



# BONESUPPORT Q4(19)

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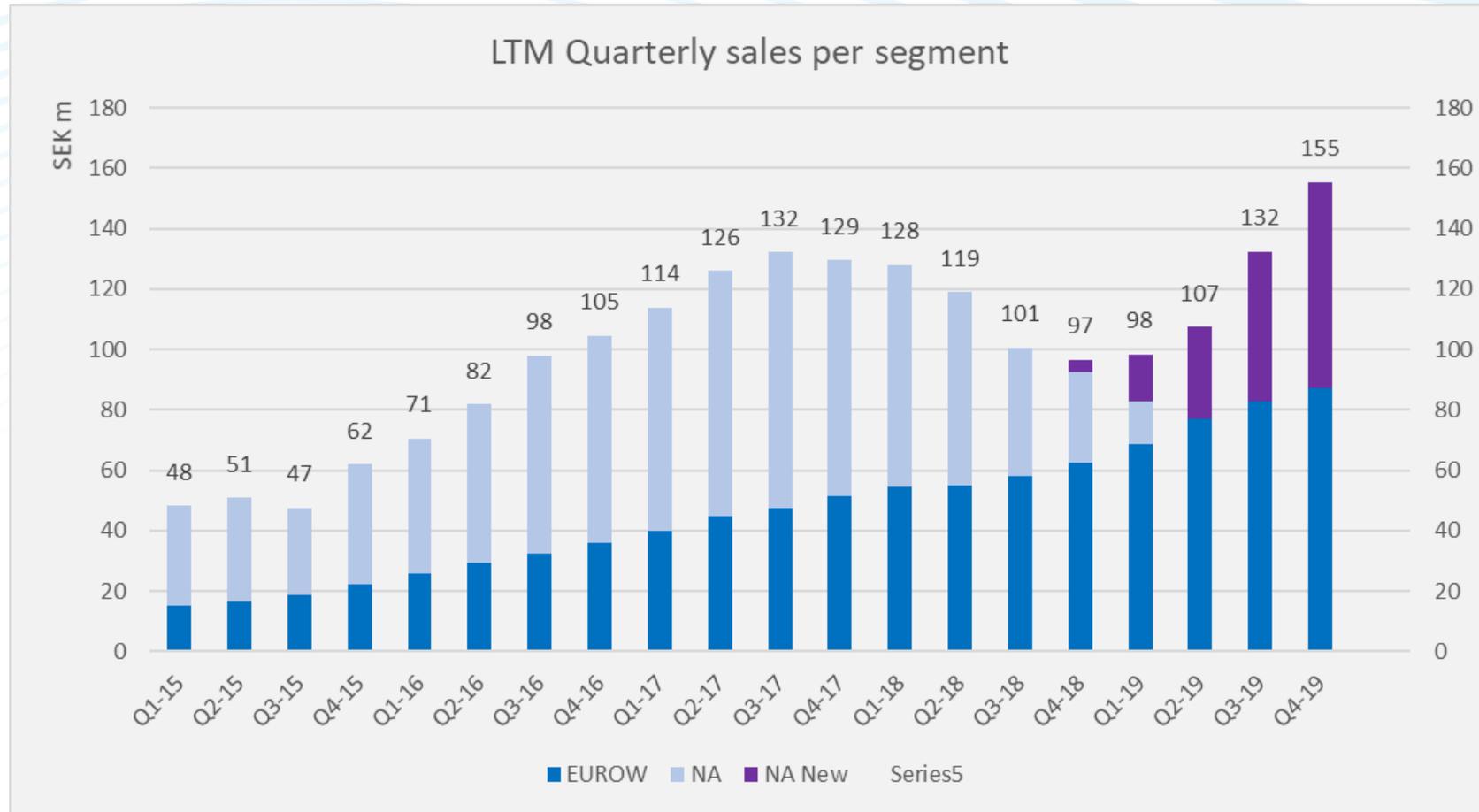
## Financial highlights

- Q4 (19) net sales SEK46m, growth 100%
- FY(19) net sales SEK155m, growth 61%
- EU & ROW Q4(19): +21% Y/Y to SEK23m
- CERAMENT G & V Q4(19): +23%, FY(19) +45%
- North America: Q/Q growth with +26%
- Q4 gross margin: 89%

## Operational highlights

- Publication of the CERTiFy study, validating CERAMENTS efficacy equivalence to autograft
- Decision by the French Ministry of Health to fund a major clinical study on CERAMENT G & V in comparison with historic standard of care
- First orders from hospitals in the US within the Healthtrust contract

# New all-time high - Strong growth in both regions



- US sales back on levels as before transition
- Antibiotic eluting products grew 45% in 2019
- Antibiotic eluting products represents 85% of EUROW sales

# EUROW – Continued momentum, led by CERAMENT G & V

## Q4 2019

- Sales of SEK23m, growth of 21%
- Antibiotic eluting products growth of 23%

## Highlights

- Full year 2019 of 40% growth
- End of quarter variability with two large accounts
- Changes initiated in several indirect markets / distributor markets
  - Appointment of distributor made in Ireland
- Approval and funding of major clinical study in France, CONVICTION

## North America – Progressing with GPOs and sales rep coverage

### **Q4 2019**

- Total sales of SEK23m, 26% growth Q/Q
- Four quarters of stable growth

### **Strong progression with GPO contracts signed**

- First sales registered with HealthTrust membership hospitals
- Gradual traction with conversion of hospitals under GPO contracts

### **Developing the US business**

- Incremental resources in place in New England and NYC/NJ
- Progressing well with recruitment in the Fortify study and preparations for CERAMENT G registration submission

# Autograft – a golden standard ready to be replaced

One third of all procedures to treat insufficient bone healing is done with autograft due to compromises with alternatives.

While effective healing is accomplished, the side effects are numerous and well documented:

## Acute/chronic pain

- 39%<sup>1</sup> patients experience chronic pain (up to 1-year post-op) from autograft

## Complications

- 19%<sup>2</sup> risk of hematoma, seroma, fracture, nerve/artery injury, infection, wound problems

## Limitations in daily activities, leading to longer recovery

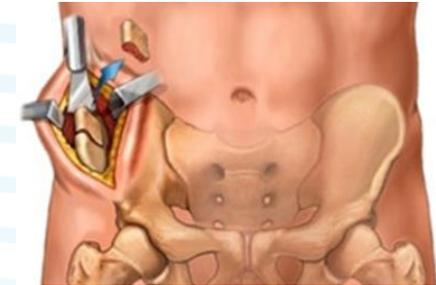
- Up to 47%<sup>3</sup> of patients report problems with activities of daily living (ADL) for up to 6 months

## Limited quantity and variable quality<sup>4</sup>

- Amount of bone available to be harvested may be insufficient. Quality of bone harvested depends on the health of the patient

## Additional cost in operating room<sup>5</sup>

- Additional staff and anesthesia required for Autograft



Graphic illustration of iliac crest harvesting

# CERTiFy - CERAMENT<sup>®</sup> treatment of Tibial Fracture defects study

## CERAMENT

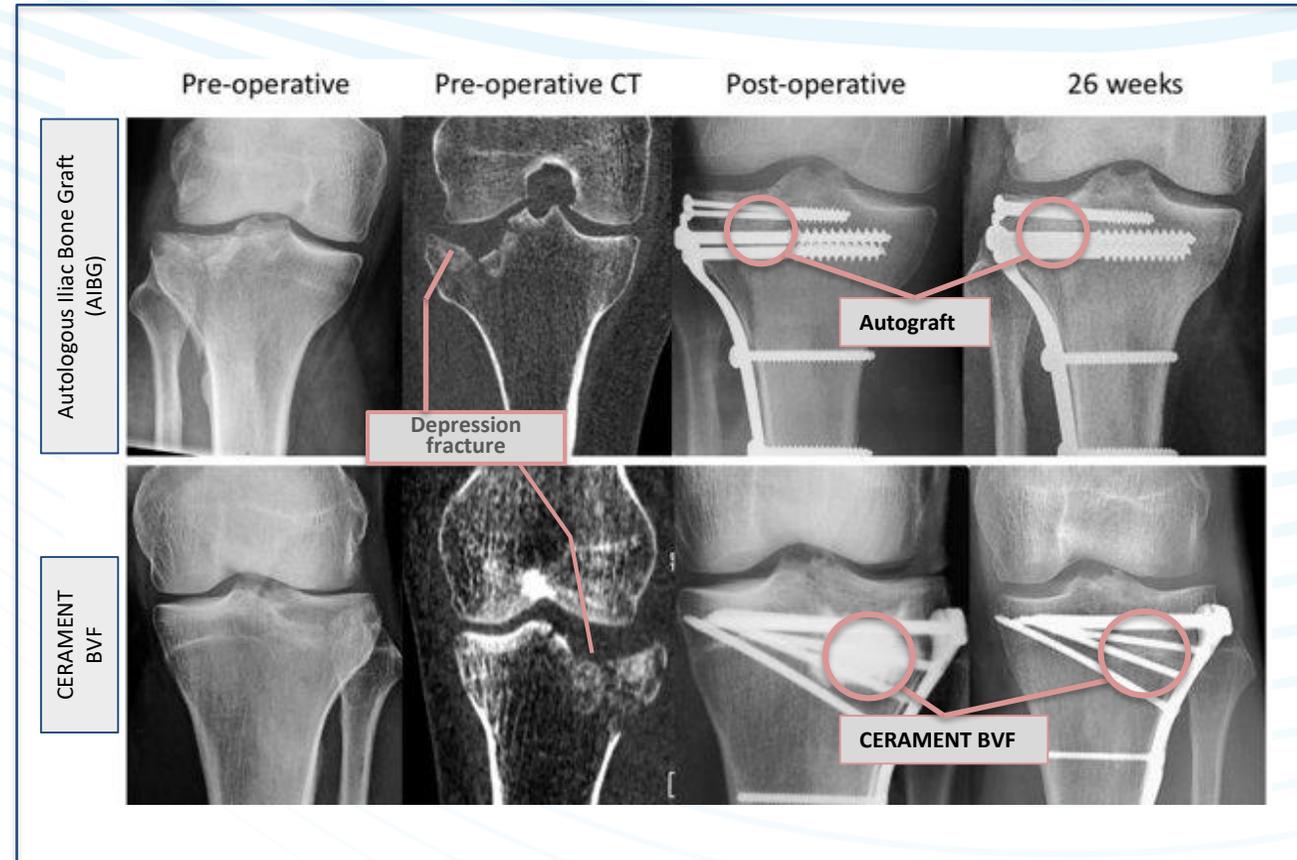
### – As effective as Autograft<sup>1</sup>:

- Proven bone remodeling
- First Level I study with PROMs\* – Important efficacy parameter for payers & national guidelines development

### -- Without the negative side effects<sup>1</sup>:

- Significantly less post-op pain
- Significantly less blood loss

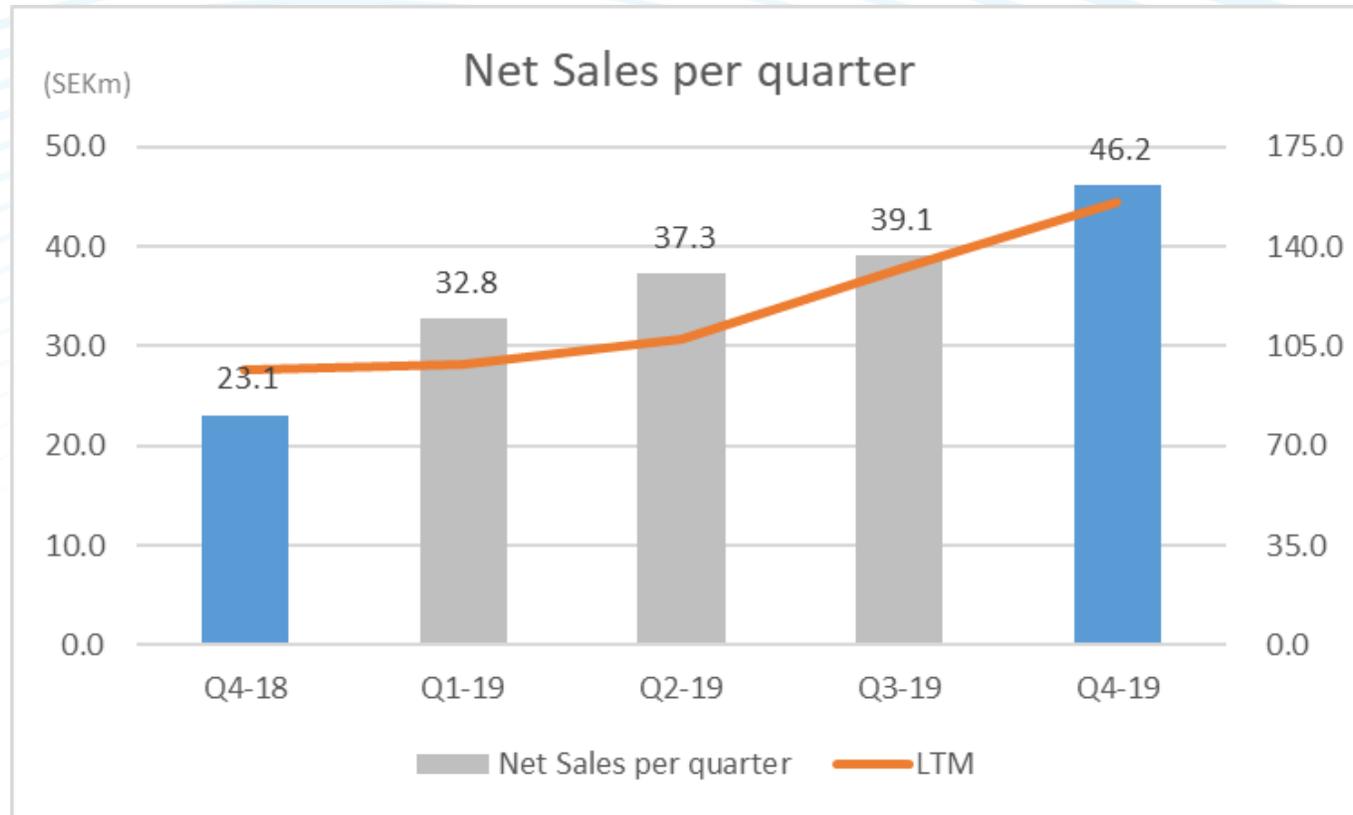
PROMs\* - Patient Related Outcome Measurements





## Financial Review

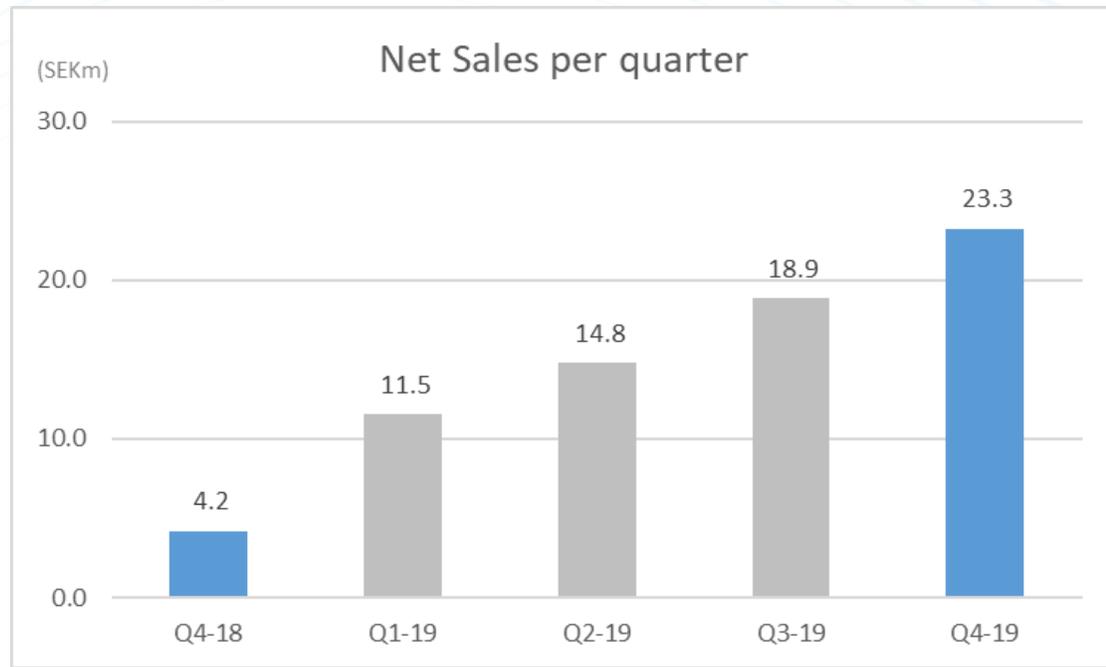
# Q4(19) net sales SEK46m – All time high



**+100%  
Net Sales  
Q4**

# North America – Showing strong growth Q/Q

(SEKm)	Oct - Dec	
	2019	2018
Net Sales	23.3	4.2
Gross profit	21.8	3.7
Contribution	-9.3	-17.4



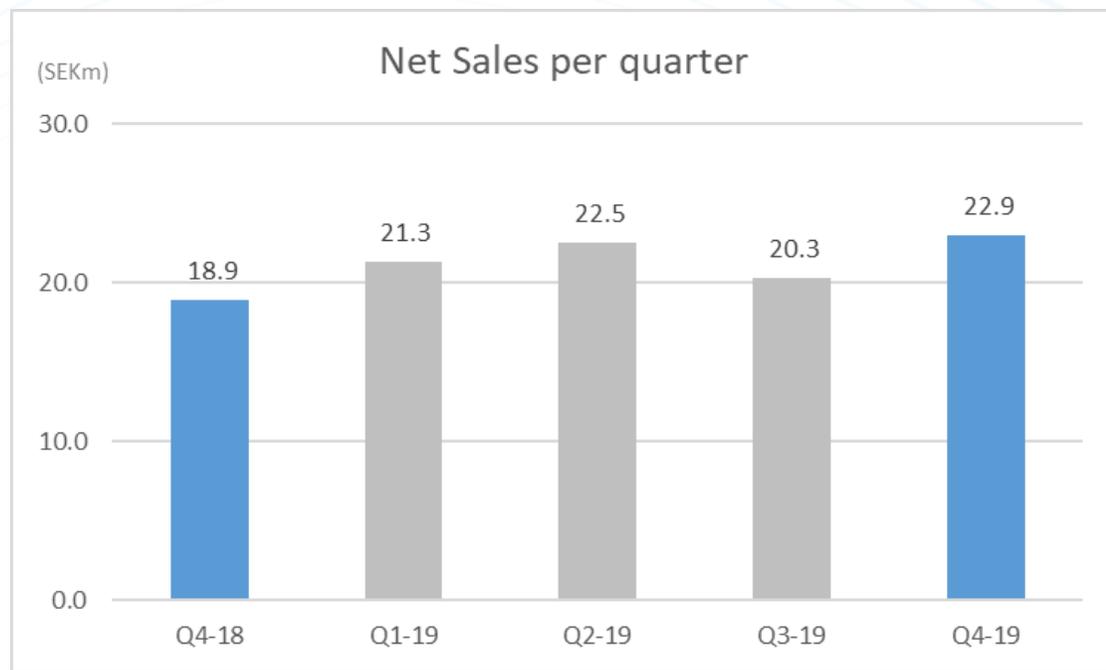
Net sales  
Q4  
SEK23m

+26%  
Net Sales  
Q/Q

# EUROW – stable Y/Y growth

(SEKm)	Oct - Dec	
	2019	2018
Net Sales	22.9	18.9
Gross profit	19.3	15.9
Contribution	-0.5	-3.9

**21%  
Net Sales  
Q4**



# Well funded to profitability

Key Figures	2019				2018			
SEK m	Q4	Q3	Q2 (i)	Q1	Q4	Q3	Q2	Q1
Net Sales	46.2	39.1	37.3	32.8	23.1	14.2	28.2	31.1
Gross Margin (%)	88.9	87.7	86.5	85.9	85.0	81.8	87.4	82.1
Operating Loss	-38.6	-32.7	-47.8	-39.0	-45.0	-58.4	-37.8	-33.1
Cash at period end	92.1	129.9	173.1	219.1	261.5	313.2	368.4	397.2

(i) The Operating Loss in the period was affected by a non comparability item with a negative impact of approximately SEK 11.0 million. The item is a provision related to product returns from the previous US distributor.

## Short term variances impacting Q4

- Marketing activities that were delayed from the third quarter impacted the fourth quarter by SEK 2.3 million
- Share saving programs impacting Q4

## Working capital facility

- A working capital facility of SEK 60 million signed with SEB, strengthening BONESUPPORT's ability to pursue a continued growth strategy

## Focused investments in commercial acceleration

Key Figures	2019				2018			
	Q4	Q3	Q2 (i)	Q1	Q4	Q3	Q2	Q1
SEK m								
Selling expenses (less commissions)	41.3	33.5	47.9	37.3	37.7	35.1	31.8	27.6
Sales Commissions	8.0	6.0	4.8	3.5	1.1	-	-	-
Research and Development expenses	18.5	17.4	16.0	16.9	17.6	16.4	17.2	14.8
Administrative expenses	11.6	10.9	10.5	10.4	9.3	17.5	14.9	16.5
<b>Total expenses</b>	<b>79.4</b>	<b>67.8</b>	<b>79.2</b>	<b>68.1</b>	<b>65.7</b>	<b>69.0</b>	<b>63.9</b>	<b>58.9</b>

(i) The Selling expenses in Q2 was affected by a non comparability item with a negative impact of approximately SEK 11.0 million. The item is a provision related to product returns from the previous US distributor.

### Short term variances impacting Q4

- Marketing activities that were delayed from the third quarter impacted the fourth quarter by SEK 2.3 million
- Share saving programs impacting Q4 with mainly higher Administrative expenses



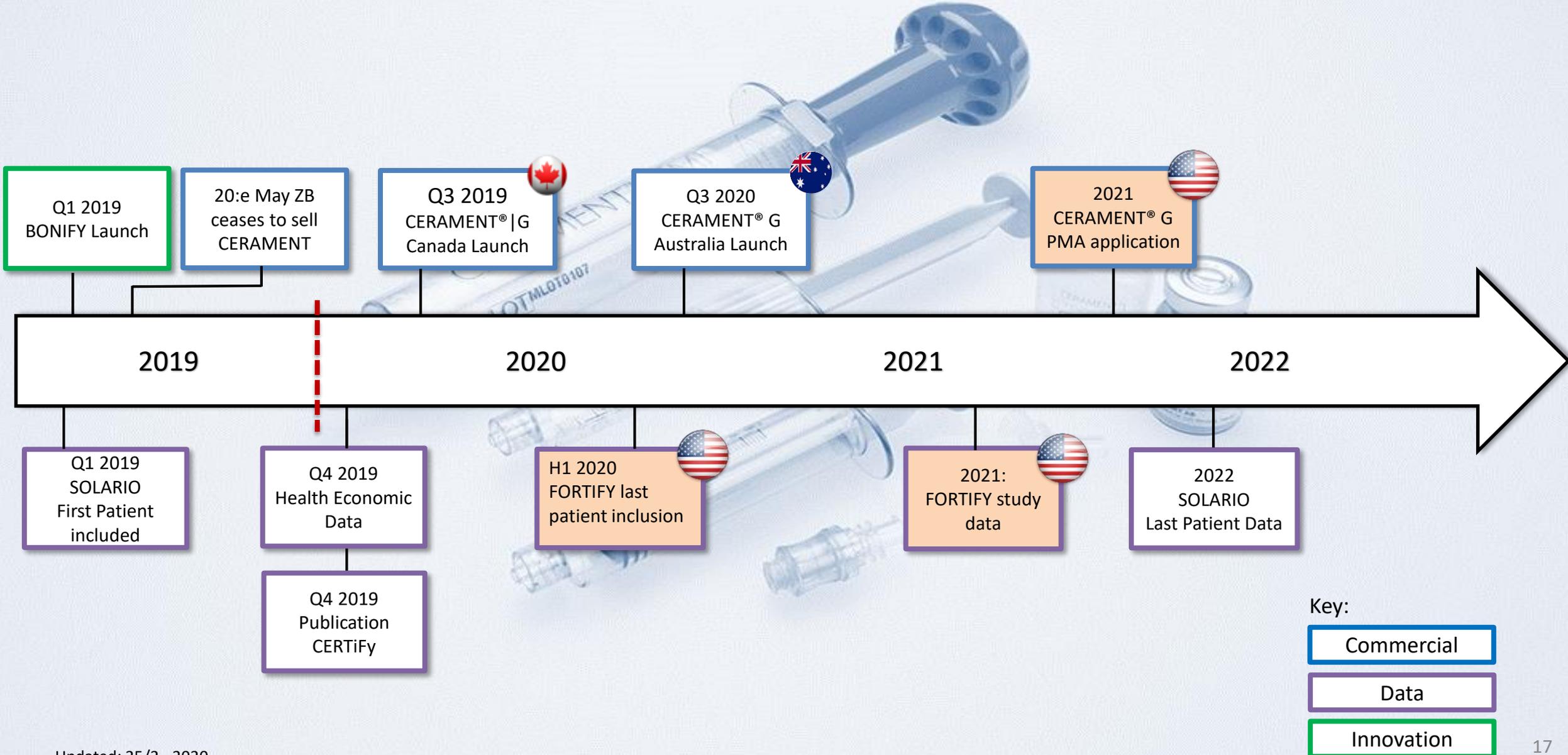
Clear Corporate Strategy  
Driving Value Creation

## Delivering on updated strategy

- **Cementing the platform for the accelerated growth journey**
  - Improved commercial platform
    - Improved access in the US – better coverage of indications, states and GPOs
    - Good geographic coverage in UK, Germany and Nordics
    - Revitalising distributor markets
  - Strength of clinical and Health Economic evidence
  - Progressing well with recruitment in the Fortify study

- **Targeting sales growth of 40 percent per year**
- **Well funded to execute strategy**

# CERAMENT® Value generating milestones





Q&A