ANNUAL REPORT 2022

BONESUPPORT™

BONESUPPORT™ is a fast growing orthobiologics company that focuses on innovative products for the treatment of bone disorders. The Company develops and sells injectable bio-ceramic bone graft substitutes based on its CERAMENT® platform, which remodels to bone and has the ability to release pharmaceuticals to promote healing.

BONESUPPORT markets and sells CERAMENT®|BONE VOID FILLER (BVF), CERAMENT®|G and CERAMENT®V, and is developing pre-clinical product candidates that are designed to promote bone regrowth. BONESUPPORT's products focus on trauma, revision arthroplasty (replacement of joint prostheses), chronic osteomyelitis (bone infection) and foot and ankle surgery.

BONESUPPORT has its registered office in Sweden and is listed on Nasdaq Stockholm. Net sales in 2022 amounted to SEK 329 million (213) and the Company had 106 (98) employees at year-end.

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The Company's formal annual accounts and consolidated accounts are included on pages 7-46 in this document.

CERAMENT® is a registered trademark of BONESUPPORT AB

2022
IN BRIEF

FINANCIAL RESULTS

Sales
329
SEKm

Net sales increased by 54% (38% in constant exchange rates[1]) and amounted to SEK 329 million (213). The North America segment increased by 78% (52% in constant exchange rates) and the EUROW segment reported a sales increase of 23% (19% in constant exchange rates).

Margin
91
%

The gross margin was 91% (89).

Profit/Loss
-65
SEKm

Operating profit amounted to SEK -65 million (-81).

Earnings/share
-1.06
SEK

Earnings per share before and after dilution were –1.06 SEK (-1.34).

1. Alternative performance measures, see definitions on Page 54.

CEO EMIL BILLBÄCK COMMENTS ON THE PROGRESS IN 2022

STEPPING INTO THE NEXT CHAPTER

The most significant event of the year was the market authorization and launch of CERAMENT G, for the treatment of bone infection, in the United States. At the end of October, we were proud to be able to announce that the first patient had been treated with CERAMENT G at Sinai Hospital in Baltimore. A particularly important milestone for BONESUPPORT, but also for all those patients who can now receive improved healthcare.

The arrangement with Group Purchasing Organizations (GPOs) began during the summer and since the launch, the feedback from orthopedists and healthcare professionals has been positive. CERAMENT G has been included in several major contracts and is included in the product range for Healthtrust's approximately 1,500 hospitals and Premier's approximately 2,500 hospitals. In addition, CERAMENT G is approved at several key hospital chains such as the Cleveland Clinic and Baylor Scott & White.

As the first and only antibiotic-eluting bone graft, CERAMENT G has a unique opportunity in the US market, and the benefits offered by CERAMENT G meet a great need. The indication for treatment of bone infection encompasses about 50,000 procedures per year, but local antibiotics are also used preventively in about 90,000 procedures per year where there is a substantial risk of infection. The combined market potential in the US market for CERAMENT G is approximately USD 780 million per year. During the year, work has been undertaken to submit an application during the third quarter of 2023, for a broadened indication that also includes open fractures/trauma.

The extensive clinical documentation on which the market approval is based shows that CERAMENT G reduces the risk of recurrent bone infection by approximately 66 percent compared to the prevailing standard-of-care. This constitutes a strong argument for treating surgeons to start using CERAMENT G. Additionally, the base of clinical data for CERAMENT G was strengthened further during the year. Among other things, through positive long-term data, published in The Bone and Joint Journal, which showed that 94 percent of the study population remained infection-free after an average of six years from the treatment. There are no similar long-term results for any other orthobiologic product. A rapidly growing patient group for CERAMENT G is diabetic patients with foot infection. An important study was published during the year in The Diabetic Foot Journal showing that CERAMENT G significantly reduces the risk of bone infection and foot amputations. Amputation could be avoided in 94 percent of the cases, making the study a strong validation of CERAMENT G within an indication that is difficult to treat.

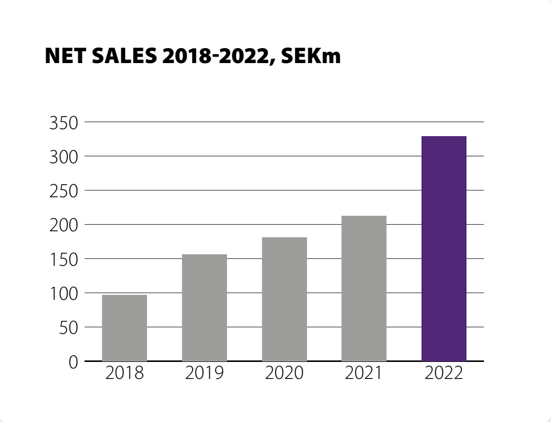
During the year, the strained resources in the healthcare system continued to limit the capacity for the number of surgeries that could be performed, in virtually all markets. In the US, the number of surgeries approached pre-pandemic levels just after the summer, but in Europe, the number of orthopedic procedures was 5-10 percent below pre-pandemic levels throughout 2022. The European healthcare back log in orthopedic procedures was at the highest level ever at the end of 2022. National measures to increase surgical capacity were initiated in several key markets, and over time we see that the capacity for procedures will increase, with a strengthened market dynamics as a result.

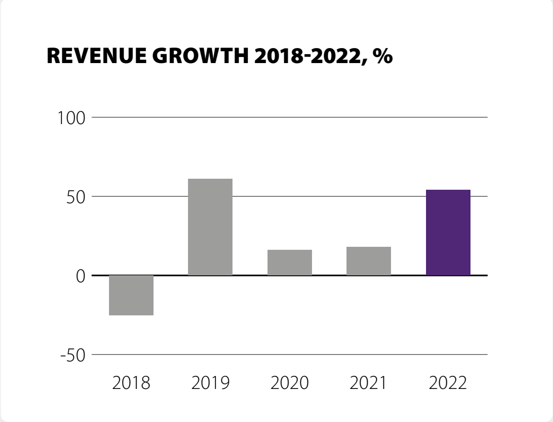
Net sales for the full year 2022 increased at constant exchange rates by 39 percent to SEK 329 million. The strong sales come from expanded use of CERAMENT among existing customers as well as recruitment of new hospitals and clinics. The gross margin increased to 90.5 percent (89.1) due to an increased sales share for antibiotic eluting CERAMENT. Operating result before effects from incentive programs improved to SEK -36 million (-75), which shows the good operational leverage and scalability of the business.

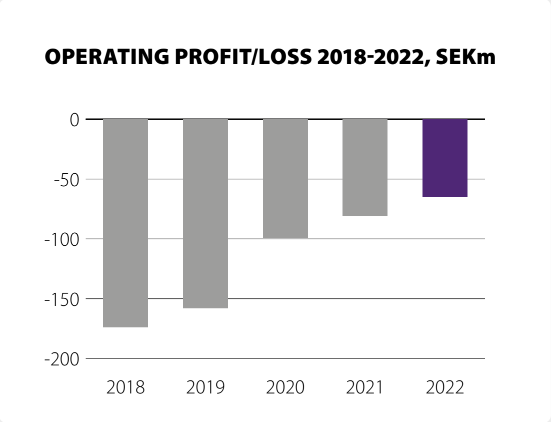
We summarize a strong year with a continuously growing base of hospitals and clinics that choose to use CERAMENT based on its positive clinical track record. The strong accelerating sales growth, supported by the introduction of CERAMENT G in the US, is a clear confirmation of the strength of our business model. We have established a stable and growing platform for continued solid growth. With the market introduction of CERAMENT G in the US, BONESUPPORT is stepping into the next chapter of our development. During 2023–2025, our goal is to grow sales by 40 percent per year.

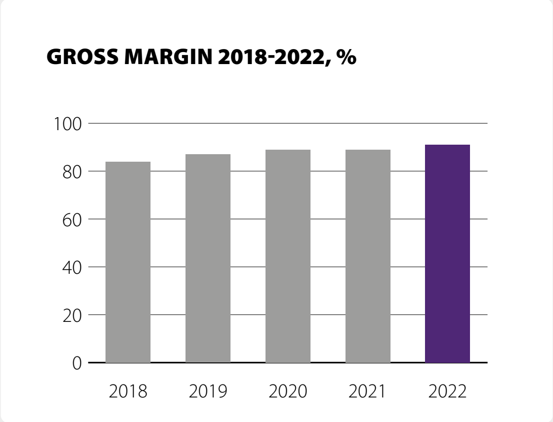
Emil Billbäck
CEO

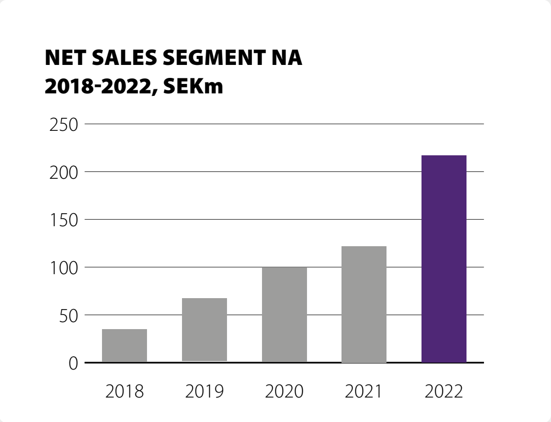
OPERATIONS IN OVERVIEW

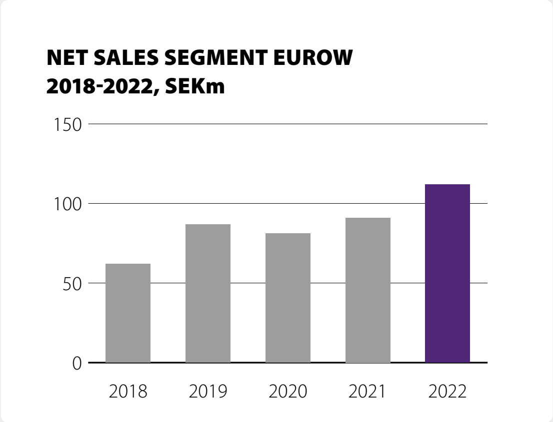












BONESUPPORT'S SHARE

BONESUPPORT has been listed on Nasdaq Stockholm since June 21, 2017 and since the beginning of 2021 on the Mid Cap segment. The Company has ordinary shares (class A shares) and class C-shares. During 2022, the number of shareholders increased by 492 to 7,946 (7,454). The highest share price in 2022 was SEK 92.10 and the lowest was SEK 34.20. The closing price on December 31, 2022 was SEK 80.45.

SHARE CAPITAL AND NUMBER OF SHARES

On December 31, 2022, the share capital amounted to SEK 41,359 thousand (40,909) divided into 66,174,635 shares with an implied book value per share of SEK 0.625.

SHARE TURNOVER

In 2022, 41,263,815 shares were traded, representing an average turnover of SEK 10.2 million per trading day.

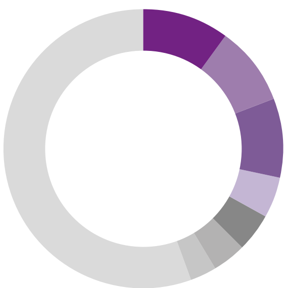
OWNERSHIP

At the end of 2022, BONESUPPORT had 7,946 (7,454) shareholders, with Swedish shareholders representing 79.37 percent of capital and 78.88 percent of votes.

DIVIDEND AND DIVIDEND POLICY

BONESUPPORT has so far not paid any dividends. Any future dividends and the size thereof will be determined on the basis of the Company's long term growth, earnings development and capital requirements, taking into account current targets and strategies.

SHAREHOLDERS 31 DECEMBER 2022 (% OF CAPITAL)

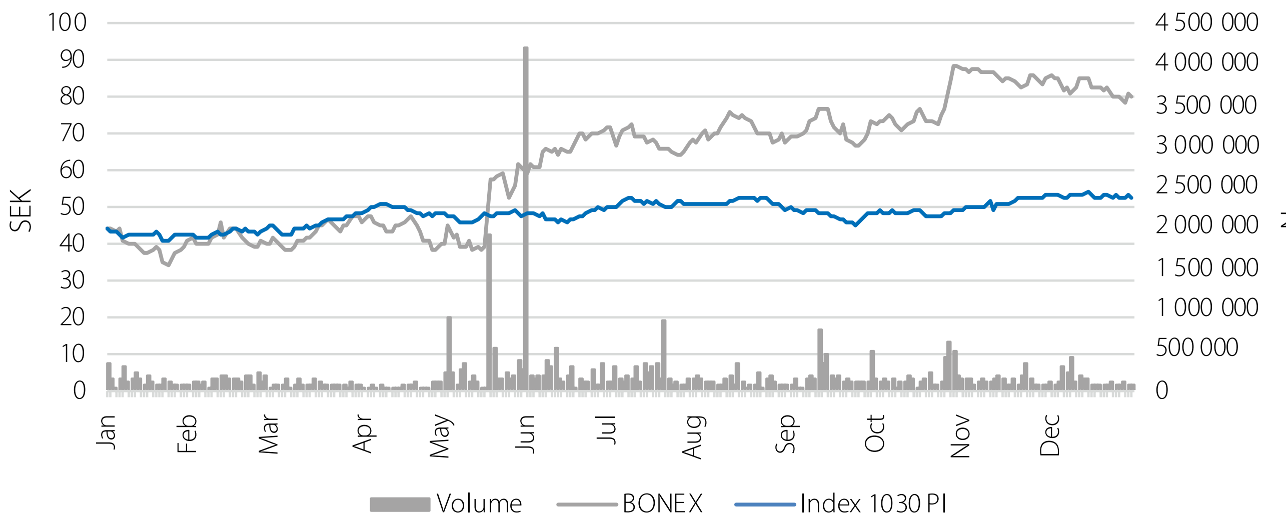


HealthCap V LP	10.0%
Swedbank Robur Fonder	9.2%
Avanza Pension	9.5%
Fjärde AP-Fonden	4.9%
Tredje AP-Fonden	4.3%
Capital Group	4.0%
Lancelot Asset Management AB	3.1%
Other shareholders	55.0%

DEVELOPMENT NUMBER OF SHARES 2022

Date	Event	No. of shares
December 31, 2021	Opening balance	65 454 672
January-December 2022	Conversion of options to shares	80 391
March 2022	Conversion of 287,134 C-shares to ordinary shares	0
December 2022	Issue of C-shares	639 572
December 31, 2022	Closing balance	66 174 635

BONESUPPORT CLOSING PRICE VS INDEX



DIRECTORS’ REPORT AND FINANCIAL STATEMENTS

DIRECTORS' REPORT

GROUP

GENERAL INFORMATION

BONESUPPORT HOLDING AB (publ), org.no. 556802-2171, registered in Lund, Sweden, is the Parent Company of BONESUPPORT AB. BONESUPPORT is a rapidly growing orthobiologics company in the commercial phase that primarily targets the major orthopedic markets in the US and Europe. BONESUPPORT was founded in 1999 and has its registered office in Lund with wholly owned subsidiaries in the US, United Kingdom, Germany, Sweden, Denmark, Switzerland, Spain, Italy and the Netherlands.

BONESUPPORT develops and commercializes innovative injectable bio-ceramic bone graft substitutes that remodel to the patient's host bone and have the ability to release drugs. BONESUPPORT's bone graft substitutes are based on the proprietary technology platform CERAMENT. To date, three primary commercial products have been developed:

- **CERAMENT®|BVF** (BONE VOID FILLER) injectable ceramic bone graft substitute that remodels to host bone.
- **CERAMENT®|G** injectable ceramic bone graft substitute that remodels to host bone and elutes Gentamicin during the critical first 30 days of bone healing. CERAMENT G constitutes a unique addition to the treatment and prevention of bone infection.
- **CERAMENT®V** injectable ceramic bone graft substitute that remodels to host bone and elutes Vancomycin during the critical first 30 days of bone healing. CERAMENT V constitutes a unique addition to the treatment and prevention of bone infection.

All three products are marketed in several markets in Europe and the rest of the world. In the US, CERAMENT BVF and CERAMENT G have been given US Food and Drug Administration (FDA) approval for use. CERAMENT G in the US attained market authorization from the FDA during May 2022 and was launched to the market in October.

BONESUPPORT's strategy focuses primarily on continuing to increase sales of current products in existing and new markets, as well as generating additional clinical data through studies and health economic data (HEOR data) to highlight the benefits of CERAMENT.

BONESUPPORT has all the necessary skills to take a medical device from the research and development stage through sales to the end customers. Most of the production is outsourced to third parties. BONESUPPORT controls the product flow from supplier to customer.

The products are based on an innovative technology backed by a patent portfolio of approximately 100 registered and/or pending patents. BONESUPPORT has fifteen years of documented experience of safety and efficacy and estimates, based on sales data, that more than 90,000 treatments have been performed with its products worldwide. There is great market potential in trauma, chronic osteomyelitis, revision arthroplasty, bone tumors and foot infections due to diabetes. The Company's research focuses on continuing to further develop and refine the current technology and to extend it to additional indications through the release of other drugs that promote bone healing.

MULTI-YEAR OVERVIEW - GROUP

	2022	2021	2020	2019	2018
Net sales, SEKm	328.8	212.9	180.9	155.5	96.6
Net sales growth, %	54.5	17.7	16.3	60.9	-25.3
Gross profit, SEKm	297.7	189.7	161.6	135.9	81.5
Gross margin, %	90.5	89.1	89.4	87.4	84.3
Operating result, SEKm	-64.5	-80.7	-98.6	-158.1	-174.4
Net loss, SEKm	-68.2	-85.5	-101.4	-161.1	-176.4
Equity, SEKm	268.9	265.7	398.9	124.3	278.5
Net debt, SEKm	-183.8	-185.0	-343.3	-81.7	-261.5
Operating cash flow, SEKm	-47.0	-83.4	-100.3	-163.8	-171.6
Cash at year end, SEKm	201.3	206.5	353.7	92.1	261.5
Earnings per share before and after dilution, SEK	-1.06	-1.34	-1.72	-3.10	-3.46
Average number of employees*	90	92	86	78	72
Net sales per employee, SEKt	3 654	2 314	2 103	1 993	1 342

* Expressed as average full-time equivalent.

For definitions and calculations of Alternative Performance Measures, see page 55.

SIGNIFICANT EVENTS IN 2022

- In January 2022, the Company announced that a distribution agreement had been signed with OrthoPediatrics Corp, a leading company in the orthopedic pediatric market. The distribution partnership expands BONESUPPORT's market access further as it gives CERAMENT BVF access to OrthoPediatrics' network of 250 children's hospitals.

- CMS, Centers for Medicare & Medicaid Services, communicated in end of April a favorable NTAP, New Technology Add-On Payments, ruling for CERAMENT G at USD 4,920.

- In May, the Company received market authorization in the US from the US Food and Drug Administration (FDA), for the Company's antibiotic-eluting product CERAMENT G, for the indication bone infection (osteomyelitis).

- In June, the Company announced that South Africa's largest private health insurance company, Discovery Health, and the private hospital organizations Life Healthcare, Netcare, Melomed and Busamed will include BONESUPPORT's antibiotic-eluting bone graft substitutes CERAMENT G and CERAMENT V in the reimbursement system.

- In accordance with a resolution from the Annual General Meeting in May, the share swap that was entered into previous year was closed during the period. This led to an inflow in cash of SEK 50.7 million.

- At a capital markets day in September, the Company communicated an updated financial goal of 40 percent sales growth per year in the next three years (2023-2025).

- In September, the Company announced the publication of long-term data confirming the clinical advantages of CERAMENT G in a single-stage protocol to manage osteomyelitis.

- In October, the Company's antibiotic-eluting bone graft CERAMENT G was used surgically for the first time in patients in the US.

- Pursuant to the authorization granted by the Annual General Meeting on May 19, 2022, the Board of Directors of BONESUPPORT HOLDING AB issued 639,572 series C-shares in December. The shares were thereafter immediately repurchased to secure delivery of shares for the performance share program LTI 2021.

REVENUES

Revenue is generated through three channels:

- A combination of our own sales company and distributors in the US
- Direct sales in key markets in Europe with own sales organization
- Sales through distributors in all other markets

During 2022, the focus has been on continued commercial development, including the launch of CERAMENT G in the US, and continued establishment of hybrid structure in Spain and Italy that was introduced during 2021. During the year, there has been ongoing evaluation of contracted distributors in order to optimize the market presence of CERAMENT and to ensure both geographical coverage and coverage for various indications.

Net sales amounted to SEK 328.8 million (212.9), an increase of 54 percent (38 percent at constant exchange rates[1]). The NA segment increased by 78 percent (52 percent at constant exchange rates) to SEK 216.9 million (121.7) and the EUROW segment increased by 23 percent (19 percent in constant exchange rates) to SEK 111.9 million (91.2).

SALES AND MARKETING

In the US, BONESUPPORT's products are distributed through BONESUPPORT's distributor network, which at year-end amounted to more than 40 distributors supported by our commercial platform, our directly employed and specially trained US sales and marketing organization. At year end, the US commercial organization had 25 (21) employees.

In Europe, BONESUPPORT currently has direct sales with 26 (31) sales representatives in the UK, Ireland, Germany, Switzerland, Sweden, Denmark and the Netherlands. BONESUPPORT sells via distributors in Finland, France, Ireland, Italy, Croatia, Norway, Poland, Spain and Austria. BONESUPPORT also sells through distributors in a small number of selected countries outside North America and Europe. The Company has established a hybrid model in Italy and Spain, with qualified local staff from BONESUPPORT working side by side with the local distributors' sales representatives.

RESEARCH AND DEVELOPMENT

BONESUPPORT's clinical development program focuses on further developing CERAMENT's properties, broadening clinical application areas, and utilizing CERAMENT's unique drug-releasing properties via the development of combination products which promote bone healing.

A number of combinations with CERAMENT have been studied to add osteoinductive properties i.e., the capability to actively stimulate bone healing. Among other research activities, the Company has conducted research in the form of preclinical candidates which combined CERAMENT with bisphosphonates, bone morphogenic proteins (BMP), bone marrow aspirate (BMA) and demineralized bone matrix (DBM). Priority product candidates for own development are CERAMENT combined with bisphosphonate and CERAMENT combined with DBM, while CERAMENT combined with BMP is a candidate for potential partner development.

Bisphosphonate is a well-established substance in the treatment of osteoporosis and is used to inhibit the activity of osteoclasts, resulting in improved bone healing and bone density. Demineralized bone matrix is based on allograft which is reduced in minerals. The material has been shown to have wide usage in conditions and situations where natural bone regrowth is weak.

Preclinical research has shown that the addition of zoledronic acid to CERAMENT increases the bone volume at screw implants with osteoporotic bone. These findings have recently been supplemented by a published biomechanical study[2] showing that CERAMENT immediately improved anchor strength of hip screw with 400 percent.

Further preclinical research has shown that the combination of CERAMENT, zoledronic acid and bone morphogenic protein-2 (BMP-2) can also be used in the reconstruction of large segment defects instead of bone transplantation.

Clinical evidence, a strategic cornerstone

One of the three cornerstones of BONESUPPORT's strategy is to provide industry-leading scientific and clinical evidence that validates the many benefits of CERAMENT. Already today there is a comprehensive database of more than 240 research publications and abstracts of preclinical and clinical studies with CERAMENT.

The September issue 2022 of The Bone and Joint Journal presented outstanding results from a long-term study[3] of CERAMENT G. This type of solid data does not exist for any other orthobiological product. 100 patients, treated at Nuffield Orthopaedic Centre, Oxford University Hospitals, were followed for an average of six years. At an average follow-up of six years, it was reported:

- 94 percent of patients remained infection-free.
- 3 percent fracture frequency and no further pathological fractures were noted after the first year after surgery.

These results over a long follow-up period confirm that our protocol using CERAMENT G remains very effective over several years.

A clinical study published by Vasukutty et. al. means a powerful validation of our groundbreaking technology for the management of diabetic bone infection, a particularly challenging category of patients. The study, recently published in The Diabetic Foot Journal[4], shows that the use of CERAMENT G, along with a surgical debridement, resulted in avoidance of amputation in 94 percent of cases.

Results from CERTIFY drive changed standard of care

CERTiFy[5] was a randomized, controlled clinical trial conducted at 20 trauma centers in Germany with 135 patients. The study, which was

1. Alternative Performance Measures, see definitions on page 54.
2. Deepak Bushan Raina et. al. 'A New Augmentation Method for Improved Screw Fixation in Fragile Bone', Frontiers in Bioengineering and Biotechnology, March 2022 | Volume 10 | Article 816250
3. McNally, M, et. al., 'Mid- to Long-Term Results of Single-Stage Surgery for Patients with Chronic Osteomyelitis Using a Bioabsorbable Gentamicin-Loaded Ceramic Carrier', The Bone & Joint Journal, 104-B.9 (2022), 1095–1100
4. Vasukutty et al. 'Limb salvage surgery in diabetic foot infection: encouraging early results with a local antibiotic carrier.' The Diabetic Foot Journal. 2022;25(2):1–5.
5. Hofmann et. al. Autologous Iliac Bone Graft Compared with Biphasic Hydroxyapatite and Calcium Sulfate Cement for the Treatment of Bone Defects in Tibial Plateau Fractures, The Journal of Bone and Joint Surgery: February 5, 2020 - Volume 102 - Issue 3 - p 179-193

done on tibial plateau fractures, shows that CERAMENT BVF can replace autograft as the standard of care. The study confirmed that CERAMENT has the ability to be converted to bone. In addition, treatment with CERAMENT BVF resulted in significantly lower patient-experienced post-operative pain and a significantly lower blood loss. BONESUPPORT expects the results of the study published in The Journal of Bone and Joint Surgery in December 2019 to represent a milestone in driving change in the standard of care and that more clinics in consultation with the patient will choose CERAMENT over autograft.

The SOLARIO study

BONESUPPORT supports the SOLARIO study (Short or Long Antibiotic Regimes in Orthopaedics), with the aim of investigating if synthetic bone graft substitutes containing antibiotics can lead to shorter treatment time compared to systemic antibiotics and thereby reduce risk of antibiotic resistance, side effects and additional costs. The study is led by the Oxford University Hospitals' NHS Foundation Trust in collaboration with EBJIS (European Bone and Joint Infection Society). SOLARIO is a randomized unblinded European multicenter study that is expected to include 500 patients. The first patient was recruited in February 2019 and the study is expected to be closed during Q1 2024. A positive result of the study may contribute to a paradigm shift in the protocol for treating bone infections.

The CONVICTION study

The French CRIOAc[1] Network has initiated CONVICTION, a randomized controlled trial to evaluate the efficacy of CERAMENT G in the treatment of osteomyelitis. The French Ministry of Health funds the study. A research grant from BONESUPPORT to partially finance the products used in the study, has been awarded.

The study will evaluate the effectiveness of CERAMENT G in the treatment of osteomyelitis. The study is a national multicenter study and will be conducted by clinics that are part of the CRIOAc network.

A positive outcome of the study would mean that a large commercial opportunity will arise in the French market and that improved reimbursement status is obtained.

HEALTH ECONOMICS

One of the largest challenges when introducing new and innovative healthcare treatment is to ensure that healthcare systems around the world understand the value of the treatment and include it in the care offered to the patient. BONESUPPORT undertakes a variety of activities to ensure that the Company's products are included in the remuneration systems where our products are marketed.

One of the obvious health economic benefits that comes from the clinical benefits CERAMENT offers is a reduced utilization of healthcare resources. A reduced number of re-infections and reduced amputation frequency as a result of treatment with CERAMENT G and CERAMENT V in a one-step procedure naturally leads to fewer return visits and fewer surgeries and, as a consequence, fewer hospital stays. The significance of health benefits and the calculation models for evaluating the cost-effectiveness of health benefits differ between different healthcare systems. A common way to evaluate whether a product should be covered by a reimbursement system is by performing an HTA - Health Technology Assessment. An HTA is the scientific work that evaluates the relative effect and safety of a treatment, i.e. what is the benefit of the product in comparison with what is already used in healthcare. The model we have now established has increased our opportunities to more quickly include the CERAMENT platform in replacement systems in new markets.

Health economic model osteomyelite USA

One of the major projects that has recently been completed is a cost and benefit analysis of what a change of treatment regime to a one-step procedure with CERAMENT G could mean for the American healthcare system. The modeling, which is based on available clinical data and cost data from CMS, Centers for Medicare & Medicaid Services, takes place in collaboration with national expertise in health economics and clinical orthopedics. The analysis has been submitted for presentation at a conference and for publication. It will become an important tool in the marketing of CERAMENT G to, among others, private insurance companies.

CERAMENT G or CERAMENT V leads to reduced days of care in patients with bone infections[2]

The Nuffield Orthopaedic Centre (NOC) has shown that they have been able to reduce the degree of re-infection in osteomyelitis patients by 56 percent compared to their previous standard of treatment. In an analysis involving approximately 25,000 patients who underwent surgical treatment for osteomyelitis in 2013-2017, the patient group treated at NOC after the introduction of CERAMENT G or CERAMENT V in a one-step procedure was compared with patients cared for at other hospitals in England. The results presented in The Journal of Bone and Joint Infection[2] showed that CERAMENT G or CERAMENT V in a one-step procedure contributed to significantly improved patient outcomes. The hospital stay, in connection with osteomyelitis surgery and the following two years, were on average 16 days shorter for the group that received CERAMENT G and CERAMENT V at NOC. In addition, patients at NOC had a significantly lower risk of amputation (6.47 percent) compared to the Rest of England control group (12.71 percent). With the addition of CERAMENT G or CERAMENT V in the treatment of osteomyelitis, the total saving in the number of days of care associated with surgery and subsequent care, could amount to approximately GBP 44 million annually, calculated on 6,250 treated patients per year.

Reduced risk of deep infections with CERAMENT G and CERAMENT V

Another area where CERAMENT G and CERAMENT V could help reduce healthcare costs is in the treatment of open tibial fractures. Open tibial fractures represent about 15 percent[2] of all tibial fractures and have a high incidence of infection, with no bone healing as a result. Bone infections often lead to great suffering for the patient and very high healthcare costs. In a Belgian study[3] by Hoekstra et al of 358 patients, the cost of tibial fractures was studied. The study showed that healthcare costs for patients affected by a deep infection were on average five times higher than for those who did not get an infection, resulting in the cost of treatment increasing from EUR 9,500 to EUR 48,700. There are a number of studies that show that CERAMENT contributes to cost-effective care by reducing the number of deep infections. One of these is a study by Aljawadi et. al.[4] on 80 patients with severe open tibial fractures treated with CERAMENT G in a one-step procedure. In the study, one patient (1.3 percent) suffered from a deep infection compared with historical references of up to 52 percent incidence of infection. This shows that one-step

1. CRIOAc (Reference Center for Osteoarticular Infections) is a healthcare network in France that is implemented through a nationwide health ministry program to improve outcomes in the management of bone and joint infections.
2. Ferguson, J et. al. A retrospective cohort study comparing clinical outcomes and healthcare resource utilisation in patients undergoing surgery for osteomyelitis in England: a case for reorganising orthopaedic infection services, J. Bone Joint Infect., 6, 151–163.
3. Hoekstra et. al. Economics of open tibial fractures: the pivotal role of length-of-stay and infection. Health Econ Rev 2017;7:32
4. Aljawadi, A et. al. Adjuvant Local Antibiotic Hydroxyapatite Bio-Composite in the management of open Gustilo Anderson IIIB fractures. Journal of Orthopaedics, 2020; 18: 261-266

treatment with antibiotic-eluting CERAMENT for open tibial fractures can effectively reduce the incidence of cost-driving infections.

STAFF AND ORGANIZATION

The average number of employees in 2022 was 90 (92) for the Group. Of these, 54 percent (55) worked within in Sales and marketing and 23 percent (24) within Research and development.

EXPENSES AND RESULTS

Gross profit

As a result mainly of the increased net sales in North America, an increased gross profit of SEK 297.7 million (189.7) was reported, corresponding to a gross margin of 90.5 percent (89.1).

Operating expenses

Sales and marketing costs excluding sales commissions and fees increased to SEK 158.1 million (131.3[1]). The increase is partly due to the large cost reductions that affected the previous year as an effect of the pandemic. Sales commissions and fees increased in line with sales growth by SEK 35.1 million to SEK 80.4 million (45.2[1]). Research and development costs remained almost unchanged at SEK 53.1 million (53.0). Administrative expenses increased to SEK 73.3 million (44.1) and include costs within the framework of active incentive programs with SEK 28.4 million (5.6). Of the total operating expenses, depreciation amounted to SEK 7.5 million (6.5).

Operating profit/loss

Operating profit/loss amounted to SEK -64.5 million (-80.7). The sales increase contributed to improved gross profit at the same time as operating costs increased compared with previous year, which had higher pandemic cost reduction influence. The operating result also includes costs for incentive programs[2] amounting to SEK 28.4 million, compared to SEK 5.5 million previous year. The underlying improvement in result before costs for incentive programs amounted to SEK 39.0 million

Net financial items

Net financial items amounted to SEK -0.2 million (-1.2), of which almost all regarded interest expenses.

Loss for the year

For the reasons described above, the loss for the year amounted to SEK -68.2 million (-85.5).

INVESTMENTS

Investments amounted to SEK 1.3 million (0.8) for capitalized development expenses during the year, and SEK 2.0 million (2.6) for equipment and tools.

FINANCIAL POSITION AND CASH FLOW

Financing

Cash and cash equivalents at the end of the year amounted to SEK 201.3 million (206.5), a decrease of SEK 5.2 million since the beginning of the year. The change is mainly explained by cash flow from operating activities amounting to SEK -47.0 million (-83.4) and the positive effect of SEK 50.7 million from the share swap that was terminated during the third quarter 2022. At the Annual General Meeting in May 2022, the Company received the mandate to issue C-shares to cover its commitment within the performance share program LTI 2021, including coverage for social security charges. The C-shares replaced the share swap agreement that was entered into during 2021.

At the end of the year, equity amounted to SEK 268.9 million (265.7), of which SEK 41.4 million (40.9) constituted share capital.

QUALITY SYSTEMS AND PRODUCT APPROVAL

BONESUPPORT's quality system complies with the EU Medical Device Regulation 2017/745, ISO 13485 "Medical device-Quality management system-Requirements for regulatory purposes", the FDA's Quality System Requirements and other relevant national regulations.

The Company's products are so called class III products in Europe, undergoing extensive design verification/validation before being assessed and approved for CE marking by the controlling body, the British Standard Institute (BSI).

ENVIRONMENT

The Company's operations are not subject to authorization under the Swedish Environmental Code.

During the year, the Company continued to work with the work environment.

More information about our sustainability work, can be found on our web page.

OPERATIONAL AND FINANCIAL RISKS

During 2018, we established a strategic platform for our operations. There are many potential application areas for the CERAMENT platform. In our strategy, we have chosen to focus on those areas where there is strong clinical evidence of CERAMENT's therapeutic benefits, i.e. trauma, revision arthroplasty, osteomyelitis, foot and ankle surgery and bone tumors. By concentrating our resources on these indications, we address a market of approximately 720,000 surgical procedures per year.

Our strategy is based on three pillars:
- Innovation
- Leading clinical and health economics evidence
- Effective commercial platform

BONESUPPORT's main operating, as well as financial risks are in market development and the time it takes to create acceptance for the products and thereby generate revenue.

There is currency exposure, primarily to USD, GBP and EUR. Since the revenues are mainly generated in these currencies, a weak SEK has a positive effect.

BONESUPPORT's results have been affected, and will continue to be affected in the future, by several factors wholly or partly outside the Company's control. In addition to the above, the following is a description of the main factors that BONESUPPORT believes have affected the results of the business and which can be expected to continue to affect the Company's results.

- Before market launch, medical device products must meet the strict requirements for quality, safety and effect that is expected by regulatory authorities. A failure can result in delayed or cancelled launch.
- Risks related to the regulatory environment for medical devices and combination products, such as the high costs of complying with applicable regulatory frameworks, in particular as regards the requirements arising from the EU Directive on medical devices, and corresponding national and regional medical devices legislation, and the

1. Adjusted comparison figure, see Note 1.
2. Alternative Performance Measures, see definitions on page 54.

effects of amended regulations as well as the consequences resulting from failure to comply with the applicable regulatory framework.
- Risks related to the conduct and outcome of clinical trials, such as time-consuming and costly clinical trials and may be delayed, become more expensive or be discontinued as a result of a number of factors including lack of authorization for the conduct of studies, lack of patient recruitment, undesirable side effects or lack of required clinical efficacy.
- Risks related to a lack of market acceptance from healthcare providers, patients and healthcare payers, for example based on perceived advantages over competing treatments, the presence and extent of side effects and costs of treatment compared to competing treatments, and risks related to a lack of availability of adequate reimbursement systems that may lead to a reluctance to use the Company's products.
- Risks that BONESUPPORT does not achieve sufficient revenue or cash flow to finance its operations in the future or is unable to obtain the necessary funding where necessary.
- Risks related to manufacturing, supply and warehousing, such as the Company's suppliers and manufacturers not fulfilling their commitments or having their operations curtailed as a result of government intervention, which would risk entailing time-consuming and costly processes for the Company to replace/find new suppliers.
- Risks related to competition and that the Company has a limited product portfolio based on a technology platform such that competing products may prove to be better or achieve greater market acceptance or that the Company's product candidates do not show sufficient potential for further development, which could lead to failure to obtain market approval.
- Risks related to key employees and qualified personnel, such as the Company's dependence on its senior executives and other key personnel and if the Company loses key employees, or fails to recruit the necessary personnel, may lead to delays or interruptions in the continued business and product development.
- Risks related to intellectual property rights such as the Company's patent protection not being sufficient to adequately protect its operations, that the Company infringes the intellectual property rights of third parties or that the Company becomes involved in intellectual property disputes.
- Risks related to potential product liability claims and insurance issues such that the Company faces significant liability risks if its products or product candidates should cause patients to suffer side effects involving illness, bodily injury or death, and that the Company's insurance coverage cannot be maintained or provide adequate protection.

A more detailed description of risks is given in Note 2. Regarding the Group's internal control and risk management system in connection with the preparation of consolidated accounts, please refer to the Corporate Governance Report.

LEGAL DISPUTES
BONESUPPORT has no ongoing or known potential legal disputes within the Group.

LONG TERM STRATEGIC ACTIVITIES
BONESUPPORT's strategy can be broken down into the following main activities:

- Produce compelling clinical and health economic data.
- Commercial focus on selected markets and indications.
- Extended regulatory market approval for CERAMENT G in the US.
- Develop new products that meet market needs in the short, medium and long term.

BONESUPPORT will develop further compelling clinical and health economic data to strengthen its position in the markets for trauma, revision arthroplasty, chronic osteomyelitis and foot infections due to diabetes.

A number of combinations with CERAMENT have been studied to supply osteoinductive properties, i.e. the capability to actively stimulate bone healing. Among other research activity, the Company has conducted research using preclinical candidates which combined CERAMENT with bisphosphonates, bone-joint proteins (BMP), bone marrow aspirates (BMA) and demineralized bone matrix (DBM). Priority product candidates for own development are CERAMENT with bisphosphonate and CERAMENT with DBM, while CERAMENT with BMP is a candidate for potential partner development.

PROSPECTS
BONESUPPORT's objective during the coming three years is to grow sales with 40 percent per year, measured as an average and normalized sales growth CAGR from 2023-2025.

THE BOARD OF DIRECTORS AND ITS WORK
Håkan Björklund, Lars Lidgren, Lennart Johansson and Björn Odlander were re-elected at the Annual General Meeting in May 2022. Mary I O'Connor and Christine Rankin were newly elected as Board members. Lennart Johansson was reelected Chair of the Board.

The work of the Board of Directors is governed by rules of procedure that are revised and adopted by the Board at least once a year. The Rules of Procedure mainly contain provisions for the work of the Board of Directors, as well as instructions for the division of duties between the Board of Directors and the CEO, as well as instructions for financial reporting. The Swedish Code of Corporate Governance applies. More details are given in the Corporate Governance Report.

CORPORATE GOVERNANCE
The Company has chosen to issue the Corporate Governance Report separately to the Annual Report. The Corporate Governance Report can be found on page 47-50.

PRINCIPLES OF REMUNERATION TO SENIOR EXECUTIVES
Pursuant to the Swedish Companies Act, the Annual General Meeting shall decide on guidelines for remuneration of the CEO and other senior executives.

Guidelines adopted at the Annual General Meeting on May 19, 2020:
At the Annual General Meeting on May 19, 2020, guidelines were adopted with primarily the content below.

These guidelines cover the persons who are members of BONESUPPORT HOLDING AB's ("BONESUPPORT") Group management. Group management currently consists of nine positions. The guidelines also include any remuneration to Board members for work in addition to Board fees.

The guidelines shall be applied to the remuneration agreed, and changes made to already agreed remuneration, after the guidelines have been adopted by the Annual General Meeting 2022. The guidelines do not cover remuneration resolved by the General Meeting, such as fees to Board members or share-related incentive programs.

The Company's starting point is that remuneration shall be at a market and competitive level and shall consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. The level of remuneration for each individual executive shall be based on factors such as duties, expertise, experience, position and performance. In addition, the Annual General Meeting may – and independently of these guidelines – resolve on, for example, share and share price-related remuneration.

In the case of employment relationships governed by rules other than Swedish regulations, appropriate adjustments may be made, in respect of pension benefits and other benefits, to comply with such mandatory rules or established local practice, taking into account, as far as possible, the overall purpose of these guidelines.

The CEO and other senior executives shall be offered a fixed annual salary. The fixed salary shall be determined taking into account the senior executive's expertise, area of responsibility and performance. The fixed salary should be reassessed annually.

In addition to fixed salary, the CEO and other senior executives may, by separate agreement, receive variable cash remuneration. Variable cash remuneration covered by these guidelines shall aim to promote BONESUPPORT's business strategy and long-term interests, including its sustainability.

Compliance with criteria for the payment of variable cash remuneration shall be measured over a period of one year. The annual variable cash remuneration may not exceed 75 percent of the fixed annual salary for the CEO and not more than 40 percent of the fixed annual salary of other senior executives, the individual highest level being determined, inter alia, in the light of his or her position. The variable cash remuneration shall not be pensionable, subject to mandatory collective agreement provisions.

The variable cash remuneration shall be linked to one or more predetermined and measurable criteria that may be financial, such as net sales and operating profit, or non-financial, such as qualitative targets. The variable cash remuneration shall be less than 40 percent dependent on non-financial criteria. Clearly and measurably linking the remuneration of senior executives to BONESUPPORT's financial and operational development, promotes the implementation of the Company's business strategy, long term interests and sustainability.

Once the measurement period for compliance with the criteria for the payment of variable cash remuneration has been completed, the extent to which the criteria have been met shall be assessed. The Remuneration Committee is responsible for such assessment. Compliance with financial criteria shall be determined based on the latest financial information published by the Company. The Board of Directors shall have the possibility to recover, in whole or in part, variable remuneration paid on the basis of information that has subsequently been found to be incorrect.

Pension benefits, including health insurance, shall be defined contribution to the extent that the executive is not covered by a defined benefit pension in accordance with mandatory collective agreement provisions. Premiums for defined contribution pensions, including health insurance, may amount to a maximum of 40 percent of the fixed annual salary.

Other benefits may include life insurance, medical insurance and car benefit.

Senior executives shall be employed until further notice or for a certain period of time. In the event of termination by BONESUPPORT, the notice period may not exceed twelve months. Severance pay, in addition to salary and other remuneration during the notice period, may not exceed an amount equal to twelve times the monthly salary. In the event of resignation by the senior executive, the notice period may not exceed six months.

In addition, compensation may be paid for any commitment to restrict competition in order to compensate for any loss of income. Such remuneration shall be paid only to the extent that the former senior executive is not entitled to severance pay. The remuneration shall be based on the fixed salary at the time of termination and shall amount to a maximum of 60 percent of the fixed salary at the time of termination, subject to mandatory collective agreement provisions, and shall be paid for the duration of the anti-competition undertakings, which shall not exceed twelve months after termination of employment.

To the extent that the Board Member performs work on behalf of the Company, in addition to the work of the Board of Directors, a market-based consulting fee for such work may be paid to a Board Member or to a company controlled by a Board Member, provided that the services contribute to the implementation of BONESUPPORT's business strategy and the safeguarding of BONESUPPORT's long term interests, including its sustainability.

The Board of Directors has set up a Remuneration Committee. The Remuneration Committee's tasks include preparing the Board's resolution on proposals for guidelines for remuneration to senior executives. The Board of Directors shall prepare proposals for new guidelines at least every four years and shall submit the proposal for resolution at the Annual General Meeting. The guidelines shall remain in force until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to Company management, the application of guidelines for remuneration to senior executives and the current remuneration structures and levels in the Company. The members of the Remuneration Committee are independent in relation to the Company and Company management. The CEO or other members of the executive management may not be present at the Board's discussion of and decisions on remuneration-related matters, to the extent that they are affected by the issues.

The Board of Directors may decide to temporarily deviate from the guidelines in whole or in part, if in an individual case there are special reasons for this and a deviation is necessary to satisfy the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, it is part of the Remuneration Committee's task to prepare the Board's decisions on remuneration issues, which includes decisions to deviate from the guidelines.

In addition to the commitments to pay ongoing remuneration such as salary, pension and other benefits, there is no previously resolved remuneration to any senior executive that has not become due for payment. For further information on remuneration to senior executives, see Note 11.

Proposal for changes to the guidelines at the 2023 Annual General Meeting:

The Board has proposed that the Annual General Meeting to be held on May 17, 2023 resolves to change the remuneration guidelines as regards the annual variable cash remuneration. The proposal entails that variable cash remuneration may, for the CEO, amount to a maximum of 75 percent of the fixed annual salary, and for the CFO, a maximum of 52.5 percent of the fixed annual salary, and for other senior executives, a maximum of 40 percent of the fixed annual salary, whereby the individual maximum level should be based on factors such as the position held by the specific individual.

The Board's proposal entails no other changes in relation to the remuneration guidelines that were adopted by the Annual General Meeting on May 19, 2020.

PARENT COMPANY

REVENUES, LOSS AND FINANCIAL POSITION

The Parent Company BONESUPPORT HOLDING AB (publ) owns and administers the shares in BONESUPPORT AB, which in turn owns the shares in the other Group companies. BONESUPPORT HOLDING AB does not undertake any operational activities. BONESUPPORT HOLDING AB was registered on March 15, 2010 in connection with the restructuring of the Group.

In 2022, management fees were charged within the Group. In the Parent Company, SEK 47.8 million (43.6) has been recognized as net sales and SEK 47.8 million (49.5) as administrative costs. The Parent Company's operating expenses amount to SEK 64.5 million (51.1).

During the year, no unconditional shareholder contributions were made to BONESUPPORT AB, compared to SEK 125.0 million the previous year. The profit/loss for the year amounted to SEK -21.5 million (-3.1).

Equity amounted to SEK 1,247.1 million (1,268.3). Cash and bank balances amounted to SEK 144.5 million (181.3) at the end of the year.

FINANCIAL RISKS

The Parent Company's financial risks are essentially the same as the Group's.

OWNERSHIP AT DECEMBER 31, 2022

The largest shareholders at the end of the year were HealthCap V LP 10.0%, Swedbank Robur Fonder 9.2%, Avanza Pension 9.2%, Fourth Swedish National Pension Fund 4.9%, Third Swedish National Pension Fund 4.3%, Capital Group 4.0% and Lancelot Asset Management AB 3.1%.

THE SHARE

The Company has ordinary shares and class C-shares. The quotient book value of the shares is SEK 0.625 per share. As of December 31, 2022, the total number of ordinary shares amounted to 64,532,197 (64,164,672) divided among 7,946 shareholders (7,453), and the total number of class C-shares amounted to 1,642,438 (1,290,000). The ordinary shares entitle to one vote each and the C-shares entitle to one tenth of a vote each.

According to the Articles of Incorporation, the number of shares shall be not less than 29,000,000 (29,000,000) and not more than 116,000,000 (116,000,000).

Own shares

BONESUPPORT HOLDING AB holds all class C-shares.

Pursuant to authorization from the Annual General Meeting on May 22, 2018, the Board of Directors of BONESUPPORT HOLDING AB resolved to issue 505,000 class C-shares and then immediately repurchase them. The shares were issued and repurchased in accordance with the performance share programs LTI 2018/2021 and LTI Board of Directors 2018 adopted by the Annual General Meeting on May 22, 2018. SEK 315,625 was paid for the class C-shares in 2019.

Pursuant to authorization from the Annual General Meeting on May 14, 2019, the Board of Directors of BONESUPPORT HOLDING AB resolved to issue 730,000 class C-shares and then immediately repurchase them. The shares were issued and repurchased in accordance with the performance share program LTI 2019/2022 adopted by the Annual General Meeting on May 14, 2019. SEK 456,250 was paid for the class C-shares in 2020.

Pursuant to authorization from the Annual General Meeting on May 19, 2020, the Board of Directors of BONESUPPORT HOLDING AB resolved to issue 55,000 class C-shares and then immediately repurchase them. The shares were issued and repurchased in accordance with the performance share program LTI 2020/2023 adopted by the Annual General Meeting on May 19, 2020. SEK 34,675 was paid for the class C-shares in 2021.

Pursuant to authorization from the Annual General Meeting on May 18, 2021, the Board of Directors of BONESUPPORT HOLDING AB resolved to issue 287,134 class C-shares and then immediately repurchase them. The shares were issued and repurchased in accordance with the performance share program LTI 2021/2023 adopted by the Annual General Meeting on May 19, 2021. SEK 179,458.75 was paid for the class C-shares in 2021.

Pursuant to authorization from the Annual General Meeting on May 19, 2022, the Board of Directors of BONESUPPORT HOLDING AB resolved to issue 639,572 class C-shares and then immediately repurchase them. The shares were issued and repurchased in accordance with the performance share program LTI 2021/2023 adopted by the Annual General Meeting on May 19, 2021. SEK 399,733 was paid for the class C-shares in 2022. The purpose of the issue and the repurchase of series C-shares was to, after the class C-shares had been converted to ordinary shares, ensure delivery of performance shares to employees within the BONESUPPORT Group participating in the performance share program LTI 2021/2023, adopted by the Annual General Meeting on May 20, 2021. This means that the issue of class C-shares replaces the share swap resolved by the same Annual General Meeting. Allotment of performance shares took place in March 2023.

The share of the class C-shares in the share capital amounts to two (two) percent.

THE BOARD OF DIRECTORS' PROPOSAL FOR APPROPRIATION

Appropriation parent company, SEK	
Unrestricted equity in the parent company	
Share premium reserve	1 563 836 403
Accumulated losses	-336 651 440
Net loss for the year	-21 476 243
Total unrestricted equity in the parent company	**1 205 708 721**

The Board of Directors proposes that the share premium reserve, accumulated losses and loss for the year be carried forward.

CONSOLIDATED INCOME STATEMENT

SEKt	Note	2022	2021
Net sales	4	328 818	212 885
Cost of sales	4, 6, 7	-31 111	-23 182
Gross profit	4	**297 707**	**189 703**
Selling expenses	6, 7, 10, 11, 21	-158 073	-131 393
Sales commissions and fees	4, 6	-80 375	-45 174
Research and development expenses	6, 7, 10, 11	-53 088	-53 009
Administrative expenses	6, 7, 8, 10, 11, 12	-73 305	-44 122
Other operating income	13	43 206	11 308
Other operating expenses	6, 14	-40 607	-7 982
Operating profit/loss	4	**-64 535**	**-80 669**
Loss from financial items			
Interest income		811	0
Interest expenses		-970	-1 168
Net financial items	4	**-159**	**-1 168**
Profit/loss before income tax	4	**-64 694**	**-81 837**
Income tax	16	-3 473	-3 694
Net profit/loss for the year		**-68 167**	**-85 531**
Attributable to:			
Equity holders of the parent		-68 167	-85 531
Earnings per share calculated on earnings attributable to equity holders of the Parent			
Earnings per share before and after dilution, SEK	23	-1,06	-1,34

The comparison figures for Selling expenses, Sales commissions and fees and Other operating expenses have to a certain extent been recalculated. For more information, see Note 1.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKt	2022	2021
Loss for the year	**-68 167**	**-85 531**
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	2 231	1 023
Other comprehensive income of the year	**2 231**	**1 023**
Total comprehensive income of the year	**-65 936**	**-84 508**
Attributable to:		
Equity holders of the Parent	-65 936	-84 508
Total comprehensive income of the year	**-65 936**	**-84 508**

Other comprehensive income of the year refers in its entirety to exchange differences with no tax effects

CONSOLIDATED BALANCE SHEET

SEKt	Note	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Intangible assets	18		
Capitalized development expenses		6 309	5 968
Patents		2 075	2 397
Total intangible assets		**8 384**	**8 365**
Tangible assets			
Right of use assets	26	18 861	22 504
Equipment and tools	19	5 764	4 574
Total tangible assets		**24 625**	**27 078**
Financial assets			
Financial assets		1	0
Total financial assets		**1**	**0**
Total non-current assets		**33 010**	**35 443**
Current assets			
Inventories	17		
Raw materials and consumables		38 443	34 234
Finished goods and goods for resale		17 867	17 528
Total inventories		**56 310**	**51 762**
Current receivables			
Trade receivables	21, 25	62 623	38 413
Other operating receivables	21, 25	7 963	6 126
Prepaid expenses	22	4 926	3 219
Accrued income	22	5 705	2 492
Total current receivables		**81 217**	**50 250**
Cash and cash equivalents	25, 27	201 281	206 464
Total current assets		**338 808**	**308 476**
TOTAL ASSETS		**371 818**	**343 919**

CONSOLIDATED BALANCE SHEET

SEKt	Note	December 31, 2022	December 31, 2021
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent			
Share capital		41 359	40 909
Paid but not registered share issue		14	0
Other paid-in capital		1 563 836	1 563 670
Translation reserve		2 360	129
Fund for development expenses		6 035	5 490
Accumulated losses including loss for the year		-1 344 676	-1 344 494
Total equity	23	**268 928**	**265 704**
Non-current liabilities			
Leasing debt	25, 26	12 350	16 152
Provisions	24	344	363
Total non-current liabilities		**12 694**	**16 515**
Current liabilities			
Leasing debt	25, 26	5 101	5 270
Trade payables	25	23 571	18 719
Income tax payable		1 097	1 903
Other operating liabilities		6 344	5 625
Accrued expenses	22, 25	54 083	30 183
Total current liabilities		**90 196**	**61 700**
Total liabilities		**102 890**	**78 215**
TOTAL EQUITY AND LIABILITIES		**371 818**	**343 919**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKt	Share capital	Paid but not registered share issue	Other paid-in capital	Translation reserve	Fund for development expenses	Accumulated losses inclu-ding net loss for the year	Total equity
As at January 1, 2021	**40 625**	**0**	**1 557 639**	**-894**	**5 352**	**-1 203 823**	**398 899**
Comprehensive income							
Net loss for the year						-85 531	-85 531
Other comprehensive income							
Exchange differences on translation of foreign operations				1 023			1 023
Total comprehensive income	**0**	**0**	**0**	**1 023**	**0**	**-85 531**	**-84 508**
Transactions with equity holders							
Share swap						-62 333	-62 333
Change in fund for development expenses					138	-138	0
New share issue, employee stock option programs and warrants	250		6 031				6 281
New share issue and repurchase of own C-shares	34					-34	0
Share-based payment transactions						7 365	7 365
Total transactions with equity holders	**284**	**0**	**6 031**	**0**	**138**	**-55 140**	**-48 687**
As at January 1, 2022	**40 909**	**0**	**1 563 670**	**129**	**5 490**	**-1 344 494**	**265 704**
Comprehensive income							
Net loss for the year						-68 167	-68 167
Other comprehensive income							
Exchange differences on translation of foreign operations				2 231			2 231
Total comprehensive income	**0**	**0**	**0**	**2 231**	**0**	**-68 167**	**-65 936**
Transactions with equity holders							
Share swap						51 039	51 039
Change in fund for development expenses					545	-545	0
New share issue, employee stock options	50	14	166				230
New share issue and repurchase of own C-shares	400					-400	0
Share-based payment transactions						17 891	17 891
Total transactions with equity holders	**450**	**14**	**166**	**0**	**545**	**67 985**	**69 160**
As at December 31, 2022	**41 359**	**14**	**1 563 836**	**2 360**	**6 035**	**-1 344 676**	**268 928**

For treatment of the share swap, see Note 23.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEKt	Note	2022	2021
Operating activities			
Operating loss		-64 535	-80 669
Non-cash adjustments	28	14 985	6 757
Interests received		811	0
Interests paid		-716	-1 168
Income tax paid		-2 686	-3 761
Net cash flows from operating activities before changes in working capital		**-52 141**	**-78 841**
Changes in working capital			
Decrease (+)/increase (-) in inventories		7 077	-117
Increase (-) in operating receivables		-25 982	-5 421
Increase (+) in operating liabilities		24 061	958
Net cash flows from operating activities		**-46 985**	**-83 421**
Investing activities			
Investments in intangible assets	18	-1 321	-808
Investments in equipment and tools	19	-1 958	-2 608
Net cash flows from investing activities		**-3 279**	**-3 416**
Financing activities			
Share swap		50 684	-62 333
New share issue, employee stock options and warrants		230	6 281
Repayments of leasing debt	26	-8 132	-5 509
Net cash flows from financing activities		**42 782**	**-61 561**
Net cash flows		**-7 482**	**-148 398**
Cash and cash equivalents as at beginning of the year	25	206 464	353 737
Net foreign exchange difference		2 299	1 125
Cash and cash equivalents as at end of the year	25	**201 281**	**206 464**

For treatment of the share swap, see Note 23.

PARENT COMPANY INCOME STATEMENT

SEKt	Note	2022	2021
Net sales	5	47 783	43 646
Administrative expenses	5, 8, 10, 11	-61 831	-49 542
Other operating income	13	119	121
Other operating expenses	14	-2 791	-1 659
Operating loss		**-16 720**	**-7 434**
Result from financial items			
Other interest income and similar income	15	8 384	5 565
Other interest expenses and similar expenses	15	-13 140	-1 272
Net financial items		**-4 756**	**4 293**
Result before taxes		**-21 476**	**-3 141**
Income tax	16	0	0
Loss for the year		**-21 476**	**-3 141**

Parent Company loss for the year equals comprehensive income.

PARENT COMPANY BALANCE SHEET

SEKt	Note	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Non-current financial assets			
Participations in Group companies	20, 25	956 652	956 652
Receivables on Group companies	25	204 189	172 020
Total non-current financial assets		**1 160 841**	**1 128 672**
Total non-current assets		**1 160 841**	**1 128 672**
Current assets			
Current receivables			
Other receivables	21	75	47
Prepaid expenses	22	1 066	660
Total current receivables		**1 141**	**707**
Cash	25	143 402	181 275
Total current assets		**144 543**	**181 982**
TOTAL ASSETS		**1 305 384**	**1 310 654**

PARENT COMPANY BALANCE SHEET

SEKt	Note	December 31, 2022	December 31, 2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	23	41 359	40 909
Paid but not registered share issue		14	0
Total restricted equity		**41 373**	**40 909**
Unrestricted equity			
Share premium reserve		1 563 836	1 563 670
Accumulated losses		-336 651	-333 110
Loss for the year		-21 476	-3 141
Total unrestricted equity		**1 205 709**	**1 227 419**
Total equity		**1 247 082**	**1 268 328**
Non-current liabilities			
Liabilities to Group companies		43 882	35 043
Total non-current liabilities		**43 882**	**35 043**
Current liabilities			
Trade payables	25	570	141
Other liabilities		1 120	810
Accrued expenses	22, 25	12 730	6 332
Total current liabilities		**14 420**	**7 283**
TOTAL EQUITY AND LIABILITIES		**1 305 384**	**1 310 654**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEKt	Share capital	Paid but not registered share issue	Share premium reserve	Accumulated losses	Total equity
As at January 1, 2021	**40 625**	**0**	**1 557 639**	**-333 077**	**1 265 188**
Comprehensive income					
Loss for the year				-3 141	-3 141
Total comprehensive income	**0**	**0**	**0**	**-3 141**	**-3 141**
Transactions with equity holders					
New share issue, employee stock option programs and warrants	250		6 031		6 281
New share issue and repurchase of own C-shares	34			-34	0
Total transactions with equity holders	**284**	**0**	**6 031**	**-34**	**6 281**
As at January 1, 2022	**40 909**	**0**	**1 563 670**	**-336 251**	**1 268 328**
Comprehensive income					
Loss for the year				-21 476	-21 476
Total comprehensive income	**0**	**0**	**0**	**-21 476**	**-21 476**
Transactions with equity holders					
New share issue, employee stock option programs	50	14	166		230
New share issue and repurchase of own C-shares	400			-400	0
Total transactions with equity holders	**450**	**14**	**166**	**-400**	**230**
As at December 31, 2022	**41 359**	**14**	**1 563 836**	**-358 127**	**1 247 082**

PARENT COMPANY STATEMENT OF CASH FLOWS

SEKt	Note	2022	2021
Operating activities			
Operating loss		-16 720	-7 434
Interest received		8 384	5 566
Interests paid		-13 140	-1 273
Net cash flows from operating activities before changes in working capital		**-21 476**	**-3 141**
Changes in working capital			
Increase (-) in operating receivables		-434	-74
Decrease (+) in operating liabilities		15 975	4 688
Net cash flows from operating activities		**-5 935**	**1 473**
Investing activities			
Shareholders' contribution		0	-125 000
Net cash flows from investing activities		**0**	**-125 000**
Financing activities			
New share issue, employee stock options and warrants		230	6 281
Change in balances towards BONESUPPORT AB		-32 168	-39 593
Net cash flows from financing activities		**-31 938**	**-33 312**
Net cash flow		**-37 873**	**-156 839**
Cash as at beginning of the year	25	181 275	338 114
Cash as at end of the year	25	**143 402**	**181 275**

NOTES

NOTE 1
GENERAL INFORMATION, ACCOUNTING POLICIES

GENERAL INFORMATION
BONESUPPORT operates within orthopedic products and develops and commercializes innovative injectable bio-ceramic bone graft substitutes that remodel to the patient's host bone and have the ability to release drugs. BONESUPPORT's marketed synthetic bone graft substitutes are CERAMENT BVF, CERAMENT G and CERAMENT V, all of which are based on the innovative and patented CERAMENT technology platform.

BONESUPPORT HOLDING AB (publ) is a limited liability company with its registered office in Lund, Sweden. The address of the head office is Scheelevägen 19, SE-223 70 Lund, Sweden.

The Board of Directors approved these consolidated accounts on March 23, 2023 and they will be presented before the Annual General Meeting for adoption on May 17, 2023.

THE GROUP'S ACCOUNTING PRINCIPLES
The main accounting principles applied at the time of the prepared consolidated accounts are set out below. These principles have been applied consistently for all the years presented unless otherwise stated.

The consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Financial Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the consolidated accounts are prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting regulations for Groups.

The consolidated accounts are based on historical acquisition values and prepared on a going concern basis.

The Company's functional currency is SEK and all amounts are in SEK thousand unless otherwise stated.

Implementation of new accounting principles
The accounting policies applied include new and changed standards mandatory for the first time for fiscal years beginning January 1, 2022. None of these have had a material impact on the Group's financial statements.

New or amended IFRS standards effective from 2023 or later have not been applied in the preparation of these financial statements. The assessment is that these will not have a material impact on the Group's financial results and financial position.

In accordance with IAS 8 Accounting Policies, changes in accounting estimates and errors, two changes made during 2022 are disclosed here. The purpose of both changes was to make the financial reports more reliable and relevant. In the consolidated income statement, the row Sales commissions has been renamed Sales commissions and fees and now includes also charges for freight, credit card and GPO fees. These variable fees have been moved away from the row Selling expenses. In the consolidated income statement, some currency translation has previously been disclosed amount Selling expenses. This has now been moved down from Selling expenses to Other operating expenses. This has to some extent also affected previous periods.

The changes that have been made are as follows, where a minus sign indicates an increased expense and vice versa.

SEKt	2022	2021
Selling expenses	15 121	7 881
Sales commissions and fees	-11 161	-6 603
Other operating expenses	-3 960	-1 278
Net	**0**	**0**

ESTIMATES, ASSUMPTIONS AND ASSESSMENTS
When preparing the Company's financial statements, a number of assessments and estimates, as well as assumptions, have been made that affect the application of accounting policies and the reported amounts in the income statements and balance sheets. Actual outcomes may differ from these estimates and assessments. Estimates and assessments are continuously evaluated and based on historical experience and other factors, including expectations of future events.

The areas of the consolidated accounts containing a significant degree of estimates, assumptions or assessments are described in Note 3.

Current assets and current liabilities are expected to be recovered or paid within one year. Other balance sheet items are expected to be recovered or paid later.

BASIS FOR CONSOLIDATION
The consolidated accounts cover the Parent Company and its subsidiaries. The financial statements of the Parent Company and the subsidiaries included in the consolidated accounts relate to the same period and are prepared in accordance with the accounting principles applicable to the Group. All intra-group balances, revenues, costs, gains or losses arising in transactions between the companies covered in the consolidated accounts are eliminated in full.

SUBSIDIARIES
Subsidiaries are companies in which the Parent Company holds, directly or indirectly, more than half of the voting rights or otherwise has a controlling interest.

A subsidiary is included in the consolidated accounts from the date of acquisition, which is the date on which the Parent Company acquired controlling interest, and is included in the consolidated accounts until the date on which that controlling interest ceases.

Subsidiaries are recognized according to the acquisition method. The purchase price for the acquisition of a business consists of the fair value of transferred assets, liabilities and issued shares. The purchase price also includes the fair value of all assets or liabilities that are a consequence of the agreed contingent purchase price. Identifiable acquired assets and assumed liabilities are initially measured at fair value on the date of acquisition.

TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS
Items on the balance sheets of subsidiaries are valued in the relevant functional currency, which is the same as the country's local currency.

The Group's financial statements are presented in SEK, which is the Parent Company's functional currency. The income statements and balance sheets of the foreign subsidiaries are translated into SEK. The balance sheets are translated at the exchange rates on the balance sheet date. The profit and loss accounts are translated using the average rates for the year. The exchange differences on translation do not affect profit or loss for the year but are recognized in other comprehensive income in the consolidated accounts and accumulated. The following exchange rates have been used for translations:

	USD	EUR	CHF	GBP	DKK
Closing day rate December 31, 2022	10,4214	11,1153	11,2862	12,5454	1,4955
Average rate 2022	10,1245	10,6317	10,5950	12,4669	1,4290
Closing day rate December 31, 2021	9,0442	10,2446	9,8937	12,2108	1,3781
Average rate 2021	8,5815	10,1449	9,3845	11,8022	1,3641

FOREIGN CURRENCY

Transactions in foreign currency are reported at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currency are converted at the exchange rate of the balance sheet date and exchange gains and losses are reported in profit or loss as other operating income/expenses.

REVENUE RECOGNITION

The Group's revenues are mainly generated through one revenue stream, the sales of CERAMENT products. Sales revenue is recognized when the performance obligation is fulfilled, i.e. when control of an item is transferred to the buyer. For our customers, mostly the delivery terms of Ex Works BONESUPPORT's warehouse are applied, which means that the control passes to the buyer when the goods leave the warehouse. Some customers, however, keep consignment stocks. In these cases, the income is recognized when withdrawals from consignment stocks are made.

Revenue is generated through three channels:

- A combination of own sales company and distributors in the US
- Direct sales in six countries in Europe
- Sales through distributors in all other markets

Sales in the US and in countries with direct sales, are made to end customers, with exception of for OrthoPediatrics, a stock keeping distributor in the US with access to a network of 250 children's hospitals, where sales is made to OrthoPediatrics.

For sales in the US, with exception of OrthoPediatrics, the assessment has been made that contracted distributors constitute agents and the end customer is BONESUPPORT's customer. BONESUPPORT has its own inventory in the US from which delivery is made directly to the end customer, and the distributors never get control over the goods. The distributors receive commission on generated sales to end customers as compensation for their service as agents. This is recognized as a sales commission when the income is recognized, as the depreciation period for these would otherwise have been for a shorter period than one year, based on the practical exception in IFRS 15.94.

The majority of the sales in the US is made to hospitals within a Group Purchasing Organization (GPO). GPOs take a smaller fee for their services, based on the underlying sales value that the hospitals have been invoiced. The cost is recognized at the same time as the revenue. The cost is recognized in the consolidated income statement as Sales commissions and fees. GPOs do not consitute customers for BONESUPPORT.

For distributor markets outside the US, sales are made to the distributor. Delivery to these distributors is made from BONESUPPORT's warehouse in Lund. Control of the goods passes to the distributor as soon as they leave BONESUPPORT's inventory and the revenue is recognized at the same time.

The deliveries to OrthoPediatrics are made from BONESUPPORT's warehouse in the US. In the agreement with OrthoPediatrics, there is a certain right of return and therefor an assessment is made continuously in conjunction with revenue recognition, with respect to the transition of risk and control. As at December 31, 2022, our assessment is that the risk of return is immaterial therefore no provision has been recognized.

The sales agreements, with exception of OrthoPediatrics, do not contain any right of return, this applies to both distributors and end customers. Guarantee costs in accordance with IAS 37 exist but amount to immaterial amounts, which is why no provision is made. For warehousing distributors, with exception of the agreement with OrthoPediatrics, no return of products may take place without prior permission from BONESUPPORT. BONESUPPORT has an agreed opportunity but no obligation to take back products and in recent years has in principle not used that opportunity. BONESUPPORT therefore makes the assessment that there is no need to provision for returns.

In general, 30 day payment terms are applied to the Company's direct markets. For sales to distributors, market-adjusted terms of up to 90 days are applied.

Freight charges to customers are included in the consolidated income statement as Sales commissions and fees, and amount to SEK 6,270 thousand (3,834).

OPERATING SEGMENTS

The Group manages and monitors operations in two operating segments: North America (NA) and Europe & Rest of the World (EUROW). Information about the operating segments' sales and profit or loss is reported in Note 4. Neither assets nor liabilities are followed-up at segment level as management and follow-up of these are done by management and the Board at Group level.

RESEARCH AND DEVELOPMENT

Expenses for research is expenses as they occur. Expenses for development of upcoming products are expensed until they have received regulatory approval from relevant regulatory bodies, and if such expenses with high probability will lead to financial benefits for the Company. Expenses for development of already existing products are recognized as they occur. To handle this in an efficient way, the Company uses project accounting, meaning that all Research and development expenses are allocated to projects. Examples of such expenses are:

- Goods and material
- Consulting fees
- Personnel expenses

EMPLOYEE COMPENSATION

Pensions:

The Group only has defined contribution pension plans. The defined contribution pension plans mainly cover retirement pension, disability pension and family pension. The premiums are paid on an ongoing basis during the year by each Group company to separate legal entities, such as insurance companies. The amount of the premium is based on the salary level. Pension costs for the year are included in the income statement.

Share-based remuneration:
The Group has outstanding employee stock options, which are regulated by equity instruments. For detailed descriptions of the programs, please refer to Note 12. Share-based remuneration (employee stock options) is valued based on the market value of the employee stock options at the time the options were assigned. The value of the compensation is not revalued after the assignment date. The total cost is distributed over the vesting period, which is the period during which all the specified vesting conditions are to be met. The cost is recognized as a personnel cost and credited in equity. At each closing date, the Group reassesses how many shares are expected to be earned. Any deviations from the initial assessments that resulted from the review are reported in the income statement and the corresponding adjustments are made in equity.

When the options are exercised, the Company issues new shares. Payments received are credited to the share capital (quota value) and other contributed capital when the options are exercised.

Social costs attributable to equity-related instruments as described above are expensed according to the periods during which the services are performed. The cost is calculated based on the same valuation model used when the employee stock options were assigned. The liability for social security contributions incurred is revalued at each closing date on the basis of a new calculation of the contributions that may be paid when the instruments are redeemed. This means that the basis for calculating the social security debt is a new market valuation of the options made at each closing date.

DEFERRED TAX

Deferred tax is recognized on temporary differences. Deferred tax is calculated using a tax rate that has been decided or announced at the balance sheet date and is expected to apply when the deferred tax asset concerned is realized or the deferred tax liability is settled. Deferred tax assets relating to tax deficits are reported to the extent that they are likely to be offset against future taxable surpluses.

INTANGIBLE ASSETS

Capitalized development expenses and patents:
Expenditure on the development of new products is recognized as an intangible asset once it has received regulatory approval from licensing authorities and if such high-collateral expenditure will bring economic benefits to the enterprise. Capitalized development expenses are recognized as intangible assets and amortization is made from the time the product is ready to use. The amortization period is the useful life, but never longer than ten years. Development expenditure that does not meet these criteria is written off.

Externally acquired patents are activated and reported as patents.

All intangible assets are assessed annually for any impairment requirement.

TANGIBLE ASSETS

Leasing:
For leases where BONESUPPORT is the lessee, IFRS 16 Leases is applied. The company has no leases where it is the lessor.

At the beginning of a contract, it is assessed whether it is a lease that should be recognized as leasing. All leases in which the Company is a lessee are recognized as leases.

The lease liability is initially valued at the present value of future lease payments, discounted at the Group's marginal loan rate. Lease payments included in the valuation of lease liabilities include fixed fees less any deduction for benefits associated with the contract; variable lease payments that depend on an index or price; amounts expected to be paid by the lessee under residual value guarantees; the exercise price of an option to purchase if the lessee is reasonably certain to exercise such an option; and penalties payable in the event of termination of the contract, if the lease period reflects that the lessee will exercise an opportunity to terminate the lease.

The lease liability is presented on its own rows in the balance sheet, with a breakdown according to maturity. The lease liability is recognized in subsequent periods by increasing the liability to reflect the effect of interest and decreasing it to reflect the effect of lease payments made. The lease liability is revalued with a corresponding adjustment of the right of use asset in accordance with the rules set out in IFRS 16.

The right of use asset is initially recognized at the value of the lease liability, with additions for lease payments made at the start date of the agreement and initial direct expenses. The right of use asset is recognized in subsequent periods at cost, less depreciation and any impairment losses. The same principles apply to impairment of the right of use asset as those described in the section Impairment of non-financial assets.

The right of use asset is depreciated over the estimated useful life or, if shorter, over the agreed lease term. If a contract transfers or is likely to transfer ownership at the end of the lease term, the right of use asset is depreciated over the estimated useful life. Depreciation starts at the initial date of the lease. The right of use asset is presented on its own row in the balance sheet.

Equipment and tools:
Equipment and tools are recognized at cost less accumulated depreciation and any impairment losses. The cost includes expenses directly attributable to the acquisition of the asset. Additional expenses are added to the reported value of the asset or recognized as a separate asset, as applicable. Depreciation according to plan is based on the depreciable amount, which consists of the cost less its residual value, which is distributed over the expected useful life. Equipment and tools are depreciated over five years.

Gains and losses on disposal are determined by comparing the proceeds of sales obtained with the carrying amount. The difference is reported in the income statement as other operating income/expenses.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are written down are assessed for impairment whenever events or changes in conditions indicate that the carrying amount may not be recoverable. An impairment loss is made at the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value reduced by the selling costs and the value in use. When assessing impairment requirements, assets are grouped at the lowest levels where there are separately identifiable cash flows (cash-generating units).

FINANCIAL INSTRUMENTS

A financial asset or liability is included in the balance sheet when the Group becomes a party in a contractual relationship. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired and the Group has transferred all risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet once the obligation in the contract has been fulfilled.

Classification of financial assets:
All assets are held to receive ongoing payments. These are initially valued at fair value including transaction costs and then at amortized cost in accordance with the effective interest method. Gains and losses attributable to financial assets are reported in the income statement. Interest rate effects arising from the application of the effective interest method are also reported in the income statement. BONESUPPORT recognizes the following financial assets in the balance sheet:

- Trade receivables
- Other receivables
- Accrued income
- Cash and cash equivalents

Impairment of financial assets:
For interest bearing financial assets, a credit risk reserve is recognized and this is based on the future expected losses of the individual assets. For trade receivables, the credit risk reserve is calculated based on the asset's expected loss over its total life. For cash and cash equivalents, the write-down that could be considered is immaterial.

Classification of financial liabilities:
BONESUPPORT's financial liabilities are valued at amortized cost. BONESUPPORT recognizes the following financial liabilities in the balance sheet:

- Leasing debt
- Trade payables
- Accrued expenses

INVENTORIES
Inventories are reported at the lowest of the acquisition cost and the net realizable value. The acquisition cost is determined using the first in, first out (FIFO) method. The cost of finished goods consists of raw materials, direct salaries and other direct costs. Borrowing costs are not included. The net realizable value is the sales price less estimated costs that are necessary to achieve a sale. The sales price is the price that the Company would normally receive when selling in the operating activities.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include cash and bank balances.

SHARE CAPITAL
Transaction costs directly attributable to the issue of new shares are recognized, net of tax, in equity as a deduction after the issue proceeds.

TRANSLATION RESERVE
The translation reserve consists of the translation differences that occur when consolidating the Group's foreign subsidiaries.

FUND FOR DEVELOPMENT EXPENSES
The fund for development expenses consists of the development expenses that have been recognized as intangible assets.

SHARE SWAP AGREEMENT
In accordance with a resolution from the Annual General Meeting on May 20, 2021, BONESUPPORT entered into a share swap agreement to secure the commitments in the Group's performance share programs LTI 2021. A total of 786,000 shares were hedged during 2021 at an average value of SEK 79.30 per share, a total value of SEK 62,333 thousand. The share swap agreement was treated in line with acquisition of own shares and was recognized at acquisition cost in unrestricted equity.

In accordance with a resolution from the Annual General Meeting on May 19, 2022, the Company received the mandate to issue class C-shares to ensure the delivery of performance shares to employees within the BONESUPPORT Group who are participating in this program, including coverage for social security charges. The C-shares replaced the share swap agreement.

CASH FLOW STATEMENT
The cash flow statement has been prepared according to the indirect method. The reported cash flow covers only transactions involving inward or outward payment.

THE PARENT COMPANY'S ACCOUNTING POLICIES
The Parent Company prepares its annual report in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 sets out that the Parent Company's annual report for the legal entity shall apply all EU approved IFRS and statements, as far as possible within the framework of the Annual Accounts Act, and taking into account the connections between accounting and taxation. The recommendation specifies the exceptions and additions to be made compared to IFRS accounting.

The following differences exist between the Group's and the Parent Company's accounting policies:

- Shares in Group companies are recognized in the Parent Company according to the cost method.
- Shares in Group companies and receivables on Group companies are impairment tested annually, or in case of indication of a decline in value, based on a cash flow forecast over the next five years. For further information see Notes 3 and 20.
- The Parent Company does not apply IFRS 9 and IFRS 16. The Parent Company recognizes financial instruments at accrued acquisition value. There are currently no leases in the Parent Company.
- The Parent Company complies with the Presentation form of the Annual Accounts Act for the income statement and balance sheet, which means, among other things, a different set-up for equity.

NOTE 2
FINANCIAL RISK MANAGEMENT

Through its operations, the Group is exposed to various types of financial risks such as market, liquidity and credit risk. Market risk consists mainly of currency risk. BONESUPPORT has an overall financial policy for both the Parent Company and the Group, which regulates the division of responsibilities in financial matters between the Board of Directors, the CEO, CFO and other Group companies. The Board's Audit Committee is tasked with monitoring the design of the financial policy and, if necessary, proposing changes to the Board. The financial policy is characterized by a low level of risk. There have been no changes in financial policy or risk management compared to 2021. The strategy includes continuously identifying and managing risks.

MARKET RISK
Market risk is the risk that the fair value of or future cash flows from a financial instrument vary due to changes in market prices. Market risks are divided into three types; currency risk, interest rate risk and other price risk. The market risk that primarily affects the Group is currency risk.

Currency risk
Currency risk refers to the risk that fair value or future cash flows fluctuate as a result of changes in exchange rates. The exposure to currency risk mainly stems from foreign currency payment flows (transaction exposure) and from the translation of foreign subsidiaries' income statements and balance sheets into SEK (translation exposure). The Group's operations are international and exposed to currency risk, mainly from USD, EUR and GBP.

Approximately 66 percent (57) of BONESUPPORT AB sales is invoiced in USD, approximately 13 percent (17) in EUR and approximately 15 percent (18) in GBP. This is only partly offset by the fact that purchases are also made mainly in EUR. If, all else being equal, USD strengthens or weakens by 5 percent against the Swedish SEK, the Group's profit after tax will be affected by +/- approximately SEK 10.8 million (1.0) based on 2022 transactions, a corresponding strengthening/weakening in EUR gives an impact of +/- 2.1 MSEK (0.2) and for GBP an impact of +/- 2.4 MSEK (0.8).

The foreign subsidiaries invoice and collect costs in their respective local currencies; USD, EUR, GBP, CHF and DKK. The translation risk means that the value of the Group's net investments in foreign currency may be adversely affected by changes in exchange rates when the net assets are consolidated in SEK at the balance sheet date. The translation risk is mainly attributable to the exposure of outstanding accounts receivable at the end of the reporting period, see Note 21 for distribution by currency. Since the total outstanding accounts receivable consists mostly of USD (about 75 percent), and subsequently of EUR (about 12 percent) and GBP (about 9 percent), currency fluctuations may affect future cash flows. If, all else being equal, USD strengthens or weakens by 5 percent against the Swedish krona, the Group's equity and profit after tax will be affected by +/- SEK 2.3 million (1.1) based on outstanding accounts receivable as of December 31, 2022. The corresponding effect for EUR amounts to +/- 0.4 MSEK (0.4) and for GBP to +/- 0.3 MSEK (0.3).

The sensitivity analysis in the table below shows the impact on the Group of changes in SEK against the largest currencies. The figures are based on 2022 results and financial position. The impact of the transaction risk is measured in the net profit/loss for the year and the impact of the translation risk is measured in equity including net profit/loss for the year.

\+ means a weakening of SEK
\- means a strengthening of SEK

SEKm	+/- 5 % USD	+/- 5 % EUR	+/- 5 % GBP
Transaction risk	+/- 2.8	+/- 0.6	+/- 1.0
Translation risk	+/- 0.4	+/- 0.2	+/- 0.2

The Group does not currently use forward contracts or other instruments to reduce currency risk.

Interest rate risk
Interest rate risk refers to the risk that fair value or future cash flows fluctuate as a result of changes in market interest rates.

As of December 31, 2022, a general increase or decrease in interest rates will not have any impact on the Group's results as there are no bank loans in the Group. The effect on the Group's leases is considered marginal.

Price risk
Price risk refers to the risk that fair value or future cash flows fluctuate as a result of changes in prices.

The Group's sales prices are based on the clinical and health economic benefits validated by a large number of clinical studies and therefore present a low risk of major price movements. The sensitivity to the purchase prices of input goods is mainly managed through long contract times and high levels of security stock.

CREDIT AND COUNTERPARTY RISK
Credit risk refers to the risk that the counterparty in a transaction causes the Group a loss by not fulfilling its contractual obligations. The Group's exposure to credit risk is mainly attributable to accounts receivable. A simplified model is used to calculate credit losses on the Group's accounts receivable. Expected credit losses are calculated based on past events, current conditions and projections of future economic conditions.

The Group's customers consist primarily of hospitals, clinics and distributors with a high credit rating. Accounts receivable are spread across a large number of customers and no single customer accounts for a substantial part of the total accounts receivable. Accounts receivable are spread geographically. The Group considers that the concentration risks are limited. Reversal of estimated customer losses in 2022 amounted to SEK 94 thousand (0) and new reserves were made with SEK 519 thousand (22). See also Note 21 for more information about accounts receivable.

The credit risk in cash and cash equivalents is deemed intangible because the counterparties are banks with high credit ratings awarded by international credit rating agencies. As of December 31, 2022, cash and cash equivalents amount to SEK 201,281 thousand (206,464), of which 73 percent (90) in SEK, 17 percent (6) in USD, 7 percent (3) in GBP and 1 percent (1) in EUR.

The Group's maximum exposure to credit risk is assessed by carrying amounts of all financial assets, see Note 25.

LIQUIDITY AND FINANCING RISK
Liquidity risk refers to the risk that the Group will have problems meeting payment commitments for financial liabilities. Financing risk refers to the risk that the Group will not be able to raise sufficient funding at a reasonable cost.

Liquidity risk is low because the Group's available liquidity gives substantial head room in relation to operating cash flow.

The financing risk is assessed based on multi-year liquidity planning, and is focuses on whether the future cash flows are sufficient to run planned operations. In the event that there is a risk that they are not sufficient, the Company will balance costs against future revenues in good time and/or seek alternative financing via borrowings or similar.

NOTE 3
ESTIMATES, ASSUMPTIONS AND ASSESSMENTS

When preparing the Company's financial statements, a number of assessments and estimates, as well as assumptions, have been made that affect the application of accounting policies and the reported amounts in the income statements and balance sheets. Actual outcomes may differ from these estimates and assessments. Estimates and assessments are continuously evaluated and based on historical experience and other factors, including expectations of future events.

The estimates, assumptions and assessments are described in more detail below.

VALUATION OF TAX LOSS CARRY-FORWARDS
The possibilities for activating deferred tax assets for tax loss carry-forwards are examined annually. Deferred tax assets are included only to

the extent that there are compelling reasons why they can be offset against future taxable surpluses. While waiting for the positive development to result in a positive result, no deferred tax asset has been recognized. For more information on this, see Note 16..

VALUATION OF SHARES IN GROUP COMPANIES

The Parent Company tests annually or more frequently whether there is an indication of a decline in value and whether there is any impairment requirement for shares in Group companies. Recoverable amounts for the shares in Group companies have been determined by calculating the value in use, which requires that comprehensive estimates and assumptions must be made. Discounted forecast future cash flows over the next four years have been calculated in these assumptions, taking into account a discount rate of 8.4 percent after tax (10.54 percent before tax). The calculation of discount rates has taken risk-free interest rates, market risk premium and company-specific capital structure and the current tax rate into consideration. Cash flow after the four-year period (the test covers 20 years) is calculated on the basis of an initial forecast growth rate of 47 percent, with a gradual de-escalation corresponding to 10 percent per year. The calculated value in use has since been compared with the carrying amount and this comparison shows that there is no need for impairment. A sensitivity analysis where different discount rates were simulated has been carried out. An increase in the discount rate by five percentage points would not entail any impairment requirement. The result of the test shows a surplus and therefore there is no impairment requirement for shares in Group companies.

NOTE 4
OPERATING SEGMENTS

	2022				2021			
Profit and loss items	**NA**	**EUROW**	**Other**	**Total**	**NA**	**EUROW**	**Other**	**Total**
Net sales	216 876	111 942	0	328 818	121 657	91 228	0	212 885
of which CERAMENT BVF	195 962	14 280	0	210 242	119 428	12 453	0	131 881
of which CERAMENT G and CERAMENT V	14 510	97 662	0	112 172	0	78 775	0	78 775
of which other	6 404	0	0	6 404	2 229	0	0	2 229
Cost of sales	-12 873	-18 258	20	-31 111	-7 882	-15 300	0	-23 182
Gross profit	**204 003**	**93 684**	**20**	**297 707**	**113 775**	**75 928**	**0**	**189 703**
Sales commissions and fees	-80 375	0	0	-80 375	-45 174	0	0	-45 174
Other operating costs[1]	-81 373	-70 614	0	-151 987	-65 888	-63 328	0	-129 216
Contribution	**42 255**	**23 070**	**20**	**65 345**	**2 713**	**12 600**	**0**	**15 313**
Other operating items[2]	0	0	-129 880	-129 880	0	0	-95 982	-95 982
Operating result	**42 255**	**23 070**	**-129 860**	**-64 535**	**2 713**	**12 600**	**-95 982**	**-80 669**
Net financial items	0	0	-159	-159	0	0	-1 168	-1 168
Loss before income tax	**42 255**	**23 070**	**-130 019**	**-64 694**	**2 713**	**12 600**	**-97 150**	**-81 837**

1. Other operating costs comprise selling expenses and research & development costs directly attributable to a segment
2. Other operating items comprise administrative expenses, other operating income and expenses and selling expenses and research & development expenses not directly attributable to a segment

BONESUPPORT manages and monitors operations in the North America (NA) and Europe & Rest of the World (EUROW) segments. The sales function follows the segments, where each segment is managed by a responsible business manager, including members of Group management. Other functions are organized mainly Group-wide, although it is a minor development unit that operates in the United States. The costs included in other operating items are mainly costs for Group functions that cannot be directly allocated to any of the two operating segments. Costs for the option programs are not allocated by segment, as the cost of these programs depends partly on external factors such as valuation of the Company. Therefore, a breakdown by segment could lead to a non-fair allocation if an external factor affects with different impact per segment. The contribution per segment is calculated as net sales minus directly attributable operating costs (see definition above) for the segments.

Markets that delivered more than 10 percent of net sales during 2022 were United States with SEK 216.9 million (121.7) and United Kingdom with SEK 48.6 million (38.1). Net sales in Sweden amounted to SEK 9.7 million (7.9). No (0) customer represented more than 10 percent of net sales.

The amounts in the table above are eliminated for Group transactions. Intercompany sales from EUROW to NA amounted to SEK 172.1 million (91.6).

The Group's non-current assets are primarily based in Sweden.

NOTE 5
INTRA-GROUP PURCHASES AND SALES

Intra-group purchases and sales amounted to SEK 478,556 thousand (347,838). The Parent Company rendered services to Group companies of SEK 47,783 thousand (43,646) and purchased services from Group companies of SEK 38,941 thousand (36,625).

All intra-group dealings, income, expenses, gains or losses, which arise in transactions between Group companies are eliminated in total.

NOTE 6
EXPENSES BY TYPE

GROUP	**2022**	**2021**
Cost for inventory items	-28 446	-22 249
Personnel costs	-188 233	-140 020
Depreciation and amortization of tangible and intangible assets	-9 383	-8 276
Sales commissions and fees	-80 375	-45 174
Other expenses	-130 122	-89 144
Total	**-436 559**	**-304 863**

Other expenses mainly relates to external services, advertising & public relations, travel expenses and exchange rate losses. Exchange rate losses amount to SEK 39,555 thousand (6,697).

NOTE 7
DEPRECIATION AND AMORTIZATION OF TANGIBLE AND INTANGIBLE ASSETS

GROUP	2022	2021
Capitalized development expenses	980	955
Patents	322	328
Right of use assets	7 109	5 786
Equipment and tools	972	1 207
Total	**9 383**	**8 276**

Depreciation and amortization is included in cost of sales with SEK 1,846 thousand (1,740).

NOTE 8
COMPENSATION TO AUDITORS

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
EY				
Audit fees related to the assignment	2 244	1 983	1 472	1198
Audit related fees	135	62	135	62
Total	**2 379**	**2 045**	**1 607**	**1 260**
Other auditors				
Moore Kingston Smith				
Audit fees related to the assignment	318	236	0	0
Other assignments	762	657	0	0
Total	**1 080**	**893**	**0**	**0**

The above are reported fees and compensation to auditors expensed during the year. Compensation for consultations is reported in cases where the same audit firm holds the audit assignment in the individual company. Audit fees related to the assignment refer to the statutory audit of the annual report and the administration of the Board of Directors and the managing director. Audit related fees refer to the audit of management or financial information to be performed in accordance with statutes, articles of association, or agreements not included in the audit assignment, which shall be concluded in a report, certificate or other document intended for others than the client. Other fees are consultations that cannot be attributed to any of the other categories.

NOTE 9
PERSONNEL (AVERAGE NUMBER)

	2022		
	Men	Women	Total
PARENT COMPANY:			
Sweden	1	0	1
SUBSIDIARIES:			
Sweden	13	28	41
USA	17	4	21
United Kingdom	8	4	12
Germany	5	3	8
The Netherlands	2	1	3
Spain	1	1	2
Italy	1	0	1
Denmark	0	1	1
Total subsidiaries	**47**	**42**	**89**
Total Group	**48**	**42**	**90**

	2021		
	Men	Women	Total
PARENT COMPANY:			
Sweden	1	0	1
SUBSIDIARIES:			
Sweden	12	28	40
USA	15	6	21
United Kingdom	9	3	12
Germany	5	7	12
The Netherlands	2	1	3
Spain	0	0	0
Italy	1	0	1
Denmark	0	1	1
Switzerland	1	0	1
Total subsidiaries	**45**	**46**	**91**
Total Group	**46**	**46**	**92**

The number of employees in the tables above represents average full-time equivalents. At the end of the financial year, the Board of Directors was composed of 4 (4) men and 2 (1) women. The management comprised 6 (6) men and 3 (3) women.

NOTE 10
SALARY, OTHER COMPENSATION AND SOCIAL SECURITY

	2022		2021	
GROUP	Board & CEO	Other employees	Board & CEO	Other employees
Salary and other compensation				
Parent Company	7 681	0	5 548	0
Subsidiaries	0	120 846	0	98 813
Total	**7 681**	**120 846**	**5 548**	**98 813**

NOTE 10, CONT'D
SALARY, OTHER COMPENSATION AND SOCIAL SECURITY

Social security all employees	**2022**	**2021**
Parent Company	7 989	1 321
(of which pension cost)	(273)	(267)
Subsidiaries	28 920	22 038
(of which pension cost)	(7 233)	(7 062)
Total	**36 909**	**23 359**
(of which pension cost)	(7 507)	(7 329)

The amounts in the table do not include share-based remuneration. These are included in Note 11. Social security costs include social security costs on participation in incentive programs.

NOTE 11
COMPENSATION TO SENIOR EXECUTIVES AND RELATED PARTY TRANSACTIONS

Compensation to Chair of the Board, Board of Directors and Senior Executives, Group

Compensation to the CEO is decided by the Board of Directors on a proposal from the remuneration committee. The guidelines that were adopted 2022 and that described on page 49, apply until further notice. The Board has proposed that the Annual General Meeting 2023 decides on updated guidelines, see page 13.

Senior executives during the year consisted of the CEO and an additional 8 (8) persons. On December 31, 2022, the number of senior executives was 9 (9) including the CEO. For the Group management, market conditions apply to salaries and other employment benefits, which are approved by the remuneration committee.

Most employees have individual, variable bonus systems with measurable goals. Follow-up and evaluation is done quarterly or yearly.

The CEO's agreement can be terminated by either party with a notice period of 6 (6) months. In case of termination on the part of the Company, a severance pay of 12 (12) months salary (and benefits and average bonus for the last three years will be paid). Other senior executives' contracts have notice periods of up to 6 (6) months.

	2022			**2021**		
	Salaries, fees	**Social security**	**Share-based compensation**	**Salaries, fees**	**Social security**	**Share-based compensation**
Lennart Johansson[1] *Chair of the Board*	895	-281	953	400	-53	550
Håkan Björklund *Director*	225	23	0	157	49	0
Lars Lidgren *Director*	400	41	0	135	14	0
Mary I O'Connor *Director from May 19, 2022*	200	0	0	0	0	0
Björn Odlander *Director*	225	71	0	157	49	0
Christine Rankin *Director from May 19, 2022*	200	63	0	0	0	0
Tone Kvåle[1] *Director until May 19, 2022*	325	-140	0	247	-13	27
Emil Billbäck[1] *CEO*	5 366	6 578	6 112	4 228	840	1 127
Other senior executives[1], *8 (8) persons*	18 302	5 469	6 093	14 901	3 842	1 161

1. The social security for these persons includes change in the liability for social security contributions for active incentive programs.

Compensation to the Board of Directors in the table above, excluding the share-based compensations, are fees that have been paid during 2022. In Note 10, fees expensed regarding 2022 are reported. Accrued board fees amount to SEK 1,136 thousand (906). The guidelines for remuneration to senior executives adopted at the Annual General Meeting 2022 are described in the Director's report and the Corporate Governance Report.

Bonus to the CEO is included in salaries and fees and amounts to SEK 1 827 thousand (965) and to other senior executives to SEK 3,719 thousand (1,650).

For the current CEO and other senior executives, the Company pays pension premiums, with the exception of one manager, who administers this himself. The payments are made according to a scheme where 7 percent is calculated on salaries up to 7.5 of the current price base, 24 percent on price base between 7.5-20 and 16 percent on price base between 20-30. The pension schemes are different since the senior executives, excluding the CEO, are based in 4 (4) different countries. Pension premiums relating to the CEO were paid at SEK 273 thousand (267) and premiums to other senior executives were paid at SEK 1,362 thousand (1,531). Members of the Board have not received any pension.

During 2018, BONESUPPORT signed a consultancy agreement with the previous Board Director Simon Cartmell's company Route 2 Advisors Ltd. SEK 0 thousand (61) has been paid during the year. The agreement was terminated during the first quarter of 2021.

BONESUPPORT has paid consulting fees of SEK 624 thousand (0) to the Board Director Mary I O'Connor.

NOTE 12
EMPLOYEE STOCK OPTION PROGRAMS AND PERFORMANCE SHARE PROGRAMS

At the year end, there are two different employee stock option programs and four performance share programs.

Employee stock option programs
One of the two employee stock option programs runs over ten years and expires 2025 and one program runs over eight years and expires 2024. Each stock option gives the holder the right to acquire 0.2 ordinary share in BONESUPPORT when exercising the option. This at a price of 0.125 SEK, equivalent to 0.625 SEK per share, in the first program and 5.30 SEK, equivalent to 26.50 SEK per share, in the second program. The employee stock options are vested according to a schedule in each program. A condition for allotment of options is employment or a contractual relationship with the company at each vesting date. Of the previously allocated 25.7 million options, 8.9 million options regard active programs. Of these 8.9 million options, 5.2 million (5.2) options were fully vested before the end of the year. Remaining 3.7 million (3.7) options were not allocated. There are no remaining exercisable stock options within the program 2015/2025.

Performance share programs
There are three programs for mainly newly recruited employees and one program for one Board member. The programs run as follows with the below end dates:

- The program for employees decided at the annual general meeting in 2019 runs until 31 December 2022;
- The program for employees decided at the annual general meeting in 2020 runs until 31 December 2023;
- The program for employees decided at the annual general meeting in 2021 runs until 31 December 2023; and
- The program for one Board member decided at the annual general meeting in 2021 runs until the date of the Annual General Meeting in 2024.

In each program for employees decided at the Annual General Meetings in 2019 and 2020, each savings share gives the opportunity to be allotted to the employees a maximum of two, three or four performance shares without payment depending on share price development and the Company's development in terms of sales and EBITDA during the duration of the program. The performance shares were issued in the form of class C-shares with a subscription price and quota value of SEK 0.625 per share.

In the program for employees decided at the Annual General Meeting in 2021, each savings share gives the opportunity to be allotted a maximum of six performance shares without payment depending on share price development and the Company's development in terms of sales and EBITDA during the duration of the program.

In the program for one Board member decided at the annual general meeting in 2021, each savings share gives the opportunity to be allotted a maximum of three performance shares without payment depending on share price development.

The annual general meeting in May 2022 authorized the Board to issue C-shares to cover social security charges for the latest programs. The mandate from the annual general meeting was fulfilled during 2022. The mandate to issue C-shares enabled the close of the share swap that was entered into during the previous year.

Employee stock options and performance shares are valued at fair value at the date of allocation. The total cost is distributed over the vesting period. At the end of the vesting period, a reduction in staff turnover is assumed, which entails an increased cost. The cost is accounted for as personnel cost and is credited to equity. The social security cost is revalued at fair value. When the options are exercised, the Company issues new shares. Payments received on behalf of the shares issued are credited to equity.

VALUATION - PERFORMANCE SHARE PROGRAM LTI 2021/2023	Jul 12, 2021
Dividend	-
Expected volatility	40 %
Interest rate	-0.28 %
Valuation of the share (SEK)	71.74
Valuation model	Black & Scholes/Monte Carlo

VALUATION - PERFORMANCE SHARE PROGRAM LTI BOARD 2021/2023	Jul 12, 2021
Dividend	-
Expected volatility	40 %
Interest rate	-0.26 %
Valuation of the share (SEK)	71.74
Valuation model	Black & Scholes/Monte Carlo

VALUATION - PERFORMANCE SHARE PROGRAM LTI 2020/2023	Dec 16, 2020
Dividend	-
Expected volatility	35 % - 40 %
Interest rate	-0.23 % - -0.39 %
Valuation of the share (SEK)	39.61
Valuation model	Black & Scholes/Monte Carlo

VALUATION - PERFORMANCE SHARE PROGRAM LTI 2019/2022	Dec 10, 2019
Dividend	-
Expected volatility	35 %
Interest rate	-0.32 % - -0.57 %
Valuation of the share (SEK)	27.10
Valuation model	Black & Scholes/Monte Carlo

VALUATION - EMPLOYEE STOCK OPTION PROGRAM 2016/2024	Nov 9, 2016
Dividend	-
Expected volatility	50 %
Interest rate	0 %
Subscription price (SEK) - recalculated after share consolidation 5:1	26.50
Valuation model	Black & Scholes

CHANGES DURING THE YEAR (NUMBER) - PERFORMANCE SHARE PROGRAMS	2022	2021
Outstanding at January 1	1 791 000	1 195 000
Granted during the year	0	606 000
Delivered performance shares regarding a completed program	-287 134	0
Cancelled during the year regarding a completed program	-137 866	0
Cancelled during the year regarding terminated employment	-43 000	-10 000
Outstanding at December 31	1 323 000	1 791 000
Exercisable at December 31	500 378	287 134

CHANGES DURING THE YEAR (NUMBER) - EMPLOYEE STOCK OPTION PROGRAM 2016/2024	2022	2021
Outstanding at January 1	452 291	499 062
Adjustment during the year	0	50 000
Exercised during the year	-32 083	-96 771
Outstanding at December 31	420 208	452 291
Exercisable at December 31	420 208	452 291

CHANGES DURING THE YEAR (NUMBER) - EMPLOYEE STOCK OPTION PROGRAM 2012/2022	2022	2021
Outstanding at January 1	881 125	981 125
Cancelled during the year	-401 250	0
Exercised during the year	-479 875	-100 000
Outstanding at December 31	0	881 125
Exercisable at December 31	0	881 125

Weighted average exercise price for the options that were exercised during the year was SEK 2.25 (2.67) per share.

The expected maturity of the options is based on current expectations and is not necessarily an indication of future actual exercising. The valuation of the share is based on the latest issue price and is fixed. The total cost will change as social security is calculated on the fair value and a new fair value calculation is made quarterly. Volatility, at end of period 40 percent (40), is a conservative valuation of market risk and is based on peer group data due to the share being traded a limited period of time.

During 2022, the cost of employee stock option and performance share programs, excluding social security contributions, was recognized as operating expense amounting to SEK 17,891 thousand (7,365). For information about the part that regards Board Members and the management team, see Note 11. The social security contributions amounted to an expense of SEK 10,486 thousand, compared to a positive effect of SEK 1,810 thousand previous year. Liability for social security contributions amounts to SEK 12,968 thousand (6,290).

NOTE 13
OTHER OPERATING INCOME

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Exchange rate gains	42 626	10 253	119	121
Government refunds relating to COVID-19	0	348	0	0
Other	580	707	0	0
Total	**43 206**	**11 308**	**119**	**121**

NOTE 14
OTHER OPERATING EXPENSES

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Exchange rate losses	39 555	7 975	2 791	1 659
Other	1 052	7	0	0
Total	**40 607**	**7 982**	**2 791**	**1 659**

NOTE 15
FINANCIAL ITEMS

PARENT COMPANY	2022	2021
Interest income, Group	7 769	5 565
Interest income, external	615	0
Interest expenses, Group	-1 591	-1 272
Interest expenses, external	-11 549	0
Net financial items	**-4 756**	**4 293**

During 2022, the share swap agreement that the Group had entered into during the previous year was closed. In connection with the termination, financial expenses of SEK 11.3 million arose.

NOTE 16
INCOME TAX

GROUP

The following components are included in the tax expense of the year:	2022	2021
Current tax on loss for the year	-3 736	-3 636
Adjustment of taxes attributable to previous years	263	-58
Current tax expense	**-3 473**	**-3 694**
Deferred tax related to changes in temporary differences	0	0
Reported tax	**-3 473**	**-3 694**

Reconciliation between reported tax and tax expense based on applicable tax rate:	2022	2021
Loss before income tax	-64 694	-81 837
Tax according to the applicable tax rate 20.6% (20.6)	13 327	16 858
Difference between Swedish and foreign tax rates	-688	-721
Non tax-deductible items	-8 844	-5 771
Non taxable income	129	0
Current tax attributable to prior years	264	-58
Loss carry forward for which no deferred tax asset has been recognized	-7 661	-14 002
Tax expense for the year	**-3 473**	**-3 694**

NOTE 16, CONT'D
INCOME TAX

Reported tax expense relate to foreign subsidiaries, mainly the US company that reports positive result before tax. Tax effect from non-deductible costs primarily relates to intercompany profit in inventory and costs for employee stock option programs. No tax is reported in the comprehensive income or directly against equity.

The Group's total loss carry forwards as per December 31, 2022 amount to approximately SEK 1,119 million (1,081) whereof SEK 138 million (117) refers to the Parent Company. The tax loss carry forwards have no fixed maturity. Deferred tax assets attributable to the loss carry forward has been valued at zero as it is currently not possible to assess when tax losses carry forwards can be utilized. Until the positive development results in profits, a deferred tax asset will not be recognized. When the outlook for this is different, the Company will consider if there are compelling reasons to recognize a deferred tax asset.

PARENT COMPANY

Reported tax expense:	2022	2021
Tax expense of the year	0	0

Reconciliation between reported tax and tax expense based on applicable tax rate:	2022	2021
Loss before income tax	-21 476	-3 141
Tax according to the applicable tax rate 20.6% (20.6)	4 424	647
Non tax-deductible items	-234	-6
Loss carry forward for which no deferred tax asset has been recognized	-4 190	-641
Tax expense for the year	**0**	**0**

The Parent Company's prevailing tax rate is 20.6 percent (20.6).

NOTE 17
INVENTORIES

Changes in inventory are classified as cost of sales and amount to a positive cost of SEK 1,481 thousand (positive effect of 176).

Impairment write-down of inventory to net realizable value due to products with short durability or other impairment risk, amounts to SEK 19 thousand (15). This is done as the net sale value is lower than the acquisition value.

NOTE 18
INTANGIBLE ASSETS

GROUP

Capitalized development expenses:	Dec 31, 2022	Dec 31, 2021
Opening accumulated acquisition value	15 896	15 087
Investments for the year	1 321	808
Closing accumulated acquisition value	**17 216**	**15 896**
Opening accumulated amortization	-9 927	-8 972
Amortization for the year	-980	-955
Closing accumulated amortization	**-10 907**	**-9 927**
Closing book value	**6 309**	**5 968**

Patents:	Dec 31, 2022	Dec 31, 2021
Opening accumulated acquisition value	3 283	3 283
Investments for the year	0	0
Closing accumulated acquisition value	**3 283**	**3 283**
Opening accumulated amortization	-886	-558
Amortization for the year	-322	-328
Closing accumulated amortization	**-1 208**	**-886**
Closing book value	**2 075**	**2 397**

NOTE 19
EQUIPMENT AND TOOLS

GROUP	Dec 31, 2022	Dec 31, 2021
Opening accumulated acquisition value	9 720	6 949
Investments for the year	1 958	2 608
Translation difference	274	163
Closing accumulated acquisition value	**11 952**	**9 720**
Opening accumulated depreciation	-5 146	-3 786
Depreciation for the year	-972	-1 207
Translation difference	-70	-153
Closing accumulated depreciation	**-6 188**	**-5 146**
Closing book value	**5 764**	**4 574**

NOTE 20
PARTICIPATIONS IN GROUP COMPANIES

PARENT COMPANY	Dec 31, 2022	Dec 31, 2021
Opening accumulated acquisition value	1 254 438	1 129 438
Shareholders' contribution	0	125 000
Closing accumulated acquisition value	**1 254 438**	**1 254 438**
Opening accumulated write-down	-297 786	-297 786
Closing accumulated write-down	**-297 786**	**-297 786**
Closing book value	**956 652**	**956 652**

NOTE 20, CONT'D
PARTICIPATIONS IN GROUP COMPANIES

	Share of equity %	Number of shares	Book value Dec 31, 2022	Book value Dec 31, 2021	Corporate reg. no.	Registered office
BONESUPPORT AB	100	1 000	956 652	956 652	556800-9939	Lund

SUBSIDIARIES OF BONESUPPORT AB:

	Share of equity %	Number of shares	Book value Dec 31, 2022	Book value Dec 31, 2021	Corporate reg. no.	Registered office
BONESUPPORT Inc.	100	100	69	69	98-0539754	Delaware
BONESUPPORT GmbH	100	1 000	0	0	HRB 80228	Frankfurt
BONESUPPORT BV	100	18 000	183	183	34377023	Amsterdam
BONESUPPORT Switzerland GmbH	100	20 000	171	171	CHE-474.771.411	Zürich
BONESUPPORT UK Ltd	100	1	0	0	10352673	London
BONESUPPORT ApS	100	500	69	69	40081135	Kongens Lyngby
BONESUPPORT, S.L.U.	100	3 500	36	36	B67244988	Barcelona
BONESUPPORT SRL	100	10 000	102	102	11708750960	Milano
BONESUPPORT Incentive AB	100	100 000	840	840	556739-7780	Lund

NOTE 21
TRADE RECEIVABLES AND OTHER RECEIVABLES

The Group's customers are mainly hospitals and clinics. Credit risk is considered low for the vast majority of customers. The Group shows a history of very low realised credit losses.

	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Trade receivables	62 623	38 413	0	0
Other receivables	7 963	6 126	204 264	172 067
Total	**70 586**	**44 539**	**204 264**	**172 067**

Other receivables above refer to:	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Receivables on Group companies	0	0	204 189	172 020
VAT receivable	4 889	4 233	0	0
Tax receivable	1 251	1 269	75	47
Other financial receivables	1 532	514	0	0
Other	290	110	0	0
Total	**7 963**	**6 126**	**204 264**	**172 067**

The four largest customers represent 14 percent (10) of total trade receivables. The single largest customer represents 4 percent (4).

	PARENT COMPANY	
Credit risk exposure:	Dec 31, 2022	Dec 31, 2021
Trade receivables not past due, gross amounts	37 863	23 663
Expected credit loss	0	0
(Expected credit loss, %)	0 %	0 %
Trade receivables past due, gross amounts	25 301	14 844
Expected credit loss	-541	-94
(Expected credit loss, %)	2 %	1 %
Total trade receivables	**62 623**	**38 413**

Credit risk exposure, per credit rating:	Dec 31, 2022	Dec 31, 2021
Low	62 623	38 413
Medium	0	0
High	541	94
Credit risk provision	-541	-94
Total carrying amount	**62 623**	**38 413**

Principles for measurement of expected credit losses are described in Note 1.

Due date for trade receivables past due but not written off:	Dec 31, 2022	Dec 31, 2021
Less than 1 month	11 780	7 653
1-3 months	6 320	3 649
More than 3 months	6 660	3 448
Total	**24 760**	**14 750**

Changes in credit risk provision:	2022	2021
As of January 1	94	69
Provision for bad debts	519	22
Write off of bad debts	-94	0
Translation difference	22	3
As of December 31	**541**	**94**

No provision for expected credit losses have been made for other financial receivables since it is considered immaterial. Receivables on Group companies are tested for impairment together with shares in Group companies.

The Group's trade receivables per currency:	Dec 31, 2022	Dec 31, 2021
USD	46 977	21 944
EUR	7 578	7 284
GBP	5 400	6 311
DKK	868	1 095
SEK	1 321	964
CHF	193	690
CAD	286	125
Total	**62 623**	**38 413**

NOTE 22
ACCRUALS AND PREPAID ITEMS

	GROUP		PARENT COMPANY	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Prepaid expenses				
Prepaid insurance	1 271	1 291	577	533
Prepaid board fees	489	0	489	0
Prepaid license fees	355	324	0	0
Prepaid travel expenses	239	52	0	0
Prepaid expenses for IT service	204	174	0	0
Other prepaid expenses	2 368	1 378	0	127
Total	**4 926**	**3 219**	**1 066**	**660**
Accrued income				
Accrued income	5 705	2 492	0	0
Total	**5 705**	**2 492**	**0**	**0**
Accrued expenses				
Accrued social security contributions for employee stock options	12 968	6 290	7 392	2 781
Accrued bonus including social security contributions	22 753	8 903	2 828	1 218
Accrued holiday pay including social security contributions	5 916	5 667	422	516
Other accrued social security contributions	1 793	1 825	306	386
Accrued pension	1 272	1 272	66	65
Accrued board fees	1 136	906	1 136	906
Accrued audit expenses	1 250	812	459	435
Accrued expenses for received goods	2 117	578	0	0
Accrued consultancy expenses	1 288	493	89	0
Other accrued expenses	3 590	3 437	32	25
Total	**54 083**	**30 183**	**12 730**	**6 332**

NOTE 23
EQUITY AND EARNINGS PER SHARE

Total number of shares, quotient value SEK 0.625 (0.625)	66 174 635

Number of shares December 31, 2020	**64 999 222**
Share issue, C-shares	55 000
Conversion of employee stock options	39 354
Conversion of warrants	361 096
Number of shares December 31, 2021	**65 454 672**
Conversion of 287,134 C-shares to ordinary shares	0
Share issue, C-shares	639 572
Conversion of employee stock options	80 391
Number of shares December 31, 2022	**66 174 635**
Number of votes	**64 696 441**

The total number of shares at the end of the year is 66,174,635 (65,454,672) of which 64,532,197 (64,164,672) are ordinary shares and 1,642,438 (1,290,000) are series C-shares. In addition to this, 22,000 ordinary shares were in the process of being issued at the year end. Payment was received during December 2022 but registration was done in January 2023. The share capital amounts to SEK 41,359 thousand (40,909). During 2022, 80,391 shares (39,354) were issued from exercise of employee stock options.

EARNINGS PER SHARE - BEFORE DILUTION

Earnings per share before dilution is calculated using the following results and number of shares:

	2022	2021
Loss for the year, SEK thousands	-68 167	-85 531
Weighted average number of shares, thousands	64 447	63 999
Earnings per share before dilution, SEK	-1.06	-1.34

EARNINGS PER SHARE - AFTER DILUTION

BONESUPPORT has in total 84,041 (266,685) potential shares in form of employee stock options.

As the result is negative, dilution does not affect earnings per share.

SHARE SWAP

In accordance with a resolution from the 2021 Annual General Meeting, BONESUPPORT's Board of Directors in 2021 used the authorization during 2021 to enter into a share swap agreement with a third party in order to ensure the Company's delivery of performance shares to participants in the long-term incentive programs decided by the AGM, and to hedge such expenses as social security contributions, from a cash flow perspective. A total of 786,000 shares were hedged to an average value of SEK 79.30 per share, a total of SEK 62,333 thousand.

The share swap was an instrument in which the Company pays an amount in advance to a counterparty for the right to receive the fair value of a certain number of its shares in cash at a given time.

The agreement affected the Group's cash flow with an outflow of SEK 62,333 thousand during 2021. In the Group, the transaction was recognized in line with the acquisition of own shares and the transaction was thus reported at acquisition value in unrestricted equity. As it was BONESUPPORT AB that entered into the agreement, BONESUPPORT HOLDING AB reported the amount as a non-current receivable from subsidiaries instead of against restricted equity.

At the annual general meeting in May 2022, the Company received the mandate to issue C-shares to cover its commitment within the performance share programs LTI2021, including coverage for social security charges. The C-shares replaced the share swap. The close led to an inflow of cash amounting to SEK 51,039 thousand. The expenses for the termination amounted to SEK 355 thousand, of which SEK 255 thousand has been reported as interest expenses and SEK 100 thousand has been reported as other operating expenses. The cash flow was thereby affected positively with SEK 50,684 thousand.

NOTE 24
PROVISIONS

The Group has capitalized direct pensions that has been presented net in the balance sheet. Special payroll tax relating to the pensions has been recorded as a provision.

	2022	2021
As of January 1	363	329
Re evaluation	-19	34
As of December 31	**344**	**363**

NOTE 25
CLASSIFICATION OF FINANCIAL INSTRUMENTS

The Group's financial assets and liabilities valued at amortized cost:

	Dec 31, 2022	Dec 31, 2021
Financial assets:		
Trade receivables	62 623	38 413
Other receivables	1 532	514
Accrued income	5 705	2 492
Cash and cash equivalents	201 281	206 464
Financial liabilities:		
Leasing debt	17 451	21 422
Trade payables	23 571	18 719
Accrued expenses	10 072	6 349

The Parent Company's financial assets and liabilities:

	Dec 31, 2022	Dec 31, 2021
Financial assets:		
Participations in Group companies	956 652	956 652
Receivables on Group companies	204 189	172 020
Cash	143 402	181 275
Financial liabilities:		
Trade payables	570	141
Accrued expenses	1 715	1 368

The fair value of financial assets and liabilities is estimated to be in accordance with the booked value due to the short maturity. The Parent Company values all financial assets except participations in Group companies at amortized cost. Accrued expenses are specified in Note 22. For information on interest income on financial assets, see Note 15. Losses on financial assets, recognized in the income statement as credit losses are described in Note 21.

NOTE 26
LEASING

The Group has lease agreements with Första Fastighets AB IDEON (Wihlborgs) in Sweden and John Hancock Life Insurance Company/John Hancock Life & Health Insurance Company in the US for the lease of office and warehouse space.

In addition to the agreements relating to premises, the Group has contracts with a number of suppliers for car leasing and a leasing contract with ATEA regarding the rental of computers and other IT equipment. All items are used in the Company's daily operations. The lease period for premises extends between three and five years, for cars between three and four years and for computers and other IT equipment for three years.

The terms of the agreement are market-based and none of the contracts require the Group to maintain any financial key figures.

No leasing contracts last longer than five years.

The right of use assets and the leasing debt and how their book values have changed during the year is summarized below:

GROUP - RIGHT OF USE ASSETS	Buildings	Cars	Equipment	Total
Acquisition value				
Opening accumulated acquisition value January 1, 2021	16 205	5 253	1 828	23 286
Re evaluation of agreement	13 847	-258	10	13 599
New leasing objects	0	585	485	1 070
Terminated agreements	0	-2 050	-22	-2 072
Translation difference	825	58	0	883
Closing accumulated acquisition value December 31, 2021	**30 877**	**3 588**	**2 301**	**36 766**
Opening accumulated acquisition value January 1, 2022	30 877	3 588	2 301	36 766
Re evaluation of agreement	0	0	0	0
New leasing objects	0	2 150	1 188	3 338
Terminated agreements	0	-2 450	-460	-2 910
Translation difference	642	282	0	924
Closing accumulated acquisition value December 31, 2022	**31 519**	**3 570**	**3 029**	**38 118**
Depreciation for the year				
Opening accumulated depreciation value January 1, 2021	-8 099	-2 880	-467	-11 446
Terminated agreements	0	1 921	22	1 943
Depreciation for the year	-3 905	-1 268	-613	-5 786
Translation difference	834	196	-4	1 026
Closing accumulated depreciation December 31, 2021	**-11 170**	**-2 031**	**-1 062**	**-14 263**
Opening accumulated depreciation value January 1, 2022	-11 170	-2 031	-1 062	-14 263
Terminated agreements	0	2 243	460	2 703
Depreciation for the year	-4 620	-1 672	-817	-7 109
Translation difference	-180	-409	0	-589
Closing accumulated depreciation December 31, 2022	**-15 970**	**-1 869**	**-1 419**	**-19 258**
Closing book value				
Closing book value December 31, 2021	**19 708**	**1 557**	**1 239**	**22 504**
Closing book value December 31, 2022	**15 550**	**1 701**	**1 610**	**18 861**

NOTE 26, CONT'D
LEASING

GROUP - LEASING DEBT	2022	2021
Opening balance	21 422	10 480
Re evaluation of agreement	0	13 847
Debt for new leasing objects	3 338	835
Terminated agreements	-170	-130
Repayment of debt	-8 132	-5 509
Interest expense	696	1 038
Translation difference	297	861
Closing balance	**17 451**	**21 422**
of which non-current leasing debt	12 350	16 152
of which current leasing debt	5 101	5 270

When calculating the liability of remaining payments, an interest rate of 6 percent (6) has been applied as discount rate. As the Group has no external loans, the marginal borrowing rate has been based on discussions with the Group's main bank. After discussing with the external lenders, a reasonable borrowing rate for a real estate loan has been evaluated. A development company carries a high risk premium why 6 percent has been considered reasonable.

The Group's leasing debts have the following, undiscounted maturities:

GROUP - LEASING DEBT PER MATURITY	Dec 31, 2022	Dec 31, 2021
Within one year	7 148	6 686
Between one and two years	5 250	6 213
Between two and three years	3 598	4 315
Between three and four years	3 271	3 262
Between four and five years	2 180	3 250
Between five and six years	0	2 437
Sum	**21 447**	**26 163**

The amounts with which leasing has been reported in the income statement are as follows:

GROUP	2022	2021
Depreciation right of use assets	7 109	5 786
Interest expense for leasing debt	696	1 038
Total	**7 805**	**6 824**

The Parent Company is not engaged in any lease contracts.

Leasing is included in the Group's total cash flow with SEK 696 thousand (1,038) regarding interest payments and SEK 7,805 thousand (5,509) regarding repayment of borrowings.

NOTE 27
PLEDGED SECURITIES AND CONTINGENT LIABILITIES

PLEDGED SECURITIES

The US subsidiary BONESUPPORT Inc. has provided a guarantee for its rented facilities of USD 56 thousand (56), corresponding to SEK 584 thousand (506). The Parent Company guarantees a corresponding amount. During 2022, the Parent Company has also provided a general guarantee of USD 500 thousand (0), corresponding to SEK 5,211 thousand (0).

BONESUPPORT AB has capital-invested direct pensions amounting to SEK 979 thousand (979). The Parent Company has pledged collateral amounting to the corresponding amount.

At the end of 2022 and 2021, the Group and the Parent Company had no other contingent liabilities.

NOTE 28
ITEMS NOT INCLUDED IN THE CASH FLOW

GROUP - ITEMS NOT INCLUDED IN CASH FLOW	2022	2021
Depreciation regarding right of use assets	7 109	5 786
Other depreciation and amortization	2 274	2 490
Costs for employee incentive programs	17 891	7 365
Unrealized exchange rate differences	-14 474	-8 293
Write-down on trade receivables	597	74
Other	1 588	-665
Total	**14 985**	**6 757**

NOTE 29
EVENTS AFTER THE CLOSING DAY

The war in Ukraine has created instability and uncertainty in the world. The business impact is hard to predict but higher shipping costs and higher price on inputs are likely effects under prevailing market conditions.

NOTE 30
PROPOSAL FOR APPROPRIATION - PARENT COMPANY

SEK Unrestricted equity in the Parent Company	Dec 31, 2022	Dec 31, 2021
Share premium reserve	1 563 836 403	1 563 670 389
Retained earnings	-336 651 440	-333 110 703
Net loss for the year	-21 476 243	-3 141 005
Total	**1 205 708 721**	**1 227 418 682**

The Board of Directors propose that the share premium reserve, retained earnings and net loss for the year should be carried forward. The proposal will be presented at the Annual General Meeting on May 17, 2023.

THE BOARD'S ASSURANCE

The Board of Directors and the CEO assure that the consolidated accounts have been prepared in accordance with international accounting standards IFRS as adopted by the EU and give a true and fair view of the Group's position and results. The Annual report has been prepared in accordance with generally accepted accounting standards and gives a true and fair view of the Parent Company's position and results.

The annual report of the Group and the Parent Company gives a true and fair view of the development and the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainties facing the Parent Company and the companies that are part of the Group.

Stockholm, April 21, 2023

Lennart Johansson
Chair of the Board

Gärsnäs, April 21, 2023

Håkan Björklund
Board member

Florida (US), April 21, 2023

Mary I O'Connor
Board member

Lund, April 21, 2023

Lars Lidgren
Board member

Stockholm, April 21, 2023

Christine Rankin
Board member

Stockholm, April 21, 2023

Björn Odlander
Board member

Lund, April 21, 2023

Emil Billbäck
CEO

Our audit report was delivered on April 21, 2023

Ernst & Young AB

Henrik Rosengren
Authorized Public Accountant

AUDITOR'S REPORT

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF BONESUPPORT HOLDING AB (PUBL), CORPORATE IDENTITY NUMBER 556802-2171

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of BONESUPPORT HOLDING AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 6-40 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition

Description
Net sales for 2022 amounts to KSEK 323.818 in the consolidated income statement. The revenue recognition principles are described in Note 1. Revenues are reported based on the compensation expected to be received by the group in exchange for transfer of promised goods or services to a customer, exclusive of any amounts collected on behalf of third parties (such as sales taxes), at the point at which the control over the good has transferred to the customer. The revenues arise primarily from one revenue stream, sales of goods, via three channels with different sales conditions; sales in the United States with a combination of sales entity and distributors, direct sales in six countries/regions in Europe and sales via distributors on all other markets. Revenues are therefore based on different contract terms and sales conditions depending on the revenue stream. We have thus considered revenue recognition to represent a key audit matter.

A description of the principles for revenue recognition is included in Note 1 and information on operating segments in Note 4.

How our audit addressed this key audit matter
We have evaluated the company's revenue recognition process through our audit. Amongst other we have tested the company's recorded revenue transactions, audited credit notes and accounts receivable, performed data analytics and performed analytical review procedures. Moreover, we have analyzed sales compared to the prior year and movements in the recorded revenues compared to expectations, audited customer agreements, conducted sample tests on accruals at financial statement closing and conducted tests of incoming payments.

We have audited disclosures in the annual report.

Shares in subsidiaries

Description
The carrying amount of shares in subsidiaries per 31 December 2022 amounts to KSEK 956.652 in the parent company's balance sheet, which corresponds to 73% of total assets in the parent company. The company annually and at indication of impairment that reported values do not exceed the estimated recoverable amount. The recoverable amount is determined by a present value calculation of future cash flows. Future cash flows are based on management's forecasts and include a number of assumptions, including earnings, growth, investment needs and discount rates.

Changes in assumptions have a major impact on the calculation of the recoverable amount and the assumptions applied by the company may therefore be of major importance for the assessment of impairment. We have therefore considered the reporting of shares in subsidiaries as a key audit matter.

A description of the impairment test is included in the section on assessments, estimates and assumptions in Note 3 and information about shares in subsidiaries is included in Note 20.

How our audit addressed this key audit matter
In our audit we have evaluated and tested the company's process for establishing impairment tests, amongst other by evaluating accuracy in previous forecasts and assumptions. We have also made comparisons with other companies to evaluate the fairness of future cash flows and growth assumptions, and with the help of our valuation specialists evaluated the applied discount rate and assumptions about long-term growth. Moreover, we have examined the model and method for carrying out impairment test.

We have audited disclosures in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-5 and 46-55. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of BONESUPPORT HOLDING AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for BONESUPPORT HOLDING AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of BONESUPPORT HOLDING AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of BONESUPPORT HOLDING AB (publ) by the general meeting of the shareholders on the 19 May 2022 and has been the company's auditor since the 22 April 2022.

Lund, 21 April, 2023
Ernst & Young AB

Henrik Rosengren
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT 2022

BONESUPPORT HOLDING AB (publ) (**"BONESUPPORT"**) ") is a Swedish public limited company with its registered office in Lund, Sweden. The Company's shares are listed on Nasdaq Stockholm and are traded under the ticker symbol BONEX. BONESUPPORT's corporate governance is based on the applicable statutes, regulations, rules and recommendations for stock-exchange listed companies, such as the Swedish Corporate Governance Code (the **"Code"**), Nasdaq Stockholm's Rule Book for Issuers, BONESUPPORT's Articles of Association, and company-specific rules and guidelines. For more information, refer to the Company's website www.bonesupport.com. During the 2022 financial year, BONESUPPORT has applied the Code without any deviations.

SHAREHOLDERS MEETING

The Annual General Meeting, or, where applicable, an extraordinary meeting of shareholders, is the ultimate decision-making body of BONESUPPORT, in which all shareholders are entitled to participate. The Annual General Meeting makes decisions on principle matters, for instance concerning amendments to the Articles of Association, the election of Members of the Board of Directors and the auditor, adoption of the profit & loss statement and balance sheet, discharge from liability for Members of the Board of Directors and the Chief Executive Officer (CEO), disposition of profits or losses, principles for the appointment of members of the Nomination Committee, and guidelines for remuneration of senior executives.

At the Annual General Meeting on May 19, 2022, 33 shareholders were represented, corresponding to holdings of 47 percent of the total number of shares and voting rights in the Company. Attorney Hans Petersson was elected as Chair of the Annual General Meeting. At the Annual General Meeting 2022, resolutions were passed on, among other things, the determination of fees for the Board of Directors and the auditors, re-election of Håkan Björklund, Björn Odlander, Lars Lidgren, and Lennart Johansson, as well as new election of Christine Rankin and Mary I O'Connor, as ordinary members, and new issue authorizations for the Board of Directors. Lennart Johansson was elected Chair of the Board. Ernst & Young AB were reappointed as auditor with authorized public accountant Ola Larsmon as the auditor in charge. In June 2022, in connection with Ola Larsmon leaving Ernst & Young, Henrik Rosengren was appointed auditor in charge.

The Annual General Meeting 2023 will be held on Thursday, May 17, 2023. For further information concerning the Annual General Meeting, please visit BONESUPPORT's website. All shareholders have the right to participate and vote for all their shares at the Annual General Meeting. For information concerning shares and voting rights, see the Directors' Report, page 8 in the Annual Report.

NOMINATION COMMITTEE

According to the Code, the Company is to have a Nomination Committee, the duties of which shall include the preparation and drafting of proposals regarding the election of Members of the Board, the Chair of the Board, the Chair at the shareholders meetings and the auditor(s). The Nomination Committee shall also propose directors' fees for Members of the Board and fees for the auditor(s). At the 2021 Annual General Meeting, it was resolved to adopt an Instruction and Rules of Procedure for the Nomination Committee, under which the Nomination Committee is to consist of four members representing the three largest shareholders as per the end of September, together with the Chair of the Board. For information concerning ownership, see page 51 in the Annual Report or the Company's website www.bonesupport.com.

In accordance with the adopted Instructions, a Nomination Committee has been constituted in preparation of the 2023 Annual General Meeting consisting of Staffan Lindstrand (Chair) representing HealthCap V LP, Caroline Sjösten representing Swedbank Robur Fonder, and Jan Särlvik representing the Fourth Swedish National Pension Fund, along with the Chair of the Board, Lennart Johansson. The composition of the Nomination Committee for the 2023 Annual General Meeting was publicly notified through the publication of the interim report for January – September on October 27, 2022.

During 2022, the Nomination Committee held three meetings and had ongoing contact between the meetings. The Nomination Committee has complied with the Instructions adopted at the Annual General Meeting in 2021.

In its work, the Nomination Committee has in its work applied Rule 4.1 of the Code as a diversity policy, whereby the Nomination Committee has taken into account that the Board of Directors, with regard to the Company's business activities, stage of development and circumstances in general, shall be characterized by diversity and breadth with respect to members' qualifications, skills and expertise, experience and background, and that an even gender balance shall be strived for. The Nomination Committee's ambition is that the gender balance will be equalized over time.

EXTERNAL AUDIT

The Company's auditor is appointed by the Annual General Meeting for the period until the end of the next following Annual General Meeting. The auditor examines the Annual Report with accompanying financial statements, as well as the management by the Board of Directors and the CEO. Following each financial year, the auditor shall submit an auditor's report to the Annual General Meeting. Each year, the Company's auditor reports his/her observations from the audit to the Board of Directors.

At the 2022 Annual General Meeting, Ernst & Young AB was re-appointed as the Company's auditor with authorized public accountant Ola Larsmon as auditor in charge. In June 2022, in connection with Ola Larsmon leaving Ernst & Young, Henrik Rosengren was appointed auditor in charge. It was also resolved at the Annual General Meeting that the fees to the auditor should be paid in accordance with the normal billing standards and on receipt of approved invoices. More information regarding the auditor's fees can be found in Note 8 in the Annual Report.

THE BOARD OF DIRECTORS

After the Annual General Meeting, the Board of Directors is the Company's highest decision-making body. The Board of Directors is responsible for the Company's organization and the management of the Company's affairs, for example by establishing targets and strategies, securing procedures and systems for monitoring the established targets, continuously assessing the Company's financial position and evaluating the operational management. Furthermore, it is the Board of Directors' has the responsibility to ensure that true and correct information is provided to the Company's stakeholders, that the Company complies with laws and regulations, and that the Company develops and implements internal policies and ethical guidelines. The Board of Directors also appoints the Company's CEO and determines his/her salary and other remuneration, based on the guidelines adopted by the Shareholders Meeting.

The Board Members elected by the Annual General Meeting are elected annually at the Annual General Meeting for the term until the next Annual General Meeting is held. According to the Company's Articles of Association, the Board of Directors is to consist of a minimum of three and a maximum of eight members without alternates. According to the Code, the majority of the Board Members elected by the Annual General Meeting must be independent of the Company and its management. Furthermore, at least two of the Board Members who are independent in relation to the Company and its management must also be independent in relation to major shareholders. Major shareholders are shareholders who directly or indirectly control 10 percent or more of the total shares and voting rights in the Company. In determining whether or not a Board Member is independent, an overall assessment is to be made of all the circumstances which may call into question the independence of the Board Member vis-à-vis the Company, its management, or the major shareholders. A Member of the Board of Directors who is employed or a Member of a Board of Directors of a company that is a major shareholder is not considered to be independent. There are no further provisions in the Articles of Association concerning the appointment and resignation of Members of the Board or amendments to the Articles of Association.

All Board Members elected by the Annual General Meeting, except Björn Odlander, are independent of the major shareholders, and all Board Members elected by the Annual General Meeting are independent of the Company and its management. Björn Odlander is independent in relation to the Company and its management, but not in relation to major shareholders as he is a partner of HealthCap. As indicated, the Board of Directors is of the view that the Company fulfils the Code's requirement in regard to independence. The Board of Directors' members, own and closely related parties' holdings and the year in which they were elected are presented on the page 51 of the Annual Report.

The Board of Directors follows a written Rules of Procedure, which is reviewed annually and adopted at the statutory Board of Directors meeting. The Rules of Procedure govern, among other things, the Board of Directors' working methods, duties, responsibilities, decision-making within the Company, the Board of Directors' meeting agenda, the duties and responsibilities of the Chair of the Board, and the allocation of responsibilities and duties between the Board of Directors and the CEO. The Instruction regarding financial reporting and the Instruction to the CEO are also adopted in connection with the statutory Board of Directors meeting.

The work of the Board of Directors is also carried out on the basis of an annual plan, which fulfills the Board of Directors' need for information. In addition to meetings of the Board of Directors, the Chair of the Board of Directors and the CEO have an ongoing dialogue concerning the management of the ompany.

The Board of Directors meets according to a pre-determined annual schedule and shall, in addition to the statutory Board of Directors meeting, hold at least six ordinary Board of Directors meetings between each Annual General Meeting. In addition to these meetings, extraordinary meetings may be arranged to deal with matters that cannot wait until any of the regular meetings. The work of the Board of Directors during the year has followed the framework described above. Eleven meetings were held in 2022. See the table below for the attendance record.

Director	Attendance
Lennart Johansson	11/11
Håkan Björklund	9/11
Björn Odlander	11/11
Lars Lidgren	11/11
Tone Kvåle (i)	5/5
Christine Rankin (ii)	5/6
Mary I O'Connor (ii)	6/6

(i) For the period until the General Meeting on May 19, 2022
(ii) For the period from the General Meeting on May 19, 2022

The work of the Board of Directors is evaluated annually with the purpose of further developing the Board of Directors' working methods and efficiency. The Chair of the Board is responsible for the evaluation, and for presenting it to the Nomination Committee. The purpose of the evaluation is to obtain an idea of the Board Members' views on how the work of the Board of Directors is conducted and what measures could be taken to streamline the work of the Board of Directors, and whether the Board of Directors is well balanced in terms of skills and expertise. The evaluation is an important basis for the Nomination Committee in preparation for the Annual General Meeting.

The Chair of the Board conducted an evaluation with all Members of the Board in 2022. The results of the evaluation have been reported to and discussed by the Board of Directors and the Nomination Committee.

Remuneration to the Board of Directors

The directors' fees to be paid to the Members of the Board elected by the Annual General Meeting are decided by the Annual General Meeting. In the preparation of the 2023 Annual General Meeting, the Nomination Committee will make proposals in regard to the directors' fees. At the Annual General Meeting held on May 19, 2022, it was resolved that a directors fee of SEK 400,000 would be paid to the Chair of the Board and SEK 200,000 would be paid to each of the other Members of the Board who are not employed by the Company. In addition, it was decided that remuneration for work related to the committee is to be paid in the amount of SEK 150,000 to the Chair of the Audit Committee, and SEK 75,000 to each of the other members of the Audit Committee, and in the amount of SEK 60,000 to the Chair of the Remuneration Committee and SEK 30,000 to each of the other members of the Remuneration Committee. It was also resolved that an additional remuneration of SEK 90,000 would be paid to Board Member Mary I O'Connor as compensation for travel time.

The Annual General Meeting furthermore resolved that the Board Members Lennart Johansson, Lars Lidgren, Mary I O'Connor and Christine Rankin together would receive an extended Board remuneration of a total of SEK 1,000,000, subject to (i) the Board Member acquiring shares in BONESUPPORT HOLDING AB for the entire extended Board remuneration (after tax) as soon as possible after the Annual General Meeting's resolution and the payment of the extended Board remuneration, and (ii) the Board Member undertakes not to sell the shares during the Board Member's entire term of office at BONESUPPORT HOLDING AB. The extended Board remuneration is distributed as follows: SEK 400,000 to the Chair of the Board, corresponding to 100 percent of the ordinary Board remuneration to the Chair of the Board, and SEK 200,000 to each of Lars Lidgren, Mary I O'Connor and Christine Rankin, corresponding to 100 percent of the ordinary Board remuneration to each of the other Board Members who are not employed by the Company. In the event that the Board Member before the next Annual General Meeting is dismissed as a result of breach of his or her obligations as a Board Member or leaves the board at his or hers own request, the Board Member is obliged to repay the entire extended Board remuneration (after tax).

For the 2022 financial year, remuneration was paid to the Members of the Board of Directors as set out in the table below. All amounts are stated in SEK thousands.

Name	Office	Remuneration resolved by the 2021 AGM	Ordinary remuneration paid	Extended remuneration paid (i)
Lennart Johansson	Chair, member of the Audit Committee, Chair of the Remuneration Committee	495	495	400
Håkan Björklund	Board member, member of the Remuneration Committee	225	225	-
Tone Kvåle	Board member, Chair of the Audit Committee until the General Meeting on May 19, 2022	325	325	-
Björn Odlander	Board member, member of the Remuneration Committee	225	225	-
Lars Lidgren	Board Member	200	200	200
Christine Rankin	Board member, Chair of the Audit Committee as from the General Meeting on May 19, 2022	-	-	200
Mary I O'Connor	Board Member	-	-	200

(i) Regards extended Board remuneration condition on the acquisition of shares in BONESUPPORT HOLDING AB, which was resolved at the Annual General Meeting on May 19, 2022 and subsequently paid during 2022.

Audit Committee

The primary task and responsibility of the Audit Committee is to monitor the Company's financial position, to monitor the effectiveness of the Company's internal controls, internal audit and risk management, to be informed about the audit of the Annual Report and accompanying financial statements/consolidated accounts, and to review and monitor the auditor's impartiality and independence. The Audit Committee shall also assist the Nomination Committee in proposals for decisions concerning the election and remuneration of the auditor. The Audit Committee was until the 2022 Annual General Meeting comprised of Tone Kvåle (Chair) and Lennart Johansson, and thereafter of Christine Rankin (Chair) and Lennart Johansson.

The work of the Audit Committee during the year has followed the framework described above. During the 2022 financial year, the Audit Committee held six meetings and discussed matters concerning the Company's control system, review of quarterly reports, assessment of the auditor's work, and evaluation of risk management. See the table below for the attendance record.

Board member	Attendance
Tone Kvåle, until the General Meeting on May 19, 2022	3/3
Christine Rankin, as from the General Meeting on May 19, 2022	3/3
Lennart Johansson	6/6

Remuneration Committee

The task and responsibility of the Remuneration Committee are primarily to prepare matters regarding remuneration and other terms of employment for the CEO and members of senior management. The Remuneration Committee shall also monitor and evaluate ongoing and completed programs for variable remuneration of senior executives during the year, and monitor and evaluate the implementation of the guidelines for remuneration to senior executives which the Annual General Meeting has adopted. The Remuneration Committee is comprised of Lennart Johansson (Chair), Håkan Björklund and Björn Odlander.

During the 2022 financial year, the Remuneration Committee held four meetings and dealt with matters regarding the CEO's and other group management's bonus results for 2021, bonus criteria and salary audit for 2022. See the table below for the attendance record.

Board member	Attendance
Lennart Johansson	2/2
Håkan Björklund	2/2
Björn Odlander	2/2

CEO AND OTHER MEMBERS OF SENIOR MANAGEMENT

The CEO is subordinate to the Board of Directors in the role, the CEO has as the primary task and responsibility to manage the Company's ongoing management and day-to-day business operations of the Company. The Board of Directors' Rules of Procedure and Instruction for the CEO stipulate which matters and issues the Company's Board of Directors is to decide on and which decisions fall within the area of responsibilities of the CEO. The CEO is also responsible for preparing reports and the requisite basis for decision-making in preparation of the Board of Directors meetings and presents the materials at the Board of Directors meetings.

BONESUPPORT has a management team of nine, including the CEO. For further information about the CEO and other senior executives, please refer to pages 52-53 in the Annual Report.

Remuneration to senior executives

Remuneration to senior executives consists of a base salary, variable remuneration, pension benefits, share-based incentive programs and other benefits.

Salary and other remuneration for the financial year 2022 were paid to the CEO and other senior executives in accordance with the table below. All amounts are stated in SEK thousands.

SEK THOUSAND	Salary	Social security costs	Share-based remuneration
CEO	4 230	6 578	6 112
Other senior executives	18 302	5 469	6 093

Guidelines for remuneration to senior executives

Pursuant to the Swedish Companies Act, the Annual General Meeting shall decide on guidelines for remuneration of the CEO and other senior executives. At the Annual General Meeting in 2020, guidelines were adopted with primarily the following content:

The Company's starting point is that the Company is to offer remuneration at market levels, and which facilitate the ability to recruit and retain senior executives, and that the terms and conditions must be competitive with consideration of the market practice in the country where the senior executive is employed. Remuneration to senior executives may consist of fixed salary, variable cash remuneration, pension benefits and other benefits.

The base salary shall be determined taking skills and expertise, area of responsibility and performance into account. The variable cash remuneration shall be based on one or more predetermined and measurable criteria that may be financial, such as net sales and operating profit, or non-financial, such as qualitative targets. The variable remuneration shall be capped and for the CEO may not exceed 75 percent of the annual base salary, and for other senior executives 40 percent of the annual base salary, whereby the maximum individual level is to be determined based on factors relating to the position held by the specific individual etc.

In addition to what is required by law and collective bargaining agreements or other contracts, the CEO and other senior executives may be entitled to arrange pension solutions on an individual basis. Refraining from receiving a salary and variable remuneration can be used for increased pension contributions, provided that the total cost to the Company is unchanged over time.

In addition, the Annual General Meeting may – and independently of these guidelines – make a resolution regarding, for example, share and share price-related remuneration. The senior executives may be granted other customary benefits, such as a company car, occupational healthcare services, etc.

In the event of termination of a position as a senior executive by the Company, the notice period may not exceed twelve months. Severance pay, in addition to salary and other remuneration during the notice period, may not exceed an amount equal to twelve times the monthly salary. In addition, compensation may be paid for any commitment to restrict competition in order to compensate for any loss of income. Such remuneration shall be paid only to the extent that the former senior executive is not entitled to severance pay. The remuneration shall be based on the fixed salary at the time of termination and shall amount to a maximum of 60 percent of the fixed salary at the time of termination, subject to mandatory collective agreement provisions, and shall be paid for the duration of the anti-competition undertakings, which shall not exceed 12 months after termination of employment.

The Board of Directors shall be entitled to deviate from these guidelines in individual cases, if there are special reasons for doing so.

INTERNAL CONTROL

The Board of Directors' responsibility for the internal control is governed by the Swedish Companies Act, the Swedish Annual Reports Act – which requires that information concerning the primary elements of BONESUPPORT's internal control and risk management systems related to the financial reporting each year is to be included in the Corporate Governance Report – as well as the Code. The Board of Directors is to ensure, inter alia, that BONESUPPORT has sufficient internal control and formalized procedures that ensure compliance with established principles for financial reporting and internal control, and that there are effective systems for follow-up and control of the Company's business operations and the risks associated with the Company and its business operations.

The overall purpose of internal control is to ensure, to a reasonable extent, that the Company's operating strategies and targets are monitored and that the shareholders' investment is protected. Furthermore, internal control is to ensure that external financial reporting is, to a reasonable extent, reliable and prepared in accordance with generally accepted accounting principles, compliance with applicable laws and regulations, and that requirements imposed on stock-exchange listed companies are complied with. The internal control primarily consists of the following five components: control environment, risk assessment, control activities, information and communication and monitoring. There is no unit in the Company for internal auditing. The Board of Directors evaluates the need for this unit annually and has made the assessment that, considering the size of the Company, there is not sufficient need to introduce a formal internal audit unit.

1. Control environment

The Board of Directors has overall responsibility for internal control in relation to the financial reporting. In order to establish and maintain a functioning control environment, the Board of

Directors has adopted a number of policies and regulatory documents that govern the financial reporting. These consist primarily of the Board of Directors' Rules of Procedure, Instruction for the CEO, and Instruction for financial reporting. BONESUPPORT has also adopted a special authorization policy. In addition, the Company has a financial manual that contains the principles, guidelines and process descriptions for bookkeeping, accounting and financial reporting. The Company has also summarized its procedures for internal control in a separate internal control policy. Finally, the Board of Directors has established an audit committee whose primary task is to monitor the Company's financial position, monitor the effectiveness of the Company's internal control, internal audit and risk management, keep itself informed about the audit of the Annual Report with accompanying financial statements including consolidated financial statements, and review and monitor the auditor's impartiality and independence. The responsibility for the day-to-day work with financial control has been delegated to the Company's CEO, who in turn has delegated this responsibility to the Company's Chief Financial Officer (CFO), who has overall responsibility for maintaining sound internal control over the financial reporting environment. The CEO regularly reports to the Board of Directors in accordance with the established instruction for the CEO and the instruction for financial reporting.

2. Risk assessment

The risk assessment includes identifying risks that may arise if the basic requirements for financial reporting in the Company are not fulfilled. In a special risk assessment document, BONESUPPORT's management team has identified and evaluated the risks that arise in the Company's business operations and assessed how these risks can be properly managed. Within the Board of Directors, the Audit Committee has primary responsibility for continuously assessing the Company's risk situation, after which the Board of Directors also conducts an annual review of the risk situation. During the year, senior management has reviewed the risks related to strategies, compliance, and financial and operational issues. Afterwards, these risks were assessed according to probability and effect, where risks with either a high degree of probability or potential impact have been prioritized. This has subsequently been presented to the Audit Committee before being reviewed by the Board of Directors. The Company has assigned each risk factor to at least one person in Group management for them to lead the efforts in developing and executing plans for courses of action.

3. Control activities

In order to prevent, detect and correct mistakes and deviations, a framework for control in terms of policies, processes and procedures has been established within BONESUPPORT in relation to control objectives. The control activities help to ensure that the requisite measures are taken to identify and address risks consistent with achieving the Company's objectives. Examples of control activities at an overall level are that BONESUPPORT has a clear governance structure and division of responsibilities with a number of forums and activities which continuously monitor the business operations. Well-defined business processes, separation of duties, and appropriate delegation of authority are also activities that promote good corporate governance and internal control.

Key processes identified to have potential significant risks are mapped out in detail in a separate process description in the financial handbook and key process steps are defined in order to ensure that there is sufficient segregation of responsibilities and that the sufficient control mechanisms are in place.

4. Information and communication

BONESUPPORT has information and communication established for the intention to promote the accuracy of financial reporting, and to facilitate reporting and feedback from the business operations to the Board of Directors and senior management, for example by making corporate governance documents such as internal policies, guidelines and Instructions regarding the financial reporting known and accessible to the employees affected. The Board of Directors has also adopted an information policy that regulates the Company's external disclosure.

5. Monitoring

The compliance with and effectiveness of the internal controls are continually monitored. The CFO is responsible for ensuring that appropriate processes for monitoring are in place, and the CEO ensures that the Board of Directors continuously receives reports on the developments concerning of the Company's business activities, including the developments with the Company's profits or losses and financial position, as well as information on significant events, such as research results and important contracts. The CEO also makes a report concerning these matters at each Board of Directors meeting. The Company's compliance with relevant policies and guidelines shall be evaluated annually and a report is to be made to the Audit Committee annually by the CFO. A summary of identified proposals for improvements shall then be presented to the Board of Directors.

Lund, April 21, 2023

THE BOARD OF DIRECTORS OF BONESUPPORT HOLDING AB

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF BONESUPPORT HOLDING AB (PUBL), CORPORATE IDENTITY NUMBER 556802-2171

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2022 on pages 68-71 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Lund, April 21, 2023

Ernst & Young AB

Henrik Rosengren

Authorized Public Accountant

THE BOARD OF DIRECTORS

LENNART JOHANSSON
Chair

Born: 1955
Elected: 2017
Education: MBA from Handelshögskolan, Stockholm (1980).
Experience: Lennart Johansson has been Senior Advisor for Patricia Industries AB since 2015 and was previously Managing Director (Business Development, Operational and Financial Investments) at Investor AB (2006-2015). Prior to that, he was a partner and CEO of Emerging Technologies ET AB and b-business partners. Today he is a Board member of Chalmers Ventures Ab, Hi3G Access AB, Atlas Antibodies AB and GoCo Development AB.
Shareholding: 103,000 shares (own holding).

HÅKAN BJÖRKLUND
Member of the Board

Born: 1956
Elected: 2016
Education: Ph.D. in Neuroscience from Karolinska Institutet.
Experience: Dr. Håkan Björklund is a partner in Tellacq AB, a private investment company. He was elected to the Board of Directors of BONESUPPORT in December 2016 in connection with the funding of USD 37 million (SEK 315 million), led by Tellacq. Håkan Björklund has a long and successful career in the healthcare industry, including as CEO of Nycomed. During his time there, Nycomed grew from being a small Scandinavian company to becoming a global business, which was bought by Takeda in 2011. He is currently Chair of the Board of Swedish Orphan Biovitrum AB.
Shareholding: Owns 25 percent of the shares in Tellacq AB, which holds 1,180,976 shares.

LARS LIDGREN
Founder and member of the Board

Born: 1943
Elected: 2010
Education: M.D., Ph.D. and Professor of Orthopedics at Lund University.
Experience: Doctor of Medicine and Professor of Orthopedics at Lund University Hospital. Lars Lidgren leads a research group in regenerative medicine at Lund University. The unit is a member of the ISOC group, an association of world-leading orthopedic hospitals. He is an honorary member of several major scientific societies and initiated the global project "Bone and Joint Decade" 2000-2010. Lars Lidgren has founded the companies Scandimed (Biomet), AMeC, Safeture and Moroxite in Sweden. He is a Board member of the listed company Orthocell in Australia.
Shareholding: 200,150 shares (through companies) and 1,600 shares (own holding).

MARY I O'CONNOR
Member of the Board

Born: 1957
Elected: 2022
Education: MD from Drexel University, Philadelphia, PA, USA; Orthopedic Residency and Fellowship from Mayo Clinic, Rochester, MN, USA.
Experience: Mary I O'Connor, MD, is Professor Emerita of Orthopedic Surgery at Mayo Clinic and Past Professor of Orthopaedics and Rehabilitation at Yale University School of Medicine. In 2021 she became co-founder and Chief Medical Officer at Vori Health, a physician-led virtual musculoskeletal company. Honored with the American Academy of Orthopedic Surgery 2023 Diversity Award, Dr. O'Connor is a nationally recognized leader in health equity, chairing the Movement is Life Caucus, a nonprofit multi-stakeholder coalition committed to addressing musculoskeletal health disparities, since its inception in 2010.
Shareholding: 5,487 shares (own holding).

BJÖRN ODLANDER
Member of the Board

Born: 1958
Elected: 2010
Education: Medical degree from Karolinska Institutet.
Experience: Doctor of Medicine in Biochemistry at Karolinska Institutet in Stockholm. Founder and partner of HealthCap. Björn Odlander sits on the Board of Directors of Oncorena AB, Tribune Therapeutics, Carisma Inc. and Forska!Sverige.
Shareholding: –

CHRISTINE RANKIN
Member of the Board

Born: 1964
Elected: 2022
Education: Christine Rankin holds a bachelor's degree in business administration and economics from Stockholm University.
Experience: Currently, Christine Rankin is a Board member of Coinshares International Ltd. and Senior Vice President Corporate Control at Veoneer Inc. Christine Rankin has previously been a Board member of Adventure Box Technology AB and Technopolis Plc, CFO at Cherry AB, acting CFO/Head of Finance at Serneke Group, Head of Corporate Control at Spotify and partner/Head of US Capital Markets in Sweden at PwC.
Shareholding: 1,395 shares (own holding).

GROUP MANAGEMENT

EMIL BILLBÄCK
Chief Executive Officer

Born: 1970
Employed since: 2018
Education: B.Sc. in Business Administration from Karlstad University. Independent education at Georgetown University, IMD and Ashridge Business School.
Experience: Emil Billbäck joined BONESUPPORT as Chief Executive Officer in March 2018. He has more than 25 years of experience in Life Science, most recently as Chief Commercial Officer at BSN Medical. He has had operational roles at Astra Zeneca and Beiersdorf, and that of Senior Strategic Advisor within ESSITY. Today he is a Board member of Doctrin and has previously been a Board member of ATOS. Emil Billbäck has lived and worked in the United States and in Germany.
Shareholding: 344,230 shares (own holding).

HELENA L BRANDT
EVP Global Human Resources

Born: 1965
Employed since: 2017
Education: International Business & Economics Master's Degree from Lund University, Sweden, and has also studied at the University of Cologne in Germany and at the universities of Cincinnati and Delaware in the US.
Experience: Helena L Brandt is a senior HR leader with more than 20 years' experience gained from a broad range of industries, from Life Science to IT/Telecom and more. She has held global HR leadership roles at Astra Zeneca, Sony and Tetra Pak, developing organizations, people, leaders, teams and culture as well as driving transformation and change.
Shareholding: 20,300 shares (own holding).

MICHAEL DIEFENBECK
EVP Medical & Clinical Affairs Chief Medical Officer

Born: 1974
Employed since: 2017
Education: M.D. from Ludwig-Maximilians-University Munich, Germany. Ph.D. from Friedrich-Schiller-University, Jena, Germany.
Experience: Michael Diefenbeck is a certified orthopedic and trauma surgeon. He founded Scientific Consulting in Orthopedic Surgery in 2014 and has subsequently worked on several projects with BONESUPPORT as an independent medical advisor. He has 15 years of clinical experience from various hospitals in Germany and is the author of 27 published research articles in the field.
Shareholding: 102,400 shares (own holding). He also holds 360,000 employee stock options, which can be converted to 72,000 shares.

KRISTINA INGVAR
EVP Global Quality Management & Regulatory Affairs

Born: 1972
Employed since: 2019
Education: Bachelor of Medicine from Lund University and Diploma in Marketing Management from Executive Foundation Lund.
Experience: Kristina Ingvar joined BONESUPPORT in February 2020 as Executive Vice President Quality Management & Regulatory Affairs and also responsible for matters related to sustainability. She has more than 20 years' experience in Life Science, such as from global leading roles within Quality Management and Regulatory Affairs at Novo Nordisk A/S. She is a member of the Board of Directors of Pharmiva.
Shareholding: 20,300 shares (own holding).

HÅKAN JOHANSSON
Chief Financial Officer

Born: 1963
Employed since: 2018
Education: B.Sc. in Business Administration & Finance from Mid Sweden University.
Experience: Håkan Johansson joined BONESUPPORT as Chief Financial Officer in November 2018. He has more than 20 years of experience as CFO and other senior management roles from several industries in the public and private sectors. Prior to BONESUPPORT, Håkan Johansson was CFO for Northern Europe at Thunstall Healthcare Group (2012-2018), a global company in security technology and system solutions for healthcare. He has previously worked at toy manufacturer BRIO AB (publ) and Arctic Paper Group.
Shareholding: 44,980 shares (own holding).

FERGUS MACLEOD
GM & EVP Commercial Operations EUROW

Born: 1970
Employed since: 2019
Education: HND Business & Finance, University of Bedfordshire, Executive Leadership Program, Center for Creative Leadership.
Experience: Fergus MacLeod joined BONESUPPORT as General Manager & Executive Vice President Commercial Operations EUROW in November 2019. He has more than 20 years' experience from international sales leadership positions in the orthobiology and medical equipment sectors with companies such as Johnson Matthey, RTI Surgical and Stryker.
Shareholding: 20,000 shares (own holding).

MICHAEL WRANG MORTENSEN
EVP Global R&D and Operations

Born: 1975
Employed since: 2021
Education: M.Sc. in Engineering from Technical University of Denmark, a Ph.D. in Chemistry from University of Copenhagen and an executive MBA from the AVT Business School in Denmark.
Experience: Michael Wrang Mortensen joined BONESUPPORT in December 2021 as Executive Vice President with the overall responsibility for R&D and Operations. He has 15 years of experience from the Medical Device and Healthcare industry with solid leadership and management experience within Innovation, Product Realization, Commercial Development and Operations. Prior to joining BONESUPPORT, Michael Wrang Mortensen was Director for Development and Supply at Nanovi A/S. Before this, he held various management positions at Ferrosan Medical Devices A/S innovating and developing combination products in partnership with large global players such as Ethicon Biosurgery Inc, Johnson and Johnson.
Shareholding: 10,000 shares (own holding).

MICHAEL ROTH
GM & EVP of Commercial Operations North America

Born: 1963
Employed since: 2020
Education: BA degree in international development from Clark University.
Experience: Michael Roth started at BONESUPPORT as General Manager and Executive Vice President Commercial Operations for North America in June 2020. He has over 25 years of experience with senior positions in both large and small companies active in orthopedics, with both direct and distributor-led sales. His most recent role was as Vice President of Sales and Marketing for Surgical Planning Associates (HipXpert). He has also served as Vice President of Sales for the Eastern Region at both Wright Medical and Microport Orthopaedics.
Shareholding: 20,000 shares (own holding).

ANN-MARIE THOR
Acting EVP Global Marketing

Born: 1964
Employed since: 2020
Education: Master's degree in Psychology from the University of Copenhagen and a diploma in Business from the Executive Foundation Lund.
Experience: Ann-Marie Thor joined BONESUPPORT as International Product Manager during 2020. She took on the role as Acting Executive Vice President Marketing September 2022. Ann-Marie Thor has 15 years' experience of medical technology. She has experience of senior global marketing management positions within Biomet and later Zimmer Biomet, and also from product-, project- and people management positions in different industries.
Shareholding: 20,000 shares (own holding).

ALTERNATIVE PERFORMANCE MEASURES AND FINANCIAL DEFINITIONS

BONESUPPORT uses Alternative Performance Measures (APM) to enhance understandability of the information in the financial reports, both for external analysis and comparison and internal performance assessment.

Alternative Performance Measures are key figures are not defined in financial reports prepared in accordance with IFRS. The following key figures are used:

Net sales growth
The difference in net sales between two years in relation to net sales for the earlier year. Shows the operations' sales performance. BONESUPPORT's objective during the coming three years is to grow sales with 40 percent per year, measured as an average and normalized sales growth CAGR from 2023-2025.

Net sales growth in constant exchange rates, CER
The difference in net sales between two years in relation to net sales for the earlier year. The net sales for the current year is re¬calculated using the earlier year's exchange rates. Shows the operations' sales performance.

Gross profit
Net sales minus cost of sales. Shows the profit to cover other expenses and profit margin.

Gross margin
Net sales minus cost of sales, divided by net sales. Shows the gross profit in relation to net sales and the margin for covering other expenses and profit margin.

Contribution
Net sales minus by the cost of sales, minus directly attributable selling expenses and research and development expenses. A measure of result showing the performance of segments and their contribution to cover other group costs.

Operating result before effects from the Group's incentive programs
Operating result reduced with expenses for IFRS2 and reduced with the change in the liability for social security contributions for these incentive programs.

Interest bearing debt
Any borrowings from banks, financial institutions and lease liabilities, short and long term. Shows the debt level of the Group and forms the base for interest expenses.

Net debt
Interest bearing debt minus cash and cash equivalents. Shows the Group's net debt and is used to measure the leverage level of the Group and future funding needs.

SEKm	**2022**	**2021**
Net sales	328.8	212.9
Sales growth, %	**54.5**	**17.7**
Cost of sales	-31.1	-23.2
Gross profit	**297.7**	**189.7**
Gross margin, %	**90.5**	**89.1**
Directly attributable selling expenses	-224.5	-159.8
Selling expenses, not directly attributable	-13.9	-18.0
Selling expenses including commissions and fees	-238.4	-177.8
Directly attributable research & development expenses	-7.9	-14.6
Research & development expenses, not directly attributable	-45.2	-38.4
Research & development expenses	-53.1	-53.0
Contribution	**65.3**	**15.3**

	Dec 31	
SEKm	**2022**	**2021**
Non-current borrowings	12.4	16.2
Current borrowings	5.1	5.3
Interest bearing debt	**17.5**	**21.5**
Cash and cash equivalents	201.3	206.5
Net debt	**-183.8**	**-185.0**

SEKm	**2022**	**2021**
Operating result	-64.5	-80.7
Of which incentive costs	-28.4	-5.6
Operating result before effects from the Group's incentive programs	-36.2	-75.1

Net sales growth in constant exchange rates.

SEKm	**CER**	**Net sales 2022 calculated with average rates for 2021**	**Net sales 2021**
NA	52%	185.0	121.7
EUROW	19%	108.2	91.2
Sum	**38%**	**293.2**	**212.9**

GLOSSARY

Allograft. The bone graft transplanted between genetically non-identical individuals of the same species. Allograft can be living related (harvested from femoral heads during hip arthroplasty) or cadaveric.

Autograft. A bone graft harvested from the patient's own skeleton, usually from the iliac crests.

Bisphosphonate. A group of medicines that inhibit bone breakdown.

BMA. Bone Marrow Aspirate.

BMP. Bone Morphogenetic Protein.

Bone graft substitute. A synthetic material used as bone grafts instead of biological bone tissue.

CERAMENT BVF. CERAMENT BONE VOID FILLER.

CERAMENT G. CERAMENT with gentamicin.

CERAMENT V. CERAMENT with vancomycin.

CERTiFy. A prospective, randomized, controlled clinical trial with 135 patients in 20 leading trauma centers in Germany, aimed to compare treatment using CERAMENT BVF with autologous bone graft (autograft) transplantation.

Clinical study. A study on humans of e.g. a medical device or a pharmaceutical product.

CONVICTION. A randomized, controlled trial to evaluate the efficacy of CERAMENT G in the treatment of osteomyelitis (chronic bone infection).

CRIOAc. A healthcare network in France that is implemented through a nationwide health ministry program to improve outcomes in the management of bone and joint infections.

C-shares. Performance shares within performance share programs issued in the form of class C-shares.

DBM. Demineralized Bone Matrix. A processed form of allograft, an acid-extracted matrix from human bone sources.

FDA. US Food and Drug Administration. The federal medical authority in the US.

GPO. Group Purchasing Organization. An entity with the purpose to realize savings and efficiencies by aggregating purchasing volumes.

Hematoma. A localized collection of blood outside the blood vessels.

HEOR. Health Economics and Outcomes Research. Scientific discipline that quantifies the economic and clinical outcomes of medical technology.

HTA. Health Technology Assessment. Systematic evaluation of the relative safety, efficacy and cost-effectiveness of a treatment in comparison to current treatment alternatives.

ICUR. Incremental Cost-Utility Ratio. A quote that compares cost and utility between two alternative treatment alternatives.

Micro-CT. Micro Tomography, uses X-ray scanning to recreate a 3D-model without destroying the object.

Osteoinduction. Osteoinduction at bone graft material (or growth factor) can stimulate the differentiation of osteoblasts, forming new bone tissues.

Osteomyelitis. A bacterial infection affecting bones.

PMA. Pre-market approval. Market pre-approval from the FDA in the US for class III medical devices.

PMMA. Poly methyl methacrylate, often called "bone cement".

SOLARIO. A randomized, unblinded, European multicenter study with the aim of investigating if synthetic bone graft substitutes containing antibiotics can lead to shorter treatment times compared to systemic antibiotics.

Tibial plateau fracture. Fracture of the upper part of the tibia.

Toxicity. The degree to which a substance (a toxin or poison) can harm humans or animals.

HEADQUARTERS

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