



# BONESUPPORT Q2(2021)

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The background of the slide features a collection of medical syringes and vials, some of which are labeled 'CERAMENT' and 'LOTMLD10107'. The items are arranged in a scattered, overlapping manner, creating a clinical and professional atmosphere. The syringes are clear plastic with blue plungers and hubs, while the vials are small glass containers with white labels and caps.

# BONESUPPORT – Second quarter report 2021

- Net sales SEK 51.8 m, growth: 43% versus Q2 2020, +58% in constant exchange rates
- EBIT: SEK -25,9 m (SEK -23,5 m)

- Gradual return of orthopedic surgeries as consequence of general lower infection incidence rates and reduced restrictions
- Fortify: Last patient followed up ( 12 months)
- GPO contract with Premier

# COVID-19 impact on market dynamics

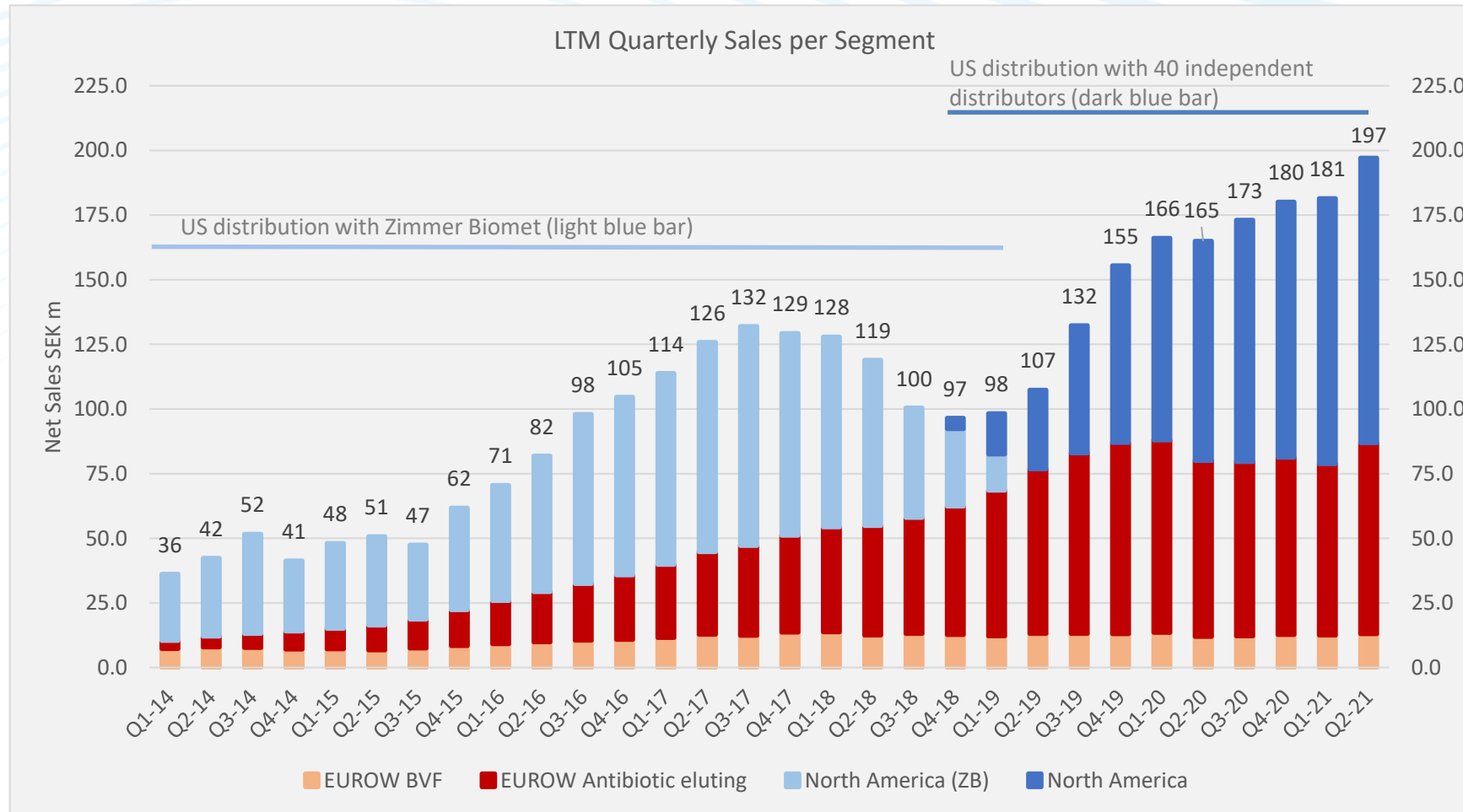
- Steady reduction in COVID-19 infection incidence, with exception of UK, where the Delta (B.1.617.2) variant has brought infection incidence in June to the same levels as in February 2021
- CERAMENT sales tightly correlated to number of surgeries, in turn determined by pandemic impact
- Gradual increase of orthopedic surgeries in most countries and regions (Q2 vs Q1 2021).
- With opening of society/ reduction of restrictions, patient flow is on a steeper trajectory than capacity utilization, creating increasing back log/queues.

Example: Elective care, National Health System (NHS)  
 Million people in queue

Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	March 21	April 21	May 21
4.4	4.5	4.5	4.6	4.7	5.0	5.1	5.3

- First half of 2021 with material impact from pandemic, with gradual improvement until normalization during H2 2021

# Early signs of recovery



- New US distribution model continuing to develop
- Market dynamics disrupted by COVID-19 pandemic
- Antibiotic eluting CERAMENT represents **88%** of EUROW sales

## North America – Strong sales growth from gradual increase in surgeries

### Q2 2021

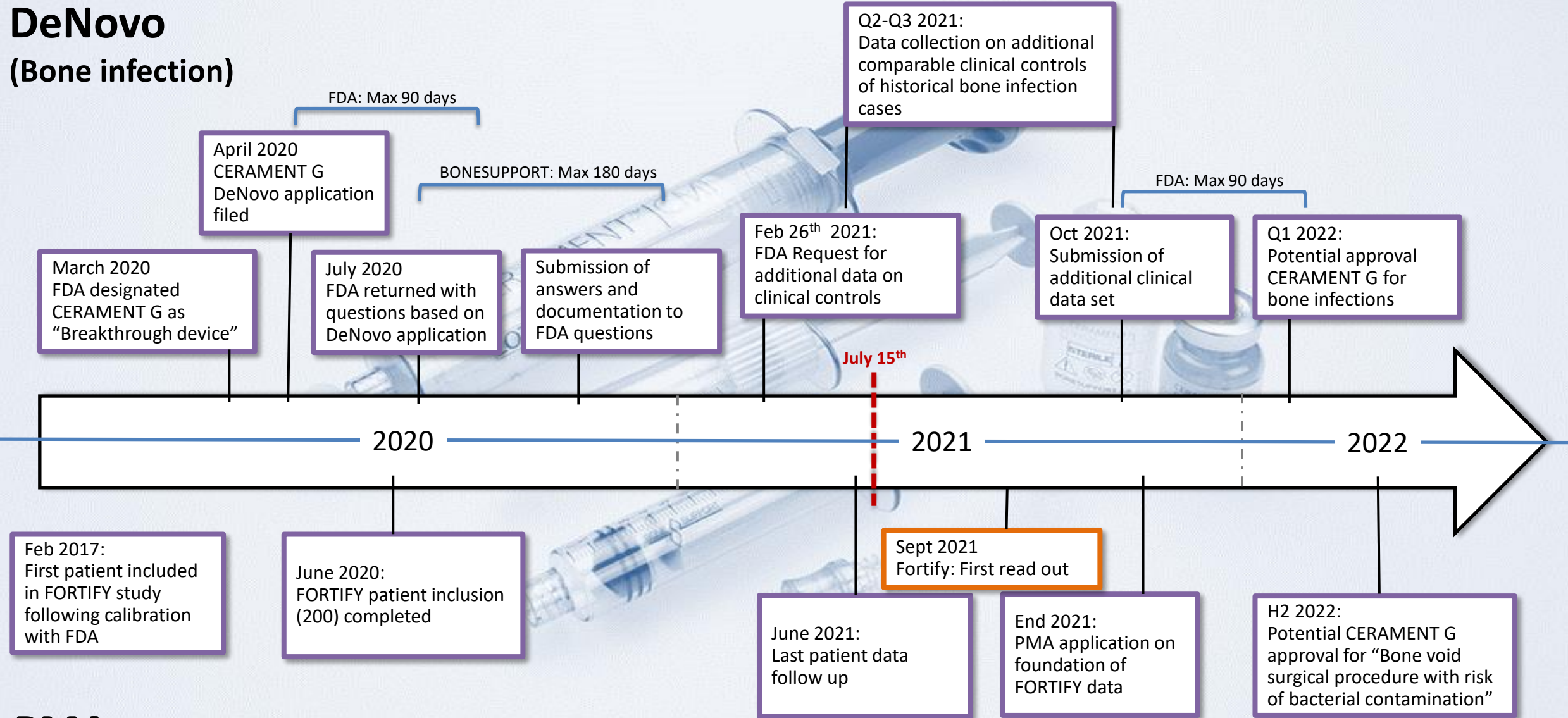
- Sales of SEK 29.1 m, reported growth of 35% over Q2 2020, +56% in constant exchange rates
- Sales in Q2 2021 grew with 16% over Q1 2021
- Gradual return of surgeries as 46% of population in the US (end of June) is fully vaccinated

### CERAMENT G registration in the US

- Compilation of data for supplementary DeNovo submission in October well underway
- FORTIFY: Last patient followed up in June 2021. First read out expected in September
- FDA Breakthrough medical device designation for the indication trauma

# CERAMENT G pathway to US market

## DeNovo (Bone infection)



## PMA (Broader set of indications, incl trauma)

# EUROW – Strong sales growth from gradual increase in surgeries

## Q2 2021

- Sales of SEK 22.7 m, a development of 55% vs Q2 2020, 61% in constant exchange rates
- Capacity utilization of orthopedic surgery department increasing but with backlog yet increasing
- Bringing surgical capacity utilization back to 100% and, later on, above, will require special programs and funding

## Highlights

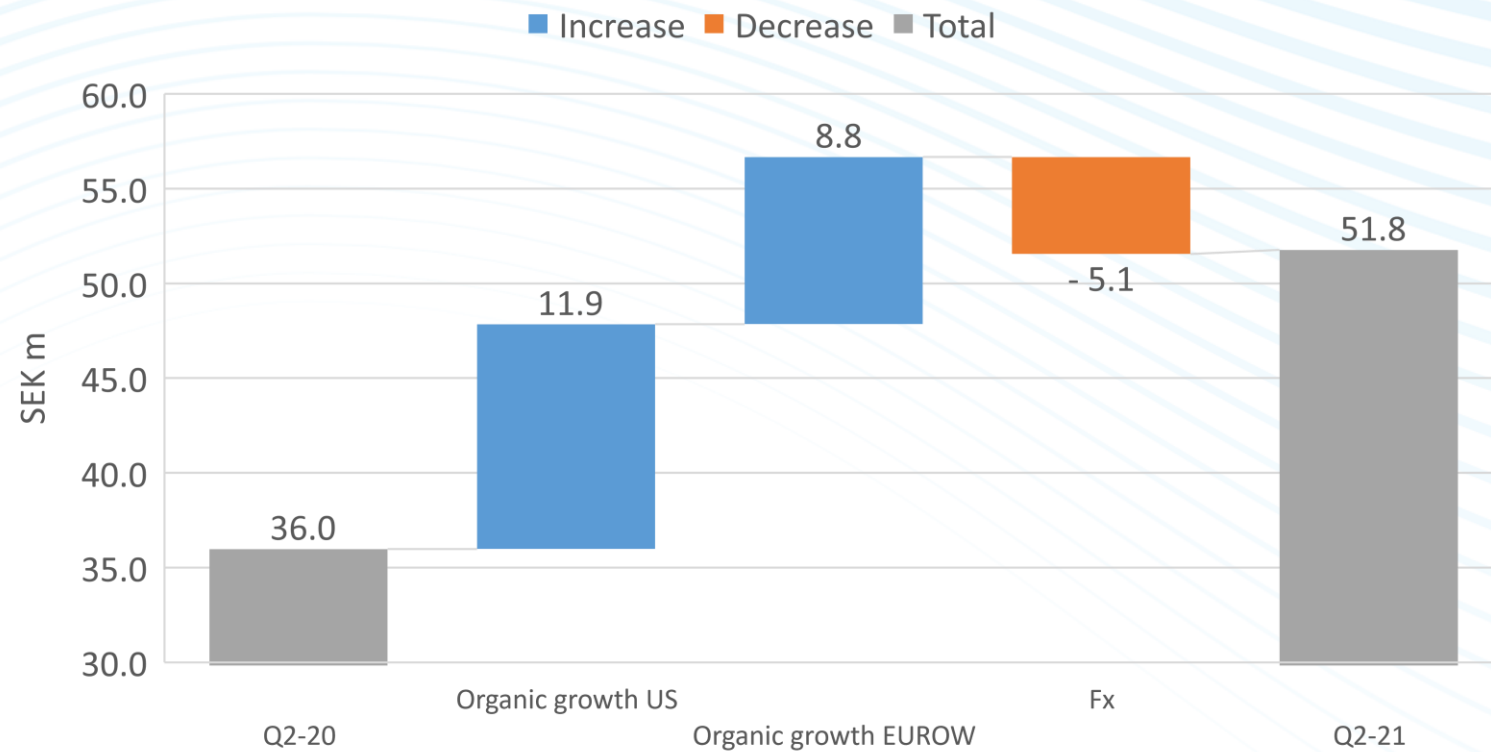
- SOLARIO study reached recruitment mid point milestone
- Hybrid model in Italy up-and-running
- All sales teams back to full time work by July 1<sup>st</sup>,2021





## Financial Review

# Q2 2021 net sales SEK 51.8 m

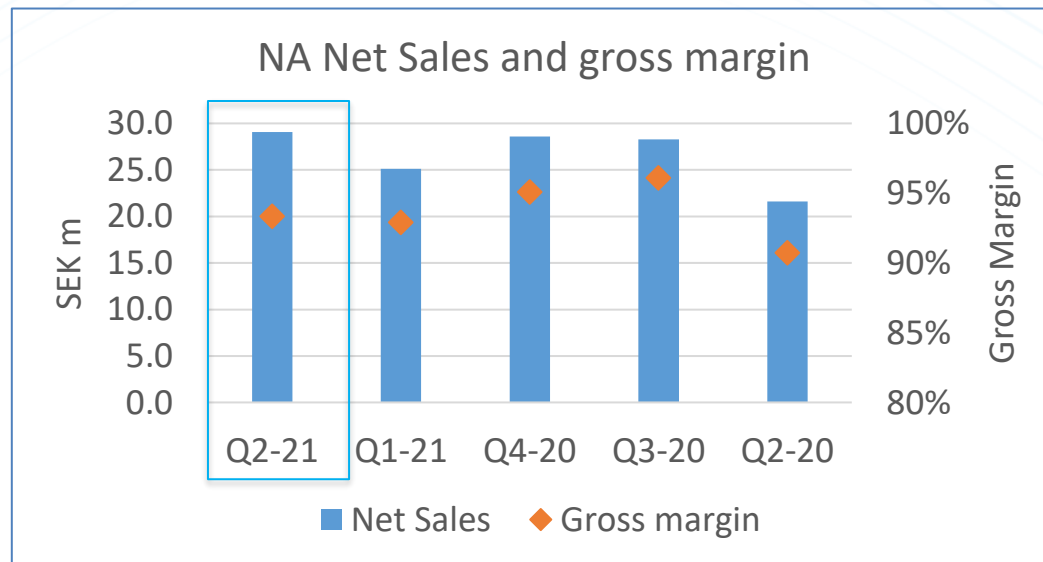


- A 56 percent growth CER in NA despite influence from the pandemic. 35% reported growth
- A 61 percent growth CER in EUROW despite influence from the pandemic. 55 % reported growth

# North America

**+35%  
Net Sales  
Q2-21**

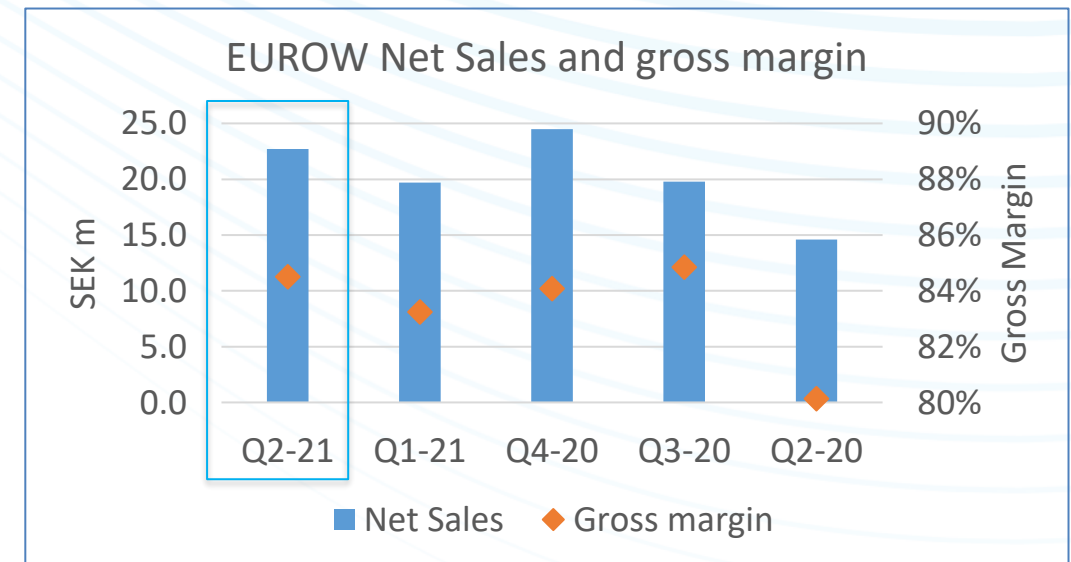
NA	2021		2020		
SEK m	Q2-21	Q1-21	Q4-20	Q3-20	Q2-20
Net Sales	29.1	25.1	28.6	28.3	21.6
Gross profit	27.1	23.3	27.2	27.2	19.6
Contribution	-0.3	-2.0	0.1	-0.6	-4.2



# EUROW

**55%  
Net Sales  
Q2-21**

EUROW	2021		2020		
SEK m	Q2-21	Q1-21	Q4-20	Q3-20	Q2-20
Net Sales	22.7	19.7	24.5	19.8	14.6
Gross profit	19.2	16.4	20.6	16.8	11.7
Contribution	3.0	2.2	5.6	1.4	2.3



## Gradual recovery in sales and gross margin despite the pandemic

Key Figures	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
SEK m								
Net Sales	51.8	44.8	53.2	48.1	36.2	43.4	46.2	39.1
Gross Margin (%)	89.5	88.6	89.8	91.4	86.7	88.7	88.9	87.7
Operating Loss	-25.9	-19.7	-26.7	-19.2	-23.5	-29.2	-38.6	-32.7
Cash at period end	309.6	339.0	353.7	377.9	393.9	68.0	92.1	129.9

### Q2 Insights

- Despite an intensified pandemic, sales grew by 43 percent compared to the second quarter of 2020
- Gross margin recovering from a minor drop in previous quarter following improved sales
- Operating loss in the quarter impacted by R&D activities catching up from low levels in previous quarter

## Expenses reversing from substantial cost reductions previous year

Key Figures	2021		2020				2019	
SEK m	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Selling expenses (less commissions)	34.1	31.2	33.9	32.0	23.0	35.0	41.3	33.5
Sales Commissions	9.3	7.9	8.4	9.2	6.9	7.1	8.0	6.0
Research and Development expenses	15.0	12.3	16.5	11.7	14.0	15.8	18.5	17.4
Administrative expenses	14.0	9.9	12.6	11.6	10.3	10.9	11.6	10.9
<b>Total expenses</b>	<b>72.4</b>	<b>61.2</b>	<b>71.4</b>	<b>64.5</b>	<b>54.2</b>	<b>68.7</b>	<b>79.4</b>	<b>67.8</b>

### Q2 Insights

- Selling expenses increased with SEK 11.1 m as previous year included substantial cost reductions as consequence of the pandemic
- R & D expenses reported increased expenses catching up with a low level previous quarter, incl milestone payment for the Solario study (SEK 1,7 m)
- Administration includes provisions relating to long term incentive programs amounting to
- SEK 3.0 m



Clear Corporate Strategy  
Driving Value Creation

# Strategic execution and situational adoption

- **Agile commercial adaptation to local conditions**
- **Entering a phase with gradual return to more normal level of surgical procedures, with:**
  - Strengthened distribution and customer base in the US (incl Premier and Veterans Affairs contracts)
  - Dutch sales team established
  - Foothold in South Africa, Middle East and Australia
  - Hybrid set up in Spain and Italy
- **CERAMENT G to the US market**
  - De Novo pathway – submission of additional data Oct 2021
  - Application for Trauma indication end of 2021
- **Leveraging the value of clinical & health economic evidence**
  - Fortify top line results expected in September

**Corporate target of an annual sales growth of 40%**



Q&A