

Bioretec Ltd.

Board of Directors' Report and Financial Statements 2025

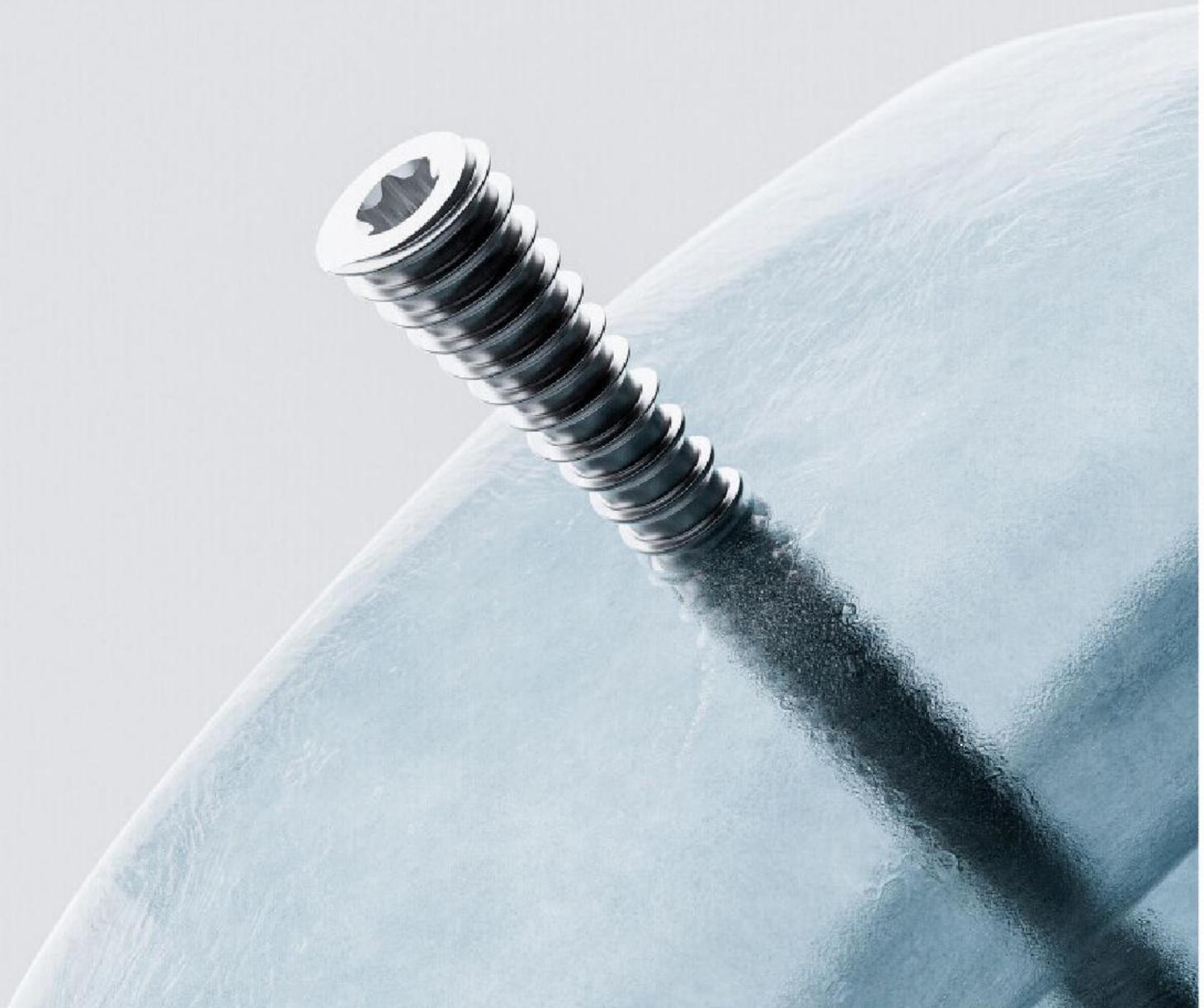


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Accounting period: 1 January–31 December 2025

Financial statements must be retained until 31 December 2035.

Board of Directors' Report for the financial year 2025

Bioretec in brief

Bioretec is a globally operating Finnish medical device company that continues to pioneer the application of absorbable 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.

The majority of Bioretec's net sales come from exports. In 2025, 25% of net sales came from Europe, 14% from the U.S. and 61% from the rest of the world. The company's end customers include public and private hospitals and hospital chains. Bioretec's products are sold mainly through the company's distributor network.

Bioretec has two product families. The company's new RemeOs product line is based either on magnesium alloy or magnesium alloy-based hybrid composite, introducing a new generation of strong absorbable materials. The first magnesium alloy product, the RemeOs™ Trauma Screw, was granted U.S. market authorization in March 2023 and EU market authorization through the CE mark in January 2025. Other RemeOs family products still in the development process are the DrillPin, IM-Nail, and spinal cage, and the latest additions are the RemeOs staples and RemeOs plates. Bioretec's Activa product portfolio consists of absorbable biopolymer products available for pediatric, trauma, and sports surgery.

Bioretec headquarters and its manufacturing operation is located in Tampere, Finland. At the end of 2025, the company had 60 employees. Bioretec's shares are traded on the Nasdaq First North Growth Market Finland marketplace. At the end of 2025, Bioretec Group consisted of the parent company Bioretec Ltd (domicile: Finland) and its wholly owned subsidiaries Bioretec GmbH (domiciled in Austria) and Bioretec Inc. (domiciled in the United States).

The company complies with the Finnish Accounting Standards (FAS) in its preparation of consolidated financial statements. In addition, Bioretec complies in its decision-making and corporate governance, for example, with the Finnish Limited Liability Companies Act, securities market legislation, its Articles of Association, and the Nasdaq First North rules. The company also complies with its ethical code of conduct.

Significant events in 2025

- On January 31, Bioretec announced that it has received CE mark approval of its RemeOs™ Trauma Screw portfolio, allowing for market launch in Europe.
- On March 7, Bioretec announced the appointment of Mirva Ekman as Quality Director and member of the Management Team as of April 22, 2025. As part of the transition, Mari Ruotsalainen, previously RA/QA Director, will continue as a member of the Management Team as Regulatory Affairs Director.
- On March 21, Bioretec announced that its Board of Directors has decided on a new option program for the CEO.
- On May 8, Bioretec announced that CEO Alan Donze will resign from his position and will remain available for the company until July 7, 2025.
- On May 15, Bioretec announced that it has appointed Sarah van Hellenberg Hubar-Fisher as the company's interim CEO.
- On May 28, Bioretec's Board of Directors resolved on a rights issue of approximately EUR 9.2. million.
- On June 24, Bioretec announced the final results of the successful rights issue. Bioretec received gross proceeds of approximately EUR 9.2 million from the offering.
- On July 11, Bioretec announced the appointment of René Eve as Director of Operations and member of the Management Team as of August 18, 2025. Esa Hallinen, former Director of Operations, will pursue a career outside Bioretec.
- On August 27, Bioretec announced that it has appointed Sarah van Hellenberg Hubar-Fisher as CEO.

- On September 2, Bioretec announced the appointment of Jordy Winters as Vice President of OUS Sales and member of the Management Team. In parallel, Rami Ojala, previously Vice President of OUS Sales, will transition into the newly created role of Head of Global Medical Education.
- On September 4, Bioretec announced the appointment of Dr. Christopher W. DiGiovanni to the Scientific Advisory Board.
- On September 12, Bioretec updated the commercialization status of RemeOs™ DrillPin. The planned commercialization of the DrillPin in the U.S. will progress on a revised timeline to reflect recent FDA guidance on data requirements specific to novel materials.
- On September 15, Bioretec announced the appointment of Anne-Mari Matikainen as interim CFO. Former CFO Johanna Salko will support the company during the transition phase until November 30, 2025.
- On September 16, Bioretec announced the composition of the Shareholders' Nomination Board, consisting of Tor-Oskar Karlberg from Stephen Industries Inc Oy, Rami Vehmas from Keskinäinen Eläkevakuutusyhtiö Ilmarinen, and Heinz Moitzi from W&M GmbH.
- On October 1, Bioretec announced on that the RemeOs™ Trauma Screw has been granted Transitional Pass-Through Payment (TPT) status by the U.S. Centers for Medicare & Medicaid Services (CMS).
- On October 27, Bioretec announced that the company is in the process of assessing and updating its overall commercialization strategy and pipeline and will be providing an update by the end of 2025. In the course of its assessment, the Board of Directors of Bioretec concluded that the financial targets published on October 4, 2024 were unattainable and will likely not be met. Accordingly, Bioretec withdrew its previously disclosed financial targets.
- On October 27, Bioretec announced that it adjusts and restates previously reported H1/2025 figures and does not expect accelerated sales in 2025. Bioretec published the corrected H1/2025 half year report on October 31, 2025.
- On November 12, Bioretec announced that it initiates change negotiations to enhance operational efficiency and competitiveness. The negotiations will focus on Bioretec's production and marketing functions in Finland. The change negotiations were completed on December 4.
- On December 14, Bioretec announced that it has been granted FDA Breakthrough Device Designation status for its RemeOs™ DrillPin, becoming the third Breakthrough Device Designation granted to Bioretec by the FDA (Trauma Screw 2021, Spinal Cage 2024).
- On December 16, Bioretec updated its strategy for 2026–2028 and provided new financial targets for the strategy period. The new financial targets are to reach net sales exceeding EUR 10 million by the end of the year 2028 and to maintain an average sales margin exceeding 70% during the strategy period.

Consolidated key figures

EUR 1,000 unless otherwise noted	FY 2025	FY 2024	FY 2023
Net sales	3,522	4,544	3,906
Sales margin	2,314	3,221	2,728
Sales margin, % of net sales	65.7%	70.9%	69.8 %
EBITDA	-8,476	-4,053	-2,833
EBIT	-8,686	-4,202	-3,034
EBIT, % of net sales	-246.6%	-92.5%	-77.7%
Net profit (loss)	-9,483	-4,614	-3,789
R&D expenditure, % of net sales	85.8%	48.0%	38.2%
Equity ratio, %	84.3%	84.9%	77.3%
Return on equity, %	-97.3%	-51.4%	-74.6%
Cash and cash equivalents (end of period)	4,126	6,289	6,910
Earnings per share (undiluted)	-0.34	-0.22	-0.22
Earnings per share (diluted)	-0.28	-0.17	-0.15
Number of shares (end of the period, undiluted)	30,788,092	23,336,858	19,536,858
Number of shares (end of the period, diluted)	33,821,751	27,515,133	24,908,133
Number of personnel (end of the period)	60	47	37

Parent company key figures

EUR 1,000 unless otherwise noted	FY 2025	FY 2024	FY 2023
Net sales	6,266	4,544	3,906
EBIT	-6,822	-4,265	-2,968
EBIT, % of net sales	-108.9%	-93.9%	-76.0%
Equity ratio, %	86.8%	85.5%	78.4%
Return on equity, %	-72.0%	-49.7%	-68.0%

Net sales, profitability and financial performance

Net sales and sales margin

Net sales for January–December 2025 amounted to EUR 3,522 (4,544) thousand, a decrease of 22.5% from the comparison period. Net sales in the comparison period included approx. EUR 0.9 million of sales recognized under stocking distributor arrangements with two separate distributors. During 2025, Bioretec introduced inventory buy-back arrangements as part of its strategic transition to a more controlled direct distribution model. These inventory buy-backs did not result in a correction of prior-period net sales but were instead recognized as expenses in 2025. In addition, sales development during the second half of the financial year 2025 was influenced by changes in sales leadership and a deliberate shift in focus toward market development and new customer acquisition, supporting long-term growth rather than short-term volume.

EUR 1,000	FY 2025	FY 2024	Change, %
Europe	887	906	-2.0%
The U.S.	488	1,109	-56.0%
Rest of the world	2,146	2,529	-15.1%
Total	3,522	4,544	-22.5%

Sales margin in January–December 2025 decreased 28.1% to EUR 2,314 (3,221) thousand and was 65.7% (70.9%) of net sales. The decrease in sales margin was primarily driven by changes in the sales mix, including a higher share of sales in lower-margin markets such as China and Asia.

Operating expenses

In January–December 2025, total operating expenses grew 50.3% year on year and amounted to EUR 11,412 (7,593) thousand. The increase primarily reflects investments in operational and commercialization capabilities to support the launch of the RemeOs™ product portfolio, as well as organizational expansion in key commercial, operational, and leadership roles. Operating expenses also increased due to continued investments in research and development and in regulatory and clinical activities supporting future growth. In addition, the year included one-off costs related to organizational changes and strategic reassessment. Furthermore, other operating costs in 2025 were impacted by one-off expenses related to inventory buy-backs from two U.S. distributors, carried out as part of the Company's transition to a more controlled direct distribution model. These costs totaling approx. EUR 1 million are non-recurring and are not expected to continue.

R&D expenses in January–December 2025 grew 38.6% year on year and amounted to EUR 3,023 (2,181) thousand. The growth was mainly related to the ongoing projects on developing RemeOs™ product family.

EBITDA and net profit

EBITDA in January–December 2025 amounted to EUR -8,476 (-4,053) thousand. The main reasons for the decrease were the higher costs generated by added headcount and inputs to the commercialization and product development, as well as one-off costs related to distributor model change.

The net loss from January–December 2025 was EUR -9,483 (-4,614) thousand. The net loss of the period includes the cost of financing arrangements amounting to EUR 1,084 thousand. The comparison period included the cost of financing arrangements amounting to EUR 489 thousand.

Financial position and cash flows

On December 31, 2025, the Group's equity ratio was 84.3% (84.9%) and total liabilities EUR 1,917 (1,737) thousand. The Group's return on equity was -97.3% (-51.4%). Interest-bearing liabilities amounted to EUR 434 (671) thousand, including EUR 138 (434) thousand of long-term liabilities.

At the end of the financial period, the Group had EUR 4,126 (6,289) thousand of cash and cash equivalents and money market deposits.

In January–December 2025, cash flow from operating activities totaled EUR -9,762 (-5,107) thousand. Cash flow from financing activities amounted to EUR 8,183 (5,214) thousand. The company arranged a EUR 9.2 million rights issue in June 2025.

In January–December 2025, the Group's capital expenditure totaled EUR 584 (729) thousand. Investments during the financial period consisted of costs related to production equipment and related facilities along with R&D project equipment, IPR and market authorization processes, as well as costs capitalized on the new ERP system.

Currently, the company's funding will not be sufficient for the full year of 2026. The company announced on 10 March 2026 that it is planning a Rights Issue of at least EUR 5 million and up to EUR 15 million to strengthen its capital base and financing resources. The offering is subject to authorization from EGM to be held on 27 March 2026 and the resolution by Bioretec's Board of Directors.

Strategy and financial targets

On December 16, Bioretec updated its strategy for 2026–2028 and provided new financial targets for the strategy period.

Bioretec's strategy for the period 2026–2028:

Bioretec's strategy and value creation for the next three years focuses on commercial performance and sales acceleration in both the United States and markets outside of the United States (OUS), enabled by continued R&D and expansion of the RemeOs™ product family.

The strategy is based on three pillars:

- Industry leading innovation: pioneering world class materials science by demonstrating patient outcomes that validate healing through the absorption of our materials.
- World-class clinical and economic evidence generation: expanding the patent portfolio for new and existing materials and research methods to build a sustained competitive market advantage.
- Global excellence in commercialization: accelerate our focus on high value repeatable business and collaboration with best-in-class partners globally to achieve market success.

Strategic priorities for the period 2026–2028:

- Demonstrate industry leading innovation, clinical evidence generation, and commercial scale by progressing a strong R&D pipeline and introducing at least one new product or indication every 12–18 months, reflected by sustained R&D investments
- Build strong market presence and solidify our commercial position in the U.S. through direct distribution channels, targeted Key Opinion Leader engagement strategies, and high-impact training and education
- Upgrade our OUS commercial strategy through updated distribution partner selections with rigorous and clear commercial targets and a focused effort on RemeOs™ launches in high value markets.
- Establish RemeOs™ as the leading metal alloy absorbable solution in the implant market globally

By the end of the strategy period, Bioretec aims to have established itself as a recognized player in the global orthopedic market and a market leader in innovative metal absorbable implants with the RemeOs™ product family. Bioretec is of the strong view that reaching this position will enable the next strategic steps in order to maximize shareholder value.

Financial targets:

In line with its strategy and priorities for 2026–2028, Bioretec's new financial targets are:

- Reach net sales exceeding EUR 10 million by the end of the year 2028
- Maintain an average sales margin exceeding 70% during the strategy period

While maintaining a healthy sales margin enables efficient scaling, Bioretec does not expect to reach cash flow positivity or profitability during the strategy period due to the planned strategic investments in R&D and commercialization. The financial targets do not include assumptions of revenue or funding from potential partnership or licensing opportunities within the strategy period.

Bioretec does not consider these financial targets as market guidance for any given year.

Research and development

Bioretec offers two product families, Activa and RemeOs™. The Activa product family is based on self-reinforced PLGA and facilitates healing in orthopedic indications under appropriate immobilization. The RemeOs™ product family utilizes state-of-the-art absorbable metal alloy technology. RemeOs™ implants have greater load-bearing capacity than previous generations of absorbable implants and are well-suited for treating bone fractures across a wide range of indications.

Bioretec has a strong pipeline for launching additional products. The Company is especially committed to expanding the RemeOs™ family with several synergistic products in the coming years, with new types of absorbable metal alloy products already in advanced development and clinical trials.

As highlighted in the strategic priorities for 2026–2028, Bioretec plans to introduce one new product every 12–18 months and establish RemeOs™ as the leading absorbable product family and metal alloys as the preferred solution in the implant market globally.

Bioretec has divided the introduction and commercialization of new products in the pipeline into three different timeframes:

Short term (<18 months):

- Activa Headless Cannulated Screw
- RemeOs™ Trauma Screw (US portfolio expansion)
- RemeOs™ DrillPins (“Nail”)

Medium term (18–36 months):

- Differentiated RemeOs™ absorbable trauma product(s) (e.g. elastic intramedullary nails , specialty screws, staples, anchors)

Long term (36+ months):

- RemeOs™ Spine portfolio
- RemeOs™ IM Nails
- RemeOs™ Plates

The company is not in a position to give a specific order or estimated timeline for the commercialization of individual products as this is highly dependent on regulatory approval timelines and subsequent prioritization of R&D resources.

Regulatory milestones achieved:

- April 2021: The U.S. Food and Drug Administration (FDA) grants Breakthrough Device Designation for Bioretec’s RemeOs™ Screw products, confirming that the product represents a breakthrough technology in traumatology and orthopedic surgery.
- December 2021: Bioretec files for CE mark for its RemeOs™ Trauma Screw. The CE mark is a legal prerequisite in order to commercialize a medical device in the European Union.
- May 2022: Bioretec submits a De Novo request for market authorization in the U.S. for its RemeOs™ Trauma Screw. The De Novo request provides a registration pathway for novel medical devices for which there is no predicate device available in the U.S. market.
- March 2023: FDA approves Bioretec’s RemeOs™ Trauma Screw as the first bioresorbable metal implant in the U.S. market.
- March 2024: The FDA grants Breakthrough Device Designation for Bioretec’s RemeOs™ Spinal Interbody Cage, confirming that the product represents a breakthrough technology in spinal surgery.
- January 2025: Bioretec receives CE mark approval for its RemeOs™ Trauma Screw product portfolio, allowing market launch in Europe.
- December 2025: The FDA grants Breakthrough Device Designation for Bioretec’s RemeOs™ DrillPin, becoming the third Breakthrough Device Designation granted to Bioretec by the FDA.

Clinical highlights:

- RemeOs™ Trauma Screw – Post-Market Clinical Follow-Up (PMCF): PMCF activities remain underway, including ongoing case and follow-up data collection and continued onboarding of additional clinical sites. The program continues to capture fracture and fusion outcomes in both upper and lower extremities across adult and pediatric patients, covering a broad range of clinical indications since launch.
- RemeOs™ DrillPin – Hammertoe Clinical Trial: The clinical trial evaluating the RemeOs™ DrillPin for hammertoe correction is progressing. Initial patients have been enrolled and are currently in follow-up, and recruitment is ongoing.
- RemeOs™ DrillPin – Pediatric Wrist Fracture Clinical Trial: Following completion of site initiation activities, the pediatric distal radius fracture clinical trial has entered the enrollment phase.
- Training and Education Initiatives: Bioretec has initiated the development of training and education (T&E) platforms for the U.S. and international (OUS) markets. These programs are designed to increase awareness of the clinical benefits and material properties of absorbable implant technologies and to support broader adoption of the RemeOs™ product family.

Operating environment and market development

Bioretec operates in the global orthopedic market, the size of which was estimated to be around USD 62 billion in 2024. Bioretec's strategic emphasis is on orthopedic trauma products, valued at around USD 9.0 (8.5) billion in 2024, representing 14.6% of the global orthopedic market. One of the key areas for Bioretec is the foot and ankle segment, which stands out as a dynamic and growing market, driven by the various factors such as intensified awareness of foot and ankle health, sports injuries, rising aging population and the increasing prevalence of ankle and foot disorders. Further, minimally invasive surgical procedures are becoming increasingly popular for the cure of foot and ankle disorders. The surging demand for foot and ankle devices is generating opportunities for key market players, and it will remain a focus area in Bioretec's short and medium-term product pipeline. Industry forecasts project a robust 7% annual growth rate for the foot and ankle market from 2023 to 2033, potentially reaching a total market value of USD 9.3 billion in 2033. Bioretec is well-positioned to leverage this potential and capitalize on the opportunities in the evolving orthopedic landscape.

Out of the total orthopedic trauma product market, bioabsorbable orthopedic implants represent a segment with particularly attractive growth potential. This segment of the market is currently estimated at around USD 2 billion, and is growing faster than traditional metal fixation, driven by pressure to reduce operations and align with value-based healthcare. With an estimated CAGR of over 10% between 2026 and 2033, the global bioabsorbable orthopedic implant market is expected to reach over USD 4 billion by 2033. Bioretec is already a recognized market player within this segment. In the U.S. alone, it is estimated that USD 250-500 million annually is spent on removal surgery primarily related to pain and discomfort, representing an economic opportunity for Bioretec's absorbable portfolio of implants (Sources: NSQIP, PearlDiver database studies, Bioretec internal market analysis based on U.S. healthcare cost data).

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

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

Significant risks and uncertainties

Bioretec's Board of Directors is responsible for Bioretec's risk management. The purpose of risk management is to identify, assess, and manage risks so that they do not affect the achievement of the company's objectives. The company

has a risk management policy, which is confirmed by the Board of Directors. The risk management policy supports the implementation of the strategy and business objectives and ensures business continuity.

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

Bioretec's risks can be divided into:

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

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

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

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

Personnel

At the end of 2025, Bioretec had 60 (47) employees. The average number of employees from January 1 to December 31, 2025 was 57 (42).

Salaries and other personnel expenses in 2025 totaled EUR 5,259 (3,824) thousand.

Changes in the Management Team

Bioretec's Management Team underwent the following changes in 2025:

- On March 7, Bioretec announced the appointment of Mirva Ekman as Quality Director and member of the Management Team as of April 22, 2025. As part of the transition, Mari Ruotsalainen, previously RA/QA Director, will continue as a member of the Management Team as Regulatory Affairs Director.
- On May 8, Bioretec announced that CEO Alan Donze will resign from his position and will remain available for the company until July 7, 2025.
- On May 15, Bioretec announced that it has appointed Sarah van Hellenberg Hubar-Fisher as the company's interim CEO.
- On July 11, Bioretec announced the appointment of René Eve as Director of Operations and member of the Management Team as of August 18, 2025. Esa Hallinen, former Director of Operations, will pursue a career outside Bioretec.
- On August 27, Bioretec announced that it has appointed Sarah van Hellenberg Hubar-Fisher as CEO.
- On September 2, Bioretec announced the appointment of Jordy Winters as Vice President of OUS Sales and member of the Management Team. In parallel, Rami Ojala, previously Vice President of OUS Sales, will transition into the newly created role of Head of Global Medical Education.
- On September 15, Bioretec announced the appointment of Anne-Mari Matikainen as interim CFO. Former CFO Johanna Salko will support the company during the transition phase until November 30, 2025.

On 31 December 2025, the members of Bioretec's Management Team were:

- **Sarah van Hellenberg Hubar-Fisher**, CEO
- **Timo Lehtonen**, CTO
- **Anne-Mari Matikainen**, Interim CFO
- **René Eve**, Director of Operations
- **Mirva Ekman**, Quality Director
- **Mari Ruotsalainen**, Regulatory Affairs Director
- **Frank Sarcone**, VP of Sales USA
- **Jordy Winters**, VP of OUS Sales
- **Rami Ojala**, Head of Global Medical Education

Annual General Meeting and Board authorizations

The Annual General Meeting of Bioretec Ltd was held on 21 March 2025 in Tampere, Finland. The Annual General Meeting approved the financial statements for the financial year 1 January–31 December 2024 and resolved to discharge the members of the Board of Directors and the CEO from liability for the financial period 1 January–31 December 2024. The Annual General Meeting approved the Board of Directors' proposal not to distribute dividends.

The Annual General Meeting resolved that the number of members of the Board of Directors will be six (6). Michael Piccirillo, Sarah van Hellenberg Hubar-Fisher, Päivi Malinen and Kustaa Poutiainen were re-elected as members of the Board. Antti Vasara and Justin Barad were elected as new members of the Board of Directors. The term of the Board of Directors will end at the conclusion of the Annual General Meeting 2026.

At its constitutive meeting held after the Annual General Meeting, the Board of Directors of Bioretec Ltd elected Kustaa Poutiainen as the Chairperson of the Board and Sarah van Hellenberg Hubar-Fisher as the Deputy Chairperson.

The Board of Directors resolved to establish an Audit Committee and a Remuneration Committee. The members of the Committees were elected as follows:

- Audit Committee: Päivi Malinen (Chairperson), Michael Piccirillo and Sarah van Hellenberg Hubar-Fisher
- Nomination/Remuneration Committee: Sarah van Hellenberg Hubar-Fish (Chairperson), Antti Vasara and Justin Barad

The Annual General Meeting resolved that the Chairperson of the Board will be paid EUR 3,750 per month and the Deputy Chairperson EUR 2,500 per month. Members of the Board will be paid EUR 2,000 per month. Reasonable travel expenses of the members of the Board of Directors will be reimbursed in accordance with the maximum amount of the respective travel allowance base approved by the Tax Administration.

The Annual General Meeting elected audit firm PricewaterhouseCoopers Oy as the auditor of the company until the closing of the 2026 Annual General Meeting. Audit firm PricewaterhouseCoopers Oy has notified the company that it will appoint Kalle Laaksonen, Authorized Public Accountant, as the responsible auditor. The auditor will be compensated as reasonably invoiced.

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

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

Pursuant to the authorization, up to 7,000,000 shares (including shares to be issued based on the special rights) may be issued, which on the date of the notice to the Annual General Meeting corresponded to approximately 30% of all the shares in the company.

Shares or special rights entitling to shares may be issued in one or more tranches, either with or without payment. The shares issued pursuant to the authorization may be new shares or shares in the company's possession.

The authorization may be used for financing or execution of acquisitions or other business arrangements, to strengthen the balance sheet and financial position of the company, or for other purposes determined by the Board of Directors. The authorization may not be used for share-based incentive or commitment plans.

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

The Board of Directors is authorized to resolve on all terms for share issues and granting of special rights entitling to shares in the company. The Board of Directors is authorized 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 right, provided that there is a weighty financial reason for the company to do so.

The authorization is valid until the end of the next Annual General Meeting, however no longer than until 30th of June 2026. The authorization cancels previous unused share issue authorizations.

Resolution on the issue of option rights to the members of the Board of Directors (Option Program 2025-1)

The Annual General Meeting resolved on an option program directed at the members of the Board of Directors and on the issue of option rights. There are weighty financial reasons for the company to issue the option rights because the option rights are intended to be a part of the incentive and commitment program of the members of the Board of Directors.

The Annual General Meeting resolved to issue 25,000 option rights to each member elected at the Annual General Meeting, i.e. an aggregate of 150,000 option rights. Each option right entitles to subscribe for one (1) new share. The option rights are issued free of charge.

Shares can be subscribed to on the basis of the option rights, as follows:

- with the first 33% of the option rights given to the option right holder: the share subscription period starts on the 22nd of March 2026,
- the following 33% of the option rights given to the option right holder: the share subscription period starts on the 22nd of March 2027,
- the remaining 34% of the option rights given to the option right holder: the share subscription period starts on the 22nd of March 2028.

The subscription period for the shares ends on the 31st of December 2030.

The subscription price for a share subscribed for with one option right is EUR 2.79. The subscription price is the trade volume weighted average quotation of the share on Nasdaq Helsinki Ltd maintained Nasdaq First North Growth Market Finland marketplace from 20 December 2024 to 20 March 2025 increased by 10%, rounded downwards to the nearest cent.

The subscription price payable for shares shall be recorded in the company's reserve for invested unrestricted equity. The dividends and distribution of assets per share paid will be deducted from the share subscription price.

As a result of the subscription of shares based on the option rights, the number of shares in the company can increase by a maximum of 150,000 shares. The shares to be subscribed based on the option rights to be issued correspond to a maximum of 0.61 percent of all the company's shares and votes on the date of the resolution (0.64 percent at the date of the notice to the General Meeting), after the potential share subscription.

The theoretical market value of one option right is approximately EUR 1.1357 and the theoretical market value of all option rights combined is approximately EUR 170,340. The theoretical market value of an option right has been calculated using the Black & Scholes stock option pricing model with the following input factors: valuation date 20 March 2025, share price EUR 2.33, share subscription price EUR 2.79, risk free interest rate 2.51 %, time to maturity of option rights 5.79 years and volatility 55.65 %.

The terms and conditions of the option program are available on the webpage of the company.

Authorization of the Board of Directors to resolve on the issuance of option rights to the CEO of the company (Option Program 2025-2)

The Annual General Meeting resolved to authorize the Board of Directors to resolve on the issuance of option rights as follows:

- The option rights can be granted to Alan Donze, the CEO of the company (the “CEO”);
- Based on the option rights issued under the authorization, a maximum of 610,105 shares can be subscribed, which corresponds to approximately 2.6% of all the company’s shares on the date of the notice of the General Meeting.
- Option rights can be issued in one or more tranches.
- The subscription price of the shares subscribed with option rights shall be determined based on the trade volume weighted average quotation of the share on Nasdaq Helsinki Ltd maintained Nasdaq First North Growth Market Finland marketplace from 20 December 2024 to 20 March 2025 increased by 10%, rounded downwards to nearest cent.
- The Board of Directors decides on all other terms and conditions related to the issuance of stock options.
- The authorization is valid until the end of the next Annual General Meeting, however no longer than until 30 June 2026.

Authorization of the Board of Directors to resolve on the issuance of option rights (Option Program 2025-3)

The Annual General Meeting resolved to authorize the Board of Directors to resolve on the issuance of option rights as follows:

- The authorization can be used to issue option rights to the employees of the company and its subsidiaries as well as to members of the company’s Key Opinion Leader group and consultants (“Target Group”). The authorization cannot be used to issue option rights to the CEO or members of the Board of Directors of the company.
- Based on the option rights issued under the authorization, a maximum of 1,127,000 shares can be subscribed, which corresponds to approximately 4.8% of all the company’s shares on the date of the notice of the General Meeting.
- Option rights can be issued in one or more tranches.
- The subscription price of the shares subscribed with option rights shall be determined based on the trade volume weighted average quotation of the share on Nasdaq Helsinki Ltd maintained Nasdaq First North Growth Market Finland marketplace from 20 December 2024 to 20 March 2025 increased by 10%, rounded downwards to nearest cent.
- The Board of Directors decides on all other terms and conditions related to the issuance of the option rights.
- The authorization is valid until 31 December 2026.

Amendment of the Articles of Association

The Annual General Meeting resolved to amend Article 10 of the Articles of Association to include the possibility of holding a General Meeting as a so-called remote meeting. Before the proposed amendment, Article 10 of the Articles of Association was empty.

The Annual General Meeting resolved to amend Article 10 to read as follows:

10 § Organization of the General Meeting as a hybrid or remote meeting

The Board of Directors may decide that a shareholder may also participate in the General Meeting by fully exercising their right to vote during the meeting by means of a telecommunication connection and a technical aid (hybrid meeting).

The Board of Directors may also decide that the General Meeting shall be held without a meeting place in such a way that the shareholders exercise their voting rights fully and in a timely manner during the meeting by means of a telecommunication connection and a technical aid (remote meeting).

The amendment of the Articles of Association will take effect upon registration in the Finnish Trade Register.

Board of Directors

On 31 December 2025, Bioretec's Board of Directors had five (5) members.

The Annual General Meeting held on March 21, 2025 re-elected Michael Piccirillo, Sarah van Hellenberg Hubar-Fisher, Päivi Malinen and Kustaa Poutiainen as members of the Board, and elected Antti Vasara and Justin Barad as new members. At its constitutive meeting, the Board of Directors elected Kustaa Poutiainen as the Chairperson of the Board. The term of the Board of Directors will end at the conclusion of the Annual General Meeting 2026.

As a result of her appointment as CEO of Bioretec on August 27, 2025, Sarah van Hellenberg Hubar-Fisher stepped down for her position as member of the Board of Directors.

Auditor

The Annual General Meeting held on 21 March 2025 elected audit firm PricewaterhouseCoopers Oy as the auditor of the company until the closing of the 2026 Annual General Meeting. Audit firm PricewaterhouseCoopers Oy has appointed Kalle Laaksonen, Authorized Public Accountant, as the responsible auditor. The auditor will be compensated as reasonably invoiced.

Bioretec's shares and related programs

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

On December 31, 2025, Bioretec had a total of 30,788,092 (23,336,858) shares. The share capital was EUR 3,749 (3,749) thousand. Bioretec does not hold any equity shares. In 2025, the average number of shares was 27,062,475 (21,436,858). The average number of shares (diluted) in 2025 was 30,668,442 (26,211,633).

There were 250 (251) trading days in the review period. A total of 11,352,230 (7,084,482) shares were traded during the period, and the total value of the shares traded was EUR 15,077,457 (17,586,406). The highest price of the share was EUR 2.73 (2.92), and the lowest price was EUR 0.58 (1.82). The volume-weighted average price was EUR 1.33 (2.48), and the closing price at the end of the period was EUR 0.60 (2.40). In accordance with the closing price, the combined market value of the shares was approximately EUR 18.5 (56.0) million.

Share Issues

The Board of Directors of Bioretec Ltd resolved on May 28, 2025, based on the authorization of the Annual General Meeting of the company held on March 21, 2025, to offer Bioretec's shareholders up to 6,156,618 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 and secondarily by other shareholders or by other persons in a rights issue of approximately EUR 9.2 million. The subscription price for each new share was EUR 1.50. The objective of the offering was to strengthen Bioretec's capital structure and to ensure its ability to implement its RemeOs™ commercialization strategy. The proceeds from 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.

The final results of the rights issue published on June 24, 2025 showed that a total of 7,658,836 new shares were subscribed for in the offering, corresponding to approximately 124.4 per cent of the 6,156,618 new shares offered in the offering, and the offering was thus oversubscribed. A total of 4,882,744 new shares were subscribed for with subscription rights, corresponding to approximately 79.3 per cent of the 6,156,618 new shares. The remaining 1,273,874 new shares were allocated in accordance with the terms and conditions of the offering in the secondary subscription to subscribers who subscribed for new shares also with subscription rights. Bioretec received gross proceeds of approximately EUR 9.2 million from the offering.

As a result of the offering, the total number of shares in Bioretec increased by 6,156,618 from 24,626,474 to 30,783,092. The new shares issued in the offering amounted to approximately 20.0 per cent of the outstanding shares in Bioretec following the offering.

Shareholders

Bioretec's shares are in the book-entry system maintained by Euroclear Finland, and Euroclear Finland maintains Bioretec's official shareholder register. On December 31, 2025, Bioretec had a total of 5,020 (4,554) registered shareholders, of whom 93% (93%) were private individuals. There were 2,594,705 (1,870,049) nominee-registered and foreign-owned shares, which was 8.4% (8.0%) of all shares and votes. The largest shareholders and shareholders by sector are available on the company's website at investors.bioretec.com/en/share_information/shareholders.

On December 31, 2025, the members of Bioretec's Board of Directors owned a total of 3,720,852 (2,573,060) of the company's shares. The CEO did not own any of the company's shares. Other members of the Group's Management Team owned a total of 833 (667) company shares. Consequently, the company's executive management held 12.1% (11.0%) of all of the company's shares and votes.

Option programs

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

On December 31, 2025, there were four stock option programs open: stock options 2018-1, 2020-1, 2023-1 and 2025-1. The stock options are issued free of charge. The shareholder's rights begin when the shares are registered in the Trade Register. The stock option plans that were open in 2025 or were registered in the Trade Register in 2025 are presented in the table below.

Program ID	Nr of options	Share subscription price, EUR	Nr of shares to be subscribed ¹	Subscription period	Nr of unexercised options ²	Nr of shares to be subscribed based on the remaining unexercised options ¹
2018-1A	8,500,000	1.42	566,667	1.1.2019-31.12.2026	7,150,000	476,667
2018-1B	8,500,000	1.42	566,667	1.1.2020-31.12.2026	8,500,000	566,667
2018-1C	1,500,000	2.13	100,000	1.1.2021-31.12.2026	1,500,000	100,000
2018-1D	1,500,000	2.13	100,000	1.1.2022-31.12.2026	1,500,000	100,000
2020-1A	8,450,000	2.13	563,324	1.1.2022-31.12.2026	5,650,000	376,662
2020-1B	9,150,000	2.84	609,998	1.1.2023-31.12.2026	5,300,000	353,332
2020-1C	8,400,000	3.55	559,998	1.1.2024-31.12.2026	4,550,000	303,332
2023-1	1,000,000	2.35	1,000,000	21.10.2024-31.12.2029	607,000	607,000
2025-1	150,000	2.79	150,000	22.3.2026-31.12.2030	150,000	150,000
Total	47,150,000		4,216,654		34,907,000	3,033,660

¹ Option programs implemented before reverse split (taken place in spring 2021) entitle to subscribe one (1) new company share with 15 options.

² The number of remaining options and shares have been deducted with those options, which have already been subscribed and registered as shares. Additionally, the unallocated share of option programs 2020 and 2023 has been deducted, as the board no longer has a mandate to allocate options based on those.

Significant events after the review period

- On January 15, 2026, Bioretec announced the appointment of Tuukka Paavola as Chief Financial Officer and member of the Management Team as of January 20. Paavola brings over 20 years of experience in finance, capital markets, and strategic planning. Previously, he has served as the CFO of Nightingale Health Plc, and in multiple leadership positions at Nordea Bank Plc.
- On January 16, 2026, Bioretec announced that the U.S. Centers for Medicare & Medicaid Services (CMS) has released an update on the HCPCS Level II codes, effective January 1, 2026. Among the revised codes was C1741,

the code associated with Bioretec's RemeOs™ Trauma Screw's Transitional Pass-Through Payment (TPT) status. This revised descriptor explicitly narrows the scope of the code to absorbable metallic bone fixation implants. The updated language aligns directly with the FDA regulatory classification for absorbable metallic bone fixation fasteners (21 CFR 888.3041) and with the regulatory pathway under which the RemeOs™ Trauma Screw received Breakthrough Device Designation and De Novo market authorization.

- On January 30, 2026, Bioretec announced the proposals of the Shareholders' Nomination Board to the Annual General Meeting 2026. The Shareholders' Nomination Board proposes that Michael Piccirillo, Päivi Malinen, Kustaa Poutiainen, Antti Vasara and Justin Barad are re-elected as members of the Board of Directors, and that David Gill be elected as new member.
- On February 13, 2026, Bioretec announced that its Board of Directors is assessing a potential rights issue in the near future. The targeted gross proceeds to be raised through the offering would preliminarily be approximately EUR 15 million.
- On March 10, 2026, Bioretec announced that it is planning a rights issue of at least EUR 5 million and up to EUR 15 million with a maximum of 1,500,000,000 new shares to strengthen its capital base and financing resources. The offering is subject to an authorization from EGM to be held on March 27, 2026 and the resolution by Bioretec's Board of Directors.
- On March 10, 2026, Bioretec published a notice of the Extraordinary General Meeting to be held on March 27, 2026.
- On March 12, 2026, Bioretec announced that CTO Timo Lehtonen will take a new role at Bioretec as External Executive Advisor and step down from the management team

Estimates of future development

Bioretec received market authorization for the RemeOs™ Trauma Screw in the U.S. in March 2023 and in Europe in January 2025, marking the beginning of the commercialization effort for its breakthrough materials science. In late 2025, the RemeOs™ Trauma Screw was also granted Transitional Pass-Through Payment (TPT) status by the U.S. Centers for Medicare & Medicaid Services (CMS) with an updated descriptor focused on metallic absorbables only in January 2026, signaling strong third party economic validation for the future of absorbable metal implants. Building on two prior breakthrough designations in the portfolio, the RemeOs™ DrillPin was granted Breakthrough Device Designation status by the FDA in December 2025. These regulatory and reimbursement tailwinds set the stage for the future commercial development of Bioretec both in the US and in global markets.

With consistent growth in direct sales quarter over quarter in the US since mid Q2 2025, the company expects continued momentum and moderate growth as the anticipated near term pipeline for RemeOs™ awaits market authorization. Expanding the company's commercial offering beyond the RemeOs™ LAG solid trauma screw in the US will be a key driver of accelerated growth in the coming period. In Europe, and other CE mark recognizing geographies, commercialization will proceed through the company's existing distribution channels and new partners, building an expanded base of real world evidence for the RemeOs™ trauma screw, as the market authorization covers several designs and indications. Country registration processes for both implants and related instrumentation, as well as hospital procurement processes lead to more gradual market introduction processes for new technologies but continue to be supported by surgeon demand.

The RemeOs™ pipeline is robust, with a clear near term focus on advancing new screw designs and indications in the US, as well as the approval and subsequent market introduction of the RemeOs™ DrillPin. These near term pipeline advancements in the trauma portfolio are the core of the topline revenue potential for company. The company's first mover advantage in the US is dependent on both the advancement of the pipeline and the associated approvals, as well as investment in US commercialization - the largest potential market for Bioretec's product portfolio. In addition, the preclinical development work progresses in spine for the breakthrough interbody cage, preparing the company for strategic opportunities to advance the spine portfolio in collaboration with partners.

These investments in product development and the proper infrastructure to enable US commercialization are estimated to cause operating losses during the next few years but stabilize if investments can be front loaded in the near term. In order to finance its growth strategy and implement its enhanced operational plans, the company estimates that it will need new financing in the first half of 2026.

Orthopedic trauma is a growing market, and according to forecasts, the market share of absorbable trauma products is growing at a double digit CAGR and will continue to grow faster than the overall market. Current market trends support efficient use of healthcare resources, cost effectiveness and improvement of clinical outcomes. Technologies that have

been recognized to be both clinically and economically superior to current standards of care will be leading in adoption across all sites of care. These market drivers increase the demand for absorbable products, to which Bioretec's innovative and breakthrough product portfolio are primed to respond to.

Going concern principle

Bioretec is a growth company in the health technology sector that is currently focusing on the development and commercialization of its new RemeOs products. The company's R&D pipeline includes several products, the development of which requires investments that the company cannot cover with its current income funding.

In June 2025, Bioretec completed a successful rights issue and received gross proceeds of approx. EUR 9.2 million. The funds raised are estimated to be sufficient first half of 2026. To cover the financing needs for the company to continue as a going concern, on 10 March 2026 the company announced that it is planning a Rights Issue of at least EUR 5 million and up to EUR 15 million to strengthen its capital base and financing resources. The offering is subject to authorization from EGM to be held on 27 March 2026. The company has received a subscription commitment and underwriting commitment from Stephen Industries Inc Oy for an aggregate amount of up to EUR 5 million. As other commitments for additional financing have not been received at the time of signing these financial statements, this constitutes a material uncertainty factor that may cast significant doubt on the company's and group's ability to continue as a going concern. However, based on the successful financing rounds carried out in the company in the past, the Board of Directors considers it reasonable to assume that financing will also be available this time, and therefore the financial statements have been prepared in accordance with the going concern principle.

In addition to the above-mentioned arrangement, the company's operations may require additional financing in the next few years in order to implement the growth plans.

The Board's proposal for the distribution of parent company profit

On December 31, 2025, the parent company's distributable funds totaled EUR 8,006,881.58. The Board of Directors proposes that the parent company loss of EUR 7,873,906.59 for the financial period from January 1 to December 31, 2025 be credited in the equity as Profit (loss) for previous accounting periods and that no dividend be distributed.

Definitions of key figures

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

Consolidated income statement

EUR	1 January – 31 December 2025	1 January – 31 December 2024
REVENUE	3,521,652.37	4,543,609.91
Change in stocks of finished goods and work-in-progress increase (+) or reduction (-)	2,799,321.63	472,139.17
Other operating income	411,512.54	169,926.04
Materials and services		
Materials, supplies and goods		
Purchases during the accounting period	-3,159,175.85	-1,692,401.03
Inventory increase (+) or decrease (-)	-312,115.70	194,557.88
External services	-535,398.81	-297,071.48
Total materials and services	-4,006,690.36	-1,794,914.63
Personnel expenses		
Wages and salaries	-4,502,639.69	-3,259,529.33
Social security costs		
Pension costs	-584,922.65	-472,126.73
Other personnel expenses	-171,005.13	-92,238.48
Total personnel expenses	-5,258,567.47	-3,823,894.54
Depreciation and amortization		
Depreciation according to plan	-210,003.58	-148,553.65
Total depreciation and amortization	-210,003.58	-148,553.65
Other operating expenses	-5,943,028.97	-3,620,197.44
OPERATING PROFIT (LOSS)	-8,685,803.83	-4,201,885.14
Financial income and expenses		
Other interest and financial income		
From others	112,616.98	185,981.43
Interest and other financial expenses		
For others	-1,308,848.78	-590,054.00
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-9,882,035.63	-4,605,957.71
Income taxes		
Taxes for the accounting period	-20,439.54	-7,652.40
Deferred taxes	419,743.84	0.00
PROFIT (LOSS) FOR THE ACCOUNTING PERIOD	-9,482,731.33	-4,613,610.11

Consolidated balance sheet

EUR	31 December 2025	31 December 2024
ASSETS		
FIXED ASSETS		
Intangible assets		
Intangible rights	668,002.71	426,365.02
Other intangible assets	324,352.42	196,137.47
Total intangible assets	992,355.13	622,502.49
Tangible assets		
Buildings and structures	201,058.78	216,710.11
Machinery and equipment	854,610.73	842,576.70
Advance payments and work in progress	0.00	40,251.00
Total tangible assets	1,055,669.51	1,099,537.81
Deferred tax assets	419,743.84	0,00
TOTAL FIXED ASSETS	2,467,768.48	1,722,040.30
CURRENT ASSETS		
Inventories		
Materials and supplies	292,084.05	604,199.75
Unfinished products	254,432.24	0,00
Finished products	3,342,274.76	904,707.43
Total inventories	3,888,791.05	1,508,907.18
Short-term receivables		
Account receivables	666,997.51	1,457,375.03
Other receivables	389,815.48	196,856.05
Accrued income	139,786.12	300,710.68
Total short-term receivables	1,196,599.11	1,954,941.76
Money market deposits	3,043,090.07	2,452,472.74
Cash and cash equivalents	1,082,442.65	3,836,387.88
TOTAL CURRENT ASSETS	9,210,922.88	9,752,709.56
TOTAL ASSETS	11,678,691.36	11,474,749.86

EUR

31 December 2025

31 December 2024

LIABILITIES
EQUITY

Share capital	3,748,592.19	3,748,592.19
Other funds		
Invested unrestricted equity	35,337,229.15	25,820,759.65
Profit (loss) for previous accounting periods	-19,835,122.26	-15,219,437.06
Profit (loss) for the accounting period	-9,482,731.33	-4,613,610.11
Exchange differences	-6,465.32	1,906.17

TOTAL EQUITY	9,761,502.43	9,738,210.84
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LIABILITIES
Long-term liabilities

Loans from financial institutions	0.00	157,964.85
Capital loans	138,154.50	276,310.00
Total long-term liabilities	138,154.50	434,274.85

Short-term liabilities

Capital loans	138,155.50	138,155.50
Loans from financial institutions	157,964.89	98,728.00
Advances received	97,057.45	3,500.01
Accounts payable	497,136.66	258,343.73
Other liabilities	112,188.76	95,157.80
Accrued liabilities	776,531.18	708,379.13
Total short-term liabilities	1,779,034.43	1,302,264.17

TOTAL LIABILITIES	1,917,188.93	1,736,539.02
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TOTAL EQUITY AND LIABILITIES	11,678,691.36	11,474,749.86
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Consolidated cash flow statement

EUR	1 January – 31 December 2025	1 January – 31 December 2024
Cash flow from operating activities		
Profit for the accounting period	-9,482,731.33	-4,613,610.11
Adjustments		
Total depreciation and amortization	210,003.58	148,553.65
Other non-cash income and expenses	818,969.80	0,00
Financial income and expenses	1,196,231.80	404,072.57
Other adjustments	18,588.97	7,652.40
Cash flow before changes in working capital	-7,238,937.18	-4,053,331.49
Change in working capital		
Change in short-term non-interest-bearing receivables	-480,370.99	-322,793.80
Change in inventories	-2,379,883.87	-666,697.06
Change in short-term non-interest-bearing payables	353,792.61	-42,048.56
Operational cash flow before net financial expenses and taxes	-9,745,399.42	-5,084,870.91
Paid interests and payments from other operating financial expenses	-15,012.18	-14,211.29
Paid direct taxes	-1,850.57	-7,652.40
Cash flow from operating activities (A)	-9,762,262.17	-5,106,734.60
Cash flow from investments		
Investments for intangible and tangible assets	-583,736.76	-728,771.48
Cash flow from investments (B)	-583,736.76	-728,771.48
Cash flow from financing		
Paid share issue	9,516,469.50	6,120,000.00
Paid short-term loans	-98,727.96	-98,727.96
Paid long-term loans	-138,155.50	-276,311.00
Paid interests and other payments on financing	-1,096,915.01	-530,522.94
Cash flow from financing (C)	8,182,671.03	5,214,438.10
Change in liquid assets (A+B+C) increase (+) or decrease (-)	-2,163,327.90	-621,067.98
Cash and cash equivalents at the beginning of the accounting period*	6,288,860.62	6,909,928.60
Cash and cash equivalents at the end of the accounting period*	4,125,532.72	6,288,860.62

*Cash and cash equivalents include funds on bank accounts and liquid financial securities, which are reported as money market deposits in the balance sheet.

Parent company income statement

EUR	1 January – 31 December 2025	1 January – 31 December 2024
REVENUE	6,266,195.58	4,543,609.91
Change in stocks of finished goods and work-in-progress increase (+) or reduction (-)	1 370,051.32	472,139.17
Other operating income	366,455.18	161,435.07
Materials and services		
Materials, supplies and goods		
Purchases during the accounting period	-2,379,706.98	-1,692,401.03
Inventory increase (+) or decrease (-)	-312,115.70	194,557.88
External services	-407,146.04	-297,071.48
Total materials and services	-3,098,968.72	-1,794,914.63
Personnel expenses		
Wages and salaries	-3,673,031.76	-2,914,699.97
Social security costs		
Pension costs	-576,659.33	-472,126.73
Other personnel expenses	-110,665.56	-54,950.34
Total personnel expenses	-4,360,356.65	-3,441,777.04
Depreciation and amortization		
Depreciation according to plan	-209,329.31	-147,602.98
Total depreciation and amortization	-209,329.31	-147,602.98
Other operating expenses	-7,156,176.60	-4,058,698.88
OPERATING PROFIT (LOSS)	-6,822,129.20	-4,265,809.38
Financial income and expenses		
Other interest and financial income		
From others	112,613.80	185,980.23
Interest and other financial expenses		
For others	-1,164,391.19	-590,053.93
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-7,873,906.59	-4,669,883.08
PROFIT (LOSS) FOR THE ACCOUNTING PERIOD	-7,873,906.59	-4,669,883.08

Parent company balance sheet

EUR	31 December 2025	31 December 2024
ASSETS		
FIXED ASSETS		
Intangible assets		
Intangible rights	663,227.85	421,192.26
Other intangible assets	324,352.42	196,137.47
Total intangible assets	987,580.27	617,329.73
Tangible assets		
Buildings and structures	201,058.78	216,710.11
Machinery and equipment	854,610.67	842,300.27
Advance payments and work in progress	0.00	40,251.00
Total tangible assets	1,055,669.45	1,099,261.38
Investments		
Shares in group member companies	456,385.10	456,385.10
Total investments	456,385.10	456,385.10
TOTAL FIXED ASSETS	2,499,634.82	2,172,976.21
CURRENT ASSETS		
Inventories		
Materials and supplies	292,084.05	604,199.75
Unfinished products	254,432.24	0.00
Finished products	2,020,326.51	904,707.43
Total inventories	2,566,842.80	1,508,907.18
Short-term receivables		
Sales receivables	593,739.47	1,457,375.03
Receivables from member group companies	3,515,200.48	43,781.53
Other receivables	366,107.55	196,856.05
Accrued income	127,330.76	264,723.36
Total short-term receivables	4,602,378.26	1,962,735.97
Money market deposits	3,043,090.07	2,452,472.74
Cash and cash equivalents	852,164.69	3,729,249.21
TOTAL CURRENT ASSETS	11,064,475.82	9,653,365.10
TOTAL ASSETS	13,564,110.64	11,826,341.31

EUR

31 December 2025
31 December 2024
LIABILITIES
EQUITY

Share capital	3,748,592.19	3,748,592.19
Other funds		
Invested unrestricted equity	35,337,229.15	25,820,759.65
Profit (loss) for previous accounting periods	-19,456,440.98	-14,786,557.90
Profit (loss) for the accounting period	-7,873,906.59	-4,669,883.08

TOTAL EQUITY
11,755,473.77
10,112,910.86
LIABILITIES
Long-term liabilities

Loans from financial institutions	0.00	157,964.85
Capital loans	138,154.50	276,310.00
Total long-term liabilities	138,154.50	434,274.85

Short-term liabilities

Loans from capital institutions	157,964.89	98,728.00
Capital loans	138,155.50	138,155.50
Advances received	17,704.33	3,500.01
Accounts payable	460,626.23	253,723.46
Loans from member group companies	64,190.02	0,00
Other liabilities	85,599.38	82,932.50
Accrued liabilities	746,242.02	702,116.13
Total short-term liabilities	1,670,482.37	1,279,155.60

TOTAL LIABILITIES
1,808,636.87
1,713,430.45
TOTAL EQUITY AND LIABILITIES
13,564,110.64
11,826,341.31

Notes to the Financial Statements

Group and parent company

Accounting principles

The financial statements have been prepared in accordance with the principles and methods of measurement and recognition set out in Chapter 2 and 3 of the Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, with the exception of the accounting principles for non-current assets set out below.

Intra-Group ownership has been eliminated using the acquisition cost method. Intra-Group transactions and receivables and liabilities between Group companies have been eliminated.

The financial statements of foreign-currency subsidiaries have been translated into euros such that balance sheet items are translated at the exchange rate on the balance sheet date, and income statement items are translated using the exchange rates at the end of each month. Translation differences have been recognized in equity under translation differences.

Measurement principles and methods used in the recognition of fixed and current assets

Non-current assets

Intangible assets

The acquisition cost of items shown in non-current assets will be depreciated according to plans.

The depreciations have been calculated according to the following plans:

- Intangible rights: 10–20 years straight-line depreciation
- Buildings and structures: 10 years straight-line depreciation
- Machinery and equipment: 3–10 years straight-line depreciation

The depreciation period of patents in Austria is based on the period of validity of the patents (20 years). In other respects, the Group complies with a 10-year depreciation period in patents.

During the financial year 2025, external costs related to ERP project development and registration of market authorization applications have been capitalized. Depreciations will only start once the assets are completed and taken into use or when the market authorization has been approved.

Deferred tax assets are recognized for deductible temporary differences. Deferred taxes are calculated using the tax rate in effect on the date of the financial statements.

Notes on the Group company

The following companies have been consolidated in the consolidated financial statements of the Group:

Parent company		Domicile
Bioretec Ltd		Tampere, Finland
Subsidiary	Ownership	Domicile
Bioretec GmbH	100%	Graz, Austria
Bioretec Inc.	100%	Delaware, United States

Going concern principle

Bioretec is a growth company in the health technology sector that is currently focusing on the development and commercialization of its new RemeOs products. The company's R&D pipeline includes several products, the development of which requires investments that the company cannot cover with its current income funding.

In June 2025, Bioretec completed a successful rights issue and received gross proceeds of approx. EUR 9.2 million. The funds raised are estimated to be sufficient first half of 2026. To cover the financing needs for the company to continue as a going concern, on 10 March 2026 the company announced that it is planning a Rights Issue of at least EUR 5 million and up to EUR 15 million to strengthen its capital base and financing resources. The offering is subject to authorization from EGM to be held on 27 March 2026. The company has received a subscription commitment and underwriting commitment from Stephen Industries Inc Oy for an aggregate amount of up to EUR 5 million. As other commitments for additional financing have not been received at the time of signing these financial statements, this constitutes a material uncertainty factor that may cast significant doubt on the company's and group's ability to continue as a going concern. However, based on the successful financing rounds carried out in the company in the past, the Board of Directors considers it reasonable to assume that financing will also be available this time, and therefore the financial statements have been prepared in accordance with the going concern principle.

In addition to the above-mentioned arrangement, the company's operations may, in order to implement its growth plans, require additional financing during the coming years.

Related party transactions

Group company

The related parties of Bioretec include the parent company Bioretec Inc and the subsidiaries Bioretec GmbH and Bioretec Inc. The related parties also include key persons in the management, their close family members, and/ or legal persons under his/ her influence. Key management personnel include members of Bioretec's Board of Directors, company CEO, and members of the Group Management Team.

The company has a consultancy agreement with Valugen GmbH, which is controlled by the Board member Michael Piccirillo. The services provided under the agreement have included work related to designing an education program framework. In 2025, approximately EUR 4,000 was invoiced (in 2024 business planning and creating a contact network EUR 35,000).

During the financial year, the company had a consulting agreement with Board member Justin Barad related to the U.S. commercialization strategy and operating model. The amount invoiced during 2025 was approximately EUR 17,000 (EUR 0).

During the financial year, the company purchased Chief Financial Officer services from Vertian Oy, the company of interim CFO Anne-Mari Matikainen, for approximately EUR 70,000 (EUR 0).

Parent company

Bioretec has payables to its subsidiary Bioretec GmbH. On 31 December 2025, the payable amount totaled EUR 64,190.02 (EUR 0.00). In addition, Bioretec GmbH has charged the parent company approximately EUR 400,000 (EUR 653,000) for research and other costs during the financial year.

Bioretec Oy has a receivable from its subsidiary Bioretec Inc. As of 31 December 2025, the amount of the receivable was EUR 3,515,200.48 (EUR 37,521.60). In addition, Bioretec Ltd has charged the parent company approximately EUR 1,453,000 (EUR 685,000) for salaries, travel and other sales and marketing support costs related to commercialization during the financial year.

Exceptional items

The result for the financial period was burdened by the costs of equity financing arrangements totaling EUR 1,084 (489) thousand.

Commitments and contingencies

Group and parent company

Collateral provided and off-balance sheet commitments and arrangements as well as pension liabilities	31 December 2025	31 December 2024
Nominal amounts of open leasing agreements	100,953.45	122,996.98
Due in the next financial period	59,228.52	59,349.02
Due later	41,724.93	63,647.96
Lease liabilities for business premises	517,295.07	762,134.33
Total collaterals and off-balance sheet items	618,248.53	885,131.31

The total amount of lease agreements on 31 December 2025 consists of IT equipment, movable office premises and two leased cars.

The lease agreement for the company's premises is for a fixed term from 1 August 2021 to 31 December 2027. The rental liability for the premises is calculated for the period from 1 January 2026 to 31 December 2027.

Guarantees given by type and the amount of liability or a guarantee with lesser value	31 December 2025	31 December 2024
Loans from credit institutions	0.00	0.00
Company mortgages total*	440,000.00	440,000.00

*Company mortgages are disclosed in the notes to the financial statements, because they are visible in the Enterprise Mortgage Register maintained by the Finnish Patent and Registration Office, even though they are in the company's possession.

Parent company

Intra-group receivables and payables

Group receivables	31 December 2025	31 December 2024
Group account receivables	3,515,200.48	43,781.53
Group receivables total	3,515,200.48	43,781.53
Group payables	31 December 2025	31 December 2024
Group account payables	64,190.02	0.00
Group payables total	64,190.02	0.00

Group and parent company

Personnel

Average number of employees during the period	31 December 2025	31 December 2024
Group	57	42
Parent company	54	40

Changes in equity

Group

Breakdown of equity	31 December 2025	31 December 2024
Share capital on 1 January	3,748,592.19	3,748,592.19
Share capital on 31 December	3,748,592.19	3,748,592.19
Total restricted equity	3,748,592.19	3,748,592.19
Invested unrestricted equity reserve on 1 January	25,820,759.65	19,700,759.65
Additions/reductions during the accounting period	9,516,469.50	6,120,000.00
Invested unrestricted equity reserve on 31 December	35,337,229.15	25,820,759.65
Profit /loss for the previous accounting period on 1 January	-19,833,047.17	-15,219,437.06
Exchange rate differences	-2,075.09	0.00
Profit /loss for the previous accounting period on 31 December	-19,835,122.26	-15,219,437.06
Profit/loss for the accounting period	-9,482,731.33	-4,613,610.11
Profit / loss for the previous and current accounting period, total	-29,317,853.59	-19,833,047.17
Exchange differences	-6,465.32	1,906.17
Total equity	9 761 502,43	9,738,210.84

Parent company

Breakdown of equity	31 December 2025	31 December 2024
Share capital on 1 January	3,748,592.19	3,748,592.19
Share capital on 31 December	3,748,592.19	3,748,592.19
Total restricted equity	3,748,592.19	3,748,592.19
Invested unrestricted equity reserve on 1 January	25,820,759.65	19,700,759.65
Additions/reductions during the accounting period	9,516,469.50	6,120,000.00
Invested unrestricted equity reserve on 31 December	35,337,229.15	25,820,759.65
Profit/loss for the previous accounting periods on 1 January	-19,456,440.98	-14,786,557.90
Profit/loss for the previous accounting periods on 31 December	-19,456,440.98	-14,786,557.90
Profit/loss for the accounting period	-7,873,906.59	-4,669,883.08
Profit / loss for the previous and current accounting period, total	-27,330,347.57	-19,456,440.98
Total equity	11,755,473.77	10,112,910.86

Shares	31 December 2025	31 December 2024
Number of the company's shares at year-end	30,788,092	23,336,858

Calculation of distributable capital in accordance with Chapter 13 Section 5 of the Limited Liability Companies Act	31 December 2025	31 December 2024
Total distributable capital	8,006,881.58	6,364,318.67
Total unrestricted capital at the end of the accounting period	8,006,881.58	6,364,318.67
Invested unrestricted capital reserve (Ltd)	35,337,229.15	25,820,759.65
Profit/loss for the previous accounting periods	-19,456,440.98	-14,786,557.90
Profit/loss for the accounting period	-7,873,906.59	-4,669,883.08

Capital loans

Capital loans	31 December 2025	31 December 2024
Capital loans presented as liabilities	276,310.00	414,465.50

Main terms of capital loans

Terms of capital loans, old Limited Liability Companies Act:

At the end of the financial period, the parent company had a capital loan from the State Treasury of Finland amounting to EUR 276,310. Items estimated to be maturing in 2026, a total of EUR 138,155 thousand, are presented as short-term debt.

The main terms of the capital loan are presented below:

The capital is payable only if, after payment, there is full coverage left for restricted equity and other non-distributable items in the approved balance sheet for the most recent accounting period of the company. Interest is payable only if the amount to be paid can be used for the distribution of profits according to the approved balance sheet for the most recent accounting period of the company. The loan period is two (2) years. The interest is one (1) percent lower than the base rate approved by the Ministry of Finance at the time but at least three (3) percent. On 31 December 2025, accrued and recorded total interest was EUR 8,289.

Calculation of the adequacy of the company's assets

Calculation of the adequacy of the company's assets	31 December 2025	31 December 2024
Total equity	12,031,783.77	10,527,376.36
Equity	11,755,473.77	10,112,910.86
Capital loan	276,310.00	414,465.50

Signatures for the Board of Directors' Report and Financial Statements

Place: Tampere

Time: March 12, 2026

Sarah van Hellenberg Hubar-Fisher
CEO

Kustaa Poutiainen
Chairman of the Board

Michael Piccirillo
Member of the Board

Antti Vasara
Member of the Board

Päivi Malinen
Member of the Board

Justin Barad
Member of the Board

Auditor's note

A report on the performed audit has been issued on the date indicated by the (electronic) signature

Place: Turku

PricewaterhouseCoopers Oy, Authorized Public Accountant Firm

Kalle Laaksonen
Authorized Public Accountant (APA)

Bioretec™

Healing Beyond Absorption

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