

BONESUPPORT HOLDING AB (publ) – Interim Report

January – June 2018

Lund, Sweden, 08.00 CET, 26 July 2018 – BONESUPPORT™, an emerging leader in orthobiologics for the management of bone voids, today announces the publication of its Q2 and Half-year Interim Report.

STRATEGIC DECISIONS IN THE QUARTER TO DRIVE FUTURE GROWTH

FINANCIAL HIGHLIGHTS

1 APRIL – 30 JUNE 2018

- Net Sales amounted to SEK 28.2 million (37.1), a decrease of 24%, mainly due to our termination of the US distribution agreement with Zimmer Biomet in May
- Gross margin of 87.4% (87.2)
- Operating loss of SEK -37.8 million (-18.4)
- Earnings per share before and after dilution was SEK -0.75 (-0.76)

1 JANUARY – 30 JUNE 2018

- Net Sales amounted to SEK 59.3 million (69.6), a decrease of 15%, in which the North America segment decreased by 32% and the segment Europe and Rest of World increased by 15%
- Gross margin of 84.6% (88.0)
- Operating loss of SEK -70.9 million (-45.8)
- Earnings per share before and after dilution was SEK -1.42 (-1.82)

BUSINESS HIGHLIGHTS

1 APRIL – 30 JUNE 2018

- BONESUPPORT is building its own commercial distribution structure in US, and terminated current distribution agreement
- Zimmer Biomet cancelled most orders for Jun-Aug due to termination of contract
- Strategic agreement signed with Collagen Matrix Inc. to sell several of their products containing natural and synthetic bone material
- Decision to significantly expand the commercial organisation in Europe during 2018
- General Annual Meeting resolved share-based incentive programs
- General Annual Meeting appointed Simon Cartmell as new Board member

AFTER PERIOD END

- Håkan Johansson appointed to replace Björn Westberg as CFO during the autumn
- Michael Diefenbeck, Chief Medical Officer, took over the responsibility for R&D and Clinical Affairs from Jerry Chang on July 18

Press Release

“In the quarter several significant strategic decisions were taken, including creating a new distribution structure in the US, accessing complementary products through in-licensing and almost doubling of our European sales force, which should create opportunities for increased market penetration in the years ahead.” *Emil Billbäck, CEO*

The full Report is available by clicking on the links below:

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

US: <https://www.bonesupport.com/en-us/financial-reports-us/>

Conference Call/Webcast Details

The Company will host a conference call and an online presentation at 14.00 CET today.

The dial-in numbers for the conference call are:

UK: +44 2030089809

SE: +46 856642665

US: +1 8558315945

Webcast

The presentation will also be webcast and can be accessed from the following web address:

<https://financialhearings.com/event/10858>

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

-End-

About BONESUPPORT™

BONESUPPORT is an innovative and rapidly growing 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) and infected diabetic foot.

Press Release

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%.

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

In addition, BONESUPPORT is looking at opportunities to expand its product offering in the US and has entered into a strategic agreement with Collagen Matrix Inc. to market and distribute 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.

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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 08.00am CET on 26 July 2018.