



BONESUPPORT Q2(20)

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Financial highlights Q2 2020

- Net sales SEK 36 m, growth -3%
- EU & ROW SEK 15 m, -35% YoY, with CERAMENT G & V -34%
- North America SEK 22 m, +46% YoY
- EBIT: SEK -24 m (SEK -48 m)

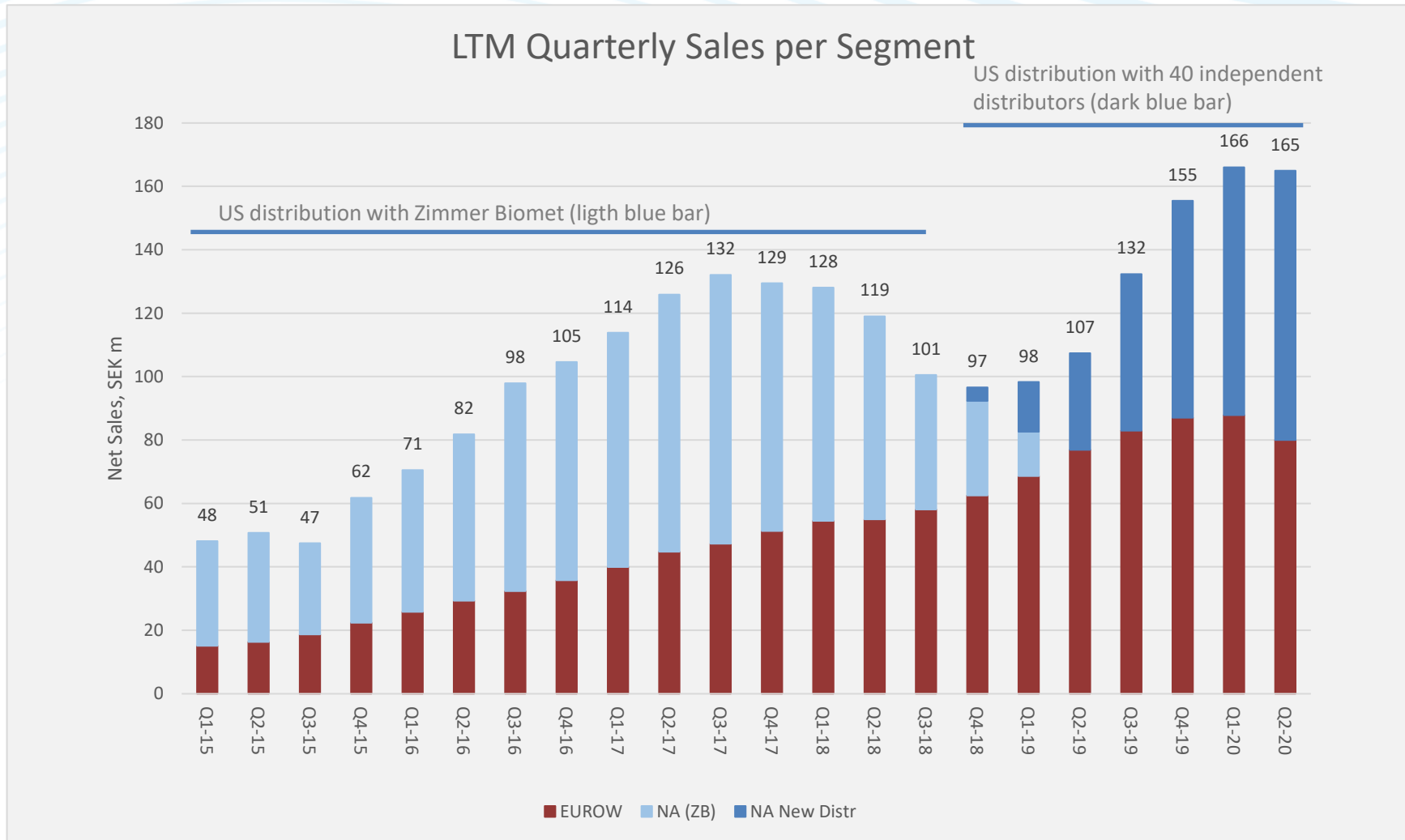
Operational highlights Q2 2020

- SEK 378 m raised in May through direct share issue
- DeNovo application for CERAMENT G in osteomyelitis submitted to FDA in April
- Recruitment completed for FORTIFY in June

COVID-19 – Impact on business and measures taken

- Elective surgeries deferred to later date
- Greatest impact in countries with high incidence of infected and imposed restrictions. Higher impact on university hospitals versus regional/ local hospitals
- Number of trauma cases influenced by stay-at-home orders and societal lockdowns
- Delay of recruitment of new customers
- Reduction of expenses – switch to digital market activities, work time reductions and voluntary salary reductions

Strong US performance in Q2 2020 despite the influence by the COVID-19 pandemic



- Historical distribution partner in US addressed 30% of potential market.
- New US distribution model addressing full market potential
- H1 2020 influenced by the COVID-19 pandemic
- Antibiotic eluting CERAMENT represents **85%** of EUROW sales

EUROW – Sales growth disruption related to COVID-19 influence

Q2 2020

- Sales of SEK 15 m, growth of -35% YoY
- Antibiotic eluting products growth of -34%
- Reduced cost due to adaptations and mitigation of pandemic influence

Highlights

- Direct sales in the Netherlands from July 1st – Parallel market presence with former distributor until Dec 31st 2020
- Replaced and upgraded distributors in France and Italy in order to better capture market potential
- Conversion to digital communication with webinars on the science and clinical evidence of CERAMENT – high presence and participation of surgeons

North America – advancing market penetration

Q2 2020

- Total sales of SEK 22 m, 46% growth vs Q2 2019
- Reduced cost due to adaptations and mitigation of pandemic influence

Progressing towards registration of CERAMENT G

- De Novo application submitted in April for CERAMENT G in bone infections (osteomyelitis)
 - Clarifying questions received from FDA on July 3rd, in line with the formal process
- FORTIFY 200 patients recruited. Enrollment finalized in agreement with the FDA.

Business status

- Leveraging on increasing customer base
- Conversion to digital communication with webinars on the science and clinical evidence of CERAMENT – high presence and participation of surgeons
- Michael Roth started as GM & EVP Commercial Operations North America

Large market opportunity for CERAMENT G in the US

Road to US market for CERAMENT G in two pathways:

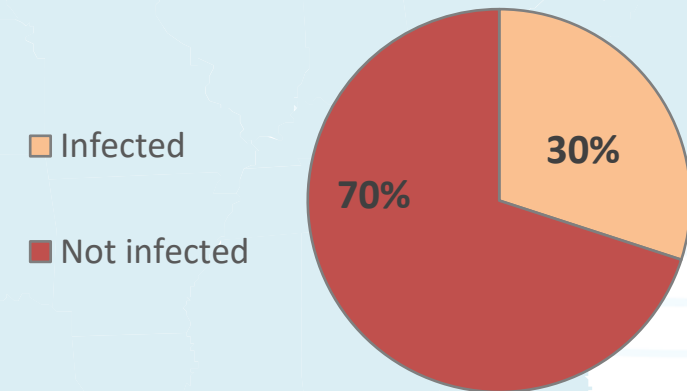
- 1.) De Novo, potential approval by the end of 2020 for bone infections (orange segment in chart below)
- 2.) PMA (pre-market approval) application based on the results from the large FORTIFY study –to be filed end 2021.
Expecting broad indication coverage incl. trauma (red segment in chart)

FORTIFY

A Prospective, Randomized Multicenter Controlled Trial of CERAMENT G as Part of Surgical Repair of Open Diaphyseal Tibial Fractures

- Trauma study. 200 patients enrolled, 1 year follow up
- The FORTIFY study will evaluate the ability of CERAMENT G to improve treatment results in patients with open tibia fracture due to trauma.
- Patients randomized to either standard treatment or standard treatment with the addition of CERAMENT G
- Primary outcome measures: absence of deep infection at fracture site, absence of secondary procedures intended to promote fracture union and improvement in the SF-36v2 PCS

USD 330 m value of procedures, whereof the infected indications represents 30%

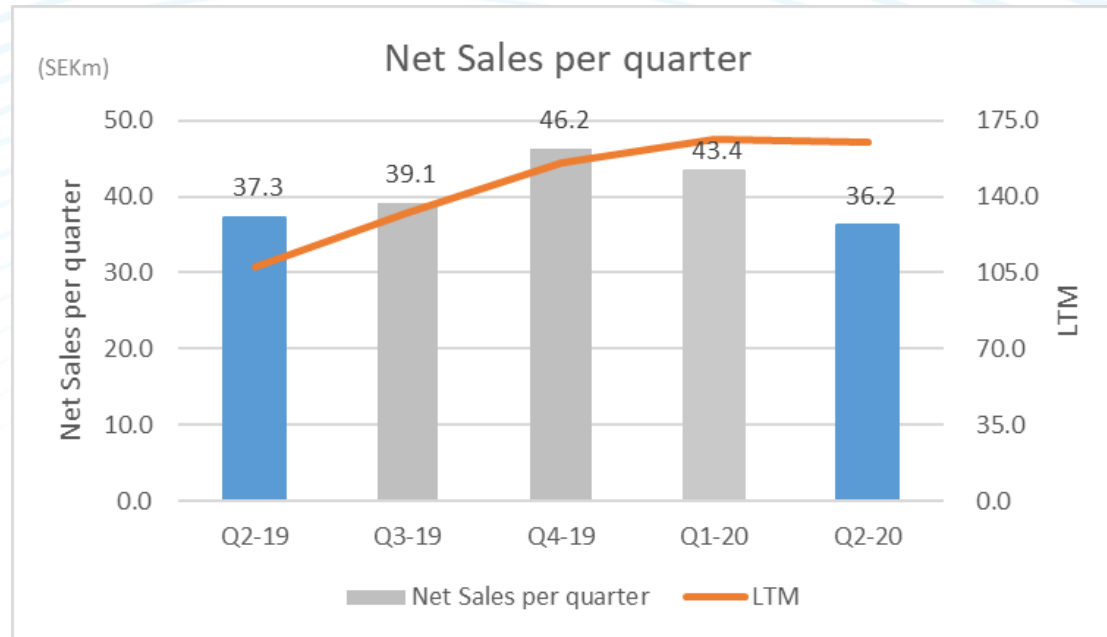


USA with USD 330 m market value (of global USD 660 m) a year, addressing insufficiently healing bones with grafts



Financial Review

Q2 2020 net sales SEK 36.2 m

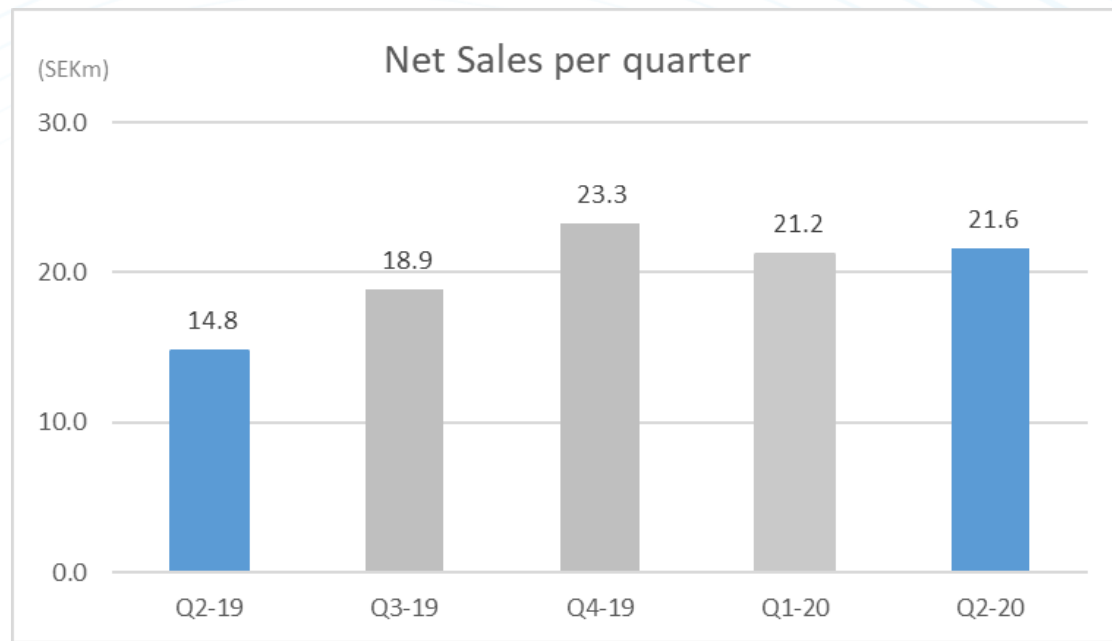


**-3%
Net Sales
Q2**

North America

(SEKm)	Apr - June	
	2020	2019
Net Sales	21.6	14.8
Gross profit	19.6	13.4
Contribution	-4.2	-23.4

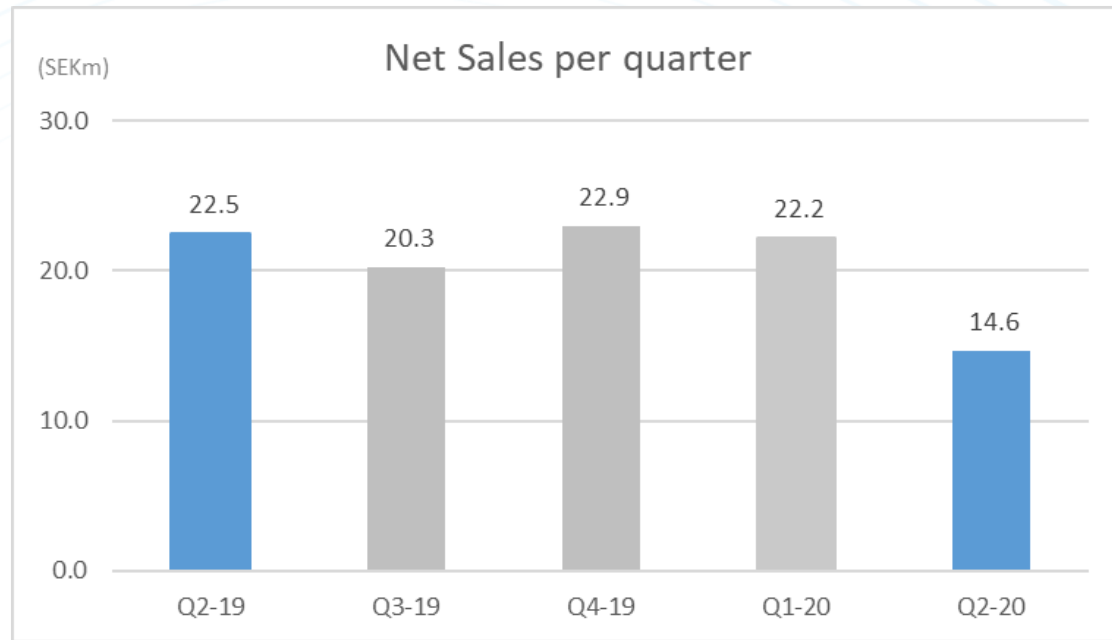
**+46%
Net Sales
Q2**



EUROW

(SEKm)	Apr - June	
	2020	2019
Net Sales	14.6	22.5
Gross profit	11.7	18.8
Contribution	2.3	3.8

**-35%
Net Sales
Q1**



Strong growth in the US despite influence from COVID-19

Key Figures	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2 (i)	Q1	Q4	Q3
SEK m								
Net Sales	36.2	43.4	46.2	39.1	37.3	32.8	23.1	14.2
Gross Margin (%)	86.7	88.7	88.9	87.7	86.5	85.9	85.0	81.8
Operating Loss	-23.5	-29.2	-38.6	-32.7	-47.8	-39.0	-45.0	-58.4
Cash at period end	393.9	68.0	92.1	129.9	173.1	219.1	261.5	313.2

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

Q2 Insights

- Despite the impact of the pandemic, sales in the North America segment grew by 46 percent compared to the second quarter of 2019
- The gross margin was in the short term suppressed by fixed production costs in combination with lower net sales
- EBIT improved by SEK 5.6 m vs Q1

Successful financing

- A successful and oversubscribed directed new share issue of SEK 378 m was made.

Strong ability to adapt the business

Key Figures	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2 (i)	Q1	Q4	Q3
Selling expenses (less commissions)	23.0	35.0	41.3	33.5	47.9	37.3	37.7	35.1
Sales Commissions	6.9	7.1	8.0	6.0	4.8	3.5	1.1	-
Research and Development expenses	14.0	15.8	18.5	17.4	16.0	16.9	17.6	16.4
Administrative expenses	10.3	10.9	11.6	10.9	10.5	10.4	9.3	17.5
Total expenses	54.2	68.7	79.4	67.8	79.2	68.1	65.7	69.0

(i) The Selling expenses in Q2 2019 were affected by a non-comparability item with a negative impact of SEK 11.0 m. The item is a provision related to product returns from the previous US distributor.

Q2 Insights

- The substantially reduced cost level confirmed the Company's ability to quickly adapt the business to the current circumstances
- Restrictions on physical meetings and switching to digital contacts in Europe and in North America resulted in fewer and lower costs for virtual events and other completed marketing and sales activities.
- Reducing working hours for sales staff and a temporary voluntary salary reduction for the organization have led to significant cost savings in the second quarter.



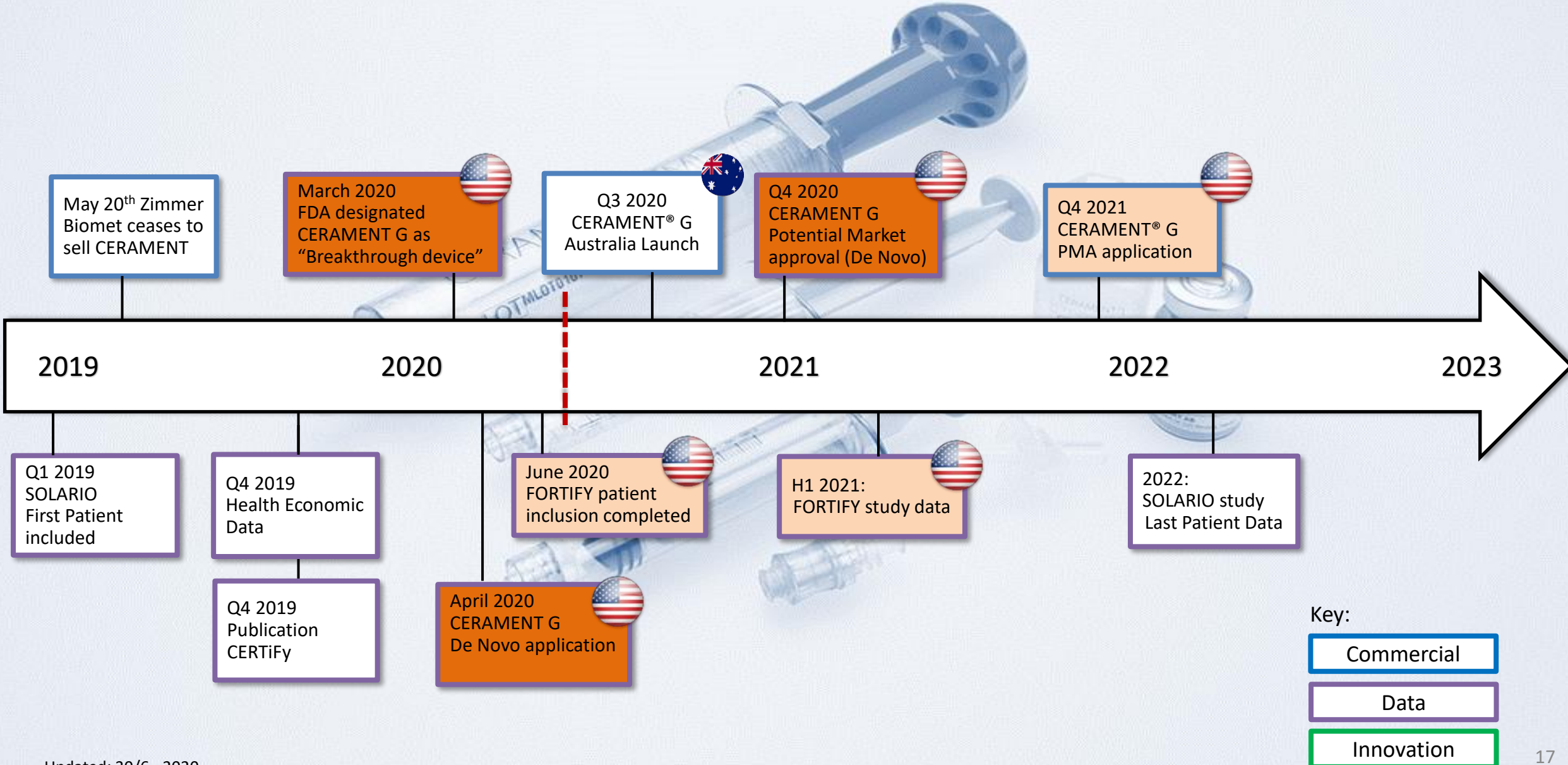
Clear Corporate Strategy
Driving Value Creation

Strategic execution and situational adoption

Strong progress despite pandemic disruption

- Focused distribution strategy driving increased customer base in the US
- Advancements to register CERAMENT G on the US market
 - De Novo application – to accelerate CERAMENT G market entry
 - PMA application end of 2021 – FORTIFY patient recruitment completed
- Capital raise SEK 378 m
- Leveraging the value of clinical & health economic evidence
- High confidence in corporate target of an annual sales growth of 40%

CERAMENT® Value generating milestones





Q&A