



BONESUPPORT

Q3 (2023) Report

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BONESUPPORT – Third quarter report 2023

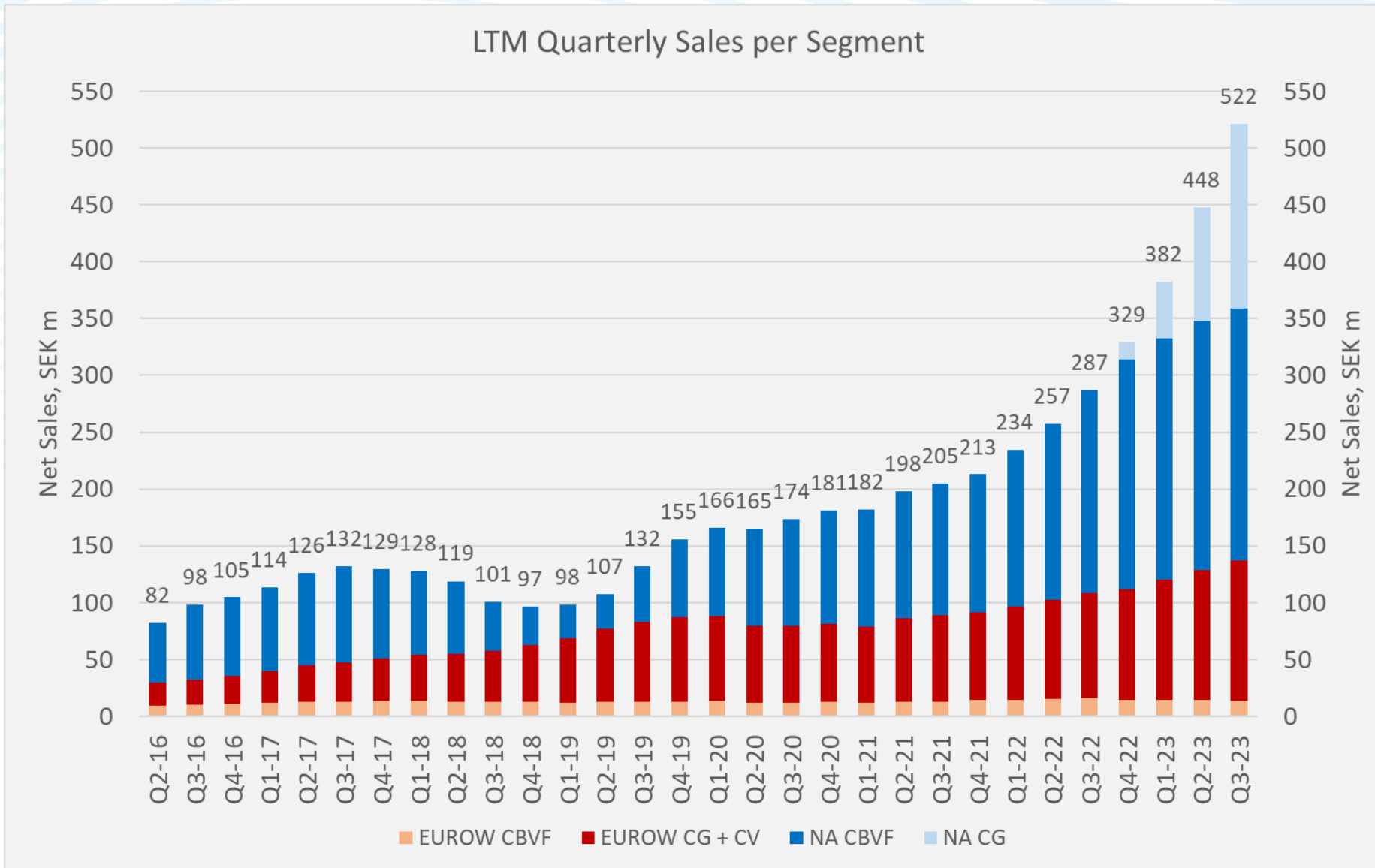
A background image showing several medical syringes and vials. One syringe is prominently displayed in the foreground, with the text 'CERAMENT G' and 'LOT ML070107' visible on its barrel. Other syringes and vials are scattered in the background, some partially obscured.

Q3 2023:

- Net sales SEK 158 m, growth: +87% versus Q3 2022, (+76% in constant exchange rates, CER)
- Operating result (before incentive expenses): SEK 25 m (SEK -4 m)
- Reported EBIT: SEK 15 m (SEK -14 m)
- First cash flow positive quarter

- **Strong US approval traction and market penetration, resulting in SEK 63 m sales of CERAMENT G in Q3 2023**
- **Positive data on CERAMENT G confirming benefits in Antibiotic Stewardship**
- **SOLARIO: last patient in (Aug)**

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



Incremental,
Q-over-Q
LTM growth:

Q3-22 SEK 30 m
 Q4-22 SEK 42 m
 Q1-23 SEK 53 m
 Q2-23 SEK 66 m
Q3-23 SEK 74 m

- Strong progression in both geographic segments
- Antibiotic eluting CERAMENT growing with 210% (Q3 LTM sales)

CBVF= CERAMENT Bone Void Filler
 CG = CERAMENT G (Gentamicin)
 CV = CERAMENT V (Vancomycin)

North America

Strong approval rate and market penetration for CERAMENT G

Q3 2023

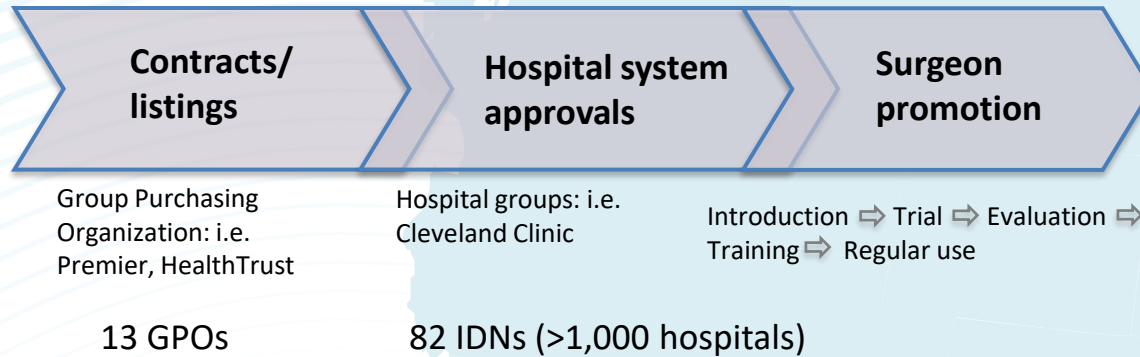
- Sales of **SEK 121 m**, growth of **115%** over Q3 2022, growth of **102%** in constant exchange rate (CER)
- Sales in **Q3 2023** represented a reported sequential growth of **17%** over **Q2 2023**
- **CERAMENT BVF** grew with **4%** in Q3 2023 over Q3 2022
- Sales of **CERAMENT G: SEK 63 m**

Highlight:

CERAMENT G launch in the US (next slide)

CERAMENT G launch in the US

Market penetration dynamics:



Q3 2023 sales CERAMENT G in US: SEK 63 m
Year to date (Q1 22 – Q3 23): SEK 149 m

Q3 2023 Highlights

- Approvals progressing at high pace; 82 hospital system approvals granting access to more than 1,000 hospitals
- Clinical evidence and strong health economic data play key role in market penetration
- Peer-to-peer influence is supporting penetration within the orthopedic clinic
- Sales registered in 39 states
- Label extension application (open trauma fracture) - submission Q4 2023

EUROW


Market share gains fuel sales performance

Q3 2023

- Sales of **SEK 37 m**, growth of **31%** vs Q3 2022, **26%** in constant exchange rates (CER)
- Slow quarter in terms of general orthopedic surgery volumes
- Strong sales development reflecting market share gains

Highlights

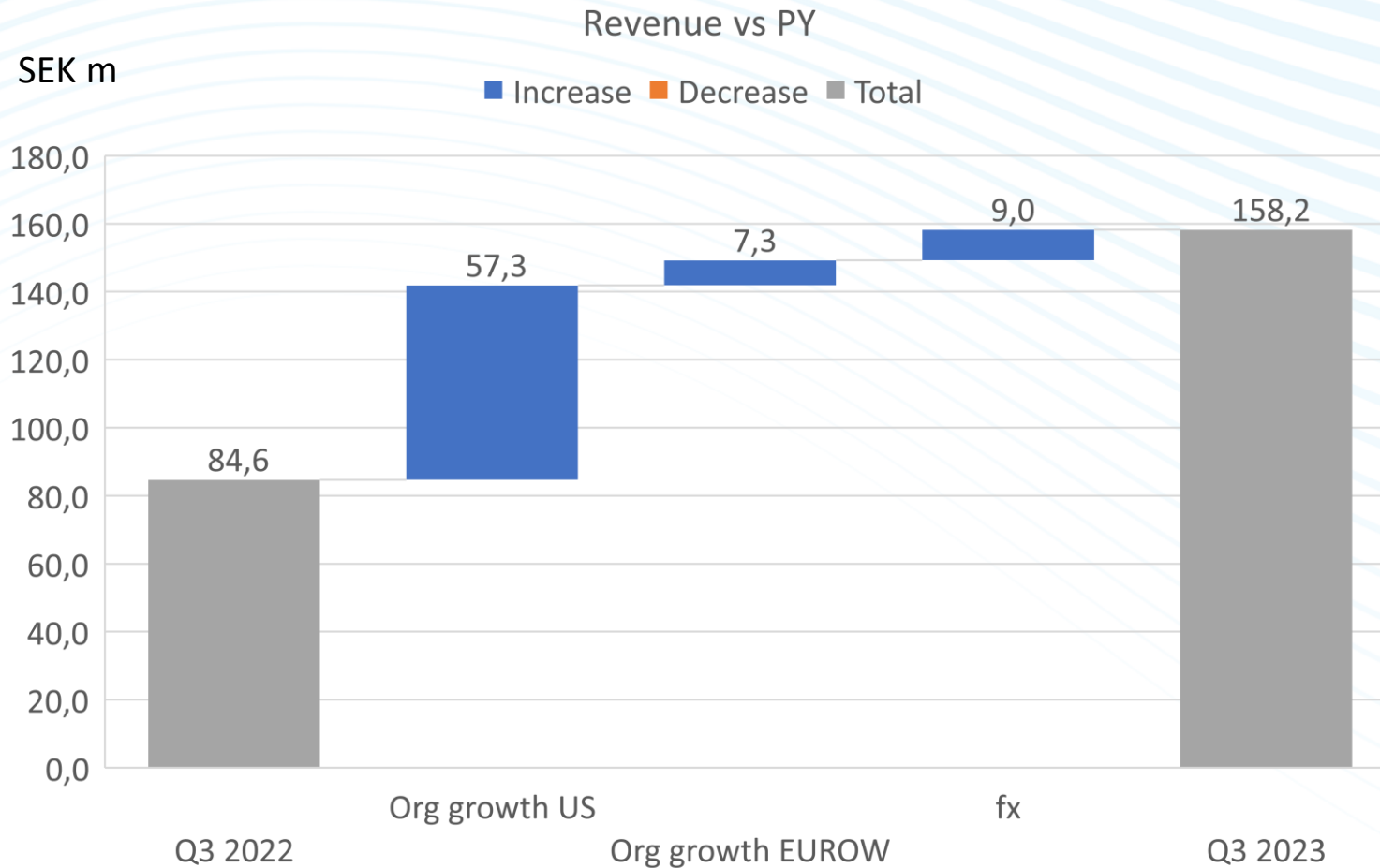
- Clinical study confirming CERAMENT G's Antibiotic stewardship benefits
- SOLARIO – Last patient in (Aug 2023)



BONESUPPORT Q3 (2023) Report

Financial Report

Q3 2023 net sales SEK 158.2 m



- NA: 115 percent reported growth. 102 percent growth in CER
- EUROW: 31 percent reported growth. 26 percent growth in CER
- High impact from currency movements

North America

+115%
(+102% CER)
Net sales
Q3-23

North America	2023			2022	
SEK m	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Net sales	121,0	103,9	85,9	73,4	56,3
Gross profit	114,4	98,2	81,6	69,4	53,1
Gross margin	94,6%	94,5%	94,9%	94,5%	94,3%
Contribution	46,5	31,7	24,9	17,3	11,2

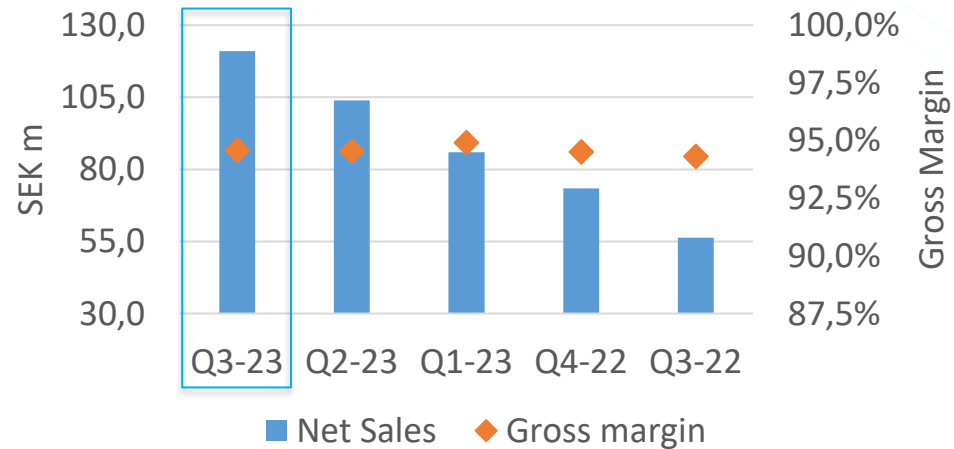
EUROW

+31%
(+26% CER)
Net sales
Q3-23

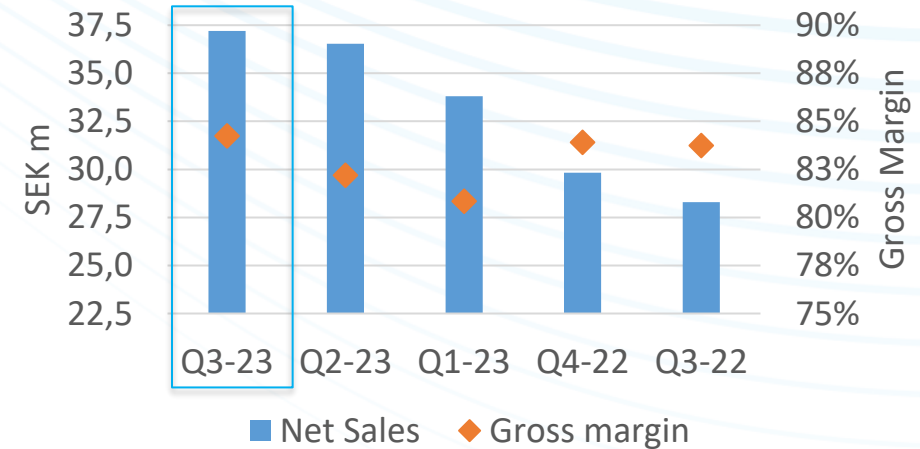
EUROW	2023			2022	
SEK m	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Net sales	37,2	36,5	33,8	29,8	28,3
Gross profit	31,3	30,0	27,3	25,0	23,7
Gross margin	84,2%	82,2%	80,8%	83,9%	83,7%
Contribution	9,3	7,6	7,3	3,0	7,3

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

Net Sales and gross margin



Net Sales and gross margin



Q3 expenses growth driven by marketing and sales promotion activities

Key Figures	2023				2022			2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
SEK m								
Selling expenses	53,5	55,0	49,0	46,8	38,8	37,4	35,2	35,4
Sales Commissions and fees	42,7	37,2	29,9	28,1	21,1	16,8	14,3	13,9
Research and Development expenses	12,5	14,6	12,5	14,8	12,6	13,6	12,1	14,4
Administrative expenses	21,6	19,8	15,5	21,3	20,8	16,7	14,5	14,8
<i>Whereof expenses related to Incentive programs</i>	<i>9,7</i>	<i>7,7</i>	<i>3,8</i>	<i>9,2</i>	<i>9,5</i>	<i>5,8</i>	<i>3,9</i>	<i>4,8</i>
Total expenses	130,2	126,7	106,9	111,0	93,2	84,5	76,2	78,5

Q3 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 a one-off cost of SEK 2.5 m regarding a self-correction of EU VAT for earlier years.
- Research and Development expenses in line with previous year.
- Administration remaining at a stable level excluding effects from the long-term incentive programs.
- The higher expenses for incentive programs relate to certain parameters adjusted at the end of the program.

A SEK 29 m underlying profit improvement

Key Figures	2023				2022			2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
SEK m								
Net sales	158,2	140,4	119,7	103,2	84,6	74,6	66,3	61,4
Gross margin (%)	92,1	91,3	90,5	91,5	90,8	89,0	90,5	89,3
Operating profit	14,9	6,0	0,8	-19,3	-13,9	-14,9	-16,5	-21,8
Adj. Operating profit (i)	24,6	13,6	4,6	-10,1	-4,4	-9,1	-12,5	-17,0
Cash at period end	164,1	149,8	190,4	201,3	212,6	171,8	195,6	206,5

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

Q3 Insights

- Accelerated sales growth, at reported 87 percent (76 percent in CER) compared to the third quarter previous year.
- Gross margin above 92 percent, with US performing strongly and following a favorable product and market mix in EUROW.
- Operating profit included expenses regarding long-term incentive programs amounting to SEK 9.7 m, compared with SEK 9.5 m in Q3 the previous year. Of the total cost of SEK 9.7 m in the period, only SEK 0.2 million is cash flow impacting in the future.
- For the first time a positive Cash flow from operations was reported, reaching SEK 16.3 m.

Non-recurring items impacting Q3


Deferred tax receivable

- Following the strong improvement in EBIT and the underlying momentum in sales growth, the tax value of tax losses carried forward and other temporary differences are reported on balance starting from Q3 2023. The total asset value is SEK 229.6 m, of which SEK 217.1 m is reported as tax income and SEK 12.5 m as equity. The impact on profit per share in the period equals SEK 3.34 before dilution and SEK 3.29 after dilution.

SEK million	
Tax losses carried forward and other temporary differences	217.1
Tax losses carried forward, equity	12.5
Total deferred tax receivable	229.6
Deferred tax income	217.1
Current tax	-1.1
Total income tax	216.0

Self-correction of VAT

- Selling expenses include a one-off expense of SEK 2.5 m regarding a self-correction of EU VAT.
- The background to the self-correction is complicated and unclear prerequisites relating to the manufacturing process and related multiple cross-border transactions. The self-correction has been initiated by the Company, following an internal review process. The self-correction has also led to interest expenses of SEK 1.9 m and exchange rate losses of SEK 0.6 m in the period.



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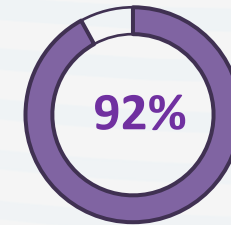
**Clear Corporate Strategy
Driving Value Creation**

BONESUPPORT – exciting journey ahead

- **Continued strong launch of CERAMENT G (Gentamicin) in the US**

- Clinical superiority to standard of care
- Strong market access through the Hospital System approval
- Addresses an immediate and unmet clinical need
- The 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**

- **Market share gains in Europe as outdated standard of care is being replaced**

- 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 Q3 (2023) Report

Q&A