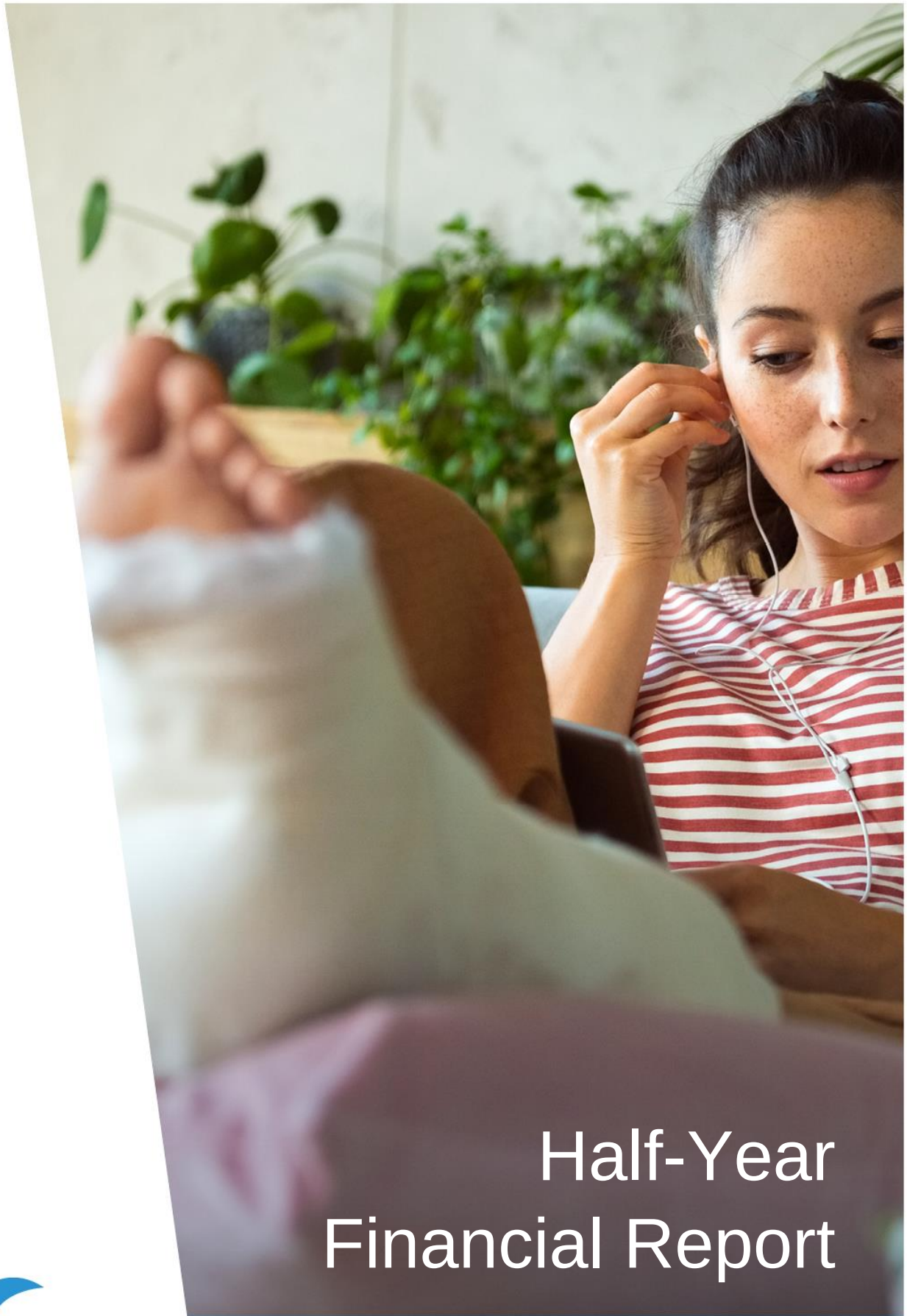

# Half-Year Financial Report

January – June 2024

BBS

BBS-Bioactive Bone Substitutes Plc, Half Year Report, January 1 – June 30, 2024 (unaudited)

# The work for obtaining the CE marking and for the commercial phase continues

## JANUARY – JUNE (H1)

- During the first half of 2024, BBS-Bioactive Bone Substitutes Plc (BBS) continued the CE marking process for the Company's first product (ARTEBONE® Paste).
- On May 5, 2024, the Company reported that the CE marking process will not be completed as previously estimated by the second quarter in 2024.
- On June 4, 2024, the Company reported that it had improved patent protection in the USA related to the ARTEBONE® product and its use in treatment methods.
- On June 18, 2024, the Company announced plans to organize a financing round to strengthen its equity.
- In January, Kimmo Tyni started as the new Production Director of the Company, and in May, Annastiina Kauppinen started as Financial Manager. The focus of the recruitments was the Company's transformation from a product development Company to an industrial and commercial operator.
- In the first half of the year, the Company decided on the focus areas and countries from which the construction of the sales and distribution network will begin in the first phase of commercialization.
- The Company generated no revenue during the review period.
- The financial result in the review period was EUR -1.71 (-1.64) million.
- Cash flow from operations was EUR -1.58 (-1.43) million.
- Cash and cash equivalents on June 30, 2024, were EUR 0.85 (1.67) 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.*

**Annastiina Kauppinen**
Financial Manager
+358 50 408 9555
annastiina.kauppinen@bbs-artebone.fi

**Juliusz Rakowski**
CEO
+358 50 448 5132
juliusz.rakowski@bbs-artebone.fi

## OUTLOOK

### Guidance for 2024

BBS estimates that it will receive the decision of the Notified Body on the approval of its first product's CE marking application soon, once the Notified Body has completed its work. The Company does not give a precise estimate of the schedule, as the Notified Body takes its time and does not provide related schedule forecasts. Commercialization actions have been initiated, and the Company is ready to start sales once the final CE marking is approved.

### Background Assumptions for the Outlook

ARTEBONE® has been complex and challenging in its approval process. It is a new and innovative bone substitute, which is always considered risky from the authorities' perspective, and proving its functionality is also more demanding than for a simpler product. ARTEBONE® includes all three levels of product approval difficulty; it is new and innovative, contains an animal-derived component, and includes a medicinal substance component. Therefore, the approval process is significantly more challenging and time-consuming than for a straightforward medical product.

Based on the available information, the Company estimates that there is no product risk associated with the remaining technical stages of the licensing process, as the Company has met the product-related requirements. According to the Management, the main challenge is predicting the time it will take to complete the final stages of the regulatory process, which the Company cannot fully influence.

The Company has initiated preliminary commercialization measures for ARTEBONE® Paste and decided on the sales focus areas in countries where negotiations with sales and distribution channels have already begun. Sales are expected to be modest at the start and to grow gradually.

Ensuring the adequacy of the Company's financing to implement the plans following the expected approval of the CE marking requires actions. The Company continues discussions for additional funding to ensure the approval of the CE marking application and to advance the start of commercial operations.

## KEY FIGURES

| EUR 1000 | 1-6/2024 | 1-6/2023 | Change, % | 1-12/2023 |
|---|---|---|---|---|
| Other operating income | 10 | 10 | 0 | 20 |
| Personnel expenses | 750 | 621 | 21 | 1,245 |
| Depreciation and amortization | 107 | 108 | -1 | 217 |
| Other operational expenses | 733 | 856 | -14.4 | 1,921 |
| Profit/Loss for the period | -1,714 | -1,642 | 4.4 | -3,484 |
| Cash flow from operations | -1,576 | -1,431 | 1.1 | -2,923 |
| Change in cash and cash equivalents | -1,124 | 154 | -730 | 454 |
| Equity ratio, % [1)] | 41 | 41 | | 48 |
| Earnings per share, EUR [2)] | -0.09 | -0.17 | | -0.18 |
| Earnings per share, EUR, diluted | -0.09 | -0.16 | | -0.24 |
| Number of outstanding shares at the end of period | 20,295,028 | 10,040,326 | | 19,297,175 |
| Average number of outstanding shares in the period | 19,664,830 | 9,738,324 | | 12,091,414 |
| Equity per share, EUR [3)] | 0.19 | 0.43 | | 0.26 |
| Cash and cash equivalents at the end of period | 847 | 1,671 | -50.7 | 1,971 |
| Equity at the end of the period | 3,793 | 4,360 | -13.0 | 5,108 |
| Balance sheet total at the end of the period | 9,374 | 10,727 | -12.6 | 10,613 |

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

## JULIUSZ RAKOWSKI, CEO:

“During the first half of 2024, the Company continued with required actions in the CE marking process with the Notified Body (BSI) regarding the assessment of technical documents.

As part of the transition from a product development Company to industrial production, new investments have been planned for the Reisjärvi Production Site, and three new process workers have been hired. The Company now has sufficient production capacity resources to prepare for the start and gradual growth of sales.

In the discussions held during the spring, both commercial and scientific, it has again become clear that ARTEBONE® Paste is not a simple and easy product to register, which the authorities also acknowledge. Despite this, scientific experts and doctors have stated in various discussions that the markets need a new generation of bone implant that combines bone minerals and bone growth factors – in this respect, our product is unique. Although in June, the Company had to inform that its previous estimate of the registration process ending by the end of June 2024 will not be realized, we believe that after all the stages already passed, the final CE marking will be achieved soon.

The Company organized a rights issue in December 2023, where a total of approximately EUR 1.87 million in gross funds were raised. These funds were estimated to last about 6 months, after which the Company would have to take actions to cover the financing. The actions taken in the first half of 2024 to prolong the sufficiency of funds have helped, but nevertheless, the Company must make plans to arrange financing until the CE mark is obtained.

As we have stated before, product approval processes for medical devices are typically lengthy, and the unfortunately slow progress of the regulatory process has required patience from everyone. This patience is still required.”

## MARKETS

The competitive situation for ARTEBONE® remains good. There is only one competitor in the market that applies a similar innovation, which includes a protein component in addition to TCP. This setup was the starting point for the development of ARTEBONE®. We aimed to create a bone substitute that would resemble natural bone as closely as possible. This goal is achieved in the ARTEBONE® product. Most competing products contain only one of the bone components. The ARTEBONE® product combines both osteoinductive, i.e., bone growth initiating, and osteoconductive, i.e., properties that serve as a substrate for bone formation.

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.

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.

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.

*Sources: Orthoworld (The Orthopaedic Industry Annual Report 2021), Vision Research Reports (Bone Graft And Substitutes Market Size, Share, Trends, Growth, Production, Consumption, Revenue, Company Analysis and Forecast 2021–2028).*

## 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 JANUARY-JUNE 2024

In the first half of 2024, BBS-Bioactive Bone Substitutes (BBS) continued the CE marking process for the Company's first product (ARTEBONE® Paste). Regarding product approval, the Notified Body continued to review the documentation provided by the Company and submitted additional questions and requests for information to which the Company has responded.

On May 5, 2024, the Company announced that the CE marking process will not be completed as previously estimated by Q2 2024. ARTEBONE® has been complex and challenging in its approval process. It is a new and innovative bone substitute, which is always considered risky from the authorities' perspective, and proving its functionality is also more difficult than for a simpler product. Therefore, the approval process is significantly more challenging and time-consuming than for a straightforward medical product.

On June 18, 2024, the Company informed that it plans to organize a financing round to strengthen its equity. As the CE marking process has been prolonged, the Company has started the necessary actions regarding financing and plans for the financing round to take place in early autumn.

In January, Kimmo Tyni started as the new Production Director of the Company, and in May, Annastiina Kauppinen started as Financial Manager. The focus of the recruitments was the Company's transformation from a product development Company to an industrial and commercial operator. Three new process workers have also been hired for the Reisjärvi Production Site The plans to update the facilities and equipment of the Reisjärvi pharmaceutical factory are underway.

In the first half of the year, the Company decided on the focus areas and countries from which the construction of the sales and distribution network will begin for the first phase of commercialization. The intention is to proceed with a hybrid model after CE approval, where the Company intends to carry out distribution by itself in some European countries and through distributors in others. The

preparation of the sales organization and materials is aimed to be timed according to the schedule of the CE marking process.

## 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 -1.71 million (-1.64), mainly consisting of expenses related to product development, administration, and financing.

### Investments

The capital expenditure on machinery and equipment at Reisjärvi Production Site were EUR 0 thousand (0). All development expenses for the reporting period are recorded as expenses.

### Financing

The Company's cash flow from operations in January-June 2024 was EUR -1.58 million (-1.43).

At the end of the reporting period, the Company's cash and cash equivalents were EUR 0.85 million. According to the Company's management's assessment, the available cash reserves are not sufficient for cash expenses during the next 12 months. The Company's management can influence the sufficiency of financing with their decisions.

On February 21, 2024, the Company announced that it has agreed to draw down a tranche of EUR 500,000 in accordance with the terms of the financing agreement announced on September 30, 2021, with RiverFort Global Opportunities PCC Ltd (RiverFort). BBS will pay a transaction fee of EUR 45,000 by transferring 74,915 of its own shares to RiverFort at a price of EUR 0.6007 per share. The reference price is tied to the average share price (VWAP) of the five (5) days preceding the payment of each tranche, according to the original financing agreement terms. After the tranche drawdown, BBS will grant RiverFort 416,195 warrants (with an exercise price of EUR 0.8410, which is 140% of the reference price, and a validity period of 48 months). During the reporting period, RiverFort converted a total of EUR 0.35 million of RiverFort's loan principal into equity, corresponding to the transfer of 997,853 shares to RiverFort, including the renewal fee conversion. At the end of the reporting period, the unconverted portion of the loan included in short-term liabilities and was EUR 0.28 million.

### Balance sheet

The balance sheet total on June 30, 2024, was EUR 9.37 (10.73) million. At the end of the reporting period, the Company had short-term debts of EUR 2.30 (2.15) million, of which EUR 1.74 (1.51) million were interest-bearing debts to credit institutions. Long-term interest-bearing debts amounted to EUR 2.93 (3.87) million and subordinated capital loan remained at the level of EUR 0.18 (0.18) million. Financial income and expenses were EUR -0.12 (-0.07) million.

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

### Equity

The Company's total equity on June 30, 2023, was EUR 3.79 million. At closing of the financial year December 31, 2023, the equity amounted to EUR 5.11 million. RiverFort's conversions during the reporting period, totaling EUR 354,200, strengthened the Company's equity.

## PERSONNEL AND MANAGEMENT TEAM

At the end of the reporting period, the Company's staff consisted of the CEO and 24 (21) employees.

During the reporting period, three new people were recruited to production, strengthening the production resources.

On January 2, 2024, the Company announced that Kimmo Tyni (B.Eng. (Mech.)) has been appointed as the Production Manager starting from January 15, 2024.

On April 25, 2024, the Company announced that Annastiina Kauppinen (IEAT) has been appointed as the Financial Manager starting from May 2, 2024.

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

- Juliusz Rakowski, CEO
- Annastiina Kauppinen, Financial Manager
- Kimmo Tyni, Production Manager
- Merja Haikola, Director of Quality, Accountable Director (QP)
- Mikko Viitanen, Director of Quality Control

## GOVERNANCE

### Annual General Meeting 2024

The Company's annual general meeting was held on Thursday, June 13, 2024, in Oulu.

The general meeting confirmed the Company's financial statements for the fiscal year 2023 and granted discharge from liability to the Board Members and the CEO. The general meeting decided that the Company will not pay dividend for the fiscal year 2023.

The general meeting decided that the number of Board Members is five. Jarmo Halonen, Pekka Jalovaara, Seppo Nevalainen, and Kirk Andriano were re-elected, and Gregor Siebert was elected to replace Ahti Paananen 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 2,500 per meeting and other members EUR 1,500 per meeting. No compensation is paid for email meetings.

Ernst & Young Oy Authorized Public Accountants was re-elected as the auditor of the Company by the AGM, and Authorized 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 authorization can be a maximum of 11,000,000 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 considering the interests of all its shareholders. The authorization is valid until June 13, 2029, and when it enters into force, it will cancel the authorization granted by the extraordinary general meeting on October 23, 2023.

The general meeting decided to approve the proposal of the Board for option program 1/2024 for the Company’s key personnel and Board Members. The terms of the option program are described in the option program proposal attached to the meeting material of the Annual General Meeting 2024.

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

## SHARE

### Shares and share capital

The market capitalization of BBS at the end of the review period on June 30, 2023, was EUR 9.5 million. The closing share price on June 28, 2023, was EUR 0.354. The highest closing price per share of the review period was EUR 0.626 and the lowest was EUR 0.307.

According to Euroclear's shareholder register BBS had 4,977 (4,432) shareholders on June 28, 2024. The Company has one series of shares. At the end of the review period, there were a total of 20,297,175 (10,432,454) registered shares, of which 2,147 (392,128) were treasury shares held by the Company.

On January 31, 2024, the Company announced that it had arranged a directed share issue of 1,000,000 shares to itself. During the review period, the Company carried out conversions of convertible bond loan portions into the Company’s shares at Riverfort’s request as follows:

- On March 11, 2024: Conversion of a EUR 54,202 convertible bond portion into shares at a subscription price of EUR 0.44784 per share. The exchange was carried out by transferring a total of 121,030 of BBS’s own shares held by the Company to Riverfort.
- On April 9, 2024: Conversion of an EUR 80,000 convertible bond portion into shares at a subscription price of EUR 0.40527 per share. The exchange was carried out by transferring a total of 197,399 of BBS’s own shares held by the Company to Riverfort.
- On April 23, 2024: Conversion of a EUR 100,000 convertible bond portion into shares at a subscription price of EUR 0.42561 per share. The exchange was carried out by transferring a total of 234,956 of BBS’s own shares held by the Company to Riverfort.
- On May 21, 2024: Conversion of a EUR 50,000 convertible bond portion into shares at a subscription price of EUR 0.32247 per share. The exchange was carried out by transferring a total of 155,053 of BBS’s own shares held by the Company to Riverfort.

- On June 4, 2024: Conversion of a EUR 70,000 convertible bond portion into shares at a subscription price of EUR 0.32634 per share. The exchange was carried out by transferring a total of 214,500 of BBS's own shares held by the Company to Riverfort.

After the end of the review period, the Company announced that it had arranged a directed share issue of 450,000 shares for itself. After the review period, the Company transferred a total of 175,309 of its own shares held by the Company to RiverFort. After the transfer, the Company holds a total of 276,838 of its own shares. More information can be found in the section Events after Period-end.

As of June 30, 2024, the BBS Board of Directors owned a total of 736,541 shares (as of July 13, 2023, 1,162,260 shares), including shares owned through controlling companies, which is 3.63% (as of July 13, 2023, 8.4%) of the Company's outstanding share capital. The CEO owned 25,000 shares of the Company at the end of the review period. Information on insider trading of the Company's shares is published on the Company's website.

## Shareholders on June 30, 2024

Below is a list of the Company's largest shareholders at the end of the review period.

| | June 30, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | % of outstanding shares | Number of shares | % of outstanding shares |
| Municipality of Reisjärvi | 2,677,716 | 13.2% | 2,677,716 | 13.9% |
| Finha Capital Oy | 2,357,965 | 11.6% | 2,357,965 | 12.2% |
| Panvest Oy | 1,304,590 | 6.4% | 1,304,590 | 6.8% |
| Jalovaara Pekka [1] | 654,050 | 3.2% | 654,050 | 3.4% |
| Paananen Ahti [2] | 520,904 | 2.6% | 520,904 | 2.7% |
| Halonen Jukka | 280,580 | 1.4% | 281,594 | 1.5% |
| Halonen Veronika | 254,369 | 1.3% | 254,369 | 1.3% |
| Rosenqvist Alexandra | 253,971 | 1.3% | 253,971 | 1.3% |
| Celltronix Oy | 232,500 | 1.1% | | |
| Nordnet Bank AB, nominee registered | 224,072 | 1.1% | 225,050 | 1.2% |
| Skandinaviska Enskilda Banken AB, nominee registered | | | 210,846 | 1.1% |
| **10 largest, total** | **8,760,717** | **43.2%** | **8,741,055** | **45.3%** |
| Others | 11,534,311 | 56.8% | 10,556,120 | 54.7% |
| **Total** | **20,295,028** | **100.0%** | **19,297,175** | **100.0%** |
| BBS-Bioactive Bone Substitutes | 2,147 | | 0 | |
| **Total** | **20,297,175** | | **19,297,175** | |

[1] Pekka Jalovaara is the member of the Company's Board.
[2] Ahti Paananen has been the member of the Board until June 13, 2024.

## Authorizations

On June 13, 2023, the Company's 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 11,000,000 shares. The authorization is valid until June 13, 2029.

## Directed Share Issue to the Company Itself

The Board of the Company decided in its meeting on January 31, 2024, on a free share issue of 1,000,000 shares to the Company itself. The issue was prepared for possible conversion of loan capital and other possible actions within the authorizations granted by the extraordinary general meeting on October 23, 2023.

After the end of the review period, on July 2, 2024, the Company announced the Board's decision to carry out a free share issue of 450,000 shares to itself. After the directed share issue, the Company held 452,147 of its own shares.

**Share-based incentive system**

Warrant Program 2012

The Company has an existing Warrant Program 2012, which was approved by the general meeting on July 18, 2012. The Board, authorized by the general meeting, decided on the Warrant Program on January 2, 2013. Option rights have been granted to key personnel of the Company, and each option right entitles the holder to subscribe for one share at a subscription price of one euro (EUR 1.00). The Board decided in its meeting on November 20, 2023, to extend the subscription period for shares related to Warrant Program 2012 until the end of 2029 and for a single small batch until the end of 2025.

Subscriptions through warrants may produce a maximum of 170,000 new Company shares, and thus this option program does not have a significant impact on the earnings per share indicators.

Warrant Program 1/2024

The Company decided at the annual general meeting on June 13, 2024, to approve the Board's proposal for a new option program. Option rights have been granted to key personnel of the Company, and each option right entitles the holder to subscribe for one share. The subscription price of the share is the average closing price of the Company's shares on the First North Growth Market Finland between May 16 and June 12, 2024. The subscription price of the share to be subscribed with the option right may decrease in certain cases mentioned in section 7 of the option program. However, the subscription price of the share is always at least EUR 0.01.

Subscriptions through warrants may produce a maximum of 879,000 new Company shares. Detailed information about the Warrant Program 1/2024 can be found in the meeting materials of Annual General Meeting 2024 on the Company's website.

**Flagging Notifications**

The Company received flagging notifications required by the amended flagging rules pursuant to Chapter 9, Section 5 of the Securities Market Act from Panvest Oy on June 14, 2024, from Finha Capital Oy on June 18, 2024, and from the municipality of Reisjärvi on June 19, 2024.

## 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 is associated with risks in the short and long term. The partial realization of share issues (62.8% and 71.1%) in 2023 has affected the adequacy of the Company’s financing. In addition, instability in the financial markets may complicate the acquisition of follow-up financing. Global uncertainty in the stock markets may affect the availability of financing in the near future. The available cash reserves are not sufficient for the next 12 months of cash expenses. The Company’s management can influence the adequacy of financing with their 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

After the end of the review period, on July 2, 2024, the Company announced the Board’s decision to carry out a free share issue of 450,000 shares to itself within the authorizations granted by the general meeting on June 13, 2024. After the directed share issue, the Company held 452,147 of its own shares, which corresponds to 2.2% of the Company’s shares. The issue prepares for a possible conversion of loan capital and other possible actions within the framework of the general meeting’s authorization.

After the review period, the Company received a request from Riverfort on July 19, 2024, to convert a EUR 50,000 convertible bond portion into the Company’s shares. The Company transferred a total of 175,309 of its own shares held by the Company to Riverfort. After the transfer, the Company holds a total of 276,838 of its own shares.

## FINANCIAL CALENDAR FOR 2025

- Financial Statements Release for the year 2024 will be published on February 21, 2025.

The Company's previously published reports can be found on the Company's website: https://www.bbs-artebone.fi/investors/report-archive/.

August 8, 2024
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 an orthobiology company that started its operations in 2003. We have developed a new product for the treatment of complex bone fractures and bone healing issues. Our goal is to provide next-generation medical products for the treatment of bone injuries in orthopedic surgery. In the pharmaceutical industry, the development and research work require perseverance and courage to innovate. We have a track record of over 20 years in this field. Our company is characterized by expertise, innovation, and dedicated employees who are passionate about their work. Our first developed product, ARTEBONE® Paste, is in the final stages of the CE marking process to enable its commercialization in the EU market. We are based in Oulu with a medical manufacturing facility in Reisjärvi, holding a manufacturing license. The Company's headquarters are in Oulu, and we employ over 20 people.*

*BBS is listed on Nasdaq First North Growth Market Finland.*

*More information: www.bbs-artebone.fi*

## KEY FINANCIALS JANUARY-JUNE 2024

**GROUP INCOME STATEMENT**

| EUR 1,000 | 1-6/2024 [1)] | 1-6/2023 [1)] | 1-12/2023 |
|---|---|---|---|
| **NET TURNOVER** | | | |
| Other operating income | 10 | 10 | 20 |
| Raw materials and services total | -11 | 1 | -4 |
| Personnel Expenses | -750 | -620 | -1,245 |
| Depreciations and amortization | -107 | -108 | -217 |
| Other oper ating charges | -733 | -856 | -1,921 |
| **EBIT** | **-1,591** | **-1,574** | **-3,367** |
| Financial income and expenses | -123 | **-68** | -117 |
| **PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS** | **-1,714** | **-1,642** | **-3,484** |
| **PROFIT (LOSS) FOR THE FINANCIAL YEAR** | **-1,714** | **-1,641** | **-3,484** |

1) Unaudited

**BBS-Bioactive Bone Substitutes group**

**GROUP BALANCE SHEET**

| EUR 1,000 | June 30, 2024 [1)] | June 30, 2023[1)] | December 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Intangible assets | 7,667 | 7,721 | 7,694 |
| Tangible assets | 821 | 942 | 901 |
| **NON-CURRENT ASSETS TOTAL** | **8,488** | **8,663** | **8,595** |
| **CURRENT ASSETS** | | | |
| Debtors total | 39 | 393 | 48 |
| Cash and cash equivalents | 850 | 1,671 | 1,971 |
| **CURRENT ASSETS TOTAL** | **886** | **2,064** | **2,019** |
| **ASSETS TOTAL** | **9,374** | **10,727** | **10,613** |
| **LIABILITIES** | | | |
| **CAPITAL AND RESERVES** | | | |
| Share capital | 80 | 80 | 80 |
| Share premium account | 1,395 | 1,395 | 1,395 |
| Invested unrestricted equity fund | 26,145 | 23,156 | 25,746 |
| Retained earnings (loss) | -22,112 | -18,629 | -18,629 |
| Profit (loss) for the financial year | -1,714 | -1,642 | -3,484 |
| **CAPITAL AND RESERVES TOTAL** | **3,793** | **4,360** | **5,108** |
| **CREDITORS** | | | |
| Long-term loans | 3,285 | 4,220 | 4,128 |
| Short-term loans | 2,295 | 2,146 | 1,377 |
| **CREDITORS TOTAL** | **5,580** | **6,366** | **5,505** |
| **LIABILITIES TOTAL** | **9,374** | **10,727** | **10,613** |

1) Unaudited

| CONSOLIDATED CASH FLOW<br>EUR 1,000 | 1-6/2024 [1)] | 1-6/2023 [1)] | 1-12/2023 |
|---|---|---|---|
| **Cash flow from business operations** | | | |
| Profit (loss) before extraordinary items | -1,714 | -1,642 | -3,484 |
| Adjustments | | | |
| Scheduled depreciation and amortization | 107 | 108 | 217 |
| Financial income and expenses | 123 | 68 | 117 |
| Other adjustments | | | |
| **Cash flow before changes in working capital** | **-1,484** | **-1,466** | **-3,130** |
| **Change in working capital** | | | |
| Changes in short-term non-interest-bearing Increase (-)/Decrease (+) | 9 | 7 | 292 |
| Changes in inventory Increase (-)/Decrease (+) | | | |
| Changes in short-term non-interest-bearing loans Increase (+)/Decrease (-) | -10 | 55 | 7 |
| Changes in long-term non-interest-bearing loans Increase (+)/Decrease (-) | | | |
| **Cash flow from business operations before financial items and taxes** | **-1,485** | **-1,404** | **-2,831** |
| **Interest paid and other financial expenses from business operations** | **-90** | **-27** | **-92** |
| Interest received and other financial income from business operations | | | |
| Cash flow before extraordinary items and taxes | -1,576 | -1,431 | -2,923 |
| **Cash flow from business operations (A)** | **-1,576** | **-1,431** | **-2,923** |
| **Cash flow from investments** | | | |
| Investments in tangible and intangible goods | 0 | 0 | 0 |
| Investments in shares in subsidiaries | | | |
| Loans granted | | | |
| **Cash flow from investments (B)** | **0** | **0** | **0** |
| **Cash flow from financing** | | | |
| Share issue | 0 | 1,631 | 3,880 |
| Riverfort Financial Arrangement | 0 | 0 | 0 |
| Raised long-term loans | 0 | 0 | |
| Repayment of long-term loans | -46 | -46 | -503 |
| Raised short-term loans | 498 | 0 | |
| Repayment of short-term loans | 0 | 0 | |
| **Cash flow from financing (C)** | **452** | **1,585** | **3,377** |
| **Changes in funds (A+B+C) Increase (+)/Decrease (-)** | **-1,124** | **154** | **454** |
| Funds at the beginning of the financial period | 1,971 | **1,517** | 1,517 |
| Funds at the end of the financial period | **847** | 1,671 | 1,971 |

1) Unaudited

## CHANGES IN GROUP EQUITY [1)]

BBS-Bioactive Bone Substitutes Plc

| EUR 1,000 | Share capital | Share premium account | Invested unrestricted equity fund | Accumulated profits | Equity total |
|---|---|---|---|---|---|
| **Equity on January 1, 2024** | **80** | **1,395** | **25,746** | **-22,113** | **5,108** |
| Profit/loss for the period | | | | -1,714 | |
| Share issue | | | 399 | | |
| **Equity on June 30, 2024** | **80** | **1,395** | **26,145** | **-23,827** | **3,793** |
| | | | | | |
| **Equity on January 1, 2023** | **80** | **1,395** | **21,425** | **-18,629** | **4,271** |
| Profit/loss for the period | | | | -1,642 | |
| Share issue | | | 1,731 | | |
| **Equity on June 30, 2023** | **80** | **1,395** | **23,156** | **-20,271** | **4,360** |
| | | | | | |
| **Equity on January 1, 2023** | **80** | **1,395** | **21,425** | **-18,629** | **4,271** |
| Profit/loss for the period | | | | -3,484 | |
| Share issue | | | 4,321 | | |
| **Equity on December 31, 2023** | **80** | **1,395** | **25,746** | **-22,113** | **5,108** |

1) Unaudited