



BONESUPPORT™

INTERIM REPORT APRIL – JUNE 2024

Q2 55% SALES GROWTH IN THE FIRST SIX MONTHS

APRIL - JUNE 2024

- Net sales increased by 57 percent (55 percent at constant exchange rates¹) and amounted to SEK 219.8 million (140.4).
- The North America (NA) segment reported a sales growth of 67 percent (66 percent at constant exchange rate).
- The Europe & Rest of the World (EUROW) segment reported a sales growth of 28 percent (26 percent at constant exchange rates).
- The gross margin amounted to 92.3 percent (91.3).
- The operating result before effects from the Group's incentive programs¹ amounted to SEK 36.0 million (13.6). Reported operating result amounted to SEK 28.7 million (6.0).
- Earnings per share before dilution were SEK 0.42 (0.08).
- Earnings per share after dilution were SEK 0.41 (0.08).

JANUARY - JUNE 2024

- Net sales increased by 55 percent (54 percent at constant exchange rates) and amounted to SEK 404.2 million (260.1).
- The North America (NA) segment reported a sales growth of 66 percent (65 percent at constant exchange rate).
- The Europe & Rest of the World (EUROW) segment reported a sales growth of 28 percent (26 percent at constant exchange rates).
- The gross margin amounted to 92.4 percent (90.9)
- Operating result before effects from the Group's incentive programs amounted to SEK 77.6 million (18.2). Reported operating result amounted to SEK 61.0 million (6.7).
- Earnings per share before dilution were SEK 0.75 (0.09).
- Earnings per share after dilution were SEK 0.74 (0.08).

EVENTS DURING THE PERIOD

- In June, the results of an Australian study in the treatment of bone infection resulting from diabetes-related foot ulcers were presented. The results of the study show that the use of CERAMENT G or CERAMENT V not only significantly reduces the risk of amputation and surgical procedures, but also promotes effective healing and shorter hospital stays compared to the control group.
- CMS announced proposal to extend NTAP for CERAMENT G in the US until September 2025. Final decision expected in August 2024.

EVENTS AFTER THE PERIOD

- The FDA announced that CERAMENT V should follow the regulatory 510(k) process for applying for market authorization.
- Anna Stegmark is hired as Executive Vice President Quality and Regulatory Affairs.
- Forecast increase: 2024 sales growth over 50 percent in constant exchange rates.

KEY FIGURES	Apr - Jun		Jan - Jun		12 months	
	2024	2023	2024	2023	LTM	2023
Net sales, SEKm	219.8	140.4	404.2	260.1	735.2	591.1
Sales growth, % ¹	56.6	88.1	55.4	84.5	64.1	79.8
Gross profit, SEKm	202.8	128.2	373.6	236.5	678.0	540.9
Gross margin, % ¹	92.3	91.3	92.4	90.9	92.2	91.5
Operating result, SEKm	28.7	6.0	61.0	6.7	68.2	13.9
Result for the period, SEKm	27.4	5.2	49.3	5.5	288.8	245.0
Earnings per share before dilution, SEK	0.42	0.08	0.75	0.09	4.42	3.77
Earnings per share after dilution, SEK	0.41	0.08	0.74	0.08	4.37	3.74
Operating cash flow, SEKm	-66.7	-38.8	-49.8	-47.4	-69.1	-18.3
Cash at period end, SEKm	114.6	149.8	114.6	149.8	114.6	167.4
Equity at period end, SEKm	629.4	282.3	629.4	282.3	629.4	545.2
Net cash at period end, SEKm ¹	99.2	134.6	99.2	134.6	99.2	149.9

1. Alternative performance measures. see definitions on page 25.



CEO COMMENTS

Strong sales – raised guidance for 2024

During the quarter, sales continued to develop strongly. Our focus is partly on increasing the use of CERAMENT among orthopedic surgeons, and partly on preparing and executing activities to achieve full leverage on the regulatory approvals that CERAMENT received earlier this year.

Sales for the quarter were SEK 220 million, corresponding to a growth of 57 percent (55 percent in constant currency) compared to the corresponding period last year. The increase in sales was to a large part driven by continued strong market penetration of CERAMENT G in the US. CERAMENT G in the US achieved a milestone when sales exceeded SEK 100 million in one quarter. We see that existing customers are continuously increasing their use of CERAMENT and in addition to this, new users are constantly being added.

In the US, sales increased by 67 percent in the quarter (66 percent in constant exchange rates). The approval process in US hospital chains/systems continues at a high pace. The focus of the regional sales teams is now primarily on ensuring education and application training for new users at the hospitals where agreements have been signed.

It is common for private insurance companies to adopt the reimbursement rates within the Center for Medicare and Medicaid Services (CMS) when designing their reimbursement schemes for healthcare providers. After reviewing clinical and health economic data for CERAMENT G, one of the largest private health insurers in the United States, Cigna, with approximately 20 million insured persons, has decided to mirror the reimbursement level of CMS Transitional Pass-Through Payment (TPT) when using CERAMENT G in outpatient care. It is an early success on the way to establishing CERAMENT G as a new standard of care.

During the quarter, CMS announced that they propose an extension of NTAP by one year, i.e. until September 2025. The final decision will be announced by CMS in August 2024.

During the quarter, we received positive information from the FDA regarding the US market submission for marketing authorization for CERAMENT V, which we intend to submit in the first quarter of 2025. Based on the strong documentation, which includes compelling efficacy and patient safety data for CERAMENT G, the FDA has announced that we can follow a regulatory 510(k) process instead of a DeNovo process for CERAMENT V, resulting in a simplified process and potentially shorter time to approval.

During the first quarter of 2024, we received supplementary regulatory approval from the FDA for CERAMENT BVF in Spinal Fusion. In preparation for the future market introduction, several preclinical application studies were initiated during the quarter. Since Spinal Fusion is a completely new area for BONESUPPORT, a comprehensive training and application instruction material will be developed. The preclinical studies started in the quarter will form the basis for this material, together with the extensive clinical documentation that already exists on bone remodeling with CERAMENT.

In EUROW, sales growth was 28 percent in the quarter (26 percent in constant exchange rates) and CERAMENT is increasing its market share in by large all markets.

Strong results for CERAMENT G and CERAMENT V were published in an Australian study, in the quarter. 136 patients with bone infection caused by diabetes-related foot ulcers were treated with CERAMENT G or CERAMENT V. The treatment group showed not only a significantly reduced amputation rate (2 percent, compared to 18 percent for the control group) but also shorter hospital stays. The number of days of care was 12.6 compared to 25.1 for the control group. The results are in line with previously published European study results.

Given the strong sales dynamics, which to a large part is due to the strong market access achieved through agreements with GPOs and IDNs for CERAMENT G in the US, as well as the early regulatory

approval in open fractures, we are raising our guidance; we expect sales growth of over 50 percent, in constant currency, for the full year 2024.

More and more healthcare providers are choosing the CERAMENT platform. Surgeons' positive experiences with patient outcomes, matching the results of the clinical studies, are shared with

colleagues and networks. Our unique technology platform makes us well-positioned to drive significant patient benefit and improved care for patients with skeletal injuries. We are optimistic about our continued growth journey.

Emil Billbäck, CEO



NORTH AMERICA (NA)

The US market is the world's largest for synthetic bone graft products and thus the Company's most important market. CERAMENT BVF and CERAMENT G are commercially available in the United States. BONESUPPORT's own marketing organization in the United States handles sales and distribution through independent distributors.

APRIL - JUNE

Sales

Sales for the period amounted to SEK 173.0 million (103.9), corresponding to a growth of 67 percent (66 percent in constant exchange rate). The strong growth in the quarter comes from strong launch of CERAMENT G, increased use among existing customers and continued high acquisition of new customers. Sales of CERAMENT G amounted to SEK 108.2 million (51.2) in the quarter.

Contribution¹

The contribution from the segment was SEK 66.8 million (31.7). The increase in sales contributed to a gross profit that improved by SEK 67.5 million compared to the previous year. Sales and marketing expenses during the quarter amounted to SEK 98.3 million (65.4),

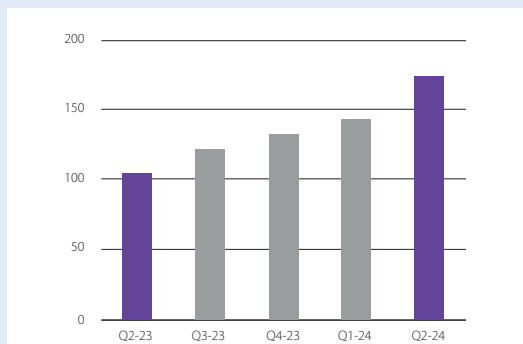
of which sales commissions to distributors and fees amounted to SEK 61.6 million (36.7). The increase, excluding sales commissions and fees, was impacted by a customer loss of SEK 1.0 million related to the bankruptcy of the Steward Healthcare System hospital system, but also the organizational and system investments made with regards to the launch of CERAMENT G and to fully leverage on beneficial reimbursement and the regulatory approval for open fractures.

JANUARY - JUNE

Net sales amounted to SEK 314.5 million (189.8), corresponding to a growth of 66 percent (65 percent in constant exchange rate).

The contribution amounted to SEK 122.6 million (56.6). The improved contribution is mainly due to the increase in sales.

Net sales per quarter, SEKm



Net sales, gross profit and contribution, SEKm

	Apr - Jun		Jan - Jun		Full year
	2024	2023	2024	2023	2023
Net sales	173.0	103.9	314.5	189.8	442.4
Gross profit	165.7	98.2	300.5	179.8	419.3
Contribution	66.8	31.7	122.6	56.6	155.1

1. Alternative performance measures, see definitions on page 25.



EUROPE & REST OF THE WORLD (EUROW)

In Europe, CERAMENT is sold by both the Company's own sales organization and distributors. Germany, the UK, Sweden, Denmark and Benelux are key markets where BONESUPPORT has its own sales representatives. In Italy and Spain, the Company has established a hybrid model, with qualified local staff from BONESUPPORT working side by side with the local distributors' sales representatives. In other European markets and in other parts of the world (ROW), the Company collaborates with specialist distributors. The focus is on accelerating the sales and use of CERAMENT in established and emerging markets through market advancement and the provision of clinical and health economic evidence.

APRIL - JUNE

Sales

Sales for the period amounted to SEK 46.8 million (36.5), corresponding to a growth of 28 percent (26 percent in constant exchange rates).

Sales in key markets accounted for 81 percent (82 percent) of segment sales during the quarter. Sales of the antibiotic-releasing products CERAMENT G and CERAMENT V corresponded to 88 percent (89 percent). The market is characterized by strong demand and that the healthcare systems are processing the healthcare backlog that occurred in connection with the pandemic.

Contribution¹

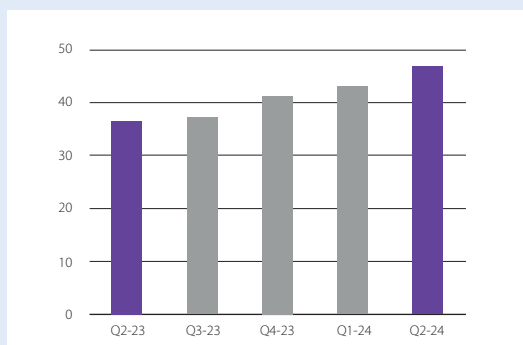
The contribution from the segment amounted to SEK 14.2 million (7.6). Sales and marketing expenses increased with SEK 2.1 million compared to the corresponding quarter in 2023 and amounted to SEK 24.5 million (22.4). The increased costs are due to filled vacancies, an increase in sales staff and a continued high level of activity.

JANUARY - JUNE

Net sales amounted to SEK 89.7 million (70.3), corresponding to a growth of 28 percent (26 percent in constant exchange rates).

The contribution amounted to SEK 24.8 million (15.0). The improved contribution is due to the increase in sales.

Net sales per quarter, SEKm



Net sales, gross profit and contribution, SEKm

	Apr - Jun		Jan - Jun		Full year
	2024	2023	2024	2023	2023
Net sales	46.8	36.5	89.7	70.3	148.6
Gross profit	38.7	30.0	74.7	57.3	122.9
Contribution	14.2	7.6	24.8	15.0	30.0

1. Alternative performance measures, see definitions on page 25.



RESEARCH AND DEVELOPMENT

BONESUPPORT’s clinical development program focuses on further developing CERAMENT’s properties, broadening clinical application areas and leveraging CERAMENT’s unique drug-eluting 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 and that CERAMENT immediately improves anchor strength of hip screws¹.

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.

During 2022 results from a long-term study² with CERAMENT G were presented. One hundred patients with bone infection treated at Nuffield Orthopaedic Centre, Oxford University Hospitals, were followed for an average of six years. At the end of the study, it was concluded that:

- 94 percent of patients remained infection-free
- 3 percent fracture frequency within the first year following the surgical intervention, thereafter no fractures

Ongoing randomized controlled trials

	SOLARIO	CONVICTION
Indication	Osteomyelitis	Osteomyelitis
Purpose	Evaluate whether synthetic bone graft substitutes with antibiotics (CERAMENT G / V) can shorten treatment times with systemic antibiotics	Evaluate the cost-effectiveness and treatment effect of CERAMENT G
Effect measure	<ul style="list-style-type: none"> • Treatment time • Antibiotic resistance • Side effects • Cost 	<ul style="list-style-type: none"> • ICUR Reinfection • Complications • Amputations
Number of patients	500	220
Follow up time	12 month	24 month
Place	Europe	France, CRIOAc
Expected completion	During Q3 2024	Q4 2026

¹ 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.
² 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.

During 2023, further long-term data was presented where CERAMENT G had been used in severe open fractures³. 81 patients with severe open fractures and significant tissue loss who were managed in a one-step procedure with CERAMENT G at Manchester University Hospital, was followed up after surgery for an average of 55.8 months. 96.3 percent of patients avoided amputation, achieved bone healing within 12 months and avoided deep infection.

The results from these two studies over a long follow-up period confirm that our protocol using CERAMENT G remains very effective over several years.

For several years, diabetes has been one of the fastest growing public diseases and more than every eleventh adult in the world has diabetes. The annual incidence of infected foot ulcers is 3.2 percent among people with diabetes. A condition that many times leads to severe complications. 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. In a recently published study in the *Lancet*, it is estimated that 1.3 billion people will have diabetes by 2050. With strong treatment results, BONESUPPORT has decided to support two recently started physician-initiated studies, one in the Netherlands and one in Spain, with the aim of further validating the benefits of CERAMENT G in various surgical techniques, for the treatment of diabetes-related bone infection.

STEPS FOR THE FUTURE

During the Capital Markets Day in November 2023, the Company announced that in 2024, the Company will focus on developing evidence and compiling data within the strategically prioritized areas spinal fusion and the management of bone infection using CERAMENT V, for future launches in the USA.

RESULTS FROM CERTIFY DRIVE CHANGED STANDARD OF CARE

CERTiFy⁵, a randomized, controlled clinical trial conducted at 20 trauma centers in Germany with 135 patients with 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 EBJS (European Bone and Joint Infection Society). SOLARIO is a randomized unblinded European multicenter study on 500 patients with orthopedic infection. The first patient was recruited in February 2019 and the study is expected to be closed during Q3 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 CRIOAc⁶ 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 has decided to fund 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.

The recruitment of patients to the study has been slow and we are in dialogue with participating hospitals and CRIOAc about how we can increase the recruitment rate.

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.

³ Henry et. al., 'Long-Term Follow-Up of Open Gustilo-Anderson IIIB Fractures Treated With an Adjuvant Local Antibiotic Hydroxyapatite Bio-Composite', *Cureus* 15(5): e39103.

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.

⁶ 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.



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 positive 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 from treatment with CERAMENT G and CERAMENT V in a one-step procedure, naturally leads to fewer return visits and fewer surgeries. This, in turn, leads to reduced hospital stays. The significance of health benefits and the calculation models for evaluating the cost-effectiveness of health benefits differ between different healthcare systems.

In connection with the launch of CERAMENT G in the USA, BONESUPPORT has been granted New Technology Add-on Payment (NTAP), providing enhanced reimbursement for new innovative surgical procedures in inpatient care. As of January 1, 2024, Transitional Pass-Through (TPT) payment has also been granted, offering increased reimbursement in outpatient care within the American Centers for Medicare & Medicaid Services (CMS). These programs are established to promote innovation and enhance access to groundbreaking treatments. TPT is active until December 2026.

HEALTH ECONOMIC MODEL OSTEOMYELITIS USA

In 2022, a cost-benefit analysis was conducted to assess the potential implications for the American healthcare system of transitioning to a single-stage procedure with CERAMENT G. The modeling, which is based on available clinical data as well as cost data from CMS, Centers for Medicare & Medicaid Services, was done in collaboration with national expertise in health economics and clinical orthopedics. The results were presented at the end of 2022, partly at the leading health economic conference ISPOR and partly at the SOMOS conference aimed at orthopedic surgeons. The analysis shows that a one-step procedure with CERAMENT G is a cost-effective strategy for treating bone infection compared to current US healthcare standards. When using CERAMENT G, instead of PMMA beads with antibiotics, the cost reduction is estimated on average to be about SEK 300 thousand (USD 27,943) per patient, over a period of two years, due to fewer surgeries and

fewer surgical complications during and after procedures¹. The analysis also shows improved quality of life for patients. It will be an important tool for communicating the value of CERAMENT G to, among others, private insurance companies.

CERAMENT G OR CERAMENT V LEADS TO REDUCED DAYS OF CARE IN PATIENTS WITH BONE INFECTIONS²

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 can help reduce healthcare costs is in the treatment of serious trauma fractures. Open tibial fractures represent about 15 percent² 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

¹ Carter, M et al. "EE240 Does Single Stage Surgery of Long Bone Infection Using Gentamicin-Eluting Bone-Graft Substitutes Result in Decreased Cost and Improved Quality of Life Compared to Traditional Approaches?" *Value in Health* 25.12 (2022): S100.
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.

ring for the patient and very high healthcare costs. In a Belgian study by Hoekstra et. al.³ 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. A recently published retrospective study from the Netherlands by Haidari et. al.⁴ points in the same direction. The study examined how the occurrence of fracture-related infections (FRI) in patients with severe bone fractures affects direct hospital costs. A total of 246 patients were included in the study, and 18.3 percent were diagnosed with FRI. A single occurrence of FRI tripled the direct hospital costs, while recurrent infection could result in sevenfold increased costs.

The main reasons for the increased costs were longer hospital stays, more surgical procedures, and prolonged intravenous antibiotic treatment. The average cost of treating this type of trauma was EUR 25,000. 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 Henry et. al.⁵ on 81 patients with severe open tibial fractures treated with CERAMENT G in a one-step procedure. In the study, with a mean follow up time of 55.5 months, three patient (3.7 percent) suffered from a deep infection compared with historical references of up to 52 percent incidence of infection. This shows that one-step treatment with antibiotic-eluting CERAMENT for open tibial fractures can effectively reduce the incidence of cost-driving infections.

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 S. Haidari et. al. Costs of fracture-related infection: the impact on direct hospital costs and healthcare utilization. *European Journal of Trauma and Emergency Surgery*. 09 April 2024 doi: 10.1007/s00068-024-02497-9

5 Henry, Joshua A et al. "Long-Term Follow-Up of Open Gustilo-Anderson IIIB Fractures Treated With an Adjuvant Local Antibiotic Hydroxyapatite Bio-Composite." *Cureus* vol. 15,5 e39103. 16 May. 2023, doi:10.7759/cureus.39103

FINANCIAL OVERVIEW

PROFIT AND LOSS

APRIL – JUNE

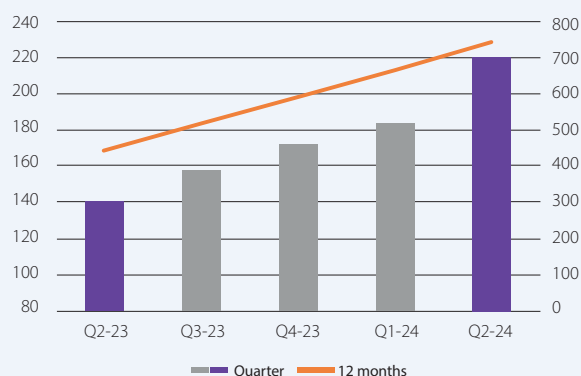
Net sales

Net sales amounted to SEK 219.8 million (140.4), an increase of 57 percent compared to the previous year (55 percent at constant exchange rates).

In the North America segment, net sales amounted to SEK 173.0 million (103.9), which corresponds to growth of 67 percent (66 percent at constant exchange rate). The strong growth in the quarter comes from strong sales of CERAMENT G, increased use among existing customers and continued strong recruitment of new customers. Sales of CERAMENT G in the quarter amounted to SEK 108.2 million (51.2).

Net sales for the EUROW segment amounted to SEK 46.8 million (36.5), which corresponds to an increase of 28 percent (26 percent at constant exchange rates). The market is characterized by strong demand and that the healthcare systems is processing the healthcare debt that arose in connection with the pandemic.

Net sales per quarter, SEKm



The currency translation effect in the period amounted to SEK +2.1 million (+0.7).

Cost of sales

Cost of sales amounted to 17.0 million (12.1), giving a gross margin of 92.3 percent (91.3). The improved gross margin is due to the strong growth for CERAMENT G in North America.

Selling expenses including sales commissions and fees

Selling expenses, including sales commissions and fees, amounted to SEK 129.8 million (92.2), an increase of 41 percent. This is explained in the table below:

	Apr - Jun 2024	Apr - Jun 2024 (CER ¹)	Apr - Jun 2023
SEKm			
Sales commissions and fees	62.2	61.8	37.2
Personnel expenses	43.0	42.6	33.8
Other selling expenses	24.6	24.5	21.2
Total selling expenses	129.8	128.9	92.2

As a result of the growth in sales, the NA segment reported a cost increase to SEK 98.4 million (65.4) of which sales commissions and fees increased from SEK 36.7 million to SEK 60.9 million. In EUROW, expenses amounted to SEK 24.0 million (22.4). Non-allocated costs increased to SEK 7.3 million (4.5).

Research and development expenses

Research and development expenses amounted to SEK 20.3 million (14.6). The increase is entirely attributable to the strategic projects that were communicated during the fall of 2023 in connection with our Capital Market Day.

Administrative expenses

Administrative expenses amounted to SEK 22.9 million (19.8).

Administrative expenses before effects from the Group's incentive programs amounted to SEK 15.6 million (12.2), of which personnel costs amounted to SEK 7.0 million (6.4). The increase in expenses includes expenses for temporary resources and recruitments amounting to SEK 1 million.

Effects regarding incentive programs amounted to an expense of SEK 7.4 million (7.7). Of the total cost, only SEK 1.4 million affected the cash flow. The remainder regards technical accounting measures.

1. Alternative performance measures. see definitions on page 25.

Other operating income and expenses

Other operating income and expenses consisted primarily of exchange rate gains and losses on operating assets and liabilities.

Operating result

The operating result amounted to 28.7 million (5.9), including effects from the Group's incentive programs. The operating result before effects from the Group's incentive programs amounted to SEK 36.0 million (13.6), an underlying improvement of SEK 22.4 million.

Income tax

The quarter's tax expense amounted to 1.0 million (0.6).

Result for the period

For the reasons described above, the result for the quarter amounted to SEK 27.4 million (5.2). This corresponds to earnings per share before dilution of 0.42 (0.08) and after dilution of SEK 0.41 (0.08).

JANUARY – JUNE 2024

Net sales

Net sales amounted to SEK 404.2 million (260.1), an increase of 55 percent (54 percent at constant exchange rates). The NA segment increased by 66 percent to SEK 314.5 million (189.8) and the EUROW segment increased by 28 percent to SEK 89.7 million (70.3).

Operating result

The operating result amounted to SEK 61.0 million (6.7). The sales increase contributed to improved gross profit at the same time as operating expenses increased compared with previous year, as a result of high activity level and the launch of CERAMENT G in the US. The operating result also included costs for incentive programs amounting to SEK 16.7 million, compared to SEK 11.5 million previous year. The underlying improvement in result before costs for incentive programs amounted to SEK 59.4 million.

Result for the period

For the reasons described above, the result for the period amounted to SEK 49.3 million (5.5). This corresponds to earnings per share before dilution of SEK 0.75 (0.09) and after dilution of SEK 0.74 (0.08).

FINANCIAL POSITION AND CASH FLOW

SEKm	Jun 30		Dec 31	
Financial position	2024	2023	2023	
Cash and cash equivalents	114.6	149.8	167.4	
Interest bearing debt ¹	15.4	15.2	17.5	
Net cash ¹	99.2	134.6	149.9	
Equity	629.4	282.3	545.2	

SEKm	Apr - Jun		Jan - Jun		Full year
Cash flow	2024	2023	2024	2023	2023
Operating activities	-66.7	-38.8	-49.8	-47.4	-18.3
Investing activities	-1.8	-1.0	-3.7	-1.5	-6.1
Financing activities	-1.7	-1.6	-3.3	-3.3	-6.7
Total	-70.2	-41.4	-56.8	-52.2	-31.0

Cash and cash equivalents at the end of the period amounted to SEK 114.6 million (149.8), a decrease of SEK 52.8 million since the beginning of the year. The change is mainly explained by cash flow from operating activities amounting to SEK -49.8 million. With strong momentum in our sales, and revised sales forecast, we have decided to bring forward our plans to further improve our safety stocks of raw materials and semi-finished products. With the adjustments made, we have created a good position for the rest of the year. The increase in inventories, together with a temporary sales growth-driven increase in trade receivable, contributed to a negative cash flow for the period.

Net cash has decreased with SEK 50.7 million since the beginning of the year. The comment on cash flow also explains the change in net cash.

1. Alternative performance measures. see definitions on page 25.

OTHER DISCLOSURES

PARENT COMPANY

The Parent Company, BONESUPPORT HOLDING AB (publ), is a holding company. The Parent Company generated SEK 16.1 million (14.3) in sales of internal services to subsidiaries during the quarter.

The favorable interest rate situation has meant that a positive financial net of SEK 2.7 million (2.2) is reported.

The result for the quarter was SEK -2.3 million (-5.9).

No investments were made during the quarter.

EMPLOYEES

On average, the Group had 127 (104) employees (full-time equivalent) during the quarter, of whom 31 (24) worked within Research and development.

SIGNIFICANT EVENTS DURING THE QUARTER

For significant events, see page 1.

SIGNIFICANT EVENTS AFTER PERIOD END

For significant events after the period, see page 1.

SHARES AND RELATED PROGRAMS

The Company has ordinary shares and C-shares, for more information about this see Note 4. The quotient value of the shares is SEK 0.625 per share. 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 Association, the number of shares shall be at least 29,000,000 and at most 116,000,000.

As of June 30, 2024, the total number of ordinary shares amounted to 65,721,195, distributed among 11,077 shareholders. No changes have been made during the quarter. The major shareholders are shown in the table on this page.

As of June 30, 2024, the total number of C-shares amounted to 965,155. No changes have been made during the quarter. BONESUPPORT HOLDING AB holds all C-shares.

BONESUPPORT has two employee stock option programs and one performance share program. These are described in Note 8.

Shareholders June 30, 2024

Name	% of shares	% of votes
HealthCap V LP	9.90%	10.03%
Swedbank Robur Fonder	9.01%	9.13%
Capital Group	7.80%	7.91%
Avanza Pension	4.30%	4.36%
Handelsbanken Fonder	3.66%	3.71%
JP Morgan Asset Management	2.23%	2.26%
Andra AP-Fonden	2.17%	2.20%
Other shareholders	60.93%	60.40%

FINANCIAL CALENDAR

- October 24, 2024 Interim report Q3 2024

NOMINATION COMMITTEE

The nomination committee is elected based on the principles decided at the AGM May 16, 2024. These principles are described on BONESUPPORT's website. The task of the committee is to present a proposal to the AGM, which is planned to be held in May, 2025 in Lund, Sweden. The members of the committee are:

- Staffan Lindstrand, Chair of the Committee, representing HealthCap VLP
- Caroline Sjösten, representing Swedbank Robur Fonder
- Jan Särilvik, representing Fjärde AP-Fonden

In addition, the chair of the Board of BONESUPPORT, Lennart Johansson, is co-opted to the nomination committee except when the nomination committee shall address the matter of chair of the Board and remuneration to the chair of the Board. The nomination committee will appoint one if its members as committee chair.

THIS REPORT

This report has been prepared in both a Swedish-language and an English-language version. If the versions do not conform, the Swedish-language version shall prevail.

DECLARATION OF THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and CEO assures that this interim report 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 faced by the companies that form part of the Group. This interim report has not been reviewed by the Company's auditors.

Lund July 11, 2024

Lennart Johansson

Chair of the Board

Håkan Björklund

Board member

Mary I O'Connor

Board member

Björn Odlander

Board member

Christine Rankin

Board member

Emil Billbäck

CEO

CONDENSED CONSOLIDATED INCOME STATEMENT

SEKt	Note	Apr - Jun		Jan - Jun		Full year
		2024	2023	2024	2023	2023
Net sales	7	219,795	140,388	404,214	260,130	591,077
Cost of sales	7	-17,000	-12,185	-30,622	-23,591	-50,160
Gross profit	7	202,795	128,203	373,592	236,539	540,917
Selling expenses		-67,586	-55,033	-127,285	-104,063	-217,166
Sales commissions and fees	7	-62,244	-37,183	-110,434	-67,079	-154,244
Research and development expenses		-20,322	-14,613	-34,484	-27,068	-57,001
Administrative expenses	3, 8	-22,928	-19,849	-46,139	-35,385	-90,314
Other operating income		-1,722	17,263	35,927	20,337	32,700
Other operating expenses		686	-12,836	-30,208	-16,561	-40,962
Operating result	7	28,679	5,952	60,969	6,720	13,930
Net financial items	7	-209	-180	-1,028	-355	1,818
Result before income tax	7	28,470	5,772	59,941	6,365	15,748
Income tax	9	-1,043	-564	-10,669	-849	229,273
Result for the period		27,427	5,208	49,272	5,516	245,021
Earnings per share before dilution, SEK		0.42	0.08	0.75	0.09	3.77
Earnings per share after dilution, SEK		0.41	0.08	0.74	0.08	3.74
Average number of shares, thousands		65,721	65,056	65,499	64,881	64,951
Average number of shares after dilution, thousands		66,688	65,880	66,466	65,156	65,592

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKt	Apr - Jun		Jan - Jun		Full year
	2024	2023	2024	2023	2023
Result for the period	27,427	5,208	49,272	5,516	245,021
<i>Other comprehensive income:</i>					
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations	-1,222	2,148	2,481	2,265	-1,225
Total comprehensive income for the period	26,205	7,356	51,753	7,781	243,796

Total comprehensive income for the period is in its entirety attributable to equity holders of the Parent.

CONDENSED CONSOLIDATED BALANCE SHEET

SEkt	Note	Jun 30		Dec 31
		2024	2023	2023
ASSETS				
Non-current assets				
Intangible assets		14,000	8,623	12,206
Tangible assets and right-of-use assets	9	21,975	22,222	23,996
Deferred tax asset	9	239,024	0	249,677
Financial assets	6	1	1	1
Total non-current assets		275,000	30,846	285,880
Current assets				
Inventories		128,192	62,425	83,304
Trade receivables	6	187,527	113,669	116,563
Other current assets	6	47,323	19,486	35,718
Cash and cash equivalents	6	114,577	149,756	167,351
Total current assets		477,619	345,336	402,936
TOTAL ASSETS		752,619	376,182	688,816
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Parent	4, 9	629,408	282,335	545,177
Non-current liabilities				
Leasing debt	6, 9	9,021	9,290	13,222
Provisions		357	344	357
Total non-current liabilities		9,378	9,634	13,579
Current liabilities				
Leasing debt	6, 9	6,372	5,904	4,262
Trade payables	6	24,732	12,562	19,660
Other operating liabilities	6	82,729	65,747	106,138
Total current liabilities		113,833	84,213	130,060
TOTAL EQUITY AND LIABILITIES		752,619	376,182	688,816

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKt	Share capital	Paid but not registered share issue	Other paid in capital	Translation reserve	Balanced result including result for the period	Total equity
As at January 1, 2023	41,359	14	1,563,836	2,360	-1,338,641	268,928
Result January - June 2023				2,265	5,516	7,781
New share issue, employee stock options	15	-14	26			27
Transaction costs, share issue					-58	-58
Share-based payment transactions					5,657	5,657
As at June 30, 2023	41,374	0	1,563,862	4,625	-1,327,526	282,335
Result July - December 2023				-3,490	239,505	236,015
Transaction costs, share issue					-105	-105
Deferred tax on earlier transaction costs					12,521	12,521
Share-based payment transactions					14,412	14,412
As at January 1, 2024	41,374	0	1,563,862	1,135	-1,061,194	545,177
Result January - June 2024				2,481	49,272	51,753
New share issue, employee stock options	1		49			50
Directed share issue	304				24,987	25,291
Transaction costs, share issue					-35	-35
Deferred tax on transaction costs					7	7
Share-based payment transactions					7,166	7,166
As at June 30, 2024	41,679	0	1,563,911	3,616	-979,797	629,408

CONSOLIDATED STATEMENT OF CASH FLOWS

SEKt	Apr - Jun		Jan - Jun		Full year
	2024	2023	2024	2023	2023
Operating result	28,679	5,952	60,969	6,720	13,930
Non-cash adjustments:					
-Share-based payments	3,528	2,733	7,166	5,657	20,069
-Depreciation regarding right of use assets	1,903	1,877	4,073	3,580	7,426
-Unrealized exchange rate differences	-1,941	-5,768	-19,950	-4,766	16,021
-Other	462	-375	2,373	1,387	4,546
Interests received	59	28	130	44	4,938
Interests paid	-267	-205	-1,158	-398	-3,121
Income tax paid	-4,727	-347	-4,794	-445	-4,218
Net cash flows from operating activities before changes in working capital	27,696	3,895	48,809	11,779	59,591
Changes in working capital	-94,440	-42,706	-98,596	-59,216	-77,848
Net cash flows from operating activities	-66,744	-38,811	-49,787	-47,437	-18,257
Investments in intangible assets	-1,149	-567	-2,732	-924	-5,240
Investments in equipment and tools	-647	-458	-993	-537	-820
Net cash flows from investing activities	-1,796	-1,025	-3,725	-1,461	-6,060
New share issue, employee stock options	0	-13	50	27	27
Transaction costs, share issue	0	0	-35	-58	-163
Repayments of leasing debt	-1,692	-1,537	-3,303	-3,317	-6,567
Net cash flows from financing activities	-1,692	-1,550	-3,288	-3,348	-6,703
Net cash flows	-70,232	-41,386	-56,800	-52,246	-31,020
Cash and cash equivalents as at beginning of period	187,210	155,701	167,351	167,351	167,351
Net exchange difference	-2,705	743	3,722	721	-2,910
Cash and cash equivalents as at end of period	114,273	115,058	114,273	115,826	133,421

CONDENSED CONSOLIDATED INCOME STATEMENT PER QUARTER

	2024		2023				2022	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
SEkt								
Net sales	219,795	184,419	172,743	158,204	140,388	119,742	103,221	84,623
<i>North America</i>	173,027	141,461	131,631	121,008	103,863	85,947	73,390	56,286
<i>EUROW</i>	46,768	42,958	41,112	37,196	36,525	33,795	29,831	28,337
Cost of sales	-17,000	-13,622	-14,146	-12,423	-12,185	-11,406	-8,814	-7,797
Gross profit	202,795	170,797	158,597	145,781	128,203	108,336	94,407	76,826
Gross margin, %	92.3%	92.6%	91.8%	92.1%	91.3%	90.5%	91.5%	90.8%
Selling expenses	-67,586	-59,699	-59,633	-53,470	-55,033	-49,030	-46,762	-38,751
Sales commissions and fees	-62,244	-48,190	-44,398	-42,663	-37,183	-29,896	-28,140	-21,103
Research and development expenses	-20,322	-14,162	-17,547	-12,490	-14,613	-12,455	-14,810	-12,557
Administrative expenses	-22,928	-23,211	-33,303	-21,626	-19,849	-15,536	-21,251	-20,798
Other operating income	-1,722	37,649	2,949	9,414	17,263	3,074	4,445	19,903
Other operating expenses	686	-30,894	-14,323	-10,078	-12,836	-3,725	-7,172	-17,460
Operating result	28,679	32,290	-7,658	14,868	5,952	768	-19,283	-13,941
Net financial items	-209	-819	4,299	-2,126	-180	-175	588	-462
Result before income tax	28,470	31,471	-3,359	12,742	5,772	593	-18,695	-14,403
Income tax	-1,043	-9,626	14,093	216,029	-564	-285	-1,841	-552
Result for the period	27,427	21,845	10,734	228,771	5,208	308	-20,536	-14,955

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

CONDENSED PARENT COMPANY INCOME STATEMENT

SEKt	Apr - Jun		Jan - Jun		Full year
	2024	2023	2024	2023	2023
Net sales	16,069	14,305	32,139	28,609	53,688
Administrative expenses	8	-22,092	-20,170	-42,187	-70,725
Other operating income		404	68	513	185
Other operating expenses		15	-2,368	-1,966	-894
Operating result		-5,604	-8,165	-11,501	-17,746
Net financial items		2,722	2,221	5,274	10,683
Result after financial items		-2,882	-5,944	-6,227	-7,063
Income tax	9	594	0	1,197	17,391
Result for the period		-2,288	-5,944	-5,030	10,328

Parent Company result for the period equals comprehensive income.

CONDENSED PARENT COMPANY BALANCE SHEET

SEKt	Note	Jun 30		Dec 31
		2024	2023	2023
ASSETS				
Non-current assets				
Deferred tax asset	9	31,116	0	29,912
Non-current financial assets	6	1,297,548	1,232,169	1,262,539
Total non-current assets		1,328,664	1,232,169	1,292,451
Current assets				
Other receivables	6	0	0	75
Prepaid expenses		4,866	1,418	1,962
Cash	6	25,395	67,113	43,315
Total current assets		30,261	68,531	45,352
TOTAL ASSETS		1,358,925	1,300,700	1,337,803
EQUITY AND LIABILITIES				
Equity				
Restricted equity	4	41,679	41,374	41,374
Unrestricted equity	9	1,248,094	1,197,540	1,228,420
Total equity		1,289,773	1,238,914	1,269,794
Non-current liabilities		53,303	51,723	50,524
Current liabilities	6	15,849	10,063	17,485
TOTAL EQUITY AND LIABILITIES		1,358,925	1,300,700	1,337,803

NOTE 1 GENERAL INFORMATION, ACCOUNTING PRINCIPLES

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's reporting has been prepared in accordance with RFR 2, Reporting for Legal Entities, and the Swedish Annual Accounts Act. The accounting principles mentioned in the Annual Report for 2023 have also been applied in this interim report. New or amended standards or interpretations of standards effective as of January 1, 2024 have not had any significant impact on BONESUPPORT's financial statements.

Estimates, assumptions and assessments

When preparing the Company's financial reports, the Group management team makes estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses with associated notes and information on contingent liabilities. Uncertainty around these assumptions and estimates can lead to significant adjustments to the reported values of the assets and liabilities that are affected in future financial reports as the outcome may deviate from the estimates and assessments made. Changes in estimates are reported prospectively. The Group management team also makes assessments in the application of the Group's accounting principles.

The assessment that has the most significant effect on the reported values in the financial reports concerns the determination of the Company's marginal borrowing rate which is used to calculate the Company's leasing debt. As the Company does not have external loan financing, the information on marginal loan interest is based on information received from the Company's main bank.

Key assumptions regarding the future and sources of uncertainty in estimates made on the balance sheet date, that have a significant risk of resulting in a material adjustment of assets and liabilities in the coming quarters regard three main areas of valuation: tax losses carried forward, trade receivables and shares in Group companies. Regarding deferred tax receivable, see Note 9.

NOTE 2 SIGNIFICANT RISKS AND UNCERTAINTIES

Through its operations, the Company is exposed to various types of financial risks such as market, liquidity and credit risk. The strategy includes continuously identifying and managing risks. Financial risk management is described in Note 2, Annual Report 2023.

The wars in Ukraine and Israel have created unrest and insecurity in the world. The business impact is difficult to predict, but higher shipping costs and higher prices for input goods are likely effects under prevailing market conditions.

NOTE 3 TRANSACTIONS WITH RELATED PARTIES

The financial reports include costs related to the following transactions between BONESUPPORT and related parties.

SEKt		Apr - Jun		Jan - Jun		Full year
Related party	Service	2024	2023	2023	2022	2023
Mary I O'Connor (Board member)	Consultancy	556	553	831	553	1,121
Mary I O'Connor (Board member)	Reimbursement of expenses	0	26	0	26	27
Christine Rankin (Board member)	Reimbursement of expenses	0	0	0	0	4

NOTE 4

SHARE CAPITAL AND NUMBER OF SHARES INCLUDING POTENTIAL SHARES

Ordinary shares	Number of shares	Potential shares	Total
December 31, 2023	65,055,575	1,558,197	66,613,772
Exercised employee stock options	1,875	-1,875	0
Conversion of class C-shares to ordinary shares	663,745	0	663,745
Completed LTI programs	0	-875,156	-875,156
June 30, 2024	65,721,195	681,166	66,402,361

Series C-shares			
December 31, 2023	1,142,060	0	1,142,060
Conversion of class C-shares to ordinary shares	-663,745	0	-663,745
Directed share issue	486,840	0	486,840
June 30, 2024	965,155	0	965,155

Total	66,686,350	681,166	67,367,516
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Potential shares regards 405.833 employee stock options that can be converted to 81.166 shares. and 600.000 shares in performance share program LTI 2023. Average total number of ordinary shares and potential shares is used in the calculations of dilution.

The share capital in the Group and the Parent Company consists of 66.686.350 shares valued at the quotient value of SEK 0.625 per share.

NOTE 5

PLEDGED SECURITIES AND CONTINGENT LIABILITIES

The US subsidiary BONESUPPORT Inc. has provided a guarantee of USD 42 thousand (56), corresponding to SEK 446 thousand (607) for rented premises. The Parent Company, BONESUPPORT HOLDING AB, guarantees a corresponding amount. The Parent Company has also provided a general guarantee, which at the end of the period amounted to USD 1,000 thousand (500), corresponding to SEK 10,609 thousand (5,423).

The Group has pledged collateral for capital-invested direct pensions amounting to SEK 979 thousand (979).

NOTE 6

FINANCIAL ASSETS AND LIABILITIES

Fair values of the consolidated financial assets and liabilities are assessed to agree with values accounted for.

Participations in subsidiaries are accounted for in the Parent Company in accordance with the cost method.

NOTE 7 SEGMENT INFORMATION

The Group manages and monitors operations in the North America (NA) and Europe & Rest of the World (EUROW) segments. Other comprises other items, mainly costs for Group functions. Contribution per segment is calculated as net sales minus directly attributable operating costs. Such costs are related to cost of sales, selling expenses including commissions and fees, and research and development expenses. Assets and liabilities are not reported by segment, these are managed and monitored on Group level by management and the Board of directors.

Net sales in Sweden (part of EUROW) was SEK 2.6 million (3.1) in the quarter. The US and UK were the only markets that delivered more than ten percent of the consolidated net sales. In the US, net sales amounted to SEK 173.6 million (103.9) in the quarter and SEK 314.9 million year to date. In the UK, net sales amounted to SEK 22.1 million (17.1) in the quarter and SEK 43.8 million year to date. There is no individual customer to whom sales are larger than ten percent of total net sales.

SEKt	Apr - Jun 2024				Apr - Jun 2023			
Profit and loss items	NA	EUROW	Other	Total	NA	EUROW	Other	Total
Net sales	173,027	46,768	0	219,795	103,863	36,525	0	140,388
<i>of which CERAMENT BVF</i>	57,446	5,590	0	63,036	50,727	3,897	0	54,624
<i>of which CERAMENT drug eluting¹</i>	108,190	41,050	0	149,240	51,166	32,628	0	83,794
<i>of which other</i>	7,391	127	0	7,519	1,969	0	0	1,969
Cost of sales	-7,308	-8,087	-1,605	-17,000	-5,681	-6,504	0	-12,185
Gross profit	165,719	38,681	-1,605	202,795	98,182	30,021	0	128,203
Sales commissions and fees	-61,620	-624	0	-62,244	-36,747	-436	0	-37,183
Other operative costs	-37,345	-23,873	0	-61,218	-29,750	-21,958	0	-51,708
Contribution	66,754	14,184	-1,605	79,333	31,685	7,627	0	39,312
Other operating items	0	0	-50,654	-50,654	0	0	-33,360	-33,360
Operating result	66,754	14,184	-52,259	28,679	31,685	7,627	-33,360	5,952
Net financial items	0	0	-209	-209	0	0	-180	-180
Result before income tax	66,754	14,184	-52,468	28,470	31,685	7,627	-33,540	5,772

SEKt	Jan - Jun 2024				Jan - Jun 2023			
Profit and loss items	NA	EUROW	Other	Total	NA	EUROW	Other	Total
Net sales	314,488	89,726	0	404,214	189,810	70,320	0	260,130
<i>of which CERAMENT BVF</i>	102,972	10,144	0	113,116	99,791	7,966	0	107,757
<i>of which CERAMENT drug eluting¹</i>	200,865	79,406	0	280,271	85,957	62,354	0	148,311
<i>of which other</i>	10,651	176	0	10,827	4,062	0	0	4,062
Cost of sales	-14,011	-15,006	-1,605	-30,622	-10,052	-12,977	-562	-23,591
Gross profit	300,477	74,720	-1,605	373,592	179,758	57,343	-562	236,539
Sales commissions and fees	-109,437	-997	0	-110,434	-66,293	-786	0	-67,079
Other operative costs	-68,461	-48,889	0	-117,350	-56,858	-41,591	0	-98,449
Contribution	122,579	24,834	-1,605	145,808	56,607	14,966	-562	71,011
Other operating items	0	0	-84,839	-84,839	0	0	-64,291	-64,291
Operating result	122,579	24,834	-86,444	60,969	56,607	14,966	-64,853	6,720
Net financial items	0	0	-1,028	-1,028	0	0	-355	-355
Result before income tax	122,579	24,834	-87,472	59,941	56,607	14,966	-65,208	6,365

1. CERAMENT drug eluting includes CERAMENT G and CERAMENT V.

The amounts in the tables above are eliminated for Group transactions. Intercompany sales from EUROW to NA amounted to SEK 175.9 million (85.4) during the quarter.

NOTE 8

OPTION PROGRAMS AND PERFORMANCE SHARE PROGRAMS

At the period end, there are two employee stock option programs and one performance share program.

Employee stock option programs

Of the two employee stock option programs, one 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 shares in BONESUPPORT when exercising the option. This at a price in the first program of SEK 0.125 per option, equivalent to SEK 0.625 per share, and in the second program of SEK 5.30 per option, equivalent to SEK 26.50 per share. 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 period. Remaining 3.7 million (3.7) options were not allocated.

Performance share program

LTI 2023 that was decided at the Annual General Meeting in 2023 runs until December 31, 2026. The investment period for the participants ended on December 31, 2023 and the vesting period started on January 1, 2024.

In the program, each savings share gives the opportunity to be allotted a maximum of 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.

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 for the issued shares are credited to equity.

Further information on these programs is presented in Notes 12 and 23 in the Annual Report 2023.

Employee stock option programs	No. of options¹	Equal to no. of shares	WAEP
Balance January 1, 2024	415,208	83,041	26.50
Exercised	-9,375	-1,875	26.50
Balance June 30, 2024	405,833	81,166	26.50

Performance share programs	Right to no. of shares
Balance January 1, 2024	1,209,132
Distributed regarding completed program	-609,132
Balance June 30, 2024	600,000

1. Not allocated options in active programs amounted to 3.699.047 (3.699.047).

During the year, the cost of performance share program, excluding social security contributions, has been recognized as operating expenses amounting to SEK 7,166 thousand (5,657). The social security contributions amounted to an expense of SEK 6,859 thousand (5,847). The liability for social security contributions at the end of the period amounts to SEK 6,370 thousand (9,307).

NOTE 9

TAXES

The Group has tax losses carried forward based on historical losses. The tax losses carried forward are attributable to the research-focused period of the business, where the foundation and conditions for current and future sales and results were created. All tax losses carried forward are attributable to BONESUPPORT AB and BONESUPPORT HOLDING AB and the Swedish tax system, with full group contribution rights.

In the Group and in the Parent Company, the part of the deferred taxes on tax losses carried forward that relate to transaction costs on share issue, has been posted directly over equity, as that is where the transaction costs were posted. The remaining part of the deferred taxes has been posted in the income statement.

GROUP	Apr - Jun		Jan - Jun		Full year	
	2024	2023	2023	2022	2023	
SEKt						
Deferred tax income	-1,115	0	-10,674	0	237,170	
Current tax	72	-564	5	-849	-7,897	
Total income tax	-1,043	-564	-10,669	-849	229,273	

	Jun 30		Dec 31	
	2024	2023	2023	
Deferred tax asset on tax losses carried forward, recognized in the income statement	156,325	0	194,614	
Deferred tax asset on tax losses carried forward, recognized directly over equity	12,528	0	12,521	
Deferred tax asset on leasing debt	3,626	0	4,017	
Deferred tax liability on right-of-use assets	-3,469	0	-3,903	
Deferred tax asset on other temporary differences	70,014	0	42,428	
Total deferred tax asset	239,024	0	249,677	

PARENT COMPANY	Apr - Jun		Jan - Jun		Full year	
	2024	2023	2023	2022	2023	
SEKt						
Deferred tax income	1,061	0	1,197	0	17,391	
Current tax expense	-467	0	0	0	0	
Total income tax	594	0	1,197	0	17,391	

	Jun 30		Dec 31	
	2024	2023	2023	
Deferred tax asset on tax losses carried forward, recognized in the income statement	18,588	0	17,391	
Deferred tax asset on tax losses carried forward, recognized directly over equity	12,528	0	12,521	
Total deferred tax asset	31,116	0	29,912	

ALTERNATIVE PERFORMANCE MEASURES AND FINANCIAL DEFINITIONS

BONESUPPORT uses Alternative Performance Measures (APM) to enhance understandability of the information in its financial reports, both for external analysis and comparison and internal performance assessment. Alternative Performance Measures are key figures not defined in financial reports prepared according to IFRS. The following key figures are used:

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 to cover other expenses and profit margin.

Contribution

Net sales minus 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.

SEKm	Apr - Jun		Jan - Jun		Full year
	2024	2023	2024	2023	2023
Net sales	219.8	140.4	404.2	260.1	591.1
Cost of sales	-17.0	-12.2	-30.6	-23.6	-50.2
Gross profit	202.8	128.2	373.6	236.5	540.9
Gross margin, %	92.3	91.3	92.4	90.9	91.5
Directly attributable selling expenses	-122.2	-87.8	-225.9	-163.4	-354.0
Selling expenses, not directly attributable	-7.6	-4.4	-11.8	-7.7	-17.3
<i>Selling expenses including commissions and fees</i>	<i>-129.8</i>	<i>-92.2</i>	<i>-237.7</i>	<i>-171.1</i>	<i>-371.3</i>
Directly attributable research and development expenses	-0.8	-1.1	-1.5	-2.1	-3.0
Research and development expenses, not directly attributable	-19.5	-13.5	-33.0	-25.0	-54.1
<i>Research and development expenses</i>	<i>-20.3</i>	<i>-14.6</i>	<i>-34.5</i>	<i>-27.1</i>	<i>-57.1</i>
Contribution	79.8	39.3	146.2	71.0	183.9

Net sales growth

The difference in net sales between two periods in relation to net sales for the earlier period. Shows the operations' sales performance. BONESUPPORT's objective during 2024 is to grow sales with over 50 percent (constant exchange rates).

Net sales growth in constant exchange rates (CER)

The difference in net sales between two periods in relation to net sales for the earlier period. The net sales for the current period is recalculated using the earlier period's exchange rates. Shows the operations' sales performance.

SEKm	Apr - Jun		Net sales growth, %
	2024	2023	
NA	173.0	103.9	67%
EUROW	46.8	36.5	28%
Net sales	219.8	140.4	57%

SEKm	Apr - Jun		Net sales growth CER, %
	2024	2023	
NA	159.8	103.9	54%
EUROW	44.7	36.5	22%
Net sales, for which 2024 is in CER	204.5	140.4	46%

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.

SEKm	Apr - Jun		Jan - Jun		Full year
	2024	2023	2024	2023	2023
Operating result	28.7	6.0	61.0	6.7	13.9
Of which incentive costs	-7.4	-7.7	-16.7	-11.5	-40.1
Operating result before effects from the Group's incentive programs	36.0	13.6	77.6	18.2	54.1

Interest bearing debt

Leasing debt, short and long term. Shows the debt level of the Group and forms the base for interest expenses.

Net cash

Cash and cash equivalents minus interest bearing debt. Is used to measure future funding needs.

SEKm	Jun 30		Dec 31
	2024	2023	2023
Non-current leasing debt	9.0	9.3	13.2
Current leasing debt	6.4	5.9	4.3
Interest bearing debt	15.4	15.2	17.5
Cash and cash equivalents	114.6	149.8	167.4
Net cash	99.2	134.6	149.9

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 Morphogenic Protein.

Bone cement. Binders used to attach prostheses to bone or glue bone, often in the form of a hardening plastic, polymethyl acrylate (PMMA), or Calcium Phosphate.

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 of CERAMENT BVF with autologous bone graft (autograft) transplantation.

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

CMS (The Centers for Medicare and Medicaid Services). CMS provides health coverage to more than 100 million people through Medicare, Medicaid, the Children's Health Insurance Program, and the Health Insurance Marketplace.

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.

IDN (Integrated Delivery Network). An integrated delivery network, also referred to as a health system, is an organization that owns and operates a network of healthcare facilities.

LTM. Latest twelve months.

MDR. The Medical Device Regulation is an EU regulation designed to ensure the safety and performance of medical devices.

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

NTAP (New Technology Add-on Payment designation). An additional reimbursement that manufacturers of new, groundbreaking technologies can apply for.

Osteoinduction. Osteoinduction at bone graft material (or a 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 substance (a toxin or poison) can harm humans or animals.

TPT (Transitional Pass-Through). Transitional pass-through payments provide additional payment for new device, drugs, and biologicals that met eligibility criteria for a period of at least two years but not more than three years.

OUR SOUL & OUR HEART



MISSION

Restoring health to improve the quality of life for patients with bone disorders

BONESUPPORT's unique product technology has properties with the potential to revolutionize the care of patients with bone disorders by enabling faster rehabilitation, limiting the number of surgical procedures and reducing the risk of severe infections. The most common procedures consist of bone disorders where the body is unable to perform natural healing and single-stage surgery in connection with bone infection. For patients, surgical treatment including CERAMENT means that they can return to a more normal life more quickly.



VISION

Becoming a global orthobiologics leader

BONESUPPORT's unique technology means that over time, the Company's injectable bio-ceramic bone graft substitutes remodel to natural bones and have the ability to release drugs. This enables new treatment standards in the treatment of bone diseases/skeletal injuries.

BONESUPPORT's objective is sales growth above 50 percent (in constant exchange rates) during 2024.



STRATEGY

The strategy is based on three pillars:

- **Innovation** – BONESUPPORT has the market's most innovative solution for the treatment of bone disorders.
- **Clinical and Health Economic Evidence** – The evidence for the CERAMENT platform continues to grow and now amounts to more than 240 publications and abstracts.
- **Effective commercial platform** – BONESUPPORT's commercial and medical organization provides healthcare with products, information, service, training and evidence.

ABOUT BONESUPPORT

BONESUPPORT HOLDING AB (publ), org.nr. 556802-2171, based in Lund, Sweden, is the Parent Company of BONESUPPORT AB. BONESUPPORT is a commercial orthobiology company primarily aimed at the orthopedic markets in the US and Europe. BONESUPPORT has its registered office in Lund and wholly owned subsidiaries in the US, the UK, Germany, Sweden, Denmark, Switzerland, Spain, the Netherlands and Italy.

The Company is not aware of any other commercially available products with the same properties as CERAMENT G and CERAMENT V, i.e. an injectable antibiotic-eluting bone graft substitute with proven rapid remodeling into host bone.

BONESUPPORT has well-documented safety and efficacy experience and estimates, based on sales data, by June 2024 more than 125,000 treatments have been performed with its products worldwide. There is great market potential in trauma, chronic osteomyelitis, revision arthroplasty, oncology and bone and foot infections due to diabetes.

The CERAMENT portfolio is currently commercially available in the largest European markets, as well as in a number of markets outside Europe. In addition, CERAMENT BVF and CERAMENT G are commercially available in the United States, Canada and Australia.

PRESENTATION OF INTERIM REPORT APRIL – JUNE 2024

The Company invites investors, analysts and media to a web conference (in English) on July 11, 2024 at 10.00 CEST, where CEO Emil Billbäck and CFO Håkan Johansson will present and comment on the report and also answer questions. The report will be availa-

ble on BONESUPPORT's website from 08.00 CEST on the same day and the presentation from the webcast will be uploaded during the day on July 11, 2024. For further details regarding participation, see the investor pages at www.bonesupport.com

FORWARD-LOOKING STATEMENTS

The report contains certain forward-looking information that reflects BONESUPPORT's current views of future events and financial and operational performance. Words such as "intends", "anticipates", "expects", "can", "plans", "estimates" and similar expressions regarding indications or forecasts of future developments or trends, and which are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances.

Forward-looking information is not a guarantee of future results or developments and actual results may differ materially from results referred to in forward-looking information. Forward-looking information in the report is only applicable on the date of issue of the report. BONESUPPORT does not commit to publishing updates or revision of any forward-looking statements as a result of new information, future events or similar circumstances other than those required by applicable legislation.

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