Bioretec Ltd
Annual Report 2022

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Bioretec Ltd's Financial Statements 2022 is available at **www.bioretec.com/investors/investors-in-english/reports-and-presentations**

Pioneer in bioresorbable orthopedic implants and reformer of surgical treatment

> Our products bring significant benefits to both the patient and the healthcare system, and thus to society as a whole.

Bioretec is a globally operating Finnish medical device company that continues to pioneer the application of bioresorbable orthopedic implants. The company has unique expertise combining materials engineering and biochemistry in active implants that promote bone growth and accelerate fracture healing after orthopedic surgery. The products developed and manufactured by Bioretec are sold worldwide in approximately 40 countries.

> Our innovative, high-quality bioresorbable products improve patient healing and safety.

Bioretec is currently developing the new RemeOs™ product family based on a next generation of strong bioresorbable materials, magnesium alloy and hybrid composite, with better strength characteristics than previous generations of bioresorbable implants, allowing for broader indications and better clinical outcome. The RemeOs™ implants are resorbed and replaced by bone, which eliminates the need for removal surgery while facilitating fracture healing. With these products, it is possible to replace certain titanium implants of the upper and lower extremities and help clinics reach their Value-Based Healthcare targets while focusing on wellbeing of patients through efficient healthcare. With the market authorization for the first RemeOs™ product in the U.S. expected in April 2023, and in the EU during 2023, Bioretec is positioning itself to enter the addressable over USD 7 billion global orthopedic trauma market .

Established in 2003 and headquartered in Tampere, Finland, Bioretec employed 28 professionals at the end of 2022. In addition, the company's operations are supported by the Scientific Advisory Board consisting of distinguished international surgeons. Bioretec's shares are listed on the Nasdaq First North Growth Market Finland marketplace.

Bioretec's goal is to improve patients' quality of life with its bioresorbable products and provide significant benefits to patients, the healthcare system and society as a whole

Benefits to patients

- The patient's quality of life improves: patient avoids implant removal surgery and subsequent pains, as well as the risks of complications typically associated with it, such as nerve damage, inflammation and fracture of the bone after removal.
- The patient avoids hospitalization, sick leave and possible loss of income associated with the implant removal surgery.
- Because the RemeOs™products do not contain rare earth elements, the patient does not have to worry about long-term effects caused by the accumulation of the product in the body or other possible negative reactions in the body.

Benefits to healthcare units

- Bioresorbable products allow surgeons to focus on value-added treatments rather than on removal surgeries.
- Unlike with traditional titanium and steel implants, magnetic resonance imaging (MRI) is possible after using bioresorbable implants.
- The RemeOs™ products do not require re-training of surgeons, as their use and surgical methods are consistent with traditional metal implants.

Benefits to society

- The use of the resources in the healthcare system becomes more efficient: the society avoids the costs of removal surgeries caused by treatment and lost productivity. In a country the size of Germany, the costs have been calculated to be more than EUR 1 billion per year[1].

[1]) Source: Destatis, Robert Koch Institute, Federal Health Report, refers to year 2014.

Key figures 2022

EUR 2.9 M
(EUR 2.0 M)
Net sales

EUR 2.1 M
(EUR 1.4 M)
Sales margin

72.7%
(68.7%)
Sales margin, % of net sales

EUR -2.1 M
(EUR -2.5 M)
EBITDA

28
(26)
Employees at end of year

28.1%
(34.7%)
Share of R&D spend on total costs

Established **2003**

Products sold in **~40** countries

7 CE-marked product families

~240 implants

>350,000 items sold

Excited about receiving the market approvals in the U.S. and Europe

Highlights of the year included the U.S. market approval application submission of the game-changing bioresorbable RemeOs™ trauma screw to enable entry into the world's largest orthopedic market, supported by excellent in vivo and clinical evidence of the unique properties of the RemeOs™ technology, and a nearly 50 percent increase in sales of the Activa product family, resulting in record high sales for 2022, close to EUR 3 million.

Commercialization of RemeOs™ trauma screw approaching

At the beginning of 2023, the RemeOs™ trauma screw continues on the path to being the first bioresorbable metallic orthopedic implant in the US market, the world's largest and most profitable market.

We began the year 2022 with a strong focus on our first-ever U.S. De Novo application request for the bioresorbable magnesium alloy RemeOs™ trauma screw initially based on the Breakthrough Device Designation-status, received in 2021. After submitting the De Novo Request last May, we delivered clarification request responses to the FDA (U.S. Food and Drug Administration) within their required deadlines in the last quarter of the year. Based on this progress and the FDA has, according to its internal guidelines, a maximum of 90 days to make a decision, we expect to have market authorization in the U.S. in April 2023.

We are excited about receiving the market approvals not only in the U.S. but also in Europe during the forthcoming year, as the submission of the EU market authorization (CE mark) application for RemeOs™ trauma screws took place right at the end of 2021. We expect the European CE mark approval to be received later in the year as the number of applications resulting from the change in regulations (MDR) has overwhelmed the notified bodies and the average approval time is currently around 18 months.

Net sales grew 47 % year on year

The first half of the year already showed strong sales with 36% growth year-on-year, and the trend even improved during the second half yielding a substantial 59% growth. Our full-year 2022 net sales grew approximately 47 percent from the previous year. I am very pleased with the net sales growth of our current Activa products, as well as the fact that profitability remained approximately at the same level as in 2021, despite it was affected by the increase in raw material, logistics, and energy costs caused by inflation and the global political situation.

One main growth driver has been our investment in long-term partnerships with our distributor network and key opinion leaders (KOLs). Our renewed education and product training programs for customers in both legacy and new markets e.g., Israel, have been a key element of our relationship development. Additionally, post-coronavirus pandemic resource shortages have been a driving force for increased demand for bioresorbable products that reduce both the number of surgeries and hospital stays. The competitive pricing of our products along with our good customer relationships have furthermore contributed to sales growth in several market areas.

A big appreciation belongs to our committed team for enabling and generating growth. Our team has worked tirelessly to further strengthen our existing customer relationships, acquire new customer relationships, and ensure deliveries correspond to the significantly increased demand.

Entering 2023 with a positive momentum

As a result of the growing demand for our products, we have during the year 2022 focused on increasing the capacity and capability of the production. In addition, we are currently evaluating alternative financial means to support our continued growth, the expansion of our production capacity, and most importantly, the commercialization of our new technology.

We are entering 2023 with positive momentum after our first full year as a listed company. The year 2022 accelerated our transition to becoming one of the leading companies in the growing orthopedic bioresorbable trauma product market with our submission for both the CE mark (Europe) and FDA approval (US) of our innovative and novel RemeOs™ bioresorbable metal screw. When cleared, RemeOs™ will be the first bioresorbable metallic trauma screw in the U.S. market. We are genuinely excited about preparing for the launch of our products and the start of sales in these markets this year.

In addition to our team, I would also like to warmly thank our customers, partners, and shareholders for their trust in Bioretec.

Timo Lehtonen
CEO

> We are entering 2023 with a positive momentum.

Highlights of 2022

U.S. market authorization application for the RemeOs™ trauma screw progressed

In May 2022, we submitted a market authorization request for the RemeOs™ magnesium screw to FDA, and in December we supplemented the authorization request. We expect to have market authorization in the U.S. in April 2023.

Hybrid composite patent approved in EU

In September 2022, the European Patent Office announced that it shall approve our hybrid composite material patent application. The hybrid composite material is meant to be used in those products of Bioretec's RemeOs™ product family that require very high load-bearing capacity, such as intramedullary nails in the long bones of the upper and lower extremities and implants for spinal fusion.

Convincing results of clinical studies

The bioresorbable children's intramedullary Activa IM-Nail™ showed convincing interim results in the Post-Market Clinical Follow-up study for the treatment of children's forearm fractures. Also an investigator-initiated multi-center clinical trial to treat pediatric wrist fractures (Distal Radius) with Activa IM-nail continued, and at the end of the year 2022, approximately 73% of targeted pediatric patients had been treated.

Net sales grew considerably

Our net sales grew from EUR 2 million in 2021 to EUR 2.9 million or 47 percent. 39% of net sales came from Europe, 2% from the U.S., and 59% from the rest of the world.

2022 **May** **September** **November** **December**

Key figures

EUR 1,000	2022	2021	Change, %
Net sales	**2,942**	2,003	46.9%
Sales margin	**2,139**	1,376	55.4%
Sales margin, %	**72.7%**	68.7%	
EBITDA	**-2,112**	-2,497	-15.4%
EBIT	**-2,292**	-2,666	-14.0%
Net profit (loss)	**-2,416**	-6,017	-59.8%
R&D spend on total costs, %	**28.1%**	34.7%	
Equity ratio, %	**55.2%**	50.6%	
Cash and cash equivalents	**1,223**	6,621	-81.5%
Earnings per share (undiluted)	**-0,17**	-0.43	-59.8%
Earnings per share (diluted)	**-0,12**	-0.31	-59.7%
Number of shares at the end of the period*	**14,111,858**	14,111,858	
Number of shares (diluted)*	**19,608,126**	19,679,006	
Personnel at the end of the year	**28**	26	7.7%

*) Number of personnel at the end of the period.

A bioresorbable implant supports natural healing

Bioretec develops, manufactures and sells bioresorbable orthopedic implants for the fixation of bone and soft tissue injuries. The company aims to be the first to commercialize bioresorbable metal implants in the U.S. market. Commercialization is expected to begin immediately after receiving market authorizations.

Over the past ten years, more than 350,000 Bioretec products have been sold worldwide. Bioretec has a comprehensive product portfolio of CE-marked products that meet EU directives; 7 product families used for repair of bone and soft tissue injuries with approximately 240 bioresorbable implants, 4 surgical trays and about 100 surgical instruments. Most of the products in the current product portfolio are also approved by the authorities in the United States and several other countries. The company's customers include public and private healthcare units and hospital districts, to which products are mainly sold through the distribution network.

The first product of Bioretec's new RemeOs™ product line, the trauma screw, is a bioresorbable magnesium-based implant for fracture fixation on adult patients. The company's aim is to obtain a market authorization for the RemeOs™ trauma screw on the U.S. market in April 2023 and in the European Union during 2023, and to commercialize other products in the product family approximately in 2024–2027.

RemeOs™ trauma screws contain bioresorbable metal consisting of natural elements found in the human body, magnesium, calcium and zinc, which support the formation of new bone and the healing process. The alloy does not contain rare earth elements foreign to the body, which are present in some of the other bioresorbable metal products on the market.

Future RemeOs™ products, RemeOs™ DrillPin, RemeOs™ IM-Nail and RemeOs™ spinal cage, are also suitable for applications requiring higher load capacity, such as the femur and tibia or spine, where it has not previously been possible to use bioresorbable implants.

In many cases, the use of non-bioresorbable metal implants leaves areas in the bone that may never be ossified again after implant removal, but soft and scar tissue is formed in its place. This can make the bone weaker and predispose it to new fractures. Bioretec's RemeOs™ implants completely resorb in the human body in approximately 2–3 years, while gradually transferring the load to the healing bone, allowing the bone to gain its natural strength, unlike when using traditional non-bioresorbable implants.

Bioresorbable implants also do not cause the so-called stress shielding phenomenom typical of metallic implants, which can result in the slowing down of bone regeneration and dissolution of bone. If a metal implant bears a load on behalf of the bone, the bone will be structurally weakened because it will not be exposed to normal stress. For the patient, using a bioresorbable implant means faster healing, less pain and side effects, and a better quality of life.

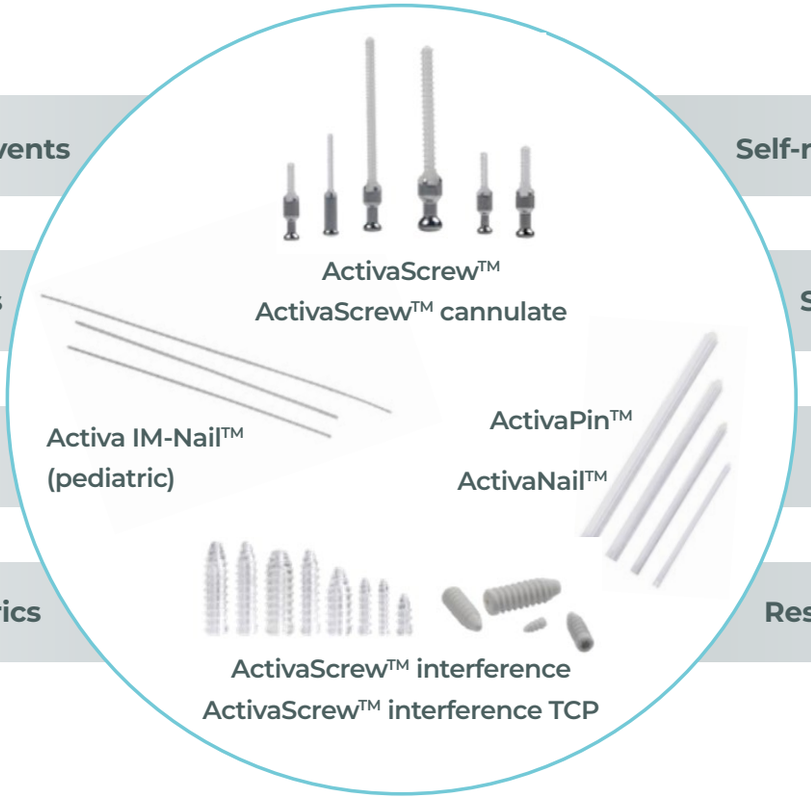
Bioretec's Activa product portfolio, already on the market, consists of bioresorbable biopolymer products for pediatrics, trauma and sports surgery. The products are used in small bones and soft tissue where high load carrying capacity is not required. The latest product in the product family is the Activa IM-Nail™, the world's first fully bioresorbable intramedullary nail for forearm fractures in children and adolescents. Bioretec aims to extend the indications of the product to the treatment of wrist fractures in children, among others, and a clinical trial is underway to support this.

The products in the new RemeOs™ product line will replace some of the Activa products in the future. The use of Activa IM-Nail™ in pediatrics is likely to continue also after the launch of the RemeOs™ product line.

Bioretec's Activa product line based on self-reinforced biopolymer is the basis for the future RemeOs™ product family

Current Activa products

- No adverse events
- For non-load bearing applications
- No need for removal surgery
- Designed products for pediatrics
- Self-reinforcement technology
- Strength retention 8 weeks
- Fully bioresorbable
- Resorbs safely in app. 2 years



Manufactured of self-reinforced bioabsorbable polymer (PLGA[1])

[1]) The poly L-lactide-co-glycolide copolymer has a long history in medical use, and the monomers, building blocks of PLGA, are part of the normal chemistry in cells.

The benefits of the RemeOs™ product family are based on the innovative bioresorbable metal (Mg-Zn-Ca)

Our new RemeOs™ product line[1] will be available in 2023

- Common surgical techniques
- From natural elements Mg-Zn-Ca
- No stress shielding
- Has metallic properties
- No need for removal surgery
- Enhances bone healing
- Reduces overall costs
- Resorbs safely in app. 2 – 3 years

RemeOs ™ trauma screw (Mg-Zn-Ca)

RemeOs™ DrillPin (Mg-Zn-ca)

RemeOs™ IM-Nail (hybrid composite)

RemeOs™ spinal cage (hybrid composite)

Manufactured from RemeOs™ alloy[2] and patented hybrid composite[3]

[1]) Final indications and anatomical locations of RemeOs™ products in each market depend on regulatory approvals in connection with each product's market authorization.
[2]) Magnesium alloy based on all-natural elements. No Rare Earth Elements (REE).
[3]) Hybrid composite is based on RemeOs™ magnesium alloy containing one bioresorbable polymer matrix combined with two different bioresorbable reinforcements.

Supporting commercialization

> Our main near-term target is to commercialize the RemeOs™ trauma screw in the U.S. and Europe.

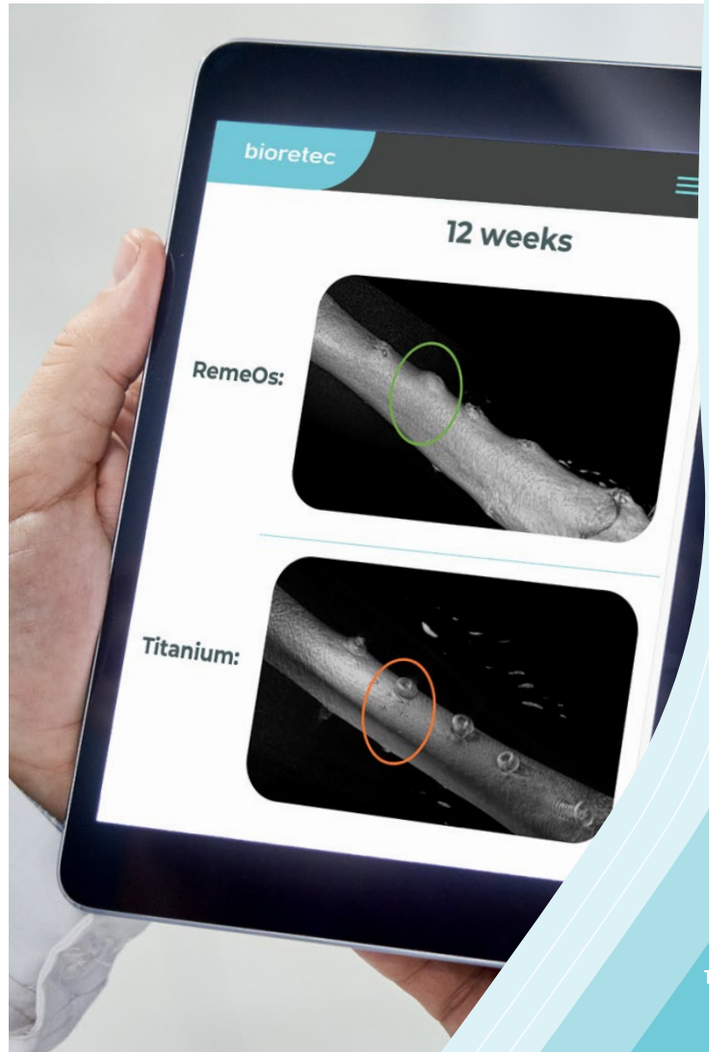
As Bioretec's main short-term target is to commercialize the RemeOs™ trauma screws in the United States and Europe, research and development in 2022 concentrated on registration activities and achieving market authorizations in these geographical areas. Additionally, the company received positive results from ongoing clinical trials, further validating the benefits of Activa products.

The new RemeOs™ product family

The RemeOs™ implants are made from bioresorbable metal (magnesium-calcium-zinc). They are resorbed and replaced by bone and eliminate the need for implant removal surgery while facilitating fracture healing. The first RemeOs™ products, trauma screws based on magnesium alloy, have passed a clinical trial with excellent results and are showing complete radiological disappearance of the screws in the follow-up study of three years without product-related adverse events and complications. In May 2022, Bioretec submitted a market authorization request in the U.S. for its RemeOs™ trauma screw. During the De Novo request process, the FDA has requested clarifications and additional justifications for the submitted application. As per FDA internal guidelines for the De Novo process, Bioretec delivered the required additional information within the deadline. After the receipt, the FDA has a maximum of 90 days to decide. Therefore, the expected approval date was transferred to April 2023.

In December 2021, Bioretec applied for a CE mark for the RemeOs™ trauma screw in the European Union and at that time, estimated the approval time to be around 12 months. Due to the reasons not related to the company or the product, but to the prolonged approval times in the EU (average 18 months), the CE mark application is still being processed. The workload of the Notified Bodies and the delay in the handling times are caused by the transition from the MDD (Medical Device Directive) to the MDR (Medical Device Regulation) exceeding the capacity of the Notified Bodies to handle the applications. Bioretec is still waiting for feedback from its Notified Body on the main sections of the submitted application. For these reasons, the company's target to have a CE mark has been postponed from 2022 to 2023, and more precise estimations cannot be given at this stage. On 9 December 2022, the EU Council decided to support a proposal to postpone the MDR deadlines of the legacy devices to a later date (from the earlier date of 26 May 2024) to ease the workload of the Notified Bodies. On 16 February 2023, the Commission and the EU Council decided to extend the MDR deadline to 2027-2028, depending on the risk classification of the product.

In addition to trauma screws, Bioretec is also developing three other products for the RemeOs™ product family: RemeOs™ DrillPin (K-wire), IM-Nail, and spinal cage. These products are currently in the product development, feasibility, and research phase, and the company intends to commercialize them one product at a time in 2024–2027. Contract negotiations for RemeOs™ DrillPin's clinical trials and the study sites responsible for their implementation are ongoing. When the innovative and novel RemeOs™ bioresorbable metal material is approved by the FDA during the current De Novo application, we expect a more straightforward regulatory process with other upcoming products utilizing the same material, but simply with new indications.



Current Activa product family

Bioretec is also developing the properties and application areas of its current commercially available products, the Activa implants. Activa implants are bioresorbable implants made of PLGA (poly-lactide-co-glycolide copolymer), with a long history of medical use.

The bioresorbable children's intramedullary Activa IM-Nail™ showed convincing interim results in the Post-Market Clinical Follow-up study for the treatment of children's forearm fractures. Forearm fractures are a common injury in children and adolescents. The traditional metal implant is nevertheless always removed after the fracture has healed. The published interim results of the international Post-Market Clinical Follow-up (PMCF) study indicate that the use of Activa IM-Nail™ in diaphyseal pediatric forearm fractures with regard to various study objectives, including the clinical outcome, postoperative complications, and refracture rate, is equal to the standard titanium procedure, but with a benefit of avoiding secondary implant removal operation. The study assesses the safety and effectiveness of Activa IM-Nails™ as part of the surgical treatment of dislocated forearm fractures in children between 3 and 13 years of age. A prospective multicenter study is continuing as planned in many European countries to ascertain the rate of refracture and to determine the subjective benefits of Activa IM-Nail™ for patients, their parents, and other caregivers. At the end of the year 2022, approximately 60% of targeted pediatric patients had been treated.

During 2022, an investigator-initiated multi-center clinical trial was ongoing to treat pediatric wrist fractures (Distal Radius) with Activa IM-Nail™. Distal radius fractures are very common in pediatric patients, and severely displaced fractures may require surgical intervention. The current best practice surgical (golden standard) method is percutaneous titanium or stainless steel Kirschner wires (K-wire) osteosynthesis that is followed by immobilization and always removed with a second intervention. The ongoing clinical study is executed as a comparative trial with the K-wires. The study is running according to the plan, and at the end of the year 2022, approximately 73% of targeted pediatric patients had been treated.

The need to prioritize healthcare resources and additionally the healthcare sector manpower shortages may also impact Bioretec's ongoing and forthcoming clinical trials. Updates will be provided when applicable.

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The bioresorbable children's intramedullary Activa IM-Nail™ showed convincing interim results in the Post-Market Clinical Follow-up study for the treatment of children's forearm fractures.

Our strategy focuses on the commercialization and development of new RemeOs™ products

Bioretec's goal is to improve people's quality of life globally, with an innovation that can heal bone fractures more durably and with fewer surgeries.

Vision Bioretec's vision is to become a globally recognized medical device company and a leader in bioresorbable metal implants.

Mission Bioretec's mission is to introduce novel, innovative, high-quality bioresorbable surgical devices which improve patient healing, safety and cost-efficiency in clinical care.

Bioretec's strategy

1 Expansion into market segments with high potential

Commercialization of the RemeOs™ trauma screws

In the United States and in Europe

- through own sales organization or through distributors

During 2023

Development and commercialization of other products in the RemeOs™ product family

- RemeOs™ DrillPin 2024
- RemeOs™ IM-Nail 2026
- RemeOs™ spinal cage 2027-

2024–2027

2 Maintaining world-class talent and capabilities in the organization

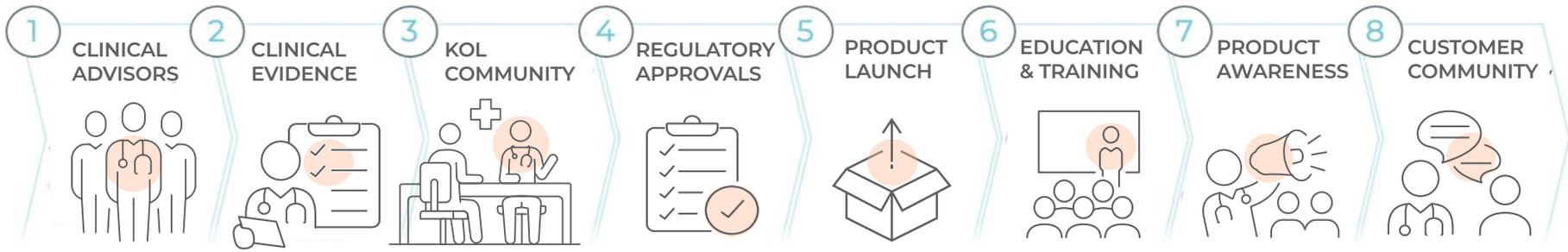
We endorse a winning culture, which commits the current employees to the company and attracts new talent with a high level of competence.

3 Focus on achieving high profitability

We aim to improve profitability through operational efficiency and lean organization.

RemeOs™ commercialization activities in 2023

U.S. and EU commercialization plan follows the industry best practices through KOL's, education and training to create product awareness



1-3
Key Opinion Leader Community engagement on-going.

4
Regulatory approvals on-going in U.S. and EU.

5
Preparations on-going for product introduction in EU and U.S. Key hospitals for launch identified in U.S. together with experienced local S&M advisors.

6-8
Participation in forthcoming orthopedic key conferences (ACFAS, AAOS, EPOS, EFFORT, etc.).

> **The role of the company's international Scientific Advisory Board is to support operations throughout the life cycle of products from early concepts through product development to commercialization and continuous product support.**

Scientific Advisory Board

The role of Bioretec's international Scientific Advisory Board is to support Bioretec's operations throughout the life cycle of products, from the initial concepts through product development to commercialization and continuous product support. The committee serves as a channel for opinion leaders, experienced surgeons who lead the way in the introduction of new technologies in their areas of expertise. Its members are top-notch internationally distinguished surgeons.

Prof. Dr. Klaus Dresing, Germany

Chairman of the SAB since 2021

Chairman of the AO Alumni Association, member of the AO Trauma International Board

Specializes in trauma surgery

Prof. Dr. Fan Liu, China

Member of the SAB since 2021

Vice President, Chief and Professor in Department of Orthopedic Surgery, Affiliated Hospital to Nantong University

Specializes in trauma surgery

Prof. Dr. Theddy Slongo, Switzerland

Member of the SAB since 2023

Head of Pediatric Surgery and Child Traumatology, Children's Clinic, Bern

Specializes in pediatrics

Prof. Dr. Jeffrey Wang, USA

Member of the SAB since 2023

Professor of Orthopaedic Surgery and Neurosurgery, the Keck School of Medicine at the University of Southern California (USC)

Specializes in spinal surgery

Prof. Dr. Richard Assaker, France

Member of the SAB since 2023

Professor in Neurosurgery, Hopital Roger Salengro, Lille

Specializes in spinal surgery

Large and steadily growing market

Bioretec operates in the global market for orthopedic products, which in 2021 had a turnover of approximately USD 53.6 billion and which is estimated to have surpassed USD 55.5 billion in 2022, growing +3.4% versus 2021. The market growth after 2021 is nearly on the pre-pandemic level even with macroeconomic challenges, such as supply chain disruption, inflation, and staffing shortages, which are forecasted to persist into 2023.

> In orthopedic trauma products, the largest geographic market is the United States with a 65% share in 2021.

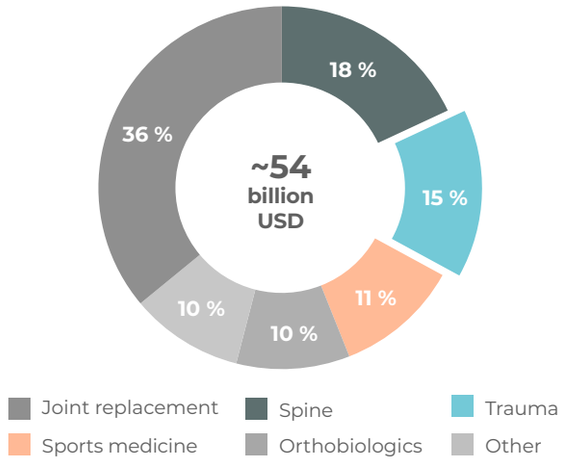
The main market segment for Bioretec's products is the orthopedic trauma products market, which in 2021 was approximately USD 7.8 billion globally. It is estimated to have reached USD 8 billion in 2022, with a growth of +3.8%.

In orthopedic trauma products, the largest geographic market is the United States with a 65% share in 2021; the United States is expected to remain the most important market also in the future.

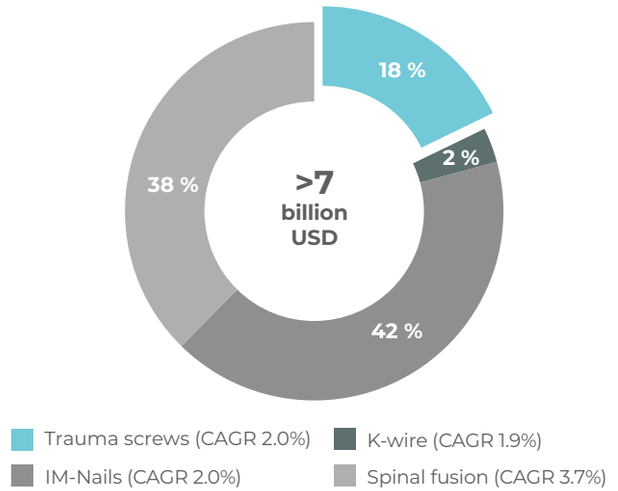
In the long term, the market for orthopedic trauma products is expected to continue to grow. From 2022 to 2025, the market for orthopedic trauma products is expected to grow annually by about 4.3%.

The biggest driver of the market for trauma products is the increase in the number of fractures, especially as the proportion of the elderly population increases. Additionally, obesity and certain diseases (e.g., osteoporosis and diabetes) increase fracture risk. The world's aging population and the growing number of bone fractures are global health challenges. We believe that our innovative products can provide an important and valuable solution for orthopedic treatment.

Global Orthopaedics Products Market 2021



Total addressable market for Bioretec's products



[1]) Source for market forecasts: Orthoworld: The Orthopaedic Industry Annual Report 2022 ja Orthopedic Market 2022 Projections & 2023 Outlook.

Market trends

The share of the elderly population is increasing

Older people have a higher risk of bone fractures, so the increase in the proportion of elderly population supports the growth of Bioretec's addressable market.

The number of trauma is increasing

The number of fractures is expected to increase with, for example, the increasing popularity of diverse extreme sports and prevalence of obesity.

Lack of operation room and healthcare professional capacity

When traditional metal implants are used, a secondary removal operation is often needed, and especially in children these implants are almost invariably removed. By using bioresorbable implants,no removal operation is required. This provides extra healthcare capacity and reduces operating room queues.

Growing demand for advanced orthopedic implants

Patients a re increasingly aware of different treatment methods, which supports the demand for bioresorbable orthopedic implants.

Value Based Healthcare

Value-based healthcare is a means of allocation of resources for cost-effective treatment, whereby the value produced by healthcare is measured by relating the benefit obtained to the incurred costs. In other words, the ratio of the patient's health benefits and costs.

Bioresorbable materials becoming more commonly used, small innovative companies lead the development

Use of bioresorbable materials becomes more common

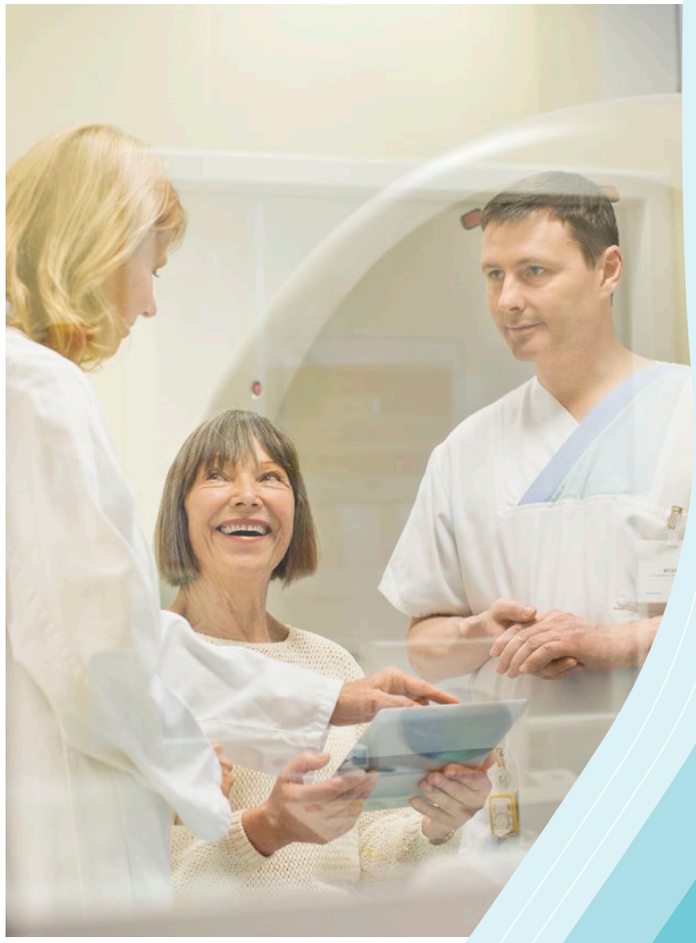
The most common materials for manufacturing orthopedic trauma screws are currently titanium and stainless steel. Due to its low cost, stainless steel has a strong position in the emerging markets in particular. In its current and future products, Bioretec uses bioresorbable materials, such as biometals, biopolymers and biocomposites, and a combination of biometals and biocomposites, and these materials are expected to become more common in developed countries. Bioretec estimates that bioresorbable trauma screws will be competitive on the market compared to existing bioresorbable trauma screws and to titanium and steel implants. In the United States, titanium is estimated to account for 55%, stainless steel for 26% and bioresorbable materials for 19% of the trauma screw market in 2023.[1]

Small companies as innovators

While there are hundreds of companies operating in the market for orthopedic products, the market is mainly concentrated in a small number of large companies. Seven of them had a revenue of more than USD 1 billion in 2020, totaling approximately USD 31 billion. In trauma products, the biggest players on the market are largely the same companies.[2]

Despite the concentration of the market, small companies play an important role in creating innovation in the industry. Large manufacturers of orthopedic products are not developing bioresorbable orthopedic metal implants, and besides Bioretec, there is a very limited number of companies that develop, manufacture and market them.

> Our goal is to be the first to commercialize bioresorbable metal implants free of rare earth elements in the U.S. market. As far as we know, the largest companies in the orthopedic products market do not have bioresorbable metal implants under development or in the approval process.



[1]) Source: GlobalData Report 2020, Trauma Fixation (Orthopedic Devices) -Global Market Analysis and Forecast Model (COVID-19 market impact).

[2]) Source: The Orhopaedic Industry Annual Report 2021, Orthoworld Inc.

Information for shareholders

More information for investors at
www.bioretec.com/investors

Bioretec Ltd's share is listed on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki under the trading code BRETEC. Bioretec has one class of shares. Each share confers equal voting rights and the shares in the company confer equal rights to dividends. There are no voting restrictions on the shares.

Dividend policy

The company's business has been unprofitable so far. Due to this, it has not distributed any dividends. In the near future, the company will focus on financing its growth strategy and development of its business. The company does not expect to distribute dividends in the short or medium term. In the long term, the company's dividends and their distribution is linked to the company's results of operations and financial position.

Distribution of profit

The Board of Directors proposes to the General Meeting of shareholders that no dividend be paid for 2022.

Financial reporting in 2023

Bioretec will publish its Half-year report for January–June 2022 on 11 August 2023. Financial reports will be available on the company's website, once they are published, at www.bioretec.com/investors. The company's releases can be subscribed using the form available on the website. Bioretec maintains a 30-day silent period in its investor and media contacts prior to the publication of its financial statements bulletins and half-year reports.

Annual General Meeting

Bioretec's Annual General Meeting is planned to be held on Friday, 14 April 2023. Bioretec's Board of Directors will summon the meeting at a later date.

Bioretec's Inverstor Relations

Timo Lehtonen
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EUR 2.31
Average price in 2022

EUR 1.41
Closing price on 31 December 2022

19.8 M€
Market capitalization on 31 December 2022

10 largest shareholders on 31 December 2022

	Shareholder	Shares	% of shares
1.	Innovestor Growth Fund I Ky	1,216,166	8.62%
2.	Helsinki University Funds	917,966	6.50%
3.	Eakr-Aloitusrahasto Oy	606,370	4.30%
4.	Orion Pension Foundation	464,622	3.29%
5.	VR Pension Fund	431,068	3.05%
6.	Kela, the Social Insurance Institution of Finland	292,769	2.07%
7.	Törmälä Pertti Olavi	276,922	1.96%
8.	Rajamäki Olli Valtteri	274,372	1.94%
9.	Frontier Liquidity Oy	218,104	1.55%
10.	Mäkitalo Esa Aarre	183,900	1.30%
	10 largest shareholders in total*	**4,882,259**	**34.60%**
	Other	**9,229,599**	**65.40%**
	Total	**14,111,858**	**100.00%**

*) 10 largest shareholders does not include nominee-registered owners.

Share price development 3 January–31 December 2022

Marketplace: Nasdaq First North Growth Market Finland
Trading code: BRETEC
ISIN code: FI4000480454

Management Team on 31 December 2022

Timo Lehtonen

CEO since 2019

Johanna Salko

CFO since 2021

Minna Ahlstedt-Soini

Production Director since 2015

Rami Ojala

Sales and Marketing Director since 1 January 2022

Kimmo Lähteenkorva

Chief Technology Officer since 2017

Mari Ruotsalainen

Director, QA & RA since 2018

More detailed CV information:
www.bioretec.com/investors/investors-in-english/governance

Board of Directors on 31 December 2021

Tomi Numminen

Chairman of the Board of Directors since 2019, Member of the Board since 2016

Professional board member

Michael Piccirillo

Member of the Board since 2018

Managing Director,
VALUGEN GmbH

Pekka Simula

Member of the Board since 2020

Partner,
Innovestor

Sarah van Hellenberg Hubar-Fisher

Member of the Board since April 2021

Global Public Health Financing Lead, Johnson & Johnson

Päivi Malinen

Member of the Board since April 2022

CEO,
Springvest Oyj

More detailed CV information:
www.bioretec.com/investors/investors-in-english/governance

Financial targets

Revenue > EUR 100 million

in a global over USD 7 billion total addressable market by 2027

Positive cash flow from operating activities

by the end of 2025

bioretec

better healing – better life

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