

**Bioretec announces the subscription price and publishes a prospectus for its contemplated IPO and listing on Nasdaq First North Growth Market Finland**

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Bioretec Ltd ("**Bioretec**" or the "**Company**"), announced on 2 June 2021 that it is planning an initial public offering (the "**IPO**" or the "**Offering**") and listing of its shares (the "**Shares**") on Nasdaq First North Growth Market Finland (the "**Listing**"). Bioretec announces today the subscription price for the Offering. The subscription period for the contemplated Offering is expected to commence on 7 June 2021 at 10:00 a.m. EEST. The Finnish Financial Supervisory Authority has today approved the Finnish prospectus (the "**Finnish Prospectus**"), which will be published on or about 7 June 2021.

**The Offering in brief**

- Subscription price for the offer shares in the institutional offering and the public offering is EUR 3.90 per offer share ("**Subscription Price**").
- Bioretec aims to raise gross proceeds of approximately EUR 25 million by offering a maximum of 6,410,256 new Shares in the Company (the "**New Shares**") available for subscription (the "**Share Issue**").
- In connection with the Offering, the Company may grant Danske Bank A/S, Finland branch ("**Danske Bank**") acting as the stabilizing manager (the "**Stabilizing Manager**") an over-allotment option (the "**Over-Allotment Option**") which would entitle the Stabilizing Manager to purchase a maximum of 961.538 new shares in Bioretec (the "**Additional Shares**" and together with the New Shares, the "**Offer Shares**") at the Subscription Price solely to cover over-allotments, if any, in connection with the Offering. The Over-Allotment Option would be exercisable within 30 days from the commencement of trading of the Shares of the Company on Nasdaq First North Growth Market Finland.
- The market capitalization of Bioretec based on the Subscription Price would be approximately EUR 67 million assuming that Bioretec raises gross proceeds of approximately EUR 25 million in the Offering. Assuming that the Over-Allotment Option is utilized in full, the market capitalization of Bioretec based on the Subscription Price would be approximately EUR 71 million.
- The purpose of the IPO is to enable investments into the commercialization of Bioretec's RemeOs™ screws and research and development as well as commercialization of future products of the RemeOs™ product line and thus support Bioretec's growth strategy with the proceeds received from the Offering.
- The Offering consists of (i) a public offering to private individuals and entities in Finland (the "**Public Offering**") and (ii) an institutional offering to institutional investors in Finland and, in compliance with applicable legislation, internationally outside of the United States (the "**Institutional Offering**").

- Handelsbanken Fonder AB, Mandatum Life Insurance Company Limited and Kaleva Mutual Insurance Company (the "**Cornerstone Investors**") have in total, subject to certain conditions, committed to subscribe for shares amounting to EUR 8 million at the Subscription Price.
- The maximum number of Offer Shares offered in the Offering represents 41 per cent of all Shares and 41 per cent of all votes after the completion of the Offering.
- The subscription period for the Offering will commence on 7 June 2021 at 10:00 a.m. EEST.
- The Offering may be ended on 14 June 2021 at 4:00 p.m. EEST at the earliest.
- The Finnish Prospectus and its English language translation will be available from 7 June 2021 onwards.

**Timo Lehtonen, Bioretec's CEO comments:**

*"Bioretec's bioresorbable implants are successfully used worldwide in approximately 40 countries. We believe that our novel innovation, the load bearing, bioresorbable RemeOs™ products, made purely of materials natural to the human body, can make a tangible difference in how traumas are treated globally. The savings in time, costs and the eliminated complication risks through a need for less surgeries, are significant both on individual level as well as for societies in general. With the successfully completed clinical trial and the Breakthrough Device Designation from the U.S. Food and Drug Administration granted to our RemeOs™ cannulated screws, we feel confident that we are nearing a successful market launch. Listing our shares on the First North marketplace would enable an efficient launch as well as an opportunity to invest in Finnish innovations that can truly make a difference in the world."*

**Tomi Numminen, Chairman of the Board of Directors of Bioretec comments:**

*"The highly experienced expert team behind Bioretec, supported by the esteemed Scientific Advisory Board, has made innovations and successfully commercialized them throughout its history. In my view, the new, unique, RemeOs™ products have true potential, catering to the need for safer and better care while enabling cost savings – in a world where the need for trauma care is increasing. I believe Bioretec's clear strategy, solid experience and continued innovation can take the company far. Listing the company would be a significant milestone and accelerator on this journey."*

**Background and reasons for the IPO**

Bioretec is a medical device company focusing on the development and manufacturing of strong and safe bioresorbable implants for the treatment of bone and soft tissue injuries. The advantage of Bioretec's implants compared to traditional metal implants is that bioresorbable implants eliminate the need for implant removal operations that result in significant costs and may involve complications.

Bioretec is targeting to achieve strong growth with its next generation RemeOs™ product family. The new RemeOs™ product family consists of unique bioresorbable metal based orthopedic implants for load bearing applications – implants that can be used to fix bone fractures, which will not need to be removed, since they naturally resorb into the human body. With RemeOs™ product family Bioretec expects to tap into a large global USD 7 billion addressable market as one of the first producers who combine the benefits of strong load bearing metal implants and bioresorbability. In the company's view, with its bioresorbable orthopedic implants the following benefits can be achieved:

- They aid the body to use its own systems to heal naturally without introducing any foreign materials
- By gradually resorbing, they improve the formation and strengthening of new bone better than traditional implants
- They eliminate need for implant removal operations, that generate costs and may involve complications

The material used in the new generation RemeOs™ product family is an all-natural elements based magnesium alloy that is free of rare earth elements ("REE"), has optimized mechanical properties and is biomechanically closer to bone than traditional metals, biopolymers or biocomposites. The material is initially more rigid and stronger than an intact bone, which is required to provide immediate load-bearing capabilities. Over time, the implant resorbs gradually transferring load to the bone, which is needed for the bone to recover its natural state. Furthermore, the bioresorbable RemeOs™ material, made of Magnesium, Zinc and Calcium, promotes new bone formation and incorporation to host bone and ultimately enables the bone to regain its natural strength.

RemeOs™ product family's proof of concept product, cannulated screws, have passed clinical trial with successful results and has been granted with Breakthrough Device Designation from the U.S. Food and Drug Administration (FDA) in March 2021. The Company expects the sales of the RemeOs™ cannulated screws to start in the United States during the first half of 2022, provided that the market authorization has been obtained within target time. The objective of the Offering and Listing is to enable investments into the commercialization of the Company's RemeOs™ Screws and research and development as well as commercialization of future products of the RemeOs™ product line and thus support the Company's growth strategy with the proceeds received from the Offering.

The Offering and the Listing are expected to increase the general interest of the investors, clients, surgeons and business partners towards the Company, as well as enhance the Company's attractiveness from the perspective of potential employees and its ability to engage its current employees with the Company's activities. In addition, the Offering and the Listing are expected to expand the Company's owner base with domestic and foreign investors, as well as enable a liquid market for the Company's Shares in the future.

### **Information on the IPO and publication of the Finnish Prospectus**

Preliminarily a maximum of 1,025,641 New Shares are offered in the Public Offering to private individuals and entities in Finland. Preliminarily a maximum of 5,384,615 New Shares are being offered in the Institutional Offering to institutional investors in Finland and, in accordance with the applicable laws, internationally outside the United States on the terms and conditions set forth herein. Depending on the demand, the Company may reallocate New Shares between the Institutional and the Public Offerings in deviation from the preliminary number of shares without limitation. However, the minimum number of New Shares to be offered in the Public Offering will be 1,025,641 New Shares or, if the aggregate number of New Shares covered by the commitments submitted in the Public Offering is smaller than this, such aggregate number of New Shares as covered by the commitments.

The Subscription Price for the Offer Shares in the Institutional Offering and the Public Offering is EUR 3.90 per Offer Share. The Subscription Price may be changed during the subscription period, provided however, that in the Public Offering, the Subscription Price cannot be higher than the original

Subscription Price, i.e. EUR 3.90 per Offer Share. The change, if any, will be communicated through a company release.

In the Share Issue, Bioretec aims to raise gross proceeds of approximately EUR 25 million by offering a maximum of 6,410,256 New Shares in the Company available for subscription.

In addition, the Company's Board of Directors may grant Danske Bank acting as the Stabilizing Manager an Over-Allotment Option which would entitle the Stabilizing Manager to purchase a maximum of 961.538 Additional Shares solely to cover over-allotments, if any, in connection with the Offering.

The maximum number of Offer Shares offered in the Offering represents 41 per cent of all Shares and 41 per cent of all votes after the completion of the Offering. In the event that existing shareholders of the Company do not subscribe for the Offer Shares in the Offering, their total holding of Shares would be diluted by 41 per cent and the total holding of voting rights would be diluted by 41 per cent.

The Cornerstone Investors have each in June 2021 given subscription undertakings in relation to the Offering, under which the Cornerstone Investors have, each individually, committed to subscribe for Offer Shares at the Subscription Price, subject to certain conditions being fulfilled, including a condition that the maximum valuation of all of the Company's outstanding Shares (after any proceeds from the Offering and excluding treasury shares), based on the Subscription Price, does not exceed EUR 71 million. According to the terms and conditions of the subscription undertakings, the Cornerstone Investors will be guaranteed the number of Offer Shares covered in the subscription undertaking.

Prior to the Offering, Bioretec's Shares have not been admitted to trading on any regulated market or multilateral trading facility. Bioretec intends to submit a listing application to Nasdaq Helsinki Ltd to list the Shares on Nasdaq First North Growth Market Finland. Trading in the Shares is expected to commence on or about 18 June 2021, provided that Nasdaq Helsinki Ltd approves Bioretec's listing application.

The Finnish Financial Supervisory Authority has today on 4 June 2021 approved the Finnish Prospectus prepared in connection with the Offering. The Finnish Prospectus will be available on or about 7 June 2021 on Bioretec's website at [www.bioretec.com/ipo](http://www.bioretec.com/ipo), on Danske Bank's website at [www.danskebank.fi/bioretec](http://www.danskebank.fi/bioretec) and on Nordnet Bank Ab, Finland Branch's ("**Nordnet**") website at [www.nordnet.fi/fi/bioretec](http://www.nordnet.fi/fi/bioretec). The English language translation of the Finnish Prospectus will be available on or about 7 June 2021 on the following websites: [www.bioretec.com/ipo](http://www.bioretec.com/ipo) and [www.danskebank.fi/bioretec-en](http://www.danskebank.fi/bioretec-en).

## **Company presentation**

Bioretec's company presentation event (in Finnish) will be held on 7 June 2021 at 6:00 p.m. EEST. The presentation can be viewed live at [www.bioretec.com/ipo](http://www.bioretec.com/ipo).

## **Advisors**

Danske Bank A/S, Finland branch, is acting as the sole global coordinator and bookrunner (the "**Sole Global Coordinator and Bookrunner**") in connection with the IPO. Nordnet acts as the subscription place in the Public Offering along with the Sole Global Coordinator and Bookrunner. Krogerus Attorneys Ltd is acting as legal adviser to Bioretec. Borenius Attorneys Ltd is acting as legal adviser to the Sole Global Coordinator and Bookrunner. Miltton Ltd is acting as communications adviser to Bioretec. Danske Bank A/S, Finland branch, will act as Bioretec's certified adviser in accordance with the Nasdaq First North Growth Market Rulebook.

## Important dates

7 June 2021 at 10:00 a.m.	The subscription period for the Offering commences
14 June 2021 at 4:00 p.m.	The Public Offering and the Institutional Offering may be ended at the earliest
15 June 2021 at 4:00 p.m.	The subscription period for the Public Offering ends
17 June 2021 at 10:00 a.m.	The subscription period for the Institutional Offering ends
On or about 17 June 2021	The results of the Offering will be announced
On or about 18 June 2021	The Offer Shares allocated in the Public Offering will be recorded in the book-entry accounts of the investors
On or about 18 June 2021	Trading in the Shares on the Nasdaq First North Growth Market Finland is expected to commence
On or about 22 June 2021	The Offer Shares allocated in the Institutional Offering will be ready to be delivered against payment through Euroclear Finland

## Further enquiries

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## Information about Bioretect

Bioretect Ltd is a medical device company focusing on the development of strong, safe and reliable bioresorbable implants for pediatric and adult orthopedics. The company develops, manufactures and commercializes innovative bioresorbable orthopedic implants and materials for bone and soft tissue injuries. Bioretect's products are used worldwide, and the company continues to further develop materials and products for high load-bearing clinical applications. Based in Tampere, Finland, Bioretect employs 24 dedicated professionals, supported by a top class Scientific Advisory Board with internationally recognized medical experts and surgeons as members.

## IMPORTANT INFORMATION

Neither this release nor the information contained herein is for publication, distribution or release, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Singapore or any other jurisdiction in which publication or distribution would be unlawful. The information contained herein does not constitute an offer of securities for sale in the United States, nor may the securities be offered or sold in the United States. Bioretect Ltd (the "**Company**") does not intend to register any portion of the offering in the United States under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or to offer securities to the public in the United States.

The issue, exercise and/or sale of securities are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company or Danske Bank A/S, Finland Branch, assume no responsibility in the event there is a violation by any person of such restrictions.

The information contained herein shall not constitute an offer to sell or a solicitation of an offer to purchase or subscribe, nor shall there be any sale of the securities referred to herein in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Investors must neither accept any offer for, nor acquire, any securities to which this document refers, unless they do so on the basis of the information contained in the applicable prospectus published or offering circular distributed by the Company.

The Company has not authorized any offer to the public of securities in the United Kingdom or in any Member State of the European Economic Area other than Finland. With respect to the United Kingdom and each Member State of the European Economic Area other than Finland and which applies the Prospectus Regulation (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring publication of a prospectus in any Relevant Member State. As a result, the securities may only be offered in the United Kingdom and in Relevant Member States (a) to any legal entity, which fulfils the requirements of a qualified investor as defined in the Prospectus Regulation; or (b) in any other circumstances falling within Article 1(4) of the Prospectus Regulation. For the purposes of this paragraph, the expression an "**offer of securities to the public**" means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities. The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "**Relevant Persons**"). Any investment activity to which this communication relates will only be available to and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

Full terms, conditions and instructions for the contemplated initial public offering will be included in the prospectus that has been prepared by the Company in connection with the contemplated initial public offering. The prospectus will be published on the website of the Company at [www.bioretec.com/ipo](http://www.bioretec.com/ipo).

Investors are advised to read the prospectus before making an investment decision to fully understand the risks and rewards associated with the investment. The approval by the Finnish Financial Supervisory Authority of the prospectus, once received, shall not be considered as an endorsement of the securities offered.

#### FORWARD-LOOKING STATEMENTS

Certain statements in this release are "forward-looking statements." Forward-looking statements include statements concerning plans, assumptions, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, the Company's competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, its business strategy and the anticipated trends in

the industry and the political and legal environment in which it operates and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes," "intends," "may," "will" or "should" or, in each case, their negative or variations on comparable terminology.

Forward-looking statements in this release are based on assumptions. Forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and the risk exists that the predictions, forecasts, projections, plans and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, you are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this release. Save as required by law, the Company does not intend to, and does not assume any obligation to, update or correct any forward-looking statement contained in this release.