



BONESUPPORT Business update Q4(2021)

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BONESUPPORT – Fourth quarter report 2021

Q4 2021:

- Net sales SEK 61.4m, growth: 15% versus Q4 2020, +21% in constant exchange rates
- EBIT: SEK -21.8 m (SEK -26.7 m)

Full year 2021

- Net sales SEK 212.9 m, growth: 18% versus FY 2020, +23% in constant exchange rates
 - FY sales growth in 2021 versus FY 2019: +44%
- EBIT: SEK -87.8 m (SEK -101,4 m)

- Return of regional restrictions and deferrals of non-acute surgeries as Omicron variant drove high incidence rates and new peak in number of hospitalized COVID patients
- Launch of cannula and guiding tube for use and application of CERAMENT in proximity to joints, with minimal invasive procedures

COVID-19 impact on market dynamics

- Autumn recovery in surgical volumes was disrupted as the Omicron-variant surged in late Nov/ Dec, again placing the health care systems in a state of postponing non-critical surgical procedures.
- CERAMENT sales is correlated to number of surgeries, in turn determined by pandemic impact
- Shortage of staff has added challenges to surgery volumes (in the U.S.; 450 000/3% of workforce in Health Care has left since Feb 2020 – Nov 2021)
- With opening of society/ reduction of restrictions, patient flow is on a steeper trajectory than capacity utilization, creating increasing back log/queues.

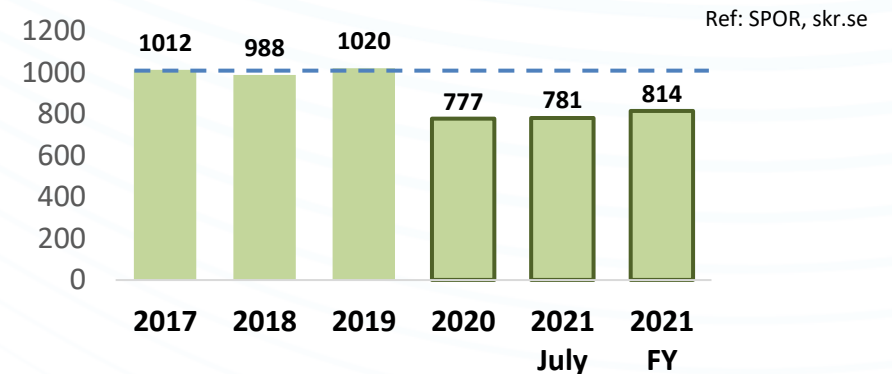
United Kingdom, Elective care, National Health System (NHS) Million people in queue

Nov 2020	Jan 2021	Mar 2021	May 2021	July 2021	Sept 2021	Nov 2021
4.5	4.6	5.0	5.3	5.6	5.8	6.0

Ref: NHS statistics. Every second month displayed since Nov-20

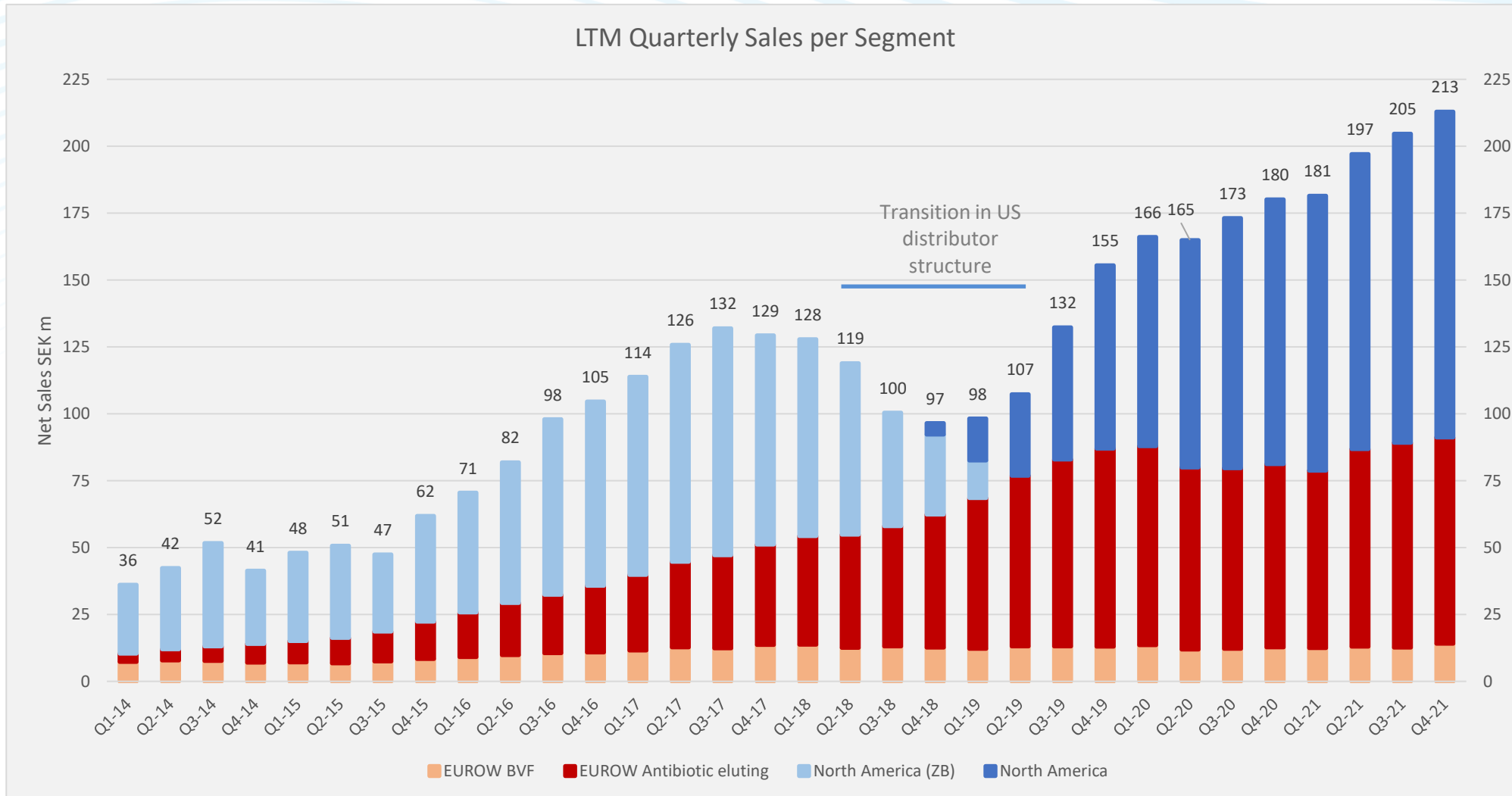
- NHS received additional £ 5,4 bn whereof £ 1,5 bn for elective procedure recovery
- “Build Back Better” – decision made to increase elective care activity in the NHS by 30 percent by 2024–2025, compared to pre-pandemic levels

Sweden, number of surgeries per day



- Normal production: 1010 surgeries/day
- Back log: 156 k surgeries (126 k surgeries in May 21)

New all-time-high, despite strong Omicron impact at end of quarter 4



North America:

Strong sales growth with continuously increasing market penetration

Q4 2021

- Sales of SEK 34.8 m, reported growth of 22% over Q4 2020, +31% in constant exchange rates
- Regionally high hospitalizations, as result of Omicron-variant, has deferred non-critical procedures

After period end:

- Signed strategic distribution agreement with OrthoPediatrics

CERAMENT G registration in the U.S.

- “Interactive review” with FDA following September supplementary DeNovo material submission. Potential market access grant decision in Q1 2022.
- Control group data contains more than 200 patients (PMMA beads)

Other highlights:

- Further strengthened commercial infrastructure; recruitment in Northern California and Mid West, for a total of 12 Regional Managers
- Hybrid set up in Canada

EUROW

Market conditions again constrained as Omicron break-out impacts surgical capacity and hospital access

Q4 2021

- Sales of SEK 26.6 m, a growth of 8% vs Q4 2020, +9% in constant exchange rates
- Regionally high levels of COVID hospitalized patients.

Highlights

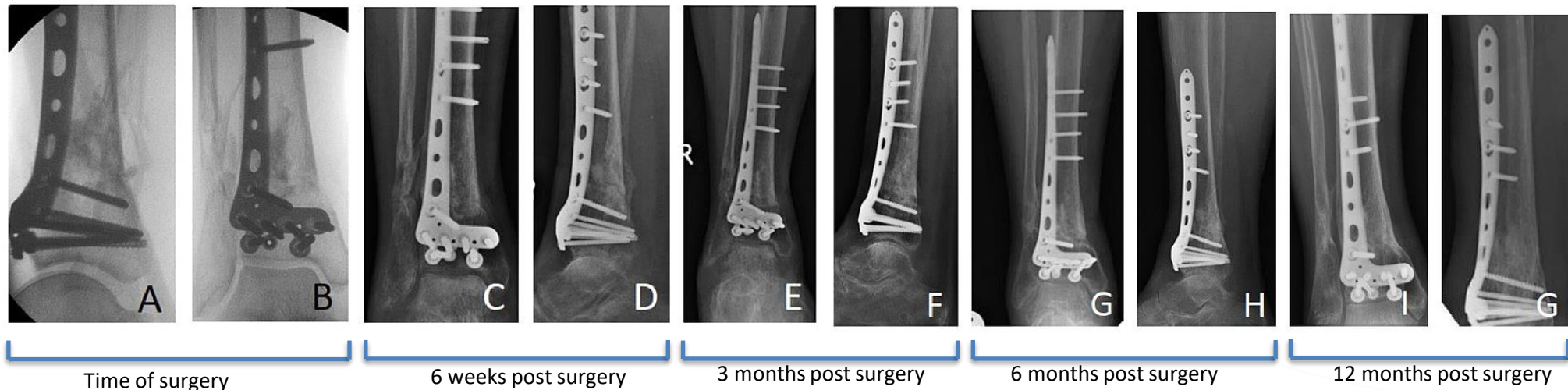
- Selected clinics have extended surgical procedures to weekends, in order to reduce the build up of backlog
- Additional funding (political response to pandemic created back log) starting to be visible in U.K. health system surgical capacity
- Validating publication (Aljawadi et al.) on bone remodelling with severe trauma cases

Strong radiologic validation of bone remodeling in extended Trauma publication

Aljawadi A, Naylor T et al. (January 05, 2022) Radiological Analysis of Gentamicin Eluting Synthetic Bone Graft Substitute Used in the Management of Patients With Traumatic Bone Voids. Cureus 14(1): e20969. DOI 10.7759/cureus.20969

- 51 patients, retrospective data collected from 2015-2021, patient mean age 42 yrs
- 81% of patients with open fracture (Gustillo-Andersen IIIB) and 19% with closed fracture.
- X-ray performed at 6-9 weeks, 3 months, 4-6 months and 12 months

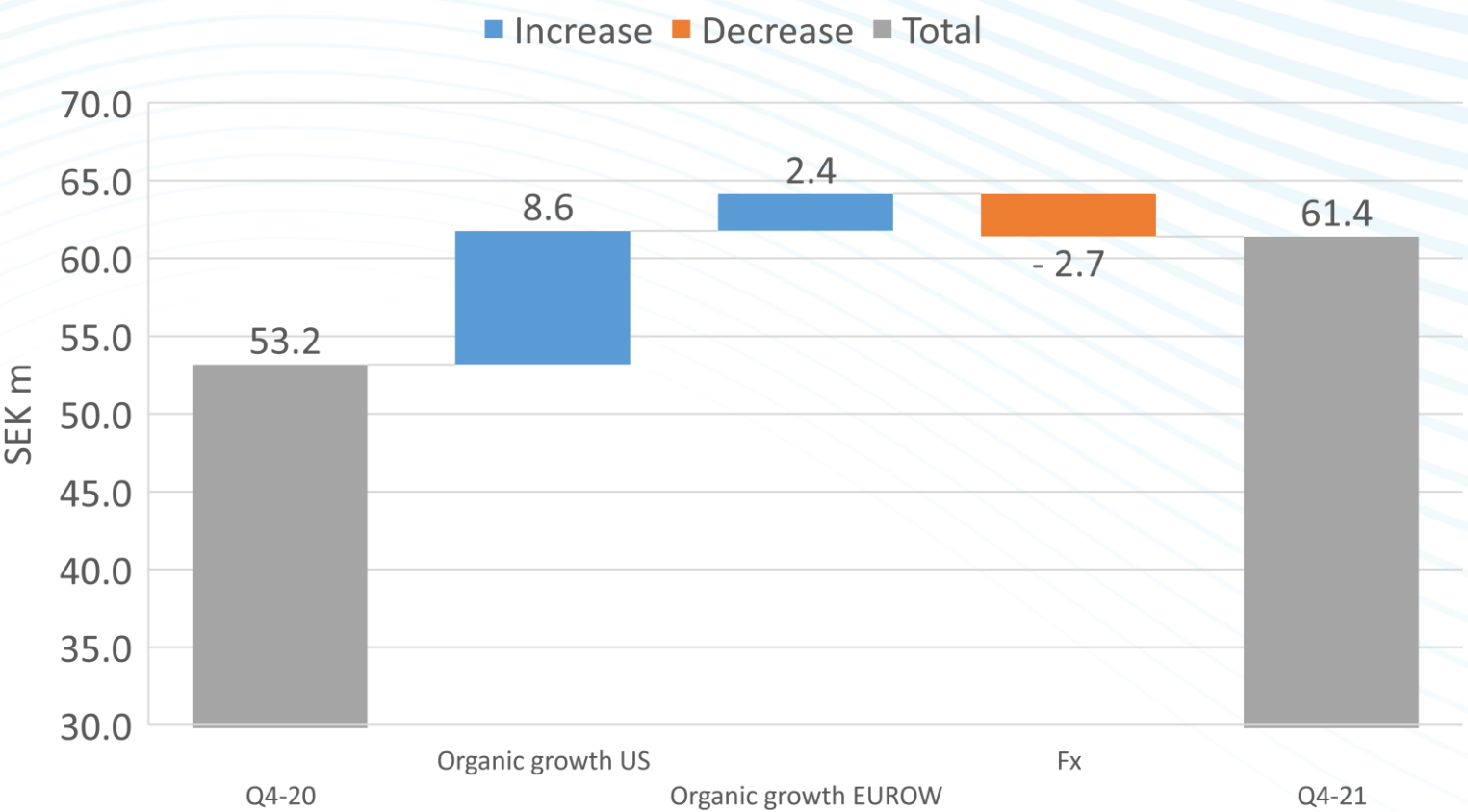
Conclusion: “Cerament-G used as a void filler for patients with traumatic bone void has resulted **98% fracture union rate** with good signs of **radiological remodeling into a trabecular bone**”





Financial Review

Q4 2021 net sales SEK 61.4 m



- A 30 percent growth CER in NA despite influence from the pandemic. 22 percent reported growth
- A 9 percent growth CER in EUROW despite influence from the pandemic. 8 percent reported growth

North America

North America		2021				2020
SEK m	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20	
Net Sales	34.8	32.7	29.1	25.1	28.6	
Gross profit	32.7	30.6	27.1	23.3	27.2	
Gross margin	94%	94%	93%	93%	95%	
Contribution	3.7	1.3	-0.3	-2.0	0.1	

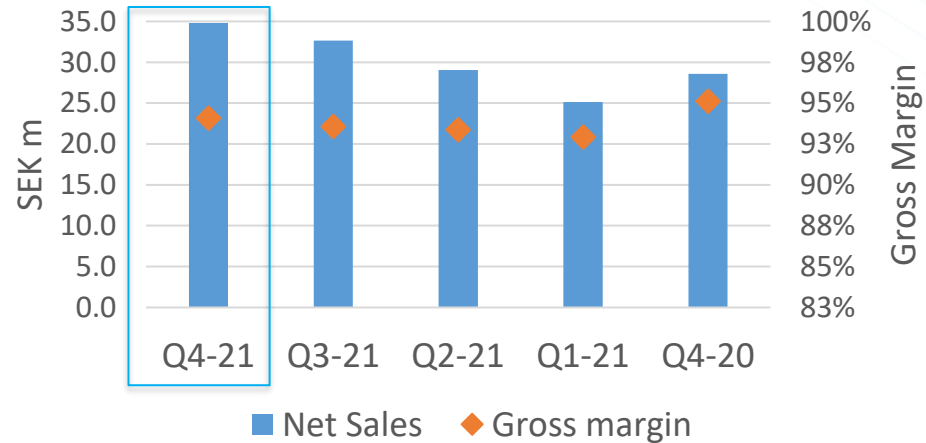
+22%
(+30% CER)
Net Sales
Q4-21

EUROW

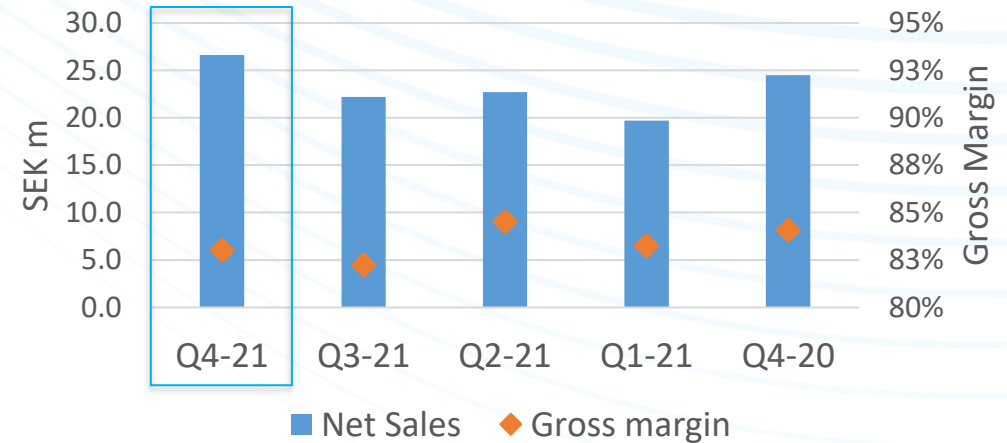
EUROW		2021				2020
SEK m	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20	
Net Sales	26.6	22.2	22.7	19.7	24.5	
Gross profit	22.1	18.3	19.2	16.4	20.6	
Gross margin	83%	82%	85%	83%	84%	
Contribution	5.0	2.4	3.0	2.2	5.6	

+8%
(+9% CER)
Net Sales
Q4-21

Net Sales and gross margin



Net Sales and gross margin



A 7.9 MSEK profit improvement before long-term incentive provisions

Key Figures		2021					2020		
SEK m	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net Sales	61.4	54.9	51.8	44.8	53.2	48.1	36.2	43.4	
Gross Margin (%)	89.3	89.0	89.5	88.6	89.8	91.4	86.7	88.7	
Operating Loss	-21.8	-13.3	-25.9	-19.7	-26.7	-19.2	-23.5	-29.2	
Cash at period end	206.5	225.5	309.6	339.0	353.7	377.9	393.9	68.0	

Q4 Insights

- Despite an intensified pandemic with Omicron, sales grew by 15 percent (21 percent in CER) compared to the fourth quarter of 2020.
- Gross margin remaining stable.
- Operating loss included expenses regarding long-term incentive programs amounting to SEK 4.8 million, compared with a cost of SEK 1.8 million in Q4 the previous year. The increased cost was mainly an effect from the first-time inclusion of the programs approved at the Annual General Meeting in May 2021.

Specific topics impacting expenses in Q4

Key Figures		2021					2020			
SEK m	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Selling expenses (less commissions)	38.5	35.5	33.3	31.2	33.9	32.0	23.0	35.0		
Sales Commissions	11.4	10.0	9.3	7.9	8.4	9.2	6.9	7.1		
Research and Development expenses	14.4	11.3	15.8	12.3	16.5	11.7	14.0	15.8		
Administrative expenses	14.8	⁽ⁱ⁾ 5.4	14.0	9.9	12.6	11.6	10.3	10.9		
Total expenses	79.2	62.3	72.4	61.2	71.4	64.5	54.2	68.7		

Q4 Insights

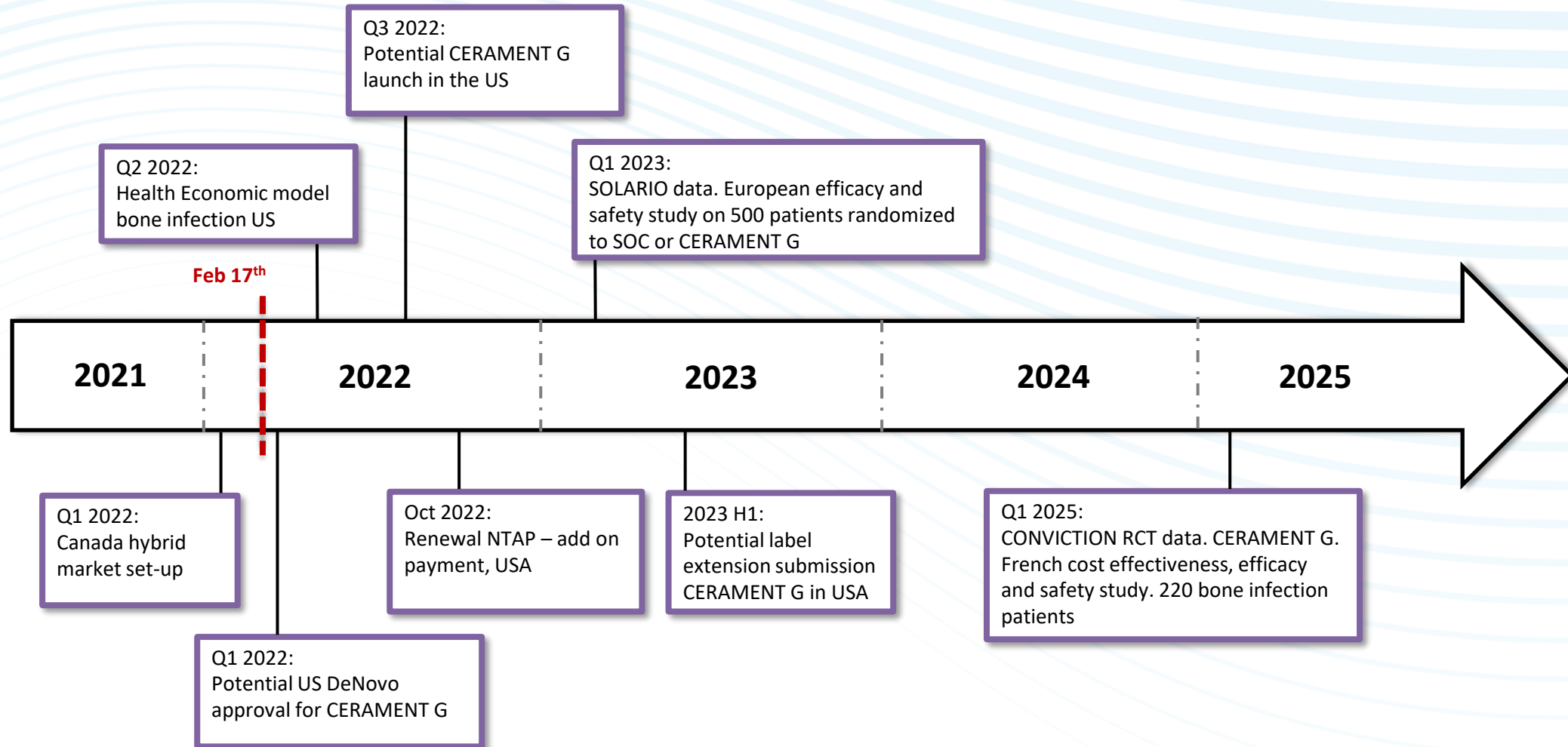
- Selling expenses increased with SEK 4.6 m compared with the same period last year. The higher cost level partially relates to the investments in hybrid markets, Italy and Spain. The period also contains significant demo kit replenishment and increase in freights and fees following the sales growth.
- R & D expenses reported below previous year as FORTIFY related costs have been phased out during the quarter.
- Administration remaining on a stable level excluding effects from the long-term incentive programs.

⁽ⁱ⁾ Administrative expenses in Q3 2021 included effects regarding incentive programs amounting to a reduced cost of SEK 2.4 million.



Clear Corporate Strategy
Driving Value Creation

BONESUPPORT journey ahead - Exciting near term milestones



Strategic execution and situational adaptation

- **Agile commercial adaptation, navigating through pandemic hurdles**
- **Strengthened commercial set up to benefit from post-pandemic dynamic:**
 - Solid and continuously growing customer base in US
 - Strategic partnership with OrthoPediatrics
 - + 2 Regional Managers (total 12)
 - Netherland converted to direct market
 - Foothold in South Africa, Middle East and Australia
 - Hybrid set up in Spain, Italy and Canada
- **CERAMENT G to the US market**
 - De Novo pathway – Interactive review throughout Q4 2021
 - Pursuit of broader label (trauma) once infection market access secured
- **Leveraging the value of clinical & health economic evidence**

Corporate target of an annual sales growth of 40%



Q&A