

Appendix 1: Terms and Conditions of Option Rights

(amended terms according to the resolution by the board of directors on the 22nd of April 2021)

OPTION PROGRAM 2020-1 OF BIORETEC OY

*The Board of Directors of Bioretec Oy (the "Company") has on 13 January 2021, based on the authorization granted by the Company's Annual General Meeting on 26 June 2020, decided on issuance of option rights ("**Option Rights**") to the Company's Key Employees and members of the Key Opinion Leader group, and resolved to propose that the General Meeting of Shareholders resolve to issue Option Rights to the members of the Board of Directors, under the following terms and conditions. Furthermore the board of directors has in its' meeting on the 22 April 2021 resolved to amend the terms and conditions of the option rights marked with identifier 2020-1 in connection with the reverse split resolved by the annual general meeting on the 22 April 2021, the aforementioned amendments have been included in these terms and conditions.*

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TERMS AND CONDITIONS OF OPTION RIGHTS

1.1 *Amount of Option Rights*

*Pursuant to the authorization, in total up to 26,000,000 Option Rights may be issued, and the Option Rights may entitle to subscribe up to 1.733.333 new shares ("**Share**" or "**Shares**").*

1.2 *Option Rights*

Of the Option Rights

- *8.450.000 pcs shall be marked with 2020-1A,*
- *9.150.000 pcs shall be marked with 2020-1B and*
- *8.400.000 pcs shall be marked with 2020-1C.*

1.3 *Directed issuance of Option Rights and subscription price of the Option Rights*

The Option Rights shall be given free of charge. There are weighty financial reasons to issue the Option Rights, because the Option Rights are intended to be a part of the incentive and commitment program of the Key Employees, members of the Key Opinion Leader group and members of the Board of Directors.

1.4 *Granting of Option Rights*

The Board of Directors shall decide on to whom Option Rights shall be given and all the other terms and conditions related to the Option Rights. However, the General Meeting of Shareholders of the Company shall decide on granting Option Rights for the members of the Board of Directors in case Option Rights are granted as remuneration for membership in the Board of Directors.

When issuing the Option Rights, the Board of Directors may decide on specific additional conditions concerning the Option Rights. The Board of Directors shall also decide on reallocation of those Option Rights that have been returned to the Company.

The Board of Directors shall send by letter, or by other provable means, a confirmation about the offering of Option Rights to the recipients of the Option Rights. Option Rights shall be deemed granted after the recipient of Option Rights has accepted the offer.

The Option Rights constitute a discretionary and one-off part of the incentive plan. The Option Rights are not a part of the employment or executive agreement of the Option Right holder and are not considered as salary or fringe benefit. During the employment or executive relationship or after its termination, the Option Right holder has no right to receive any compensation related to the Option Rights.

Holders of Option Rights are solely responsible for any tax or tax related obligations, which arise in connection with the receipt of exercise of the Option Rights.

1.5 *Transfer and forfeiture of Option Rights*

The Company shall safekeep the Option Rights on behalf of the Option Right holder until the commencement of the Share subscription period. Option Rights may not be transferred or pledged without the consent of the Board of Directors of the Company.

In the event that the Option Right holder's employment or executive agreement with the Company is terminated due to any other reasons than the Option Right holder's death, statutory retirement, retirement based on the employment or executive agreement or other retirement determined by the Company or due to permanent disability to work, he or she shall forfeit to the Company or to its order the Option Rights that have been granted to him/her without payment, provided that the Share subscription period pursuant to section 2.2 has not started at the termination date of the employment or executive agreement. The same applies in case the Option Right holder's rights and obligations consequent on his/her employment or executive relationship are transferred to a new owner or holder due to a transfer of business. In deviation from the foregoing, the Board of Directors may, where it deems appropriate, decide that the holder of Option Rights shall be entitled to continue to hold the Option Rights or a part of them.

The Board of Directors may decide to incorporate the Option Rights into the book-entry system. If the Option Rights have been incorporated into book-entry system, the Company has the right to transfer to itself or to its order all forfeited Option Rights from the book-entry securities account of the Option Right holder into a book-entry securities account determined by the Company without the consent of the Option Right holder. The Company has the right to register transfer or other special restrictions related to the Option Rights into the book entry account of the Option Right holder without the consent of the Option Right holder.

These terms and conditions do not confer the Option Right holder any right during the employment or executive relationship or after termination of the said relationship for any reason to obtain compensation due to forfeiture of the Option Rights.

2 TERMS OF SHARE SUBSCRIPTION

2.1 Right to subscribe Shares

15 Option Right entitles to subscribe for one new Share. The Subscription Price payable for the subscription of Shares shall be recorded in the Company's reserve for invested unrestricted equity.

2.2 Subscription and payment of the Shares

The subscription period for the Shares related to the Option Rights is:

- Option Right 2020-1A 1.1.2022 - 31.12.2026.
- Option Right 2020-1B 1.1.2023 - 31.12.2026.
- Option Right 2020-1C 1.1.2024 - 31.12.2026.

In case the last day of the subscription period is not a banking day, the subscription for Shares can be made on the banking day first following the last subscription day.

The Shares shall be subscribed at the head office of the Company unless otherwise instructed by the Company. The Shares shall be paid upon subscription to a bank account indicated by the Company. The Company shall determine all procedural matters applicable to the share subscription.

2.3 Subscription price of the Shares

The subscription price per Share is:

- With Option Right 2020-1A 2,25 eur/share
- With Option Right 2020-1B 3,00 eur/share
- With Option Right 2020-1C 3,75 eur/share

The subscription price has been determined based on the subscription price applied in the previous issuances of shares effected by the Company and the current financial standing of the Company.

2.4 Registration of the shares

Shares subscribed and fully paid for shall be registered in the shareholder register of the Company.

2.5 Shareholder rights

The right to dividends and any other shareholder rights related will arise upon the registration of the new Shares with the Trade Register. If the Shares have been incorporated into the book-entry system, shareholder rights will arise upon the registration of the new Shares in the Trade Register and their delivery on the subscriber's book-entry account.

2.6 *Shares issues, option right programs and other special rights entitling to shares prior to share subscription*

If the Company resolves, prior to share subscription, to issue new shares or new option rights or other special rights entitling to shares in accordance with the preemptive right of the shareholders, the Option Right holders shall receive equal treatment with shareholders. Equal treatment shall be provided as determined by the Board of Directors, either by adjusting the amount of Shares to be issued or the subscription price of the Shares to be issued or both.

2.7 *Rights in certain situations*

If the Company pays dividends or returns funds from unrestricted equity, the subscription price of the Shares that may be subscribed by exercising an Option Right shall be reduced correspondingly.

If the Company resolves to decrease its share capital by distributing share capital to the shareholders, subscription price of the Shares that may be subscribed by exercising an Option Right shall be reduced correspondingly.

As an exception to what is mentioned above in section 2.2, if a party acquires control in the Company, the subscription period of the Shares to be subscribed by using the Option Rights shall start immediately for all Option Rights. The Board of Directors of the Company shall advance the beginning of the subscription period of the Shares mentioned above in section 2.2 in such a way that the holders of the Option Rights will be able to exercise their Share subscription rights.

If the Company is placed into liquidation, the holders of the Option Rights shall be reserved with the right to exercise their Share subscription rights during a time period set by the Board of Directors. If the Company is removed from the Trade Register, the holders of Option Rights shall have same or equal rights as those of a shareholder in the Company.

Should the Company as the merging company resolve to merge with another existing company or a company to be incorporated, or to de-merge such that the Company's corporate existence is terminated, the holders of the Option Rights shall be reserved with a right to subscribe the Shares within a time limit set by the Board of Directors prior to the implementation of the merger or de-merger. Alternatively, the Board of Directors may grant the holders of the Option Rights the right to exchange the Option Rights for option rights issued by the receiving company as determined in the merger or de-merger plan or as determined by the Board of Directors or the right to sell the Option rights prior to registration of implementation of the merger or de-merger. Thereafter, any rights to share subscription shall lapse. The same procedure also applies to a cross-border merger or de-merger or if the Company, after having registered itself as a European Company (Societas Europae) or otherwise, registers a transfer of its domicile into another member state within the European Economic Area. The Board of Directors shall decide on the effects of any partial de-merger on the Option Rights. In aforementioned situations, the holders of the Option Rights are not entitled to demand that the Company redeems their Option Rights.

If the Company in a directed manner acquires or redeems its own shares or acquires option rights or other special rights entitling to shares, this does not affect the rights of the holders of the Option Rights. If the Company resolves to acquire its own shares from all its shareholders, a similar offer has to be made for the holder of Option Rights, provided that the acquisition is made against consideration.

If the Company acquires or redeems its own shares in proportion to the holdings of shareholders or carries out a reverse split, the subscription price of the Shares that may be subscribed pursuant to the Option Rights, the subscription price of the Shares, the number of Shares to which Option Rights entitle, or both, shall be adjusted correspondingly. The Board of Directors shall then resolve on the amendments to the Option Rights.

Should a shareholder, prior the end of the subscription period, be entitled to the redemption right or become subject to the redemption obligation referred to in the Finnish Companies Act, Chapter 18, Section 1, based on the ownership of the shareholder exceeding 90% of the Company's shares and votes, the holders of the Option Rights shall be reserved the right to exercise their subscription right within the time to set by the Board of Directors or the holders of the Option Rights shall have a similar obligation to assign the Option Rights to the redeemer notwithstanding the prohibition of transfer in section 1.5 above.

3 OTHER TERMS AND CONDITIONS

These terms and conditions are governed by the laws of Finland. Disputes arising out of the Option Rights will be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Central Chamber of Commerce. The venue of the arbitration proceeding shall be Helsinki and the number of arbitrators shall be one. The language of the arbitration proceedings shall be Finnish.

The Board of Directors may resolve on technical amendments to these Option Terms, resulting from the incorporation of the Option Rights into the book-entry system and on other amendments and specifications to these terms, provided that they are not considered material. The Board of Directors decides on other matters related to the Option Rights and the Board of Directors is entitled to give binding orders to the holders of the Option Rights.

The Company has the right to redeem the Option Rights that have not been transferred or exercised from a holder of Option Rights without payment, if the holder of Option Rights acts in violation of these terms and conditions, orders based on these terms and conditions or in violation of applicable law or orders given by the authorities.

The Company is entitled to maintain a register of holders of Option Rights, which may include personal details. The Company is entitled to give any notice related to the Option Rights by email to the Option Right holders.

These terms and conditions of Option Rights have been drafted in Finnish and in English. In case of any discrepancies between the two language versions, the Finnish version shall prevail.