



BONESUPPORT

Q2 (2023) Report

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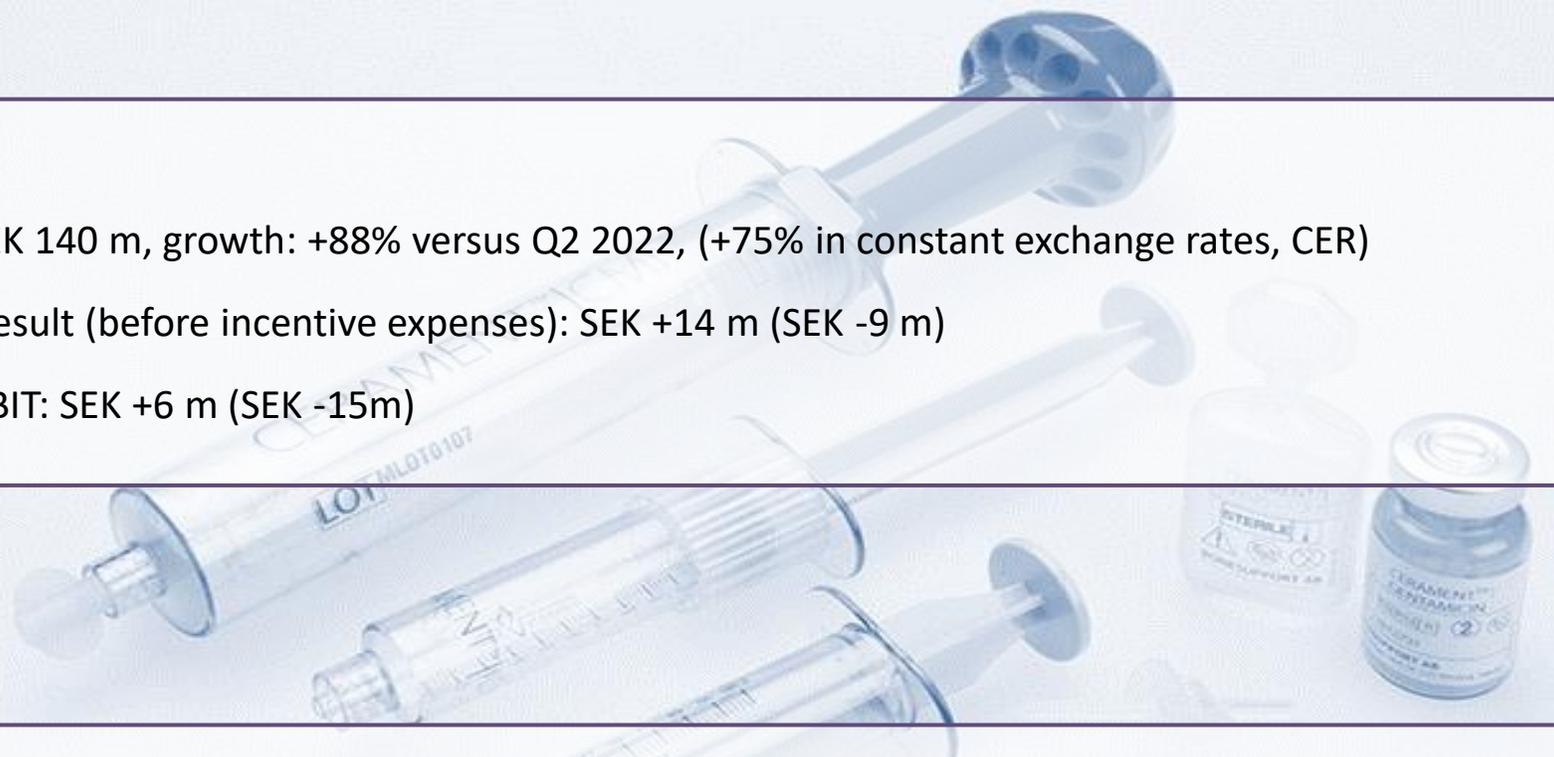
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BONESUPPORT – Second quarter report 2023

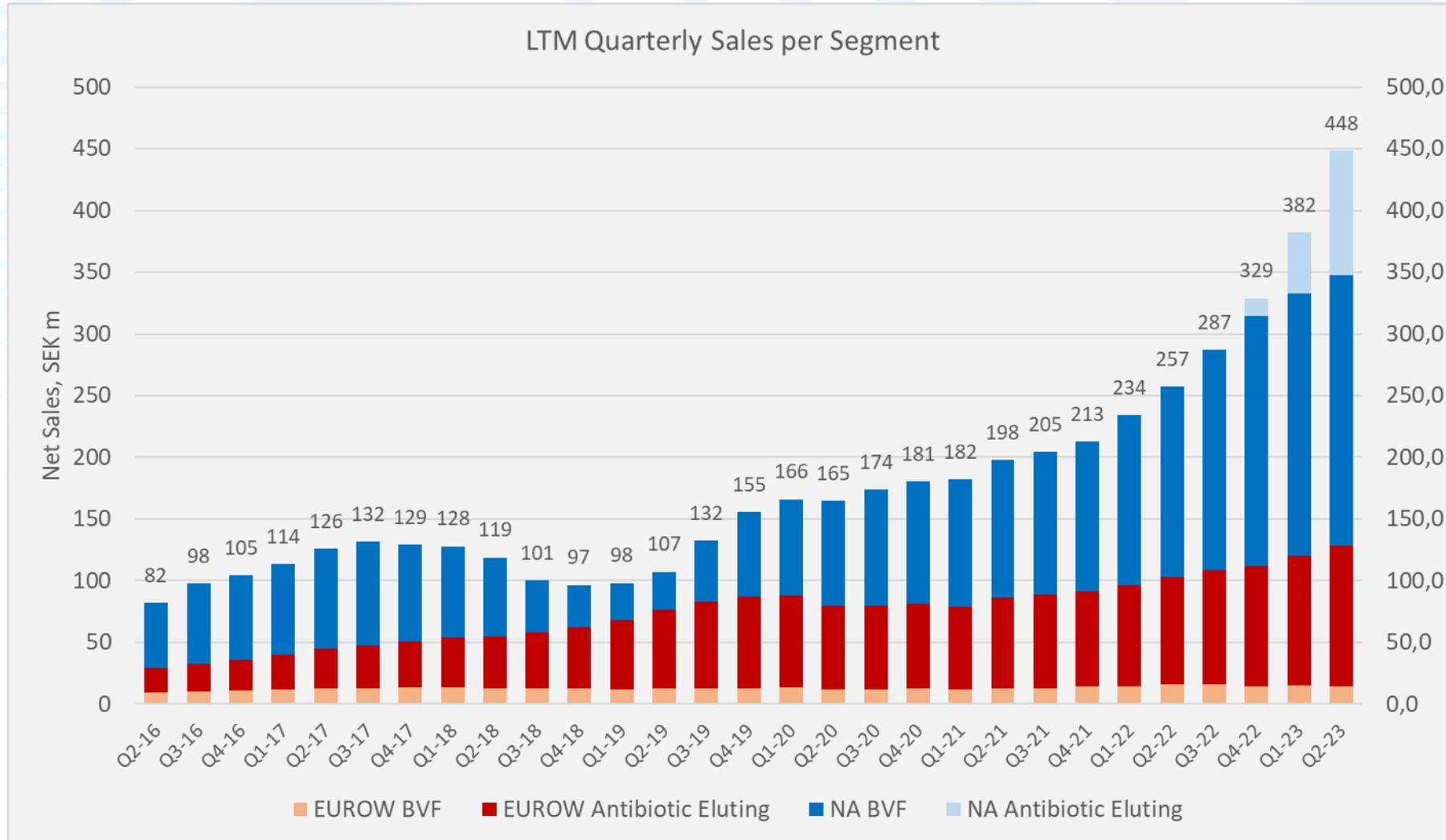
A collection of medical syringes and vials, some with labels like 'LOT/MLD10107' and 'STERILE 1', arranged on a light surface.

Q2 2023:

- Net sales SEK 140 m, growth: +88% versus Q2 2022, (+75% in constant exchange rates, CER)
- Operating result (before incentive expenses): SEK +14 m (SEK -9 m)
- Reported EBIT: SEK +6 m (SEK -15m)

- **SEK 51 m sales of CERAMENT G in the US in Q2 2023**
- **European launch of CERAMENT G 3rd generation**
- **Strong long term data on CERAMENT G in open trauma fracture**

Accelerated market penetration. Biggest Q-over-Q net growth



Incremental,
Q-over-Q
LTM growth:

Q3-22 30 MSEK
Q4-22 42 MSEK
Q1-23 53 MSEK
Q2-23 66 mSEK

- Gradual “post-pandemic” recovery of surgical procedures
- Total sales growth driven by antibiotic eluting CERAMENT

North America:

Expansion of customer base and launch of CERAMENT G

Q2 2023

- Sales of **SEK 104 m**, growth of **126%** over Q2 2022, growth of **107%** in constant exchange rate, CER
- Sales in **Q2 2023** represented a reported sequential growth of **21%** over **Q1 2023**
- **CERAMENT BVF** grew with **14%** in Q2 2023 over Q2 2022
- Sales of **CERAMENT G: SEK 51 m**

Highlight:

CERAMENT G launch in the US (next slide)

CERAMENT G launched in the US

Market penetration dynamics:



Q2 2023 sales CERAMENT G in US: SEK 51 m
Year to date (Q1 22 – Q2 23): SEK 86 m

Q2 2023 Highlights:

- Hospital system penetration progressing well (added 10 approvals in the quarter). Repeat purchases and increasing volume with major prestige accounts.
- High number of pilot-uses in quarter.
- Clear and visible clinical and health economic benefits registered by care takers and hospital administration. Decision to start a CERAMENT G registry.
- Sales registered in 38 states. First order from OrthoPediatrics
- Label extension application (trauma) - submission Q4 2023

EUROW

Recovery in general surgical procedures, steady but slow

Q2 2023

- Sales of SEK 36.5 m, growth of 28% vs Q2 2022, +24% in constant exchange rates, CER
- Steady, but slow, recovery of general procedure volumes

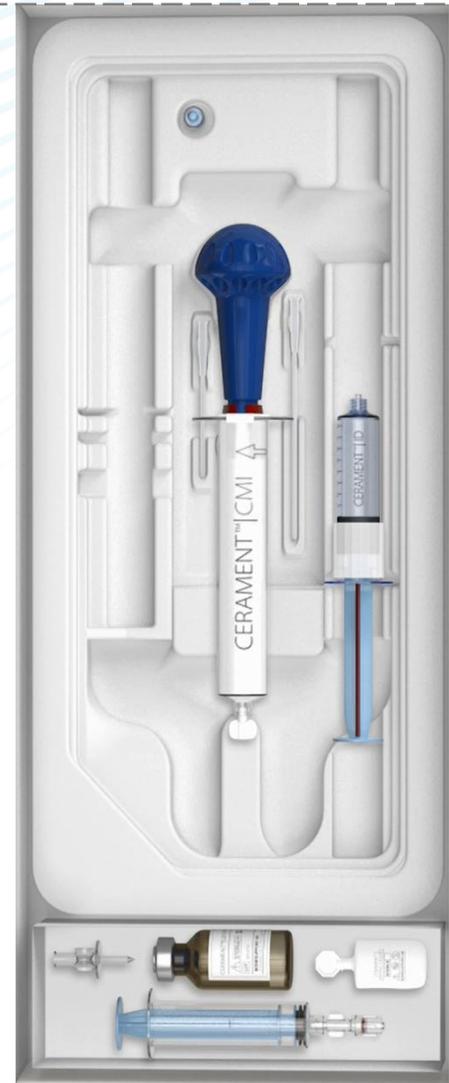
Highlights

- Launch of CERAMENT G, 3rd Gen
- Restructured indirect markets lead and organizational upgrade
- Strong study results (Kavarthapu et al); 100% limb salvage with patients with infected diabetic foot ulcers
- Long term follow up of open fracture study, confirming strong and sustainable benefits (Henry JA et al.)

CERAMENT® G 3rd Generation

- Increased Ease of Use and Reduced Environmental Impact

CERAMENT® G 2nd generation



CERAMENT® G 3rd generation



Same excellent clinical efficiency

- No changes to composition, formula or mechanism of action. All the same clinical data applies

Operating room productivity

- Increased ease of use; reduced handling time. All components now surface sterile; Saline transferred from plastic to glass vial

Inventory management efficiency with shelf life extended one year (now 3yrs)

Less environmental impact

- Less carbon footprint; 35% less waste, 28% smaller package size

EUROW

Recovery in general surgical procedures, steady but slow

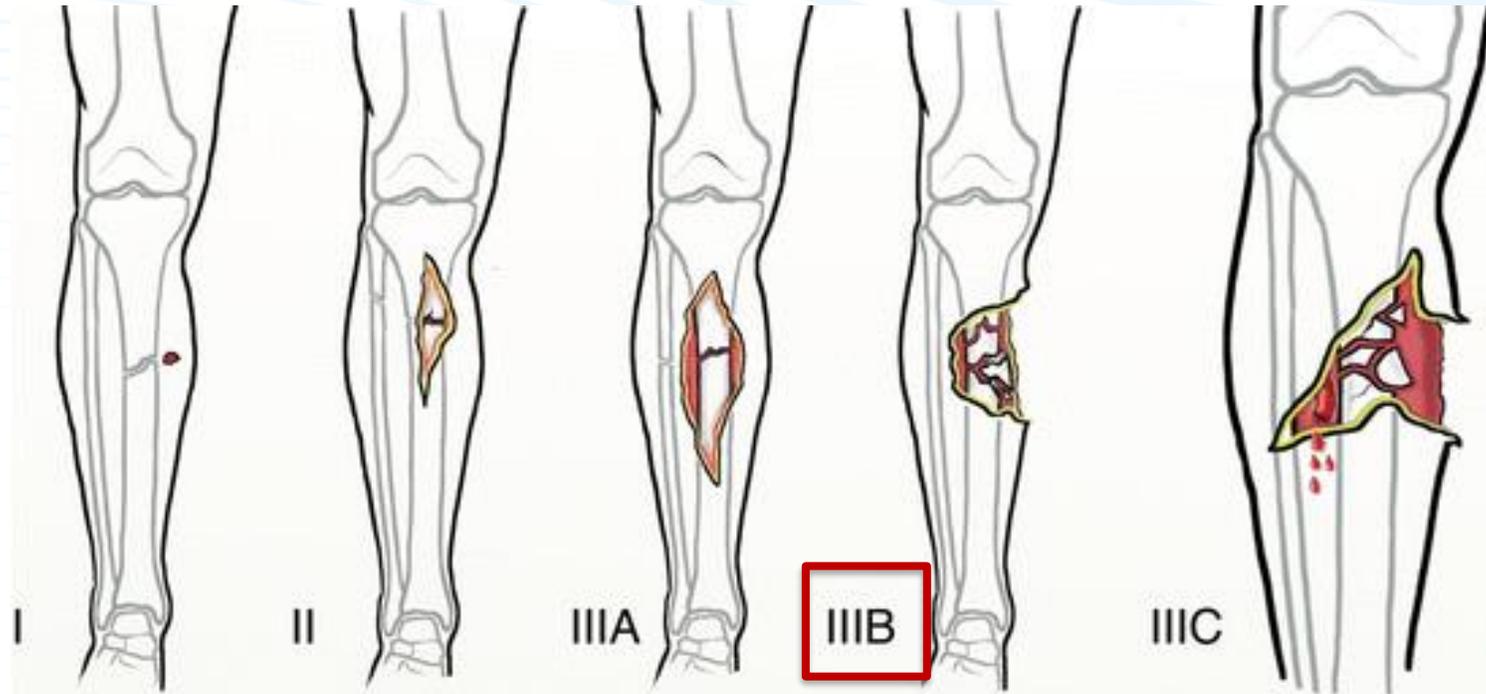
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CERAMENT® G in IIB open fractures



Cross, W. W., 3rd, & Swiontkowski, M. F. (2008). Treatment principles in the management of open fractures. *Indian journal of orthopaedics*, 42(4), 377–386.

Literature reference:

Infection rate: up to 52%

Amputation rate: up to 16%

Study results, Henry JA et al:

Infection rate: 3,7%

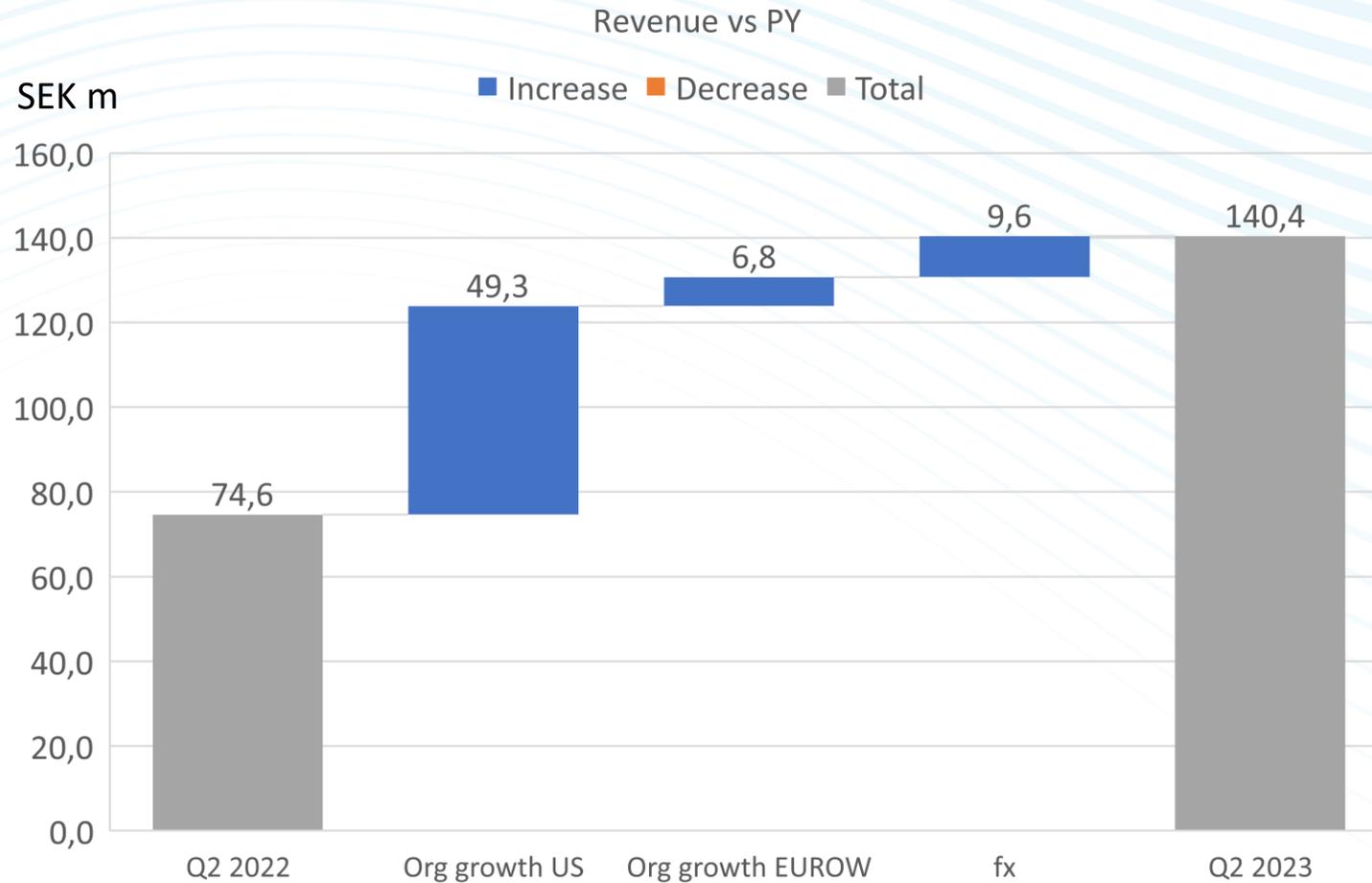
Amputation rate: up to 3,7%



BONESUPPORT Q2 (2023) Report

Financial Report

Q2 2023 net sales SEK 140,4 m



- NA: 126 percent reported growth. 107 percent growth in CER
- EUROW: 28 percent reported growth. 24 percent growth CER
- High impact from currency movements

North America

+126%
(+107% CER)
Net sales
Q2-23

North America	2023		2022		
SEK m	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22
Net Sales	103,9	85,9	73,4	56,3	46,0
Gross profit	98,2	81,6	69,4	53,1	42,9
Gross margin	94,5%	94,9%	94,5%	94,3%	93,3%
Contribution	31,7	24,9	17,3	11,2	7,1

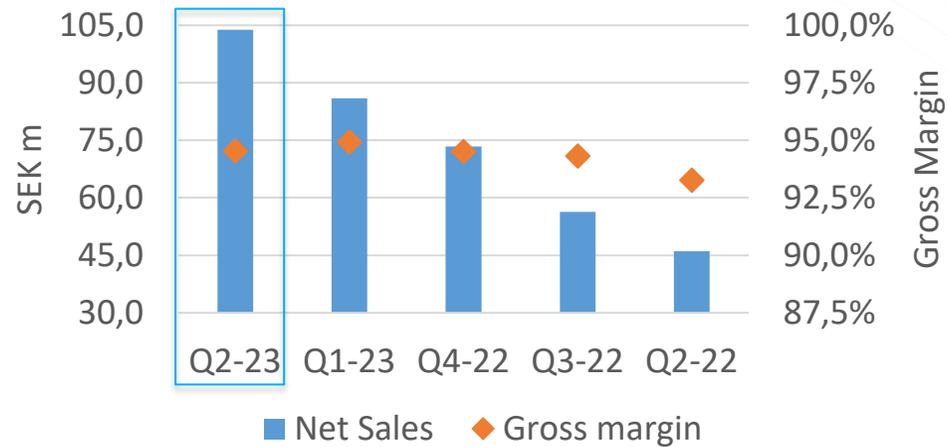
EUROW

+28%
(+24% CER)
Net sales
Q2-23

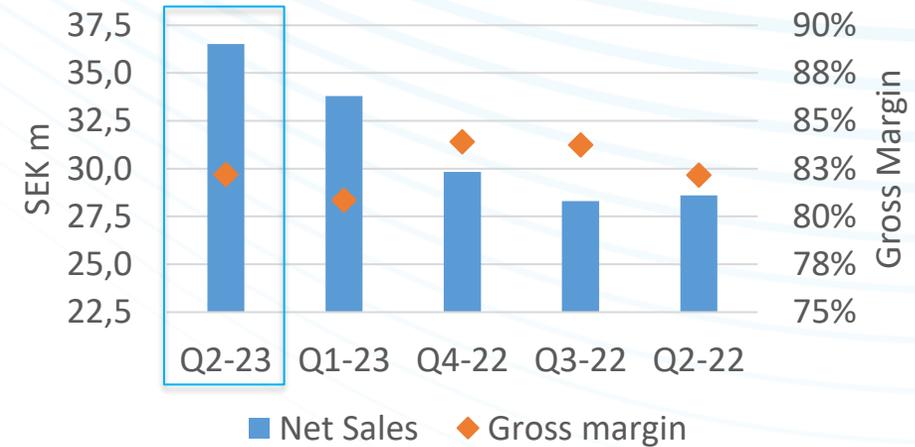
EUROW	2023		2022		
SEK m	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22
Net Sales	36,5	33,8	29,8	28,3	28,6
Gross profit	30,0	27,3	25,0	23,7	23,5
Gross margin	82,2%	80,8%	83,9%	83,7%	82,2%
Contribution	7,6	7,3	3,0	7,3	7,1

(i) High costs in Q4-22 includes a correction related to Q3 same year of SEK 2 million

Net Sales and gross margin



Net Sales and gross margin



Q2 expenses growth driven by marketing and sales promotion activities

Key Figures	2023		2022				2021	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
SEK m								
Selling expenses	55,0	49,0	46,8	38,8	37,4	35,2	35,4	33,1
Sales Commissions and fees	37,2	29,9	28,1	21,1	16,8	14,3	13,9	11,8
Research and Development expenses	14,6	12,5	14,8	12,6	13,6	12,1	14,4	11,3
Administrative expenses	19,9	15,5	21,3	20,8	16,7	14,5	14,8	5,4
Whereof expenses related to Incentive programs	7,7	3,8	9,2	9,5	5,8	3,9	4,8	-2,4
Total expenses	126,7	106,9	111,0	93,2	84,5	76,2	78,5	61,6

Q2 Insights

- Continued strong impact from currency movements, following a weak SEK
- Selling expenses growing following the US Booster program and increased momentum in marketing and sales promotion activities in both US and EUROW. Selling expenses for the period also included non-recurring costs amounting to SEK 2.9 million.
- Research and Development expenses in line with previous year and picking up from a low Q1.
- Administration remaining at a stable level excluding effects from the long-term incentive programs.
- The higher expenses for incentive programs relates to the appreciation of the share price in the period.

A SEK 33 m underlying profit improvement

Key Figures	2023		2022				2021	
SEK m	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net Sales	140,4	119,7	103,2	84,6	74,6	66,3	61,4	54,9
Gross Margin (%)	91,3	90,5	91,5	90,8	89,0	90,5	89,3	89,0
Operating Profit	6,0	0,8	-19,3	-13,9	-14,9	-16,5	-21,8	-13,3
Adj. Operating profit (i)	13,6	4,6	-10,1	-4,4	-9,1	-12,5	-17,0	-15,7
Cash at period end	149,8	190,4	201,3	212,6	171,8	195,6	206,5	225,5

(i) Operating result reduced with incentive expenses according to IFRS2 and social charges for these programs.

Q2 Insights

- Accelerated sales growth, reporting a growth of 88 percent (75 percent in CER) compared to the first quarter previous year.
- Gross margin reported above 91 percent, with US performing strong following a favorable product mix
- Operating profit included expenses regarding long-term incentive programs amounting to SEK 7,7 m, compared with SEK 5,8 m in Q2 the previous year. Of the total cost of SEK 7,7 million in the period, only SEK 0,2 million is cash flow impacting in the future.
- Cash flow has been impacted by the strong growth and a strong increase in trade receivables in North America.



BONESUPPORT Q2 (2023) Report

**Clear Corporate Strategy
Driving Value Creation**

BONESUPPORT – exciting journey ahead

- **CERAMENT G (Gentamicin) launched in the US**

- Clinical superiority to standard of care
- Strong Hospital System Approval and pilot-use
- Addresses an immediate and unmet clinical need
- Only FDA authorized product in category, addressing a market opportunity of USD 780 m

TREATMENT PREFERENCE



92% of US orthopedic surgeons prefer a single-stage-procedure

- **Solid foundation of clinical and health economic evidence to drive market transformation**

- **Built out European structure capitalizing from all-time-high orthopedic back-log**

- Market dynamic tailwinds anticipated as pandemic back log of orthopedic surgeries are managed

Sales growth target: 40%¹ p.a. (2023-2025)

1. Average and normalized sales growth CAGR from 2023 – 2025



BONESUPPORT Q2 (2023) Report

Q&A