



BONESUPPORT

Q3 (2022) Report

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BONESUPPORT – Third quarter report 2022

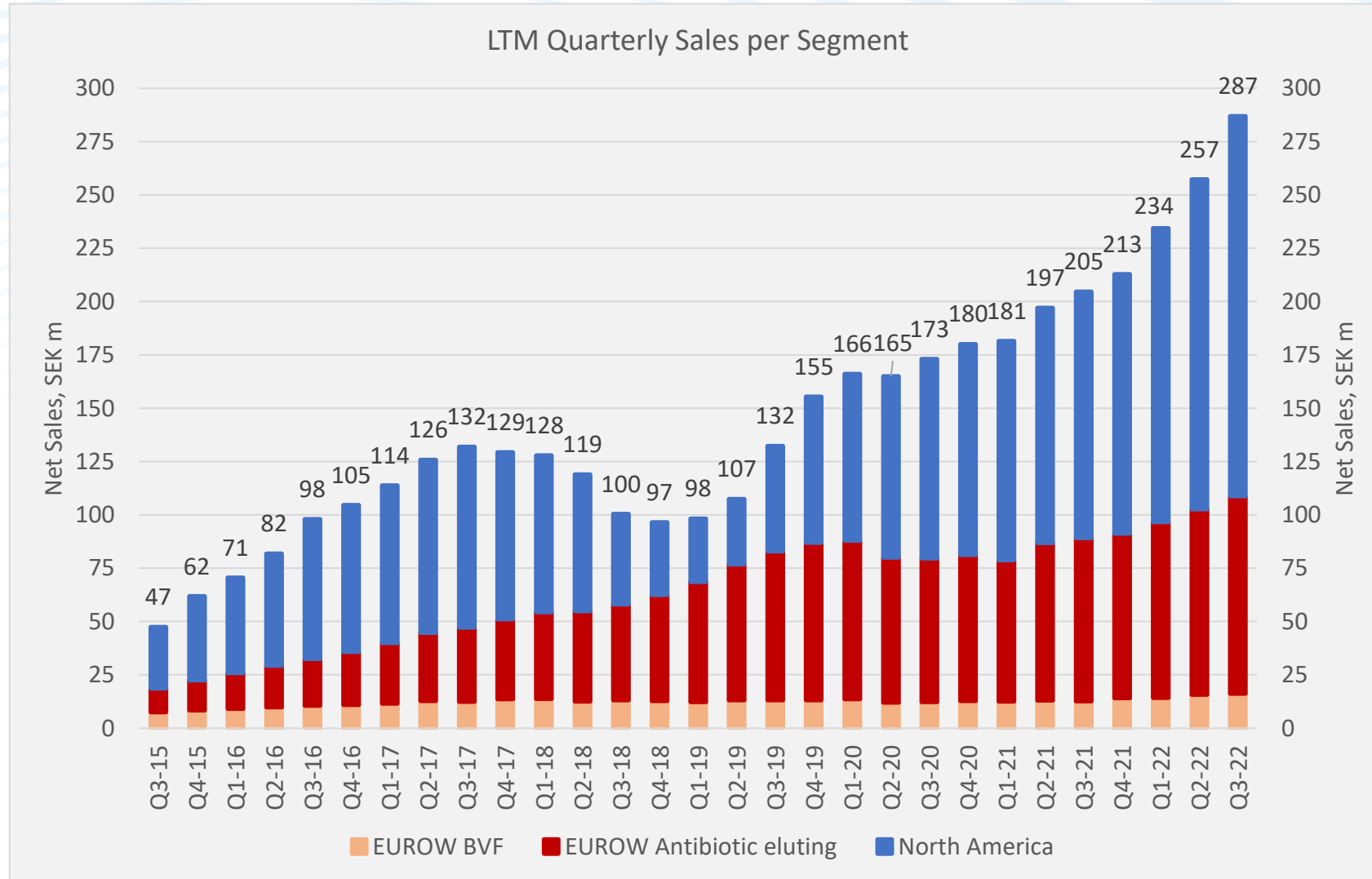
The background of the slide features a collection of medical syringes and vials, some with labels like 'CERAMENT G' and 'STERILE'. The items are arranged in a scattered manner, with some syringes lying horizontally and others vertically. The overall color palette is light blue and white, creating a clean, clinical aesthetic.

Q3 2022:

- Net sales SEK 84,6 m, growth: +54% versus Q3 2021, (+39% in constant exchange rates, CER)
- Operating result (before incentive provisions): -4,4 mSEK (-15,7 mSEK): a SEK 11.3 m operating result improvement
- Reported EBIT: SEK -13,9 m

- Launch preparations for **CERAMENT G** in the US
- Unique long term clinical data on **CERAMENT G** published

Q3 2022: Nine consecutive all-time-highs and acceleration in growth rates



Rapidly expanding customer base and broadened use of CERAMENT

Pandemic influence and staff shortage influenced European recovery of elective surgeries

Strong market share gains with CERAMENT outpacing orthobiologics market growth

North America:

Strong market share gains and expansion of customer base

Q3 2022

- Sales of **SEK 56,3m**, growth of **72%** over Q3 2021, **growth of 49%** in constant exchange rate, CER
- Sales in **Q3 2022** represented a reported sequential growth of **24%** over **Q2 2022**

Expanding customer base

- Solid customer recruitment in Q2 and Q3

Highlight:

CERAMENT G launch in the U.S.

North America: Market dynamics

CERAMENT G launch in the U.S.

- Listing with app. 4/10 of customer base on contracts
- Approvals from GPOs (Premier, Healthtrust) and several major hospital systems
- Launch has started. Account by account...Surgeon by surgeon
- Strong interest, from existing and new customers
- Recruitment for “US Booster Program” in final stage

**First US patients treated with
CERAMENT G on October 20th**

Continued growth momentum. Impact from healthcare staff shortages still present

Q3 2022

- Sales of SEK 28,3 m, growth of 28% vs Q3 2021, +23% in constant exchange rates, CER
- Some recovery in procedure, despite impact from pandemic at onset of quarter and operating room staff challenges
- Many hospital still with visit restrictions in Germany
- Capacity remains at 5% -15% below pre-pandemic levels

Highlights

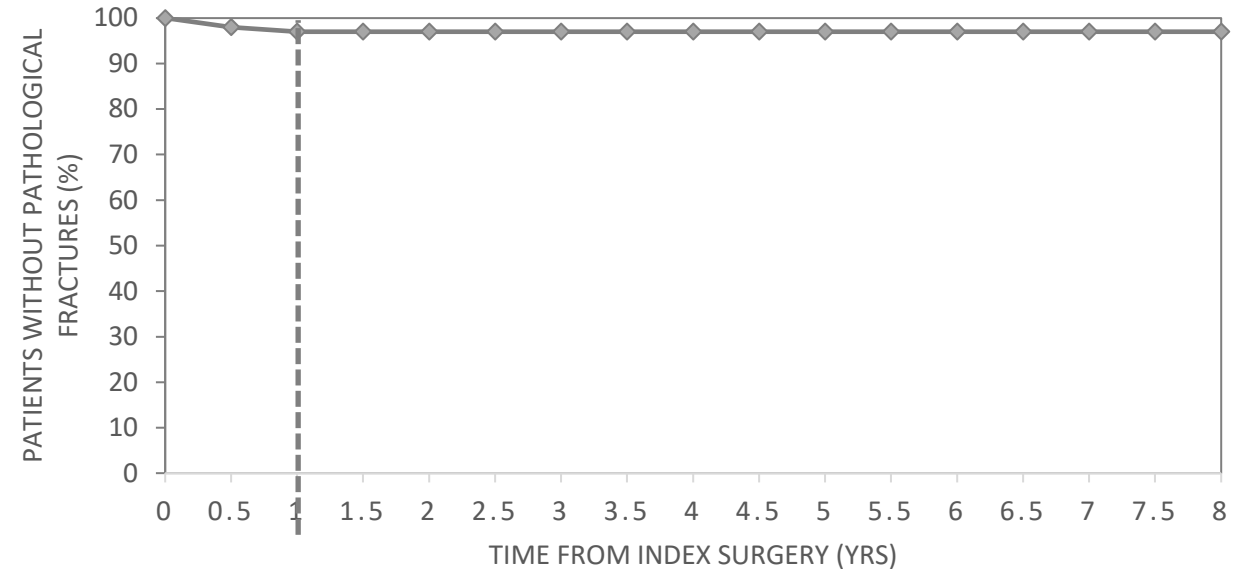
- Long term clinical data on patients with Fracture/ Trauma Related Infections
 - 94% of patients remained infection free at mean 6 years follow up
- Solid addition to evidence base in use of CERAMENT G for diabetic foot complications
 - Avoidance of amputation in 94% of cases

Long term data on CERAMENT G in bone infection

McNally et al. 'Mid- to long-term results of single-stage surgery for patients with chronic osteomyelitis using a bioabsorbable gentamicin-loaded ceramic carrier.' *Bone Joint J.* 2022;104-B(9):1095-1100.

Prospective case series study on patients with bone infection. Extended follow up.

- 100 patients, mean age 51,6 years [23-88 years]
- Aetiology of infection was trauma induced fractures in 71% of patients
- Treated with CERAMENT G in single-stage protocol
- Follow up: mean 6.05 years [4.4 – 8.4 years]



Results:


94% infection eradication

6 patients had infection recurrence, received revision and remained infection-free for rest of study period.

Infection recurrence was independent of presence (16%) of resistant bacteria

3% fracture rate

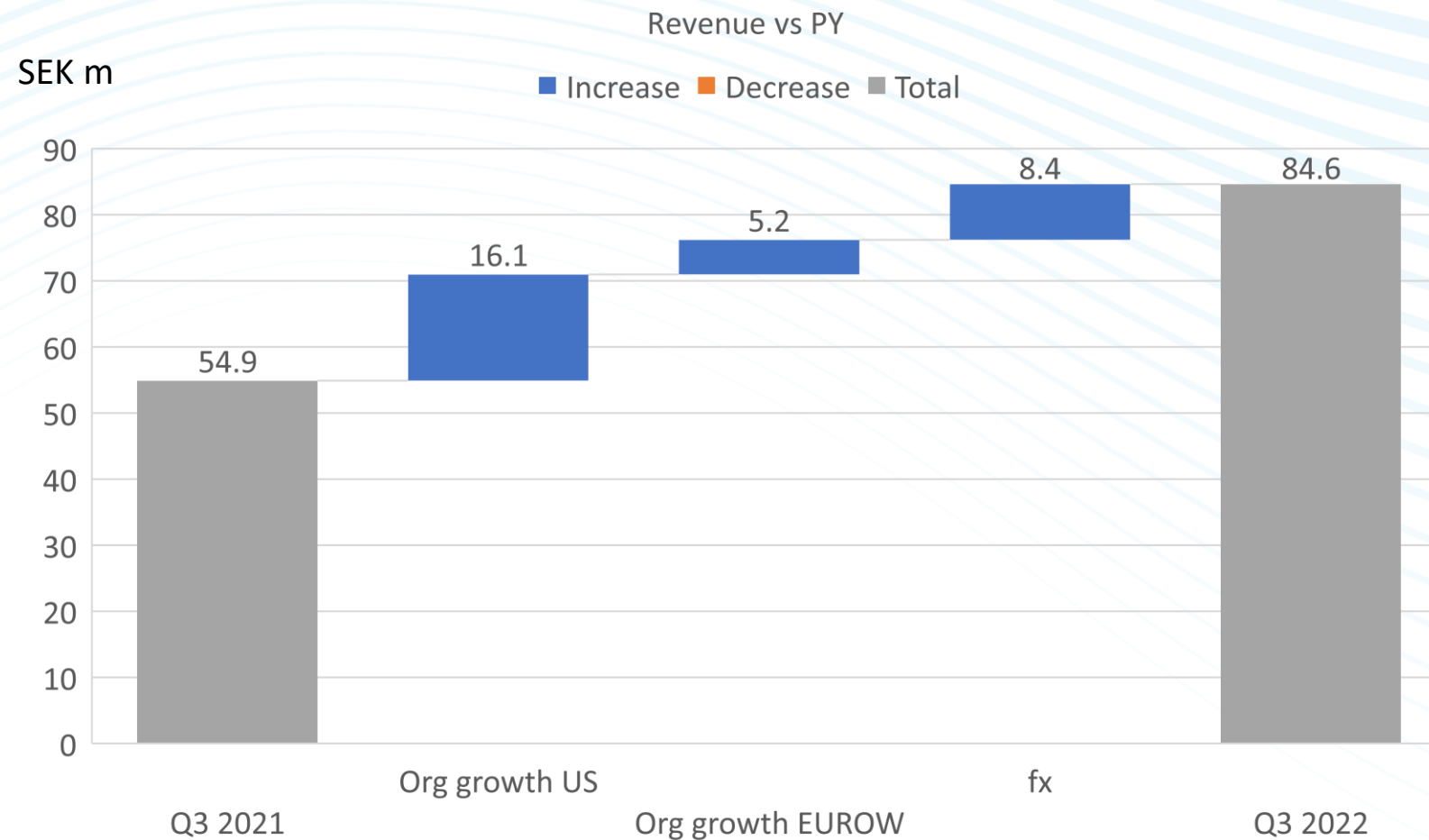
3 patients experienced fractures during the first 11 months after surgery.



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Financial Report

Q3 2022 net sales SEK 84.6 m



- 72 percent reported growth in NA. 49 percent growth in CER
- 28 percent reported growth in EUROW. 23 percent growth CER
- High impact from currency movements

North America

+72%
(+49% CER)
Net sales
Q3-22

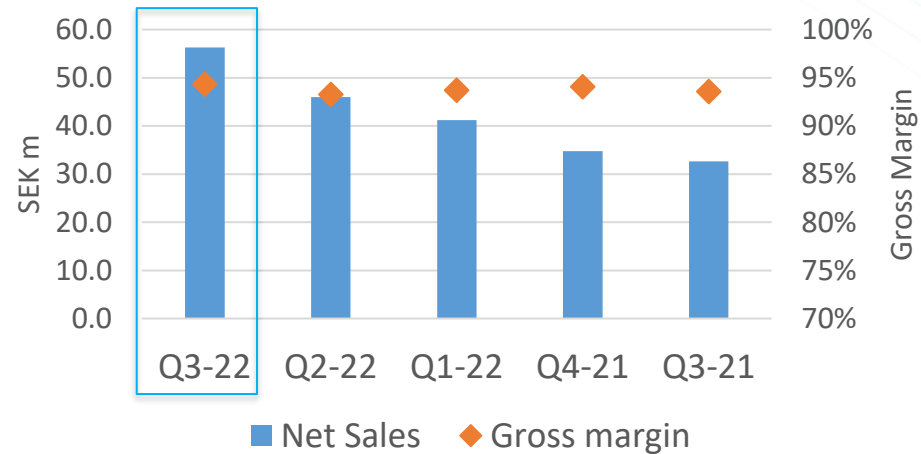
North America	2022			2021	
SEK m	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21
Net Sales	56.3	46.0	41.2	34.8	32.7
Gross profit	53.1	42.9	38.6	32.7	30.6
Gross margin	94%	93%	94%	94%	94%
Contribution	11.2	7.1	6.6	3.7	1.3

EUROW

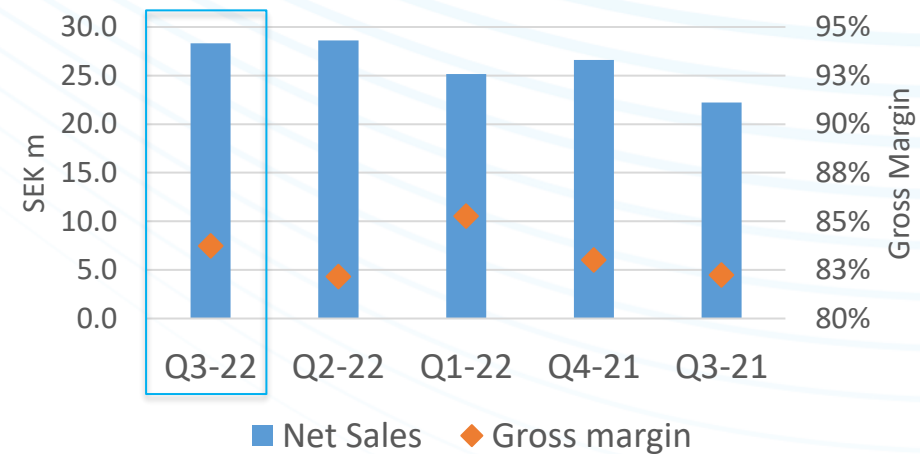
+28%
(+23% CER)
Net sales
Q3-22

EUROW	2022			2021	
SEK m	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21
Net Sales	28.3	28.6	25.2	26.6	22.2
Gross profit	23.7	23.5	21.5	22.1	18.3
Gross margin	84%	82%	85%	83%	82%
Contribution	7.3	7.1	5.6	5.0	2.4

Net Sales and gross margin



Net Sales and gross margin



A 11.3 MSEK profit improvement before long-term incentive provisions

Key Figures	2022			2021			2020	
SEK m	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Sales	84.6	74.6	66.3	61.4	54.9	51.8	44.8	53.2
Gross Margin (%)	90.8	89.0	90.5	89.3	89.0	89.5	88.6	89.8
Reported Operating Loss	-13.9	-14.9	-16.5	-21.8	-13.3	-25.9	-19.7	-26.7
Adj. Operating profit	-4.4	-9.1	-12.5	-17.0	-15.7	-22.6	-19.9	-24.9
Cash at period end	212.6	171.8	195.6	206.5	225.5	309.6	339.0	353.7

Q3 Insights


- Continued strong momentum in sales, reporting a growth of 54 percent (39 percent in CER) compared to the third quarter previous year.
- Gross margin improving following a favorable market mix with a strong growth in North America
- Operating loss included expenses regarding long-term incentive programs amounting to SEK 9.5 m, compared with a positive effect of SEK 2.4 m in Q3 the previous year. The increased cost relates to the appreciation in share price of 90% compared to Q3 previous year but also as expenses for the incentive program LTI 2021 was included for the first time from Q4 previous year. Of the total cost of SEK 9.5 million in the period only SEK 3.8 million is cash flow impacting.
- In line with the AGM mandate from May this year, the share swap entered in Q3 previous year, has been settled resulting in a 50.7 million cash contribution and SEK 212.6 million in cash at period end.

Q3 expenses grew with market investments and currency impact

Key Figures	2022			2021			2020	
SEK m	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Selling expenses (less commissions)	43.0	40.8	37.5	38.5	35.5	34.1	31.2	33.9
Sales Commissions	17.8	14.2	12.9	11.4	10.0	9.3	7.9	8.4
Research and Development expenses	12.6	13.6	12.1	14.4	11.3	15.0	12.3	16.5
Administrative expenses	20.8	16.7	14.5	14.8	5.4	14.0	9.9	12.6
Whereof Provisions related to Incentive programs	9.5	5.8	3.9	4.8	-2.4	3.4	-0.2	1.8
Total expenses	94.2	85.3	77.1	79.2	62.3	72.4	61.3	71.4

Q3 Insights

- Strong impact from currency movements
- Selling expenses excluding sales commissions increased with SEK 7.5 m compared with the same period last year, SEK 5.1 m in CER. The higher cost mainly relates to a gradual normalization of market activities.
- Administration remaining at a stable level excluding effects from the long-term incentive programs.



BONESUPPORT Q3 (2022) Report

**Clear Corporate Strategy
Driving Value Creation**

BONESUPPORT entering the next chapter of development

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

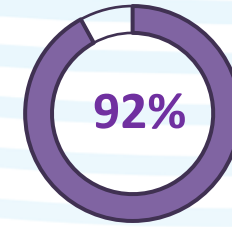
- Only FDA authorized product in category, addressing a market opportunity of USD 780 m
- Strong and well-developed US commercial infrastructure (375 sales reps) with proven track record
- Addresses an immediate and unmet clinical need

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

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

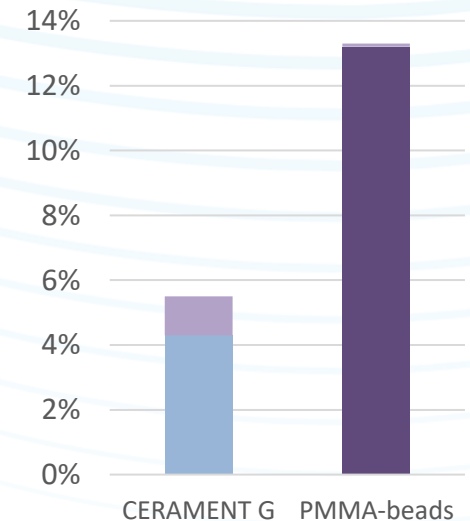
- **Strong market share gains in both regions**

TREATMENT PREFERENCE



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

INFECTION RECURRENCE



Annual sales growth target: 40% p.a. (2023-2025)



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Q&A