This document is an unofficial English-language translation of the Finnish original and in case of any discrepancies between the Finnish text and the English translation the Finnish text shall prevail.

EXEMPTION DOCUMENT REGARDING RIGHTS OFFERING IN BIORETEC LTD IN ACCORDANCE WITH ARTICLE 1.4 DB) OF THE REGULATION (EU) 2017/1129

IMPORTANT INFORMATION

This document (the "**Exemption Document**") has been prepared in connection with Bioretec Ltd's ("**Bioretec**" or the "**Company**") rights offering, in which Bioretec offers its shareholders up to 6,156,618 new shares (the "**New Shares**") for subscription primarily on the basis of shareholders' pre-emptive subscription right in the same proportion as they already hold shares in the Company (the "**Existing Shares**") and secondarily by other shareholders or by other persons (the "**Offering**"). This Exemption Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**") and has been prepared in accordance with Article 1.4 db) of the Prospectus Regulation as well as the requirements of Annex IX of the Prospectus Regulation. The Exemption Document has been filed with the Finnish Financial Supervisory Authority (the "**FIN-FSA**") on 4 June 2025. The Exemption Document has not been subject to the scrutiny and approval by the FIN-FSA.

In a number of countries, in particular in the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore and South Africa the distribution of the Exemption Document and the participation in the Offering, is subject to restrictions imposed by law (such as registration, admission, qualification and other regulations). The Company does not assume any responsibility to present appropriate information on said restrictions nor that such restrictions are obeyed. This Exemption Document may not be distributed or published in connection with the Offering in any jurisdiction or under such other circumstances in which the offering or selling of the New Shares would be unlawful or would require actions in accordance with laws other than those of Finland. The Exemption Document does not constitute an offer or solicitation to buy or subscribe for the New Shares in any jurisdiction where it would be unlawful to make such offer or solicitation. Neither the Company nor its representatives accept any legal responsibility for violations of such restrictions, regardless of whether or not such restrictions are known to those considering investments in the New Shares. The Company reserves the right, in its sole and absolute discretion, to reject any subscription that the Company or its representatives, after due consideration, consider to result in a breach or violation of any law, rule or regulation.

This Exemption Document does not constitute an offer to sell the New Shares to any person in any jurisdiction in which it is unlawful to make an offer to such a person, or a solicitation of an offer to subscribe for or buy the New Shares made to a person in a jurisdiction in which it is unlawful to make such solicitation. No action has been or will be taken by Company to permit any public offering of the New Shares outside Finland. Nevertheless, the New Shares may be offered to qualified investors in member states of the European Economic Area (the "**EEA**") or in the United Kingdom, if any of the regulatory exceptions is applicable. In the United Kingdom, this Exemption Document is only being distributed to, and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons being referred to as "**Relevant Persons**"). Any person who is not a Relevant Person should not act or rely on this document or any of its contents. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities laws of any state of the United States and, accordingly, may not be offered or sold, directly or indirectly, in or into the United States subject to certain exceptions. The New Shares are being offered and sold outside the United States in compliance with Regulation S under the U.S. Securities Act.

The Offering is governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

Issuer information

Bioretec Ltd ("**Bioretec**" or the "**Company**") is a limited company incorporated in Finland and organised under the laws of Finland. Bioretec is registered in the Trade Register upheld by the Finnish Patent and Registration Office under the business identity code 1474196-9. Bioretec was registered in the Trade Register on 12 June 1998. Bioretec's legal entity identifier code (LEI) is 7437008736AG7HY51K13. Bioretec is domiciled in Tampere, Finland. The registered address of Bioretec is Yrittäjänkulma 5, FI-33710 Tampere, Finland, and its telephone number is +358 20 778 9500. The address to the Company's website is www.bioretec.com. Bioretec's certified advisor is Nordic Certified Adviser AB and its telephone number is +46 70 551 67 29.

The Board of Directors' declaration of responsibility

The Board of Directors of Bioretec is solely responsible for the contents of this exemption document (the "**Exemption Document**"). To the best of the Board of Directors' knowledge, the information contained in this Exemption Document is in accordance with the facts and this Exemption Document makes no omission likely to affect its import.

Competent authority

This Exemption Document does not constitute a prospectus within the meaning of the Prospectus Regulation. The Exemption Document has not been subject to the scrutiny and approval by the FIN-FSA, as the competent authority of

Bioretec's home member state. Each investor is encouraged to make their own assessment of whether it is appropriate to invest in the Company.

Compliance with reporting obligations and disclosed information

The Board of Directors of Bioretec hereby certifies that the Company has continuously complied with its reporting obligations and the obligation to disclose information throughout the period when the Company's securities have been admitted to trading, including under Directive 2004/109/EC, where applicable, Regulation (EU) No 596/2014 and, where applicable, Delegated Regulation (EU) 2017/565.

The regulated information that the Company discloses in accordance with the ongoing disclosure obligations is available on and can be obtained from the Company's website at www.investors.bioretec.com. The Company has previously prepared a Finnish-language prospectus in accordance with the Prospectus Regulation, dated 4 June 2021, and published in connection with Bioretec's initial public offering which was not completed (the "**Prospectus**"). In addition, the Company has prepared a Finnish-language company description, dated 24 September 2021, and published in connection with the listing of shares in Bioretec to Nasdaq First North Growth Market Finland ("**First North**") (the "**Company Description**"), a multilateral trading facility maintained by Nasdaq Helsinki Ltd. The Prospectus and the Company Description are available on and can be obtained from the Company's website at www.investors.bioretec.com. The Company Description is not a prospectus within the meaning of the Prospectus Regulation.

The Board of Directors of Bioretec hereby further confirms that, at the time of the Offering, the Company has not delayed the disclosure of insider information in accordance with Regulation (EU) No 596/2014.

The reason for the Offering and use of proceeds

The reason for the Offering is to strengthen Bioretec's capital structure and to ensure its ability to implement its RemeOs™ commercialisation strategy.

The Company estimates that the Offering will result in gross proceeds of approximately EUR 9.23 million (assuming that a maximum of 6,156,618 New Shares are subscribed for). The Company expects net proceeds from the Offering of approximately EUR 8.35 million after the fees and expenses payable by the Company in connection with the Offering, estimated to total EUR 0.88 million, have been deducted from the total proceeds. The proceeds raised in the Offering are intended to be used to strengthen the commercialization of the RemeOs™ pipeline by expanding sales and marketing activities and the enhancement of distribution networks in key markets, support the Company’s product development within the RemeOs™ portfolio, and fund operational scaling, covering working capital requirements and investments in machinery and facility expansion. Bioretec has received a Subscription Commitment (as defined below) as well as an Underwriting Commitment (as defined below) from Stephen Industries Inc Oy in connection with the Offering. In addition, certain shareholders of Bioretec have indicated that they intend to subscribe for New Shares in the Offering on the basis of all Subscription Rights to be recorded to them. For further details, see "*Terms and conditions of the Offering – General information on the Offering*".

Risk factors

An investment in the New Shares involves risks. Potential investors are recommended to carefully study the following risk factors that are considered material for Bioretec. The risk factors listed below are limited to risks that Bioretec, as at the date of this Exemption Document, deems significant and specific to Bioretec. The materialisation of any risk described below may have a material adverse effect on Bioretec's business, financial position, results of operations and future prospects. The investors are encouraged to make their independent assessment of the Company and the terms of the Offering, including the current circumstances and risks. Before making an investment decision, potential investors should consult their own professional advisors and carefully evaluate and consider the investment decision.

Risks related to Bioretec's business operations

Bioretec's business is in a growth stage and is in part based on research and development projects, and there can be no assurance that the business will become profitable

In addition to the production and sales of its existing products, Bioretec's business is focused on the development and commercialisation of new products. As at the date of this Exemption Document, Bioretec is commercialising its first magnesium-based products belonging to the RemeOs™ product family, and continues to develop and test new products, as well as develop its existing products in such a way as to expand their indications. The development and commercialisation of Bioretec's products has incurred, and will continue to incur in the future, significant costs for the Company. In the long term, the Company's future prospects and ability to generate profits are dependent on the success of clinical testing and commercialisation of new products based on magnesium and hybrid composite technology and on whether the Company is

able to adhere to the planned schedule related to this. As a significant part of Bioretec's future revenue is expected to originate from products that are still in the development or commercialisation phase, it is difficult to foresee the development of Bioretec's revenue, and therefore there can be no assurance that Bioretec will be able to make its operations profitable. Even if the Company succeeds in achieving profitable operations, there can be no assurance that the Company's operations will remain profitable in the medium or long term.

Bioretec may be subjected to claims related to product liability or safety, which may have an adverse effect on its business.

In Bioretec's industry, the risk of becoming the subject of product liability and safety claims is significant. While as at the date of this Exemption Document, Bioretec is not aware of any product liability or safety claims against the Company, the Company may be subjected to product liability and safety claims in the future. Claims could be filed with respect to the products when they are on the market, but also during clinical tests before they are commercially marketed and sold. Product liability and safety claims concerning Bioretec's products could lead to a temporary or permanent suspension of the products' sales or the temporary or permanent suspension of the development and testing of Bioretec's products that are in the development or research phase.

Additionally, product liability and safety claims may result in significant liabilities for the Company, which may result in considerable costs for Bioretec. Potential court cases would also require the Company to commit significant personnel and time resources, as well as financial resources, and there are no assurances that the Company would have such resources available at the time of the legal proceedings or that the Company would win such legal proceedings. Furthermore, as at the date of this Exemption Document, the commercialisation of the Company's RemeOs™ products has already been commenced in the United States, where product liability and safety claims could lead to, on Finland's scale, significant compensation for damages should such claims against the Company be pursued in the United States. The risk of the size of the claims will grow further if such claims are pursued through class-action suits. In addition to the direct costs of court cases and the liabilities arising from them, product liability and safety claims lodged against the Company and its products could also lead to indirect costs due to reputational damage arising from allegations, demands and legal proceedings.

Bioretec is dependent on its ability to recruit and commit key individuals

The competence and experience of Bioretec's key personnel and other key individuals are significant factors for the development of the Company's business. Since the development of Bioretec's business is materially dependent on the competence of the Company's employees and management, it is also materially dependent on the Company's ability to commit its current key individuals and to recruit new, competent personnel and other key individuals in the future, where necessary. Due to the small number of the Company's personnel, the departure of several key individuals simultaneously could cause temporary delays, for example, in the Company's sales, manufacturing or product development process and the planned development of its operations. Bioretec's industry requires Bioretec's employees and management personnel to possess special competence and expertise. As experts in the field are fairly scarce across the world and, especially in Finland, it may be difficult to find top-level experts. Failure in committing or recruiting key employees and other key individuals may have a material adverse effect on Bioretec's business, financial position, results of operations and future prospects.

Bioretec may unintentionally infringe on the intellectual property rights of third parties, and such breaches may result in legal actions, which may have an adverse effect on the Company's business.

It is important for Bioretec's reputation and business that the Company does not infringe on the intellectual property rights of third parties in its business activities. However, the Company may unintentionally infringe on the intellectual property rights of third parties in its business activities, and there are no assurances that the Company's current or future products do not currently, or will not in the future, infringe on the intellectual property rights of third parties. Such infringements may lead to legal action. Such legal action would require significant personnel and time resources, as well as financial resources, and there are no assurances that the Company would have the necessary resources available at the time of the legal action. Legal action could also lead to restrictions on the Company's operations, annulment or abrogation of the Company's intellectual property and liability to pay compensation for damages. In addition to these, an alleged or proven infringement of the intellectual property rights of a third party could damage the Company's brand and reputation.

Bioretec's intellectual property rights may fail to provide adequate protection for the Company's products, and the Company may fail to obtain necessary new intellectual property rights or to protect its intellectual property rights.

Bioretec's intellectual property rights consist of patents, trademarks, licenses, domain names and unregistered intellectual property rights, such as know-how and trade secrets. Bioretec continuously assesses the adequacy of the protection for its products provided by its intellectual property rights and submits new applications if they are considered to provide strategically valuable protection for Bioretec's innovations. However, there are no assurances that Bioretec will succeed appropriately in its assessments, and it may fail to protect its products sufficiently, in which case third parties may benefit from Bioretec's innovations. In such a case, Bioretec could lose some of its competitive advantage over its competitors,

which could have an adverse effect on the Company's financial position. Even if the Company is successful in appropriately identifying the need for new intellectual property rights, there are similarly no assurances that an application for intellectual property rights already submitted by the Company, or one submitted in the future, will be successful and the intellectual property rights being applied for will be granted to the Company. Furthermore, there are no assurances that the Company will be successful in maintaining intellectual property rights already granted to it, as it is possible that the Company will lose one or more of its existing intellectual property rights as result of, for example, claims by third parties.

Despite Bioretec's protection measures, its competitors or other third parties may use Bioretec's intellectual property rights unlawfully, in addition to which disputes may arise over the ownership of the intellectual property rights. In such an event, the Company may be forced to defend its intellectual property rights in court, for example, which may require it to commit significant personnel and time resources, as well as financial resources. Furthermore, there are no assurances that the Company would succeed in defending its intellectual property rights effectively. The Company may also decide to resort to measures with which it aims to prevent its competitors from obtaining protection for their intellectual property rights. Such measures could require it to commit significant resources and result in significant costs. There can be no assurance in advance that, in the aforementioned situations, the Company will have all the necessary resources to defend its intellectual property rights, pursue claims or undertake other measures. Failure in the protection of intellectual property rights, acquisition of new intellectual property rights or defence of existing intellectual property rights may have a material adverse effect on Bioretec's business operations.

Bioretec's operations are exposed to legal risks

During the course of its normal business, Bioretec may become a party to court cases or administrative procedures (relating, for example, to contractual liabilities, distribution and supplier network and the interpretation of distribution and supplier agreements, employer obligations, interpretations of employment or managerial contracts, competitive matters, privacy, processing of personal data and data protection legislation, tax interpretations, fraud, bribery and crime), and it may also be subjected to tax audits and administrative audits. Should administrative audits lead to the initiation of administrative procedures, such procedures may become very long in duration and as such require significant personnel and time resources, as well as financial resources. In addition, possible penalty payments imposed as a result of administrative audits may be significant. Court cases may result in, for instance, Bioretec being held liable to compensate for damages, fines being imposed or a prohibition on certain business activities engaged in by Bioretec. Court cases may also have a negative effect on Bioretec's reputation among its present or potential customers, employees and other stakeholders. If the outcome of legal proceedings results in sanctions being imposed on Bioretec or damage to its reputation, this may have an adverse effect on Bioretec's business, financial position, results of operations and future prospects.

Fluctuation in exchange rates may have an adverse effect on Bioretec

As at the date of this Exemption Document, Bioretec's products are sold in approximately 40 countries, and it continues to negotiate new distribution agreements. Bioretec's main operating currency is the euro, in addition to which the Company has a U.S. subsidiary, Bioretec Inc., whose operating currency is the United States dollar (USD). The Company is exposed to the risk of fluctuations in exchange rates when it makes or receives payments which are converted from a currency other than the euro, or when Bioretec Inc. makes or receives payments in currencies other than USD. Bioretec sells its existing biopolymer and RemeOs™ products currently mainly through regional distributors, in which case Bioretec in practice sells its products to a local distributor, which sells the products to their end users, namely hospitals and surgeons. In addition to direct sales channels in Germany and Austria, Bioretec has established a direct sales channel in the United States through its subsidiary Bioretec Inc. which negotiates agreements denominated in USD. If Bioretec fails to negotiate agreements denominated in euro with its distributors in the future, or if Bioretec Inc. fails to negotiate agreements denominated in USD, they could become exposed to an even bigger foreign exchange risk than currently, as in such an event they would be forced to accept payments in several different currencies from their distributors. Some of the risk relating to fluctuations in exchange rates is beyond Bioretec's control because the foreign exchange contracts concluded by Bioretec's distributors could also have an effect on Bioretec.

Should foreign exchange rates fluctuate significantly in countries in which Bioretec's products are sold, this may have an adverse effect on Bioretec's business, results of operations, financial position and future prospects. The higher the proportion of the Company's revenue coming from a country where the exchange rate fluctuates significantly, the more significant this adverse effect is. Should the uncertainty in the global economy increase due to, for example, the ongoing conflicts, trade tensions or other reasons, this may also increase the risk of adverse fluctuation in exchange rates.

Fluctuations in exchange rates also impact Bioretec through demand. A significant change in exchange rates in a country where Bioretec's products are sold could impact the competitiveness of Bioretec's products compared to the products of competitors that are manufactured and/or sold in another currency. For instance, a significant decline in the value of a currency could make Bioretec's products too expensive in the currency area in question, in which case demand for the

products could collapse quickly or completely cease to exist. Similarly, significant fluctuations in the USD exchange rate could affect the competitiveness of products sold through Bioretec Inc. The materialisation of such indirect risks related to the exchange rate risk may have a material adverse effect on Bioretec's business operations. The bigger the proportion of Bioretec's revenue generated by such a country where fluctuations in exchange rates have a negative effect on demand for Bioretec's products, the more material this negative impact is.

Risks related to Bioretec's financing

Bioretec's working capital does not currently satisfy the Company's needs for the next 12 months, and this may jeopardise the continuity of the Company's operations.

Bioretec estimates that it does not currently possess sufficient working capital to cover its current needs for the next 12 months. The Company's cash position as at 31 March 2025 was EUR 4.4 million, and as at the date of this Exemption Document, Bioretec estimates that its present working capital will suffice until August 2025. According to Bioretec, if the Offering is completed within the planned timetable, the proceeds received from it (together with the current assets of Bioretec) will guarantee sufficient working capital to cover the Company's current needs until the third quarter of 2026. If the Offering is not completed, Bioretec would aim to satisfy its working capital needs by, among other things, obtaining additional financing through equity investments or possible other financing. Should Bioretec fail to obtain additional financing, the Company could face serious financial difficulties and the continuity of its operations could be jeopardised.

Bioretec is exposed to credit and counterparty risk in connection with receivables related to its distribution agreements and purchases

Bioretec is exposed to credit risk related to, for example, receivables based on its distribution agreements and procurements of materials. Any downturn in the economy may weaken the solvency of Bioretec's contractual counterparties, which could have an adverse effect on Bioretec's ability to collect its receivables in full or at maturity. If a contractual counterparty of Bioretec becomes insolvent, Bioretec may lose its receivables partly or in full, or lose the expected benefits of contracts entered into with such counterparty.

Risks related to Bioretec's operating environment, industry and regulation

The production of medical devices is a highly regulated industry, and changes in legislation or case law relating to the industry, Bioretec or Bioretec's products may be adverse to Bioretec

The production of medical devices is highly regulated. Bioretec's products are sold in approximately 40 countries, and furthermore, new distribution agreements are continuously negotiated. Consequently, Bioretec's products are required to comply with, in addition to the applicable requirements in Finland and the European Union, the statutory requirements for the products in each other country where Bioretec's products are sold. Furthermore, Bioretec's operations are subject to a significant amount of legislation, standards and regulations, which relate to, for example, product development, product testing, manufacturing processes, safety of the manufacturing processes, the equipment used in the manufacturing processes, sterilisation of the products, the Company's premises and quality management systems, packaging of the products, labelling, raw material procurement, product distribution, import and export as well as registration and marketing of products. Consequently, Bioretec may incur additional costs from adapting its operations to changes in legislation, standards and regulations. Failure to comply with applicable legislation, standards or regulation may result in restrictions on or suspension of Bioretec's operations, which may be temporary or permanent. In addition, the Company may be subject to various sanctions, including fines or penalties under civil or criminal law. Third parties may also present claims against Bioretec, potentially leading to additional costs.

Political or economic uncertainty in certain countries or globally may have an adverse effect on Bioretec's business

Since Bioretec is directing its exports to countries across the world, it is exposed to, for example, the political, economic, legislative and social conditions in each country to which it directs its exports as well as the macroeconomic development. General economic and financial market conditions in Europe and the rest of the world have fluctuated considerably in recent years, due to factors such as the COVID pandemic, the war in Ukraine, the conflict in the Middle East and the Red Sea, general interest rate levels and fluctuations in inflation. The prolongation, escalation or spread of ongoing conflicts, the general level of interest rates and inflation and the uncertainty and volatility associated with them, new economic sanctions or the imposition of other measures, the volatility of commodity prices or, for example, an increase in the number of disruptions in supply chains, can have a material impact on the local and global macroeconomy. In addition, international trade tensions and their impact, for example through increased import tariffs or even escalation into a trade war, could have adverse effects on the international economic situation and, consequently, on the business of the Company. Tensions and risks of a trade war have further increased since the beginning of 2025 when the administration of the United States announced that it is imposing and contemplating to impose new import tariffs on China, Mexico, Canada and the European

Union, among others. Macroeconomic and international market conditions are likely to continue to be affected by, inter alia, risks of continued slow economic growth and changes in trade policies across countries (including possible customs duties or tariff increases), threat of other geopolitical events (including war, mobilisation, military conflicts and hybrid interference such as cyber-attacks) and development of energy prices. Any of the aforementioned political or economic uncertainty may lead to an adverse effect on Bioretec's business operations.

Risks related to product development, manufacturing and commercialisation of products

The loss of market approvals for its products, failure to obtain new market approvals or a prolonged duration of application processes may have a material adverse effect on Bioretec's business.

Bioretec is a growth-stage company whose future outlook and future profit-making ability are materially dependent on the success of the clinical tests and commercialisation plan for the Company's new magnesium-based and hybrid composite based products. The progress of the approval process of the Company's new products is partly beyond the control of Bioretec, and thus Bioretec is unable to influence, for example, how long it will take the authorities to process the market approval applications for the products. For example, obtaining the CE mark (granted in January 2025) for RemeOs™ Trauma Screw product portfolio took significantly longer than expected. Additionally, there are no assurances that the authorities will grant Bioretec the market approvals it is applying for.

After granting market approvals, the authorities in the countries where Bioretec's products are sold exercise post-permit supervision on Bioretec. For example in the European Union, a market approval (CE marking) is valid for five years at a time, after which the notified body may extend the market approval for five years at a time if the post-market surveillance supports the continuation of the market approval. There can be no assurance that the supervision to which Bioretec is subject does not reveal factors that could have an impact on the validity of the market approvals, and no assurance that Bioretec's market approvals will be extended on the basis of an application for renewal. Bioretec may also lose a granted market approval, for example, because of safety deficiencies emerging in the products. The loss of market approvals for its products, failure in obtaining new market approvals or a longer-than-expected duration of application processes may have a material adverse effect on Bioretec's business operations.

In clinical trials or clinical use, Bioretec's new generation magnesium and hybrid composite based products may prove to be unfit for their intended purpose or have safety defects or they may not generate sufficient demand.

Bioretec received market authorisation for the RemeOs™ Trauma Screw in the United States in March 2023 and in Europe in January 2025. Bioretec's future outlook and profit-making ability are materially dependent on whether the Company will succeed in gaining the next market approvals for its magnesium-based products in the United States and Europe, but also on whether the clinical studies on the products belonging to Bioretec's new product family are successful. Bioretec also intends to bring to the market other magnesium-based and hybrid composite based products belonging to the RemeOs™ product family than the RemeOs™ Trauma Screws, and these products are still in the development phase. Since a large proportion of Bioretec's products belonging to the RemeOs™ product family are still in the development or trial phase, there are no assurances as to whether they will be suitable for their purpose, safe and effective and whether they can thus be commercialised according to plan or at all. Should Bioretec's products fail to pass the necessary clinical tests and therefore do not progress to the commercialisation stage according to the planned timetable or at all, Bioretec will not be able to execute its commercialisation plan according to plan, which could lead to a significant deterioration in the Company's future outlook and future profit-making ability and it could be possible that Bioretec would not, in this case, be able to turn its business profitable at all.

It is also possible, that the end users of the products, i.e. surgeons and hospitals, will not perceive the benefits of the products of the RemeOs™ product family in clinical use, or that the benefits of the products will prove to be less than expected in clinical use, in which case the products may not generate sufficient demand. Since Bioretec's future outlook and future profit-making ability are materially dependent on whether the development and commercialisation for the Company's new magnesium-based and hybrid composite based products will succeed, insufficient demand for the new products would lead to a significant deterioration in the Company's future outlook and future profit-making ability and it could be possible that Bioretec would not, in this case, be able to turn its business profitable at all. Consequently, failure in the research and development phase of the new generation products or their insufficient demand may have a material adverse effect on Bioretec's business operations.

Bioretec may fail in concluding cooperation and licensing agreements or marketing its new products, both of which are material for the growth of its business, as a result of which Bioretec's products may not reach the market position envisaged for them.

Bioretec's future outlook and future profit-making ability are materially dependent on the success of the commercialisation plan for the Company's magnesium-based and hybrid composite based products. As part of Bioretec's commercialisation

plan for its magnesium-based products in the United States, Bioretec has, through a service provider, established a distribution centre and, through its distributors, a sales organisation in the United States, and has carried out the induction into the use of the new products through regional key opinion leaders, which has further enhanced the commercialisation. Convincing and committing these key opinion leaders play thus a significant role in the commercialisation and marketing of Bioretec's products. Committing the key opinion leaders requires the Company to succeed in convincing key opinion leaders of the benefits and safety of its products and of the added value the products create. It is possible that Bioretec fails to commit the key opinion leaders and thus fail to market and commercialise its new generation products as planned or at all. It is also possible that, despite committing the key opinion leaders, Bioretec will not be able to enter into cooperation and licensing agreements concerning its products or that the users of the products, i.e. hospitals and surgeons, will not adopt Bioretec's products as planned. Failure in the marketing and commercialisation of the products could lead to Bioretec failing to turn its operations profitable within the planned timetable or at all. Failure in the commercialisation of the magnesium-based and/or hybrid composite based products would force the Company to alter its commercialisation plan and, possibly, to develop completely new products, which would result in significant additional costs for the Company. Furthermore, there are no guarantees that the Company would have access to the necessary equity or debt financing to cover such costs.

Difficulties in the deliveries of raw materials used by Bioretec in manufacturing of its products or their weakening availability may cause significant disruptions in production and additional costs for the Company

Bioretec orders the raw materials it uses in its products, such as biopolymers and magnesium alloy, as well as other production inputs, such as the instruments used for installing the implants and components and packaging materials, from external suppliers. In particular, the availability and quality of raw materials that are essential for the manufacturing of the Company's products are essential for the Company to maintain uninterrupted operations. The Company uses one supplier for providing the raw materials for its biopolymer products and magnesium alloy is supplied by one supplier as at the date of this Exemption Document.

Although the Company is not aware of any significant disruptions or delays in raw material deliveries or quality issues in raw materials delivered as at the date of this Exemption Document, and while the Company seeks to ensure the security of supply of raw materials, delivery problems, weaker availability, quality issues or potential recalls of raw materials or other production inputs, or interruptions in their availability, could cause significant production disturbances for the Company. In particular, this risk applies to the raw materials used in Bioretec's products for which there are fewer suppliers than for other production inputs. Significant disturbances and delays in the Company's own production could lead to Bioretec becoming unable to deliver its products to its distributors within the agreed timetable, which could lead to additional costs for the Company. Similarly, finding new suppliers for raw materials or other production inputs could result in additional costs for the Company, thus weakening the Company's results of operations.

Bioretec's earnings may fluctuate and decrease as a result of failures in critical phases of Bioretec's manufacturing processes and/or losing its key customers or their orders, which could adversely affect the Company

Some of the process equipment used in the manufacturing processes of the Company's products has been modified to suit the Company's special needs. Should such equipment suddenly break, it may be difficult to find a supplier of new equipment and the delivery process could be lengthy. For this reason, the breakage of special equipment that is material for the manufacturing of Bioretec's products could cause delays in production and thus have an impact on sales proceeds and the commercialisation timetables for new products, causing unforeseen additional costs. The manufacturing process for the Company's products includes multiple phases. These process phases involve risks that, if materialised, could cause delays in production and thus have an impact on sales proceeds and the commercialisation timetables for new products. In addition to functional manufacturing processes, Bioretec's earnings are dependent on the level of demand in a few key market areas and the timing of the orders received from these key market areas. Should the orders from the main market areas fluctuate or decrease, there may be significant variation in Bioretec's quarterly earnings. As the Company's business is particularly dependent on continuous cash flow due to ongoing development and commercialization projects, a weakening in demand or a significant delay or cancellation of orders could have a substantial impact on the Company's financial performance in a given quarter or financial year.

Terms and conditions of the Offering

Important dates

Event	Date
First trading date without subscription rights	30 May 2025
Record date of the Offering	2 June 2025
The subscription period for the Offering commences	5 June 2025
Trading in the subscription rights commences on First North	5 June 2025
Trading in the interim shares commences on First North	6 June 2025
Trading in the subscription rights ends on First North	12 June 2025

The subscription period for the Offering ends and unused subscription rights become void		19 June 2025
Announcement of the initial results of the Offering	estimated	23 June 2025
Announcement of the final results of the Offering	estimated	24 June 2025
Trading in the interim shares ends on First North	estimated	26 June 2025
The New Shares subscribed for in the Offering are registered in the Trade Register	estimated	26 June 2025
Interim shares are converted into New Shares	estimated	27 June 2025
Trading in the New Shares commences on First North	estimated	27 June 2025

General information on the Offering

In the Offering (as defined below), Bioretec Ltd ("**Bioretec**" or the "**Company**") is seeking gross proceeds amounting approximately up to EUR 9.23 million. The number of all shares in the Company may as a result of the Offering increase from the 24,626,474 existing shares (the "**Existing Shares**", and together with the New Shares (as defined below), the "**Shares**") to up to 30,783,092 Shares in total. Provided that the Offering is fully subscribed, the New Shares will correspond to approximately 20.0 per cent of all Shares following the completion of the Offering. Danske Bank A/S, Finland Branch and DNB Carnegie Investment Bank AB, Finland Branch[1] are acting as the Joint Global Coordinators in the Offering (the "**Joint Global Coordinators**").

The Company has received an irrevocable commitment, subject to certain customary conditions, from Stephen Industries Inc Oy to subscribe for New Shares in the Offering on the basis of all Subscription Rights to be recorded to them (the "**Subscription Commitment**"). The Subscription Commitment represents approximately EUR 1.0 million and approximately 10.4 per cent of the New Shares provided that the Offering will be fully subscribed. In addition, Bioretec has received an underwriting commitment from Stephen Industries Inc Oy to subscribe for any and all New Shares remaining after allocation pursuant to Secondary Subscriptions (the "**Underwriting Commitment**"). Stephen Industries Inc Oy is a company controlled by the Chair of the Board of Directors of the Company, Kustaa Poutiainen. No fee will be paid to Stephen Industries Inc Oy for the Subscription Commitment or the Underwriting Commitment.

In addition, the Company's shareholders, including but not limited to, Ilmarinen Mutual Pension Insurance Company, Handelsbanken Fonder AB, Sijoitusrahasto Säästöpankki Pienyhtiöt, Varma Mutual Pension Insurance Company, Danske Invest, VR Pension Fund, eQ Finland and Aktia Fund Management Company Ltd for and on behalf of mutual funds managed by it, who together hold approximately 38.1 per cent of the Existing Shares in the Company (including the Subscription Commitment by Stephen Industries Inc Oy), have indicated that they intend to subscribe for New Shares in the Offering on the basis of all Subscription Rights to be recorded to them.

The Company has entered into a customary lock-up undertaking with the Joint Global Coordinators for a period of 180 days in connection with and subject to completion of the Rights Issue.

Share issue authorisation of the annual general meeting and the share issue resolution of the Board of Directors

Company’s annual general meeting resolved on 21 March 2025 to authorise the Company's Board of Directors to resolve on issuing up to 7,000,000 new shares. Pursuant to the authorisation, the Board of Directors is authorised to resolve on all terms for share issues and granting of special rights entitling to Shares in the Company. The Board of Directors was authorised to resolve on a share issue and an issue of special rights entitling to shares according to the shareholders' pre-emptive rights and/or in deviation from the shareholders' pre-emptive rights, provided that there is a weighty financial reason for the Company to do so.

Based on the general meeting's authorisation, the Company's Board of Directors on 28 May 2025 resolved on a share issue in which the Company will issue in accordance with the pre-emptive right of shareholders up to 6,156,618 new shares (the "**New Shares**") (the "**Offering**").

Rights to subscribe for New Shares

Right to subscribe for New Shares with Subscription Rights (Primary Subscription)

The New Shares are offered for subscription by the Company's shareholders in the same proportion as they hold Shares in the Company on the record date of the Offering, 2 June 2025 (the "**Record Date**").

Each holder of Existing Shares that is recorded on the Record Date in the Company's shareholder register maintained by Euroclear Finland Oy ("**Euroclear Finland**") will, unless otherwise stated below, receive one (1) subscription right in the form of a book-entry (the "**Subscription Right**") per each (1) Existing Share held by the shareholder. See also "*– Shareholders resident in certain restricted jurisdictions*". The Subscription Rights will be recorded on shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland on 3 June 2025 at the latest.

[1] Name change pending registration.

Each holder of Subscription Rights shall with four (4) Subscription Rights have the right to subscribe for one (1) New Share at the Subscription Price (as defined below) ("**Primary Subscription**"). No fractional New Shares will be issued, and no Subscription Right may be used only in part. Unused Subscription Rights will become void and removed from the holders' book-entry accounts upon the end of the Subscription Period without any notice or compensation. In case the Offering is not carried out, the Subscription Rights cannot be exercised and have no value. In order not to lose the value of the Subscription Right, the holder of the Subscription Rights should either use the Subscription Rights to subscribe for New Shares no later than on 19 June 2025 in accordance with the instructions received or sell any unused Subscription Right no later than on the last trading date of the Subscription Rights on 12 June 2025. Where Existing Shares entitling to Subscription Rights have been pledged or otherwise encumbered, it may not be possible to use the Subscription Rights without the consent of the pledgee or other such rights holder.

Right to subscribe for New Shares not subscribed for in the Primary Subscription without Subscription Rights (Secondary Subscription)

Where not all New Shares are subscribed for in the Primary Subscription, the Company's shareholders and other investors have a right to subscribe for the unsubscribed New Shares without Subscription Rights (the "**Secondary Subscription**") at the Subscription Price. The Company's Board of Directors will resolve on any offering of New Shares not subscribed for with Subscription Rights secondarily to the Company's shareholders and/or other investors, who have given a subscription order to subscribe for New Shares without Subscription Rights. See also *"– Subscription procedure and payment of the Subscription Price – Subscription for New Shares without Subscription Rights in the Secondary Subscription*".

Approval of subscriptions

The Company's Board of Directors will on or about 24 June 2025 (unless the Subscription Period is extended) approve subscriptions made with Subscription Rights and in accordance with these terms and conditions of the Offering and applicable law and regulations. In addition, the Board of Directors will on or about 24 June 2025 (unless the Subscription Period is extended) approve subscriptions made without Subscription Rights and in accordance with these terms and conditions of the Offering and applicable law and regulations by applying the allocation principles set out in "*Subscription procedure and payment of the Subscription Price – Allocation of New Shares subscribed for in the Secondary Subscription*". The Company will on or about 24 June 2025 (unless the Subscription Period is extended) announce the results of the Offering and the aggregate number of New Shares subscribed for by way of a company release.

No notice of approval will be sent regarding the approval of Primary Subscriptions made with Subscription Rights. For approved Secondary Subscriptions, the account operator or asset manager of each investor may decide to deliver a separate notice of approval after the Offering.

Subscription Price and Subscription Period

The subscription price for each Offer Share is EUR 1.5 (the "**Subscription Price**"). The Subscription Price for the New Shares will be recorded in the fund for invested unrestricted equity of the Company. The Subscription Price is based on the Subscription Commitment and indications received by the Company and has been determined based on the negotiations between the Company's major shareholders, investors, the Joint Global Coordinators and the Company.

The subscription period for the New Shares will commence on 5 June 2025 at 9.30 am Finnish time and will end on 19 June 2025 at 4:00 pm Finnish time (the "**Subscription Period**"). The Company's Board of Directors shall have the right to reject subscriptions received after the end of the Subscription Period. The Board of Directors is entitled to extend the Subscription Period. The Company will announce any extension of the Subscription Period no later than on 19 June 2025 by way of a company release. Subscription venues, i.e., account operators, asset managers and nominee custodians may require their customers to give subscription orders on a certain date before trading in Subscription Rights or the Subscription period ends.

Subscriptions are binding and may not be amended or withdrawn. Incomplete or incorrect subscription orders can be rejected. Where the Subscription Price is not paid in accordance with these terms and conditions, the subscription order can be rejected. The Board of Directors may, however, resolve to accept a subscription order or payment of the Subscription Price made by means deviating from these terms and conditions. If the subscription is rejected, the Subscription Price paid will be returned to the subscriber. No interest will be paid on the funds returned.

Trading in Subscription Rights

The Subscription Rights will be subject to trading on Nasdaq First North Growth Market Finland ("**First North**"), a multilateral trading facility maintained by Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") between 10.00 am on 5 June 2025 and 6.30 pm on 12 June 2025 (unless the Subscription Period (as defined below) is extended), provided that Nasdaq Helsinki accepts the Company's listing application. The ISIN code of the Subscription Rights is FI4000590948 and the trading code on First North is BRETECU0125.

Subscription procedure and payment of the Subscription Price

Use of Subscription Rights in the Primary Subscription

Subject to the restrictions set out in "*Shareholders resident in certain restricted jurisdictions*", each shareholder or other investor may participate in the Offering by subscribing for New Shares with the Subscription Rights on their book-entry account and by paying the Subscription Price multiplied by the number of New Shares subscribed for. The Subscription Price shall be paid in its entirety in accordance with the instructions of the account operator, asset manager or nominee upon giving a subscription order. The shareholders and other investors whose Existing Shares or Subscription Rights are registered in the name of a nominee shall give their subscription orders in accordance with the instructions of their nominee.

Subscription for New Shares without Subscription Rights in the Secondary Subscription

Shareholders and other investors may subscribe for New Shares without Subscription Rights by giving a subscription order and by paying the Subscription Price (multiplied by the number of New Shares subscribed for) in accordance with the instructions of the subscriber's account operator, asset manager or nominee.

The Subscription Price shall be paid in its entirety upon giving the subscription order in accordance with the instructions of the account operator, asset manager or nominee. The account operator, asset manager or nominee of the shareholder or other investor shall receive the subscription order and payment no later than on 19 June 2025 (unless the Subscription Period is extended) or at any earlier date and time as instructed by the account operator, asset manager or nominee.

Important information on payment and the validity of subscription orders in the Primary and Secondary Subscription

Subscriptions will be deemed made only once the subscription order has been received by the account operator, asset manager or nominee in accordance with instructions issued by them and the Subscription Price has been paid in full. Incomplete of deficient subscription orders may be rejected. Where the Subscription Price is not paid in accordance with these terms and conditions, the subscription can be rejected. For rejected subscriptions, the Subscription Price paid will be refunded to the subscriber without any interest. **Investors should note that subscription of New Shares, with or without Subscription Rights, is irrevocable and the subscription order cannot be cancelled or amended.**

Allocation of New Shares subscribed for in the Secondary Subscription

If not all of the New Shares have been subscribed for with the Subscription Rights in the Primary Subscription, the Company's Board of Directors will resolve on the allocation of New Shares subscribed for in the Secondary Subscription as follows:

1. First to those who have subscribed for New Shares also with Subscription Rights in the Primary Subscription. If such subscribers oversubscribe the Offering, the allocation to such subscribers shall be determined on a per-book-entry account basis pro rata to the Subscription Rights used to subscribe for New Shares and, if this is not possible, by a drawing of lots.
2. Second to those who have subscribed for New Shares only without Subscription Rights in the Secondary Subscription. If such subscribers oversubscribe the Offering, the allocation to such subscribers shall be determined on a per-book-entry account basis pro rata to the New Shares subscribed for by such subscribers and, if this is not possible, by a drawing of lots.
3. Third to Stephen Industries Inc Oy in accordance with the Underwriting Commitment.

Registration of the New Shares on the book-entry accounts and trading in the New Shares

The New Shares subscribed for in the Offering will be issued as book-entries in the book-entry system maintained by Euroclear Finland.

The New Shares subscribed for with Subscription Rights will be recorded on investors' book-entry accounts as interim shares corresponding to the New Shares (the "**Interim Shares**") after subscriptions have been made and paid for. The ISIN code of the Interim Shares is FI4000590955 and the trading code on First North is BRETECN0125. The Interim Shares will be freely transferable, and trading in the Interim Shares on First North as a separate share series commences on or about 6 June 2025, provided that Nasdaq Helsinki accepts the Company's listing application. The Interim Shares will be combined with the Company's Existing Shares (ISIN code: FI4000480454; trading code: BRETEC) once the New Shares have been registered with the Finnish Trade Register. The combination will take place on or about 27 June 2025 (unless the Subscription Period is extended).

New Shares subscribed for without Subscription Rights will be recorded on the subscriber's book-entry account as Shares on or about 27 June 2025 (unless the Subscription Period is extended). Trading in the New Shares will commence on First North on or about 27 June 2025 (unless the Subscription Period is extended). The Shares, including the New Shares, are freely transferable.

Shareholders resident in certain restricted jurisdictions

The granting of Subscription Rights to the Company's shareholders, the issuance of New Shares to subscribers who have used their Subscription Rights and subscriptions for New Shares in the Secondary Subscription may be affected by the securities laws of the subscriber's domicile, if the subscriber is resident in a country other than Finland. As a result, subject to certain exceptions, shareholders whose registered address is in the United States, Australia, Canada, Hong Kong, Japan, New Zealand Singapore or South Africa or in any other jurisdiction where it would be prohibited to participate in the Offering may not necessarily receive Subscription Rights or be entitled to subscribe for New Shares. Each such shareholder recorded in the Company's shareholder register in Finland may, through the bank, nominee, depositary or other financial intermediary where its Existing Shares are in custody, sell a part or all of the Subscription Rights managed on the shareholder's behalf, to the extent permitted by contractual arrangements and applicable law, and receive proceeds from the sales (net of expenses) on their account.

Shareholder rights

The New Shares will confer right to dividends and other shareholder rights from their registration with the Finnish Trade Register and their delivery on the investor's book-entry account, on or about 27 June 2025 (unless the Subscription Period is extended). The New Shares will from the registration and delivery on the book-entry account confer the same rights as the Company's other shares.

Fees and expenses

No fees or other expenses will be charged to investors for subscribing for New Shares. Account operators, asset managers and nominees, as well as brokers, that execute orders relating to the Subscription Rights, may charge a commission for such actions in accordance with their fee schedules. Account operators may also charge fees in accordance with their fee schedules for the maintenance of book-entry accounts and for custody and transfers of shares. No transfer tax is levied on the subscription of New Shares.

Applicable law and dispute resolution; other matters

The Offering is governed by Finnish law. Any disputes arising in connection with the Offering shall be settled by a court of competent jurisdiction in Finland. In the event of any discrepancies between the original Finnish version and the English translation of these terms and conditions, the Finnish version shall prevail.

The Board of Directors of the Company will decide on any technical matters and practical measures relating to the Offering and the issuance of the New Shares. The Company's Board of Directors may decide not to approve the subscriptions and not to carry out the Offering.

By subscribing for New Shares in the Offering, each subscriber will be deemed to have authorised its account operator, asset manager or nominee to disclose any necessary personal information, the number of the subscriber's book-entry account and details regarding the subscription to such persons who take part in executing the subscription order or in the allocation and settlement of New Shares.

Dilution and shareholding after the Offering

The total number of the Shares issued and outstanding as at the date of this Exemption Document is 24,626,474 and a maximum of 6,156,618 New Shares may be issued in connection with the Offering provided that the Offering is fully subscribed. Accordingly, as a result of the Offering the number of Shares may increase preliminary to a maximum of 30,783,092 Shares assuming that the maximum number of New Shares would be subscribed. This would result in approximately 20.0 per cent dilution of the total shareholding of current shareholders with the assumption that none of the current shareholders subscribe for the New Shares.

Characteristics of the securities

As at the date of this Exemption Document, Bioretec's share capital amounts to EUR 3,748,592.19 and the total number of Shares issued and outstanding is 24,626,474. As at the date of this Exemption Document, Bioretec does not hold its own shares. Bioretec has one share class. Each Share has equal voting rights and all Shares of the Company provide equal rights to dividend. There are no voting restrictions related to the Shares. The Shares do not have a nominal value. The Shares have been issued in accordance with Finnish laws and all Shares have been paid in full. The Shares are denominated in euros. The ISIN code of the Shares is FI4000480454. The Shares are listed for trading on First North under the trading code BRETEC.