

BBS-BIOACTIVE BONE SUBSTITUTES PLC STOCK OPTIONS 1/2024

The Annual General Meeting BBS-Bioactive Bone Substitutes Plc (the "Company") has on 13 June 2024 resolved to issue stock options to the key personnel of the Company on the following terms and conditions.

I STOCK OPTION TERMS AND CONDITIONS

1. Number of Stock Options

The maximum total number of stock options issued is 879,000, and they entitle their owners to subscribe for a maximum total 879,000 new shares in the Company.

2. Right to Stock Options

The stock options shall be issued gratuitously to the Company's key personnel as follows:

Recipient of the stock options	Position in the Company	Number of stock options
Pekka Jalovaara	Chairman of the board	750,000
Jarmo Halonen	Member of the board	15,000
Seppo Nevalainen	Member of the board	15,000
Kirk Adriano	Member of the board	15,000
Ahti Paananen	Member of the board	15,000
Merja Haikola	Management / key employee	15,000
Kenneth Sandström	Management / key employee	15,000
Anna Metsi	Management / key employee	15,000
Mikko Viitanen	Management / key employee	12,000
Maria Riekki	Management / key employee	12,000
In total		879,000

The Company has a weighty financial reason for the issue of stock options, since the stock options are intended to form part of the incentive and commitment program for the Company's key personnel.

In the number of options proposed for the Chairman of the Board, Pekka Jalovaara, his long-term contribution to increasing the future value of the Company has been taken into account, especially in a situation where the Company has not been able to pay him market-based compensation for his work input for the Company. As the founder of the Company, Pekka Jalovaara has supported the Company's value development since 2003 with his own work input. In the proposed number of options, the importance of Pekka Jalovaara, chairman of the board, in achieving an increase in the value of the Company in the future is also taken into account.

3. Distribution of Stock Options

The people, to whom stock options are issued, shall be notified in writing by the Board of Directors about the offer of stock options. The stock options shall be delivered to the recipient when he or she has accepted the offer of the Board of Directors.

The Board of Directors shall decide upon the further distribution of the stock options which may have returned later to the Company.

The stock options shall be regarded as a discretionary and nonrecurring part of compensation. The stock options shall not be regarded as a part of a stock option recipient's employment or service contract, and they shall not be regarded as a salary or fringe benefit. A stock option recipient shall,

during his employment, service or thereafter, have no right to receive compensation on any grounds for stock options.

Stock option recipients shall be liable for all taxes and tax-related consequences arising from receiving or exercising stock options.

4. Transfer and Forfeiture of Stock Options

The stock options may not be transferred and pledged without the consent of Company's Board of Directors. The Board of Directors may set conditions that need to be fulfilled in order to receive the consent. However, for the stock options offered to Pekka Jalovaara, the transfer and pledge of the stock options is not possible until the right to subscribe for the shares with the stock options has started. However, the transfer of stock options to heirs due to the death of the owner of the stock options is always permitted and does not require the consent of the Company's Board of Directors.

Should a stock option owner cease to be employed by or in the service of the Company

- a) on the initiative of a stock option owner for any reason other than the death or the statutory retirement of a stock option owner or the retirement of a stock option owner in compliance with the employment or service contract, or the retirement of a stock option owner otherwise determined by the Company, or the permanent disability of a stock option owner; or
- b) at the Company's initiative, on personal grounds of termination or cancellation according to the Employment Contracts Act (26.1.2001/55, as amended)

such person shall forfeit to the Company, without compensation, the stock options on the date notified by the Company. As an exception to the above, the Board of Directors may, at its discretion, decide, when appropriate, that the stock option owner is entitled to keep such stock options, or a part of them. For clarity, it is stated that the members of the Company's Board of Directors do not lose their stock options, even if their membership in the Company's Board of Directors ends.

The Board of Directors may decide on incorporation of the stock options 1/2024 into the book-entry securities system. If the stock options have been incorporated into the book-entry securities system, the Company shall have the right to request and get transferred all forfeited stock options from the stock option owner's book-entry account to the book-entry account appointed by the Company, without the consent of the stock option owner. In addition, the Company shall be entitled to register transfer restrictions and other respective restrictions concerning the stock options on the stock option owner's book-entry account, without the consent of the stock option owner.

A stock option owner shall, during his employment, service or thereafter, have no right to receive compensation on any grounds for stock options that have been forfeited in accordance with these terms and conditions.

II SHARE SUBSCRIPTION TERMS AND CONDITIONS

1. Right to subscribe for Shares

Each stock option entitles its owner to subscribe for one (1) new share in the Company. The share subscription price shall be credited to the reserve for invested unrestricted equity.

2. Share Subscription and Payment

The share subscription period shall be 1 July 2024 – 31 December 2027.

For the stock options offered to Pekka Jalovaara, the share subscription period will not start until the Company's market value in First North Growth Market Finland or in another marketplace where the

Company's shares are traded at any given time is at least EUR 80.0 million. If the Company's market value is at least EUR 80.0 million, the share subscription period starts with the first 250,000 stock options offered to Pekka Jalovaara. If the Company's market value is at least EUR 100.0 million, the share subscription period starts with the next 250,000 stock options offered to Pekka Jalovaara. And finally if the Company's market value is at least EUR 120.0 million, the share subscription period starts with the final 250,000 stock options offered to Pekka Jalovaara.

Should the last day of the share subscription period not be a banking day, the share subscription may be made on a banking day following the last share subscription day.

Share subscriptions shall take place at the head office of the Company or in another location and manner to be determined later. Upon subscription, payment for the shares subscribed for shall be made to the bank account designated by the Company. The Board of Directors shall decide on all measures concerning the share subscription.

3. Share Subscription Price

The share subscription price shall be average closing price of the Company's share on First North Growth Market Finland during 16 May – 12 June 2024.

The share subscription price of the stock options may be decreased in certain cases mentioned in Section 7 below. The share subscription price shall, nevertheless, always amount to at least EUR 0.01.

4. Registration of Shares

Shares subscribed for and fully paid shall be registered on the book-entry account of the subscriber.

5. Shareholder Rights

The dividend rights of the new shares and other shareholder rights shall commence when the shares have been entered into the Trade Register and registered on the book-entry account of the subscriber.

6. Share Issues, Stock Options and Other Special Rights entitling to Shares before Share Subscription

If the Company issues shares against consideration, shares without consideration in deviation from shareholders' pre-emptive subscription right or convertible loans, option rights or other special rights, which entitle to receive new shares or treasury shares against consideration, prior to subscription of shares, the stock option owners shall have no pre-emptive subscription right and the subscription price or the number of shares to which the stock options entitle will not be changed.

If the Company executes split of shares (issuance of shares without consideration in accordance with shareholders' pre-emptive subscription right) prior to subscription of shares, the number of shares that can be subscribed based on the stock options and the subscription price will be changed in accordance with the split of shares.

7. Rights in Certain Cases

Should the Company distribute dividends or assets from reserves of unrestricted equity, the share subscription price of the stock options shall be decreased by the amount of the dividend or the amount of the distributable unrestricted equity decided before share subscription, as per the dividend record date or the record date of the repayment of equity.

Should the Company reduce its share capital by distributing share capital to the shareholders, the share subscription price of the stock options shall be decreased by the amount of the distributable share capital decided before share subscription, as per the record date of the repayment of share capital.

Should the Company be placed in liquidation before the share subscription, the stock option owner shall be given an opportunity to exercise his or her share subscription right, within a period of time determined by the Board of Directors, if the share subscription period with stock options has begun. Should the Company be deregistered, before the share subscription, the stock option owner shall have the same right as, or an equal right to, that of a shareholder.

Should the Company resolve to merge with another company as a merging company or merge with a company to be formed in a combination merger, or should the Company resolve to be demerged entirely, the stock option owners shall, prior to the registration of the execution of a merger or a demerger, be given the right to subscribe for shares with their stock options, within a period of time determined by the Board of Directors, if the share subscription period with stock options has begun. Alternatively, the Board of Directors may give a stock option owner the right to convert the stock options into stock options issued by the other company, in the manner determined in the merger or demerger plan, or in a manner otherwise determined by the Board of Directors, or the right to sell stock options prior to the registration of the execution of a merger or a demerger, if the share subscription period with stock options has begun. After such period, no share subscription right or conversion right shall exist. The same process shall apply to cross-border mergers or demergers, or should the Company, after having registered itself as a European Company (*Societas Europae*), or otherwise, register a transfer of its domicile from Finland into another member state of the European Economic Area. The Board of Directors shall decide on the impact of potential partial demerger on the stock options. In the above situations, the stock option owners shall have no right to require that the Company redeems the stock options from them at fair value.

Acquisition or redemption of the Company's own shares or acquisition of stock options or other special rights entitling to shares shall have no impact on the rights of the stock option owner. Should the Company, however, resolve to acquire or redeem its own shares from all shareholders, the stock option owners shall be made an equivalent offer.

Should a redemption right and obligation to all of the Company's shares, as referred to in Chapter 18 Section 1 of the Limited Liability Companies Act, arise to any of the shareholders, prior to the end of the share subscription period, on the basis that a shareholder possesses over 90 per cent of the shares and the votes of the shares of the Company, the stock option owners shall be given a possibility to use their right of share subscription by virtue of the stock options, within a period of time determined by the Board of Directors, if the share subscription period with stock options has begun, or the stock option owners shall have an equal obligation to that of shareholders to transfer their stock options to the redeemer, in spite of the transfer restriction in Section I.4 above.

III OTHER MATTERS

These terms and conditions shall be governed by the laws of Finland. Disputes arising out of or relating to these stock options shall be finally settled by arbitration in accordance with the Rules of the Arbitration the Finland Chamber of Commerce. The place of arbitration is Helsinki, Finland and the arbitral tribunal is composed of one arbitrator. The language of arbitration is Finnish or English.

The Board of Directors may decide on the technical amendments to these terms and conditions resulting from incorporation of stock options into the book-entry securities system, as well as on other amendments and specifications to these terms and conditions which are not considered as essential. In addition, the Board of Directors always has the right to decide on amendments and specifications to these conditions required by the Trade Register. Other matters related to the stock

options shall be decided on by the Board of Directors, and the Board of Directors may give stipulations binding on the stock option owners.

Should the stock option owner act against these terms and conditions, or against the instructions given by the Company on the basis of these terms and conditions, or against applicable law, or against the regulations of the authorities, the Company shall be entitled to gratuitously withdraw the stock options which have not been transferred, or with which shares have not been subscribed for, from the stock option owner.

The Company may maintain a register of the stock option owners to which the stock option owners' personal data is recorded.

The stock option owner acknowledges that the Company or an external party appointed by the Company manages and processes the information in the register for the implementation of the stock option program. The stock option owner has the right to request to see the Company's information about him/her. The Company may send all announcements regarding the stock options to the stock option owners by e-mail. More information on the processing of personal data is available from the Company's data protection officer.

These terms and conditions have been prepared in Finnish and in English. In the case of any discrepancy between the Finnish and English versions, the Finnish version shall prevail.