

# Q1 FEWER SURGERIES IN THE WAKE OF AN INTENSIFIED PANDEMIC

### JANUARY - MARCH 2021

- Net sales increased by 3 percent (14 percent at constant exchange rates) and amounted to SEK 44.8 million (43.4).
- The North America (NA) segment reported a sales increase of 18 percent (36 percent at constant exchange rate).
- The Europe & Rest of the World (EUROW) segment reported a sales decrease of 11 percent (8 percent at constant exchange rates).
- The gross margin amounted to 88.6 percent (88.7).
- Operating result amounted to SEK -19.7 million (-29.2).
- Earnings per share, before and after dilution, were SEK -0.32 (-0.56).

### EVENTS DURING THE PERIOD

- In February, the company received a notification from the US Food and Drug Administration (FDA) that the company's De Novo application for CERAMENT G for bone infection requires further information and clarifications.

### EVENTS AFTER THE PERIOD

- In April, the company announced that it had been awarded a Synthetic Implantable Products agreement with Premier. Premier, with approximately 4,100 hospitals, is one of the leading purchasing networks (GPO) in the U.S.

KEY FIGURES	Jan - Mar		12 months	
	2021	2020	LTM	2020
Net sales, SEKm	44.8	43.4	182.3	180.9
Sales growth, % <sup>1</sup>	3.2	32.3	9.7	16.3
Gross profit, SEKm	39.7	38.5	162.8	161.6
Gross margin, % <sup>1</sup>	88.6	88.7	89.3	89.4
Operating loss, SEKm	-19.7	-29.2	-89.0	-98.6
Loss for the period, SEKm	-20.2	-29.4	-92.2	-101.4
Equity at period end, SEKm	380.1	103.1	380.1	398.9
Net debt, SEKm <sup>1</sup>	-328.9	-60.0	-328.9	-343.3
Operating cash flow, SEKm	-14.0	-28.0	-86.3	-100.3
Cash at period end, SEKm	339.0	68.0	339.0	353.7
Earnings per share, SEK	-0.32	-0.56	-1.58	-1.72

<sup>1</sup> APM: Alternative performance measures, see definitions on page 22.



## CEO COMMENTS

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*14 percent growth at constant exchange rate, despite the major impact of the pandemic*

**One of the most important milestones so far this year occurred shortly after the end of the first quarter by us signing an agreement with Premier. With approximately 4,100 hospitals, Premier is one of the largest purchasing networks, Group Purchasing Organisation (GPO), in the United States. The agreement means that we significantly expand our potential network of customers in the United States. A small Swedish company in orthobiology being awarded such a prestigious contract is a very strong confirmation of the unique benefits that CERAMENT provides to patients, doctors and principals.**

During the pandemic, we have seen a direct correlation between the number of orthopedic surgeries and the incidence of COVID-19 as well as restrictions linked to the pandemic. During the first quarter, many countries and regions were hit by a second and third wave of the pandemic, which hampered sales. Non-critical orthopedic surgeries ceased altogether at the beginning of the quarter in several regions, and the healthcare debt for surgical procedures has increased to record levels. Despite the impact of the pandemic, sales rose by three percent in the quarter (14 percent at constant exchange rates), to SEK 45 million, compared with last year.

Some of the newly opened markets, such as Australia, have been affected to a lesser extent by the pandemic than in Europe and the USA. The introduction has exceeded expectations.

The longer the pandemic progresses, the greater healthcare debts are built up around the world. According to a recently published report from the NHS in the UK, more than 588,000 patients are waiting for an orthopedic surgery. Approximately 67,000 of these patients have waited more than a year for surgery, the corresponding figure in January 2020 was 436. The authors of the report write that there are various strategies to increase the capacity to return to the shorter queues that prevailed before the pandemic, but that these strategies have significant cost effects.

During the first quarter, due to COVID-19 lock-down, we again had a reduced opportunity to physically meet our customers, primarily in Europe but also in parts of the USA. This has meant that our customer interaction in certain regions has almost exclusively taken place through digital meetings. One of our most successful webi-

nars was organized together with the reputable organization *European Bone and Joint Infection Society (EBJIS)*. The seminar attracted more than 280 surgeons, many of whom were new potential CERAMENT users. EBJIS works to increase knowledge about treatments for bone and joint infections and is the leading platform for doctors and researchers in the field.

In the countries where sales representatives had limited opportunities to meet customers, we applied shorter working hours and voluntary salary reductions during the quarter - which contributed to our improved operating profit in the quarter.

During the quarter, the US Food and Drug Administration (FDA) announced that our De Novo application for CERAMENT G for bone infection requires additional information and clarification, especially in relation to comparative control groups. In collaboration with several reputable international university hospitals, the process of producing requested material is under way. As previously announced, we expect to submit supplementary data to the FDA in October and before that, we will have a close interaction with the FDA to ensure that the data meets their requirements. If everything goes as planned, we expect a De Novo approval for the indication bone infection during the first quarter of 2022.

CERAMENT has unique advantages that enable a one-step procedure, which in a cost-effective way can contribute to reducing the healthcare debt that has been built up. CERAMENT creates value, both for patients and the healthcare system. In the long term, our goal of growing sales by 40 percent per year remains.

Emil Billbäck, CEO

# COVID-19 PANDEMIC'S IMPACT ON BONESUPPORT

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The pandemic's renewed intensity had a dampening effect on the company's sales as several regions at the beginning of the quarter completely ceased non-critical orthopedic surgeries. Below is a perspective of how BONESUPPORT was affected during the quarter and the assessments that can currently be made for 2021, as well as how BONESUPPORT is acting to handle this serious situation.

## **EFFECTS DURING THE FIRST QUARTER**

- The pandemic has continued to have a large impact on non-critical orthopedic surgeries. Restrictions, government measures and a lower level of activity in the population have led to a reduced level of trauma surgeries.

## **EXPECTED DEVELOPMENT**

- Pending that vaccination contributes to a stabilization and reduced spread of infection, with reduced restrictions and normalized healthcare priorities, the development in the short term is difficult to assess.
- In the longer term, the pandemic is expected to have a limited impact on the need that exists for BONESUPPORT's products, whether it concerns trauma or elective surgeries.

## **SELECTION OF MEASURES TAKEN TO PROTECT PERSONNEL AND OPERATIONS**

- Recommended hygiene practices and enabling for the employees to work from home.
- During the quarter, there were some reductions in working hours and temporary voluntary wage reductions.
- A well-functioning manufacturing process in combination with maintaining high security stocks guarantees good delivery capacity over the coming quarters.

## **CLINICAL STUDIES**

- In consultation with the FDA, the recruitment of patients to FORTIFY was terminated during 2020 prematurely and the study then entered the patient follow-up phase. The pandemic has had limited impact on patient follow-up.
- As communicated previously, the recruitment rate to the SOLARIO study has been influenced which has led to a changed end date for the study: Q1 2023.
- The recruitment rate to other clinical studies is somewhat affected by the pandemic, but this has, at present, not led to the need for revising communicated milestones for these studies.



# NORTH AMERICA (NA)

The American market is the world’s largest for synthetic bone graft products and is thereby the most important market for the company. The focus for the North America segment is the continued development of the distribution structure established during 2018. The preparations for a market introduction of the company’s antibiotic eluting product CERAMENT G is ongoing and includes a De Novo application which could potentially lead to a market approval at the beginning of 2022. Sales in the quarter grew by 18 percent compared to the first quarter of 2020 (an increase of 36 percent at constant exchange rate).

## JANUARY - MARCH

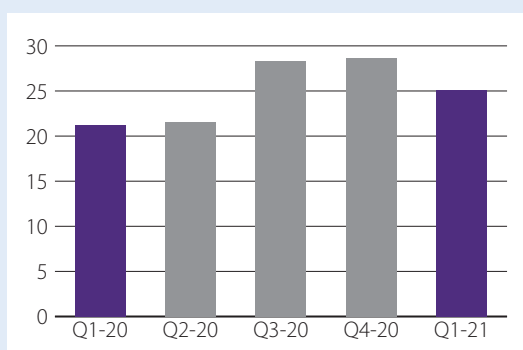
### Sales

Sales for the period amounted to SEK 25.1 million (21.1), which corresponds to a growth of 18 percent (an increase of 36 percent at constant exchange rate). Our independent distribution structure with over 40 distributors means improved geographical coverage and allows for a broader market penetration of different indications. The continuously strengthened customer base together with the larger GPO contracts (Group Purchasing Organisation) that have been signed, contribute to the sales increase. The high COVID-19 incidence, especially during the the first half of the quarter, affected sales negatively, compared with the previous period.

### Contribution<sup>1</sup>

The contribution from the segment was SEK -2.0 million (-12.2). The improved contribution is due to increased sales and lower costs. Sales and marketing expenses during the quarter amounted to SEK 21.6 million (24.5), of which sales commissions to the distributors amounted to SEK 7.9 million (7.1). The reduction in sales and marketing expenses is mostly due to exchange rate effects due to a weaker currency. The contribution was also burdened by R&D costs amounting to SEK 3.7 million (7.4). The decrease is mainly related to the fact that the FORTIFY study, in contrast to the previous year’s focus on patient recruitment, was in a patient follow-up phase.

Net sales per quarter, SEKm



Net sales, gross profit and contribution, SEKm

	Jan - Mar		Full year
	2021	2020	2020
Net sales	25.1	21.2	99.7
Gross profit	23.3	19.7	93.7
Contribution	-2.0	-12.2	-16.8

<sup>1</sup> APM: Alternative performance measures, see definitions on page 22.



## EUROPE & REST OF THE WORLD (EUROW)

In Europe, CERAMENT is sold by both the company's own sales organization and by distributors. Germany, the United Kingdom, Switzerland, Sweden, Denmark and the BENELUX countries are key markets where BONESUPPORT has its own sales staff. In other European markets and in other parts of the world (ROW), the company cooperates with specialist distributors. The focus is on accelerating sales and use of CERAMENT in established and new markets through increased market access by, above all, the provision of published clinical and health economic evidence. Sales in the quarter continued to be affected by the COVID-19 pandemic. Non-critical orthopedic surgeries have largely been postponed to the future and, in addition, a generally lower level of activity in society has led to significantly fewer acute trauma surgeries.

### JANUARY – MARCH

#### Sales

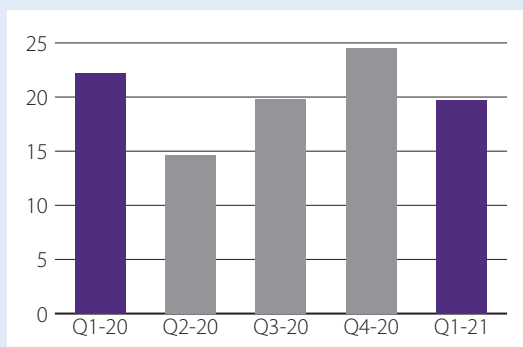
Sales for the period amounted to SEK 19.7 million (22.2), which corresponds to a decrease of 11 percent (8 percent at constant exchange rates). The period was marked by a market slowdown as an effect of the COVID-19 pandemic gaining new momentum with fewer emergency and planned surgeries as a result.

Sales in key markets during the period accounted for 81 percent (86) of the segment's sales. Sales of the antibiotic-releasing products CERAMENT G and CERAMENT V corresponded to 83 percent (83).

#### Contribution<sup>1</sup>

The contribution from the segment was SEK 2.2 million (3.9). The decreased contribution is explained mainly by lower sales. Sales and marketing expenses decreased by SEK 0.8 million compared with the corresponding period last year and amounted to SEK 14.2 million (15.0). The decrease is mainly due to the changes that have taken place as a result of the pandemic.

Net sales per quarter, SEKm



Net sales, gross profit and contribution, SEKm

	Jan - Mar		Full year
	2021	2020	2020
Net sales	19.7	22.2	81.1
Gross profit	16.4	18.9	67.9
Contribution	2.2	3.9	13.2

<sup>1</sup> APM: Alternative performance measures, see definitions on page 22.



# RESEARCH AND DEVELOPMENT

**BONESUPPORT’s clinical development program focuses on further developing CERAMENT’s properties, expanding clinical application areas and utilizing CERAMENT’s unique drug-releasing properties through the development of combination products that promote bone healing.**

Several different combinations with CERAMENT have been investigated to add osteoinductive properties, meaning the ability to actively stimulate bone healing. Among others, the company has conducted research in the form of preclinical candidates that have combined CERAMENT with bisphosphonates, bone morphogenetic proteins (BMP), bone marrow aspirate (BMA) and demineralized bone matrix (DBM). Prioritized product candidates for own development are CERAMENT with bisphosphonate and CERAMENT with DBM, while CERAMENT with BMP is a candidate for potential partner development.

Bisphosphonate is a well-established substance in the treatment of osteoporosis and is used to limit the activity of osteoclasts, resulting in improved bone remodeling and bone density. Demineralized bone matrix (DBM) is based on allograft reduced on minerals. The material has been shown to have a wide use in conditions and situations where there is weak natural bone remodeling.

## CLINICAL EVIDENCE, A STRATEGIC CORNERSTONE

One of the three cornerstones of the 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 160 research publications and abstracts of preclinical and clinical studies with CERAMENT.

## RESULTS FROM CERTIFY DRIVES CHANGED STANDARD OF CARE

CERTiFy is a randomized, controlled clinical trial conducted at 20 trauma centers in Germany with 135 patients. The study, which was done on tibia 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 & Joint Surgery in December 2019 to

## ONGOING RANDOMIZED CONTROLLED TRIALS

	<b>FORTIFY</b>	<b>SOLARIO</b>	<b>CONVICTION</b>
<b>Indication</b>	Open Tibial Plateau Fractures	Osteomyelitis	Osteomyelitis
<b>Purpose</b>	Evaluate the ability of CERAMENT G to improve treatment outcomes in open tibial fractures	Evaluate whether synthetic bone graft substitutes with antibiotics (CERAMENT G / V) can shorten treatment times	Evaluate the cost-effectiveness and treatment effect of CERAMENT G
<b>Effect measure</b>	<ul style="list-style-type: none"> <li>Prevalence of deep infection</li> <li>Prevalence of secondary surgery</li> <li>Patient-reported improvement</li> </ul>	<ul style="list-style-type: none"> <li>Treatment time</li> <li>Antibiotic resistance</li> <li>Side effects</li> <li>Cost</li> </ul>	<ul style="list-style-type: none"> <li>ICUR Reinfection</li> <li>Complications</li> <li>Amputations</li> </ul>
<b>Number of patients</b>	200	500	220
<b>Follow up time</b>	12 months	12 months	24 months
<b>Place</b>	Clinics in the U.S. and Europe	Europe	France, CRIOAc
<b>Expected completion</b>	June/July 2021	Q1 2023	2025

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 DE NOVO APPLICATION IN THE USA**

In mid-March 2020, CERAMENT G received “Breakthrough Device” status by FDA, a category exclusively for therapies that provide more effective treatment or diagnosis of life-threatening or severely irreversible diseases and at the same time represent a breakthrough technology. In April 2020, BONESUPPORT submitted a so-called De Novo application to the FDA, based on already published clinical evidence from the Nuffield Orthopaedic Centre, Oxford, among others, for the indication osteomyelitis. Studies from the Nuffield Orthopaedic Centre have shown that the use of CERAMENT G significantly reduces the frequency of re-infections and the need for further surgery. A De Novo application can be made when there is no comparable established alternative (“predicate device”) on the market. In February 2021, it became clear that the FDA is requesting additional data and clarifications before an approval can be considered.

Intensive collaboration is currently underway with, among others, several prominent university hospitals in the USA to produce requested data. To ensure consensus, we expect close interactions with the FDA. The plan is to submit supplementary data to the FDA during the October and thus the schedule for a potential market approval regarding the indication bone infection has been revised to Q1 2022.

### **THE FORTIFY STUDY**

The FORTIFY study evaluates the ability of CERAMENT G to improve the treatment outcome of patients with open tibia fractures. That the fracture is “open” means that the skin has been penetrated in conjunction with the trauma. These fractures run a high risk of infection, with inadequate bone healing as a result. The primary effects to be measured in the study include the absence of deep infection at the fracture site, the absence of additional surgical procedures to promote healing and patient-reported improvement.

The study, which includes patients from both US and European clinics, will form the basis for supporting a planned application to the FDA, for a wide range of indications for CERAMENT G, including trauma. The patient enrollment to FORTIFY ended in June 2020 and the application is expected to be submitted by the end of 2021. This process continues according to plan regardless of the company’s De Novo application.

### **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 Hospital’s NHS Foundation Trust in collaboration with EBJS (European Bone and Joint Infection Society). SOLARIO is a randomized unblinded European multicenter study that is expected to include 500 patients. The first patient was recruited in February 2019 and the study is expected to be closed during Q1 2023. A positive result of the study may mean a paradigm shift in the protocol for treating bone infections.

### **THE CONVICTION STUDY**

The French CRIOAC<sup>1</sup> 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 with a research grant from BONESUPPORT to partially finance the products used in the study.

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.

A positive outcome of the study would mean that a large commercial opportunity is enabled in the French market and that improved reimbursement status is obtained.

<sup>1</sup> 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. The value of a treatment is determined in various ways in different countries and BONESUPPORT undertakes a variety of activities to ensure that the company's products are included in the remuneration systems where our products are marketed.**

Some of the obvious health benefits that come from the clinical benefits CERAMENT offers are a reduced utilization of healthcare resources. A reduced number of re-infections as a result of treatment with CERAMENT G and CERAMENT V in a one-step procedure naturally leads to fewer return visits and fewer surgeries and, as a consequence, fewer hospital stays. Another way of looking at health economic benefits is from the patient and relative perspective - patients with good treatment results receive an improved quality of life and the opportunity for an active life. Improved clinical outcomes also have a positive impact on society as a whole - such as fewer sick leaves, reduced need for rehabilitation and care. The significance of health benefits and the calculation models for evaluating the cost-effectiveness of health benefits differ between different healthcare systems. The model we have now established will increase our opportunities to more quickly include the CERAMENT platform in replacement systems in new markets.

### **REDUCED NUMBER OF RE-INFECTIONS REDUCES THE LENGTH OF STAY**

In 2016, Professor Martin McNally presented the clinical results from 100 osteomyelitis patients treated with one-step surgery and CERAMENT G. The results showed an impressive 56 percent reduction in the degree of re-infection compared with results from previous treatment methods. The positive clinical results with CERAMENT led to a collaboration with to study the health economic benefits. The analysis included more than 25,000 patients who underwent surgical treatment for osteomyelitis in 2013-2017 and compared the patient group treated at Nuffield after the introduction of CERAMENT G or CERAMENT V in a one-step procedure with patients cared for at another hospital in the UK. The results presented at EBJS 2019 showed that hospital stays in connection with osteomyelitis surgery were reduced by a third - an average of five days per patient for the group receiving CERAMENT G and CERAMENT V. In addition, the analysis showed that patients at Nuffield Orthopaedic Center had on average eleven days shorter

hospital stays during the subsequent two years after surgery. The average cost of care per day per patient at a hospital in the UK in 2019 was GBP 437. Only the total savings in the number of hospital days in connection with surgery and subsequent care could, with the addition of CERAMENT G or CERAMENT V in the treatment of osteomyelitis, 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 could help reduce healthcare costs is in the treatment of open tibial fractures. Open tibial fractures represent about 15 percent<sup>1</sup> 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 for the patient and very high healthcare costs.

In a Belgian study by Hoekstra et al<sup>1</sup> of 358 patients, the cost of tibial fractures was studied. The study showed that the healthcare costs for the patients who suffered from a deep infection were on average five times higher than for those who did not get an infection, which resulted in the costs increasing from EUR 9,500 to EUR 48,700.

FORTIFY is designed to create the highest possible level of evidence regarding CERAMENT G and effective management of open tibial fractures, but already today 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 Jahangir et al<sup>2</sup> on 51 patients with severe open tibial fractures treated with CERAMENT G in a one-step procedure. In the study, no patient suffered from a deep infection. This shows that one-step treatment with antibiotic-eluting CERAMENT for open tibial fractures can effectively reduce the incidence of cost-driving infections.

1. Hoekstra et al. Economics of open tibial fractures: the pivotal role of length-of-stay and infection. Health Econ Rev 2017; 7:32

2. Jahangir et al. "The use of adjuvant local antibiotic hydroxyapatite bio-composite in the management of open Gustilo Anderson type IIIB fractures. A prospective review." Journal of Orthopaedics vol. 16.3 278-282.



# FINANCIAL OVERVIEW

## PROFIT AND LOSS

### JANUARY – MARCH 2021

#### Net sales

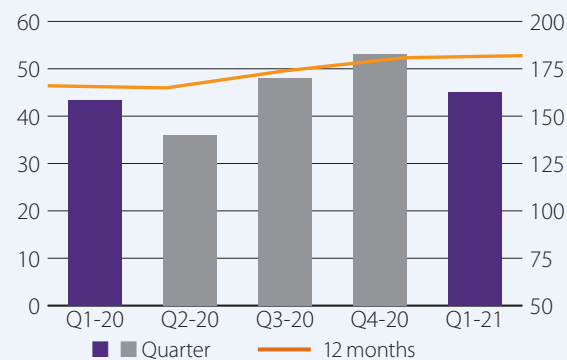
Net sales amounted to SEK 44.8 million (43.4), an increase of 3 percent (14 percent at constant exchange rates) compared to the previous year.

In the North America segment, sales amounted to SEK 25.1 million (21.2), which corresponds to growth of 18 percent. A number of larger clinics have had fewer surgeries in the quarter as a result of the ongoing pandemic. At the same time, the customer base in the US has expanded as a result of the company's strategy and growing success with the new distribution network, which offsets the temporary decline in sales seen at a number of established customers.

Sales for the EUROW segment decreased by 11 percent to SEK 19.7 million (22.2). The end of the period was marked by a market slowdown as an effect of the COVID-19 pandemic gaining new momentum with fewer emergency and planned surgeries as a result.

The currency translation effect amounted to SEK -2.8 million (+0.8).

#### Net sales per quarter, SEKm



#### Cost of goods sold

Cost of goods sold amounted to SEK 5.1 million (4.9), giving a gross margin of 88.6 percent (88.7).

#### Selling expenses

Selling expenses including sales commissions amounted to SEK 39.0 million (42.1), a decrease of 7 percent. Personnel costs de-

creased to SEK 22.3 million (22.7). Costs for sales commissions in NA increased to SEK 7.9 million (7.1). Other selling expenses were reduced to SEK 8.8 million (12.3), driven by reduced travel costs as well as canceled congresses and meetings, as an effect of the ongoing pandemic. Customer interaction has instead taken place through digital meetings and platforms.

The NA segment reported a cost decrease to SEK 21.6 million (24.5). In EUROW, expenses amounted to SEK 14.2 million (15.0). Unallocated costs increased to SEK 3.2 million (2.6).

#### Research and development expenses

Research and development expenses amounted to SEK 12.3 million (15.8). Personnel costs remained at SEK 7.0 million (7.0). Other expenses totaled SEK 5.3 million (8.8) which is due to the fact that the FORTIFY study has recruited the last patient and thus entered a new phase and that the progress in other studies was affected by the pandemic.

The NA segment reported Research and development expenses amounting to SEK 3.7 million (7.4).

#### Administrative expenses

Administrative expenses amounted to SEK 9.9 million (10.9). Personnel costs excluding provisions within the framework of active incentive programs, amounted to SEK 4.0 million (6.3). Other expenses amounted to SEK 5.9 million (4.6).

#### 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

Operating result amounted to SEK -19.7 million (-29.2), where the decreased loss is mainly explained by reduced operating costs.

#### Loss for the period

For the reasons described above, the loss for the quarter amounted to SEK -20.2 million (-29.4), which corresponds to earnings per share of SEK -0.32 (-0.56).

## FINANCIAL POSITION AND CASH FLOW

SEKm	Mar 31		Dec 31
<b>Financial position</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Cash and cash equivalents	339.0	68.0	353.7
Interest bearing debt <sup>1</sup>	10.0	8.0	10.5
Net debt <sup>1</sup>	-328.9	-60.0	-343.3
Equity	380.1	103.1	398.9

1 APM: Alternative performance measures, see definitions on page 22.

SEKm	Jan - Mar		Full year
<b>Cash flow</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Operating activities	-14.0	-28.0	-100.3
Investing activities	-0.2	-1.0	-2.7
Financing activities	-1.0	4.3	365.3
<b>Total</b>	<b>-15.2</b>	<b>-24.7</b>	<b>262.4</b>

Cash and cash equivalents at the end of the period amounted to SEK 339.0 million (68.0), a decrease of SEK 14.8 million since the beginning of the year. The change is mainly explained by cash flow

from operating activities amounting to SEK -14.0 million (-28.0), mainly attributable to operating result of SEK -19.7 million (-29.2). This also explains the change in net debt.

## OTHER DISCLOSURES

### PARENT COMPANY

The parent company BONESUPPORT Holding AB (publ) is a holding company. The parent company generated SEK 11.3 million (11.1) in sales of internal services to subsidiaries during the quarter. The result for the quarter was SEK -1.0 million (-5.0). No investments were made during the quarter.

### EMPLOYEES

On average, the Group had 91 (89) employees (full-time equivalent) during the quarter, of whom 21 (23) 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 G-shares, 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 G-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 March 31, 2021, the total number of ordinary shares amounted to 63,774,222, distributed among 7,828 shareholders. The major shareholders are shown in the table below. During the quarter, the number of shares increased as a result of converted employee stock options.

As of March 31, 2021, the total number of G-shares amounted to 1,290,000. BONESUPPORT Holding AB holds all G-shares. During the quarter, the number of shares increased as a result of issued G-shares.

### Shareholders March 31, 2021

HealthCap V LP	10.3%
State Street Bank and Trust	5.9%
Avanza Pension	6.5%
Swedbank Robur Fonder	7.6%
Stiftelsen Industrifonden	5.5%
Tredje AP-fonden	7.4%
Fjärde AP-Fonden	4.9%
Other shareholders	51.9%

BONESUPPORT has three employee stock option programs, four performance share programs and one warrant program. These are described in Note 8.

### FINANCIAL CALENDAR

- May 20, 2021 Annual general meeting
- July 15, 2021 Interim report Q2 2021
- November 4, 2021 Interim report Q3 2021

### NOMINATION COMMITTEE

The nomination committee is elected based on the principles decided at the AGM May 19, 2020. 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 May 20, 2021. The members of the committee are:

- Jacob Gunterberg, Chairman of the Committee, representing HealthCap VLP
- Lennart Johansson, Chairman of the Board
- Caroline Sjösten, representing Swedbank Robur fonder
- Jonas Jendi, representing Stiftelsen Industrifonden

### 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 CEO

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The 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 May 6, 2021

**Emil Billbäck**  
CEO

## CONDENSED CONSOLIDATED INCOME STATEMENT

SEKt	Note	Jan - Mar		Full year
		2021	2020	2020
Net sales	7	44,829	43,432	180,860
Cost of sales	7	-5,101	-4,900	-19,256
<b>Gross profit</b>	7	<b>39,728</b>	<b>38,532</b>	<b>161,604</b>
Selling expenses		-31,153	-34,995	-123,818
Sales commissions	7	-7,869	-7,081	-31,598
Research and development expenses		-12,257	-15,783	-57,898
Administrative expenses	3, 8	-9,903	-10,863	-45,492
Other operating income		3,499	4,450	12,188
Other operating expenses		-1,721	-3,466	-13,547
<b>Operating loss</b>	7	<b>-19,676</b>	<b>-29,206</b>	<b>-98,561</b>
Net financial items	7	-338	-28	-440
<b>Loss before income tax</b>	7	<b>-20,014</b>	<b>-29,234</b>	<b>-99,001</b>
Income tax		-201	-150	-2,411
<b>Loss for the period</b>		<b>-20,215</b>	<b>-29,384</b>	<b>-101,412</b>
Earnings per share before dilution, SEK		-0.32	-0.56	-1.72
Earnings per share after dilution, SEK		-0.32	-0.56	-1.72
Average number of shares, thousands		63,769	52,335	59,081

Loss for the period is attributable to equity holders of the parent.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKt	Jan - Mar		Full year
	2021	2020	2020
<b>Loss for the period</b>	<b>-20,215</b>	<b>-29,384</b>	<b>-101,412</b>
<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	399	557	-833
<b>Total comprehensive income for the period</b>	<b>-19,816</b>	<b>-28,827</b>	<b>-102,245</b>

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

## CONDENSED CONSOLIDATED BALANCE SHEET

SEKt	Note	Mar 31		Dec 31
		2021	2020	2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		8,742	8,297	8,840
Tangible assets		14,147	11,901	15,003
Other non-current assets	6	0	1,050	0
<b>Total non-current assets</b>		<b>22,889</b>	<b>21,248</b>	<b>23,843</b>
<b>Current assets</b>				
Inventories		46,681	46,461	45,555
Trade receivables	6	28,598	25,699	32,108
Other operating receivables	6	6,884	8,146	9,975
Cash and cash equivalents	6	338,956	67,951	353,737
<b>Total current assets</b>		<b>421,119</b>	<b>148,257</b>	<b>441,375</b>
<b>TOTAL ASSETS</b>		<b>444,008</b>	<b>169,505</b>	<b>465,218</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Parent</b>	4	<b>380,066</b>	<b>103,093</b>	<b>398,899</b>
<b>Non-current liabilities</b>				
Leasing debt	6	5,704	4,298	5,622
Provisions		329	305	329
<b>Total non-current liabilities</b>		<b>6,033</b>	<b>4,603</b>	<b>5,951</b>
<b>Current liabilities</b>				
Leasing debt	6	4,305	3,675	4,858
Trade payables	6	10,253	13,073	12,680
Other operating liabilities	6	43,351	45,061	42,830
<b>Total current liabilities</b>		<b>57,909</b>	<b>61,809</b>	<b>60,368</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>444,008</b>	<b>169,505</b>	<b>465,218</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKt	Share capital	Paid but not registered share issue	Other paid in capital	Translation reserve	Fund for development expenses	Accumulated losses including loss for the period	Total equity
<b>As at January 1, 2020</b>	<b>32,826</b>	<b>100</b>	<b>1,191,775</b>	<b>-60</b>	<b>3,552</b>	<b>-1,103,884</b>	<b>124,309</b>
Loss January - March 2020				557		-29,384	-28,827
Change in fund for development expenses					778	-778	0
New share issue, employee stock options	398	-100	6,469				6,767
New share issue and repurchase of own C-shares	456					-456	0
Share-based payment transactions						844	844
<b>As at March 31, 2020</b>	<b>33,680</b>	<b>0</b>	<b>1,198,244</b>	<b>497</b>	<b>4,330</b>	<b>-1,133,658</b>	<b>103,093</b>
Loss April - December 2020				-1,390		-72,028	-73,418
Change in fund for development expenses					1,022	-1,022	0
New share issue, employee stock options and warrants	382		4,099				4,481
Directed share issue	6,563		371,437				378,000
Transaction costs, directed share issue			-16,142				-16,142
Share-based payment transactions						2,885	2,885
<b>As at January 1, 2021</b>	<b>40,625</b>	<b>0</b>	<b>1,557,638</b>	<b>-893</b>	<b>5,352</b>	<b>-1,203,823</b>	<b>398,899</b>
Loss January - March 2021				399		-20,215	-19,816
Change in fund for development expenses					61	-61	0
New share issue, employee stock options	6						6
New share issue and repurchase of own C-shares	34					-34	0
Share-based payment transactions						977	977
<b>As at March 31, 2021</b>	<b>40,665</b>	<b>0</b>	<b>1,557,638</b>	<b>-494</b>	<b>5,413</b>	<b>-1,223,156</b>	<b>380,066</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

SEKt	Jan - Mar		Full year
	2021	2020	2020
Operating loss	-19,676	-29,206	-98,561
Non-cash adjustments:			
-Share-based payments	977	844	3,729
-Depreciation regarding right of use assets	2,085	2,378	8,497
-Unrealized exchange rate differences	-3,840	-2,579	8,531
-Other	36	457	24
Interests received	0	0	5
Interests paid	-3	31	-6
Income tax paid	-309	566	-4,970
<b>Net cash flows from operating activities before changes in working capital</b>	<b>-20,730</b>	<b>-27,509</b>	<b>-82,751</b>
Changes in working capital	6,751	-493	-17,524
<b>Net cash flows from operating activities</b>	<b>-13,979</b>	<b>-28,002</b>	<b>-100,275</b>
Investments in intangible assets	-222	-881	-2,312
Investments in equipment and tools	-27	-74	-346
<b>Net cash flows from investing activities</b>	<b>-249</b>	<b>-955</b>	<b>-2,658</b>
New share issue, employee stock options and warrants	6	6,767	11,248
Directed share issue	0	0	378,000
Transaction costs, directed share issue	0	0	-16,142
Repayments of leasing debt	-961	-2,470	-7,768
<b>Net cash flows from financing activities</b>	<b>-955</b>	<b>4,297</b>	<b>365,338</b>
<b>Net cash flows</b>	<b>-15,183</b>	<b>-24,660</b>	<b>262,405</b>
Cash and cash equivalents as at beginning of period	353,737	92,065	92,065
Net exchange difference	402	546	-733
<b>Cash and cash equivalents as at end of period</b>	<b>338,956</b>	<b>67,951</b>	<b>353,737</b>



## CONDENSED PARENT COMPANY INCOME STATEMENT

SEKt	Jan - Mar		Full year
	2021	2020	2020
Net sales	11,279	11,138	39,371
Administrative expenses	-12,718	-16,132	-47,463
Other operating income	86	217	1,642
Other operating expenses	-836	-1,411	-331
<b>Operating loss</b>	<b>-2,189</b>	<b>-6,188</b>	<b>-6,781</b>
Net financial items	1,116	1,158	3,658
<b>Result after financial items</b>	<b>-1,073</b>	<b>-5,030</b>	<b>-3,123</b>
Income tax	0	0	0
<b>Result for the period</b>	<b>-1,073</b>	<b>-5,030</b>	<b>-3,123</b>

Parent company result for the period equals comprehensive income.

## CONDENSED PARENT COMPANY BALANCE SHEET

SEKt	Note	Mar 31		Dec 31
		2021	2020	2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Non-current financial assets	6	981,283	879,757	964,079
<b>Total non-current assets</b>		<b>981,283</b>	<b>879,757</b>	<b>964,079</b>
<b>Current assets</b>				
Other receivables	6	0	31	0
Prepaid expenses	6	267	594	633
Cash	6	322,367	52,383	338,114
<b>Total current assets</b>		<b>322,634</b>	<b>53,008</b>	<b>338,747</b>
<b>TOTAL ASSETS</b>		<b>1,303,917</b>	<b>932,765</b>	<b>1,302,826</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Restricted equity	4	40,665	33,680	40,625
Unrestricted equity		1,223,456	864,950	1,224,563
<b>Total equity</b>		<b>1,264,121</b>	<b>898,630</b>	<b>1,265,188</b>
<b>Non-current liabilities</b>		<b>29,486</b>	<b>26,063</b>	<b>27,411</b>
<b>Current liabilities</b>	6	<b>10,310</b>	<b>8,072</b>	<b>10,227</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,303,917</b>	<b>932,765</b>	<b>1,302,826</b>

## CONDENSED CONSOLIDATED INCOME STATEMENT PER QUARTER

SEKt	2021		2020			2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2 <sup>1</sup>
Net sales	44,829	53,175	48,078	36,175	43,432	46,199	39,115	37,320
North America	25,121	28,633	28,281	21,565	21,248	23,256	18,462	14,776
EUROW	19,708	24,542	19,797	14,610	22,184	22,942	20,653	22,544
Cost of sales	-5,101	-5,418	-4,125	-4,813	-4,900	-5,114	-4,795	-5,047
<b>Gross profit</b>	<b>39,728</b>	<b>47,757</b>	<b>43,953</b>	<b>31,362</b>	<b>38,532</b>	<b>41,085</b>	<b>34,320</b>	<b>32,273</b>
<b>Gross margin, %</b>	<b>88.6%</b>	<b>89.8%</b>	<b>91.4%</b>	<b>86.7%</b>	<b>88.7%</b>	<b>88.9%</b>	<b>87.7%</b>	<b>86.5%</b>
Selling expenses	-31,153	-33,884	-31,982	-22,957	-34,995	-41,322	-33,508	-48,011
Sales commissions	-7,869	-8,371	-9,230	-6,916	-7,081	-7,970	-6,001	-4,678
Research and development expenses	-12,257	-16,467	-11,654	-13,994	-15,783	-18,527	-17,449	-15,987
Administrative expenses	-9,903	-12,647	-11,641	-10,341	-10,863	-11,566	-10,874	-10,482
Other operating income	3,499	1,594	4,173	1,971	4,450	3,080	2,977	2,434
Other operating expenses	-1,721	-4,638	-2,845	-2,598	-3,466	-3,379	-2,153	-3,369
<b>Operating loss</b>	<b>-19,676</b>	<b>-26,656</b>	<b>-19,226</b>	<b>-23,473</b>	<b>-29,206</b>	<b>-38,599</b>	<b>-32,688</b>	<b>-47,820</b>
Net financial items	-338	615	-832	-195	-28	-64	-16	-53
<b>Loss before income tax</b>	<b>-20,014</b>	<b>-26,041</b>	<b>-20,058</b>	<b>-23,668</b>	<b>-29,234</b>	<b>-38,663</b>	<b>-32,704</b>	<b>-47,873</b>
Income tax	-201	-1,124	-1,171	34	-150	-2,186	-486	-67
<b>Loss for the period</b>	<b>-20,215</b>	<b>-27,165</b>	<b>-21,229</b>	<b>-23,634</b>	<b>-29,384</b>	<b>-40,849</b>	<b>-33,190</b>	<b>-47,940</b>

Loss for the period is attributable to equity holders of the parent.

<sup>1</sup> The period was affected by a non comparability item with a negative impact of SEK 11.0 million. The item is a provision related to repurchase of stock items from the previous US distributor.

## 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 2020 have also been applied in this interim report. New or amended standards or interpretations of standards effective as of January 1, 2021 have not had any significant impact on BONESUPPORT's financial statements.

#### Estimates, assumptions and assessments

When preparing the company's financial statements, a number of assessments and estimates are made, as well as assumptions which affect the application of the accounting principles and the reported amounts in the income statement and balance sheet. The actual outcome may deviate from these estimates and assessments. Estimates and assessments are evaluated on the basis of historical experience and other factors, including expectations of future events.

## NOTE 2

### SIGNIFICANT RISKS AND UNCERTAINTIES

The Group is exposed to various financial risks. The business is impacted by many factors that could affect the Group's result and financial position. It is BONESUPPORT's strategy to continuously identify and manage risks. Financial risk management is described in Note 2, Annual Report 2020.

See page 3 regarding risks relating to COVID-19.

## NOTE 3

### TRANSACTIONS WITH RELATED PARTIES

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

SEKt	Related party	Service	Jan - Mar		Full year
			2021	2020	2020
	Route 2 Advisors Ltd (Simon Cartmell, previous Board member)	Consultancy	61	111	407
	Odlander, Fredrikson & Co AB (Björn Odlander, Board Member)	Travelling expenses	0	0	9

## NOTE 4

### NUMBER OF SHARES AND POTENTIAL SHARES

Ordinary shares	Number of shares	Potential shares
December 31, 2020	63,764,222	657,135
Converted employee stock options	10,000	-10,000
March 31, 2021	63,774,222	647,135

Series C-shares	Number of shares	Potential shares
December 31, 2020	1,235,000	55,000
Issued shares	55,000	-55,000
March 31, 2021	1,290,000	0

## NOTE 5 PLEGGED SECURITIES AND CONTINGENT LIABILITIES

The U.S. subsidiary BONESUPPORT Inc. has provided a guarantee of USD 56 thousand (56), corresponding to SEK 489 thousand (560) for rented premises. The parent company, BONESUPPORT Holding AB, guarantees a corresponding amount.

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 research & 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 2.4 million (2.2) in the quarter. U.S., Germany and U.K. were the only markets that delivered more than ten percent of the consolidated net sales.

SEKt	Jan - Mar 2021				Jan - Mar 2020			
Profit and loss items	NA	EUROW	Other	Total	NA	EUROW	Other	Total
Net sales	25,121	19,708	0	44,829	21,248	22,184	0	43,432
<i>of which CERAMENT BVF</i>	24,712	3,433	0	28,145	20,452	3,714	0	24,166
<i>of which CERAMENT drug eluting<sup>1</sup></i>	0	16,275	0	16,275	0	18,470	0	18,470
<i>of which other</i>	409	0	0	409	796	0	0	796
Cost of sales	-1,781	-3,320	0	-5,101	-1,570	-3,330	0	-4,900
<b>Gross profit</b>	<b>23,340</b>	<b>16,388</b>	<b>0</b>	<b>39,728</b>	<b>19,678</b>	<b>18,854</b>	<b>0</b>	<b>38,532</b>
Sales commissions	-7,869	0	0	-7,869	-7,081	0	0	-7,081
Other operative costs	-17,449	-14,169	0	-31,618	-24,782	-14,977	0	-39,759
<b>Contribution</b>	<b>-1,978</b>	<b>2,219</b>	<b>0</b>	<b>241</b>	<b>-12,185</b>	<b>3,877</b>	<b>0</b>	<b>-8,307</b>
Other operating items	0	0	-19,917	-19,917	0	0	-20,899	-20,899
<b>Operating result</b>	<b>-1,978</b>	<b>2,219</b>	<b>-19,917</b>	<b>-19,676</b>	<b>-12,185</b>	<b>3,877</b>	<b>-20,899</b>	<b>-29,206</b>
Net financial items	0	0	-338	-338	0	0	-28	-28
<b>Result before income tax</b>	<b>-1,978</b>	<b>2,219</b>	<b>-20,255</b>	<b>-20,014</b>	<b>-12,185</b>	<b>3,877</b>	<b>-20,927</b>	<b>-29,234</b>

<sup>1</sup> CERAMENT drug eluting includes CERAMENT G and CERAMENT V.

## NOTE 8

### OPTION PROGRAMS AND PERFORMANCE SHARE PROGRAMS

At the period end, there are three different employee stock option programs, four performance share programs and one warrant program.

#### Employee stock option programs

Of the three employee stock option programs, two run over ten years and expire 2022 and 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 two programs of SEK 0.125 per option, equivalent to SEK 0.625 per share, and in the third 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 allocated 25.7 million options, 21.6 million (21.4) options were fully vested before the end of the period.

#### Performance share programs

There are three programs for newly recruited employees and one program for two board members. All programs run over four years; the one that is aimed for the board members runs until 2021, the other programs run until 2021, 2022 and 2023 respectively. Each savings share gives the opportunity to be allotted to the employees a maximum of two, three or 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. The performance shares were issued in the form of class C-shares with a subscription price and quota value of SEK 0.625 per share.

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. 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 on behalf of the shares issued are credited to equity.

#### Warrant programs

There is one warrant program. It was executed in 2018 and gives the holder the right to acquire 1 share per warrant.

Further information on these programs is presented in Notes 12 and 23 in the Annual Report 2020.

Employee stock option programs	No. of options <sup>1</sup>	Equal to no. of shares	WAEP <sup>2</sup>
Balance January 1, 2021	1,480,187	296,039	9.35
Exercised	-50,000	-10,000	0.63
Balance March 31, 2021	1,430,187	286,039	9.65

Performance share programs	Right to no. of shares
Balance January 1, 2021	1,195,000
Balance March 31, 2021	1,195,000

Warrant programs	No. of warrants	Equal to no. of shares	WAEP <sup>2</sup>
Balance January 1, 2021	361,096	361,096	15.94
Balance March 31, 2021	361,096	361,096	15.94

1 Not allocated options amounted to 4,119,547 (3,950,380).

2 Weighted Average Exercise Price per share (SEK).

During the year, the cost of employee stock option and performance share programs, excluding social security contributions, was recognized as operating expenses amounting to SEK 977 thousand (844). The social security contributions amounted to SEK -184 thousand (-605). Accrued social security contributions at the end of the period amounts to SEK 6,939 thousand (2,066).

# DEFINITIONS - ALTERNATIVE PERFORMANCE MEASURES

**BONESUPPORT uses Alternative Performance Measures (APM) to enhance understandability of the information in the financial reports, both for external analysis, 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:

## Sales growth

The difference in net sales between two periods in relation to net sales for the earlier period. Shows the operations sales performance.

## Gross profit

Net sales minus cost of sales. Shows the profit to cover other costs and profit margin.

## Gross margin

Net sales minus cost of sales, in relation to net sales. Shows the margin to cover costs and profit.

## Contribution

Net sales minus cost of sales, minus directly attributable selling expenses and research & development expenses. A measure of result showing the performance of segments and their contribution to cover other Group costs.

## Interest bearing debt

Borrowings from banks, financial institutions and lease liabilities, short and long term. Shows the debt level of the Group and forms the base for interest expenses.

## Net debt

Interest bearing debt minus cash and cash equivalents. Shows the Group's net debt and is used to measure the leverage level of the Group and future funding needs.

SEKm	Jan - Mar		Full year
	2021	2020	2020
Net sales	44.8	43.4	180.9
<b>Sales growth, %</b>	<b>3.2</b>	<b>32.3</b>	<b>16.3</b>
Cost of sales	-5.1	-4.9	-19.3
<b>Gross profit</b>	<b>39.7</b>	<b>38.5</b>	<b>161.6</b>
<b>Gross margin, %</b>	<b>88.6</b>	<b>88.7</b>	<b>89.4</b>
Directly attributable selling expenses	-35.8	-39.4	-142.0
Selling expenses, not directly attributable	-3.2	-2.6	-13.4
<i>Selling expenses including commissions</i>	-39.0	-42.1	-155.4
Directly attributable research & development expenses	-3.7	-7.4	-23.3
Research & development expenses, not directly attributable	-8.6	-8.4	-34.6
<i>Research &amp; development expenses</i>	-12.3	-15.8	-57.9
<b>Contribution</b>	<b>0.2</b>	<b>-8.3</b>	<b>-3.7</b>

SEKm	Mar 31		Dec 31
	2021	2020	2020
Non-current borrowings	5.7	4.3	5.6
Current borrowings	4.3	3.7	4.9
<b>Interest bearing debt</b>	<b>10.0</b>	<b>8.0</b>	<b>10.5</b>
Cash and cash equivalents	339.0	68.0	353.7
<b>Net debt</b>	<b>-328.9</b>	<b>-60.0</b>	<b>-343.3</b>

# DEFINITIONS

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**Allograft.** The transplant of an organ or tissue from one individual to another of the same species, with a different genotype.

**Autograft.** A bone graft harvested from the patient's own skeleton, usually from the iliac crests.

**Bisphosphonate.** A type of drugs that inhibits resorption of bone tissue.

**BMA.** Bone marrow aspirate.

**BMP.** Bone Morphogenic Protein.

**Bone graft substitute.** Synthetic material used as bone grafts instead of biological bone tissue.

**C-shares.** Performance shares within the Performance share programs issued in the form of C-shares

**CERAMENT BVF.** CERAMENT BONE VOID FILLER

**CERAMENT G.** CERAMENT G, CERAMENT with gentamicin

**CERAMENT V.** CERAMENT V, CERAMENT with vancomycin

**CERTiFy.** A prospective, randomized, controlled clinical trial with 137 patients in 20 leading trauma centers in Germany, aimed to compare treatment of CERAMENT BVF with autologous bone graft (autograft) transplantation

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

**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.

**DBM.** Demineralized bone matrix. A bone substitute biomaterial.

**FDA.** US Food and Drug Administration.

**FORTIFY.** A prospective, randomized, multicentercontrolled test of CERAMENT G that evaluates the ability of CERAMENT G to improve treatment outcome of patients with open shin fractures

**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.

**ICUR.** Incremental Cost-Utility Ratio.

**LTM.** Latest twelve months.

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

**Osteoinduction.** A bone graft material or a growth factor can stimulate the differentiation of osteoblasts, forming new bone tissues.

**Osteomyelitis.** A bacterial infection affecting bones.

**PMA.** Premarketing Approval is the FDA process to review Class III medical devices.

**SOLARIO** is 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.

# Our soul & our heart



## MISSION

*Improving the health and 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 skeletal injuries, by enabling faster rehabilitation, limiting the number of surgical procedures and reducing the risk of severe infections. For patients, this means that they can return to a normal life more quickly. Since its foundation, BONESUPPORT's products have been used in approximately 55,000 surgical procedures in more than 20 countries. The most common procedures are tibia, foot and ankle surgery and single-stage surgery in connection with bone infection.



## VISION

*To become 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. The company's ambition is to grow sales by 40 percent a year after the pandemic, including through a rapid expansion in the U.S., which is the world's largest healthcare market.



## STRATEGY

*The strategy is based on three pillars:*

**Innovation** – BONESUPPORT has the most innovative solution for the treatment of skeletal injuries on the market.

**Clinical and Health Economic Evidence** – The clinical evidence for the CERAMENT platform continues to grow and now amounts to more than 160 publications. An important milestone is CERTiFy, which shows that CERAMENT is at least as good as autograft.

**Effective commercial platform** – BONESUPPORT's commercial and medical organization provides healthcare with products, information, service and education.

## ABOUT BONESUPPORT

BONESUPPORT Holding AB (publ), org.nr. 556802-2171, based in Lund, is the parent company of BONESUPPORT AB. BONESUPPORT is a commercial orthobiology company primarily aimed at the orthopedic markets in the U.S. and Europe. BONESUPPORT has its registered office in Lund and wholly owned subsidiaries in the U.S., the U.K., Germany, Sweden, Denmark, Switzerland, Spain, the Netherlands and Italy as well as a branch office in France.

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, that more than 55,000 treatments have been performed with its products worldwide. There is great market potential in trauma, chronic osteomyelitis, revision arthroplasty and oncology, as well as 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 is commercially available in the United States and CERAMENT G in Canada.



# PRESENTATION OF INTERIM REPORT JANUARY - MARCH 2021

The company invites investors, analysts and media to a web conference (in English) on May 6, 2021 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 available 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 May 6, 2021. For further details regarding participation, see the investor pages at [www.bonesupport.com](http://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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