from operations	4 022	6 552	37 182
Cash flow from investing activities	-17 069	-11 488	-172 306
Cash flow from financing activities	-12 219	-1 971	224 290
Total cash flow	-25 266	-6 907	89 166

Parent company

Financial statements for the first quarter January – March 2022

Revenues and earnings

Dentalum Operations AB, the Parent company, serves as head office and acquisition vehicle of Dentalum. The head office functions were established in the beginning of 2020 with responsibilities for HR, Finance, Marketing, M&A and Operations. Operating revenues of SEK 0.7 million (0.7) consist of intercompany invoicing for accounting and payroll services, which are centralized for the group.

Expenses

Operating expenses, amounting to SEK 6.4 million (3.7), includes costs for the head office, certain M&A related transaction costs as well as costs for central services provided the subsidiary clinics. The increase in expenses compared to previous year, is due to the strengthening of the head office, including increase in number of employees, increased costs for lease of office space, as well as expenses for administrative support to a larger number of clinics – from twelve clinics at the beginning of 2021 to supporting twenty-one clinics at the end of the first quarter 2022.

Financial expense of SEK 8.2 million (6.4) consists of interest expense on the bond debt and amortizing of financing expenses related hereto.

Net result

The Parent company had a net loss before appropriations and tax of SEK 13.8 million (9.4).

Balance sheet

The capital structure of the Parent company has strengthened substantially during the previous year 2021, as total equity in the Parent company increased to SEK 270.0 million (76.0) as per March 31, 2022.

Total current assets as per March 31, 2022, amounted to SEK 175.7 million (132.4) and interest-bearing liabilities, including accrued interest and amortized financing expenses, amounted to SEK 397.6 million (305.5).

Cash flow

Total negative cashflow in the Parent company, during the first quarter 2022 accumulated to SEK 49.5 million (14.2).

Financing is centralized to Dentalum Operations AB (publ), also acting as the acquisition vehicle. The increase in interest-bearing liabilities year-on-year reflects the increase in debt financing through a Senior Secured Fixed Rate Bond issuance of additional SEK 100 million in October 2021.

Parent company - income statement

<i>Amounts in kSEK</i>	2022 Q1	2021 Q1	FY 2021
Operating revenues			
Net revenues	749	664	2 661
Other operating revenues	5	0	-6
Total operating revenues	754	664	2 655
Operating expenses			
Direct expenses	0	0	0
Other external operating expenses	-3 479	-1 963	-10 071
Personnel expenses	-2 901	-1 698	-8 453
EBITDA	-5 626	-2 997	-15 869
Depreciations and amortizations	-3	-1	-6
Earnings before financial items and tax / EBIT	-5 629	-2 998	-15 875
Financial items			
Revaluation of contingent liabilities	0	0	0
Income/expenses from shares in Associated companies	0	0	0
Interest income/expenses and similar items	-8 189	-6 441	-27 309
Profit after financial items	-13 818	-9 439	-43 184
Appropriations	0	0	40 019
Earnings before tax / EBT	-13 818	-9 439	-3 165
Income tax expenses	0	0	-3 721
Net Earnings	-13 818	-9 439	-6 887

Parent company - balance sheet

(kSEK)

ASSETS	31-03-2022	31-03-2021	31-12-2021
Intangible assets	0	0	0
Improvements on leasehold	0	0	0
Equipment and tools	28	11	31
Other fixed assets	0	0	0
Shares in group companies	576 824	289 499	515 519
Tenant owned apartments	0	0	0
Non-current receivables	762	0	162
Deferred tax assets	0	1 286	0
Total non-current assets	577 615	290 795	515 712
Inventories	0	0	0
Accounts receivables	0	0	0
Other current receivables	1 155	739	885
Receivables associated companies	40 718	2 998	41 302
Prepaid expenses and accrued income	2 136	503	516
Cash and cash equivalents	131 709	128 206	181 190
Total current assets	175 718	132 445	223 893
TOTAL ASSETS	753 333	423 240	739 605
EQUITY AND LIABILITIES			
Share capital	500	500	500
Shareholders contributions	301 842	96 517	301 842
Retained earnings	-18 497	-11 621	-11 621
Profit/loss for the period	-13 818	-9 438	-6 876
Total Equity	270 027	75 957	283 845
Deferred tax	0	0	0
Other provisions	51 046	23 700	0
Total provisions	51 046	23 700	0
Long term liabilities			
Non-current interest bearing liabilities	397 593	305 496	397 191
Other non-current liabilities	0	0	25 700
Long term (IFRS) lease liabilities	0	0	0
Total long term liabilities	397 593	305 496	422 891
Short term liabilities			
Prepayments from customer	0	0	0
Accounts payables	1 522	1 541	1 383
Current interest bearing liabilities	0	0	0
Current liabilities group companies	1 060	824	0
Current tax liabilities	2 565	0	2 654
Other current liabilities	27 378	15 113	19 391
Accrued expenses and prepaid income	2 143	609	9 440
Total short term liabilities	34 667	18 087	32 869
TOTAL EQUITY AND LIABILITIES	753 333	423 240	739 605

Parent company – changes in equity

(kSEK)	Share capital	Shareholder contributions	Retained earnings	Profit/loss for the period	Total Equity
Opening equity January 1, 2021	500	90 875	6 509	-12 487	85 397
Transfer of profit from previous year			-5 978		
New share issue					
Shareholder contributions		205 325			205 325
Profit/loss for the period				-6 876	-6 876
Closing balance December 31, 2021	500	296 200	-5 978	-6 876	283 846
Opening balance as of January 1, 2022	500	296 200	-5 978	-6 876	283 846
Transfer of profit from previous year			-12 854		
New share issue					
Shareholder contributions					
Profit/loss for the period				-13 818	-13 818
Closing balance as of March 31, 2022	500	296 200	-12 854	-13 818	270 028

Parent company - cash flow statement

(kSEK)	2022 Q1	2021 Q1	2021
Cash flow from operating activities			
Income before financial items (EBIT)	-5 629	-2 998	-15 875
Adjustments for non cash affecting items	3	1	6
Interest paid	-38	-6	-112
Income tax paid	0	0	-2 436
Cash flow from operations before changes in working capital	-5 664	-3 003	-18 416
Cash flow from changes in working capital			
Change in inventories	0	0	0
Change in operating receivables	-1 306	-1 864	-1 355
Change in operating liabilities	-5 952	1 777	4 890
Cash flow from changes in working capital	-7 258	-87	3 536
Net cash flow from operations	-12 922	-3 090	-14 881
Cash flow from investing activities			
Acquisition of tangible assets	0	0	-25
Acquisition of companies and shares	-36 559	-11 138	-180 690
Cash flow from investing activities	-36 559	-11 138	-180 715
Cash flow after investing activities	-49 481	-14 228	-195 596
Cash flow from financing activities			
New share issue	0	0	0
Shareholders contributions received	0	0	155 000
Net change in interest-bearing debt, incl. interest coupon	0	0	78 340
Net of group contributions received	0	0	1 000
Cash flow from financing activities	0	0	234 340
Total cash flow for the period	-49 481	-14 228	38 744
<i>Changes in cash and cash equivalents</i>			
Cash and cash equivalents at the beginning of the period	181 190	142 434	0
Cash and cash equivalents at the end of the period	131 709	128 206	38 745
<i>Summary</i>			
Cash flow from operations	-12 922	-3 090	-14 881
Cash flow from investing activities	-36 559	-11 138	-180 715
Cash flow from financing activities	0	0	234 340
Total cash flow	-49 481	-14 228	38 744

Additional information

Accounting policies

The interim financial information for the Group for the period has been prepared in accordance with IFRS, applying International Accounting Standard (IAS) 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB). The accounting principles and methods of calculation used in the preparation of the latest annual report, have been applied in this interim report except for new and amended standards and interpretations effective January 2021. Further description of accounting principles applied by the group is referred to note 1 and 2 in the 2021 Annual Report.

The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act in line with standard RFR 2 reporting, issued by the Swedish Financial Reporting Board.

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

Significant estimations and assumptions

When preparing interim reports, the Board and the Management must, in accordance with the applicable accounting and valuation principles, make certain estimates, assessments and assumptions that affect the recognition and valuation of assets, provisions, liabilities, income and expenses. The outcome may deviate from these estimates and assessments and will rarely amount to the same sum as the estimated outcome.

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

Revenues and segments

Operating segment is reported in line with internal management reporting, presented to the top executive body, representing the function responsible for allocation of resources and assessment of the profitability of the operating segment. Such function has been identified as the Group Management, consisting of five persons, including the Chief Executive Officer. Group Management has determined the group as a whole constituting one segment, based on the information considered, in agreement with the Board of Directors, as base for resource allocation and assessment of earnings and profitability.

The total amount of net revenues constitutes entirely of sales of dental care services. Revenues from third party clients, based on the location where the dental

services are being provided, are all generated in Sweden.

Transactions with related parties

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

Impact on the financial reporting due to Covid-19

As per March 31, 2022, there has not been any significant impact on the financial reporting due to Covid-19, related to valuation of goodwill, expected credit losses, valuation of inventory or government grants.

During the First quarter, Dentalum clinics have seen continued stable patient inflow as the majority part of the population has been vaccinated and the spreading of the Covid-19 virus has been limited, except for at the end of the period when the mutated virus Omicron reached Sweden which had a limited negative impact on patient inflow and personnel sick leave.

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

Impact on the financial reporting due to Russia's war against Ukraine

Dentalum has not identified any direct exposure to the Russian or Ukrainian markets. It is uncertain to what extent the conflict will come to influence the business climate in the future for Dentalum's clinics. Dentalum continues to monitor the development.

Definitions of alternative performance measures

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

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

Signatures

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

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

Stockholm, May 31, 2022

Mikael Lönn
Chairman of the Board

Roberto Rutili
Board member

Marcus Ladow
Board member

Gunilla Öhman
Board member

Lars Kvarnsund
Board member

Max Dorthé Ladow
CEO

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