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working world**

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AUDITOR'S REPORT (Translation of the Finnish original)

To the Board of Directors of Bioretec Oy

Opinion

I have audited the consolidated financial statements of Bioretec Oy (business identity code 1474196-9) which comprise the balance sheet, the income statement, cash flow statement and notes for the group for the periods ended 31 December 2020, 31 December 2019 and 31 December 2018 as well as the financial statements of the parent company which comprise the balance sheet, the income statement and notes for the periods ended 31 December 2020 and 31 December 2019.

In my opinion

- the consolidated financial statements give a true and fair view of the group's financial performance and financial position for the periods ended 31 December 2020, 31 December 2019 and 31 December 2018 in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements
- financial statements of the parent company give a true and fair view of its financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

I conducted my audit in accordance with good auditing practice in Finland. My responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of my report. I am independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to my audit, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I want to draw attention to the note "Going Concern" in the financial statements. The parent company incurred a loss of 2.138.875,43 euro for the period ended 31 December 2020. As explained in the notes, the parent company's internal financing is not sufficient to cover operating costs, and the parent company's business operations require additional financing also during the coming accounting period. These matters indicate a material uncertainty relating to the parent company's ability to continue as going concern. My opinion is not modified in this respect.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Other matter

This auditor's report has merely been issued to be included in the prospectus prepared in accordance with the Regulation of the European Parliament and of the Council (EU) 2017/1129 and with the Commission Delegated Regulation (EU) 2019/980. I have issued to the Annual General Meeting an auditor's report dated 29 March 2021 on the financial statements of Bioretec Oy for the period ended 31 December 2020.

Turku 29 March 2021

Erika Grönlund
Authorized Public Accountant