



# Half-Year Financial Report

January – June 2022



## **BBS approaches the CE marking of its first product**

### **JANUARY-JUNE HIGHLIGHTS**

- Artebone Paste's CE marking application was submitted to the notified body on March 9, 2022
- During the first half-year, BBS-Bioactive Bone Substitutes Plc (BBS) continued to implement the actions required for the registration of the company's first product (ARTEBONE® Paste) including ramping up production, and preparing for the start of marketing measures.
- In May – June, the company arranged a rights issue, raising a total of approximately EUR 3.5 million in gross proceeds. Net proceeds after transaction costs related to the issue were approximately EUR 3.1 million.
- After period-end, the company has repaid EUR 0.48 million of Business Finland's product development loans, EUR 0.2 million of Riverfort Global's financing
- The company generated no revenue during the review period
- The financial result in the review period was EUR -1.68 (-1.31) million
- Cash flow from operations was EUR -1.496 (-1.365) million
- Cash and cash equivalents on 30 June 2022 were EUR 3.390 (1.934) million

The figures in the review are rounded, so the sum of the individual figures may differ from the total presented. BBS's accounting period is a calendar year. Figures in parentheses refer to the corresponding period of the previous year, unless otherwise stated. The information in the review is unaudited.

### **FUTURE OUTLOOK**

#### **Guidance for 2022**

No revenue is expected during 2022.

#### **Board of Directors outlook for 2022-23**

The company has submitted the CE marking application for its first product (ARTEBONE® Paste) to the notified body, and the CE marking process is expected to take 8-12 months from the submission date (March 9, 2022), according to the announcement by the authorities. Thus, the company expects authorities to announce the decision on the approval of the application in 2023.

Further measures are required to ensure the sufficiency of the company's financing in order to implement the company's plans following the expected approval of the CE marking. The company continues discussions to secure additional funding to enable the continuation of the development work as well as initiating commercial activities.

**For more information:**



**Ilkka Kangasniemi**  
CEO

**Liisa Hukka**  
CFO

## KEY FIGURES

€ 1000	1-6/2022	1-6/2021	2021
Other operating income	55	45	60
Personnel expenses	728	479	1 199
Depreciation and amortization	113	113	214
Other operational expenses	689	663	1 144
Profit/Loss for the period	-1 676	-1 308	-2 771
Cash flow for business operations	-1 496	-1365	-2 520
Change in cash resources	2 153	-1 504	-2 202
Equity ratio <sup>1)</sup> , %	43,4	42,3	35,0
Earnings per share <sup>2)</sup> , EUR	-0,24	-0,20	-0,42
Earnings per share, EUR, diluted	-0,24	-0,19	-0,41
Number of shares at the end of period	9 671 459	6 571 525	6 981 525
Average number of shares in the period	7 130 966	6 571 525	5 668 393
Equity per share	0,58	0,73	0,53
Cash and cash equivalents	3 390	1 934	1 236
Equity	5 475	4 780	3 634
Balance sheet total	12 618	11 303	10 516

<sup>1)</sup>Equity ratio =  $Equity / (Balance\ sheet\ total - Advances\ received)$

<sup>2)</sup>EPS =  $Profit(Loss) / Average\ number\ of\ share\ in\ the\ period$

## CEO ILKKA KANGASNIEMI

During the first half of 2022, BBS made positive progress towards its targets. In March, we submitted the CE marking application for our first product (ARTEBONE® Paste bone filler) to the notified body. The approval of the application will enable us to market and sell the product within the European Union.

The approval of the CE marking is the most important target for BBS, and our employees worked hard to enable submitting the application. Now this work continues as part of the application approval process, which according to the authorities' announcement will take 8-12 months from the date of submission (March 9, 2022). During the approval process, the authorities shall also certify the quality system of our production lines. Once these actions have been completed, we can enter the commercial phase.

We expect to receive the approval in 2023, after which the unique new generation bone substitute we have developed can be introduced to the market. During the approval process, we have continued to implement the actions required by the registration as well as ramped up production. To finance these activities, we arranged a rights issue in May –June, in which we raised a total of approximately EUR 3.1 million in net proceeds for the company. Almost 2,000 shareholders from Finland and Sweden took part in the offering. While the issue was not fully subscribed, considering the unfavorable capital market situation during the subscription period, I am satisfied with the end result. In December 2022 and May 2023, those who took part in the offering will have the opportunity to subscribe for additional shares with their warrants. The company plans to use these additional proceeds for marketing and launch preparations, to enable a faster transition to the commercial phase. I would like to thank all the subscribers for the trust they have shown in the company so far.

The company's financing is now secured for this year, and management can adjust the use of funds with its decisions. We are currently discussing additional funding to secure the continuation of development work and the starting of commercial operations, once the approval for the CE marking has been received.

I am proud of our team. They have solved all the challenges during our journey, despite several issues which have impacted our company's operations and our operating environment. These have included the significant reform of the medical device regulation (MDR), the pandemic and the effects of the war in Ukraine. We have an important goal: the introduction of a new generation treatment to the market offering a safe, functional and cost-effective way to treat difficult bone fractures and ossification problems. The need for our product has only continued to increase. This goal guides and motivates all our actions during the second half-year.

## Markets

Orthopaedics addresses the treatment of musculoskeletal disorders, injuries, and diseases. Orthopaedic diseases have significant impact on public health worldwide. They are the second largest

cause of disability and user of resource of health care in the world. The significant factor is the rising number of surgeries caused by the ageing population and overall improvement in treatment coverage.

The total value of the orthopedics market is forecasted to grow moderately in 2021, reaching USD 54.5 billion in 2021 (2020: 47,51). The global bone graft market was estimated to be worth around USD 2.7 billion in 2020, with the growth forecast of 5.5% annually between 2021–2028). The bone marrow market is the company's main target market.

Approximately 1/3 of all relevant operations are made with autograft. Therefore, the potential bone graft substitute market can, based on BBS's estimates, grow by 50 % to up to 4 billion USD. When a product, that is in every way a good substitute for the autograft comes on the market, orthopedic surgeons are known to be happy to switch from autograft to substitute, which is one of the forces driving the market forward.

The global turnover of orthopedic companies fell by 10.6% in 2019–2020 because of the pandemic. The fall was due to the healthcare sector preparing for the effects of the coronavirus, which led to the postponement of non-urgent treatments. This in turn created a backlog that is now causing congestion and should restore the turnover of companies to levels close to those seen before the pandemic.

At the same time, due to governments revenue loss, even greater savings objectives are put to healthcare systems. As a result, products and services that create savings without sacrificing quality of care are now in a much more competitive position, according to the company's management. ARTEBONE® Paste, developed by BBS, addresses this need.

## **STRATEGY AND GOALS**

The company's strategy is to commercialize the protein extract by developing bone substitute products, and to market them locally and in other markets via distributors and partners.

The company also aims to offer the protein extract to the company's partners as material for developing their own products and supports partners in their product development work and marketing.

### **SHORT-TERM STRATEGY**

The company's short-term goal is to successfully obtain CE marking for the ARTEBONE® Paste implant during 2023 and initiate marketing to launch the first product. According to the company's plans, its first geographic market areas are the Nordic countries and certain other European markets. The company aims to obtain FDA approval required for entry into the US market after securing the CE marking.

## EVENTS DURING THE REVIEW PERIOD

In March (March 9, 2022), the company submitted its first product (ARTEBONE® Paste) to the notified body for the CE marking. During the CE marking process, BBS has continued to implement the actions required for the registration, ramping up production and preparations to initiate marketing measures.

In May–June, the company arranged a rights issue, where it raised a total of approximately EUR 3.5 million in gross proceeds. Net proceeds after transaction costs related to the issue were approximately EUR 3.1 million.

The finalization of the production lines and processes continued and the production validation processes were carried forward with the aim of ensuring CE marking and the ability to reliably manufacture products for the upcoming launch.

After period-end, the company has repaid EUR 0.48 million of Business Finland's product development loans and EUR 0.2 million of Riverfort Global's financing.

### The product's journey towards commercialization

Phase	Action	Status
Product development	Preclinical animal tests	Completed
	Functionality and efficiency tests	Completed
	Clinical test	Completed
Approvals	Production lines and line certification	Mostly completed
	Submitting a CE application	Completed
	CE marking	Expected in 2023
Commercialization	Preliminary launch	In preparation
	Extensive commercialization	In preparation

## FINANCIAL REVIEW

*The half-year review has been prepared in accordance with the Finnish Accounting Act and the rules of the First North marketplace. The review and the financials are unaudited. BBS Plc owns 100% of the shares of the subsidiary Bio Bones Ltd. Bio Bones Ltd owns and manages the Company's property in Reisjärvi. Bio Bones Ltd has no other business.*

### Revenue and profitability

The company generated no revenue in January-June, nor in the comparison period. The consolidated result for the review period was EUR -1.68 million (-1.31), mainly consisting of expenses related to research and development, administration and finance to secure the start of production.

### Investments

The capital expenditure on machinery and equipment at Reisjärvi production site amounted to EUR 0.05 million (0.11). All the development expenses were recognised as costs in the Profit and Loss statement.

### Financing

Company's cash and cash equivalents on 30th June 2022 were EUR 3.40 million (1.93). On 31st December 2021 cash and cash equivalents were EUR 1.24 million. The annual change was EUR 1.47 million. The company's cash resources increased in the first half of the year by EUR 2.15 million (-1.54), when the Company organized a rights issue in May, and raised a EUR 0.25 million installment from Riverfort Global's financing in February. The cash flow of the company's operations in the review period was EUR - 1.50 million (-1.37) and in the financial period 2021 a total of EUR -2.52 million.

The available cash reserves are not sufficient for the cash expenses of the next 12 months. The company's management can influence the adequacy of funding with its decisions

After period-end, the company has repaid EUR 0.48 million of Business Finland's product development loans, EUR 0.20 million of Riverfort Global's financing.

### Balance sheet

The balance sheet total at June 30th 2022 was EUR 12,62 million (June 30th 2022: 11.30; 31st December 2021: 10.51). At the end of the review period the short term debts amounted to EUR 2.37 million (June 30th 2021: 1.43 ; December 31st 2021: 1.57), out of which EUR 1.82 million were interest bearing loans to credit institutions (June 30th 2021: 1.64 ; December 31st 2021: 1.08) of which EUR 0.68 million was repaid after the review period .The long-term interest-bearing debts amounted to EUR 4,42 million (June 30th 2021: 4.74; December 31st 2021: 4.95) and subordinated Capital Loan EUR 0,18 million (June 30th 2021: 0.18; December 31st 2021: 0.18). The financing costs were EUR - 0,20 million (June 30th 2021: -0.04; December 31st 2021: -0.20).

During the review period no further development costs were recognised as investments into the balance sheet.

### Equity

The Company's equity at June 30th 2022 was EUR 5.48 million (June 30th 2021: 4.78). At closing of the financial year December 31st 2021 the equity amounted to EUR 3.63 million

## PERSONNEL AND MANAGEMENT TEAM

At the end of the review period, the company's staff consisted of the CEO and 20 (16) employees. During the review period, two people were recruited to strengthen production resources. Of the personnel, 13 work at the factory in Reisjärvi and 7 work in Oulu.

During the publication of the report the management team of BBS consists of:

- Ilkka Kangasniemi, CEO
- Liisa Hukka, CFO
- Jussi Jukka, production manager (as of 8 August 2022)
- Hanna Tölli, operational manager (until 8 August 2022)
- Soile Hakala, quality manager
- Mikko Viitanen, head of the quality control laboratory

## Governance

### Extraordinary general meeting 2022

The company's extraordinary general meeting was held on Thursday, March 17, 2022, starting at 14:00 in Oulu.

The general meeting decided to authorize the board of directors to decide in one or more installments on share issues and on the issue of option rights and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Limited Liability Companies Act, as follows: The number of shares to be issued based on the authorization can be a maximum of 6,000,000 shares. The board of directors decides on all conditions for granting share issues and options and other special rights entitling to shares. Issuance of shares and the granting of option rights and other special rights entitling to shares may take place in deviation from the shareholders' pre-emptive right (directed issue), if there is a compelling financial reason for it from the company's point of view. The authorization applies to the transfer of both new shares and the company's own shares. In the company's share issues, shares can be transferred either against payment or free of charge. Directed share issue can only be free of charge if there is a particularly compelling financial reason for it from the company's point of view and taking into account the interests of all its shareholders. The authorization is valid until June 30, 2023, and when it enters into force, it will cancel the authorization granted by the annual general meeting on April 28, 2021.

The minutes of the general meeting can be viewed on the website of BBS-Bioactive Bone Substitutes Plc at [www.bbs-artebone.fi](http://www.bbs-artebone.fi).

### Annual General Meeting 2022

The company's annual general meeting was held on Thursday, April 28, 2022, starting at 2 p.m. in Oulu.

The general meeting confirmed the company's financial statements for the financial year 2021, granted discharge of liability to the members of the board of directors and the CEO. The general meeting decided that the company will not pay a dividend for the financial year 2021.

The general meeting decided that the number of board members is five. Jarmo Halonen, Pekka Jalovaara, Seppo Nevalainen and Kirk Andriano were re-elected as board members until the end of the next annual general meeting. Ahti Paananen was elected as a new board member. The general meeting decided that the chairman of the board will be paid 1.300 euros per meeting and the other members 900 euros per meeting. There is no compensation for e-mail meetings.

Ernst&Young Oy Authorised Public Accountants, was re-elected as the auditor of the Company by the AGM and KHT Jari Karppinen acts as the principal auditor. The auditor is paid according to a reasonable invoice approved by the company.

The minutes of the general meeting can be viewed on the website of BBS-Bioactive Bone Substitutes Oyj at [www.bbs-artebone.fi](http://www.bbs-artebone.fi).

## SHARE

### Shares and share capital

The market value of BBS at the end of the review period on June 30, 2022 was EUR 10.8 million. The closing share price on June 30, 2022 was EUR 1.45. The highest closing price per share of the review period was EUR 2.72 and the lowest was EUR 1.45.

According to Euroclear's shareholder register, BBS had 4,256 shareholders on June 30th 2022 (June 30th 2021: 3671; December 31st 2021: 3,964). The company has one share series and two option series TO1 and TO 2 established on the First North marketplace in connection with the July 1st 2022 share issue. At the end of the review period, there were a total of 9,671,459 registered shares, of which 234,523 were in the company's own control. There were 335,481 units of both option series TO1 and TO2, i.e. a total of 670,962 options traded. At the end of the comparison period, the number of registered shares was 6,571,525, and at the end of the financial year 2021, 6,981,525 shares, of which the company holds 243,636 shares.

On June 30th, 2022, BBS's board of directors owned a total of 1,110,835 shares (December 31st, 2022: 576,219), including shares owned through controlled companies, i.e. 11.5% of the company's share capital. The board also owned 49,908 TO1 and TO2 options (7.4% of the respective option series). The CEO did not own any company shares at the end of the review period. Information about the company's insider trading in the company's shares is published on the company's website.

### Shareholders

The largest shareholders on June 30, 2022 were:

1000 eur	30.6.2022			31.12.2021	
	Number of shares	%	Number of options <sup>2)</sup>	Number of shares	%
Finha Capital Oy	1 369 798	14.2%	77 212	1 060 938	15.7%
Reisijärven kunta	1 051 081	10.9%	87 590	700 271	10.4%
Pekka Jalovaara <sup>1)</sup>	566 100	5.9%	3 850	550 700	8.2%
Ahti Paananen <sup>1)</sup>	500 068	5.2%	41 672	333 379	4.9%
Panvest Oy	457 765	4.7%	38 146	305 177	4.5%
Euroclear Bank SA/NV	251 994	2.6%	16 168	175 169	2.6%

Veronika Halonen	229 349	2.4%	1 992	129 337	1.9%
Alexandra Rosenqvist	229 348	2.4%	1 992	129 337	1.9%
Jukka Halonen	220 863	2.3%	11 236	175 913	2.6%
Skandinaviska Enskilda Banken Ab	173 514	1.8%	250	102 026	1.5%
<b>10 largest owners in total</b>	<b>5 049 880</b>	<b>52.3%</b>	<b>279 968</b>	<b>3 662 697</b>	<b>54.4%</b>
Others	4 387 056	47.7%	402 230	3 075 192	45.6%
Total	9 436 936	100%	670 962	335 481	100%
BBS-Bioactive Bone Substitutes Plc	234 523			243 636	
<b>Total</b>	<b>9 671 459</b>		<b>670 962</b>	<b>6 981 525</b>	

1) Ahti Paananen (since April 28, 2022) and Pekka Jalovaara are members of the company's board.

2) Number of quoted trading options [BONEHEW12022, BONEHEW22022]

## Rights issue 2022

On May 6, 2022, the company announced that the board decided to organize a subscription rights issue of a maximum of approximately EUR 4.5 million and the related offering of option rights. The subscription period for the share issue started in Finland and Sweden on May 18, 2022. The subscription period ended on June 1, 2022 in Sweden and June 3, 2022 in Finland.

On June 8, 2022, the company's board of directors decided to accept the entries made in the issue. 1,972,571 shares were subscribed with subscription rights (about 73 percent of the subscribed shares) and 717,363 shares without subscription rights (about 27 percent of the subscribed shares). With regard to a total of 153,846 shares subscribed in the Share Issue and the related option rights, acceptance of the subscriptions is conditional on the subscribed shares being paid to the company no later than June 10, 2022.

The shares registered in the share issue were registered in the trade register on June 16, 2022. The temporary shares were combined with the Company's existing shares in the book-entry system maintained by Euroclear Finland Oy on 17 June 2022 and in the book-entry system maintained by Euroclear Sweden AB on 23 June 2022. The new shares subscribed in the share issue were traded together with the Company's existing shares on June 20, 2022 in First North Growth Market Finland and on June 23, 2022 in First North Growth Market Sweden.

As a result of the share issue, the number of BBS shares increased by 2,689,934 shares. After the share issue, the company's total number of shares is 9,671,459, of which the company owns 234,523. The number of option rights issued in connection with the share issue is 670,962 from two different series (TO1 and TO2). For each eight (8) subscribed issue shares, the shareholder received two (2) option rights free of charge. The option gives its owner the right to subscribe for one (1) new share in the period between 21.11.-2.12.2022 (option right TO1) and 22.5.-2.6.2023 (option right TO2). With options, the shareholder can subscribe for shares at a discount compared to the price prior to the subscription.

The share issue was 77 percent subscribed, and the company raised approximately 3.5 million euros in assets before deducting the expenses and fees incurred from the share issue. Taking expenses and fees into account, the company raised a total of approximately 3.1 million euros in net assets. Of the net assets, approximately EUR 0.2 million, corresponding to the subscription price paid by RiverFort Global Opportunities PCC Ltd (RiverFort) in the share issue, will be used to repay RiverFort's loan receivable from the company in accordance with the terms of the subscription commitment issued by RiverFort.

## **Authorizations**

On March 17, 2022, the company's extraordinary general meeting decided to authorize the board of directors to decide, in one or more installments, on the issuance of shares and the issuance of option rights and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Limited Liability Companies Act as follows: The number of shares issued pursuant to the authorization may not exceed 6,000,000 shares. After the above-mentioned subscription rights issue, the company has approximately 2,639,104 remaining authorizations. The authorization is valid until June 30, 2023.

## **Share-based incentive system**

The company has a valid option program 2012, which was approved by the general meeting on July 18, 2012. The board, authorized by the general meeting, has decided on the options on January 2, 2013. Options have been given to key personnel and each option can be used to subscribe for one share at a price of one euro by 31 December 2023. The option subscriptions can result in a maximum of 170,000 new shares, and the program does not have a significant impact on the performance figures per share.

## **Flagging notifications**

The company did not receive flagging notifications in accordance with Chapter 9, Section 5 of the Securities Market Act during the reporting period.

## **RISKS AND UNCERTAINTIES**

This section describes the most important risks related to the company's operations. According to the management's view, there have been no significant changes in the risks and uncertainties related to the company's business in the first half of 2022. The risks related to the company's operations are described in more detail in the prospectus of the subscription rights issue, which can be found on the company's website at <https://www.bbs-artebone.fi/investors/share-issue-2022/>

### **Risks related to obtaining the CE marking**

According to the company's management, submitting the CE marking application to the authorities has led to a significant gradual reduction of risks as the official process progresses. After the approval of the CE mark, product development risks are reduced for the company's first product, and the remaining essential risks are related to the success of further clinical trials. With regard to product registration, it can be considered a risk if the clinical areas of use that have received approval in the EU are subject to possible restrictions compared to what was applied for. In addition, risks could be related to deficiencies or corrective requirements that may be revealed by official inspections. A risk is also related to the interpretation the authority makes regarding the product classification. It is possible that the authority does not accept some aspects of the company's interpretations of the significance of the results in terms of product classification. When realized, these and other possible risks in product approval processes may lead to further delays due to the possibility of the supervising authority demanding additions and corrections to the presented documentation. The company has proactively used numerous experts to evaluate the acceptability of its documentation in order to reduce these risks.

### **Risks related to financing**

The company's financing involves risks in the short and long term. The partial realization of the share issue (77%) has affected the adequacy of the company's financing. In addition, financial market instability can make it difficult to acquire further financing. The uncertainty in the stock market caused

by the coronavirus and the war in Ukraine is still considered acute risk. The company's management can influence the adequacy of funding with its decisions.

### **Risks related to personnel**

Operational risks include, among other things, dependence on the competence of key personnel and measures to engage them.

### **Risks related to the development of medical devices**

As a product development and manufacturing company for medical devices, BBS is a long-term investment target. The development phase is long, and it is followed by a marketing and sales growth phase lasting four to five years after the launch. When the turnover has become profitable, the growth phase typically continues with the same product for a long time.

## EVENTS AFTER PERIOD-END

The company announced after the review period on August 8, 2022, that Hanna Tölli, the chief operating officer and member of the BBS management team, will be on personal leave from August 8, 2022 to October 23, 2023. Jussi Jukka, who previously worked as BBS's production manager, was appointed as the new production manager and member of the management team from August 8, 2022.

## FINANCIAL REPORTING

The financial statement bulletin for 2022 will be published on March 23, 2023.

The company's previously published reports can be found on the BBS investor website at: <https://www.bbs-artebone.fi/investors/financial-reports/>.

25.8.2022

BBS-Bioactive Bone Substitutes Oyj  
Board of Directors

Distribution

Nasdaq Helsinki

<https://www.bbs-artebone.fi/>

### **BBS lyhyesti**

*BBS-Bioactive Bone Substitutes Plc is a Finnish orthobiology company whose core competence is the development, commercialization and manufacture of easy-to-use bone implants that promote bone formation and healing. Bone substitutes, i.e. implants, are intended for the treatment of various bone damage, bone healing problems and bone diseases instead of autologous and bank bone grafts. BBS aims to become one of the leading players in the field of bioactive implants intended for bone healing problems.*

*BBS was founded in 2003, and the company has been listed on Nasdaq First North Growth Market Finland and Nasdaq First North Growth Market Sweden since February 2018. The company's head office is located in Oulu, and it employs 20 people.*

## KEY FINANCIALS JANUARY-JUNE 2022

Consolidated income statement (unaudited)	01/01/2022	1.1.2021	1.1.2021
Currency unit EURO	- 30.6.2022	- 30.6.2021	- 31.12.2021
<b>REVENUE</b>	0.00	0.00	0.00
Other operating income	54 972.88	44 974.42	60 573.57
Raw materials and services			
Raw materials and consumables			
Purchases during the financial year	-5 024.56	-56 949.57	-56 949.57
External services *	0,00	0,00	0,00
Raw materials and services in total	-5 024.56	-56 949.57	-56 949.57
Personnel expenses			
Wages, salaries and bonuses	-613 268.82	-403 975.66	-1 007 952.62
Social security expenses			
Pensions expenses	-93 988.18	-69 280.59	-157 302.45
Other personnel expenses	-20 707.76	-6 181.83	-34 184.78
Personnel expenses total	-727 964.76	-479 438.08	-1 199 439.85
Depreciation, amortisation and impairment losses			
Planned depreciation and amortisation	-113 139.39	-112 530.63	-231 337.61
Planned depreciation and amortisation total	-113 139.39	-112 530.63	-231 337.61
Other operating charges	-689 497.19	-662 546.55	-1 143 923.95
<b>OPERATING PROFIT (LOSS)</b>	<b>-1 480 653.02</b>	<b>-1 266 490.41</b>	<b>-2 571 077.41</b>
Financial income and expenses			
Other interest and financial income			
From others	23.00	23.92	44.01
Interest and other financial expenses			
For others	-195 496.51	-41 059.90	-199 880.71
Financial income and expenses total	-195 473.51	-41 035.98	-199 836.70
<b>PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS</b>	<b>-1 676 126.53</b>	<b>-1 307 526.39</b>	<b>-2 770 914.11</b>
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b>-1 676 126.53</b>	<b>-1 307 526.39</b>	<b>-2 770 914.11</b>

**A S S E T S****NON-CURRENT ASSETS**

## Intangible asses

Development expenses	7 532 827.55	7 532 827.55	7 532 827.55
Other capitalised long-term expenses	241 323.64	282 271.58	256 610.52
Intangible assets total	7 774 151.19	7 815 099.13	7 789 438.07

## Tangible assets

## Land and waters

Own	83 719.00	83 719.00	83 719.00
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## Buildings

Own	429 983.94	462 652.75	455 872.58
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## Machinery and equipment

	583 502.48	677 345.25	618 755.96
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## Tangible assets total

	1 097 205.42	1 223 717.00	1 158 347.54
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**NON-CURRENT ASSETS TOTAL**

	8 871 356.61	9 038 816.13	8 947 785.61
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**CURRENT ASSETS**

## Debtors

## Short-term

Other debtors	345 887.79	330 333.74	327 341.55
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## Prepayments and accrued income

	10 760.87	53.33	5 298.16
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## Debtors total

	356 648.66	330 387.07	332 639.71
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## Cash and cash equivalents

	3 389 905.85	1 934 269.74	1 236 061.54
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**CURRENT ASSETS TOTAL**

	3 746 554.51	2 264 656.81	1 568 701.25
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**ASSETS TOTAL**

	12 617 911.12	11 303 472.94	10 516 486.86
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**L I A B I L I T I E S****CAPITAL AND RESERVES**

## Share capital

Share capital	80 000.00	80 000.00	80 000.00
	80 000.00	80 000.00	80 000.00

## Share premium account

	1 394 956.56	1 394 956.56	1 394 956.56
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## Other funds

Invested unrestricted equity fund	21 212 244.90	17 377 537.93	17 695 037.93
Other funds total	21 212 244.90	17 377 537.93	17 695 037.93

## Retained earnings (loss)

	-15 536 107.52	-12 765 193.41	-12 765 193.41
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## Profit (loss) for the financial year

	-1 676 126.53	-1 307 526.39	-2 770 914.11
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**CAPITAL AND RESERVES TOTAL**

	5 474 967.41	4 779 774.69	3 633 886.97
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**CREDITORS**

## Long-term

Capital loans	175 825.46	175 825.46	175 825.46
Loans from financial institutions	4 417 610.50	4 740 583.00	4 946 464.75
Accruals and deferred income	176 200.00	176 200.00	176 200.00
Long-term loans total	4 769 635.96	5 092 608.46	5 298 490.21

## Short-term

Loans from financial institutions	1 815 888.50	1 063 544.00	1 083 034.25
Trade creditors	200 952.75	120 285.62	82 402.50
Other creditors	17 607.24	46 273.43	83 464.92
Accruals and deferred income	338 859.26	200 986.74	325 208.01
Short-term total	2 373 307.75	1 431 089.79	1 574 109.68

**CREDITORS TOTAL**

	7 142 943.71	6 523 698.25	6 872 599.89
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**LIABILITIES TOTAL**

	12 617 911.12	11 303 472.94	10 506 486.86
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## CASH FLOW STATEMENT (unaudited)

[1000 euros]	1.1.-30.6.2022	1.1.-30.6.2021	1.1.-31.12. 2021
<b>Cash flow from business operations</b>			
<i>Profit (loss) before extraordinary items</i>	-1 676	-1 308	-2 771
Adjustments			
Scheduled depreciation and amortisation	113	113	231
Financial income and expenses	195	41	200
Other adjustments			
<b>Cash flow before change in working capital</b>	<b>-1 368</b>	<b>-1 154</b>	<b>-2 340</b>
Change in working capital			
Change in short-term non-interest-bearing(+) (-)	-22	-120	-122
Change in inventory Increase(-)/Decrease(+)	0	0	0
Changes in short-term non-interest-bearing loans Increase(+)/Decrease(-)	95	-30	76
Changes in long-term non-interest-bearing loans Increase(+)/Decrease(-)	0	0	0
<b>Cash flow from business operations before financial items and taxes</b>	<b>-1 294</b>	<b>-1 304</b>	<b>-2 386</b>
Interest paid and other financial expenses from business operations	-202	-61	-135
Interest received and other financial income fro business operations	0	0	0
Cash flow before extraordinary items and taxes	-1 496	-1 365	-2 520
<b>Cash flow from business operations (A)</b>	<b>-1 496</b>	<b>-1 365</b>	<b>-2 520</b>
<b>Cash flow from investments</b>			
Investments in tangible and intangible goods	-49	-107	-125
Investments in shares in subsidiaries	0	0	0
Loans granted			
<b>Cash flow from investments (B)</b>	<b>-49</b>	<b>-107</b>	<b>-125</b>
<b>Cash flow from financing</b>			
Share issue	3 495	0	0
Riverfort Global – Financing arrangement	250	0	750
Raised long-term loans	0	0	0
Repayment of long-term loans	-46	-32	-307
Raised short-term loans	0	0	0
Repayment of short-term loans	0	0	0
<b>Cash flow from financing (C)</b>	<b>3 699</b>	<b>-32</b>	<b>443</b>

<b>Changes in funds (A+B+C) Increase (+) / Decrease (-)</b>	<b>2 153</b>	<b>-1 504</b>	<b>-2 202</b>
Funds at the beginning of the financial period	1 236	3 438	3 438
Funds at the end of the financial period	3 390	1 934	1 236

**Specifiaction fo equity (unaudited)**

1000 euro	Share capital	Share premium account	Invested unrestricted equity fund	Accumulated profits	Equity total
<b>Equity, total 1.1.2022</b>	80	1 395	17 695	-15 536	3 634
Profit/loss for the financial year				-1 676	
Paid share issue			3 517		
<b>Equity, total 30.6.2022</b>	80	1 395	21 212	-17 212	5 475
<b>Equity, total 1.1.2021</b>	80	1 395	17 377	-12 765	6 087
Profit/loss for the financial year				-1 307	
Paid share issue					
<b>Equity, total 30.6.2021</b>	80	1 395	17 377	-14 072	4 780
<b>Equity, total 1.1.2021</b>	80	1 395	17 377	-12 765	6 087
Profit/loss for the financial year				-2 771	
Paid share issue			318		
<b>Equity, total 31.12.2021</b>	80	1 395	17 695	-15 536	3 634