

BIOTON GROUP

**CONSOLIDATED "EXTENDED" QUARTERLY REPORT
FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2022 AND 31 MARCH 2021
PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

'000 PLN	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Revenue	50 043	36 821
Cost of sales	(31 489)	(18 419)
Technological idle time and unused production capacity	(3 005)	(1 978)
Gross profit / (loss)	15 549	16 424
Other operating income	2 788	2 790
Selling and distribution expenses	(7 756)	(7 643)
Administrative expenses	(6 846)	(6 759)
Research and development costs	(1 029)	(1 319)
Other operating expenses	(2 161)	(3 306)
Profit / (loss) from operating activities	546	187
Finance income	-	-
Finance costs	(2 353)	(2 838)
Net finance income / (costs)	(2 353)	(2 838)
Profit / (loss) before income tax	(1 807)	(2 651)
Income tax expense	1 326	2 415
Profit / (loss) from continuing operations	(3 133)	(5 066)
Net profit / (loss)	(3 133)	(5 066)
<i>Attributable to:</i>		
Equity holders of the parent company	(3 133)	(5 066)
Non-controlling interest	-	-
Net profit / (loss)	(3 133)	(5 066)
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	(0,0365)	(0,0590)
Diluted	(0,0365)	(0,0590)

CONSOLIDATED BALANCE SHEET

'000 PLN	31.03.2022	31.12.2021	31.03.2021
		<i>badane</i>	
Non-current assets	688 864	690 461	710 794
Property, plant and equipment	283 541	286 546	306 923
Right-of-use assets (property, plant and equipment)	16 304	17 024	5 770
Investment property	1 357	1 357	1 357
Intangible assets	365 814	362 337	370 458
Deferred tax asset	21 126	22 411	25 298
Non-current prepayments	721	787	988
Current assets	153 716	174 727	147 817
Inventories	115 421	125 131	98 662
Corporate income tax receivable	619	546	310
Trade and other receivables	25 028	39 108	35 660
Cash and cash equivalents	9 031	8 857	9 534
Current prepayments	3 617	1 086	3 651
TOTAL ASSETS	842 580	865 188	858 611
EQUITY & LIABILITIES			
Total Equity	619 571	622 739	614 560
Equity attributable to equity holders of the parent	619 571	622 739	614 560
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	(266 367)	(266 367)	(266 561)
Reserve capital from revaluation		-	-
Reserve capital from transactions between shareholders	(80 844)	(80 844)	(80 844)
Foreign currency exchange differences on translation of	(200)	(165)	(202)
Retained earnings	(1 068 209)	(1 065 076)	(1 073 024)
Total non-current liabilities	70 296	77 542	85 257
Long-term loans and borrowings	10 638	16 053	27 856
Leasing liabilities	12 885	13 405	6 840
Employee benefits	1 486	1 486	1 762
Deferred income	34 946	36 257	38 457
Deferred tax liabilities			-
Other non-current liabilities	10 342	10 342	10 342
Total current liabilities	152 713	164 908	158 794
Bank overdraft	19 649	13 812	-
Current interest-bearing loans and borrowings	50 267	64 811	69 139
Leasing liabilities	2 091	1 994	514
Trade and other payables	35 898	36 932	48 899
Corporate income tax payable	-	-	5
Provisions and deferred income	44 808	47 359	40 237
TOTAL EQUITY AND LIABILITIES	842 580	865 188	858 611

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>'000 PLN</i>	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Net profit / (loss)	(3 133)	(5 066)
Other comprehensive income recognized directly in equity		
Exchange differences on translating foreign operations	(35)	(20)
Total comprehensive income	(3 168)	(5 086)
<i>Attributable to:</i>		
Equity holders of the parent company	(3 168)	(5 086)
Non-controlling interest	-	
Net profit / (loss)	(3 168)	(5 086)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital	Share premium	Supplementary capital	Reserve capital	Reserve capital from revaluation	Reserve capital from transactions between shareholders	Foreign currency exchange differences on	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interest	Total Equity
<i>'000 PLN</i>											
Equity as at 01.01.2022	1 717 284	57 131	260 776	(266 367)	-	(80 844)	(165)	(1 065 076)	622 739	-	622 739
Foreign currency translation differences for foreign operations							(35)		(35)		(35)
Profit or loss for period								(3 133)	(3 133)		(3 133)
Total comprehensive income for 01.01.2022 - 31.03.2022	-	-	-	-	-	-	(35)	(3 133)	(3 168)	-	(3 168)
Equity as at 31.03.2022	1 717 284	57 131	260 776	(266 367)	-	(80 844)	(200)	(1 068 209)	619 571	-	619 571
Equity as at 01.04.2021	1 717 284	57 131	260 776	(266 561)	-	(80 844)	(201)	(1 073 025)	614 560	-	614 560
Total comprehensive income for 01.04.2021 - 31.12.2021	-	-	-	194	-	-	36	7 949	8 179	-	8 179
Equity as at 01.01.2021	1 717 284	57 131	260 776	(266 561)	-	(80 844)	(182)	(1 067 959)	619 645	-	619 645
Foreign currency translation differences for foreign operations							(19)		(19)		(19)
Profit or loss for period								(5 066)	(5 066)		(5 066)
Total comprehensive income for 01.01.2021 - 31.03.2021	-	-	-	-	-	-	(19)	(5 066)	(5 085)	-	(5 085)
Equity as at 31.03.2021	1 717 284	57 131	260 776	(266 561)	-	(80 844)	(201)	(1 073 025)	614 560	-	614 560

CONSOLIDATED STATEMENT OF CASH FLOWS

'000 PLN	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period	(3 133)	(5 066)
Adjustments for:		
Depreciation and amortization	8 127	7 761
Foreign exchange (gains) / losses, net	(1 409)	(3 574)
Interest and dividends paid, net	1 322	870
(Gains) / losses on investment activity	2	-
Income tax expense for the period	41	173
Income tax paid	(114)	(203)
Other items, net	-	-
Net cash from operating activities before changes in working capital	4 838	(39)
Changes in working capital:		
(Increase) / Decrease in trade and other receivables	(4 924)	258
(Increase) / Decrease in inventories	9 710	(8 645)
Increase / (Decrease) in trade and other payables, accruals and other provisions and deferred income (current)	(643)	4 504
(Increase) / Decrease in prepayments and deferred costs	(1 273)	(556)
Increase / (Decrease) in provisions	657	723
Increase / (Decrease) in deferred income	(4 756)	4 751
Cash from operating activities	3 610	996
CASH FLOWS FROM INVESTING ACTIVITIES		
Inflows:	-	9
Proceeds from sale of intangible assets and property, plant and equipment		9
Sell of finance assets		-
Other inflows	-	-
Outflows:	2 153	5 002
Acquisition of intangible assets and property, plant and equipment	2 153	5 002
Acquisition of financial assets	-	-
Other outflows	-	-
Cash from investing activities	(2 153)	(4 993)
CASH FLOWS FROM FINANCING ACTIVITIES		
Inflows:	5 837	-
Proceeds from issue of share capital	-	-
Proceeds from loans and borrowings	5 837	-
Government incentives	-	-
Outflows:	7 120	8 708
Repayment of loans and borrowings	5 427	7 350
Interest paid	879	930
Payment of finance lease liabilities	814	428
Cash from financing activities	(1 283)	(8 708)
Net change in cash	175	(12 705)
Cash at the beginning of the period	8 857	22 239
Cash at the beginning of the period	8 857	22 239
Cash at the end of the period	9 031	9 534
Cash at the end of the period (carrying amount)	9 031	9 534
Overdrafts	-	-
Cash at the end of the period after adjustments	9 031	9 534

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

'000 PLN	31.03.2022	31.12.2021	31.03.2021
		<i>badane</i>	
Non-current assets	705 017	707 916	729 366
Property, plant and equipment	283 541	286 551	306 923
Intangible assets	365 104	361 626	369 737
Investment property	1 357	1 357	1 357
Investments in subsidiaries and associates	3 965	3 965	3 965
Non-current financial assets	13 860	15 227	16 071
Deferred tax asset	20 667	21 935	24 611
Non-current prepayments	707	772	973
Aktywa z tytułu prawa do użytkowania	15 816	16 482	5 729
Current assets	154 095	173 303	145 571
Inventories	114 227	124 267	97 131
Current financial assets	1 550	-	-
Trade and other receivables	25 934	39 245	35 603
Cash and cash equivalents	8 802	8 744	9 206
Current prepayments	3 583	1 046	3 631
TOTAL ASSETS	859 112	881 218	874 937
EQUITY & LIABILITIES			
EQUITY	636 442	639 282	631 615
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	(268 358)	(268 358)	(268 492)
Retained earnings	(1 130 391)	(1 127 550)	(1 135 084)
Total non-current liabilities	69 855	77 055	85 060
Long-term loans and borrowings	10 638	16 072	27 855
Leasing liabilities	12 593	13 049	6 840
Employee benefits	1 336	1 336	1 566
Deferred income	34 946	36 257	38 457
Other non-current liabilities	10 342	10 342	10 342
Current liabilities	152 815	164 881	158 262
Bank overdraft	19 649	-	-
Current interest-bearing loans and borrowings	49 606	77 968	68 493
Leasing liabilities	1 872	1 817	416
Trade and other payables	38 292	38 677	50 262
Provisions and deferred income	41 142	44 130	37 141
Employee benefits	2 254	2 290	1 950
TOTAL EQUITY AND LIABILITIES	859 112	881 219	874 937

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A.

STATEMENT OF PROFIT OR LOSS

'000 PLN	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
CONTINUING OPERATIONS		
Revenue	52 238	38 348
Cost of sales	(33 262)	(19 615)
Technological idle time and unused production capacity	(3 005)	(1 978)
Gross profit / (loss)	15 971	16 755
Other operating income	2 774	2 789
Selling and distribution expenses	(8 365)	(8 232)
Administrative expenses	(6 474)	(6 489)
Research and development costs	(1 029)	(1 319)
Other operating expenses	(2 036)	(3 204)
Profit / (loss) from operating activities	840	300
Finance income	166	100
Finance costs	(2 578)	(3 051)
Net finance income / (costs)	(2 412)	(2 951)
Profit / (loss) before income tax	(1 572)	(2 651)
Income tax expense	1 269	2 261
Profit / (loss) from continuing operations	(2 841)	(4 912)
Net profit / (loss)	(2 841)	(4 912)
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	(0,0331)	(0,0572)
Diluted	(0,0331)	(0,0572)

STATEMENT OF OTHER COMPREHENSIVE INCOME

'000 PLN	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Net profit / (loss)	(2 841)	(4 912)
Other comprehensive income recognized directly in equity	-	-
Financial assets revaluation under IFRS 9	-	-
Total comprehensive income	(2 841)	(4 912)

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 01.01.2021	1 717 284	57 131	260 776	(268 492)	(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
Equity as at 01.04.2021	1 717 284	57 131	260 776	(268 492)	(1 135 084)	631 615
Profit or loss for period	-	-	-	-	7 534	7 534
Actuarial valuation reserve for employee benefit	-	-	-	165	-	165
Deferred tax asset on actuarial valuation	-	-	-	(31)	-	(32)
Total comprehensive income for 01.04.2021 - 31.12.2021	-	-	-	134	7 534	7 667
Equity as at 31.12.2021	1 717 284	57 131	260 776	(268 358)	(1 127 550)	639 282
Equity as at 01.01.2022	1 717 284	57 131	260 776	(268 358)	(1 127 550)	639 282
Profit or loss for period	-	-	-	-	(2 841)	(2 841)
Total comprehensive income for 01.01.2022 - 31.03.2022	-	-	-	-	(2 841)	(2 841)
Equity as at 31.03.2022	1 717 284	57 131	260 776	(268 358)	(1 130 391)	636 442

CONDENSED QUARTERLY FINANCIAL STATEMENTS OF BIOTON S.A.**STATEMENT OF CASH FLOWS**

'000 PLN	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period	(2 841)	(4 912)
Depreciation and amortization	8 079	7 637
Foreign exchange (gains) / losses, net	(1 409)	(3 570)
Interest and dividends paid, net	1 130	768
(Gains) / losses on investment activity	2	-
Net cash from operating activities before changes in working capital	4 962	(77)
Changes in working capital:		
(Increase) / Decrease in trade and other receivables	(5 619)	7 087
(Increase) / Decrease in inventories	10 041	(8 038)
Increase / (Decrease) in trade and other payables, accruals and other provisions and deferred income (current)	(120)	(3 060)
(Increase) / Decrease in prepayments and deferred costs	(1 203)	(447)
Increase / (Decrease) in provisions	456	532
Increase / (Decrease) in deferred income	(5 056)	4 751
Cash from operating activities	3 461	748
CASH FLOWS FROM INVESTING ACTIVITIES		
Inflows:	0	-
Proceeds from sale of intangible assets and property, plant and equipment	0	-
Proceeds from sale of financial assets	-	-
Other inflows	-	-
Outflows:	2 153	5 002
Acquisition of intangible assets and property, plant and equipment	2 153	5 002
Acquisition of financial assets	-	-
Other outflows	-	-
Other outflows	-	-
Cash from investing activities	(2 152)	(5 002)
CASH FLOWS FROM FINANCING ACTIVITIES		
Inflows:	5 837	-
Proceeds from issue of share capital	-	-
Proceeds from loans and borrowings	5 837	-
Proceeds from issue of bonds	-	-
Government incentives	-	-
Other outflows	-	-
Outflows:	7 087	8 545
Repayment of loans and borrowings	5 427	7 344
Interest paid	879	930
Payment of finance lease liabilities	781	271
Other outflows	-	-
Cash from financing activities	(1 250)	(8 545)
Net change in cash	58	(12 799)
Cash at the beginning of the period	8 744	22 005
Cash at the end of the period	8 802	9 206
Cash at restricted bank accounts	-	-
Cash at the end of period without cash at restricted bank accounts	8 802	9 206
Overdrafts	-	-
Cash at the end of the period after adjustments	8 802	9 206