

BIOTON GROUP

**CONSOLIDATED "EXTENDED" QUARTERLY REPORT
FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2021 AND 30 SEPTEMBER 2020
PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

'000 PLN	01.01.2021 - 30.09.2021	01.07.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2020 - 30.09.2020
Revenue	121 186	47 831	130 740	43 447
Cost of sales	(60 465)	(22 345)	(62 253)	(19 879)
Technological idle time and unused production capacity	(4 284)	(2 291)	(3 374)	(1 799)
Gross profit / (loss)	56 436	23 195	65 113	21 769
Other operating income	9 605	5 079	20 400	2 489
Selling and distribution expenses	(23 176)	(7 648)	(25 994)	(8 115)
Administrative expenses	(20 921)	(6 616)	(28 401)	(9 738)
Research and development costs	(3 436)	(1 144)	(2 471)	(756)
Other operating expenses	(7 172)	(4 275)	(4 445)	(1 710)
Profit / (loss) from operating activities	11 337	8 591	24 202	3 939
Finance income	-	(1 531)	3	-
Finance costs	(3 800)	(1 333)	(6 701)	(1 184)
Net finance income / (costs)	(3 800)	(2 863)	(6 698)	(1 184)
Profit / (loss) before income tax	7 537	5 728	17 504	2 755
Income tax expense	4 325	1 116	2 297	362
Profit / (loss) from continuing operations	3 212	4 613	15 207	2 393
Net profit / (loss)	3 212	4 613	15 207	2 393
<i>Attributable to:</i>				
Equity holders of the parent company	3 212	4 613	15 207	2 393
Non-controlling interest	-	-	-	-
Net profit / (loss)	3 212	4 613	15 207	2 393
Weighted average number of shares	85 864 200	85 864 200	85 864 200	85 864 200
Diluted weighted average number of shares	85 864 200	85 864 200	85 864 200	85 864 200
Earnings per share				
Basic	0,0374	0,0537	0,1771	0,0279
Diluted	0,0374	0,0537	0,1771	0,0279

CONSOLIDATED BALANCE SHEET

'000 PLN	30.09.2021	30.06.2021	31.12.2020	30.09.2020
		<i>przełqđane</i>	<i>badane</i>	
Non-current assets	698 289	704 857	715 819	738 389
Property, plant and equipment	291 395	306 585	310 017	316 849
Right-of-use assets (property, plant and equipment)	17 185	5 330	5 608	5 935
Investment property	1 357	1 357	1 357	1 357
Intangible assets	364 008	366 162	370 223	379 991
Deferred tax asset	23 482	24 488	27 541	33 090
Non-current prepayments	862	937	1 073	1 167
Current assets	167 765	150 097	151 288	141 668
Inventories	113 318	111 196	90 017	99 423
Corporate income tax receivable	727	567	279	710
Trade and other receivables	40 720	31 258	37 894	33 841
Cash and cash equivalents	11 387	4 653	22 239	5 911
Current prepayments	1 612	2 423	859	1 783
TOTAL ASSETS	866 053	854 954	867 107	880 057
EQUITY & LIABILITIES				
Total Equity	622 839	618 280	619 646	600 847
<i>Equity attributable to equity holders of the parent</i>	622 839	618 280	619 646	600 847
Issued share capital	1 717 284	1 717 284	1 717 284	1 717 284
Share premium	57 131	57 131	57 131	57 131
Supplementary capital	260 776	260 776	260 776	260 775
Reserve capital	(266 561)	(266 561)	(266 561)	(267 119)
Reserve capital from revaluation	-	-	-	-
Reserve capital from transactions between shareholders	(80 844)	(80 844)	(80 844)	(80 844)
Foreign currency exchange differences on translation of	(200)	(148)	(182)	(109)
Retained earnings	(1 064 746)	(1 069 358)	(1 067 958)	(1 086 271)
Total non-current liabilities	95 450	102 202	90 116	122 366
Long-term loans and borrowings	32 819	38 691	32 004	62 838
Leasing liabilities	13 536	13 684	6 817	6 874
Employee benefits	1 762	1 762	1 762	2 226
Deferred income	36 990	37 724	39 191	39 924
Deferred tax liabilities	-	-	-	162
Other non-current liabilities	10 342	10 342	10 342	10 342
Total current liabilities	147 764	134 472	157 346	156 843
Bank overdraft	14 248	14 257	-	-
Current interest-bearing loans and borrowings	56 357	43 570	70 985	36 035
Leasing liabilities	1 843	1 679	295	693
Trade and other payables	31 682	37 348	49 971	72 819
Corporate income tax payable	-	-	5	-
Provisions and deferred income	43 636	37 617	36 090	47 296
TOTAL EQUITY AND LIABILITIES	866 053	854 954	867 107	880 057

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

'000 PLN	01.01.2021 - 30.09.2021	01.07.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2020 - 30.09.2020
Net profit / (loss)	3 212	4 613	15 207	2 393
Other comprehensive income recognized directly in equity				
Exchange differences on translating foreign operations	(18)	(52)	(80)	(27)
Total comprehensive income	3 194	4 561	15 127	2 366
<i>Attributable to:</i>				
Equity holders of the parent company	3 194	4 561	15 305	2 366
Non-controlling interest	-	-	(178)	-
Net profit / (loss)	3 194	4 561	15 127	2 366

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

'000 PLN	Issued share capital	Share premium	Supplementary capital	Reserve capital	Reserve capital from revaluation	Reserve capital from transactions between shareholders	Foreign currency exchange differences on translation	Retained earnings	Equity attributable to equity holders of the parent	Non - controlling interest	Total Equity
Equity as at 01.07.2021	1 717 284	57 131	260 776	(266 561)	-	(80 844)	(148)	(1 069 358)	618 281	-	618 280
Total comprehensive income for 01.07.2021 - 30.09.2021	-	-	-	-	-	-	(52)	4 613	4 561	-	4 561
Equity as at 30.09.2021	1 717 284	57 131	260 776	(266 561)	-	(80 844)	(200)	(1 064 746)	622 839	-	622 839
Equity as at 01.01.2021	1 717 284	57 131	260 776	(266 561)	-	(80 844)	(182)	(1 067 958)	619 646	-	619 646
Total comprehensive income for 01.01.2021 - 30.06.2021	-	-	-	-	-	-	34	(1 400)	(1 365)	-	(1 366)
Equity as at 30.06.2021	1 717 284	57 131	260 776	(266 561)	-	(80 844)	(148)	(1 069 358)	618 281	-	618 280
Equity as at 01.10.2020	1 717 284	57 131	260 776	(267 119)	-	(80 844)	(109)	(1 086 672)	600 447	-	600 447
Total comprehensive income for 01.10.2020 - 31.12.2020	-	-	-	558	-	-	(73)	18 714	19 199	-	19 199
Equity as at 01.01.2020	1 717 284	57 131	260 776	(267 130)	-	(81 857)	(29)	(1 104 175)	582 000	-	582 001

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

'000 PLN	Issued share capital	Share premium	Supplementary capital	Reserve capital	Reserve capital from revaluation	Reserve capital from transactions between shareholders	Foreign currency exchange differences on translation	Retained earnings	Equity attributable to equity holders of the parent	Non - controlling interest	Total Equity
Total comprehensive income for 01.01.2020 - 30.09.2020	-	-	-	-	-	-	(80)	15 207	15 127	-	15 127
Equity as at 30.09.2020	1 717 284	57 131	260 776	(267 119)	-	(80 844)	(109)	(1 086 672)	600 447	-	600 447

CONSOLIDATED STATEMENT OF CASH FLOWS

'000 PLN	01.01.2021 - 30.09.2021	01.07.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2020 - 30.09.2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (loss) for the period	3 212	4 613	15 207	2 393
Adjustments for:				
Depreciation and amortization	23 651	7 951	23 970	7 910
Foreign exchange (gains) / losses, net	(687)	1 192	1 748	(1 740)
Interest and dividends paid, net	2 977	1 120	3 918	1 537
(Gains) / losses on investment activity	(2 585)	(5)	493	1 962
Income tax expense for the period	266	110	72	(142)
Income tax paid	(719)	(270)	(809)	(132)
Other items, net	-	-	-	-
Net cash from operating activities before changes in working capital	26 115	14 710	44 599	11 788
Changes in working capital:				
(Increase) / Decrease in trade and other receivables	(5 218)	(9 621)	7 796	3 341
(Increase) / Decrease in inventories	(23 301)	(2 122)	(19 697)	(9 524)
Increase / (Decrease) in trade and other payables, accruals and other provisions and deferred income (current)	(14 216)	(5 029)	(10 059)	(10 090)
(Increase) / Decrease in prepayments and deferred costs	3 425	1 848	1 794	1 829
Increase / (Decrease) in provisions	34	(980)	243	(528)
Increase / (Decrease) in deferred income	9 044	5 768	14 525	6 055
Cash from operating activities	(4 118)	4 573	39 200	2 870
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:	9 045	440	10	9
Proceeds from sale of intangible assets and property, plant and equipment	8 605	(0)	10	9
Sell of finance assets	440	440	-	-
Other inflows	-	-	-	-
Outflows:	15 715	6 720	(13 845)	(368)
Acquisition of intangible assets and property, plant and equipment	15 715	6 720	(13 829)	(368)
Acquisition of financial assets	-	-	(16)	-
Other outflows	-	-	-	-
Cash from investing activities	(6 670)	(6 280)	(13 835)	(359)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:	20 000	(14 257)	1 099	1 099
Proceeds from issue of share capital	-	-	337	337
Proceeds from loans and borrowings	20 000	(14 257)	-	-
Government incentives	-	-	762	762
Outflows:	34 312	(8 450)	(27 730)	(3 480)
Repayment of loans and borrowings	30 497	(9 672)	(22 675)	(1 488)
Interest paid	2 857	1 132	(3 044)	(1 325)
Payment of finance lease liabilities	958	90	(2 012)	(668)
Cash from financing activities	(14 312)	(5 807)	(26 631)	(2 381)
Net change in cash	(25 099)	(7 513)	(1 266)	(1 764)
Cash at the beginning of the period	22 239	4 654	7 177	7 675
Cash at the beginning of the period	22 239	4 654	7 177	7 675
Cash at the end of the period	(2 860)	(2 860)	5 911	5 911
Cash at the end of the period (carrying amount)	(2 860)	(2 860)	5 911	5 911
Overdrafts	(14 248)	(14 248)	-	-
Cash at the end of the period after adjustments	11 387	11 387	5 911	5 911

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A.

STATEMENT OF PROFIT OR LOSS

'000 PLN	01.01.2021 - 30.09.2021	01.07.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2020 - 30.09.2020
CONTINUING OPERATIONS				
Revenue	125 327	49 121	133 686	44 610
Cost of sales	(64 271)	(23 676)	(64 918)	(20 665)
Technological idle time and unused production capacity	(4 284)	(2 291)	(3 374)	(1 799)
Gross profit / (loss)	56 772	23 154	65 394	22 146
Other operating income	9 496	4 971	19 605	2 144
Selling and distribution expenses	(24 905)	(8 123)	(28 486)	(8 988)
Administrative expenses	(20 015)	(6 333)	(27 430)	(9 439)
Research and development costs	(3 436)	(1 143)	(2 471)	(756)
Other operating expenses	(6 694)	(4 143)	(3 588)	(1 303)
Profit / (loss) from operating activities	11 218	8 383	23 024	3 804
Finance income	303	(1 440)	401	108
Finance costs	(4 525)	(1 625)	(7 365)	(1 416)
Net finance income / (costs)	(4 223)	(3 065)	(6 964)	(1 308)
Profit / (loss) before income tax	6 995	5 317	16 060	2 496
Income tax expense	3 908	1 016	1 798	423
Zysk / (strata) netto z działalności kontynuowanej	3 087	4 301	14 262	2 073
Net profit / (loss)	3 087	4 301	14 262	2 073
Weighted average number of shares	85 864 200	85 864 200	85 864 200	85 864 200
Diluted weighted average number of shares	85 864 200	85 864 200	85 864 200	85 864 200
Earnings per share				
Basic	0,0360	0,0501	0,1661	0,0241
Diluted	0,0360	0,0501	0,1661	0,0241

STATEMENT OF OTHER COMPREHENSIVE INCOME

'000 PLN	01.01.2021 - 30.09.2021	01.07.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2020 - 30.09.2020
Net profit / (loss)	3 087	4 301	14 262	2 073
Other comprehensive income recognized directly in equity	-	-	-	-
Total comprehensive income	3 087	4 301	14 262	2 073

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A**BALANCE SHEET**

'000 PLN	30.09.2021	30.06.2021	31.12.2020	30.09.2020
		<i>przeładowane</i>	<i>badane</i>	
Non-current assets	716 646	723 712	732 667	754 045
Property, plant and equipment	291 395	306 585	310 017	316 849
Intangible assets	363 294	365 447	369 493	378 348
Investment property	1 357	1 357	1 357	1 357
Investments in subsidiaries and associates	3 965	3 965	3 965	3 965
Non-current financial assets	15 825	16 127	14 457	14 362
Deferred tax asset	22 964	23 980	26 872	32 253
Non-current prepayments	847	922	1 057	1 151
Aktywa z tytułu prawa do użytkowania	17 000	5 329	5 448	5 760
Current assets	165 169	148 389	150 592	141 095
Inventories	111 915	110 067	89 094	98 441
Current financial assets	-	-	1 499	1 463
Trade and other receivables	40 441	31 553	37 157	33 740
Cash and cash equivalents	11 214	4 363	22 005	5 692
Current prepayments	1 598	2 406	838	1 759
TOTAL ASSETS	881 815	872 101	883 259	895 140
EQUITY & LIABILITIES				
EQUITY	639 613	635 313	636 526	617 164
Issued share capital	1 717 284	1 717 284	1 717 284	1 717 284
Share premium	57 131	57 131	57 131	57 131
Supplementary capital	260 776	260 776	260 776	260 775
Reserve capital	(268 492)	(268 492)	(268 492)	(268 861)
Retained earnings	(1 127 085)	(1 131 386)	(1 130 172)	(1 149 165)
Total non-current liabilities	95 210	101 357	89 917	121 836
Long-term loans and borrowings	32 901	38 040	32 000	62 837
Leasing liabilities	13 411	13 684	6 817	6 874
Employee benefits	1 566	1 566	1 566	1 859
Deferred income	36 990	37 724	39 191	39 924
Other non-current liabilities	10 342	10 342	10 342	10 342
Current liabilities	146 991	135 431	156 816	156 140
Bank overdraft	14 248	14 257	-	-
Current interest-bearing loans and borrowings	55 705	43 570	70 337	35 394
Leasing liabilities	1 786	1 679	82	400
Trade and other payables	32 521	39 305	51 557	74 542
Provisions and deferred income	40 503	33 565	32 661	43 401
Employee benefits	2 229	3 055	2 179	2 403
TOTAL EQUITY AND LIABILITIES	881 815	872 101	883 259	895 140

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A.

STATEMENT OF CHANGES IN EQUITY

'000 PLN	Issued share capital	Share premium	Supplementary capital	Reserve capital	Retained earnings	EQUITY TOTAL
Equity as at 01.01.2020	1 717 284	57 131	260 776	(268 861)	(1 163 428)	602 901
Financial assets revaluation under MSSF 9						-
Equity as at 01.01.2020 restated	1 717 284	57 131	260 776	(268 861)	(1 163 428)	602 901
Profit or loss for period	-	-	-	-	14 262	14 262
Total comprehensive income for 01.01.2020 - 30.09.2020	-	-	-	-	14 262	14 262
Share options (adjustments)	-	-	-	-	-	-
Equity as at 30.09.2020	1 717 284	57 131	260 776	(268 861)	(1 149 166)	617 163
Equity as at 01.10.2020	1 717 284	57 131	260 776	(268 861)	(1 149 166)	617 163
Profit or loss for period	-	-	-	-	18 994	18 994
Actuarial valuation reserve for employee benefit	-	-	-	456	-	456
Deferred tax asset on actuarial valuation	-	-	-	(87)	-	(87)
Total comprehensive income for 01.10.2020 - 31.12.2020	-	-	-	369	18 994	19 362
Equity as at 31.12.2020	1 717 284	57 131	260 776	(268 492)	(1 130 172)	636 525
Equity as at 01.01.2021	1 717 284	57 131	260 776	(268 492)	(1 130 172)	636 525
Profit or loss for period	-	-	-	-	(1 214)	(1 214)
Total comprehensive income for 01.01.2021 - 30.06.2021	-	-	-	-	(1 214)	(1 214)
Equity as at 30.06.2021	1 717 284	57 131	260 776	(268 492)	(1 131 386)	635 312
Equity as at 01.07.2021	1 717 284	57 131	260 776	(268 492)	(1 131 386)	635 312
Profit or loss for period	-	-	-	-	4 301	4 301
Total comprehensive income for 01.07.2021 - 30.09.2021	-	-	-	-	4 301	4 301
Equity as at 30.09.2021	1 717 284	57 131	260 776	(268 492)	(1 127 085)	639 613

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A.

STATEMENT OF CASH FLOWS

'000 PLN	01.01.2021 - 30.09.2021	01.07.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2020 - 30.09.2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (loss) for the period	3 087	4 301	14 262	2 073
Depreciation and amortization	23 484	7 951	23 377	7 736
Foreign exchange (gains) / losses, net	(590)	1 291	1 776	(1 719)
Interest and dividends paid, net	2 740	1 090	3 470	1 406
(Gains) / losses on investment activity	(2 738)	0	493	68
Net cash from operating activities before changes in working capital	25 984	14 633	43 378	9 564
Changes in working capital:				
(Increase) / Decrease in trade and other receivables	2 249	(8 889)	10 868	3 464
(Increase) / Decrease in inventories	(22 822)	(1 848)	(20 162)	(9 598)
Increase / (Decrease) in trade and other payables, accruals and other provisions and deferred income (current)	(22 491)	(6 401)	(11 484)	(9 180)
(Increase) / Decrease in prepayments and deferred costs	3 359	1 900	832	1 151
Increase / (Decrease) in provisions	49	(827)	210	(522)
Increase / (Decrease) in deferred income	9 097	5 821	14 800	6 212
Cash from operating activities	(4 575)	4 390	38 442	1 091
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Proceeds from sale of intangible assets and property, plant and equipment	8 590	0	9	9
Proceeds from sale of financial assets	440	440	-	-
Other inflows	-	-	-	-
Outflows:	15 715	24 710	(13 789)	(368)
Acquisition of intangible assets and property, plant and equipment	15 715	24 710	(13 773)	(368)
Acquisition of financial assets	-	-	(16)	-
Other outflows	-	-	-	-
Other outflows	-	-	-	-
Cash from investing activities	(6 684)	25 150	(13 780)	(359)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Proceeds from issue of share capital	-	-	-	-
Proceeds from loans and borrowings	20 000	(14 257)	-	-
Proceeds from issue of bonds	-	-	-	-
Government incentives	-	-	762	762
Other outflows	-	-	-	-
Outflows:	33 779	(8 749)	(26 758)	(3 186)
Repayment of loans and borrowings	30 130	(10 033)	(22 651)	(1 488)
Interest paid	2 857	1 132	(3 044)	(1 325)
Payment of finance lease liabilities	793	153	(1 063)	(373)
Other outflows	-	-	-	-
Cash from financing activities	(13 779)	(5 508)	(25 996)	(2 424)
Net change in cash	(25 038)	(7 396)	(1 334)	(1 693)
Cash at the beginning of the period	22 005	4 363	7 026	7 385
Cash at the end of the period	(3 033)	(3 033)	5 692	5 692
Cash at restricted bank accounts	-	-	-	-
Cash at the end of period without cash at restricted bank accounts	(3 033)	(3 033)	5 692	5 692
Overdrafts	14 248	14 248	-	-
Cash at the end of the period after adjustments	11 214	11 214	5 692	5 692