



January 1 – December 31, 2023

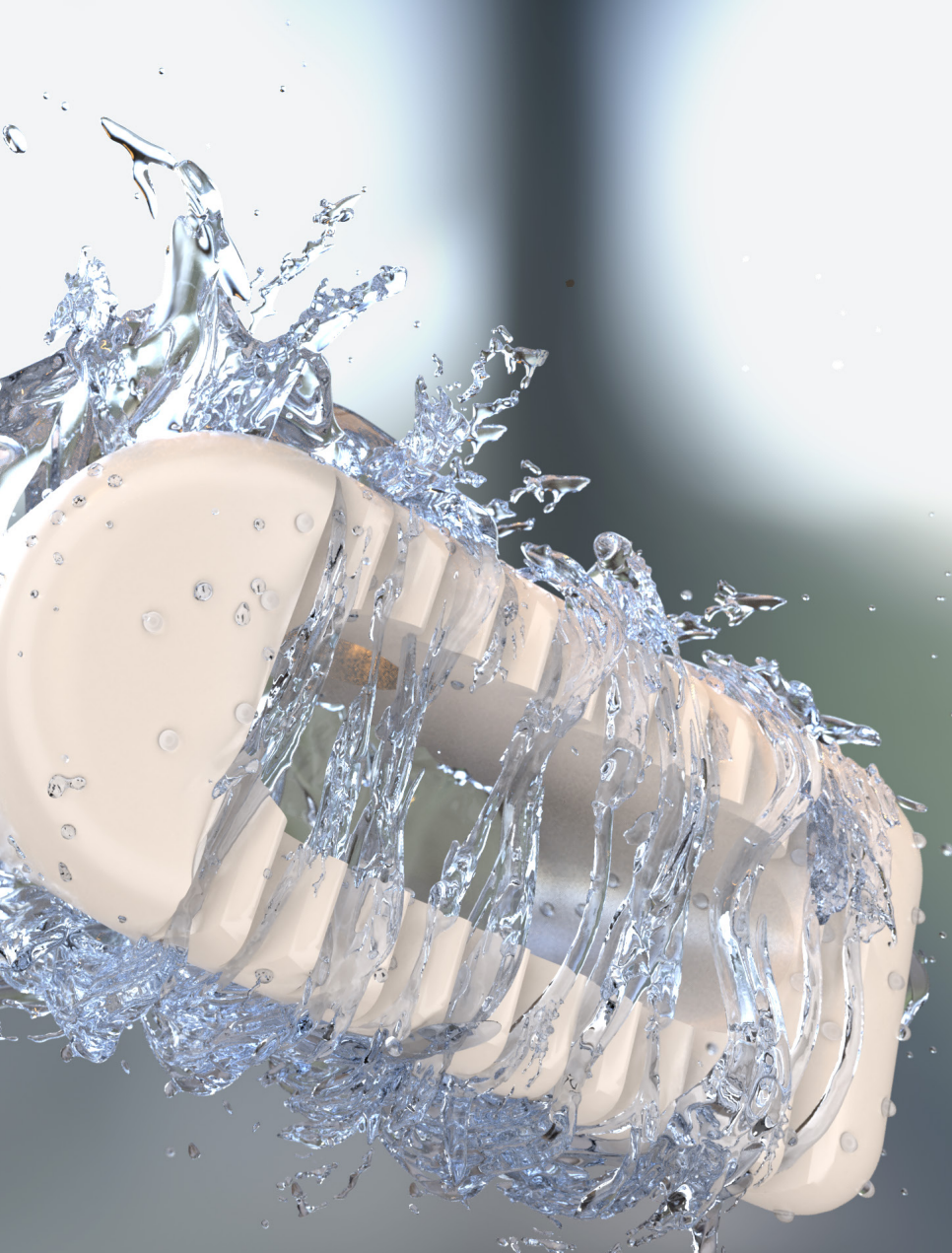
Annual Report

Promimic AB (publ)

Content

CEO Comments	4
About Promimic.....	6
Case: Curiteva	10
Case: Innovasis.....	11
Case: Nano Processing Inc.....	12
Case: Produktionslabbet.....	13
Expansion on three continents	14
Board and management	16
Management Report.....	19
Financial Reports.....	24
Notes.....	30
Signatures	36
Auditor's Report	37
Corporate Governance Report.....	40





129 percent growth

Tripled capacity

**Record number of
FDA submissions**

Seven new implants to the market



Magnus Larsson
CEO, Promimic

129 percent growth and continued expansion

We are putting a record year behind us. Sales have more than doubled for the second year in a row. Our customers have submitted FDA applications for 17 new implants, which is also a new record. When these implants reach the market, we begin to profit from our license agreements and we can expect stable income moving forward. We've signed three new license agreements during the year which has opened the doors into new areas of use for HA^{nano} Surface, such as sports medicine.

Net sales amounts to SEK 37.1 million, which is an increase of 129 percent compared to SEK 16.2 million in 2022. Revenues are increasing in all areas: license fees, royalties, the processing in Indiana and sale of coating liquid.

The year has been challenging when we look at the macroeconomic trends with increased interest rates and negative growth in Sweden. We were well prepared by having resolved loans and leasing and completely debt free at the beginning of 2023. Our main markets for dental and orthopedic implants are going against the general trend and continue to have good growth.

HA^{nano} Surface also has a given place on the market as our customers demand new biomaterials for improved osseointegration. This is driven by an aging population, with increased presence of both obesity and diabetes. We have seen in our studies, that it is precisely in more difficult conditions like this that our surface makes a big difference.

We are following the growth plan we set up in connection with the IPO in 2022 and are now investing for continued growth. The entire operation in Mölndal has moved to new facilities in the new Life Science cluster GoCo Health Innovation City. We started the move mid-December 2023 and have been running at full speed since the end of January 2024. At GoCo House, we have the capacity to produce three times as much coating liquid – a necessity given the high demand from the market.

In the fourth quarter of 2023, we decided to make an investment in Nano Processing Inc. (NPI) by expanding capacity with two new process lines. The plan is to double capacity to meet future increased demand. We will also rebuild the existing line to be able to handle new requirements. In practice, we will have three times as much processing capacity compared to today. The new lines will be ready for use in the third quarter of 2024.

In 2023, five customers have introduced seven new implants in the dental and orthopedic markets. I mentioned earlier that applications for 17 implants have been submitted to the FDA. This means that additional products will be introduced in 2024. New products from our customers are the engine of our growth and we have a strong focus on supporting our customers to get to market with their products.

During the year, we have continued our research and development on prevention of bacterial presence on implant surfaces with HA^{nano} Surface. Additionally,

we have continued our development of new biomaterials for improved integration with both bone and soft tissue. Development projects are carried out both independently and in collaboration with customers where we have common interests and aim to develop product-specific solutions. One of our new patents has transitioned to the national phase this year, ensuring our rights for better integration on new types of implant surfaces.

Internally, we are working on our development program One Promimic Team, which has made our processes more efficient and created a better workflow. We introduced a platform for competence development that we will proceed to work with and will continue to work on structure, responsibility, and belonging. Our staff is our most valuable asset, and we value being able to develop our employees in both their current and future roles to strengthen the company's competitiveness.

I have written it before and I will write it again. We have a Dream Team at Promimic. The professionalism, commitment, and drive I see from our employees is outstanding. We are breaking new ground through our research and development which enables us to help and deliver value to our partners. In turn, our customers assist people with improved

implant treatments and clinical benefits. Our customers then help individuals regain their function where it is poor or damaged. Our team works hard on this every day, in various ways. Each individual skill contributes to us collectively being a world-leading company in our field. We are 18 team members, representing eight different nationalities, all contributing to building our corporate culture. Promimic has few customers in Sweden; the majority of our customer activity takes place in an international environment. Here, our differences are a strength, and our common goal is our path to success. For me, it is a privilege to be part of this team.

I want to thank all employees for a fantastic and dedicated 2023. I especially want to thank for the great and extraordinary efforts in keeping production and development work going simultaneously with the move to GoCo House. I also want to extend a big thank you to our partners who have contributed to our success in a commendable way. Our shareholders also deserve thanks for enabling our expansion. We can now close the chapter on 2023 and look forward to even more exciting times ahead of us.

Mölnådal, April 25, 2024

Magnus Larsson
CEO, Promimic



About Promimic

Background

Promimic has developed a state-of-the-art nanotechnology that mimics nature, making it possible to create a unique bioactive surface on any implant. The company manufactures, markets and sells these biomaterials for improved osseointegration (bone healing) to leading companies in the dental, spine, total joint, extremities, and sports medicine implant markets. Promimic is headquartered in Mölndal, Sweden with sales offices in USA. The processing of implants is done through the joint venture, Nano Processing Inc. in Indiana, USA. With over 1,500,000 implants in clinical use worldwide, the company's technology is accepted and ready for growth with both established partners and new customers.

Products and market

The company's technology platform is a new generation of nanometer-thin surface modification of the outermost layer of the implant. The company's main product is HA^{nano} Surface, which causes the surface of the implants to mimic bone crystals, which facilitates the healing process and improves the anchoring of the implants in the bone tissue. This is verified in over 30 clinical and pre-clinical scientific studies.

HA^{nano} Surface was launched in 2015 on dental implants in Brazil as the first market. On December 5, 2017, the first implant with HA^{nano} Surface was cleared by the Food and Drug Administration (FDA) in the United States. That clearance opened up the American market for HA^{nano} Surface and today the surface is used clinically on implants for spine surgery, orthopedics after cancer treatments, implants for closure of the sternum after heart surgery and knee implants.

The technology can be applied to all types of implants that must be anchored in bone. It can also be used on 3D-printed implants, where other traditional technologies do not work. The technology receives regulatory market clearance via a simplified 510(k) process in the United States.

Promimic currently has license agreements with 18 implant companies, of which ten companies have implants in clinical use. Promimic has established its own sales operation in the USA and secured several partnerships for continued growth and increased commercialization rate.

The implant industry is a large and growing global market with high profit margins. Within the market for orthopedic implants there is currently a growing trend towards uncemented and osseointegrating implants. Especially in the market segments for knee and spinal implants, the trends are currently

very favorable for Promimic. With a robust and strategic partnership firmly established in the dental implant market, alongside favorable trends in the orthopedic implant sector, a solid foundation exists for the emergence of numerous new business opportunities that can significantly propel the company's growth trajectory forward.

As the technology is well documented with proven clinical benefit, Promimic sees an opportunity to establish HA^{nano} Surface as the industry standard in bone-integrated implants.

Business model

Promimic has a license-based business model based on long-term partnerships with market-leading implant manufacturers. The company's revenue structure is a license agreement with milestone-based revenue during the development period and royalty-based revenue when the finished implant is sold to the end customer. The terms of these contracts are long-term and based on a close partnership.

In 2022, Promimic broadened the business model with a step into the process side. Together with Danco Medical, Nano Processing Inc. was formed. The collaboration provides increased growth and profitability through revenue from the coating process of implants in the American market.

It should be noted that according to agreements with our customers, Promimic receives royalty reports 45 days after the end of the quarter. Due to this, Promimic publishes interim reports late in the cycle.

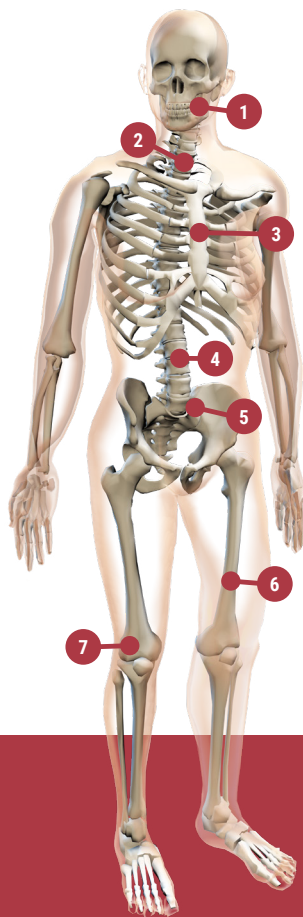
Organization

The team at Promimic has a solid background in sales, business development, financing and marketing towards the orthopedic and dental implant markets. The technical team has a unique technical competence with focus on material chemistry and nano-materials.

Team development within the "One Promimic Team" project has continued to be a high priority in 2023 in order to be able to meet and manage the high growth rate. The "One Promimic Team" project started with the aim to build a common set of values. The goal is to organize the company's various activities so that they are customer-driven with effective collaborations. Promimic has a culture of letting employees grow with the company and internal recruitment has been high in recent years.

At the end of 2023, there were 17 people employed, 15 employees at the head office in Mölndal, Sweden and two people at the sales office in Austin, Texas in the USA. Nano Processing Inc. employs four people who work with coating our customers' implants for the American market.





Implants in clinical use

1. Dental implants
2. Implants for rigid surgery of the cervical spine: CIF, Stand-alone CIF and fixation screws
3. Implants for fixation of the sternum
4. Different implants for lumbar spine surgery: ALIF, TLIF, LLIF, Stand-alone ALIF
5. Implants for fusion of the Sacroiliac joint
6. Implants for "Limb salvage" after cancer treatment
7. Knee prostheses

Customers and foundation for growth

Promimic has licensed HA^{nano} Surface to customers in both the orthopedic and dental implant markets. The technology can be used on all types of implants that are anchored in bone. The skeleton on the left gives a good overview of the areas of the body where the technology is currently in clinical use.

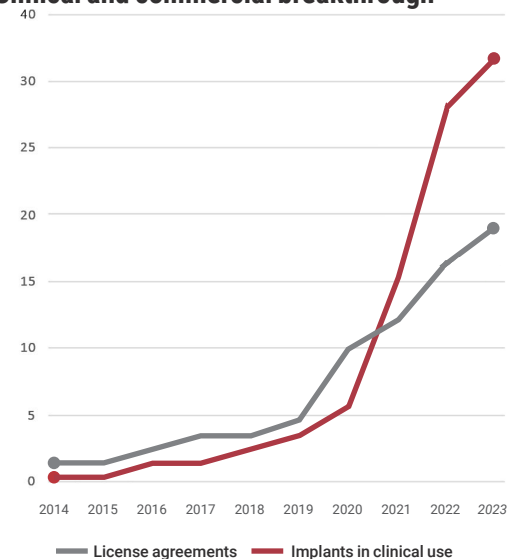
The first customer to bring HA^{nano} Surface to market for improved osseointegration was S.I.N. Implant System from Brazil. They have halved the healing time of their implants with the help of Promimic's surface and have also been one of the fastest growing companies on the market for dental implants in the past year. This positive progress led S.I.N. in July 2023 to be acquired by the Fortune 500 company Henry Schein, a world-leading dental company.

The major growth today is primarily within the market segment for spinal surgery. There, ATEC Spine is the fastest growing company with a growth of 37 percent for the full year 2023. Promimic is working on developing the collaboration with ATEC Spine to include more implants. Other customers with implants in clinical use in this market segment are Curiteva, Cutting Edge Spine and Innovasis with implants for fusion operations of the SI joint and lumbar spine.

Another fast grower is Able Medical with implants for fixation of the sternum after open heart surgery. Here HA^{nano} Surface is used to create faster healing and stronger fixation. After 18 months on the market, the clinical results are impressive: 45,000 HA^{nano} Surface screws sold, and not a single replacement screw needed.

Our customer, Onkos Surgical, uses Promimic's technology on implants to replace bone after skeleton cancer. Many of Promimic's customers have launched their implants in recent years. In addition, Promimic has several customers who intend to use HA^{nano} Surface as a platform technology, which provides a stable foundation for continued future growth. This is clearly visible in the graph showing the relationship between the number of license agreements and implants in clinical use. This shows that Promimic is currently in the middle of its market and clinical breakthrough and, moreover, the company has a stable foundation for continued growth in the coming years.

Clinical and commercial breakthrough



Vision

World leader in using nano-technology to improve clinical outcomes in implant surgery.

Mission

Through partnership with a growing group of internationally leading medical technology companies sell technologies for surface modifications of implants that create clear clinical and commercial benefit.

Objectives

In 2022, the company established a number of goals of both a financial and operational nature to drive the company's growth and create the conditions for a multiple increase in turnover up to and including 2025. The company's overarching goal, which permeates the entire operation, is that more patients will regain their lost bodily function faster, whether it is a smaller dental implant, ensuring more successful back surgeries or saving a leg of a cancer patient, while this clinical benefit also brings a clear business benefit to the company's customers.

Short term (1-2 years)

- **Invest** in commercial expansion focusing on the US orthopedic implant market to drive growth.
- **Invest** in increased production capacity in the US to meet increased demand and drive growth.
- **Deepen the partnership** with existing customers to drive growth, both short and long term.
- **Expand the customer base** in existing and new application areas.

Medium term (3-5 years)

- **Establish Promimic** as a fast-growing gazelle company* with good profitability.
- **Further clinical verification** of the technology through strategic customer collaborations to create a stronger market position and drive growth in the orthopedic implant market segment.
- **Through strategic investments** in innovation, launch new customer offers of new implant surfaces for patient-specific implants, soft tissue integration and new biomaterials - with an extra focus on infection prevention.

Financial goal

- **Promimic shall** become a company with a turnover of SEK 100 million with an EBITDA margin of over 40 percent within five years through established customer relationships and a positive momentum.

* Gazelle company is a prize awarded by Dagens Industri to Sweden's fastest growing companies

Case | Curiteva

World class product now in clinical use

In April of 2023, Curiteva announced that they were the first company to put a 3D-printed PEEK implant for spinal surgery in clinical use. This at record speed after the ground-breaking approval from the FDA just a few weeks earlier.

The technology company Curiteva is based in Huntsville, Alabama, USA. Earlier this year, they received the first approval from the FDA for a 3D-printed PEEK implant for back surgery. Their now approved system is called the Inspire Porous PEEK Cervical Interbody System with HA^{fuse}.

– We are now breaking new ground with our unique technology for 3D-printing of porous PEEK implants and this in combination with the bioactive surface from Promimic. We have the potential to revolutionize implant design through the right structure and surface chemistry for improved healing with the bone and more successful operations for patients, says Todd Reith who is the inventor behind the new 3D printing

technology and VP of Emerging Technologies at Curiteva.

Promimic started working with Todd Reith several years ago when his unique 3D printers were just ready to start printing the first prototypes. The technology then ended up with Curiteva, where the collaboration has continued over the past two years.

- Curiteva is proud to work with the extraordinary team at Promimic to deliver this exciting new technology to the market, says Mike English, CEO at Curiteva in a comment about how he sees the collaboration with Promimic.

This is the first implant system to combine Promimic's surface technology with a 3D-printed porous PEEK structure for bone ingrowth. Together, the technologies create a hydrophilic implant with bioactive properties to improve cell addition, cell profiling and bone growth.

- The unique combination of our 3D-printed PEEK and HA^{nano} Surface produces unprecedented results in improved osseointegration in several different established preclinical models, says Mike English.



We are excited to continue developing a full armamentarium of 3D printed PEEK spine and orthopedic products in partnership with Promimic.



Mike English
Chief Executive Officer,
Curiteva



Case | Innovasis

Just over two years ago, the first 3D-printed implants with HA^{nano} Surface were approved by the FDA. The implants are used clinically in the USA today for fusion operations in the lumbar spine. The approval was a result of the partnership between Promimic and Innovasis Inc – and later this year another new implant is expected to reach the market.

American Innovasis is an implant manufacturer from Salt Lake City, Utah, USA. As a forerunner in bioactive implants in spinal surgery, the company has long been of interest to Promimic and the collaboration has been ongoing since 2020. With HA^{nano} Surface, Innovasis' titanium implants are improved by allowing the body's own newly formed bone to attach better and faster directly to the implant surface.

During the spring, Promimic worked on a new development project with Innovasis.

- Working with the team at Promimic is fantastic. They work hard, are experts in coating technologies and focused on delivering on time, says Jeremy Heiser who is Program Manager at Innovasis.

He has been project manager for the development work between Innovasis and Promimic, including the latest project in spring 2023.

- Working with Promimic is easy, there is a team-centered corporate culture where everyone contributes and takes responsibility, Jeremy Heiser continues.

Focus on the patients in a longer perspective

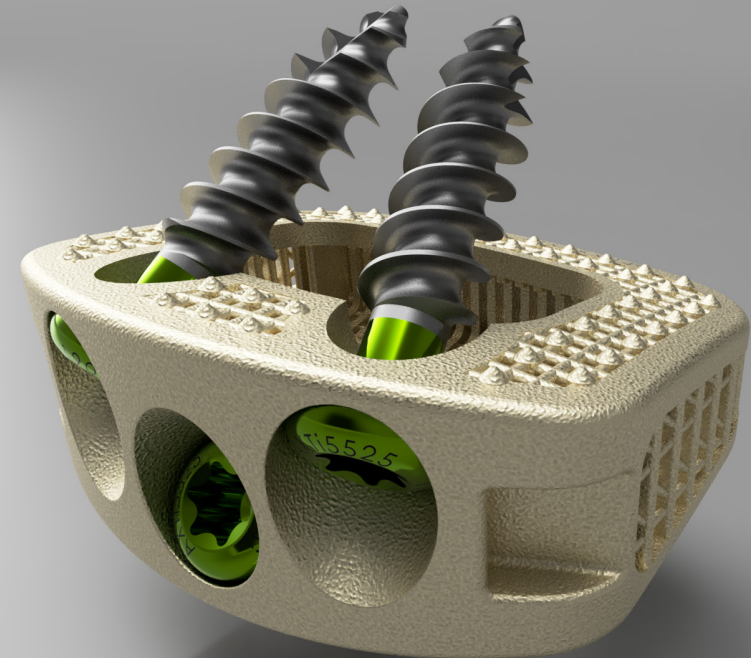
Innovasis works actively with clinical follow-up of the patients who underwent the operations with their implants. With its BioBase Data Registry, you get a quality-assured overview from both doctors and patients of how the implant treatments work. This makes Innovasis a good partner for Promimic in its quest to build value by documenting clinical benefit.



The Promimic Team has been an absolute pleasure to work with. They have excellent work ethic, are experts in coating technology, and strive to deliver ahead of schedule. Working with Promimic is seamless, as they have a team-centered culture and high level of accountability. Like I said, an absolute pleasure.

Jeremy Heiser

Senior Engineer, Program Manager, Innovasis



INNOVASIS

Case | Nano Processing Inc

Nestled among the cornfields of the American Midwest lies Warsaw. In 2019, the first implants with Promimic's technology were processed there for the American market. Since then, the business has grown, and today Warsaw, Indiana is home to Nano Processing Inc.

With Promimic's license-based business model, the idea from the beginning was that the implants would be surface-treated at the customers' premises. However, many of Promimic's potential customers in the American market have outsourced their production, and thus the business model was required to be expanded. In 2016, Promimic's partnership with Danco Medical was started in Warsaw. Danco invested in equipment and Promimic trained the staff to treat different types of implants with HA^{nano} Surface. With the IPO in 2022, the conditions were created for a strategic deal - the result was a Joint Venture, Nano Processing Inc (NPI) with Promimic as the main owner. This gave Promimic control over the entire process from development in Mölndal to local processing for the American customers. The arrangement also contributes to an earlier and improved cash flow for continued growth.

The first commercial implants were processed with

HA^{nano} Surface in 2019 by Danco's team. Since then, the number of implants has more than doubled every year. Today there is capacity to process several hundred thousand implants in a year. But it doesn't stop there. All of Promimic's US customers currently treat their implants at NPI, and this is an important part of Promimic's growth journey.

- In 2024, we will expand the capacity to meet the increased demand from customers, and follow in the innovative process development that Promimic drives towards new market segments, says Tim Zentz, CEO of Nano Processing Inc.

During Q3 2023, NPI started processing two new types of implants in areas with huge growth. We are talking about 3D-printed PEEK implants and expandable implants for fusion operations in spinal surgery. Surface processing have been developed by the technology team at Promimic over the past year, and are now in clinical use. This is an example of how the process development for surface treatment of new types of implants is constantly ongoing at Promimic and how it is transferred to commercial processing at NPI for the American customers.

It was no coincidence Promimic's facility ended up in Warsaw, Indiana, as the city is called *The Orthopedic Capital of the World* and every fourth resident works in one of the city's orthopedic companies.

Together with Promimic, we can offer the market a unique competence in both the development and industrial processing of implants



Tim Zentz
CEO, Nano Processing Inc.
General Manager, Danco Medical



Case | Production Laboratory

With the move to GoCo Health Innovation City, Promimic's production capacity has tripled. In the middle of the new life science cluster, Promimic's new laboratory is ready. Production manager Amanda Halme stands in the part called the production lab. This is where the HA^{nano} Surface coating liquid itself is produced.

More new customers, and existing customers' increasing demand for HA^{nano} Surface meant that Promimic outgrew its old premises.

- Now we have new and significantly larger surfaces for the lab, thanks to which we will be able to triple our capacity, says Amanda Halme, production manager at Promimic.

In the previous premises – when the company rented from AstraZeneca – the labs were spread over several floors. With the new premises, the processes will be made more efficient.

- We will save time with a more controlled, organized and cleaner lab environment, says Amanda Halme.

In addition to streamlining and increased production capacity, the new premises also provides better environment for working with research projects and

the development of new methods and products.

- Here we have determined the design of our labs from the beginning. This means that everything has its place, is organized exactly as we want it and is completely adapted to our production, says Amanda Halme.

The expansion creates ripples in the water, and means that Promimic's subsidiary, Nano Processing Inc. in Warsaw, Indiana will also grow. This is where all US customers' implants are treated with HA^{nano} Surface. Promimic's CCO Ulf Brogren comments:

- Through our new premises in Mölndal, we have laid the foundation for our growth plan. The next step is to increase capacity in the US to meet the increasing demand.

GoCo House is part of GoCo Health Innovation City, Sweden's new cluster within Life Science. GoCo is an area with collaboration in focus. In addition to companies like Promimic, there is also Sahlgrenska Academy, the Faculty of Medicine at the University of Gothenburg and several healthcare providers in the same area. For Promimic, it is a strategic location, but at the moment the focus is on increased capacity - a part of the company's growth strategy.

We have determined the design of our labs from the beginning here. This means that everything has its place, is organized exactly as we want it and is completely adapted to our production.



Amanda Halme
Production Manager,
Promimic





Expansion on three continents

Gothenburg is probably the best place in Sweden to develop a medical technology company with a focus on improved implant treatments through its strong research tradition and successful companies in the field. This environment has been the basis for Promimic's growth. But the three-digit growth in recent years comes from collaborations with market leaders in both South and North America.

Promimic began its growth journey in 2016 with S.I.N. Implant Systems' launch of the first dental implants with HA^{nano} Surface in Brazil. This has been a very successful collaboration and today HA^{nano} Surface is found on all their implants. They have had a fantastic growth journey, are number two in the large Brazilian market and Promimic's unique implant surface is one of the cornerstones of their international expansion.

- Working with customers who dare to challenge and find new ways forward is the key behind our growth. S.I.N. has a fantastic team that dares to think new and see opportunities where others see problems. During the pandemic, they adjusted their marketing to meet customers on different digital platforms. In addition, they continued to launch new products when the competitors tried to save themselves from the crisis, says Ulf Brogren, CCO at Promimic.

2016 was also the year in which Promimic began a strategic collaboration agreement with Danco Medical in the USA. The sights were set on the market for orthopedic implants, which is ten times larger than the dental market, with also better margins. The last piece of the puzzle that fell into place in 2016 was the

formation of Promimic Inc to get closer to customers.

The first employee at Promimic Inc was Ulf Brogren, who moved to Austin, Texas in January 2017. This was to build up the American sales operations on site.

- The choice fell on Austin as it is one of the most dynamic cities in the USA for new technology companies. In addition, in 2016 we started a development collaboration with Austin-based DJO Surgical, today Enovis, regarding a new knee implant, says Ulf Brogren.

- We also saw that Austin was a good place to grow as there is a good pool of competent labor within medtech.

The investment in the American market has proven successful. The number of customers licensing HA^{nano} Surface has grown from four to 18 since the opening of the US office and all 14 of these new customers are from the US. In the last four years, Promimic's customers have increased the number of implants approved for clinical use from five to 33. This is the explanation behind the strong sales growth in recent years.

Dental implants were the way into the market, but today there are significantly more approved implants for spinal surgery, which is now the company's most important market segment. And there, Promimic is far ahead in development. The collaboration with Innovasis opened up the possibility of using HA^{nano} Surface on 3D-printed titanium implants. Together with Curiteva, the first 3D-printed PEEK implants with

mechanical properties similar to natural bone were launched. Here HA^{nano} Surface creates bioactivity on an otherwise completely inert material. An impressive example among Promimic's customers is ATEC Spine, which is on an incredible growth journey. In four years, they have grown from USD 100 million in revenue to over USD 400 million. The majority of this has been through organic growth based on a well-trimmed development department that delivered eight to ten new implants each year.

- To be part of the growth journey of customers like S.I.N. and ATEC Spine is fantastic, but the most important thing is to see how many new products with HA^{nano} Surface have reached the market and are now creating clinical benefit for patients through improved osseointegration, says Ulf Brogren.

2023 was a year of growth investments at home in Gothenburg through the new head office to be able to meet the increased demand from customers. The expansion of two new process lines at the subsidiary Nano Processing Inc. is now expected in 2024. The company was a natural continuation of the collaboration with Danco Medical back in 2016 and is now a Joint Venture.

The number of people working for Promimic in the USA is currently seven people at the sales office in Texas and at the processing company in Indiana. Of course, they work closely with the Swedish team on both the technology and market side. Ulf Brogren is back in Sweden working as CCO with many hours crossing the Atlantic every year.

- Proximity to our customers is absolutely crucial for us to remain relevant to our customers and to be able to continue our growth journey.

It's important to always have an ear to the ground, and in this case, it's an ear to the trade show floor. In addition to being close to the existing customers, it is also important to take the pulse of the market to see what is in demand in the operating theaters in five to ten years. At the major orthopedic fairs, Promimic not only meets the implant manufacturers, but also surgeons and researchers.

- In 2023, we began the development of new customer offers to broaden our market. We have signed agreements in the implant market segment for sports medicine and are now running a focused market

development program to identify future market opportunities, he says.

Working together as a team despite the distance between Gothenburg and the USA is very important to achieve success. Here, flexible working hours to get more overlapping hours is one of the keys as well as taking the time to communicate effectively.

- Building strong relationships is based on presence and understanding. Here, everyone in the team does a fantastic job and it is these strong relationships both within the team and with our customers that will drive our continued growth journey, concludes Ulf Brogren.



Promimic's revenue is based on long-term license agreements that generate royalty for implants sold. After a signed agreement, development work begins, and after one to three years the results are visible in sales.

Board of Directors and Management

Board of Directors



Tommy H. Karlsson

Chairman of the Board since 2018

Born: 1946

Education: M.Sc. in Business Administration, Uppsala University

Background: -

Other assignments: Jurk Group AB

Shares and stock options in Promimic AB: 85 000 shares and 0 stock options

Independence in relation to the company: Yes

Independence in relation to major shareholders: Yes



Pehr Abrahamsson

Board member since 2021

Born: 1967

Education: M.Sc. in Business Administration, Lund University and Executive Program, Harvard Business School

Background: Director, Stryker Medical

Other assignments: -

Shares and stock options in Promimic AB: 1 875 shares and 0 stock options

Independence in relation to the company: Yes

Independence in relation to major shareholders: Yes



Martin Andersson

Board member since 2021 (2004 - 2018)

Born: 1974

Education: Doctoral degree in Materials Science, Chalmers University of Technology

Background: Professor in nanochemistry at Chalmers University of Technology

Other assignments: Amferia AB, Retein AB, Vitroprobe Analytics AB, Firma Andersson & Kjellin AB, Celcibus AB

Shares and stock options in Promimic AB: 720 110 shares (privately and through company) and 0 stock options

Independence in relation to the company: No

Independence in relation to major shareholders: Yes

Board of Directors



Helena Brisby

Board member since 2021

Born: 1965

Education: Medical degree, Linköping University and doctorate in medicine, Gothenburg University

Background: Professor and Chief Physician in Orthopedics at the University of Gothenburg/Sahlgrenska University Hospital

Other assignments: Dynaspine Diagnostics AB, Inventra AB and board member of research foundations: Felix Neuberger Foundation and The International Society for Study of the Lumbar Spine

Shares and stock options in Promimic AB: 1 875 shares and 0 stock options

Independence in relation to the company: Yes

Independence in relation to major shareholders: Yes



Johan Dighed

Board member since 2021

Born: 1973

Education: B.Sc. in Law, Lund University

Background: Deputy CEO and general counsel at Karolinska Development AB

Other assignments: KDev Investments AB, KDev Invest Consulting AB, KCIF Fund Management, AnaCardio AB, AnaCardio R&D AB, AnaCardio Holding AB, KD Incentive AB, Modus Therapeutics AB

Shares and stock options in Promimic AB: 0 shares and 0 stock options

Independence in relation to the company: Yes

Independence in relation to major shareholders: No



Håkan Krook

Board member since 2017

Born: 1966

Education: Bachelor of Economics, Karlstad University

Background: Investment Director Chalmers Venture AB, General Partner Chalmers Innovation Seed Fund AB, CEO Chalmers Innovation Affiliate Fund AB

Other assignments: Aluwave AB, Winningtemp AB, Halon Security AB, Northfork AB, SigmaStocks AB, SigmaStocks Neo AB, Illoomina AB, Adsorbi AB, Uniseed AB, WT Manco AB

Shares and stock options in Promimic AB: 0 shares and 0 stock options

Independence in relation to the company: Yes

Independence in relation to major shareholders: Yes

Management team



Magnus Larsson

CEO since 2017

Born: 1963

Education: B.Sc. in business administration, University of Lund

Background: Magnus Larsson has extensive experience from leading positions in pharmaceuticals and medical technology in both small and large organizations, e.g. Johnson & Johnson Pharma and Nobel Biocare. Before Magnus joined Promimic, he was Director of Global Market Development at DentsplySirona Implants.

Shares in Promimic AB: 84 701 shares (privately and related parties)

Stock options in Promimic AB: 16 000 stock options



Ulf Brogren

CCO since 2019, joined 2008

Born: 1973

Education: B.Sc. University of Gothenburg, and journalist

Background: Ulf Brogren has for almost fifteen years held various leading positions within Promimic AB, such as CEO and board member. Prior to that, Ulf was Marketing Director and Investment Manager at Chalmers Innovation and worked with advice and board work in roughly 10 start-up companies.

Shares in Promimic AB: 14 085 shares

Stock options in Promimic AB: 0 stock options



Heidi Bader

CFO since 2023

Born: 1981

Education: M.Sc. in Management and B.Sc. in Accounting from the School of Economics at the University of Gothenburg

Background: Heidi Bader has most recently worked as CFO for FlexQube AB and has many years of experience in leading finance positions in the transport industry. She also has experience as Operations Manager in the consultant and recruitment industry.

Shares in Promimic AB: 3 309 shares (privately and related parties)

Stock options in Promimic AB: 0 stock options



Per Kjellin

CTO since 2006

Born: 1972

Education: Doctoral degree in Materials Science and Surface Chemistry, Chalmers University of Technology

Background: Per Kjellin is one of the company's founders and has a PhD in Materials and Surface Chemistry from Chalmers, with a focus on nanomaterials. Per has published a number of articles in the field from his research. He is behind all granted and applied patents for the company.

Shares in Promimic AB: 720 286 shares (privately and through company)

Stock options in Promimic AB: 0 stock options



Chris Whitfield

President Promimic Inc since 2021, joined 2019

Born: 1967

Education: B.Sc. in Business Administration

Background: Chris Whitfield has solid experience in the medical technology industry and has had leading roles such as CCO for Ametica and Sales and Marketing Director for Pioneer Surgical.

Shares in Promimic AB: 13 730 shares (privately and through company)

Stock options in Promimic AB: 3 000 stock options

Report of the Board of Director's

The board and managing director of Promimic AB (publ), 556657-7754, hereby submit the annual report for the financial year 2023.

The annual report is prepared in Swedish kronor, SEK, and is mainly presented in thousands of kroner (TSEK).

Operations

Promimic AB (publ) is a biomaterials company that manufactures, markets and sells solutions for improved osseointegration to leading companies in the markets for orthopedic and dental implants. The company's main product is HA^{nano} Surface, which means that the surface of the implants mimics the bone, which facilitates the healing process and improves the anchoring of the implants in the bone. The

largest market is the United States. Other important markets are Brazil and Europe.

Promimic AB (publ) is based in Västra Götaland, Mölndal, with offices in GoCo Health Innovation City.

Organizational structure

Promimic group consists of the parent company Promimic AB, a wholly owned subsidiary, Promimic U.S. Inc., USA and 60 percent of Nano Processing Inc (NPI), USA. Promimic AB is the head office and owns all intellectual property rights. Promimic U.S. Inc is a sales company for the American market. NPI is a company that processes implants for the American market.

Multi-year overview

TSEK	Group			Parent Company					
	2023	2022	2021	2023	2022	2021	2020	2019	2017/2018*)
Net sales	37 070	16 214	8 067	24 020	13 464	8 067	5 572	5 743	3 899
Profit/loss before tax	-7 819	-15 388	-15 050	-12 578	-16 918	-15 266	-13 706	-11 295	-14 987
Total assets	92 875	92 774	32 163	101 360	104 394	31 544	44 548	32 560	24 454
Return on equity	neg	neg	neg	neg	neg	neg	neg	neg	neg
Operating margin	neg	neg	neg	neg	neg	neg	neg	neg	neg
Equity ratio**) (%)	83	88	70	85	89	70	84	80	70
Cashflow**) (%)	398	607	202	373	590	197	579	377	174

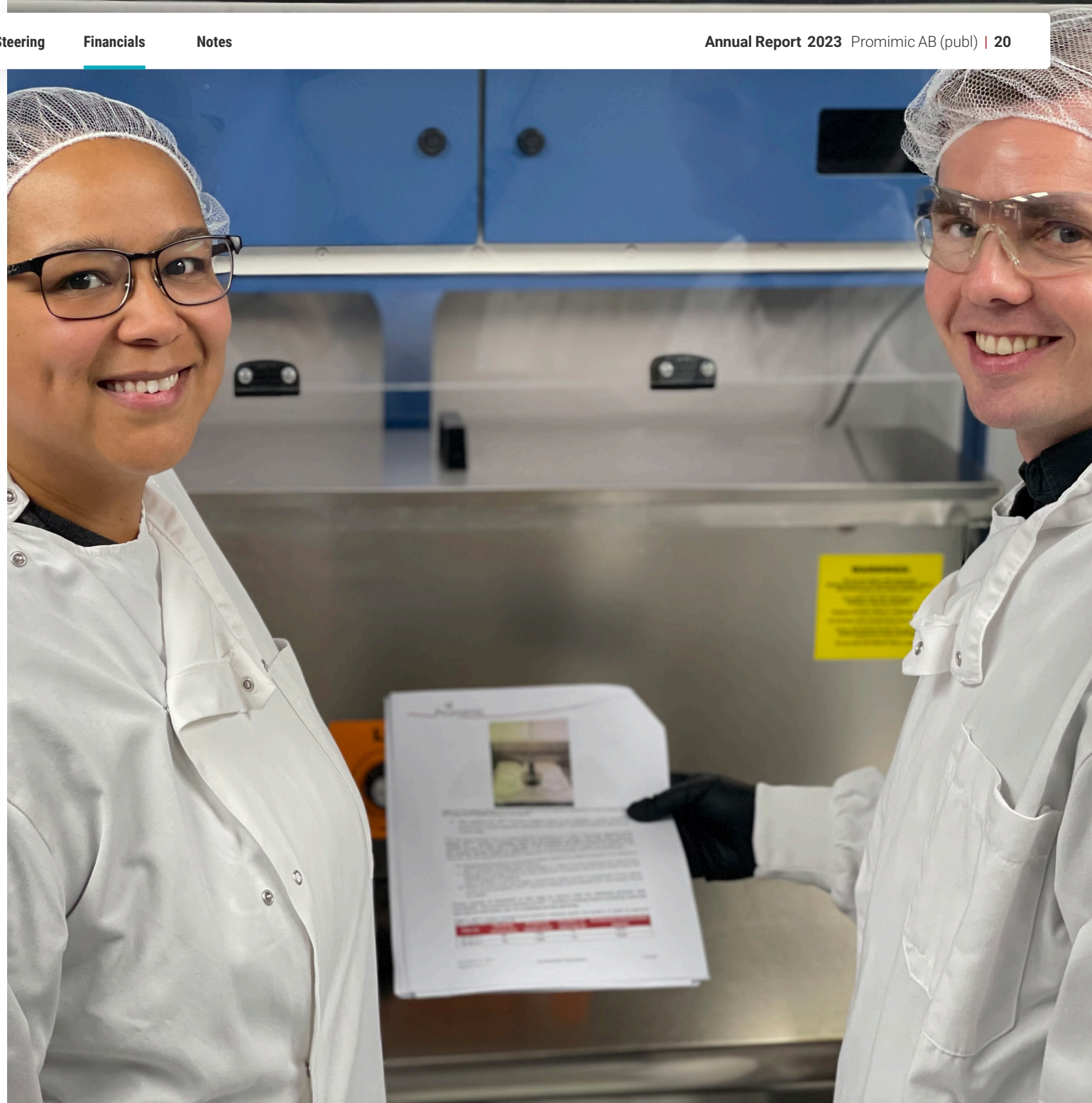
*) Year 2017/2018 is an extended year of 16 months

**) For definitions see Note 1.



Significant events in 2023

- On April 4, 2023, the company's annual report was published. The annual general meeting was held on April 25, 2023.
- On July 18, 2023, the company's CFO Annelie Skafte Persson resigned. The process of finding her successor was started immediately.
- On September 18, 2023, it was announced that the company is terminating the liquidity guarantee from Erik Penser Bank regarding trading in the company's shares.
- On September 27, 2023, the Nomination Committee was appointed for the 2024 Annual General Meeting of the following people: **Lars Kristensson**, (appointed by K-Svets Venture AB), **Linda Spahi** (appointed by Kdev Investments AB), **Pontus Ottosson** (appointed by Chalmers Ventures AB), **Tim Zentz** (appointed by Riepen LLC), **Jonas Eixmann**, (appointed by Andra AP-fund).
- On September 28, 2023, the company appointed Heidi Bader as CFO. She started her position on October 1, 2023.
- On November 30, 2023, it was announced that the company is changing Certified Adviser from Erik Penser Bank AB to Carnegie Investment Bank AB.
- On December 19, 2023, the option program 2020-T02 was executed by the option holders, which lead to an increase in the number of shares in the company with 235,000 to 18,657,326 shares



Quality Management System

Promimic AB (publ) conducts quality work in accordance with ISO 13485:2016.

Risk and uncertainties

The board regularly assesses which risks the company has and which measures are required to reduce them. For a complete account of all the company's risks, refer to the company's published prospectus as of April 2022. The main risks related to Promimic's operations and industry include, among other things:

Business, operational and industry-specific risks

Dependence on qualified personnel

The company has a small organization and its success is largely dependent on the competence and experience that the company management and other key personnel possess.

The company's ability to continue developing its operations is dependent on the key personnel's knowledge within the company's field of operations. In the event that Promimic is unable to retain qualified personnel, the company's operations may be negatively affected by reduced development capacity, sales capacity, and competitiveness.

Ability to manage growth

Promimic is in an intensive phase regarding development projects with customers, regulatory processes that the company's customers have together with Promimic, as well as regarding commercialization of the company's products. The

company has had a strong growth in the number of development projects in recent years. During 2024, the company expects to handle around 20 development projects.

In addition, the company is facing an expansion phase in the USA, which requires the company to allocate significant resources from the company's management and operations. In line with a growing business, the business needs to expand through increased staffing and the implementation of effective planning and management processes.

This requires sufficient financial room for maneuver to manage the company's intended growth and carry out its expansion phase.

Dependence on large customers

In the relatively early commercialization phase that the company is in, the company is dependent on a few customers. Should any of these companies cancel the collaboration, it would have a negative effect on the company's sales.

Financial risks

The company has a negative cash flow. The new share issue of 80 MSEK, before issue costs, that was done in April 2022, in connection with the listing on the Nasdaq First North Growth Market, is expected by management and the Board of Directors to be sufficient for the implementation of the company's business plan up until positive cash flow.

Currency risk

Promimic's income is mainly in US dollars and to some extent in Brazilian reals and in Euros. The costs are mainly in SEK and partly in USD. The company has therefore a net currency risk

exposure mainly in USD. The company can secure net flows in USD of up to 12 months with between 50-75 percent.

Legal and regulatory risks

Registration and regulatory requirements

Every implant marketed by Promimic's customers needs to be approved by the relevant regulatory authorities. If Promimic's customers fail to successfully put their applications through the review processes by for example, the FDA or EMA, it would impair the company's future earning capacity and thus the company's financial position.

Economic development in brief during the financial year

Group

Revenue

Net sales amounted to 37,070 TSEK (16,214), an increase of 129 percent compared to the previous year. Income from the sale of processing of customers' implants is included in NPI with 13,504 TSEK (2,873), which is why the comparable increase, excluding NPI, was 77 percent. Net sales include royalty and license income of 14,871 (8,228) TSEK.

Total revenue amounted to 40,129 TSEK (17,706), which was an increase of 127 percent, excluding NPI the increase was 79 percent. Balanced development costs of 2,141 TSEK (860) relate to the development of a new product for integration into soft tissue, a new product with a ceramic surface and studies regarding the infection prevention effect. Also included in other

operating income are both realized and unrealized currency gains amounting to 918 TSEK (632).

Earnings

Operating income amounted to -9,118 TSEK (-15,758), an improvement of 6,640 TSEK.

Other external costs increased by -10,737 TSEK, which mostly refers to costs in NPI. Increase in personnel costs mainly stems from changed personnel structure both in composition and roles.

Depreciation amounted to -4,118 TSEK (-3,346).

Other operating expenses amounted to -860 TSEK (-341), of which -102 TSEK (0) refers to unrealized exchange rate losses on hedge contracts.

Financial income included interest income of 1,392 TSEK (536), where realized and unrealized exchange rate gains amounted to 156 TSEK (302). Financial costs amounted to -92 TSEK (-166), where realized and unrealized exchange rate losses amounted to -75 TSEK (0).

Cash flow and financial position

The cash flow from current operations amounted to -3,750 TSEK (-12,262).

The cash flow from investment activities amounted to a total of -9,365 TSEK (-10,534), of which investment in development projects amounted to -2,141 TSEK (-860), patents -1,436 TSEK (-1,019) and lab equipment for the new premises at GoCo -5,788 TSEK (-3,842).

Cash flow from financing activities was 4,935 TSEK (72,160).

In the previous year, the amount consisted of a net new issue of 74,521 TSEK and amortization of loans from ALMI of -2,361 TSEK. This year's addition comes from redemption of the option program 2020-TO2.

The group's cash and cash equivalents at the end of the period amounted to 50,323 TSEK (58,800).

Parent Company

Revenue and earnings

Total operating income amounted to 27,109 TSEK (14,956), an increase of 81 percent. Operating profit amounted to -13,838 TSEK (-17,523), an improvement of 3,685 TSEK.

Cash

Cash and cash equivalents at the end of the period amounted to 45,397 TSEK (57,175).

The share and owners

Promimic's share has been listed on Nasdaq First North Growth Market since April 29, 2022 under the ticker PRO.

The share capital amounts to SEK 1,865,732.60 for a total of 18,657,326 shares with a quota value of 0.1 SEK.

The shares are registered with Euroclear Sweden AB.

Shareholders	Shares*	Share (%)
K-Svets Venture AB	7,218,840	38.69 %
Kdev Investments AB	2,323,920	12.46 %
Chalmers Ventures AB	1,238,510	6.64 %
Riepen LLC	1,035,836	5.55 %
Andra AP-fonden	958,090	5.14 %
Firma Andersson & Kjellin AB	691,360	3.71 %
Swedbank Robur Ny Teknik	624,000	3.34 %
Martin Andersson	374,430	2.01 %
Per Kjellin	372,106	1.99 %
Nordnet	372,086	1.99 %
Karolinska Development AB	312,500	1.67 %
Marinvest Holding AB	312,500	1.67 %
Others 995	2,823,148	15.13 %
TOTAL	18,657,326	100.00%

*) Source: Euroclear December 31, 2023

Adviser

Carnegie Investment Bank AB is the company's Certified Adviser.

Important information about Nasdaq First North

Nasdaq First North Growth Market is an alternative trading platform operated by an organization within the NASDAQ Stockholm Group. Companies on the Nasdaq First North Growth Market are not subject to the same rules as companies on the regulated main market. Instead, they follow a less comprehensive set of rules and regulations tailored to small growth companies. The risk of investing in a company on the Nasdaq First North Growth Market may therefore be higher than investing in a company on the main market. All companies with shares that are sold and bought on the Nasdaq First North Growth Market have a certified advisor who checks that the rules are followed. Nasdaq First North Growth Market approves a company's application for a trading license.

Option program

The company currently has one option program of 23,500 options from 2021 that expires in 2024.

2021-T03

At the extraordinary general meeting on February 25, 2021, it was decided to issue 25,000 warrants with the right for employees of the company to subscribe. The options have a term of three years and the exercise price is SEK 21.

Data per share

	2023	2022
Average number of shares before dilution	18,481,076	15,800,824
Average number of shares after dilution	18,892,326	16,498,680
Number of shares before dilution at year-end	18,657,326	18,422,326
Number of shares after dilution at year-end	18,892,326	18,919,276
Equity per share before dilution	4.13	4.41
Equity per share after dilution	4.07	4.30
Earnings per share before and after dilution	-0.50	-1.01

Future dividends

Future dividends are dependent on a number of factors. Promimic is a growth company where generated profits are planned to be set aside for the development of the business. No share dividend is therefore planned for the coming years.

Proposed distribution of profits

The following funds in the Parent Company (TSEK) are at the disposal of the Annual General Meeting:	-123,839,016
Share premium reserve	213,350,223
Profit/loss for the year	-12,576,932
	76,934,274
The Board of Director's proposes	
the following amount to be carried forward	76,934,274
	76,934,274

Regarding the company's results and position in general, reference is made to the subsequent profit and loss statements and accompanying notes.

Balance sheet and income statement will be determined at the ordinary general meeting on May 22, 2024.

Financial Reports

Income Statement | Group

TSEK	2023 Jan-Dec	2022 Jan-Dec
Revenue		
Net sales	37,070	16,214
Own development	2,141	860
Other income	2 918	632
Total revenue	40,129	17,706
Operational expenses		
Cost of goods	-696	-449
Other external expenses	-19,655	-8,918
Personnel expenses	3 -23,919	-20,410
Depreciation of tangible and intangible assets	-4,118	-3,346
Other external expenses	-860	-341
Total operating costs	-49,247	-33,464
Operating income (EBIT)	-9,118	-15,758
Financial items		
Financial income and similar items	1,392	536
Interest expenses and similar items	-92	-166
Total financial items	1,300	370
Profit/loss before tax	-7,818	-15,388
Income taxes	-1,404	-499
Income for the period	-9,222	-15,887



Balance Sheet | Group

TSEK	Note	12/31/2023	12/31/2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalized development expenses	4	7,407	6,414
Patent	5	4,748	4,517
Goodwill	6	3,210	4,106
Total intangible fixed assets		15,365	15,037
Tangible fixed assets			
Machinery and other technical facilities	7	6,353	3,945
Equipment and installations	8	2,585	41
Total tangible fixed assets		8,938	3,986
Financial assets			
Deferred tax claim	9	4,000	4,000
Total financial assets		4,000	4,000
Total fixed assets		28,303	23,023
Current assets			
Inventory			
Raw materials and consumables		330	183
Total inventory		330	183
Current receivables			
Accounts receivables		7,557	6,601
Other receivables		974	326
Tax claim		365	632
Prepaid expenses and accrued income		5,022	3,209
Total current receivables		13,919	10,768
Total cash and cash equivalents	10	50,323	58,800
Current assets		64,572	69,751
TOTAL CURRENT ASSETS		92,875	92,774

TSEK	12/31/2023	12/31/2022
EQUITY AND LIABILITIES		
EQUITY		
Capital stock	1,866	1,842
Additional paid in capital	199,522	194,611
Other equity including profit for the period	-124,669	-115,135
Total equity	76,719	81,318
Non-current liabilities		
Other non-current liabilities	11	0
Total non-current liabilities	0	0
Current liabilities		
Accounts payable	4,483	1,243
Liabilities to credit institutions	0	0
Current tax liability	667	466
Other current liabilities	640	816
Accrued expenses and deferred income	12	10,366
Total current liabilities	16,156	11,456
TOTAL EQUITY AND LIABILITIES	92,875	92,774

Changes in Equity | Group

	Share capital	Other paid-up capital	Reserves	Profit carried forward	Profit/Loss	Total equity
TSEK						
Opening balance January 1 2022	1,239	120,694	123	-84,301	-15,187	22,568
Transfer of previous year's results				-15,187	15,187	0
Issue costs		-5,578				-5,578
Rights issue	603	79,500				80,103
Premium Warrants		-5				-5
Change in exchange rate			117			117
Profit/loss for the period					-15,887	-15,187
Closing balance December 31 2022	1,842	194,611	240	-99,488	-15,887	81,318
Opening balance January 1 2023	1,842	194,611	240	-99,488	-15,887	81,318
Transfer of previous year's results				-15,887	15,887	0
Premium Warrants	24	4,912				4,935
Exchange rate differences			-312			-312
Profit/loss for the period					-9,222	-9,222
Closing balance December 31 2023	1,866	199,523	-72	-115,375	-9,222	76,719

Cash flow Statement | Group

TSEK	2023 Jan-Dec	2022 Jan-Dec
Operating activities		
Operating income before financial items (EBIT)	-9,118	-15,758
Adjustment for items not included in cash flow	13	4,118
Interest paid/received	1,300	289
Income tax paid	-936	-34
Cash flow from operating activities before changes in working capital	-4,637	-12,980
Changes in working capital		
Changes in inventories	-147	-43
Changes in operating receivables	-3,465	-2,952
Changes in operating liabilities	4,499	3,713
Cash flow from operating activities	-3,750	-12,262
Investment activities		
Investment of intangible fixed assets	-3,577	-6,360
Investment of tangible fixed assets	-5,788	-4,174
Cash flow from investments activities	-9,365	-10,534
Financing activities		
Amortization of loans	0	-2,361
Warrant program	4,935	-5
Rights issue	0	80,104
Issuing expenses	0	-5,578
Cash flow from financing activities	4,935	72,160
CASH FLOW FOR THE PERIOD	-8,180	49,364
Cash and cash equivalents at the beginning of the period	58,800	9,355
Exchange difference in cash and cash equivalents	-297	81
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	50,323	58,800

Income Statement | Parent Company

TSEK	Note	2023 Jan-Dec	2022 Jan-Dec
Revenue			
Net sales		24,020	13,464
Own development		2,141	860
Other income	2	948	632
Total revenue		27,109	14,956
Operational expenses			
Cost of goods		-761	-449
Other external expenses		-17,565	-14,136
Personnel expenses	3	-18,619	-15,324
Depreciation of tangible and intangible assets		-3,207	-2,229
Other external expenses		-796	-341
Total operating costs		-40,947	-32,479
Operating income (EBIT)		-13,838	-17,523
Financial items			
Financial income and similar items		1,352	685
Interest expenses and similar items		-92	-80
Total financial items		1,260	605
Profit/loss before tax		-12,578	-16,918
Income taxes		0	0
Income for the period		-12,578	-16,918



Balance Sheet | Parent Company

TSEK	Not	12/31/2023	12/31/2022	TSEK	12/31/2023	12/31/2022
ASSETS				EQUITY AND LIABILITIES		
Fixed assets				EQUITY		
Intangible fixed assets				Tied-up equity		
Capitalized development expenses	4	7,407	6,414	Share capital	1,866	1,842
Patent	5	4,748	4,517	Fund for development work	7,039	4,479
Total intangible fixed assets		12,155	10,931	Total tied-up equity	8,905	6,321
Tangible fixed assets				Total non-restricted equity		
Machinery and other technical facilities	7	6,075	3,658	Other contributed capital	213,350	208,439
Equipment and installations	8	2,356	29	Other equity including profit for the period	-136,416	-121,279
Total tangible fixed assets		8,431	3,687		76,934	87,160
Financial assets				Total equity	85,839	93,481
Deferred tax claim	13	18,606	18,606	Non-current liabilities		
	9	4,000	4,000	Other non-current liabilities	11	0
Total financial assets		22,606	22,606	Total non-current liabilities	0	0
Total fixed assets		43,192	37,224	Current liabilities		
Current assets				Accounts payable	4,498	1,037
Inventory				Liabilities to credit institutions	0	0
Raw materials and consumables		330	183	Liabilities to Group companies	0	998
Total inventory		330	183	Other current liabilities	640	815
Current receivables				Accrued expenses and deferred income	12	10,382
Accounts receivables		6,073	6,042	Total current liabilities	15,521	10,914
Receivables group companies		251	52			
Other receivables		944	605	TOTAL EQUITY AND LIABILITIES	101,360	104,394
Tax claim		365	337			
Prepaid expenses and accrued income		4,808	2,776			
Total current receivables		12,441	9,812			
Total cash and cash equivalents	10	45,397	57,175			
Total current assets		58,167	67,170			
TOTAL ASSETS		101,360	104,394			

Changes in Equity | Parent Company

TSEK	Share capital	Fund for development work	Share premium reserve	Profit carried forward	Profit/Loss	Total equity
Opening balance January 1 2022	1,239	3,126	120,694	-87,741	-15,266	22,051
Transfer of previous year's results				-15,266	15,266	-0
Rights issue	603		93,328			93,931
Issue costs			-5,578			-5,578
Net change development fund		1,353		-1,353		-0
Premium Warrants			-5			-5
Profit/loss for the period					-16,918	
Closing balance December 31 2022	1,842	4,479	208,439	-104,361	-16,918	93,481
Opening balance January 1 2023	1,842	4,479	208,439	-104,361	-16,918	93,481
Transfer of previous year's results				-16,918	16,918	0
Net change development fund		2,561		-2,561		0
Premium Warrants	24		4,912			4,935
Profit/loss for the period					-12,578	-12,578
Closing balance December 31 2023	1,866	7,039	213,350	-123,840	-12 578	85,839

Cash flow Statement | Parent Company

TSEK	2023 Jan-Dec	2022 Jan-Dec
Operating activities		
Operating income before financial items (EBIT)	-13,838	-17,523
Adjustment for items not included in cash flow	13 3,207	2,299
Interest paid/received, etc	1,232	242
Cash flow from operating activities before changes in working capital	-9,399	-14,982
Changes in working capital		
Changes in inventories	-147	-43
Changes in operating receivables	-2,634	-2,403
Changes in operating liabilities	4,607	3,779
Cash flow from operating activities	-7,573	-13,649
Investment activities		
Investment of intangible fixed assets	-3,577	-1,880
Investment of tangible fixed assets	-5,459	-3,877
Investments in financial fixed assets	0	-4,777
Cash flow from investment activities	-9,036	-10,534
Financing activities		
Amortization of loans	0	-2,361
Warrant program	4,935	-5
Issuing expenses	0	-5,578
Rights issue	0	80,104
Cash flow from financing activities	4,935	72,160
CASH FLOW FOR THE PERIOD	-11,674	47,977
Cash and cash equivalents at the beginning of the period	57,175	9,117
Exchange difference in cash and cash equivalents	-104	81
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	45,397	57,175

Notes

Note 1

Accounting principles

The current financial information has been prepared in accordance with the Annual Accounts Act (1995:1554) and the Swedish Accounting Board's BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Since July 2022, Nano Processing Inc is included, which is considered a joint Venture and is consolidated using the proportionate consolidation method. The principles have not changed compared to previous year.

Assets, provisions and liabilities have been valued at acquisition value unless otherwise stated below.

Intangible assets

Costs for research and development

Expenditure on research, ie. planned and systematic research with the aim of obtaining new scientific or technical knowledge and insight, are reported as costs when they arise.

When accounting for expenses for the development of research results or other knowledge, the cost accounting model is applied, which means that all expenses are booked when they arise.

When reporting expenditure for development the activation model is applied. This means that expenses incurred during the development phase are capitalized when all the conditions below are met:

- It is technically possible to complete the intangible asset so that it can be used or sold.

- The intention is to complete the intangible asset and to use or sell it.
- Conditions exist for using or selling the intangible fixed asset.
- It is likely that the intangible fixed asset will generate future financial benefits.
- There are necessary and adequate technical, financial and other resources to complete the development and to use or sell the intangible assets.
- The expenses attributable to the intangible fixed asset can be calculated reliably.

The acquisition value of an internally generated intangible fixed asset consists of all directly attributable expenses (e.g. materials and salaries).

Depreciation

Depreciation takes place on a linear basis over the asset's estimated useful life. It is ensured that the economic life span exceeds or at least amounts to 10 years. Depreciation is reported as an expense in the income statement.

	Years
<i>Internally generated intangible fixed assets</i>	
Balanced expenditure for development work	10
<i>Acquired intangible assets</i>	
Patents	10

Tangible fixed assets

Tangible fixed assets are reported at acquisition value less accumulated depreciation and any write-downs.

Depreciation

Assets are depreciated on a linear basis over the asset's estimated useful life as it reflects the expected consumption of the asset's future economic benefits. Depreciation is reported as an expense in the income statement.

	Years
Machinery and other technical facilities	5-10
Equipment and installations	3-10

Write-downs – tangible and intangible fixed assets and shares in group companies

At each balance sheet date, it is assessed whether there is any indication that an asset's value is lower than its reported value.

Leasing

All leasing agreements are reported as operational leasing (lease agreements), regardless of whether the agreements are financial or operational. The leasing fee is recognized as a cost linearly over the leasing period.

Foreign currency

Items in foreign currency

Monetary receivables and liabilities in foreign currency have been recalculated at the exchange rate on the balance sheet date.

Note 1 cont'd

Exchange rate differences that arise when settling or recalculating monetary items are reported in the income statement in the accounting year in which they arise, either as an operating item or as a financial item based on the underlying business event.

The company is affected by changes in exchange rates, mainly in relation to the USD and to some extent in relation to the Brazilian real. The company can hedge up to 80 percent of exposed net flows in USD.

Recalculation of foreign operations

Assets and liabilities are converted to the accounting currency at the exchange rate on the balance sheet date. Income and expenses are converted to the average exchange rate. Exchange rate differences that arise during the conversion are reported directly against equity.

Inventory

The inventory is valued at the lower of acquisition value, calculated according to first-in-first-out, and net sales value. In doing so, obsolescence risk has been taken into account. In addition to purchase expenses, the acquisition value also includes expenses for bringing the goods to their current location and condition.

Financial assets and liabilities

Financial assets and liabilities are reported in accordance with chapter 11 of BFNAR 2012:1. Instruments are valued based on acquisition value.

Accounting in and removal from the balance sheet

A financial asset or financial liability is included in the balance sheet when the company becomes a party to the contractual

terms of the instrument. A financial asset is removed from the balance sheet when the contractual right to the cash flow from the asset ends or is settled. The same applies when the risks and benefits associated with the holding have essentially been transferred to another party and the company no longer has control over the financial asset. A financial liability is removed from the balance sheet when the contractual obligation has been fulfilled or terminated.

Valuation of financial assets

Financial assets are valued at acquisition value at the time of first accounting.

Accounts receivable and other receivables that constitute current assets are valued individually at the amount that is estimated to be affected.

Financial fixed assets are valued after the first accounting period at acquisition value with deductions for possible write-downs and with additions for possible revaluations.

Valuation of financial liabilities

Accounts payable and other non-interest-bearing liabilities are valued at accrued cost.

Compensation to employees**Benefits to employees after termination of employment**

In the company, there are exclusively pension plans that are managed as defined contribution plans. There are no other significant agreements that involve compensation after termination of employment other than what falls within the framework of union agreements or common practice for senior executives.

Tax

Tax on the year's profit in the income statement consists of

current tax and deferred tax.

The deferred tax asset is valued at a maximum of the amount that is likely to be recovered based on current and future taxable results. The valuation is reassessed every balance day.

Contingent liabilities

A contingent liability is:

- A possible obligation as a result of occurring events and whose existence will only be confirmed by one or more uncertain future events, which are not entirely within the company's control, occur or fail to occur, or
- An existing obligation as a result of events that have occurred, but which is not recognized as a liability or provision because it is not likely that an outflow of resources will be required to settle the obligation or the size of the obligation cannot be calculated with sufficient reliability.

Contingent liabilities is a summary term for such guarantees, financial commitments and possible obligations that are not included in the balance sheet.

Revenue

The inflow of financial benefits that the company has received or will receive for its own account is reported as income. Revenue is valued at the fair value of what has been received or will be received, less discounts.

Sale of goods

Sale of goods is recognized when the company has transferred to the buyer the essential risks and benefits associated with ownership, normally when the customer has an item in his possession.

Revenues from the sale of goods that do not have any significant service obligations are reported upon delivery.

Note 1 cont'd**Interest and royalty**

Income is recognized when the financial benefits associated with the transaction are likely to accrue to the company and when the income can be calculated reliably.

Royalty is accrued in accordance with the financial meaning of the agreement.

Contribution

A public grant that is not associated with requirements for future performance is reported when the conditions for receiving the grant have been met. A public grant that is linked to requirements for future performance is recognized as revenue when the performance is performed. If the contribution has been received before the conditions for reporting it as income have been met, the contribution is reported as a liability.

Consolidation**Subsidiary**

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50 percent of the voting rights or otherwise has a controlling influence. Determining influence means a right to shape a company's financial and operational strategies in order to obtain financial benefits.

Promimic holds 60 percent of the shares in Nano Processing Inc., which is consolidated in accordance with the proportionate consolidation method as it is a Joint Venture.

Accounting principles in the parent company

The accounting principles in the parent company are consistent with the above stated accounting principles in the consolidated accounts.

Cashflow analysis

The cash flow analysis has been prepared according to the indirect method.

Definitions

Solidity: Adjusted equity as a percentage of total assets

Cash liquidity: Current assets excluding inventory as a percentage of current liabilities

Average number of shares: Number of shares at the end of each quarter divided by the number of quarters (five)

Note 2**Other income**

Other operating income split by type of income	Group	
	2023	2022
Grants received	0	17
Exchange rate gains	918	615
Total operating income	918	632

Other operating income split by type of income	Parent company	
	2023	2022
Grants received	0	17
Exchange rate gains	948	615
Total operating income	948	632

Note 3**Personnel**

The average number of employees is based on hours paid by the company in relation to normal working hours.

Average number of employees	Number		Of whom men, percent	
	2023	2022	2023	2022
Parent company	15	14	53	56
Subsidiaries	2	2	100	100
Total average number of employees	17	16		

Gender distribution in Board and Management	Number		Of whom men, percent	
	2023	2022	2023	2022
Parent company	10	12	80	75
Subsidiaries	1	1	100	100

TSEK Total salaries, remuneration and social securities	Salaries and remuneration, etc		Social security contributions	
	2023	2022	2023	2022
Parent company	-12,590	-10,619	-3,551	-2,699
(of which pension costs)	(-1,377)	(-1,127)	(-334)	(-273)
Subsidiaries	-5,333	-3,948	-275	-218
(of which pension costs)	(-143)	(-411)	-	-
Board	-1,225	-900	-284	-209
Total salaries, remuneration and social securities	-19,148	-15,467	-4,110	-3,126

Note 4

Expenditures brought forward for development work

	Group/Parent company	
	12/31/2023	12/31/2022
Opening cost	12,355	11,495
Cost for the year	2,141	860
Outgoing acquisition value	14,496	12,355
Opening depreciation	-5,941	-5,140
Depreciation in the year	-1,148	-801
Outgoing depreciation	-7,089	-5,941
Outgoing balance	7,407	6,414

Note 5

Patents

	Group/Parent company	
	12/31/2023	12/31/2022
Opening cost	10,624	9,604
Cost for the year	1,436	1,020
Outgoing acquisition value	12,060	10,624
Opening depreciation	-6,106	-5,044
Depreciation in the year	-1,206	-1,062
Outgoing depreciation	-7,312	-6,106
Outgoing balance	4,748	4,517

Note 6

Goodwill

	Group	
	12/31/2023	12/31/2022
Opening acquisition value	4,479	0
Acquisitions in the year	0	4,479
Outgoing acquisition value	4,479	4,479
Opening depreciation	-373	0
Depreciation in the year	-896	-373
Outgoing depreciation	-1,269	-373
Outgoing balance	3,210	4,106

Note 7

Machinery and other technical facilities

	Group	
	12/31/2023	12/31/2022
Opening acquisition value	4,586	419
Acquired machinery		290
Purchases	3,224	3,877
Outgoing acquisition value	7,810	4,586
Opening depreciation	-641	-299
Depreciation in the year	-817	-342
Outgoing depreciation	-1,458	-641
Outgoing balance	6,353	3,945

	Parent company	
	12/31/2023	12/31/2022
Opening acquisition value	4,296	419
Purchases	3,221	3,877
Outgoing acquisition value	7,517	4,296
Opening depreciation	-639	-299
Depreciation in the year	-805	-340
Outgoing depreciation	-1,444	-639
Outgoing balance	6,075	3,658

Note 8

Equipment and installations

	Group	
	12/31/2023	12/31/2022
Opening acquisition value	237	229
Acquired equipment and installations		8
Purchases	2,564	0
Outgoing acquisition value	2,801	237
Opening depreciation	-196	-166
Depreciation in the year	-19	-30
Outgoing depreciation	-215	-196
Outgoing balance	2,585	41

	Parent company	
	12/31/2023	12/31/2022
Opening acquisition value	177	177
Purchases	2,238	0
Outgoing acquisition value	2,415	177
Opening depreciation	-148	-123
Scrapping	104	
Depreciation in the year	-15	-25
Outgoing depreciation	-59	-148
Outgoing balance	2,356	29

Note 9

Deferred tax

	Group/Parent company	
	12/31/2023	12/31/2022
Deferred tax claim regarding:		
- Loss deduction	4,000	4,000
Outgoing deferred tax asset	4,000	4,000

The underlying deficit deductions amount to 121,344 TSEK (103,902).

Note 10

Cash and cash equivalents

	Group	
	12/31/2023	12/31/2022
Available cash bank accounts	50,323	58,800
Locked funds	0	0
Total	50,323	58,800

	Parent company	
	12/31/2023	12/31/2022
Available cash bank accounts	45,397	57,175
Locked funds	0	0
Total	45,397	57,175

Note 11

Other long-term liabilities

	Group/Parent company	
	12/31/2023	12/31/2022
Loans with amortization 2-5 years	0	0
Total	0	0

Note 12

Accrued costs and prepaid income

	Group	
	12/31/2023	12/31/2022
Prepaid income	4,267	5,605
Salaries and social security contributions	3,677	2,969
Other accrued costs	2,422	357
Total	10,366	8,931

	Parent company	
	12/31/2023	12/31/2022
Prepaid income	4,267	5,605
Salaries and social security contributions	3,157	2,162
Other accrued costs	2,958	296
Total	10,382	8,063

Note 13

Adjustments for non cash items

	Group	
	2023	2022
Depreciations according to income statement	4,118	3,346
less paid leasing fees:		
- classified as depreciations	0	-737
- classified as financial costs	0	-86
Total	4,118	2,523

	Parent company	
	2023	2022
Depreciations	3,207	2,229
Unrealized intra-group currency effects		70
Total	3,207	2,299

Note 14

Shares in group companies

Group companies	CIN	Registered office	Share/Percent
Promimic U.S. Incorporated	35-2569829	Delaware, USA	100
Nano Processing Inc	88-3098397	Indiana, USA	60

TSEK

Book value per December 31, 2023	18,606
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Note 15

Significant events after the end of the financial year

On April 19, the company called for the shareholders to convene for the ordinary general meeting on May 22, 2024.

Signatures

Mölnadal April 25, 2024

Tommy H. Karlsson
Chairman of the Board

Helena Brisby
Member of the Board

Håkan Krook
Member of the Board

Pehr Abrahamsson
Member of the Board

Johan Dighed
Member of the Board

Martin Andersson
Member of the Board

Magnus Larsson
CEO

Our audit report was submitted April 25, 2024

KPMG AB

Johan Kratz
Certified Public Accountant

Audit Report

To the General Meeting of Promimic AB (publ),
CIN 556657-7754

Report on the annual report and the consolidated accounts

Statements

We have performed an audit of the Annual Report and consolidated financial statement for Promimic AB (publ) for the year 2023, included on pages 19-35 of this document.

In our opinion, the Annual Report and consolidated financial statements have been prepared in accordance with the Annual Accounts Act and gives a true and fair view in all material aspects of the parent company's and the group's financial position as of December 31, 2023 and of their financial results and cash flow for the year in accordance with the Annual Accounts Act. The management report is compatible with the other parts of the Annual Report and consolidated financial statements.

We therefore recommend that the Annual General Meeting approve the income statement and the balance sheet for the parent company and for the group.

Basis for statements

We have performed the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing practice in Sweden. Our responsibilities under these standards are described in more detail in the Auditor's Responsibilities section. We are independent in relation to the parent company

and the group in accordance with generally accepted accounting practice in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

Other information than the Annual Report and the consolidated statements

This document also contains other information than the Annual Report and consolidated statement and can be found on pages 1-18 and 40-43. The Board and the CEO are responsible for this information.

Our opinion regarding the Annual Report and the consolidated accounts does not include this information and we do not make any assurance statement regarding this other information.

In connection with our audit of the Annual Report and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the report. During this review, we also take into account the knowledge we otherwise acquired during the audit and assess whether the information otherwise appears to contain material inaccuracies.

If, based on the work done on this information, we conclude that the other information contains a material misstatement, we are required to report this. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the CEO

It is the Board and the CEO who are responsible for the preparation of the Annual Report and the consolidated accounts and that they give a true and fair view in accordance with the Annual Accounts Act. The Board and the CEO are also responsible for the internal control they deem necessary to prepare an annual report and consolidated accounts that do not contain any material errors, whether these are due to irregularities or mistakes.

When preparing the Annual Report and the consolidated financial statements, the Board and the CEO are responsible for the assessment of the company's and the group's ability to continue operations. They disclose, when applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operation. However, the assumption of continued operation is not applied if the Board and the CEO intend to liquidate the company, cease operations or have no realistic alternative to doing any of this.

Auditor's responsibility

Our objectives are to obtain reasonable certainty about whether the Annual Report and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to provide an audit report containing our statements. Reasonable certainty is a high degree of certainty, but is no guarantee that an audit performed in accordance with ISA and generally accepted auditing practice in Sweden will always detect a material misstatement if one exists. Misstatements may arise due to irregularities or mistakes and are considered material if individually or collectively they can reasonably be expected to influence the financial decisions that users make based on the annual accounts and consolidated accounts.

As part of an ISA audit, we use professional judgment and maintain a professional skepticism throughout the audit. In addition:

- we identify and assess the risks of material misstatements in the Annual Report and consolidated financial statements, whether due to irregularities or errors, design and perform audit procedures based on these risks, among other things, and obtain audit evidence that is sufficient and appropriate to form a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, because fraud may include acts of collusion, forgery, intentional omissions, misstatements or overrides of internal control.
- we obtain an understanding of the part of the company's internal control that is relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of internal control.
- we evaluate the appropriateness of the accounting principles used and the reasonableness of the board's and managing director's estimates in the accounting and associated information.
- we draw a conclusion about the appropriateness of the board and the CEO using the going concern assumption when preparing the annual report and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether there is any material uncertainty factor relating to such events or conditions that may cast significant doubt on the company's and

the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we must draw attention in the auditor's report to the disclosures in the annual accounts and consolidated accounts about the material uncertainty or, if such disclosures are insufficient, modify the statement of the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may mean that a company and a group can no longer continue operations

- we evaluate the overall presentation, structure and content of the Annual Report and consolidated financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that gives a true and fair view.
- we obtain sufficient and appropriate audit evidence regarding the financial information for the units or business activities within the group to make a statement regarding the consolidated financial statement. We are responsible for steering, monitoring and carrying out the group audit. We are solely responsible for our statements.

We must inform the board about, among other things, the planned scope and focus of the audit and the timing of it. We must also communicate any significant findings during the audit, including any significant deficiencies in internal control that we have identified.

Report on other requirements in accordance with laws and other regulations

Statements

In addition to our audit of the Annual Report and the consolidated financial statements, we have also carried out an audit of the management of the board and the managing director for Promimic AB (publ) for the year 2023 as well as of the proposal for dispositions regarding the company's profit or loss.

We recommend that the general meeting dispose of the profit according to the proposal in the management report and grant the board members and the managing director discharge from liability for the financial year.

Basis for statements

We have performed the audit in accordance with generally accepted auditing practice in Sweden. Our responsibility according to this is described in more detail in the Auditor's responsibility section. We are independent in relation to the parent company and the group and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

Responsibilities of the Board of Directors and the CEO

It is the board that is responsible for the proposal for dispositions regarding the company's profit or loss. In the case of a proposal for a dividend, this includes, among other things, an assessment of whether the dividend is justifiable taking into account the requirements that the company's and the group's nature of operations, scope and risks place on the size of the parent company's and the group's equity capital, consolidation needs, liquidity and position in general.

The board is responsible for the company's organization and the management of the company's affairs. This includes, among other things, continuously assessing the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, fund management and the company's financial affairs in general are controlled in a reassuring manner.

The managing director shall manage the day-to-day management in accordance with the board's guidelines and instructions and, among other things, take the measures necessary for the company's accounting to be completed in accordance with the law and for the fund management to be managed in a reassuring manner.

Auditor's responsibility

Our goal regarding the audit of the administration, and thus our statement concerning discharge from liability, is to obtain audit evidence in order to be able to assess with a reasonable degree of certainty whether any board member or the managing director in any material respect:

- undertook any action or was guilty of any negligence that could give rise to liability for compensation against the company, or
- acted in any other way in violation of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our goal regarding the audit of the proposal for disposition of the company's profit or loss, and thus our statement on this, is to assess with a reasonable degree of certainty whether the proposal is compatible with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but no guarantee that an audit carried out in accordance with generally accepted auditing practice in Sweden will always discover measures or omissions that may give rise to liability for compensation against the company, or that a proposal for disposition of the company's profit or loss is not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing practice in Sweden, we use professional judgement and have a professionally skeptical attitude throughout the audit. The review of the management and the proposal for disposition of the company's profit or loss is based primarily on the audit of the accounts. Which additional audit measures are performed are based on our professional judgement based on risk and materiality. This means that we focus the review on such measures, areas and conditions that are essential to the business and where deviations and violations would have particular significance for the company's situation. We go through and examine decisions made, basis for decisions, measures taken and other circumstances that are relevant to our statement regarding discharge from liability. As a basis for our statement on the board's proposal for disposition regarding the company's profit or loss, we have examined whether the proposal is compatible with the Swedish Companies Act.

Göteborg April 25, 2024

KPMG AB

Johan Kratz, Certified Public Accountant



Corporate Governance Report

Promimic's corporate governance describes how the owners, through the general meeting, and the board govern the company and ensure that the CEO and company management create value and manage the risks in the business.

Corporate governance

The governance of Promimic is based on the Swedish Companies Act, the Articles of Association, Nasdaq First North Growth Market's regulations, internal rules and regulations, as well as other applicable Swedish and foreign laws and regulations.

The purpose of the company's operations shall be to develop and sell products to implant companies as well as to conduct other compatible activities.

Internal control

The Board's responsibility for internal control is regulated in the Limited Liability Companies Act and the Annual Accounts Act - which contain requirements that information about the most important elements of Promimic's system for internal control and risk management in connection with the financial reporting must be included in the corporate governance report each year.

Among other things, the Board must ensure that Promimic has good internal control and formalized routines that ensure that established principles for financial reporting and internal control are adhered to and that there are appropriate systems for monitoring and controlling the company's operations and the risks that Promimic and its operations are associated with.

The overall purpose of internal control is to reasonably ensure that the company's operational strategies and goals are followed up and that the owners' investment is protected.

The internal control must further ensure that the external financial reporting is reliable with reasonable certainty and prepared in accordance with good accounting practice, that applicable laws and regulations are followed and that requirements for listed companies are complied with.

Monitoring environment

The Board has the overall responsibility for the internal control regarding the financial reporting. In order to create and maintain a functioning control environment, the Board has adopted a number of policies and governing documents that regulate the financial reporting.

These mainly consist of the Board's rules of procedure, CEO instructions and instructions for financial reporting. The Board has also adopted a special financial policy, information policy and an insider policy. The Board continuously monitors the company's financial position and the effectiveness of the company's internal control and risk management, and keeps itself informed of the audit of the annual report and consolidated financial statements. Furthermore, the Board reviews and monitors the auditor's impartiality and independence. The Board also receives reports from Promimic's auditor.

Management and follow-up

Ongoing follow-up of profit outcomes take place at group level against budget and forecasts. Reporting takes place to the managing director and Board. According to the Board's instructions to the CEO, the company's auditors must report

their work directly to the Board at least once a year.

Information och communication

The company has information and communication channels that aim to promote the accuracy of the financial reporting and enable reporting and feedback from the business to the board and management, for example by making governing documents in the form of internal policies, guidelines and instructions regarding the financial reporting available and known to affected employees.

The company has also drawn up policy and instructions with the aim of informing employees and other stakeholders within Promimic about the laws that are applicable regarding the company's disclosure of information and the special requirements for people who are active in a listed company in situations such as the handling of insider information. In connection with this, Promimic has established routines for handling and limiting the dissemination of information that has not yet been published, so-called deferred publication.

The Board has adopted a communication policy and insider policy that regulate the group's disclosure of information.

Risk assessment

The Board receives additional information about risk management, internal control and financial reporting from the auditor at board meetings with the auditor present.

Monitoring activities

Control activities limit identified risks and ensure accurate and reliable financial reporting. The Board is responsible for the internal control and follow-up of the company management.

This takes place through both internal and external control activities as well as through review and follow-up of the company's governing documents.

An important part of Promimic's control activities are standardized reporting routines as well as clear and documented work arrangements and division of responsibilities.

Need for internal auditing

The effectiveness of internal auditing is largely dependent on the company's organizational structure and the size of the organization. Promimic has a relatively small organization where finance, economics and other administration are managed from the company's office in Mölndal. Follow-up of results and balance is done monthly by the various functions within the company as well as by the company's management and board. All in all, this means that it is not considered justified to have a special unit for internal audit.

Shareholders

The Promimic group consists of two wholly owned companies and one partially owned company. Parent company in the group is the Swedish public limited company Promimic AB (publ), whose shares are listed on the Nasdaq First North Growth Market. The share capital in Promimic is represented by ordinary shares. The number of shares amounted to 18,657,326 with equal rights, corresponding to a quota value of 10 öre. As of December 31, 2023, the number of shareholders amounted to approximately 1,000. For further information on ownership structure, trading and price development, see page 22 of the annual report. The larger main sharehol-

ders in Promimic exercise an active ownership role. The board and group management control a total of 67.7 percent of capital and votes in the company. The articles of association do not contain a reservation on voting rights limitation.

General Meeting

Shareholders' right to decide in Promimic's affairs is exercised through the highest decision-making body, the Annual General Meeting or extraordinary General Meeting. The meeting decides, for example, on changes to the Articles of Association, Board and auditor elections, determination of the profit and loss account, discharge of liability for the Board and the CEO, and disposition of profit or loss.

According to Promimic's Articles of Association, notices to the general meeting must be given by advertising in Post- och Inrikes Tidningar and by making the notice available on the company's website as well as announcing in Dagens Industri.

Voting rights accrue to shareholders who, according to the notice's instructions, have registered for the meeting and who are included in the general meeting share register that is produced before the meeting.

Right to attend

In order to participate in the general meeting, shareholders must register with Promimic no later than the day stated in the notice to the general meeting. This day must not be Sunday, another public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday before the meeting.

Initiatives from shareholders

Shareholders who wish to have a matter dealt with at the general meeting must submit a written request to the company's Board no later than four weeks before the general meeting.

Annual General Meeting 2023

The 2023 Annual General Meeting was held on April 25 physically in Mölndal. Altogether, 78.9 percent of the total number of shares and votes were present. The accounts for 2022 were approved and the board members and CEO were granted discharge. Decisions were also made on the election of Board members, Chairman of the board and auditor, as well as fees for the board and auditor.

Annual General Meeting 2024

The Annual General Meeting will be held physically in Mölndal on May 22, 2024.

Nomination Committee

The general meeting has decided on a principle for the appointment of the selection committee. The election committee shall consist of representatives from the five largest shareholders in terms of votes listed in the by Euroclear Sweden maintained the share register as of the last banking day in August. The chairman of the board must convene the first the meeting. Board members, CEO or others senior executives in the company must not be members of the selection committee.

The following people are part of the election committee:

- Lars Kristensson, appointed by K-Svets Venture AB
- Linda Spahiu, appointed by Kdev Investments AB
- Pontus Ottoson, appointed by Chalmers Ventures AB
- Tim Zentz, appointed by Riepen LLC
- Jonas Eixmann, appointed by Andra AP-Fonden

The appointment has taken place in accordance with the instructions regarding principles for appointment to the Nomination Committee that were established at the annual general meeting of Promimic AB on April 25, 2023. The shareholders who have appointed the members of the nomination committee represented a total of roughly 70 percent of all shares in the company on August 31, 2023.

The nomination committee's task is to prepare and present proposals before the Annual General meeting regarding the number of Board members to be elected by the general meeting, election of the Chairman and other members of the board, board fees, election of the chairman at the annual general meeting, election of auditors (if applicable) and proposals for rules for appointment of the nomination committee before the upcoming annual general meeting. Shareholders who wish to submit comments or submit proposals to the nomination committee can do so in good time before the general meeting via e-mail to info@promimic.com

Board of Directors

After the general meeting, the Board is Promimic's highest decision-making body. It is the Board that is responsible for

the company's organization and the management of the company's affairs, for example by establishing goals and strategy, ensuring routines and systems for following up on the established goals, continuously assessing Promimic's financial situation and evaluating the operational management. It is also the board's responsibility to ensure that correct information is provided to the company's shareholders, that the company complies with laws and regulations, and that the company develops and implements internal policies and ethical guidelines.

The board also appoints Promimic's managing director and determines the salary and other remuneration based on current guidelines.

Composition

The board members are elected annually by the annual general meeting for the period until the next annual general meeting is held. According to the articles of association, the board must consist of a minimum of four and a maximum of 10 members without deputies.

In 2023, the board consisted of six members who are elected for one year by the annual general meeting. Currently, the company's board consists of Tommy Karlsson as Chairman of the Board and members Pehr Abrahamsson, Martin Andersson, Helena Brisby, Johan Dighed and Håkan Krook..

CEO Magnus Larsson is not part of the board, but participates as presenter at all meetings. The members of the Board are presented in more detail on pages 17–18.

Chairman

The Chairman of the Board leads the board meetings. Every question concerning the company conditions that is referred to the Board must be referred to the Chairman of the Board, who must then ensure that the question is prepared and at a later board meeting presented for decision or as information.

The Chairman's duties also include reviewing and following the board's work, preparing the agenda for board meetings, summarizing the discussions at board meetings, following the management's work and acting as support to the CEO, ensuring that the Board's decisions are implemented, and maintaining regular contact with the Board members between board meetings.

The work

The Board follows a written procedure that is reviewed annually and determined at the constituent board meeting. The rules of procedure regulate, among other things, the board's working methods, duties, decision-making order within the company, the board's meeting schedule, the Chairman's duties and an appropriate distribution of work between the Board and the CEO. Instructions regarding financial reporting and instructions to the CEO are also established in connection with the constituent board meeting. The Board's work is also conducted based on an annual meeting plan that meets the board's need for information. The meeting plan must be designed so that the meetings coincide with the preparation of quarterly reports and financial statements.

The control questions that come to the board are handled by the board as a whole. In addition to the board meetings, the chairman of the board and the CEO have an ongoing dialogue

regarding the management of Promimic. The Board meets according to a pre-decided meeting plan and must hold at least six regular board meetings in addition to the constituent meeting between each annual general meeting. In addition to these meetings, extra meetings can be arranged. In 2023, the board held 8 minutes-recorded meetings, of which one is a constituent meeting.

Below is a list of the members attendance.

Name	Attendance
Tommy Karlsson	8/8
Pehr Abrahamsson	7/8
Martin Andersson	8/8
Helena Brisby	8/8
Johan Dighed	8/8
Håkan Krook	8/8

Committees

The board has a remuneration committee. The remuneration committee consists of Tommy Karlsson (chairman of the board) and Pehr Abrahamsson (member of the board). The CEO is the rapporteur in matters that do not affect the CEO terms and conditions. The remuneration committee is tasked with reviewing and making recommendations to the Board regarding the principles for conditions and remuneration for the company's senior executives. The remuneration committee must evaluate the CEO's work annually. Questions concerning the CEO's terms of employment, remuneration and benefits are prepared by the remuneration committee and decided by the board.

In his role, the CEO is subordinate to the board and his main task is to manage Promimic's ongoing management and day-to-day operations. The Board's rules of procedure and the CEO's instructions show which issues Promimic's board must decide on and which decisions fall on the CEO.

The CEO also prepares reports and necessary decision-making documents for board meetings and is the presenter of the material at board meetings. In addition to the CEO, Promimic has four senior executives, see page 18.

Audit

Promimic's auditor examines the annual accounts and annual report as well as the company's ongoing operations and routines in order to then express an opinion on the accounting and the administration of the board and the CEO. The auditor must submit an audit report to the general meeting after each financial year. The company's auditor reports to the board his observations from the review and his assessments of the company's internal control.

At the Annual General Meeting on April 25, 2023, it was decided to re-elect KPMG as auditing firm, with Johan Kratz as Auditor in charge. It was also decided that compensation to the Auditor should be paid according to an approved bill.

Auditor's statement concerning the Corporate Governance Report

To the General Meeting of Promimic AB (publ),
CIN 556657-7754

Tasks and division of responsibilities

It is the board that is responsible for the report on pages 40 - 43 and that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the review

Our review is in accordance with FAR's statement RevR16 The auditor's review of the corporate governance report. This means that our review has a different focus and a significantly smaller scope compared to the focus and scope of an audit according to International Standards on Auditing and good auditing practice in Sweden. We believe that this review provides us with sufficient basis for our statements.

Statement

A corporate governance report has been drawn up. Information in accordance with ch. 6 § 6, second paragraph, points 2–6 of the Annual Accounts Act and ch. 7 § 31 second paragraph of the same act are compatible with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Göteborg April 25, 2024

KPMG AB

Johan Kratz, Certified Public Accountant

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