

## Commercial Activity Normalizes, Resulting in Seventh Consecutive Quarter of Revenue Growth

### First quarter, January – March 2022

- Net revenue amounted to SEK 8.6 million (4.0)
- Operating loss (EBIT) amounted to SEK -33.7 million (-39.3)
- Loss after tax amounted to SEK -33.3 million (-38.8)
- EPS before and after dilution amounted to SEK -0.46 (-0.59)

### Important events during the quarter

#### Largest dataset with IRRAflow system to date is presented at neurosurgical conference and documents improved outcomes

- West Virginia University Hospital (WVUH) presented data from 45 IRRAflow patients with a 0 percent catheter occlusion rate, decreased vasospasm, and reduced shunt placement.

#### Next-generation IRRAflow system launched in the United States

- The first global patient treatments with the next-generation IRRAflow control unit occurred at WVUH.

#### Regulatory clearance for IRRAflow received in Australia

- The Australian Therapeutic Goods Administration (TGA) granted regulatory clearance for the IRRAflow control unit and tube set, allowing commercial shipments to Australia.

#### First patients enrolled in ACTIVE clinical study

- Aarhus University Hospital enrolled the first patients in the ACTIVE clinical study to compare outcomes of IRRAflow versus traditional drainage across 120 patients.

#### Additional patent issued for IRRAflow system in the U.S.

- A third patent was issued in the US that provides coverage of IRRAflow's ability to administer therapeutic drugs.

#### Process to secure long-term financing ongoing

- Financial advisors have been retained to evaluate a potential financing of IRRAS. The target is for the financing to provide the company with sufficient funds to support 18 months or more of growth.

Key figures	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net revenue, SEK million	8.6	4.0	22.4
Gross margin, percent	49%	Neg	Neg
Operating loss (EBIT), SEK million	-33.7	-39.3	-136.5
EBIT margin, percent	Neg	Neg	Neg
Loss after tax	-33.3	-38.8	-136.3
EBITDA, SEK million	-29.4	-34.8	-119.7
EBITDA margin, percent	Neg	Neg	Neg
Return on equity, percent	Neg	Neg	Neg

# Comments from the CEO

After two challenging years of pandemic-related challenges, the 1st quarter of 2022 confirmed what is possible for IRRAS moving forward. Q1 2022's 8.6M SEK of revenue is our company's 7th consecutive quarter of revenue growth and represents 19 percent growth over Q4 2021 and 115 percent growth from Q1 2021.

Beyond the revenue growth, our team is even more excited about the quarter's increased commercial activity. As the impact of COVID-19 began to subside, our team was able to travel freely to support our distribution partners, and this interaction resulted in progress that was not possible over the past two years, including:

- Support of a successful training program for our Latin American distribution partners, which included the first patient treatments in Central America at Hospital Santo Tomas in Panama City, Panama;
- In-person participation at a Romanian neurosurgical congress where Dr. Anders Korshøj from Aarhus University Hospital in Aarhus, Denmark, highlighted his IRRAflow experience; and
- In-person training with our new distributors in Switzerland, Italy, the UAE, and other markets.

As our distribution partners accelerate their commercial launch of IRRAflow, we directly saw the impact on our commercial business as customers moved beyond small training orders and began to place reorders to support commercial use of the product. Revenue growth was supported by commercial reorders from two European distributors, one distributor in the Middle East, and our Latin American distributor. A prime example of the increasing contribution from our distribution network was seen in Mexico where more than 25 patients were treated with IRRAflow during the first quarter of activity.

Other important commercial metrics that we have highlighted previously also remain healthy. 74 percent of US revenue during Q1 was again driven by commercial reorders of IRRAflow disposables, and another evaluation at a US comprehensive stroke center successfully converted into commercial revenue as Cottage Health placed its first commercial reorder. We also initiated IRRAflow evaluations in the US at Northwestern Memorial Hospital, a top 10 global leader in neurosurgery, the University of Maryland, and Leipzig University Hospital in Germany.

This contribution from all elements of our commercial strategy once again led to a record number of IRRAflow patient treatments during this quarter. This continued treatment growth validates the adoption of IRRAflow, and the resumption of normal activity within society post-COVID permits our team to drive even faster growth.

In addition to the increased commercial activity, many other key accomplishments also occurred during the quarter.

Last year, we informed our investors that we began in-house assembly of our IRRAflow control unit, which provided greater control over our quality and production schedule and also reduced the system's manufacturing cost. This shift from outsourcing to in-house assembly has resulted in an improved gross margin and reduced gross margin loss this quarter. As part of this shift to in-house assembly, we also have reallocated certain functions from direct costs to overhead expenses. This classification change resulted in improved gross margins as well as a corresponding

increase in our administrative expenses. When one disregards these adjustments, I am proud to highlight the improvement in our company's EBIT compared to the same period last year, which has been driven by our revenue growth and our ongoing focus on cost containment. Over the past year, IRRAS' revenue has more than doubled, yet our total number of employees has decreased as we have chosen not to backfill certain positions.

The US launch of our next generation IRRAflow system also began during Q1 2022 with positive feedback from initial customers, and this configuration will serve as the foundation for our future growth. This upgraded system incorporates a new interactive software and improved graphics, as well as a new drainage collection system, which increases the surgeon's treatment options during a procedure.

Our physician partners took meaningful steps to document the clinical superiority of IRRAflow during Q1 2022. The neurosurgery team from West Virginia University Hospital presented the largest IRRAflow clinical dataset to date with outcomes from 45 patient treatments, which showed zero catheter occlusions experienced, more effective removal of collected blood, and reduced length of ICU stay versus published historical data.

This data has been impactful in ongoing customer conversations, and we remain focused on building upon this important clinical data with several active clinical studies designed to confirm IRRAflow superiority. These studies will be instrumental in our ability to establish the system as standard of care.

Q1 2022 confirmed our organization's clear progress, and we look forward to the rest of this year. During the 2<sup>nd</sup> quarter, our most important accomplishment will be the targeted completion of a needed financing, and the process to raise this capital is well underway. We have retained financial advisors with the ambition to secure sufficient financing to allow our team to build upon our recent progress for 18 months or more, and we are fortunate that the company's main shareholder remains supportive and has verbally committed to playing a key role in this imminent financing.

At the same time, we are also following the conflict in Ukraine closely; however, we currently do not expect any meaningful impact on our business. As meaningful achievements occur moving forward, we will continue to report these successes every step of the way.

Sincerely,

Will Martin,  
President and CEO



# Group development January – March 2022

## Net revenue

Net revenue for the first quarter 2022 amounted to SEK 8.6 million (4.0).

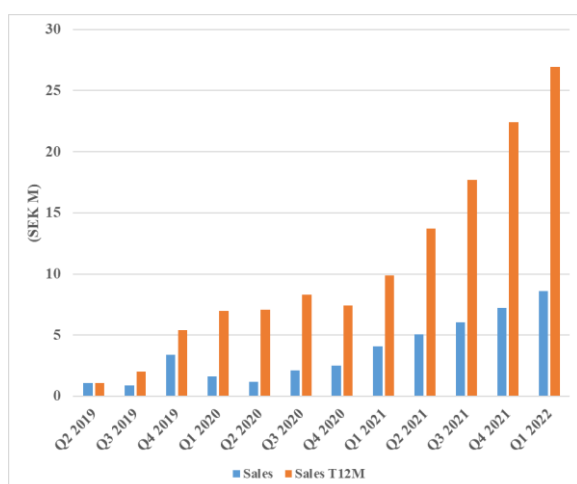
Positive sales development in Q1 2022 was again driven by contribution from each major area of commercial activity. Sales growth compared to Q1 2021 was enabled by normalized customer activity as COVID-19 restrictions were reduced.

This increased customer interaction resulted in noticeable growth within Germany, IRRAS' largest direct market in Europe, as customer evaluations of IRRAflow began to resume. At the same time, our growing network of distribution partners also continued to drive increased total revenue as our sales and education teams were able to travel to support training and customer visits. During the 1<sup>st</sup> quarter, a new partnership was established in Saudi Arabia with the distributor purchasing initial IRRAflow capital equipment and disposables to begin staff and customer training. Additional revenue was generated via reorders from previously trained distribution partners who

continue to increase their commercial activity, including Latin America, the United Arab Emirates, southeastern Europe, and Italy.

In the US, another IRRAflow evaluation was successfully converted to a commercial customer as Cottage Health, a comprehensive stroke center in Santa Barbara, California, placed its first commercial reorder. IRRAflow evaluations also began at Northwestern Memorial Hospital, a top 10 global leader in neurosurgery, and the University of Maryland. During the quarter, 74 percent of US revenue was driven by disposable reorders as key customers, including Buffalo General Medical Center, West Virginia University Hospital, Texas Health San Antonio, University of California – Irvine Hospital, Vidant Medical Center, the University of New Mexico Hospital, and others placed reorders for IRRAflow disposables.

**Figure 1 IRRAS Quarterly and Trailing 12-Month Revenue**



Sales per region SEK million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
USA	4.2	2.5	13.4
Germany	2.2	0.1	2.0
Europe, excluding Germany	1.3	1.0	5.0
Other regions	0.9	0.4	2.0
<b>Total</b>	<b>8.6</b>	<b>4.0</b>	<b>22.4</b>

## Gross profit/loss

The gross profit/loss for the period January to March 2022 totaled SEK 4.2 million (-10.3), which corresponds to a gross margin of 49% (-258). The gross profit includes SEK 1.5 million of favorable items related to inventory adjustments. Excluding these items the gross margin would be 32%.

In 2021, IRRAS moved toward in-house assembly for our IRRASflow control unit. As part of this shift, the company has reviewed the allocation of costs and certain functions have been reallocated from cost of goods sold to administrative expenses in 2022 reflecting the revised nature of the costs. These costs were correctly included within Cost of Goods Sold during 2021 under the previous operating model. This change is reflected in gross margin as well as corresponding increases in administrative expenses. The SEK 3.7 million adjustment in cost of goods sold consists of salaries and benefits, and other operational external expenses.

## Other operating Income

Other operating income for the period January to March 2022 totaled SEK 0.1 million (0.0) and consists primarily of the exchange gains on operating receivables and liabilities.

## Marketing and Sales expenses

Total Marketing and sales expenses for the period January to March 2022 totaled SEK 13.3 million (13.0) and increased slightly due to higher sales expenses offset by lower regulatory expenses.

## Administrative expenses

Total Administrative expenses for the period January to March 2022 totaled to SEK 17.1 million (8.6) which is an increase driven by the change in operation, reclassification of previous operations expenses from cost of goods sold to administrative expenses by SEK 3.8 million. The costs have also increased due to higher costs for consultant and legal fees.

## Research and Development expenses

Total Research and development expenses for the period January to March 2022 amounted to SEK 9.5 million (9.6). Research and Development expenses totaled SEK 7.6 (7.2) of which SEK 1.9 million (2.4) was capitalized. The expensed R&D costs mainly include personnel costs for the employees and consultant fees in these departments. Capitalized development expenses include costs for development projects for not yet launched products.

## Other Operating expenses

Other Operating expenses for the period January to March 2022 totaled SEK -0.1 million (-0.2) consists primarily of exchange losses on operating receivables and liabilities.

## Total Operating expenses

Operating expenses for the period January to March 2022 totaled SEK 38.0 million (29.0) which is increase driven by the reorganization of the company.

## Operating profit/loss (EBIT)

Operating loss (EBIT) totaled SEK -33.7 million (-39.3) for the period January to March 2022.

## Net financial income

Net financial income totaled SEK 0.4 million (0.5) for the period January to March 2022.

## Earnings

Loss before tax amounted to SEK -33.3 million (-38.8) for the period January to March 2022, Net loss (loss after tax) amounted to SEK -33.3 million (-38.8) for the same period.

## Cash flow and liquidity

Cash flow from operating activities from January to March 2022, after the changes in working capital, totaled SEK -33.2 million (-34.4).

At the end of the period, available liquidity amounted to SEK 19.6 million to be compared to 55.9 in the beginning of the period. The Company has retained financial advisors to execute upon its long-term financing plan, and it expects that additional details will be announced during Q2 2022.

## Investments

Net investments totaled SEK 1.9 million (2.5) for the period of January to March 2022 and consists primarily of capitalized development expenses.

## Assets

As of March 31, 2022, intangible assets totaled SEK 33.5 million (39.5). These intangible assets comprised capitalized development expenses and capitalized patent expenses.

Capitalized development expenses are amortized on a straight-line basis over five years and capitalized patent expenses are amortized on a straight-line basis over the patent's lifespan. Amortization of capitalized development expenses is recognized under Cost of sales.

## Equity and liabilities

As of March 31, 2022, the Group's equity amounted to SEK 79.4 million (145.7) and the equity ratio was 75.5 percent (85.7 percent).

As of March 31, 2021, interest-bearing liabilities totaled SEK 3.4 million (3.6). Current non-interest-bearing liabilities totaled SEK 22.3 million (20.7).

## Changes in the parent company

During Q1 2022, there was an impairment write down of the shares in the subsidiaries of SEK 62 million, taking into consideration the present value of cash flows and weighted cost of capital. This change only affects the parent company financials.

## Parent company

IRRAS AB (publ), corporate ID number 556872-7134, is a Swedish corporation with its headquarters in Stockholm. The address of the main office is Vasagatan 16, SE-111 20 Stockholm, Sweden.

Receivables and liabilities from Group companies primarily comprise liabilities to the US subsidiary, IRRAS USA, Inc., and receivables from the German subsidiary, IRRAS GmbH. Shares in group companies have increased due to shareholders' contributions. Risks and uncertainties in the parent company coincide indirectly with those of the Group.

## Employees

The average number of employees in the Group from January to March 2022 was 44 (51), of which 4 (6) are employed by the parent company. The breakdown of average number of employees by country was 4 (6) in Sweden, 37 (40) in the US and 3 (5) in Germany. The average number of women in the Group was 22 (21), and the average number of men was 22 (30).

## The market

IRRAS' first product, *IRRAflow*, is initially intended for treatment of patients with hemorrhagic strokes and chronic subdural hematoma. IRRAS also markets the Hummingbird family of products to diagnose intracranial pressure (ICP) and treat traumatic brain injury.

The market opportunity for the Company's products is significant as smoking, reduced cardiovascular health, and an aging population continue to increase the incidence of neurocritical brain pathologies. Each year, in the US and EU alone, approximately 5.4 million people are affected by traumatic brain injury.<sup>1,2</sup> Of those patients, approximately 235,000 people requiring invasive monitoring of their ICP where the Hummingbird ICP system can be used.<sup>3</sup> On top of that amount, when the brain injury results in active intracranial bleeding, more urgent, invasive treatment is required. Around 600,000 people in the US and Europe suffer from hemorrhagic strokes and chronic subdural hematoma annually, and approximately 345,000 of these people are treated surgically.<sup>4</sup> In these situations, once the bleeding is under control, the excess blood and the pressure that it creates must be urgently removed to stabilize the patient's condition.

IRRAS estimates that the current addressable market size of the company's products in Europe and the US is approximately 1.8 billion USD.

## Related-party transactions

Refer to note 3 on page 15 for a description of transactions with related parties.

## Risks and uncertainties

A number of risks and uncertainties are associated with the Group's operations.

There is a risk that the *IRRAflow* and Hummingbird products are not accepted by physicians, hospitals, patients, insurance providers or medical professionals, even though the products have received regulatory clearance, or that the expected level of adoption is delayed.

IRRAS continues to closely assess the risks associated with COVID-19, especially when new information becomes available regarding the spread of new variants. When COVID cases increase, ICU bed space becomes restricted, and access to customers for sales and training is also impacted. The pandemic has had a major impact on the company's sales and sales growth during recent periods in relation to internal expectations. However, there has been no impact on supply chain or the company's organization, but a latent risk remains. Continued severe restrictions would have a major impact on the company's ability to sell its products, even if revenue generation is still expected despite restrictions.

Deliveries from the company's suppliers that are incorrect, delayed or never arrive may, in turn, cause delays, deficiency or inaccuracy in the company's deliveries.

There is no guarantee that the company's activities will not be subject to restrictions by public authorities, that the company will receive necessary future approval from the authorities or that the company will not lose approvals that have already been received.

There is a risk that the company will fail to develop products, that it will not be possible to launch the products on schedule or that market acceptance will be lower or slower than anticipated. These risks may entail reduced sales and negatively affect the company's earnings. The company is also exposed to customers' inability to pay and to fluctuating exchange rates.

## Financing risk and going concern

The company's liquidity per March 31, 2022, is not sufficient to cover the planned operations in the next 12 months. In light of this, current fundraising efforts are underway for a Q2 2022 equity raise, and the Board considers these ongoing projects sufficient to finance the company's operations. However, if sufficient financing is not obtained, there is a risk that conditions for going concern are not fulfilled.

For a more detailed description of the company's risks, refer to the Annual Report 2020, pages 26-27.

## The share and shareholders

The IRRAS share was listed at Nasdaq Stockholm in May 2020. Before that, the company was listed at Nasdaq First North Premier Growth Market since 2017. The number of shares and votes in IRRAS AB at the end of March 2022 totaled 79,481,340.

Shareholders as of March 31, 2022* (and known changes thereafter)	Number of shares	Percent of shares/ votes
Bacara Holdings Ltd	18,683,339	23,5%
Fjärde AP-fonden	7,359,362	9,3%
Carl-Olof och Jenz Hamrins Stiftelse	3,800,000	4,8%
Lexington Holding Assets Ltd	3,155,727	4,0%
Staffan Persson	2,950,005	3,7%
March Asset Management	2,315,946	2,9%
Andra AP-fonden	2,000,000	2,5%
Martin Jönsson	1,500,000	1,9%
Kleanthis G. Xanthopoulos	1,301,498	1,6%
Avanza Pension	1,298,391	1,6%
<b>Total ten largest shareholders</b>	<b>44,364,268</b>	<b>55.8%</b>
<b>Other shareholders</b>	<b>35,117,072</b>	<b>44.2%</b>
<b>Total number of shares</b>	<b>79,481,340</b>	<b>100.0%</b>

\*Nominee accounts / shareholders are not included in this compilation

<sup>1</sup> Centers for Disease Control and Prevention (2019). Surveillance Report of Traumatic Brain Injury-related Emergency Department Visits, Hospitalizations, and Deaths—United States, 2014. Centers for Disease Control and Prevention, U.S. Department of Health and Human Services.

<sup>2</sup> Center-TBI EU Traumatic Brain Injury Fact Sheet and Policy Brief

<sup>3</sup> Market Study Report, Global Intracranial Pressure (ICP) Monitoring Devices Market Growth, 2019-2024.

<sup>4</sup> Market data from L3 consulting and internal analysis. Combination of incidence rates combined with market-specific DRG reimbursement data.

## Incentive programs

As of March 31, the company has four incentive programs outstanding for employees and key personnel. These programs can currently increase the number of shares by 3,710,307 (refer to note 2 on page 15).

## Analysts following the company

Ulrik Trattner	Carnegie
Oscar Bergman	Redeye

## Financial calendar

Q2 2022 Interim Report	July 22, 2022
Q3 2022 Interim Report	November 10, 2022

IRRAS' reports are available on the company's webpage.

## Auditors review

The report has not been reviewed by the auditors.

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The Board of Directors and the CEO certify that this interim report provides a true and fair overview of the Group's and parent company's operations, financial position and earnings, and describes the material risks and uncertainties facing the parent company and the companies included in the Group.

*Stockholm, April 27, 2022*  
*IRRAS AB (publ)*

Marios Fotiadis  
Chairman of the Board

Kleanthis G. Xanthopoulos, Ph.D  
Board member

Anita Tollstadius  
Board member

Catherine Gilmore-Lawless  
Board member

Eva Nilsagård  
Board member

## Consolidated statement of profit or loss and other comprehensive income in summary

SEK million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net revenue	8.6	4.0	22.4
Cost of sales	-4.4	-14.3	-50.4
<b>Gross profit/loss</b>	<b>4.2</b>	<b>-10.3</b>	<b>-28.0</b>
<b>Gross margin</b>	<b>49%</b>	<b>Neg</b>	<b>Neg</b>
Other operating income	0.1	0.0	8.1
Marketing and sales expenses	-13.3	-13.0	-53.1
Administrative expenses	-17.1	-8.6	-39.5
Research and development expenses	-7.6	-7.2	-23.7
Other operating expenses	-0.1	-0.2	-0.4
<b>Operating loss (EBIT)</b>	<b>-33.7</b>	<b>-39.3</b>	<b>-136.5</b>
<b>EBIT margin</b>	<b>Neg</b>	<b>Neg</b>	<b>Neg</b>
Net financial income/expenses	0.4	0.5	0.2
<b>Loss before tax</b>	<b>-33.3</b>	<b>-38.8</b>	<b>-136.3</b>
Tax	—	—	—
<b>Net loss for the period</b>	<b>-33.3</b>	<b>-38.8</b>	<b>-136.3</b>
<b>Other comprehensive income</b>			
Items that may be subsequently reclassified to profit or loss			
Translation differences for the period on translation of foreign subsidiaries	0.9	1.9	2.8
Total other comprehensive income	0.9	1.9	2.8
<b>Total comprehensive income for the period</b>	<b>-32.4</b>	<b>-36.9</b>	<b>-133.5</b>
Earnings per share before dilution, SEK	-0.46	-0.59	-1.89
Earnings per share after dilution, SEK	-0.46	-0.59	-1.89
Average number of shares before dilution, average	79,481,340	66,281,340	72,316,866
Average number of shares after dilution, average	79,481,340	66,281,340	72,316,866

Since the Group has no minority interest, the earnings are wholly attributable to the owners of the parent company.



## Consolidated statement of financial position in summary

SEK million	Mar 31, 2022	Mar 31 2021	Dec 31 2021
<b>ASSETS</b>			
Non-current assets			
Intangible assets			
Development expenses	27.6	32.9	28.6
Licenses/patents	5.9	6.6	6.1
<b>Total intangible assets</b>	<b>33.5</b>	<b>39.5</b>	<b>34.6</b>
Right-of-use assets	4.1	3.4	4.0
<b>Tangible assets</b>	<b>1.0</b>	<b>-</b>	<b>1.0</b>
Machinery and equipment	0.1	1.4	0.1
<b>Total tangible assets</b>	<b>5.1</b>	<b>4.8</b>	<b>5.1</b>
<b>Total non-current assets</b>	<b>38.7</b>	<b>44.3</b>	<b>39.8</b>
Current assets			
Inventory	19.7	17.8	13.4
Accounts receivables	20.0	7.3	16.3
Other receivables	1.6	1.3	1.6
Prepaid expenses and accrued income	5.5	1.6	5.7
Cash and cash equivalents	19.6	97.7	55.9
<b>Total current assets</b>	<b>66.5</b>	<b>125.7</b>	<b>92.8</b>
<b>TOTAL ASSETS</b>	<b>105.1</b>	<b>170.0</b>	<b>132.6</b>
<b>EQUITY</b>			
Share capital	2.4	2.0	2.4
Other paid-in capital	787.8	726.7	787.8
Translation reserve	-2.6	-4.4	-3.4
Retained earnings, including net loss for the period	-708.2	-578.6	-675.1
<b>Total equity</b>	<b>79.4</b>	<b>145.7</b>	<b>111.6</b>
<b>LIABILITIES</b>			
Long term liabilities			
Lease liabilities	0.3	0.3	0.2
<b>Total long-term liabilities and provisions</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>
<b>Current liabilities</b>			
Lease liabilities	3.2	3.3	3.5
Liabilities to credit institutions	—	7.3	—
Accounts payable	12.9	3.0	5.5
Other liabilities	1.2	2.8	2.4
Accrued expenses and deferred income	8.1	7.6	9.4
<b>Total current liabilities</b>	<b>25.4</b>	<b>24.0</b>	<b>20.8</b>
<b>Total liabilities and provisions</b>	<b>25.7</b>	<b>24.3</b>	<b>21.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>105.1</b>	<b>170.0</b>	<b>132.6</b>

## Consolidated statement of changes in equity in summary

SEK million	Share capital	Other paid-in capital	Translation reserve	Retained earnings, including net loss for the period	Total equity
<b>Opening equity January 1, 2021</b>	<b>2.0</b>	<b>726.7</b>	<b>-6.3</b>	<b>-540.0</b>	<b>182.4</b>
<b><i>Comprehensive income for the period</i></b>					
Net loss for the period	-	-	-	-38.8	-38.8
Other comprehensive income for the period	-	-	1.9	-	1.9
Comprehensive income for the period	-	-	1.9	-38.8	-36.9
<b><i>Transactions with shareholders</i></b>					
Incentive programs	-	-	-	0.3	0.3
<b>Closing equity March 31, 2021</b>	<b>2.0</b>	<b>726.7</b>	<b>-4.4</b>	<b>-578.5</b>	<b>145.7</b>
<b><i>Comprehensive income for the period</i></b>					
Net loss for the period	-	-	-	-97.5	-97.5
Other comprehensive income for the period	-	-	0.9	-	0.9
Comprehensive income for the period	-	-	0.9	-97.5	-96.6
<b><i>Transactions with shareholders</i></b>					
Incentive programs	-	-	-	0.9	0.9
Direct share issue	0.4	65.6	-	-	66.0
New share issue expenses	-	-4.5	-	-	-4.5
<b>Closing equity December 31, 2021</b>	<b>2.4</b>	<b>787.8</b>	<b>-3.4</b>	<b>-675.1</b>	<b>111.6</b>
<b>Opening equity January 1, 2022</b>	<b>2.4</b>	<b>787.8</b>	<b>-3.4</b>	<b>-675.1</b>	<b>111.6</b>
<b><i>Comprehensive income for the period</i></b>					
Net loss for the period	—	—	—	-33.3	-33.3
Other comprehensive income for the period	—	—	0.9	—	0.9
<b>Comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>0.9</b>	<b>-33.3</b>	<b>-32.4</b>
<b><i>Transaction with shareholders</i></b>					
Incentive programs	—	—	—	0.2	0.2
<b>Closing equity March 31, 2022</b>	<b>2.4</b>	<b>787.8</b>	<b>-2.6</b>	<b>-708.2</b>	<b>79.4</b>

## Condensed consolidated statement of cash flows in summary

SEK million	Jan–Mar 2022	Jan–Mar 2021	Jan–Dec 2021
<b>Operating activities</b>			
Operating loss (EBIT)	-33.7	-39.3	-136.5
Adjustment for non-cash items			
- Depreciation/amortization	4.3	4.4	16.8
- Incentive programs	0.2	0.3	1.2
- Other non-cash items	1.0	5.0	-1.9
Interest received	—	—	—
Interest paid	—	—	-0,1
Income tax paid	—	—	—
Cash flow from operating activities before changes in working capital	-28.2	-29.6	-120.6
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventory	-6.6	-0.5	2.0
Increase (-)/decrease (+) in operating receivables	-3.5	-1.8	-12.9
Increase (+)/decrease (-) in operating payables	5.1	-2.5	0.9
<b>Cash flow from operating activities</b>	<b>-33.2</b>	<b>-34.4</b>	<b>-130.5</b>
Cash flow from investing activities			
Investment in intangible assets	- 1.9	-2.4	-6.7
Investments in tangible assets	0.0	-0.1	-0.6
<b>Cash flow from investing activities</b>	<b>-1.9</b>	<b>-2.5</b>	<b>-7.3</b>
Cash flow from financing activities			
New share issue	—	—	66.0
New share issue expenses	—	—	-4.5
Amortized lease liability	-1.2	-1.5	-4.3
<b>Cash flow from financing activities</b>	<b>-1.2</b>	<b>-1.5</b>	<b>57.2</b>
<b>Cash flow for the period</b>	<b>-36.3</b>	<b>-38.3</b>	<b>-80.6</b>
Cash and cash equivalents at the beginning of the period	55.9	135.6	135.6
Exchange rate difference in cash and cash equivalents	0,1	0.4	0.8
<b>Cash and cash equivalents at the end of the period</b>	<b>19.6</b>	<b>97.7</b>	<b>55.9</b>

## Parent company statement of profit or loss in summary

SEK million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net revenue	0	—	0.7
Cost of sales	-2.9	-2.9	-12.0
<b>Gross profit/loss</b>	<b>-2.9</b>	<b>-2.9</b>	<b>-11.2</b>
Other operating income	—	0.0	0.3
Marketing and sales expenses	-1.9	-1.4	-6.7
Administrative expenses	-5.7	-5.1	-20.3
Research and development expenses	-0.1	-0.0	—
Other operating expenses	0.0	-0.2	-0.2
<b>Operating loss (EBIT)</b>	<b>-10.6</b>	<b>-9.6</b>	<b>-38.1</b>
Net financial income	0.6	0.6	0.4
Write-down of shares in subsidiaries	-61.9	—	-220.5
<b>Loss before tax</b>	<b>-71.9</b>	<b>-9.1</b>	<b>-258.3</b>
Tax	—	—	—
<b>Net loss for the period</b>	<b>-71.9</b>	<b>-9.1</b>	<b>-258.3</b>

Since no items are recognized in other comprehensive income, the parent company's loss corresponds with its comprehensive income.

## Parent company statement of financial position in summary

SEK million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>ASSETS</b>			
Non-current assets			
Intangible assets	28.8	34.4	29.9
Tangible assets	0.1	0.2	0.1
Financial assets			
Shares in Group companies	175.0	366.0	227.8
Receivables from Group companies	28.0	25.6	13.7
<b>Total financial assets</b>	<b>203.0</b>	<b>391.6</b>	<b>241.5</b>
<b>Total non-current assets</b>	<b>231.9</b>	<b>426.2</b>	<b>271.4</b>
Current assets			
Receivables from Group companies	0.3	—	0.2
Other receivables	0.8	0.4	0.8
Prepaid expenses and accrued income	1.1	0.9	1.0
Cash and bank balances	17.2	84.6	45.8
<b>Total current assets</b>	<b>19.4</b>	<b>86.0</b>	<b>47.8</b>
<b>TOTAL ASSETS</b>	<b>251.3</b>	<b>512.2</b>	<b>319.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	2.4	2.0	2.4
Fund for capitalized expenditure	28.0	30.6	28.0
Capital surplus	754.2	724.1	754.2
Retained earnings	-470.5	-247.0	-212.5
Loss for the year	-71.9	-9.0	-258.3
<b>Total equity</b>	<b>242.2</b>	<b>500.6</b>	<b>313.8</b>
Current liabilities			
Accounts payable	1.3	0.7	0.9
Liabilities to Group companies	1.9	6.0	0.1
Other current liabilities	0.8	0.8	0.4
Accrued expenses and deferred income	5.2	4.0	4.0
<b>Total liabilities and provisions</b>	<b>9.2</b>	<b>11.0</b>	<b>5.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>251.3</b>	<b>512.2</b>	<b>319.2</b>

## Parent company condensed consolidated statement of cash flows in summary

SEK million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
<b>Operating activities</b>			
Operating loss (EBIT)	-10.6	-9.6	-38.1
Adjustment for non-cash items			
- Depreciation/amortization	3.0	2.9	11.8
- Incentive programs	0.1	0.1	0.4
- Other non-cash items	—	—	—
Interest received	0	—	0
Interest paid	—	0.6	—
Cash flow from operating activities before changes in working capital	-7.6	-6.1	-25.9
Cash flow from changes in working capital			
Increase (-)/decrease (+) in operating receivables	-2.0	-0.3	-0.1
Increase (+)/decrease (-) in operating payables	4.1	3.3	-12.3
<b>Cash flow from operating activities</b>	<b>-3.7</b>	<b>-3.0</b>	<b>--12.4</b>
Cash flow from investing activities			
Investments in participations in subsidiaries	-23.0	-24.9	-97.1
Investment in intangible assets	-1.9	-2.4	-6.7
Amortization from (+) /loans to (-) subsidiaries	—	-2.0	9.4
<b>Cash flow from investing activities</b>	<b>-24.9</b>	<b>-29.3</b>	<b>-94.4</b>
Cash flow from financing activities			
New share issue	—	—	66.0
New share issue expenses	—	0.0	-4.5
<b>Cash flow from financing activities</b>	<b>—</b>	<b>0.0</b>	<b>61.5</b>
<b>Cash flow for the period</b>	<b>28.6</b>	<b>-32.3</b>	<b>-71.1</b>
Cash and cash equivalents at the beginning of the period	45.8	116.9	116.9
<b>Cash and cash equivalents at the end of the period</b>	<b>17.2</b>	<b>84.6</b>	<b>45.8</b>

# Notes

## Note 1 Accounting policies

The interim financial report for the IRRAS Group has been prepared in accordance with the International Finance Reporting Standards (IFRS) as adopted by the EU. The Swedish Annual Accounts Act and RFR 1 Complementary accounting rules for groups have also been applied. The Interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company applies RFR2 Accounting for legal entities and the Swedish Annual Accounts Act. RFR 2 requires that the parent company apply the same accounting policies as the Group, meaning IFRS should be applied, if possible, in the scope permitted by The Swedish Annual Accounts Act, Pension Obligations Vesting Act and of tax reasons.

New or revised IFRS or other IFRIC interpretations have taken effect January 1, 2022. None of the new standards has had any impact on the consolidated or parent company's financial statements as of March 31, 2022.

### Segment reporting

Since IRRAS' equity instruments are traded in a market, IFRS 8 Operating Segments is applicable. IRRAS' operations are currently focused on development and sales within a single category of products of the same nature within the neurocritical care product area, which is why only one segment has been reported and is reflected in its entirety in the consolidated financial statements. The Group's strategic control and highest executive decision makers, consisting of the CEO and several other executives which together form the Group management, evaluate the Group's activities from a product and product development perspective. Sales are evaluated from a geographical perspective, as of today Germany, the rest of Europe, USA and the rest of the world. See table on page 4 for details.

## Note 2 Incentive programs

IRRAS has four incentive programs outstanding for employees, key personnel and Board members. The costs for the incentive programs totaled SEK 0.1 million (0.3) for the period from January to March 2022.

	Program 1	Program 2	Program 5	Program 6	Program 7	Total
Established	2015-06-22	2017-10-31	2018-06-01	2020-04-28	2021-04-28	
Total number of options in the program	1,900,000	650,000	732,000	1,050,000	1,000,000	
Strike Price	13,6	35	25,86	*	*	
Expiration	2025-09-30	2021-10-31	2022-06-15	2028-04-28	2029-04-28	
<b>January 1, 2022 Balance</b>	<b>1,685,280</b>	<b>278,000</b>	<b>344,744</b>	<b>803,673</b>	<b>450,500</b>	<b>3,562,197</b>
New Grants	-	-	-	5,000	519,500	524,500
Exercised	-	-	-	-	-	-
Terminated	(16,875)	(278,000)	(37,216)	(16,799)	(27,500)	(376,390)
<b>Balance March 31, 2022</b>	<b>1,668,405</b>	<b>-</b>	<b>307,528</b>	<b>791,874</b>	<b>942,500</b>	<b>3,710,307</b>

\* The redemption price depends on the option date

The conditions for each long-term incentive program is described in IRRAS Annual report 2021, note 2 and 10.

## Note 3 Related-party transactions

"Related parties" are defined as members of the company management in the Parent Company, Board of Directors of the Parent Company, and subsidiaries. Shares in the subsidiaries and transactions between Group companies are eliminated in the consolidated financial statements, which is why further information is not provided.

The following related-party transactions have taken place during the period:

The Group has purchased educational training from a person related to board member Kleantith G. Xanthopoulos. The expense for the period January to March 2022 totaled SEK 200.9 thousand (10.0).

## Note 4 Financial assets and liabilities

Financial assets and liabilities in the balance sheet are reported to the amortized cost which is assessed to be a good approximation of the real value.

## Use of performance measures not defined by IFRS

The IRRAS Group's financial statements are prepared in accordance with IFRS. Only a few performance measures are defined in IFRS. IRRAS applies the guidelines of the European Securities and Market Authority (ESMA) for alternative performance measures. To support analysis of the Group's development by company management and other stakeholders, IRRAS recognizes certain performance measures not defined in IFRS. It is the opinion of company management that this information facilitates an analysis of the Group's development. The table below shows definitions of performance measures not defined by IFRS and which definitions are not indicated in other parts of the report. The performance measures are calculated on the actual financial statements including IFRS 16.

	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Gross margin (Gross profit or loss/Net revenue)			
Gross profit/loss, SEK million	4.2	-10.3	-28.0
Net revenue, SEK million	8.6	4.0	22.4
Gross margin, percent	49%	Neg	Neg
EBIT margin (Operating loss (EBIT)/Net revenue)			
Operating loss (EBIT), SEK million	-33.7	-39.3	-136.5
Net revenue, SEK million	8.6	4.0	22.4
EBIT margin, percent	Neg	Neg	Neg
EBITDA			
Operating loss (EBIT), SEK million	-33.7	-39.3	-136.5
Add back depreciation/amortization, SEK million	4.3	4.4	16.8
EBITDA	-29.4	-34.9	-119.7
EBITDA margin (EBITDA/Net revenue)			
EBITDA	-29.4	-34.9	-119.7
Net revenue, SEK million	8.6	4.0	22.4
EBITDA margin, percent	Neg	Neg	Neg
Return on equity, percent (Net profit or loss for the period/Average equity)			
Net loss for the period, SEK million	-33.3	-38.8	-136.3
Average equity, SEK million	95.5	122.7	147.5
Return on equity, percent	Neg	Neg	Neg
Equity ratio, percent (Total equity/Total assets)			
Total equity, SEK million	79.4	145.7	111.6
Total assets, SEK million	105.1	170.0	132.6
Equity ratio, percent	76%	86%	84%

Definitions:

*Gross profit/loss*: Net revenue less cost of sales

*Gross margin*: Gross profit/loss divided by net revenue

*EBITDA (Earnings before interest, tax, depreciation and amortization)*: Earnings before net financial income/expense, tax and depreciation/amortization of tangible and intangible assets

*EBITDA margin*: EBITDA divided by net revenue

*Operating loss (EBIT)*: Gross profit/loss less total operating expenses

*EBIT margin*: Operating profit/loss (EBIT) divided by net revenue

*Return on equity*: Net profit or loss for the period divided by average equity

*Equity ratio*: Total equity divided by total assets



# This is IRRAS

IRRAS AB (Nasdaq Stockholm: IRRAS) is a global medical care company focused on delivering innovative medical solutions to improve the lives of critically ill patients. IRRAS designs, develops, and commercializes neurocritical care products that transform patient outcomes and decrease the overall cost of care by addressing complications associated with current treatment methodologies. IRRAS markets and sells its comprehensive, innovative IRRASflow and Hummingbird ICP Monitoring product lines to hospitals worldwide through its direct sales organization in

the United States and select European countries as well as an international network of distribution partners. IRRAS maintains its headquarters in Stockholm, Sweden, with corporate offices in Munich, Germany, and San Diego, California, USA. For more information, please visit [www.irras.com](http://www.irras.com).

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This document is considered information that IRRAS is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact person above, on April 27, 2022 at 8:00 a.m. (CET).

IRRAS

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