

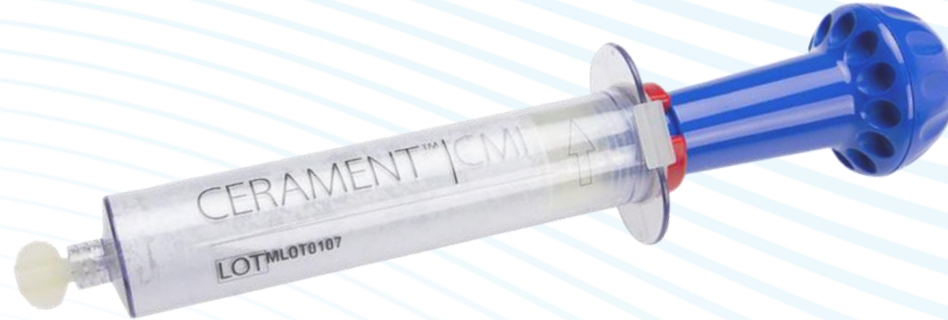


BONESUPPORT introduction

Pareto 11:th Annual Health Care Conference

September 2nd 2020

CERAMENT® - a unique and proven technology for the treatment of bone injury



Commercially proven products with near-term sales triggers

- Three solutions for bone healing: CERAMENT BVF (Bone Void filler), CERAMENT G (Gentamicin), CERAMENT V (Vancomycin)
- Expanding commercial operations in the US and Europe
- CERAMENT G designated "Breakthrough device" in March 2020 by US FDA

Significant addressable market – largely untapped

- The global market for bone grafts is worth USD 3.3 bn, growing +5% per year
- Historical golden treatment standard is organic grafts (autograft or allograft) with several challenges
- Strong published clinical evidence and health economic data in favor of CERAMENT, also in direct comparison with current treatment standards

Well-protected product with clinically proven benefits

- Technology protected by more than 100 active patents
- More than 160 publications verifying Surgeon/Payor/Patient benefits
- More than 50 000 treated patients

BONESUPPORT focus market represents USD 660 m of addressable 1.3 bn global bone graft market

Total bone graft market

USD 3.3 bn

61%

Indications for which CERAMENT is not yet approved: Spine and Cranio-Maxillofacial

The market for bone grafts is growing +5% per year

Addressable global market

USD 1.3bn

RoW

Asia

RoEU

25% US

25% EU top 5

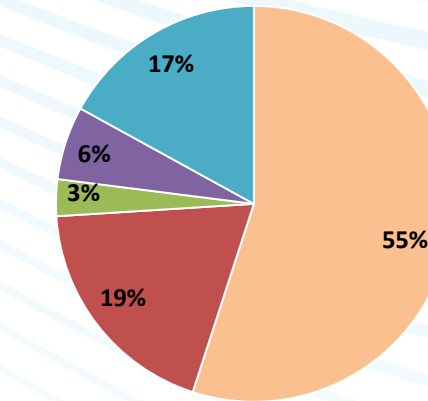
BONESUPPORT FOCUS MARKET

720 k surgical procedures per year

USD 660m

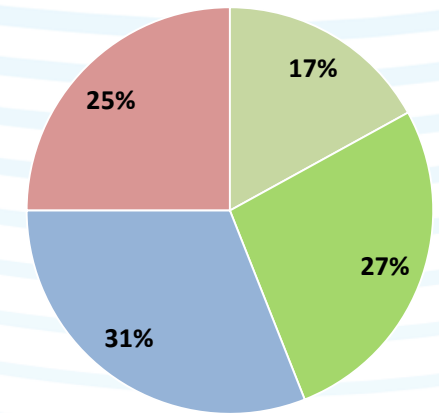
A bone injury that does not heal naturally must be treated

Indications for bone graft procedure⁵



■ Trauma
■ Revision arthroplasty
■ Chronic bone infection
■ Cysts and bone tumors
■ Diabetic foot

Treatment procedures for bone grafts⁵



■ Autograft
■ Allograft DBM
■ Allograft
■ Synthetic Bone Graft

Historical gold standard, organic grafts/ transplants, has:

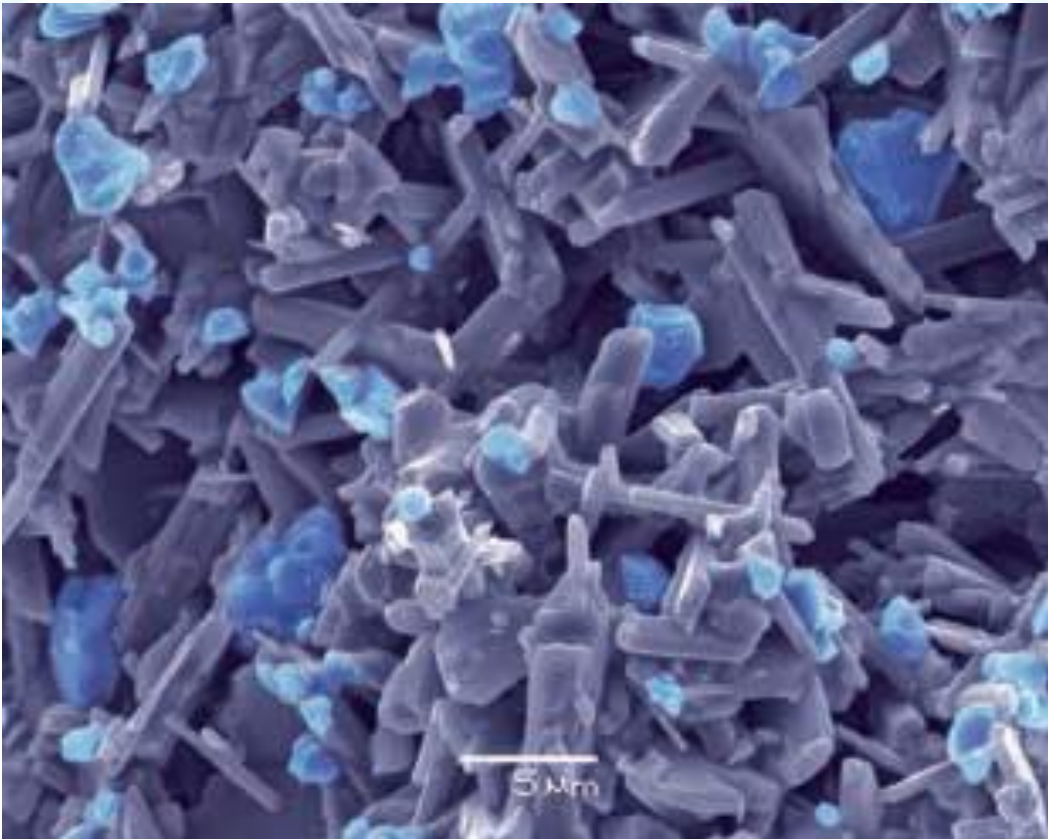
- 47% of patients have daily living negatively² influenced for up to 6 months following Autograft, due to issues at donor site. 39% of patients experience long term pain from donor site.
- Allograft fails in 25-50% of cases³⁻⁴, requiring additional treatment stages

1. BONESUPPORT assessment based on proprietary (APEX) and open market research (Global Data)

2. Lementovski et al. 'Acute and chronic complications of intracortical iliac crest bone grafting versus the traditional corticocancellous technique for spinal fusion surgery.' Orthopedics (2010);33. 3. <http://www.surgeryencyclopedia.com/A-Ce/Bone-Grafting.html>

4. Zheng et al, Mechanism of bone allograft failure, J Bone Joint Surg Br 2002 vol, 84-B no, SUPP III 234 5. Refers to addressable market

CERAMENT® - Unique synthetic bone graft that resorbs as natural healing progresses, protecting against infection by antibiotic elution

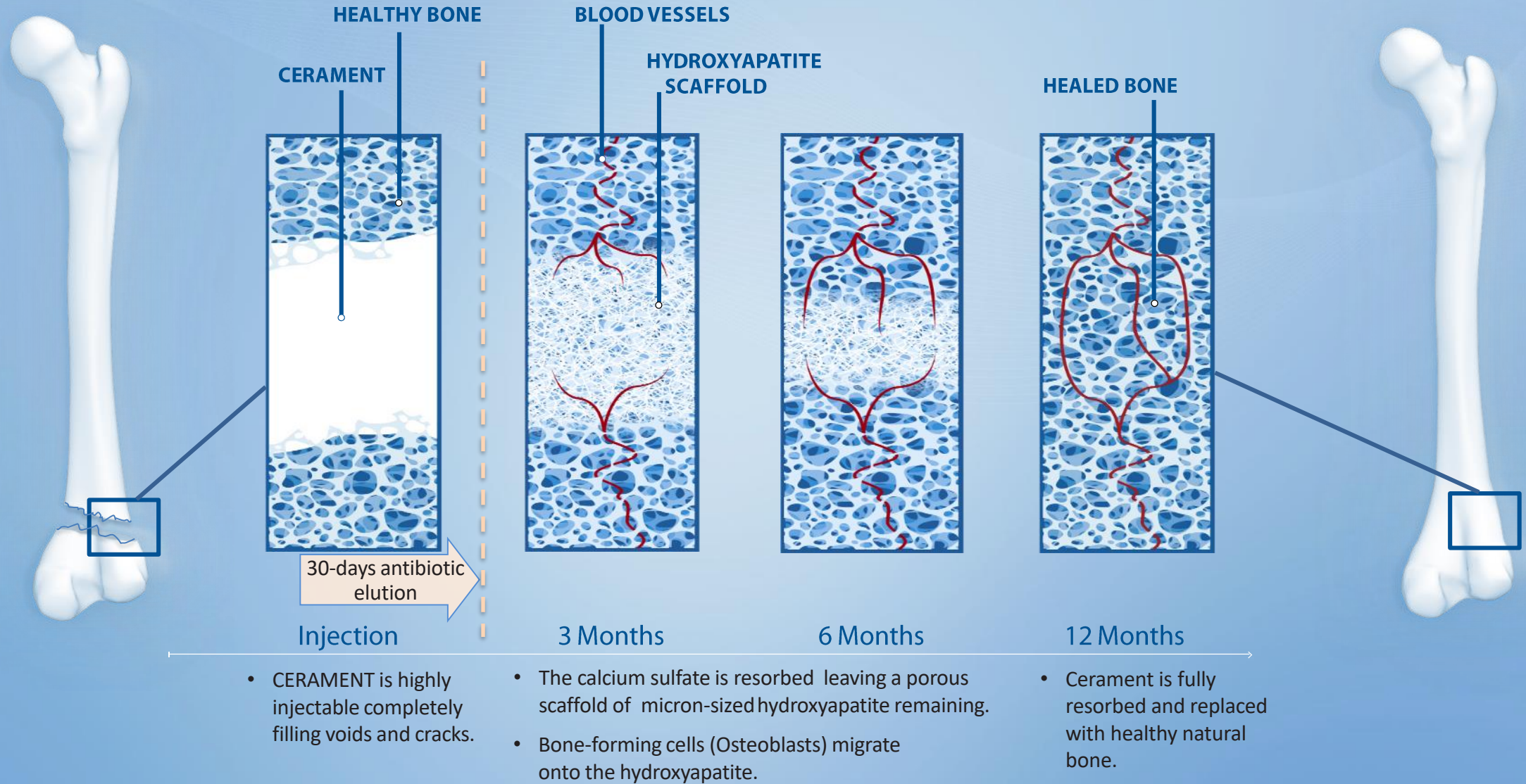


Microscope scan: Injected Cerament creates a microporous matrix with 20%-40% porosity

- **Injectable bio-ceramic composition:**
40% Hydroxyapatite
60% Calcium sulfate
- **Developed and designed to replace organic bone graft:**
 - Remodels into living bone within 6-12 months
- **Off the shelf, easy to handle and inject**
- **30-days predictable elution of antibiotics (pending FDA approval¹):**
 - Effectively preventing and treating bone infections
 - Reducing the risk of amputations
 - Enabling a single-stage procedure

CERAMENT® - Mechanism of Action

1. Autologous Iliac Bone Graft Compared with Biphasic Hydroxyapatite and Calcium Sulfate Cement for the treatment of Bone Defects in Tibial Plateau Fractures. J Bone Joint Surg Am. 2019;00:1-15



CERAMENT heals fractures as effectively as autograft, eliminating the need for bone transplants¹

Significantly improved treatment outcomes with CERAMENT G proven in clinical studies

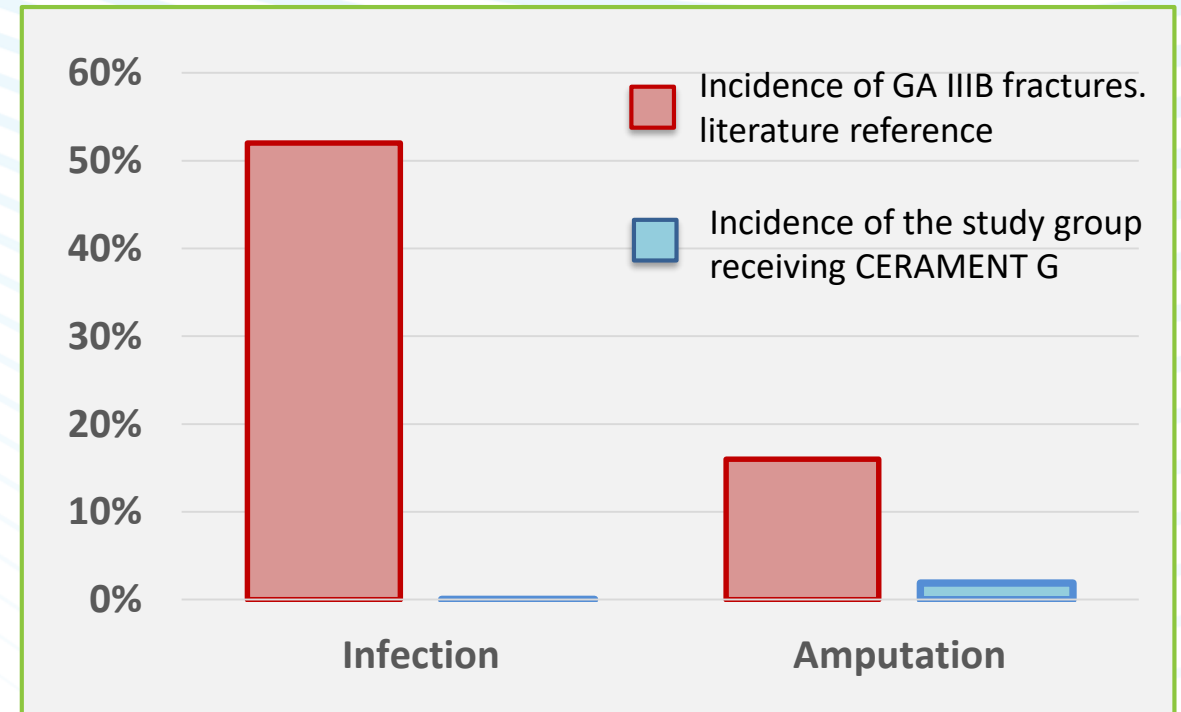
Jahangir et al. The usage of adjuvant local antibiotic hydroxyapatite bio-composite in the management of open Gustilo Anderson type IIIB fractures, Journal of Orthopaedics 16 (2019) 278–282

Prospective study on patients with tibia fractures

- **51 patients** with type IIIB fracture (severe open tibia fracture with extensive soft tissue damage).
- Documentation shows infection and amputation frequency of up to **52%** and **16%** respectively for this type of injury.^{1,2}

Treatment and follow-up

- Single stage surgery using CERAMENT® G
- Average follow-up time 14 months

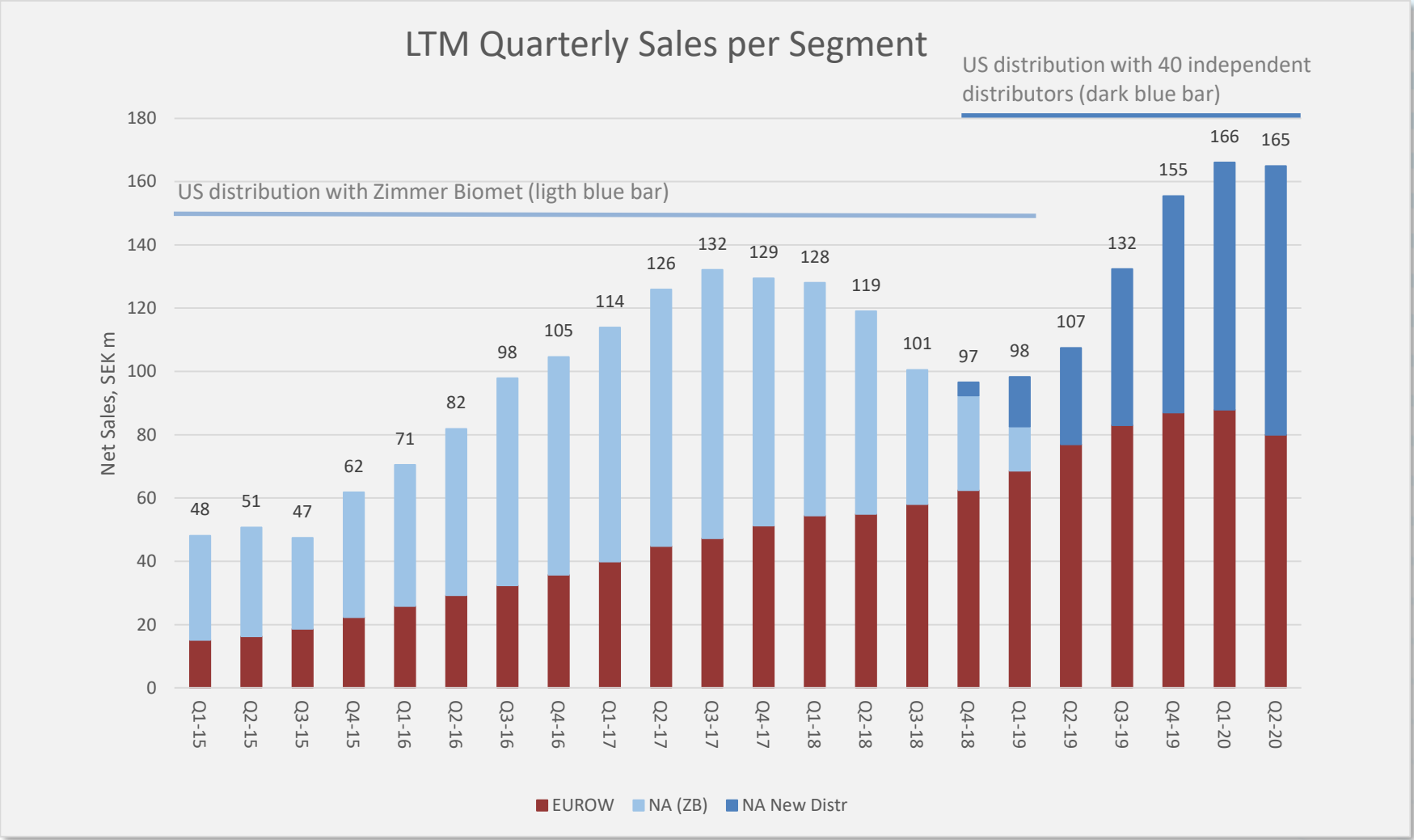


Results:

- **0% deep infections** (compared to literature reference¹ up to **52%**)
- Amputation could be avoided for all except one patient (reduction of amputation frequency from **16%**² to **1.9%**)
- Subsequent bone remodeling without further surgery.

1. Gustilo RB et al. Problems in the management of type III (severe) open fractures: a new classification of type III open fractures. J Trauma. [Internet]. 1984; 24: 742–746
2. Morgenstern M et al. The effect of local antibiotic prophylaxis when treating open limb fractures: A systematic review and meta-analysis. Bone Joint Res. 2018; 7 :447-456

Strong growth trajectory in both focus geographies



- Currently only CERAMENT BVF sold in the US (CERAMENT G pending FDA approval)
- Historical distribution partner in US addressed 30% of potential market.
- New distribution model addressing full market potential
- H1 2020 influenced by the COVID-19 pandemic
- Antibiotic eluting CERAMENT(G+V) represents **85%** of EUROW sales

Expanding the platform for an accelerated growth journey

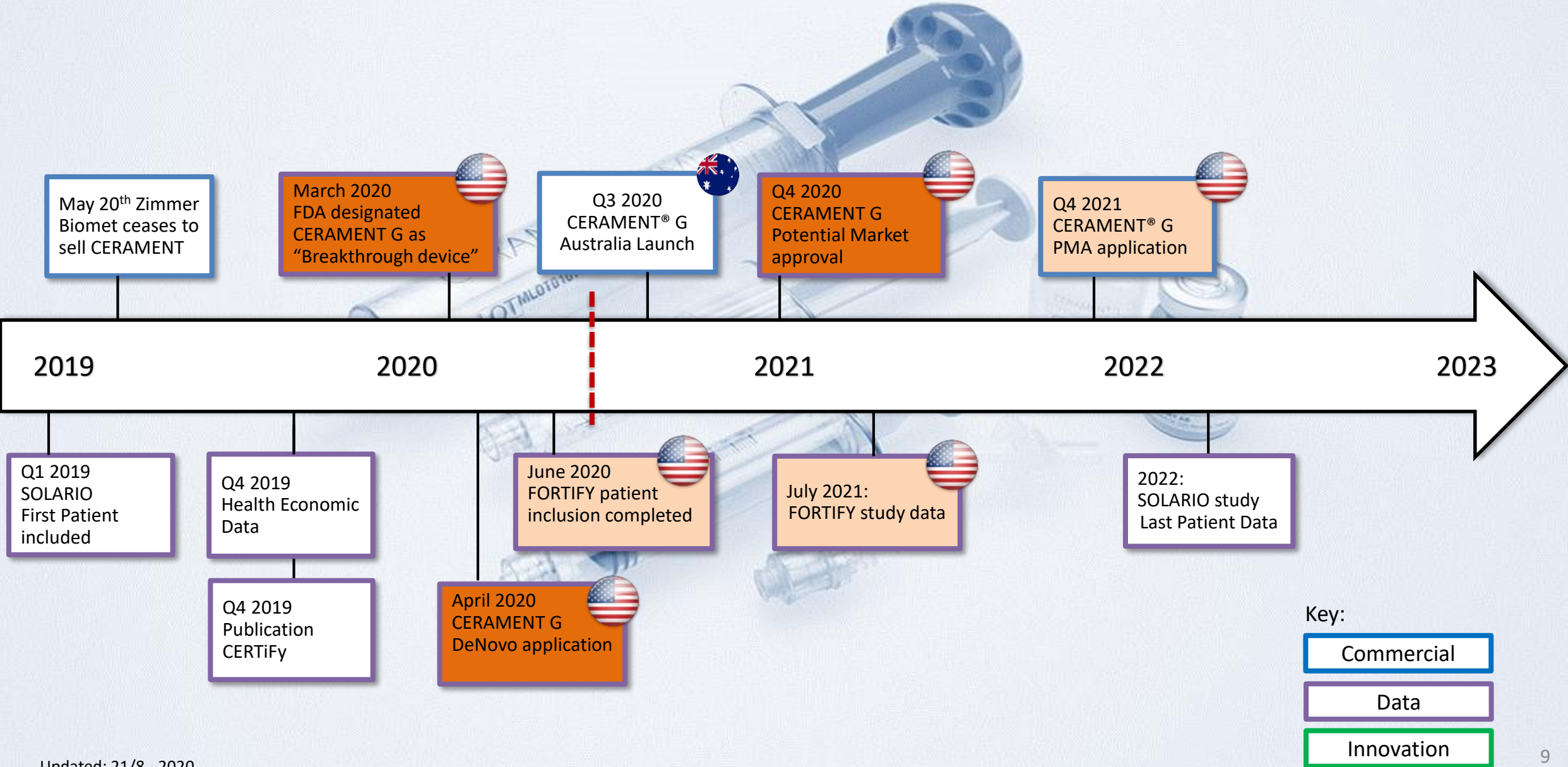
- Capital raise of 378 mSEK in May 2020 to secure effective market penetration in the US, Europe and new markets, to pursue large untapped potential
- Capitalize on new commercial structure in the US and expanded sales team in EU
- Preparing for market introduction of CERAMENT G (Gentamicin) in the US
 - DeNovo application submitted in April 2020 – Expected approval in late 2020 for bone infections
 - FORTIFY study recruitment completed (additional broader indications), PMA submission late 2021
- Leveraging the value from clinical and Health Economic evidence
- Expanding commercial geographical footprint. Selective new market entries
 - Benelux repatriated

Q2 2020 –strong progress despite Pandemic influence

- Non-critical orthopedic surgeries deferred to later dates due to pandemic outbreak
- Sales Q2: 36 mSEK, -3% vs PY
- US business grew with +46%, EUROW -35%
- Significant improvement in EBIT: -23,5 mSEK (-47,8 mSEK)
- Total sales H1 grew with 14%

- Estimates an annual sales growth of 40% (2021 and forward)

CERAMENT® Value generating milestones





Appendix

Favorable health economic data for CERAMENT G&V – first results

Nuffield Orthopaedic Centre, Oxford University Hospitals - one of the leading clinics in Europe in orthopedics and treatment of bone infections

Clinical data

In 2013 Nuffield introduced CERAMENT G & V in their treatment algorithm and applied a single-stage-procedure.

100 patients with osteomyelitis were treated with CERAMENT G in a single-stage-procedure and were followed for a mean of 19.5 months

The result was a **56%** reduction in reinfection ¹ compared to previously used treatment regime

56% reduction in
reinfection rate

Health economic data, top line results

Comparison of osteomyelitis patients treated at Nuffield with single-stage-procedure CERAMENT G or CERAMENT V with the national average.

Over 25 000 patients treated in 2013-2017 analyzed and followed for 2 years after surgical treatment

The result was **16** days of reduced hospital stay per patient²

5 days earlier discharge from
hospital after surgery

11 days less in hospital
during 2 Y follow up

Saving of 7.0 k£/patient³
Potential for national saving p.a. of:
£44M /year