

BONESUPPORT highlights significant strategic progress at Capital Market Days in Stockholm and London

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- **Strategic review has led to important initiatives to strengthen BONESUPPORT's US and European commercial platforms**
- **Excellent progress in creating own distributor network in the US.**
 - 18 new distributors contracted.
 - 425 highly motivated sales reps to sell BONESUPPORT's products from 21 October 2018
- **European commercial expansion on track**
 - 7 skilled sales reps hired to better penetrate major markets such as Germany.
 - Accelerate push into major indications such as trauma
- **FORTIFY study patient recruitment on track**
 - Data designed to support a planned PMA filing with FDA in the US for CERAMENT G in 2020
- **CERTiFy study results expected to be published early 2019**
 - Positive data could allow CERAMENT products to gain market shares from autograft
- **Sales outlook**
 - We expect these growth initiatives to lead to strong growth 2019 and a CAGR following 2019 of +40%

BONESUPPORT, an emerging leader in orthobiologics for the management of bone voids, will highlight the significant progress made executing its updated Corporate Strategy at Capital Markets Days it is hosting in Stockholm today and in London tomorrow.

BONESUPPORT evolved strategy is focused on 3 areas:

- **Innovation**
- **Strong clinical evidence and HEOR data**
- **Effective commercial platform**

The Company has a strong management team and strong financial position to enable it to successfully execute its strategy.

Emil Billbäck, BONESUPPORT's CEO said "The Strategic Review identified a clear need to considerably optimize and strengthen our commercial platform to capture the significant potential of our CERAMENT® products. We have made excellent progress in building a US distributor network and commercial organization ahead of commencing to sell CERAMENT BVF direct on 21 October. In Europe, we have added skilled sales people to increase penetration of major indications such as trauma. I am very pleased that we have a clear focused strategy to guide us for the next five years and that we are creating the commercial platform to accelerate market penetration of our CERAMENT products."

INNOVATION

Unique Product Offering

Innovation has been central to the development of BONESUPPORT's current unique product offering of synthetic bone graft substitutes. The Company is investing to ensure that it continues to have a highly differentiated product offering.

In the short and mid-term, BONESUPPORT is augmenting the products that it develops in-house by acquiring products or product licenses to enable it to offer innovative treatment solutions that complement its CERAMENT portfolio. BONESUPPORT is also progressing its long-term innovative product portfolio focused on enhancing bone growth.

BONESUPPORT expects to introduce new products regularly in the years ahead, including:

- New combination products based on CERAMENT
- CERAMENT procedural kits
- Acquired or in-licensed products, that will expand and add value to our overall offering

The Company has made good progress with this strategy in 2018, signing important strategic deals with Collagen Matrix and MTF Biologics. These deals will enable BONESUPPORT to expand its US product offering in 2019 and to develop selected new combination products, mid-term.

STRONG CLINICAL EVIDENCE AND HEALTH ECONOMIC DATA

Industry leading data base

BONESUPPORT already has the industry's leading clinical and pre-clinical data base comprising over 150 publications/abstracts.

To further strengthen the clinical data supporting its key products the Company is conducting two large level 1 clinical studies:

- CERTiFy, which compares the differences in pain, quality of life, and cost of care in the treatment of tibia plateau fracture-associated bone defects using either CERAMENT BVF or autograft
- FORTIFY, which is evaluating the safety and efficacy of CERAMENT G as part of surgical repair of open diaphyseal tibial fractures versus standard of care.

In the CERTiFy study, the recruitment of the planned 136 patients into the trial was completed at the end of 2018. This study is designed to generate randomized clinical data comparing CERAMENT BVF with autograft, the most widely used approach for the management of bone voids today.

Positive data from this study could lead to a significant change in the standard of care of the management of patients with trauma associated bone defects. First result data from the CERTiFY study will be available by the end of 2018 and publication is expected at the beginning of 2019.

BONESUPPORT's most important study, FORTIFY, which is designed to support a planned PMA filing with FDA in the US for CERAMENT G in 2020 remains on track to complete patient recruitment in 2019. A successful outcome to this study and the potential approval for CERAMENT G could open up the opportunity for surgeons to use this novel antibiotic-eluting synthetic bone void filler to treat complex trauma patients at risk of developing a bone infection.

EFFECTIVE COMMERCIAL PLATFORM

Expanding our US and European Commercial Platforms

US

The Company has taken the very important decision to build its own network of independent distributors in the US. The main reasons for the decision are

- Gaining control of our business in the US, the world's largest orthopedic market
- Access to a much larger market opportunity
- Higher net margins
- Increased ability to drive sales
- Ability to expand the portfolio offering
- Ability to invest ahead of the CERAMENT G launch

BONESUPPORT terminated its exclusive distribution agreement for CERAMENT BVF with Zimmer Biomet (ZB) for the US market in May 2018. Under the terms of this agreement, ZBs exclusivity expires on 20 October 2018. BONESUPPORT has already contracted 18 high quality distributors that together employ a total of 425 sales reps. This stronger and new commercial platform will be ready to sell and distribute CERAMENT BVF from 21st October 2018. This enhanced distribution network will be supported by the Company's expanded in-house commercial team. The new commercial organization will approach the key US purchasing organizations to ensure that CERAMENT have access to a larger number of hospitals.

Europe

The Company is currently in the process of almost doubling its sales team in the five key European markets with a direct sales organization. This investment is designed to increase the uptake of our products, with focus on the antibiotic-eluting products CERAMENT G and V, for major indications such as complex trauma where there is a clear opportunity to drive sales growth. We have recruited 7 high quality, experienced sales people out of the 13 that we communicated we would hire in 2018. The majority is deployed in Germany, which is a major market for BONESUPPORT.

SALES OUTLOOK

We expect these initiatives, in the US and Europe, to lead to strong growth for BONESUPPORT in 2019 and a CAGR following 2019 of +40%.

BONEUPPORT will provide more details on the key elements of its strategy, outlined in this press release, at its Capital Markets Days that will be held today in Stockholm and tomorrow in London. Speakers at these events from BONESUPPORT's Executive Management Team will be CEO Emil Billbäck, CFO Björn Westberg, Dr Michael Diefenbeck, Head of R&D, Medical and Clinical Affairs and Patrick O' Donnell, Executive Vice President Commercial Operations North America.

The Capital Market Days will also include presentations on the clinical use of CERAMENT products from:

- Anders Jönsson, Senior Consultant Orthopedic Surgeon at Sahlgrenska University Hospital at the Stockholm event and
- Professor Venu Kavarthapu, Senior Consultant Surgeon at Kings College Hospital, London at the London event

The Capital Markets Day in Stockholm will be recorded via a webcast and presented on-line, further information on the event is available on the Company's website www.bonesupport.com, link: <https://www.bonesupport.com/en-eu/events-investorsp/>

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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, foot and ankle, and infected diabetic foot.

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 to expand its product offering in the US and has entered into a strategic agreement with MTF Biologics and 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.

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