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Press Release

BONESUPPORT has completed a directed share issue raising SEK 378 million

Lund, Sweden, 23.59 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 that the Company has successfully completed a directed share issue raising SEK 378 million in gross proceeds. Following the directed share issue, BONESUPPORT will host an investor presentation at 10:30 AM CEST tomorrow, 27 May 2020. Additional details are provided below.

The board of directors of BONESUPPORT has, based on the issue authorization granted by the annual general meeting on 19 May 2020, and as indicated in the Company’s press release earlier today, resolved on a directed share issue of 10,500,000 new ordinary shares at a subscription price of SEK 36 per share (the “Directed Share Issue”), which means that the Company will receive gross proceeds of SEK 378 million.

The subscription price in the Directed Share Issue has been determined by way of an accelerated bookbuilding procedure. A large number of Swedish and international institutional investors participated in the Directed Share Issue.

Emil Billbäck, CEO of BONESUPPORT comments: *“We are very happy with the strong interest from both Nordic and international institutions to take part in the BONESUPPORT growth story. Financing for our planned launch of CERAMENT G in the US market and further strengthening of our commercial operations have now been secured, and we are truly excited about the future.”*

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 redistributions.

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 accurately reflects current market conditions and demand.

Through the Directed Share Issue, the Company’s share capital will increase by SEK 6,562,500.00 from SEK 33,680,462.50 to SEK 40,242,962.50, by new issue of 10,500,000 ordinary shares, resulting in the total number of shares increasing from 53,888,740 shares to 64,388,740 shares, whereof 63,153,740 are ordinary shares and 1,235,000 are class C shares. The Directed Share Issue results in a dilution of approximately 16.31 percent of the capital and approximately 16.59 percent of the votes for existing shareholders based on the total number of shares and votes in the Company after the Directed Share Issue. It is expected that investors in the Directed Share Issue will be delivered their shares on 29 May 2020.

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Skandinaviska Enskilda Banken AB and Carnegie Investment Bank AB (publ) have acted as Joint Bookrunners in the transaction. Setterwalls Advokatbyrå AB acted as legal adviser to BONESUPPORT.

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.

Invitation to investor presentation

Event date:

Wed, 27 May 2020 - 10:30

Timezone:

Europe/Stockholm

Weblink:

<https://tv.streamfabriken.com/press-conference-may-2020>

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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 23.59 CEST on 26 May 2020.

About BONESUPPORT™

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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.

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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 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.

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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”, “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

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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.