

Notice of annual general meeting in BONESUPPORT HOLDING AB

The shareholders in BONESUPPORT HOLDING AB (publ), Reg. No. 556802-2171, are hereby invited to attend the annual general meeting (Sw. årsstämma) to be held on Thursday 20 May 2021.

The board of directors has, in light of the ongoing Corona pandemic, decided that the annual general meeting should be conducted by way of postal vote pursuant to temporary legislation being in effect in 2021. This means that the annual general meeting will be held without the physical presence of shareholders, representatives or third parties. The shareholders will therefore only be able to exercise their voting rights by postal voting in the manner prescribed below.

Information on the resolutions passed at the annual general meeting will be disclosed on Thursday 20 May 2021, when the outcome of the postal voting has been confirmed.

Right to participate and notice of participation

Shareholders wishing to attend the annual general meeting must:

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Tuesday 11 May 2021; and
- give notice of participation by casting its postal vote in accordance with the instructions under the heading "Postal voting" below so that the postal voting form is received by Computershare AB no later than on Wednesday 19 May 2021.

In order to be entitled to participate in the annual general meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation to the annual general meeting by submitting its postal vote, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of Tuesday 11 May 2021. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee in accordance with the nominee's routines at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than Friday 14 May 2021 will be taken into account in the presentation of the share register.

Postal voting

Shareholders may exercise their voting rights at the annual general meeting only by postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form must be used for the postal vote. The form is available on the company's website www.bonesupport.com. The postal voting form is considered as notice to participate in the annual general meeting.

In order to be considered, the completed and signed form must be received by Computershare AB no later than Wednesday 19 May 2021. The completed and signed form must be sent by email to info@computershare.se or by mail to Computershare AB, "BONESUPPORT HOLDING AB", Box 5267, SE-102 46 Stockholm, Sweden. In order to receive the postal voting form by post, please contact Computershare AB by phone +46 (0)771 24 64 00. Shareholders who are natural persons may also cast their votes electronically through verification with BankID via the company's website

<https://bonesupport.com/en-eu/investors/corporate-governance/> under the tab General Meetings – AGM 2021. Such electronic votes must be submitted no later than Wednesday, 19 May 2021.

For questions regarding the postal voting, please contact Computershare AB by phone +46 (0)771 24 64 00 (Monday -Friday 9.00 AM-4.00 PM).

If the shareholder submits its postal vote by proxy, a power of attorney must be attached to the postal voting form. Proxy forms in Swedish and in English are available upon request and also on the company's website www.bonesupport.com. A power of attorney is valid (1) year from its issue date or such longer time period as set out in the power of attorney, however not more than (5) years. If the shareholder is a legal person, a registration certificate or other authorization document, not older than one (1) year, must be attached to the form, listing the authorized signatories.

The shareholders may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form.

Shareholders' right to receive information

The board of directors and CEO shall, if any shareholder so requests and the board of directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to another company within the group. A request for such information shall be made in writing to the company no later than ten days prior to the annual general meeting, i.e. no later than Monday, 10 May 2021, by post to BONESUPPORT HOLDING AB, att: AGM, Scheelevägen 19, SE-223 70 Lund, Sweden or by email to legal@bonesupport.com. The information will be made available on the company's website www.bonesupport.com and at the company's head office, Scheelevägen 19, SE-223 70 Lund, Sweden, no later than Saturday, 15 May 2021. The information will also be sent to any shareholder who so requests and who states its address.

Proposed agenda

1. Election of chairman of the meeting.
2. Election of one or two persons to approve the minutes.
3. Preparation and approval of voting list.
4. Approval of the agenda.
5. Determination of whether the meeting has been duly convened.
6. Presentation of the annual report and the auditor's report and the annual report for the group and the auditor's report for the group, as well as the auditor's statement regarding the application of guidelines for remuneration
7. Resolutions on
 1. adoption of the profit and loss statement and balance sheet and the group profit and loss statement and the group balance sheet;
 2. allocation of the company's result in accordance with the adopted balance sheet; and
 3. discharge from liability of the members of the board of directors and the CEO.

8. Determination of the number of members of the board and the number of auditors.
9. Determination of fees to the board of directors and the auditors.
10. Election of members of the board, chairman of the board as well as election of auditors and deputy auditors.
11. Resolution on instruction and charter for the Nomination Committee.
12. Resolution on approval of the remuneration report.
13. Resolution on amendment of the Articles of Association.
14. Resolution on the Board's proposal 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 a share swap-agreement with third party.
15. Resolution on the Nomination Committee's proposal for resolution on implementation of a long-term incentive program for certain members of the board of directors 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.

Resolution proposals

Item 1: Election of chairman of the meeting

The Nomination Committee, consisting of Jacob Gunterberg (chairman), appointed by HealthCap V L.P., Caroline Sjösten, appointed by Swedbank Robur Fonder AB, Jonas Jendi, appointed by Stiftelsen Industrifonden, and the chairman of the board, Lennart Johansson, proposes that attorney Hans Petersson is elected as chairman of the annual general meeting.

Item 2: Election of persons to approve the minutes

Jonas Jendi (representing Stiftelsen Industrifonden), or if he is prevented from participating, the person elected by the Board, is proposed to approve the minutes. The assignment to approve the minutes also includes verifying the voting list and that the received postal votes are correctly reflected in the minutes of the meeting.

Item 3: Preparation and approval of voting list

The voting list proposed to be approved is the voting list prepared by Computershare AB, based on the general meeting share register and received postal votes, confirmed and verified by the person assigned to approve the minutes.

Item 7 b: Resolution in respect of allocation of the company's result in accordance with the adopted balance sheet

The board of directors proposes that no dividends are paid and that available total funds of SEK 1,224,563,092 are carried forward.

Item 8: Determination of the number of members of the board and the number of auditors

The Nomination Committee proposes to the annual general meeting that the number of the

members of the board shall be five. Furthermore, it is proposed that one registered accounting firm is appointed as auditor until the end of the next annual general meeting.

Item 9: Determination of fees to the board of directors and the auditors

The Nomination Committee proposes to the annual general meeting that board remuneration shall be paid with SEK 375,000 to the chairman of the board (SEK 325,000 previous year) and with SEK 200,000 to each of the other board members who are not employed by the company (SEK 150,000 previous year). It is further proposed that remuneration for committee work shall be paid with SEK 125,000 to the chairman of the audit committee (unchanged since previous year), with SEK 70,000 to each of the other members of the audit committee (unchanged since previous year), with SEK 50,000 to the chairman of the remuneration committee (unchanged since previous year) and with SEK 25,000 to each of the other members of the remuneration committee (unchanged since previous year).

Remuneration to the auditor is proposed to be paid in accordance with invoiced amounts in accordance with customary charging standards.

Item 10: Election of members of the board, chairman of the board as well as election of auditors and deputy auditors

The Nomination Committee proposes to the annual general meeting that Håkan Björklund, Björn Odlander, Lars Lidgren, Tone Kvåle and Lennart Johansson are re-elected as ordinary board members. The Nomination Committee further proposes to the annual general meeting that Lennart Johansson is re-elected as chairman of the board.

Information on the board members proposed for re-election can be found at the company's website www.bonesupport.com and in the annual report.

Furthermore, the Nomination Committee proposes to the annual general meeting, in accordance with the recommendation from the audit committee, that Ernst & Young AB is re-elected as accounting firm. Ernst & Young AB has announced that, provided that the Nomination Committee's proposal is approved by the annual general meeting, the authorized public accountant Ola Larsmon will continue to be the auditor in charge.

Item 11: Resolution on instruction and charter for the Nomination Committee

The Nomination Committee proposes that an instruction and charter for the Nomination Committee, which shall apply until further notice, is adopted in accordance with the following.

The Nomination Committee shall consist of four members, appointed by the three largest shareholders as per the end of September, together with the chairman of the board of directors. The "three largest shareholders" refer to the ownership grouped registered or in any other way known shareholders as per the end of September.

The chairman of the board of directors shall as soon as possible when the information regarding the three largest shareholders as per the end of September is known, contact the three largest shareholders to find out whether they wish to appoint a representative to the Nomination Committee. In case one of the three largest shareholders refrains from appointing a representative, or such representative resigns prior to completion of the assignment and without the shareholder who has appointed the representative appointing a new member, the chairman of the board of directors shall encourage the next owner in size (i.e. in the first place the fourth largest shareholder)

to appoint a representative. The procedure shall go on until the Nomination Committee is composed of four members including the chairman of the board of directors.

The Nomination Committee shall appoint the chairman of the Nomination Committee among its members. The chairman of the board of directors or another member of the board of directors should not be appointed as chairman of the Nomination Committee.

The members of the Nomination Committee shall be announced no later than six months before the annual general meeting. When significant changes in the ownership occur after the date the Nomination Committee was appointed, the Nomination Committee may, if it considers it necessary, decide to offer a new owner a position in the Nomination Committee in accordance with the principles above. Changes in the Nomination Committee shall be made public immediately.

The Nomination Committee's term shall run until such time as a new Nomination Committee has been elected.

No fees shall be paid to the members of the Nomination Committee.

The Nomination Committee shall prepare and propose the following to the coming annual general meeting:

- (a) election of chairman at the shareholders' meeting;
- (b) election of chairman of the board of directors and other members of the board of directors;
- (c) fees to the board of directors, divided between the chairman and other members, and any fees for committee work;
- (d) election of auditor and fees to the auditor; and
- (e) if necessary, any changes to the principles for appointment of the Nomination Committee.

Item 12: Approval of the remuneration report

The board of directors proposes that the annual general meeting resolves to approve the board of directors' report regarding compensation pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

Item 13: Resolution on amendment of the Articles of Association

According to Chapter 7, Section 4 of the Swedish Companies Act, the board of directors may collect proxies for the general meeting if provided for in the articles of association. According to Chapter 7, Section 4 a of the Swedish Companies Act it may also be provided for in the articles of association that the board of directors may decide that the shareholders shall be able to exercise their voting rights by post before the general meeting.

In order to be able to use the alternatives provided by the Swedish Companies Act with regard to decisions on proxy collection and postal voting, the board of directors proposes that a new article 10, with the wording set out below, is included in the Articles of Association, and that the Articles of Association be re-numbered so that the current article 10 becomes article 11 and the current article 11 becomes article 12 and finally the current article 12 becomes article 13.

Proposed wording

§ 10 Proxy collection and postal voting

The Board of Directors may collect proxies pursuant to the procedure stated in Chapter 7, Section 4, second paragraph of the Swedish Companies Act.

The Board of Directors may decide before a General Meeting that the shareholders shall be able to exercise their voting rights by post before the General Meeting pursuant to the procedure stated in Chapter 7, Section 4 a of the Swedish Companies Act.

Item 14: 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") on 20 May 2021 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 2021") 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

Since 2018 the AGM of the Company has adopted incentive programs for senior executives and other key employees where the terms mainly correspond to the terms that constitute LTI 2021, which are found below.

The overall purpose of LTI 2021 is to align the interests of the employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2021 is also considered to create a long-term focus on increase in earnings and growth among the participants. LTI 2021 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 2021 is well-balanced and beneficial for the Company and its shareholders.

Terms and conditions for LTI 2021

1. To be entitled to participate in LTI 2021, 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 2021 entails that the participants will invest in ordinary shares in the Company ("Saving Shares"). In order to be entitled to participate in LTI 2021, each participant must at least acquire or allocate the number of

Saving Shares which has been specified for each category in the table set out in paragraph 4 below (which also corresponds to the maximum number of Saving Shares that CEO, CFO and other senior executives may acquire or allocate within the framework of LTI 2021). 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 the time the AGM resolves to introduce LTI 2021 up to and including 31 December 2021 (the "**Investment Period**").

2. If the Saving Shares are retained as from the expiration of the Investment Period to and including 31 December 2023 (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 been subject to notice of termination before the expiry of the Saving Period. The reason why the Saving Period is less than three years is that the Company in the near future is facing a period with important milestones, which are crucial for the Company's long-term development. By implementing LTI 2021 the shareholder interest among senior executives and other key employees is expected to increase, which is deemed to benefit the Company's long-term development.
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 2023.
4. LTI 2021 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	28,000	6	168,000
CFO	8,000	6	48,000
Senior executives (General management team) (7 persons)	5,000	6	210,000
Key employees (not including senior executives)	Maximum 3,000 (but fewer numbers Saving Shares can	6	234,000

(13 persons)	acquired / allocated in steps of 1 000)		
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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 2021, shall not exceed 660,000.
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 30 percent of Performance Targets, (ii) the net sales for each respective financial year of 2021-2023 (the "**Sales Target**") weighted as 50 percent of Performance Targets, and (iii) the EBITDA for each respective financial year of 2021-2023 (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: 2021, 2022 and 2023.

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 2021 to and including 31 December 2023. The share price development will be measured based on the volume weighted average share price 30 trading days immediately following the AGM 2021 and 30 trading days immediately preceding 31 December 2023. An increase in the share price with less than 25 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 50 percent or more does entitle a vesting of all of the Performance Shares pertaining to the Share Price Target. In the event of an increase in the share price of between 25 and 50 percent, vesting of the Performance Shares pertaining to the Share Price Target will occur linearly.

The Sales Target and the EBITDA Target shall be determined by the board of directors annually, with regard to the financial year 2021, before LTI 2021 is offered to the participants and concerning the following years, 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. 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 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. 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 2021 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 2023, with the aim of allocating Performance Shares approximately 30 days after the publication of the year-end report.
12. Participation in LTI 2021 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 2021 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 728,000 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 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 under LTI 2021 and to hedge associated costs, such as social charges, which shall be effected through the Company repurchasing the series C shares issued pursuant to the authorization in section C below and thereafter, when the series C shares have been converted to ordinary shares, by transferring ordinary shares to the participants in LTI 2021 as set out in section D below.

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 and shall comprise all outstanding series C shares. 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. Repurchase shall be made at a purchase price per share which corresponds to the quota value of the share. 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 2021.

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 2021 and to hedge associated costs, such as social charges, 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 2021, at most 660,000 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, 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.
3. Whereby it is noted that the number of shares that may be transferred pursuant to LTI 2021 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 2021 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 2021 shall be made free of charge and be executed at the relevant time pursuant to the terms of LTI 2021.

Since LTI 2021 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 2021 AGM to decide on authorization regarding the transfer of own ordinary shares on a regulated market to hedge costs associated to LTI 2021, such as social charges. However, before the transfer of the Company's shares to the participants in LTI 2021, 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 2021.

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 2021 and sell ordinary shares in the market.

LTI 2021 costs

The board of directors has made a preliminary cost calculation for LTI 2021. The costs for LTI 2021, 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 2023. The calculation has been made based on the quoted closing price for shares in the Company as per 26 March 2021, i.e. SEK 60.80 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 660,000 Performance Shares may be allotted.

In addition to the above, the costs for LTI 2021 have been based on LTI 2021 comprising a maximum of 22 participants. In total, the costs for LTI 2021 are, according to IFRS 2, estimated to amount to approximately SEK 33.3 million, excluding social charges. The costs for social charges are estimated to amount to approximately SEK 14.9 million, based on the above assumptions, and under the assumption of a share price increase of 50 percent during the duration of LTI 2021 and an average tax rate of 24.7 percent for social charges.

The anticipated annual costs of SEK 19.3 million, including social security contributions, correspond to approximately 13.6 percent of the Company's total employee costs for the financial year 2020. Based on the calculation of costs as described above, the key figure earnings per share for the full year 2020 had been changed from SEK -1.72 to SEK -1.98.

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.

Existing incentive programs and dilution

As per the date of the notice, the number of shares in the Company amounts to 65,064,222 shares, of which 63,774,222 are ordinary shares and 1,290,000 are series C shares which were issued in connection with the share saving programs resolved at the AGM 2018, 2019 and 2020, and which will be converted into ordinary shares prior to delivery to the participants.

The Company currently has outstanding incentive programs in the form of, three (3) employee stock option programs, one (1) warrant program and four (4) performance-based share saving programs.

Considering the possibility of using existing C shares according to paragraph D 2. above, the maximum number of shares issued to fulfil the transfer of Performance Shares and to hedge costs associated with LTI 2021, amount to 728,000, which corresponds to a maximum dilution of

approximately 1.1 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.

The Company's board of directors has been informed that the Company's Nomination Committee, in parallel with LTI 2021 which is aimed at employees of the Company, intends to submit a proposal to the AGM regarding an incentive program with similar conditions as for LTI 2021 intended for some of the board members of the Company ("**Board-LTI 2021**"). LTI 2021 and Board-LTI 2021 will in total, including the shares issued to hedge costs associated with the programs, entail that a maximum of 876,000 shares will be issued.

In case all outstanding incentive programs and the proposed LTI 2021 including Board-LTI 2021 are exercised in full, a total of 2,823,132 new ordinary shares will be issued, which corresponds to a dilution of approximately 4.2 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 above calculations regarding dilution and impact on key ratios are subject to re-calculation of the warrants in accordance with the customary recalculation terms included in the complete applicable warrant terms.

Should the AGM resolve on section E, the share swap agreement will not affect the dilution or earnings per share set aside for the costs incurred by LTI 2021.

Preparation of the proposal

The proposal for LTI 2021 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.

Item 15: The Nomination Committee's proposal for resolution on implementation of a long-term incentive program for certain members of the board of directors 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 Nomination Committee of BONESUPPORT HOLDING AB (publ), (the "**Company**"), proposes that the annual general meeting ("**AGM**") on 20 May 2021 resolves to implement a long-term incentive program in the form of a performance-based share saving program (the "**Board LTI 2021**") for certain members of the board of directors in accordance with A below.

The resolution, pursuant to section A, shall be conditioned upon 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, paragraphs B - E will lapse.

A. Implementation of a performance-based share saving program

Background and motives

Board LTI 2021 has been initiated and prepared by the Nomination Committee, considering that the Company competes for qualified board members in an internationally competitive market.

The overall purpose with Board LTI 2021 is to align the interests of the members of the board of directors with those of the shareholders and thus ensure a maximum long-term value adding commitment. Board LTI 2021 is also considered to create a long-term focus on increase in earnings and growth among the participants.

In light of the above, the terms set out below, the allotment size and other circumstances, the Nomination Committee considers that the proposed Board LTI 2021 is well-balanced and beneficial for the Company and its shareholders.

Terms and conditions for Board LTI 2021

1. Board LTI 2021 shall comprise of the members of the board of directors, Lennart Johansson and Tone Kvåle. The board members Håkan Björklund and Björn Odlander, who are linked to the Company's shareholders, and Lars Lidgren, who is the founder of the Company, shall not be comprised of Board LTI 2021.
2. Board LTI 2021 entails that the participants will invest in ordinary shares in the Company ("**Saving Shares**"). In order to be entitled to participate in Board LTI 2021, each participant must at least acquire or allocate the number of Saving Shares which have been specified for each participant below (which also corresponds to the maximum number of Saving Shares that each participant may acquire or allocate within the framework of Board LTI 2021). 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 the time the AGM resolves to introduce Board LTI 2021 up to and including 31 December 2021 (the "**Investment Period**").
3. If the Saving Shares are retained as from the expiration of the Investment Period to and including the day of the AGM 2024 (expected to be held in May 2024) (the "**Incentive 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 target (the “**Performance Target**”) mentioned below is achieved or exceeded, secondly the participant, with the exceptions set out in paragraph 8 below has continued to be a member of the board of directors during the Incentive Period. Consequently, the Incentive Period is less than three years. The reason why the Incentive Period is less than three years is that the Company in the near future is facing a period with important milestones, which are crucial for the Company's long-term development. By implementing Board LTI 2021 the shareholder interest among members of the board of directors is expected to increase, which is deemed to benefit the Company's long-term development.

4. Participants shall acquire or allocate the following number of Saving Shares and shall have the opportunity to be allotted up to the following number of vested Performance Shares per Saving Share:

Participant	Number of Saving Shares (per participant)	Maximum number of Performance Shares per Saving Share	Total and maximum number of Performance Shares
Lennart Johansson and Tone Kvåle	20,000	3	120,000

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 Board LTI 2021 shall not exceed 120,000.
7. The Performance Target that has to be achieved or exceeded relates to the development of the Company's share price over the period from the date of the AGM 2021 to and including the date of the AGM 2024. The share price development will be measured based on the volume weighted average share price 30 trading days immediately following the AGM 2021 and 30 trading days immediately preceding the AGM 2024. An increase in the share price with less than 37.5 percent does not entitle to any vesting of Performance Shares and an increase in the share price with 75 percent or more does entitle a vesting of all Performance Shares. In the event of an increase in the share price of between 37.5 and 75 percent, vesting of Performance Shares will occur linearly.
8. If a participant ceases to be a board member before the end of the Incentive Period the participant in question shall continue to be entitled to receive Performance Shares pro rata their completed period of service as a board member, even if he or she sells his or her Saving Shares at the point in time of the above stated cessation but before the end of the Incentive Period, provided that (i) the cessation is not as a result of the participant's resignation from the Board or that the participant declined re-election, and (ii) the participant has not been denied discharge from liability by a general meeting.

9. 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.
10. Allotment of Performance Shares shall be made after the AGM 2024 (i.e. likely in May 2024), with the aim to allot Performance Shares approximately 30 days after the date of the AGM 2024.
11. Participation in Board LTI 2021 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.
12. The Remuneration Committee, excluding the board members participating in Board LTI 2021, (as applicable) shall be responsible for the management of Board LTI 2021 within the framework of the 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 Remuneration Committee shall also be responsible for any recalculations in accordance with item 9 above.
13. In the event of a public take-over offer, a sale of the Company's business, liquidation, merger or any other such transaction, all Performance Shares shall be deemed to be immediately vested and shall be allotted on completion of such transaction provided that the participant at the relevant point of time of such transaction (i) still is a member of the board of directors; and (ii) still holds all Saving Shares. Furthermore, if a board member is no longer a Board member of the Company when an event mentioned in this section occurs but is, in accordance with paragraph 8 above, entitled to receive Performance Shares pro rata in relation to the completed period of service, the Performance Shares to which the participant is entitled are considered immediately vested and shall be allotted in connection with completion of the transaction.

B. Authorization on directed issues of series C shares

The Nomination Committee 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 148,000 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 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 and to hedge associated costs, under Board LTI 2021, such as social charges, which shall be effected through the Company repurchasing the series C shares issued pursuant to the authorization in section C below and thereafter, when the series C shares have been converted to ordinary shares, by transferring ordinary shares to participants in Board LTI 2021 as set out in section D below.

C. Authorization on repurchase of series C shares

The Nomination Committee 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 and shall comprise all outstanding series C shares. 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. Repurchase shall be made at a purchase price per share which corresponds to the quota value of the share. The purpose of the proposed repurchase authorization is to secure delivery of Performance Shares and to hedge associated costs, such as social charges under Board LTI 2021.

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 Board LTI 2021 and to hedge associated costs, such as social charges, the Nomination Committee 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 Board LTI 2021, at most 120,000 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, 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.
3. Whereby it is noted that the number of shares that may be transferred pursuant to Board LTI 2021 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 Board LTI 2021 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 Board LTI 2021 shall be made free of charge and be executed at the relevant time pursuant to the terms of Board LTI 2021.

Since Board LTI 2021 initially, in principle, is not expected to give rise to any social charges for the Company, the Nomination Committee has decided not to propose to the 2021 AGM to decide on authorization regarding the transfer of own ordinary shares on a regulated market to hedge costs associated to Board LTI 2021, such as social charges. However, before the transfer of the Company's shares to the participants in Board LTI 2021, 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 Board LTI 2021.

E. Share swap agreement with a third party

Should the majority requirement for paragraphs B - D above not be met, the Nomination Committee 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 Board LTI 2021 and sell ordinary shares in the market.

Board LTI 2021 costs

Board LTI 2021 will be accounted for in accordance with IFRS 2 which stipulates that the right to receive Performance Shares shall be expensed as a personnel cost over the vesting period.

The Nomination Committee has made a preliminary cost calculation for Board LTI 2021, which is based on a price per share of SEK 106.4 at the final allocation, that each participant makes an investment in Saving Shares which qualifies for participation in Board LTI 2021 and that the maximum number of Performance Shares is allotted. The value of the Performance Shares has been calculated based on a share price of SEK 60.80 per share in connection with the implementation of Board LTI 2021. Based on the above assumptions, the value of each Performance Share has been calculated to SEK 21.90.

Overall, this results in a maximum cost for Board LTI 2021 of approximately SEK 2.6 million, excluding the costs for social charges. The total costs for social charges, based on the assumption of a 75 percent share price increase at the time of allocation of Performance Shares and an average rate for social charges of 23.3 percent, is estimated to amount to a maximum of approximately SEK 3.0 million.

Should the AGM resolve on section E, the cost of entering into a share swap agreement is expected to amount to approximately SEK 300,000.

Existing incentive programs and dilution

As per the date of the notice, the number of shares in the Company amounts to 65,064,222 shares, of which 63,774,222 are ordinary shares and 1,290,000 are series C shares which were issued in connection with the share saving programs resolved at the AGM 2018, 2019 and 2020, and which will be converted into ordinary shares prior to delivery to the participants.

The Company currently has outstanding incentive programs in the form of, three (3) employee stock option programs, one (1) warrant program and four (4) performance-based share saving programs.

Considering the possibility of using existing C shares according to paragraph D 2. above, the maximum number of shares issued to fulfil the transfer of Performance Shares and to hedge costs

associated with Board LTI 2021, amount to 148,000, which corresponds to a maximum dilution of approximately 0.2 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.

The Nomination Committee has been informed that the Company's board of directors, in parallel with Board LTI 2021 which is aimed at some board members of the Company, intends to submit a proposal to the AGM regarding an incentive program with similar conditions as for Board LTI 2021 intended senior executives and key employees of the Company ("LTI 2021"). LTI 2021 and Board LTI 2021 will in total, including the shares issued to hedge costs associated with programs, entail that a maximum of 876,000 shares will be issued.

In case all outstanding incentive programs as well as LTI 2021 including Board LTI 2021 are exercised in full, a total of 2,823,132 new ordinary shares will be issued, which corresponds to a dilution of approximately 4.2 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 above calculations regarding dilution and impact on key ratios are subject to re- calculation of the warrants in accordance with the customary recalculation terms included in the complete applicable warrant terms.

Should the AGM resolve on section E, the share swap agreement will not affect the dilution or earnings per share set aside for the costs incurred by Board LTI 2021.

Preparation of the proposal

The proposal for Board LTI 2021 has been prepared by the Nomination Committee together with external consultants. However, the chairman of the board of directors, Lennart Johansson, has not participated in the Nomination Committee's preparation of the proposal.

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 supports 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 Company's Remuneration Committee, or anyone appointed by him, shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (Sw. Bolagsverket) or Euroclear Sweden AB.

Particular majority requirements

Aside from the majority requirements set out in item 14 and 15, for valid resolutions on the proposals set out in item 13, the proposal has to be approved by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the annual general meeting.

Accounting documents and complete proposals

Accounting documents, the audit report, the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives, the remuneration report, as well as complete proposals for resolutions and the board of directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act will be presented at the Annual General Meeting by being made available for the shareholders at the company's office at Scheelevägen 19, SE-223 70 Lund, Sweden and at the company website, www.bonesupport.com no later than three weeks prior to the annual general meeting. Copies of the documents will be sent to the shareholders upon request provided that such shareholders state their address.

Number of shares and votes in the company

As per the date of this notice, the total number of shares in the company amounts to 65,064,222 shares, of which 63,774,222 are ordinary shares with one vote per share and 1,290,000 are series C shares with one-tenth of a vote per share. As per the date of this notice, the number of votes in the company amounts to 63,903,222 votes. The company holds all 1,290,000 outstanding series C shares, corresponding to 129,000 votes, which cannot be represented at the annual general meeting.

Processing of personal data

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Lund in April 2021

BONESUPPORT HOLDING AB (publ)

The Board of Directors