



BONESUPPORT

Q4 (2022) Report

February 16th , 2023

Emil Billbäck, CEO

Håkan Johansson, CFO

DISCLAIMER

This presentation, which includes all information and data on the following slides, any oral statements made when presenting these slides, and any other material distributed or statements made at, or in connection with, such presentation (the “Presentation”), relates to BONESUPPORT HOLDING AB (the “Company”) and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. By attending the meeting where this Presentation is made, or by reading the Presentation, you agree to be bound by the following limitations.

The Presentation is private and confidential, has been furnished to you solely for your information and may not be reproduced, redistributed or disclosed in any way, in whole or in part, directly or indirectly, to any other person without the prior written consent of the Company.

No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the Presentation. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers, employees or advisors, including Carnegie Investment Bank AB (publ) and ABG Sundal Collier AB (collectively “the Managers”), accepts any liability (in negligence or otherwise) for any loss whatsoever arising directly or indirectly from the use of this Presentation. The Managers are acting for the Company and is not acting as adviser to any recipient of this document and will not be responsible to any recipient of this document for providing the protections afforded, to its clients.

The Presentation includes industry and market data pertaining to the Company’s business and markets. Unless otherwise indicated, such information is based on the Company’s analysis of multiple sources and the information contained in the Presentation has not been independently verified. The information and opinions contained in this Presentation do not purport to be comprehensive, are provided as at the date of the document and are subject to change without notice. The Company is not under any obligation to update or keep current the information contained in the Presentation. Moreover, this Presentation contains various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, the Company’s ability to promote and improve its reputation and the awareness of the brands in its portfolio, the Company’s ability to successfully operate its growth strategy, the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks. None of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers, employees or advisors, including the Managers, makes any warranties or representations about the achievement or reasonableness of such forward-looking statements.

This Presentation does not constitute an offer or invitation to subscribe for, or purchase, any shares of the Company and neither this Presentation nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. Should the Company pursue the contemplated public offering in Sweden and international private placements outside of Sweden, any such offers will only be made once a prospectus in relation to the offer is published or made available. Any acquisition of shares in the offering should be made solely on the basis of the information contained in such prospectus, and no reliance is to be placed on any representations other than those contained in such prospectus.

This Presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The securities mentioned herein have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States absent registration under the Securities Act or an exemption from the registration requirement thereof. There will be no public offer of the securities referred to herein in the United States. The securities referred to herein have not been and will not be registered under the applicable securities laws of Canada, Australia or Japan and may not be offered or sold within Canada, Australia or Japan or to any national, resident or citizen of Canada, Australia or Japan. Neither this Presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, into Australia, Canada or Japan or be distributed, directly or indirectly, in the United States of America, its territories or possessions or to any US person, as that term is defined under the Regulation S under the Securities Act, or to any securities analyst or other person in any of those jurisdictions. Any failure to comply with this restriction may constitute a violation of United States, Australian, Canadian or Japanese securities law. The distribution of this Presentation in other jurisdictions may be restricted by law and persons into whose possession this Presentation comes should inform themselves about, and observe, any such restrictions.

Some of the information set out in the Presentation is still in draft form and has not been verified. In particular, the financial information included in this Presentation has not been audited and is therefore subject to change. In general, the information set out in the Presentation is subject to updating, completion, revision, verification and amendment, and such information may change materially.

Certain financial and other numerical information presented in this Presentation have been subject to rounding adjustments for the purpose of making this Presentation more easily accessible for the reader. As a result, the figures in tables may not sum up to the stated totals.

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURE.

BONESUPPORT – Fourth quarter report 2022

Q4 2022:

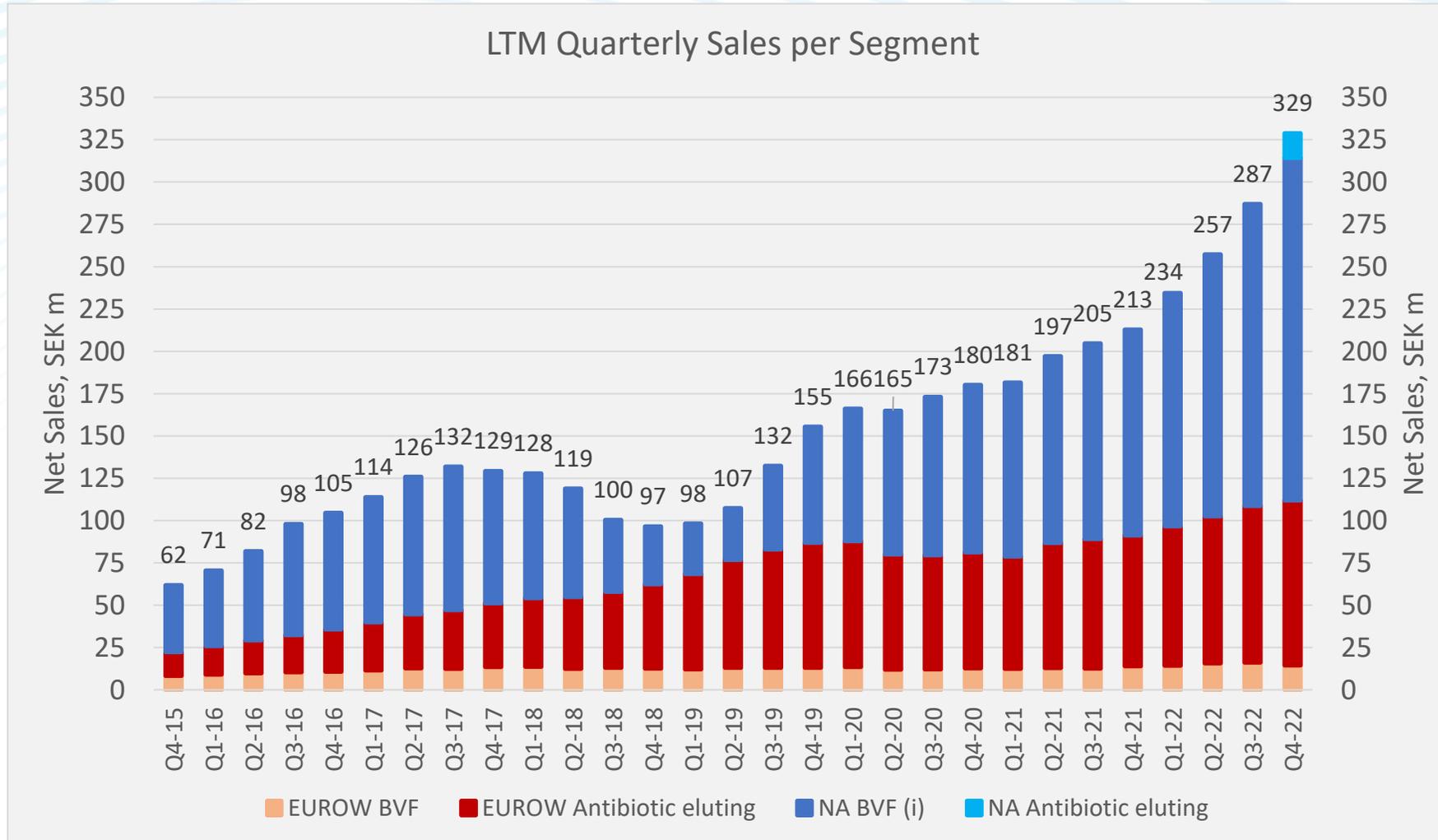
- Net sales SEK 103,2 m, growth: +68% versus Q4 2021, (+49% in constant exchange rates, CER)
- Operating result (before incentive provisions): SEK -10,1 m (SEK -17,0 m)
- Reported EBIT: SEK -19,3 m (SEK -21,8 m)

Full year 2022:

- Net sales SEK 328,8 m, growth: +54% versus FY 2021, (+38% in constant exchange rates, CER)
- Operating result (before incentive provisions): SEK -36,2 m (SEK -75,1 m)
- Reported EBIT: SEK -64,5 m (SEK -80,7 m)

- **Launch of CERAMENT G in the US**
- **MDR CE-Certificate granted for CERAMENT G and QMS**

Q4 2022: Ten consecutive all-time-highs and acceleration in growth rates



- Full year 2022 sales:
m 329 SEK
Sales growth of 54 %
- First quarter of CERAMENT G sales in US
- Accelerated market penetration in the US: +66% (LTM) for CERAMENT BVF in the US
- Health Care staff shortage restricting surgical volumes in Europe

(i) NA BVF includes Net Sales of Other Products totalling 3% (2%) of Net sales in NA in 2022

North America:

Expansion of customer base and launch of CERAMENT G

Q4 2022

- Sales of **SEK 73,4 m**, growth of **111%** over Q4 2021, growth of **80%** in constant exchange rate, CER
- Sales in **Q4 2022** represented a reported sequential growth of **30%** over **Q3 2022**
- Sales of **CERAMENT G: 14,5 mSEK**

Highlight:

CERAMENT G launch in the US (next slide)

Market penetration dynamics:



Group Purchasing Organization: i.e. Premier, HealthTrust

Hospital groups: i.e. Cleveland Clinic

Training ⇒ Trial ⇒ Evaluation ⇒ Regular use

**Q4 2022 sales
CERAMENT G in US: SEK 14,5 m**

Q4 Highlights:

- Positive feedback on product handling and transition to one-stage-procedure
- Approval with several influential hospital groups: i.e. Cleveland Clinic and Baylor Scott & White
- Sales spread over 19 states. All sales is related to consumption (no bulk sales)
- Average selling price confirming previously communicated level
- Progressing label extension - meetings held with FDA. Confirmation that the label extension will be a 510k submission and not a renewed DeNovo process.

EUROW

Weak recovery in general surgical procedures

Q4 2022

- Sales of SEK 29,8 m, growth of 12% vs Q4 2021, +9% in constant exchange rates, CER
- The general surgery capacity recovery seen during Q3, in several regions, was not continued in Q4
- Staffing challenges accentuated by nursing strikes (UK) and sickness absence

Highlights

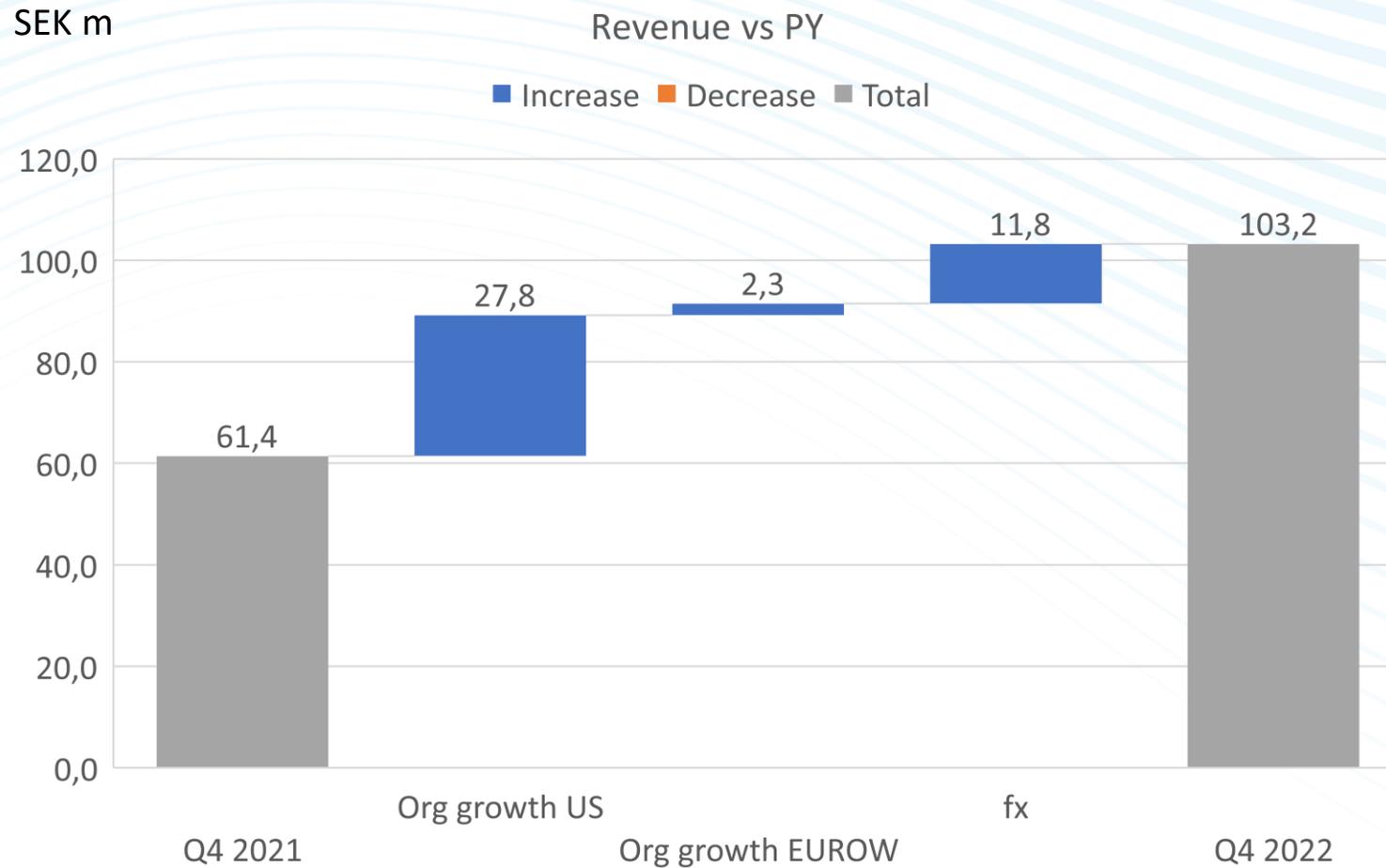
- MDR Certificate CERAMENT G and QMS (Quality Management System)
- Filling of sales vacancies in Germany



BONESUPPORT Q4 (2022) Report

Financial Report

Q4 2022 net sales SEK 103.2 m



- NA: 111 percent reported growth. 80 percent growth in CER
- EUROW: 12 percent reported growth. 9 percent growth CER
- High impact from currency movements

North America

+111%
(+80% CER)
Net sales
Q4-22

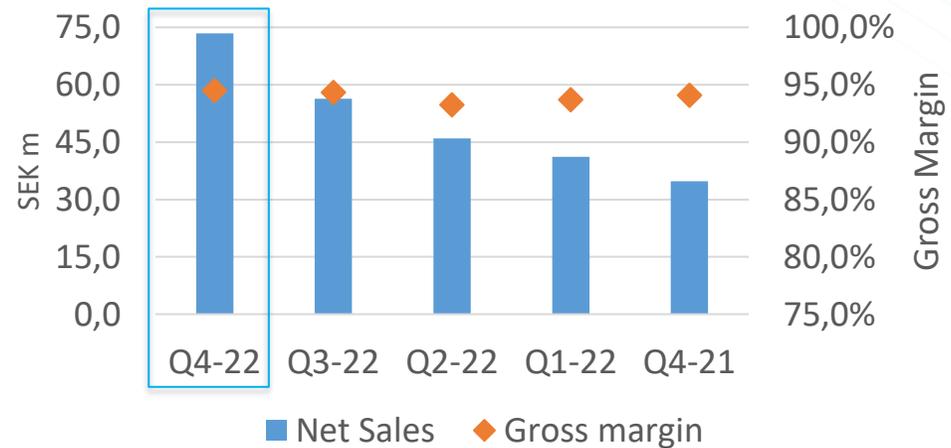
North America	2022				2021
SEK m	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21
Net Sales	73,4	56,3	46,0	41,2	34,8
Gross profit	69,4	53,1	42,9	38,6	32,7
Gross margin	94,5%	94,3%	93,3%	93,7%	94,1%
Contribution	17,3	11,2	7,1	6,6	3,7

EUROW

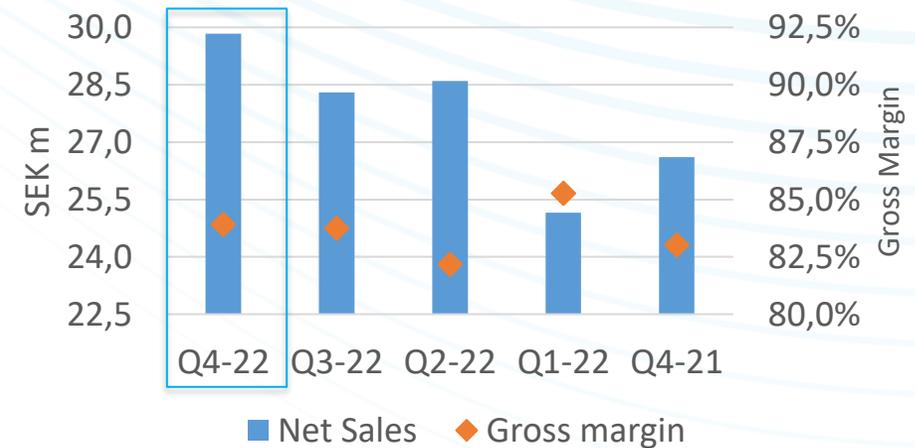
+12%
(+9% CER)
Net sales
Q4-22

EUROW	2022				2021
SEK m	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21
Net Sales	29,8	28,3	28,6	25,2	26,6
Gross profit	25,0	23,7	23,5	21,5	22,1
Gross margin	83,9%	83,7%	82,2%	85,3%	83,0%
Contribution	3,0	7,3	7,1	5,6	5,0

Net Sales and gross margin



Net Sales and gross margin



Q4 expenses growth driven by market investments and currency impact

Key Figures	2022				2021			
SEK m	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Selling expenses (less commissions and fees)	46,8	38,8	37,4	35,2	35,4	33,1	32,5	30,4
Sales Commissions and Fees	28,1	21,1	16,8	14,3	13,9	11,8	10,5	8,9
Research and Development expenses	14,8	12,6	13,6	12,1	14,4	11,3	15,0	12,3
Administrative expenses	21,3	20,8	16,7	14,5	14,8	5,4	14,0	9,9
Whereof Provisions related to Incentive programs	9,2	9,5	5,8	3,9	4,8	-2,4	3,4	-0,2
Total expenses	111,0	93,2	84,5	76,2	78,5	61,6	72,2	61,6

Q4 Insights

- Strong impact from currency movements.
- GPO fees, freights and other sales related fees has been included in Sales Commissions and Fees, previously reported as Selling Expenses. Previous quarters have been updated, with movements between Selling Expenses and Sales Commissions and Fees. With the update, a disclosure of all direct expenses following sales are enabled.
- Selling expenses excluding sales commissions and fees increased with SEK 11.4 m compared with the same period last year, SEK 6.7 m in CER. The higher cost includes a correction in EUROW related to Q3 this year of SEK 2 million, but also expenses related the US Booster program and expenses relating to the launch of CERAMENT G in the US.
- Administration remaining at a stable level excluding effects from the long-term incentive programs.

A SEK 6.9 m underlying profit improvement

Key Figures		2022					2021			
SEK m	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Net Sales	103,2	84,6	74,6	66,3	61,4	54,9	51,8	44,8		
Gross Margin (%)	91,5	90,8	89,0	90,5	89,3	89,0	89,5	88,6		
Operating Loss	-19,3	-13,9	-14,9	-16,5	-21,8	-13,3	-25,9	-19,7		
Adj. Operating profit (i)	-10,1	-4,4	-9,1	-12,5	-17,0	-15,7	-22,6	-19,9		
Cash at period end	201,3	212,6	171,8	195,6	206,5	225,5	309,6	339,0		

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

Q4 Insights

- Accelerated sales growth, reporting a growth of 68 percent (49 percent in CER) compared to the fourth quarter previous year.
- Gross margin improving following market mix (strong growth in North America) and product mix launch of CERAMENT G in the US.
- Operating loss included expenses regarding long-term incentive programs amounting to SEK 9.2 m, compared with SEK 4.8 m in Q4 the previous year. Of the total cost of SEK 9.2 million in the period, only SEK 1.4 million is cash flow impacting in the future.
- Operating loss included adverse fx effects in Other Operating Income and Expenses, a negative impact of SEK 2.7 m.

To be noted: in this report there is a substantial movement between Q3 2022 and Q4 2022, following realized and unrealized currency effects from conversion of net assets, reported as Other operating income and other operating expense. Moving from a favorable SEK 2.4 million in Q3 2022 to a negative SEK 2.7 million in Q4 2022.

CONDENSED CONSOLIDATED INCOME STATEMENT PER QUARTER

SEKt	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	103 221	84 623	74 632	66 342	61 402	54 877	51 777	44 829
North America	73 390	56 286	46 012	41 188	34 798	32 670	29 068	25 121
EUROW	29 831	28 337	28 620	25 154	26 604	22 207	22 709	19 708
Cost of sales	-8 814	-7 797	-8 195	-6 305	-6 582	-6 051	-5 448	-5 101
Gross profit	94 407	76 826	66 437	60 037	54 820	48 826	46 329	39 728
Gross margin, %	91,5%	90,8%	89,0%	90,5%	89,3%	89,0%	89,5%	88,6%
Selling expenses	-46 762	-38 751	-37 370	-35 189	-35 389	-33 112	-32 530	-30 363
Sales commissions and fees	-28 140	-21 103	-16 800	-14 332	-13 890	-11 790	-10 547	-8 948
Research and development expenses	-14 810	-12 557	-13 586	-12 135	-14 395	-11 326	-15 031	-12 257
Administrative expenses	-21 251	-20 798	-16 716	-14 540	-14 827	-5 401	-13 991	-9 903
Other operating income	4 445	19 903	11 859	6 999	5 175	1 447	1 187	3 499
Other operating expenses	-7 172	-17 460	-8 679	-7 296	-3 267	-1 925	-1 357	-1 433
Operating loss	-19 283	-13 941	-14 855	-16 456	-21 773	-13 280	-25 940	-19 676
Net financial items	588	-462	-68	-217	-279	-519	-32	-338
Loss before income tax	-18 695	-14 403	-14 923	-16 673	-22 052	-13 799	-25 972	-20 014
Income tax	-1 841	-552	-1 380	300	-2 151	-269	-1 073	-201
Loss for the period	-20 536	-14 955	-16 303	-16 373	-24 203	-14 068	-27 045	-20 215

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

Starting in the fourth quarter of 2022, charges for freight, credit cards and GPO fees are no longer reported on the line Selling expenses, but have been moved to the line Sales commissions and fees (earlier named Sales commissions). A retroactive correction has been made for all comparison periods in the table above.

From the fourth quarter of 2022, no currency translation of our American operations is reported on the line Selling expenses. This has been moved to the line Other operating expenses. A retroactive correction has been made for all comparison periods in the table above.



BONESUPPORT Q4 (2022) Report

**Clear Corporate Strategy
Driving Value Creation**

BONESUPPORT – exciting journey ahead

- **CERAMENT G (Gentamicin) launched in the US**
 - Clinical superiority to standard of care
 - Addresses an immediate and unmet clinical need
 - Breakthrough technology with incremental reimbursement (NTAP)
 - 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 Q4 (2022) Report

Q&A