Financial statements bulletin 2024 (unaudited)

H2 Foundation for future growth in 2024 – CE mark received in January 2025

JULY–DECEMBER 2024 IN BRIEF

- In the second half of the year, Bioretec achieved significant milestones in market launch preparation and product development.
- In November, the company raised EUR 6.0 million in a significantly oversubscribed share issue, reflecting strong investor confidence in Bioretec's growth strategy.
- After the reporting period in January 2025, Bioretec received the long-waited CE mark for RemeOs™ Trauma Screw product portfolio. The CE mark enables immediate market launch of the RemeOs products in Europe and supports commercialization in non-European countries that recognize the CE mark.
- Net sales increased by 23,2% and amounted to EUR 2,482 thousand (7-12/2023: EUR 2,016 thousand).
- Sales margin (excl. other income) was EUR 1,770 (1,401) thousand or 71.3% (69.5%) of net sales.
- Net loss for the period amounted to EUR -2,730 (-1,714) thousand. The net loss of the period includes the cost of financing arrangement amounting to EUR 489 thousand.

JANUARY–DECEMBER 2024 IN BRIEF

- Net sales grew 16,3% and amounted to EUR 4,544 thousand (1-12/2023: EUR 3,906 thousand).
- Sales margin (excl. other income) was EUR 3,221 (2,728) thousand or 70.9% (69.8%) of net sales. The sales margin in January-December 2024 includes other income of EUR 170 (82) thousand accrued relating to a Business Finland grant.
- Net loss for the period amounted to EUR -4,614 (-3,789) thousand. The net loss of the period includes the cost of financing arrangement amounting to EUR 489 (775) thousand.
- Earnings per share (undiluted) were EUR -0.20 (-0.19).
- The Board of Directors proposes that no dividend be distributed for the financial period 1 January–31 December 2024.

This financial statements bulletin is unaudited.

EUR 1,000 unless otherwise noted	7–12/2024	7-12/2023	Change, %	1–12/2024	1–12/2023	Change, %
Net sales	**2,482**	2,016	23.2%	**4,544**	3,906	16.3%
Sales margin	**1,868**	1,483	26.0%	**3,391**	2,810	20.7%
Sales margin (excl. other income)	**1,770**	1,401	26.3%	**3,221**	2,728	18.1%
Sales margin, % of net sales	**75.3%**	73.6%		**74.6%**	71.9%	
Sales margin% (excl. other income)	**71.3%**	69.5%		**70.9%**	69.8%	
EBITDA	**-2,189**	-1,703	28.5%	**-4,053**	-2,833	43.1%
EBIT	**-2,281**	-1,801	26.6%	**-4,202**	-3,034	38.5%
Profit/-loss for the period (+/-)	**-2,730**	-1,714	59.3%	**-4,614**	-3,789	21.8%
R&D spend on total costs, %	**32.0%**	22.7%		**28.7%**	25.6%	
Equity ratio, %	**84.9%**	77.3%		**84.9%**	77.3%	
Cash and cash equivalents at the end of the period	**6,289**	6,910	-9.0%	**6,289**	6,910	-9.0%
Earnings per share (undiluted)	**-0.12**	-0.09	33.3%	**-0.20**	-0.19	1.9%
Earnings per share (diluted)	**-0.10**	-0.07	42.2%	**-0.17**	-0.15	8.7%
Shares at the end of the period (undiluted)	**23,336,858**	19,536,858		**23,336,858**	19,536,858	
Shares at the end of the period (diluted)	**27,515,133**	24,908,133		**27,515,133**	24,908,133	
Personnel at the end of the period	**47**	37	27.0%	**47**	37	27.0%

KEY EVENTS IN 2024

- In June, the European market authorization application for the RemeOs™ trauma screw returned from expert panel evaluation signaling market authorization was now expected later than the earlier estimate (Q2/2024).
- In March, Bioretec was granted an FDA Breakthrough Device Designation status for its RemeOs™ Spinal Interbody Cage.
- In March, Bioretec's RemeOs™ biodegradable magnesium alloy composition was granted a patent by the U.S. Patent Office.
- In May, Alan Donze was appointed Bioretec's CEO.
- In June, Frank Sarcone was appointed as Vice President of Sales for the U.S. and a member of the Management team.
- In June, Bioretec communicated positive clinical outcomes from the controlled launch of RemeOs™ trauma screw.
- In September 2024, the following persons were appointed to Bioretec's Shareholders' Nomination Board: Kustaa Poutiainen, Chair and Founder of Stephen Industries Inc Oy as Chair, and Karoliina Lindroos, Head of Responsible Investment of Ilmarinen Mutual Pension Insurance Company and Marko Berg, Deputy Investment Officer of University of Helsinki, as members. The Chairman of the Board of Bioretec acts as an expert on the Nomination Board.
- In October, Bioretec updated its product development strategy and announced the company will accelerate the product development of the RemeOs™ Spinal Interbody Cage. As a result, the Board of Directors of Bioretec updated Bioretec's financial targets.
- In November, Bioretec signed a new logistics agreement for U.S. operations with customer support services provider GlobalMed Logistix and a new sales and distribution agreement with Tri-State Biologics.
- In November, Bioretec arranged a private placement for institutional and other experienced investors. Through a significantly oversubscribed private placement, Bioretec raised gross proceeds totaling EUR 6.0 million, which will be used to strengthen the commercialization of the RemeOs™ Trauma Screw in the United States and Europe upon the receipt of the market authorization in Europe and to accelerate the product development of the RemeOs™ Spinal Interbody Cage.

CEO'S COMMENTS

Persistence that pays off

For Bioretec, year 2024 was a great achievement as we managed to grow our net sales despite the delayed market approvals and significant investment in building out our U.S. infrastructure. We took pivotal strides in the implementation of our strategy. We began our second phase of the RemeOs™ Trauma Screw launch in the U.S., which was supported with the recruitment of key members of the top management and the signing of new distribution and logistics agreements. We also updated our product development strategy and achieved milestones in market approval processes and patenting. To support our growth strategy and product development, we successfully raised EUR 6 million of new capital in November. Finally, in January 2025, we received the CE mark approval for the RemeOs™ Trauma Screw product portfolio, a long-awaited milestone in our pursuit of expanded commercial growth.

In 2024, our net sales increased by 16 percent from the previous year, reaching EUR 4,5 million. The net sales consisted mainly of our Activa products, as the launch of RemeOs™ Trauma Screw in the U.S. is still ongoing and the CE mark approval allowing the launch in Europe was only received in January 2025. Our net sales in Europe increased by 46 percent and in the U.S. 30 percent, while the development in the rest of the world remained relatively stable. Despite a slight dip in our sales margin influenced by China's volume-based procurement policies earlier this year, our margins improved during the last quarter of 2024 due to increased share of sales in the US.

The initial controlled launch of RemeOs™ Trauma Screws in the U.S. yielded excellent patient results and excellent post-healing follow-ups. This success established a strong foundation for entering the second phase of commercialization for RemeOs products in the U.S. In this phase, we will focus on expanding the distribution of the RemeOs™ Trauma Screw beyond the initial selected group of hospitals to a broader network. In addition to RemeOs products, we are also launching the Activa product line to the U.S. market.

To support these efforts, we successfully signed two important new cooperation agreements. In November, we entered into a new logistics agreement with GlobalMed Logistix (GMLx), a leader in healthcare logistics, that operates its own logistics center on the east coast of the United States with a has a nationwide network. This

agreement ensures high service levels for customers throughout the U.S. market with seamless import and distribution of implants and instrument sets to hospitals. Additionally, we signed an important agreement with Tri-State Biologics (TSB), a leading distributor of medical and surgical products based in New Jersey. This partnership will enable the efficient sales and distribution of implants and instrument sets to hospitals in one of the most populated areas of the United States.

In addition to the commercial progress of the trauma screw, we are excited about the positive results of the RemeOs™ Spinal Interbody Cage, which received FDA's Breakthrough Device Designation status. To speed-up the commercialization of RemeOs™ Trauma Screw products and overall product development strategy, including the RemeOs™ Spinal Interbody Cage, we organized a successful and significantly oversubscribed share issue in November, raising EUR 6 million of funds. We were very pleased with the strong response to the share issue, which reflects the confidence investors have in our vision and strategy.

We are extremely pleased that in January 2025, we finally received the CE mark approval for RemeOs™ Trauma Screws, which not only allows immediate product launch in Europe, but also enables commercialization in non-European countries that recognize the CE mark. The CE mark received includes all RemeOs designs, and a broad indication set. The approval will accelerate the collection of real-world clinical evidence, which will enable the expansion of indications in the U.S., where the current approval is more limited.

With the receipt of the CE mark approval in 2025, we will focus on the launch of the full line of the RemeOs products to our customers and existing network of European distributors. In the U.S., we wait for new market approvals and maintain a focus on creating market demand with hospitals and surgeons as well as adding additional distributor partners for the U.S. infrastructure. To keep up with the growth and future potential, we will need to further scale up our manufacturing capacity and workforce. To accomplish these plans and achieve our target of generating positive cash flow from operating activities by the end of 2027, we anticipate requiring new funding in 2025.

In summary, I am extremely proud of our progress and excited about the unique opportunities that lie ahead. With the CE mark now received, we are entering a new phase in our growth strategy, and I have full trust in our capabilities to deliver the results. With the support of our dedicated personnel, owners and investors, we are well-positioned to achieve our growth targets and strengthen Bioretec's position as a leader in innovative medical solutions.

Alan Donze, CEO

SALES AND MARKETING

Laying the groundwork for expansion

In 2024, Bioretec's net sales continued with year-on-year growth of 16%, driven by the strong performance of Activa products globally. During the second half of 2024, the company focused heavily on laying the groundwork for the second phase of RemeOs™ Trauma Screw commercialization in the U.S., aiming to accelerate the expansion of product distribution.

In 2024, Bioretec's net sales increased by 16.3% to EUR 4,544 thousand, up from EUR 3,906 thousand the previous year. This growth was primarily driven by the strong performance of Activa products in European and U.S. markets.

Sales by geographical area

From January to December 2024, 20% (16%) of net sales came from Europe, 24% (22%) from the U.S., and 56% (62%) from the rest of the world. In the United States, the net sales grew significantly, especially In H1, due to increased demand for Activa, which has wider product offerings. For the new RemeOs™ screw, the sales ended at the previous year's level of EUR 350 (336) thousand. The introduction of a new distributor supported the sales demand in H2. The rest of the world grew modestly by 4% at the full-year level, as China's volume-based procurement drastically lowered the product ASPs in H2 despite the period's 40% regional volume growth. China's contribution to net sales in that geographical area was 74% (77%). On the other hand, net sales in Europe grew strongly by 46% year on year. The majority of the existing distributors were able to increase their sales, as the market has recovered and returned to the growth mode after the Covid pandemic and the hospital health care personnel staffing issues.

EUR 1,000	7–12/2024	7–12/2023	Change, %	1–12/2024	1–12/2023	Change, %
Europe	**397**	247	60.9%	**906**	621	45.8%
The U.S.	**726**	672	8.0%	**1,109**	853	30.0%
Rest of the world	**1,359**	1,096	24.0%	**2,529**	2,432	4.0%
TOTAL	**2,482**	2,016	23.2%	**4,544**	3,906	16.3%

Market development [1]

Bioretec operates in the global orthopedic market, which is estimated to grow to a level of USD 61.9 billion in 2024, up from USD 59.0 billion in 2023, and with an overall estimated 5.0% increase. The market was relatively stable with robust demand for each of the product segments although procedure volumes and seasonality further normalized. Compared to its historical growth rates, trauma was however even overperforming with an estimated growth of 5.9%. The convergent tailwinds like aging population and improving technologies is estimated to push the overall growth rate to approximately 4% in the coming years.

Bioretec's strategic emphasis is on orthopedic trauma products, valued at around USD 9.0 (8.5) billion in 2024, representing 14.6% of the global orthopedic market. One of the key areas for Bioretec is the foot and ankle segment[2], which stands out as a dynamic and growing market, driven by various factors such as intensified awareness of foot and ankle health, sports injuries, rising aging population and the increasing prevalence of ankle and foot disorders. Further, minimally invasive surgical procedures are becoming more popular for the cure of foot and ankle disorders. The surging demand for foot and ankle devices is generating opportunities for key market players and it will remain a focus area in Bioretec´s short and medium-term product pipeline. Industry forecasts project a robust 7% annual growth rate for the foot and ankle market from 2023 to 2033, potentially reaching a total market value of USD 9.3 billion in 2033. Bioretec is well-positioned to leverage this potential and capitalize on the opportunities in the evolving orthopedic landscape.

The United States is currently the largest target market for Bioretec, representing a 68% share of orthopedic trauma products in 2024. In Europe, the now effective, more stringent Medical Device Regulation (MDR) is reshaping the market landscape. This regulation, more rigorous than its predecessor, the Medical Device Directive, has led to product withdrawals by orthopedic companies, even though the transition deadline has been extended to 2027 or 2028, depending on the device type. Europe as a market remains one of Bioretec's strategic target areas. In China, the transition to volume-based procurement (VBP) has led to lower prices for trauma fixation implants and has been advantageous for domestic Chinese manufacturers. Bioretec continues to closely monitor the VBP progress and its effects to the local market.

In the long term, the orthopedic trauma market is poised for continued growth, driven by demographic shifts toward an aging population and rising instances of diabetes and obesity. Bioretec is committed to innovating and providing valuable solutions in orthopedic treatment, improving the quality of patient lives, and making an impact on global healthcare.

[1] Source for market forecasts: Orthoworld: The Orthopedic Market Size and Share, December 2024
[2] Foot and Ankle Devices Market Size, Share, and Trends 2025 to 2034 https://www.precedenceresearch.com/foot-and-ankle-devices-market

RESEARCH AND DEVELOPMENT

Breakthrough Device Designation in the US in 2024 for Spinal Interbody Cage; CE-mark for trauma screw in January 2025

During the first half of the year, as part of the launch of RemeOs™ Trauma Screw in the U.S., Bioretec provided comprehensive training and education to surgeons who were beginning to use the product. This initiative included several in-person wet lab and cadaver training sessions at selected hospitals, complemented by follow-up consultations with the operating surgeons. The primary objective was to gather both short-term and long-term real-world clinical evidence and data from various U.S. practitioners. To date, the company has collected follow-up data spanning 9-12 months, with all results demonstrating successful outcomes. All treated patients have healed within the anticipated timeframes without any complications.

Additionally, Bioretec's team was actively working on expanding the RemeOs screw portfolio throughout the year. This expansion is a key part of the strategy under the continuing breakthrough device program and the pursuit of 510(k) market clearance.

Towards the end of the year, the company initiated the development of single-use instrumentation for the Activa and RemeOs screws, tailored specifically for the U.S. market. One of the specifics of this market is the widespread utilization of disposable single-use instrumentation, driven by the need to optimize efficiency due to the high volume of operations and lower the risk of infections and cross-contamination. As single-use instruments have a lower risk of infection, using them improves patient outcomes and reduces healthcare costs associated with extended hospital stays and additional treatments.

The long-awaited CE mark approval for RemeOs screws received after the reporting period in January 2025 marks another significant milestone in the development history of the RemeOs products. This approval covers broad indications for the use of these screws for fracture and malalignment fixations in both the upper and lower extremities of adult and pediatric patients, excluding the small bones of the hand and forefoot. This comprehensive approval covers all cannulated and non-cannulated RemeOs designs, with sizes ranging from diameters of 2.0mm to 4.0mm and lengths from 8mm to 50mm. With this approval, Bioretec can now immediately begin offering the RemeOs™ Trauma Screws to patients across Europe. The CE mark is also recognized as a basis for local registration for almost all other countries except the U.S., China, and Japan. The broad indication coverage will support the collection of real-world clinical evidence across various indications, which will also enable the expansion of indications in the U.S., where the current approval is more limited.

Product development across the RemeOs pipeline continued to reach significant milestones. The RemeOs™ DrillPin development entered a new phase, with ethical approvals secured for hammertoe indications in adults and distal radius fractures in children. Planned trials are designed to validate the safety and effectiveness of the RemeOs™ DrillPin in both adult and pediatric populations, covering a broad spectrum of orthopedic indications. As the RemeOs™ DrillPin is still a non-CE marked product, approvals from national competent authorities are being sought before commencing the trials.

In March 2024, Bioretec achieved another major milestone when it was granted Breakthrough Device Designation for its RemeOs™ Spinal Interbody Cage implant by the U.S. Food and Drug Administration. This designation recognizes the product as a breakthrough technology in spinal surgery, specifically designed to restore intervertebral height and facilitate intervertebral body fusion in the cervical spine.

During the second half of the year, the product development of the Spinal Interbody Cage advanced significantly with the initiation of the first large animal model trials. These trials are crucial for proving the concept in a biological environment and represent a pivotal step towards bringing this innovative solution to the market.

FINANCIAL REVIEW

Group financial development

NET SALES, PROFITABILITY, AND FINANCIAL PERFORMANCE

Net sales and sales margin

In July–December 2024, Bioretec Group's net sales grew 23% year over year to 2,482 EUR (2,106) thousand.

Net sales for January–December 2024 amounted to EUR 4,544 (3,906) thousand, an increase of 16% from the comparison period. The growth was primarily driven by the strong performance of Activa products in European and U.S. markets.

Bioretec's sales margin (excl. other income) in July–December 2024 grew 26% to EUR 1,770 (1,401) thousand and was 71 % (70%) of net sales.

Sales margin (excl. other income) in January–December 2024 grew 18% to EUR 3,221 (2,728) thousand. The sales margin (excl. other income) was 71% (70%) of net sales.

Operating expenses

In July–December 2024, Bioretec Group's total operating expenses grew 26% year on year and amounted to EUR 4,149 (3,284) thousand.

In January–December 2024, Bioretec Group's total operating expenses grew 30% year over year, amounting to EUR 7,593 (5,843) thousand. The increase was due to the growing headcount, expenses relating to commercialization-related activities, resulting in costs for consulting, legal, marketing, and traveling, as well as development costs related to ongoing R&D projects.

The Group's R&D expenses in 2024 grew 46% and totaled EUR 2,181 (1,493) thousand. The growth was mainly related to the ongoing projects on DrillPin, Coatings (partly financed by Business Finland), and Spinal Cage.

EBITDA and net profit (loss)

Bioretec Group's EBITDA in July–December 2024 amounted to EUR -2,189 (-1,703) thousand, and EBITDA in January–December 2024 amounted to EUR -4,053 (-2,833) thousand. The main reasons for the decrease were the higher costs generated by added headcount and inputs to the commercialization and product development.

The net loss from July to December 2024 was EUR -2,730 (-1 714) thousand, and from January to December 2024, EUR -4,614 (-3,789) thousand. The net loss of the period includes the cost of financing arrangements amounting to EUR 489 thousand. Additionally, the comparison period included the cost of financing arrangements amounting to EUR 775 thousand.

FINANCIAL POSITION AND CASH FLOWS

On 31 December 2024, the Group's equity ratio was 85% (77%), and total liabilities were EUR 1,737 (2,427) thousand. Interest-bearing liabilities amounted to EUR 671 (1,046) thousand, including EUR 434 (671) thousand of long-term liabilities.

At the end of the financial period, the Group had EUR 6,289 (6,910) thousand of cash and cash equivalents and money market deposits.

In January–December 2024, cash flow from operating activities totaled EUR -5,107 (-3,437) thousand. Cash flow from financing activities amounted to EUR 5,214 (9,286) thousand. The company arranged a EUR 6 million financing round in October 2024. Additionally, the company had a financing round amounting to EUR 10 million in April 2023.

In January–December 2024, the Group's capital expenditure totaled EUR 729 (161) thousand. Investments during the financial period consisted of costs related to production equipment and related facilities along with RD-project equipment, IPR and market authorization processes, as well as costs capitalized on the new ERP system currently under implementation.

FINANCIAL TARGETS

On 4 October 2024, Bioretec updated the financial targets as follows:

- reach net sales of EUR 65 million by the end of the year 2028 and to reach net sales in excess of EUR 100 million by the end of the year 2030
- reach positive cash flow from operating activities by the end of the year 2027

PERSONNEL AND MANAGEMENT

At the end of 2024, Bioretec had 47 (37) employees. Average number of employees from 1 January to 31 December 2024 was 42 (31). Salaries and other personnel expenses in 2024 totaled EUR 3,824 (2,850) thousand.

Alan Donze was appointed CEO of Bioretec, and Timo Lehtonen was appointed Chief Technology Officer of Bioretec in May 2024. In June 2024, Frank Sarcone was appointed Vice President of Sales for the U.S. and a member of the Management team.

On 31 December 2024, the members of Bioretec's Management Team were Alan Donze (Chief Executive Officer), Timo Lehtonen (Chief Technology Officer), Johanna Salko (Chief Financial Officer), Rami Ojala (Sales and Marketing Director), Mari Ruotsalainen (Director of QA & RA), Esa Hallinen (Director of Operations) and Frank Sarcone (Vice President of Sales U.S.).

BOARD OF DIRECTORS

On 31 December 2024, Bioretec's Board of Directors had five members: Tomi Numminen (Chairman of the Board), Michael Piccirillo, Sarah van Hellenberg Hubar-Fisher, Päivi Malinen, and Kustaa Poutiainen.

AUDITOR

Bioretec's auditors are Authorized Public Accountants PricewaterhouseCoopers, with Kalle Laaksonen, Authorized Public Accountant, as the responsible auditor.

ANNUAL GENERAL MEETING AND BOARD AUTHORIZATIONS

The Annual General Meeting of Bioretec Ltd was held on 26 April 2024 in Tampere, Finland. The Annual General Meeting approved the financial statements for the financial year 1 January–31 December 2023 and resolved to discharge the members of the Board of Directors and the CEO from liability for the financial period from 1 January–31 December 2023. The Annual General Meeting approved the Board of Directors' proposal not to distribute dividends.

The Annual General Meeting resolved that the Board of Directors shall have five members. Tomi Numminen, Michael Piccirillo, Sarah van Hellenberg Hubar-Fisher, Päivi Malinen and Kustaa Poutiainen were re-elected as members of the Board. The term of the Board of Directors will end at the closing of the Annual General Meeting 2025.

At its constitutive meeting held after the Annual General Meeting, the Board of Directors elected Tomi Numminen as Chairman of the Board. The Board also resolved to establish an Audit Committee and a Nomination /Remuneration Committee. The members of the Committees were elected as follows:

- Audit Committee: Tomi Numminen (chairperson), Päivi Malinen and Sarah van Hellenberg Hubar-Fisher
- Nomination/Remuneration Committee: Päivi Malinen (chairperson), Michael Piccirillo and Kustaa Poutiainen

The Annual General Meeting resolved that the Chairman of the Board will be paid EUR 10,000 per month and the members of the Board EUR 1,500 per month. Reasonable travel expenses of the members of the Board of Directors shall be reimbursed in accordance with the maximum amount of the respective travel allowance base approved by the Tax Administration.

The Annual General Meeting resolved that the company may enter into a consultancy agreement with Valugen GmbH for the services of Michael Piccirillo in connection with establishing the company's Scientific Advisory Board and with creating key opinion leader connections. The consulting fee payable pursuant to such agreement shall not exceed EUR 3,000 per month.

The Annual General Meeting elected audit firm PricewaterhouseCoopers Oy as the auditor of the company until the closing of the 2025 Annual General Meeting. Audit firm PricewaterhouseCoopers Oy has notified the company that it will appoint Kalle Laaksonen, Authorized Public Accountant, as the responsible auditor. The auditor will be compensated as reasonably invoiced.

Authorization of the Board of Directors to resolve on the issuance of shares and special rights entitling to shares

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of shares, as well as the issuance of option rights and other special rights entitling to shares pursuant to Chapter 10 of the Finnish Companies Act, as follows:

Pursuant to the authorization, up to 3,000,000 shares, including the new shares to be issued based on the special rights can be issued, which on the date of the notice to the Annual General Meeting corresponded approximately to 15 per cent of all the shares in the company.

The shares or special rights entitling to shares can be issued in one or more instalments, either against or without payment. The shares issued pursuant to the authorization may be new shares or shares in the company's possession. The authorization may be used for financing or execution of acquisitions or other business arrangements, to strengthen the balance sheet and financial position of the company, for implementing the company's share-based incentive plans, or for other purposes determined by the Board of Directors.

Pursuant to the authorization, the Board of Directors may resolve upon issuing new shares, without consideration, to the company itself.

The Board of Directors was authorized to resolve on all terms for share issues and granting of special rights entitling to shares in the company. The Board of Directors was authorized to resolve on a directed share issue and issuance of special rights entitling to shares according to the shareholders' pre-emptive rights and/or in deviation from the shareholders' pre-emptive right, provided that there is a weighty financial reason for the company to do so.

The authorization is valid until the end of the next Annual General Meeting, however, no longer than until 30 June 2025. The authorization cancels previous unused share issue authorizations.

Establishment of a Shareholders' Nomination Board and Approval of the Charter

The Annual General Meeting resolved to establish a Shareholders' Nomination Board, responsible for annually preparing and presenting to the Annual General Meeting and, if necessary, to an Extraordinary General Meeting, proposals on the composition (number of the members of the Board of Directors and the nominees) and remuneration of the Board of Directors. In addition, the Nomination Board is responsible for identifying candidates to succeed members of the Board of Directors and preparing principles for diversity for the Board of Directors. The Nomination Board consists of three members. The company's three largest shareholders are each entitled to nominate one member. The Chairman of the Board of Directors of the company serves as an expert in the Nomination Board and will not have a voting right nor be counted in the quorum of the Nomination Board. The Annual General Meeting resolved to approve the Charter of the Shareholders' Nomination Board, which is available on the company's website at https://bioretec.com/agm2024.

SHARES AND RELATED PROGRAMS

Bioretec has one share class. Each share has equal voting rights, and all shares of the company provide equal rights to the dividend. The company's shares are traded on Nasdaq First North Growth Market Finland marketplace under the trading code BRETEC.

On 31 December 2024, Bioretec had a total of 23,336,858 (19,536,858) shares. The share capital was EUR 3,749 (3,749) thousand. Bioretec does not hold any equity shares. In 2024, the average number of shares was 21,436,858 (16,824,358). The average number of shares (diluted) in 2024 was 26,211,633 (22,258,130).

There were 251 trading days in the review period. A total of 7,084,282 (5,966,391) shares were traded during the period, and the total value of the shares traded was EUR 17,586,406 (15,079,870). The highest price of the share was EUR 2.92 (3.75), and the lowest price was EUR 1.82 (1.35). The volume-weighted average price was EUR 2.48 (2.53), and the closing price at the end of the period was EUR 2.40 (2.40). In accordance with the closing price, the combined market value of the shares was approximately EUR 56.0 (46.9) million.

Shareholders

Bioretec's shares are in the book-entry system maintained by Euroclear Finland, and Euroclear Finland maintains Bioretec's official shareholder register. On 31 December 2024, Bioretec had a total of 4,554 (4,108) registered shareholders, of whom 93% (92%) were private individuals. There were 1,870,049 (534,331) nominee-registered and foreign-owned shares, which was 8.0% (2.7%) of all shares and votes. The largest shareholders and shareholders by sector are available on the company's website at https://bioretec.com/investors/investors-in-english/share/shareholders.

On 31 December 2024, the members of Bioretec's Board of Directors owned a total of 2,573,060 (1,622,690) of the company's shares. The CEO did not own any of the company's shares (at the end of 2023, 0 shares). Other members of the Group's Management Team owned a total of 667 (5,624) company shares. Consequently, the company's executive management held 11.0% (8.3%) of all of the company's shares and votes.

Option programs

The company has established several share option programs as incentive plans for Bioretec's key personnel, members of the Board of Directors, members of the Scientific Advisory Board, the organizer of the share issue, and the former shareholders of the subsidiary Bioretec GmbH in connection with the completion of its acquisition in 2019.

On 31 December 2024, there were four stock option programs open: stock options 2018–1, 2019–1, 2020–1 and 2023-1. The stock options are issued free of charge. The shareholder's rights begin when the shares are registered in the Trade Register. The stock option plans that were open in 2024 or were registered in the Trade Register in 2024 are presented in the table below.

Program ID	Nr of options	Share subscription price, EUR	Nr of shares to be subscribed[1]	Subscription period	Nr of unexercised options[2]	Nr of shares to be subscribed based on the remaining unexercised options[1]
2018-1A	8,500,000	1.50	566,666	1.1.2019-31.12.2026	8,125,000	541,667
2018-1B	8,500,000	1.50	566,666	1.1.2020-31.12.2026	8,500,000	566,667
2018-1C	1,500,000	2.25	100,000	1.1.2021-31.12.2026	1,500,000	100,000
2018-1D	1,500,000	2.25	100,000	1.1.2022-31.12.2026	1,500,000	100,000
2019-1	36,444,250	0.15	2,429,616	20.3.2019-31.12.2029	18,444,250	1,229,616
2020-1A	8,450,000	2.25	563,324	1.1.2022-31.12.2026	5,650,000	376,662
2020-1B	9,150,000	3.00	609,998	1.1.2023-31.12.2026	5,300,000	353,332
2020-1C	8,400,000	3.75	559,998	1.1.2024-31.12.2026	4,550,000	303,332
2023-1	1,000,000	2.84	1,000,000	21.10.2024-31.12.2029[3]	607,000	607,000
Total	**83,444,250**		**6,496,268**		**54,176,250**	**4,178,275**

[1] Except for option program 2023-1, the decision to establish the stock option plans has been made before the reverse split in spring 2021. After the reverse split, one share corresponds to 15 options.
[2] The remaining number of unexercised options has been deducted from the number of already registered share subscriptions. Additionally, those options that have remained unallocated from 1 January 2023 onwards have been deducted from the amount of the remaining option, as the board authorization concerning option program 2020-1 ended on 31 December 2022. In the option program 2023-1, the non-allocated share of the options (1,000,000 – 607,000) has been removed from the amount, that can still be exercised.
[3] As of 21 October 2024, 25% of the option rights given to the option right holder can be subscribed. As of 30 November 2024, shares can be subscribed in monthly installments of 1/36th of the remaining 75% of the option rights given to the option right holder until 31 December 2029.

Share Issues

On 27 November 2024, Bioretec Ltd completed a private placement to institutional and other qualified investors. Bioretec raised gross proceeds of EUR 6.0 million in the significantly oversubscribed private placement. In the private placement, the company issued a total of 3,000,000 shares, which represented approximately 14.8 percent of the issued shares in Bioretec prior to the private placement and approximately 12.9 percent following the private placement. The total number of issued shares in the company after the private placement was 23,336,858.

The proceeds from the private placement will be used to strengthen the commercialization of RemeOs™ Trauma Screws in the U.S. and Europe upon the receipt of European market authorization and to accelerate the product development of the RemeOs™ Spinal Interbody Cage following the Breakthrough Device Designation status granted by the FDA in March 2024.

The private placement was carried out based on the authorization granted to the board of directors by the company's annual general meeting of 26 April 2024. In preparing for the private placement, the board of directors of the company made an overall assessment and considered various capital raising alternatives, including the possibility to raise capital through a rights issue. After careful consideration, the board of directors determined that a directed share issue by way of the private placement in deviation from the shareholders' pre-emptive rights is a better alternative for the company's shareholders than a rights issue. More information about the directed share issue is available in the release published on 27 November 2024.

The company estimates that considering its current business plan and the size of the private placing, the gross proceeds raised in the private placement will be sufficient for approximately 8 months. In order to reach positive cash flow from operating activities by the end of the year 2027, in accordance with the current business plan, the company estimates that it will require approximately EUR 18 million in total external funding. Any licensing income or milestones achieved by the company during the upcoming commercialization stages will have an effect on the estimate above.

SIGNIFICANT RISKS AND UNCERTAINTIES

Bioretec's Board of Directors is responsible for Bioretec's risk management. The purpose of risk management is to identify, assess, and manage risks so that they do not affect the achievement of the company's objectives. The company has a risk management policy, which is confirmed by the Board of Directors. The risk management policy supports the implementation of the strategy and business objectives and ensures business continuity.

The company has identified risks and uncertainties that could affect the company's results and financial position. It is Bioretec's strategy to identify and manage risks continuously.

Bioretec's risks can be divided into:

- Risks related to financing, including equities, shares, and trading of the shares
- Risks related to the operating environment, industry, and regulations
- Risks related to product development, manufacturing, and commercialization of products

The company is exposed to various financial risks, such as liquidity, currency, and credit risk. The most important financial risk is the sufficiency of the funding needed to support the Group's strategic growth targets. Liquidity risk is continuously monitored by following up on the amount of available funds, customer credits, and open accounts payables as well as reviewing the monthly forecasted cash flow. The Board of Directors has continued actions to

explore funding opportunities and to secure the adequacy of funding. Currently, the company's funding will not be sufficient for the full year of 2025.

Industry-related risks are mainly associated with target markets, which are both highly regulated and conservative and where the introduction of new technologies happens slowly. Risks related to legislation, rules, and regulatory compliance are associated with the Group's industry sector.

One of the risks related to the operating environment is the uncertainty caused by geopolitical tensions and changes. This risk has partly already been realized during the past few years resulting in with high inflation, higher energy and logistics costs, and reduced overall security of supply. The latest short-term risk in the operating environment identified relates to the potential new and increased tariffs in the U.S. market.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

After the reporting period in January 2025, Bioretec received the long-waited CE mark for the RemeOs™ Trauma Screw product portfolio. The CE mark enables immediate market launch of the RemeOs products in Europe and supports commercialization in non-European countries that recognize the CE mark.

This comprehensive approval covers all cannulated and non-cannulated product designs, and indications approved include the use of these screws for fracture and malalignment fixations in both the upper and lower extremities of adult and pediatric patients, excluding the hand and forefoot.

BOARD OF DIRECTORS' DIVIDEND PROPOSAL

On 31 December 2024, the parent company's distributable funds totaled EUR 6,364,318.67. The Board of Directors of the company proposes that the loss of EUR 4,669,883.08 for the financial period from 1 January to 31 December 2024 be credited in the equity as Profit(loss) for previous accounting periods and that no dividend be distributed.

FINANCIAL REPORTING AND ANNUAL GENERAL MEETING IN 2025

In 2025, Bioretec will publish the following financial reports:

- financial statements bulletin for January–December 2024 on Friday 14 February 2025
- financial statements for 2024 on Friday, 14 February 2025
- annual report for 2024 during week 11/2025 at the latest
- business review for January–March 2025 on Thursday 15 May 2025
- half-year report for January–June 2025 on Thursday 14 August 2025
- business review for January–September 2025 on Thursday 13 November 2025

The releases will be available online at Bioretec Ltd's website at
https://bioretec.com/investors/investors-in-english/reports-and-presentations.

Bioretec Ltd's Annual General Meeting is planned to be held on Friday, 21 March 2025. The company's Board of Directors will convene the Annual General Meeting separately later.

FORWARD-LOOKING STATEMENTS

The report contains certain forward-looking information that reflects Bioretec's current views of future events and financial and operational performance. Words such as "intends", "anticipates", "expects", "can", "plans", "estimates", and similar expressions regarding indications or forecasts of future developments or trends, and which are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with known and unknown risks and uncertainties because it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or developments, and actual results may differ materially from results referred to in forward-looking information. Forward-looking information in the report is only applicable on the date of issue of the report. Bioretec does not commit to publishing updates or revisions of any forward-looking statements as a result of new information, future events or similar circumstances other than those required by applicable legislation.

ACCOUNTING PRINCIPLES

The consolidated financial statements of Bioretec Group have been prepared in accordance with the Finnish Accounting Act, as well as with the rules of Nasdaq First North Growth Market Finland. Bioretec Oy, Bioretec GmbH and Bioretec Inc.) form the Bioretec Group.

Accounting principles have not changed during the reporting period. This financial statements bulletin is unaudited.

CONSOLIDATED INCOME STATEMENT

EUR 1,000	H2 2024	H2 2023	Change, %	FY 2024	FY 2023	Change, %
REVENUE	**2,482**	2,016	23.2%	**4,544**	3,906	16.3%
Changes in stocks (FG and WIP)	**294**	-55	-629.8%	**472**	-8	-6,205.6%
Other operating income	**99**	82	20.7%	**170**	82	108.0%
Total materials and services	**-1,007**	-559	80.1%	**-1,795**	-1,170	53.3%
Total personnel expenses	**-2,134**	-1,629	31.0%	**-3,824**	-2,850	34.2%
Total depreciation and amortization	**-92**	-98	-6.1%	**-149**	-201	-26.0%
Other operating expenses	**-1,924**	-1,557	23.6%	**-3,620**	-2,793	29.6%
OPERATING PROFIT (LOSS)	**-2,281**	-1,801	26.6%	**-4,202**	-3,034	38.5%
Net financial expenses	**-442**	88	-602.9%	**-404**	-754	-46.4%
Profit (loss) before taxes	**-2,723**	-1,713	58.9%	**-4,606**	-3,788	21.6%
Income taxes	**-7**	-1	1,330.5%	**-8**	-1	665.2%
PROFIT (LOSS) FOR THE PERIOD	**-2,730**	-1,714	59.3%	**-4,614**	-3,789	21.8%

CONSOLIDATED BALANCE SHEET

EUR 1,000	31 Dec 2024	31 Dec 2023	Change, %
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	**623**	484	28.6%
Tangible assets	**1,100**	789	39.4%
CURRENT ASSETS			
Total inventories	**1,509**	842	81.8%
Short-term debtors	**1,955**	1,632	18.4%
Cash and cash equivalents	**6,289**	6,910	-9.0%
TOTAL ASSETS	**11,475**	10,657	7.7%
EQUITY AND LIABILITIES			
EQUITY			
Restricted share capital	**3,749**	3,749	0.0%
Reserve for invested unrestricted equity	**25,821**	19,701	31.1%
Retained earnings (loss)	**-15,219**	-11,431	33.1%
Profit (loss) for the period	**-4,614**	-3,789	21.8%
Translation difference	**2**	0	
LIABILITIES			
Long-term creditors	**434**	671	-35.3%
Short-term creditors	**1,302**	1,756	-25.8%
TOTAL EQUITY AND LIABILITIES	**11,475**	10,657	7.7%

STATEMENT OF CHANGES IN EQUITY

EUR 1,000	H2 2024	H2 2023	Change, %	FY 2024	FY 2023	Change, %
Share capital at the beginning of the period	**3,749**	3,749	0.0%	**3,749**	3,749	0.0%
Restricted equity total at the end of the period	**3,749**	3,749	0.0%	**3,749**	3,749	0.0%
Reserve for invested unrestricted equity at the beginning of the period	**19,821**	19,641	0.9%	**19,701**	9,603	105.1%
Period changes	**6,000**	60	9,900.0%	**6,120**	10,098	-39.4%
Reserve for invested unrestricted equity at the end of the period	**25,821**	19,701	31.1%	**25,821**	19,701	31.1%
Retained earnings at the beginning of the period	**-17,103**	-13,506	26.6%	**-15,219**	-11,431	33.1%
Retained earnings at the end of the period	**-17,103**	-13,506	26.6%	**-15,219**	-11,431	33.1%
Result of the period	**-2,730**	-1,714	59.3%	**-4,614**	-3,789	21.8%
Translation difference	**2**	0		**2**	0	
TOTAL EQUITY	**9,738**	8,230	18.3%	**9,738**	8,230	18.3%

FINANCIAL POSITION AND CASH FLOW

EUR 1,000	H2 2024	H2 2023	Change, %	FY 2024	FY 2023	Change, %
CASH FLOW FROM OPERATING ACTIVITIES						
Cash flow before changes in working capital	**-2,189**	-1,703	28.5%	**-4,053**	-2,833	43.1%
Change in working capital	**-645**	-538	19.7%	**-1,032**	-598	72.5%
Net financial expenses and taxes paid	**-14**	-5	194.7%	**-22**	-6	286.3%
CASH FLOW FROM OPERATING ACTIVITIES	**-2,848**	-2,246	26.8%	**-5,107**	-3,437	48.6%
CASH FLOW FROM INVESTMENTS						
Investments in tangible and intangible assets	**-272**	-88	209.9%	**-729**	-161	352.7%
CASH FLOW FROM INVESTMENTS	**-272**	-88	209.9%	**-729**	-161	352.7%
CASH FLOW FROM FINANCING						
Paid share issues	**6,000**	61	9,736.1%	**6,120**	10,098	-39.4%
Change in short- and long-term financing	**-50**	-32	57.3%	**-375**	-37	913.6%
Paid other financial expenses	**-490**	20	-2,535.4%	**-531**	-775	-31.5%
CASH FLOW FROM FINANCING	**5,460**	49		**5,214**	9,286	-43.8%
Change in liquid assets (+/-)	**2,342**	-2,285	-202.5%	**-621**	5,688	-110.9%
Cash and cash equivalents at the beginning of the period	**3,947**	9,196	-57.1%	**6,910**	1,223	465.0%
Cash and cash equivalents at the end of the period	**6,289**	6,911	-9.0%	**6,289**	6,911	-9.0%

DEFINITIONS OF KEY FIGURES

Key figure	Calculation formula
Sales margin	Revenue + other operating income - change in inventories - materials and services
Sales margin, %	(Sales margin / Revenue) x 100
EBITDA	Revenue + other operating income – change in inventories – materials and services -personnel expenses – other operating expenses
EBIT	Revenue + other operating income – change in inventories – materials and services -personnel expenses – other operating expenses – depreciation and amortization
Net profit (loss)	Revenue + other operating income – change in inventories – materials and services -personnel expenses – other operating expenses – depreciation and amortization – net financial expenses – income taxes
R&D spend on total costs, %	Research and development expenses / (personnel expenses + depreciation + other operating expenses) x 100
Equity ratio, %	Total equity at the end of the period / (total liabilities at the end of the period- advances received at the end of the period) x 100
Cash and cash equivalents	Cash and cash equivalents, including money market deposits at the end of the period
Earnings per share (undiluted)	Profit (loss) of the period/shares outstanding at the end of the period
Earnings per share (diluted)	Profit (loss) of the period / (shares + convertible securities outstanding at the end of the period)

Tampere, 14 February 2025

Board of Directors

Bioretec Ltd

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Information about Bioretec

Bioretec is a globally operating Finnish medical device company that continues to pioneer the application of absorbable orthopedic implants. The company has built unique competencies in the biological interface of active implants to enhance bone growth and accelerate fracture healing after orthopedic surgery. The products developed and manufactured by Bioretec are used worldwide in approximately 40 countries.

Bioretec is developing the new RemeOs™ product line based on a magnesium alloy and hybrid composite, introducing a new generation of strong absorbable materials for enhanced surgical outcomes. The RemeOs™ implants are absorbed and replaced by bone, which eliminates the need for removal surgery while facilitating fracture healing. The combination has the potential to make titanium implants redundant and help clinics reach their Value-Based Healthcare targets while focusing on value for patients through efficient healthcare. The first RemeOs™ product market authorization has been received in the U.S. in March 2023, and in Europe, the CE mark approval was received in January 2025. Bioretec is positioning itself to enter the addressable over USD 9 billion global orthopedic trauma and spine market and to become a game changer in surgical bone fracture treatment.

Better Healing – Better Life. www.bioretec.com