

INTERIM REPORT APRIL – JUNE 2022

Q2 STRONG SALES AND EARNING IMPROVEMENT

APRIL - JUNE 2022

- Net sales increased by 44 percent (32 percent at constant exchange rates¹) and amounted to SEK 74.6 million (51.8).
- The North America (NA) segment reported a sales increase of 58 percent (40 percent at constant exchange rate).
- The Europe & Rest of the World (EUROW) segment reported a sales increase of 26 percent (22 percent at constant exchange rates).
- The gross margin amounted to 89.0 percent (89.5).
- Operating result amounted to SEK -14.9 million (-25.9).
- Earnings per share, before and after dilution, were SEK -0.25 (-0.42).

JANUARY - JUNE 2022

- Net sales increased by 46 percent (33 percent at constant exchange rates) and amounted to SEK 141.0 million (96.6).
- The North America (NA) segment reported a sales increase of 61 percent (41 percent at constant exchange rate).
- The Europe & Rest of the World (EUROW) segment reported a sales increase of 27 percent (22 percent at constant exchange rates).
- The gross margin amounted to 89.7 percent (89.1).
- Operating result amounted to SEK -31.3 million (-45.6).
- Earnings per share, before and after dilution, were SEK -0.51 (-0.74).

EVENTS DURING 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.
- In May, the Company received market approval in the US from the US Food and Drug Administration (FDA), for the Company's antibiotic-eluting product CERAMENT G, for the indication bone infection (osteomyelitis).
- In June, the Company announced that South Africa's largest private health insurance company, Discovery Health, and the private hospital organizations Life Healthcare, Netcare, Melomed and Busamed will include BONESUPPORT's antibiotic-eluting bone graft substitutes CERAMENT G and CERAMENT V in the reimbursement system.

EVENTS AFTER THE PERIOD

- Nothing to report.

KEY FIGURES	Apr - Jun		Jan - Jun		12 months	
	2022	2021	2022	2021	LTM	2021
Net sales, SEKm	74.6	51.8	141.0	96.6	257.3	212.9
Sales growth, % ¹	44.1	43.1	45.9	21.4	30.0	17.7
Gross profit, SEKm	66.4	46.3	126.5	86.1	230.1	189.7
Gross margin, % ¹	89.0	89.5	89.7	89.1	89.5	89.1
Operating loss, SEKm	-14.9	-25.9	-31.3	-45.6	-66.4	-80.7
Loss for the period, SEKm	-16.3	-27.0	-32.7	-47.3	-70.9	-85.5
Equity at period end, SEKm	240.3	359.7	240.3	359.7	240.3	265.7
Net debt, SEKm ¹	-152.0	-300.3	-152.0	-300.3	-152.0	-185.0
Operating cash flow, SEKm	-23.5	-32.5	-31.5	-46.5	36.9	-83.4
Cash at period end, SEKm	171.8	309.6	171.8	309.6	171.8	206.5
Earnings per share before and after dilution, SEK	-0.25	-0.42	-0.51	-0.74	-1.10	-1.34

This information is such information as BONESUPPORT HOLDING 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

Market approval for CERAMENT G in the US - Most important milestone in the Company's history

Sales in the quarter of SEK 75 million were again "all-time-high" – a growth of 44 percent compared to the second quarter of 2021. Highlights in the quarter include growth in the US with close to 60 percent, as well as a significantly improved operating profit, displaying the scalability of our business model.

The strong sales in the quarter stem from the expanded use of CERAMENT among existing customers as well as the recruitment of new customers (hospitals and clinics). Our sales organization is largely back at the same level of activity as before the pandemic, with the exception of Germany, where the ability to visit hospital customers is still limited by restrictions. The strained resources in healthcare, in virtually all markets, continue to limit the capacity of the number of surgeries that can be performed, and surgical volumes remain below pre-pandemic levels.

The most important news during the period was the US market approval for our antibiotic-eluting product CERAMENT G, which was obtained from the US Food and Drug Administration (FDA) on May 17.

CERAMENT G is the first combination product (device-pharma) to be approved through the De Novo process and the approval has led to the establishment of a new regulatory product category at FDA. The category has a very detailed and strict regulatory and clinical standard, related to the unique mechanism of action for CERAMENT G.

CERAMENT G has a unique position in the US market, as the first and only antibiotic-eluting bone graft.

The extensive clinical documentation, on which the market approval is based, shows that CERAMENT G reduces the risk of recur-

rent bone infection to 4.3–5.5 percent – a dramatic improvement from the approximately 13 percent resulting from the current standard of care, PMMA-beads. In other words, the risk of reinfection is reduced by about 66 percent, which is a marked improvement and crucial in the commercialization of CERAMENT G.

The indication bone infection, for which CERAMENT G has received marketing approval, includes approximately 50,000 procedures per year. Local antibiotics are also preventively used in about 90,000 procedures where there is a high risk of infection. Overall, the market potential for these approximately 140,000 procedures per year is USD 780 million per year. We have begun work to expand CERAMENT G's marketing approval to include orthopedic procedures with a need to prevent infection, such as trauma, and expect to submit an application to FDA in mid-2023.

We summarize a strong quarter with a continuously growing base of hospitals and clinics choosing to use CERAMENT as a result of its positive clinical track record. Sales growth of 44 percent is a clear confirmation of the strength of our business model. We show the highest quarterly sales in BONESUPPORT's history and have established a stable and growing platform for continued strong growth. Our goal is to grow sales by 40 percent per year.

Emil Billbäck, CEO



NORTH AMERICA (NA)

The US market is the world's largest for synthetic bone graft products and thus the Company's most important market. In May, the Company received market approval from the US Food and Drug Administration (FDA), for the Company's antibiotic-eluting product CERAMENT G, for the indication bone infection (osteomyelitis). Launch is planned for the beginning of October this year. At the same time, work as begun for an extension of the indication area to also include orthopedic surgeries where there is a high risk of infection, such as in e.g. open trauma operations.

APRIL - JUNE

Sales

Sales for the period amounted to SEK 46.0 million (29.1), which corresponds to a growth of 58 percent (40 percent in constant exchange rate). The strong sales in the quarter stemmed from increased use of CERAMENT among existing customers but also recruitment of new customers (hospitals and clinics).

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

Contribution¹

The contribution from the segment was SEK 7.1 million (-0.3). The increased sales led to an increase in gross profit of SEK 15.8 million. Sales and marketing expenses during the quarter amounted to SEK 34.8 million (22.8), of which sales commissions to distributors

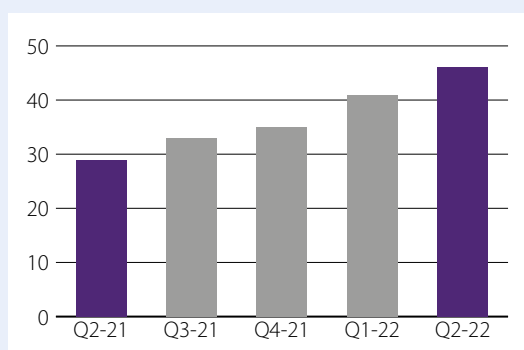
amounted to SEK 14.2 million (9.3). The increase, excluding sales commissions, was driven by currency effects of SEK 4.2 million and an increased activity level compared to previous year. The contribution was also influenced by R&D costs related to studies amounting to SEK 1,1 million (4.6). The decrease was an effect of the phasing out of the FORTIFY study.

JANUARY - JUNE

Net sales amounted to SEK 87.2 million (54.2), which corresponds to a growth of 61 percent (41 percent in constant exchange rate).

The contribution amounted to SEK 13.7 million (-2.3). The improved contribution is mainly due to the increase in sales.

Net sales per quarter, SEKm



Net sales, gross profit and contribution, SEKm

	Apr - Jun		Jan - Jun		Full year
	2022	2021	2022	2021	2021
Net sales	46.0	29.1	87.2	54.2	121.7
Gross profit	42.9	27.1	81.5	50.5	113.8
Contribution	7.1	-0.3	13.7	-2.3	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 UK, 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. In June, it became clear that South Africa's largest private health insurance company, Discovery Health, and the private hospital organizations Life Healthcare, Netcare, Melomed and Busamed will include BONESUPPORT's antibiotic-eluting bone graft substitutes CERAMENT G and CERAMENT V in the reimbursement system.

APRIL - JUNE

Sales

Sales for the period amounted to SEK 28.6 million (22.7), corresponding to a growth of 26 percent (22 percent in constant exchange rates). Our sales organization is largely back at the same level of activity as before the pandemic, with the exception of Germany, where the opportunity to visit hospital customers is still limited by restrictions.

Sales in key direct markets accounted for 75 percent (80) of the segment's sales during the quarter. Sales of the antibiotic-eluting products CERAMENT G and CERAMENT V corresponded to 87 percent (88).

Contribution¹

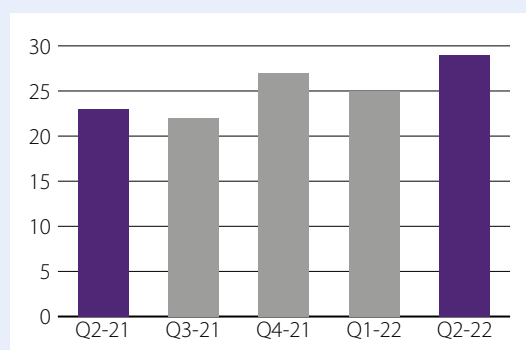
The contribution from the segment amounted to SEK 7.1 million (3.0). The improved contribution is explained mainly by the increase in sales. Sales and marketing expenses increased marginally compared to the corresponding quarter last year and amounted to SEK 16.4 million (16.2).

JANUARY - JUNE

Net sales amounted to SEK 53.8 million (42.4), an increase of 27 percent compared to the previous year (22 percent in constant exchange rates).

The contribution amounted to SEK 12.7 million (5.2). The improved contribution is explained by the increase in sales.

Net sales per quarter, SEKm



Net sales, gross profit and contribution, SEKm

	Apr - Jun		Jan - Jun		Full year
	2022	2021	2022	2021	2021
Net sales	28.6	22.7	53.8	42.4	91.2
Gross profit	23.5	19.2	44.9	35.6	75.9
Contribution	7.1	3.0	12.7	5.2	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 DRIVE CHANGED STANDARD OF CARE

CERTiFy¹ was a randomized, controlled clinical trial conducted at 20 trauma centers in Germany with 135 patients. The study, which was done on tibial 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 addi-

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 with systemic antibiotics	Evaluate the cost-effectiveness and treatment effect of CERAMENT G
Effect measure	<ul style="list-style-type: none">• Treatment time• Antibiotic resistance• Side effects• Cost	<ul style="list-style-type: none">• ICUR Reinfection• Complications• Amputations
Number of patients	500	220
Follow up time	12 month	24 month
Place	Europe	France, CRIOAc
Expected completion	Q1 2024	2025

tion, 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 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.

THE CONVICTION STUDY

The French CRIOA^{c2} 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 CRIOA^c 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. CRIOA^c (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 healthcare treatment is to ensure that healthcare 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 healthcare resources. A reduced number of re-infections and reduced amputation frequency 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. The significance of health benefits and the calculation models for evaluating the cost-effectiveness of health benefits differ between different healthcare systems. A common way to evaluate whether a product should be covered by a reimbursement system is by performing an HTA - Health Technology Assessment. An HTA is the scientific work that evaluates the relative effect and safety of a treatment, ie what is the benefit of the product in comparison with what is already used in healthcare. The model we have now established has increased our opportunities to more quickly include the CERAMENT platform in replacement systems in new markets.

POSITIVE HTA EVALUATION IN SOUTH AFRICA

During the quarter, South Africa's largest private health insurance company, Discovery Health, announced that it has completed its HTA, Health Technology Assessment of CERAMENT G and CERAMENT V with positive results, and will include these in its reimbursement system. As a result of Discovery Health's evaluation, the private hospital organizations Life Healthcare, Netcare, Melomed and Busamed have also decided to include BONESUPPORT's antibiotic-releasing bone graft substitutes CERAMENT G and CERAMENT V in their reimbursement systems.

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. The analysis has been submitted for publication and will nevertheless be an important tool in the marketing of CERAMENT G to, among others, private insurance companies.

CERAMENT G OR CERAMENT V LEADS TO REDUCED DAYS OF CARE IN PATIENTS WITH BONE INFECTIONS¹

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 Infection¹ 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 percent¹ 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 healthcare costs. In a Belgian study by Hoekstra et al² 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 al³ 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 healthcare 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

APRIL – JUNE 2022

Net sales

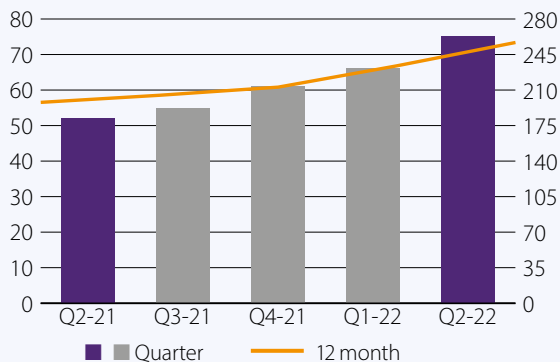
Net sales amounted to SEK 74.6 million (51.8), an increase of 44 percent compared to the previous year (32 percent at constant exchange rates).

In the North America segment, sales amounted to SEK 46.0 million (29.1), which corresponds to growth of 58 percent (40 percent at constant exchange rate). 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 28.6 million (22.7), which corresponds to an increase of 26 percent (22 percent at constant exchange rates). Our sales organization is largely back at the same level of activity as before the pandemic, with the exception of Germany, where the opportunity to visit hospital customers is still limited by restrictions.

The currency translation effect in the period amounted to SEK +1.1 million (+0.1).

Net sales per quarter, SEKm



Cost of goods sold

Cost of goods sold amounted to SEK 8.2 million (5.4), giving a gross margin of 89.0 percent (89.5). The marginally lower gross margin is affected by a higher share of sales to indirect markets, the gross margin in the US is reported at the same high level as previous year.

Selling expenses

Selling expenses, including sales commissions, amounted to SEK 54.9 million (43.3), an increase of 27 percent. This is explained in the table below

	Apr - Jun 2022	Apr - Jun 2022 (CER)	Apr - Jun 2021
Sales commissions	14.2	12.5	9.3
Personnel expenses	25.5	24.1	21.2
Other selling expenses	15.2	14.3	12.8
Total selling expenses	54.9	50.8	43.3

Other selling expenses increased to SEK 15.2 million (12.8).

The NA segment reported a cost increase to SEK 34.8 million (22.8). In EUROW, expenses amounted to SEK 16.4 million (16.2). Unallocated costs decreased to 3.7 million (4.3).

Research and development expenses

Research and development expenses amounted to SEK 13.6 million (15.0). Personnel costs amounted to SEK 7.4 million (7.0). Other expenses totaled SEK 6.2 million (8.0).

The NA segment reported research and development expenses amounting to SEK 1.1 million (4.6). The lower expenses are mainly due to the phasing out of the FORTIFY study.

Administrative expenses

Administrative expenses amounted to SEK 16.7 million (14.0).

Administrative expenses excluding effects from the Group's incentive programs amounted to SEK 11.0 million (11.0), of which personnel costs amounted to SEK 4.9 million (5.8).

Effects regarding incentive programs amounted to an expense of SEK 5.8 million, compared with SEK 3.0 million the previous year. The costs in the period are mainly a result of the positive share price development during the quarter.

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 -14.9 million (-25.9), where the reduced loss is explained by improved gross profit.

Loss for the period

For the reasons described above, the loss for the quarter amounted to SEK -16.3 million (-27.0), which corresponds to earnings per share before and after dilution of SEK -0.25 (-0.42).

JANUARY – JUNE 2022

Net sales

Net sales amounted to SEK 141.0 million (96.6), an increase of 46 percent (33 percent at constant exchange rates). The NA segment increased by 61 percent to SEK 87.2 million (54.2) and the EUROW segment increased by 27 percent to SEK 53.8 million (42.4).

Operating result

Operating result amounted to SEK -31.3 million (-45.6). The sales increase contributed to improved gross profit at the same time as operating costs increased compared with previous year, which had higher pandemic cost reduction influence.

Loss for the period

For the reasons described above, the loss for the period amounted to SEK -32.7 million (-47.3), which corresponds to earnings per share before and after dilution of SEK -0.51 (-0.74).

FINANCIAL POSITION AND CASH FLOW

SEKm	Jun 30		Dec 31
Financial position	2022	2021	2021
Cash and cash equivalents	171.8	309.6	206.5
Interest bearing debt ¹	19.9	9.2	21.4
Net debt ¹	-152.0	-300.3	-185.0
Equity	240.3	359.7	265.7

¹ APM: Alternative performance measures, see definitions on page 22.

SEKm	Apr - Jun		Jan - Jun		Full year
Cash flow	2022	2021	2022	2021	2021
Operating activities	-23.5	-32.5	-31.5	-46.5	-83.4
Investing activities	-0.6	-0.8	-1.2	-1.1	-3.4
Financing activities	-1.5	4.2	-3.7	3.3	-61.6
Total	-25.6	-29.2	-36.4	-44.3	-148.4

Cash and cash equivalents at the end of the period amounted to SEK 171.8 million (309.6), a decrease of SEK 34.6 million since the beginning of the year. The change is mainly explained by cash flow from operating activities amounting to SEK -31.5 million (-46.5).

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 (11.0) in sales of internal services to subsidiaries during the quarter. The result for the quarter was SEK -3.2 million (-2.5). No investments were made during the quarter.

EMPLOYEES

On average, the Group had 87 (85) employees (full-time equivalent) during the quarter, of whom 24 (24) 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 G-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 G-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 June 30, 2022, the total number of ordinary shares amounted to 64,515,281, distributed among 7,736 shareholders. The major shareholders are shown in the table on this page. During the quarter, the number of shares increased as a result of converted employee stock options.

As of June 30, 2022, the total number of G-shares amounted to 1,000,866. BONESUPPORT HOLDING AB holds all G-shares.

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

Shareholders June 30, 2022

Name	% of shares	% of votes
Avanza	11.7%	11.9%
HealthCap V LP	10.1%	10.2%
Swedbank Robur Fonder	6.3%	6.4%
Tredje AP-Fonden	5.2%	5.2%
Fjärde AP-Fonden	4.9%	5.0%
State Street Bank and Trust	4.1%	4.2%
BNP Paribas	4.0%	4.1%
Other shareholders	53.7%	53.0%

FINANCIAL CALENDAR

- October 27, 2022 Interim report Q3 2022

NOMINATION COMMITTEE

The nomination committee is elected based on the principles decided at the AGM May 19, 2022. 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 in May 2023 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 BOARD OF DIRECTORS AND THE CEO

The Board and 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 July 14, 2022

Lennart Johansson

Chairman

Håkan Björklund

Board member

Lars Lidgren

Board member

Mary I O'Connor

Board member

Björn Odlander

Board member

Christine Rankin

Board member

Emil Billbäck

CEO

CONDENSED CONSOLIDATED INCOME STATEMENT

SEKt	Note	Apr - Jun		Jan - Jun		Full year
		2022	2021	2022	2021	2021
Net sales	7	74 632	51 777	140 974	96 606	212 885
Cost of sales	7	-8 195	-5 448	-14 500	-10 549	-23 182
Gross profit	7	66 437	46 329	126 474	86 057	189 703
Selling expenses		-40 792	-34 090	-78 257	-65 243	-139 274
Sales commissions	7	-14 156	-9 256	-27 098	-17 125	-38 571
Research and development expenses		-13 586	-15 031	-25 721	-27 288	-53 009
Administrative expenses	3, 8	-16 716	-13 991	-31 256	-23 894	-44 122
Other operating income		11 859	1 187	18 858	4 686	11 308
Other operating expenses		-7 901	-1 088	-14 311	-2 809	-6 704
Operating loss	7	-14 855	-25 940	-31 311	-45 616	-80 669
Net financial items	7	-68	-32	-285	-370	-1 168
Loss before income tax	7	-14 923	-25 972	-31 596	-45 986	-81 837
Income tax	9	-1 380	-1 073	-1 080	-1 274	-3 694
Loss for the period		-16 303	-27 045	-32 676	-47 260	-85 531
Earnings per share before dilution, SEK		-0.25	-0.42	-0.51	-0.74	-1.34
Earnings per share after dilution, SEK		-0.25	-0.42	-0.51	-0.74	-1.34
Average number of shares, thousands		64 507	63 957	64 393	63 893	63 999

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKt	Apr - Jun		Jan - Jun		Full year
	2022	2021	2022	2021	2021
Loss for the period	-16 303	-27 045	-32 676	-47 260	-85 531
<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	1 116	-179	1 118	220	1 023
Total comprehensive income for the period	-15 187	-27 224	-31 558	-47 040	-84 508

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

CONDENSED CONSOLIDATED BALANCE SHEET

		Jun 30		Dec 31
SEKt	Note	2022	2021	2021
ASSETS				
Non-current assets				
Intangible assets		8 406	8 523	8 365
Tangible assets and right-of-use assets		25 629	13 627	27 078
Total non-current assets		34 035	22 150	35 443
Current assets				
Inventories		53 006	45 367	51 762
Trade receivables	6	46 435	32 089	38 413
Other operating receivables	6	11 759	9 826	11 837
Cash and cash equivalents	6	171 828	309 559	206 464
Total current assets		283 028	396 841	308 476
TOTAL ASSETS		317 063	418 991	343 919
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Parent	4	240 316	359 667	265 704
Non-current liabilities				
Leasing debt	6	14 721	3 920	16 152
Provisions		363	329	363
Total non-current liabilities		15 084	4 249	16 515
Current liabilities				
Leasing debt	6	5 131	5 297	5 270
Trade payables	6	13 729	11 574	18 719
Other operating liabilities	6	42 803	38 204	37 711
Total current liabilities		61 663	55 075	61 700
TOTAL EQUITY AND LIABILITIES		317 063	418 991	343 919

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKt	Share capital	Other paid in capital	Translation reserve	Fund for development	Accumulated losses including	Total equity
As at January 1, 2021	40 625	1 557 639	-894	5 352	-1 203 823	398 899
Loss January - June 2021			220		-47 260	-47 040
Change in fund for development expenses				1	-1	0
New share issue, employee stock options	235	5 660				5 895
New share issue and repurchase of own C-shares	34				-34	0
Share-based payment transactions					1 914	1 914
As at June 30, 2021	40 894	1 563 299	-674	5 353	-1 249 204	359 667
Loss July - December 2021			803		-38 271	-37 468
Share swap ¹					-62 333	-62 333
Change in fund for development expenses				137	-137	0
New share issue, employee stock options	15	371				386
Share-based payment transactions					5 451	5 451
As at January 1, 2022	40 909	1 563 670	129	5 490	-1 344 494	265 704
Loss January - June 2022			1 118		-32 676	-31 558
Change in fund for development expenses				317	-317	0
New share issue, employee stock options	40	13				53
Share-based payment transactions					6 117	6 117
As at June 30, 2022	40 949	1 563 683	1 247	5 807	-1 371 370	240 316

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

	Apr - Jun		Jan - Jun		Full year
SEKt	2022	2021	2022	2021	2021
Operating loss	-14 855	-25 940	-31 311	-45 616	-80 669
Non-cash adjustments:					
-Share-based payments	2 943	937	6 117	1 914	7 365
-Depreciation regarding right of use assets	1 870	1 032	3 429	3 117	5 786
-Unrealized exchange rate differences	-7 258	795	-10 004	-3 045	-8 293
-Other	1 588	1 429	2 410	1 465	1 899
Interests paid	-67	-60	-284	-63	-1 168
Income tax paid	-1 226	-363	-1 227	-672	-3 761
Net cash flows from operating activities before changes in working capital	-17 005	-22 170	-30 870	-42 900	-78 841
Changes in working capital	-6 532	-10 375	-643	-3 624	-4 580
Net cash flows from operating activities	-23 537	-32 545	-31 513	-46 524	-83 421
Investments in intangible assets	-378	-107	-687	-329	-808
Investments in equipment and tools	-179	-734	-504	-761	-2 608
Net cash flows from investing activities	-557	-841	-1 191	-1 090	-3 416
Share swap ¹	0	0	0	0	-62 333
New share issue, employee stock options and warrants	23	5 889	53	5 895	6 281
Repayments of leasing debt	-1 552	-1 657	-3 797	-2 618	-5 509
Net cash flows from financing activities	-1 529	4 232	-3 744	3 277	-61 561
Net cash flows	-25 623	-29 154	-36 448	-44 337	-148 398
Cash and cash equivalents as at beginning of period	195 610	338 956	206 464	353 737	353 737
Net exchange difference	1 841	-243	1 812	159	1 125
Cash and cash equivalents as at end of period	171 828	309 559	171 828	309 559	206 464

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	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales	74 632	66 342	61 402	54 877	51 777	44 829	53 175	48 078
North America	46 012	41 188	34 798	32 670	29 068	25 121	28 633	28 281
EUROW	28 620	25 154	26 604	22 207	22 709	19 708	24 542	19 797
Cost of sales	-8 195	-6 305	-6 581	-6 051	-5 448	-5 101	-5 418	-4 125
Gross profit	66 437	60 037	54 821	48 826	46 329	39 728	47 757	43 953
Gross margin, %	89,0%	90,5%	89,3%	89,0%	89,5%	88,6%	89,8%	91,4%
Selling expenses	-40 792	-37 465	-38 524	-35 507	-34 090	-31 153	-33 884	-31 982
Sales commissions	-14 156	-12 942	-11 429	-10 017	-9 256	-7 869	-8 371	-9 230
Research and development expenses	-13 586	-12 135	-14 395	-11 326	-15 031	-12 257	-16 467	-11 654
Administrative expenses	-16 716	-14 540	-14 827	-5 401	-13 991	-9 903	-12 647	-11 641
Other operating income	11 859	6 999	5 175	1 447	1 187	3 499	1 594	4 173
Other operating expenses	-7 901	-6 410	-2 594	-1 302	-1 088	-1 721	-4 638	-2 845
Operating loss	-14 855	-16 456	-21 773	-13 280	-25 940	-19 676	-26 656	-19 226
Net financial items	-68	-217	-279	-519	-32	-338	615	-832
Loss before income tax	-14 923	-16 673	-22 052	-13 799	-25 972	-20 014	-26 041	-20 058
Income tax	-1 380	300	-2 151	-269	-1 073	-201	-1 124	-1 171
Loss for the period	-16 303	-16 373	-24 203	-14 068	-27 045	-20 215	-27 165	-21 229

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

CONDENSED PARENT COMPANY INCOME STATEMENT

	Apr - Jun		Jan - Jun		Full year
SEKt	2022	2021	2022	2021	2021
Net sales	11 473	10 955	22 946	22 234	43 646
Administrative expenses	-15 087	-14 575	-29 848	-27 293	-49 542
Other operating income	-43	38	24	124	121
Other operating expenses	-1 200	259	-1 456	-577	-1 659
Operating loss	-4 857	-3 323	-8 334	-5 512	-7 434
Net financial items	1 695	799	3 175	1 915	4 293
Result after financial items	-3 162	-2 524	-5 159	-3 597	-3 141
Income tax	0	0	0	0	0
Result for the period	-3 162	-2 524	-5 159	-3 597	-3 141

Parent Company result for the period equals comprehensive income.

CONDENSED PARENT COMPANY BALANCE SHEET

		Jun 30		Dec 31
SEKt	Note	2022	2021	2021
ASSETS				
Non-current assets				
Non-current financial assets	6	1 177 860	1 005 476	1 128 672
Total non-current assets		1 177 860	1 005 476	1 128 672
Current assets				
Other receivables		0	0	47
Prepaid expenses	6	1 535	1 209	660
Cash	6	131 824	300 595	181 275
Total current assets		133 359	301 804	181 982
TOTAL ASSETS		1 311 219	1 307 280	1 310 654
EQUITY AND LIABILITIES				
Equity				
Restricted equity	4	40 949	40 894	40 909
Unrestricted equity		1 222 246	1 226 598	1 227 419
Total equity		1 263 195	1 267 492	1 268 328
Non-current liabilities		39 673	30 468	35 043
Current liabilities	6	8 351	9 320	7 283
TOTAL EQUITY AND LIABILITIES		1 311 219	1 307 280	1 310 654

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 interim 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.

NOTE 3

TRANSACTIONS WITH RELATED PARTIES

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

SEKt		Apr - Jun		Jan - Jun		Full year	
Related party	Service	2022	2021	2022	2021	2021	2021
Mary I O'Connor (Board member)	Consultancy	90	0	90	0		0
Route 2 Advisors Ltd (Simon Cartmell, previous Board member)	Consultancy	0	0	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	63 475	-63 475
Conversion of class C-shares to ordinary shares	287 134	0
June 30, 2022	64 515 281	203 210

Series C-shares		
December 31, 2021	1 290 000	0
Conversion of class C-shares to ordinary shares	-287 134	0
June 30, 2022	1 002 866	0

NOTE 5

PLEDGED SECURITIES AND CONTINGENT LIABILITIES

The US subsidiary BONESUPPORT Inc. has provided a guarantee of USD 56 thousand (56), corresponding to SEK 572 thousand (478) 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 2.5 million (1.7) in the quarter. For the year to date, the corresponding amount was SEK 4.7 million (4.1). US and UK were the only markets that delivered more than ten percent of the consolidated net sales.

SEKt	Apr - Jun 2022				Apr - Jun 2021			
Profit and loss items	NA	EUROW	Other	Total	NA	EUROW	Other	Total
Net sales	46 012	28 620	0	74 632	29 068	22 709	0	51 777
of which CERAMENT BVF	44 442	3 836	0	48 278	28 636	2 656	0	31 291
of which CERAMENT drug eluting ¹	0	24 784	0	24 784	0	20 054	0	20 054
of which other	1 570	0	0	1 570	432	0	0	432
Cost of sales	-3 066	-5 129	0	-8 195	-1 931	-3 517	0	-5 448
Gross profit	42 946	23 491	0	66 437	27 137	19 192	0	46 329
Sales commissions	-14 156	0	0	-14 156	-9 256	0	0	-9 256
Other operative costs	-21 678	-16 384	0	-38 062	-18 177	-16 194	0	-34 371
Contribution	7 112	7 107	0	14 219	-296	2 998	0	2 702
Other operating items	0	0	-29 074	-29 074	0	0	-28 642	-28 642
Operating result	7 112	7 107	-29 074	-14 855	-296	2 998	-28 642	-25 940
Net financial items	0	0	-68	-68	0	0	-32	-32
Result before income tax	7 112	7 107	-29 142	-14 923	-296	2 998	-28 674	-25 972

SEKt	Jan - Jun 2022				Jan - Jun 2021			
Profit and loss items	NA	EUROW	Other	Total	NA	EUROW	Other	Total
Net sales	87 200	53 774	0	140 974	54 189	42 417	0	96 606
of which CERAMENT BVF	84 439	7 437	0	91 876	53 347	6 089	0	59 436
of which CERAMENT drug eluting ¹	0	46 336	0	46 336	0	36 329	0	36 329
of which other	2 761	0	0	2 761	841	0	0	841
Cost of sales	-5 667	-8 833	0	-14 500	-3 712	-6 837	0	-10 549
Gross profit	81 533	44 941	0	126 474	50 477	35 580	0	86 057
Sales commissions	-27 098	0	0	-27 098	-17 125	0	0	-17 125
Other operative costs	-40 736	-32 216	0	-72 952	-35 626	-30 363	0	-65 989
Contribution	13 699	12 725	0	26 424	-2 274	5 217	0	2 943
Other operating items	0	0	-57 735	-57 735	0	0	-48 559	-48 559
Operating result	13 699	12 725	-57 735	-31 311	-2 274	5 217	-48 559	-45 616
Net financial items	0	0	-285	-285	0	0	-370	-370
Result before income tax	13 699	12 725	-58 020	-31 596	-2 274	5 217	-48 929	-45 986

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

Employee stock option programs	No. of options¹	Equal to no. of shares	WAEP²
Balance January 1, 2022	1 333 416	266 685	9,40
Exercised	-317 375	-63 475	1,45
Balance June 30, 2022	1 016 041	203 210	12,08

Performance share programs	Right to no. of shares
Balance January 1, 2022	1 791 000
Distributed regarding completed program	-425 000
Cancelled during the year	-10 000
Balance June 30, 2022	1 356 000

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 6,117 thousand (1,914). The social security contributions amounted to an expense of SEK 3,568 thousand, compared to an expense of SEK 1,267 thousand previous year. Liability for social security contributions at the end of the period amounts to SEK 6,550 thousand (9,367).

NOTE 9

TAXES

The Group has deferred tax assets based on historical losses amounting to SEK 1,108 million. The Company makes ongoing assumptions about the Company's future earnings. Based on a prudent assessment of the future utilization of losses carried forwards, the Company has not assigned any value to the deferred tax assets in the balance sheet.

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.

	Apr - Jun		Jan - Jun		Full year
SEKm	2022	2021	2022	2021	2021
Net sales	74.6	51.8	141.0	96.6	212.9
Sales growth, %	44.1	43.1	45.9	43.1	17.7
Cost of sales	-8.2	-5.4	-14.5	-10.5	-23.2
Gross profit	66.4	46.3	126.5	86.1	189.7
Gross margin, %	89.0	89.5	89.7	89.1	89.1
Directly attributable selling expenses	-51.2	-39.0	-97.1	-74.8	-159.8
Selling expenses, not directly attributable	-3.8	-4.3	-8.3	-7.6	-18.1
Selling expenses including commissions	-54.9	-43.3	-105.4	-82.4	-177.8
Directly attributable research & development expenses	-1.1	-4.6	-3.0	-8.3	-14.6
Research & development expenses, not directly attributable	-12.5	-10.4	-22.7	-19.0	-38.4
Research & development expenses	-13.6	-15.0	-25.7	-27.3	-53.0
Contribution	14.2	2.7	26.4	2.9	15.3

	Jun 30		Dec 31
SEKm	2022	2021	2021
Non-current borrowings	14.7	3.9	16.2
Current borrowings	5.1	5.3	5.3
Interest bearing debt	19.9	9.2	21.4
Cash and cash equivalents	171.8	309.6	206.5
Net debt	-152.0	-300.3	-185.0

DEFINITIONS

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, multicenter-controlled test of CERAMENT G that evaluated 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

PMMA. Polymethyl methacrylate, bone cement

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.

Until 2021, 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 US, 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 US and Europe. BONESUPPORT has its registered office in Lund and wholly owned subsidiaries in the US, the UK, 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 until 2021 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 INTERIM REPORT APRIL – JUNE 2022

The Company invites investors, analysts and media to a web conference (in English) on July 14, 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 available

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 July 14, 2022. For further details regarding participation, see the investor pages at 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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