



BONESUPPORT

Q2 (2022) Report

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BONESUPPORT – Second quarter report 2022

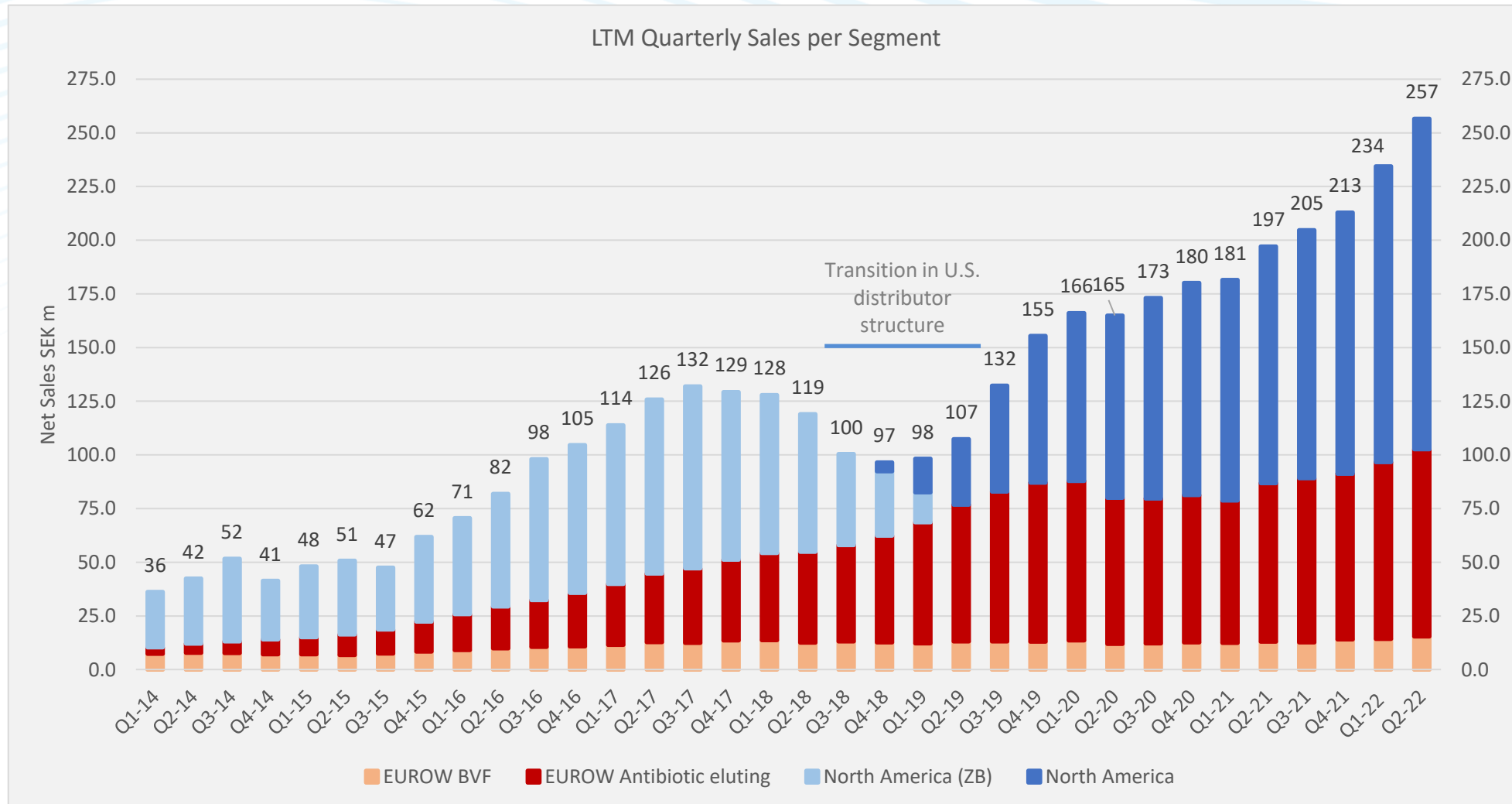
The background of the slide features a collection of medical supplies, including several clear plastic syringes with blue plunger caps and two small glass vials with white caps. The items are arranged on a light-colored surface, with some syringes lying horizontally and others at an angle. The overall aesthetic is clean and clinical.

Q2 2022:

- Net sales SEK 74,6 m, growth: 44% versus Q2 2021, +32% in constant exchange rates (CER)
- EBIT: SEK -14,9 m (-26,0 m): a SEK 13.6 m profit improvement before incentive provisions

- FDA marketing approval in the US for **CERAMENT G** (Gentamicin)
- CMS awarded a New Technology Additional Payment (NTAP) for CERAMENT G of 4 920 USD

Eight consecutive all-time-high, strong traction in both regions



Rapidly expanding customer base and broadened use of CERAMENT

Solid and growing platform setting stage for CERAMENT G launch in the US

North America:

Strong sales growth in Q2, advancing market positions

Q2 2022

- Sales of SEK 46,0 m, growth of **58%** over Q2 2021, **+40%** in constant exchange rate
- Sales in Q2 represented a reported sequential growth of **14%** over Q1 2022 and **+32%** over Q4 2021

Expanding customer base

- First patients with CERAMENT treated at Mayo clinic and Duke University Hospital
- New customer recruitment has accelerate post Omicron wave

CERAMENT G launch in the U.S.

- Launch date set at October 1st
- Manufacturing scheduled for first week of August
- Cost Effectiveness Model comparing CERAMENT G in bone infection single stage surgery to “standard of care”
- CERAMENT G is being added to existing CERAMENT BVF contracts and GPOs
- Training and promotion material being updated


Gradual return of surgical volumes, restricted by Healthcare staff shortages

Q2 2022

- Sales of SEK 28,6 m, growth of 26% vs Q2 2021, +22% in constant exchange rates
- Some hospital still with restrictions to visit.
- Safety protocol and healthcare staff shortage are holding back surgery capacity utilisation

Highlights

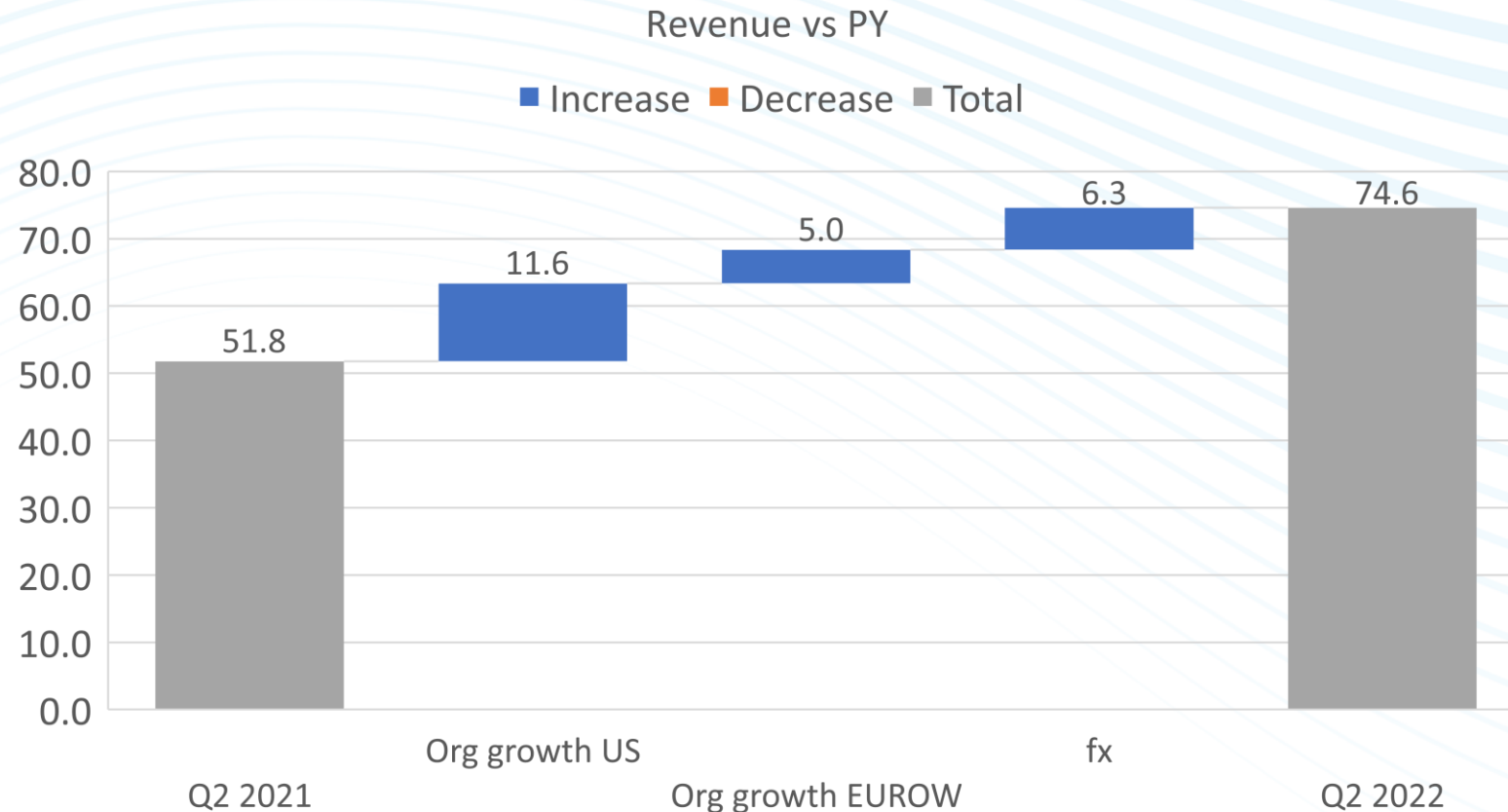
- Increasing traction in hybrid markets (Italy and Spain)
- South Africa: Discovery Health detailed Health Technology Assessment results in positive reimbursement decision for CERAMENT G & V usage in the private sector



BONESUPPORT Q2 (2022) Report

Financial Report

Q2 2022 net sales SEK 74.6 m



- 58 percent growth in NA. 40 percent growth in CER
- 26 percent reported growth in EUROW. 22 percent growth CER
- High impact from currency movements

North America

+58%
(+40% CER)
Net sales
Q2-22

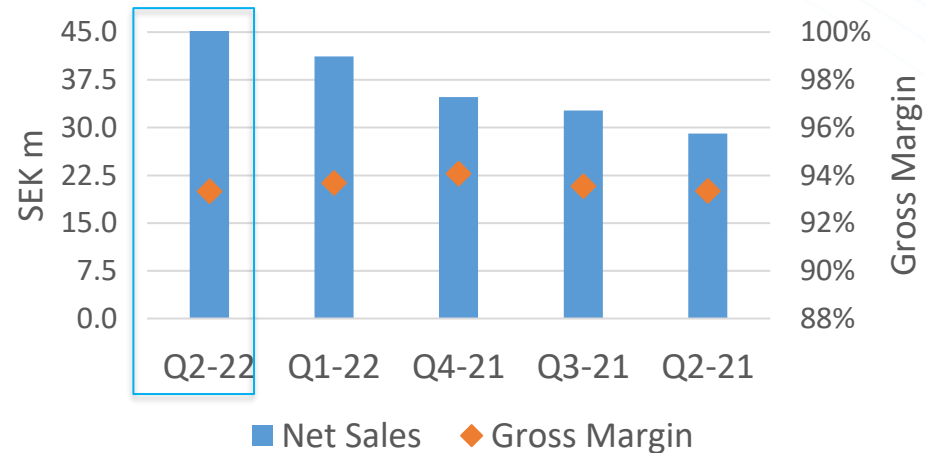
North America	2022		2021		
SEK m	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21
Net Sales	46.0	41.2	34.8	32.7	29.1
Gross profit	42.9	38.6	32.7	30.6	27.1
Gross margin	93%	94%	94%	94%	93%
Contribution	7.1	6.6	3.7	1.3	-0.3

EUROW

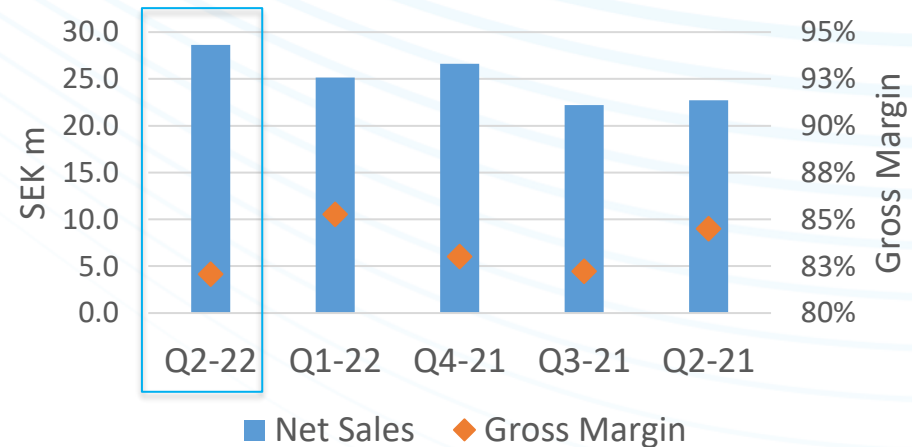
+26%
(+22% CER)
Net sales
Q2-22

EUROW	2022		2021		
SEK m	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21
Net Sales	28.6	25.2	26.6	22.2	22.7
Gross profit	23.5	21.5	22.1	18.3	19.2
Gross margin	82%	85%	83%	82%	85%
Contribution	7.1	5.6	5.0	2.4	3.0

Net Sales and Gross Margin



Net Sales and Gross Margin



A 13.6 MSEK profit improvement before long-term incentive provisions

Key Figures	2022		2021				2020			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
SEK m										
Net Sales	74.6	66.3	61.4	54.9	51.8	44.8	53.2	48.1	36.2	
Gross Margin (%)	89.0%	90.5	89.3	89.0	89.5	88.6	89.8	91.4	86.7	
Operating Loss	-14.7	-16.5	-21.8	-13.3	-25.9	-19.7	-26.7	-19.2	-23.5	
Adj. Operating profit (i)	-9.0	-12.5	-17.0	-15.7	-22.6	-19.9	-24.9	-14.5	-20.8	
Cash at period end	171.8	195.6	206.5	225.5	309.6	339.0	353.7	377.9	393.9	

Q2 Insights

- Continued strong momentum in sales, reporting a growth of 44 percent (32 percent in CER) compared to the second quarter previous year.
- Gross margin slightly down from previous quarter following a high ratio of sales to distributor markets in the period.
- Operating loss included expenses regarding long-term incentive programs amounting to SEK 5.7 m, compared with SEK 3.3 m in Q2 the previous year. The increased cost mainly relates to the share price appreciation during the quarter.

(i) Operating profit before expenses regarding long-term incentive programs


Q2 expenses approaching a post pandemic normal

Key Figures	2022		2021				2020		
SEK m	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Selling expenses (less commissions)	40.4	37.5	38.5	35.5	33.3	31.2	33.9	32.0	23.0
Sales Commissions	14.2	12.9	11.4	10.0	9.3	7.9	8.4	9.2	6.9
Research and Development expenses	13.8	12.1	14.4	11.3	15.8	12.3	16.5	11.7	14.0
Administrative expenses	16.7	14.5	14.8	(i) 5.4	14.0	9.7	12.6	11.6	10.3
Total expenses	85.1	77.1	79.2	62.3	72.4	61.0	71.4	64.5	54.2

Q2 Insights

- Strong impact from currency movements
- Selling expenses increased with SEK 7.1 m compared with the same period last year, SEK 4.4 m in CER . The higher cost level partially relates to the investments in hybrid markets, Italy and Spain. The higher cost also relates to a gradual normalization of market activities during the period, albeit with regional differences.
- Administration remaining at a stable level excluding effects from the long-term incentive programs.

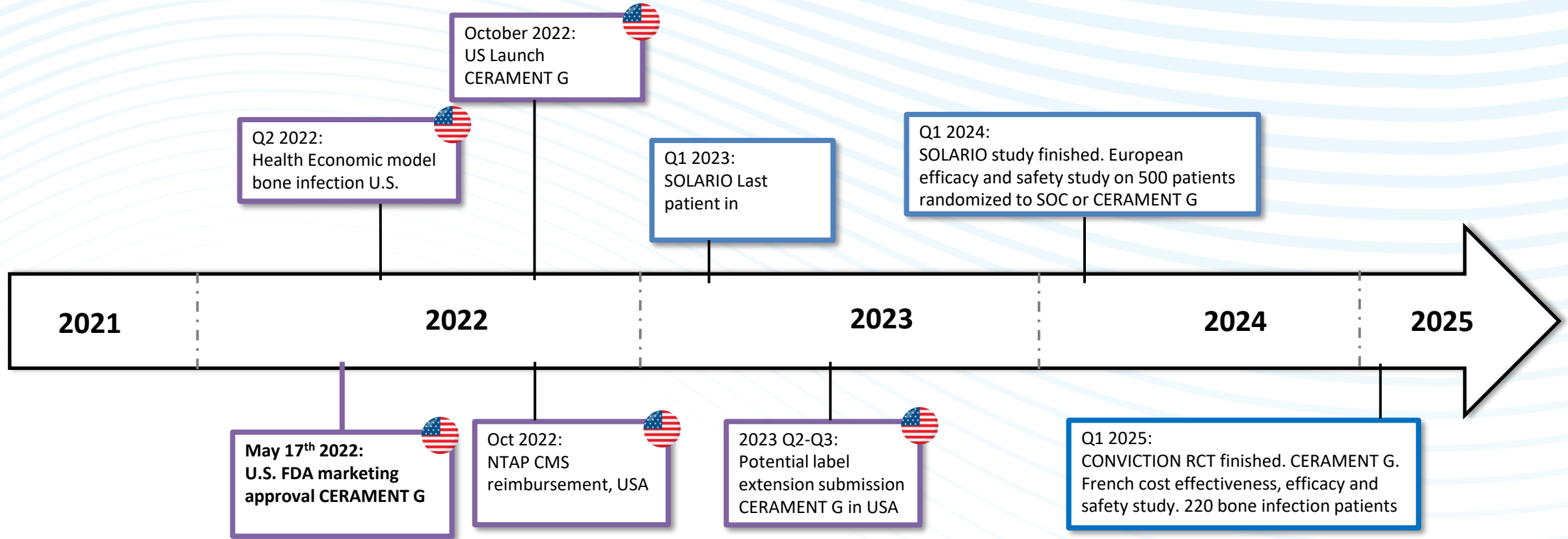
(i) Administrative expenses in Q3 2021 included effects regarding incentive programs amounting to a positive effect of SEK 2.4 m.



BONESUPPORT Q2 (2022) Report

**Clear Corporate Strategy
Driving Value Creation**

BONESUPPORT journey ahead - near term milestones




- **US CERAMENT G launch: October 2022**

Ramping up for US CERAMENT G launch, with strong dynamics in existing business

- **CERAMENT G (Gentamicin) is the first ever synthetic bone graft with antibiotics approved by FDA**
 - Only product in new category addressing a market opportunity of USD 780 m
 - Strong and well-developed US commercial infrastructure (375 sales reps) with proven track record
 - Incremental reimbursement through NTAP (CMS) of 4 900 USD
- **Built out European structure capitalizing from all-time-high orthopedic back-log**
 - Significant market dynamic tailwinds anticipated as pandemic back log of orthopedic surgeries are managed
- **Market share gains driven by clinical and health economic evidence**
- **Progressing market disruptive innovation pipeline**

Annual sales growth target: 40% p.a.



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Q&A