



Financial Statements Bulletin



January – December 2022

BBS advances towards the CE marking of its first product

JULY-DECEMBER (H2) HIGHLIGHTS

- During the second 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, and preparing for the start of marketing measures.
- In November, the Notified Body conducted a successful audit, related to the company's quality system. Only minor measures were needed to correct the issues in the inspection report. Quality system certification is a part of the CE marking process for BBS' first product, Artebone Paste. The final audit for the quality system is scheduled for early March.
- The company generated no revenue during the review period.
- The financial result in the review period was EUR -1.42 (-1.46) million.
- Cash flow from operations was EUR -1.320 (-1.156) million.
- Cash and cash equivalents on 31 December 2022 were EUR 1.52 (1.24) million.

YEAR 2022

- Artebone Paste's CE marking application was submitted to the notified body on March 9, 2022.
- 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.
- The company generated no revenue during the review period.
- The financial result in the review period was EUR –3.09 (-2.77) million.
- Cash flow from operations was EUR –2.82 (-2.52) million.
- Cash and cash equivalents on 31 December 2022 were EUR 1.52 (1.24) 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. Based on a survey* conducted for the Notified Body, the average application processing times increased in 2022. Due to this, the company estimates that, based on currently available information, it is unlikely to receive the final CE marking approval by the end of March 2023. The company expects authorities' decision on approving the application during 2023.

Preparations for commercial operations will begin 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

1000 eur	7-12/2022	7-12/2021	1-12/2022	1-12/2021
Other operating income	9	16	64	61
Personnel expenses	587	720	1,315	1,199
Depreciation and amortization	112	119	225	231
Other operational expenses	756	481	1,446	1,144
Profit/Loss for the period	-1,416	-1,463	-3,093	-2,771
Cash flow for business operations	-1,320	-1,155	-2,816	-2,520
Change in cash resources	-1,872	-698	281	-2,202
Equity ratio ¹⁾ , %	40.0	34.6	40.0	34.6
Earnings per share ²⁾ , EUR	-0.15	-0.22	-0.38	-0.42
Earnings per share, EUR, diluted	-0.14	-0.22	-0.35	-0.41
Number of shares at the end of period	9,668,351	6,737,889	9,668,351	6,737,889
Average number of shares in the period	9,450,846	6,615,855	8,211,650	6,593,872
Equity per share ³⁾ , EUR	0.44	0.54	0.44	0.54
Cash and cash equivalents	1,517	1,236	1,517	1,236
Equity	4,271	3,634	4,271	3,634
Balance sheet total	10,688	10,506	10,688	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

CEO ILKKA KANGASNIEMI

During the second half of the year, BBS focused on advancing the CE marking process with the Notified Body, aimed at facilitating the sales and marketing of our first product (ARTEBONE® Paste) in the EU region. During the autumn months, we continued to refine production lines and processes, while finalizing production validation procedures, ensuring the ability to produce products consistently for the upcoming launch.

The CE marking procedure involves two key streams: quality system approval and product approval. With regards to the first, significant progress was made in the latter half of the year. In November, the Notified Body conducted a successful audit, and no critical non-conformities were reported regarding the quality system. The final audit for the quality system is scheduled for early March.

It is also noteworthy that the Notified Body has already submitted the initial questions and supplemental requests regarding product approval, and there were no critical non-conformities in these submissions.

Obtaining product approval requires close collaboration between the Notified Body and the Medicines Agency. So far, the process has progressed at a slower pace, and cooperation has yet to commence. Given the current backlog of application processing, as reported in public surveys, the company announced in December that it was unlikely to receive the final CE marking approval by the end of March 2023. Despite the delays in the regulatory process, the company still believes that receiving the approval is achievable in 2023.

The product approval process for medical devices can be time-consuming and requires patience. Although progress has been slow, the company's financial situation remains stable until July-August. The management team is able to adjust the allocation of funds based on its decisions. Currently, the company is exploring multiple options for additional funding to secure the continuation of development work and well as preparations for commercial operations during the congested approval process..

We are steadfastly advancing towards our objective: to bring a new generation of safe bone fillers to a thriving market, improving patients' lives and streamlining the overburdened healthcare system.

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 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.

During second 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 CE marking and the capability to produce quality products for the upcoming launch.

In November, the Notified Body conducted its initial audit. During this audit, the authorities reviewed quality system-related documents and discovered no critical non-conformities in the quality system, allowing the approval process to continue as planned.

Regarding product approval, the Notified Body continued to assess the documentation submitted by the company and provided the company with its initial inquiries and additional requests, which did not raise any critical non-conformities. Acquiring product approval requires collaboration between the

Notified Body and the Medicines Agency responsible for the matter. According to the latest update received by the company, the Notified Body has not yet initiated the process with the Medicines Agency.

In November-December, BBS carried out an additional share issue with warrants. 69% of the warrants 1-2022 (WA1) were used for the subscription of shares, and the company raised EUR 213 000 in gross proceeds.

In December, the company updated its estimate of the schedule for the CE marking of the ARTEBONE® Paste bone filler. Due to the increase in average application processing times, the company estimated that getting the final CE marking application approved by the end of March 2023 was unlikely based on the available information. Despite the authorities' processing delays, approval is estimated to be achievable during 2023. Additional information about the schedule will be provided when more information about the CE marking process is available.

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	7 – 11 March 2023
	Product approval	In process
	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 financial year. The consolidated result for the review period was EUR –3,092 (-2,771M€) million, mainly consisting of expenses related to research and development, administration and finance.

Investments

The capital expenditure on machinery and equipment at Reisjärvi production site amounted to EUR 78 (125) thousand. All the development expenses were recognized as costs in the Profit and Loss Statement.

Financing

Company's cash and cash equivalents on 31 December 2022 were EUR 1,52 (1,24) million. The accumulated 12-month change was EUR 0,28 (-2,20) million. The company organized a rights issue in May-June raising around EUR 3,1 million of net proceeds after transaction costs related to the issue. In February, the company raised an EUR 0,25 million installment from Riverfort Global's capital facility, and in August the company made a loan repayment of EUR 0,2 million to Riverfort Global. The cash flow from the company's operations in the review period was EUR -2,82 million and in the financial period 2021 a total of EUR -2.52 million.

The company is currently negotiating a 12-month extension for the current financing agreement based on the proposal received from Riverfort Global. According to the current agreement, the financing arrangement with Riverfort Global ends on 31, March 2023.

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.

Balance sheet

The balance sheet total on 31 December 2022 was EUR 10,69 (10,51) million. At the end of the review period, the short-term debts amounted to EUR 1,70 (1,57) million, out of which EUR 1,13 (1,08) million were interest bearing loans to credit institutions. The long-term interest-bearing debts amounted to EUR 4,36 (4,95) million and subordinated Capital Loan to EUR 0,18 (0,18) million. The financing costs were EUR –0,14(-0,20) million.

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

Equity

The company's total equity on 31 December 2022 was EUR 4,27 million. At closing of the financial year, 31 December 2022, the equity amounted to EUR 3,63 million. The rights issue in May-June and the issue related to the Option Program WA1 in November-December considerably strengthened the equity.

PERSONNEL AND MANAGEMENT TEAM

At the end of the review period, the company's staff consisted of the CEO and 21 (20) employees. During the review period, two people were recruited to strengthen production resources. Of the personnel, 13 work at the factory in Reisjärvi and 8 work in Oulu.

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

- Ilkka Kangasniemi, CEO
- Jari Korttesluoma CFO (as of 7 October 2022, Liisa Hukka until 30 September 2022)
- Jussi Jukka, production manager (as of 8 August 2022, Hanna Töllä on personal leave until 23 October 2023)
- 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.

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.

Annual General Meeting 2023

The company's annual general meeting will be held on April 28, 2023. The Board of Directors will summon the meeting with a separate release.

SHARE

Shares and share capital

The market capitalisation of BBS at the end of the review period on 31 December 2022 was EUR 11,6 million. The closing share price on 31 December 2022 was EUR 1.20. The highest closing price per share of the review period was EUR 2.54 and the lowest was EUR 1.05.

According to Euroclear's shareholder register, BBS had 4,236 (3926) shareholders on 31 December 2022. The company has one share series and two option series WA1 and WA2 established on the First North marketplace in conjunction with the May-June share issue. As the result of the completion of WA1 option program in December, 231,415 new shares were subscribed. At the end of the review period, there were a total of 10,177,874 registered shares, of which 509,523 were treasury shares held by the company. There were 335,481 units of option serie WA2 tradable in the market. At the end of the comparison period, the number of registered shares was 6,981,525, of which 243,636 were treasury shares held by the company.

On 31 December, 2022, BBS's board of directors held a total of 1,134,539 shares (31 December 2021: 577,812), including shares owned through controlled companies, i.e. 11.7 % (8,6 %) of the total number of outstanding shares. In addition, 22,761 WA2 options (6,8 % of the respective option series) were owned by the board and through controlled companies. 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

	31 December 2022			31 December 2021	
	Number of shares	% of outstanding shares	Number of Options (2)	Number of shares	% of outstanding shares
Finha Capital Oy	1,408,404	14.6 %	38,606	1,060,938	15.7 %
Reisijärven kunta	1,051,081	10.9 %	43,795	700,721	10.4 %
Jalovaara, Pekka ⁽¹⁾	568,025	5.9 %	1,925	550,700	8.2 %
Paananen, Ahti ⁽¹⁾	520,904	5.4 %	20,836	333,379	4.9 %
Panvest Oy	476,838	4.9 %	19,073	305,177	4.5 %
Euroclear Bank SA/NV	250,348	2.6 %	8,084	175,169	2.6 %
Rosenqvist Alexandra	230,309	2.4 %	961	129,337	1.9 %
Halonen Veronika	229,349	2.4 %	961	129,337	1.9 %
Jukka Halonen	226,481	2.3 %	5,618	175,913	2.6 %
Oulun kaupunki	130,081	1.3 %		130,081	1.9 %
10 largest	5,091,820	52.7 %	139,859	3,690,752	54.7 %
Others	4,576,531	47.3 %	195,622	3,056,250	45.3 %
Total	9,668,351	100.0 %	335,481	6,747,002	100.0 %
BBS-BIOACTIVE BONE SUBSTITUTES OYJ	509,523			234,523	
Total	10177874		335481	6981525	

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

2) Number of quoted trading options (TO2/ BONEHEW22022)

Rights issue

On 6 May 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 18 May 2022. The subscription period ended on 1 June 2022 in Sweden and 3 June 2022 in Finland.

On 8 June 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 10 June 2022.

The shares registered in the share issue were registered in the trade register on 16 June 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 20 June 2022 in First North Growth Market Finland and on 23 June 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 was 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 (WA1 and WA2). 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 November and 2 December 2022 (option right WA1) and 22 May and 2 June 2023 (option right WA2). 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 EUR 3.5 million 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 EUR 3.1 million 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, was used to repay a part of the debt to RiverFort in accordance with the terms of the subscription commitment issued by RiverFort.

On 4 November 2022 the Company's Board of Directors decided to issue 275,000 shares without consideration to the company itself, for potential loan conversions as well as for other possible purposes, in accordance with authorisation from the Extraordinary Shareholders Meeting on 17 March 2022.

After the direct issue, 509,523 treasury shares are in the possession of BBS, representing approximately 5,0 percent of the total shares of the company.

The subscription period for BBS-Bioactive Bone Substitutes Oyj's first series of warrants 1-2022 (WA1) ended on 2 December 2022. In total, 231,415 warrants 1-2022 (WA1) were used, corresponding to approximately 69.0 percent of the total number of corresponding warrants. BBS-Bioactive Bone Substitutes Oyj received approximately EUR 213,000 in gross proceeds before expenses. The shares were registered in the Trade Register on 20 December 2022. Following the registration of the new shares, the total number of shares in BBS-Bioactive Bone Substitutes Oyj will be 10,177,874.

Authorizations

On 17 March 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 issue of 275,000 shares without consideration and the subscriptions of Warrants 1-2022, the company has approximately 2,364,104 remaining authorizations. The authorization is valid until 30 June 2023.

Share-based incentive system

The company has a valid option program 2012, which was approved by the general meeting on 18 July 2012. The board, authorized by the general meeting, has decided on the options on 2 January 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 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 spring 2022 share 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. There is also a risk associated with the CE marking processing schedule, which is affected by the backlog of processing that occurred based on public surveys conducted in 2022, which is expected to affect the speed of approval. 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 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

The company has on 13 February 2023 applied for The Delisting of Secondary Listing on Nasdaq First North Growth Market Sweden. When making the decision, the board has taken into account the low trading volumes of BBS shares after the company's listing in 2018, as well as the small number of shareholders registered with Euroclear Sweden AB. The board has also assessed the additional costs incurred by the company and the administrative responsibilities arising from compliance with the listing requirements in connection with the parallel listing. The last day of trading in the shares of BBS on Nasdaq First North Growth Market Sweden shall be March 3, 2023.

FINANCIAL CALENDAR FOR 2023

- Financial Statements Release for the year 2022 will be published on 24 February 2023
- The Annual Report for the year 2022 will be published during the week 13/2023 the latest.
- The Annual General Meeting is planned to be held on 28 April 2023
- Half-year financial report January-June 2023 will be published on 25 August 2023

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

24 February 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 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 1.1.2022 - 31.12.2022

BBS-Bioactive Bone Substitutes Oyj

GROUP INCOME STATEMENT (1)

1000 EUR	1 July. 2022 - 31 Dec. 2022	1 July. 2021 - 31 Dec. 2021	1 Jan. 2022 - 31 Dec. 2022	1 Jan. 2021 - 31 Dec. 2021
NET TURNOVER				
Other operating income	9	16	64	61
Raw materials and services total	-25	0	-30	-57
Personnel Expenses	-587	-720	-1 315	-1 199
Depreciations	-112	-119	-225	-231
Other operating charges	-756	-481	-1 446	-1 144
EBIT	-1 471	-1 305	-2 952	-2 571
Financial income and expenses	54	-159	-141	-200
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	-1 416	-1 463	-3 093	-2 771
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-1 416	-1 463	-3 093	-2 771

1) unaudited

1000 EUR	GROUP BALANCE SHEET (1	
	31 Dec. 2022	31 Dec. 2021
A S S E T S		
NON-CURRENT ASSETS		
Intangible assets	7 747	7 789
Tangible assets	1 024	1 148
NON-CURRENT ASSETS TOTAL	8 771	8 938
CURRENT ASSETS		
Debtors total	400	333
Cash and cash equivalents	1 517	1 236
CURRENT ASSETS TOTAL	1 917	1 569
ASSETS TOTAL	10 688	10 506
L I A B I L I T I E S		
CAPITAL AND RESERVES		
Share capital	80	80
Share premium account	1 395	1 395
Invested unrestricted equity fund	21 425	17 695
Retained earnings (loss)	-15 536	-12 765
Profit (loss) for the financial year	-3 093	-2 771
CAPITAL AND RESERVES TOTAL	4 271	3 634
CREDITORS		
Long term loans	4 715	5 298
Short term loans	1 701	1 574
CREDITORS TOTAL	6 417	6 873
LIABILITIES TOTAL	10 688	10 506

1) unaudited

CONSOLIDATED CASH FLOW

(1)

1000 EUR	1 July. 2022 - 31 Dec. 2022	1 July. 2022 - 31 Dec. 2022	1 Jan. 2022 - 31 Dec. 2022	1 Jan. 2021 - 31 Dec. 2021
Cash flow from business operations				
Profit (loss) before extraordinary items	-1417	-1463	-3093	-2771
Adjustments				
Scheduled depreciation and amortisation	112	119	225	231
Financial income and expenses	-54	159	141	200
Other adjustments				
Cash flow before changes in working capital	-1359	-1186	-2726	-2340
Change in working capital				
Changes in short-term non-interest-bearing (+) (-)	-26	-2	-48	-122
Changes in inventory Increase (-)/ Decrease (+)				
Changes in short-term non-interest-bearing loans Increase (+)/Decrease (-)	-12	106	83	76
Changes in long-term non-interest-bearing loans Increase (+)/Decrease (-)				
Cash flow from business operations before financial items and taxes	-1397	-1082	-2691	-2386
Interest paid and other financial expenses from business operations	77	-74	-125	-135
Interest received and other financial income from business operations				
Cash flow before extraordinary items and taxes	-1320	-1156	-2816	-2520
Cash flow from business operations (A)	-1320	-1156	-2816	-2520
Cash flow from investments				
Investments in tangible and intangible goods	-29	-18	-78	-125
Investments in shares in subsidiaries				
Loans granted				
Cash flow from investments (B)	-29	-18	-78	-125
Cash flow from financing				
Share issue	213		3708	0
Riverfort Financial Arrangement	-200	750	50	750
Raised long-term loans				
Repayment of long-term loans	-537	-275	-583	-307
Raised short-term loans				
Repayment of short-term loans				
Cash flow from financing (C)	-524	475	3175	443
Changes in funds (A+B+C) Increase (+)/Decrease (-)				
Funds at the beginning of the financial period	3390	1934	1236	3438
Funds at the end of the financial period	1517	1236	1517	1236

1) unaudited

CHANGES IN GROUP EQUITY (1)

1000 EUR	Share capital	Share premium account	Share issue	Accumulated profits	Equity, total
Equity at 1 January 2022	80	1395	17695	-15536	3634
Profit/loss for the financial year				-1676	
Share issue			3517		
Equity at 30 June 2022	80	1395	21212	-17212	5475
Equity at 1 January 2021	80	1395	17377	-12765	6087
Profit/loss for the financial year				-1307	
Share issue					
Equity at 30 June 2021	80	1395	17377	-14072	4780
Equity at 1 January 2022	80	1395	17695	-15536	3634
Profit/loss for the financial year				-3093	
Share issue			3730		
Equity at 31 December 2022	80	1395	21425	-18629	4271
Equity at 1 January 2021	80	1395	17377	-12765	6087
Profit/loss for the financial year				-2771	
Share issue			318		
Equity at 31 December 2021	80	1395	17695	-15536	3634

1) unaudited