

## BASIC INFORMATION ON THE ISSUER AND ON THE SECURITIES

*This document contains basic information on the issuer and on the securities. This basic information document is not marketing material; it contains information that the issuer is required to provide by law. We recommend familiarising yourself with this document so that as an investor you can make informed investment decisions and understand the risks involved.*

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*The Offer Shares offered in the Offering (as defined below) are offered for subscription under the terms and conditions of the Offering. This document shall not be construed as an offer to sell or a request to tender for acquiring or subscribing to company securities in countries where such an offer or tender would be unlawful. The Offer Shares shall not be offered, sold, resold, transferred or delivered, whether directly or indirectly, to the USA, Australia, South Africa, Hong Kong, Japan, Canada, Singapore or any other country where offering said shares would be prohibited. Prospective investors should familiarise themselves with applicable restrictions and comply with them.*

### BASIC INFORMATION

<b>Name of Issuer</b>	BBS-Bioactive Bone Substitutes Oyj ("BBS" or "the Company")
<b>Securities offered</b>	BBS offers a maximum of 6,578,481 new shares in the Company ("Offer Shares") for subscription as per the pre-emptive subscription right of shareholders ("Offering").
<b>Maximum amount of funds to be raised</b>	EUR 2,631,392.40
<b>Purpose of funds to be raised</b>	<p>The Company anticipates that the net proceeds raised through the Offering will be used for executing the Company's business plan, strengthening working capital and investments, and managing and repaying loans, including but not limited to the following items:</p> <ol style="list-style-type: none"> <li>1. The principal purpose of the proceeds to be raised is the successful completion of the application process for a CE marking for the BBS bone implant ARTEBONE® Paste. The funds will also be used for product development, patent portfolio maintenance and production development, and also for the FDA approval application process for gaining marketing authorisation for ARTEBONE® Paste on the US market.</li> <li>2. For initiating the commercialisation of ARTEBONE® Paste, including sales and marketing asset recruitment and training, preparation of marketing materials as well as assessing and contacting initial potential customers.</li> <li>3. For payment of principal instalments and interest of EUR 0.5 million in Business Finland loans that are due in the next 12 months.</li> </ol> <p>The estimate of how the proceeds are intended to be used is based on the assumption that the Offering will be subscribed in full.</p> <p>The estimated portions of the use of proceeds may differ depending on the amount of funds raised and the development of business operations. If the Offering is not subscribed in full, it may not be possible to carry out the planned actions in full, and cost-cutting measures will need to be introduced, which in turn may delay the start of production, marketing, and sales.</p> <p>If the Offering is fully subscribed, according to the Company's management's estimate, the Company's working capital will be sufficient for approximately 8 months. The company can influence the sufficiency of the working capital by acquiring additional equity or debt capital or measures to save the Company's expenses.</p>

<b>Name of multilateral trading system</b>	The Subscription Rights, Temporary Shares and Offer Shares will be applied for trading on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Oy.
<b>Company advisors</b>	<p><b>Certified advisor</b> Nordic Certified Adviser AB Stureplan 15 111 45 Stockholm, Sweden</p> <p><b>Financial advisor for the Offering</b> Aalto Capital Partners Oy Mikonkatu 15A FI-00100 Helsinki, Finland</p> <p><b>Legal advisor in Finland</b> Smartius Oy Åkerlundinkatu 11 FI-33100 Tampere, Finland</p>

**RISKS**

<b>Principal risks related to the Company and its sector</b>	<p><b>1. Risks related to the development phase, financial position and funding of BBS</b></p> <ul style="list-style-type: none"> <li>• As at the date of this basic information document, the working capital of the Company is insufficient to cover the Company’s current needs and its need for working capital over the next 12 months from the date of this basic information document and even though the Offering would be fully subscribed the Company may need additional working capital financing during the next 12 months</li> <li>• The business operations of BBS are at a development phase involving uncertainty factors in respect of the business operations becoming a profitable concern</li> <li>• In all likelihood, the Company will require further equity and/or debt financing after the Offering in order to execute its business plan, and there is no certainty of the availability of such financing</li> <li>• The Company is dependent on its ability to recruit and retain key personnel</li> <li>• The return on capitalised development costs and intellectual property rights may prove to be less than expected</li> <li>• It is uncertain whether confirmed losses could be offset</li> </ul> <p><b>2. Risks related to BBS product development and product approval</b></p> <ul style="list-style-type: none"> <li>• There are risks involved with the granting of a CE marking and FDA approval for the BBS product which may cause significant additional costs and delays</li> <li>• BBS product development operations and the related clinical studies are dependent on the performance of third parties</li> </ul> <p><b>3. Risks related to the manufacturing and commercialisation of BBS products</b></p> <ul style="list-style-type: none"> <li>• There are risks involved in the manufacture, life span and production repeatability of the BBS extract and implant. These may cause significant additional costs.</li> <li>• Commercial production of BBS products is dependent on the performance of third parties</li> <li>• Even if the extract and implant were brought to market, BBS may not be able to establish the extensive sales network required, and the products themselves will not necessarily be accepted by end users on the market</li> <li>• Product pricing and replaceability may not turn out as planned</li> </ul> <p><b>4. Other risks related to BBS business operations</b></p> <ul style="list-style-type: none"> <li>• The current intellectual property rights held by BBS are not necessarily sufficient for protecting the Company’s products effectively</li> <li>• BBS may find itself infringing the intellectual property rights of third parties, or claims may be filed against the Company in respect of infringement of intellectual property rights</li> <li>• Worldwide extraordinary circumstances may have a decisively negative effect on BBS business operations</li> </ul>
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	<ul style="list-style-type: none"> <li>Political or financial instability in certain countries may have a negative effect on BBS business operations</li> </ul> <p><b>5. Risks related to the business sector and regulation of BBS</b></p> <ul style="list-style-type: none"> <li>The competition situation in the sector and the resulting pressure to cut prices, together with the existence of competing products, may have a negative effect on the profitability and market shares of BBS in the future</li> <li>BBS may face product liability and product safety claims, which may have a negative effect on its business operations</li> </ul>
<b>Principal risks related to the security</b>	<p><b>Offering risks</b></p> <ul style="list-style-type: none"> <li>The Offering may fail to raise the proposed funds in full, and if the funds raised with the Offering are substantially less than expected, this will affect the Company's potential for using this income as planned</li> <li>Shareholders' ownership will be diluted if the shareholders do not exercise their Subscription Rights, and the Subscription Rights may lose their value</li> <li>Not all foreign shareholders may be able to exercise their Subscription Rights</li> </ul> <p><b>Risks related to Company shares</b></p> <ul style="list-style-type: none"> <li>An active public market for the Company's shares, Subscription Rights and Temporary Shares may not develop</li> <li>The market price of the shares and Subscription Rights may fluctuate considerably, and the price of the shares could fall below the Subscription Price</li> <li>Shareholding is limited to a small group</li> <li>It is uncertain how much BBS will be able to pay out in dividends, if at all, for any given financial year</li> <li>Holder of Company shares registered in custodial nominee accounts may not be able to exercise their voting rights</li> <li>Future issues or sales of Company shares or of special rights entitling to Company shares may have a negative effect on the market price of the shares and dilute ownership</li> </ul>

#### INFORMATION ON THE ISSUER

<b>Company name, domicile and registered head office</b>	The name of the Company is BBS-Bioactive Bone Substitutes Oyj. The domicile of the Company is Oulu, and its registered office is at Kiviharjunlenkki 6, FI-90220 Oulu, Finland.
<b>Date and country of registration</b>	The Company was entered in the Trade Register maintained by the Finnish Patent and Registration Office on 6 <sup>th</sup> of February 1991.
<b>Legal form and applicable law</b>	The Company is a public limited liability company incorporated under and governed by Finnish law.
<b>Board of Directors and management team</b>	<p><b>Board of Directors</b></p> <p><b>Chair:</b> <b>Jalovaara Pekka</b> <b>Principal duties outside the Company:</b></p> <ul style="list-style-type: none"> <li>Bio Bones Oy, member of the Board of Directors</li> </ul> <p><b>Member:</b> <b>Andriano Kirk</b> <b>Principal duties outside the Company: -</b></p> <p><b>Member:</b> <b>Halonen Jarmo</b> <b>Principal duties outside the Company:</b></p> <ul style="list-style-type: none"> <li>Bio Bones Oy, member of the Board of Directors</li> <li>Elecster Oyj, member of the Board of Directors</li> <li>A/S Eesti Elecster, member of the Board of Directors</li> <li>Elecster (Tianjin) Dairy Machinery Ltd, member of the Board of Directors</li> <li>Elecster (Tianjin) Aseptic Packaging Co. Ltd, member of the Board of Directors</li> <li>Sandudd Oy, member of the Board of Directors</li> <li>Finvac Automation Ltd Oy, chair of the Board of Directors and Managing Director</li> </ul>

- Okuli Oy, member of the Board of Directors and Managing Director
- Finvenla Oy, member of the Board of Directors and Managing Director

**Member:**

**Nevalainen Seppo**

**Principal duties outside the Company:**

- Bio Bones Oy, member of the Board of Directors

**Member:**

**Paananen Ahti**

**Principal duties outside the Company:**

- Polarway Oy, Managing Director and Chair of the Board of Directors
- University of Jyväskylä Foundation, member of the Supervisory Board
- Finanssineliö Oy, member of the Board of Directors
- Go-On Finland Oy, member of the Board of Directors
- Consulting 1864 Oy, member of the Board of Directors
- FM Timber Oy, member of the Board of Directors

**Management team**

**CEO:**

**Juliusz Rakowski**

**Principal duties outside the Company: -**

**Chief Financial Officer:**

**Jari Kortesuoma**

**Principal duties outside the Company:**

- Kyrel Oy, member of the Board of Directors

**Production Manager:**

**Jussi Jukka**

**Principal duties outside the Company: -**

**Quality Manager:**

**Hakala Soile**

**Principal duties outside the Company:**

- Part-time employee, Medimo Oy

**Quality control laboratory manager:**

**Mikko Viitanen**

**Principal duties outside the Company: -**

	Shares	Option Rights	Holding and votes, %
<b>Members of the Board of Directors</b>			
Jarmo Halonen	59,801	-	0.4 %
Pekka Jalovaara	581,555	-	4.0 %
Ahti Paananen	520,904	-	3.6 %
<b>Management team</b>			
Mikko Viitanen	-	9,000	-
<b>Management team and Board of Directors total</b>	1,162,260	9,000	8.0 %

	The work address of the members of the Board of Directors is: Kiviharjunlenkki 6, FI-90220 Oulu, Finland.
<b>Auditor</b>	Auditing firm Ernst & Young Oy, business ID 2204039-6. Principal auditor: Jari Karppinen, Authorised Public Accountant (KHT)
<b>Group structure</b>	The BBS Group consists of the parent company (BBS-Bioactive Bone Substitutes Oyj) and one fully owned subsidiary (Bio Bones Oy) (“BBS Group”). Bio Bones Oy owns and manages the production facility property at Reisjärvi. Bio Bones Oy does not engage in any other business operations.
<b>Sphere of operations as per the Articles of Association</b>	Under section 2 of the Articles of Association, the line of business of BBS is to engage in medical and dental research and treatment activities, to maintain a research and treatment facility, to broker related services, and to import, buy, sell, rent and manufacture machinery, devices, equipment and pharmaceutical preparations related to the above. Medical activities to commercialise artificial bone products and business activities trading in artificial bone and licensed manufacturing rights thereof.
<b>Register in which the Issuer is entered, business ID and contact details for registered office</b>	Trade Register, Finland, business ID 0866451-4. The registered office and street address of the Company is at Kiviharjunlenkki 6, FI-90220 Oulu, Finland.
<b>Locations where the documents referred to in the basic information document may be viewed</b>	The information referred to in this basic information document is available on the Company website at <a href="http://www.bbs-artebone.fi">www.bbs-artebone.fi</a> .
<b>Significant recent events</b>	<p>BBS has announced on 31<sup>st</sup> of August 2023 that it has received the final report of the additional inspection visit of the supervisory authority.</p> <p>On 13<sup>th</sup> of September 2023, BBS has updated its outlook for the approval of the CE marking application as follows:</p> <ul style="list-style-type: none"> <li>- The Company has submitted the CE marking application for its first product (ARTEBONE® Paste) to the supervisory authority (March 9<sup>th</sup>, 2022). The Company is expecting the authorities' decision to approve the application in the second quarter of 2024.</li> <li>- Guaranteeing the sufficiency of the Company's funding to implement the plans after the expected CE marking approval requires measures. The Company continues discussions on additional funding to secure the start of development and commercial operations.</li> </ul> <p>On 1<sup>st</sup> of September 2023 and 15<sup>th</sup> of September 2023, BBS has announced the exchange of convertible bonds into shares related to the financing arrangement concluded with RiverFort Global Opportunities PCC Ltd. A total of EUR 240,798 was exchanged for shares from the convertible bond, and a total of 601,451 of the Company's own shares were given in the exchange.</p> <p>BBS has announced on 3<sup>rd</sup> of October 2023 that it has appointed Juliusz Rakowski as the new CEO in preparation for the commercial phase.</p> <p>On 23<sup>rd</sup> of October 2023, BBS's Extraordinary General Meeting has authorized the Company's Board to decide on the issuance of a maximum of 7,000,000 Company shares.</p> <p>On 2<sup>nd</sup> of November 2023, BBS has provided additional information on the progress of the CE marking process in connection with the approval of the quality system - the consultation of the Finnish Medicines Agency begins on 21<sup>st</sup> of November 2023.</p> <p>The Company's company announcements are available on the Company's website at <a href="https://www.bbs-artebone.fi/investors/releases-and-publications/">https://www.bbs-artebone.fi/investors/releases-and-publications/</a>.</p>
<b>Description of business operations</b>	BBS-Bioactive Bone Substitutes Oyj is a biomedical technology company that develops medical devices and implants for orthopedic surgery. BBS was established in 2003 as an ancillary company for a research project at the University of Oulu, the purpose of which was to develop and market a bone implant product to promote bone healing. This implant consists of reindeer bone proteins, which contain efficient bone growth factors with potential on the bone substitute market. The purpose of the product developed is to fill the

	<p>gap in the market between existing bone substitutes such as demineralised bone matrix (DBM) and synthetic bone substitutes (TCP, hydroxyapatite) on the one hand and synthetic proteins on the other. A CE marking application for the Company’s first product, the ARTEBONE® Paste implant, was submitted on 9<sup>th</sup> of March 2022.</p>
<p><b>Further information on the intended use of the funds being raised</b></p>	<p>BBS is applying for the CE marking for its first product, ARTEBONE® Paste bone implant. On 9<sup>th</sup> of March 2022, BBS submitted the CE marking application to the Notified Body in the Netherlands. The authorities’ original estimate for the processing time was 8 to 12 months from the filing. Subsequently, the processing times have lengthened, as indicated by a survey published by Medtech Europe, such that approvals for new products are not being granted within the original target time framework of one year. The delays are typically due to the authorities being overburdened, in part because the new Medical Device Regulation (MDR) necessitates the re-approval of existing products as well. Due to delays in the processing of the CE marking application, the Company must seek bridge financing to secure its funding until the CE marking is obtained.</p> <p>Despite the delays, ARTEBONE® Paste’s product approval process has made good progress with no significant non-conformities being reported. In May 2023, the Company was informed of the particularly critical decision regarding product classification. ARTEBONE has been a new type of borderline case between medical devices and medicines, and the company became a significant precedent from a regulatory point of view on how such products can overall be given approvals. This is also evidenced by the fact that the company was even included as an example in the industry manual published in 2018 (Manual on borderline and classification in the community regulatory framework for medical devices, version 1.19 (04 2018)).</p> <p>The first audit of the quality system was conducted in November 2022 and the following one in March 2023. On 2<sup>nd</sup> of November 2023, the Company announced that the relevant authority has delivered a certificate related to the quality system approval to the Company for review, which will be officially approved by the relevant body. Simultaneously the Company announced that according to the authorities the consultation with the Finnish Medicines Agency (FIMEA) will begin on 21st of November 2023, which will be one of the final phases of the CE marking process. The official product approval process is underway alongside the consultation. On 25th of November 2023, the Company has announced that it has received the final quality system certificate from the relevant authority.</p> <p>The Company estimates that the CE marking application will be approved during the second quarter of year 2024. Based on the currently available information, the Company’s view is that there are no longer product risks associated with the remaining technical phases of the regulatory approval process. Instead the main actual challenge is predicting the time it will take for the process, which the Company cannot entirely control, as the Notified Body makes decisions independently. In general, a medical device is granted approval if 1) the product meets the safety requirements (its use does not cause harm), and 2) the products therapeutic efficacy must be demonstrated for its intended purpose. Both of these aspects are tested and verified through animal tests and clinical trials during the product development phase, before the regulatory approval process is initiated. BBS’s ARTEBONE® Paste has already cleared these stages. The final ongoing regulatory approval phase mainly consists of consultations with the Medicines Agency and the finalization of the Company’s production and quality control processes, including test production batches.</p> <p>* MedTech Europe Survey -raportti. <a href="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">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</a></p>
<p><b>Description of financial status</b></p>	<p>The following tables present some of the Company’s unaudited financial information for the half-year periods ending 30<sup>th</sup> of June 2023 and 30<sup>th</sup> of June 2022, as well as audited financial statement details for the financial years that ended on 31<sup>st</sup> of December 2022 and 31<sup>st</sup> of December 2021. The Company’s financial statements have been prepared according</p>

to Finnish Accounting Standards (FAS). BBS has prepared consolidated financial statements according to FAS pursuant to chapter 6 section 1 of the Accounting Act for the financial years that ended on 31<sup>st</sup> of December 2022 and 31<sup>st</sup> of December 2021.

<b>INCOME STATEMENT</b>	<b>1<sup>st</sup> of Jan – 30<sup>th</sup> of June 2023</b>	<b>1<sup>st</sup> of Jan – 30<sup>th</sup> of June 2022</b>
<b>EUR 1,000</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>TURNOVER</b>	<b>0</b>	<b>0</b>
Other operating income	10	55
Materials and services	1	-5
Personnel costs	-621	-728
Depreciation and impairment	-108	-113
Other operating costs	-856	-689
<b>OPERATING PROFIT/LOSS</b>	<b>-1,574</b>	<b>-1,481</b>
Financing income and costs	-68	-195
<b>PROFIT/LOSS BEFORE TAXES</b>	<b>-1,642</b>	<b>-1,676</b>
<b>PROFIT/LOSS FOR THE FINANCIAL YEAR</b>	<b>-1,642</b>	<b>-1,676</b>

<b>INCOME STATEMENT</b>	<b>1<sup>st</sup> of Jan – 31<sup>st</sup> of Dec 2022</b>	<b>1<sup>st</sup> of Jan – 31<sup>st</sup> of Dec 2021</b>
<b>EUR 1,000</b>	<b>(audited)</b>	<b>(audited)</b>
<b>TURNOVER</b>	<b>0</b>	<b>0</b>
Other operating income	64	61
Materials and services	-30	-57
Personnel costs	-1,315	-1,199
Depreciation and impairment	-225	-231
Other operating costs	-1,446	-1,144
<b>OPERATING PROFIT/LOSS</b>	<b>-2,952</b>	<b>-2,571</b>
Financing income and costs	-141	-200
<b>PROFIT/LOSS BEFORE TAXES</b>	<b>-3,093</b>	<b>-2,771</b>
<b>PROFIT/LOSS FOR THE FINANCIAL YEAR</b>	<b>-3,093</b>	<b>-2,771</b>

<b>BALANCE SHEET</b>	<b>30<sup>th</sup> of June 2023</b>	<b>30<sup>th</sup> of June 2022</b>
<b>EUR 1,000</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	7,533	7,533
Tangible assets	942	1,097
<b>TOTAL NON-CURRENT ASSETS</b>	<b>8,663</b>	<b>8,871</b>
<b>CURRENT ASSETS</b>		
Short-term receivables	393	357
Cash in hand and at banks	1,671	3,390
<b>TOTAL CURRENT ASSETS</b>	<b>2,064</b>	<b>3,747</b>
<b>TOTAL ASSETS</b>	<b>10,727</b>	<b>12,618</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	80	80

	Share premium reserve	1,395	1,395
	Reserve for invested unrestricted equity	23,156	21,212
	Retained earnings	-18,629	-15,536
	Profit/loss for the financial year	-1,642	-1,676
	<b>TOTAL EQUITY</b>	<b>4,360</b>	<b>5,475</b>
	<b>LIABILITIES</b>		
	Long-term liabilities	4,220	4,770
	Short-term liabilities	2,146	2,373
	<b>TOTAL LIABILITIES</b>	<b>6,366</b>	<b>7,143</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,727</b>	<b>12,618</b>
	<b>BALANCE SHEET</b>	<b>31<sup>st</sup> of Dec 2022</b>	<b>31<sup>st</sup> of Dec 2021</b>
	<b>EUR 1,000</b>	<b>(audited)</b>	<b>(audited)</b>
	<b>ASSETS</b>		
	<b>NON-CURRENT ASSETS</b>		
	Intangible assets	7,747	7,789
	Tangible assets	1,024	1,148
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>8,771</b>	<b>8,938</b>
	<b>CURRENT ASSETS</b>		
	Short-term receivables	400	333
	Cash in hand and at banks	1,517	1,236
	<b>TOTAL CURRENT ASSETS</b>	<b>1,917</b>	<b>1,569</b>
	<b>TOTAL ASSETS</b>	<b>10,688</b>	<b>10,506</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>EQUITY</b>		
	Share capital	80	80
	Share premium reserve	1,395	1,395
	Reserve for invested unrestricted equity	21,425	17,695
	Retained earnings	-15,536	-12,765
	Profit/loss for the financial year	-3,093	-2,771
	<b>TOTAL EQUITY</b>	<b>4,271</b>	<b>3,634</b>
	<b>LIABILITIES</b>		
	Long-term liabilities	4,715	5,298
	Short-term liabilities	1,701	1,574
	<b>TOTAL LIABILITIES</b>	<b>6,417</b>	<b>6,873</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,688</b>	<b>10,506</b>
	If the Offering is fully subscribed, the Company's working capital will be sufficient for approximately 8 months, according to the Company's management. The Company can influence the adequacy of working capital by acquiring more equity or debt financing or by taking measures to save the Company's expenses.		

#### INFORMATION ON THE SECURITY AND ON THE OFFERING

<b>Principal rights, responsibilities, restrictions and features vested in the securities</b>	<p>The rights vested in the Company's shares are determined according to the Company's Articles of Association, the Limited Liability Companies Act (624/2006) and other current Finnish legislation.</p> <p>The Company has only one category of shares, and all shares have equal rights. Each share entitles the holder to one (1) vote at General Meetings.</p>
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	<p>Company shareholders exercise their decision-making powers in matters concerning the Company at General Meetings. Under the Limited Liability Companies Act, every holder has the right to attend and vote at a General Meeting. A shareholder may attend and vote at a General Meeting either in person or by proxy. If the Board of Directors so decides, shareholders wishing to attend a General Meeting must register in advance for that Meeting as specified in the summons to that Meeting and no later than the date specified in that summons, which may be no earlier than ten (10) days before the date of that Meeting. Holders of nominee-registered shares who, in respect of the shares they hold, are entitled to be entered in the Company’s register of shareholders maintained by Euroclear Finland Oy on the record date shall be entitled to attend a General Meeting.</p> <p>All Company shares entitle to an equal portion of dividends and other distributable funds once the shares have been entered in the Trade Register. The Company may pay out dividends once the Annual General Meeting has confirmed the Company’s financial statement and decided to distribute a dividend pursuant to a proposal made by the Board of Directors. Interim dividends based on profits accrued during the current financial year may only be distributed if an Extraordinary General Meeting confirms a new, audited financial statement. Under the Limited Liability Companies Act, a General Meeting may authorise the Board of Directors to decide on dividend payouts or other distribution of unrestricted equity.</p>
<b>Total number of securities offered</b>	<p>The maximum number of securities offered shall be 6,578,481 Offer Shares. The Company’s Board of Directors decided on the Offering on 20<sup>th</sup> of November 2023, pursuant to the authorisation given by the Extraordinary General Meeting on 23<sup>rd</sup> of October 2023.</p> <p>Certain current shareholders of the Company and two new investors have provided subscription undertakings, on the basis of which they have committed to subscribe for approximately 35.3 percent of the Offer Shares offered in the Offering, i.e. they have committed to participate in the Offering with 0.93 million euros.</p>
<b>Subscription Price and how it is determined</b>	<p>The Subscription Price of the Offer Shares is EUR 0.40 per Offer Share (“Subscription Price”). The Subscription Price shall be recorded in full in the reserve for invested unrestricted equity. The Subscription Price includes a normal pre-emptive rights issue discount. The Subscription Price is 37.5 per cent lower than the closing price of the Company’s share on First North Finland on 17<sup>th</sup> of November 2023 (EUR 0.64).</p>
<b>Costs charged from investors</b>	<p>Account operators and custodians will charge fees according to their respective tariffs for maintaining book-entry accounts and for custody of shares.</p>
<b>Terms and conditions of subscription and payment</b>	<p>BBS grants all its shareholders registered in the BBS shareholder register maintained by Euroclear Finland Oy (“Euroclear Finland”) one (1) book-entry subscription right (“Subscription Right”) per each share held on the Offering record date of 22<sup>nd</sup> of November 2023. Each one hundred (100) Subscription Rights entitle their holder to subscribe forty-five (45) Offer Shares. Fractions of Offer Shares will not be assigned. If a Company share entitling to a Subscription Right is subject to a pledge or other such restriction, it may not be possible to exercise the Subscription Right without the consent of the pledgee or other rightsholder.</p> <p>Shareholders may participate in the Offering by subscribing Offer Shares using the Subscription Rights in their book-entry account and by paying the Subscription Price. In order to participate in the Offering, shareholders must issue a subscription assignment according to the instructions given by their respective account operators or custodians.</p>

	<p>Holders of purchased Subscription Rights must issue their subscription assignments according to the instructions given by their respective account managers or custodians.</p> <p>Such shareholders and other investors participating in the Offering whose Company shares or the Subscription Rights are registered in the name of a nominee shall issue their subscription assignments according to the instructions given by their nominee.</p> <p>The subscription period for the Offer Shares (“Subscription Period”) begins on 27<sup>th</sup> of November 2023 at 10.00 Finnish time and is expected to end on 13<sup>th</sup> of December 2023 at 16.00 Finnish time.</p> <p>The Company may, at its sole discretion, extend the Subscription Period. The Subscription Period may be extended once or several times, however not past 20<sup>th</sup> of December 2023. Any extensions of the Subscription Period will be announced by way of a company release before the end of the Subscription Period.</p> <p>Subscription locations, account managers, custodians and nominees may require their customers to submit subscription orders on a certain day prior to the start of trading on the Subscription Rights or before the Subscription Period ends.</p> <p>The account operators and custodians function as subscription locations.</p> <p>The Subscription Price of the Offer Shares subscribed in the Offering shall be paid in connection with submitting the subscription assignment according to the instructions given by the subscription location, the account operator or the custodian.</p> <p>The Board of Directors of the Company shall resolve on offering any unsubscribed Offer Shares secondarily to shareholders and other investors who have submitted a subscription application concerning the Offer Shares during the Subscription Period without Subscription Rights.</p> <p>The subscription of the Offer Shares without the Subscription Rights by a shareholder and/or another investor is performed by submitting a subscription order and by simultaneously paying the Subscription Price in accordance with the instructions provided by the subscriber’s account operator, custodian or, in the case of investors entered into the nominee register, the nominee. An incomplete or incorrect subscription order may be ignored. The subscription order is binding.</p> <p>The custodian, account operator or nominee of the shareholder and/or investor shall receive the subscription order and the payment no later than on 13<sup>th</sup> of December 2023 or at an earlier time according to the instructions given by the custodian, account operator or nominee.</p> <p>If all the Offer Shares have not been subscribed on the basis of the Subscription Rights, BBS’s Board of Directors will decide on the allocation of the Offer Shares subscribed for without the Subscription Rights as follows:</p> <ul style="list-style-type: none"><li>a) First to those who also have subscribed for the Offer Shares on the basis of the Subscription Rights. If the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined in a book-entry account-specific manner in proportion to the number of the Subscription Rights used for the subscription for the Offer Shares and, if this is not possible, by drawing lots; and</li><li>b) Secondly to those who have subscribed for the Offer Shares only without the Subscription Rights, and if the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined in a book-entry</li></ul>
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	<p>account-specific manner in proportion to the number of the Offer Shares which the subscribers have subscribed for and, if this is not possible, by drawing lots.</p> <p>BBS will confirm the approval of the subscription of the Offer Shares subscribed for without the Subscription Rights, if approved, for all investors who have submitted a subscription order to subscribe for the Offer Shares without the Subscription Rights.</p> <p>If the Offer Shares subscribed for without the Subscription Rights are not allocated in the number referred to in the subscription order, the paid Subscription Price corresponding to the Offer Shares not obtained will be refunded to the subscriber approximately on 19<sup>th</sup> of December 2023. No interest will be paid on such a payment.</p> <p>Subscriptions once made shall be binding and cannot be amended or cancelled except as specified below under <i>“Other particular terms and conditions of the Offering”</i>.</p>
<p><b>Approval of subscriptions and delivery of securities to investors</b></p>	<p>The Subscription Rights will be registered in shareholders’ book-entry accounts approximately on 23<sup>rd</sup> of November 2023. The Subscription Rights can be freely assigned and they will be traded on First North Growth Market Finland (“First North Finland”) (trading symbol BONEHU0223, ISIN: FI4000562335) between 27<sup>th</sup> of November 2023 and 7<sup>th</sup> of December 2023.</p> <p>The Offer Shares subscribed for in the Offering will be issued as book entries in the book-entry system of Euroclear Finland and delivered to the investors through the book-entry system of Euroclear Finland.</p> <p>After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the “Temporary Shares”) will be entered in the subscriber’s book-entry account. This is estimated to be the next day after the subscription, in accordance with Euroclear Finland’s clearing timetable. Trading in the Temporary Shares will commence on First North Finland (trading symbol BONEHN0223, ISIN: FI4000562327) as their own special share class approximately on 27<sup>th</sup> of November 2023.</p> <p>The Company’s Board of Directors will approve all the subscriptions made on the basis of the Subscription Rights and in accordance with the terms and conditions of this Offering and the applicable laws and regulations approximately on 18<sup>th</sup> of December 2023. In addition, the Company’s Board of Directors will approve the subscriptions made without the Subscription Rights and in accordance with the terms and conditions of the Offering applicable laws and regulations pursuant to the allocation principles presented above.</p> <p>The Temporary Shares will be combined with current shares after the Offer Shares have been registered in the Trade Register. The delivery and combination will take place approximately on 22<sup>nd</sup> of December 2023 and the Offer Shares will be subject to trading together with the Company’s existing shares approximately on 22<sup>nd</sup> of December 2023 on First North Finland.</p> <p>The Offer Shares subscribed for without the Subscription Rights will be delivered at the same time as the ones that have been subscribed for with the Subscription Rights, and no Temporary Shares will be delivered in respect to these.</p>
<p><b>Other particular terms and conditions of the Offering</b></p>	<p>If the basic information document prepared in connection with the Offering is supplemented due to a significant new fact, material error or material inaccuracy which may affect the evaluation of the Offer Shares or the Temporary Shares, the investors that have subscribed for Offer Shares before the publication of the supplement have the right to cancel their subscription within specific cancellation period. The duration of the cancellation period shall be at least two (2) working days</p>

	<p>from the publication of the supplement. The possible cancellation of a subscription concerns the entire subscription. The right of cancellation is conditional to the occurrence or noting of the abovementioned significant new fact, material error or material inaccuracy prior to the end of the Subscription Period or entry of the Offer Shares or the Temporary Shares subject to cancellation into subscriber's book-entry account (whichever is first in order). If an investor wishes to cancel his or her subscription in accordance with the above-mentioned right of withdrawal, the cancellation of the subscription must be done in writing to the place of subscription where the subscription has been made.</p> <p>After the end of the cancellation period, the cancellation rights do no longer exist.</p> <p>If an investor has cancelled his or her subscription, the amount paid by the investor for the Offer Shares will be returned to the investor's bank account stated in connection with the subscription. The money is refunded approximately within three (3) banking days of the cancellation. No interest will be paid on the refunded amount. The Company will include the cancellation instructions in a company release in connection with publication of the supplement to the basic information document. If the shareholder has sold or otherwise reassigned his/her Subscription Rights, the sale or transfer cannot be cancelled.</p>
<p><b>Information on management of client funds</b></p>	<p>Management of client funds shall be undertaken in accordance with the practices of the subscription locations.</p>
<p><b>Tax at source possibly to be deducted on the securities and report on whether the issuer will deduct tax at source</b></p>	<p>The company is obliged to collect withholding tax in connection with the payment of the dividend, when the company pays a dividend to an investor with a limited tax liability in Finland. Currently, the amount of withholding tax in Finland is 20 percent when the income recipient is a limited taxable entity and 30 percent for all other limited taxable income recipients, unless otherwise stipulated in the applicable tax treaty.</p> <p>Withholding tax is not levied on dividends paid by the company, which are paid to a company located in a member state of the European Union referred to in Article 2 of the so-called parent-subsidiary directive (2011/96/EU), which directly owns at least 10 percent of the company's share capital.</p> <p>Withholding tax is not levied on dividends paid by the company, which are paid in Finland to a limited taxable entity, if (i) the domicile of the recipient is in the European Economic Area; (ii) Exchange of information regarding tax matters has been arranged between Finland and the country of residence of the beneficiary; (iii) the beneficiary corresponds to a Finnish entity as defined in Finnish tax legislation; (iv) the dividend would be completely tax-free when paid to the corresponding Finnish entity; and (v) the beneficiary shows that the withholding tax paid cannot in fact be credited in full in the beneficiary's state of residence. The withholding tax rate applicable without limitation to the aforementioned is currently 15 percent, under certain conditions, limited to the dividend received by the taxable entity, if the company's shares belong to the investment assets of the recipient of the dividend. Depending on the applicable tax treaty, the applicable withholding tax may also be lower than 15 percent.</p> <p>An exception to the obligation to identify the income recipient of limited taxable income has been provided for dividends payable to nominee-registered shareholders. A withholding tax of 35% is deducted from the dividend paid to the nominee-registered share, if the dividend payer or the registered custodian does not have the final beneficiary information of the dividend recipient as referred to in the Act on Taxation Procedure. Before the payment is made, the beneficiary must present to the dividend payer or registered custodian, in addition to the final beneficiary information, a statement of his domicile and other requirements for the application of the tax agreement, so that he can, if certain conditions are met, receive the dividend paid to</p>

	<p>the nominee-registered share at a lower withholding tax rate according to the applicable tax agreement. If the conditions are not met, a withholding tax of 35 percent is levied on the dividends paid to nominee-registered shares.</p> <p>A dividend recipient with a limited tax liability can apply for a refund of the overcharged withholding tax from the Tax Administration. Tax refund requires that the dividend recipient proves that he is entitled to a lower withholding tax rate under Finnish tax legislation or an applicable tax treaty. The company collects withholding tax in accordance with current legislation.</p>
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#### **OTHER INFORMATION**

The information contained in this basic information document is correct as at the publication date of same and shall be updated as and when necessary throughout the validity of the Offering. This basic information document was published on 26<sup>th</sup> of November 2023 and shall remain valid until 13<sup>th</sup> of December 2023. Further information on the issuer is available free of charge on the Company website at [www.bbs-artebone.fi](http://www.bbs-artebone.fi), by phone at +358 50 552 9275 and by e-mail at [pekka.jalovaara@bbs-artebone.fi](mailto:pekka.jalovaara@bbs-artebone.fi).

#### **AVAILABLE DOCUMENTS**

Copies of the following documents are available on the Company website at <https://www.bbs-artebone.fi/investors/share-issue-2023-11>. Parties eligible to participate in the Offering are recommended to review the following documents:

- Basic information document
- Investor Memorandum
- Terms and conditions of the Offering
- The Company's unaudited half-year review for the period 1<sup>st</sup> of January – 30<sup>th</sup> of June 2023
- Audited financial statement of the Company for the financial year ending 31<sup>st</sup> of December 2022 and auditor's report
- Audited financial statement of the Company for the financial year ending 31<sup>st</sup> of December 2021 and auditor's report
- Articles of Association of the Company
- Extract from the Trade Register for the Company, valid as at the date of this basic information document.