

**ADDITIONAL INFORMATION
TO THE CONSOLIDATED "EXTENDED" QUARTERLY REPORT
OF BIOTON SA GROUP
FOR THE 1ST QUARTER 2022**

In accordance with §66 of the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (J. of Laws of 2018 item 757 as of 20 April 2018 as amended), BIOTON SA ("Company") provides the following information:

1. The rules adopted in the preparation of the report.

Since 01.01.2005 BIOTON SA Capital Group („Group”) conducts the accounts by the International Financial Reporting Standards („IFRS”), in the version approved by the European Union and in the scope unsettled in the above standards in accordance with the requirements of the act on accountancy (J. of Laws of 2021.217 i.e. as of 1 February 2021 as amended) and implementing provisions issued on its basis and in accordance with the requirements set out in the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member State (Journal of Laws of 2018 item 757 as of 20 April 2018 as amended).

The financial data contained in the report covers the financial period from 1 January 2022 to 31 March 2022 and as of 31 March 2022, comparative data for the period from 1 January 2021 to 31 March 2021 and as of 31 March 2021 and as of 31 December 2021. The financial data presented for the financial period from 1 January 2022 to 31 March 2022 and the comparative data for the period from 1 January 2021 to 31 March 2021 was not subject to audit by the independent auditor. Whereas comparative financial data as of 31 December 2021 was audited by an independent chartered auditor.

The Group's financial statements are based on the historical cost principle, except for financial instruments measured at fair value through profit or loss.

In the opinion of the Management Board and Supervisory Board of the Parent Company, it is appropriate to prepare both separate and consolidated financial statements based on the continuity principle for the foreseeable future. In the opinion of BIOTON S.A. Management Board, there are no circumstances indicating a threat to the Group's continued operations. The Group has or will have sufficient funds to conduct both operating, investment and development activities.

As of the balance sheet date, both the Company's and the Group's current liabilities are lower than current assets; additionally, due to the achieved and planned operating financial results, planning to change the structure of external financing as well as the execution of a long-term cooperation agreement with Yifan Pharmaceuticals in the scope of financing the analog development, in the opinion of the Management Board there are no circumstances indicating that continuation of its activities is threatened.

As of the date of publication, financial covenants indicated in the loan agreements entered into by BIOTON SA were fulfilled as of the balance sheet date.

The currency of measurement and the reporting currency of these financial statements is the Polish zloty, the data is presented in thousands of zlotys. For the presentation of selected financial data in EUR the following principles of translation PLN into EUR were applied;

- balance sheet data was calculated according to the average NBP exchange rate announced for:
 - 31.03.2022 at the EUR / PLN rate of 4.6525,
 - 31.12.2021 at the EUR / PLN rate of 4.5994,
 - 31.03.2021 at the EUR / PLN rate of 4.6603.
- data from the income statement and the cash flow statement have been converted using the arithmetic average of the average exchange rates for the day ending each month in this period as follows:
 - for the 1st quarter of 2022 at the EUR / PLN rate of 4.6472,
 - for the 1st quarter of 2021 at the EUR / PLN rate of 4.5721.

2. Information on revenues and results of the BIOTON SA Capital Group for particular industry segments.

Since 01.01.2009 there have been IFRS 8 applicable „Operating segments”, which had replaced the previous IAS 14 „Reporting concerning segments of activity”. This standard requires disclosure of information on the segments based on the components of the Group monitored by the managers within taking operating decisions. Operating segments are the components of the unit, for which there is available separate financial information regularly reviewed by the persons taking key decisions as regards the allocation of the resources and reviewing the operation of the Group.

For management purposes, the Group has been divided into operating segments based on the capital groups and the companies constituting the Group. There have been separated the following reporting segments:

- BIOTON S.A. and BIOTON MARKETING AGENCY Sp. z o.o. (jointly BIOTON PL);
- Capital Group Holdings AG (loss of control over the group in I quarter 2019);
- BIOLEK Sp. z o.o.;
- BIOTON International GmbH.

The accounting principles of the operating segments are the same as the accounting principles of the Group.

The Management Board monitors the operating results of the segments separately mainly for the purpose of taking decisions concerning allocation of the resources, assessment of the effects of the allocation and operating results. The assessment of the respective segments is made to the level of profit/ loss from operating activity.

The Group's financing (including the costs and financial revenues) and income tax are monitored at the Group level and are not subject to allocation.

The Group reports the segments by geographical location. The most important countries from the point of view of the Groups' activity are presented as follows:

- Poland,
- China
- Vietnam,
- Libya,
- the Philippines,
- Bosnia and Herzegovina,
- Ukraine,
- Bangladesh,
- Other.

Operating segments - Group

For the period from 01.01.2022 to 31.03.2022.

<i>thousands PLN</i>	BIOTON PL	BIOLEK	BIOTON International	Reconciling items	Total
<u>Revenues</u>					
Total external revenues	49,924	120	-		50,043
Intersegment revenue	-	84	-	(84)	0
Total segment revenue	49,924	204	-	(84)	50,043
<u>Result</u>					
Segment result	16,610	73		(1,134) (1,1344)	15,549
Other operating income	2,788	1	-		2,788

Additional information to the consolidated "extended" quarterly report of BIOTON S.A. Group for the first quarter of 2022.

Other operating costs	2,160	1	-		2,161
Selling expenses	8,289	224	-	(757) (757)(7,756
Administrative expenses	6,866	87	270	(377) (6,846
Research and development costs	1,029	-	-		1,029
Profit / (loss) gross on operating activity	1,054	(238)	(270)	(0) (545
Finance income	233		5	(238)	(0)
Finance costs	2,598	234	23	(502)	2,353
Net finance income / (costs)	(2,365)	(234)	(19)	264	(2,353)
Profit before income tax	(1,311)	(472)	(288)	263	(1,807)
Income tax (deferred and current)	1,362	(36)			1,325
Net profit / (loss)	(2,672)	(435)	(288)	263	(3,133)
<u>Amortisation</u>	8,127	1			8,127
EBITDA**	9,181	(237)	(270)		8,672

*Revenues settled in time refer to the segment BIOTON PL. Other revenues are recognized upon their obtaining.

**EBITDA is the profit/(loss) gross on operating activity increased by amortization.

Operating segments - Group

As of 31.03.2022

<i>thousands PLN</i>	BIOTON PL	BIOLEK	BIOTON International	Reconciling items	Total
<u>Segment assets</u>					
Property, plant, and equipment	283,541				283,541
Goodwill		-			-
Other intangible assets	365,104	710			365,814
Inventories	115,186	234			115,421
Trade and other receivables	24,942	86	-		25,028
Cash and cash equivalents	9,012	1	19		9,031
Other assets	43,402	828	-	(485)	43,745
Total assets	841,188	1,858	19	(485)	842,580
<u>Segment liabilities</u>					
Non-current liabilities	70,296	-	-		70,296
Current liabilities	151,302	1,386	28	(3)	152,713

Geographical segments - Group

For the period from 01.01.2022 to 31.03.2022 and 01.01.2021 to 31.03.2021.

Revenues on sale – geographical structure	01.01.2022 – 31.03.2022		01.03.2021 – 31.03.2021	
	(thousands PLN)	Structure (in %)	(thousands PLN)	Structure (in%)
Poland	25,563	51.08%	24,433	66.36%
China	15,166	30.31%	2,077	5.64%
Vietnam	3,764	7.52%	3,128	8.50%
Libya	1,677	3.35%	0	0.00%
the Philippines	682	1.36%	211	0.57%
Bosnia and Herzegovina	439	0.88%	201	0.55%
Bangladesh	403	0.81%	0	0.00%
Ukraine	213	0.43%	0	0.00%
Other*	1,403	2.80%	6,771	18.39%
Analog Project	733	1.46%	0	0.00%
Revenues on sale in total	50,043	100.00%	36,821	100.00%

* Includes transfer price and re-invoicing of services

Revenues on sale to the geographical structure were allocated based on the target market of sale

Operating segments - Group

For the period from 01.01.2021 to 31.03.2021.

<i>thousands PLN</i>	BIOTON EN	BIOLEK	BIOTON International GmbH	Reconciling items	Total
<u>Revenues</u>					
Total external revenues	36,701	120			36,821
Intersegment revenue	9	90		(89)36	36,821
Total segment revenue	36,701	210	0	(89)	36,821
<u>Result</u>					
Segment result	17,274	77		(926)	16,425
Other operating income	2,790	-			2,790
Other operating costs	3,306	-			3,306
Selling expenses	8,088	192		(639)	7,642
Administrative expenses	6,837	66	233	(377)	6,759
Research and development costs	1,319	-			1,319
Profit / (loss) gross on operating activity	514	(181)	(233)	90	189
Financial income	132	6	5	(143)	0
Finance costs	3,053	127	14	(356)	2,838
Net finance income / (costs)	(2,921)	(121)	(9)	213	(2,838)
Profit before income tax	(2,407)	(302)	(242)	303	(2,651)
Income tax expense (deferred and current)	2,433	(17)		0	2,416
Net profit (loss)	(4,839)	(285)	(242)	303	(5,066)
<u>Amortisation</u>	7,761	1			7,761
EBITDA**	8,277	(95)	(233)		7,949

*Revenues settled in time refer to the segment BIOTON PL. Other revenues are recognized upon their obtaining.

**EBITDA is the profit/(loss) gross on operating activity increased by amortization.

Operating segments - Group

As of 31.03.2021

<i>thousands PLN</i>	BIOTON EN	BIOLEK	BIOTON International GmbH	Reconciling items	Total
<u>Segment assets</u>					
Property, plant and equipment	306,923				306,923
Other intangible assets	369,737	721			370,458
Inventories	98,332	330			98,662
Trade and other receivables	35,275	385	-		35,660
Cash and cash equivalents	9,414	111	9		9,534
Other assets	36,988	872		(485)	37,375
Total assets	856,668	2,418	9	(485)	858,611
<u>Segment liabilities</u>					
Non-current liabilities	85,257	-	-		85,257
Current liabilities	157,653	1,122	23	(4)	158,794

3. A coherent description of significant achievements or failures of the Company and BIOTON SA Company Group in the period from 01.01. 2022 to 31.03.2022 with the list of the more important events related thereto.

3.1. Information about domestic sales

The share of "Gensulin" in the classic insulin market in Poland in value terms at the end of March 2022 was 35.7%. This indicates the continuation of maintaining the position of leader of this segment in market share measured by product sales to pharmacies.

3.2. Information about sales in foreign markets

In the first quarter of 2022 the value of insulin sales of the BIOTON S.A. Group on foreign markets amounted to PLN 21.9 million in comparison with PLN 10.5 million in the comparable period of 2021.

3.3. National and EU registrations

In the 1st quarter of 2022:

- post-registration modification procedures for Gensulin products were continued,
- post-authorisation variation procedure approval for Avamina medicinal products,
- post-authorisation variation procedure approval for Avamina SR medicinal products,
- registration procedure for new medicinal products continued,
- post-registration changes were submitted for the medicinal product Pioglitazone Bioton.

3.4. Foreign registrations

In the 1st quarter of 2022:

- Registration processes for Gensulin / Scilin products continued, in countries: Nigeria, Brazil, Dominican Republic, Kenya, Morocco, Oman, Vietnam,

- Registration process for Gensulin in Kenya was approved,
- Re-registration process for Gensulin / Scilin products in the Philippines was approved,
- Re-registration of Gensulin / Scilin products continued in countries: Vietnam, Myanmar,
- Post-registration changes approved for Gensulin products,
- Post-registration modification procedures for Gensulin / Scilin medicinal products were continued: the Philippines, China, Belarus, Ukraine, Thailand, Indonesia, Bosnia and Herzegovina,
- Registration processes continued for the GensuPen medical device in countries: Nigeria, Vietnam,
- Post-registration modification procedure approval for a medical device: Indonesia,
- Modification procedures continued for the Gensupen medical device in the countries: the Philippines, Paraguay, Indonesia..

3.5. Research and development works

On 16 July 2019, the Management Board concluded an agreement with Yifan Pharmaceutical Co., Limited ("Yifan"), the subject of which is the mutual cooperation of the parties in the scope of active substances of insulin analogs and final medicinal product (in finished form), from their production to commercialization ("Agreement"). The Agreement provides financing for the entire project since all costs related to the purchase and installation of equipment needed to implement each stage of the Agreement, purchase of raw materials, and auxiliary substances necessary to manufacture products in the scope of relevant orders will be covered by Yifan. If the result of works shows that the commercial production line is adapted to the production of the drug product in the finished form Bioton will be granted the right to use Yifan's intellectual property as well as the right to manufacture, distribute, market, offer and sell the product exclusively on the territory of Poland for 25 years; Bioton will be also granted priority right to receive the right for use in European countries under its own brand. Bioton will also act as a manufacturer of products all over the world. analog

The continuation of the Analog project is underway. Both Yifan and Bioton are collaborating on the transfer, scaling and registration of all products.

Clinical trial batches for Lispro were produced in Q3 2021, Yifan is currently in the process of testing these clinical batches to ensure Biosimilarity prior to submitting an Investigational New Drug (IND) application, which is expected in late 2022. The Company notes that the transfer process regarding Lispro is advanced and is in the Process characterisation phase. In addition, it also requires a GMP inspection assessment prior to batch production to confirm validation of the manufacturing process.

So far, Bioton and Yifan have carried out drug substance and drug product development for Lispro, including bringing the project to clinical scale. Next steps include the submission of an IND (marketing authorisation) application, process validation and Phase 1 testing to prepare for the submission of a marketing authorisation application for the biological product by the end of 2023. Regarding the long-acting insulin analog, Glargine, the Company is in the process of preparing for an early stage industrialisation phase. In October 2021, Yifan proposed a new process to increase the productivity and efficiency of the production scale, and Bioton subsequently made corresponding capital investments in the Production Plant with the aim of completing the clinical batches of the drug substance in Q3 2022.

The work on all three insulin analogs includes the following scenario:

- Research phase - years 2019 - 2023
- Development and registration phase - years 2021 - 2025
- Commercialisation phase - from 2025 – 2026

The Company expects revenues from the first product to come to market in early 2025; however, it should be taken into account that the timeline for this type of project is difficult to predict as unforeseen technical issues may arise during the project, and the clinical trial/registration processes may be subject to certain delays.

Due to the fact that the Company is Yifan's subcontractor in the ongoing project for the implementation of insulin analogs, the Company keeps Yifan informed of the progress of work in the analog project, monitors the next stages of the project and, consequently, the introduction of products on a commercial scale.

4. Description of factors and events, in particular of unusual nature, having a significant impact on the financial results of the Company and the Capital Group BIOTON SA

4.1. Sales revenues

The Company

Sales revenues - assortment structure	01.01.2022-31.03.2022		01.03.2021-31.03.2021	
	(in thousands PLN)	structure (in %)	(in thousands PLN)	structure (in %)
Insulin	40,806	78.12%	30,711	80.09%
Finished goods	40,806	78.12%	30,711	80.09%
Oral antidiabetic drugs	2,963	5.67%	2,058	5.37%
Other goods PL	1,828	3.50%	2,089	5.45%
Injectors	4,034	7.72%	1,392	3.63%
Goods and materials	8,826	16.90%	5,538	14.44%
Services¹⁾	2,604	4.98%	2,098	5.47%
Sales total	52,235	100.00%	38,348	100.00%

¹⁾ as Services, the Company presents, among others: revenues received from license agreements (upfronts) concluded with Pharmasyn tez and Scigen Ltd; revenues from the settlement of the analog project in accordance with the agreement with Yifan Pharmaceutical Co;

In the first quarter of 2022, the Company achieved sales revenues of PLN 52.2 million. in which the largest share was the sale of insulin PLN 40.8 million. In the comparable period of 2021, revenues amounted to PLN 38.3 million. which means an increase by 36.2%.

The main contributing factor to the increase in sales in 2022 as compared to 2021 was higher sales of Insulin and injectors in international markets - including deliveries to China under successful tenders.

The Bioton's gross margin on sales reached 30.6 % and was 13.1 p.p. lower compared to the same period of 2021. The main impact on the decrease in % gross margin on sales was the change in the sales structure between Poland and foreign markets as well as higher costs of downtime and unused production capacity in the first quarter of 2022 related to a downtime at one of the production facilities. The margins of products sold on the Polish market are higher as compared to the margins of products sold on international markets due to the high competition on international markets and the sales performed under tenders. An additional negative factor is the increase in the costs of production of insulin products related to a significant increase in the prices of gas and electricity, an increase in employment costs, an increase in prices resulting from an increase in inflation and thus an increase in the purchase prices of components for production from both Polish and foreign suppliers, including a significant fluctuation in the PLN/USD and PLN/EUR exchange rates. In addition, the purchase cost of goods sold on the Polish market and purchased from foreign suppliers was exposed to market changes in freight costs and exchange rate fluctuations

Group

Sales revenues - assortment structure	01.01.2022-31.09.2022		01.03.2022-31.03.2022	
	(thousands PLN)	structure (in %)	(thousands PLN)	structure (in %)
Insulin	40,806	81.54%	30,711	83.41%
Finished goods	40,806	81.54%	30,711	83.41%
Oral antidiabetic drugs	2,963	5.92%	2,058	5.59%
Other goods PL	1,828	3.65%	2,089	5.67%
Injectors	2,217	4.43%	241	0.65%
Goods and materials	7,008	14.00%	4,387	11.92%
Services¹⁾	2,229	4.45%	1,722	4.68%

Additional information to the consolidated "extended" quarterly report of BIOTON S.A. Group for the first quarter of 2022.

Sales total	50,043	100.00%	36,821	100.00%
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¹⁾ as Services, the Company presents, among others: revenues received from license agreements (upfronts) concluded with Pharmasyn tez and Scigen Ltd; revenues from the settlement of the analog project according to the agreement with Yifan Pharmaceutical Co;

The Group's sales revenues in the first quarter of 2022 amounted to PLN 50.0 million and were higher as compared to the previous year by 35.9%.

The main contributing factor to the increase in sales in 2022 as compared to 2021 was higher sales of Insulin and injectors in international markets - including deliveries to China under successful tenders. The gross margin on sales at the Group level reached 31.1% and was by 13.5 p.p. lower compared to the same of the period of 2021 due to reasons described above.

4.2. Administrative expenses

The Company

General administrative expenses in the first quarter of 2022 amounted to PLN 6.5 million and were at a comparable level to Q1 2021.

Group

General administrative expenses in Q1 2022 amounted to PLN 6.8 million and were at a comparable level to Q1 2021.

4.3. Selling expenses

The Company

Selling expenses in the first quarter of 2022 amounted to PLN 8.4 million and were at a comparable level to Q1 2021.

Group

Selling expenses in the first quarter of 2022 amounted to PLN 7.8 million and were at a comparable level to Q1 2021.

4.4. Research and development costs

The Company

Research and development costs in the first quarter of 2022 amounted to PLN 1.0 million and were lower by PLN 0.3 million as compared to the corresponding period of 2021.

Group

Research and development costs in Q1 2022 amounted to PLN 1.0 million and were PLN 0.3 million lower than in the corresponding period of 2021.

4.5. Result on operating activities

The Company

Operating profit (EBIT) for the first quarter of 2022 amounted to PLN 546,000 as compared to a profit of PLN 187,000 in the corresponding period of 2021 achieved on the basis of sales development - on the domestic and international markets, a significant increase in production costs, including costs of electricity and gas and other direct raw materials, maintaining operating costs (management costs and sales costs) at a comparable level as in the first quarter of 2021 despite the increase in sales by over 36%. EBITDA for the first quarter of 2022 amounted to PLN 8.7 million as compared to PLN 7.9 million in the corresponding period of 2021.

Group

Operating profit (EBIT) in Q1 2022 was PLN 840,000, as compared to a profit of PLN 300,000 in the corresponding period of

2021. EBITDA in the first quarter of 2022 amounted to PLN 8.9 million as compared to a profit of PLN 7.9 million in the corresponding period of 2021, over 12% increase y/y.

5. Explanations regarding the seasonal or cyclical nature of the operations of the Company and the Capital Group BIOTON SA

The sale of insulin is characterized by relatively small seasonal fluctuations in relation to the taking drugs by the patients. Due to the chronic character of the illness and long period of use of the preparations by the patients, the sale of insulin is maintained on a similar level during all months in a year (except for vacation months which are traditionally the least advantageous for the pharmaceutical industry). However, it should be noted that most new cases of diabetes are diagnosed during the time when the patient is suffering from infections. The infections may also disturb the metabolic balance in patients who are already treated for diabetes. Therefore, the patients are most likely to change the method of treatment in spring and in autumn, and it is then that most of the new cases of diabetes are diagnosed. Insulin sales in the quarter depend on the adopted sales strategy for the product to distributors who are the Group's customers.

6. Information on write-downs against inventories, to the net value possible to achieve, and on the reversal of such write-downs.

The Company

Change in inventory write-downs

<i>Thousands PLN</i>	31.03.2022
Balance at the beginning of the period	1,486
Increases	-
Reductions	(86)
- exchange rate differences	-
- reversal	(86)
Balance at the end of the period	1,402

Group

Change in inventory write-downs

<i>Thousands PLN</i>	31.03.2022
Balance at the beginning of the period	1,510
Increases	-
Reductions	(86)
- exchange rate differences	-
- reversal	(86)
Balance at the end of the period	1,424

7. Information on impairment losses of financial assets, plant, property, and equipment, intangible assets or other assets and reversal of such impairment losses.

The Company

Increases in impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, and reversals of such losses in the period from 01.01.2022 to 31.03.2022 did not occur in the Company.

Group

Increases in impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, and reversals of such impairment losses in the period from 01.01.2022 to 31.03.2022 did not occur in the Group.

8. Information on the creation, increasing, use, or liquidation of the provisions

The Company

Thousands PLN **31.03.2022**

	31.03.2022
Balance at the beginning of the period	3,183
a) increases	1,290
- provision for costs, including:	926
* provisions for utilities costs	46
* provisions for legal / advisory costs	18
* provision for wage costs with add-ons	677
* provision for other costs by type	185
- provision for discounts to be granted in a following period	316
- provisions for financial costs	48
b) reductions (use and termination)	(1,025)
- provision for costs, including:	(652)
* provisions for utilities costs	(30)
* provisions for legal / advisory costs	(167)
* provision for wage costs with add-ons	(378)
* provision for other costs by type	(77)
- provision for other operating costs	(192)

Additional information to the consolidated "extended" quarterly report of BIOTON S.A. Group for the first quarter of 2022.

- provision for discounts to be granted in a following period	(171)
- provisions for financial costs	(10)
Balance at the end of the period	3,448

Group

Thousands PLN

31.03.2022

Balance at the beginning of the period	3,939
a) increases	1,771
- provision for costs, including:	1,319
* provisions for utilities costs	46
* provisions for legal / advisory costs	18
* provision for wage costs with add-ons	1,070
* provision for other costs by type	185
- provision for other operating costs	88
- provision for discounts to be granted in a following period	316
- provisions for financial costs	48
b) reductions (use and termination)	(1,443)
- provision for costs, including:	(1,070)
* provisions for utilities costs	(30)
* provisions for legal / advisory costs	(167)
* provision for wage costs with add-ons	(654)
* provision for other costs by type	(219)
- provision for other operating costs	(192)
- provision for discounts to be granted in a following period	(171)
- provisions for financial costs	(10)
Balance at the end of the period	4,267

9. Information about deferred income tax assets and provisions.

The Company

<i>Thousands PLN</i>	31.03.2022
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Balance at the beginning of the period, including:	21,936
Assets	37,159
Provision	(15,223)
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Increase in asset	-
Decrease in asset	(1 223)
<hr/>	
Increase in the provision	-
Decrease in the provision	(46)
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Balance at the end of the period, including:	20,667
Assets	35,936
Provision	(15,269)
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Group

<i>Thousands PLN</i>	31.03.2022
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Balance at the beginning of the period, including:	22,906
Assets	38,410
Provision	(15,504)
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Increase in asset	-
Decrease in asset	(1 235)
<hr/>	
Increase in the provision	-
Decrease in the provision	(50)
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Balance at the end of the period, including:	21,621
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Assets	37,175
Provision	(15,554)

10. Information on significant purchase and sale transactions of property, plant, and equipment.

The Company

In the period from 01.01.2022 to 31.03.2022 the acquisition of property, plant, and equipment by BIOTON SA amounted to PLN 1,016 thousand. While there were no sales of property, plant, and equipment.

Group

In the period from 01.01.2022 to 31.03.2022 the acquisition of property, plant, and equipment by the Group amounted to PLN 1,016 thousand, while there were no sales of property, plant, and equipment.

11. Information about a significant liability for the purchase of property, plant, and equipment.

As of 31.03.2022, the liabilities related to the purchase of property, plant, and equipment in the Group amounted to PLN 264 thousand, (in full BIOTON SA).

12. Information on significant settlements from court cases.

In the first quarter of 2022, there were no significant settlements due to court cases.

13. Indication of corrections of errors from previous periods.

In the first quarter of 2021, the Group did not make any corrections of errors from previous periods.

14. Information on the changes in the business or economic circumstances that significantly affect the fair value of the entity's financial assets and financial liabilities, regardless of the fact, whether those assets and liabilities are recognised in the fair value or the corrected purchase cost (amortised cost) or not.

In the first quarter of 2022, there were no changes in the economic situation and business conditions that would have a significant impact on the fair value of financial assets and financial liabilities of the Company and the Group, except for those described in the annual financial statements of the entity and the Group affecting the fair value of financial assets along with the impact of the situation regarding COVID-19 and indicated in paragraph 31.4 below. The Company continues to monitor on an ongoing basis the development of the epidemiological situation in the country and in the world and to analyse its impact on the Company's situation. The factors described in the annual financial statements for 2021 published by the Company on 31.03.2022 remain valid.

15. Information about the failure to repay a bank credit or loan, or the breach of significant provisions of a bank credit or loan agreement, in relation to which no remedial actions have been undertaken until the end of the reporting period

The obligations of the Company resulting from loan agreements are repaid on an ongoing basis.

16. Information on the conclusion by BIOTON SA or its subsidiary of one or more transactions with related entities, if individually or jointly they are significant and have been concluded on other than market conditions, along with an indication of their value, where information on individual transactions may be grouped by type, except when information about individual transactions is necessary to understand their impact on the financial position and financial position of the issuer.

In the first quarter of 2022, the Company and subsidiaries did not conclude the transactions with affiliated entities under other conditions than market ones.

17. In the case of financial instruments measured at fair value - information on the change in the method (method) of its determination.

The Company and the Group have no open positions of financial instruments.

18. Information on changes in the classification of financial assets as a result of a change in the purpose or use of these assets.

In the first quarter 2022, the Company and its subsidiaries did not make the change in classification in financial assets as a result of a change of the purpose or usage of these assets.

19. Information concerning the issue, buyout, and payment of the non-equity and capital securities.

In first quarter 2022, neither the Company nor the Group carried out transactions in securities.

20. Information on the dividend paid (or declared). in total and per one share. broken down into ordinary and preference shares.

The company does not plan to pay a dividend in 2022.

21. Events that occurred after the day on which the quarterly financial report was prepared, not included in this report, and which could have a significant impact on the future financial results of the Company and the Capital Group BIOTON SA

Such events did not occur.

22. Information on changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year.

In connection with signing the credit agreement with BANK OF CHINA (LUXEMBOURG) S.A. operating through the Bank of China (Luxembourg) S.A. (Joint Stock Company) Branch in Poland Companies BIOLEK Sp. z o.o. and BIOTON MARKETING AGENCY Sp. z o.o. granted to the company BIOTON SA a surety of EUR 9 million each. The sureties were granted until the date on which all liabilities of BIOTON SA will be repaid or until 31 March 2026.

23. Description of the organization of the BIOTON SA Capital Group. with the indication of entities subject to consolidation.

As of 31.01.2022, the subsidiary units of BIOTON SA were:

- BIOTON MARKETING AGENCY Sp. z o. o. with its registered office in Macierzysz in which BIOTON S.A. held 100% of shares;
- BIOLEK Sp. z o. o. with its registered office in Macierzysz in which BIOTON S.A. held 100% of shares;
- BIOTON (International) GmbH with its registered office in Baar (Switzerland) in which BIOTON S.A. held 100% of shares;
- Mindar Holdings Ltd with its registered office in Nicosia (Cyprus) in which BIOTON SA held 100% of shares – the company was not consolidated due to the fact that the net assets and financial result are not significant in terms of the consolidated report. Currently, a liquidation process has started at Mindar Holding Ltd. in Nicosia (Cyprus);
- BioPartners Holdings AG with its registered office in Baar (Switzerland) and BioPartners GmbH with its seat in

Reutlingen (Germany) were placed in the commercial register as "in liquidation". The process of removing the companies from the commercial register is under approval by the proper authorities.

24. Description of changes in the organization of the BIOTON SA Capital Group, including as a result of a merger of entities, obtaining or losing control over subsidiaries and long-term investments as well as division, restructuring and discontinuation of operations.

- BioPartners GmbH with its seat in Baar (Switzerland) and BioPartners GmbH with its seat in Reutlingen (Germany) were placed in the commercial register as "in liquidation". The process of removing the companies from the commercial registration is under approval by the proper bodies. The companies cannot conduct business activity and do not have access to bank accounts.
- Mindar Holdings Ltd, seated in Nicosia (Cyprus), in which BIOTON S.A. held 100% of shares - a company not consolidated due to the fact that its net assets and financial result are not significant from the point of view of the consolidated financial statements. Currently, in Mindar Holding Ltd with its seat in Nicosia (Cyprus), the liquidation process has started.

25. Position of the Management Board of the Company regarding the possibility of meeting previously published forecasts of results for a given year in the light of the results presented in the quarterly report in relation to the forecasted results.

The company did not publish forecasts of results for 2022.

26. Shareholders owning directly or indirectly through subsidiaries at least 5% of the total number of votes at the General Meeting of BIOTON SA as at the date of submitting the quarterly report and changes in the ownership structure of significant blocks of Company shares in the period from the submission of the last periodical report.

According to information held by BIOTON SA based on shareholder notifications. the ownership structure of the share capital of BIOTON SA. as of the day of publication of this report. is presented in the table below:

No.	Shareholder	Number of shares/votes (in pcs)	% of share capital/votes
1	Dongren Singapore PTE LTD. ¹⁾	16,989,289	19.79%
2	Perfect Trend Ventures Limited ²⁾	10,245,922	11.93%
3	Troqueera Enterprises Ltd.	8,480,570	9.88%
4	Basolma Holding Ltd. ³⁾	6,151,852	7.16%
5	AIS Investment 2 Sp. z o. o	5,151,852	6.00%
6	UniApek S.A. ⁴⁾	4,293,210	5.00%
7	Others	34,551,505	40.24%
Total		85,864,200	100%

¹⁾ Yifan Pharmaceutical Co., Ltd. is entitled indirectly by Dongren Singapore PTE LTD. 16,989,289 of dematerialized shares of the Company constituting 19.79% of the Company's share capital. Yifan Pharmaceutical Co., Ltd. is the dominant of Dongren Singapore PTE LTD.

²⁾ Yifan Pharmaceutical Co., Ltd. is granted directly by Perfect Trend Ventures Limited 10,186,419 dematerialized shares of the Company constituting 11.86% of the Company's share capital. Yifan Pharmaceutical Co., Ltd. is the dominant of Perfect Trend Ventures Limited.

^{1) and 2)} Yifan Pharmaceutical Co., Ltd. indirectly holds 27,175,708 shares of the Company, which represent 31.65% of the Company's share capital and entitle to 27,175,708 votes at the Company's General Meeting of Shareholders, representing 31.65% of the total number of votes at the Company's General Meeting of Shareholders.

³⁾ Basolma Holding Ltd is the parent company of AIS Investment 2 Sp. z o. o.

⁴⁾ Dongren Investment Co., Ltd. of Ningbo Free Trade Zone is granted indirectly by UniApek 4,293,210 of the dematerialized shares of the Company constituting 5% of the Company's share capital. Wenjun Cui is entitled indirectly through Dongren Investment Co., Ltd. of Ningbo Free Trade Zone and UniApek SA to 4,239,210 dematerialized shares of the Company constituting 5% of the share capital of the Company.

There were no changes in the ownership structure of significant issuer shares in the period from the date of the previous transfer periodic report on the basis of the data received from shareholders.

27. Statement of the state of ownership of the Company's shares or rights to them by the managers and supervisors of BIOTON SA as at the date of submitting the quarterly report, together with an indication of changes in ownership in the period from submitting the last periodic report, separately for each person

According to information held by Bioton SA. as of the date of publication of this report:

- the supervising personnel of Bioton SA do not hold shares of the Company,
- the members of the Management Board of Bioton S.A. do not hold any shares in the Company,
- managing and supervising personnel of BIOTON SA did not have any shares in the affiliated entities of the Company.

28. Indication of proceedings pending before a court, a competent arbitration authority, or a public administration body

28.1. "Macierzysz Resort Property" real estate

In matters relating to real estate to which the Company has the right of perpetual usufruct and which belonged to the former "Macierzysz Resort Property", hereinafter referred to as "Real Estate", no administrative proceedings are pending regarding the assessment of whether the above real properties were subject to the provisions of the decree of the Polish Committee of National Liberation of 6.09.1944 on the implementation of land reform (J. of Laws of 1945 No. 3. pos. 13 as amended). All proceedings ended with valid and final rulings issued by administrative courts, which confirmed the arguments of the heirs of the former owners that the Real Properties were not subject to the provisions of the above Decree. The last of the court and administrative cases conducted in the above scope, based on a complaint filed by IBA with the participation of BIOTON SA. ended legally and finally on 16.01.2018 year. Currently, one administrative proceeding is pending before the Mazovian Voivodship, initiated at the request of the heirs of the former owners of the Real Estate of 14.04.2009 regarding the annulment of the decision of the Head of the Commune of Ożarów Mazowiecki of 15.04.1988 on taking over part of the Real Estate for the Treasury in the form of two plots with a total area of 78.87 ha issued on the basis of the Act of 12 March 1958 on the sale of state agricultural real estate and the arrangement of some matters related to the implementation of agricultural reform and agricultural settlement ("Act of 1958") and the decision of the Head of the Ożarów Mazowiecki Commune of 19.03.1990 on transfer to the management of the Institute Biotechnology and Antibiotics ("IBA") plots with a total area of 77.83 ha. In the opinion of the Company in the light of the previous jurisprudence and in particular in the light of the Constitutional Tribunal's decision of 20.02.1991, the probability of the Company suffering damage as a result of recognizing possible claims of the heirs of the former owners of "Dobra Macierzysz Ośrodek" property seems to be small. In the Company's opinion, the previous decisions in cases regarding whether the real estate from "Macierzysz Ośrodek" were subject to the provisions of the PKWN Decree, although inconsistent with the Company's legal position, are not essential for its legal situation, as the right to the property is derived from the contract for the transfer of the perpetual usufruct right concluded with IBA. Possible consequences in the Company's situation may, however, lead to the decision to annul the decision issued on the basis of the Act of 1958 by the Head of the Ożarów Mazowiecki Commune of 15 April 1988 on taking over two plots with a total area of 78.87 ha to the State Treasury and the decision of the Head of the Ożarów Mazowiecki Commune of 19.03.1990 on the transfer of plots of land to the IBA management with a total area of 77.83 ha.

In the event of the decision of the Governor of Masovia regarding the annulment of the decision of the Head of the Commune of Ożarów Mazowiecki of 15 April 1988 and 19 March 1990, consistent with the position of heirs, the Company will be entitled to a further appeal, including a complaint to the Provincial Administrative Court and a complaint cassation. At the same time, the end of administrative proceedings, even if inconsistent with the position of the Company, will not affect the property relations of the Company, whose possible change may take place only after the final judgment on the claims of heirs by civil courts.

In such a situation, the Company, in relation to plot No. 4/43, will be entitled to a claim against IBA, which is a contract dated 06.11.1997 declared that any claims of third parties would be charged to IBA. On 10 May 2021, the Governor of the Mazovia Province issued a decision refusing to declare invalid the decisions of the Head of the Ożarów Mazowiecki Commune of 15 April 1988 and 19 March 1990. The case was forwarded to the Ministry of Agriculture and Rural Development of the Republic of Poland as the body of second instance.

28.2. Dispute with Hefei Life Science & Technology Park Investments & Development Co., Ltd.

The Company was a party to arbitration proceedings for payment of USD 1,500,000 with interest paid to the China International Economic and Trade Arbitration Commission ("CIETAC") by Hefei Life Science & Technology Park Investments & Development Co. Ltd. ("HLST") against the Company and SciGen Ltd. resulting from the prolonging negotiation of repayment of the net amount of mutual settlements between the parties. HLST also requested that the Company and SciGen Ltd. pay an unpaid part of the royalties in the amount of USD 194,286. which was paid by 30.06.2016. The dispute has its source in the agreement concluded on 21.10.2011 (with later annexes) between the Company, SciGen Ltd., HLST and Mr. Gao Xiaoming. Mutual settlements of parties resulting from the agreement are recognized in the Company's financial statements, starting from the financial statements for 2011. The Company questioned the basis for HLST demanding the disputed amount. On 1 September 2017, the Company received information about the arbitration award issued by CIETAC. The Arbitration Court awarded HLST the amount of USD 1,500,000 and the corresponding interest, as well as the payment of USD 146.80 for royalties for the third quarter of 2015 and USD 184,549.82 for interest on overdue payments from the first quarter of 2013 within 15 days from the date of entry into force of this ruling. In addition, the Court obliged the Company to pay a fee for the claim and part of the arbitration fee.

The Company considered the legal possibilities of justifying the appeal against the arbitration award and the grounds for HLST to obtain the enforceability of the arbitration award also in Poland. The Company created a provision for the above liabilities in previous years.

28.3 Claim for revocation of the resolution of the Ordinary General Meeting of Bioton SA of 11 June 2018 regarding expressing consent to the sale transaction of SciGen Ltd

On 6 August 2018, the Company received a copy of the statement of claim filed by AIS Investment 2 sp. z o.o. in Warsaw ("Plaintiff") against the Issuer for revocation of Resolution No. 2 from the District Court of the 16th Commercial Division in Warsaw regarding the consent to the sale transaction of SciGen Ltd with its registered office in Singapore and the determination of basic conditions for the transaction taken on 11 June 2018 by the Issuer's Ordinary General Meeting (current report No. 12/2018 dated 11 June 2018). The issuer did not agree with the allegations sought and dismissed it. Several hearings were held at which witnesses and parties were interrogated.

On 17 February 2020, the District Court in Warsaw, 16th Commercial Division, dismissed the claim of AIS Investment 2 Sp. z o.o. On 17 August 2018, the Company's Management Board learned about lodging the appeal from AIS Investment 2 Sp. z o.o. The Company submitted a reply to the appeal on 28 August 2020. On 31 March 2021, the Appeals Court in Warsaw dismissed the appeal filed by AIS Investment 2 sp. z o. o. The judgement of the Appeals Court in Warsaw is final, however, on 07.09.2021, AIS Investment 2 filed a cassation complaint, which was received by Bioton on 09.09.2021, and on 23.09.2021, the Company has filed a response to the cassation complaint and is awaiting resolution.

28.4 Request for appointment by the Court of the special auditor

On 29 October 2018 (published in Current Report No. 30/2018), the company received from the District Court 13th Commercial Department in Warsaw, copy of the application submitted by AIS Investment 2 sp. z o.o. in Warsaw and Basolma Holding Limited ("Applicants") for the designation, pursuant to art. 85 it. 1 of the Act on public offering, a special auditor. The content of the application is consistent with the draft resolution No. 2 on the agenda of the Extraordinary General Meeting (EGM) on September 26, 2018, which was not adopted by the EGM (see the current report No. 28/2018). Bearing in mind the position of the EGM, the Issuer requested refusal to appoint a special auditor. On 24 October 2019, Bioton SA received a non-final decision of the Court Referendary for the District Court for the capital city of Warsaw in Warsaw about the designation of Grant Thornton Polska sp. z o. o. Spółka komandytowa with headquarters in Poznań as a special auditor of Bioton SA Bioton SA filed a complaint. On 18 November 2019, the Company received a decision rejecting the complaint against the referendary's decision regarding the appointment of a special auditor. On 25 November 2019, Bioton SA appealed against the decision rejecting the complaint against the court referendary's decision to appoint a special auditor. On 18 February 2020, the court dismissed Bioton SA's complaint against the decision rejecting the complaint against the court referendary's decision to appoint a special auditor (the decision is final). The Company concluded with Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its seat in Poznań on 25.08.2020 the agreement for performing the activities of a special auditor, the works started on 27 August 2020. On 3 November 2020, the Company received the report from the special auditor. The report is positive for the Company and does not raise any questions or concerns. The Company is filing for reimbursement of the remuneration paid to the special auditor in the amount of PLN 369,408.36 and proceedings are underway. In the opinion of the Management Board, there is no significant risk of the economic benefits from the Company in connection with the above issue

beyond the settlement of the remuneration for the auditor for special issues.

28.5 Inspection of the Customs and Fiscal Office in Kielce

On 10.12.2018, the Company received an authorization to conduct a customs and fiscal inspection issued by the Head of the Swietokrzyskie Customs and Fiscal Office in Kielce with respect to corporate income tax for 2016. As at the date of signing of the report, the Company has not received the protocol or the result of the inspection, and the proceedings are pending. In the Company's opinion, at this stage of the inspection it would be premature to decide on the possible impact of the inspection findings on tax liabilities in the balance sheet of the Group and the Company. Nevertheless, in the Company's opinion, taking into account all circumstances of the case, there are no grounds to identify any tax risks that may significantly affect the Company's tax liabilities.

29. Information on granting by BIOTON SA or its subsidiary credit or loan guarantees or granting a guarantee - jointly to one entity or a subsidiary of that entity, if the total value of existing sureties or guarantees is equivalent to at least 10% of the Company's equity

In connection with the signing of a credit agreement by BIOTON SA with BANK OF CHINA (LUXEMBOURG) SA operating by Bank Of China (Luxembourg) SA. (Spółka Akcyjna) Branch in Poland, the company BIOLEK Sp. z o.o. and BIOTON MARKETING AGENCY Sp. z o. o. provided a guarantee to BIOTON SA of EUR 9 million. The sureties were granted until the date on which all liabilities of BIOTON SA will be repaid or until 31 March 2026. In addition, BIOLEK Sp. z o.o. and BIOTON MARKETING AGENCY Sp. z o. o. granted corporate guarantees as collateral for the said loan. The securities granted exceed 10% of the equity of BIOLEK Sp. z o.o. and BIOTON MARKETING AGENCY Sp. z o. o.

30. Other information relevant to the assessment of the personnel, property, financial situation, financial result of the Company and the Capital Group BIOTON SA and their changes, as well as information that is significant for the assessment of the ability to meet obligations by the Company.

30.1. Credit and loan agreements

The company financed itself in the 1st quarter of 2022 with a short- and long-term bank debt and a loan from the shareholder UniApek SA. The obligations of the Company resulting from credit agreements are repaid on an ongoing basis.

As of 31.03.2022, the value of debt in BANK OF CHINA (LUXEMBOURG) S.A., currently after the name change Bank of China (Europe) S.A. Poland Branch and ING Bank Śląski S.A., under the Loan Agreements totalled PLN 52.13 million. The value of debt as of 31.03.2022 in ING Commercial Finance Polska S.A. under the Factoring Agreement amounted to PLN 14.58 million. The Company has signed an agreement with Coface Poland Insurance Service Sp. z o.o. regarding insurance of domestic receivables subject to the Factoring Agreement.

The value of debt under the shareholder loan amounted to PLN 27.17 million.

There were no changes in the agreements with banks during Q1 2022.

By the date of publication of the financial statements, the Company has partially repaid the loan with Bank Of China (Luxembourg) S.A. (Joint Stock Company) Poland Branch, now after the name change Bank of China (Europe) S.A. Poland Branch, in the principal instalment value of EUR 900 thousand.

The analysis of the age categories of loans and borrowings according to the original dates resulting from the Company's loan agreements and their inclusion in the consolidated balance sheet as of 31 March, 2022 is presented below.

<i>Data in thousands PLN</i>	up to 1 year	from 1 to 2 years	from 3 to 5 years	above 5 years	total
ING Bank Śląski S.A. overdraft	19,649	-	-	-	19,649
ING Bank Śląski S.A.	5,170	5,106	5,532	-	15,808
Bank of China (Luxembourg) S.A. Poland Branch credit (EUR 12 million)	16,729	-	-	-	16,729
UniApek SA loan (USD 7 million)	27,678	-	-	-	27,678

Other	690	-	-	-	690
Total	69,915	5,106	5,532	0	80,554

30.2. Exchange rates

The expected result on exchange differences on the valuation of loans and borrowings received expressed in foreign currencies granted to the Company by Bank Of China and UniApek will be reflected in financial costs /finance income in the consolidated financial statements of the Group and in the individual financial statements of BIOTON S.A.

In the following months. the main assumptions of the Company in the exchange rate policy will be to hedge the exchange rate of foreign currency inflows (in USD). The Company is considering hedging commercial inflows in USD by concluding hedging transactions Forward. As of 31 March 2021 BIOTON SA did not have any open transactions hedging foreign currency exchange rate risk. At the end of March 2021. due to depreciation of PLN/USD (by 5.6%) and PLN/EUR (by 1%) as compared to the end of 2020. the Group recognized the statistical differences of the exchange rate in the amount of PLN 1.9 million.

The compliance of applied instruments with foreign currency position is only meant to secure foreign currency exchange rate risk occurring in commercial activities of BIOTON SA company.

31. **Factors that will affect the results achieved by the Capital Group BIOTON SA in the perspective of at least the next quarter.**

31.1. Conclusion of a cooperation agreement between Yifan Pharmaceutical Co., Limited and Bioton SA

On 16 July 2019 the Management Board concluded an agreement with Yifan Pharmaceutical Co., Limited ("Yifan"), the subject of which is the mutual cooperation of the parties in the scope of active substances of insulin analogs and final medicinal product (in finished form), from their production to commercialization ("Agreement"). A contract is a framework contract. Individual activities and conditions related to the implementation of its stages will be regulated in detail in separately concluded orders. All costs related to the purchase and installation of equipment needed to implement each stage of the Agreement, the purchase of raw materials and auxiliaries necessary for the manufacture of products in the scope of relevant orders will be covered by Yifan. As a rule, the Agreement does not provide for the acquisition of intellectual rights of the parties, except for the grant of a license to the extent that allows the performance of the Agreement. If, however, the result of works shows that the commercial production line is adapted to the production of the drug product in the finished form. Bioton will be granted the right to use Yifan's intellectual property as well as the right to manufacture, distribute, market, offer and sell the product exclusively in the territory of Poland for 25 years; Bioton will be also granted priority right to receive the right for use in European countries under its own brand. Bioton will also act as a manufacturer of products all over the world Details of cooperation in this area will be the subject of a separate agreement. Bioton and Yifan are entitled to terminate the Agreement (or orders made on its basis) immediately after notifying the other party if: (i) the other party commits a material breach of the provisions regarding the execution of stages, intellectual property, confidentiality, assignment of the Agreement, (ii) the other party submits an application for bankruptcy, liquidation or a similar process. or is a party to an agreement with creditors or ceases to conduct business, (iii) the other party violates two or more contracts concluded with the terminating party (including orders under this Agreement), and (iv) there was a change in control. Yifan may also terminate individual stages of work, but in such a case it is obliged to reimburse Bioton for the costs incurred. The agreement was concluded under the law of Singapore and the place of settlement of disputes will be the arbitral tribunal in Singapore.

31.2. Conclusion of the assignment agreement (Novation Agreement)

On 16 January 2020, Bioton concluded an assignment agreement (Novation Agreement) with effect from 1 January 2020 to the Global Exclusive License Framework Agreement of 27 March 2018, as amended, between the Company. YIFAN INTERNATIONAL PHARMACEUTICAL CO., LTD. based in Hong Kong ("Assignor") and SCIGEN PTE. LTD. with its registered office in Singapore ("Assignee"), in which Bioton granted the Assignor the exclusive right to import and distribute Bioton products on the Territory (all countries except Poland). The Assignor and Bioton intend to facilitate global sales of products, therefore in order to execute the contractual obligations, it was necessary to assign the rights and obligations under the Agreement. In addition, the Assignee is a wholly-owned subsidiary of the Assignor, it is a professional and experienced entity in the sale of pharmaceutical products on the global market. Further cooperation concerning the Agreement is significant for the improvement of the global sale of Bioton products. The Agreement was concluded for a period of 15 years with an automatic option of extension for 5 more years

unless either party submits a written termination of the Contract at least 12 months before the end of the period for which the Agreement was concluded. The Agreement may be terminated by either party with a 30-day notice if: i) one of the parties violates the provisions of the Agreement and this violation has not been remedied within 30 days of receipt of the request to stop the violation; (ii) one of the parties becomes insolvent or a bankruptcy proceeding is initiated against either party. The parties' liability under the Agreement is limited to actual damage. The Agreement is subject to the law of Singapore and potential disputes will be settled by the arbitration tribunal in Singapore. The Agreement specifies the mutual obligations of the parties, as well as the basic terms and conditions of distribution. The terms of the Agreement do not differ from generally used market practices. The Company estimates that revenues under the Agreement over the next three years will amount to approximately PLN 250 million. In addition, the Chinese market was opened for distribution due to the termination of Bioton insulin delivery and distribution agreement on the Chinese market by Harbin Gloria Pharmaceuticals Co., Ltd.

31.3. Negotiations with FINANCIERE N: (i) on changing the cooperation agreement concluded with Copernicus sp. z o.o. with its seat in Szczecin on 12 June 2014 and (ii) in the scope of the rights granted to the issuer connected with the participation in the share capital of Copernicus sp. z o.o. with its seat in Szczecin

The Management Board of BIOTON SA ("Issuer") informs that on 17 July 2020 made a decision on delay in providing the confidential information for the public domain in accordance with art. 17 it. 4 of the Regulation of the European Parliament and the Council (EU) no. 596 /2014 of 16 April 2014 on abuses on the market (Regulation on abuses on the market) repealing the directive 2003/6/CE of the European Parliament and the Council and the directive of the Commission 2003/124/CE, 2003/125/CE, and 2004/72/CE. The subject of the confidential information were negotiations with FINANCIERE N ("Nemera"): (i) on changing the cooperation agreement concluded with Copernicus Sp. z o.o. with its seat in Szczecin ("Copernicus") on 12 June 2014 (on the text of the agreement the Issuer informed with the current report no. 17/2014 of 13 June 2014) ("Supply Agreement") and (ii) in the scope of the rights granted to the Issuer connected with the participation in share capital Copernicus ("Agreement"). The reason for disclosing delayed confidential information is to finalize by Nemera the transaction of purchase of shares of Copernicus, these changes which were the subject of the negotiations are binding. In accordance with the Supply Agreement for the period of 4 years from 28 August 2020 the Issuer will be granted the exclusive right for the distribution of multiple-use of injections in versions for the Issuer: (i) dedicated to be provide recombinant human insulin (RHI). i.a. on the Polish market and Chinese market and (ii) dedicated to providing the insulin analogs – exclusively on the Polish and Chinese markets. After the lapse of 4 years, from 28 August 2020 the Issuer will be granted the exclusive distribution right worldwide for multiple use injections in dedicated versions to the Issuer: (i) allocated to administer liquid forms of dosage of recombinant human insulin (RHI) and (ii) allocated to administer the analogs of insulin in liquid form. During the applicability of the Supply Agreement, the Issuer will not acquire from other entities that Copernicus any multiple use injections allocated to sell or distribute such injections by the Issuer on any market. In addition, Copernicus shall grant to the Issuer, provided the Triggering Event occurs, irrevocable, non-exclusive license for the production, sale, distribution, publication, and advertisement under his own trademarks, multiple-use injections in versions dedicated for the Issuer. The license will be provided respectively for a type of injections and territories in which the exclusive right of the Issuer is applicable, from the moment when the Triggering Event occurs until the applicability or termination of the Supply Agreement. No separate license fees will be collected from the Issuer. The Triggering Events include: (i) purchase of Copernicus by the competitor and withholding the supply, (ii) the lack of supplies for six months; (iii) the event of force majeure lasting longer than six months or (iv) liquidation process of Copernicus. The Supply Agreement shall be applicable by 31 December 2024, and then it shall be subject to automatic extension for the period of two years unless one party terminates the Supply Agreement with written notice of termination submitted to the other party within 12 months before the lapse of the applicability of the Supply Agreement. In addition, the Issuer negotiated the change of the conditions of the Supply Agreement in the scope of increasing the flexibility of placing orders. The Issuer may indicate the value of orders for the next year. The remaining provisions of the Supply Agreement were not subject to significant changes. By virtue of the Agreement, the Issuer waives all rights connected with share in share capital of Copernicus, including the pre-emptive right of shares of Copernicus. For making changes indicated in the Supply Agreement and for the services connected with waiver for Nemera the Issuer's rights described above. Nemera shall pay to the Issuer the amount of 10,000,000 PLN gross (PLN ten million) after deducting the withholding tax for the payment (if applicable). Nemera informed the Issuer on making the transfer. The Management Board indicates that the purchase is within the interest of the Issuer, as the Issuer obtains a strong partner in production and supply of multiple use injections dedicated to provide insulin (published with the current report no. 17/2020).

31.4. Economic and political situation in Ukraine

The Company continuously monitors the development of the geopolitical situation related to military actions on the territory

of Ukraine, the "Company" provided current information on the current impact of the conflict on the activities of Bioton S.A. and indirectly on the BIOTON Capital Group ("Group"), and the main conclusions from the analysis of the potential impact of the conflict on the activities of the Company and the Group in the future in the financial report for 2021 published by the Company on 31.03.2022.

As of the date of publication of this report, the Company's Management Board, taking into account, among others, the dynamics of changes in external conditions and the implementation of the development strategy in other markets, does not expect a possible revaluation of the value of assets related to operations in Russia. Should there be any reasons to update the value of assets related to operations in Russia, the Management Board will monitor the situation on an ongoing basis.

The Management Board of BIOTON S.A. declares that after the balance sheet date and until the date of publication of this quarterly consolidated financial statement, apart from the above-mentioned events, no events occurred that would have a significant impact on the consolidated financial statement for the first quarter of 2022.