

## TERMS AND CONDITIONS OF THE OFFERING

### Authorisation for the Offering and Board resolution on the Offering

On 5 April 2019, the Annual General Meeting of BBS-Bioactive Bone Substitutes Plc (“BBS” or the “Company”) resolved that the Board of Directors is authorized to decide on share issues. The maximum number of new shares that can be issued on the basis of the authorization is 1,500,000. The authorization is valid until the next Annual General Meeting, however no longer than 30 June 2020. There are 1,385,700 shares left from the authorization.

On 26 May 2020, the Company’s Board of Directors resolved on issuing the Offer Shares by adopting the terms and conditions of the Offering set out below.

### The Offering and subscription right

In accordance with the shareholders’ pre-emptive subscription right, the Company is offering up to 1,301,205 new shares in the Company for subscription by the Company’s shareholders (the “Offer Shares”) (the “Offering”).

BBS will give all shareholders registered in BBS’s shareholder register maintained by Euroclear Finland Ltd (“Euroclear Finland”) or Euroclear Sweden Ltd (“Euroclear Sweden”) one (1) book-entry subscription right (the “Subscription Right”) per each share held on the Offering record date 28 May 2020 (the “Record Date”). Four (4) Subscription Rights entitles the holder to subscribe for one (1) Offer Share. Fractions of Offer Shares will not be given. The Subscription Rights will be registered in shareholders’ book-entry accounts in the book-entry system maintained by Euroclear Finland approximately on 29 May 2020 and in the book-entry system maintained by Euroclear Sweden approximately on 1 June 2020. The Subscription Rights can be freely assigned and they will be traded on First North Finland (trading symbol BONEHU0120, ISIN: FI4000440219) and on First North Sweden (trading symbol BONES TR, ISIN: SE0014428876) between 2 June 2020 and 12 June 2020. If a Company share entitling to a Subscription Right is subject to a pledge or another such restriction, the Subscription Right may not be exercisable without the consent of the pledgee or other rights holder.

### The right to subscribe for unsubscribed Offer Shares without Subscription Rights

The Board of Directors of the Company shall resolve on offering any unsubscribed Offer Shares secondarily to shareholders and other investors who have submitted a subscription application concerning the Offer Shares during the Subscription Period without Subscription Rights. See subsequently “*Subscription for Offer Shares without Subscription Rights*” and “*Allocation*”.

### Subscription Price

Subscription Price of Offer Shares is EUR 4.20 or SEK 44.42 per Offer Share (the “Subscription Price”). The Subscription Price for the Offer Shares will be recorded in the reserve for invested unrestricted equity. The Subscription Price includes a normal pre-emptive subscription right issue discount. The Subscription Price is approximately 47.6 percent lower compared with volume weighted average price of the Company’s share on First North Finland between 28 April and 19 May 2020.

### Subscription Period

The subscription period for the Offer Shares (the “Subscription Period”) will commence on 2 June 2020 at 10.00 Finnish time (9.00 Swedish time), and is expected to end on 18 June 2020 at 17.00 Finnish time (16.00 Swedish time) in Finland and on 16 June 2020 at 17.00 Finnish time (16.00 Swedish time) in Sweden.

The Company may, at its sole discretion, extend the Subscription Period. The Subscription Period may be extended once or several times, however not past 25 June 2020. Any extensions of the Subscription Period will be announced by way of a company release before the end of the Subscription Period.

If the Subscription Period is extended, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly.

Subscription locations, account operators, custodians and nominees may require their customers to submit subscription orders on a certain day prior to the end of trading on the Subscription Rights or before the Subscription Period ends.

## Subscription locations

The following function as subscription locations:

- a) In Finland, account operators and custodians.
- b) In Sweden

Hagberg & Aneborn Fondkommission AB  
Valhallavägen 124  
SE-114 41 Stockholm  
Tel: +46 8 408 933 50  
Fax: +46 8 408 933 51  
Email: info@hagberganeborn.se

## Exercising Subscription Rights

A shareholder may participate in the Offering by subscribing for the Offer Shares through the Subscription Rights in his/her/its book-entry account and by paying the Subscription Price. In order to participate in the Offering, a shareholder shall make a subscription according to the instructions given by his/her/its custodian or account operator.

The holders of purchased Subscription Rights shall submit their subscription order according to the instructions issued by their custodian or account operator.

Such shareholders and other investors participating in the Offering whose Company shares or the Subscription Rights are registered in the name of a nominee shall submit their subscription order according to the instructions given by their nominee.

The subscription orders must be submitted separately for each book-entry account.

Deficient or erroneous subscription orders may be rejected. If the Subscription Price is not paid according to these terms and conditions or the payment is insufficient, the subscription order may be rejected. In such a situation, the Subscription Price paid will be refunded to the subscriber approximately three (3) local banking days from the date when the subscriptions have been accepted. No interest will be paid for such payment.

Any subscriptions made are binding, and they cannot be changed or cancelled except in accordance with the subsequent section "*Supplements to Prospectus and cancellations of subscriptions*".

Unexercised Subscription Rights will expire and have no value when the Subscription Period ends on 18 June 2020 at 17.00 Finnish time (16.00 Swedish time) in Finland and on 16 June 2020 at 17.00 Finnish time (16.00 Swedish time) in Sweden. No separate notification will take place when Subscription Rights are deleted.

## Subscription for Offer Shares without Subscription Rights

The subscription of the Offer Shares without the Subscription Rights by a shareholder and/or another investor is performed by submitting a subscription order and by simultaneously paying the Subscription Price in accordance with the instructions provided by the subscriber's account operator, custodian or, in the case of investors entered into the nominee register, the nominee. Only one (1) subscription order without subscription rights can be done. If multiple subscription orders are given, only the last one is taken into account. An incomplete or incorrect subscription order may be ignored. The subscription order is binding.

The custodian, account operator or nominee of the shareholder and/or investor, whose subscribed Offer Shares are delivered through the book-entry system maintained by Euroclear Finland, shall receive the subscription order and the payment no later than on 18 June 2020 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

The custodian, account operator or nominee of the shareholder and/or investor, whose subscribed Offer Shares are delivered through the book-entry system maintained by Euroclear Sweden shall receive the subscription order and the payment no later than on 16 June 2020 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

## Specific instructions for Sweden

### Directly registered shareholders

Shareholders or representatives of shareholders who, on the record date of 28 May 2020, are registered in the share register maintained by Euroclear Sweden on behalf of the Company will receive a pre-printed issue statement with an attached payment form, a separate application form for subscription with the Subscription Rights, an application form for subscription without the Subscription Rights and a letter to shareholders.

Those parties included in the separate list of pledge holders etc. maintained in connection with the share register will not receive any information but will be informed separately. No securities notification will be issued reporting the registration of the Subscription Rights in the shareholder's securities account.

### Subscription with subscription rights

Subscription for the Offer Shares with the Subscription Rights may take place between 2 June 2020 and 16 June 2020 by simultaneously submitting a cash payment for the Offer Shares. Please note that it may take up to three (3) banking days before the payment is received by the destination account. Subscription and payment must take place in accordance with one of the two alternatives set out below.

#### 1. Issue statement – pre-printed payment form from Euroclear Sweden

In cases when all the Subscription Rights are exercised to subscribe for the Offer Shares, the pre-printed payment form from Euroclear Sweden must be used as a basis for an application to subscribe through payment. The special application form should therefore not be used. No additions or amendments may be made in the printed text of the payment form. Applications are binding.

#### 2. Special application form

The special application form is to be used for subscription of Offer Shares in cases when the number of Subscription Rights exercised is different from those stated in the pre-printed payment form from Euroclear Sweden. Applications for subscription through payment are to be made in accordance with the instructions stipulated on the special application form. The pre-printed payment form from Euroclear Sweden should therefore not be used. A special application form can also be ordered from Hagberg & Aneborn Fondkommission AB by telephone or e-mail as specified below.

The special application form shall be submitted to Hagberg & Aneborn Fondkommission AB no later than 16.00 Swedish time on 16 June 2020. Any application forms that are sent by conventional mail should therefore be sent well in advance of the final subscription date. Only one application form per person or legal entity will be considered. If more than one application form is submitted, then only the last form received will be considered. Incomplete or incorrectly completed special application forms may also be disregarded. Applications are binding.

The completed special application form should be sent or submitted to:

Hagberg & Aneborn Fondkommission AB  
Matter: BBS  
Valhallavägen 124  
SE-114 41 Stockholm

Tel: +46 8 408 933 50  
Fax: +46 8 408 933 51  
Email: info@hagberganeborn.se (scanned application forms)

### **Nominee-registered shareholders**

Shareholders whose holdings of shares in BBS are nominee-registered at a bank or other nominee will not receive any issue statement. The application for subscription and payment should be carried out in accordance with the instructions from each nominee.

## **Approval and payment of subscriptions**

The Company's Board of Directors will approve all the subscriptions made on the basis of the Subscription Rights and in accordance with the terms and conditions of this Offering and the applicable laws and regulations approximately on 24 June 2020. In addition, the Company's Board of Directors will approve the subscriptions made without the Subscription Rights and in accordance with the terms and conditions of the Offering applicable laws and regulations pursuant to the allocation principles presented below in the section "*Allocation*". The Board of Directors may, based on its own consideration, resolve to reject a subscription made by an investor in the Offering inter alia,

- a) if the Board of Directors considers that the subscription breaches an applicable law or regulation; or
- b) there is reason to believe that it would require other measures from the Company than publication of the Prospectus in order for the transfer of the Offer Shares to the investor to be permitted.

The Subscription Price of the Offer Shares subscribed for in the Offering must be paid in full in euro in Finland or Swedish krona in Sweden in connection with the submission of the subscription order according to the instructions given by the subscription location, the custodian or the account operator.

Current shareholder Finha Capital Oy who has granted a loan to the Company may, however, pay their subscription according to the terms of their subscription undertaking by setting off the subscription price receivable against the principal amount of the loan granted to the Company and the accrued interest.

A subscription is considered made when the subscription order has arrived at the subscription location, the account operator or custodian in question and the Subscription Price has been paid in full. By subscribing, the subscriber authorises his / her account operator to disclose the necessary personal data, the number of his / her book-entry account and the details of the subscription to the parties involved in the order or the execution of the order to allocate and settle the shares.

## **Allocation**

If all the Offer Shares have not been subscribed on the basis of the Subscription Rights, BBS's Board of Directors will decide on the allocation of the Offer Shares subscribed for without the Subscription Rights as follows:

- a. First to those who also have subscribed for the Offer Shares on the basis of the Subscription Rights. If the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined in a book-entry account-specific manner in proportion to the number of the Subscription Rights used for the subscription for the Offer Shares and, if this is not possible, by drawing lots; and
- b. Secondly to those who have subscribed for the Offer Shares only without the Subscription Rights, and if the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined in a book-entry account-specific manner in proportion to the number of the Offer Shares which the subscribers have subscribed for and, if this is not possible, by drawing lots.

BBS will confirm the approval of the subscription of the Offer Shares subscribed for without the Subscription Rights, if approved, for all investors who have submitted a subscription order to subscribe for the Offer Shares without the Subscription Rights. Investors who subscribe for the Offer Shares without Subscription Rights through their account operators receive information regarding their subscription according to the routines of the account operator.

If the Offer Shares subscribed for without the Subscription Rights are not allocated in the number referred to in the subscription order, the paid Subscription Price corresponding to the Offer Shares not obtained will be refunded to the subscriber approximately on 25 June 2020. Payment will be done to the subscriber's bank account stated on the subscription form. No interest will be paid on such a payment.

## **Announcement of outcome of the Offering**

Provided that no changes are made to the Subscription Period, the Company will announce the outcome of the Offering approximately on 24 June 2020 by way of a company release.

## **Registration and delivery of the Offer Shares**

The Offer Shares subscribed for in the Offering will be issued as book entries in the book-entry system of Euroclear Finland and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden.

After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the "Temporary Shares") will be entered in the subscriber's book-entry account. In Finland, this is estimated to be the next day, in accordance with Euroclear Finland's clearing timetable. In Sweden the Temporary Shares (BTA) are registered with Euroclear Sweden as soon as possible, which is normally a few banking days after payment. Thereafter, the subscriber will receive a securities advice note confirming the booking of BTA on the subscriber's securities account. Trading in the Temporary Shares will commence on First North Finland (trading symbol BONEHN0120, ISIN: FI4000440201) and on First North Sweden (trading symbol BONES BTA, ISIN: SE0014428884) as their own special share class approximately on 2 June 2020. The Temporary Shares will be combined with current shares after the Offer Shares have been registered in the Trade Register. The delivery and combination will take place approximately on 30 June 2020, in the book-entry system maintained by Euroclear Finland, and the Offer Shares will be subject to trading together with the Company's existing shares approximately on 30 June 2020 on First North Finland. The delivery and combination will take place approximately on 1 July 2020, in the book-entry system maintained by Euroclear Sweden, and the Offer Shares will be subject to trading together with the Company's existing shares approximately on 1 July 2020 on First North Sweden.

The Offer Shares subscribed for without the Subscription Rights will be delivered at the same time as the ones that have been subscribed for with the Subscription Rights, and no Temporary Shares will be delivered in respect to these.

## **Dilution of the shareholding**

As a result of the Offering, the number of the Company's shares may rise from 5,204,820 to a maximum of 6,506,025 shares. The Offer Shares correspond to approximately 25.0 percent of all the Company's shares immediately before the Offering and about 20.0 percent of the Company shares after the Offering, assuming that the Offering is fully subscribed.

The underwriters are entitled to use their underwriting fee for setting off the subscription price of the Company's new shares in a directed issue, to be arranged for the underwriters, if necessary, after the Offering. In such case, the underwriting fee is twelve (12) percent of the given underwriting guarantee, meaning a maximum of approximately EUR 0.4 million. If the Offering and the directed share issue to the underwriters would be fully subscribed, the subscription price would be the same in the directed issue to be arranged for the underwriters as the Company's closing share price on First North Finland on 25 May 2020 (EUR 7.95), and all the underwriters would use their underwriting fee to set off subscription price of the new shares in the directed issue, the number of the Company's shares may rise with another 52,288 shares. These shares offered in the directed issue to be arranged for the underwriters would correspond to approximately 1.0 percent of all the Company's shares before the Offering and approximately 0.8 percent of the Company's shares after the Offering and the directed share issue mentioned above, assuming that both share issues are fully subscribed.

If the Offering, and the directed share issue to possibly be arranged in connection with the Offering is arranged and fully subscribed, and the subscription price in the directed share issue to the underwriters is the same as the Company's closing share price on First North Finland on 25 May 2020 (EUR 7.95), all the new shares to be issued correspond to approximately 20.6 percent of all the Company's shares after the share issues.

Of the maximum of 1,385,700 shares that the Board of Directors of the Company has received an authorisation to issue, a maximum of 1,301,205 shares will be issued in the Offering, which means at least 84,495 shares will be left of the authorisation.

Company's net value per share 31 December 2019 was 0.71 euros. The subscription price of Offer Shares is 4.20 euros per Offer Share.

## **Shareholder rights**

The Offer Shares will confer all shareholder rights from their registration with the Trade Register and delivery to the investors. Each Share in the Company confers one vote at the Company's General Meetings.

## **Supplements to Prospectus and cancellations of subscriptions**

Subscriptions placed in the Offering and are binding and irrevocable and may only be cancelled where the Prospectus Regulation provides for a cancellation right.

If the Prospectus is supplemented or corrected in accordance with the Prospectus Regulation due to a significant new fact, material error or material inaccuracy related to the information contained in the Prospectus, which becomes apparent after the Finnish FSA has approved the Prospectus but before trading of the Temporary Shares has started, or in the case for those investors who are not delivered Temporary Shares, the delivery of Offer Shares, the investors who have subscribed for Offer Shares before the supplement or amendment of the Prospectus, have the right, according to the Prospectus Regulation, to cancel their subscription within at least two (2) working days from the publication of the supplement or amendment. If the Prospectus is supplemented, this will be announced by way of company release. The company release will also inform investors of the right to withdraw their subscription in accordance with the Prospectus Regulation.

If an investor wishes to cancel his or her subscription in accordance with the above-mentioned right of withdrawal, the cancellation of the subscription must be done in writing to the place of subscription where the subscription has been made within the time limit set for cancellation. However, subscriptions placed on the website of Hagberg & Aneborn Fondkommission AB cannot be cancelled on the website but should be cancelled by contacting Hagberg & Aneborn Fondkommission AB at [info@hagberganeborn.se](mailto:info@hagberganeborn.se) or by telephone +46 8 408 933 50. Information on cancellation right will also be provided in the Prospectus supplement to be published.

The possible cancellation of a subscription concerns the entire subscription. If an investor has cancelled his or her subscription, the amount paid by the investor for the Offer Shares will be returned to the investor's bank account stated in connection with the subscription. The money is refunded approximately within five (5) banking days of the cancellation. If an investor's bank account is in a different bank than that subscription place, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount.

If the shareholder has sold or otherwise reassigned his/her Subscription Rights, the sale or transfer cannot be cancelled.

## **Governing law**

The Offering and the Offer Shares shall be governed by Finnish law. The courts of Finland have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering.

## **Other matters**

The Company's Board of Directors may make decisions on other matters related to the Offering.