



BONESUPPORT

Q1 (2023) Report

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BONESUPPORT – First quarter report 2023

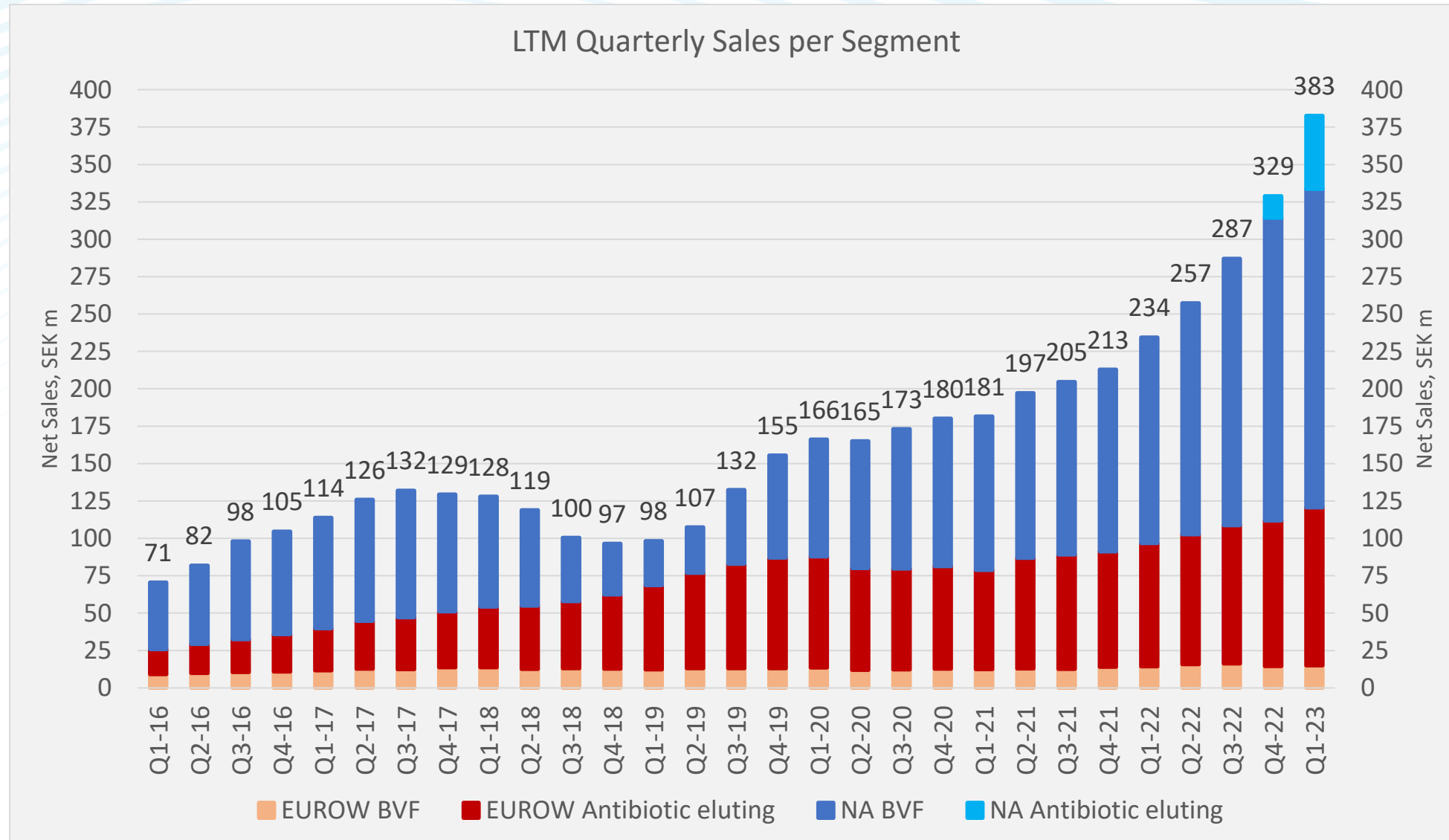
A background image showing several medical syringes and vials. One syringe is prominently displayed in the foreground, with the text 'LOTMLD1007' visible on its barrel. Other syringes and vials are scattered around it, some partially obscured. The vials have labels that include 'STERILE' and 'BONESUPPORT'.

Q1 2023:

- Net sales SEK 119,7 m, growth: +80% versus Q1 2022, (+66% in constant exchange rates, CER)
- Operating result (before incentive provisions): SEK 4.6 m (SEK -12,5 m)
- Reported EBIT: SEK 0,8 m (SEK -16,5 m)

- **Strong sales development with CERAMENT G in the US**
- **Good traction in US hospital approvals, incl Johns Hopkins Hospital and Veterans Affairs**
- **Gradual recovery of procedures in Europe**

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



Incremental,
Q-over-Q
LTM growth:

Q2-22 23 MSEK
Q3-22 30 MSEK
Q4-22 42 MSEK
Q1-23 54 MSEK

North America:

Expansion of customer base and launch of CERAMENT G

Q1 2023

- Sales of **SEK 85,9 m**, growth of **109%** over Q1 2022, growth of **87%** in constant exchange rate, CER
- Sales in **Q1 2023** represented a reported sequential growth of **17%** over **Q4 2022**
- **CERAMENT BVF** grew with 23% in Q1 2023 over Q1 2022
- Sales of **CERAMENT G: SEK 35 m**

Highlight:

CERAMENT G launch in the US (next slide)

CERAMENT G launched in the US

Market penetration dynamics:



Q1 2023 sales CERAMENT G in US: SEK 35 m
Since introduction (Q4 22 – Q1 23): SEK 49 m

Q1 2023 Highlights:

- Hospital system approvals progressing well (50/420) including several influential hospital groups: i.e. Johns Hopkins Hospital and Veterans Health Administration
- Sales registered in 26 states. All sales is related to consumption (no bulk sales)
- Average selling price ~5700 USD
- Positive feedback on handling and transition to one-stage-procedure. Positive recognition of clinical benefits
- First follow up of patients shows positive outcome in line with clinical studies on which FDA approval is based
- Progressing label extension application - submission Q3 2023

EUROW


Gradual recovery in general surgical procedures

Q1 2023

- Sales of SEK 33,8 m, growth of 34% vs Q4 2021, +32% in constant exchange rates, CER
- Steady recovery of general procedure volumes versus Q3 and Q4.
- Health care staffing shortage remains challenging, as capacity is still 5-8% below pre-pandemic levels

Highlights

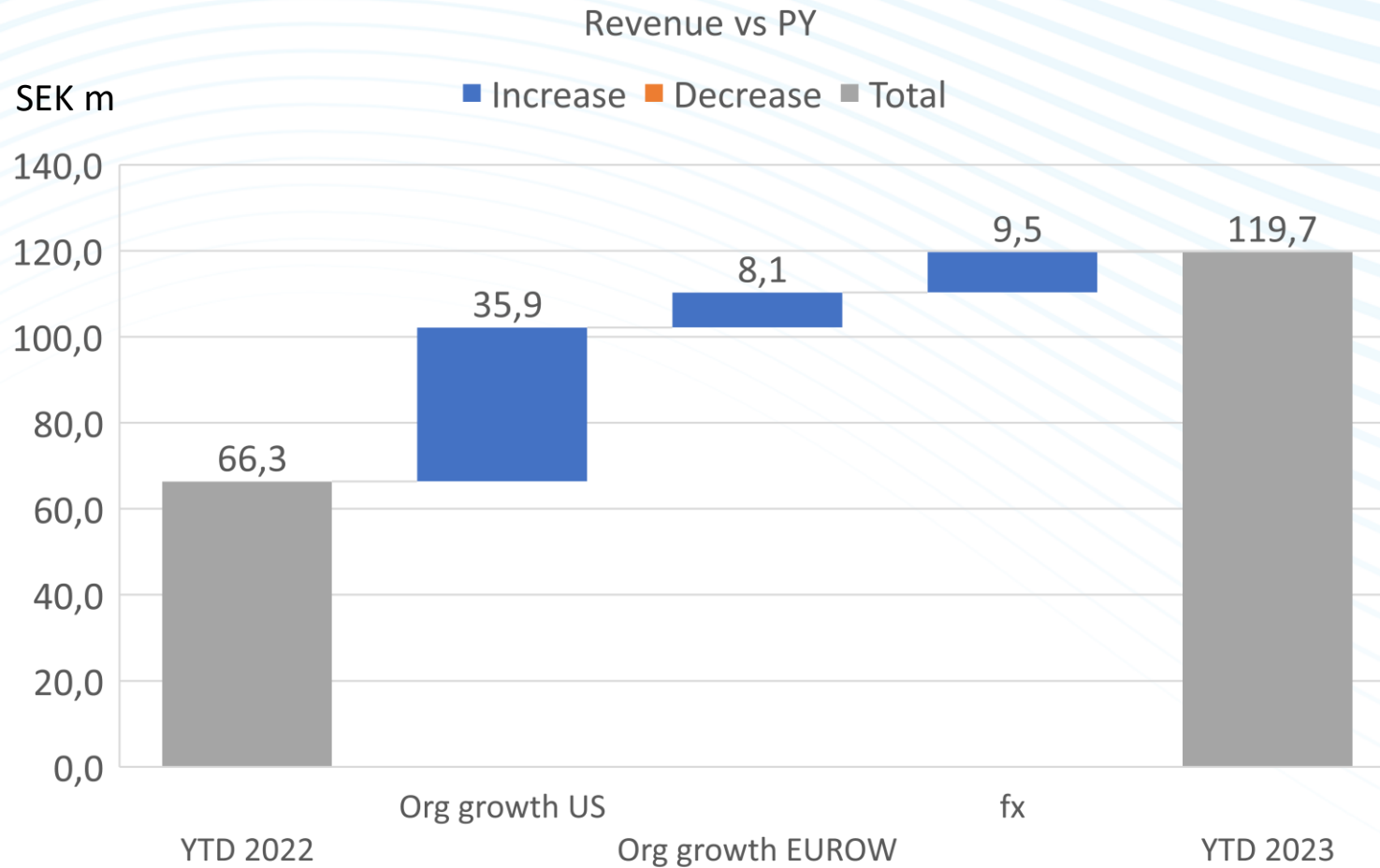
- A high degree of elective procedures are continuously being deferred to later dates
 - In UK, the back log of procedures has increased with 1,2 m people in one year (since March 2022)
- Increased marketing and sales promotion activities
- CONVICTION-study anticipates LPI in Q4 2024, for closing Q4 2026
- SOLARIO-study: 464 of 500 patients recruited. Closing 12 months after the last patient has enrolled (LPI).



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Financial Report

Q1 2023 net sales SEK 119,7 m



- NA: 109 percent reported growth. 87 percent growth in CER
- EUROW: 34 percent reported growth. 32 percent growth CER
- High impact from currency movements

North America

+109%
(+87% CER)
Net sales
Q1-23

North America	2023		2022		
SEK m	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22
Net Sales	85,9	73,4	56,3	46,0	41,2
Gross profit	81,6	69,4	53,1	42,9	38,6
Gross margin	94,9%	94,5%	94,3%	93,3%	93,7%
Contribution	24,9	17,3	11,2	7,1	6,6

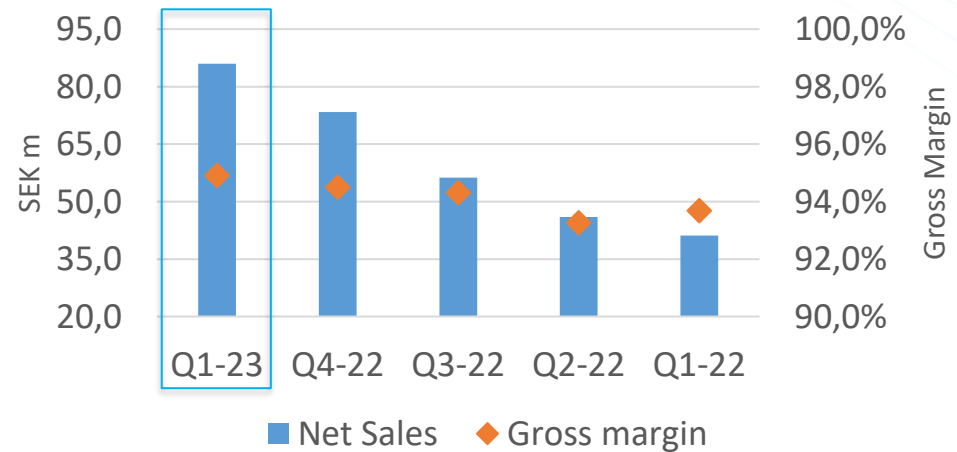
EUROW

+34%
(+32% CER)
Net sales
Q1-23

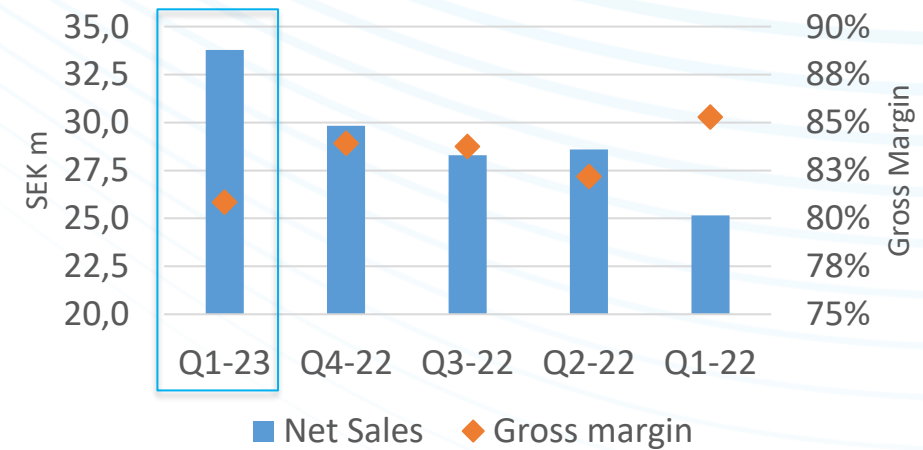
EUROW	2023		2022		
SEK m	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22
Net Sales	33,8	29,8	28,3	28,6	25,2
Gross profit	27,3	25,0	23,7	23,5	21,5
Gross margin	80,8%	83,9%	83,7%	82,2%	85,3%
Contribution (i)	7,3	3,0	7,3	7,1	5,6

(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



Q1 expenses growth driven by marketing and sales promotion activities

Key Figures	2023		2022				2021	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Selling expenses	49,0	46,8	38,8	37,4	35,2	35,4	33,1	32,5
Sales Commissions and fees	29,9	28,1	21,1	16,8	14,3	13,9	11,8	10,5
Research and Development expenses	12,5	14,8	12,6	13,6	12,1	14,4	11,3	15,0
Administrative expenses	15,5	21,3	20,8	16,7	14,5	14,8	5,4	14,0
Whereof Provisions related to Incentive programs	3,8	9,2	9,5	5,8	3,9	4,8	-2,4	3,4
Total expenses	106,9	111,0	93,2	84,5	76,2	78,5	61,6	72,2

Q1 Insights

- Strong impact from currency movements.
- Selling expenses growing following the US Booster program and increased momentum in marketing and sales promotion activities in both US and EUROW.
- Research and Development expenses reported in line with previous year.
- Administration remaining at a stable level excluding effects from the long-term incentive programs.
- The lower expenses related to incentive programs relates to the closing of LTI 2019, included with 9.3 million in the second half of 2022


A SEK 17 m underlying profit improvement

Key Figures	2023		2022		2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
SEK m								
Net Sales	119,7	103,2	84,6	74,6	66,3	61,4	54,9	51,8
Gross Margin (%)	90,5	91,5	90,8	89,0	90,5	89,3	89,0	89,5
Operating Profit/Loss	0,8	-19,3	-13,9	-14,9	-16,5	-21,8	-13,3	-25,9
Adj. Operating profit (i)	4,6	-10,1	-4,4	-9,1	-12,5	-17,0	-15,7	-22,6
Cash at period end	190,4	201,3	212,6	171,8	195,6	206,5	225,5	309,6

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

Q1 Insights

- Accelerated sales growth, reporting a growth of 80 percent (66 percent in CER) compared to the first quarter previous year.
- Gross margin remaining above 90 percent despite a SEK 0,6 million impact from scrapped components, rejected in our quality inspection process.
- Operating profit included expenses regarding long-term incentive programs amounting to SEK 3,8 m, compared with SEK 3,9 m in Q1 the previous year. Of the total cost of SEK 3,8 million in the period, only SEK 0,3 million is cash flow impacting in the future.



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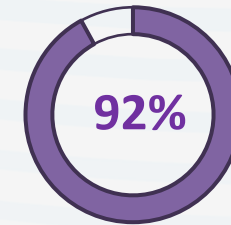
**Clear Corporate Strategy
Driving Value Creation**

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



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Q&A