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Press Release

BONESUPPORT intends to carry out a directed share issue

Lund, Sweden, 17:31 CEST, 26 May 2020 – BONESUPPORT HOLDING AB (publ), an emerging leader in orthobiologics for the management of bone injuries (“BONESUPPORT” or the “Company”) (Nasdaq Stockholm: BONEX) hereby announces its intention to carry out a directed share issue to Swedish and international institutional investors (the “Directed Share Issue”). The Company has retained Skandinaviska Enskilda Banken AB and Carnegie Investment Bank AB (publ) to act as Joint Bookrunners (the “Joint Bookrunners”) in connection with the directed share issue.

The subscription price and the total number of new shares in the Directed Share Issue will be determined by way of an accelerated bookbuilding procedure (the “Bookbuilding”). The Company believes that using the flexibility provided by a directed share issue is the most appropriate alternative for the Company at this time, allowing it to raise capital in a timely and cost-effective manner and to diversify the shareholder base. By establishing the subscription price in the Directed Share Issue through an accelerated bookbuilding procedure, it is the assessment of the board of directors that the subscription price will accurately reflect current market conditions and demand. It is intended that up to 10,000,000 shares will be offered in the Directed Share Issue.

The Bookbuilding will start immediately following this announcement. Pricing and allocation of the new shares in the Directed Share Issue is expected to take place before beginning of trading on Nasdaq Stockholm at 09:00 CEST on 27 May 2020. The exact timing of closing of the Bookbuilding, pricing and allocation is at the discretion of the Company and the Joint Bookrunners. The Company will announce the outcome of the Directed Share Issue immediately after closing of the Bookbuilding in a subsequent press release.

The net proceeds of the Directed Share Issue are intended to be used for: (i) US market introduction and penetration of CERAMENT G, (ii) continued market investments in Europe, (iii) regulatory approvals in new markets, (iv) manufacturing improvements, (v) R&D pipeline progression and supporting clinical studies, and (vi) general corporate and financial reorganizations.

Consummation of the Directed Share Issue is, among other things, subject to a resolution by the board of directors of BONESUPPORT, pursuant to the authorization given by annual general meeting 19 May 2020 to issue new shares, following closing of the Bookbuilding.

In connection with the Directed Share Issue, the Company has agreed pursuant to a lock-up undertaking, subject to customary exceptions, not to issue additional shares for a period of 180 days following settlement of the Directed Share Issue. In addition, in connection with the Directed Share Issue, the Company’s major shareholders, Stiftelsen Industrifonden, HealthCap V L.P. and Tellacq AB, as well as members of the board of directors and management of BONESUPPORT have agreed not to sell any shares in the Company for a period of 180 days following the settlement of the Directed Share Issue, subject to customary exceptions.

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For more information contact:

BONESUPPORT AB

Emil Billbäck, CEO
+46 (0) 46 286 53 70

Håkan Johansson, CFO
+46 (0) 46 286 53 70
ir@bonesupport.com

Cord Communications

Charlotte Stjerngren
+46 (0) 708 76 87 87
charlotte.stjerngren@cordcom.se
www.cordcom.se

About BONESUPPORT™

BONESUPPORT (Nasdaq Stockholm: BONEX) develops and commercializes innovative injectable bio-ceramic bone graft substitutes that remodel to the patient's own bone and have the capability of eluting drugs. BONESUPPORT's bone graft substitutes are based on the patented technology platform [CERAMENT](#). The Company is conducting several clinical studies to further demonstrate the clinical and health economic benefits that its products deliver and a Premarket approval filing with the FDA (USA) for [CERAMENT G](#) is planned in 2021. The Company is based in Lund, Sweden, and the net sales amounted to SEK 155 million in 2019. Please visit www.bonesupport.com for more information.

BONESUPPORT and CERAMENT are [registered trademarks](#) of BONESUPPORT AB.

EU Market Abuse Regulation

This information is such information as BONESUPPORT HOLDING AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 17:31 CEST on 26 May 2020.

Important information

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Share Issue must be made on the basis of all publicly available

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information relating to the Company and the Company's shares. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

This announcement does not constitute a recommendation concerning any investor's option with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be published, distributed or released, directly or indirectly, in whole or in part, within or into the United States of America, Australia, Canada, Hong Kong, Israel, Japan, New Zealand, South Africa, Switzerland or in any other jurisdiction where such publication, distribution or release of the information would not comply with applicable laws and regulations or would require prospectuses, registration or any other measures than those required by Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation 2017/1129 of the European parliament and of the council (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. BONESUPPORT has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

This press release is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This press release must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this press release relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this press release must satisfy themselves that it is lawful to do so.

This press release may contain forward-looking statements which reflect BONESUPPORT's current view on future events and financial and operational development. Words such as "intend", "expect",

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“anticipate”, “may”, “believe”, “plan”, “estimate” and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the new shares in the Directed Share Issue (the “Issue Shares”) have been subject to a product approval process, which has determined that the Issue Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Issue Shares may decline and investors could lose all or part of their investment; the Issue Shares offer no guaranteed income and no capital protection; and an investment in the Issue Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Issue Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Issue Shares and determining appropriate distribution channels.