

The Board of Directors' proposal for resolution on implementation of a long-term incentive program for senior executives and other key employees by way of (A) implementation of a performance-based share saving program; (B) authorization on directed issues of series C shares; (C) authorization on repurchase of series C shares; and (D) resolution on transfer of own ordinary shares alternatively (E) authorization to enter into a share swap agreement with a third party

The board of directors of BONESUPPORT HOLDING AB (publ (the "Company") proposes that the annual general meeting ("AGM") 2023 resolves to implement a long-term incentive program in the form of a performance-based share saving program for senior executives and other key employees (the "LTI 2023") in accordance with A below.

The resolution, pursuant to section A, shall be conditioned upon that the AGM also resolves on hedging measures in accordance with either sections B – D, or, if the majority requirement for sections B - D is not achieved, according to section E. If sections B - D are adopted section E will lapse. In the event that section A is not adopted, sections B - E will lapse.

A. Implementation of a performance-based share saving program

Background and motives

The AGM of the Company has since 2018 (with the exception of the AGM 2022) adopted incentive programs for senior executives and other key employees where the terms mainly correspond to the terms that constitute LTI 2023, which are found below.

The overall purpose of LTI 2023 is to align the interests of the employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2023 is also considered to create a long-term focus on increase in earnings and growth among the participants. LTI 2023 is further considered to facilitate for the Company to recruit and retain senior executives and other key employees.

In light of the above, the terms set out below, the allotment size and other circumstances, the board considers that the proposed LTI 2023 is well-balanced and beneficial for the Company and its shareholders.

Terms and conditions for LTI 2023

1. To be entitled to participate in LTI 2023, it is required that the participant has been employed by the Company or another company within the Group at the latest on the date of expiration of the Investment Period in accordance with the below. LTI 2023 entails that the participants will invest in ordinary shares in the Company ("**Saving Shares**"). In order to be entitled to participate in LTI 2023, each participant must acquire or allocate the number of Saving Shares which has been specified for each category in the table set out in paragraph 4 below. The investment in Saving Shares shall be made through acquisition of ordinary shares on the stock market or by allocating shares already held by the participant and which have not been used as saving shares in an already existing incentive program. Investment or allocation shall have taken place during period from and including the time the AGM resolves to introduce LTI 2023 up to and including 31 December 2023 (the "**Investment Period**").
2. If the Saving Shares are retained as from the expiration of the Investment Period to and including 31 December 2026 (the "**Saving Period**") the participant is entitled to allotment of additional ordinary shares in the Company free of charge (the "**Performance Shares**"), provided that, firstly the performance targets (the "**Performance Targets**") mentioned below are achieved or exceeded, secondly, that the participant's employment, with the exceptions set out in paragraph 8 below, has not been subject to notice of termination before the expiry of the Saving Period.
3. Regarding the Sales Target and the EBITDA Target listed below, vesting of Performance Shares pertaining to these will occur linearly during the Saving Period, while vesting of Performance Shares pertaining to the Share Price Target specified below will occur at the last day of the Share Price Target's measurement period, i.e. on 31 December 2026.
4. LTI 2023 shall include the following employee categories and the participant shall acquire or allocate the following number of Saving Shares, with the opportunity to be allotted up to the following number of vested Performance Shares per Saving Share:

| Position | Number of Saving Shares (per participant) | Maximum number of Performance Shares per Saving Share | Total and maximum number of Performance Shares |
|-------------------------------------|--|--|---|
| CEO (1 person) | 40,000 | 4 | 160,000 |
| CFO (1 person) | 20,000 | 4 | 80,000 |
| Other senior executives (7 persons) | 8,000 | 4 | 224,000 |

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|---|-------|---|---------|
| Senior key persons (approximately 15 persons) | 2,000 | 4 | 120,000 |
| Other key persons (approximately 20 persons) | 1,000 | 4 | 80,000 |

5. The final number of Performance Shares vested by each participant shall be rounded downwards to the nearest whole number.
6. The total number of Performance Shares, pursuant to LTI 2023, shall not exceed 664,000.
7. The Performance Targets that have to be achieved or exceeded relate to (i) the share price development of the Company's shares (the "**Share Price Target**"), weighted as 40 percent of Performance Targets, (ii) the net sales for each respective financial year of 2024–2026 (the "**Sales Target**") weighted as 40 percent of Performance Targets, and (iii) the EBITDA for each respective financial year of 2024–2026 (the "**EBITDA Target**") weighted as 20 percent of Performance Targets. Whereby the measurement period for the Sales Target and the EBITDA Target shall be divided with 1/3 for each of the financial years: 2024, 2025 and 2026.

The Share Price Target relates to the development of the Company's share price on Nasdaq Stockholm over the period from the date of the AGM 2023 to and including 31 December 2026. The share price development will be measured based on the volume weighted average share price 30 trading days immediately following the AGM 2023 and 30 trading days immediately preceding 31 December 2026. An increase in the share price with less than 54 percent does not entitle to any vesting of any of the Performance Shares pertaining to the Share Price Target and an increase in the share price with 72 percent or more does entitle a vesting of all of the Performance Shares pertaining to the Share Price Target. If the minimum level of 54 percent increase in the share price is achieved, 50 percent of all Performance shares pertaining to the Share Price Target are vested. In the event of an increase in the share price of between 54 and 72 percent, vesting of the Performance Shares pertaining to the Share Price Target will occur linearly between the minimum level and the target level.

The Sales Target and the EBITDA Target shall be determined by the board of directors annually as soon as possible, at the beginning of each financial year. For each respective target, a minimum level and a target level (maximum) shall be determined for each respective financial year. The minimum level shall be 75 percent of the target level. If the minimum level is not achieved, no Performance Shares are vested in relation to the relevant Performance Target for the financial year and if the target level is achieved, full vesting shall take place of the Performance Shares pertaining to the relevant Performance Target for the

financial year. If the minimum level is achieved, 50 percent of all Performance Shares pertaining to the actual Performance Target for the financial year are vested. If the minimum level is exceeded but the target level is not achieved, vesting of the Performance Shares pertaining to the actual Performance Target for the financial year will occur linearly between the minimum level and the target level. The board of directors intends to present the determined targets regarding the Sales Target and the EBITDA Target as well as the achievement of these in connection with the expiration of LTI 2023 at the latest.

8. If, before the end of the Saving Period, a participant's employment in the Company (i) ceases due to retirement, death or long-term illness; (ii) is subject to notice of termination given by the Company whereby the notice is not attributable to personal reasons (*Sw. personliga skäl*) or material breach of contract; or (iii) is terminated or subject to notice of termination and if, in accordance with the board's assessment, there are corresponding reasonable reasons for termination or notice of termination of the employment, the person in question shall continue to be entitled to receive already vested Performance Shares, even in if he or she sells his or her Saving Shares after the above event but before the end of the Saving Period.
9. Before the number of Performance Shares to be allocated is finally determined, the board of directors shall evaluate if allocation pursuant to the terms set out above is reasonable, with regard to the Company's results, financial standing, conditions on the stock market and other circumstances in general. If the board of directors finds that it is not reasonable, then the board of directors may decrease the number of Performance Shares to be allotted to the lower number of shares that the board of directors finds reasonable.
10. The number of Performance Shares that may be allotted by virtue of Saving Shares shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar company actions.
11. Allotment of Performance Shares shall take place after the publication of the year-end report for the financial year 2026, with the aim of allocating Performance Shares approximately 30 days after the publication of the year-end report.
12. Participation in LTI 2023 presupposes that the participation is legally possible and that the participation in the Company's sole opinion can be made with reasonable administrative costs for the Company.
13. The board of directors shall be responsible for the details and management of LTI 2023 within the framework of the main conditions as set out above, and the board of directors shall be authorized to make minor adjustments to these conditions as required by law or for administrative reasons. The board of directors shall also be authorized to adjust or deviate from the terms and conditions as required by local laws and regulations as well as existing market practices. Furthermore, in the event of a public take-over offer, a sale of the Company's business, liquidation,

merger or any other such transaction affecting the Company, the board of directors shall, at its sole discretion, be entitled to resolve that the Performance Shares (partially or in full) shall vest and be allotted on completion of such transaction. The board of directors will make this resolution based on the level of achievement of the Performance Targets, the remainder of the Saving Period and any other factors deemed relevant by the board of directors.

B. Authorization on directed issues of series C shares

The board of directors proposes that the AGM resolves to authorize the board of directors, for the period up until the next AGM, on one or several occasions, to issue a maximum of 486,840 series C shares. The new shares may, with deviation from the shareholders' preferential rights, only be subscribed for by a bank or a securities company at a subscription price which corresponds to the quota value of the shares. The new series C shares shall be subject to Chapter 4, Section 6 of the Swedish Companies Act (conversion restriction) and Chapter 20, Section 31 of the Swedish Companies Act (redemption restriction). The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in connection with an issue of shares is to hedge delivery of Performance Shares to the participants under LTI 2023 and to hedge payments of future social security charges related to Performance Shares.

C. Authorization on repurchase of series C shares

The board of directors proposes that the AGM resolves to authorize the board of directors, for the period up until the next AGM, on one or several occasions, to repurchase its own series C shares. Repurchase may only be effected through a public offer directed to all holders of series C shares. The maximum number of series C shares to be repurchased shall amount to 486,840. Repurchase shall be made at a price per share of minimum 100 percent and maximum 115 percent of the quota value applicable at the time of subscription. Payment of repurchased shares shall be made in cash. Repurchase may also be made of so-called interim shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (*Sw. Betald Tecknad Aktie (BTA)*), regarding a series C share. The Board of Directors shall have the right to resolve on other terms and conditions for the repurchase.

The purpose of the proposed repurchase authorization is to secure delivery of Performance Shares and to hedge associated costs, such as social charges for LTI 2023.

The board of directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (*Sw. aktiebolagslagen*) is presented in a separate document provided with this proposal.

D. Resolution on transfer of own ordinary shares

In order to fulfil the Company's obligations towards participants in LTI 2023, the board of directors proposes that the AGM resolves that the Company shall be entitled to transfer the Company's own ordinary shares as follows:

1. The Company shall have the right to transfer the number of ordinary shares that the Company has a maximum obligation to allocate as Performance Shares to participants in LTI 2023, at most 664,000 shares.
2. The shares that can be transferred in accordance with paragraph 1 above may consist of either shares newly issued and repurchased in accordance with paragraphs B - C above or, after conversion into ordinary shares, series C shares issued in connection with corresponding previous LTI programs, but which are no longer required for the performance of the Company's commitments under such programs, whereby it is noted that about half of the shares that can be transferred in accordance with paragraph 1 above are intended to consist of series C shares issued in connection with corresponding previous LTI programs.
3. The number of shares that may be transferred pursuant to LTI 2023 shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar corporate action which affects the number of shares in the Company, which consequently, to the corresponding degree affects the highest number of shares that can be transferred.
4. The right to acquire ordinary shares shall, with deviation from the shareholders' preferential rights, vest in participants in LTI 2023 who are entitled to be allotted Performance Shares in accordance with the terms and conditions of the program.
5. Transfer of shares to participants in LTI 2023 shall be made free of charge and be executed at the relevant time pursuant to the terms of LTI 2023.

Since LTI 2023 initially, in principle, is not expected to give rise to any social charges for the Company, the board of directors has decided not to propose to the 2023 AGM to decide on authorization regarding the transfer of own ordinary shares on a regulated market to hedge costs associated to LTI 2023, such as social charges. However, before the transfer of the Company's shares to the participants in LTI 2023, the board of directors intends to propose to a later AGM to decide on a transfer of ordinary shares which may take place on a regulated market to hedge such payments.

The reason for the deviation from the shareholders' preferential rights in connection with the transfers of own ordinary shares is to enable the Company's delivery of Performance Shares to participants in LTI 2023.

E. Share swap agreement with a third party

Should the majority requirement for paragraphs B - D above not be met, the board of directors proposes that the AGM, for the purpose of hedging the delivery of Performance Shares and to cover therewith associated costs, such as social charges, instead resolves to authorize the board to enter into a share swap agreement with a third party. The share swap agreement entails that the third party in its own name shall acquire and transfer ordinary shares in the Company to the participants in LTI 2023 and sell ordinary shares in the market.

Scope and dilution

As per the date of the notice, the number of shares in the Company amounts to 66,197,635 shares, of which 65,055,575 are ordinary shares and 1,142,060 are series C shares which were issued in connection with the share saving programs resolved at the AGM 2018, 2019, 2020 and 2021. Of these 330,000 series C shares are intended to be used to hedge delivery of Performance Shares to the participants in LTI 2023, while the remaining 812,060 series C shares are intended to be used to hedge delivery of performance shares to the participants in the share saving programs resolved at the AGM 2020 and 2021, and to hedge associated costs, such as social charges.

A part of the shares required to hedge delivery of Performance Shares to the participants in LTI 2023, and associated costs, consist of existing series C shares which the Company has issued and repurchased within previous corresponding LTI programs (but which has not been required for the fulfillment of the Company's commitments under such programs), which results that the maximum number of series C shares that may be issued, to hedge delivery of Performance Shares and costs associated to LTI 2023, amounts to 486,840. Taking into account such newly issued series C shares, as well as existing series C shares that are intended to be used to hedge delivery of Performance Shares, LTI 2023 amounts to a maximum of 816,840 shares, which corresponds to a maximum dilution of approximately 1.24 percent of the Company's ordinary shares after full dilution, calculated on the number of ordinary shares added at full utilization of the now proposed incentive program.

Estimated costs and effects on key ratios

The board of directors has made a preliminary cost calculation for LTI 2023. The costs for LTI 2023, which will be reported under the profit and loss statement, are calculated in accordance with the accounting standard IFRS 2 and are accrued over the vesting period which runs until December 2026. The calculation has been made based on the quoted closing price for shares in the Company as per 5 April 2023, i.e. SEK 84.09 per share, and with the following assumptions: (i) an annual dividend yield of 0 percent; (ii) an estimated annual employee turnover of 0 percent; (iii) an achievement of the Performance Targets with 100 percent; and (iv) that a total maximum of 664,000 Performance Shares may be allotted.

In addition to the above, the costs for LTI 2023 have been based on LTI 2023 comprising a maximum of 44 participants. In total, the costs for LTI 2023 are, according to IFRS 2, estimated to amount to approximately SEK 43.8 million, excluding social charges. The costs for social charges are estimated to amount to approximately SEK 22.1 million, based on the above assumptions, and under the assumption of a share price increase of 72 percent during the duration of LTI 2023 and an average tax rate of 23.0 percent for social charges.

The anticipated annual costs of SEK 18.8 million, including social security contributions, correspond to approximately 10.0 percent of the Company's total employee costs for the financial year 2022. Based on the calculation of costs as described above, the key figure earnings per share for the full year 2022 had been changed from SEK -1.06 to SEK -1.23.

Should the AGM resolve on section E, the cost of entering into a share swap agreement is expected to amount to approximately SEK 1 million. The share swap agreement will not affect the dilution or earnings per share set aside for the costs incurred by LTI 2023.

Other incentive programs

The Company currently has two ongoing employee stock option programs and three performance-based share saving programs (of which one to one board member).

The employee stock option programs run over ten and eight years, respectively. The program with a term of ten years expires in 2025 and the program with a term of eight years expires in 2024. The employee stock options are vested free of charge according to a schedule in each program. Each stock option gives the holder the right to acquire 0.2 ordinary shares in the Company at a pre-determined price. In relation to the ten-year program, the exercise price amounts to SEK 0.125 per option, corresponding to a subscription price per share of SEK 0.625. In relation to the eight-year program, the exercise price amounts to SEK 5.30 per option, corresponding to a subscription price per share of SEK 26.50. 5,239,953 employee stock options have been vested in total under the employee stock option programs, whereof 3,149,008 employee stock options within the ten-year program and 2,090,945 employee stock options within the eight-year program. No employee stock options are outstanding for future vesting. Out of the vested employee stock options, a total of 420,208 remain that can be utilized to subscribe for 84,040 shares.

The share saving programs were resolved by the AGM 2020 (LTI 2020) and the AGM 2021 (LTI 2021 and Board-LTI 2021). LTI 2020 and LTI 2021 include performance shares for senior executives and other key employees, and Board-LTI 2021 include performance shares for one board member. Within the framework of these share saving programs the participants can receive between two and six performance shares depending on share price development and the Company's development in terms of sales and EBITDA during the duration of the programs. LTI 2020 comprise, depending on the fulfillment of the performance targets determined by the board of directors, and including hedging measures for social charges, a maximum of 99,606 shares. Vested shares shall be allotted to the participants after the publication of the year-end report for the financial year 2023. LTI 2021 comprise, depending on the fulfillment of the performance targets determined by the board of directors, and including hedging measures for social charges, a maximum of 581,505 shares. Vested shares shall be allotted to the participants after the publication of the year-end report for the financial year 2023. Board-LTI 2021 comprise, depending on the fulfillment of the performance targets determined by the board of directors, and including hedging measures for social charges, a maximum of 66,120 shares. Vested shares shall be allotted to the participant after the AGM 2024.

The maximum dilution for all programs (incl. LTI 2023) amounts to a maximum of approximately 2.47 percent of the Company's ordinary shares after full dilution, calculated on the number of ordinary shares that will be added upon full exercise of all outstanding and now proposed incentive programs. The majority of the employees who are proposed to be comprised by LTI 2023 participate in previous employee stock option programs and LTI 2020 and LTI 2021.

The above calculations regarding dilution are subject to re-calculation of the warrants in accordance with the customary recalculation terms included in the complete applicable warrant terms.

Preparation of the proposal

The proposal for LTI 2023 has been prepared by the Remuneration Committee together with external consultants. The final proposal has been resolved upon by the board of directors.

Majority requirement

For a valid resolution regarding the proposal in section A, it is required that shareholders representing at least half of the votes cast at the AGM support the proposal. Regarding sections B - D above these constitute a joint proposal and shall be resolved upon as one resolution and for the resolution to be valid it is required that the resolution is supported by at least nine tenths of the shares represented at the AGM and the votes cast. For a valid resolution regarding the proposal in section E, it is required that shareholders representing at least half of the votes cast at the AGM supports the proposal.

Authorization

The chairman of the board of directors, or anyone appointed by him, shall be authorized to make minor formal adjustments of the resolutions which may be required for registration with the Swedish Companies Registration Office (*Sw. Bolagsverket*) or Euroclear Sweden AB.

Lund in April 2023

BONESUPPORT HOLDING AB (publ)

The Board of Directors