

Mölnadal December 2<sup>nd</sup> 2021

## **Interim report May – Oct 2021: A period with pandemic inflicted headwind, and focus on continued US expansion**

### **SECOND QUARTER AUG 1<sup>ST</sup> – OCT 31<sup>ST</sup> (2021/22)**

- Net sales amounted to TSEK 11 883 (12 573), corresponding to a decrease of 5 percent compared to same period prior year
- Operating profit (EBIT) totaled TSEK -243 (3 046)
- Net profit amounted to TSEK 16 186 (3 064)
- Cashflow from operating activities amounted to TSEK 3 (3 388). Cash and cash equivalents at the end of the period amounted to TSEK 110 624 (9 288)
- Earnings per share amounted to SEK 0.90 (0.19)

#### **Significant events during the quarter**

- Thomas Dugan, with extensive experience in scaling in advanced medical technology companies, took over as head of the US organization.
- Four new Centers during the period and two Centers in the United States conducted their first OPRA™ Implant System operations. The treatment is now offered at 40 centers globally.
- Signed cooperation agreement with Implantcast Benelux, which is a well-established player in high-tech orthopedic products.
- Increased costs are in line with expectations, of which sales costs accounts to 41% of the quarter's other operating expenses. The increase is largely due to increased activities in marketing and sales.
- The company's board decided to implement IFRS. The company has subsequently adapted the accounts and from the current quarterly report, the company now reports in accordance with IFRS.
- Capitalization of deferred tax assets had a positive effect on earnings of MSEK 16.5

### **THE PERIOD MAY 1<sup>ST</sup> 2021 – OCT 31<sup>ST</sup> 2021**

- Net sales amounted TSEK 24 765 (19 787), an increase with 25% compared to same period prior year
- Operating profit amounted to TSEK 1 003 (-19)
- Net profit amounted to TSEK 17 468 (-266)
- Cashflow from operating activities amounted to TSEK 1 582 (-379)
- Earnings per share amounted to 0.97 SEK (-0.02)

#### **Significant events in the period**

- In mid-June, a directed share issue was carried out, and the Company brought in a total of MSEK 121

Mölnadal December 2<sup>nd</sup> 2021

## CEO comment

In recent quarters, our sales have varied depending on how the healthcare and society have responded to the waves of the Covid-19 pandemic. We note that in the second quarter of the financial year, sales faced a strong pandemic-related headwind. When surgeries began to resume in late spring, we, and many with us, believed and hoped that the negative impact of the pandemic on healthcare had passed. The delta variant of the coronavirus then struck during the summer, at the same time as an acute shortage of nurses in both the US and Europe arose, another delayed pandemic effect caused by the fact that many had worked too hard for too long. Consequently, many operations were cancelled in the autumn, and sadly continue to be postponed. The whole orthopaedics industry is witnessing the same thing: sales took off in the summer but then slowed down sharply in the autumn.

Integrum's sales for the quarter amounted to MSEK 11.9, a decrease of 5% compared to the same period last year. Summing up the first two quarters of the financial year, sales amounted to MSEK 24.8, up 25% on last year. Sales for the rolling 12-month period now stand at MSEK 48.1.

A natural part of Integrum's advancing maturity as a global company is to increase our transparency towards both Swedish and global investors. In this interim report, we have therefore adopted our accounting to the international IFRS standard.

While headwinds in sales are frustrating, we are only at the beginning of our growth journey and the most important thing for our long-term growth is a continued strong momentum in the expansion of our US operations. In October, Thomas Dugan joined as head of the US organization. With his extensive experience in scaling up commercial operations and increasing sales in high-end medical device companies in the US, he will be a great asset to Integrum. Under Thomas Dugan's leadership, the organization will focus on increasing the number of surgeries per clinic and gradually expanding the number of clinics offering our OPRA™ Implant System to their patients. This will be done both through investments in Integrum's internal sales force and through the continued collaboration with our partner Onkos Surgical. In parallel, we are working to further establish the OPRA™ Implant System in the most prominent hospitals in the United States. Already today, our system is used by several leading US hospitals such as Johns Hopkins, UCSF Health and Walter Reed National Military Medical Center – a testimony to the innovative nature of the products. The priority target groups for our marketing efforts are well defined and we are working systematically to increase awareness of our solutions among surgeons, rehabilitation specialists and patients. An important part of our efforts to create long-term growth in the US is to establish the OPRA™ Implant System as the "standard of care" with established treatment codes and reimbursement models, a process that continues to move forward.

Mölnadal December 2<sup>nd</sup> 2021

Similar to the US, we have seen an effect of the pandemic in Europe where elective surgery is still being cancelled. However, also in this region our main focus is on raising awareness of our products among both professionals and patients. The partnership agreement we signed with Implantcast Benelux at the end of October will enable us to offer additional support to our existing customers, Implantcast will also encourage its network of hospitals in the region to spread the use of our products. The collaboration is an interesting step for us as it is the first time, we are testing to address the European market through a partner.

As society slowly opens up after the pandemic, we may again attend conferences and showcase our system, allowing the profession to meet patients who can explain how their lives have improved greatly after being treated with the OPRATM Implant System. It is a tireless effort to continually raise awareness of the unique possibilities of our products. However, based on the response we receive, we are confident that this work will pay off.

The Covid-19 pandemic continues to hold its grip around the healthcare system. In the meantime, we are building the structures and partnerships needed to fully accelerate our sales as soon as the pandemic subsides.

This information is such that Integrum AB (publ) is required to publish in accordance with the EU Market Abuse Regulation and the Swedish Security Markets Act. The information was submitted for publication, through the agency by the contact persons set out below on December 2, 2021, at 8:30 am (CET).

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*Integrum AB is a publicly traded company (INTEG B: Nasdaq First North exchange) based outside of Gothenburg, Sweden, with a US subsidiary in San Francisco, CA. Since 1990, osseointegration, the science behind the OPRA™ Implant System, has been helping individuals with amputations enjoy a dramatically improved quality of life. Thorough surgical experience gained over more than three decades, from more than 500 surgeries, in 14 countries, has led to the development of Integrum's system for bone- anchored prostheses – a vastly superior alternative to the traditionally used socket prosthesis*