

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **Statement of the Board of Directors pursuant to Chapter 19, Section 22 of the Swedish Companies Act (2005:551)**

As the board of directors and the Nomination Committee proposes that the annual shareholders' meeting on 22 May 2018 resolves to authorize the board of directors to resolve on acquisition of own series C shares, the board of directors of BONESUPPORT HOLDING AB, Reg. No. 556802-2171 (the "**Company**") hereby issues the following statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (*Sw.* aktieförlagslagen).

In accordance with the proposed authorizations, the Company will be entitled to repurchase a maximum of 620,000 own series C shares for a price which corresponds to the shares quota value of SEK 0.625. The total amount that may be issued upon acquisition pursuant to the authorizations amounts thus to SEK 387,500.

The nature and scope of the Company's business are set forth in the Company's articles of association and the annual report for the financial year 2017. The annual report sets forth the Company's and the group's financial position as of 31 December 2017. It also sets forth the principles applied with respect to the valuation of the Company's and the group's assets, reservations and liabilities. No assets or liabilities have been reported at their fair value pursuant to Chapter 4, Section 14 a, of the Swedish Annual Accounts Act (*Sw.* årsredovisningslagen).

According to the annual report for the financial year 2017, the Company's unrestricted equity (available profit and unrestricted reserves) amounts to approximately SEK 890 million. As per the balance sheet date, 31 December 2017, the Company's restricted equity amounted to approximately SEK 31 million. The board of directors has made the assessment that the Company's restricted equity will be intact if the proposed authorizations to acquire own series C shares are fully exercised.

Even if the proposed repurchase authorizations are fully exercised, the impact on the Company's and the group's liquidity will be marginal.

The board of directors is of the opinion that acquisition of own series C shares pursuant to the proposed authorizations will not affect the Company's and the group's ability to meet their short or long term payment obligations. Nor is the exercise of the proposed authorizations expected to negatively affect the Company's and the group's ability to make commercially justifiable investments. The board of directors is also of the opinion that the Company's and the group's equity, after exercise of the proposed authorizations for acquisition of own series C shares, will be sufficient seen in relation to the nature, scope and risks of the business operations of the Company and the group.

In view of the above and considering such other circumstances, which have come to the board of directors attention, the board of directors is of the opinion, based on an overall assessment of the Company's and the group's financial position, that the proposed authorizations to resolve on acquisition of own series C shares are justifiable with respect to the requirements imposed by the nature, scope and risks of the operations in relation to the

size of the Company's and the group's equity, as well as the consolidation needs, liquidity and general position of the Company and the group.

The board of directors therefore considers that the proposed authorizations are justified with respect to the requirements set out in Chapter 17, Section 3, paragraph 2 and 3 of the Swedish Companies Act.

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Lund on 20 April 2018

BONESUPPORT HOLDING AB

The Board of Directors

Håkan Björklund

Lennart Johansson

Tone Kvåle

Lars Lidgren

Björn Odlander

Nina Rawal