

BONESUPPORT HOLDING AB (publ) – Interim Report

January – September 2018

Lund, Sweden, 08.00 CET, 7 November 2018 – BONESUPPORT™, an emerging leader in orthobiologics for the management of bone voids, publish its Q3 2018 Interim Report.

SUCCESSFULLY ESTABLISHED NEW US DISTRIBUTION STRUCTURE

1 JULY – 30 SEPTEMBER 2018

- Net Sales amounted to SEK 14.2 million (32.7), a decrease by 56%. As expected, there were no sales in the segment North America due to the termination of our US distribution agreement in May. The increase in the segment Europe and ROW was 29%
- Gross margin of 91.0% (87.8)
- Operating loss of SEK -57.1 million (-20.1)
- Earnings per share before and after dilution was SEK -1.13 SEK (-0.47)

1 JANUARY – 30 SEPTEMBER 2018

- Net Sales amounted to SEK 73.5 million (102.3), a decrease of 28%, in which Europe and ROW increased by 19% while the sales in North America decreased by 54%
- Gross margin of 85.9% (87.9)
- Operating loss of SEK -128.1 million (-65.9)
- Earnings per share before and after dilution was SEK -2.55 (-2.13)

SIGNIFICANT EVENTS 1 JULY – 30 SEPTEMBER 2018

- Michael Diefenbeck, Chief Medical Officer, took over responsibility for R&D and Clinical Affairs
- The Company employed Håkan Johansson as new CFO from Q4 this year
- Strategic agreement signed with MTF Biologics Inc. to gain access to two DBM products, these will expand and strengthen our US product offering

SIGNIFICANT EVENTS AFTER PERIOD END

- Zimmer Biomet's exclusivity for CERAMENT BVF in the US expired 20 October 2018 and BONESUPPORT's new distribution network, with currently 25 independent distributors, has started selling CERAMENT BVF from 22 October

“The preparations and the execution of our growth strategy is progressing as planned. We are confident that we are well placed to deliver strong sales growth now that we have created our new own distribution structure in the US and have expanded our sales organization in Europe.”

Emil Billbäck, CEO

The full Interim Report is available via the links below:

Outside the US: <https://www.bonesupport.com/en-eu/interim-reports-2018/>

US: <https://www.bonesupport.com/en-us/duplicate-of-interim-reports-2018/>

Conference Call/Webcast Details

The Company will host a conference call and an online presentation at 10.00 CET today.

The dial-in numbers for the conference call are:

UK: +442030089804

SE: +46856642662

US: +18558315948

The presentation will be webcasted and can be accessed from the following web address: <https://tv.streamfabriken.com/bonesupport-q3-2018>

Hosts: Emil Billbäck, CEO, and Björn Westberg, CFO

About BONESUPPORT™

BONESUPPORT is an innovative commercial stage orthobiologics company, based in Lund, Sweden. The Company 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 directly into the bone void.

BONESUPPORT's bio-ceramic bone graft substitutes CERAMENT® BONE VOID FILLER (BVF), CERAMENT® G* and CERAMENT® V* are all based on the Company's novel and proprietary technology platform.

The Company's products are targeting a large addressable market opportunity across trauma, chronic osteomyelitis (bone infection), revision arthroplasty (replacement of a joint prosthesis), ortho-oncology and foot and ankle.

BONESUPPORT's total sales increased from SEK 62 million in 2015 to SEK 129 million in 2017, representing a compound annual growth rate of 45%.

BONESUPPORT is currently conducting two important clinical trials to generate data demonstrating the clinical and health economic benefits its products deliver. The first trial, CERTiFy, is comparing CERAMENT BVF with autograft, the most widely used approach for managing bone voids. Top line results from this study are due to be announced at the end of 2018. The FORTIFY study is assessing CERAMENT G's ability to improve on the standard-of-care management of patients with open fractures of the tibial diaphysis. The primary endpoints of the trial will include the absence of deep infection at the fracture site and a reduction in the number of secondary procedures intended to promote fracture union. Data from this study will be used for a planned Premarket approval filing with FDA in 2020.

Press Release

The Company's research and development is focused on extending the use of its CERAMENT technology into further indications via the incorporation of additional drugs and therapeutic agents. The Company currently has a pipeline of pre-clinical product candidates that have been designed to promote bone growth.

BONESUPPORT is also preparing to expand its product offering in the US and has entered into strategic agreements with Collagen Matrix Inc. and MTF Biologics to gain access to products that are complementary to CERAMENT BVF.

BONESUPPORT is listed on Nasdaq Stockholm and trades under the ticker "BONEX" (ISIN code: SE0009858152). Further information is available at www.bonesupport.com.

*CERAMENT G: Not available in the United States, for investigational use only.

CERAMENT V: Not available in the United States.

BONESUPPORT® and CERAMENT® are registered trademarks.

For more information contact:

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The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on 7 November 2018.