BIORETEC

06/24/2026 18:49 EEST

This is a translated version of the ”Kasvumurtumassa paranemisen merkkejä” report, published on 06/24/2026

Antti Siltanen, Analyst
+358 45 119 6869
antti.siltanen@inderes.fi

INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT

Signs of recovery in growth fracture

After some difficulties, Bioretec, a company that develops and commercializes orthopedic implants, has seen the first concrete signs of growth from its absorbable metallic RemeOs Trauma Screw. The company's innovative product portfolio and first-mover advantage in the US bring significant potential for value creation if early growth signals continue onwards from this year 2026. On the other hand, the risk of capital loss in the stock is high due to commercial uncertainties and the adequacy of financing if the company falls short of its growth targets. We reiterate our Accumulate recommendation and raise the target price to EUR 0.026 (was 0.021) based on our updated assessment of the stock's risk level (WACC).

Investment case is based on successful commercialization and breakthrough of the new RemeOs product line

The advantage of Bioretec's bioresorbable products is that they are dissolved in the body after surgery, eliminating the need for removal surgery, which causes complications and costs. The new and innovative RemeOs product line, made from a magnesium alloy, has broader application possibilities than the previous Activa product line due to its superior properties. The FDA approval received in spring 2023 and the CE mark obtained in early 2025 enabled the sale of the RemeOs Trauma Screw in the key markets of the US and Europe. In the coming years, the expansion of product indications, geographical expansion, and the launch of new RemeOs products will form a long-term growth path. Its successful execution is not only a great opportunity for the company but also a demanding challenge that requires numerous successes.

Growth has been delayed, but early signs are promising

Revenue is still at a low level and even decreased in 2025 as commercialization struggled. The downgraded financial targets, in addition to operational difficulties, weakened sentiment. However, we believe the company has responded to the difficulties of recent years with the right actions, and recent signals suggest that growth is starting. However, the signs are still preliminary and growth is uncertain.

In our estimates, we expect the trauma screw to initially generate moderate sales growth in the main markets of the US and Europe. Revenue will gradually grow to 11.1 MEUR by 2028 as the use of the trauma screw expands. New product launches, such as RemeOs DrillPin, will also support growth towards the end of the current strategy period in 2026–28. In our estimates, earnings will scale with the leverage provided by a high sales margin and turn positive in 2030. We estimate that the cash position, strengthened by the share issue in spring 2026, will be sufficient until Q3'27, meaning the company will need additional funding before an earnings turnaround. Success in growth is also paramount from the perspective of securing future financing.

Long-term potential outweighs risks

The Bioretec stock carries binary risk as an investment, as a failure to commercialize the new technology will likely result in a permanent loss of capital. To counterbalance the risk, the long-term value creation potential is significant, and technology-related risk has already been partially mitigated. Due to forecasting uncertainties, our estimated fair value range for the share is wide (EUR 0.020–0.034). Our estimate is based on the DCF model and EV/S ratios. In our optimistic high-growth scenario, the earnings potential is significant (EUR ~0.07/share). The possibility of an acquisition offer also provides a positive option for investors.

Overall, we believe the risk/reward ratio warrants a positive recommendation. However, a good expected return for the stock requires a continuation of the early growth signals from early 2026 in the short term. The valuation levels of Bioretec and its sector peers have fallen sharply recently, which partly supports our positive investment view.

Recommendation
Accumulate
(was Accumulate)

Target price:
0.026 EUR
(was 0.021 EUR)

Share price:
0.021 EUR

Business risk

Valuation risk

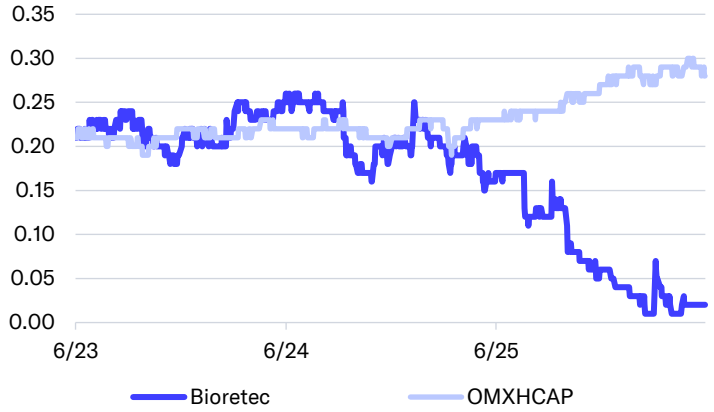
	2025	2026e	2027e	2028e
Revenue	3.5	5.2	7.7	11.1
growth-%	-22%	47%	49%	44%
EBIT adj.	-8.7	-6.8	-4.8	-2.8
Net Income	-9.5	-7.4	-5.4	-3.4
EPS (adj.)	-0.31	-0.01	0.00	0.00
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	1.9	1.8	2.8	4.3
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	4.6	3.8	3.3	2.7

Source: Inderes

Guidance

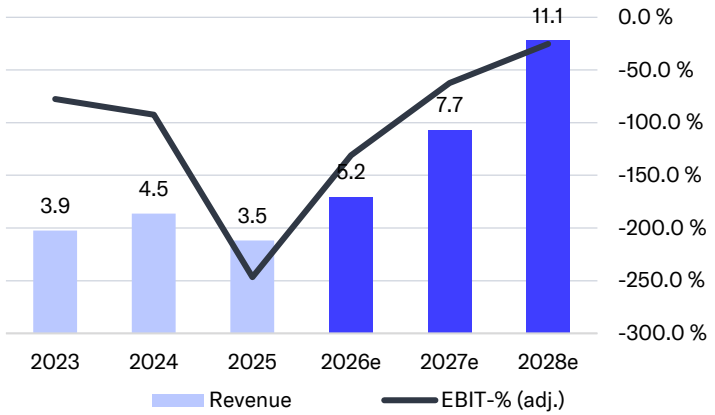
The company does not provide any guidance

Share price



Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

Value drivers

- RemeOs products bring new solutions and added value to the healthcare system and patients
- The first viable player in the key US market for absorbable metallic implants
- Potential for strong long-term growth and robust profitability in a defensive industry
- Growth through indication expansion, geographical expansion, and new products

Risk factors

- A market breakthrough with new technology is uncertain and likely slow
- Due to investment needs and unprofitability, profitability is still a few years away, even in the best-case scenario
- The financial risk is high, and the possibility of losing capital is concrete if growth targets are not met

Valuation	2026e	2027e	2028e
Share price	0.021	0.021	0.021
Number of shares, millions	1341.8	1341.8	1341.8
Market cap	28	28	28
EV	20	26	30
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.8	2.8	4.3
P/S	5.4	3.6	2.5
EV/Sales	3.8	3.3	2.7
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Contents

Bioretec in brief

Bioretec is a medical technology company that develops, manufactures, and sells absorbable orthopedic implants. The products are used, for example, in the treatment of bone fractures.

2003

Year of establishment

2021

Technical listing

3.5 MEUR

Revenue 2025

-8.7 MEUR

EBIT 2025

~4.0 BUSD

Total market for the product portfolio in coming years

60

Personnel at the end of 2025

2003–2020 Growth of Activa products and acquisition of RemeOs™ technology

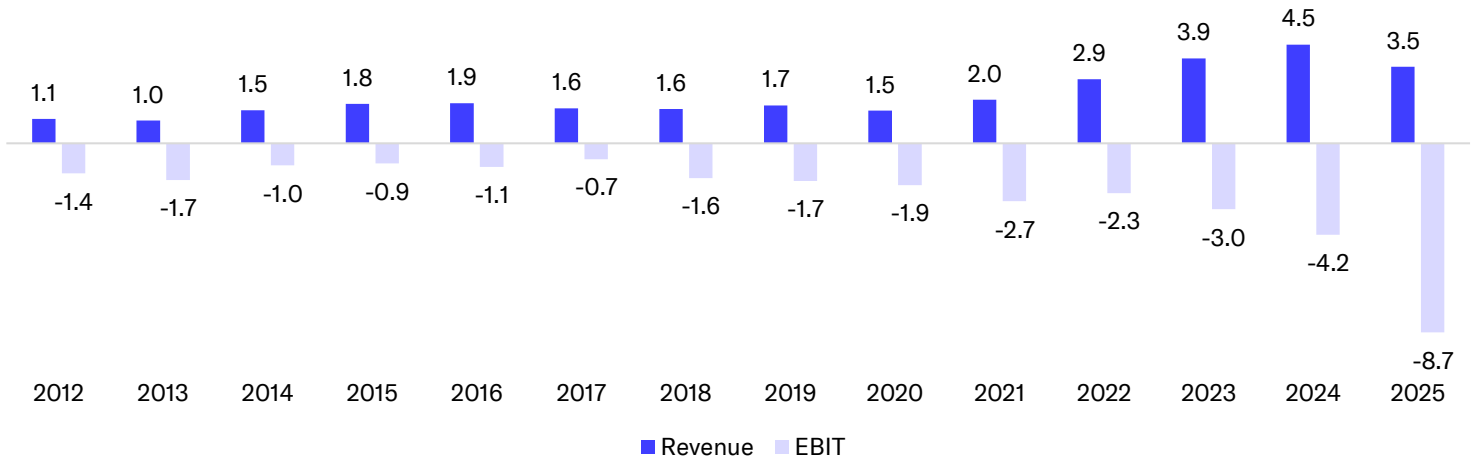
2003-07: Marketing authorizations in the EU and US for several Activa family products.
2015-18: Preclinical trials of the absorbable magnesium-calcium-zinc alloy (material for RemeOs products).
2018-20: RemeOs trauma screw clinical trial.
2019: RemeOs technology transfers to Bioretec following the acquisition of the Austrian company BRI.Tech.

2021-2024 RemeOs trauma screw launch

2021 : FDA Breakthrough Device designation for the RemeOs trauma screw .
2021: Technical listing
2023: FDA approval of the trauma screw in March.
2023: Limited launch of the trauma screw in the US in H2'23–H1'24
2023-24: Two distribution agreements with partners in the stocking distribution model.
2024: Logistics agreement in the US supports the development of a sales representative model.

2025: Building a new beginning

2025: The RemeOs™ trauma screw product line receives CE marking for multiple indications.
2024-25: Several changes in the company's leadership. Sarah Hubar-Fisher moved from the Board of Directors to CEO in the summer of 2025.
2025: The stocking distribution model proved unworkable, and the company buys back inventory.
2025: The company focuses on growth by expanding its sales representative model and actively recruiting.
2025: The December strategy update sets out the company's direction through 2028.



Company description 1/2

Manufacturer of absorbable orthopedic implants aims for long-term growth through new technology

Bioretec is a Finnish medical technology company that develops, manufactures, and commercializes absorbable implants (i.e., implants that gradually degrade in the body). A clear advantage of biodegradability is that the implants do not need to be removed after surgery, which saves healthcare resources and reduces potential surgical complications, such as pain and infection risk, as well as patient sick leave. The company's products include pins, screws, and other devices used in orthopedics (the branch of medicine dealing with disorders of the bones and musculoskeletal system) to secure fragments of a broken bone together during surgery, for example. This fixation allows the fracture to heal properly.

The company was founded in 2003 and was listed on Nasdaq First North in September 2021 with a technical listing. Bioretec's products are sold in approximately 40 countries. Sales are still largely driven by the Activa product line, which is made from biopolymers, but the company's future goal is to grow primarily through products made from the bioabsorbable RemeOs™ metal alloy. The strength properties of the RemeOs™ alloy exceed those of typical biopolymer implants. RemeOs™ also promotes bone formation and can be used with the same surgical techniques as traditional titanium implants.

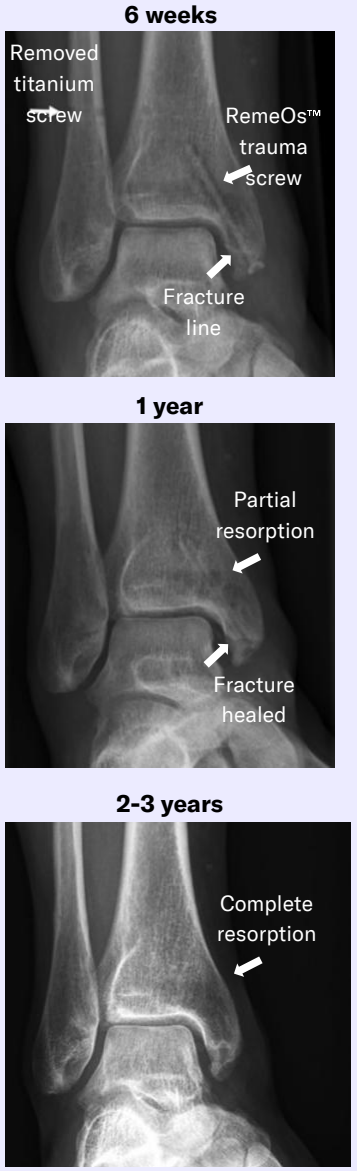
Rest of the World is currently geographic segment and accounts for over 60% of sales (fiscal year 2025). We believe that most of this revenue comes from China, where sales volumes have grown and unit prices have decreased in recent years due to the volume-based pricing mechanism. In the coming years, the main markets for new RemeOs™ products will be the US and Europe.

The total market for Bioretec's existing products and new products to be launched in the coming years is around 4 BUSD and it is growing moderately but also very predictably, supported by megatrends. The most significant market is the US, representing approximately 65% of the global target market. The importance of the US is bolstered by high prices, favorable insurance practices, and a large volume market.

Bioretec's strategy revolves around commercializing the new RemeOs™ product line in the US and Europe. The company received FDA (Food and Drug Administration) approval for its first RemeOs™ product, the trauma screw, in the US in March 2023. The product was launched on a limited basis in 2023–24 and was expanded starting in H2'24. In Europe, Bioretec received the CE marking required for sales in January 2025. The marking covers several screw types and sizes that can be widely used for various indications. In contrast, as of the time of writing (6/2026), only one screw model has been approved in the US for a single indication: a specific type of ankle fracture.

Bioretec's investment story is firmly centered around the RemeOs™ product line. Initial focus is on the trauma screw, but the product line is set to expand with new products in the coming years. Early-stage commercialization stalled, prompting the company to make strategic changes in late 2025 to kickstart growth. The company has an innovation that provides a competitive edge, and we see significant opportunities in its commercialization. Offsetting this potential is the company's high risk profile due to the financial risk posed by its losses and the commercial uncertainties.

RemeOs™ trauma screw in ankle fracture fixation



Source: Labmayer V et al, 2023; Inderes

Company description 2/2 - Bioretec product lines

	Need/problem	Bioretec's solution	Strengths	Other
RemeOs™ Absorbable metallic implants from a magnesium-calcium-zinc alloy	Implants used in orthopedic corrective surgeries often need to be removed during revision surgeries. These additional surgeries can cause health complications for patients, such as pain and wound infections. Sick leaves cause financial losses. Permanent titanium and steel implants are poorly suited for children's growing bones, making removal surgeries practically unavoidable. Implant removal surgeries tie up healthcare resources and incur high costs.	RemeOs™ metallic implants dissolve in the body within 2-3 years. As the implant dissolves, the load is gradually transferred to the bone, strengthening the healing bone. The implants promote bone growth, unlike bioabsorbable polymers, titanium, or stainless steel.	The company is the first, and so far the only, to receive FDA approval for a bioabsorbable metal implant in the US. This approval establishes a protective barrier for Bioretec against competitors and accelerates the approval of future products. Unlike many competitors, RemeOs™ products do not use rare earths, the long-term effects of which are unknown.	The FDA's Breakthrough Device designation (for the trauma screw, DrillPin, and spinal cage) supports expanding indications and launching new RemeOs™ products. The CE marking for trauma screws, a requirement for sales in Europe, was obtained for all screw models in various sizes and for various indications in 1/2025.
Activa Absorbable biopolymer implants		Activa products are made from a less load-bearing biopolymer. They are suitable for both adult and pediatric patients for fracture fixation across both upper extremities and foot and ankle procedures.	The only manufacturer of absorbable IM nails for treating pediatric forearm fractures. The company has sold these products for over 15 years, currently selling them in around 40 countries.	There is still growth potential for the product line through new indications and geographic expansion. The distribution collaboration with Orthopediatrics in the US increases potential in the main market. China's volume-based pricing model introduces uncertainty by decreasing prices.

Business model 1/10 - Products and technology

Problems associated with implant removal affect both patients and the healthcare system

Traditionally, orthopedics has used metal implants (titanium and steel), which require removal surgery in roughly 25% of cases involving foot and ankle operations. The reason for removal is typically adverse effects experienced by the patient. A new surgery can cause, for example, pain, infection risk, and sick leave for the patient. Particularly in pediatric patients, In pediatric patients especially, implant removal is also necessary due to their growing and developing bones, which are poorly compatible with permanent, rigid metal implants. In healthcare, removal surgeries tie up treatment capacity and incur significant costs. In Germany, for example, it was estimated in 2014 that removal surgeries cost the country 1.1 BEUR annually.[1] These costs are driven not only by the surgeries themselves but also by the loss of productivity associated with sick leave and potential surgical complications.

The US and Europe as future main markets

Geographically, Bioretec reports its revenue breakdown in three regions: Europe, the US, and the Rest of the World. The largest region for Bioretec has been the Rest of the World, from which we believe the majority of revenue comes from China. According to the 2025 financial statements, this region accounted for 61% of revenue. Europe accounted for 25% and the US for 14% .

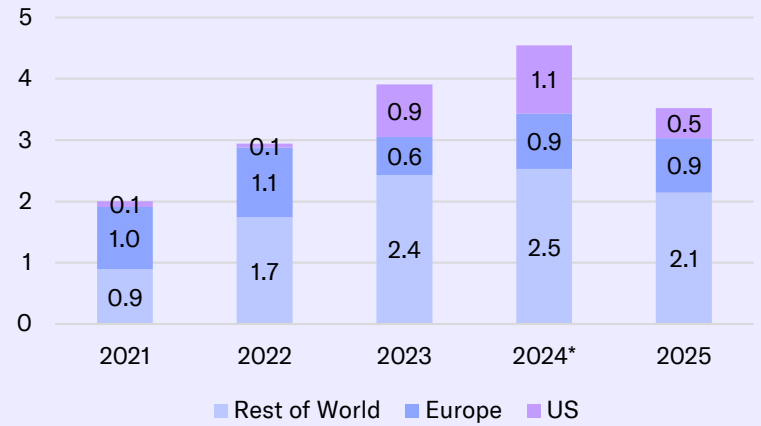
For several years, China has been transitioning towards volume-based pricing for medical devices. Consequently, product unit prices and margins have decreased while sales volumes of companies that have won tenders have typically increased. Bioretec has succeeded in growing its revenue in China, but at the same time, profitability has come under pressure. The US has grown, partly due to the launch of RemeOs™, but the reported revenue for 2024 is somewhat overoptimistic, as the company had to repurchase inventories sold in 2024 during H1'25.

Business still relies on the biopolymer-based Activa product line

Bioretec's current revenue (3.5 MEUR in 2025) was primarily generated from sales of the Activa product line. These products are made from PLGA (poly L-lactide-co-glycolide), a well-known, safe, and widely used copolymer of lactic and glycolic acid. On the other hand, products made from this material can withstand a lower load than titanium and steel implants, which limits their use. We understand that competition in the polymer implant market is quite fierce, with numerous industry giants and smaller challengers operating within it. The manufacturing and use of PLGA products is more complex than that of metal products because using PLGA screws, for example, requires tapping a screw hole in the bone before implant placement. With metal implants, simply drilling the insertion hole is sufficient. Activa products are thus typically used to treat fractures of small bones and soft tissue injuries, particularly in children. According to Bioretec, these products can be used on the shoulder, arm, and wrist, as well as the knee, ankle, and foot.

Bioretec's particular strength in biopolymer products lies in its IM-Nail™, an elastic intramedullary nail for children that is currently used to treat forearm fractures. Efforts are also underway to expand the indications for the IM-Nail™ to include treating wrist fractures in children, for which, to our knowledge, clinical trials have been completed. We believe the commercial potential of treating wrist fractures is greater than that of treating forearm fractures because wrist fractures are one of the most common types of fractures in children.

Geographical revenue distribution, MEUR



* US revenue included 0.9 MEUR of orders to inventory, which Bioretec repurchased in 2025
Source: Bioretec

Activa products

	Use
ActivaPin™	Needle-like implant for fixing small fractures
ActivaNail™	Nail-like implant for repairing small fractures in the extremities
ActivaScrew™	Fracture fixation, bone graft surgeries
ActivaScrew™ Cannulated	Cannulated screw that can be positioned using a guide wire
ActivaScrew™ Interference	Versatile screw for ligament surgery, for example
Activa IM-Nail™	For children's forearm and, at a later stage, wrist fractures

Source: Bioretec, Inderes

1 Destatis; Robert Koch-Institute; Federal Health Report; Federal Occupational Health and Safety Agency; National Association of Statutory Health Insurance Funds; InEK – Institute for Hospital Remuneration Systems;

Business model 2/10 - Products and technology

RemeOs™ product line to become the company's core focus in the future

Synthetic absorbable implants have a long history, as polymer implants were first developed in the 1960s (polyglycolic acid, PGA). In orthopedics, the first absorbable screws were introduced in the 1970s. Magnesium-based products were tested for fracture fixation as early as the beginning of the 20th century (Albin Lambotte, 1906). However, magnesium's rapid dissolution, accompanied by substantial hydrogen gas production, posed significant challenges. A new era in magnesium-based orthopedic implants began in 2013, when Syntellix introduced a bioabsorbable metallic trauma screw in Europe, followed by several other markets.

Bioretec's bioabsorbable metal-based RemeOs™ technology was acquired by the company when Bioretec bought Austrian BRI.Tech GmbH in 2019. RemeOs™ products are made of magnesium (99%), calcium (0.55%) and zinc (0.45%). Magnesium has bone growth-promoting properties, which means that over time, the implant site is replaced by the patient's own new bone, unlike with titanium, steel, or biopolymer implants. Calcium improves the material's mechanical properties and biocompatibility. Zinc also improves mechanical properties and slows material degradation. Controlling the degradation rate is important because excessive hydrogen gas formation caused by too rapid degradation of magnesium can lead to problems. Unlike most competitors, the RemeOs™ metal alloy does not contain rare earths. RemeOs™ products can be installed using the same techniques as traditional titanium and steel implants, which in turn lowers the threshold for adoption. RemeOs™ products have a higher load-bearing capacity than biopolymers, allowing them to be used more widely and in more demanding applications. On the other hand, their load-bearing capacity is lower than that of titanium and steel implants.

A clinical study of 20 patients formed the basis for the marketing authorizations and found that Bioretec's trauma screw resorbs in the body over a period of 2–3 years. This slow resorption allows for a gradual transfer of load from the implant to the bone, which is beneficial for bone healing and strengthening. In addition, the metal compounds released from the implant support new bone formation. The results regarding fracture healing and product viability were very good. The implants caused hydrogen gas formation in the study, which, in imaging, was visible around the screws. However, Bioretec has conducted additional tests showing that hydrogen gas formation does not impair screw fixation to a harmful extent. Also, in the clinical trial, hydrogen gas formation did not cause harm to patients. Nevertheless, customers may hesitate to adopt new technology when little clinical experience exists, e.g., regarding load-bearing capacity and hydrogen gas formation.

The RemeOs™ product line is intended to expand in the future to include new screw models and products. In addition to screw models, the next launch will be the RemeOs™ DrillPin, which is used to treat hammertoe and pediatric wrist fractures. The DrillPin received FDA Breakthrough Device designation in late 2025. According to information available at the time of writing (6/2026), DrillPin trials are expected to conclude around the turn of the year 2027–28 (NCT07028541, NCT07121790). In a positive scenario, we estimate that the launch could begin in 2028. In the longer term, there are also plans for composite material products, including an intramedullary nail and a spine portfolio, which received FDA Breakthrough Device designation in spring 2024.

RemeOs™ products

RemeOs alloy

RemeOs alloy and polymer composite

	Use
Screws	Medial malleolus fracture. The range of indications will expand in the future. Commercialization in 2024.
DrillPin	A rod-like, self-drilling implant for fracture fixation. Commercialization in 2028[1].
Differentiated trauma products	Elastic stable intramedullary nails (ESIN), specialty screws, staples, and anchors.
Plates	To help with the orientation of screws when fixing fractures.
IM-nails	Made of composite material for fractures of long bones.
Spinal cage	Made of composite material for spinal fusion.

1) Inderes' estimate
Source: Bioretec, Inderes

RemeOs™ trauma screw

Image: Bioretec

Business model 3/10

RemeOs™ products have an advantage over many other absorbable magnesium implants because, unlike competitors, they do not contain rare earth elements (REE). REEs may not fully biodegrade, even over a prolonged period, and their long-term health effects are not well understood. We believe Bioretec's material composition is thus a competitive advantage over several manufacturers of absorbable metal implants.

FDA approval gave Bioretec a strong position in the US

The first RemeOs™ product, the LAG Solid compression screw, received FDA approval in the US in March 2023. The product is used to fix fractures to allow proper ossification. As of the time of writing, 6/2026, this product is available in one thickness and nine different lengths in the US. It has one indication, the fixation of medial malleolus fractures. In the US, Bioretec aims to obtain FDA approvals for new screw designs and new indications to expand their use. The trauma screw was the first absorbable metallic implant approved for the US market, and as of this writing, no competing products have been approved. Since the product is the first of its kind (an absorbable metallic bone fixation fastener) on the market, the FDA established special controls for future products in the same class with its decision. From Bioretec's perspective, the requirement to demonstrate the product's full absorption is particularly interesting to us. This may necessitate a follow-up period of possibly several years for competing products. To the best of our knowledge, products containing REEs will not necessarily degrade completely, in which case fulfilling the criteria may not be possible at all. However, the FDA's final stance on products containing REEs remains to be seen.

Another interesting criterion is demonstrating the absence of long-term adverse effects, which may continue to pose challenges for products containing REEs. To our knowledge, Bioretec has also been required to conduct additional tests related to the product's durability, the implementation of which will likely create additional work and a burden of proof for its competitors as well. In summary, we estimate that the FDA's decision created a moat for Bioretec, slowing down competitors' market entry. Bioretec remains in the FDA's Breakthrough Device Program for its RemeOs™ products as the company seeks to expand the indications for its trauma screw and bring new products to market. We believe that the next launch in the US will be the RemeOs Screw FT, for which the company is pursuing the FDA's 510(k) regulatory pathway. This pathway is less rigorous and faster than the De Novo pathway that led to the first approval and is based on the obtained De Novo approval.

Full-scale sales in Europe to begin in 2026

In Europe, Bioretec received CE marking for its RemeOs screws in January 2025. With this certification, the company can market several types and sizes of screws broadly for various indications of the upper and lower extremities. According to our information, CE marking for absorbable magnesium implants has been in place in Europe since 2013 (Syntellix AG). Syntellix reports that its products have been used over 50,000 times. An additional advantage for Bioretec in the European (and global) markets is the absence of REE in the metal alloy. After receiving the CE mark, the company has investigated country-specific processes, obtained markings for installation tools, and renewed its distribution network. Full-scale sales will therefore begin in 2026.

Advantages of RemeOs™ implants over titanium and steel implants

- Do not require surgical removal, which reduces healthcare costs and minimizes patient harm and hospital visits.
- Promote bone attachment and regeneration.
- Slow resorption gradually increases the load on the healing bone, strengthening it.
- Healed bone is less prone to new fractures.
- Does not interfere with MRI scans, which may be needed to monitor recovery or in connection with other treatments.
- Does not contain rare earth elements.

Disadvantages and risks compared to titanium and steel implants

- Lower load-bearing capacity compared to titanium and steel.
- The absorption rate varies somewhat from patient to patient, which can create uncertainty for users.
- The degradation of magnesium produces hydrogen gas, which can create uncertainty for users.
- Limited clinical evidence of the new technology's viability slows down widespread adoption.

Source: Bioretec / Inderes

Business model 4/10

Commercial progress been slower than expected

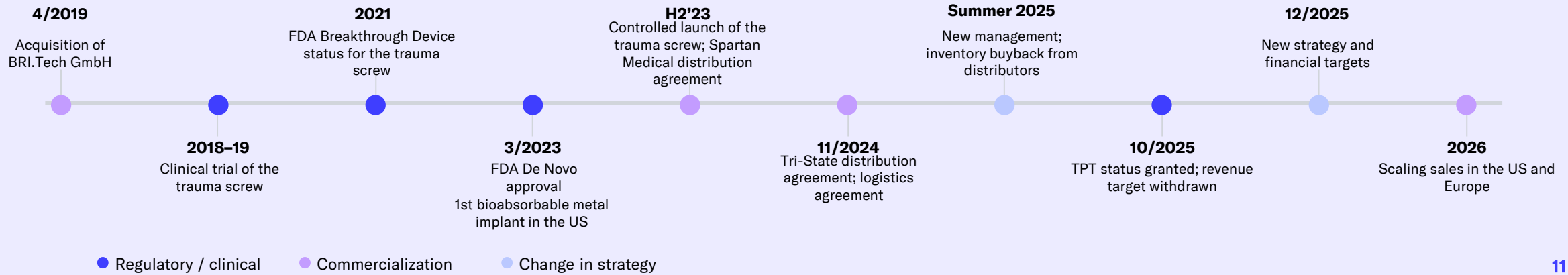
In RemeOs™'s commercialization process, the FDA's De Novo approval in spring 2023 was followed by a controlled launch where the screw was tested in select hospitals. In June 2024, Bioretec announced positive results from the controlled launch. The company also announced its first distribution partnership agreement with Spartan Medical in September 2023, whereby Spartan ordered products from Bioretec for its inventory. The distribution focused particularly on US Army and veteran hospitals.

In late 2024, the company transitioned towards a broader launch and announced a new stocking distributor partner (Tri-State Biologics) and a logistics partnership. In its Q1'25 business review, the company reported the rapid growth of new distribution partnerships and the sales representative model (over 80 sales representatives in the US). Based on the company's comments, the commercialization of the RemeOs™ product line in Europe appeared to be progressing well, too. However, in the summer of 2025, the company announced that it had repurchased 0.9 MEUR worth of previously sold products from distributors holding inventory. With the information now available, the stock-keeping distributor sales model proved ineffective, and the company announced it would focus strongly on the sales representative model going forward, which is the standard approach for exporting new, innovative medical devices to the U.S. market, in our view. We understand that Bioretec chose the stocking distributor model for cost reasons because the 2021 technical listing resulted in less funding than targeted. Under new management, which took office in summer 2025, the company underwent a major strategic update at the end of the year, significantly lowering previous financial targets, changing the outlook for the product development pipeline, and increasing the company's estimated financing needs. As of writing this (6/2026), according to the most recent information, the company had received 17 Value Analysis Committee (VAC) approvals in the US and had more than 20 distribution partners in 17 states (H2'25 webcast).

The company states that growth in the US will continue to require an expanded product portfolio, increased brand awareness, and ongoing user training. A significant milestone was reached when the company was granted Transitional Pass-Through Payment (TPT) status by the US Centers for Medicare & Medicaid Services (CMS) for the trauma screw. The TPT payment (HCPCS billing code, C1741) provides hospitals and ambulatory surgical centers with additional reimbursement for new and innovative technologies. TPT lowers the threshold for hospitals to adopt new products by increasing incentives. Thus, contributing to the adoption of innovative products, which may not otherwise be economically viable for the customer.

We expect full-scale sales of RemeOs trauma screws in Europe to begin in 2026. Based on the information available at the time of writing, the company plans to launch RemeOs in China in 2026 and is exploring opportunities to enter new markets, including Canada, the United Arab Emirates, and Latin America.

Development and commercialization of RemeOs™ products 2019–26



Business model 5/10

New products to hit the market in the coming years

The development, production, and sale of Bioretec's products are strictly regulated and require marketing authorization from regulatory authorities. To obtain approval, precise adherence to regulations and quality control is necessary during development and production to achieve and demonstrate the required quality and sanitary standards. The safety and efficacy of the products must be demonstrated first through laboratory testing and then through clinical trials involving patients. As Bioretec seeks to expand the indications for its products, research-based evidence is key. The company aims to promote investigator-initiated studies and conducts self-funded (i.e., sponsored) studies where possible. Bioretec's current and planned R&D projects are presented on the right. The development of the RemeOs™ trauma screws and future products is advancing through the FDA's Breakthrough Devices Program, which started in spring 2021. This enables the company to engage in flexible dialogue with the FDA, even on a weekly basis, regarding the expansion of indications and the trials and tests required for new products.

In Bioretec's 2026–28 strategy, the product development goal is to launch one new product or indication every 12 to 18 months. In the short term (by summer 2027), the plan focuses on expanding the RemeOs™ trauma screw product line in the US (e.g., the FT Headless Screw), advancing clinical trials and obtaining marketing authorization for the DrillPin, and launching the Activa Headless Cannulated Screw. Bioretec estimates the annual sales potential of short-term products to be 3–5 MEUR.

In the medium term, within 18–36 months (from the launch of the strategy, 12/2025), Bioretec aims to launch a new, differentiated RemeOs™ trauma product. While the company has not committed to launching a specific product within this timeframe, it lists elastic stable intramedullary nails (ESINs), specialty screws, staples, or anchors as possible options. In the long term (more than 36 months), the RemeOs™ launch plan includes the spine portfolio, intramedullary nails, and plates. These products are based on a composite material made from the RemeOs metal alloy and a biopolymer. The company is seeking a partner to develop these products.

Currently, Bioretec's primary focus in the US has been on solutions for the foot and ankle region. In this field, the various products work together to enable different types of orthopedic surgeries. Some fracture fixations can be performed using only LAG Solid screws, while hammertoe correction can be performed using only DrillPins. Conversely, many fracture fixation surgeries require both screws and plates, for example. Launching new products thus also expands the potential uses of products already on the market. Expanding the product portfolio and indications takes years and gradually increases commercial potential.

FDA has granted Breakthrough Device Designations to Bioretec

Bioretec has applied for Breakthrough Device Designation from the FDA for its RemeOs™ products. Three products have been included in the program so far: the trauma screw (2021), the spinal cage (2024), and the DrillPin (2025). The program aims to accelerate the development and evaluation of medical devices that provide more effective treatment or significant advantages over existing alternatives. In practice, this designation enables Bioretec to maintain continuous and rapid communication with the FDA. While it supports the clinical and regulatory pathway, it does not guarantee marketing authorization or change the clinical evidence requirements in itself.

New product launch and commercialization plan

Short term (<18 months)	Expansion of RemeOs trauma screw portfolio in the US Launch of the RemeOs DrillPin Activa Headless Cannulated Screw
Medium term (18–36 months)	New differentiated RemeOs trauma product (e.g., elastic stable intramedullary nails (ESIN), specialty screws, staples, anchors)
Long term (over 36 months) composite material	RemeOs spine portfolio, RemeOs intramedullary nail, and RemeOs plates

Breakthrough Device Designations (BDD) of RemeOs™ products

Trauma screw	Trauma screw included in the FDA's BDD program for traumatology and orthopedic surgery in 2021.
Spinal cage	The spinal cage implant, made of a hybrid composite, was included in the BDD program in 2024.
DrillPin	Included in the BDD program in December 2025 for the fixation of bone fragments in adults and children.

Source: Bioretec

Business model 6/10

Customers in the public and private healthcare sectors

Bioretec's customers include public and private sector healthcare facilities and hospital districts. The medical device industry is defensive and slow-moving. We believe this is because doctors treating patients prefer to stick with products that are known to be viable, that they are personally familiar with, and that are proven to be effective and safe for patients. Typically, the decision to switch products necessitates strong evidence of a product's superiority, safety, or new features to warrant the change. However, among the user base, some are more willing to quickly adopt new innovations (so-called early adopters).

We believe that, in its sales efforts, the company must first and foremost convince orthopedic surgeons as they are the end users of its products. They usually manage the procurement and approval processes at their hospitals. Bioretec aims to achieve this in part by collaborating with key opinion leaders in orthopedics who have influence in the industry. These individuals are typically well-known professors at renowned university hospitals. The company expects that, moving forward, other hospitals will be more likely to adopt its products, following in the footsteps of these opinion leaders. Bioretec also aims to convince hospitals using these products from a health economics perspective. Decreasing the number of revision surgeries essentially saves resources for hospitals and payers (often insurance companies in the US). Therefore, Bioretec must convince not only end-users, but also several other stakeholders to maximize the commercial potential of RemeOs™. These stakeholders include, for example, hospital Value Analysis Committees (VAC).

Entering global markets through a combination of direct sales and distributors

Distribution of the Activa product line to approximately 40 countries is conducted through regional distributors. Bioretec has also previously sold products directly to customers without using distributors. Distributors' margins vary by market and range from approximately 30% to 60%, according to our estimates. The company says it is constantly evaluating the most appropriate sales and distribution model for Activa products in each market.

Initially, the commercialization effort in the US relied on cooperation with inventory-holding distributors, but this approach failed and the company has since shifted heavily toward a sales representative model. In this model, Bioretec partners with regional distributors that, based on the H2'25 webcast, included 20 partners across 17 states. These partners' sales representatives sell orthopedic products from several companies and receive sales commissions. Under this model, Bioretec recognizes revenue when a doctor uses the product. In the stock-keeping distributor model, revenue is generated when a distributor purchases products from Bioretec for its inventory. In Europe, Bioretec primarily works with inventory-holding distribution partners. In early 2026, the company announced the renewal of its distribution network and new distribution partnerships in Switzerland, China, and Turkey.

The sales strategy also includes promoting research and building a strong body of clinical evidence to help convince key opinion leaders of the products' efficacy and safety. Attending industry conferences is another key way to raise awareness. In our view, the weight of high-quality clinical evidence, especially randomized and blinded studies (so-called Level 1 studies), is continuously increasing.

Cornerstones of RemeOs™ product commercialization in the US

Advancing studies, obtaining marketing authorizations, and launching products.

Convincing opinion leaders at leading hospitals and trauma centers. Training users.

Advancing hospital Value Analysis Committee (VAC) processes and insurance reimbursement.

Growing and training the sales network. Agreements with Group Purchasing Organizations (GPOs) and Integrated Delivery Networks (IDNs).

Source: Inderes

Manufacturing and distribution of products

		Activa	RemeOs™
Quality Control	Sourcing of materials	Diversified sourcing from at least two suppliers	
	Manufacturing	Own production line in Finland	
	Sterilization	By an external partner	RemeOs™ products are sterilized at Bioretec's factory
	Packaging and delivery	Own packaging station at the production facility from where the manufactured products are shipped to customers	
	Distribution and sales	Through distributors	In the US, through a sales representative model; elsewhere, through distributors. Bioretec participates in training.

Source: Bioretec / Inderes

Business model 7/10

Production is handled in-house

Bioretec sources the materials used in its products from external suppliers. Suppliers of alloys suitable for medical devices play a particularly important role. Bioretec has said that its production risk management includes sourcing of magnesium from two different suppliers. We believe there are only a limited number of suitable suppliers, so the company is somewhat dependent on its suppliers. However, Bioretec has sought to mitigate this risk by diversifying its procurement. The manufacturing of biopolymers has been validated for two different raw material suppliers.

Bioretec manufactures its products in-house in cleanrooms in Finland that meet strict quality requirements set by authorities for medical devices. The company moved into new facilities in 2021, which, to our knowledge, have enough space to scale up production for several years to come. According to our estimates, unit production costs will decline with growth, although ramping up production will require investments in personnel and equipment.

In early 2024, new CNC metalworking equipment was installed in the production facilities. According to the company, this equipment can produce some 60,000 screws p.a. Following this investment, we estimate that the capacity for RemeOs™ will be sufficient to meet growth needs for several years. We believe that the current production facilities still allow for capacity expansion with additional investments in equipment and personnel at moderate cost.

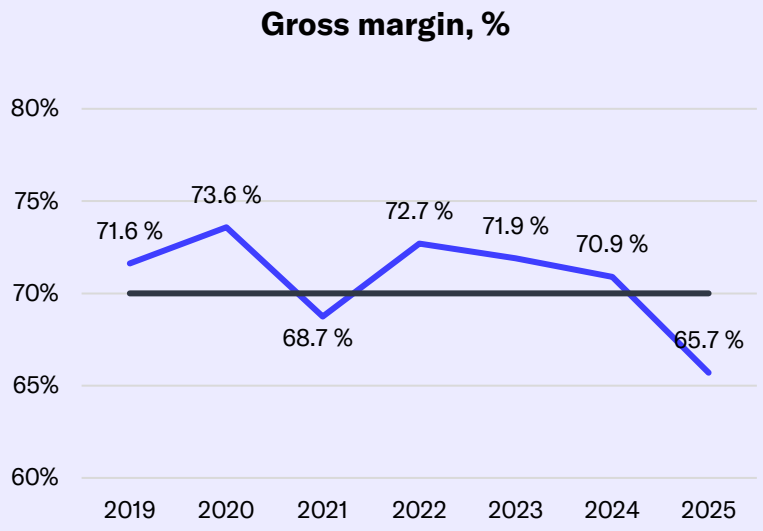
Handling and processing biodegradable materials requires specialized expertise, which the company aims to develop and maintain within the organization. E.g., magnesium processing poses a risk of ignition, and product turning requires expertise. The company also sees specialized manufacturing as a competitive factor.

Biopolymers require the material to be shaped from pellet-like starting material into rod-like forms, which can then be machine processed. On the other hand, the raw material for the RemeOs™ metal alloy arrives in rod-shaped pieces that are already suitable for machining, simplifying the initial stages of manufacturing.

The manufacturing requirements for medical devices call for very strict quality control. Bioretec therefore continuously monitors, for example, the quality of materials and air, as well as the sterility of its products. Products in the Activa line are pre-packaged at the company's production facility before being sent to a subcontractor for sterilization. The products are then returned to the production facility for final packaging and distribution. The process is more streamlined for RemeOs™ products in this regard as well since they can be sterilized on-site at the company's own facilities, eliminating the need to send them to an external partner during the process.

Value creation through growth and high sales margin

Bioretec's gross margin has remained at a healthy level of 66-74% in 2018-2025. In 2021, the margin was temporarily weighed down by the relocation of production to new facilities. Measured by gross margin, 2025 was the weakest year in recent history. The margin was depressed by developments in the sales mix. A significant portion of Bioretec's revenue comes from China, where volume-based pricing has been adopted. In practice, this has meant a broad reduction in prices for medical devices. As far as we can tell, the average prices of Bioretec's products have fallen in China, offset by volume growth. In other markets, product prices and thus gross margins are higher. Particularly in the US, prices for medical devices are clearly higher than in the rest of the world.



Source: Bioretec

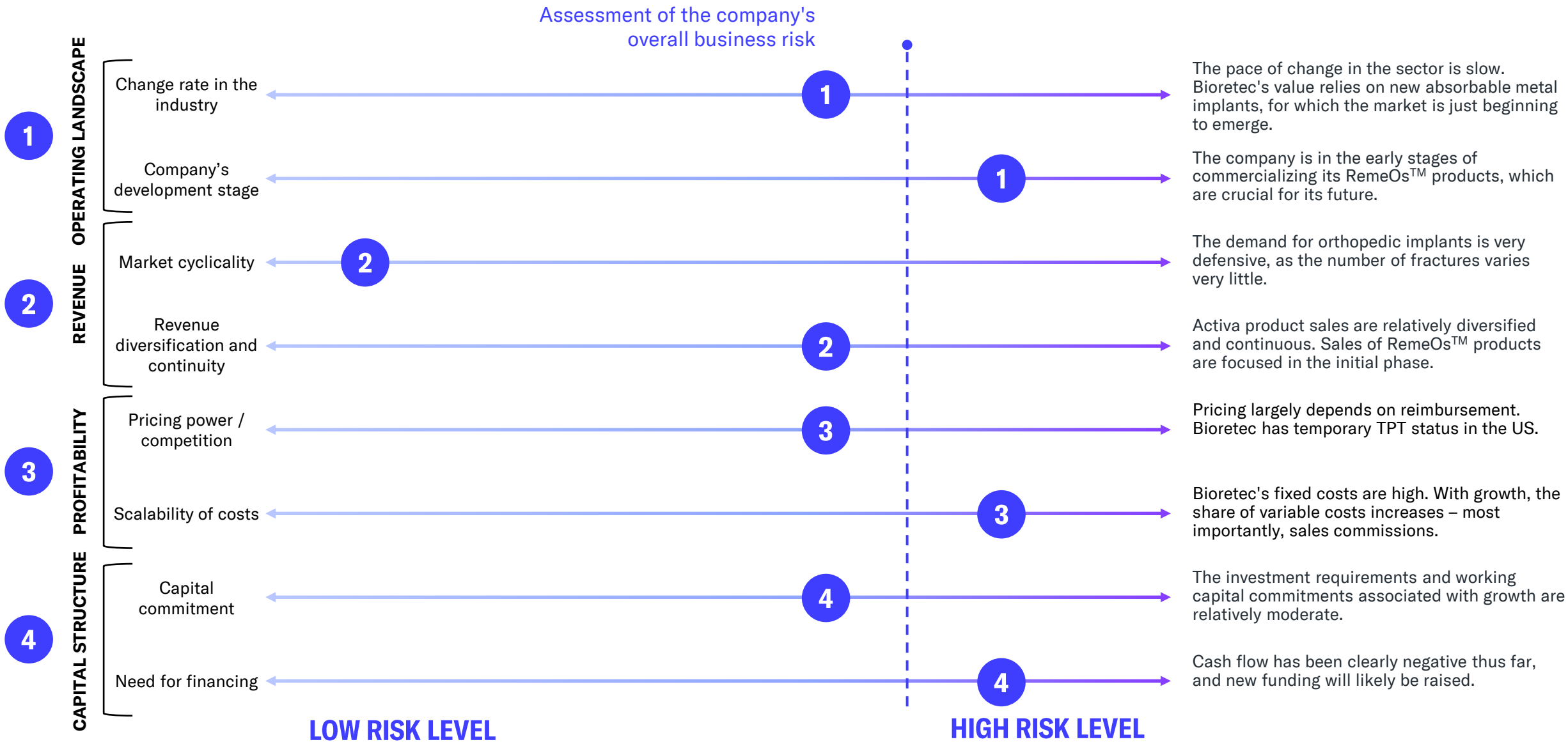
Business model 8/10

The manufacturing costs of RemeOs™ products are lower than those of Activa products, which will bolster the sales margin in the future. Additionally, manufacturing RemeOs™ products is more straightforward due to material processing and product sterilization. The company's 2026–28 strategy targets a gross margin of at least 70%, a figure that is still modest compared to the potential of over 85% for RemeOs™ products presented at the time of the technical listing. At the time of writing, the latest Q1’26 report reached the targeted level. We believe the key factors driving gross margin development are the growth of RemeOs™ products in the US, where prices are high, and the share of sales accounted for by lower-margin sales in China.

In terms of operating costs, Bioretec has rapidly expanded its organization in 2024–25. We see this growth as particularly linked to the commercialization of the trauma screw in the US. Succeeding in this market requires success in several areas, such as regulatory approvals, reimbursement, convincing hospital Value Analysis Committees, and, for example, training users. In this article, we have provided an overview of the US commercialization roadmap from a medical device company's perspective.

A decrease in gross margin and an increase in operating costs weakened earnings in 2025 due to a lack of significant revenue growth. In the long term, however, the business model shows clear potential for scalability. Currently, fixed costs related to R&D, administration, and production are very high relative to revenue. In our view, though, these costs will not face significant upward pressure as revenue grows. Among variable costs, we estimate that sales commissions associated with the sales representative model are a significant growth-related expense for the industry. As is typical for this operating model, they are expected to grow in proportion to revenue in the coming years. In the longer term, we expect these costs to grow at a somewhat slower pace than revenue as well. If the company achieves its growth goals, they will naturally tie up working capital. However, since the company’s material costs are relatively low, the increase in inventory value in absolute euro terms will likely remain moderate compared to revenue growth. We also expect trade receivables to grow in line with revenue. Based on the profitability of large companies in this sector that have reached maturity, we estimate Bioretec's EBIT potential to be around 20–25% of revenue.

Business model 9/10 – Risk profile



Business model 10/10 – SWOT

Strengths

- The RemeOs™ trauma screw's position as the first on the US market, bolstered by the moat created by the FDA's approval
- A clear long-term growth strategy focused on expanding the RemeOs™ product line
- The absence of rare earth elements in RemeOs™ products sets them apart from most competitors

Weaknesses

- Limited resources compared to the major industry players
- The company would benefit from accelerating its R&D program and additional sales resources
- The potential of the trauma screw as a standalone product, without a supporting product line, is limited
- Reliance on external funding

Opportunities

- Potential for long-term profitable growth
- Gaining a strong foothold in the US through a competitive advantage
- Success in the US would lend credibility and momentum to success elsewhere in the world
- Potential acquisition target

Threats

- Slower-than-expected establishment of the market for bioabsorbable metal implants
- As usage increases, rarer risks related to the efficacy or safety of RemeOs™ products may emerge
- Reputational risk if unexpected setbacks occur during launch, and potential lawsuits in the US
- Securing funding
- Pricing risks in China

Source: Inderes

Investment profile 1/2

Medical device company in the early stages of scaling up

Bioretec is profiled as an innovative, early-stage medical device company in the field of orthopedics. The industry is highly defensive and offers significant growth opportunities. Because the company is in the early stages of commercialization, its cash flows are clearly in the red. There is only preliminary evidence (as of the date of writing, 6/2026) of the commercial success of the RemeOs™ product line, so the level of commercial and financial risk is extremely high. This risk profile may begin to decrease if the company can demonstrate growing, sustainable demand for the RemeOs™ product line and advance a turnaround in cash flows. Due to the industry's slow and conservative nature, we estimate this will take several years. Because of the development phase, the return on the stock is derived solely from price changes. The company's growth initiatives and expansion of its product portfolio will continue to consume income financing for a long time.

Strengths and opportunities

Before Bioretec, absorbable metallic implants had not been sold in the US, the most important market in the field. Following FDA approval in spring 2023, competing companies have not received sales permits for their products, to our knowledge, so Bioretec has maintained its lead. The preconditions for FDA approval can also serve as a barrier to market entry for competitors. In Europe and certain other markets, bioabsorbable magnesium-based implants have been sold since 2013. Bioretec's advantage over other manufacturers in these markets is that its products do not contain rare earth elements. However, it is difficult to assess the strength of this advantage until data on sales development begins to accumulate.

In the long term, Bioretec has significant growth opportunities as trauma screw indications increase and new screw models are approved. Expanding the product portfolio beyond screws increases the accessible market further and provides opportunities to use RemeOs products synergistically in different types of surgeries.

We also view Bioretec as a potential acquisition target for a larger medical device company. Bioretec is one of the leading companies in bioabsorbable metal implants, and an acquirer would gain a very well-defined expansion to its product portfolio by acquiring Bioretec. However, we do not yet consider an acquisition to be particularly likely, as the company's product portfolio is still quite narrow, and it will still take a considerable amount of time to grow into the commercialization phase. As commercial progress is made and product usage increases, confidence in the technology's viability will grow, as will the probability of an acquisition scenario, in our assessment.

Weaknesses and risks

Bioretec has been selling its Activa products for a long time. However, in our view, the biopolymer implant market is highly competitive, and the company has not been able to turn a profit with the Activa product line even though the products have been on the market for a long time. We also do not see any strong drivers on the horizon that would enable Bioretec to gain market share particularly quickly in the biopolymer implant market. The RemeOs™ technology, obtained through an acquisition, enables new solutions, and Bioretec stands out from its competitors due to the absence of rare earths and its FDA approval. Therefore, the company has a genuine lead over its competitors. The pace at which the market is developing, as well as the rate at which users are switching to bioabsorbable metal screws, is, however, still quite uncertain and could pose a challenge to Bioretec's growth plans. In our view, some users in this conservative industry have reservations about new technology. Hydrogen formation when magnesium implants break down and the durability of these products compared to titanium and steel implants will likely cause uncertainty among some users for a long time to come. The situation should improve over time as more research evidence and real-world user experience regarding the products' effectiveness become available.

As of writing this (6/2026), only one version of the trauma screw has been approved in the US for a single indication. Expansion of use has progressed more slowly than we previously expected, also affecting the company's growth outlook in its most important market. It would be important to introduce new product models and versions to the market, as these products are mutually synergistic, and approvals of new products can also increase sales of products already on the market. Bringing new products to market requires clinical trials and regulatory processes that demand significant time and resources. In principle, RemeOs™ products provide added value for both patients and the healthcare system by reducing the need for removal surgeries. However, there is still little evidence of concrete demand for these products, so the commercial risk is quite high. Due to its unprofitability, the business will continue to rely on external financing in the foreseeable future, keeping financial risk high.

Investment profile 2/2

1. **Innovative and growth-oriented manufacturer of bioabsorbable implants**
2. **Large, defensive, and growing market**
3. **If the strategy is successful, the company has the potential for long-term profitable growth**
4. **Success relies heavily on the breakthrough of the RemeOs™ product line**
5. **Business uncertainties and thus far ongoing losses keep the risk level high**

Potential

- RemeOs products bring new solutions and added value to the healthcare system and patients
- First player in the key US market for bioabsorbable metal implants
- Potential for long-term strong growth and profitability in a defensive industry
- Growth through expanded indications, geographical expansion, and new products

Risks

- Market breakthrough is uncertain and likely to be slow
- Due to investment needs and loss-making profitability lies a few years ahead even in the best-case scenario
- Financing risk is high, and there is a real possibility of losing capital if growth targets fall short

Industry and competitive field 1/4

Absorbable implants predicted to grow faster than the overall market

Trauma products are most commonly made of titanium or stainless steel. In the US market, titanium is the most widely used material, accounting for approximately 55% of the market share for trauma screws. Biodegradable products, on the other hand, account for around 15%, and it is expected to grow faster than the rest of the market. For instance, the market for bioabsorbable trauma screws in the US is projected to expand at an annual compound rate of 8.8% through 2030[2].

As a new product category, absorbable metal implants can offer significant health benefits to patients and help reduce healthcare costs. In fact, Bioretec expects bioabsorbable metal implants to gain market share from both biodegradable biopolymer and traditional stainless-steel implants. However, since this is a new product category in the US, there is still some uncertainty about how quickly the market will take shape. Even in Europe, we estimate that this product category is still in its early commercial stages, despite the fact that biodegradable metal implants have been on the market for quite some time.

Orthopedic trauma products are Bioretec's main market in the US and Europe

Geographically, Bioretec primarily focuses on the US and Europe. The US accounts for some 65% of the trauma products market. This high market share is due to the high prices of the products and the prevalence of musculo-skeletal injuries. The second largest market is Europe, the Middle East, and Africa (17%), followed by the APAC region (13%). The share of the rest of the world is 5%. Because of the market's attractiveness, medical device companies typically primarily commercialize their innovations in the US.

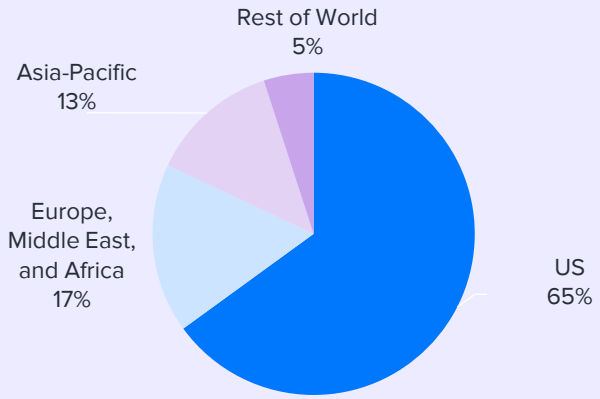
For Bioretec, however, the limited range of trauma screw models and indications restricts commercial opportunities in the US in the medium term. In contrast, Europe's role will be emphasized in the coming years due to the extensive trauma screw portfolio and indications. The European market is more fragmented compared to the US, as there are numerous national practices in addition to EU-level regulation. In our view, product prices are also significantly lower than in the US. Bioretec is also targeting global markets outside the US and Europe, but their significance to the company is currently minor.

Products to be launched in the short term have a market potential of around 4 BUSD

Bioretec's short-term target (within 18 months of the publication of the targets in 12/2025) is to expand the RemeOs trauma screw portfolio and launch the RemeOs DrillPin and Activa Headless Cannulated Screw. According to Bioretec's estimate (2025 annual report), the combined global market for these products is around 4.0 BUSD, with the trauma screw market accounting for approximately 1.4 BUSD. The market for the RemeOs DrillPin, on the other hand, is around 2.1 BUSD, which is about 50% higher than the trauma screw market, while the cannulated screw market is around 500 MUSD.

The trauma screw market is expected to grow to 2.5 BUSD by 2033 (GlobalData, Orthoworld, Verified Market Reports), with the titanium screw market reaching 1.4 BUSD, steel screws 400 MUSD, and absorbable screws 700 MUSD. Bioretec aims to gain market share with the RemeOs trauma screw in all of these categories. Bioretec's focus areas by segment are trauma, sports medicine, and spinal surgery. In our view, trauma medicine is a clear priority in the short and medium term.

Geographic breakdown of the orthopedic trauma market



Source: Orthopedic industry Annual Report 2023.

Target market for the product development pipeline

Short-term	**RemeOs TM Headless** trauma screw for small bone fixation	700 MUSD
	RemeOs DrillPin - for hammertoe and radius surgery	2,100 MUSD
	Activa Headless - for pediatrics and hand and wrist surgery	700 MUSD
Medium term	**Differentiated RemeOs trauma product** - ESIN, specialty screws, staples, anchors	3,000 MUSD
	RemeOs upper extremity indications - wrists, elbows, shoulders	1,400 MUSD
Long term	**Spine portfolio** - SI Joint Screw and Interbody Cages	3,000 MUSD
	IM-Nails - for large bone fractures	2,600 MUSD
	Plates - comprehensive plating systems replacing permanent hardware	4,000 MUSD

Source: Bioretec, Annual Report 2025.

1 Orthopedic Industry Annual Report 2023.
2 Global Data, Trauma Fixation (orthopedic devices), 2020

Industry and competitive field 2/4

Trauma screw commercialization in US begins with solutions for the foot and ankle region

In the US, in particular, Bioretec focuses on solutions for the foot and ankle area. The company previously estimated that the US foot and ankle target market for trauma screws was worth 255 MUSD in 2022, with an estimated market growth rate of around 8%. Since approximately 70% of fractures can be treated with Bioretec's product[2], the company has defined the short-term market opportunity for the screws as 180 MUSD. The total annual market for trauma screws in the US is around 500 MUSD and is expected to reach approximately 550 MUSD by 2027. Bioretec aims to target this market as indications expand beyond the foot and ankle area.

DrillPin to expand market share in the coming years

Based on ongoing clinical trials, the first intended indications for the RemeOs DrillPin are hammertoe surgery and pediatric radius fractures. Of the planned near-term launches, DrillPin's target market in hammertoe implants is around 200 MUSD[3]. In our view, pediatric radius fractures are a particularly suitable indication for DrillPin, although as a standalone market, it is quite limited. However, further research will enable the gradual expansion of DrillPin's indications towards Bioretec's outlined total addressable market of 2.1 USD.

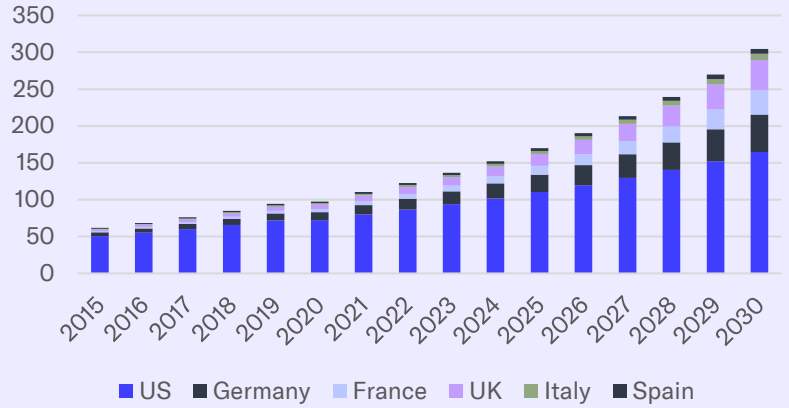
Launches in the medium and long term

With upcoming product launches, Bioretec's target market is poised for significant growth. In the longer term, the relevant target market is the orthopedic trauma products market, which Bioretec estimates to exceed 10 BUSD. This consists of the aforementioned short-term potential of 4 BUSD, supplemented by the market for plates (1.4 BUSD), the spinal portfolio (3.0 BUSD), IM-Nails (2.6 BUSD), and differentiated trauma products (3.0 BUSD.

In the medium term (18-36 months), Bioretec's strategy is to expand the RemeOs product line with a new differentiated trauma product (e.g., elastic stable intramedullary nails (ESIN), special screws, staples, anchors). Thus, the target market for RemeOs will expand after DrillPin depending on which differentiated trauma product is launched. However, as of this writing (5/2026), no information is available regarding exact product expansions. In the long term (over 36 months), Bioretec plans to launch a spine portfolio, IM-Nails, and plates. These products are based on a hybrid material for whose development the company is seeking a potential partner.

There is synergy between the different products, so launching new products will also enable the expanded use of products already on the market. For instance, plates are used with screws, so introducing plates to the market would enable the RemeOs screws to be used much more widely. Plates come in numerous sizes and shapes, so Bioretec must determine which indications the company particularly wants to focus on with its plates. We believe that the company's initial focus for plates will also be on indications for the foot and ankle area.

Key target market for absorbable trauma screws, MUSD



Source: GlobalData Report 2023, Inderes

Market trends

- Aging of the population
- Increase in trauma cases. Shortage of operating rooms and staff.
- Favorable reimbursement practices
- Growing demand for advanced orthopedic implants
- Growing need for customer-centric solutions

1) https://www.marketdataforecast.com/market-reports/north-america-foot-and-ankle-devices-market
2) Ankle Fractures. [Updated 2022 Aug 15]. In: StatPearls [Internet]. Treasure Island (FL): StatPearls
3) https://www.marketresearchfuture.com/reports/hammertoe-market-4172
1 Global Data, Trauma Fixation (orthopedic devices), 2023

Industry and competitive field 3/4

Market for bioabsorbable metal implants just starting

The absorbable metallic implant market is just beginning to develop, particularly in the largest US market, with Bioretec's screw being the first FDA-approved product in its category. Although we expect the market to develop rather slowly, this is offset by the long-term growth and market share gains outlook for bioabsorbable metal implants. We believe there is room in the market for more players as other companies eventually obtain marketing authorizations for similar products. Competition can have positive aspects as well, as the presence of multiple companies in the market can help drive widespread adoption of bioabsorbable metal implants, which would benefit all companies in the industry. According to our estimates, market growth is driven primarily by the speed at which customers adopt new metal implants.

Based on our assessment, Bioretec currently holds a very strong market position thanks to its FDA approval. Competing companies have not been able to obtain marketing authorization for the US market, even though submissions were made years ago. While there is no outward visibility into the reasons for the regulatory process coming to a standstill, the likely cause is probably the rare earth elements contained in the products and the special controls imposed by the FDA in connection with Bioretec's De Novo approval.

Many large and small companies operate in the broad competitive landscape of orthopedic trauma products

There are many competing companies in the orthopedic trauma products market. The four largest — DePuy Synthes Inc. (a Johnson & Johnson subsidiary), Stryker Corporation, Zimmer Biomet Holdings Inc., and Smith & Nephew Plc. — accounted for around 75% of trauma product revenue in 2021. We believe large companies have not yet begun developing their portfolios of absorbable metal implants. We suspect this is due to the very early stage of market development and the small market size.

According to Bioretec, there is room for small companies to innovate, as large companies are wary of the reputational and litigation risks associated with new products. In the US, in particular, class-action lawsuits can result in very substantial damages claims. Bioretec expects large companies to become more active in areas such as acquisitions once sufficient safety data and user experience have been gathered on new products, thereby reducing reputational and litigation risks.

Competitive landscape in absorbable metal implants

The number of companies developing absorbable metallic implants is significantly smaller than the number of orthopedic trauma product manufacturers. Known competing companies are listed in the adjacent table. In addition to the companies on the list, we understand that there are several companies within this sector that operate in China, some of which have received approvals from local authorities for a wide portfolio of products.

Most competitors are small, unlisted companies for whom limited information is available. Among the larger ones, KLS Martin acquired Medical Magnesium GmbH in 2024 and sells trauma screws at least in the European market. Otherwise, we do not believe large companies are currently selling absorbable metal implants. A pioneer in the field is Syntellix AG, a German company that received CE marking for its trauma screw back in 2013. Syntellix has obtained marketing authorizations for its products in over 70 countries, and according to its website, it has sold more than 50,000 implants. We believe Syntellix and KLS Martin are Bioretec's key competitors in Europe at the time of writing.

Competitors in absorbable metal implants

	Product[1]	Development stage	Other
Bioretec Finland	Mg-Ca-Zn-based screws	FDA approval 2023; CE marking 2025	Screw, spinal cage, and DrillPin have BDD[1]
Syntellix AG Germany	Mg-based absorbable implants	CE marking 2013, FDA process ongoing; BDD 2020	Contain REEs; approvals in more than 70 countries
Medical Magnesium GmbH / KLS Martin Germany	Mg-based absorbable implants	CECE marking; FDA process pending	Contain REEs; part of KLS Martin since 2024
CG Medtech South Korea	Mg-Ca-Zn-based bioabsorbable screws and pins	Marketing authorization in South Korea	Medium-sized company with a broad product portfolio
DongGuan Eontec Ltd China	Portfolio of absorbable Mg implants	CE marking for the screw in 2020 and marketing authorizations in China	Several companies in China
Magnesium Develop. Co LLC US	Mg-based implants for foot/ankle and sports applications	BDD in 2022; FDA process pending; uses nanoMAG's material	Do not contain REEs
nanoMAG LLC US	Mg-Mn-based absorbable implants for craniomaxillofacial surgery	Material supplier and licensor	Subsidiary of Thixomat Technologies
Magloy Tech Singapore	OrthoMag implants for orthopedics and trauma surgery	Preclinical / early clinical phase	NUS spin-off in 2020; partnership with SRS Life Sciences

1) BDD = FDA Breakthrough Device Designation
Source: Inderes, Bone Solutions, company websites

Industry and competitive field 4/4

These European competitors' products contain rare earth elements, the long-term safety profile of which is not yet known. We believe that Bioretec's RemeOs products have a better safety profile than these competitors' products, and we expect the company to leverage safety arguments in its marketing. Currently, it is difficult to evaluate the strength of Bioretec's competitive advantage based on the absence of rare earth elements. However, competitors whose products contain rare earth elements appear to be having difficulty obtaining FDA approval for their products. At the time of writing, Bioretec has held the title of the only FDA-approved company for over 3 years, which speaks to the strength of its position in the US.

Bioretec's Chinese competitor, Eontech, also has CE marking for its trauma screws and marketing authorization for several bioabsorbable magnesium implants in its home market. So far, there is practically no concrete evidence of a threat from Chinese or South Korean competitors in Europe or the US.

We understand that the US-based company nanoMAG has developed a biodegradable magnesium alloy (BioMg 250) that does not contain rare earth elements. The company develops its own implants and offers its material to partners. Another US company, Magnesium Development Company, uses nanoMAG's material. Neither of these US companies is yet in the commercialization phase with their magnesium implants, as far as we know.

Competitors to Activa products in absorbable polymer implants

Inion (Finland) — Bioretec's closest peer: a Finnish company that develops absorbable implants and manufactures 11 different absorbable orthopedic product lines (pins, plates, screws) for trauma, sports medicine, craniomaxillofacial, and spinal applications; products are sold in over 35 countries through distribution partners such as Stryker (North America and Western Europe).

OSSIO (Israel) — a company founded in 2014 whose goal is to replace metal implants with its OSSIOfiber™ technology. OSSIOfiber combines a natural mineral fiber matrix with a PLDLA blend.

Large orthopedic companies also have their own polymer-based products that compete with Bioretec. In our view, Bioretec's distribution partnership with Orthopediatrics helps the company avoid direct competition with larger companies.

Bioretec is a potential acquisition target

We consider Bioretec a potential acquisition target for a larger medical device manufacturer in the longer term. A potential buyer would acquire Bioretec's innovative product portfolio, which stands out due to its absence of rare earth elements and its multiple Breakthrough Device designations. Combined with the extensive sales and distribution power of a larger partner, the value of the product portfolio to the buyer could increase rapidly. In the short term, we still consider this option unlikely but possible based on the narrow product portfolio, limited user experience with the products and the markets' current small size. Over time, a growing body of user experience with Bioretec products, combined with an increasing number of products on the market, will reduce the buyer's risk. It is difficult to assess the size, timing, or terms of a potential bid in advance. We have compiled information on industry acquisitions from recent years in the Valuation section.

Bioretec's competitive advantages...

- ⊕ Products that bring added value to patients and the healthcare system
- ⊕ RemeOs™ trauma screw's leading position in the US and the moats created by FDA decision; Breakthrough Device designations; TPT status
- ⊕ Absence of rare earth elements sets Bioretec apart from its competitors.
- ⊕ Strong RemeOs development pipeline.

... and disadvantages

- ⊖ Limited resources compared to large competitors
- ⊖ A very limited RemeOs product portfolio and dependence on still small markets
- ⊖ Potential distrust of new technology in the markets.

Source: Inderes

Strategy and financial targets 1/2

Strategy 2026-28

Bioretec's strategy and financial targets for 2026–28 were announced in December 2025. The renewed strategy relies on three pillars and priorities:

Industry-leading innovation. 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.

World-class clinical and economic evidence generation. Build strong market presence and solidify the commercial position in the US through direct distribution channels, targeted Key Opinion Leader engagement strategies, and high-impact training and education.

Global excellence in commercialization. Upgrade the 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.

Inderes' comments on the strategy

Industry-leading innovation. Bioretec is in the very early stages of commercializing the RemeOs product line, and expanding this line is crucial for enabling future growth. While the company has an advantage in the industry's most important market, the US, with FDA approval of the trauma screw, expanding indications and introducing new product versions to the market has taken longer than expected. In Europe, however, the company has a broad line of CE-marked trauma screws, which enables commercial scaling and will also generate real-world user experience and data over time to support future marketing authorization applications in the US.

World-class clinical and economic evidence generation. Based on information available at the time of writing (6/2026), the company has already made significant progress expanding its direct distribution model. The first signs of the model's adoption appeared in the Q1'25 report, and based on the H2'25 webcast, the number of distribution partners in the US had grown to over 20. Bioretec also appears to have invested more in collaborating with key opinion leaders (KOLs) and training users and partners. The company strengthened its sales organization during 2025 and plans to continue investing in sales during 2026 (Q1'26 management interview). A Head of Global Medical Education was also appointed.

Global excellence in commercialization. The first steps in this area were seen already in 2025 as well. Bioretec appointed a new Vice President of Sales for the OUS market, under whose leadership the partner network and sales targets have been revamped. It will naturally take time to establish RemeOs as a leading solution, but we believe this goal is realistic based on RemeOs' differentiation as a rare earth element-free material and its competitive advantage in the US following FDA approval.

Strategy pillars 2026–28

Industry-leading innovation	Pioneering world class materials science by demonstrating patient outcomes that validate healing through the absorption of the company's 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 the company's focus on high-value repeatable business and collaboration with best-in-class partners globally to achieve market success.

Strategy priorities 2026-28

Demonstrate industry-leading innovation and clinical evidence generation	...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 the commercial position in the US	...through direct distribution channels, targeted Key Opinion Leader engagement strategies, and high-impact training and education.
Upgrade the 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

Source: Bioretec

Strategy and financial targets 2/2

Strengths and opportunities of strategy...

Bioretec has an excellent opportunity to advance in the US as the only approved company offering absorbable metallic implants. In Europe, the company can immediately launch a wide line of trauma screws. The success of new product launches and expanding indications would create a gradually growing market for Bioretec and strengthen its position as a provider of a new, innovative orthopedic solution. Ongoing DrillPin studies could lead to the launch of a truly unique product, which, together with the rest of the product development pipeline, will increase commercial potential beyond the strategy period.

The previous distribution model, which relied on distributors with inventory, was unique in the industry and failed. In our view, transitioning to the current model and strengthening sales have been the right moves, and initial results are already visible.

...and its weaknesses and threats

The commercialization of new medical devices and innovations is typically a slow process. Bioretec is introducing the first product in this new line to the US market, and as of this writing (6/2026), there is still little evidence of widespread user interest in bioabsorbable metal implants. Even in a positive scenario, widespread adoption will take time as products are rolled out and practical experience is gained regarding their safety and efficacy. Problems related to safety and viability may arise during trials or the implementation of new products. As a small and still unprofitable company when it comes to financing, Bioretec remains dependent on successful external funding rounds.

Financial targets

Bioretec updated its financial targets in December 2025 as part of the strategy update. A notable aspect of the update was the substantial reduction in targets. Prior to the update, Bioretec aimed for revenue growth to 65 MEUR by the end of 2028 and positive cash flow by the end of 2027. The updated revenue target is to exceed 10 MEUR by 2028. In terms of profitability, the goal is to maintain an average sales margin exceeding 70% during the strategy period. We find the updated targets to be quite realistic and believe the company also has a good chance of exceeding them.

We believe the revenue target for 2026–2028 primarily relies on the breakthrough and growth of the RemeOs trauma screw product line in the main markets of Europe and the US. In the short term, emphasis will be on Europe due to the large number of indications and different screw versions. The conditions for growth are also favorable in the US, supported by an expanding distribution network, but the comapny would benefit from regulatory approvals for new screw models and expanded indications. Bioretec is naturally dependent on regulatory decisions in this regard. Markets outside of Europe and the US will also support demand for trauma screws, though our expectations for these markets are more modest. We estimate that the next likely RemeOs product, DrillPin, will not be able to significantly boost sales during this strategic period, so the growth of the RemeOs product line will depend heavily on the trauma screw and the expansion of its use.

In 6/2026, the majority of Bioretec's revenue still comes from the Activa product line. A significant portion of Activa's revenue comes from China, where uncertainties regarding development exist due to the volume-based pricing model, which has decreased prices significantly. We expect the Activa product line to continue supporting Bioretec's growth targets in the coming years. We believe Activa is still in a relatively early commercial stage, especially in the US. Potential is created by the distribution collaboration with Orthopediatrics, for example, which sells Bioretec's cannulated Activa screw.

The company has set a conservative target range for the sales margin, as achieving the target requires maintaining the current level. We believe the gross margin on RemeOs products is higher than on Activa products, particularly in the US, where we understand that unit prices are significantly higher than in the rest of the world. The Chinese market is creating headwinds for the sales margin due to decreasing prices. The company has not set targets for earnings or cash flow for the strategy period. However, the company does not expect cash flows to turn positive during the strategy period, which is expected, as the revenue and gross margin targets do not indicate earnings-based financing exceeding costs.

The company's ability to achieve its goals is supported by the large size of its target market, the defensive nature of the industry, growth driven by trends, the value proposition of RemeOsTM products for patients and the healthcare system, and the company's clear commercialization plans. Challenges to achieving the targets include the company's limited resources and the nature of the industry, in which new products and solutions are adopted slowly and typically require significant sales efforts.

In summary, we consider the probability of the company achieving its financial targets to be good.

Financial position 1/2

Revenue facing headwinds due to mistakes in RemeOs' commercialization

Revenue development in the last decade has been volatile, but the company achieved growth after the lockdowns caused by the COVID pandemic in 2020, which decreased revenues across the entire industry. The company's revenue developed favorably, and the 2024 figures were boosted by RemeOs orders to distributors' inventories in the US. However, distribution agreements had to be terminated, and the company bought back unsold inventory, which had a negative impact of 0.5 MEUR on revenue in 2025. According to the latest business review for Q1'26, revenue was 1.22 MEUR, indicating that the company is returning to a growth trajectory. While RemeOs revenue was not reported separately, positive trends in Europe and the US, along with management's comments, suggest that sales is moving in the right direction.

Throughout its history, Bioretec has been operating at a loss. One of the main reasons for these losses is the low level of revenue relative to costs, as well as front-loaded investments in growth and R&D. Despite strong profitability potential, a cost structure that is heavy relative to revenue has kept the business in the red. The loss deepened in 2025 due to an increased number of employees and higher, partly one-time, costs (change negotiations, expense recognition related to inventory buyback). According to our estimates, 2025 will be the company's weakest year in terms of earnings.

Cost structure is heavy compared to current revenue

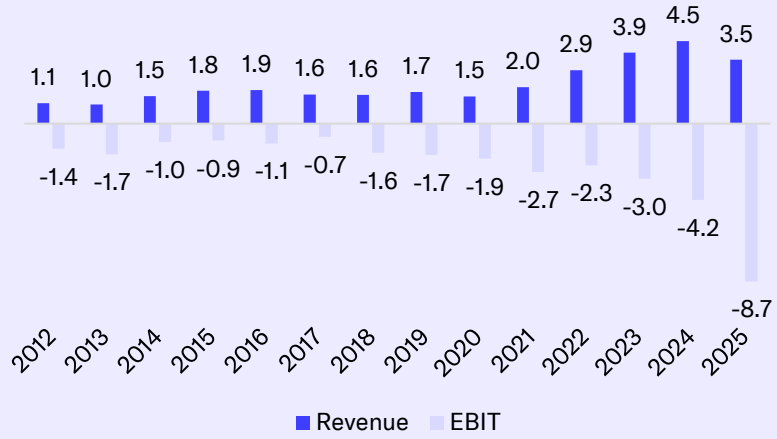
The largest portion of Bioretec's costs consists of other operating expenses, which amounted to -5.9 MEUR in 2025 (39% of total costs). It is worth noting in the 2025 expenses that a one-time expense of some 1 MEUR was recorded under other operating expenses in connection with the repurchase of the distributor's inventory. Personnel expenses were -5.3 MEUR in 2025 (34% of revenue). Despite an increase in employees and absolute costs, the relative share has trended downward. Material and service costs totaled -3.3 MEUR (26% of total costs), reflecting the strong sales margin typical for Bioretec's industry. Purchases consisted of raw materials, instruments, packaging materials, and components. Depreciation and impairment amounted to -0.2 MEUR. The company has not capitalized R&D costs on its balance sheet.

Costs rose faster than revenue in 2024–2025 due mainly to growth investments, including the transition to a new distributor model. We estimate that the fastest growth phase of costs is behind us at the time of writing (6/2026).

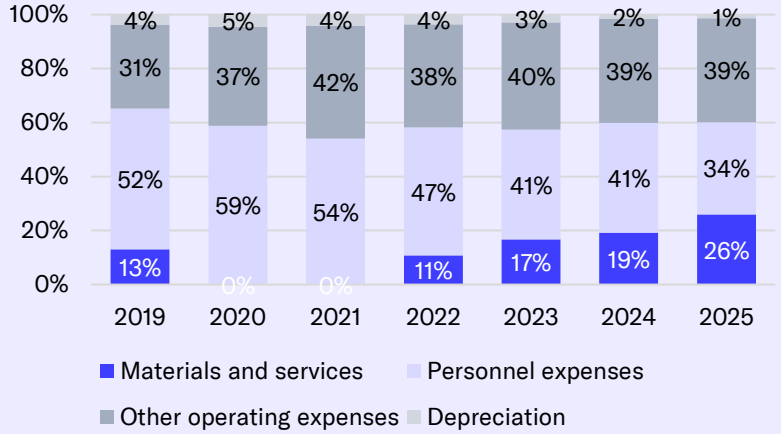
Cash flow has been negative so far

In 2025, Bioretec's combined cash flow from operating and investing activities was -10.3 MEUR, with a heavy cost structure relative to revenue. Cash flow from operations was particularly weighed down by development and commercialization costs related to the RemeOs™ product line. Working capital was also significantly tied up as a result of inventory repurchases and the new distribution model. Operating cash flow has been in the red throughout the company's history to date. Net profit has largely aligned with cash flow due to the absence of R&D capitalization and consequently very moderate depreciation. The discrepancy between the 2021 net profit and cash flow is attributable to significant financing costs related to the technical listing.

Revenue and EBIT, MEUR



Operational cost structure, % of costs



Source: Bioretec

Financial position 2/2

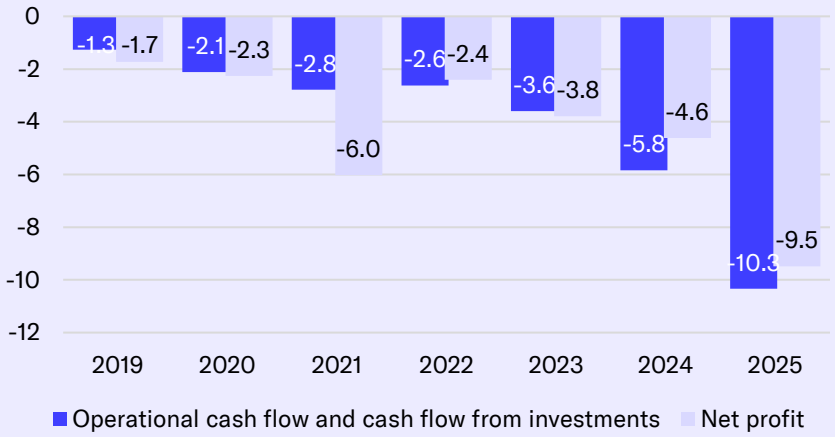
The negative cash flow has been addressed through financial arrangements, and the company has, in fact, conducted several share issues throughout its history.

Cash reserves should be sufficient until Q3'27

We have compiled the financing rounds conducted in connection with the technical listing and thereafter into the table below. The most recent funding round took place in the spring 2026 in the form of a rights offering. The company raised 12.9 MEUR in gross proceeds from the offering, which are intended for developing the R&D pipeline and advancing commercialization efforts. The company's goal was to raise a minimum of 5 MEUR and a maximum of 14.8 MEUR. The main owner, Stephen Industries, guaranteed the offering up to its minimum target. The offering was carried out at a remarkably low subscription price (EUR 0.01), which we believe served as a strong incentive to participate. In our assessment, investor confidence in the company wavered due to setbacks in 2025 (the failure of the US distribution model, the inventory buyback, and retroactive corrections to financial reporting). Given this context, we believe the offering was successful and will provide the company with operational peace of mind and sufficient cash flow through Q3'27.

Based on Bioretec's financial targets and Inderes' assessment, the company will not achieve a positive cash flow with its current cash reserves. Therefore, we estimate that the company will likely need at least one round of financing, probably during H1'27. This funding round could be the company's last if business develops favorably. However, there is a great deal of uncertainty surrounding business growth and cost trends, so further funding rounds may be necessary even beyond that. If successful, Bioretec will have the opportunity to develop new RemeOs products for several more years, which, on the one hand, involves significant growth opportunities but, on the other hand, requires corresponding capital.

Cash flow and net profit, MEUR



Financing rounds since technical listing

Date	Type	Gross amount (MEUR)	Subscription price (€)	Comment
6/2021	Share issue, unlisted (Springvest)	7.2	3.0	A replacement share issue, as the technical listing (25 MEUR + 3.75 MEUR additional option) was canceled.
9/2021	Listing on First North	-		Technical listing without raising capital.
4/2023	Directed share issue	10.0	2.0	
11/2024	Directed share issue	6.0	2.0	
5/2025	Rights offering	9.2	1.5	
4/2026	Rights offering	12.9	0.0	

Source: Inderes, Bioretec

Estimates 1/3

Growth estimates rely on the success of the RemeOs™ product line

Our estimates rely on the drivers described below, the most significant of which in the short term is the sales development of the RemeOs™ trauma screw in the key markets of the US and Europe, as well as Activa sales. In the longer term, growth hinges on expanding the product portfolio and indications and successfully commercializing it. Our growth expectations depend on the breakthrough of a new product category (absorbable metallic bone fixation fasteners), so the risk of our estimates is naturally high due to the uncertainty of market formation.

The growth of the Activa product line remains moderate in our estimates. The US is a particular growth driver, as we understand that the use of biodegradable implants is less common there than in Europe. Bioretec has opened new sales channels, such as a distribution partnership with Orthopediatrics. The limited usability of the products, the competitive situation, and the operating environment in China keep our expectations for the product line moderate. In the long term, we expect RemeOs products to encroach on Activa's sales, which limits the product line's long-term growth potential. Nevertheless, we foresee Activa products playing a distinct role alongside RemeOs products in the future.

Growth in RemeOs™ trauma screw sales. We expect the use of the trauma screw to gradually expand in the US starting in 2026. In addition to the initial indication (medial malleolus fracture), the company anticipates that one or more new indications for the screw will be approved in 2026–27. In 2025, Bioretec moved away from the stock-holding distributor model and shifted to a sales representative model, which is expected to start yielding results in 2026. Early signs of this were evident at the time of writing in the latest Q1'26 business review. In our estimates, sales will grow due to increased usage in hospitals and trauma centers, an increasing number of hospitals using the screw, and an increasing number of indications, particularly in the foot and ankle area. In the medium term, we expect the indications to expand in the US to include upper limb indications, which will increase demand for the screw further. Sales in Europe will also begin on a wider scale in 2026, once the company has worked out the country-specific processes and obtained CE markings also for the tools used in screw insertion. In Europe, sales are supported by a wide product range (5 screw models in various sizes) and several indications in the upper and lower extremities.

Market entry and sales development of follow-up RemeOs™ products. In our forecasts, we assume that Bioretec will successfully develop and commercialize new products. We expect DrillPin to be the first product launched, in line with the company's goals, in 2028. The launch could happen earlier, in line with the company's targets, but the impact on revenue is likely to be minor initially. As with the trauma screw, we expect the sales of future products to gradually increase from initial testing to broader adoption. At the time of writing, it is difficult to estimate a more precise timeline for subsequent products because Bioretec has not yet announced its more specific launch plans. We estimate that sales of our upcoming products will grow slightly faster than those of trauma screws because we believe that customers will be more ready to adopt bioabsorbable metal products faster after gaining experience using them.

Key opportunities and risks of the estimates

	Timeframe	Opportunity	Risk
Marketing authorizations	Trauma screw FD: 2023; CE marking in Q1'25	Head start in the US; broad screw portfolio in Europe; product portfolio expansion in the future	Delays in the approval processes for new products
Financing of growth	Runway Q3'27; Target: positive cash flow after 2028	Successful strategy execution enables further financing at a favorable valuation	Falling short of growth targets may necessitate dilutive additional financing rounds.
Trauma screw sales	At full speed in the US and Europe starting in 2026	Growth in line with forecasts or faster would be highly profitable	Market for the new product line may develop more slowly than expected
Development and launch of new products	Strategy period 2026-2028	Launch according to strategy every 12–18 months.	Failures or delays in product development and commercialization
New RemeOs™ products	2029 ->	Profitable growth in the long term	Failures or delays in product development and commercialization

Source: Inderes' estimate, Bioretec

Estimates 2/3

Revenue forecasts point to long-term, strong growth

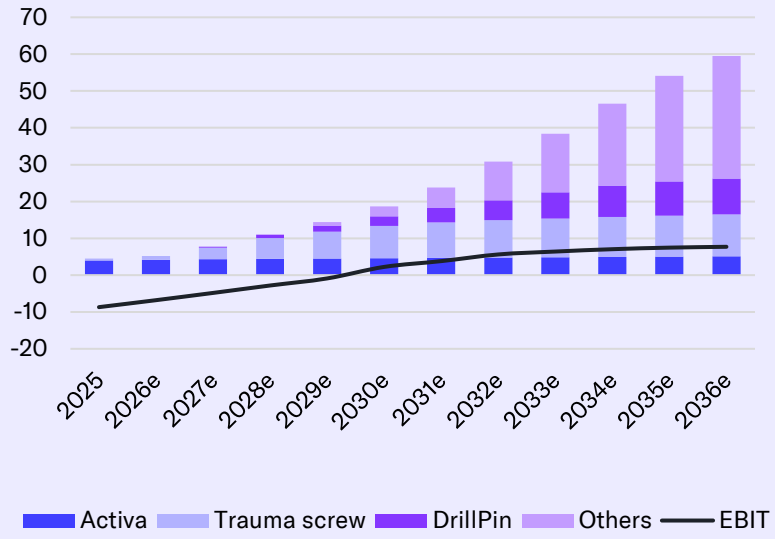
We model revenue based on our forecasts of market share, market growth, and average product prices. In the coming years, a key driver of our forecasts is the trauma screw, for which we predict a market share of 0.5% and 1.2% by 2030 and 2032, respectively, in the US, German, French, Italian, Spanish, and UK markets. For other products, we expect market shares to develop slightly faster, based on the assumption of a general adoption of bioabsorbable metal implants by customers.

In 2026, we expect revenue to be 5.2 MEUR. Bioretec has not reported RemeOs product revenue separately, so as of this writing (6/2026), there is no precise information available on the exact sales breakdown across product groups. Our forecast is based on moderate growth in Activa products, particularly in the US, supported by distribution through Ortopediatrics. We expect the trauma screw to accelerate significantly from a very low base in 2026 in both the US and Europe. Sales of the trauma screw will be boosted by launching sales in Europe following CE marking, as well as by potential expansion into other markets. In 2027, we expect revenue to be 7.7 MEUR. This forecast assumes continued moderate growth of Activa products as the company increasingly shifts its resources toward commercializing RemeOs™ products. For the trauma screw, we expect sales of around 3 MEUR, based on our estimate of an increase in users and indications. The DrillPin launch will begin supporting revenue starting in 2028, though our expectations for the initial years are moderate. By the end of the strategy period in 2028, we estimate the company's revenue will be around 11 MEUR, which is somewhat above the company's lower target of 10 MEUR. We have aimed to set our estimates neutrally so that the company has an approximately equal probability of exceeding or falling short of them. Our estimate requires slightly surpassing the company's minimum revenue target, which we believe is realistic. Our estimate is relatively moderate, leaving room for exceeding expectations. On the other hand, delays in the industry are common due to factors such as the duration of regulatory processes and the industry's conservative nature, so we believe that moderate estimates are well warranted from that perspective.

In the long term, we continue to expect growth from the expanding indications for the trauma screw and other upcoming RemeOs products, an increase in the number of customer hospitals and centers, and higher utilization rates at centers using the product. In the US, in particular, the launch of new screw models will also play a key role. Over the coming decade, new product launches will begin to drive revenue growth at an accelerating pace. Visibility for this period is naturally very low since there is no precise plan or schedule for product launches at the time of writing. Our long-term estimate relies on Bioretec's success with product launches and gaining at least a moderate market share for the products in the first few years after commercialization. We estimate annual revenue of around 10 MEUR for both the trauma screw product line and DrillPin over the next decade.

Our long-term estimate extends to 2040, by which time the entire planned product portfolio should be on the market and sales based on it should approach their full potential. After that, we assume terminal growth of 2% per year.

Revenue and EBIT, MEUR



Source: Inderes

Estimates 3/3

Fastest phase of cost increases likely over now

Near-term revenue relative to the heavy cost structure will keep earnings unprofitable. For 2026, we expect EBITDA of -6.4 MEUR and EBIT of -6.8 MEUR. Bioretec's earnings have deteriorated due to subdued revenue development and a rapid cost increase. We suspect, the greatest cost pressures has passed at the time of writing (6/2026), and the loss should begin to narrow as sales margin growth increases. Cost-cutting measures in production, announced in spring 2026, will also help keep cost increases under control. We do not foresee any significant investment needs for the company in the coming years.

We expect costs per employee to grow at a rate of approximately 5% in 2026–28, based on wage inflation and very moderate growth in headcount, including savings resulting from change negotiations ongoing at the time of writing (6/2026). We expect other operating expenses to grow by approximately 10% annually, driven in particular by the anticipated increase in sales, marketing, and R&D.

EBIT to become profitable in our estimates in 2029

In our estimates, EBIT is expected to improve to -4.8...-2.8 MEUR in 2027-2028, as strong revenue growth and a healthy sales margin of 70-72% generate income streams that exceed cost growth. We forecast that EBIT will turn profitable in 2030 (+1.7 MEUR), as revenue growth continues to accelerate. We assume a long-term EBIT margin of 20%, based on the profitability of mature companies in the sector and Bioretec's scalable business model.

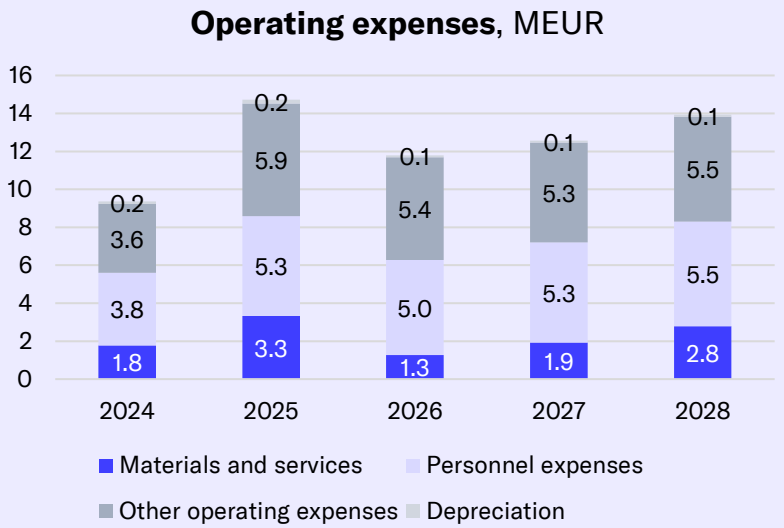
Income financing not sufficient for a growth company

Bioretec's cash position strengthened after the approximately 13 MEUR share offering carried out in spring 2026. The company's financial targets do not include positive cash flow during the strategy period by 2028. According to our estimate (as of 6/2026), the current cash reserves will suffice until Q3’27, so the company will continue to need external funding.

Bioretec's cash flow aligns closely with earnings because it does not capitalize many costs on the balance sheet and depreciation is minimal. According to our forecasts, cash flow from operating activities will be -5.2 MEUR in 2026 but will begin to improve as a result of revenue growth and high sales margins. In our estimates, cash flow will turn positive in 2030, as will EBIT. Our calculations show that the funds raised in the last offering are insufficient until cash flows turn around. We consider a share issuance in 2027 to be highly likely, and investors should be prepared for potential financing needs thereafter. In our view, strengthening the cash position would have clear operational benefits as well, as it would allow Bioretec to accelerate its R&D and commercialization efforts. In the longer term, the positive cash flow trend should also enable Bioretec to access other financing sources, such as debt financing.

Estimate changes in connection with the extensive report update

In connection with this report, we make moderate revisions to our short-term estimates, which are presented on the following page. We lower our estimate of the cost of capital (WACC) to 13% of the previous 14%. The revision is based on our updated assessment of the stock's risk level, which has decreased due to the successful share issue, and our increased assessment of the likelihood of Bioretec's growth strategy succeeding and the company's competitiveness.



Income statement and estimate revisions

Income statement	2024	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**4.5**	**3.5**	**1.2**	**1.2**	**1.2**	**1.6**	**5.2**	**7.7**	**11.1**	**14.4**
EBITDA	**-4.1**	**-8.5**	**-1.3**	**-1.6**	**-1.7**	**-1.7**	**-6.4**	**-4.0**	**-2.2**	**-0.3**
Depreciation	-0.1	-0.2	-0.1	-0.1	-0.1	-0.1	-0.4	-0.8	-0.6	-0.6
EBIT	**-4.2**	**-8.7**	**-1.4**	**-1.7**	**-1.8**	**-1.8**	**-6.8**	**-4.8**	**-2.8**	**-0.9**
Net financial items	-0.4	-1.2	0.0	-1.0	0.0	0.0	-1.0	-0.5	-0.6	-0.7
PTP	**-4.6**	**-9.9**	**-1.4**	**-2.7**	**-1.8**	**-1.8**	**-7.8**	**-5.4**	**-3.4**	**-1.5**
Taxes	0.0	0.4	0.0	0.2	0.0	0.2	0.4	0.0	0.0	0.0
Net earnings	**-4.6**	**-9.5**	**-1.4**	**-2.5**	**-1.8**	**-1.6**	**-7.4**	**-5.4**	**-3.4**	**-1.5**
EPS (rep.)	**-0.20**	**-0.31**	**0.00**	**0.00**	**0.00**	**0.00**	**-0.01**	**0.00**	**0.00**	**0.00**

Key figures	2024	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	16.3 %	-22.5 %	-12.6 %	77.0 %	67.8 %	113.7 %	47.3 %	49.1 %	43.8 %	29.6 %
Adjusted EBIT growth-%	-38.5 %	-106.7 %	-10.6 %	48.0 %	2.6 %	16.6 %	21.8 %	29.0 %	41.8 %	68.4 %
EBITDA-%	-89.2 %	-240.7 %	-109.4 %	-137.3 %	-139.6 %	-110.9 %	-123.3 %	-52.2 %	-19.4 %	-1.8 %
Adjusted EBIT-%	-92.5 %	-246.6 %	-117.6 %	-145.7 %	-147.9 %	-117.3 %	-131.0 %	-62.4 %	-25.2 %	-6.2 %
Net earnings-%	-101.3 %	-269.3 %	-117.6 %	-212.3 %	-147.9 %	-104.5 %	-142.6 %	-69.3 %	-30.4 %	-10.7 %

Source: Inderes

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	**Old**	**New**	**%**	**Old**	**New**	**%**	**Old**	**New**	**%**
Revenue	5.1	5.2	1%	7.9	7.7	-2%	11.1	11.1	0%
EBITDA	-6.7	-6.4	4%	-4.8	-4.0	16%	-0.1	-2.2	-1755%
EBIT (exc. NRIs)	-7.1	-6.8	4%	-5.5	-4.8	12%	-0.7	-2.8	-322%
EBIT	-7.1	-6.8	4%	-5.5	-4.8	12%	-0.7	-2.8	-322%
PTP	-8.1	-7.8	3%	-6.1	-5.4	11%	-1.2	-3.4	-179%
EPS (excl. NRIs)	-0.01	-0.01	4%	0.00	0.00	11%	0.00	0.00	-179%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

The full-year EPS was calculated using the number of shares at the end of the year.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**1.7**	**2.5**	**2.4**	**2.1**	**2.1**
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.6	1.0	1.3	1.3	1.4
Tangible assets	1.1	1.1	1.1	0.8	0.7
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.4	0.0	0.0	0.0
Current assets	**9.8**	**9.2**	**13.6**	**8.5**	**6.8**
Inventories	1.5	3.9	3.1	3.5	3.9
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	2.0	1.2	1.6	1.9	2.2
Cash and equivalents	6.3	4.1	9.0	3.1	0.7
Balance sheet total	**11.5**	**11.7**	**16.0**	**10.6**	**8.9**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**9.7**	**9.8**	**15.3**	**9.9**	**6.5**
Share capital	3.7	3.7	3.7	3.7	3.7
Retained earnings	-19.8	-29.3	-36.7	-42.1	-45.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	25.8	35.3	48.2	48.2	48.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**0.4**	**0.1**	**0.4**	**0.4**	**1.8**
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	0.4	0.1	0.4	0.4	1.8
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**1.0**	**1.8**	**0.3**	**0.3**	**0.6**
Interest bearing debt	1.0	1.8	0.3	0.3	0.6
Payables	0.0	0.0	0.0	0.0	0.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**11.2**	**11.7**	**16.0**	**10.6**	**8.9**

Valuation and recommendation 1/4

Value creation relies on the success of RemeOs™ products in the long term

We feel Bioretec's value creation relies almost entirely on the successful commercialization of the RemeOs product line and the development of new products. The added value that RemeOs products bring to patients and healthcare, the first-mover advantage in the US market, and the high profitability potential create an excellent opportunity for Bioretec to create value. In our view, the key drivers of shareholder return are revenue growth and the realization of a cash flow turnaround. The latter can have a significant impact on shareholder returns, depending on the adequacy of financing and the needs of future financing rounds. An additional option is the possibility of ending up as an acquisition target.

However, becoming profitable requires strong and sustained revenue growth from the company, which means the risk associated with the estimates is high and partly binary. The possibility of capital loss is concrete if commercialization progresses sluggishly and the company has to rely on repeated share issues. Due to the uncertainties related to the earnings turnaround, the valuation is inherently uncertain and imprecise. In our valuation, we aim to balance the significant potential related to growth and profitability, as well as the high risk and uncertainties, through acceptable multiples and scenarios.

Valuation methods: EV/S multiple and DCF model

As earnings are negative and our projected profitability turnaround taking several years, we cannot rely on earnings multiples for valuation. On a sales basis, we can mirror the EV/S multiple to future growth prospects, profitability potential and the valuation of peers and the industry. The DCF calculation, describing the present value of expected cash flows, is also a key valuation method.

Growth and profitability potential raises, and uncertainty weighs on acceptable multiples

Our estimated growth would mean a very high annual growth rate (CAGR) of 26.6% for Bioretec over the next 10-year forecast period of 2026-2035. If realized, such growth combined with high profitability potential would warrant accepting very high revenue multiples (EV/S). The strong scientific evidence for the trauma screw and the moats provided by FDA approval support the realization of these estimates. On the other hand, evidence of growing RemeOs sales is still lacking due to the early stage of commercialization. It is also still too early to assess the speed of the absorbable metal implant market formation and customer behavior. Risks partly limit acceptable multiples before further evidence accumulates.

We find that Bioretec's earnings scalability, driven by a high gross margin, provides high long-term EBIT potential (our estimate is 20% of revenue), which also supports acceptable valuation multiples. The long-term EBIT margin for mature US medical device manufacturers is around 14%, and for biotechnology companies, it is around 29% (Bloomberg), underscoring the strong profitability potential in the mature phase.

The acceptable EV/S multiple for Bioretec, based on its growth and profitability potential, is 3–8x. The lower end of the range reflects our investment view of the valuation in a low-growth scenario, and the upper end reflects a high-growth scenario. In a neutral scenario, according to our estimates, the fair valuation is 5–6x.

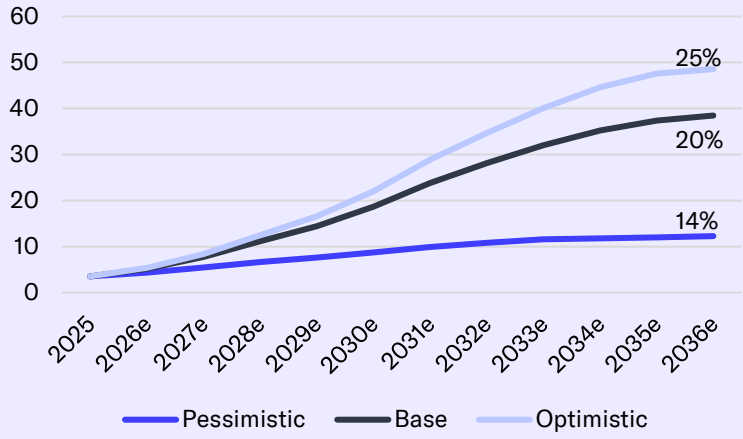
Assumptions of scenarios[1] 2026-2035

	High	Estimate	Low
Revenue growth CAGR	30.0%	26.6%	13.3%
Growth (TERM)	3%	2%	2%
Median EBIT %	23.5%	17.5%	12.5%
EBIT (TERM)	25%	20%	14%
WACC	13%	13%	13%

1) See description of scenarios on page 35.

Source: Inderes

Revenue development and terminal EBIT % of scenarios



Valuation and recommendation 2/4

The EV/S ratio is typically high for the industry but acceptable

Bioretec's EV/S multiples for 2026-2027 are 3.8x and 3.3x. With our 2026 estimates, the multiples are thus at the lower end of our accepted multiple range (3x-8x) The multiples will continue to fall in the coming years, on one hand as revenue grows, and on the other as declining losses slow the growth of enterprise value. We believe the current multiples indicate moderate expectations for future development and are attractive relative to the company's potential and our estimates.

There are few direct listed peers, as other companies manufacturing absorbable metal implants are unlisted. Swedish Bonesupport (2026 EV/S 8.8x) provides an example of an orthopedic implant company that has turned profitable in a more mature growth phase. We do not believe Bioretec deserves similar multiples due to its higher risk level, even though the company's growth and profitability potential are significant. Ossdsign (2026 EV/S 1.6x), a Swedish manufacturer of earlier-stage orthopedic implants, is roughly comparable to Bioretec in terms of development stage. Similar to Bioretec, OssDsign's growth also slowed significantly in 2025–26, which has led to a sharp decrease in EV/S multiples from their previous level of around 8x. Bioretec's multiples have also contracted sharply with the emergence of growth difficulties, which we believe was justified. We also include the Swiss company Kuros Biosciences (2026 EV/S: 3.5x) as a peer, which has become profitable and is growing rapidly, but has passed its fastest relative growth phase. The companies are thus good peers in terms of development stage and industry, although there are also important differences compared to Bioretec. The valuation multiples of all these peers have decreased sharply in recent years, along with the sector (see chart below).

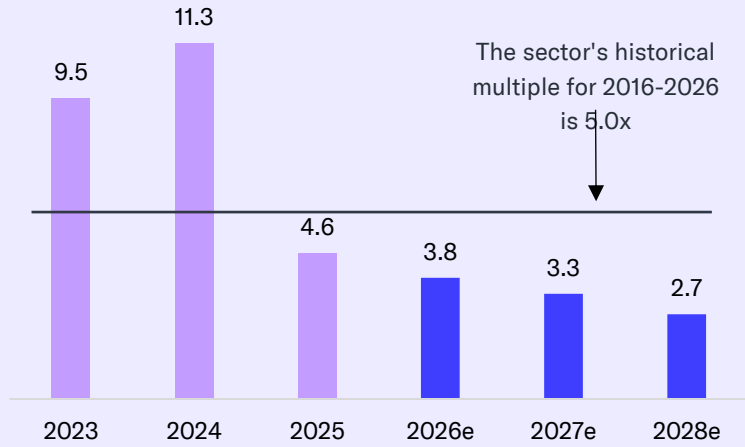
In terms of valuation, Bioretec's advantage over these peers is its greater growth potential, as Bioretec's baseline figures are still very low, and there is a significant market to capture if the growth strategy succeeds. On the other hand, Bioretec's key product is in an earlier and higher-risk commercial stage. In summary, Bioretec is a relatively moderately valued company when viewed through the EV/S multiple, considering its significant growth and profitability potential. Proof of growth in line with our estimates could lead to a slight upward revision of our acceptable multiple range in the future.

EV/S multiples can also be compared to the average historical valuation multiples for the medical technology sector. The 10 (Q1'16-Q1'26) median EV/S ratio for the BI Global Orthopedic Competitive Peers (Bloomberg) index has been 5.0x. The sector index consists of global, profitable, mainly US-based orthopedic companies, which differ from Bioretec based on their more mature profile. We believe the multiples give an indication of Bioretec's stock at the stage when the period of strongest growth is nearing its end.

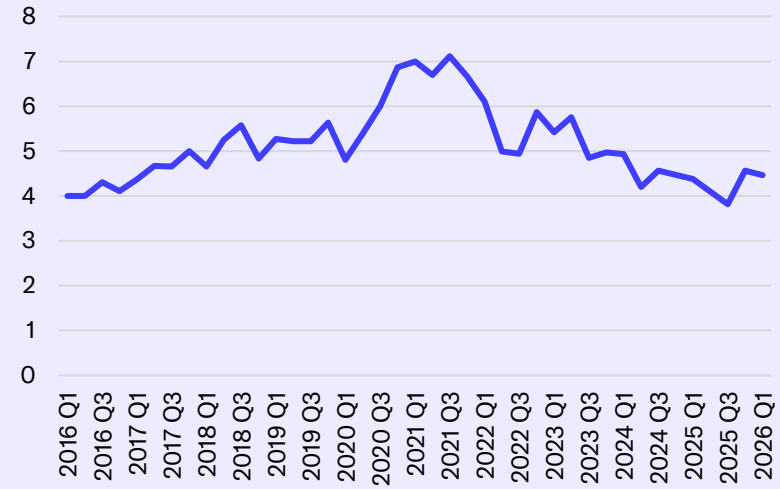
EV/S valuation range 2028

If Bioretec's growth materializes in line with our estimates until 2028 and the stock is valued at a neutral EV/S multiple of 5x based on forward-looking 2029 estimates, the stock's value would be EUR 0.050, which would be EUR 0.037 discounted to the present. In the pessimistic scenario and at the lower end of the EV/S range (3x), the share's present value would be EUR 0.011. Similarly, with higher estimates and a higher valuation (EV8x), the present value of the share would be EUR 0.070.

Bioretec's EV/S multiple



Sector's[1] EV/S multiple 2016–26



Valuation and recommendation 3/4

The stock could therefore have clear upside in our baseline scenario, looking at 2028 if the growth estimates materialize and the market continues to price the stock at relatively high revenue-based multiples in the future. Exceeding or falling below growth estimates and the resulting assumed change in valuation multiples yield a very wide range, highlighting the high risk profile.

We assess the uncertain future through DCF scenarios

We examine Bioretec's potential future developments and their estimated cash flows through three DCF scenarios. Of these, the baseline scenario is described in more detail in the Estimates section and on the next page. In the baseline scenario, our DCF model indicates a share value of EUR 0.026. We have used a weighted average cost of capital (WACC) of 13%, corresponding to our estimated risk level. We note that the scenarios do not represent our view of the best and worst possible path for the business but are intended to provide investors with a perspective on the sensitivity of the valuation assumptions used.

The optimistic DCF scenario with high growth and profitability relies on the assumption that a large international medical device manufacturer would acquire Bioretec's product portfolio and rapidly commercialize RemeOs™ products utilizing its own international sales and distribution organization. In this scenario, we assume revenue to be around 20% above the baseline scenario and the EBIT margin to be 5 percentage points higher (TERM EBIT 25%) thanks to efficient sales and distribution. The optimistic scenario gives the share a value of around EUR 0.065, underlining the high return potential in an acquisition situation.

Our pessimistic calculation, based on lower growth than the baseline scenario (cumulative CAGR growth is about half of our estimates), yields a per-share value of EUR 0.14 for cash flows. The calculation refers to the risk of permanent loss of capital should the company fail to commercialize the RemeOs™ product line. The wide dispersion of the scenarios reflects the significant risk and, conversely, the substantial potential associated with a stock like Bioretec, which is aggressively pursuing growth. We note that the scenarios do not represent our view of the best and worst possible path for the business but are intended to provide investors with a perspective on the sensitivity of the valuation assumptions used, which in the case of Modulight is high.

In the baseline scenario, the impact of the estimated cash flows for 2026-2030 on the present value of the share is 0% due to the 2026 share issue and operational unprofitability. With revenue growth and the profitability turnaround, cash flows in the next decade (2031-2037) account for 49% of the present value. Cash flows projected beyond 2038 represent 51% of the present value.

Acquisitions

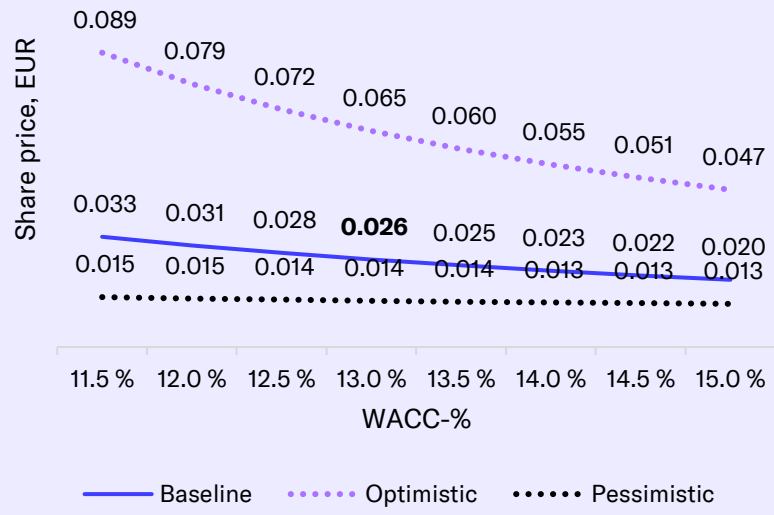
As previously stated in the report, we see Bioretec as a potential acquisition target for a larger industry player. The value of a potential acquisition is difficult to predict, but we have compiled some examples of M&A transactions in orthopedic medical devices from recent years in the table below. In our view, an acquisition provides Bioretec investors with a positive option, which we estimate has a rather small probability but a high value if realized.

EV/S valuation range 2028

2028e, MEUR	Optimistic	Estimate	Pessimistic
Revenue	12.4	11.1	6.6
EV/S, LTM	10.6	6.5	3.5
EV/S, NTM	8.0	5.0	3.0
EV	132.0	72.3	23.1
Net debt	4.3	4.8	3.6
Market cap	127.6	67.5	19.5
Per share	0.095	0.050	0.015
Discounted to present	**0.070**	**0.037**	**0.011**

Source: Inderes

DCF model sensitivity in different scenarios



Valuation and recommendation 4/4

This could happen, in our view, within 2-3 years, once significant additional practical experience has been gained regarding the viability and safety of the trauma screw. Additional evidence reduces the buyer's risk, for example, regarding lawsuits. We remain cautious about the acquisition option from a valuation perspective, as the value and timing of a potential deal cannot be known in advance.

Valuation summary

Our view on the fair value of Bioretec's share is EUR 0.020-0.034. The lower end of the range is based on the average of the DCF's baseline and pessimistic scenarios. The upper end is based on the DCF's baseline scenario +30%. Given the high uncertainty surrounding estimates and the stock's pricing environment, we consider a fairly broad fair value range justified. The valuation range suggests a significant upside or downside for the stock in high and low growth scenarios.

We reiterate our Accumulate recommendation

Bioretec's investment case has taken a hit, particularly in 2025. However, we believe the company's corrective actions have been in the right direction. The latest figures (Q1'26) indicate the onset of growth, which, at the time of writing, instills confidence in the future. However, as stated, there are significant uncertainties regarding the growth rate. Our target price is set at the midpoint of the fair value range, guided by EV/S multiples and the baseline DCF scenario.

We consider the business's risk level to be high due to continued unprofitability and forecast uncertainties. In addition to forecast and pricing risks, uncertainty is increased by the lack of concrete evidence regarding demand for the trauma screw and the formation of new markets, even though the outlook is attractive. For our estimates to materialize, the company needs excellent success in growing sales of trauma screws and developing and commercializing new products in the key markets of the US and Europe. However, we believe Bioretec has the potential to succeed in executing its long-term growth path and even exceed our estimates.

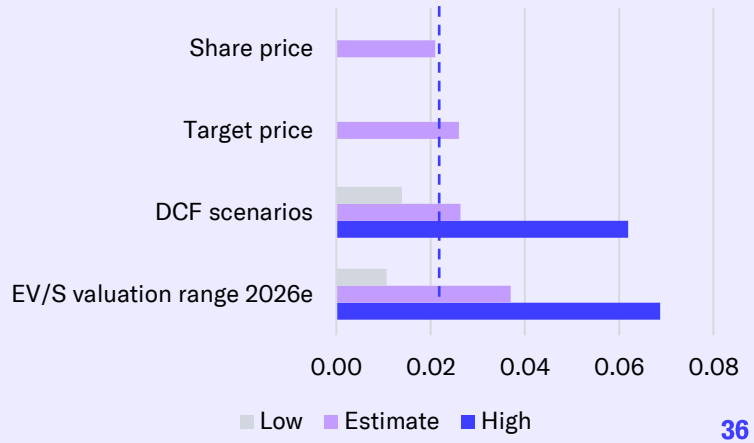
Despite the risks, we believe the company is well-positioned to pursue value-creating growth and build a path to a cash flow turnaround. We believe the stock's potential currently outweighs the risks by a sufficient margin.

Examples of orthopedic M&A 2022–26

Year	Buyer	Target	Product/technology	Advance payment (MUSD)	Other payments (MUSD)	Total value (MUSD)	Target's revenue (MUSD)	EV/Sales
2022	CONMED	Biorez	BioBrace® - absorbable collagen scaffold for soft tissue repair	85.0	165.0	250.0		
2024	KLS Martin Group	Medical Magnesium GmbH (100%)	mm.X - absorbable magnesium implants					
2020	OssDsign AB	Sirakoss	Synthetic bone graft	11.0	0.0	11.0		
2025	Zimmer Biomet	Paragon 28	Foot and ankle orthopedics company (screws, plates, pins, intramedullary nails; not absorbable)	1100.0	87.0	1187.0	216.4	5.5
2022	CONMED	In2Bones Global	implants and other products for upper and lower extremities, and the foot and ankle regions	145.0	110.0	255.0	36.8	6.9
2026	Smith+ Nephew	Integrity Orthopaedics	Tendon Seam™ – shoulder rotator cuff repair system (micro-anchors, not absorbable)			450.0		

Source:

Summary of valuation methods,



Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	2.70	1.40	2.18	2.40	0.60	**0.02**	**0.02**	**0.02**	**0.02**
Number of shares, millions	14.1	14.1	19.1	23.3	30.8	**1341.8**	**1341.8**	**1341.8**	**1341.8**
Market cap	38	20	42	56	18	**28**	**28**	**28**	**28**
EV	33	20	37	51	16	**20**	**26**	**30**	**32**
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**neg.**
P/E	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**neg.**
P/B	8.8	10.3	5.1	5.8	1.9	**1.8**	**2.8**	**4.3**	**5.7**
P/S	19.0	6.7	10.7	12.3	5.2	**5.4**	**3.6**	**2.5**	**2.0**
EV/Sales	16.7	6.8	9.5	11.3	4.6	**3.8**	**3.3**	**2.7**	**2.2**
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**neg.**
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**neg.**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

Source: Inderes

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Ambu A/S	2,257	2,238	20.5	15.7	14.2	11.5	2.6	2.3	27.1	20.2	0.6	1.1	2.6
Bonesupport AB	1,221	1,181	32.3	20.5	30.6	19.8	8.8	6.8	43.1	27.3	0.4	0.5	11.2
C Rad AB	112	100	17.6	12.0	14.4	10.6	2.4	2.2	20.3	17.2	1.2	1.7	3.3
Elekta AB	1,594	1,973	12.0	10.0	7.0	6.3	1.3	1.3	14.9	12.4	4.9	5.3	2.1
Getinge AB	4,748	5,384	12.9	11.5	9.0	8.2	1.7	1.6	16.8	14.8	2.6	2.9	1.7
Medistim ASA	387	373	21.3	19.2	18.6	16.9	5.5	5.0	30.9	27.7	2.6	2.9	8.5
Optomed Plc	39	34				33.9	1.9	1.6					1.9
Vitrolife AB	1,072	1,135	18.1	15.1	11.4	10.2	3.6	3.3	24.7	19.8	1.3	1.4	1.4
Xvivo Perfusion AB	735	718	56.6	29.7	34.6	21.0	7.9	5.8	74.6	37.7			3.9
Sedana	75	68		125.6		24.3	3.6	2.7		277.3			0.9
Ossdsign AB	42	27					1.6	1.2					1.8
Kuros Biosciences	779	767	39.3	20.8	33.6	19.1	3.5	2.8	95.8	56.9			6.7
Bioretec (Inderes)	**28**	**20**	**-2.9**	**-5.3**	**-3.1**	**-6.4**	**3.8**	**3.3**	**-3.8**	**-5.3**	**0.0**	**0.0**	**1.8**
Average			**25.6**	**28.0**	**19.3**	**16.5**	**3.7**	**3.1**	**38.7**	**51.1**	**1.9**	**2.2**	**3.8**
Median			**20.5**	**17.5**	**14.4**	**16.9**	**3.1**	**2.5**	**27.1**	**23.7**	**1.3**	**1.7**	**2.4**
Diff-% to median			***-114%***	***-131%***	***-122%***	***-138%***	***26%***	***32%***	***-114%***	***-122%***	***-100%***	***-100%***	***-22%***

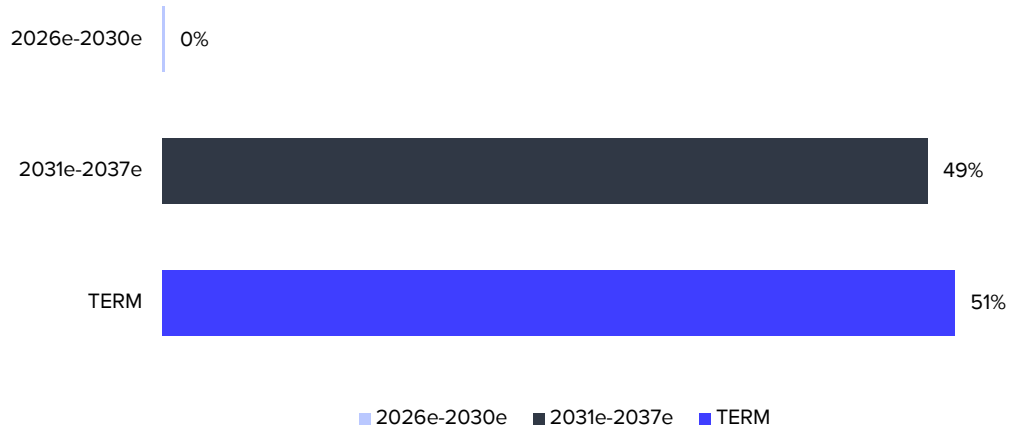
Source: Refinitiv / Inderes

DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	TERM
Revenue growth-%	-22.5 %	47.3 %	49.1 %	43.8 %	29.6 %	29.3 %	27.7 %	18.0 %	14.0 %	10.0 %	6.0 %	3.0 %	8.0 %	2.0 %
EBIT-%	-246.6 %	-131.0 %	-62.4 %	-25.2 %	-6.2 %	12.0 %	16.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %
EBIT (operating profit)	**-8.7**	**-6.8**	**-4.8**	**-2.8**	**-0.9**	**2.2**	**3.8**	**5.6**	**6.4**	**7.0**	**7.5**	**7.7**	**8.3**	
+ Depreciation	0.2	0.4	0.8	0.6	0.6	0.7	0.8	0.9	1.1	1.1	1.2	1.2	1.3	
- Paid taxes	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Tax, financial expenses	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-1.6	0.4	-0.7	-0.7	0.1	-0.1	0.0	0.3	0.8	-0.5	-0.3	-0.2	-0.5	
Operating cash flow	**-10.2**	**-5.2**	**-4.8**	**-2.9**	**-0.2**	**2.9**	**4.6**	**6.8**	**8.3**	**7.7**	**8.3**	**8.8**	**9.1**	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-0.5	-0.7	-0.5	-0.7	-0.8	-0.9	-1.1	-1.4	-1.2	-1.1	-1.4	-1.4	-1.4	
Free operating cash flow	**-10.7**	**-5.9**	**-5.3**	**-3.5**	**-1.0**	**2.0**	**3.4**	**5.4**	**7.0**	**6.6**	**6.9**	**7.4**	**7.7**	
+/- Other	9.2	12.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-1.5	7.0	-5.3	-3.5	-1.0	2.0	3.4	5.4	7.0	6.6	6.9	7.4	7.7	73.5
Discounted FCFF		**6.6**	**-4.4**	**-2.6**	**-0.6**	**1.1**	**1.7**	**2.4**	**2.8**	**2.3**	**2.2**	**2.0**	**1.9**	**16.0**
Sum of FCFF present value		33.2	26.6	31.0	33.7	34.3	33.2	31.4	29.0	26.1	23.8	21.6	19.6	16.0

Enterprise value DCF	**33.2**
- Interest bearing debt	-1.9
+ Cash and cash equivalents	4.1
+ Associated companies	0.0
-Minorities	0.0
-Dividend/capital return	0.0
Equity value DCF	**35.4**
Equity value DCF per share	**0.026**

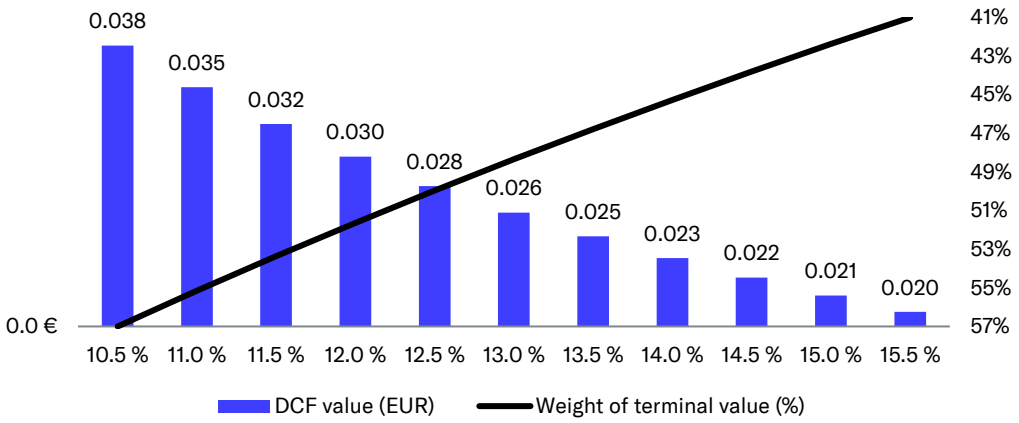
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	10.0 %
Equity Beta	2.00
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	**13.5 %**
Weighted average cost of capital (WACC)	**13.0 %**



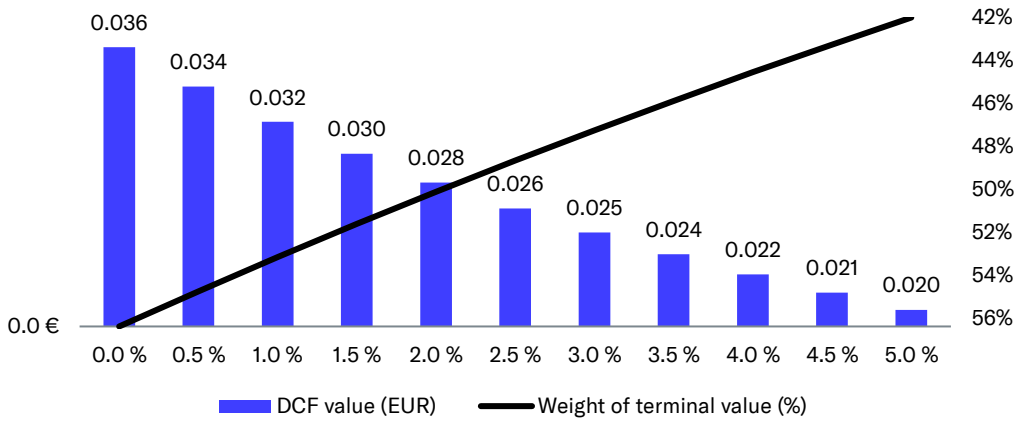
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

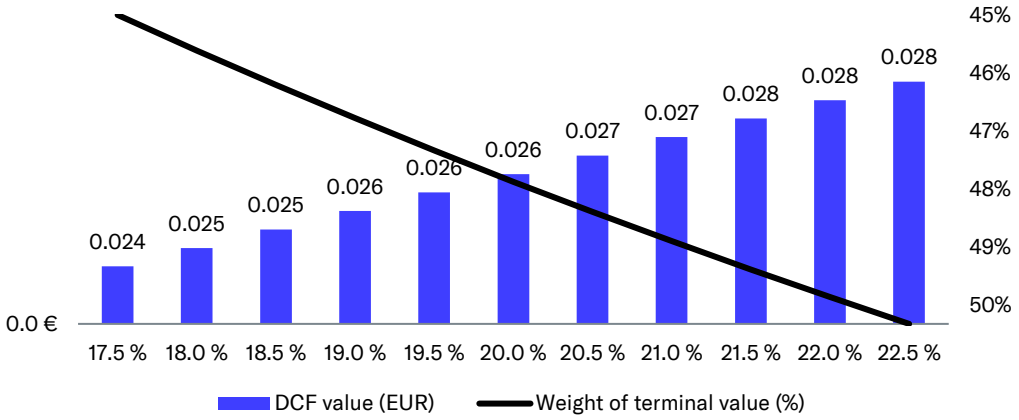
Sensitivity of DCF to changes in the WACC-%



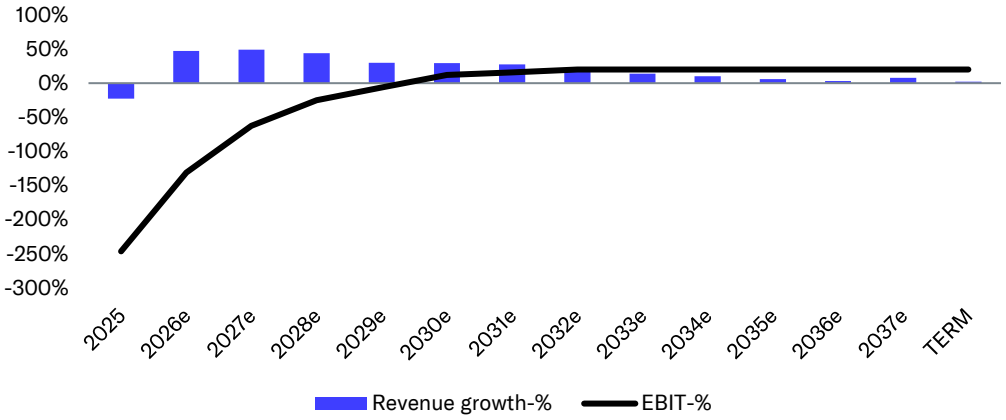
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	3.9	4.5	3.5	**5.2**	**7.7**
EBITDA	-2.8	-4.1	-8.5	**-6.4**	**-4.0**
EBIT	-3.0	-4.2	-8.7	**-6.8**	**-4.8**
PTP	-3.8	-4.6	-9.9	**-7.8**	**-5.4**
Net Income	-3.8	-4.6	-9.5	**-7.4**	**-5.4**
Extraordinary items	0.0	0.0	0.0	**0.0**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	10.7	11.5	11.7	**16.0**	**10.6**
Equity capital	8.2	9.7	9.8	**15.3**	**9.9**
Goodwill	0.0	0.0	0.0	**0.0**	**0.0**
Net debt	-4.5	-4.8	-2.2	**-8.3**	**-2.4**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	-2.8	-4.1	-8.5	**-6.4**	**-4.0**
Change in working capital	-1.1	-1.0	-1.6	**0.4**	**-0.7**
Operating cash flow	-4.0	-5.0	-10.2	**-5.2**	**-4.8**
CAPEX	-0.5	-0.6	-0.5	**-0.7**	**-0.5**
Free cash flow	4.7	0.0	-1.5	**7.0**	**-5.3**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	9.5	11.3	4.6	**3.8**	**3.3**
EV/EBITDA	neg.	neg.	neg.	**neg.**	**neg.**
EV/EBIT (adj.)	neg.	neg.	neg.	**neg.**	**neg.**
P/E (adj.)	neg.	neg.	neg.	**neg.**	**neg.**
P/B	5.1	5.8	1.9	**1.8**	**2.8**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.20	-0.20	-0.31	**-0.01**	**0.00**
EPS (adj.)	-0.20	-0.20	-0.31	**-0.01**	**0.00**
OCF / share	-0.21	-0.22	-0.33	**0.00**	**0.00**
OFCF / share	0.24	0.00	-0.05	**0.01**	**0.00**
Book value / share	0.43	0.42	0.32	**0.01**	**0.01**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	33%	16%	-22%	**47%**	**49%**
EBITDA growth-%	-42%	-43%	-109%	**25%**	**37%**
EBIT (adj.) growth-%	-32%	-38%	-107%	**22%**	**29%**
EPS (adj.) growth-%	-15%	0%	-56%	**98%**	**28%**
EBITDA-%	-72.6 %	-89.2 %	-240.7 %	**-123.3 %**	**-52.2 %**
EBIT (adj.)-%	-77.7 %	-92.5 %	-246.6 %	**-131.0 %**	**-62.4 %**
EBIT-%	-77.7 %	-92.5 %	-246.6 %	**-131.0 %**	**-62.4 %**
ROE-%	-74.7 %	-51.2 %	-97.2 %	**-59.1 %**	**-42.6 %**
ROI-%	-42.9 %	-38.4 %	-75.9 %	**-49.1 %**	**-40.1 %**
Equity ratio	77.2 %	84.8 %	83.6 %	**95.6 %**	**93.4 %**
Gearing	-54.5 %	-49.5 %	-22.6 %	**-54.0 %**	**-24.4 %**
Net debt/EBITDA	1.6	1.2	0.3	**1.3**	**0.6**
EBITDA/net financials	-3.8	-10.2	-7.1	**-6.4**	**-7.5**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
9/23/2022	Reduce	1.60 €	1.86 €
10/17/2022	Reduce	1.40 €	1.40 €
2/20/2023	Sell	1.90 €	3.04 €
4/1/2023	Sell	2.40 €	3.26 €
5/1/2023	Accumulate	2.70 €	2.25 €
8/14/2023	Accumulate	2.90 €	2.50 €
12/27/2023	Buy	2.80 €	2.18 €
2/19/2024	Accumulate	2.80 €	2.34 €
5/3/2024	Accumulate	3.00 €	2.50 €
5/17/2024	Accumulate	3.00 €	2.65 €
8/16/2024	Reduce	2.90 €	2.90 €
10/8/2024	Reduce	2.60 €	2.38 €
11/15/2024	Accumulate	2.40 €	1.94 €
2/17/2025	Accumulate	2.80 €	2.47 €
5/16/2025	Accumulate	2.80 €	2.30 €
5/30/2025	Accumulate	2.40 €	1.90 €
6/24/2025	Buy	2.40 €	1.70 €
8/15/2025	Accumulate	1.70 €	1.40 €
10/29/2025	Accumulate	1.20 €	0.91 €
11/14/2025	Accumulate	1.05 €	0.85 €
12/7/2026	Reduce	0.60 €	0.68 €
2/16/2026	Accumulate	0.32 €	0.27 €
3/30/2026	Accumulate	0.018 €	0.013 €
4/29/2026	Accumulate	0.018 €	0.014 €
5/18/2026	Accumulate	0.021 €	0.017 €
6/25/2026	Accumulate	0.026 €	0.021 €

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Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

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