



# **BONESUPPORT**

**Q1 (2024) Report**

**April 25, 2024**

**Emil Billbäck, CEO**

**Håkan Johansson, CFO**

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# BONESUPPORT – First quarter report 2024

A background image showing several medical syringes and vials, likely containing bone graft substitute, arranged on a light surface. One syringe in the foreground has 'CERAMENT' and 'LOT ML070107' printed on it. There are also two vials, one labeled 'STERILE' and another 'CERAMENT'.

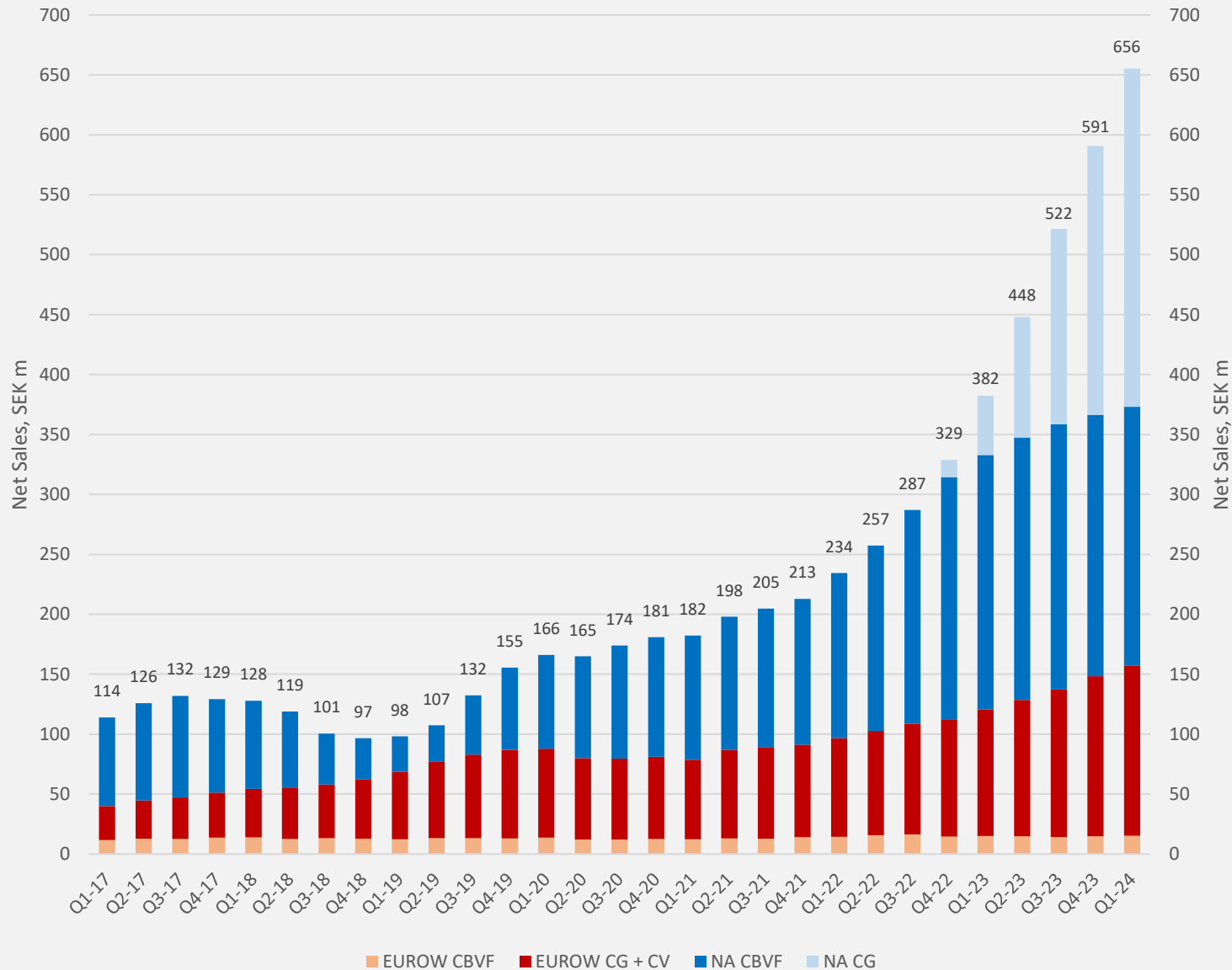
## Q1 2024:

- Net sales **SEK 184 m**, growth: +54% versus Q1 2023, (+54% in constant exchange rates, CER)
- Operating result (before accounting effects of incentive programs): **SEK 42 m** (SEK 5 m)
- Reported EBIT: **SEK 32 m** (SEK 1 m)

- **Strong market penetration rate continues**
- **Received FDA market authorisation for CERAMENT G, in the US, for open fracture trauma**
- **Received FDA market authorisation for CERAMENT BVF, in the US, for Spine Inter Body Fusion (IBF)**

# The strong growth journey continues

LTM Quarterly Sales per Segment

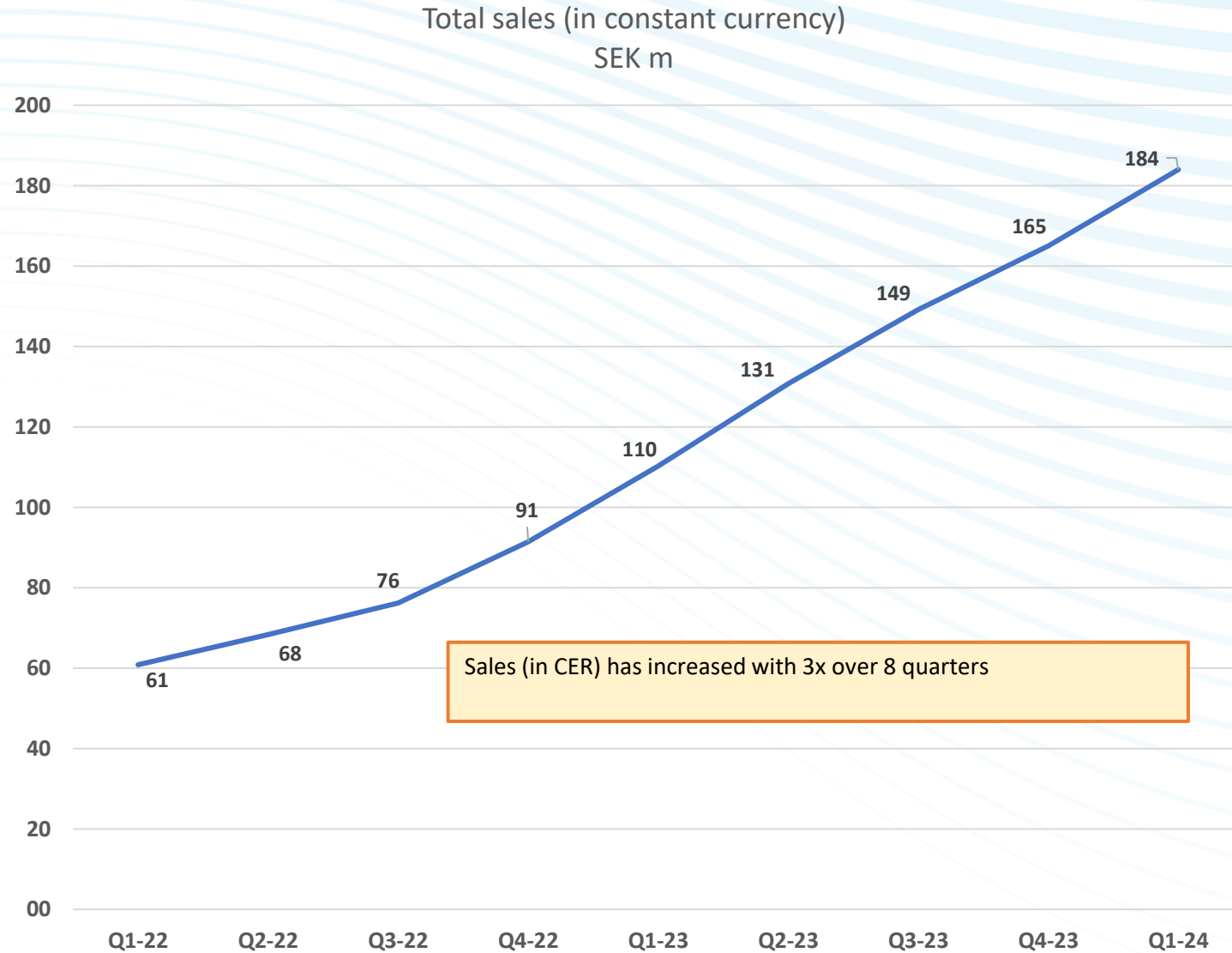


- Strong progression in both geographic segments
- Total antibiotic eluting CERAMENT grew with 103% versus Q1 2023
- Only marginal cannibalization on CERAMENT BVF

CBVF= CERAMENT Bone Void Filler  
 CG = CERAMENT G (Gentamicin)  
 CV = CERAMENT V (Vancomycin)

NA CBVF also contains sales from application tools, e.g. syringes and bead tray

# Quarterly sales have tripled over the last 8 quarters



# North America

## Enabling FDA approvals and continued strong market penetration

### Q1 2024

- Sales of **SEK 141 m**, growth of **65%** over Q1 2023 (growth of **65%** in constant exchange rate, CER)
- Sales in **Q1 2024** represented a reported sequential growth of **7%** over **Q4 2023**

### Highlight:

- CERAMENT G sales of SEK 93 m
- FDA market authorizations on CERAMENT BVF and CERAMENT G

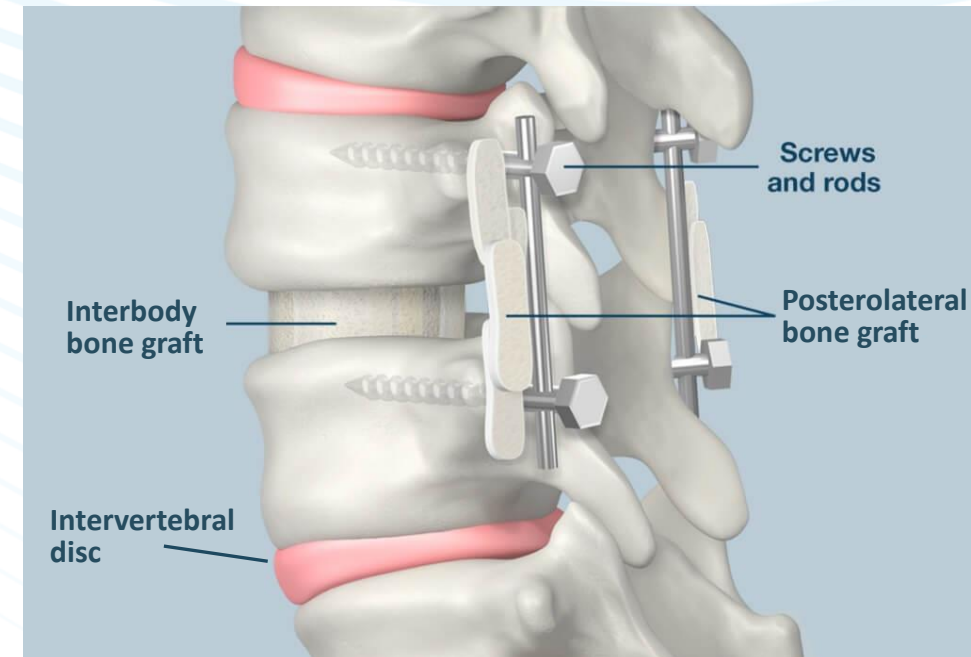


# Spinal fusion – Future market segment for CERAMENT

The main reason for fusion surgery of the spine is to stabilize the spinal column and reduce pain caused by certain spinal conditions.

Fusion surgery involves joining two or more vertebrae together to create a solid bony bridge, with the purpose to eliminate motion between the fused vertebrae.

- **BONESUPPORT entering the spinal fusion segment in the US**
  - Adding **750 k procedures** of addressable market
  - Entering with a **strong value proposition**:
    - 1/5 of spinal procedures fail to fuse
    - 2-6% of procedures get infected
    - Off-label local antibiotics used in 40% of procedures
  - CERAMENT BVF approved for **Posterolateral fusion, PLF**, and (since March 2024) for **Inter Body fusion, IBF**
  
- **Next steps**
  - Build pre-clinical application data
  - Market introduction Q4 2025, at the earliest



General categories of fusion:

- Posterolateral fusion (PLF)
- Inter Body fusion (IBF)

# Open Trauma approval for CERAMENT G in US

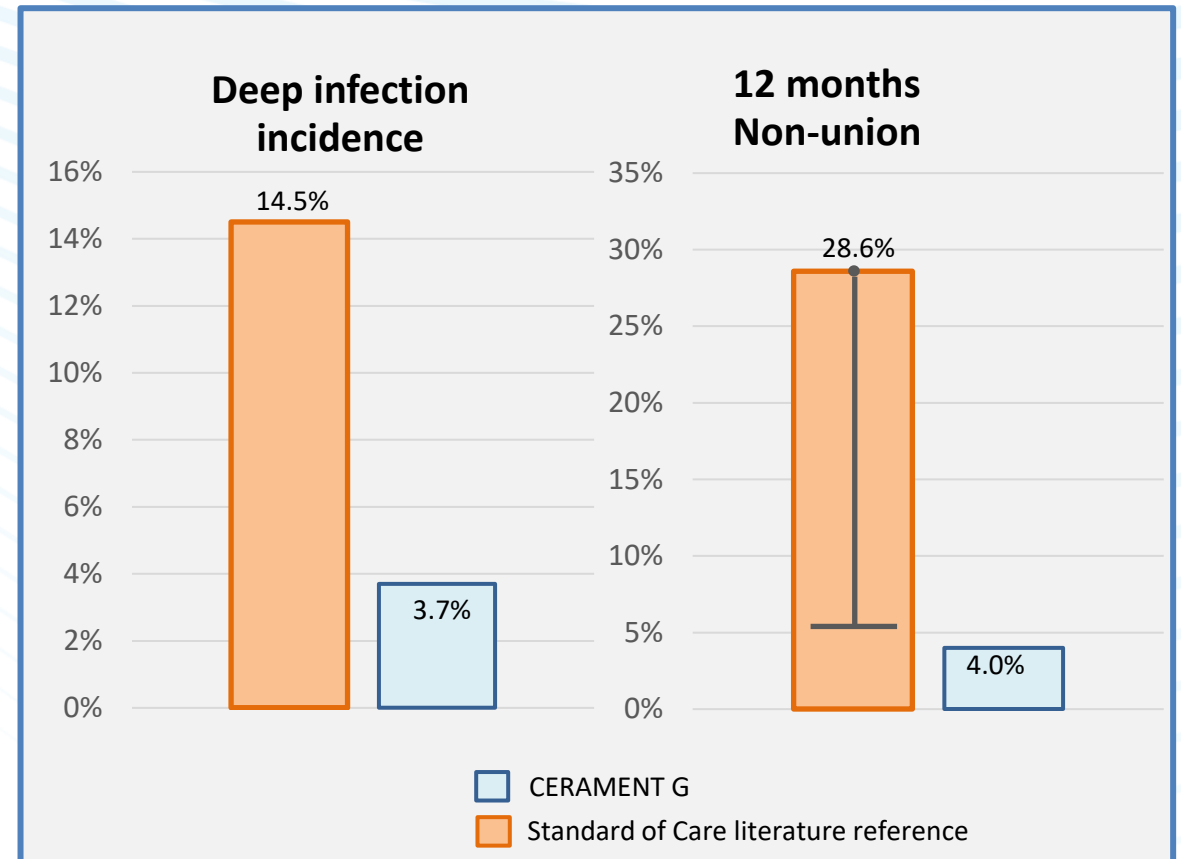
## CERAMENT G for open trauma

Broad and wide approval; all extremities, all open trauma (except GA IIIC). Only two cautions:

- Volume should not exceed 10 ml
- Use in OF GA IIIC, is not supported by clinical evidence

### FDA 510(k) summary letter (21 CFR 888.3046):

- **“Extremely low rate of deep infection; 3.7%, which compared favorably to Standard of Care at 5.3%-33.6%, weighted mean of 14.5%”**
- **“High rate of bone union; 96% compare favorably to Standard of Care at 71.4% - 94.7%”**
- **“High rate of Limb Salvage; 96.3%”**

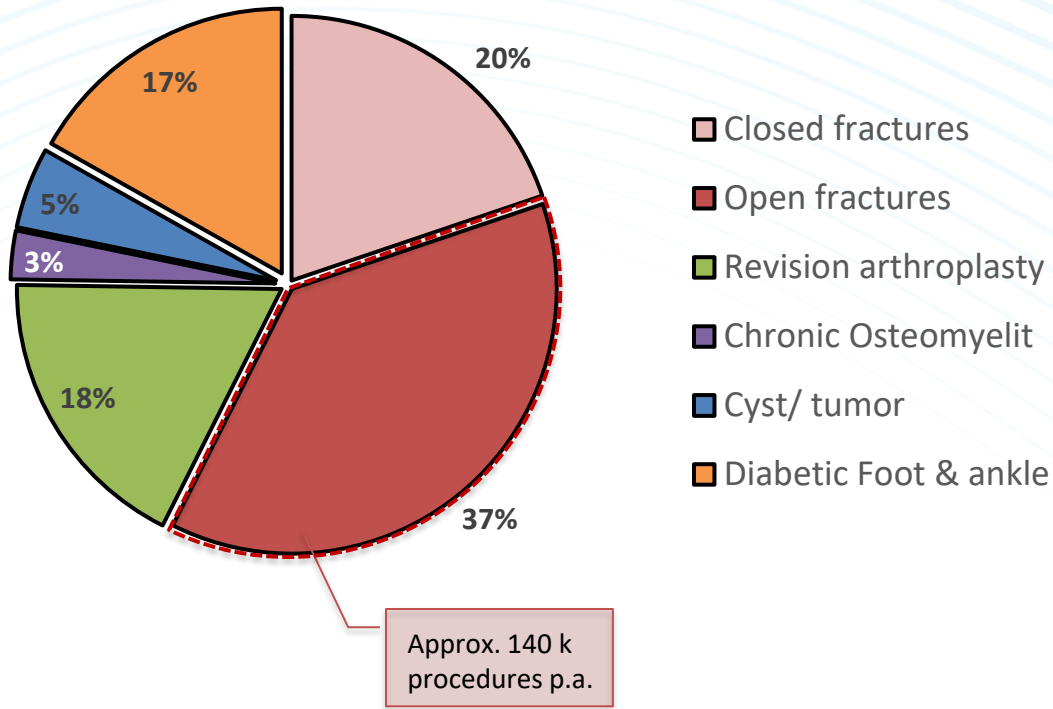


- Single stage surgery using CERAMENT G. 81 patients with type IIIB fracture. Average follow-up time 55.8 months<sup>1</sup>
- Standard of Care average based on demographically matched cohort of 405 patients. Prospective published clinical studies. In addition, retrospective data of 3,060 patients has been used for determining SoC and infection incidence



# Etiology US bone graft market - 2022

**Etiology for total US bone graft market  
384 k procedures**



**Infection incidence**

<3%
3 - 52%
10-15%
100%
6%
26%

- In the US, approx. **144 k bone graft procedures** per year are conducted on patients with open trauma. 132 k procedures on (GAI-IIIB)
- Open trauma infection incidence range from 3% - 52%
- There are approx. **50 k procedures** (of the 384 k) that have an ongoing infection
- In approx. **90 k procedures**, local antibiotics are used to prevent infection

# EUROW


## Market share gains fuels sales performance

### Q1 2024

- Sales of SEK 43 m, growth of 27% vs Q1 2023. (growth of 24% in constant exchange rates, CER)
- Strong market dynamics – continued catch up of surgical back-log
- Strong sales development reflecting market share gains

### Highlights

- High activity level. Conventions and exhibitions

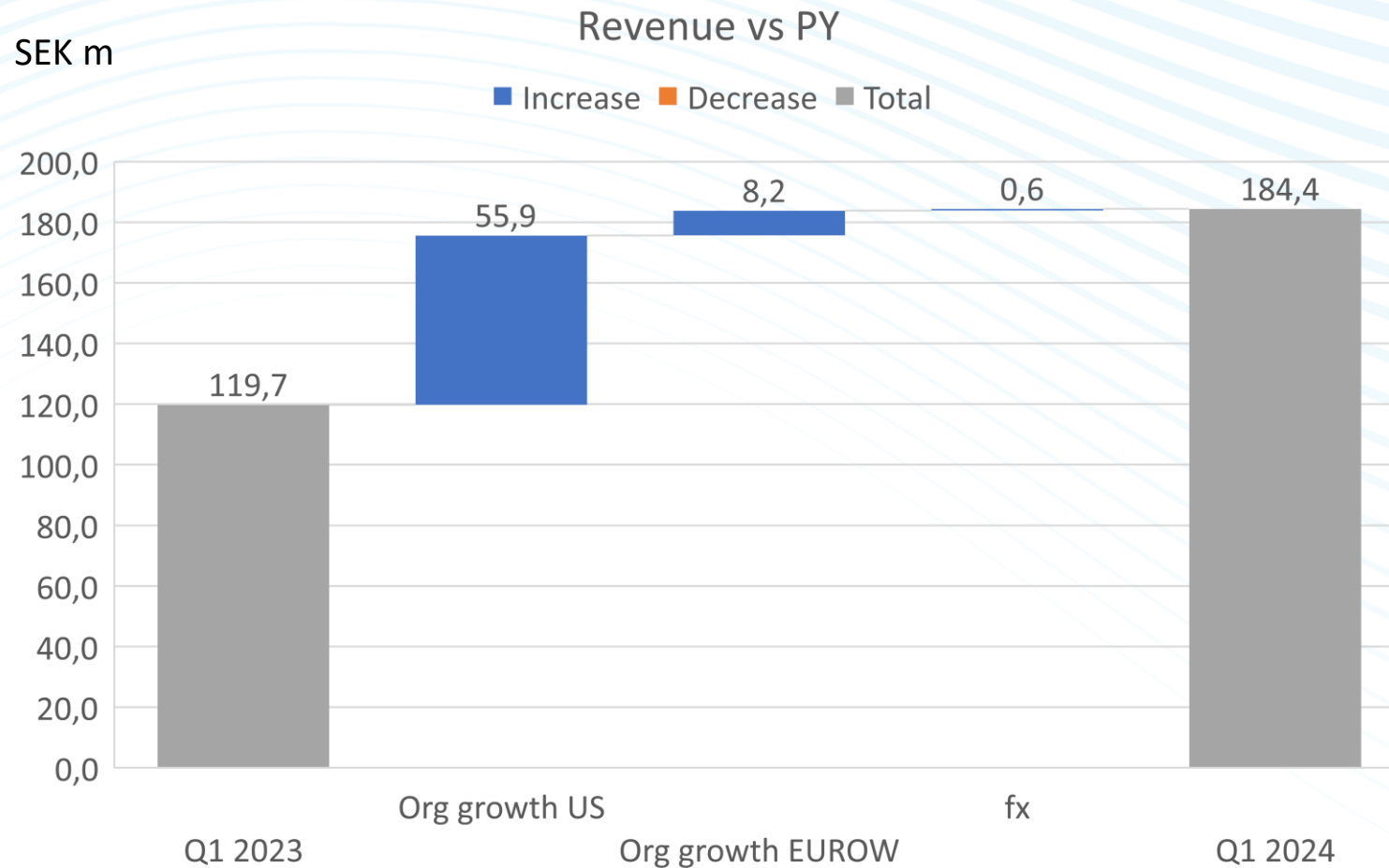


# **BONESUPPORT Q1 (2024) Report**

## **Financial Report**



# Q1 2024 net sales SEK 184.4 m



- NA: 65 percent reported growth, 65 percent growth in CER
- EUROW: 27 percent reported growth, 24 percent growth CER
- Low impact from currency movements

# North America

**+65%**  
**(+65% CER)**  
**Net sales**  
**Q1-24**

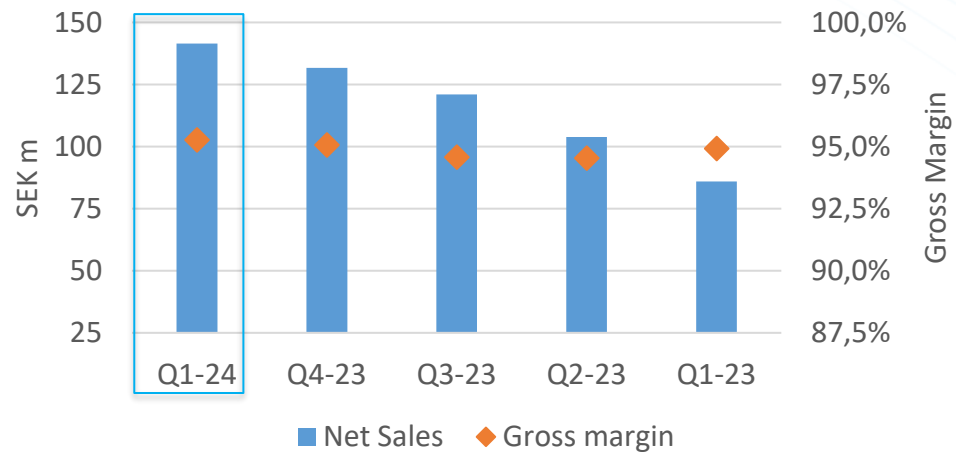
North America	2024		2023		
SEK m	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23
Net Sales	141,5	131,6	121,0	103,9	85,9
Gross profit	134,8	125,1	114,4	98,2	81,6
Gross margin	95,3%	95,1%	94,6%	94,5%	94,9%
Contribution	55,8	52,0	46,5	31,7	24,9

# EUROW

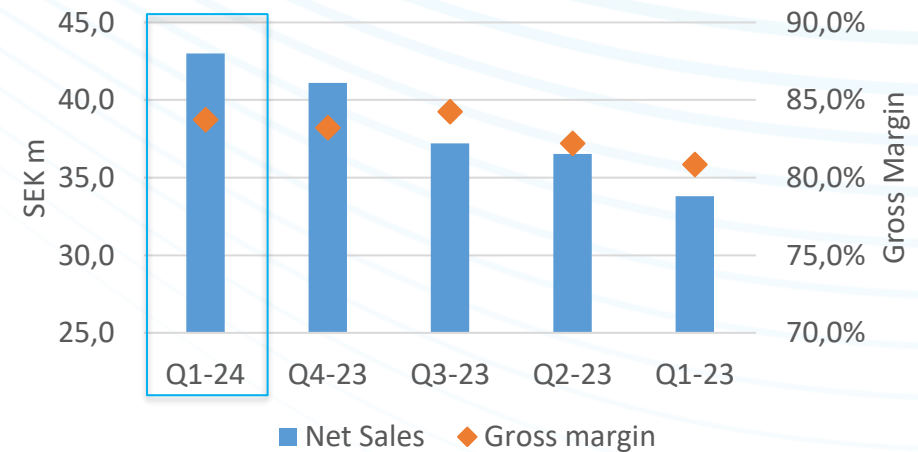
**+27%**  
**(+24% CER)**  
**Net sales**  
**Q1-24**

EUROW	2024		2023		
SEK m	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23
Net Sales	43,0	41,1	37,2	36,5	33,8
Gross profit	36,0	34,2	31,3	30,0	27,3
Gross margin	83,7%	83,2%	84,2%	82,2%	80,8%
Contribution	10,7	5,7	9,3	7,6	7,3

Net Sales and gross margin



Net Sales and gross margin



## Q1 expenses confirming scalability in business model

Key Figures	2024		2023				2022	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
SEK m								
Selling expenses	59,7	59,6	53,5	55,0	49,0	46,8	38,8	37,4
Sales Commissions and fees	48,2	44,4	42,7	37,2	29,9	28,1	21,1	16,8
Research and Development expenses	14,1	17,6	12,5	14,6	12,5	14,8	12,6	13,6
Administrative expenses	23,2	33,3	21,6	19,8	15,5	21,3	20,8	16,7
Whereof Provisions related to Incentive programs	9,3	18,9	9,7	7,7	3,8	9,2	9,5	5,8
<b>Total expenses</b>	<b>145,3</b>	<b>155,3</b>	<b>130,2</b>	<b>126,7</b>	<b>106,9</b>	<b>111,0</b>	<b>93,2</b>	<b>84,5</b>

### Q1 Insights

- Selling expenses reflecting a maintained high momentum in marketing and sales promotion activities in both US and EUROW. Selling expenses in the period also impacted by one-time expenses of SEK 1.1 m.
- Research and Development expenses remain focused on the strategic initiatives as presented at the Capital Markets Day in November last year and have been in a preparatory and design phase in the period, with increasing expenses expected for the coming quarters.
- Administration excluding effects from the long-term incentive programs is coming down from a high level in the previous quarter and is continuing to come down as percentage to sales.
- The expenses for the long-term incentive programs include provisions of SEK 3.8 m made for the programs that matured end of 2023 following the appreciation in share price during the period until allotment and SEK 5.5 m relating to the program LTI 2023, with a vesting period starting January first this year.




## A SEK 37 m underlying profit improvement

Key Figures	2024		2023		2022		2021	
SEK m	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net Sales	184,4	172,7	158,2	140,4	119,7	103,2	84,6	74,6
Gross Margin (%)	92,6	91,8	92,1	91,3	90,5	91,5	90,8	89,0
Operating Profit	32,3	-7,7	14,9	6,0	0,8	-19,3	-13,9	-14,9
Adj. Operating profit (i)	41,6	10,9	24,6	13,6	4,6	-10,1	-4,4	-9,1
Cash at period end	187,2	167,4	164,1	149,8	190,4	201,3	212,6	171,8

(i) Operating result reduced with incentive expenses according to IFRS2 and social charges for these programs.

### Q1 Insights

- Sales reporting a 54 percent (54 percent in CER) increase compared to the first quarter previous year, a sales growth largely driven by continued strong market penetration of CERAMENT G in the US.
- Gross margin exceeding 92 percent, with strong product mix performance from both the US and EUROW.
- The quarter included expenses regarding long-term incentive programs amounting to SEK 9.3 m, compared with SEK 3.8 m in Q1 the previous year. Of the total cost of SEK 9.3 m in the period, only SEK 0.3 m is cash flow impacting.
- The period reported an Adjusted Operating profit of SEK 41.6 m. The restatement of assets and liabilities and realized fx effects, led to currency effects reported as other operating income and expenses totaling a net of SEK 6.8 m.
- A positive Cash flow from operations was reported to SEK 17.0 m, compared with SEK - 8.6 m in Q1 previous year.



# **BONESUPPORT Q1 (2024) Report**

- **54% sales growth**
- **SEK 42 m EBIT (before incentive cost)**
- **Continued success for CERAMENT G USA**
- **Extended labels**