

## INTERIM REPORT JANUARY – MARCH 2022

# Q1 STRONG SALES GROWTH

### JANUARY - MARCH 2022

- Net sales increased by 48 percent (36 percent at constant exchange rates<sup>1</sup>) and amounted to SEK 66.3 million (44.8).
- The North America (NA) segment reported a sales increase of 64 percent (47 percent at constant exchange rate).
- The Europe & Rest of the World (EUROW) segment reported a sales increase of 28 percent (22 percent at constant exchange rates).
- The gross margin amounted to 90.5 percent (88.6) with a positive mix effect from increased sales in North America.
- Operating result amounted to SEK -16.5 million (-19.7).
- Earnings per share, before and after dilution, were SEK -0.25 (-0.32).

### EVENTS DURING THE PERIOD

- In January 2022, the company announced that a distribution agreement had been signed with OrthoPediatrics Corp, a leading company in the orthopedic pediatric market. The distribution partnership expands BONESUPPORT's market access further as it gives CERAMENT BVF access to OrthoPediatrics' network of 250 children's hospitals. Sales for the period included a first order from OrthoPediatrics, which amounted to SEK 2.6 million.

### EVENTS AFTER THE PERIOD

- CMS, Centers for Medicare & Medicaid Services, communicated in end of April a favorable NTAP, New Technology Add-On Payments, ruling for CERAMENT G at USD 4 920, conditioned a regulatory approval before July 1 this year.

KEY FIGURES	Jan - Mar		12 months	
	2022	2021	LTM	2021
Net sales, SEKm	66.3	44.8	234.4	212.9
Sales growth, % <sup>1</sup>	48.0	3.2	28.6	17.7
Gross profit, SEKm	60.0	39.7	210.0	189.7
Gross margin, % <sup>1</sup>	90.5	88.6	89.6	89.1
Operating loss, SEKm	-16.5	-19.7	-77.4	-80.7
Loss for the period, SEKm	-16.4	-20.2	-81.7	-85.5
Equity at period end, SEKm	252.5	380.1	252.5	265.7
Net debt, SEKm <sup>1</sup>	-173.8	-328.9	-173.8	-185.0
Operating cash flow, SEKm	-8.0	-14.0	-77.4	-83.4
Cash at period end, SEKm	195.6	339.0	195.6	206.5
Earnings per share before and after dilution, SEK	-0.25	-0.32	-1.27	-1.34

This information is such information as BONESUPPORT AB (publ) is obliged to make public pursuant to EU's regulation on market abuse (MAR) and the Swedish Securities Markets Act.

1. APM: Alternative performance measures, see definitions on page 23.





## CEO COMMENTS

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### *U.S. sales grew with 64 percent in the quarter*

**Sales in the quarter of SEK 66 million meant the third consecutive quarter with an all-time high and a growth of 48 percent (36 percent CER) compared to Q1 2021. In terms of earnings, the quarter represented a significant improvement.**

The U.S. sales growth is a highlight in this report. Since we switched to a new distribution model in 2018, we have gradually taken control of the commercial operations and are now addressing the U.S. market significantly more efficiently, both in different indications and geographically. Sales grew by 64 percent (47 percent CER) compared to Q1 2021 and by 18 percent sequentially compared to Q4 2021. The strong market access enabled by the group purchasing organization (GPO) contracts signed, has been a significant key to the increased growth rate. That the number of surgeries are approaching a return towards normal levels following the impact of Omicron over the turn of the year, has also contributed to the increase. During the first quarter, we established two new regions in the U.S. (now a total of 12) to handle the increasing demand for CERAMENT.

In January, a distribution agreement was signed with OrthoPediatrics for the marketing and distribution of CERAMENT BVF to children's hospitals in the U.S. OrthoPediatric's network of 250 children's hospitals represents an important strategic expansion for CERAMENT in a previously unaddressed market segment. During the quarter, sales have commenced, and we received the first order of SEK 2.6 million.

The recovery in the number of surgical procedures has been slower in Europe than in the United States. During January, a significant impact from Omicron was noted and in Germany, for example, an easing of COVID-related restrictions wasn't introduced until mid-March. The work to revitalize our distributor markets continued during the quarter and the successful hybrid model we installed in Italy and Spain in 2021, will be implemented in Canada during the first half of 2022. The hybrid model, which involves qualified BONESUPPORT staff working side by side with the local distributor's sales force, has proven to be an important growth driver.

We are still waiting for the response from the U.S. Food and Drug Administration, FDA, regarding our De Novo application for CERAMENT G. After the supplementary data for De Novo submitted at the end of September 2021, an interactive review process ensued, with frequent dialogue and ongoing handling of questions and answers about the submitted data. Since December, we have been waiting for FDA's feedback and final decision regarding our application. The FDA has openly communicated that many reviews and decisions are delayed due to the large number of Emergency Use Authorization (EUA) applications received, related to COVID-19, in 2020 and 2021.

Although a higher global volatility has been observed in supply of components and in shipping costs, no material impact has been noted on the business. At the end of the quarter, price increases on CERAMENT were implemented in all direct markets.

We sum up another strong quarter that provides a clear confirmation of the delivery of our business model and CERAMENT's growing market position. My view is that the headwinds experienced by all orthopedic companies, under the influence of the pandemic, will gradually and over time be replaced by tailwinds as measures to reduce the built-up backlog on orthopedic care are expected.

Overall, we show the highest quarterly sales in BONESUPPORT's history and have a solid basis for continued strong growth. Our goal, given a more normalized post-pandemic market dynamic, is to grow sales by 40 percent per year.

Emil Billbäck, CEO



# COVID-19 PANDEMIC'S IMPACT ON THE ORTHOPEDIC MARKET

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Despite the increasing rate of fully vaccinated in the population, the pandemic has once again had a large impact on healthcare priorities and the number of postponed orthopedic surgeries. The impact of the pandemic was significant, as the Omicron variant led to high infection rates, especially during January. Below is a description of how the orthopedics market has been impacted during the quarter and the assessments that currently can be made for the beginning of 2022, as well as how BONESUPPORT is affected and acting to handle this situation.

## EFFECTS IN THE FIRST QUARTER

- With the latest COVID variant, Omicron, we have experienced continued local restrictions, to varying degrees and with large regional differences. Overall, the pandemic has continued to impact non-acute orthopedic surgery, especially during January, both in parts of the U.S. and in Europe. The healthcare back log for orthopedic procedures is at a record high.
- Local restrictions periodically impacted the ability of BONESUPPORT's sales representatives to meet with new potential customers.
- The FDA has openly communicated that a large number of reviews and decisions are delayed due to the large number of Emergency Use Authorization (EUA) applications received, related to COVID-19, in 2020 and 2021.

## EXPECTED DEVELOPMENT

- The beginning of 2022 has been characterized by a continued high infection levels and very high load on healthcare systems. Pending sustainable stabilization and reduced spread of infection, with reduced restrictions and normalized health care priorities, developments in the short term remain difficult to assess.

- BONESUPPORT has relevant safety stock levels of both finished products and materials. Despite this, it is not possible to, along with global trends, exclude potential short-term disruptions in the availability of individual components.
- CERAMENT has shown positive health economic effects and shortened stay in hospital and can thus benefit from an increased focus on methods that help reduce the large orthopedic backlog.

## SELECTION OF MEASURES TO PROTECT STAFF AND ACTIVITIES

- BONESUPPORT follows the public health authorities' recommendations concerning hygiene practices and the enabling of its staff to work from home.
- Increased frequency of digital communication and virtual customer meetings.





## NORTH AMERICA (NA)

The U.S. market is the world's largest for synthetic bone graft products and thus the company's most important market. The focus of the North America segment is increased market penetration through continued development of the distribution structure. Work to prepare a market introduction of the company's antibiotic-eluting product CERAMENT G continues and includes seeking regulatory clearance through a De Novo application.

### JANUARY - MARCH

#### Sales

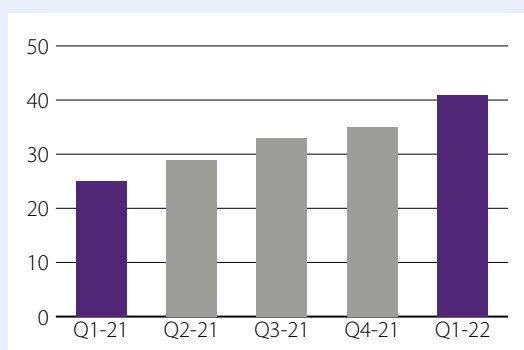
Sales for the period amounted to SEK 41.2 million (25.1), which corresponds to a growth of 64 percent (47 percent in constant exchange rate). During the beginning of the quarter, we again saw a strong impact from COVID-19 through the Omicron variant with high infection rates in the U.S., with additional constrain from high sick leave among doctors and other healthcare professionals. In February and March, we noted a rapid recovery that contributed to a strong quarter. In January, a distribution agreement was signed with OrthoPedic Corp., a leading player in the orthopedic pediatric market. Sales for the period included a first order from OrthoPedic, which amounted to SEK 2.6 million.

Our investment in an independent distribution network with over 40 distributors has brought improved geographical coverage and enables a broader pursuit of various indications. The strengthened customer base together with the larger GPO contracts, signed in previous periods, continue to contribute to the strong sales increase.

#### Contribution<sup>1</sup>

The contribution from the segment was SEK 6.6 million (-2.0). The increased sales led to an increase in gross profit of SEK 15.2 million. Sales and marketing expenses during the quarter amounted to SEK 30.1 million (21.6), of which sales commissions to distributors amounted to SEK 12.9 million (7.9). Other sales and marketing expenses amounted to SEK 17.2 million (13.7). The increase included currency effects of SEK 1.7 million and an increased activity level compared to previous year. The contribution was also influenced by R&D costs related to studies amounting to SEK 1.9 million (3.7). The decrease was an effect of the phasing out of the FORTIFY study.

Net sales per quarter, SEKm



Net sales, gross profit and contribution, SEKm

	Jan - Mar		Full year
	2022	2021	2021
Net sales	41.2	25.1	121.7
Gross profit	38.6	23.3	113.8
Contribution	6.6	-2.0	2.7

1. APM: Alternative performance measures, see definitions on page 23.





## EUROPE & REST OF THE WORLD (EUROW)

In Europe, CERAMENT is sold either by the company's own sales organization or by distributors. Germany, the U.K., Switzerland, Sweden, Denmark and the BENELUX countries are key markets where BONESUPPORT has its own sales representatives. In Italy and Spain, the company has established a hybrid model, with qualified local staff from BONESUPPORT working side by side with the local distributors' sales representatives. In other European markets and in other parts of the world (ROW), the company cooperates with specialist distributors. The focus is on accelerating the sales and the use of CERAMENT in established and new markets through market access and the provision of clinical and health economic evidence. During the beginning of the quarter, we saw negative impacts from the pandemic and the Omicron variant, as well as staff shortages among health-care professionals, impacting the capacity to perform non-acute orthopedic surgery.

### JANUARY - MARCH

#### Sales

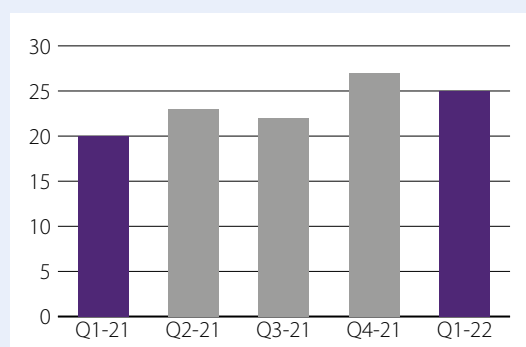
Sales for the period amounted to SEK 25.2 million (19.7), corresponding to a growth of 28 percent (22 percent in constant exchange rates). The pandemic continued to impact, as the Omicron variant led to high infection rates and with high numbers of COVID patients in need of hospital care during January. The market showed a recovery during February and March, but in the German market we were affected by a continued high level of shutdowns and restrictions throughout the quarter.

Sales in key direct markets accounted for 84 percent (81) of the segment's sales during the quarter. Sales of the antibiotic-eluting products CERAMENT G and CERAMENT V corresponded to 86 percent (83).

#### Contribution<sup>1</sup>

The contribution from the segment amounted to SEK 5.6 million (2.2). The improved contribution is explained mainly by the increase in sales. Sales and marketing expenses increased by SEK 1.6 million compared to the corresponding quarter last year and amounted to SEK 15.8 million (14.2). The increase is mainly explained by a higher activity level in 2022.

Net sales per quarter, SEKm



Net sales, gross profit and contribution, SEKm

	Jan - Mar		Full year
	2022	2021	2021
Net sales	25.2	19.7	91.2
Gross profit	21.5	16.4	75.9
Contribution	5.6	2.2	12.6

1. APM: Alternative performance measures, see definitions on page 23.





# RESEARCH AND DEVELOPMENT

**BONESUPPORT's clinical development program focuses on further developing CERAMENT's properties, broadening clinical application areas and leveraging CERAMENT's unique drug-eluting properties via the development of combination products which promote bone healing.**

A number of combinations with CERAMENT have been studied to add osteoinductive properties i.e., the capability to actively stimulate bone healing. Among other research activities, the company has conducted research in the form of preclinical candidates which combined CERAMENT with bisphosphonates, bone morphogenetic proteins (BMP), bone marrow aspirate (BMA) and demineralized bone matrix (DBM). Priority product candidates for own development are CERAMENT combined with bisphosphonate and CERAMENT combined with DBM, while CERAMENT combined with BMP is a candidate for potential partner development.

Bisphosphonate is a well-established substance in the treatment of osteoporosis and is used to inhibit the activity of osteoclasts, resulting in improved bone healing and bone density. Demineralized bone matrix is based on allograft which is reduced in minerals. The material has been shown to have wide usage in conditions and situations where natural bone regrowth is weak.

Preclinical research has shown that the addition of zoledronic acid to CERAMENT increases the bone volume at screw implants with osteoporotic bone. These findings have recently been supplemented by a published biomechanical study showing that CERAMENT immediately improved anchor strength of hip screw with 400 percent.

Further preclinical research has shown that the combination of CERAMENT, zoledronic acid and bone morphogenetic protein-2 (BMP-2) can also be used in the reconstruction of large segment defects instead of bone transplantation.

### CLINICAL EVIDENCE, A STRATEGIC CORNERSTONE

One of the three cornerstones of BONESUPPORT's strategy is to provide industry-leading scientific and clinical evidence that validates the many benefits of CERAMENT. Already today there is a comprehensive database of more than 240 research publications and abstracts of preclinical and clinical studies with CERAMENT.

### RESULTS FROM CERTIFY DRIVES CHANGED STANDARD OF CARE

CERTiFy<sup>1</sup> was a randomized, controlled clinical trial conducted at 20 trauma centers in Germany with 135 patients. The study, which was done on tibia plateau fractures, shows that CERAMENT BVF can replace autograft as the standard of care. The study confirmed that CERAMENT has the ability to be converted to bone. In addition, treatment with CERAMENT BVF resulted in significantly lower patient-experienced post-operative pain and a significantly lower blood loss. BONESUPPORT expects the results of the study published in The Journal of Bone and Joint Surgery in December 2019 to represent a milestone in driving change in the standard of care

### ONGOING RANDOMIZED CONTROLLED TRIALS

	SOLARIO	CONVICTION
Indication	Osteomyelitis	Osteomyelitis
Purpose	Evaluate whether synthetic bone graft substitutes with antibiotics (CERAMENT G / V) can shorten treatment times	Evaluate the cost-effectiveness and treatment effect of CERAMENT G
Effect measure	<ul style="list-style-type: none"><li>• Treatment time</li><li>• Antibiotic resistance</li><li>• Side effects</li><li>• Cost</li></ul>	<ul style="list-style-type: none"><li>• ICUR Reinfection</li><li>• Complications</li><li>• Amputations</li></ul>
Number of patients	500	220
Follow up time	12 month	24 month
Place	Europe	France, CRIOA
Expected completion	Q1 2024	2025



and that more clinics in consultation with the patient will choose CERAMENT over autograft.

### **THE SOLARIO STUDY**

BONESUPPORT supports the SOLARIO study (Short or Long Antibiotic Regimes in Orthopaedics), with the aim of investigating if synthetic bone graft substitutes containing antibiotics can lead to shorter treatment time compared to systemic antibiotics and thereby reduce risk of antibiotic resistance, side effects and additional costs. The study is led by the Oxford University Hospital's NHS Foundation Trust in collaboration with EBJIS (European Bone and Joint Infection Society). SOLARIO is a randomized unblinded European multicenter study that is expected to include 500 patients. The first patient was recruited in February 2019 and the study is expected to be closed during Q1 2024. A positive result of the study may contribute to a paradigm shift in the protocol for treating bone infections.

### **CONVICTION-STUDIEN**

The French CRIOAc<sup>2</sup> Network has initiated CONVICTION, a randomized controlled trial to evaluate the efficacy of CERAMENT G in the treatment of osteomyelitis. The French Ministry of Health has decided to fund the study. A research grant from BONESUPPORT to partially finance the products used in the study, has been awarded.

The study will evaluate the effectiveness of CERAMENT G in the treatment of osteomyelitis. The study is a national multicenter study and will be conducted by clinics that are part of the CRIOAc network.

A positive outcome of the study would mean that a large commercial opportunity will arise in the French market and that improved reimbursement status is obtained.

1. Hofmann et al. Autologous Iliac Bone Graft Compared with Biphasic Hydroxyapatite and Calcium Sulfate Cement for the Treatment of Bone Defects in Tibial Plateau Fractures, The Journal of Bone and Joint Surgery; February 5, 2020 - Volume 102 - Issue 3 - p 179-193.  
2. CRIOAc (Reference Center for Osteoarticular Infections) is a health care network in France that is implemented through a nationwide health ministry program to improve outcomes in the management of bone and joint infections.





## HEALTH ECONOMICS

**One of the largest challenges when introducing new and innovative health care treatment is to ensure that health care systems around the world understand the value of the treatment and include it in the care offered to the patient. BONESUPPORT undertakes a variety of activities to ensure that the company's products are included in the remuneration systems where our products are marketed.**

One of the obvious health economic benefits that comes from the clinical benefits CERAMENT offers is a reduced utilization of health care resources. A reduced number of re-infections as a result of treatment with CERAMENT G and CERAMENT V in a one-step procedure naturally leads to fewer return visits and fewer surgeries and, as a consequence, fewer hospital stays. Improved clinical outcomes also have a positive impact on society as a whole - such as reduced sick leave, reduced need for rehabilitation and care. The significance of health benefits and the calculation models for evaluating the cost-effectiveness of health benefits differ between different health care systems. Our teams therefore work closely with local expertise to increase our ability to include the CERAMENT platform more quickly in replacement systems in new markets.

### **HEALTH ECONOMIC MODEL OSTEOMYELITIS USA**

One of the major projects that has been started in 2021 is a cost and benefit analysis of what a change of treatment regime to a one-step procedure with CERAMENT G could mean for the American healthcare system. The modeling, which is based on available clinical data and cost data from CMS, Centers for Medicare & Medicaid Services, takes place in collaboration with national expertise in health economics and clinical orthopedics. The goal is for this study to be completed in the second quarter of 2022.

### **CERAMENT G OR CERAMENT V LEADS TO REDUCED DAYS OF CARE IN PATIENTS WITH BONE INFECTIONS<sup>1</sup>**

The Nuffield Orthopaedic Center (NOC) has shown that they have been able to reduce the degree of re-infection in osteomyelitis patients by 56 percent compared to their previous standard of treatment. In an analysis involving approximately 25,000 patients who underwent surgical treatment for osteomyelitis in 2013-2017, the patient group treated at NOC after the introduction of CERAMENT G or CERAMENT V in a one-step procedure was compared with patients cared for at other hospitals in England. The results presented in The Journal of Bone and Joint Infection<sup>1</sup> showed that CERAMENT

G or CERAMENT V in a one-step procedure contributed to significantly improved patient outcomes. The hospital stay, in connection with osteomyelitis surgery and the following two years, were on average 16 days shorter for the group that received CERAMENT G and CERAMENT V at NOC. In addition, patients at NOC had a significantly lower risk of amputation (6.47 percent) compared to the Rest of England control group (12.71 percent). With the addition of CERAMENT G or CERAMENT V in the treatment of osteomyelitis, the total saving in the number of days of care associated with surgery and subsequent care, could amount to approximately GBP 44 million annually, calculated on 6,250 treated patients per year.

### **REDUCED RISK OF DEEP INFECTIONS WITH CERAMENT G AND CERAMENT V**

Another area where CERAMENT G and CERAMENT V could help reduce healthcare costs is in the treatment of open tibial fractures. Open tibial fractures represent about 15 percent of all tibial fractures and have a high incidence of infection, with no bone healing as a result. Bone infections often lead to great suffering for the patient and very high health care costs. In a Belgian study by Hoekstra et al<sup>2</sup> of 358 patients, the cost of tibial fractures was studied. The study showed that healthcare costs for patients affected by a deep infection were on average five times higher than for those who did not get an infection, resulting in the cost of treatment increasing from EUR 9,500 to EUR 48,700. There are a number of studies that show that CERAMENT contributes to cost-effective care by reducing the number of deep infections. One of these is a study by Aljawadi et al<sup>3</sup> on 80 patients with severe open tibial fractures treated with CERAMENT G in a one-step procedure. In the study, one patient (1.3 percent) suffered from a deep infection compared with historical references of up to 52 percent incidence of infection. This shows that one-step treatment with antibiotic-eluting CERAMENT for open tibial fractures can effectively reduce the incidence of cost-driving infections.

1. Ferguson, J et al. A retrospective cohort study comparing clinical outcomes and health care resource utilisation in patients undergoing surgery for osteomyelitis in England: a case for reorganising orthopaedic infection services, J. Bone Joint Infect., 6, 151-163.  
2. Hoekstra et al. Economics of open tibial fractures: the pivotal role of length-of-stay and infection. Health Econ Rev 2017; 7:32.  
3. Aljawadi, A et al. Adjuvant Local Antibiotic Hydroxyapatite Bio-Composite in the management of open Gustilo Anderson IIIB fractures. Journal of Orthopaedics, 2020; 18: 261-266.



# FINANCIAL OVERVIEW

## PROFIT AND LOSS

### JANUARY – MARCH 2022

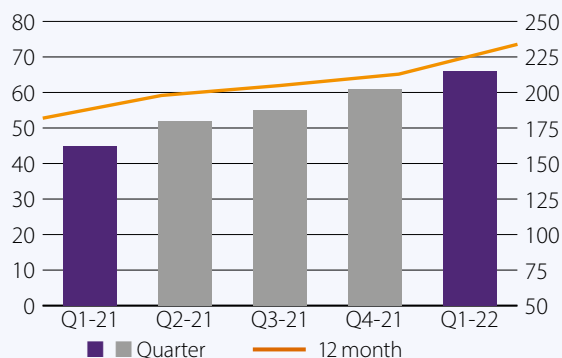
#### Net sales

Net sales amounted to SEK 66.3 million (44.8), an increase of 48 percent compared to the previous year (36 percent at constant exchange rates).

In the North America segment, sales amounted to SEK 41.2 million (25.1), which corresponds to growth of 64 percent (47 percent at constant exchange rate). The sales for the period included the first order from the new distributor, OrthoPediatrics, amounting to SEK 2.6 million. The strengthened customer base combined with the major GPO (Group Purchasing Organization) contracts previously signed contribute to the increase in sales.

Sales for the EUROW segment amounted to SEK 25.2 million (19.7), which corresponds to an increase of 28 percent (22 percent at constant exchange rates). At the beginning of the period, the pandemic continued to have a major impact on healthcare systems. We noted a clear improvement over the period, with an increased opportunity for physical meetings with existing and new customers.

#### Net sales per quarter, SEKm



The currency translation effect in the period amounted to SEK +4.5 million (-2.8).

#### Cost of goods sold

Cost of goods sold amounted to SEK 6.3 million (5.1), giving a gross margin of 90.5 percent (88.6). The market mix, with a continued strong increase in sales in North America, contributed to the higher margin.

#### Selling expenses

Selling expenses, including sales commissions, amounted to SEK 50.4 million (39.0), an increase of 29 percent. This is explained in the table below:

	Jan-Mar 2022	Jan-Mar 2022 (CER)	Jan-Mar 2021
Sales commissions	12.9	11.6	7.9
Personnel expenses	24.7	23.0	22.3
Other selling expenses	12.8	12.0	8.8
<b>Total selling expenses</b>	<b>50.4</b>	<b>46.5</b>	<b>39.0</b>

Other selling expenses increased to SEK 12.8 million (8.8). The increase is partly due to a lower market activity level previous year with a gradual normalization of marketing activities in the period, to varying degrees in different regions. The increase also includes the investments made in the commercial platform, including hybrid markets.

The NA segment reported a cost increase to SEK 30.1 million (21.6). In EUROW, expenses amounted to SEK 15.8 million (14.2). Unallocated costs increased to 4.5 million (3.2).

#### Research and development expenses

Research and development expenses amounted to SEK 12.1 million (12.3). Personnel costs amounted to SEK 7.5 million (7.0). Other expenses totaled SEK 4.6 million (5.3).

The NA segment reported research and development expenses amounting to SEK 1.9 million (3.7). The lower expenses are mainly due to the conclusion of the FORTIFY study.

#### Administrative expenses

Administrative expenses amounted to SEK 14.5 million (9.9).

Administrative expenses excluding effects from the group's incentive programs amounted to SEK 10.6 million (10.1), of which personnel costs amounted to SEK 4.5 million (4.0).

Effects regarding incentive programs amounted to an expense of SEK 3.9 million, compared with a positive effect of SEK 0.2 million the previous year.

#### Other operating income and expenses

Other operating income and expenses consisted primarily of exchange rate gains and losses on operating assets and liabilities.



### Operating result

Operating result amounted to SEK -16,5 million (-19.7), where the reduced loss is mainly explained by improved gross profit.

### Loss for the period

For the reasons described above, the loss for the quarter amounted to SEK -16.4 million (-20.2), which corresponds to earnings per share before and after dilution of SEK -0.25 (-0.32).

## FINANCIAL POSITION AND CASH FLOW

SEKm	Mar 31		Dec 31
Financial position	2022	2021	2021
Cash and cash equivalents	195.6	339.0	206.5
Interest bearing debt <sup>1</sup>	21.8	10.0	21.4
Net debt <sup>1</sup>	-173.8	-328.9	-185.0
Equity	252.5	380.1	265.7

1.1 APM: Alternative performance measures, see definitions on page 23.

SEKm	Jan - Mar	Full year	
Cash flow	2022	2021	2021
Operating activities	-8.0	-14.0	-83.4
Investing activities	-0.6	-0.2	-3.4
Financing activities	-2.2	-1.0	-61.6
<b>Total</b>	<b>-10.8</b>	<b>-15.2</b>	<b>-148.4</b>

Cash and cash equivalents at the end of the period amounted to SEK 195.6 million (339.0), a decrease of SEK 10.9 million since the beginning of the year. The change is mainly explained by cash flow from operating activities amounting to SEK -8.0 million (-14.0).

This also explains the change in net debt since the beginning of the year.



## OTHER DISCLOSURES

### PARENT COMPANY

The parent company, BONESUPPORT Holding AB (publ), is a holding company. The parent company generated SEK 11.5 million (11.3) in sales of internal services to subsidiaries during the quarter. The result for the quarter was SEK -2.0 million (-1.0). No investments were made during the quarter.

### EMPLOYEES

On average, the group had 86 (91) employees (full-time equivalent) during the quarter, of whom 21 (21) worked within Research and development.

### SIGNIFICANT EVENTS DURING THE QUARTER

For significant events, see page 1.

### SIGNIFICANT EVENTS AFTER PERIOD END

For significant events after the period, see page 1.

### SHARES AND RELATED PROGRAMS

The company has ordinary shares and C-shares, see Note 4. The quotient value of the shares is SEK 0.625 per share. The ordinary shares entitle to one vote each and the C-shares entitle to one tenth of a vote each. According to the Articles of Association, the number of shares shall be at least 29,000,000 and at most 116,000,000.

As of March 31, 2022, the total number of ordinary shares amounted to 64,499,656, distributed among 6,907 shareholders. The major shareholders are shown in the table below. During the quarter, the number of shares increased as a result of converted employee stock options and as a result of converted class C-shares.

As of March 31, 2022, the total number of C-shares amounted to 1,002,866. BONESUPPORT Holding AB holds all C-shares. During the quarter, 287,134 class C-shares were converted to ordinary shares for distribution to the participants in the performance share programs LTI 2018.

BONESUPPORT has three employee stock option programs and four performance share programs. These are described in Note 8.

### Shareholders March 31, 2022

Name	% of shares	% of votes
Avanza	11.2%	11.4%
HealthCap V LP	10.1%	10.3%
Swedbank Robur Fonder	6.3%	6.4%
Stiftelsen Industrifonden	5.8%	5.9%
Tredje AP-Fonden	5.6%	5.7%
State Street Bank and Trust	4.8%	4.9%
Fjärde AP-Fonden	4.8%	4.9%
Other share holders	51.3%	50.5%

### FINANCIAL CALENDAR

- May 19, 2022 Annual general meeting
- July 14, 2022 Interim report Q2 2022
- October 27, 2022 Interim report Q3 2022

### NOMINATION COMMITTEE

The nomination committee is elected based on the principles decided at the AGM May 20, 2021. These principles are described on BONESUPPORT's website. The task of the committee is to present a proposal to the AGM, which is planned to be held on May 19, 2022 in Lund, Sweden. The members of the committee are:

- Lennart Johansson, Chairman of the Board
- Johan Brambeck, representing Stiftelsen Industrifonden
- Staffan Lindstrand, Chairman of the Committee, representing HealthCap VLP
- Caroline Sjösten, representing Swedbank Robur Fonder

### THIS REPORT

This report has been prepared in both a Swedish-language and an English-language version. If the versions do not conform, the Swedish-language version shall prevail.



# DECLARATION OF THE CEO

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The CEO assures that this interim report gives a true and fair view of the development and the group's and the parent company's operations, position and results and describes significant risks and uncertainties faced by the companies that form part of the group. This interim report has not been reviewed by the company's auditors.

Lund May 4, 2022

**Emil Billbäck**

CEO



## CONDENSED CONSOLIDATED INCOME STATEMENT

SEKt	Note	Jan - Mar		Full year
		2022	2021	2021
Net sales	7	66 342	44 829	212 885
Cost of sales	7	-6 305	-5 101	-23 182
<b>Gross profit</b>	<b>7</b>	<b>60 037</b>	<b>39 728</b>	<b>189 703</b>
Selling expenses		-37 465	-31 153	-139 274
Sales commissions	7	-12 942	-7 869	-38 571
Research and development expenses		-12 135	-12 257	-53 009
Administrative expenses	3, 8	-14 540	-9 903	-44 122
Other operating income		6 999	3 499	11 308
Other operating expenses		-6 410	-1 721	-6 704
<b>Operating loss</b>	<b>7</b>	<b>-16 456</b>	<b>-19 676</b>	<b>-80 669</b>
Net financial items	7	-217	-338	-1 168
<b>Loss before income tax</b>	<b>7</b>	<b>-16 673</b>	<b>-20 014</b>	<b>-81 837</b>
Income tax		300	-201	-3 694
<b>Loss for the period</b>		<b>-16 373</b>	<b>-20 215</b>	<b>-85 531</b>
Earnings per share before dilution, SEK		-0.25	-0.32	-1.34
Earnings per share after dilution, SEK		-0.25	-0.32	-1.34
Average number of shares, thousands		64 332	63 769	63 999

Loss for the period is attributable to equity holders of the parent.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKt	Jan - Mar		Full year
	2022	2021	2021
<b>Loss for the period</b>	<b>-16 373</b>	<b>-20 215</b>	<b>-85 531</b>
<i>Other comprehensive income:</i>			
<i>Items to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations	2	399	1 023
<b>Total comprehensive income for the period</b>	<b>-16 371</b>	<b>-19 816</b>	<b>-84 508</b>

Total comprehensive income for the period is in its entirety attributable to equity holders of the parent.



# CONDENSED CONSOLIDATED BALANCE SHEET

		Mar 31		Dec 31
SEKt	Note	2022	2021	2021
ASSETS				
Non-current assets				
Intangible assets		8 346	8 742	8 365
Tangible assets and right-of-use assets		26 647	14 147	27 078
Total non-current assets		34 993	22 889	35 443
Current assets				
Inventories		52 584	46 681	51 762
Trade receivables	6	38 233	28 598	38 413
Other operating receivables	6	10 592	6 884	11 837
Cash and cash equivalents	6	195 610	338 956	206 464
Total current assets		297 019	421 119	308 476
TOTAL ASSETS		332 012	444 008	343 919
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Parent	4	252 537	380 066	265 704
Non-current liabilities				
Leasing debt	6	15 408	5 704	16 152
Provisions		363	329	363
Total non-current liabilities		15 771	6 033	16 515
Current liabilities				
Leasing debt	6	6 440	4 305	5 270
Trade payables	6	12 331	10 253	18 719
Other operating liabilities	6	44 933	43 351	37 711
Total current liabilities		63 704	57 909	61 700
TOTAL EQUITY AND LIABILITIES		332 012	444 008	343 919



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKt	Share capital	Other paid in capital	Translation reserve	Fund for development expenses	Accumulated losses including loss for the period	Total equity
<b>As at January 1, 2021</b>	<b>40 625</b>	<b>1 557 639</b>	<b>-894</b>	<b>5 352</b>	<b>-1 203 823</b>	<b>398 899</b>
Loss January - December 2021			1 023		-85 531	-84 508
Share swap <sup>1</sup>					-62 333	-62 333
Change in fund for development expenses				138	-138	0
New share issue, employee stock options	250	6 031				6 281
New share issue and repurchase of own C-shares	34				-34	0
Share-based payment transactions					7 365	7 365
<b>As at January 1, 2022</b>	<b>40 909</b>	<b>1 563 670</b>	<b>129</b>	<b>5 490</b>	<b>-1 344 494</b>	<b>265 704</b>
Loss January - March 2022			2		-16 373	-16 371
Change in fund for development expenses				128	-128	0
New share issue, employee stock options	30					30
Share-based payment transactions					3 174	3 174
<b>As at March 31, 2022</b>	<b>40 939</b>	<b>1 563 670</b>	<b>131</b>	<b>5 618</b>	<b>-1 357 821</b>	<b>252 537</b>

1. During the third quarter of 2021, BONESUPPORT, in accordance with a resolution from the annual general meeting in May 2021, entered into a share swap agreement to secure the commitments in the group's incentive programs LTI 2021. A total of 786,000 shares were hedged during the third quarter at an average value of SEK 79.30 per share, a total value of SEK 62,333 thousand.



# CONSOLIDATED STATEMENT OF CASH FLOWS

	Jan - Mar		Full year
SEKt	2022	2021	2021
Operating loss	-16 456	-19 676	-80 669
Non-cash adjustments:			
-Share-based payments	3 174	977	7 365
-Depreciation regarding right of use assets	1 559	2 085	5 786
-Unrealized exchange rate differences	-2 746	-3 840	-8 293
-Other	822	36	1 899
Interests paid	-217	-3	-1 168
Income tax paid	-1	-309	-3 761
<b>Net cash flows from operating activities before changes in working capital</b>	<b>-13 865</b>	<b>-20 730</b>	<b>-78 841</b>
Changes in working capital	5 889	6 751	-4 580
<b>Net cash flows from operating activities</b>	<b>-7 976</b>	<b>-13 979</b>	<b>-83 421</b>
Investments in intangible assets	-309	-222	-808
Investments in equipment and tools	-325	-27	-2 608
<b>Net cash flows from investing activities</b>	<b>-634</b>	<b>-249</b>	<b>-3 416</b>
Share swap <sup>1</sup>	0	0	-62 333
New share issue, employee stock options and warrants	30	6	6 281
Repayments of leasing debt	-2 245	-961	-5 509
<b>Net cash flows from financing activities</b>	<b>-2 215</b>	<b>-955</b>	<b>-61 561</b>
<b>Net cash flows</b>	<b>-10 825</b>	<b>-15 183</b>	<b>-148 398</b>
Cash and cash equivalents as at beginning of period	206 464	353 737	353 737
Net exchange difference	-29	402	1 125
<b>Cash and cash equivalents as at end of period</b>	<b>195 610</b>	<b>338 956</b>	<b>206 464</b>

1. During the third quarter of 2021, BONESUPPORT, in accordance with a resolution from the annual general meeting in May 2021, entered into a share swap agreement to secure the commitments in the group's incentive programs LTI 2021. A total of 786,000 shares were hedged during the third quarter at an average value of SEK 79.30 per share, a total value of SEK 62,333 thousand.



# CONDENSED CONSOLIDATED INCOME STATEMENT PER QUARTER

	2022	2021				2020		
SEKt	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	66 342	61 402	54 877	51 777	44 829	53 175	48 078	36 175
North America	41 188	34 798	32 670	29 068	25 121	28 633	28 281	21 565
EUROW	25 154	26 604	22 207	22 709	19 708	24 542	19 797	14 610
Cost of sales	-6 305	-6 581	-6 051	-5 448	-5 101	-5 418	-4 125	-4 813
<b>Gross profit</b>	<b>60 037</b>	<b>54 821</b>	<b>48 826</b>	<b>46 329</b>	<b>39 728</b>	<b>47 757</b>	<b>43 953</b>	<b>31 362</b>
<b>Gross margin, %</b>	<b>90.5%</b>	<b>89.3%</b>	<b>89.0%</b>	<b>89.5%</b>	<b>88.6%</b>	<b>89.8%</b>	<b>91.4%</b>	<b>86.7%</b>
Selling expenses	-37 465	-38 524	-35 507	-34 090	-31 153	-33 884	-31 982	-22 957
Sales commissions	-12 942	-11 429	-10 017	-9 256	-7 869	-8 371	-9 230	-6 916
Research and development expenses	-12 135	-14 395	-11 326	-15 031	-12 257	-16 467	-11 654	-13 994
Administrative expenses	-14 540	-14 827	-5 401	-13 991	-9 903	-12 647	-11 641	-10 341
Other operating income	6 999	5 175	1 447	1 187	3 499	1 594	4 173	1 971
Other operating expenses	-6 410	-2 594	-1 302	-1 088	-1 721	-4 638	-2 845	-2 598
<b>Operating loss</b>	<b>-16 456</b>	<b>-21 773</b>	<b>-13 280</b>	<b>-25 940</b>	<b>-19 676</b>	<b>-26 656</b>	<b>-19 226</b>	<b>-23 473</b>
Net financial items	-217	-279	-519	-32	-338	615	-832	-195
<b>Loss before income tax</b>	<b>-16 673</b>	<b>-22 052</b>	<b>-13 799</b>	<b>-25 972</b>	<b>-20 014</b>	<b>-26 041</b>	<b>-20 058</b>	<b>-23 668</b>
Income tax	300	-2 151	-269	-1 073	-201	-1 124	-1 171	34
<b>Loss for the period</b>	<b>-16 373</b>	<b>-24 203</b>	<b>-14 068</b>	<b>-27 045</b>	<b>-20 215</b>	<b>-27 165</b>	<b>-21 229</b>	<b>-23 634</b>

Loss for the period is attributable to equity holders of the parent.



## CONDENSED PARENT COMPANY INCOME STATEMENT

SEKt	Jan - Mar		Full year
	2022	2021	2021
Net sales	11 473	11 279	43 646
Administrative expenses	-13 281	-12 718	-49 542
Other operating income	67	86	121
Other operating expenses	-256	-836	-1 659
<b>Operating loss</b>	<b>-1 997</b>	<b>-2 189</b>	<b>-7 434</b>
Net financial items	0	1 116	4 293
<b>Result after financial items</b>	<b>-1 997</b>	<b>-1 073</b>	<b>-3 141</b>
Income tax	0	0	0
<b>Result for the period</b>	<b>-1 997</b>	<b>-1 073</b>	<b>-3 141</b>

Parent company result for the period equals comprehensive income.

## CONDENSED PARENT COMPANY BALANCE SHEET

SEKt	Note	Mar 31		Dec 31
		2022	2021	2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Non-current financial assets	6	1 154 144	981 283	1 128 672
<b>Total non-current assets</b>		<b>1 154 144</b>	<b>981 283</b>	<b>1 128 672</b>
<b>Current assets</b>				
Other receivables		74	0	47
Prepaid expenses	6	321	267	660
Cash	6	157 644	322 367	181 275
<b>Total current assets</b>		<b>158 039</b>	<b>322 634</b>	<b>181 982</b>
<b>TOTAL ASSETS</b>		<b>1 312 183</b>	<b>1 303 917</b>	<b>1 310 654</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Restricted equity	4	40 939	40 665	40 909
Unrestricted equity		1 225 422	1 223 456	1 227 419
<b>Total equity</b>		<b>1 266 361</b>	<b>1 264 121</b>	<b>1 268 328</b>
<b>Non-current liabilities</b>		<b>36 841</b>	<b>29 486</b>	<b>35 043</b>
<b>Current liabilities</b>	<b>6</b>	<b>8 981</b>	<b>10 310</b>	<b>7 283</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 312 183</b>	<b>1 303 917</b>	<b>1 310 654</b>



## NOTE 1

### GENERAL INFORMATION, ACCOUNTING PRINCIPLES

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The parent company's reporting has been prepared in accordance with RFR 2, Reporting for Legal Entities, and the Swedish Annual Accounts Act. The accounting principles mentioned in the Annual Report for 2021 have also been applied in this year end report. New or amended standards or interpretations of standards effective as of January 1, 2022 have not had any significant impact on BONESUPPORT's financial statements.

#### Estimates, assumptions and assessments

When preparing the company's financial statements, a number of assessments and estimates are made, as well as assumptions which affect the application of the accounting principles and the reported amounts in the income statement and balance sheet. The actual outcome may deviate from these estimates and assessments. Estimates and assessments are evaluated on the basis of historical experience and other factors, including expectations of future events.

## NOTE 2

### SIGNIFICANT RISKS AND UNCERTAINTIES

The group is exposed to various financial risks. The business is impacted by many factors that could affect the group's result and financial position. It is BONESUPPORT's strategy to continuously identify and manage risks. Financial risk management is described in Note 2, Annual Report 2021.

The war in Ukraine has created unrest and insecurity in the world. The business impact is difficult to predict, but higher shipping costs and higher prices for input goods are likely effects under prevailing market conditions.

See page 3 regarding risks relating to COVID-19.

## NOTE 3

### TRANSACTIONS WITH RELATED PARTIES

The financial reports include costs related to the following transactions between BONESUPPORT and related parties.

SEKt		Jan - Mar		Full year
Related party	Service	2022	2021	2021
Route 2 Advisors Ltd (Simon Cartmell, previous Board member)	Consultancy	0	61	61

## NOTE 4

### NUMBER OF SHARES AND POTENTIAL SHARES

Ordinary shares	Number of shares	Potential shares
December 31, 2021	64 164 672	266 685
Converted employee stock options	47 850	-47 850
Conversion of class C-shares to ordinary shares	287 134	0
March 31, 2022	64 499 656	218 835

Series C-shares		
December 31, 2021	1 290 000	0
Conversion of class C-shares to ordinary shares	-287 134	0
March 31, 2022	1 002 866	0

## NOTE 5

### PLEDGED SECURITIES AND CONTINGENT LIABILITIES

The U.S. subsidiary BONESUPPORT Inc. has provided a guarantee of USD 56 thousand (56), corresponding to SEK 520 thousand (489) for rented premises. The parent company, BONESUPPORT Holding AB, guarantees a corresponding amount.

The group has pledged collateral for capital-invested direct pensions amounting to SEK 979 thousand (979).



## NOTE 6

### FINANCIAL ASSETS AND LIABILITIES

Fair values of the consolidated financial assets and liabilities are assessed to agree with values accounted for.

Participations in subsidiaries are accounted for in the parent company in accordance with the cost method.

## NOTE 7

### SEGMENT INFORMATION

The group manages and monitors operations in the North America (NA) and Europe & Rest of the World (EUROW) segments. Other comprises other items, mainly costs for group functions. Contribution per segment is calculated as net sales minus directly attributable operating costs. Such costs are related to cost of sales, selling expenses including commissions and research and development expenses. Assets and liabilities are not reported by segment, these are managed and monitored on group level by management and the board of directors.

Net sales in Sweden (part of EUROW) was SEK 2.3 million (2.4) in the quarter. U.S. and U.K. were the only markets that delivered more than ten percent of the consolidated net sales.

SEKt	Jan - Mar 2022				Jan - Mar 2021			
Profit and loss items	NA	EUROW	Other	Total	NA	EUROW	Other	Total
Net sales	41 188	25 154	0	66 342	25 121	19 708	0	44 829
<i>of which CERAMENT BVF</i>	39 997	3 602	0	43 598	24 712	3 433	0	28 145
<i>of which CERAMENT drug eluting<sup>1</sup></i>	0	21 552	0	21 552	0	16 275	0	16 275
<i>of which other</i>	1 191	0	0	1 191	409	0	0	409
Cost of sales	-2 601	-3 704	0	-6 305	-1 781	-3 320	0	-5 101
<b>Gross profit</b>	<b>38 587</b>	<b>21 450</b>	<b>0</b>	<b>60 037</b>	<b>23 340</b>	<b>16 388</b>	<b>0</b>	<b>39 728</b>
Sales commissions	-12 942	0	0	-12 942	-7 869	0	0	-7 869
Other operative costs	-19 058	-15 832	0	-34 890	-17 449	-14 169	0	-31 618
<b>Contribution</b>	<b>6 587</b>	<b>5 618</b>	<b>0</b>	<b>12 205</b>	<b>-1 978</b>	<b>2 219</b>	<b>0</b>	<b>241</b>
Other operating items	0	0	-28 661	-28 661	0	0	-19 917	-19 917
<b>Operating result</b>	<b>6 587</b>	<b>5 618</b>	<b>-28 661</b>	<b>-16 456</b>	<b>-1 978</b>	<b>2 219</b>	<b>-19 917</b>	<b>-19 676</b>
Net financial items	0	0	-217	-217	0	0	-338	-338
<b>Result before income tax</b>	<b>6 587</b>	<b>5 618</b>	<b>-28 878</b>	<b>-16 673</b>	<b>-1 978</b>	<b>2 219</b>	<b>-20 255</b>	<b>-20 014</b>

1. CERAMENT drug eluting includes CERAMENT G and CERAMENT V.



## NOTE 8

### OPTION PROGRAMS AND PERFORMANCE SHARE PROGRAMS

At the period end, there are three different employee stock option programs and four performance share programs.

#### Employee stock option programs

Of the three employee stock option programs, two run over ten years and expire 2022 and 2025 and one program runs over eight years and expires 2024. Each stock option gives the holder the right to acquire 0.2 ordinary shares in BONESUPPORT when exercising the option. This at a price in the first two programs of SEK 0.125 per option, equivalent to SEK 0.625 per share, and in the third program of SEK 5.30 per option, equivalent to SEK 26.50 per share. The employee stock options are vested according to a schedule in each program. A condition for allotment of options is employment or a contractual relationship with the company at each vesting date. Of the allocated 25.7 million options, 21.6 million (21.6) options were fully vested before the end of the period.

#### Performance share programs

There are three programs for employees and one program for two board members.

The programs run as follows with the below end dates:

- The program for employees decided at the annual general meeting in 2019 runs until 31 December 2022;
- The program for employees decided at the annual general meeting in 2020 runs until 31 December 2023;
- The program for employees decided at the annual general meeting in 2021 runs until 31 December 2023; and
- The program for two board members decided at the annual general meeting in 2021 runs until the date of the annual general meeting in 2024.

In each program for employees decided at the annual general meetings in 2019 and 2020, each savings share gives the opportunity to be allotted to the employees a maximum of two, three or four performance shares without payment depending on share price development and the company's development in terms of sales and EBITDA during the duration of the program. The performance shares were issued in the form of class C-shares with a subscription price and quota value of SEK 0.625 per share.

In the program for employees decided at the annual general meeting in 2021, each savings share gives the opportunity to be allotted a maximum of six performance shares without payment depending on share price development and the company's development in terms of sales and EBITDA during the duration of the program.

In the program for two board members decided at the annual general meeting in 2021, each savings share gives the opportunity to be allotted a maximum of three performance shares without payment depending on share price development.

The annual general meeting in May 2021 authorized the board to enter a share swap-agreement with a third party bank to fulfil the company's commitments under the incentive programs LTI 2021 and LTI 2021 Board and to secure social security charges for these programs. The mandate was exercised during 2021.

Employee stock options and performance shares are valued at fair value at the date of allocation. The total cost is distributed over the vesting period. At the end of the vesting period, a reduction in staff turnover is assumed, which entails an increased cost. The cost is accounted for as personnel cost and is credited to equity. The social security cost is revalued at fair value. When the options are exercised, the company issues new shares. Payments received on behalf of the shares issued are credited to equity.

Further information on these programs is presented in Notes 12 and 23 in the Annual Report 2021.



**NOTE 8**  
CONT'D

<b>Employee stock option programs</b>	<b>No. of options<sup>1</sup></b>	<b>Equal to no. of shares</b>	<b>WAEP<sup>2</sup></b>
Balance January 1, 2022	1 333 416	266 685	9.40
Exercised	-239 250	-47 850	0.63
Balance March 31, 2022	1 094 166	218 835	11.32

<b>Performance share programs</b>	<b>Right to no. of shares</b>
Balance January 1, 2022	1 791 000
Distributed regarding completed program	-100 000
Balance March 31, 2022	1 691 000

1. Not allocated options amounted to 4,069,547 (4,119,547).

2. Weighted Average Exercise Price per share (SEK).

During the year, the cost of employee stock option and performance share programs, excluding social security contributions, was recognized as operating expenses amounting to SEK 3,174 thousand (977). The social security contributions amounted to an expense of SEK 748 thousand, compared to a positive effect of SEK 1,161 thousand previous year. Liability for social security contributions at the end of the period amounts to SEK 6,671 thousand (6,939).



# DEFINITIONS - ALTERNATIVE PERFORMANCE MEASURES

**BONESUPPORT uses Alternative Performance Measures (APM) to enhance understandability of the information in the financial reports, both for external analysis and comparison and internal performance assessment.**

Alternative Performance Measures are key figures not defined in financial reports prepared according to IFRS. The following key figures are used:

## Net sales growth

The difference in net sales between two periods in relation to net sales for the earlier period. Shows the operations' sales performance. BONESUPPORT's objective is to grow sales with 40 percent per year once the pandemic recedes.

## Net sales growth in constant exchange rates

The difference in net sales between two periods in relation to net sales for the earlier period. The net sales for the current period is recalculated using the earlier period's exchange rates. Shows the operations' sales performance.

## Gross profit

Net sales minus cost of sales. Shows the profit to cover other costs and profit margin.

## Gross margin

Net sales minus cost of sales, divided by net sales. Shows the gross profit in relation to net sales and the margin to cover other expenses and profit margin.

## Contribution

Net sales minus cost of sales, minus directly attributable selling expenses and research and development expenses. A measure of result showing the performance of segments and their contribution to cover other group costs.

## Interest bearing debt

Borrowings from banks, financial institutions and lease liabilities, short and long term. Shows the debt level of the group and forms the base for interest expenses.

## Net debt

Interest bearing debt minus cash and cash equivalents. Shows the group's net debt and is used to measure the leverage level of the group and future funding needs.

	Jan - Mar		Full year
	2022	2021	2021
SEKm			
Net sales	66.3	44.8	212.9
<b>Sales growth, %</b>	<b>48.0</b>	<b>3.2</b>	<b>17.7</b>
Cost of sales	-6.3	-5.1	-23.2
<b>Gross profit</b>	<b>60.0</b>	<b>39.7</b>	<b>189.7</b>
<b>Gross margin, %</b>	<b>90.5</b>	<b>88.6</b>	<b>89.1</b>
Directly attributable selling expenses	-45.9	-35.8	-159.8
Selling expenses, not directly attributable	-4.5	-3.2	-18.1
<i>Selling expenses including commissions</i>	-50.4	-39.0	-177.8
Directly attributable research & development expenses	-1.9	-3.7	-14.6
Research & development expenses, not directly attributable	-10.2	-8.6	-38.4
<i>Research &amp; development expenses</i>	-12.1	-12.3	-53.0
<b>Contribution</b>	<b>12.2</b>	<b>0.2</b>	<b>15.3</b>

	Mar 31		Dec 31
	2022	2021	2021
SEKm			
Non-current borrowings	15.4	5.7	16.2
Current borrowings	6.4	4.3	5.3
<b>Interest bearing debt</b>	<b>21.8</b>	<b>10.0</b>	<b>21.4</b>
Cash and cash equivalents	195.6	339.0	206.5
<b>Net debt</b>	<b>-173.8</b>	<b>-328.9</b>	<b>-185.0</b>



# DEFINITIONS

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**Allograft.** The transplant of an organ or tissue from one individual to another of the same species, with a different genotype.

**Autograft.** A bone graft harvested from the patient's own skeleton, usually from the iliac crests

**Bisphosphonate.** A type of drugs that inhibits resorption of bone tissue

**BMA.** Bone Marrow Aspirate

**BMP.** Bone Morphogenic Protein

**Bone graft substitute.** Synthetic material used as bone grafts instead of biological bone tissue

**C-shares.** Performance shares within the Performance share programs issued in the form of C-shares

**CERAMENT BVF.** CERAMENT BONE VOID FILLER

**CERAMENT G.** CERAMENT with gentamicin

**CERAMENT V.** CERAMENT with vancomycin

**CERTiFy.** A prospective, randomized, controlled clinical trial with 137 patients in 20 leading trauma centers in Germany, aimed to compare treatment of CERAMENT BVF with autologous bone graft (autograft) transplantation

**Clinical study.** Study on humans of e.g. a medical device or a pharmaceutical product

**CONVICTION.** A randomized, controlled trial to evaluate the efficacy of CERAMENT G in the treatment of osteomyelitis (chronic bone infection)

**CRIOAc.** A healthcare network in France that is implemented through a nationwide health ministry program to improve outcomes in the management of bone and joint infections

**DBM.** Demineralized Bone Matrix. A bone substitute biomaterial.

**FDA.** U.S. Food and Drug Administration

**FORTIFY.** A prospective, randomized, multicentercontrolled test of CERAMENT G that evaluates the ability of CERAMENT G to improve treatment outcome of patients with open shin fractures

**GPO (Group Purchasing Organisation).** An entity with the purpose to realize savings and efficiencies by aggregating purchasing volumes.

**Hematoma.** A localized collection of blood outside the blood vessels

**HEOR.** Health Economics and Outcomes Research. Scientific discipline that quantifies the economic and clinical outcomes of medical technology.

**ICUR.** Incremental Cost-Utility Ratio

**LTM.** Latest twelve months

**Micro-CT.** Micro Tomography, uses X-ray scanning to recreate a 3D-model without destroying the object

**Osteoinduction.** A bone graft material or a growth factor can stimulate the differentiation of osteoblasts, forming new bone tissues

**Osteomyelitis.** A bacterial infection affecting bones

**PMA.** Premarketing Approval is the FDA process to review Class III medical devices

**SOLARIO.** A randomized, unblinded, European multicenter study with the aim of investigating if synthetic bone graft substitutes containing antibiotics can lead to shorter treatment times compared to systemic antibiotics

**Tibial plateau fracture.** Fracture of the upper part of the tibia

**Toxicity.** The degree to which substance (a toxin or poison) can harm humans or animals



# Our soul & our heart



## MISSION

*Restoring health to improve the quality of life for patients with bone disorders*

BONESUPPORT's unique product technology has properties with the potential to revolutionize the care of patients with bone disorders by enabling faster rehabilitation, limiting the number of surgical procedures and reducing the risk of severe infections. For patients, this means that they can return to a more normal life more quickly. Since its foundation, BONESUPPORT's products have been used in approximately 70,000 surgical procedures in more than 20 countries. The most common procedures consist of bone disorders where the body is unable to perform natural healing and single-stage surgery in connection with bone infection.



## VISION

*Becoming a global orthobiologics leader*

BONESUPPORT's unique technology means that over time, the company's injectable bio-ceramic bone graft substitutes remodel to natural bones and have the ability to release drugs. This enables new treatment standards in the treatment of bone diseases/skeletal injuries. The company's ambition is to grow sales by 40 percent a year after the pandemic, including rapid expansion in the U.S., which is the world's largest healthcare market.



## STRATEGY

*The strategy is based on three pillars:*

**Innovation** – BONESUPPORT has the market's most innovative solution for the treatment of bone disorders.

**Clinical and Health Economic Evidence** – The clinical evidence for the CERAMENT platform continues to grow and now amounts to more than 240 publications and abstracts. An important milestone for BONESUPPORT is the CERTiFy study, which shows that CERAMENT is at least as good as autograft.

**Effective commercial platform** – BONESUPPORT's commercial and medical organization provides healthcare with products, information, service and training.

## ABOUT BONESUPPORT

BONESUPPORT Holding AB (publ), org.nr. 556802-2171, based in Lund, is the parent company of BONESUPPORT AB. BONESUPPORT is a commercial orthobiology company primarily aimed at the orthopedic markets in the U.S. and Europe. BONESUPPORT has its registered office in Lund and wholly owned subsidiaries in the U.S., the U.K., Germany, Sweden, Denmark, Switzerland, Spain, the Netherlands and Italy.

The company is not aware of any other commercially available products with the same properties as CERAMENT G and CERAMENT V, i.e. an injectable antibiotic-eluting bone graft substitute with proven rapid remodeling into host bone.

BONESUPPORT has well-documented safety and efficacy experience and estimates, based on sales data, that more than 70,000 treatments have been performed with its products worldwide. There is great market potential in trauma, chronic osteomyelitis, revision arthroplasty and oncology, as well as bone and foot infections due to diabetes.

The CERAMENT portfolio is currently commercially available in the largest European markets, as well as in a number of markets outside Europe. In addition, CERAMENT BVF is commercially available in the United States, CERAMENT G in Canada, and CERAMENT BVF and CERAMENT G in Australia.



# PRESENTATION OF YEAR END REPORT JANUARY – MARCH 2022

The company invites investors, analysts and media to a web conference (in English) on May 4, 2022 at 10.00 CEST, where CEO Emil Billbäck and CFO Håkan Johansson will present and comment on the report and also answer questions. The report will be availa-

ble on BONESUPPORT's website from 08.00 CEST on the same day and the presentation from the webcast will be uploaded during the day on May 4, 2022. For further details regarding participation, see the investor pages at [www.bonesupport.com](http://www.bonesupport.com)

## FORWARD-LOOKING STATEMENTS

The report contains certain forward-looking information that reflects BONESUPPORT's current views of future events and financial and operational performance. Words such as "intends", "anticipates", "expects", "can", "plans", "estimates" and similar expressions regarding indications or forecasts of future developments or trends, and which are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances.

Forward-looking information is not a guarantee of future results or developments and actual results may differ materially from results referred to in forward-looking information. Forward-looking information in the report is only applicable on the date of issue of the report. BONESUPPORT does not commit to publishing updates or revision of any forward-looking statements as a result of new information, future events or similar circumstances other than those required by applicable legislation.

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