



Half-Year Financial Report

January – June 2023



Continued efforts towards obtaining the CE marking for BBS's First Product

JANUARY – JUNE (H1)

- During the first half of the 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.
- In March, the Notified Body completed the second audit, and delivered its audit report to the Company on 20 March 2023. The Company committed to complete the specified additional measures by 1 September 2023.
- In May, the Company received a positive decision from the Notified Body confirming ARTEBONE® Paste's product classification as a medical device. The product classification ensures that the CE marking process for the Company's first product may proceed in accordance with the targeted simpler and more cost-effective administrative process.
- In June-July, the Company raised EUR 1.84 million through the Rights issue, and in addition about EUR 165,000 through the warrant (WA2) subscriptions.
- The Company generated no revenue during the review period.
- The financial result in the review period was EUR -1.64 (-1.68) million.
- Cash flow from operations was EUR -1.43 (-1.50) million.
- Cash and cash equivalents on 30 June 2023 were EUR 1.67 (3.39) 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.



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OUTLOOK

Guidance for 2023

No revenue is expected during 2023.

Board of Directors' outlook for 2023

The Company has submitted the CE marking application for its first product (ARTEBONE® Paste) to the notified body on 9 March 2022. The Company expects authorities' decision on approving the application during 2023.

Preparations for commercial operations will start towards the end of 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.

*MedTech Europe Survey Report.: <https://www.medtecheurope.org/wp-content/uploads/2022/07/medtech-europe-survey-report-analysing-the-availability-of-medical-devices-in-2022-in-connection-to-the-medical-device-regulation-mdr-implementation.pdf>

KEY FIGURES

EUR 1000	1-6/2023	1-6/2022	Change, %	1-12/2022
Other operating income	10	55	-81.9%	16
Personnel expenses	621	728	-14.7%	720
Depreciation and amortization	108	113	-4.2%	119
Other operational expenses	856	689	-24.2%	481
Profit/Loss for the period	-1,642	-1,676	-2.0%	-1,463
Cash flow for business operations	-1,404	-1,496	-6.1%	-1,155
Change in cash resources	154	2,153	-92.8%	-698
Equity ratio, % ¹⁾	41	43		35
Earnings per share, EUR ²⁾	-0.17	-0.24		-0.22
Earnings per share, EUR, diluted	-0.16	-0.23		-0.22
Number of shares at the end of period ⁴⁾	10,040,326	9,436,936		6,737,889
Average number of shares in the period	9,738,324	6,951,992		6,615,855
Equity per share, EUR ^{3) 5)}	0.43	0.58		0.54
Cash and cash equivalents	1,671	3,390	-50.7%	1,236
Equity	4,360	5,475	-20.4%	3,634
Balance sheet total	10,727	12,618	-15.0%	10,506

1) Equity ratio = Equity / (Balance sheet total – Advances received)

2) EPS = Profit (Loss) / Average number of outstanding shares in the period

3) Equity / Total number of outstanding shares at the end of the period

4) The number of shares including the shares registered on 13 July 2023 (Rights issue) is 13,777,382.

5) The equity per share including the shares registered on 13 July 2023 (Rights issue) was 0.32.

CEO ILKKA KANGASNIEMI

During the first half year, BBS took several significant steps towards the CE marking of our first product, ARTEBONE® Paste, in cooperation with the Notified Body.

In May, we received an important and expected decision from the Notified Body regarding product classification: ARTEBONE® Paste can be classified as a medical device according to our proposal. This was a critical decision as it ensured a simpler and more cost-effective administrative process for the CE marking.

Regarding the quality system, we have now gone through the two thorough audits that are part of the process, and according to management no such non-conformities have been reported which would interrupt the approval process. The authorities will conduct the next audit at the end of this month, August 29-31. After we have received the final report from the Notified Body, we will communicate more and update the schedule for the approval of the quality process.

Acknowledging that authorities continue to work through a backlog of applications and that additional measures are still required of BBS, we still expect the CE marking to be received during 2023. This will require that the on-going product approval process, as well as the cooperation required between the Notified Body and the Medicines Agency handling the matter will be realized as planned during the autumn.

In June, we conducted a rights issue to secure the Company's financing. Additionally, the Company raised funds from the subscription of warrants related to the previous year's rights issue in May 2022. Both actions were moderately successful and raised the Company a total of approximately EUR 2 million in gross proceeds. I want to thank the shareholders who participated in the rights issue for the trust they have shown for our joint project.

According to our current estimates, the Company's cash reserves will be sufficient until the end of the year. We have already initiated measures to arrange additional financing in order to ensure the successful launch of our first product on the market after we receive the CE marking. We will patiently and determinedly continue our work towards this goal in the second half of the 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 53.8 billion in 2021 (2020: 47,5)¹. The Company's core target market, the global bone graft market, was estimated to be worth around USD 2.7 billion in 2020, with the growth forecast of 2.5-3,1% annually between 2022–2025¹.

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 has restored the net sales 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.

1) Source: The Orthopaedic Industry's Annual Report ©, June 2022, Orthoworld Inc

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.

MAIN EVENTS DURING 2023

In March (March 9, 2022), the Company submitted its first product (ARTEBONE® Paste) to the Notified Body for CE marking. During the CE marking process, BBS has continued to implement the actions required for the registration and ramping up production. During the first half of the year, the refinement of production lines and procedures continued, and the validation of production processes was advanced with the objective of ensuring compliance with the CE marking, and the capability to reliably produce quality products for the upcoming launch.

On February 13, 2023, BBS applied for the delisting of its secondary listing on Nasdaq First North Growth Market Sweden. In making this decision, the Board of Directors considered the low level of trading activity of the Company's shares since its listing in 2018, as well as the limited number of shareholders registered with Euroclear Sweden AB. The Board also evaluated the additional expenses and administrative responsibilities associated with maintaining the parallel listing. The final day of trading for BBS shares on Nasdaq First North Growth Market Sweden was March 3, 2023.

On March 10-13, 2023, the Notified Body completed its second audit and the final report was delivered to the Company on March 20, 2023. The audit was related to the CE marking process for BBS's first product (ARTEBONE® Paste bone filler), and the audit focused on detailed product documentation and production processes. The Company committed to implementing the additional measures required based on the final report by September 1, 2023. As this report is being finalized, the Company is preparing for the audit scheduled for August 29-31, 2023. As the Company has previously

(May 26, 2023) communicated, it has received additional information from the Notified Body about the approval process, and that due to this additional time is likely to be needed to complete the additional measures mentioned following the deadline of September 1, 2023. BBS will communicate more after having received the Notified Body's final report after the audit. At that time, the Company will also update the schedule for the approval of the quality system.

On May 26, 2023, BBS received a positive decision from the Notified Body regarding the product classification of ARTEBONE® Paste as a medical device. The approved classification ensures that the CE marking process for the first product may proceed in accordance with the targeted simpler and more cost-effective administrative process.

On June 7, 2023, BBS announced that a total of 254,580 series (WA2) warrants had been used during the subscription period, corresponding to approximately 57.2 percent of the total number of warrants. The Company received approximately EUR 165,000 in gross proceeds before expenses.

In June-July, BBS carried out a rights issue, more information about which can be found in the section Share / Rights issue 2023 in this half-year report.

The product's journey towards commercialization

Phase	Action	Status
Product development	Preclinical animal tests	Completed
	Functionality and efficiency tests	Completed
	Clinical test	Completed
CE-merkintä	Submitting a CE application	Completed
	Quality system approval	In process
	1st audit	Completed
	2nd audit	Completed (7 – 11 March 2023)
	Additional audit	Scheduled 29-31 August 2023
	Additional measures	To be completed by 1 September 2023 Additional time required to complete certain measures
	Product approval	Completed
	Product classification	In process
	Consultation with the Medicines Agency	-
	Production lines and line certification	Mostly completed
CE marking	Expected in 2023	
Commercialization	Preliminary launch	In preparation
	Extensive commercialization	In preparation

FINANCIAL REVIEW

The 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 during the review period. The consolidated result in the reporting period was EUR -1,64 million (-1,68), mainly consisting of expenses related to product development, administration, and financing.

Investments

The capital expenditure on machinery and equipment at Reisjärvi's production site were EUR 0 thousand (50). All development expenses for the reporting period are recorded as expenses.

Financing

The Company's cash and cash equivalents on 30 June 2023 were EUR 1.67 million (3.40). The accumulated 6-month change was EUR 0.15 million (2.15).

As a result of the subscriptions of the option program (WA2) related to the 2022 subscription rights issue, the Company raised total funds of EUR 0.165 million before expenses. In addition, the Company organized a rights issue in June and raised approximately EUR 1,77 million after expenses and fees, of which approximately EUR 377 thousand had yet to be credited to the Company's account at the end of the reporting period. The cash flow from the Company's operations in January-June 2023 was EUR -1.43 million (-1.50).

In March, BBS agreed (announcement on 31 March 2023) with RiverFort Global Opportunities PCC Ltd ("RiverFort") to extend by one year the repayment instalments and payment periods of the loan agreement which initially was signed and announced by the Company on 30 September 2021. According to the agreement, the first instalment of the loan is now due for payment on 31 March 2024 (previously 31 March 2023) and the second instalment on 22 August 2024 (previously 22 August 2023). The main commercial terms of the loan remain unchanged. The reference share price for the current loan amount was redefined in accordance with the terms of the contract, being EUR 1.008 per share. Accordingly, the fixed conversion price is EUR 1.4113 per share. BBS assigned RiverFort 177,140 warrants at a price of EUR 1.4113 per share, the subscription period of which expires in March 2027.

Later in March (news release 31 March 2023), RiverFort decided to convert EUR 50,000 of the loan capital into Company shares, and in addition, the contract renewal fee (5% of the loan capital, EUR 25,000) was paid in shares. Consequently, the Company handed over a total of 84,303 Company shares to RiverFort at a price of EUR 0.8897 per share. Moreover, in May (news release 22 May 2023), RiverFort decided to convert EUR 25,000 convertible bond portion into Company shares and the Company released a total of 33,092 Company shares to RiverFort at a price of EUR 0.75546 per share. In both transactions, the conversion price was in accordance with the agreement, 90 percent of the lowest average price of the last 10 days of share trading.

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 the review period, on 14 July 2023, the Company announced to have received a request from RiverFort to convert a 50,000-euro convertible bond share into Company shares. On 17 August 2023, the Company announced to have received another request from RiverFort to convert a 50,000-euro

convertible bond share into Company shares. More information on the subject can be found in the section Events after the Review Period of this half-year report.

Balance sheet

The balance sheet total on 30 June 2023 was 10.27 (12.61) million euros. At the end of the review period, the Company had short-term debts of 2.15 (2.37) million euros, of which 1.51 (1.82) million were interest-bearing debts to credit institutions. Long-term interest-bearing debts amounted to 3.87 (4.42) million euros and subordinated capital loan remained at the level of 0.18 (0.18) million euros. Financial income and expenses were -0.27 (-0.20) million euros.

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

Equity

The Company's total equity on 30 June 2023 was 4.36 million euros. At closing of the financial year 31 December 2022, the equity amounted to 4.3 million euros. The conversions of 100 thousand euros of RiverFort's convertible bond into shares in April-June, as well as the subscriptions related to warrant program (WA2) and the rights issue in June, significantly strengthened the equity of the Company. In July, as the result of the completion of the right share share issue, approximately 377 thousand euros was recorded into invested unrestricted equity fund.

PERSONNEL AND MANAGEMENT TEAM

At the end of the review period, the Company's staff consisted of the CEO and 21 (20) employees. Of the personnel, 13 work at the factory in Reisjärvi and the remaining eight in Oulu.

At the time of publication of the report, the management team of BBS consists of:

- Ilkka Kangasniemi, CEO
- Jari Korttesluoma, CFO
- Jussi Jukka, production director
- Soile Hakala, quality director
- Mikko Viitanen, director of the quality control laboratory

GOVERNANCE

Annual General Meeting 2023

The Company's annual general meeting was held on Friday, 30 March 2023, starting at 16:45 in Oulu.

The general meeting confirmed the Company's financial statements for the financial year 2022, 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 2022.

The general meeting decided that the number of board members is five. Jarmo Halonen, Pekka Jalovaara, Seppo Nevalainen, Kirk Andriano and Ahti Paananen were re-elected as board members until the end of the next annual general meeting. The general meeting decided that the chairman of the board will be paid EUR 1,500 per meeting and the other members EUR 1,000 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 Authorised Public Accountant, Jari Karppinen acts as the principal auditor. The auditor is paid according to a reasonable invoice approved by the Company.

The general meeting decided to authorize the board of directors to decide in one or more instalments on the issuance of shares and on 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 to be issued based on the authorisation 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 issuance) 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, 2024, and when it enters into force, it will cancel the authorization granted by the extraordinary general meeting on March 17, 2022.

The minutes of the general meeting can be viewed on the website of BBS-Bioactive Bone Substitutes Oyj at www.bbs-artebone.fi.

SHARE

Shares and share capital

The market capitalisation of BBS at the end of the review period on 30 June 2023 was EUR 5,73 million. The closing share price on 30 June 2023 was EUR 0,55. The highest closing price per share of the review period was EUR 1,32 and the lowest was EUR 0,51.

According to Euroclear's shareholder register BBS had 4,432 (4,256) shareholders on 30 June 2023. The Company has one serie of shares. At the end of the review period, there were a total of 10,432,454 (9,671,459) registered shares, of which 392,128 (234,523) were treasury shares held by the Company. The number of shares including the shares registered in the Rights issue, after the reporting period, is 14,118,847. After the review period, the Company transferred to RiverFort a total of 357,409 treasury shares. After the transfer, the Company holds a total of 101,451 treasury shares. More information is available in the section Events after the period-end.

On 30 June 2023, BBS's board of directors held a total of 1,136,464 (1,110,835) shares i.e., 11.3% (11.5%) of the total number of outstanding shares. 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.

Warrant subscriptions in 2023

The warrant subscriptions (WA2) issued related to the 2022 rights issue was completed in May-June during the review period. As a result, a total of 254,850 warrants were exercised, corresponding to 57.2 percent of the total number of warrants. The Company received approximately EUR 165,000 in gross proceeds before expenses.

Rights issue 2023

On 5 June 2023, the Company announced the board's decision to organize a subscription rights issue of a maximum of approximately EUR 2.9 million. The subscription period for the share issue started in

Finland and Sweden on 12 June 2023. The subscription period ended on 26 June 2023 in Sweden and 28 June 2023 in Finland. The results of the issue were announced after the review period on 3 July 2023.

The share issue was 62.8 percent subscribed, and the Company raised approximately EUR 1.84 million in gross proceeds. Considering expenses and fees, the total amounted to approximately 1.77 million.

The subscription price per share defined in the warrant program was higher than the subscription price in the June 2023 rights issue. As the investors who subscribed shares with warrants (WA2) were unable to participate in the Rights Issue with the new shares subscribed to with the warrants, the board considered that the equal treatment of shareholders and the interests of all the shareholders of the Company constitute a particularly meaningful financial reason to transfer shares held by the Company without consideration to investors who had subscribed for shares based on warrants (WA2). The amount of shares transferred was defined so that one (1) share was given for every five (5) shares subscribed to with warrants (WA2). As a result of the board resolution, the Company transferred a total of 50,663 treasury shares.

The shares registered in the rights share issue were registered in the trade register on 10 July 2023. Trading with shares started on First North Growth Market Finland on 11 July 2023. As a result of the share issue, the number of BBS shares increased by 3,686,393 shares. After the share issue, the Company's total number of shares is 14,118,847.

Authorizations

On 30 March 2023, the Company's extraordinary general meeting decided to authorize the board of directors to decide in one or more instalments on the issue of shares 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 pursuant to the authorization may not exceed 6,000,000 shares. After the June rights issue, the Company has approximately 2,313,607 remaining authorizations. The authorization is valid until 30 June 2024

Share-based incentive system

The Company has a valid warrant 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 the Company's key personnel, and each warrant can be used to subscribe for one share at a price of one euro by 31 December 2023. Warrant subscriptions can result in a maximum of 170,000 new shares, and this program does not have a significant impact on the key figures of earnings per share.

Shareholders 30.06.2023

Below is a list of the Company's largest shareholders prior to the rights issue. Additional information about shareholders after the rights issue can be found in the section Events after the period-end.

	30 June 2023		31 December 2022		
	Number of shares	% of outstanding shares	Number of shares	Number of warrants ²⁾	Number of shares
Finha Capital Oy	1,447,010	14.4 %	1,408,404	38,606	14.6 %
Reisjärvi municipality	1,094,876	10.9 %	1,051,081	43,795	10.9 %
Panvest Oy	569,950	5.7 %	476,838	19,073	4.9 %
Jalovaara Pekka ⁽¹⁾	520,904	5.2 %	568,025	1,925	5.9 %
Paananen Ahti ⁽¹⁾	495,911	4.9 %	520,904	20,836	5.4 %
Rosenqvist Alexandra	231,270	2.3 %	230,309	961	2.4 %
Halonen Veronika	229,349	2.3 %	229,349	961	2.4 %
Jukka Halonen	216,631	2.2 %	226,481	5,618	2.3 %
Nordnet Bank AB, nominee registered	148,511	1.5 %	18,629	219	0.2 %
City of Oulu	130,081	1.3 %	130,081		1.3 %
10 largest, total	5,084,493	50.6 %	4,860,101	131,994	50.3 %
Others	4,955,833	49.4 %	4,808,250	203,487	49.7 %
Total	10,040,326	100.0 %	9,668,351	335,481	100.0 %
BBS-Bioactive Bone Substitutes Plc	392,128		509,523		
Total	10,432,454		10,177,874	335,481	

1) Ahti Paananen and Pekka Jalovaara are members of the Company's board

2) Number of listed warrants (WA2)

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 operations since the half-year review, apart from the increases in average application processing times. The risks related to the Company's operations are described in more detail in the prospectus of the 2023 share issue, which can be found on the Company's website at www.bbs-artebone.fi/investors/share-issue-2023/

Risks related to obtaining the CE marking

The submission of the CE marking application to the authorities in 2022 has significantly reduced risks, according to the Company's assessment, related to the commercialization of its first product. As the regulatory process progresses, risks are reduced further gradually; however, several inherent risks are associated with this process. During the authorities' inspections and audits, deficiencies in the application may be identified or there might be requests for corrections and additional information. In addressing these requirements, the Company may encounter unforeseen internal challenges, or its

service providers may face difficulties in delivering the necessary solutions in a timely manner. Furthermore, there may be delays in the regulatory collaboration that are beyond the Company's control. Public reports from 2022 onwards have indicated significant congestion in the regulatory process. After obtaining the CE marking, the approved clinical areas of use in the EU during product registration may have limitations compared to the applied areas. Following the approval of the CE marking, product development risks decrease for the company's first product, with the remaining significant risks pertaining to the success of subsequent clinical trials.

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 war in Ukraine is still considered acute risk. 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.

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

Rights issue 2023

On 3 July 2023, the Company's board of directors decided to approve the entries made in the rights issue. As a result of the rights issue, the number of the Company shares increased by 3,686 393 shares. As a result of the share transfer without consideration related to warrants (WA2), the Company delivered a total of 50,663 of treasury shares which were transferred to shareholders on 11 July 2023 in Sweden and on 12 July 2023 in Finland. Following the June rights issue, the total number of shares in the Company is 14,118,847.

Below is a list of the Company's largest owners after the Rights issue (13 July 2023).

	13 July 2023		31 December 2022		
	Number of shares	% of outstanding shares	Number of warrants ²⁾	Number of shares	Number of shares
Finha Capital Oy	1,857,880	13.5 %	1,408,404	38,606	14.6 %
Reisjärven municipality	1,846,701	13.4 %	1,051,081	43,795	10.9 %
Panvest Oy	899,725	6.5 %	476,838	19,073	4.9 %
Jalovaara Pekka ⁽¹⁾	581,555	4.2 %	568,025	1,925	5.9 %
Paananen Ahti ⁽¹⁾	520,904	3.8 %	520,904	20,836	5.4 %
Rosenqvist Alexandra	241,461	1.8 %	230,309	961	2.4 %
Halonen Veronika	229,349	1.7 %	229,349	961	2.4 %
Halonen Jukka	247,034	1.8 %	226,481	5,618	2.3 %
Nordnet Bank AB, nominee registered	176,241	1.3 %	18,629	219	0.2 %
City of Oulu	130,081	0.9 %	130,081		1.3 %
10 largest total	6,730,931	48.9 %	4,860,101	131,994	50.3 %
Others	7,046,451	51.1 %	4,808,250	203,487	49.7 %
Total	13,777,382	100.0 %	9,668,351	335,481	100.0 %
BBS-Bioactive Bone Substitutes Plc	341,465		509,523		
Total	14,118,847		10,177,874	335,481	

¹⁾ Ahti Paananen and Pekka Jalovaara are members of the Company's board.

²⁾ Number of quoted trading options (WA2)

On 13 July 2023, BBS's board of directors held a total of 1,162,260 shares, i.e., 8.4 percent of the total number of outstanding shares.

RiverFort loans partial conversion

On 14 July 2023, the Company announced it had received a request from RiverFort Global Opportunities PCC Ltd to exchange a EUR 50,000 convertible bond portion into Company shares at a subscription price of 0.441 euros per share. In accordance with the terms of the financing arrangement, the subscription price was 90% of the lowest average price for the ten days preceding the conversion. The exchange was carried out by transferring a total of 113,378 of the Company treasury shares to RiverFort.

On 17 August 2023, the Company announced it had received a request from RiverFort Global Opportunities PCC Ltd to exchange a 50,000-euro convertible bond portion into Company shares at a subscription price of 0.39483 euros per share. In accordance with the terms of the financing arrangement, the subscription price was 90% of the lowest average price for the ten days preceding the conversion. The exchange was carried out by transferring a total of 126,636 of the Company treasury shares to RiverFort.

Loan repayment

On 2 August 2023, the Company has repaid to Valtiokonttori approximately EUR 486,000 product development loans due in June.

FINANCIAL CALENDAR FOR 2023

- Financial Statements Release for the year 2023 will be published on 22 February 2024

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

25 August 2023
BBS-Bioactive Bone Substitutes Plc
Board of Directors

Distribution
Nasdaq Helsinki
<https://www.bbs-artebone.fi/>

BBS in brief

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 since February 2018. The Company's headquarters are in Oulu.

KEY FINANCIALS JANUARY-JUNE 2023

GROUP INCOME STATEMENT

1000 EUR	1 January- 30 June 2023 1)	1 January – 30 June 2022 1)	1 January -31 December 2022
NET TURNOVER			
Other operating income	10		55
Raw materials and services total	1		-5
Personnel Expenses	-621		-728
Depreciations	-108		-113
Other operating charges	-856		-689
EBIT	-1,574		-1,481
Financial income and expenses	-68		-195
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	-1,642		-1,676
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-1,642		-1,676

1) Unaudited

BBS-Bioactive Bone Substitutes group

GROUP BALANCE SHEET

1000 EUR	30 June 2023 ¹⁾	30 June 2022 ¹⁾	31 December 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7,721	7,774	7,747
Tangible assets	942	1,097	1,024
NON-CURRENT ASSETS TOTAL	8,663	8,871	8,771
CURRENT ASSETS			
Debtors total	393	357	400
Cash and cash equivalents	1,671	3,390	1,517
CURRENT ASSETS TOTAL	2,064	3,747	1,917
ASSETS TOTAL	10,727	12,618	10,688
LIABILITIES			
CAPITAL AND RESERVES			
Share capital	80	80	80
Share premium account	1,395	1,395	1,395
Invested unrestricted equity fund	23,156	21,212	21,425
Retained earnings (loss)	-18,629	-15,536	-15,536
Profit (loss) for the financial year	-1,642	-1,676	-3,093
CAPITAL AND RESERVES TOTAL	4,360	5,475	4,271
CREDITORS			
Long-term loans	4,220	4,770	4,715
Short-term loans	2,146	2,373	1,701
CREDITORS TOTAL	6,366	7,143	6,417
LIABILITIES TOTAL	10,727	12,618	10,688

1) unaudited

CONSOLIDATED CASH FLOW ⁽¹⁾	1 January – 30 June 2023 1)	1 January - 30 June 2022 1)	31 December 2022
1000 EUR			
Cash flow from business operations			
Profit (loss) before extraordinary items	-1,642	-1,676	-3,093
Adjustments			
Scheduled depreciation and amortisation	108	113	225
Financial income and expenses	68	195	141
Other adjustments			
Cash flow before changes in working capital	-1,466	-1,368	-2,726
Change in working capital			
Changes in short-term non-interest-bearing (+) (-)	7	-22	-48
Changes in inventory Increase (-)/ Decrease (+)			
Changes in short-term non-interest-bearing loans Increase (+)/Decrease (-)	55	95	83
Changes in long-term non-interest-bearing loans Increase (+)/Decrease (-)			
Cash flow from business operations before financial items and taxes	-1,404	-1,294	-2,691
Interest paid and other financial expenses from business operations	-27	-202	-125
Interest received and other financial income from business operations	0	0	
Cash flow before extraordinary items and taxes	-1,431	-1,496	-2,816
Cash flow from business operations (A)	-1,431	-1,496	-2,816
Cash flow from investments			
Investments in tangible and intangible goods		-49	-78
Investments in shares in subsidiaries			
Loans granted			
Cash flow from investments (B)		-49	-78
Cash flow from financing			
Share issue	1,631	3,495	3,708
Riverfort Financial Arrangement		250	50
Raised long-term loans			
Repayment of long-term loans	-46	-46	-583
Raised short-term loans			
Repayment of short-term loans			
Cash flow from financing (C)	1,585	3,699	3,175
Changes in funds (A+B+C) Increase (+)/Decrease (-)	154	2,153	281
Funds at the beginning of the financial period	1,517	1,236	1,236
Funds at the end of the financial period	1,671	3,390	1,517

1) Unaudited

CHANGES IN GROUP EQUITY ⁽¹⁾

	Share capital	Share premium account	Invested unrestrictred equity fund	Accumulated profits	Equity total
1000 EUR					
Equity at 1 January 2023	80	1,395	21,425	-18,629	4,271
Profit/loss for the financial year				-1,642	
Share issue			1,731		
Equity at 30 June 2023	80	1,395	23,156	-20,271	4,360
Equity at 1 January 2022	80	1,395	17,695	-15,536	3,634
Profit/loss for the financial year				-1,676	
Share issue			3,517		
Equity at 30 June 2023	80	1,395	21,212	-17,212	5,475
Equity at 1 January 2022	80	1,395	17,695	-15,536	3,634
Profit/loss for the financial year				-3,093	
Share issue			3,730		
Equity at 30 December 2022	80	1,395	21,425	-18,629	4,271

1) unaudited