

BIOTON GROUP

**CONSOLIDATED "EXTENDED" QUARTERLY REPORT
FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2021 AND 31 MARCH 2020
PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

CONSOLIDATED BALANCE SHEET

'000 PLN	31.03.2021	31.12.2020	31.03.2020
		<i>Opublikowane</i>	<i>Przełqđane</i>
Non-current assets	710 794	715 819	742 678
Property, plant and equipment	306 923	310 017	323 985
Right-of-use assets (property, plant, equipment and investment property)	5 770	5 608	6 786
Investment property	1 357	1 357	1 357
Goodwill	-	-	-
Intangible assets	370 458	370 223	378 387
Deferred tax asset	25 298	27 541	31 651
Non-current prepayments	988	1 073	512
Current assets	147 817	151 288	147 923
Inventories	98 662	90 017	81 858
Corporate income tax receivable	310	279	428
Trade and other receivables	35 660	37 894	54 174
Cash and cash equivalents	9 534	22 239	8 555
Current prepayments	3 651	859	2 908
TOTAL ASSETS	858 611	867 107	890 601
EQUITY & LIABILITIES			
Total Equity	614 560	619 646	587 840
<i>Equity attributable to equity holders of the parent</i>	614 560	619 646	587 840
Issued share capital	1 717 284	1 717 284	1 717 284
Share premium	57 131	57 131	57 131
Supplementary capital	260 776	260 776	260 776
Reserve capital	(266 561)	(266 561)	(267 130)
Reserve capital from revaluation	-	-	-
Reserve capital from transactions between shareholders	(80 844)	(80 844)	(81 857)
Foreign currency exchange differences on translation of	(202)	(182)	(170)
Retained earnings	(1 073 024)	(1 067 958)	(1 098 193)
Total non-current liabilities	85 257	90 116	133 932
Long-term loans and borrowings	27 856	32 004	72 745
Leasing liabilities	6 840	6 817	7 055
Employee benefits	1 762	1 762	2 226
Deferred income	38 457	39 191	41 391
Deferred tax liabilities	-	-	162
Other non-current liabilities	10 342	10 342	10 354
Total current liabilities	158 794	157 346	168 829
Current interest-bearing loans and borrowings	69 139	70 985	50 137
Leasing liabilities	514	295	586
Trade and other payables	48 899	49 971	71 706
Corporate income tax payable	5	5	126
Provisions and deferred income	40 237	36 090	46 274
TOTAL EQUITY AND LIABILITIES	858 611	867 107	890 601

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

'000 PLN	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
		<i>przekształcony</i>
Revenue	36 821	37 106
Cost of sales	(18 419)	(20 950)
Technological idle time and unused production capacity	(1 978)	(1 367)
Gross profit / (loss)	16 424	14 789
Other operating income	2 790	16 211
Selling and distribution expenses	(7 643)	(4 683)
Administrative expenses	(6 759)	(9 862)
Research and development costs	(1 319)	(744)
Other operating expenses	(3 306)	(1 819)
Profit / (loss) from operating activities	187	13 892
Finance income	-	2
Finance costs	(2 838)	(7 488)
Net finance income / (costs)	(2 838)	(7 486)
Profit / (loss) before income tax	(2 651)	6 406
Income tax expense	2 415	422
Profit / (loss) from continuing operations	(5 066)	5 984
Net profit / (loss)	(5 066)	5 984
<i>Attributable to:</i>		
Equity holders of the parent company	(5 066)	5 984
Non-controlling interest	-	-
Net profit / (loss)	(5 066)	5 984
Weighted average number of shares	85 864 200	85 864 200
Diluted weighted average number of shares	85 864 200	85 864 200
Earnings per share		
Basic	(0,0590)	0,0697
Diluted	(0,0590)	0,0697

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>'000 PLN</i>	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
Net profit / (loss)	(5 066)	5 984
Other comprehensive income recognized directly in equity		
Exchange differences on translating foreign operations	(20)	(141)
Total comprehensive income	(5 086)	5 843
<i>Attributable to:</i>		
Equity holders of the parent company	(5 086)	5 843
Non-controlling interest	-	
Net profit / (loss)	(5 086)	5 843

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	currency exchange differences on translation of subsidiaries	Retained earnings	Equity attributable to equity holders of the parent	Non - controlling interest	Total Equity
Equity as at 01.01.2021	1 717 284	57 131	260 776	(266 561)	-	(80 844)	(182)	(1 067 959)	619 645	-	619 646
Foreign currency translation differences for foreign operations							(20)		(20)		(20)
Profit or loss for period								(5 065)	(5 065)		(5 065)
Total comprehensive income for 01.01.2021 - 31.03.2021	-	-	-	-	-	-	(20)	(5 065)	(5 085)	-	(5 085)
											-
Equity as at 31.03.2021	1 717 284	57 131	260 776	(266 561)	-	(80 844)	(202)	(1 073 024)	614 560	-	614 561
Equity as at 01.04.2020	1 717 284	57 131	260 775	(267 119)	-	(80 844)	(170)	(1 095 897)	591 160	-	591 160
Total comprehensive income for 01.04.2020 - 31.12.2020	-	-	-	558	-	-	(12)	27 938	28 484	-	28 484
Equity as at 01.01.2020	1 717 284	57 131	260 775	(267 130)	-	(81 857)	(29)	(1 104 175)	582 000	-	582 000
Total comprehensive income for 01.01.2020 - 31.03.2020	-	-	-	-	-	-	(141)	5 982	5 841	-	5 841
Reclassification of reserve capital of of SciGen group to	-	-	-	-	-	-	-	-	5 841	-	-
Non-controlling interest SciGen Group	-	-	-	-	-	-	-	-	-	(571)	(571)
Equity as at 31.03.2020	1 717 284	57 131	260 775	(267 119)	-	(80 844)	(170)	(1 095 897)	591 160	-	591 160

CONSOLIDATED STATEMENT OF CASH FLOWS

'000 PLN	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
		<i>przełqđdane</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period	(5 066)	5 984
Adjustments for:		
Depreciation and amortization	7 761	8 221
Foreign exchange (gains) / losses, net	(3 574)	(396)
Interest and dividends paid, net	870	1 382
(Gains) / losses on investment activity	-	(1)
Income tax expense for the period	173	214
Income tax paid	(203)	(206)
Other items, net	-	-
Net cash from operating activities before changes in working capital	(39)	15 198
Changes in working capital:		
(Increase) / Decrease in trade and other receivables	258	(3 517)
(Increase) / Decrease in inventories	(8 645)	(2 132)
Increase / (Decrease) in trade and other payables, accruals and other provisions and deferred income (current)	4 504	(3 412)
(Increase) / Decrease in prepayments and deferred costs	(556)	(1 300)
Increase / (Decrease) in provisions	723	489
Increase / (Decrease) in deferred income	4 751	6 927
Cash from operating activities	996	12 253
CASH FLOWS FROM INVESTING ACTIVITIES		
Inflows:	9	4
Proceeds from sale of intangible assets and property, plant and equipment	9	4
Sell of shares		
Other inflows	-	
Outflows:	5 002	(7 284)
Acquisition of intangible assets and property, plant and equipment	5 002	(7 284)
Acquisition of financial assets		
Other outflows		
Cash from investing activities	(4 993)	(7 280)
CASH FLOWS FROM FINANCING ACTIVITIES		
Inflows:	-	-
Proceeds from issue of share capital		-
Proceeds from loans and borrowings	-	
Government incentives		
Outflows:	8 708	(3 595)
Repayment of loans and borrowings	7 350	(1 907)
Interest paid	930	(846)
Payment of finance lease liabilities	428	(842)
Cash from financing activities	(8 708)	(3 595)
Net change in cash	(12 705)	1 378
Cash at the beginning of the period	22 239	7 177
Cash at the beginning of the period	22 239	7 177
Cash at the end of the period	9 534	8 555
Cash at the end of the period (carrying amount)	9 534	8 555
Cash at the end of the period after adjustments	9 534	8 555

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A.

STATEMENT OF PROFIT OR LOSS

<i>'000 PLN</i>	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
CONTINUING OPERATIONS		
Revenue	38 348	37 999
Cost of sales	(19 615)	(16 723)
Technological idle time and unused production capacity	(1 978)	(1 367)
Gross profit / (loss)	16 755	19 909
Other operating income	2 789	16 210
Selling and distribution expenses	(8 232)	(10 781)
Administrative expenses	(6 489)	(9 510)
Research and development costs	(1 319)	(744)
Other operating expenses	(3 204)	(1 467)
Profit / (loss) from operating activities	300	13 617
Finance income	100	154
Finance costs	(3 051)	(7 699)
Net finance income / (costs)	(2 951)	(7 545)
Profit / (loss) before income tax	(2 651)	6 072
Income tax expense	2 261	(72)
Profit / (loss) from continuing operations	(4 912)	6 144
Net profit / (loss)	(4 912)	6 144
Weighted average number of shares	85 864 200	85 864 200
Diluted weighted average number of shares	85 864 200	85 864 200
Earnings per share		
Basic	(0,0572)	0,0716
Diluted	(0,0572)	0,0716

STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>'000 PLN</i>	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
Net profit / (loss)	(4 912)	6 144
Other comprehensive income recognized directly in equity	-	-
Total comprehensive income	(4 912)	6 144

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A

BALANCE SHEET

'000 PLN	31.03.2021	31.12.2020	31.03.2020
		<i>opublikowane</i>	<i>przełgdane</i>
Non-current assets	729 366	732 667	746 887
Property, plant and equipment	306 923	310 017	323 985
Intangible assets	369 737	369 493	376 722
Investment property	1 357	1 357	1 357
Investments in subsidiaries and associates	3 965	3 965	3 965
Non-current financial assets	16 071	14 457	-
Deferred tax asset	24 611	26 872	34 122
Non-current prepayments	973	1 057	496
Right-of-use assets (property, plant, equipment and intangible)	5 729	5 448	6 240
Current assets	145 571	150 592	160 758
Inventories	97 131	89 094	80 775
Current financial assets	-	1 499	15 586
Trade and other receivables	35 603	37 157	53 118
Cash and cash equivalents	9 206	22 005	8 407
Current prepayments	3 631	838	2 871
TOTAL ASSETS	874 937	883 259	907 644
EQUITY & LIABILITIES			
EQUITY	631 615	636 526	609 045
Issued share capital	1 717 284	1 717 284	1 717 284
Share premium	57 131	57 131	57 131
Supplementary capital	260 776	260 776	260 775
Reserve capital	(268 492)	(268 492)	(268 861)
Retained earnings	(1 135 084)	(1 130 172)	(1 157 284)
Total non-current liabilities	85 060	89 917	133 253
Long-term loans and borrowings	27 855	32 000	72 684
Leasing liabilities	6 840	6 817	6 965
Employee benefits	1 566	1 566	1 859
Deferred income	38 457	39 191	41 391
Other non-current liabilities	10 342	10 342	10 354
Current liabilities	158 262	156 816	165 346
Current interest-bearing loans and borrowings	68 493	70 337	49 502
Leasing liabilities	416	82	-
Trade and other payables	50 262	51 557	72 298
Provisions and deferred income	37 141	32 661	40 957
Employee benefits	1 950	2 179	2 589
TOTAL EQUITY AND LIABILITIES	874 937	883 259	907 644

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A.

STATEMENT OF CHANGES IN EQUITY

<i>'000 PLN</i>	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)	602 902
Profit or loss for period	-	-	-	-	6 144	6 144
Total comprehensive income for 01.01.2020 - 31.03.2020	-	-	-	-	6 144	6 144
Share options (adjustments)	-	-	-	-	-	-
Equity as at 31.03.2020	1 717 284	57 131	260 776	(268 861)	(1 157 284)	609 046
Equity as at 01.04.2020	1 717 284	57 131	260 776	(268 861)	(1 157 284)	609 046
Profit or loss for period	-	-	-	-	27 112	27 112
Actuarial valuation reserve for employee benefit	-	-	-	456	-	456
Deferred tax asset on actuarial valuation	-	-	-	(87)	-	(87)
Total comprehensive income for 01.04.2020 - 31.12.2020	-	-	-	370	27 112	27 481
Equity as at 31.12.2020	1 717 284	57 131	260 776	(268 491)	(1 130 172)	636 527
Equity as at 01.01.2021	1 717 284	57 131	260 776	(268 491)	(1 130 172)	636 527
Profit or loss for period	-	-	-	-	(4 912)	(4 912)
Total comprehensive income for 01.01.2021 - 31.03.2021	-	-	-	-	(4 912)	(4 912)
Equity as at 31.03.2021	1 717 284	57 131	260 776	(268 492)	(1 135 084)	631 615

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A.

STATEMENT OF CASH FLOWS

'000 PLN	01.01.2021 - 31.03.2021	01.01.2020 - 31.03.2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period	(4 912)	6 144
Depreciation and amortization	7 637	7 992
Foreign exchange (gains) / losses, net	(3 570)	(379)
Interest and dividends paid, net	768	1 215
(Gains) / losses on investment activity	-	(1)
Net cash from operating activities before changes in working capital	(77)	14 971
Changes in working capital:		
(Increase) / Decrease in trade and other receivables	7 087	231
(Increase) / Decrease in inventories	(8 038)	(2 497)
Increase / (Decrease) in trade and other payables, accruals and other provisions	(3 060)	(6 819)
(Increase) / Decrease in prepayments and deferred costs	(447)	(1 495)
Increase / (Decrease) in provisions	532	396
Increase / (Decrease) in deferred income	4 751	6 927
Cash from operating activities	748	11 714
CASH FLOWS FROM INVESTING ACTIVITIES		
Inflows:	-	4
Proceeds from sale of intangible assets and property, plant and equipment	-	4
Proceeds from sale of financial assets	-	-
Other inflows	-	-
Outflows:	5 002	(7 234)
Acquisition of intangible assets and property, plant and equipment	5 002	(7 234)
Acquisition of financial assets	-	-
Other outflows	-	-
Other outflows	-	-
Cash from investing activities	(5 002)	(7 230)
CASH FLOWS FROM FINANCING ACTIVITIES		
Inflows:	-	-
Proceeds from issue of share capital	-	-
Proceeds from loans and borrowings	-	-
Proceeds from issue of bonds	-	-
Government incentives	-	-
Other outflows	-	-
Outflows:	8 545	(3 103)
Repayment of loans and borrowings	7 344	(1 884)
Interest paid	930	(846)
Payment of finance lease liabilities	271	(373)
Other outflows	-	-
Cash from financing activities	(8 545)	(3 103)
Net change in cash	(12 799)	1 381
Cash at the beginning of the period	22 005	7 026
Cash at the end of the period	9 206	8 407
Cash at restricted bank accounts	-	-
Cash at the end of period without cash at restricted bank accounts	9 206	8 407
Overdrafts	-	-
Cash at the end of the period after adjustments	9 206	8 407