



# BONESUPPORT Q3(2020)

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## Financial highlights Q3 2020

- Net sales SEK 48 m, growth 23%
  - EU & ROW growing +36% QoQ and North America growing 31% QoQ
  - EU & ROW SEK 20 m, -4% YoY, with CERAMENT G & V -4%
  - North America SEK 28 m, +53% YoY
- EBIT: SEK -20 m (SEK -33 m)

## Operational highlights Q3 2020

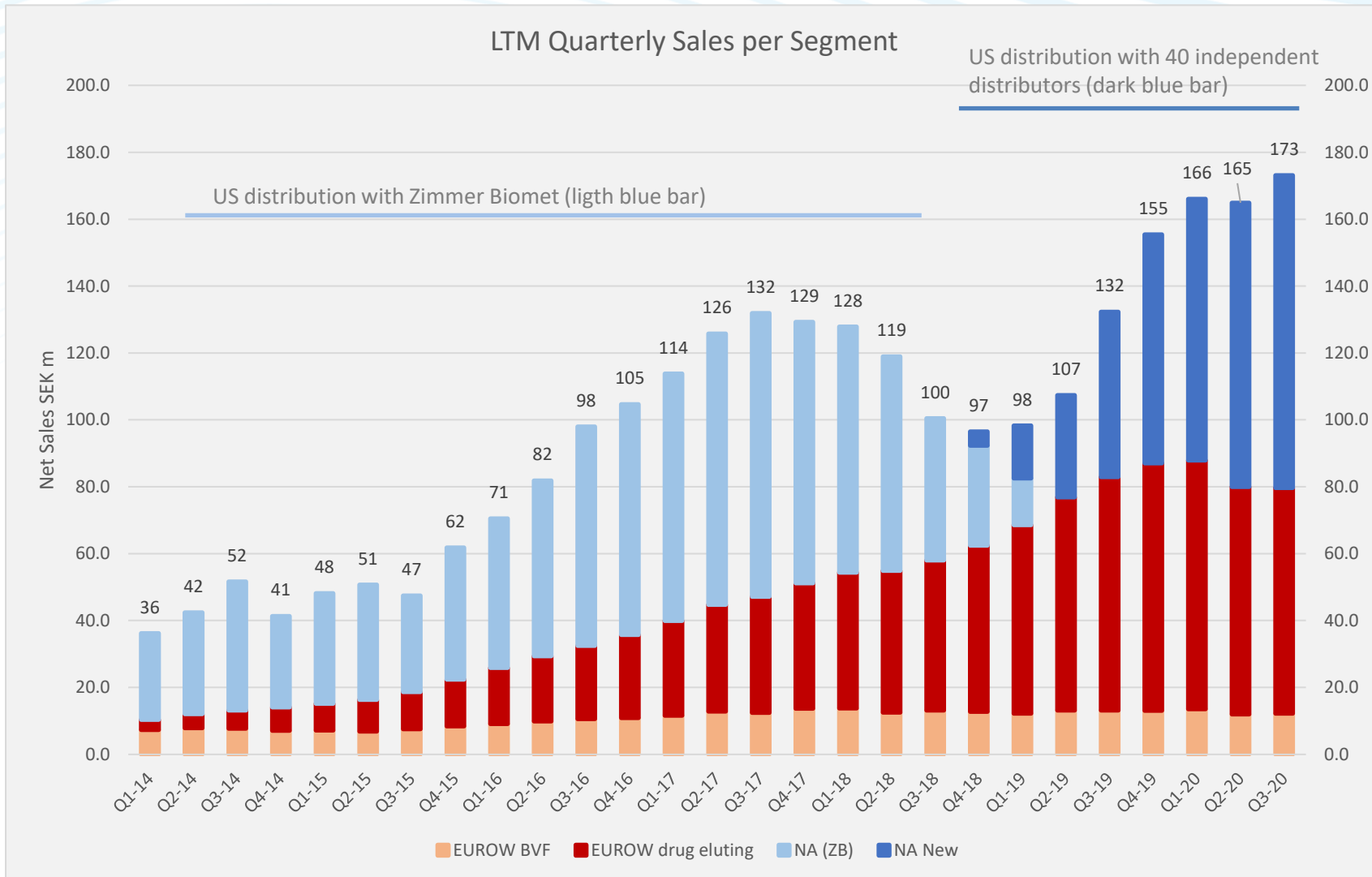
- Dutch direct sales team operational
- CERAMENT introduced in Australia with appointment of strong distributor
- Progressing on the path towards CERAMENT G approval in the US
- Recruited an experienced resource in reimbursement and health economic outcomes
- Adapting to a Corona pandemic influenced reality

# COVID-19 – Impact on business and measures taken

## Q3 2020 update

- Region specific gradual return of elective surgeries
- Hospital capacity for orthopaedic surgeries is limited by implementation of Corona safety protocols
- University hospitals with capacity struck infection departments have seen over proportional reduction in orthopaedic surgeries - In several US metropolitan hospitals, orthopaedic patients have been deferred to specific ortho clinics to keep continuum of care
- Number of trauma cases influenced by stay-at-home orders and societal lockdowns
- Slow down in recruitment pace of new CERAMENT customers
- Influence on clinical trials and external clinical data collection
- Reduction of expenses

# Continued progress in the expanded US distribution build up, despite Corona pandemic influence



- New US distribution model with successful leverage
- Sales trend in EUROW disrupted by COVID-19 pandemic
- Antibiotic eluting CERAMENT represents **85%** of EUROW sales
- CERAMENT BVF in EUROW with CAGR of 9%

## North America – Progressing market penetration

### Q3 2020

- Sales of SEK 28 m, 31% growth over previous quarter and 53% YoY
- Leveraging strong GPO listing and new customers

### Progressing towards registration of CERAMENT G

- De Novo application submitted in April for CERAMENT G in bone infections (osteomyelitis)
  - Reply to FDA's clarifying questions (received on July 3<sup>rd</sup>) expected for mid December
  - External data collection slightly delayed as consequence of pandemic
- FORTIFY (200 patients) proceeding as expected with patient follow up running until July 2021.

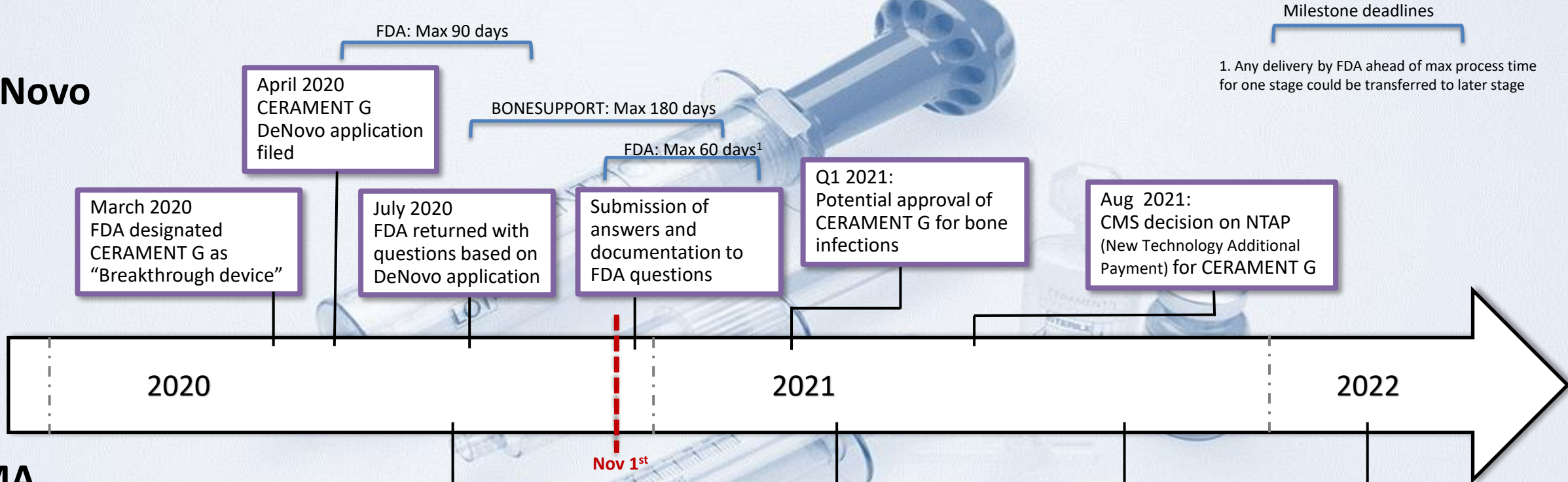
### Highlights

- Continuous progression with new customer recruitment during the pandemic, though at a slightly lower pace than pre-pandemic
- Expanded presence in specific ortho clinics as patients has been transferred from university hospitals

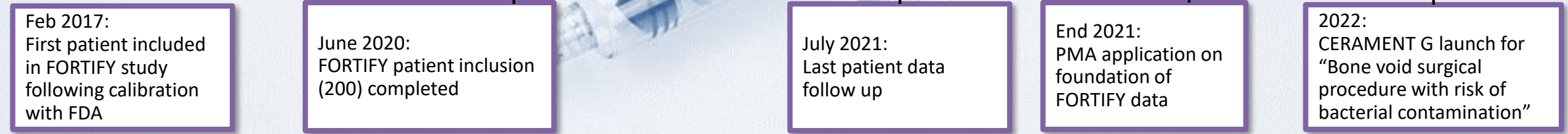


# CERAMENT G pathway to US market

## DeNovo



## PMA



# EUROW – Sales growth disruption related to COVID-19 influence

## Q3 2020

- Sales of SEK 20 m, growth of 36% versus previous quarter and -4% YoY
- Antibiotic eluting products growth of 34% versus previous quarter and -4% YoY
- Advancing market expansion and revitalising distributor markets, despite negative Corona pandemic influence

## Highlights

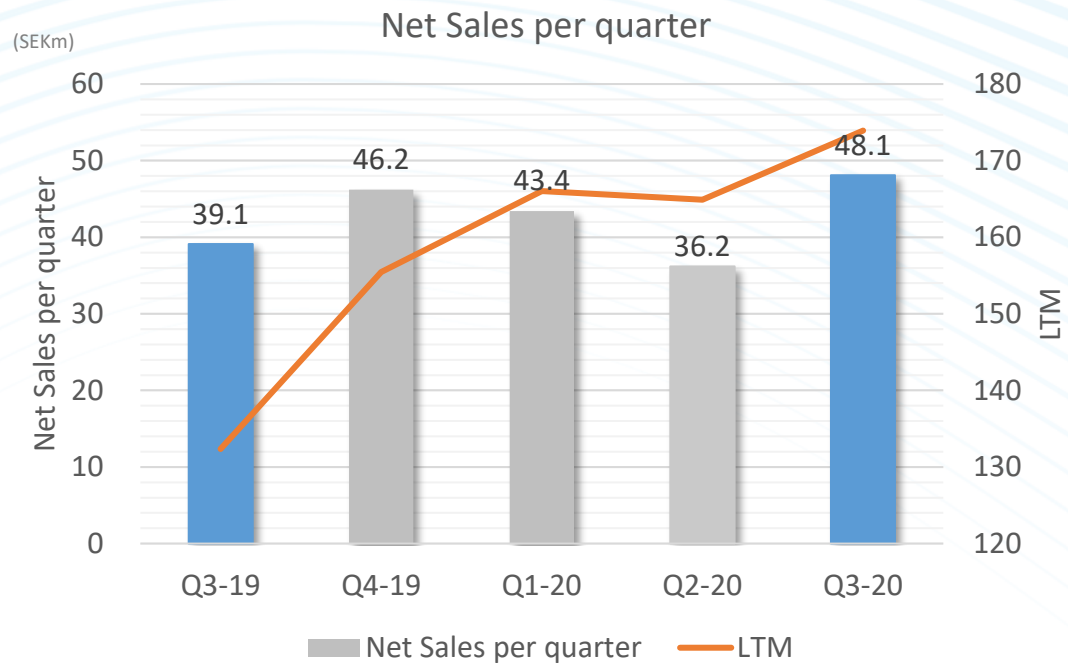
- Gradual return of elective and non-critical orthopaedic surgeries, though with hospitals and clinics well below pre-pandemic surgical capacity
- Netherlands up and running since July 1<sup>st</sup>. Two direct sales reps recruited covering existing and potential customers
- Initial market establishment in Australia by contracted distributor and local service provider
- Recruitment of Therapy Specialists to create a hybrid structure in Spain and Italy has been initiated





## Financial Review

# Q3 2020 net sales SEK 48.1 m

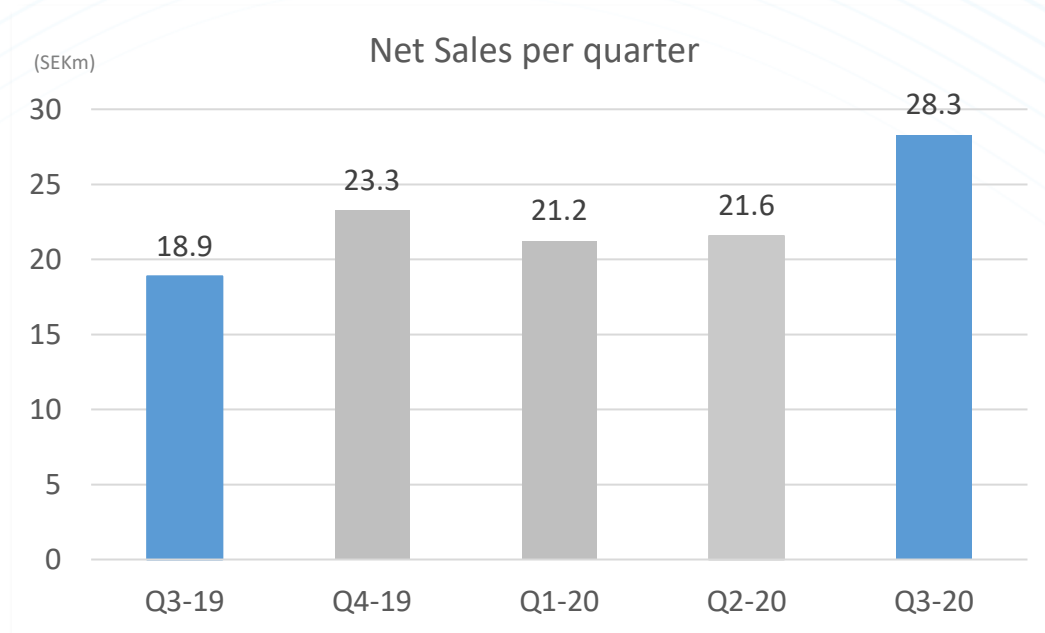


**+23%  
Net Sales  
Q3**

# North America

**+53%**  
Net Sales  
Q3

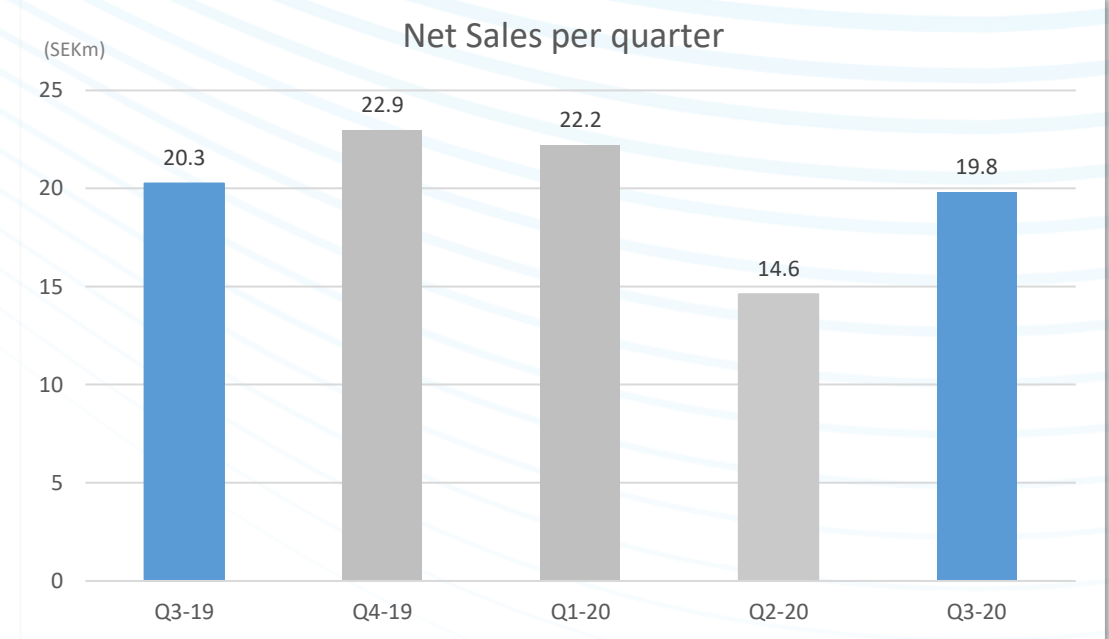
(SEKm)	July - Sep	
	2020	2019
Net Sales	28.3	18.5
Gross profit	27.2	16.9
Contribution	-0.6	-9.8



# EUROW

**-4%**  
Net Sales  
Q3

(SEKm)	July - Sep	
	2020	2019
Net Sales	19.8	20.7
Gross profit	16.9	17.4
Contribution	1.4	0.6





# STRONG GROWTH IN NORTH AMERICA GRADUAL RECOVERY IN EUROW

Key Figures	2020			2019				2018
	Q3	Q2	Q1	Q4	Q3	Q2 (i)	Q1	Q4
Net Sales	48.1	36.2	43.4	46.2	39.1	37.3	32.8	23.1
Gross Margin (%)	91.4	86.7	88.7	88.9	87.7	86.5	85.9	85.0
Operating Loss	-19.2	-23.5	-29.2	-38.6	-32.7	-47.8	-39.0	-45.0
Cash at period end	377.9	393.9	68.0	92.1	129.9	173.1	219.1	261.5

(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.

## Q3 Insights

- Despite the impact of the pandemic, sales grew by 23 percent compared to the third quarter of 2019 and by 33 percent compared to the second quarter this year
- The gross margin recovered from the lower level in Q2
- EBIT improved by SEK 13.5 m vs last year

## Strong ability to adapt the business

Key Figures	2020			2019				2018
	Q3	Q2	Q1	Q4	Q3	Q2 (i)	Q1	Q4
Selling expenses (less commissions)	32.0	23.0	35.0	41.3	33.5	47.9	37.3	37.7
Sales Commissions	9.2	6.9	7.1	8.0	6.0	4.8	3.5	1.1
Research and Development expenses	11.7	14.0	15.8	18.5	17.4	16.0	16.9	17.6
Administrative expenses	11.6	10.3	10.9	11.6	10.9	10.5	10.4	9.3
<b>Total expenses</b>	<b>64.5</b>	<b>54.2</b>	<b>68.7</b>	<b>79.4</b>	<b>67.8</b>	<b>79.2</b>	<b>68.1</b>	<b>65.7</b>

(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.

### Q3 Insights

- Gradual reversal of reduced working hours and voluntary salary reduction increase selling expenses compared with Q2 2020 but remaining below Q3 2019
- Research and Development reported low in the period as the FORTIFY study has recruited the last patient and thus entered a new phase and that the pace of implementation in other studies was affected by the pandemic.



Clear Corporate Strategy  
Driving Value Creation



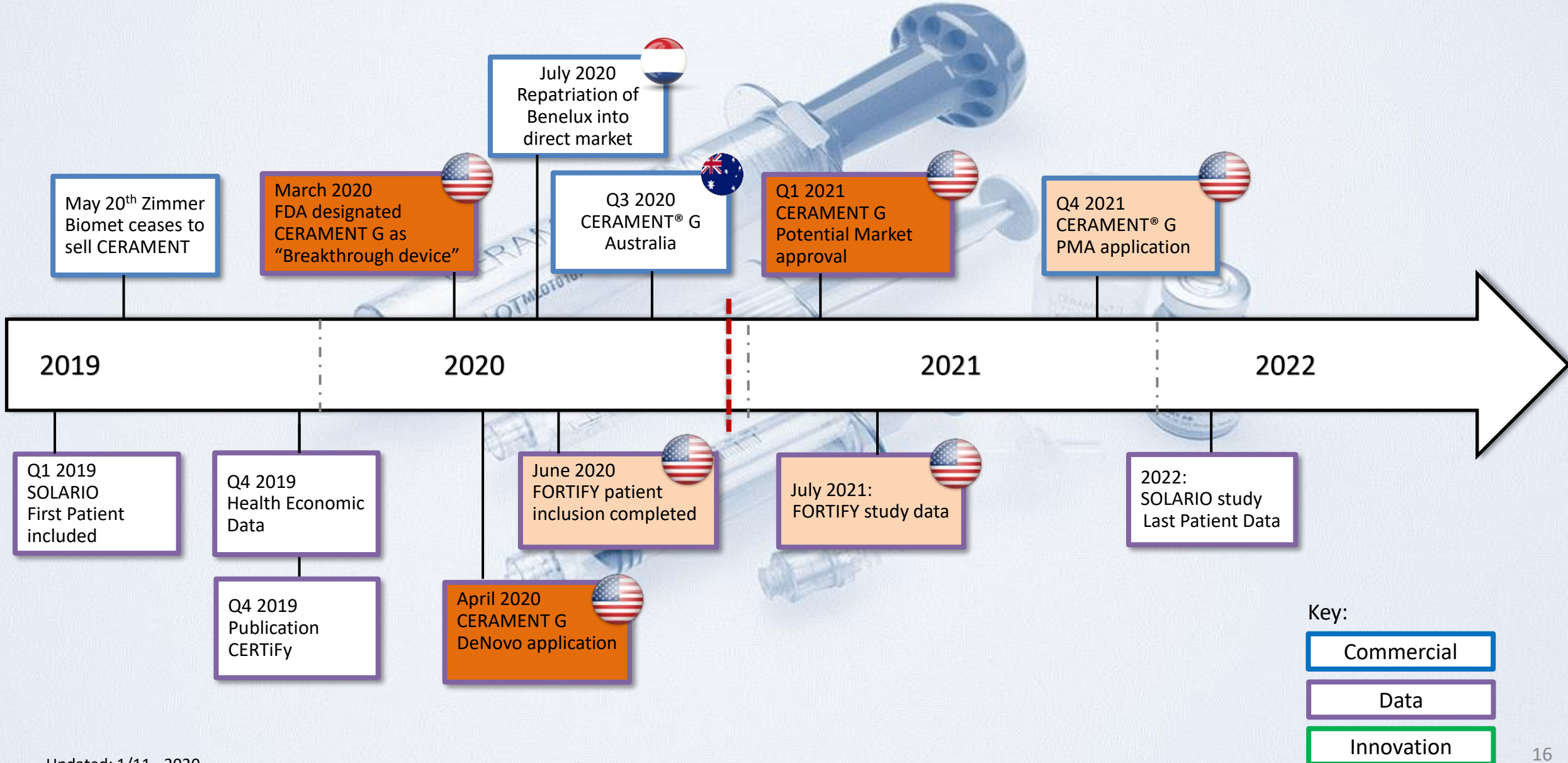
# Strategic execution and situational adoption

## **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 – accelerated CERAMENT G market entry
  - PMA application end of 2021 – FORTIFY patient recruitment completed
- Leveraging the value of clinical & health economic evidence
- Gradual and focused market expansion

**High confidence in corporate target of an annual sales growth of 40% (post pandemic)**

# CERAMENT® Value generating milestones





Q&A