BONESUPPORT™

Creating our own US commercial platform

17 May 2018

Presenting Team

EMIL BILLBÄCK
CEO

BJÖRN WESTBERG
CFO

Disclaimer

This presentation, which includes all information and data on the following slides, any oral statements made when presenting these slides, and any other material distributed or statements made at, or in connection with, such presentation (the “Presentation”), relates to BONESUPPORT HOLDING AB (the “Company”) and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. By attending the meeting where this Presentation is made, or by reading the Presentation, you agree to be bound by the following limitations.

The Presentation is private and confidential, has been furnished to you solely for your information and may not be reproduced, redistributed or disclosed in any way, in whole or in part, directly or indirectly, to any other person without the prior written consent of the Company.

No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the Presentation. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers, employees or advisors, including Carnegie Investment Bank AB (publ) and ABG Sundal Collier AB (collectively “the Managers”), accepts any liability (in negligence or otherwise) for any loss whatsoever arising directly or indirectly from the use of this Presentation. The Managers are acting for the Company and is not acting as adviser to any recipient of this document and will not be responsible to any recipient of this document for providing the protections afforded, to its clients.

The Presentation includes industry and market data pertaining to the Company’s business and markets. Unless otherwise indicated, such information is based on the Company’s analysis of multiple sources and the information contained in the Presentation has not been independently verified. The information and opinions contained in this Presentation do not purport to be comprehensive, are provided as at the date of the document and are subject to change without notice. The Company is not under any obligation to update or keep current the information contained in the Presentation. Moreover, this Presentation contains various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, the Company’s ability to promote and improve its reputation and the awareness of the brands in its portfolio, the Company’s ability to successfully operate its growth strategy, the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks. None of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers, employees or advisors, including the Managers, makes any warranties or representations about the achievement or reasonableness of such forward-looking statements.

This Presentation does not constitute an offer or invitation to subscribe for, or purchase, any shares of the Company and neither this Presentation nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. Should the Company pursue the contemplated public offering in Sweden and international private placements outside of Sweden, any such offers will only be made once a prospectus in relation to the offer is published or made available. Any acquisition of shares in the offering should be made solely on the basis of the information contained in such prospectus, and no reliance is to be placed on any representations other than those contained in such prospectus.

This Presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The securities mentioned herein have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States absent registration under the Securities Act or an exemption from the registration requirement thereof. There will be no public offer of the securities referred to herein in the United States. The securities referred to herein have not been and will not be registered under the applicable securities laws of Canada, Australia or Japan and may not be offered or sold within Canada, Australia or Japan or to any national, resident or citizen of Canada, Australia or Japan. Neither this Presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, into Australia, Canada or Japan or be distributed, directly or indirectly, in the United States of America, its territories or possessions or to any US person, as that term is defined under the Regulation S under the Securities Act, or to any securities analyst or other person in any of those jurisdictions. Any failure to comply with this restriction may constitute a violation of United States, Australian, Canadian or Japanese securities law. The distribution of this Presentation in other jurisdictions may be restricted by law and persons into whose possession this Presentation comes should inform themselves about, and observe, any such restrictions.

Some of the information set out in the Presentation is still in draft form and has not been verified. In particular, the financial information included in this Presentation has not been audited and is therefore subject to change. In general, the information set out in the Presentation is subject to updating, completion, revision, verification and amendment, and such information may change materially.

Certain financial and other numerical information presented in this Presentation have been subject to rounding adjustments for the purpose of making this Presentation more easily accessible for the reader. As a result, the figures in tables may not sum up to the stated totals.

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURE.

Our ambition

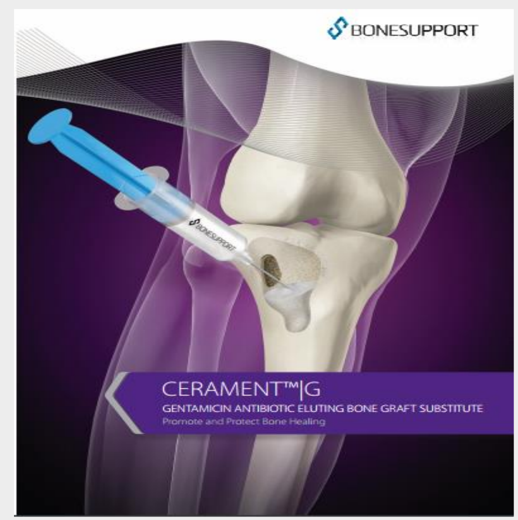
To become a **leading global Orthobiologics company**

To do this we must…

Take control of our US commercial operations through developing **strong network of US distributors** led by Bonesupport US organisation

This will allow us to…

Increase market penetration to create the **optimal commercial platform** needed to successfully launch CERAMENT G in the US



What is being announced

We will take control of our commercial operations in the US to create the optimal commercial platform ahead of planned launch of CERAMENT G in 2021

Following this strategic decision, we have given Zimmer Biomet notice on its current exclusive sales and distribution agreement for CERAMENT BVF

We intend to build the optimal US commercial platform by:

- Building own network of independent distributors
- Growing the size and capabilities of own commercial organization
- Extending our product offering

Current situation

The biggest Bone Graft Substitute market in the world

- US Bone graft substitute market > $1B CAGR: 4.5%
- US Synthetic Bone graft substitute ~ $500M CAGR 6.1%
- Spine is the largest segment, followed by Trauma

- **CERAMENT BVF currently has strong usage and loyalty** with **key users and opinion leaders**
- **The majority** of Zimmer Biomet's CERAMENT BVF sales are generated by **13 of 53 distributors**
- Zimmer Biomet acquired ETEX Holdings, Inc. in 2014, gaining access to products that compete with CERAMENT BVF in certain indications

Source: 2016 data, Millennium Research, BCVG estimates

iData 2017 Bone Graft Substitute Market Report

Creating the optimal US commercial platform:

1. Building our own network of distributors
2. Growing the size and capabilities of our own US commercial team
3. Extending our product offering

Creating the optimal US commercial platform:

1 Building our own network of distributors - key in driving the sales of BONESUPPORT's products, including platform for CERAMENT G

The selection of **high quality independent distributors** is already well underway, with high initial interest, based on the current sales of CERAMENT BVF and our plans to grow our product offering.

Evaluate ideal distributors based on **ability to grow CERAMENT and our enhanced product offering**:

- Existing relationships with surgeons and hospitals
- Number and quality of sales reps
- Current product range
- Reach

We anticipate to have the **first 18 independent distributors** active towards the end of the year.

Creating the optimal US commercial platform:

2 Growing the size and capabilities of our own commercial team

Increasing our U.S. Commercial Infrastructure with 9 new positions in 2018 to reach a total of 23 FTEs.

The team will primarily support and service the network of independent distributors as well as drive a broad range of market penetration activities.

The expanded team will be in place shortly, enabling us to support our growing network of independent distributors

In addition we will be working with a network of external experts

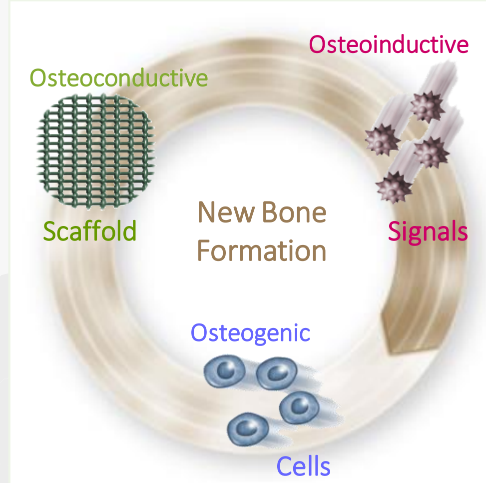
BONESUPPORT

Creating the optimal US commercial platform:

3

Extending our product offering

- ➢ Bonesupport intends to extend its short to mid term offering to achieve a full suite of bone graft products.
- ➢ Looking to commercialise products with osteoinductive and osteogenic properties, synergistic to CERAMENT and designed to address a broad spectrum of orthopaedic applications
- ➢ Also intend to launch new CERAMENT formulation and CERAMENT BVF procedural delivery kits



This extended offering will:

- Transform BONESUPPORT into a broader therapy provider – improving our competitive position with GPO/IDN networks

BONESUPPORT

Why now?

Building a strong US commercial platform ahead of the launch of CERAMENT G will take time so we are starting now

Our experience in Europe shows that direct customer access allows us to clearly convey the value of our antibiotic eluting products and generate strong sales growth

<u>Our new commercial platform will:</u>

- Give us **greater control/influence over end-user sales** and **distribution channels**
- Build BONESUPPORT/CERAMENT **brand recognition**
- **Strengthen surgeon relationships, product education, competitive differentiation** and direct **marketing**
- Allow us to launch new **synergistic products** that give us access to a much larger share of the bone graft substitute market
- Enhance **market penetration across key orthopaedic indications** where our products can be beneficial to patients, surgeons and payors.

Investing in our Success – financial impact

Impact on sales, short term

- ZB likely to reduce its inventory and order less

Impact on sales, after ZB exclusivity is gone (20 October 2018)

- ZB likely to reduce its inventory and order less (until end of period)
+ Effect from new distributors
+ Record End-user sales as Sales (today reported US Net Sales are about 50% of End-user sales)
+ Additional synergistic products (potential impact)

Impact on EBIT

- Sales effect as described above
- Initial cost increase as we strengthen our US organisation (plan HC increase by 11 in 2018)
- Higher sales margin via our own distributor network compared to situation today

Impact on Cash

- Short term, likely impact of ZB buying pattern
- Mid and long term, impact of higher margin sales from new distributors and accelerated top line

BONESUPPORT

BONESUPPORT™

Taking control of US commercial operations ahead of planned **CERAMENT G launch**

CERAMENT G: Value-adding transformational product

Unique BGS that supports bone healing whilst eluting antibiotics to protect bone healing

Industry-leading clinical data set demonstrates **significantly reduced infection recurrence, wound leakage and improved bone void healing** across a range of bone void patients

Recent example:

The choice of local antibiotic carrier significantly affects outcome in treatment of chronic bone infection

Ferguson et al. (2018)

Summary

- Compared the use of CERAMENT® G in 160 patients vs the use of Osteoset® T in 137 patients
- CERAMENT G treated patients had a significantly lower rate of infection recurrence (4.4% vs 11.7%)
- Bone void healing in CERAMENT G treated patients was significantly better (73.2% vs 40.0%)

Strength of clinical data already provides KOL support and drives surgeon preference in Europe and ROW

US FORTIFY study ongoing – PMA targeted for 2020

FORTIFY trial timeline

FORTIFY

2017	2018	2019	2020
First patient enrolled in the FORTIFY study	FORTIFY completes enrollment	FORTIFY follow-up completed	Final module submission to FDA for CERAMENT™ G PMA submission, incl. IDE data

Proposed "Indication for Use"

- Preferred indication has been discussed at prior FDA meetings and was submitted as part of the approved IDE
- Resorbable, gentamicin-loaded ceramic bone graft for use in bony voids and gaps
- Product supports bone healing and reduces subsequent infection

Final approved label will be dependent upon the strength of clinical effectiveness and safety data at time of PMA approval

BONESUPPORT™

Wrap up

US expansion – building a strong commercial platform

- Aim to accelerate US market penetration and CERAMENT brand equity ahead of planned CERAMENT G launch:
  - Build network of distributors
  - Grow own team capabilities
  - Expand product offering

- FORTIFY on track – PMA submission targeted for 2020

- Clear overarching strategy based on:
  - Innovative pipeline and R&D
  - Strong clinical evidence and HEOR data
  - **Effective commercial platform**

BONESUPPORT

BONESUPPORT™

Q&A