INDIVIDUAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 DECEMBER 2024.
DRAWN UP IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

TABLE OF CONTENTS

INDIVIDUAL FINANCIAL STATEMENTS OF BIOTON S.A. AS AT 31 DECEMBER 2024 TOGETHER WITH COMPARATIVE FIGURES AS AT 31 DECEMBER 2023. PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION.

1. INTRODUCTION TO THE INDIVIDUAL FINANCIAL STATEMENTS OF BIOTON S.A.

1.1. Data identifying the Company

Bioton Spółka Akcyjna (the Company) with its registered office in Warsaw, ul. Starościńska 5, is registered under number 0000214072 in the District Court for the City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register.

The Company's principal activity, according to the PKD, is:

- manufacture of pharmaceutical drugs and preparations (PKD 21.2),
- manufacture of pharmaceutical substances (PKD 21.1).

1.2. Periods for which financial statements and comparative financial data are presented

The financial statements cover the financial period from 1 January 2024 to 31 December 2024. The comparative financial figures cover the period from 1 January 2023 to 31 December 2023.

The financial statements were prepared and approved for publication by the Board of Directors of Bioton S.A. on 31 March 2025.

1.3. Composition of the Management Board and Supervisory Board of Bioton S.A.

<u>Current composition of the Bioton S.A. Management Board:</u>

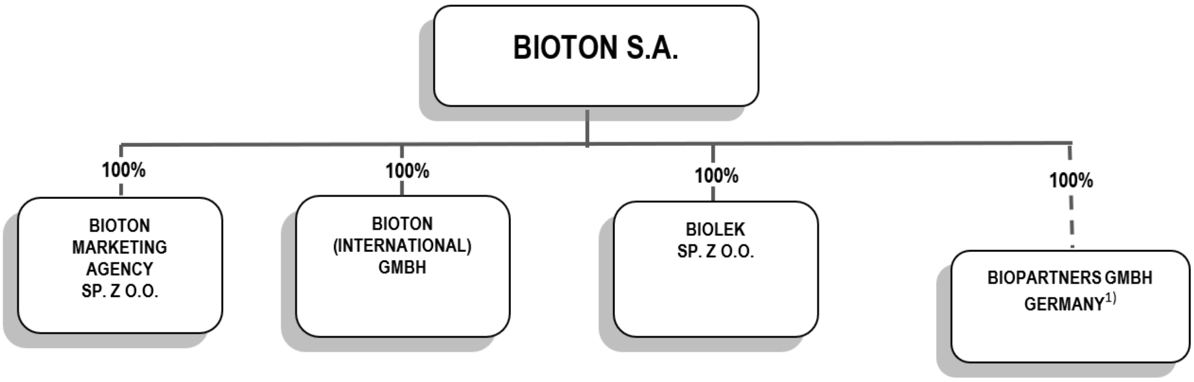
- Mr Jeremy Launders (CEO),
- Mr Adam Polonek (Management Board Member).

<u>The current composition of the Supervisory Board of Bioton S.A:</u>

- Mr Jia Li (Chairman of the Supervisory Board since 12 July 2022);
- Mr Dariusz Trzeciak (Deputy Chairman of the Supervisory Board),
- Mr Ramesh Rejentheran (Deputy Chairman of the Supervisory Board),
- Mr Nicola Cadei (Member of the Supervisory Board);
- Mr Jubo Liu (Member of the Supervisory Board);
- Ms Valery Yeo (Member of the Supervisory Board);
- Mr Vaidyanathan Viswanath (Member of the Supervisory Board);
- Mr Tomasz Siembida (Member of the Supervisory Board);

1.4. Information on the annual individual financial statements of Bioton S.A.

As at 31 December 2024, Bioton S.A. has the following Group structure:



[1)] The board of directors of Biopartners GmbH Germany passed a resolution to liquidate the company on 8 November 2018; BioPartners GmbH, headquartered in Reutlingen (Germany), was entered in the commercial register "in liquidation".

(a) Direct subsidiaries of BIOTON S.A.

BIOTON MARKETING AGENCY Sp. z o. o.

Bioton S.A. holds 100% of the shares in the share capital of Bioton Marketing Agency Sp. z o.o., which entitle to exercise 100% of the votes at the shareholders' meeting of this company. On 11 April 2012, the company changed its name from Bioton Trade Sp. z o.o. to Bioton Marketing Agency Sp. z o.o.. Bioton S.A. obtained control of Bioton Marketing Agency Sp. z o.o. on 1 July 1998.
General information about Bioton Marketing Agency Sp. z o.o.:

Company and legal form:	Bioton Marketing Agency Spółka z ograniczoną odpowiedzialnością (formerly Bioton Trade Sp. z o.o.)
Registered office and address:	Poznańska 12, Macierzysz, 05-850 Ozarow Mazowiecki
Business object:	Advertising activities

BIOLEK Sp. z o.o.

Bioton S.A. holds 100% of the shares in the share capital of Biolek Sp. z o.o., which entitles it to exercise 100% of the votes at the shareholders' meeting of this company. Bioton S.A. obtained control of Biolek Sp. z o.o. on 19 October 2011.
General information about Biolek Sp. z o.o.:

Company and legal form:	Biolek Limited liability company
Registered office and address:	Macierzysz, Poznańska 12, 05-850 Ożarów Mazowiecki
Business object:	Manufacture of basic pharmaceutical substances and drugs and other pharmaceutical products.

BIOTON International GmbH

Bioton S.A. holds 100% of the shares in the share capital of Bioton International GmbH, which entitles it to exercise 100% of the votes at the shareholders' meeting of this company.
General information about Bioton International GmbH:

Company and legal form:	Bioton International GmbH
Registered office and address:	Lindenstrasse 10, 6340 Baar, Switzerland
Business object:	Ownership of registration, distribution and sales rights and selected intellectual property rights.

(b) Other companies

Biopartners GmbH (Germany)

Biopartners Holdings AG was the owner of 100% of the shares in the share capital of Biopartners GmbH (Germany), which entitle to 100% of the votes at the general meeting of this company. Bioton Group gained control of Biopartners GmbH (Germany) as a result of obtaining control of Biopartners Holdings AG on 9 March 2007. On 8 November 2018, the board of directors of Biopartners GmbH (Germany) passed a resolution to liquidate the company. The company was listed in the commercial register as 'in liquidation'. The process of removing the company from the commercial register is in the process of being approved by the relevant authorities. As of the date of publication of this report, the liquidation of Biopartners GmbH (Germany) has not been completed.

General information Biopartners GmbH (Germany):

Company and legal form:	Biopartners GmbH (Germany)
Registered office and address:	Kaiserpassage 11, D-72764 Reutlingen, Germany
Business object:	Development, production and sale of medicinal products.

1.5. Description of significant accounting policies applied

Statement of compliance

These individual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union as at 31 December 2024, to the extent not covered by the above standards in accordance with the requirements of the Accounting Act of 29 September 1994 (Journal of Laws 2023, item 120) and the implementing regulations issued on its basis.

With effect from 1 January 2005, an amendment to the Accounting Act (Article 45(1a-1c) of the Accounting Act) imposed an obligation on the Company to prepare its financial statements in accordance with IFRS that have been endorsed by the European Union. At the date of publication of these financial statements, given the process of adaptation of IFRS by the European Union, there are no differences in the accounting policies adopted by the Company in accordance with IFRS and IFRS that have been endorsed by the European Union.
The Company has not taken advantage of the early application of new standards and interpretations that have already been published and endorsed by the European Union or are expected to be endorsed in the near future and that will become effective after the balance sheet date.

Effect of applying new accounting standards and changes in accounting policy

The accounting policies applied in the preparation of these individual financial statements for the financial year ending 31 December 2024 are consistent with those applied in the preparation of the annual individual financial statements for the financial year ended 31 December 2023, except for the changes described below.
The same principles were applied for the current and comparable period.

Changes resulting from amendments to IFRS

Since the beginning of the financial year, the following new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee are in force

- Amendments to IAS 1: Presentation of financial statements: Division of liabilities into current and non-current, Non-current with covenants;
- Amendments to IFRS 16: Lease commitment under sale and leaseback;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: disclosures: Supplier financing arrangements;

The revised standards and interpretations, which apply for the first time in 2024, have no material impact on the Company's financial statements.

Changes made by the Company itself

The Company has not adjusted the presentation of the comparatives as at 31 December 2023 and for the financial year ended 31 December 2024.

Published standards and interpretations not yet in force and not previously applied by the Company

In these financial statements, the Company has not decided to early apply the following published standards, interpretations or amendments to existing standards before their effective date. The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee and are not yet effective at the balance sheet date:

- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Non-convertibility (issued 15 August 2023) - applicable for annual periods beginning on or after 1 January 2025;
- IFRS 18: Presentation and Disclosure in Financial Statements (issued 9 April 2024) - not endorsed by the EU at the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2027;
- IFRS 19: Subsidiaries without public accountability: disclosures (issued 9 May 2024) - not endorsed by the EU as at the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2027;
- Amendments to IFRS 9 and IFRS 7: Amendments to Classification and Measurement of Financial Instruments (issued 30 May 2024) - not endorsed by the EU up to the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2026;
- Annual Improvements, Volume 11 (published 18 July 2024) - not endorsed by the EU until the date of approval of these financial statements - applicable for annual periods beginning on or after 1 January 2026;
- Amendments to IFRS 9 and IFRS 7: Contracts that refer to nature-dependent electricity (issued 18 December 2024) - not endorsed by the EU up to the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2026;

The effective dates are those derived from the content of the standards promulgated by the International Financial Reporting Council. The application dates of the standards in the European Union may differ from the application dates resulting from the content of the standards and are announced at the time of endorsement for application by the European Union.

The Company's management is in the process of identifying these changes but does not anticipate a material impact on the financial statements.

Basis for the preparation of the financial statements

The individual financial statements are presented in the Polish zloty (PLN), which is the Company's functional currency, and all values, unless otherwise indicated, are given in thousands of Polish zloty (PLN '000). The individual financial statements were prepared in accordance with the historical cost principle, except for financial instruments, which are measured at fair value.

The Company makes estimates for the purpose of impairment testing. The detailed rules for asset impairment are described in rule "f" and "t".

The preparation of financial statements in accordance with EU IFRS requires judgements, estimates and assumptions by the Management Board that affect the policies adopted and the values of assets, liabilities, income and expenses presented.

Estimates and related assumptions are based on historical experience and other factors that are considered reasonable in the circumstances, and the results provide a basis for judgement as to the carrying amount of assets and liabilities that is not directly derived from other sources. The actual value may differ from the estimated value.

Estimates and related assumptions are reviewed on an ongoing basis. A change in accounting estimate is recognised in the period in which the estimate is changed, or in the current and future periods if the change in estimate affects both the current and future periods.

Areas where significant estimates and judgements are made include:

- estimation of the amounts of deferred tax assets and liabilities - the Company reports the amounts of deferred tax assets and liabilities based on the calculation of temporary differences between the book and balance sheet values of assets and liabilities. Their calculation includes the accepted estimates of the realisability of positive temporary differences and the timing of tax loss carry forward. In addition, in connection with the adjustment of capitalised expenditures, a deferred tax asset was recognised, the use of which is included in the assumptions in Note 7.47. The Company anticipates that the adopted development model and business strategy, as well as the signed agreement for global distribution and the agreement related to the implementation of analogues and, consequently, the achieved results in subsequent years will allow for the settlement of deferred tax assets;
- Inventory allowances - the Company holds inventories of materials and products. A significant portion of these are subject to strict regulation - the estimation of the amount of write-downs bringing their value to the net recoverable amount (if lower than the purchase price) requires judgement on the achievable selling prices of the final product;
- allowance for bad debts - as described in the accounting policy - allowance for bad debts is made using the expected loss method. This method requires an estimation of the probabilities of debtors' insolvency and, in the case of the simplified model applied to trade receivables, assumes that past trends will be repeated in the future;
- R&D allowance - as described in the accounting policy, an allowance for R&D costs is made at the end of each reporting period. The Company assesses whether there are indications of impairment of development assets in progress. If such indications are found, an appropriate test is performed. If the carrying amount of the assets tested exceeds their recoverable amount, an appropriate impairment loss is recognised. In assessing the existence of indications of possible impairment of intangible assets, the Company analyses, at a minimum, indications from external and internal;
- provision amounts - the Company estimates the amounts of provisions for liabilities to the best of management's knowledge and experience. The amounts actually paid in the future may differ from the amounts shown in the financial statements;
- Revenue recognition - transaction price allocation - The Company enters into contracts where a number of elements are delivered. For such contracts, in accordance with IFRS 15, the Company analyses and allocates the transaction price from the contract between the identified performance obligations. This allocation is based on a number of guidelines set out by the standard and on management's estimates and judgement in relation to these transactions.

Estimates and assumptions used for impairment testing of assets, including intangible assets, fixed assets, interests in subsidiaries as described in note 7.47.

The Management Board of Bioton S.A. and the Members of the Supervisory Board are responsible for the preparation and fair presentation of the individual annual financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and other applicable regulations. In the opinion of the Management Board and the Supervisory Board, it is appropriate to prepare the individual annual financial statements on a going concern basis for the foreseeable future. As at the end of the reporting year, the Company's current liabilities do not exceed current assets, with the addition of (i) achieved and future operating results, the realisation of sales in Poland, received orders for international sales, including under the global distribution agreement, the directly executed supply agreement recombinant human insulin for the Malaysian market, deliveries to markets under signed contracts/tenders and the gastro products segment, (ii) existing credit financing agreements, accounts receivable factoring agreements, leasing agreements, loan repayment schedules, and (iii) ongoing discussions with banking institutions on extending and increasing limits and negotiating the terms of long-term debt financing that will provide the required working capital values, in the opinion of the Board, there are no circumstances indicating a threat to the going concern.

As at the date of publication, the financial covenants indicated in the terms and conditions of the credit agreements entered into by Bioton S.A. were met as at the balance sheet date.

In the opinion of the Management Board, the events described below may have an impact on the realisation of the Company's and the Group's individual and consolidated financial results, which include the level of the annual inflation rate, the level of interest rates, fluctuations in the USD and EUR exchange rates in relation to the PLN, the level of prices of electricity and natural gas as well as other raw materials and materials used in the production of insulin and the geopolitical situation related to military operations in the territory of Ukraine. The Management Board, during the past more than 2-year period, took measures to mitigate the potential impact by securing significant stocks of raw materials and materials for insulin production as well as contract products, which resulted in increased use of working capital, high level of inventories and extended payment terms of trade liabilities. The Company implemented a plan to reduce inventory levels by the end of 2024 due to improved availability of delivery dates for raw materials and materials for insulin production, which resulted in a reduction in inventory to PLN 107 million on a consolidated basis at the end of 2024, resulting in the release of working capital and faster turnover of payables. The above also has an impact on the timeliness of repayments of trade payables to suppliers with whom Bioton is in ongoing contact. Schedule repayments to financial institutions are made on the agreed dates. The Management Board signed on 31 October 2024 an Annex to the loan agreement with Uniapek amending / extending the loan repayment schedule until the end of June 2025. The Board anticipates that, as a result of ongoing discussions with financial institutions regarding debt financing, the Company's financing structure will be changed by mid-2025 by shifting some short-term financing to medium- and long-term financing.

In preparing the individual financial statements, the Company applied the same accounting policies as described in the individual financial statements as at 31 December 2023.

a) Property, plant and equipment

Tangible fixed assets comprise fixed assets and expenditures on fixed assets under construction that the entity intends to use in its operations and for administrative purposes for a period of more than one year, which will result in future economic benefits to the entity. Expenditure on fixed assets includes capital expenditure incurred. Fixed assets include significant specialised spare parts that function as part of a fixed asset.

Fixed assets and assets under construction are initially recognised at cost. Significant components are also recognised as separate fixed asset items.

Assets under construction arising for production, rental or administrative purposes are presented in the statement of financial position at cost less recognised impairment losses (principle t). Cost includes fees and, for the relevant assets, borrowing costs capitalised in accordance with the Company's accounting policies (y-rule). Depreciation relating to these non-current assets commences when they are brought into use, in accordance with the Company's other non-current assets policy.

Depreciation of fixed assets is provided at rates reflecting their expected useful lives. Estimates of useful lives are reviewed annually. For the depreciation of fixed assets, the straight-line depreciation method is used.

The useful lives for individual fixed assets are as follows:

Generic group	**Depreciation period (years)**
Buildings and premises	40 to 100
Civil engineering works	10 to 100
Boilers and power plant machinery	14 to 50
General-purpose machinery, equipment and apparatus	3 to 28
Specialised machinery, equipment and apparatus	10 to 28
Technical equipment	10 to 50
Means of transport	5 to 14
Tools, instruments, movable property and equipment	10 to 28

Gains or losses arising from the sale/liquidation or discontinued use of an item of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amount of those items and are recognised in the income statement.
As at the balance sheet date, fixed assets and fixed assets under construction are valued at net book value. Net book value is understood to be the initial value, i.e. the purchase price or production cost less depreciation and impairment losses.
Expenditure incurred on renovations that do not result in the improvement or extension of the useful life of a fixed asset is recognised as an expense when incurred. Otherwise, they are capitalised.

b) Intangible assets

Criteria for Assessing the Likelihood of Commercialisation of Projects

When the Company starts work on a given project, it assesses whether the expenditure incurred should be eligible under Research or Development. It first assesses the scope of the work in question, which product it relates to - a generic, biosimilar or innovator drug, the regulatory requirements, the potential of the market in which it is to be commercialised, and assesses the likelihood of obtaining registration and the possibility of commercialisation according to the following decision-making criteria (which also include the criteria listed in paragraph 57 of IAS 38). The company makes a clear distinction between projects in terms of their probability of commercialisation. Consequently, it is possible to determine how the costs resulting from their implementation will be accounted for. The costs of projects whose commercialisation is not certain will be charged to the current period's costs, while those whose commercialisation is certain will be capitalised in accordance with the terms of IAS 38. The Company has set an internal probability level, the achievement of which will indicate that a given project and its expenditures may be subject to capitalisation - this level was set at no less than 50% probability.

The decision criteria for assessing probability relate to the following:

1. the size and trend of the market affected by the project (if we are talking about a large market with a growing trend then the probability exceeds 50%);
2. compatibility of the new project with the Company's existing portfolio (if the project in question is a consequence of the organic development of the Company's existing and successfully commercialised product portfolio then the probability exceeds 50%);
3. compatibility of the new project with the commercial model currently used by the Company (if the new project will be able to smoothly use the distribution channels existing at present and used by the Issuer, i.e. ways of reaching patients, and will be able to use the existing marketing support instruments - e.g. Key Opinion Leaders (medical industry authorities supporting product recognition and making its effectiveness credible, e.g. during lectures at conferences, in particular international conferences, articles and specialist publications) or developed contacts with doctors, which allow for the current transfer of specialist information on its products, which in turn creates a network of specialist information on its products, which in turn creates a network of specialist information on its products. Among others, during lectures at conferences, especially international conferences, in articles and specialist publications) or developed contacts with physicians, which allow for the ongoing provision of specialist information about their products, which consequently creates an information network characterised by high objectivity and authority for other representatives of the environment (doctors, nurses, etc.) this probability exceeds 50%);
4. registration requirements (if a new project has specific and clearly defined registration requirements then the Company can prepare the process in such a way that it meets the requirements in the shortest possible time this probability exceeds 50%);
5. manufacturing facilities, i.e. production facilities for active substances and/or finished drug forms (if the Company has existing GMP-certified production facilities and is able, without major investment in fixed assets, to implement production of active substances and/or finished drug forms, the probability exceeds 50%);
6. laboratory facilities with an existing team specialised in the preparation of the required release methods of active substances and/or finished drug forms according to specific rules (if the Company has existing laboratory facilities with an existing team then the probability exceeds 50%);
7. sufficient resources of specialised staff and laboratories capable of developing and implementing a new drug technology into production, if the Company has existing laboratory facilities with an existing team then the probability exceeds 50%);
8. sufficient financial resources or potential sources of funding through existing or future licensing, distribution or collaboration agreements (if the Company has sufficient financial resources or potential sources of funding this probability exceeds 50%);
9. obtaining an opinion on the implementation of the project by third parties (financial institutions, advisory bodies, other entities such as potential distributors) in the form of an independent opinion or the signing of a distribution agreement and agreement on the financing of a given project or part of it (e.g. through funds from the European Union via institutions such as the National Research and Development Centre (if the company has obtained such cooperation or opinion, the probability exceeds 50%).

In the case of projects classified as development work as described below for Type 1 and Type 2 development projects where the probability of registration and commercialisation is high, the fulfilment of the above criteria is assessed by the Company as fulfilled.

Within the framework of Type 3 development (as defined below), it can be indicated that for innovative, new drugs not known on the market, the fulfilment of the probability of the above criteria at a level of more than 50% will be minimal, and in this case the Company will treat these expenditures as research work. At the same time, these projects will be subject to annual evaluation according to the same business criteria as well as the requirements indicated below in accordance with par. 57 OF IAS 38.

In contrast, Type 3 development can also identify biosimilar medicines whose equivalents already exist on the market at the time of their evaluation according to the above business criteria as well as the requirements indicated below from para. 57 IAS 38.

(i) Research and development

Research work

Expenditure incurred at the research stage with the intention of acquiring new scientific or technical knowledge carried out in-house is not recognised as an intangible asset but is recognised in the income statement when incurred. Examples of research work include: (i) activities to acquire new knowledge; (ii) the search for, evaluation and final selection of the use of the results of research work or other knowledge; (iii) the search for alternative materials, equipment, products, processes, systems or services; and (iv) the formulation, design, evaluation and final selection of new or improved materials, equipment, products, processes, systems or services.

Development work

Expenditure incurred on development work, the results of which are applied in the development or production of a new or significantly improved product, is subject to capitalisation when it is technically possible and economically justified to produce a new product (or process) and the Company has the technical, financial and other resources necessary to complete the development work in accordance with paragraph 57 of IAS 38. As part of its core business, the Company carries out a number of development works related to recombinant human insulin (RHI) and human insulin analogues, as well as other drugs in the field of diabetology.

The Company divides its development work into three types (types):

1. Expenditure on product registrations/regulatory approvals
2. Expenditure on process registrations/regulatory approvals
3. Expenditure on the development and registration of biosimilar medicines

TYPE 1. Expenditure on product registrations/regulatory approvals

Expenditure on registrations/regulatory approvals for recombinant human insulin (RHI) in non-domestic markets, additional registrations in the domestic market and generic registrations in the Polish market. The Company is taking steps to register RHI in new markets, mainly a central registration with the EMA . The registration process requires the Company to expand its current dossier and documentation, as well as to perform additional tests and clinical trials.

TYPE 2. Expenditure on process registrations/regulatory approvals

Expenditure on registrations/regulatory approvals relating to the introduction of optimised technological processes or the addition of new direct materials to production. In such cases, the Company develops modified technology or specifications for the new direct material, prepares the required documentation for registration changes.

TYPE 3. Expenditure on the development and registration of biosimilar medicines

Expenditure on the development and registration of biosimilar medicines, including, for example, long-acting insulin analogues (LAIAs), which relate to existing medicines on the market that are outside the patent protection period. The aim of the development work is to register and market them as biosimilar medicines to reference medicines.

The Company is already present in specific markets - in particular Poland with a market share of more than 40% in recombinant human insulin and other countries in the market for diabetes products. Thus, the Issuer, reaches diabetes patients through various business models, i.e. (i) direct sales and marketing, (ii) indirect model, and (ii) product manufacturer model. In order to briefly characterise these three models of cooperation with partners in the different markets and the division of responsibility for the different areas from the point of view of Bioton SA's responsibility is presented in the table below:

	Indication of responsibility for specific areas of cooperation on the part of Bioton SA	Direct model	Intermediate model	Manufacturer's model
1	Product development to the point of technology development and manufacture of the active substance (API) and finished product form for the clinical trial process and registration	v	v	v
2	Clinical Trials and Registration Process	v	v Division of Markets and Responsibilities	
3	Commercial production of API and finished product form	v	v	v
4	Sales and Marketing	v	v Division of Markets and Responsibilities	
5	Entity responsible for the product - registered trademark (brand name)	v	v Division of Markets and Responsibilities	

The Company, in line with its long-standing strategy of cooperation with distributors, can be part of any cooperation model depending on the cooperation patterns in the respective market(s), i.e. in particular:

1. for the Polish market, the Company will always choose the Direct Model due to the fact that it is present in this market and has an adequate sales and marketing force and a patient base with more than 40% of the recombinant human insulin market share; under this model, the Company will have influence over all levels of responsibility from production to registration to sales and marketing.
2. for other markets, the Company may choose the Indirect Model - i.e. the Company will be the manufacturer of the product and, depending on the registration requirements, the strategy in the markets concerned, will cooperate in meeting the requirements of the registration processes on the basis of distribution agreements, technology transfer, if such is required by the registration authorities, or co-financing and active participation in the registration process. As part of this strategy, the Company has in the past signed a number of agreements for RHI insulin:
    a. typical distribution agreements;
    b. cooperation agreements with transfer of technology of the finished form or active substance where future distributors are responsible for the registration process;
    c. distribution agreements for smaller markets where, in many cases, the distributor is responsible for the registration process often at its own expense and the Company is the provider of the registration dossier, territory or trademark licence;
3. for markets with high barriers to entry such as the US market, the Company will choose the Manufacturer's Model due to the registration requirements indicated by the US FDA Registration Office or the extensive sales and distribution system, which includes cooperation with e.g. insurers; Under such cooperation, the Company may grant a licence, transfer rights, data required by the manufacturer so that the distributor can perform an appropriate range of clinical trials and register the product in a given market - the responsibility for registration rests with the entity that is party to the distribution agreement. The collaboration agreement should include the receipt by the Company of certain fees for the granting of an exclusive licence for a given market/territories and product(s) for a period of 10-15 years from the date of commercialisation.

The Company, in line with its strategy described above, implements all the cooperation models presented, depending on the specificity/potential/registration requirements of the territory in question, for which the Company, based on the above examples, may expect to receive certain fees upon signing the agreements, indicating that the Company has or will have the opportunity to receive certain economic benefits even before the registration of the medicine in question is obtained.

In accordance with paragraph 57 of IAS 38, an intangible asset arising from development (or from the development phase of an internally conducted project) is recognised if, and only if, the entity can demonstrate:

a) the ability, from a technical point of view, to complete the intangible asset so that it is suitable for use or sale

The Company estimates that the development of all three types of work will be successful and products will be launched. The Company has the necessary knowledge, experience and human and technical resources to carry out and successfully complete each of the types of development work mentioned. With regard to Type 1 and Type 2 development work, the Company, based on its experience in other markets as well as its regularly updated knowledge and experience in cooperation with registration authorities, estimates that obtaining further registrations is highly probable.

(i) The Type 1 development work aims to extend the registration to new markets, which requires additional documentation and testing, but given that registration has been obtained in other markets, the likelihood of refusal is low.

(ii) With regard to Type 2 development work, it only concerns changes to the production process guided by registration requirements - the technical feasibility of the project has already been proven by the registration of the base product and the changes resulting from the modification of the production process are insignificant, making it very likely that a registration change will be obtained.

In the case of Type 3 development work, technical feasibility is proven by registration of original medicines. Development work involves the implementation on a production scale of products meeting the specifications of existing substances in such a way that the final product meets the conditions of the reference medicine.

As described in the section above, the Company, through its adopted and described strategy of cooperation with distributors under all business models, indicates that it is possible to receive economic benefits from the development work carried out before the stage of obtaining registration.

b) the intention to complete the intangible asset and use or sell it

With regard to the Type 1 and Type 2 development work, the Company maintains its intention to complete the work and obtaining formal registration is only an administrative exercise in order for the Company to pursue its global strategy.

With regard to the development of Type 3, this is carried out in line with the Company's current strategy to develop insulin analogues, through which the Company will join the group of global giants in insulin products.

c) ability to use or sell the intangible asset

In the case of Type 1 and 2 development work - the relevant products are already offered on the market, confirming that the product of this work can be commercialised by entering further markets (Type 1) or meeting regulatory requirements (Type 2).

In the case of the development work carried out under Type 3 - insulin analogues - the project demonstrates commercialisation capability from the outset, as reflected by the examples of transactions concluded at each stage of biosimilar product development. As described in the section above, the Company, through its adopted and described strategy of cooperation with distributors under all business models, indicates that it is possible to receive economic benefits from the development work in progress before the stage of obtaining registration.

d) how the intangible asset will generate probable future economic benefits

In the case of Type 1 and Type 2 development, economic benefits will arise from the ability to sell existing products in new markets or by meeting European Union regulatory requirements, thereby significantly expanding product markets through commercialisation by granting exclusive licences in the territories concerned.

In terms of Type 3 development, the Company is currently the fourth European insulin manufacturer. The introduction of analogues will strengthen the Company's position in this area and increase the Company's share of the insulin market. The growth of the diabetes drugs market will be driven by changes mainly in lifestyle and an ageing population in the coming years. The IDF organisation indicates that the global diabetes population will increase from 425 million in 2017 to 629 million in 2045, so the potential for growth in demand for diabetes drugs is significant.

e) the availability of applicable technical, financial and other resources to complete the development and to use or sell the intangible assets

The Company has or will have the technical and financial resources to complete the development work in progress.

f) the ability to reliably identify expenditure incurred in the course of development that is attributable to that intangible asset

In order to reliably determine expenditures on development works, the Company maintains accounting books separating separate analytical accounts for the projects carried out. Recording of outlays is carried out with the help of IT systems allowing for detailed identification of outlays incurred for development works. The Company identifies the following categories of outlays related to development work:

- material consumption;
- third-party services (external tests and subcontractor services);
- depreciation of fixed assets used in development work;

- remuneration including surcharges.

Development work in progress

The manner in which the commencement of development work is documented is as follows; (i) the Project Manager submits a request to the Division Director for the opening of a development work project, in which the benefits, budget, completion date and scope of the development work are specified (ii) upon acceptance of the request by the Division Director, the request is referred to the Chief Financial Officer of the Board Member for financial approval (iii) upon acceptance of the request by the Chief Financial Officer of the Board Member, the request is referred to the President of the Board of Directors, (iv) upon approval by the President of the Board of Directors, an order is issued for the opening of the development work. On the basis of this documentation, the point in time from which expenditure in a given project is treated as development work in progress and is capitalised in the assets of the balance sheet is determined. Presentation in the financial statements under intangible assets, analytically under "development work in progress". This item is not subject to amortisation.

Development work completed

A development project is subject to closure if the following criteria are met: (i) the scope of work under the work opening order has been completed, (ii) the work is abandoned, the expenditure is written off to other operating expenses. A development project that has been successfully completed is transferred to intangible assets and is then presented as completed development costs and is subject to amortisation and write-offs.

Impairment test

At the end of each reporting period, the Company assesses whether there are any indications that development work-in-progress assets may be impaired. If it is determined that such indications exist, an appropriate test is performed. In addition, irrespective of whether there are indications of impairment, the Company also performs an appropriate test for impairment of a development asset on an annual basis. If the carrying amount of the tested assets exceeds their recoverable amount then an appropriate impairment loss is recognised.

In assessing the existence of indications that intangible assets may be impaired, the Company analyses, as a minimum, indications from external and internal sources of information as required by IAS 36 'Impairment of Assets'.

In the Company's opinion, development work of any type meets the following conditions for capitalisation of development work as set out in § 57 of IAS 38 "Intangible assets".

Development costs are recognised as intangible assets and are subject to amortisation (see below) and impairment losses (rule t).

(ii) Other intangible assets

Other intangible assets are recognised at acquisition or production cost less any amortisation to date and any impairment losses (t-rule).

(iii) Depreciation

Intangible assets are amortised on a straight-line basis over their expected useful lives
The estimated useful life is as follows:

- the right to use the land for up to 33 years (perpetual usufruct in accordance with the period for which the right was granted),
- know how 20 years,
- development costs 5-20 years,
- software integrated information system 10 years,
- other intangible assets 5 years,

Intangible assets that meet the criteria to be classified as held for sale or included in the disposal group are measured in accordance with the principles in aa.

Gains or losses arising from the sale/liquidation or discontinued use of intangible asset items are determined as the difference between the sales proceeds and the carrying amount of those items and are recognised in the income statement.

At the balance sheet date, intangible assets are measured at cost less any amortisation and any impairment losses.

c) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, short-term deposits.

d) Financial assets and liabilities

Financial assets

(i) Classification of financial assets

The Company classifies financial assets into the following categories:

- measured at amortised cost,
- measured at fair value through profit or loss,
- measured at fair value through other comprehensive income.

The Company categorises financial assets depending on the business model for managing the financial assets and the contractual cash flow characteristics for the financial asset.
The Company classifies trade receivables, loans granted, other financial receivables and cash and cash equivalents as assets measured at amortised cost.
Assets measured at fair value through profit or loss. The Company classifies derivatives not designated for hedge accounting purposes and hedged items that are subject to measurement under hedge accounting.

(ii) Recognition and discontinuation of recognition

A financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Valuation at initial recognition

On initial recognition, the Company measures a financial asset at fair value plus, in the case of a financial asset that is not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets measured at fair value through profit or loss are recognised in profit or loss.

(iv) Valuation of financial assets at amortised cost

The Company uses the effective interest rate method to measure financial assets measured at amortised cost.
After initial recognition, trade receivables are measured at amortised cost using the effective interest rate method, taking into account impairment losses, with trade receivables with a maturity date of less than 12 months from the date of origination (i.e. not containing a financing element) and not submitted for factoring, not being discounted and measured at nominal value.

(v) Impairment of financial assets

IFRS 9 introduces a new approach for estimating impairment of financial assets measured at amortised cost or fair value through other comprehensive income (except for investments in capital assets and contract assets). The impairment model is based on the calculation of expected losses, as opposed to the model used in the years prior to 2018 under IAS 39, which was based on the concept of incurred losses. The most significant financial asset item in the Company's financial statements, which is subject to the new rules for calculating expected credit losses, is trade receivables.

The Company uses the following models to determine impairment losses:

- general (basic) model,
- simplified model.

The general model is used by the Company for financial assets measured at amortised cost - other than trade receivables and for debt instruments measured at fair value through other comprehensive income.

In the general model, the Company monitors changes in the level of credit risk associated with a financial asset and classifies financial assets into one of three stages for determining impairment losses based on observation of the change in the level of credit risk from the initial recognition of the instrument. Credit risk is managed by setting credit limits for each customer. The use of credit limits is subject to regular monitoring. The Company minimises credit risk by obtaining prepayments from customers for goods supplied. To secure liquidity, the Company uses factoring.
Depending on the classification into the different stages, the impairment loss is estimated over a 12-month horizon (stage 1) or over the life of the instrument (stage 2 and stage 3).
At each reporting period end date, the Company analyses the occurrence of indications resulting in the classification of financial assets into the different stages of impairment loss determination. Indicators may include, but are not limited to, changes in the debtor's rating, severe financial difficulties of the debtor, the occurrence of a material adverse change in its economic, legal or market environment.
For the purpose of estimating the expected credit loss, the Company uses the levels of probability of default calculated by benchmarking the financial performance of the rated entity to the rating levels of the entity implying the probability of default.
The Company incorporates forward-looking information into the parameters of the expected loss estimation model used by calculating probability of default parameters based on current market quotes.

The simplified model is used by the Company for trade receivables. Under the simplified model, the Company does not monitor changes in the level of credit risk over the life of the instrument and estimates the expected credit loss over the horizon to maturity of the instrument. Specifically, the Company considers the failure of a counterparty to meet an obligation after 90 days from the due date of the receivable as an event of default. For the purpose of estimating the expected credit loss, the Company uses a provision matrix estimated based on historical levels of repayment and recoveries from counterparties for the past three years.
The Company incorporates forward-looking information into the parameters of the expected loss estimation model used, through a management adjustment of the underlying default probability ratios. For the calculation of expected credit loss, the Company determines the probability of default parameter estimated based on an analysis of the number of unpaid invoices over the last three years, and the default rate estimated based on the value of unpaid invoices over the last three years.

The expected credit loss is calculated at the time the receivable is recognised in the statement of financial position and is updated at each subsequent end of the reporting period, depending on the number of days the receivable is overdue.

Financial liabilities

(i) Classification of financial liabilities

The Company classifies financial liabilities into one of the following categories:

- measured at amortised cost,
- measured at fair value through profit or loss,
- hedging financial instruments.

The Company classifies trade payables, loans and borrowings as liabilities measured at amortised cost.

e) Transactions in foreign currencies

The functional (measurement) currency and the presentation currency of the Company's financial statements is the zloty (PLN).
Business transactions expressed in foreign currencies are recorded in the accounting books on the day they are carried out, respectively, at the exchange rate:

- purchase or sale of currencies applied by the bank whose services are used by the Company for the settlement of a given transaction - in the case of currency sale or purchase operations,
- the average rate set by the National Bank of Poland on the day preceding the operation, unless a different rate has been set in the customs declaration or other document binding the Company - in the case of other operations.

Foreign exchange gains or losses arising from the translation of assets and liabilities denominated in foreign currencies or from the settlement of receivables or liabilities denominated in foreign currencies are posted as financial income or expenses in the income statement. At the balance sheet date, the Company measures assets and liabilities expressed in foreign currencies at the average exchange rate set by the National Bank of Poland prevailing at that date.

The following average NBP exchange rates Table 252/A/NBP/2024 as at 31 December 2024 were used to convert assets and liabilities denominated in foreign currencies:

- 1 EUR equals to PLN 4.2730
- 1 USD equals to PLN 4.1012

f) Inventories

Inventories are assets held for sale in the ordinary course of business, in the course of production for sale and in the form of materials or raw materials consumed in the production process or in the rendering of services. Inventories include materials, goods, finished goods and work in progress.
Materials and goods are valued at 'weighted average'. At the balance sheet date, materials and goods are valued on a prudent basis, i.e. these categories are valued at the lower of cost or realisable price.
Finished goods and work in progress are initially valued at actual cost. At the balance sheet date, the valuation of finished goods and work in progress is carried out in accordance with the principles of prudence.
The value of outgoing stock - is determined on a "weighted average" basis, in the case of semi-finished and finished goods with detailed batch identification.

g) Equity

(i) Share capital
The Company's share capital is shown at the nominal value of the registered shares as shown in the Company's articles of association and entry in the National Court Register.

(ii) Share premium account
The share premium account arose from share issues and is net of issue costs (including the impact of income tax).

(iii) Reserve capital
The supplementary capital comprises accumulated profits/losses transferred from retained earnings in accordance with resolutions of the BIOTON S.A. Shareholders' Meeting.

(iv) Reserve capital
Reserves include the equivalent of the cost of securities-based payments recognised in accordance with IFRS 2, the equity portion of convertible bonds and differences from the settlement of share acquisitions.

(v) Retained earnings
Retained earnings represent accumulated profits/(losses) that have not been distributed by the Shareholders' Meeting.

h) Taxation

The entity's income tax comprises current tax payable and deferred tax.

(i) Current tax
The current tax charge is calculated on the basis of the taxable profit (tax base) for the financial year. The tax profit (loss) differs from the accounting net profit (loss) due to the exclusion of taxable income and non-deductible expenses and items of expense and income that will never be subject to tax. Tax expense is calculated based on the tax rates applicable for the financial year.

(ii) Deferred tax
Deferred tax is calculated using the balance sheet method, as tax payable or refundable in the future based on the differences between the carrying amounts of assets and liabilities and the corresponding tax values used to calculate the tax base.
A deferred tax liability is recognised for all taxable temporary differences, while a deferred tax asset is recognised to the extent that it is probable that future taxable profits will be able to be reduced by any identified deductible temporary differences and tax losses or

tax credits that the Company may utilise. A deferred tax asset or liability does not arise if a temporary difference arises from the initial recognition of another asset or liability in a transaction that affects neither taxable nor accounting profit.

The value of deferred tax assets is reviewed at each balance sheet date, and a write-down is made if expected future taxable profits are insufficient to realise the asset or part of it.
Deferred tax is calculated using the tax rates that will apply when the asset item is realised or the liability becomes payable. In the statement of financial position, income tax is recognised after offsetting to the extent that it arises from a liability that is payable to the same tax authority.
The Company does not recognise deferred tax on temporary differences arising from the translation of loans, treated as long-term investments, granted to subsidiaries in foreign currencies into the functional currency.
The Company offsets deferred tax assets and liabilities for presentation purposes.

i) Reserves

Provisions are recognised when the Company has an existing obligation, either legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation, but the amount of the obligation or its maturity date is uncertain.
The amount of the provision recognised reflects the best estimate of the amount required to settle the current liability at the balance sheet date, taking into account the risks and uncertainties associated with the liability. In the case of the valuation of a provision using the method of estimated cash flows required to settle the current liability, its carrying amount corresponds to the present value of these flows.
When it is probable that some or all of the economic benefits required to settle a provision will be recoverable from a third party, the receivable is recognised as an asset if the likelihood of recovery is sufficiently high and the amount can be measured reliably.

(i) Obligatory services

Current liabilities arising from contracts giving rise to obligations are recognised as provisions. A contract giving rise to liabilities is considered to be a contract entered into by the Company, forcing unavoidable costs of fulfilling contractual obligations, the value of which exceeds the economic benefits anticipated under the contract.

(ii) Restructuring

A provision for restructuring costs is only recognised when the Company has developed a detailed and formal restructuring plan and has announced to all stakeholders its intention to implement the plan or its main assumptions. The valuation of the restructuring provision includes only direct restructuring costs, i.e. amounts necessary to carry out the restructuring and not related to the day-to-day operations of the entity.

j) Employee benefits

The Company contributes to a state defined contribution pension scheme. The government scheme is funded on a 'current payment' basis, i.e. the Company is only obliged to pay contributions when they fall due, and in the event that it ceases to employ people covered by the scheme it will not be obliged to pay any additional benefits beyond those to which its employees have been entitled in the past. Contributions to the defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.

Employees of the Company are entitled to retirement benefits. Retirement severance payments are paid on a one-off basis upon retirement. The amount of retirement gratuities is defined in the Labour Code. The Company recognises a provision for future retirement benefit obligations in order to allocate the costs to the period to which they relate. The amount of the Company's liability for retirement benefits represents the present value of the benefits that the Company's employees will receive upon retirement from employment with the Company in the current and prior periods. The value of the liability is based on the projected unit credit method.

k) Deferred income and recognition of grants received

Deferred income includes grants received under the Sectoral Operational Programme Improvement of the Competitiveness of Enterprises from the European Regional Development Fund to subsidise new investments and subsidise newly created jobs and grants from the National Fund for Environmental Protection and Water Management to subsidise sewage treatment plants (note 7.42).

Grants received are recognised as deferred income when there is reasonable assurance that they will be received and the Company meets the conditions attached to them.
Government grants received as reimbursement for assets recognised by the Company and related to the subsidisation of new jobs are recognised in the balance sheet as deferred income and then systematically recognised as other operating income in the income statement over the useful life of the asset, in the case of new jobs over the period of settlement of the amount of the subsidy granted.

l) Accruals and deferred income

The Company makes prepayments when the costs incurred relate to periods subsequent to the period in which they were incurred. Prepaid expenses include expenses incurred that will be recognised as operating or financial expenses in future periods.
Accruals relating to operating and financial expenses comprise expenses incurred during the period, commensurate with the income of the period. Accruals relating to operating expenses include, among others, a provision for unused holidays.

m) Revenue

From 1 January 2018. The Company applies the principles of IFRS 15, Revenue from Contracts with Customers, taking into account the 5-step model, to a portfolio of contracts (or performance obligations) with similar characteristics if the entity reasonably expects that the impact on the financial statements of applying the following principles will not be materially different for individual contracts (or performance obligations).

(i) Customer contract identification requirements

A client agreement meets its definition when all of the following criteria are met:

- the contracting parties have entered into a contract and are obliged to perform their duties;
- The Company is able to identify the rights of each party regarding the goods or services to be transferred;
- The company is able to identify the terms of payment for the goods or services to be provided; the contract has economic substance and
- it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services to be provided to the customer.

(ii) Identification of performance obligations

At the conclusion of the contract, the Company evaluates the goods or services promised in the contract with the customer and identifies as a performance obligation any promise to transfer to the customer: a good or service (or bundle of goods or services) that can be distinguished or a group of separate goods or services that are substantially the same and for which the transfer to the customer is of the same nature.

(iii) Determination of the transaction price

To determine the transaction price, the Company takes into account the terms of the contract and its customary business practices. The transaction price is the amount of consideration that the Company expects to receive in exchange for the transfer of promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, certain sales taxes, fuel duty, excise duty). The remuneration specified in the contract with the client may include fixed amounts, variable amounts or both.
To estimate the variable remuneration, the Company decided to use the most likely value method for contracts with a single value threshold and the expected value method for contracts with more value thresholds on which a discount is granted to the customer.

(iv) Allocation of transaction price to individual performance obligations

The Company assigns a transaction price to each performance obligation (or to a distinct good or distinct service) in an amount that reflects the amount of consideration that the Company expects to receive for providing the promised goods or services to the customer.

(v) Revenue recognition when performance obligations are met

The company recognises revenue when the performance obligation is fulfilled (or in the process of being fulfilled) by transferring the promised good or service (i.e. an asset) to the customer (the customer obtains control of the asset). Revenue is recognised as amounts equal to the transaction price that has been allocated to the performance obligation.

The company transfers control of the good or service over time and thereby meets the performance obligation and recognises revenue over time if one of the following conditions is met:

- the client simultaneously receives and benefits from the benefit as it is provided,
- as a result of the performance, an asset is created or improved and control of that asset - as it is created or improved - is vested in the customer,
- performance does not result in a component with an alternative use for the Company and the Company has an enforceable right to payment for the performance performed to date.

In standard transactions with customers reported as sales revenue, there is no significant financing element. In other transactions, if there is such an element, the Company discounts the receivable from the counterparty at an interest rate appropriate to its credit risk and the length of time to be paid.

The company is active in the production and sale of insulin preparations and in insulin research and development.

The company carried out an analysis of its customer contracts and identified the main categories of contracts:

a) contracts for the supply of medicinal products and pharmaceutical substances 90%,
b) contracts for the supply of goods, min. medical devices and dietary supplements related to diabetes therapy account for 6% of revenue,
c) the remaining contracts account for 4%.

Sale of goods (medicinal products, pharmaceutical substances, medical devices and dietary supplements)

In accordance with IFRS 15, if the contractual consideration includes a variable amount, the entity estimates the amount of consideration to which it will be entitled in exchange for the transfer of the promised goods or services to the customer and includes part or all of the variable consideration in the transaction price only to the extent that it is highly probable that a significant portion of the amount of previously recognised cumulative revenue will not be reversed when uncertainty about the amount of variable consideration ceases. The Company does not have any material contracts containing right of return or other variable remuneration provisions.

If the contract contains only one performance obligation - the sale of goods - the Company recognises revenue at a specific point in time, i.e. when the customer gains control of the goods.

Sale of a bundle of goods and services or a bundle of several services, provided at different times

Under IFRS 15, a transaction price is assigned to each performance obligation on the basis of a proportionate individual selling price. The company recognises revenue when the performance obligation is fulfilled (or in the process of being fulfilled) by transferring the promised good or service (i.e. an asset) to the customer (the customer obtains control of the asset).

Advances received from customers

The Company presents advances received from customers under 'Other non-financial liabilities'. In accordance with its current accounting policy(s), the Company does not recognise interest expense on advances received, including long-term advances.

In accordance with IFRS 15, the Company assesses whether a contract contains a significant financing element. The Company has opted to use the practical expedient of not adjusting the promised consideration for the impact of a significant financing element if, at the time the contract is entered into, it expects the period from the time the promised good or service is transferred to the customer until the customer pays for the good or service to be no more than one year. Therefore, for short-term advances, the Company does not separate a material financing element.

Licences

IFRS 15 introduced new revenue recognition rules for licences granted. Under the standard, the Board must determine whether a separate licence entitles the customer to access the intellectual property or to use the intellectual property. Depending on this classification, revenue from the granted licence will be recognised over the period of the licence or on a one-off basis. The Company, in the course of its operations in foreign markets, grants licences to distributors. The Company believes that the licences granted represent the right to use the intellectual property for the duration of the agreement.

n) Leasing

From 1 January 2019, the Company applies the principles of IFRS 16 'Leases', under which all leases result in the lessee obtaining the right to use the asset and a liability for the obligation to pay. Thus, IFRS 16 abolished the classification of operating leases and finance leases under IAS 17 and introduced a single model for the accounting treatment of leases by the lessee. The company recognises (a) assets and liabilities for all leases with a term of more than 12 months, except when the asset is of low value; and (b) amortisation of the leased asset separately from the interest on the lease liability in the statement of performance.
IFRS 16 largely repeats the regulations from IAS 17 on the lessor's accounting treatment of leases. Consequently, the lessor continues the classification into operating leases and finance leases and differentiates the accounting treatment accordingly.

o) Impairment losses on assets

At each balance sheet date, the Company's assets, with the exception of inventories (rule n), deferred tax assets (rule j) and financial assets (rule f), for which other valuation procedures must be applied, are analysed for indications of impairment. If such an indication exists, the Company estimates the recoverable amount (the higher of fair value less costs to sell and value in use). Value in use is considered to be the sum of the discounted future economic benefits that the asset will generate.
Where the carrying amount of an asset exceeds its recoverable amount, the asset is deemed to be impaired and written down to its recoverable amount. Impairment losses are charged to the income statement.
At each balance sheet date, the Company assesses whether there are indications that an impairment loss made in previous reporting periods is unnecessary or too high. If so, the write-down, or part of it, is reversed and the value of the asset in question is restored to the amount it would have had if the write-down had not been made earlier (taking into account depreciation). The reversal of the write-down is recognised in the income statement.

p) Information on operating segments

Following the entry into force of IFRS 8 Operating Segments, the Company has aligned the presentation of operating segments in the financial statements with the requirements of this standard. The Company's operations constitute one operating segment. The presentation of operating segments has been made in accordance with the management approach.

q) External financing costs

Borrowing costs directly attributable to the acquisition or construction of assets that require an extended period of time to bring them into use are included in the cost of such assets until the assets are substantially ready for their intended use or sale.
Investment income generated from the short-term investment of external funds raised directly to finance the acquisition or production of assets reduces the value of the borrowing costs to be capitalised.
All other borrowing costs are charged directly to the income statement in the period in which they are incurred.
The above capitalisation rules do not apply to:

- assets measured at fair value, and
- stocks that are produced in significant quantities in a continuous cycle and have a high turnover.

r) Related entities

For the purposes of the financial statements, related parties include: significant shareholders, subsidiaries and associates, members of the Company's Management and Supervisory Boards, their immediate families and entities controlled by them.
The entity's shares in subsidiaries are measured in accordance with IAS 27 Individual Financial Statements at historical acquisition cost. If there is objective evidence that these assets are impaired, the amount of the impairment is measured as the difference between the current book value of the asset and the estimated recoverable amount.

s) Investments in subsidiaries, associates and affiliates

The Company measures investments in subsidiaries and associates at cost less impairment losses (principle o).

2. INDIVIDUAL PROFIT AND LOSS ACCOUNT

in thousands PLN	Note	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
		audited	*audited*
Continuing operations			
Sales revenue	7.2	214 052	187 265
Cost of sales	7.3	(150 253)	(105 259)
Downtime and unused capacity costs	7.4	(1 929)	(10 950)
Gross profit on sales		**61 870**	**71 055**
Other operating income	7.5	2 518	21 600
Selling costs		(37 458)	(42 571)
General and administrative expenses		(29 505)	(28 944)
Research and development costs		(3 990)	(5 496)
Other operating expenses	7.6	(1 594)	(2 134)
Gross operating profit/(loss)		**(8 160)**	**13 511**
Financial income	7.7	2 833	1 752
Financial costs	7.8	(9 121)	(9 443)
Net financial income/(expenses)		**(6 288)**	**(7 691)**
Profit/(Loss) before taxation		**(14 448)**	**5 821**
Income tax		(4 031)	(4 628)
Net profit/(loss) from continuing operations		**(18 479)**	**1 193**
Net profit/(loss) from discontinued operations		**-**	**-**
Net profit/(loss) for the reporting period		**(18 479)**	**1 193**
Weighted average number of shares (units)	7.24	85 864 200	85 864 200
Number of dilutive potential ordinary shares	7.24	85 864 200	85 864 200
Profit/(Loss) from continuing operations per share (in PLN)			
Basic and diluted		(0,2152)	0,0139

3. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

in thousands PLN	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
	audited	*audited*
Net profit / (loss) for the reporting period	(18 479)	1 193
Other comprehensive income recognised directly in equity	(280)	(310)
Total comprehensive income recognised for the period	**(18 759)**	**883**

4. INDIVIDUAL BALANCE SHEET

in thousands PLN	Note	31.12.2024	31.12.2023
		audited	*audited*
ASSETS			
Non-current assets		**654 980**	**672 163**
Property, plant and equipment	7.10	283 117	274 671
Intangible assets	7.11	337 172	363 321
Right-of-use assets	7.12	19 131	16 434
Non-current financial assets	7.13	11 518	13 503
Investments in subsidiaries and associates	7.14	3 965	3 965
Long-term accruals and deferred income	7.16	75	269
Current assets		**152 434**	**167 002**
Inventories	7.17	105 124	117 305
Short-term financial assets	7.18	1 606	1 555
Trade and other receivables	7.19	33 983	42 556
Cash and cash equivalents	7.20	6 738	3 759
Short-term prepayments and accruals	7.21	4 983	1 827
TOTAL ASSETS		**807 414**	**839 165**
LIABILITIES			
Equity	7.23	**603 387**	**622 096**
Share capital		1 717 284	1 717 284
Capital on issue of shares above their nominal value		57 131	57 131
Supplementary capital		260 776	260 776
Reserve capital		(268 748)	(268 517)
Retained earnings / (losses)		(1 163 056)	(1 144 577)
Long-term liabilities		**60 983**	**50 316**
Loans, borrowings and other debt instruments payable	7.24	-	1 702
Lease commitments	7.27	13 698	10 969
Deferred tax liabilities	7.15	8 575	4 599
Employee benefit obligations	7.25	2 308	1 838
Deferred income	7.28	33 877	29 813
Other liabilities	7.26	2 525	1 394
Current liabilities		**143 044**	**166 753**
Loans, borrowings and other debt instruments payable	7.24	36 633	52 113
Lease commitments	7.27	5 791	2 947
Trade and other payables	7.26	54 303	57 033
Income tax liabilities		-	-
Employee benefit obligations	7.26	2 044	2 021
Other accruals and deferred income	7.29	44 273	52 638
TOTAL LIABILITIES		**807 414**	**839 165**

5. INDIVIDUAL CASH FLOW STATEMENT

in thousands PLN	**01.01.2024 - 31.12.2024** *audited*	**01.01.2023 - 31.12.2023** *audited*
Cash flow from operating activities		
Net profit/(loss)	(18 479)	1 193
Adjustments for items:		
Depreciation	36 070	34 746
(Gains)/Losses on exchange rate differences, net	(1 699)	(2 540)
Net interest and dividends paid	2 703	8 356
(Gains)/losses on investing activities	34	(3 099)
Current period income tax	-	-
Income tax paid	-	-
Other net positions	(3 784)	-
Net cash from operating activities before changes in working capital	**14 846**	**38 657**
Change in working capital:		
(Increase)/decrease in inventories	12 181	(7 997)
(Increase)/decrease in receivables	10 349	(11 617)
(Increase)/decrease in prepaid expenses	(2 909)	(352)
Increase/(decrease) in accounts payable and accrued liabilities	(691)	7 712
Increase/(decrease) in provisions	4 689	5 549
Increase/(decrease) in deferred income	(5 642)	5 620
Cash from operating activities	**32 823**	**37 573**
Cash flow from investing activities		
Proceeds:	**3 109**	**9 014**
Disposal of intangible and tangible fixed assets	-	7 214
Of the financial assets	3 109	1 800
Other receipts	-	-
Expenses:	**(11 188)**	**(44 166)**
Acquisition of intangible and tangible fixed assets	(11 184)	(44 166)
Acquisition of financial assets	-	-
Other expenditure	-	-
Net cash from investing activities	**(8 074)**	**(35 151)**
Cash flow from financing activities		
Proceeds:	**3 790**	**18 391**
Net proceeds from the issue of shares	-	-
Credits and loans	6	9 003
Grants	3 784	9 388
Expenses:	**(25 559)**	**(26 214)**
Repayment of loans	(17 509)	(15 105)
Redemption of debt securities	-	-
Interest	(4 534)	(6 612)
Payments of finance lease liabilities	(3 516)	(4 497)
Other financial expenditure	-	-
Net cash from financing activities	**(21 769)**	**(7 823)**
Net change in cash and cash equivalents (including change in cash due to exchange rate differences)	**2 979**	**(5 401)**
Cash at beginning of period	3 759	9 160
Cash and cash equivalents at the end of the period	**6 738**	**3 759**
Overdraft facility		-
Cash and cash equivalents at the end of the period after exclusion of funds in restricted accounts and overdrafts	**6 738**	**3 759**

6. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

Specification	Share capital	Capital on issue of shares above their nominal value	Supplementary capital	Reserve capital	Retained earnings/(Losses)	Total capital
Twelve months ended 31 December 2023.						
Status as at 31 December 2023 published	**1 717 284**	**57 131**	**260 776**	**(268 517)**	**(1 144 577)**	**622 096**
Net profit/(loss) for the period	-	-	-	-	(18 479)	(18 479)
Actuarial valuation of the pension provision	-	-	-	(285)	-	(285)
Deferred tax asset on actuarial valuation	-	-	-	54	-	54
Total comprehensive income recognised for the period	-	-	-	(231)	(18 479)	(18 710)
As at 31 December 2024.	**1 717 284**	**57 131**	**260 776**	**(268 748)**	**(1 163 056)**	**603 387**

Specification	Share capital	Capital on issue of shares above their nominal value	Supplementary capital	Reserve capital	Retained earnings/(Losses)	Total capital
Twelve months ended 31 December 2022.						
Status at 31 December 2022 published	**1 717 284**	**57 131**	**260 776**	**(268 208)**	**(1 143 848)**	**623 135**
Adjustment arising from income tax adjustments	-	-	-	-	(1 922)	(1 922)
As at 31 December 2022 as adjusted	**1 717 284**	**57 131**	**260 776**	**(268 208)**	**(1 145 770)**	**621 213**
Net profit/(loss) for the period	-	-	-	-	1 193	1 193
Actuarial valuation of the pension provision	-	-	-	(382)	-	(382)
Deferred tax asset on actuarial valuation	-	-	-	73	-	73
Total comprehensive income recognised for the period	-	-	-	(310)	1 193	395
Status at 31 December 2023.	**1 717 284**	**57 131**	**260 776**	**(268 517)**	**(1 144 577)**	**622 096**

7. NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

7.1 Business segments

The Company's operations constitute a single operating segment.

Sales revenue - assortment structure *(in thousands of PLN)*

Specification	01.01.2024-31.12.2024		01.01.2023-31.12.2023	
	Value	Structure (in %)	Value	Structure (in %)
Insulin	159 878	74,69%	122 337	65,33%
Finished products	**159 878**	**74,69%**	**122 337**	**65,33%**
Oral antidiabetic drugs	21 291	9,95%	21 320	11,39%
Other goods PL	12 784	5,97%	12 288	6,56%
Devices	8 922	4,17%	10 752	5,74%
Goods and materials	**42 997**	**20,09%**	**44 360**	**23,69%**
Services[1)]	**11 177**	5,22%	**20 568**	10,98%
Total sales revenue	**214 052**	**100,00%**	**187 265**	**100,00%**

[1)]In the Services category, the Company presents, inter alia: revenue received from the licensing agreement (upfronts) concluded with Scigen Ltd and Pharmasynthez and revenue from the settlement of the analogue project in accordance with the agreement with Yifan Pharmaceutical Co;

Agreement with Yifan International Pharmaceutical Co. Ltd

On 27 March 2018. The Company entered into a master agreement with Yifan International Pharmaceutical Co., Ltd. of Hong Kong (Yifan) for the global distribution of sales and marketing of the Company's products, the granting of an exclusive right (Right) to use Bioton's trademarks, in connection with the advertising, promotion, distribution and sale of the products in the territories covered by the agreement (the "Agreement"). The detailed terms and conditions of the Parties' cooperation in the respective market, will be determined in separate implementation agreements. The Agreement was concluded for a period of 15 years. The Agreement has been concluded under the laws of Hong Kong and any disputes relating to the Agreement will be settled by the courts of Yifan's local jurisdiction. The cooperation of the Parties under the terms of the Agreement is associated with significant benefits for the Company, mainly related to the assumption by the distribution partner of registration costs, costs of commercial and marketing activities, in particular also costs of building a distribution sales network in the respective markets. The main task of the distribution partner is the development and promotion related to the sale of the Company's products aimed at improving the financial result of the Company and its Capital Group. The Company received a consideration of US$6.8 million for the grant of the Right. The upfront payment received under the above agreement: (i) gives the Yifan distributor the exclusive right to import the goods, (ii) triggers actions to transfer or amend the Company's existing distribution agreements in the distribution territory established in the Agreement, (iii) gives the YIFAN distributor the right to use Bioton S.A.'s trademarks related to the products exclusively for the purpose of and in connection with the advertising, promotion, distribution and sale of the products in the territory established in the Agreement. For the years 2018-2023. The Company recognised revenue, as required under IFRS 15, of PLN 8,901 thousand and in 2024 an amount of PLN 1,548 thousand. The remaining amount of PLN 12,770 thousand presented in deferred revenue will be included in revenue as the time for which the contract is concluded expires.

Novation Agreement

On 16 January 2020, Bioton entered into an Assignment Agreement (Novation Agreement) with effect from 1 January 2020 to the Global Exclusive License Framework Agreement dated 27 March 2018, as amended, between the Company, YIFAN INTERNATIONAL PHARMACEUTICAL CO., LTD. of Hong Kong ("Assignor") and SCIGEN PTE. LTD. based in Singapore ("Assignee"), whereby Bioton granted to the Assignor the exclusive right to import and distribute Bioton products in the Territory (all countries except Poland). The Cedent and Bioton intend to improve the worldwide sales of the products, and therefore, in order to fulfil the contractual obligations, it became necessary to transfer the rights and obligations under the Agreement. In addition, the Assignee is a wholly owned subsidiary of the Cedent and is a professional entity and experienced in selling pharmaceutical products on the global market. Further cooperation regarding the Agreement is important to improve the global sales of Bioton products. The Agreement was entered into for a period of

15 years with an automatic option to renew for a further 5 years unless either party gives written notice of termination of the Agreement at least 12 months prior to the expiry of the period for which it was entered into. The Contract may be terminated by either party on 30 days' notice in the event that: (i) one of the parties breaches a provision of the Contract and that breach has not been remedied within 30 days of receipt of the notice to cease; (ii) one of the parties becomes insolvent or any insolvency proceedings are commenced against either party. The liability of the parties under the Contract shall be limited to actual damages. The Contract shall be governed by the laws of Singapore and the place of dispute resolution shall be an arbitral tribunal in Singapore. The Agreement specifies the mutual obligations of the parties as well as the basic terms and conditions of the distribution. The terms of the Agreement do not deviate from generally applicable market practices. The Company estimated that revenues under the Agreement over the next three years will amount to approximately PLN 250 million. Realised revenues in 2020-2022 amounted to PLN 221.7 million.

The Company entered into annexes to the above-mentioned agreement in 2024, according to which the participation of SciGen PTE. LTD. in the distribution of insulin products - finished form and substance - in the markets:

a. Tunisia, Libya and Malta - for the period from 1 January 2024 to 31 December 2027, the existing distribution business will be managed and operated by Bioton for the territory and companies detailed in the addendum; Bioton will bear the responsibility and all costs and expenses related thereto and SciGen will not participate in the calculation of the profit sharing mechanism;
b. Malaysia - the addendum relates to the sale of Bioton products as a semi-exclusive distributor in Malaysia for the contractually agreed quantity of insulin cartridges.

Agreement with Yifan Pharmaceutical Co.

On 16 July 2019, the Board of Directors entered into an agreement with Yifan Pharmaceutical Co., Limited ("Yifan"), the subject of which is the mutual cooperation of the parties on the active substances of insulin analogues and the final drug product (in finished form) from their production to commercialisation (the "Agreement"). The Agreement provides funding for the entire project, as all costs related to the purchase and installation of the equipment needed for each stage of the Agreement, the purchase of raw materials and excipients necessary to manufacture the products to the extent covered by the respective orders will be covered by Yifan. If the result of the work demonstrates that the commercial production line is suitable for the production of a drug product in finished form (eng. "Drug Product - Finished Form"), Bioton shall be granted the right to use Yifan's intellectual property as well as the 25-year right to manufacture, distribute, market, offer and sell the product on an exclusive basis in the territory of Poland as well as Bioton shall be granted the priority right to obtain the right of use in European countries under its own brand. Bioton will also act as a producer of the products worldwide.

On 11 March 2024, the Company received correspondence indicating that Yifan is indicating a change in its business model for collaboration with the Company on the Glargine and Lispro insulin analogue projects. According to this correspondence, Yifan is considering a change to the current model of collaboration under the Agreement, which could result in the transfer of the API and final drug technology to the Company or Yifan supplying the API and the Company manufacturing the final drug using Yifan's technology. In either case, the Company will be the main supplier of the final drug products in Europe. For the purposes described by Yifan, the parties should enter into a licence agreement. Furthermore, Yifan confirms in this correspondence that the Company has the right to continue the research and development of the Lispro project using an external strain. In response to the correspondence received, the Company has sent an enquiry to Yifan focusing on clarifications regarding the parties' continued cooperation under the Agreement, as, according to the legal analyses, the correspondence received does not result in the termination of the Agreement or the suspension of the Lispro or Glargine project.
As at the date of this current report, the Company has not received a response from Yifan.

Bioton and Yifan on 29 July 2024 entered into an agreement to confirm issues relating to both Parties' intellectual property rights in connection with the execution of the MSA, which expressly sets out the intellectual property rights developed by both Yifan and Bioton both under the MSA and previously held by each Party. The Company has agreed with Yifan that it may develop its own analogues within the licensed strain from another supplier. As of the date of this report, Yifan has not made a decision on the next steps for insulin analogues (Lispro and Glargine) under the MSA.

Development of biosimilar products

The Company's strategy is to continue to develop analogues based on its own technology or Yifan's technology or through other avenues, such as licensing agreements and API purchases to accelerate the drug product technology project. In the absence of Yifan's decision on the next steps in the MSA, the Company has developed its own strategy. The most favourable analogue to be developed at this point would be Glargine 100 IU and 300IU (due to the termination of the 300IU patent in 2028) and entry into the GLP-1 market through drug product development or CMO opportunity. At this point, the Company has started its own project and is seeking an API supplier (for Liraglutide) and is developing a formulation of the medicinal product, registering it in the EU through a decentralised procedure. The Company has decided to start its own work on Glargine's API, but will continue to evaluate various opportunities to bring Glargine to the Polish market. In all cases, the company reserves the right to take the opportunity to bring all molecules to market as quickly as possible. The above strategy can be enforced through product licensing agreements and reprioritisation of R&D activities. The product development prioritisation matrix will continue to be assessed for relevance and prioritisation based on market data.

As part of the implementation of the above strategy, on 08 November 2024 the Company entered into a commercial Licence and Supply Agreement with a global pharmaceutical company for the distribution of a biosimilar long-acting insulin analogue, Glargine, in Poland. The drug has been centrally authorised by the European Medicines Agency after detailed evaluation by international scientific bodies. The European Commission has approved the drug for marketing in all EU countries. The introduction of the drug in Poland will be beneficial for patients as it will allow wider access to the currently recommended therapy. Bioton plans to launch the drug in Poland after receiving reimbursement in mid-2025. The signing of the agreement marks the beginning of a long-term cooperation aimed at locating the production of the biosimilar form of Glargine for the EU markets in Poland at Bioton's state-of-the-art pharmaceutical plant, which meets the strict standards and criteria of the European Union law for biological drugs. The contract manufacturing agreement for Glargine was signed on 7 February 2025.

Product development in international markets

The Company is considering and analysing a number of strategic projects to ensure the development of its product portfolio and sales scale in international markets. One of these is to update the current human insulin (RHI) dossier to meet EMA guidelines, this project is essentially based on knowledge developed within the Company. The project is currently in the preliminary design phase. This will open up new markets such as Europe and other international markets that accept EMA approval as part of the registration process. As previously reported, this project will help the Company gain access to new markets that are currently out of scope without such regulatory approval. As part of this project, the Company submitted three applications for funding to the Agency for Medical Research (ABM) under the Entrepreneurial Research Competition in the area of Drug Safety, Innovative Therapies and Future Medicines (2024/ABM/05/KPO) on 30 September 2024 for the Development of Human Insulin R, N and M30 as part of the implementation of a drug safety strategy in accordance with the Union list of critical medicines - version 1 (EMA/528805/2023), the results of which are not available at the time of publication of this report. The Company is also looking for sales opportunities in specific markets, using the regulatory pathway of the well-established use principle, emergency use authorisations and other regulatory processes to obtain approval in larger markets, following the withdrawal of human insulin by some multinational companies.

Currently, there are significant shortages worldwide in the availability of the essential drug for the treatment of diabetes, which is recombinant human insulin produced by Bioton. Bioton's production capacities are able to fill its increasingly widespread deficits in global markets. In addition to the Company's presence in already existing markets and their further development, the Company is responding to the needs of existing supply shortages which resulted in a contract signed on 18 October 2024 for the production of recombinant human insulin securing the treatment of patients in Malaysia with deliveries already starting in December 2024. Subsequent deliveries under this agreement will continue until May 2025, with estimated sales of PLN 40 million, which will have a positive impact on the Company's and the Group's financial performance in 2025. The Company is in discussions to extend the current agreement for additional delivery volume until the end of 2025.

Development through the introduction of new products on the Polish market

The company intends to increase revenues and is successively introducing new products to the Polish market, such as Combodiab 'Sitagliptin Metformin combination therapy', two new products in the gastrointestinal line. The strategy to introduce New Products is already in place and focuses on all available molecules to complete the product portfolio of diabetes care in Poland.

As part of the implementation of its Medical Devices strategy, the Company signed an agreement on 03 September 2024 to distribute and sell a continuous blood sugar monitoring system - the cGMS system - on the Polish market. CareSens Air is a continuous glycaemic monitoring system (CGMs) that provides an easy and convenient way to monitor blood glucose levels for 15 days. Through a simple and easy-to-read app, CareSens Air shows how nutrition and exercise affect glycaemic levels. CareSens Air provides the ability to track blood glucose levels and the trend and rate of change of glucose levels in real time, sending data to the phone every five minutes. The company has begun to roll out the product as early as Q4 2024.

As part of its strategy to introduce new products to the Polish market, the Company, on 3 October 2024, entered into an Annex with Galenicum Health, S.L.U. to the Licence and Supply Agreement, regarding the extension of the cooperation to include 5 new molecules, from the therapeutic group of DPP-4 and SLGT2 inhibitors which will be introduced successively to the Polish market between 2026 and 2030. These actions are in line with the Company's strategy to strengthen its product portfolio in Poland by introducing drugs from the areas of Diabetes Management and Cardiovascular Health.

On 7 August 2024, Bioton S.A. entered into a licence and supply agreement with Pharmazac S.A. for a pharmaceutical product containing the active substance Ticagrelor in the form of film-coated tablets, in order to obtain a marketing authorisation for the product in the territory of Poland. The agreement will remain in force for a period of five years from the date of the product's introduction into the territory. The agreement shall be governed by and construed in accordance with the laws of Geneva, Switzerland, and any disputes, conflicts or claims arising therefrom shall be submitted to the jurisdiction of the Swiss courts.

Development by utilising the existing capacity of production facilities

This strategy includes activities to utilise the Company's existing production capacity at Bioton's state-of-the-art pharmaceutical manufacturing facility, which meets the strict standards and criteria of European Union law for biological drugs in the form of manufacturing substances or finished forms. As previously announced, this includes licensing agreements, API acquisition and drug product development. Management is also looking for partners to fully exploit the facility's capabilities as part of its CDMO and CMO strategy.

Sales revenue - geographical structure

in thousands PLN	**01.01.2024-31.12.2024**	**01.01.2023-31.12.2023**
Poland	97 896	106 763
Malaysia	21 704	2 332
Vietnam	21 283	10 943
Tunisia	11 500	-
Thailand	6 507	-
China	6 368	1 643
Libya	3 353	21 347
Bangladesh	4 668	4 383
Ukraine	3 292	3 219
Other markets	**37 482**	**36 634**
Total sales revenue	**214 052**	**187 265**

Sales revenues to the geographic structure were allocated based on the target sales market.

Sales revenue - structure by customer

Sales structure by customer, which accounted for more than 5% of total revenue .
The clients identified below in each financial year may represent a different entity.

in thousands PLN	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Poland	**65 549**	**70 910**
Customer 1	28 368	33 389
Customer 2	25 133	23 393
Customer 3	12 048	14 127
Foreign market	**88 418**	**60 953**
Customer 1	70 819	38 621
Customer 2	17 599	22 331
Total sales revenue	**153 967**	**131 863**

Explanation of seasonality and cyclicality

Insulin sales are characterised by relatively small seasonal fluctuations in terms of patient uptake. Due to the chronic nature of the disease and the long duration of patient use, insulin sales remain at similar levels in all months of the year (with the exception of the holiday months, traditionally the least favourable months for the pharmaceutical industry). However, it should be noted that the majority of new cases of diabetes are diagnosed at a time when the patient is suffering from infections. Infections can also upset the metabolic balance of patients already being treated for diabetes. Therefore, patients most often change treatment in spring and autumn, and this is when most new cases of diabetes are diagnosed. Fluctuations in quarterly sales can occur in relation to sales made to distributors who are the Company's customers and purchase according to specific orders or delivery schedules defined by won tenders, which vary in size and value resulting in fluctuations in sales from month to month or quarter to quarter.

7.2 Sales revenue

in thousands PLN	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Revenue from sale of finished products	159 910	122 436
Revenue from sale of services [1)]	11 177	20 474
Revenue from sale of goods	42 965	44 355
	214 052	**187 265**

[1)]The company earns deferred revenue, the balance at 31.12.2024 is PLN 33,877 thousand; see also note: 7.29.

7.3 Costs by type

in thousands PLN	Note	01.01.2023 - 31.12.2024	01.01.2023 - 31.12.2023
Depreciation, including:		36 070	34 746
- property, plant and equipment	8	13 164	13 153
- intangible assets	9	18 236	17 959
- right of use		4 671	3 634
Consumption of materials and energy, of which:		39 573	50 430
- electricity		*10 914*	*14 766*
- gas		*4 942*	*10 795*
Taxes and charges		3 413	3 568
Third-party services		40 708	49 153
Salaries		40 172	37 681
Employee benefits		10 502	9 622
Other		3 120	3 681
Total costs by type		**173 559**	**188 883**
Cost of sales (negative value)		(37 458)	(42 571)
General administrative expenses (negative value)		(29 505)	(28 944)
Research and development costs (negative value)		(3 990)	(5 496)
Downtime and unused capacity costs		(1 929)	(10 950)
Change in products		180 899	59 060
Cost of own-account benefits (negative value)		(166 193)	(86 573)
Cost of products sold		**115 383**	**73 409**
Cost of goods and materials sold		**34 871**	**31 850**
Cost of sales		**150 253**	**105 259**

Salary costs

in thousands PLN	01.01.2023 - 31.12.2024	01.01.2023 - 31.12.2023
Remuneration[1)]	40 172	37 681
Social security	7 012	6 330
Health and safety services	226	120
Training and further training	66	260
Other	3 198	2 912
Total	**50 674**	**47 303**

[1)]*Remuneration paid or payable to members of the management and supervisory bodies - see note 7.46*

7.4 Downtime and unused capacity costs

in thousands PLN	01.01.2024 - 31.12.2024	01.01.2022 - 31.12.2023
Downtime costs	1 929	10 526
Unused capacity costs	-	425
	1 929	**10 950**

7.5 Other operating income

in thousands PLN	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
(a) gain on disposal of non-financial fixed assets[1)]	-	3 112
(a) sales of materials	1 346	750
(b) release of provisions for employee benefits	2	54
(c) release of write-downs on current assets	170	923
(d) other, including:	999	16 761
- subsidies	748	749
- inventory of liabilities[2)]	69	15 908
- others	182	104
Total	**2 518**	**21 600**

[1)]Proceeds from the sale of the property; the sale of the land took place on 27 April 2023;
[2)]Write-off of an overdue liability for additional remuneration resulting from the sale agreement of shares in Biolek sp. z o.o. of 22 November 2012, concluded between Troqueera Enterprises Limited and Bioton S.A. in the amount of PLN 10.3 million.

7.6 Other operating expenses

in thousands PLN	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
(a) loss on disposal of non-financial fixed assets[)]	34	-
(b) revaluation of non-financial assets, including:	55	7
- non-financial current assets due to:	55	7
(c) provisions made for:	298	229
- provision for severance payments	211	19
- provision for holidays	-	167
- provision for severance payments	87	43
(d) other, including:	1 207	1 898
- contributions to organisations	-	15
- donations	396	247
- liquidations of current assets	727	1 630
- penalties and damages	83	1
- other costs	-	6
Total	**1 594**	**2 134**

7.7 Financial income

in thousands PLN	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
A. Financial income from interest, including:	**1 203**	**1 318**
(a) on account of loans granted, of which:	1 203	1 318
- from related parties	1 203	1 318
B. Gain on disposal of financial assets	**-**	**-**
C. Other financial income, including:	**1 631**	**434**
a) foreign exchange gains	1 631	434
Total financial income	**2 833**	**1 752**

7.8 Financial costs

in thousands PLN	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
D. Finance costs for interest, including:	**7 993**	**8 291**
(a) on loans and borrowings	5 202	6 601
- for related parties	401	1 112
- for other entities	4 801	5 489
(b) other interest and commissions	2 791	1 690
- for other entities	2 791	1 690
G. Other financial costs, including:	**1 128**	**1 151**
(b) other, including:	1 128	1 151
- other[1)]	1 128	1 151
Total financial costs	**9 121**	**9 443**
	9 121	**9 443**
Net financial income / (expenses)	**(6 288)**	**(7 691)**

[1)]in 2023 an amount of PLN 1,149 thousand and in 2024 an amount of PLN 1,128 thousand represents the financing of the activities of the subsidiary Bioton International GmbH.

7.9 Income tax

Income tax recognised in the income statement

in thousands PLN	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Current income tax		
Income tax for the current year	-	-
Deferred tax		
Creation/reversal of temporary differences	4 031	4 628
Total income tax	**4 031**	**4 628**

The Company did not pay corporation tax for the periods in question in 2024 and 2023.

Effective tax rate

in thousands PLN		31.12.2024		31.12.2023
	%	amount	%	amount
Profit/(Loss) from continuing operations		(14 448)		5 821
Profit/(Loss) from discontinued operations		-		-
Profit/(Loss) before taxation		**(14 448)**		**5 821**
Tax based on the applicable tax rate	**19**	**(2 745)**	**19**	**1 106**
Difference between the expected tax and the tax in the P&L		**(6 776)**		**(3 522)**
Explanation of the absence of an effective rate				
Tax revenue not constituting accounting revenue		1 128		1 150
Non-taxable accounting income		663		(1 438)
Permanent differences on non-tax costs:		**9 217**		**8 711**

in thousands PLN		**31.12.2024**		**31.12.2023**
- financing of the subsidiary		1 128		1 150
- NKUP depreciation		2 741		3 247
- other NKUP		5 348		4 314
		1 128		
Deferred tax asset/reserve items written off (not recognised in current tax)		**24 654**		**10 116**
- asset due to release of allowance for unused R&D allowance		24 654		10 116
Total		**35 662**		**18 539**
Tax representing the difference	**19**	6 776	**19**	3 522
Tax rate after clarification of changes	**-27,90**	**4 031**	**79,51**	**4 628**

7.10 Property, plant and equipment

in thousands PLN	Buildings, premises and civil engineering works	Technical equipment and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Total fixed assets
Gross value of fixed assets as at 1 January 2024.	**193 326**	**259 781**	**672**	**27 049**	**16 372**	**497 200**
Increases (due to):	**80**	**30 727**	**-**	**75**	**21 610**	**52 492**
- expenditure					21 610	21 610
- transfer from fixed assets under construction	80	30 727	-	75	-	30 882
- others	-	-	-		-	-
Decreases (due to):	**-**	**10**	**-**	**52**	**30 882**	**30 943**
- sale	-	-	-	-	-	-
- transfer to fixed assets, equipment and PPE	-	-	-	-	30 882	30 882
- elimination	-	10	-	52	-	61
Gross value of fixed assets at 31 December 2024.	**193 405**	**290 498**	**672**	**27 072**	**7 101**	**518 749**
Depreciation and impairment losses as at 1 January 2024.	**(41 134)**	**(166 248)**	**(607)**	**(13 567)**	**(974)**	**(222 529)**
Increases (due to)	**(2 489)**	**(9 209)**	**(9)**	**(1 456)**	**-**	**(13 164)**
- depreciation	(2 489)	(9 209)	(9)	(1 456)	-	(13 164)
Decreases (due to):	**-**	**(10)**	**-**	**(52)**	**-**	**(61)**
- elimination	-	(10)	-	(52)	-	(61)
Depreciation and impairment losses as at 31 December 2024.	**(43 623)**	**(175 447)**	**(616)**	**(14 972)**	**(974)**	**(235 632)**
Net value of fixed assets at 31 December 2024.	**149 783**	**115 051**	**56**	**12 101**	**6 127**	**283 117**

At 31 December 2024, the Company analysed indications of impairment of property, plant and equipment. As a result of the analysis, no indications of impairment and the need for write-downs were identified.

Security for bank loans is established on certain fixed assets. At the end of the reporting period, the highest value of collateral under the agreements was PLN 55,506 thousand and at 31.12.2023 it was PLN 74,202 thousand.

The net value of the fixed assets included in the security agreement was as follows:

- 31 December 2024 - amounting to PLN 57,884 thousand, the collateral relates to loans,
- 31 December 2023 - amounting to PLN 37,807 thousand, the collateral relates to loans,

Fixed assets under construction

At the end of the reporting period, expenditures on fixed assets under construction totalled PLN 6,127 thousand and related to the Company's ongoing tasks related to, inter alia, expenditures included in machinery and equipment with a value of PLN 4,258 thousand, to buildings and structures with a value of PLN 169 thousand, (as at 31 December 2023, expenditures amounted to PLN 15,398 thousand and for the aforementioned categories 12,783 thousand, PLN 947 thousand respectively).

7.11 Intangible assets

in thousands PLN	Costs of completed development work	Concessions, patents, licences, computer software	Other intangible assets	Development work in progress	Total intangible assets
Gross value at 1 January 2024.	**162 193**	**21 984**	**325 387**	**38 298**	**547 861**
Increases due to:	**-**	**6 157**	**-**	**11 134**	**17 291**
- acquisition	-	6 157	-	959	7 116
- in-house development work	-	-	-	10 175	10 175
- exchange rate differences	-	-	-	-	-
Decreases due to:	**164**	**3 816**	**-**	**21 224**	**25 204**
- reclassification for investment	-	-	-	21 224	21 224
- value adjustment	164	3 816	-	-	3 980
Gross value at 31 December 2024.	**162 029**	**24 325**	**325 387**	**28 208**	**539 948**
Accumulated depreciation and impairment losses					
Accumulated depreciation and impairment losses as at 1 January 2024.	**(41 052)**	**(16 813)**	**(126 676)**	**-**	**(184 541)**
Increases due to:	**(6 976)**	**(2 182)**	**(9 077)**	**-**	**(18 236)**
- depreciation	(6 976)	(2 182)	(9 077)	-	(18 236)
Reductions	**-**	**-**	**-**	**-**	**-**
- elimination	-	-	-	-	-
Accumulated depreciation and impairment losses as at 31 December 2024.	**(48 028)**	**(18 995)**	**(135 754)**	**-**	**(202 777)**
Net value at 31 December 2024.	**114 001**	**5 330**	**189 633**	**28 208**	**337 172**

Development work in progress

At the end of the reporting period, expenditures on development work and intangible assets under development totalled PLN 28,208 thousand. PLN 28,208 thousand and related, inter alia, to outlays for product registrations, including registration procedures for classic insulin and its registration in other territories, and outlays for the implementation of technology for analogues (as at 31 December 2023, they totalled PLN 38,298 thousand)

Impairment test

At the end of each reporting period, the Company assesses whether there are any indications that unfinished development work may impaired.

In assessing the existence of indications that intangible assets may be impaired, the Company analyses, as a minimum, indications from external and internal sources of information as required by IAS 36 'Impairment of Assets'.

The Company analysed whether there were any indications of impairment of its intangible assets. As a result of the analysis, no indications of impairment and the need for write-downs were identified.

7.12 Right-of-use assets

The unconsolidated balance sheet contains a separate item for "Right-of-use assets", which includes the following assets by class:

in thousands PLN	**IFRS 16 31.12.2024**	**IFRS 16 31.12.2023**
Technical equipment and machinery	13 775	10 685
Means of transport	336	653
Perpetual usufruct of land	5 020	5 098
Total	**19 131**	**16 435**

in thousands PLN	**Technical equipment and machinery**	**Means of transport**	**Perpetual usufruct of land**	**Total**
Balance as at 01.01.2024	**10 685**	**653**	**5 098**	**16 435**
Additions - new leases	7 251	117	-	**7 367**
Depreciation	(4 160)	(433)	(77)	**(4 671)**
Balance at 31.12.2024 - IFRS 16 net	**13 775**	**336**	**5 021**	**19 132**

7.13 Non-current financial assets

in thousands PLN	**31.12.2024**	**31.12.2023**
(a) loans to related parties, of which:	11 518	13 503
- to subsidiaries	11 518	13 503
	11 518	**13 503**

Change in non-current financial assets

in thousands PLN	**31.12.2024**	**31.12.2023**
Balance at beginning of period	13 503	14 063
Increases due to:	1 125	1 240
(a) in affiliated undertakings	1 125	1 240
- interest on loans	1 125	1 240
Decreases due to:	(3 109)	(1 800)
(a) settlement of mutual claims, including:	(3 109)	(1 800)
- interest	(3 109)	(1 800)
Balance at end of period	**11 518**	**13 503**

Long-term loans as at 31 December 2024 *(in thousands of PLN)*

Borrower	Currency	Type and rate of interest	Amount in currency	Amount in PLN	Repayment period
BIOLEK Sp. z o.o.	PLN	WIBOR 3M plus margin	11 518	11 518	Payment of principal and interest one year after summons
Total in PLN			**11 518**	**11 518**	
Total long-term				**11 518**	*See also note 7.25*

In accordance with the requirements of IFRS 9, the Company carried out the loan impairment test taking into account significant increases in product sales between 2025 and 2030 related to the expansion of the business into additional markets and the introduction of new products in the gastronomy segment. The Board is of the opinion that the assumptions made in the impairment test are reasonable and therefore no impairment loss on the loans is required.

7.14 Investments in subsidiaries and associates

in thousands PLN	31.12.2024	31.12.2023
Investments in subsidiaries and associates, of which:	3 965	3 965
- in subsidiaries (Bioton Marketing Agency Sp. z o.o.)	3 965	3 965
	3 965	**3 965**

Change in investments in subsidiaries and associates

in thousands PLN	31.12.2024	31.12.2023
Balance at beginning of period	3 965	3 965
Balance at end of period	**3 965**	**3 965**

As at 31 December 2024 and 31 December 2023, there were no hedges on investments in subsidiaries and associates.

7.15 Deferred tax assets and liabilities - deferred tax

Deferred tax assets result from the following balance sheet items:

	Tax assets	
in thousands PLN	**31.12.2024**	**31.12.2023**
Inventories	36	60
Receivables	264	524
Intangible assets	266	4 950
Credits and loans	783	855
Commitments	432	371
Property, plant and equipment	185	185
Employee benefits	1 226	1 036
Reserves	1 322	1 911
Deferred income	2 788	3 203
Total	**7 302**	**13 094**
Unrelieved tax losses[1)]	3 155	74
Offsetting deferred tax	(10 457)	(13 168)
Total after offsetting	-	-

[1)] *between 2018 and 2023, the Company has fully utilised the losses from 2016 - 2018 in the amount of EUR 100,882 thousand.*

Deferred tax liabilities result from the following balance sheet items:

Fiscal liabilities

in thousands PLN	**31.12.2024**	**31.12.2023**
Property, plant and equipment	10 198	10 620
Intangible assets	8 093	5 842
Receivables	96	7
Commitments	2	29
Cash	0	0
Credits and loans	643	1 269
Total	19 032	17 767
Offsetting deferred tax	(10 457)	(13 168)
Total after offsetting	**8 575**	**4 599**

Deferred tax in the individual reporting periods was calculated according to the statutory tax rate applicable in Poland of 19%.

Deferred tax assets and liabilities

in thousands PLN	**Balance as at 01.01.2024**	**Changes recognised in profit or loss**	**Changes recognised in equity**	**Balance at 31.12.2024**
Property, plant and equipment	(10 435)	422	-	(10 013)
Intangible assets	(892)	(6 935)	-	(7 827)
Inventories	60	(23)	-	36
Receivables	516	(348)	-	168
Loans[1)]	(414)	553	-	139
Employee benefits[2)]	1 036	245	(54)	1 226
Deferred income[4)]	3 203	(415)	-	2 788
Commitments	342	87	-	430
Reserves	1 911	(589)	-	1 322
Tax losses[3)]	74	3 081	-	3 155
Total	**(4 599)**	**(3 922)**	**(54)**	**(8 575)**

7.16 Long-term accruals and deferred income

in thousands PLN	**31.12.2024**	**31.12.2023**
(a) accruals, of which:	75	269
- costs of updating information systems	-	179
- consultancy services	58	-
- other deferred costs	17	90
	75	**269**

7.17 Inventories

in thousands PLN	**31.12.2024**	**31.12.2023**
(a) materials	33 726	42 720
b) semi-finished products and work in progress	34 612	30 587
(c) finished products	6 478	15 227
(d) goods	27 810	28 502
(e) advances for deliveries	2 498	269
Total net inventories	**105 124**	**117 305**
Inventory write-downs	191	314
Total gross inventories	**105 316**	**117 619**

At the end of the reporting period and at the end of 2024, the Company had not secured its loan obligations in its agreements with banks with a registered pledge over inventory. The Company has secured the repayment of the loan from the Uniapek with a pledge over a certain amount of insulin substance, which amount decreases with subsequent repayments.

Change in inventory write-downs

in thousands PLN	**31.12.2024**	**31.12.2023**
Balance at beginning of period	**314**	**1 237**
- creation	181	309
- utilisation	(304)	(1 232)
Balance at the end of the period:	**192**	**314**

An increase in the impairment loss of PLN 181 thousand was recognised in other operating expenses (in 2023, the amount of the impairment loss is PLN 309 thousand).
The value of inventories recognised as cost of products and goods sold in the income statement was PLN 150 253 thousand (2023: PLN 105 259 thousand).

7.18 Short-term financial assets

in thousands PLN	**31.12.2024**	**31.12.2023**
(a) in affiliated undertakings,	1 606	1 555
- loans granted	1 606	1 555
	1 606	**1 555**

Change in short-term financial assets

in thousands PLN	**31.12.2024**	**31.12.2023**
Balance at beginning of period	1 555	1 596
Increases due to:	51	(41)
(a) in related parties, of which:	51	(41)
- interest on loans	78	78
- valuation of loans to related parties	(27)	(119)
Balance at end of period	**1 606**	**1 555**

Borrower	Currency	Type and rate of interest	Amount in currency	Amount in PLN	Repayment period
BIOTON International GmbH	EUR	EURIBOR 3M for EUR plus margin	340	1 606	Repayment of principal and interest 2 months after summons
Total in EUR			**340**	**1 606**	*See also note 7.25*
Total short-term				**1 606**	

7.19 Trade and other receivables

The note presents the Company's trade receivables, tax receivables and other receivables. Information on the Company's exposure to foreign exchange and interest rate risks is presented in note 7.35 and 7.36.

Short-term receivables

in thousands PLN	31.12.2024	31.12.2023
a) from related parties	**12 968**	**21 518**
- on account of deliveries and services	12 968	21 518
- others	-	-
b) receivables from other undertakings	**21 016**	**21 038**
- on account of deliveries and services	14 286	15 366
- from taxes, of which:	6 727	5 270
- VAT	6 720	5 263
- other taxes	7	7
- other, including:	3	402
- advances for fixed assets under construction	-	759
- advances paid for deliveries and services	0	0
- deposits received	-	(404)
- receivables from employees	(4)	27
- others	6	19
	33 983	**42 556**

Receivables from related parties mainly comprise accrued income from services provided.

Change in impairment losses on short-term receivables

At the end of the reporting period, allowances for receivables amount to PLN 1,389 thousand (2023: PLN 1,413 thousand).
In determining the allowance, the Company used the expected credit loss model, the Company assesses the status of overdue receivables individually for each customer, taking into account the reason for their overdue status, the financial condition of the debtor and the level of probability of repayment by the customer. The Company decides to create an allowance for receivables on the basis of its analyses and on the basis of relevant indications that the customer is unable to repay the overdue receivables in the foreseeable future.
Each time the age structure is drawn up at the reporting date, the entity analyses the receivables guided primarily by the individual approach to each receivable arising, but also taking into account the principles described above.

Age structure of short-term trade receivables from unrelated parties

Current receivables

in thousands PLN	31.12.2024	31.12.2023
Gross current trade receivables with maturities:		
- current up to 30 days	6 629	7 910
- current from 31 to 60 days	1 290	5 182
- current from 61 to 90 days	844	1 661
- current from 91 to 180 days	52	(164)
Net current trade receivables	**8 816**	**14 588**

Past due receivables

in thousands PLN	31.12.2024	31.12.2023
Gross overdue trade receivables with a repayment period:		
- overdue up to 30 days	4 071	621
- between 31 and 60 days past due	61	582
- 61 to 90 days past due	(54)	597
- overdue between 91 and 180 days[1)]	3 060	286
- overdue between 181 and 365 days	(388)	19
- overdue more than 365 days	109	86
Allowances for overdue trade receivables	(1 389)	(1 413)
Past due trade receivables, net	**5 470**	**778**

[1)]Overdue receivables had been repaid by the date of publication of this report;

7.20 Cash and cash equivalents

in thousands PLN	31.12.2024	31.12.2023
Cash in bank accounts	6 738	3 759
Total cash and cash equivalents	**6 738**	**3 759**
Cash, value reported in the cash flow statement	**6 738**	**3 759**

Cash in bank accounts bears interest at variable rates, which depend on the interest rate on one-day bank deposits. Term deposits are short-term in nature, are made for various periods ranging from one day to three months, depending on the Company's current cash requirements, and bear interest at the interest rates set for them.

Cash in bank accounts and term deposits are held in bank accounts at banks where the Company enjoys credit (see also note 7.25).

7.21 Short-term prepayments and accruals

in thousands PLN	31.12.2024	31.12.2023
Accruals, of which:	4 983	1 827
- taxes and fees	3	3
- registration of medicinal products	-	45
- insurances	1 134	1 152
- costs of updating IT systems	216	243
- validations	357	188
- downtime costs	2 422	-
- costs of other external services	830	172
- other deferred costs	21	23
	4 983	**1 827**

7.22 Assets held for sale, acquisitions and disposals of subsidiaries

As at 31 December 2024 and 31 December 2023, there were no assets held for sale, due to non-compliance with the requirements under IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

7.23 Equity

Share capital

in thousands of shares	Ordinary shares	
	31.12.2024	31.12.2023
Number of shares at the beginning of the period	**85 864**	**85 864**
A shares after the reverse split	85 864	85 864
Number of shares at the end of the period (fully paid up)	**85 864**	**85 864**
Nominal value per share (after reverse split)	**20 zł**	**20 zł**

The Company has not issued shares in 2024.

Structure of the share capital of BIOTON S.A.

	Shareholder	Number of shares/votes (in pcs.)	% of share capital
1	Dongren Singapore PTE LTD.[1)]	16 989 289	19,79
2	Perfect Trend Ventures Ltd.[2)]	10 186 419	11,86
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	Other shareholders holding < 5%	43 091 578	50,19
		85 864 200	**100**

[1)] Yifan Pharmaceutical Co., Ltd. is indirectly entitled through Dongren Singapore PTE LTD. 16,989,289 dematerialised shares in the Company representing 19.79% of the Company's share capital. Yifan Pharmaceutical Co., Ltd. is the parent company of Dongren Singapore PTE LTD.
[2)] Yifan Pharmaceutical Co., Ltd. is indirectly entitled through Perfect Trend Ventures Limited to 10,186,419 dematerialised shares in the Company representing 11.86% of the Company's share capital. Yifan Pharmaceutical Co., Ltd. is the parent company of Perfect Trend Ventures Limited.
[1) i 2)] Yifan Pharmaceutical Co., Ltd. indirectly holds 27,175,708 shares in the Company, representing 31.65°% of the Company's share capital and entitling 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. The ultimate beneficial owner of 42.34% of the shares out of the above 31.65% is Mr. Cheng Xian Feng.
[3)] Basolma Holding Ltd is the parent company of AIS Investment 2 Ltd.
[4)] Dongren Investment Co., Ltd. of Ningbo Free Trade Zone is indirectly entitled through UniApek to 4,293,210 dematerialised shares of the Company representing 5% of the share capital of the Company. Wenjun Cui is indirectly entitled through Dongren Investment Co., Ltd. of Ningbo Free Trade Zone and UniApek S.A. 4,293,210 dematerialised shares of the Company representing 5% of the Company's share capital.

Shareholders drawn up on the basis of the list of shareholders dated 11.03.2025

Share premium account

in thousands PLN

Emissions	Issue value	Number of shares (pcs.)	Issue price per share (in PLN)	Nominal value related to share capital	Issue costs	Share premium
C	44 000	16 000 000	2,75	16 000	4 239	**23 761**
D	2 873	298 358	9,63	298	1 979	**596**
E	14 952	2 020 579	7,40	2 021	2 249	**10 682**
F	85 000	8 500 000	10	8 500	868	**75 632**
G	356 456	1 697 408 406	0,21	339 482	9 258	**7 716**
H	-	-	-	-	48	**(48)**
I	183 352	81 489 729	2,25	16 298	157	**166 897**
J	244 971	272 190 000	0,90	54 438	4 424	**186 109**
K	34 250	32 619 428	1,05	6 524	207	**27 519**
L	35 067	33 082 033	1,06	6 616	70	**28 381**
M	60 000	300 000 000	0,20	60 000	3 955	**(3 955)**
N	96 641	483 206 610	0,20	96 641	4 126	**(4 126)**
O	-	-	-	-	179	**(179)**
P	-	-	-	-	8	**(8)**
R	93 501	467 505 200	0,20	93 501	1 654	**(1 654)**
S	26 974	134 870 120	0,20	26 974	192	**(192)**
T	50 000	250 000 000	0,20	50 000	277	**(277)**
U	119 000	595 000 000	0,20	119 000	722	**(722)**
W	19 684	89 474 460	0,22	17 895	109	**1 680**
Y	20 000	100 000 000	0,20	20 000	120	**(120)**
Z	-	-	-	-	475	**(475)**
A1	52 196	260 980 086	0,20	52 196	295	**(295)**
AA	319 117	1 595 585 570	0,20	319 117	1 834	**(1 834)**
AB	250 000	1 250 000 000	0,20	250 000	1 335	**(1 335)**
AC	1	3 688	0,20	1	201	**(201)**
AC	-	-	-	-	31	**(31)**
Coverage of the 2008 loss	-	-	-	-	-	**(68 591)**
Loss coverage 2009	-	-	-	-	-	**(387 799)**
	2 108 035	**-**	**-**	**1 555 502**	**39 012**	**57 131**

Supplementary capital

Distributed profits are recognised in the supplementary capital and losses are covered from the supplementary capital in accordance with the resolutions of the General Meeting. The valuation of available-for-sale financial instruments is also recognised in the supplementary capital.

As at 31 December 2024, the capital reserve amounted to PLN 260,776 thousand (as at 31 December 2023: PLN 260,776 thousand). The Company did not pay a dividend in 2024. The Company does not plan to pay a dividend in 2025.

Reserve capital

The reserve includes costs of payments in the form of securities to executives, at 31 December 2024. PLN 28,632 thousand (as at 31 December 2023: PLN 28,632 thousand), capital from the settlement of the acquisition of shares in BIOLEK Sp. z o.o., as at 31 December 2024 a negative amount of PLN 297,099 thousand (as at 31 December 2023 a negative amount of PLN 297,099 thousand) and actuarial valuations relating to provisions for retirement benefits a positive amount of PLN 280 thousand (as at 31 December 2023 a positive amount of PLN 49 thousand).

Earnings/(Loss) per share

The calculation of basic earnings per share was based on a net loss of PLN 18 479 thousand and the weighted average number of shares at the date of the financial statements of 85 864 200 shares.

Weighted average number of shares for the period from 1 January to 31 December 2024.

Shares of the series	Quantity in pieces	Quantity in units cumulative	Period	Number of days	Weighted average number of shares
A, AA, AB, AC	85 864 200	85 864 200	01.01.2024–31.12.2024	365	85 864 200
	85 864 200			**365**	**85 864 200**

Weighted average number of shares for the period from 1 January to 31 December 2023.

Shares of the series	Quantity in pieces	Quantity in units cumulative	Period	Number of days	Weighted average number of shares
A, AA, AB, AC	85 864 200	85 864 200	01.01.2023–31.12.2023	365	85 864 200
	85 864 200			**365**	**85 864 200**

7.24 Loans and borrowings and other debt instruments payable

The note presents the Company's liabilities for loans, borrowings and other debt instruments. Information on foreign exchange and interest rate risks to which the Company is exposed is presented in Notes 7.35 and 7.36.

Long-term liabilities

in thousands PLN	31.12.2024	31.12.2023
Credits[1)]	-	1 702
Total non-current liabilities	**-**	**1 702**

Current liabilities

in thousands PLN	31.12.2024	31.12.2023
Loans and borrowings payable, of which::	**36 605**	**52 091**
- other loans and borrowings, of which:	36 605	52 091
- from related parties	4 345	8 298
- from other undertakings	32 260	43 793
Credit card debt obligations	28	22
Total current liabilities	**36 633**	**52 113**

[(1)) in] accordance with IAS 1 para 74, the Company verified long-term loans, the covenants were met

Summary of loans and borrowings

in thousands PLN	**Currency**	**Amount according to contract**	**Contractual repayment term**	**Interest rate conditions**	**Amount PLN as at 31.12.2024**
ING Bank Śląski S.A.	PLN	20 000	Apr.25	Variable interest rate - WIBOR 1M plus margin	1 713
ING Bank Śląski S.A overdraft facility	PLN	20 000	Apr.25	Variable interest rate - WIBOR 1M plus margin	14 546
BNP Paribas Bank Polska S.A. overdraft facility	PLN	15 000	sie.25	Variable interest rate - WIBOR 1M plus margin	16 000
UniApek S.A.	USD	7 000	Check.25	Variable interest rate - USD LIBOR 3M plus margin	4 345
Total in PLN		**55 000**			**32 260**
Total in USD		**7 000**			**4 345**
Total					**36 605**

The collateral for the loans according to the signed agreements is:

- bill of exchange
- mortgage
- assignment of insurance policy rights
- registered pledge
- transfer of receivables under a factoring agreement
- declaration of enforceability
- power of attorney to dispose of funds accumulated on BIOTON S.A. accounts.
- silent cession

Powers of attorney to dispose of funds accumulated in BIOTON S.A. accounts were submitted to ING Bank Śląski S.A. and ING Commercial Finance Polska S.A.

At Bank BNP Paribas Bank Polska S. A., ING Commercial Finance Polska S.A., ING Lease (Polska) Sp. z o.o. and BNP Paribas Leasing Services Sp. z o.o. The Company submitted blank promissory notes together with promissory note declarations securing the Agreements.

In 2024 and up to the date of publication, the following changes to contracts with banks have taken place:

- on 27.02.2024, the Company concluded an Agreement with BNP Leasing Services Sp z o.o. for a photovoltaic installation for an initial value of the finance lease of PLN 7.04 million and a repayment period in monthly instalments until 13.05.2029. The lease amount finances 99% of the net investment cost of construction. The object of the Lease will be used exclusively for the purposes of the Company's business;
- on 20.03.2024, the Company entered into a Guarantee Line Agreement with BNP Paribas Bank Polska Spółka Akcyjna, the amount of the limit is USD 251 thousand, the validity period of the guarantee is indefinite;
- on 20.03.2024, the Company entered into a Receivables Assignment Agreement with BNP Paribas Bank Polska Spółka Akcyjna to secure the cash receivables of BNP Paribas Bank Polska Spółka Akcyjna under the Guarantee Line Agreement;
- on 29.03.2024, the Company concluded Annex No. 7 to the Loan Agreement with UNIAPEK S.A. extending the loan repayment period to 30.11.2024 and setting a new repayment schedule for capital instalments and interest; other provisions of the Agreement remained unchanged;

- On 30.04.2024, the Company concluded with ING Bank Śląski S.A. Annex No. 4 to the Multi-product Agreement No. 808/2021/00000853/00 of 10.05.2021 and Statement of Customer Clauses No. 808/2021/00000853/00 of 17.08.2022 amending the basic terms of the Agreement in the part of the limit availability period and limit amounts and setting the repayment date of the limit of the revolving credit in the bank account until 30.06.2024 and amending the content of the part of the basic terms of the Agreement of the revolving credit in the form of a revolving line to be repaid until 08.05.2025;
- On 10.05.2024, the Company entered into a Revolving Credit Agreement No. WAR/00188/24 with Bank BNP Paribas Bank Polska S.A. Revolving Credit Agreement No. WAR/00188/24 for the amount of USD 2,000,000.00 for the term of the loan until 30 January 2026 to finance the period of deferred payment for supplies from the Foreign Debtor (related to the won tender in Tunisia)
- on 10.05.2024, the Company entered into an insurance assignment agreement to secure the cash receivables of Bank BNP Paribas S.A. under Revolving Credit Agreement No. WAR/00188/24;
- on 10.05.2024, the Company entered into Amendment No. 1 to the Assignment of Receivables - Silent Assignment Agreement dated 20 March 2024 to secure the cash receivables of Bank BNP Paribas S.A. under the Guarantee Line Agreement No. WAR/00081/24 dated 20 March 2024 and the Revolving Credit Agreement No. WAR/00188/24 dated 10 May 2024;
- on 10.05.2024, the Factoring Agreement with an exposure limit of PLN 20 million was extended with ING Commercial Finance Polska S.A. for a further one-year period, i.e. until 9 May 2025;
- on 15.05.2024, the Company entered into with Bank BNP Paribas Bank Polska S.A. Amendment No. 1 to the Registered Pledge Agreement under the Overdraft Agreement establishing a pledge in favour of the Bank up to the maximum amount of security;
- On 22.05.2024, the Company entered into an Amendment No. 4 to the Overdraft Agreement No. WAR/8825/22/347/CB of 23.08.2022 with Bank BNP Paribas Bank Polska S.A. Amendment No. 4 to the Overdraft Agreement No. WAR/8825/22/347/CB of 23 August 2022 setting the amount of the granted limit to PLN 16,000,000.00; the purpose of the granted credit remained unchanged;
- on 21.06.2024, the Company entered into a Framework Agreement on foreign exchange and derivative transactions with Bank BNP Paribas S.A. The Framework Agreement was concluded for an indefinite period of time, and the Agreement was accompanied by a Collateral Agreement specifying the rules for the establishment of Collateral to secure the due performance of obligations, including future and contingent obligations, to the Bank;
- on 26.06.2024, the Company entered into Amendment No. 1 to Revolving Credit Agreement No. WAR/00188/24 dated 10 May 2024 increasing the allocated credit limit to USD 3,000,000.00 and amending the terms and conditions for the drawdown of the credit facility;
- on 27.06.2024, the Company concluded Annex No. 5 to the Multi-product Agreement No. 808/2021/00000853/00 of 10.05.2021, amending the basic terms of the Agreement in the part of the limit availability period and the limit amounts and setting the repayment date of the overdraft limit until 30.09.2024 and amending the content of the part of the basic terms of the revolving line of credit Agreement until 30.09.2024;
- On 30.09.2024, Bioton S.A. concluded with ING Bank Śląski S.A. Annex No. 6 to the Multi-product Agreement No. 808/2021/00000853/00 to the Multi-product Agreement changing the amount of the credit limit and introducing a new repayment schedule and setting a new credit limit availability period;
- on 09.10.2024, Bioton S.A. concluded with ING Bank Śląski S.A. Annex No. 2 to the Registered Pledge Agreement No. 808/2021/00000863/01 of 24.06.2021 amending the content of a part of the basic terms of the Agreement; the other provisions of the Agreement remained unchanged;
- on 09.10.2024, Bioton S.A. concluded with ING Bank Śląski S.A. Annex No. 2 to the Registered Pledge Agreement No. 808/2021/00000863/01 of 24.06.2021 amending the content of a part of the basic terms and conditions of the Agreement; the amendment concerned the reduction of the Highest Amount of Credit Collateral; the remaining provisions of the Agreement remained unchanged;
- on 31.10.2024 Bioton S.A. concluded Annex No. 8 to the Loan Agreement with UNIAPEK S.A. extending the repayment period of the loan until 30.06.2025 and establishing a new schedule of repayment of capital instalments and interest; additionally, the Parties agreed that Bioton shall establish a security for the repayment of the remaining part of the loan in the form of a registered pledge on an active substance; the other provisions of the Agreement remained unchanged.
- on 31.10.2024, Bioton S.A. concluded Annex No. 8 to the Loan Agreement with UniApek S.A. extending the term of the loan repayment until 30.06.2025 and establishing a new schedule of repayment of principal instalments and interest; additionally, the Parties agreed that Bioton shall establish a security for the repayment of the remaining part of the loan in the form of a registered pledge on an active substance; the other provisions of the Agreement remained unchanged;

- On 28.11.2024, Bioton S.A. concluded with ING Commercial Finance Polska S.A. Annex No. 2 to the Factoring Agreement No. 125/2021 amending the exposure limit and introducing additional provisions;
- On 06.12.2024, Bioton S.A. concluded with the bank BNP Paribas Bank Polska S.A. Amendment No. 2 to the Revolving Credit Agreement No. WAR/00188/24 amending the provisions regarding the repayment of the loan tranche amounts;
- On 06.12.2024, Bioton S.A. concluded with BNP Paribas Bank Polska S.A. Amendment No. 1 to the Assignment of Receivables Agreement under an insurance contract up to USD 3 million;
- On 17.12.2024, Bioton S.A. concluded Tripartite Annex No. 3 between BNP Paribas Faktoring sp. z o.o. and BNP Paribas Bank Polska S.A. to the Full Factoring Agreement No. 4104/08/2022 extending the maximum invoice payment term;
- on 28.02.2025, Annex No. 1 to the Current Account Agreement with PKO BP S.A. was concluded, introducing preferential price conditions in the tariff of fees and commissions; other provisions of the Agreement remained unchanged.

From the balance sheet date to the date of publication of the financial statements, the Company has partially repaid loans and borrowings from banks:

- ING Bank Śląski S.A, loan instalments of PLN 1,277 thousand;
- UniApek loan instalment of USD 200 thousand.

7.25 Employee benefit obligations

The Company establishes a provision for retirement benefits annually based on a valuation by an external actuary. The assumptions used to estimate the provision in 2024 are, at a minimum: retirement age for men of 65 and women of 60, a long-term annual salary growth rate of 5.00%, a discount rate of 5.40%, i.e. at the expected yield of the safest long-term securities listed on the Polish capital market (10- and 20-year treasury bonds).
In 2023, the following assumptions were in place: retirement age for men of 65 for women of 60, a long-term annual wage growth rate of 4.50%, a discount rate of 5.40%, i.e. at the expected yield of the safest long-term securities listed on the Polish capital market (10- and 20-year treasury bonds).
As part of the changes to IAS 19 from 01 January 2013, the so-called 'corridor method' was eliminated, so that the full amount of the plan's financial deficit or surplus is recognised by the Company in the financial statements. The possibility of a different presentation of gains and losses related to the defined benefit plan has also been eliminated. Staff costs and finance costs are recognised in profit or loss and the effects of revaluation are recognised in other comprehensive income, so that they are presented separately from changes arising from the entity's ongoing operations. The disclosure requirements for defined benefit plans have been expanded to better reflect the nature of these plans and the risks arising from them.

in thousands PLN	**31.12.2024**	**31.12.2023**
Provision for retirement benefits - long-term	2 308	1 838
Provision for retirement benefits - short-term	186	161
	2 494	**1 999**

Changes in employee benefit obligations - pension provision

in thousands PLN	**31.12.2024**	**31.12.2023**
Provision for retirement benefits - opening balance, of which:	1 999	1 597
(a) long-term	1 838	1 320
b) short-term - *see note 25*	161	277
Decrease - release of provision recognised in income statement	275	224
Decrease - actuarial gains recognised in equity	285	382
Benefits paid	(64)	(204)
Provision for retirement benefits - closing balance, including:	**2 494**	**1 999**
(a) long-term	**2 308**	**1 838**
(b) short-term	**186**	**161**

Maturity of provisions for employee benefits (actuarially discounted values)

	31.12.2024	31.12.2023
From 1 to 3 years	436	332
4 to 5 years	175	193
Over 5 years	1 883	1 475
Total	**2 494**	**1 999**

Changes in employee benefit obligations - holiday provision

in thousands PLN	31.12.2024	31.12.2023
Provision for holidays at the beginning of the period	1 860	1 694
Changes recognised in the income statement, including:	(2)	167
- reduction - release of reserve	(1 935)	(1 676)
- increase - provisioning	1 933	1 842
Provision for holidays at the end of the period	**1 858**	**1 860**

7.26 Trade and other payables

Long-term liabilities

in thousands PLN	31.12.2024	31.12.2023
Trade receivables, maturing over 12 months		
- other, including:	2 525	1 394
- liabilities for the purchase of intangible assets	2 525	1 394
Total non-current liabilities	**2 525**	**1 394**

Current liabilities

in thousands PLN	31.12.2024	31.12.2023
a) to related parties - *see rule(s)*	6 729	7 246
- trade receivables, maturing:	6 729	7 246
- up to 12 months	6 729	7 246
b) to other undertakings	46 970	49 446
- trade receivables, maturing:	34 958	31 115
- up to 12 months	34 958	31 115
- from taxes, of which:	4 918	4 030
- social insurance ZUS	3 478	3 295
- PFRON	125	44
- personal income tax	1 314	690
- on account of wages and salaries	2 396	2 137
- other, including:	4 698	12 165
- liabilities for the supply of non-financial fixed assets	102	748
- uninvoiced trade payables	3 257	10 313
- others	1 340	1 104
(c) special funds, including:	604	341
- ZFŚS	604	341
Total current liabilities	**54 303**	**57 033**

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

7.27 Lease commitments

As at 31 December 2024, lease liabilities amounted to PLN 19 489 thousand, including non-current liabilities of PLN 13 698 thousand. The leasing liabilities shown in this item are a consequence of the implementation of IFRS 16 mainly for transactions of the right of perpetual usufruct of land.

in thousands PLN	**31.12.2024**	**31.12.2023**
Lease commitments (IFRS 16)	19 489	13 916
long-term part	13 698	10 969
short-term part	5 791	2 947
Total lease commitments	**19 489**	**13 916**

In 2024, the Company has entered into one lease agreement for the purchase of a 1.86 MW photovoltaic installation.

7.28 Deferred income

in thousands PLN	**31.12.2024**	**31.12.2023**
Grants from the MG	12 287	12 923
Grants from the National Fund for Environmental Protection and Water Management	2 103	2 215
Advances for deliveries/performance of services	6 994	-
Payments received for sale of rights (upfronts)[1)]	12 493	14 676
	33 877	**29 813**

[1)] *See also note: 7.1.*

7.29 Other accruals and deferred income

in thousands PLN	**31.12.2024**	**31.12.2023**
(a) accrued expenses	**4 563**	**3 223**
- provision for costs, including:	3 887	2 761
* provision for utility costs	26	21
* provision for marketing costs	490	-
* provision for legal/consultancy costs	111	114
* provision for wage costs including surcharges	1 845	1 382
* capital expenditure provision	1 165	1 202
* provision for other costs by nature	249	43
- provision for other operating expenses	7	50
- provision for rebates granted in a subsequent period	669	264
- provision for financial costs	-	147
(b) deferred income	**39 710**	**49 416**
- subsidies from the MG	640	640
- subsidies from NFOŚiGW	111	111
- payments received from the sale of rights (upfronts)[1)]	2 183	2 183
- other (advances for deliveries)	36 776	46 482
	44 273	**52 638**

[1)] *See also note: 7.1*

7.30 Financial instruments

General data on financial instruments as at 31 December 2024.

	Bank deposits and cash in bank accounts	**Loans granted**	**Bank loans**	**Loans received**	**Receivables**	**Commitments**
(a) Qualification	Cash	Loans granted	Financial liability	Financial liability	Trade and other receivables	Trade and other payables
(b) Scope and nature of the instrument	Risk-free or low-risk short-term investments	1 long-term loan 1 short-term loan	3 bank loans	1 loan	See below for details	See below for details
(c) Carrying amount of the instrument *(in thousands PLN)*	6 738	13 124	32 260	4 345	33 983	Commitments: 54 303 RMB: 4 563 Lease commitments: 19 489
(d) Value of instrument in foreign currency *(in thousands)*	EUR 464 USD 4	EUR 375	-	USD 1 059	EUR -25 USD 5 732	EUR 481 USD 3 464
(e) Purpose of acquisition or issue	Depositing uncommitted funds	Financing of subsidiaries	Loan for current operations, refinancing of investments	Loans for day-to-day operations	Current activities	Current activities
(f) Amount (volume) on which future payments are based	Total deposits	Nominal value / to be repaid	Nominal value / to be repaid	Nominal value / to be repaid	Nominal value	Nominal value
(g) Amount and timing of future cash receipts or payments	Interest depending on duration	Term-dependent interest	Interest payable monthly	Interest payable monthly and quarterly	At nominal value	At nominal value
(h) Date of pricing, maturity, expiry or execution of the instrument	Overnight and up to 3M liquid instruments	In accordance with the agreements	Repayment of principal on contractual dates	Repayment of principal on contractual dates	In accordance with the agreements	In accordance with the agreements
(i) Possibility of early settlement	Any	There is	There is	There is	There is	There is
(j) The execution price or price range of the instrument	At nominal value and interest	At nominal value and interest	At nominal value and interest	At nominal value and interest	At nominal value	At nominal value
(k) Possibility of exchange or substitution with another asset or liability	No	no	no	No	no	no

	Bank deposits and cash in bank accounts	**Loans granted**	**Bank loans**	**Loans received**	**Receivables**	**Commitments**
(l) The rate or amount of interest, dividends or other income established and the timing of their payment	Variable, WIBID - bank margin Payment deadline at completion	For PLN WIBOR + margin, for foreign currency LIBOR or EUROIBOR + margin or fixed interest rates. Repayment date - by contract at the time of completion	Bank loan - for PLN WIBOR + bank margin, for foreign currency EUROIBOR + bank margin Repayment terms - monthly and quarterly	Variable interest rate - USD LIBOR plus margin	In accordance with the agreements	In accordance with the agreements
(m) Collateral relating to an instrument, whether taken or given	no	no	described in note 7.24	described in note 7.24	no	no
(n) The aforementioned information for the instrument into which the instrument may be converted	N/D	N/D	N/D	N/D	N/D	N/D
(o) Other conditions attached to the instrument	no	no	Bank credit - min. use of credit in accordance with contracts	No	no	no
(p) Type of risk associated with the instrument	Currency, interest rate, credit of financial institution	Currency, interest rate, borrower credit	Interest and liquidity rates	Currency, interest rate and liquidity	Currency, interest rate and credit of the recipient	Currency
(q) Total existing liabilities for positions taken in instruments	no	no	no	No	no	no
(r) Fair value of the instrument	Equal to the carrying amount	Equal to the carrying amount of PLN 13,124 thousand.	Equal to the carrying amount ING Bank Śląski S.A - PLN 1,713 thousand.	Equal to the carrying amount	Equal to the carrying amount	Equal to the carrying amount
(s) Method of determining fair value	Discounted cash flow	Discounted cash flow	Discounted cash flow	Discounted cash flow	Amortised cost	Amortised cost
t) Financial instrument category from 01.01.2018 according to IFRS 9	Financial assets measured at amortised cost	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost

General data on financial instruments as at 31 December 2023.

	Bank deposits and cash in bank accounts	Loans granted	Bank loans	Loans received	Receivables	Commitments
(a) Qualification	Cash	Loans granted	Financial liability	Financial liability	Trade and other receivables	Trade and other payables
(b) Scope and nature of the instrument	Risk-free or low-risk short-term investments	1 long-term loan 1 short-term loan	3 bank loans	1 loan	See below for details	See below for details
(c) Carrying amount of the instrument *(in thousands PLN)*	3 759	15 058	45 495	8 298	42 556	Commitments: 57 033 RMB: 3 223 Lease commitments: 13 916
(d) Value of instrument in foreign currency *(in thousands)*	EUR 566 USD 8	EUR 340	-	USD 2 109	EUR 1 606 USD 5 463	EUR 2 771 USD -17
(e) Purpose of acquisition or issue	Depositing uncommitted funds	Financing of subsidiaries	Loan for current operations, refinancing of investments	Loans for day-to-day operations	Current activities	Current activities
(f) Amount (volume) on which future payments are based	Total deposits	Nominal value / to be repaid	Nominal value / to be repaid	Nominal value / to be repaid	Nominal value	Nominal value
(g) Amount and timing of future cash receipts or payments	Interest depending on duration	Term-dependent interest	Interest payable monthly	Interest payable monthly and quarterly	At nominal value	At nominal value
(h) Date of pricing, maturity, expiry or execution of the instrument	Overnight and up to 3M liquid instruments	In accordance with the agreements	Repayment of principal on contractual dates	Repayment of principal on contractual dates	In accordance with the agreements	In accordance with the agreements
(i) Possibility of early settlement	Any	There is	There is	There is	There is	There is
(j) The execution price or price range of the instrument	At nominal value and interest	At nominal value and interest	At nominal value and interest	At nominal value and interest	At nominal value	At nominal value
(k) Possibility of exchange or substitution with another asset or liability	No	no	no	No	no	no

	Bank deposits and cash in bank accounts	Loans granted	Bank loans	Loans received	Receivables	Commitments
(l) The rate or amount of interest, dividends or other income established and the timing of their payment	Variable, WIBID - bank margin Payment deadline at completion	For PLN WIBOR + margin, for foreign currency LIBOR or EUROIBOR + margin or fixed interest rates. Repayment date - by contract at the time of completion	Bank loan - for PLN WIBOR + bank margin, for foreign currency EUROIBOR + bank margin Repayment terms - monthly and quarterly	Variable interest rate - USD LIBOR plus margin	In accordance with the agreements	In accordance with the agreements
(m) Collateral relating to an instrument, whether taken or given	no	no	described in note 7.24	described in note 7.24	no	no
(n) The aforementioned information for the instrument into which the instrument may be converted	N/D	N/D	N/D	N/D	N/D	N/D
(o) Other conditions attached to the instrument	no	no	Bank credit - min. use of credits in accordance with contracts	No	no	no
(p) Type of risk associated with the instrument	Currency, interest rate, credit of financial institution	Currency, interest rate, borrower credit	Interest and liquidity rates	Currency, interest rate and liquidity	Currency, interest rate and credit of the recipient	Currency
(q) Total existing liabilities for positions taken in instruments	no	no	no	No	no	no
(r) Fair value of the instrument	Equal to the carrying amount	PLN 9,575 thousand	Equal to the carrying amount ING Bank Śląski S.A - PLN 16,145 thousand.	Equal to the carrying amount	Equal to the carrying amount	Equal to the carrying amount
(s) Method of determining fair value	Discounted cash flow	Discounted cash flow	Discounted cash flow	Discounted cash flow	Amortised cost	Amortised cost
t) Financial instrument category from 01.01.2018 according to IFRS 9	Financial assets measured at amortised cost	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost

7.31 Effective interest rates and age category analysis as at 31 December 2024.

ASSETS

in thousands PLN	Effective interest rate	up to one year	1 to 2 years	from 2 years to 5 years	Total
Loan to BIOTON International GmbH (EUR 268 thousand)	**4,87%**	1 606	-	-	**1 606**
Loan to BIOLEK (PLN 13,640 thousand)	**6,98%**	-	13 465	-	**13 465**
Allowance for loan to Biolek		-	(1 947)	-	**(1 947)**
		1 606	**11 518**	**-**	**13 124**

Information on short-term financial assets is included in note 7.18.

LIABILITIES

in thousands PLN	Effective interest rate	up to one year	1 to 2 years	from 3 years to 5 years	Total
ING Bank Śląski S.A overdraft facility		14 546	-	-	**14 546**
ING Bank Śląski S.A.	**8,95%**	1 713	0	0	**1 713**
BNP Paribas Bank Polska S.A. overdraft facility		16 000	-	-	**16 000**
UniApek loan (USD 7 million)	**8,54%**	4 345	-	-	**4 345**
ING Commercial Finance Polska S.A. (factoring line)		0	-	-	**0**
		36 605	**0**	**0**	**36 605**

Information on financial liabilities is included in note 7.24**.**

7.32 Reconciliation of liabilities arising from financing activities

		Cash flow			**Non-cash flow**				
	01.01.2024	**Download**	**Repayment**	**Interest paid**	**Interest/ Accrued commissions**	**Clamping/Reclassification**	**Discount**	**Exchange rate differences valuation**	**31.12.2024**
Loans	45 495	-	(13 153)	(3 450)	3 368	-	-	-	32 260
Loans, including:	8 298	-	(4 356)	-	401	-	-	2	4 345
- from related entities	*8 298*	-	*(4 356)*	-	*401*	-	-	*2*	*4 345*
Leasing	13 916	-	(3 516)	(1 084)		7 461	2 712	-	19 489
Credit cards	22	6	-	-				-	28
Total	**67 710**	**6**	**(21 025)**	**(4 534)**	**3 769**	**7 461**	**2 712**	**2**	**56 121**
Total			**(25 553)**			**13 944**			

Information on financial liabilities is included in note 7.24**.**

7.33 Details of financial instruments

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Revenue from:	**3 092**	**5 023**
- interest on financial assets, of which:	1 203	1 318
- on bank deposits	-	-
- loans granted	1 203	1 318
- discount on long-term receivables	-	-
- derivatives	57	-
- gain on disposal of financial assets (reversal of provision)	-	-
- exchange differences on receivables, loans granted and cash on bank accounts	1 448	3 705
- exchange differences on liabilities	385	-
- exchange differences on loans and advances received	-	-
Costs on account of:	**5 690**	**10 590**
- interest and commissions on financial liabilities, including:	5 431	6 451
- on bank loans	5 030	5 339
- on loans received	401	1 112
- losses on disposal of financial assets, of which:	-	-
- BIOLEK shares	-	-
- SciGen shares	-	-
- derivatives	-	-
- write-downs on financial assets:	-	-
- write-downs on loans	-	-
- share write-downs	-	-
- exchange differences on loans and advances received	259	1 423
- exchange differences on receivables, loans granted and cash on bank accounts	-	-
- exchange rate differences on liabilities	-	2 716

7.34 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a transaction in respect of a financial instrument fails to meet its obligations. For the Company, this risk relates to long- and short-term financial assets and trade receivables. The aging analysis of receivables is presented in note 7.19. In 2024the Company continued to insure receivables arising from the sale of goods under the deferred payment credit system. The subject of the insurance consisted of cash receivables due to the Company from domestic counterparties. The limit of the insurer's liability under the insurance taken out, calculated on the basis of the premium paid in a given insurance period, amounted to PLN 26 046 thousand. In addition, the Company has a factoring agreement with ING Commercial Finance Polska S.A. and signed a factoring agreement in 2022 with BNP Paribas Bank Polska S.A. for domestic receivables. In 2024, the Company did not insured receivables from foreign counterparties due to the global distribution agreement signed, which reduces credit risk, with the exception of the agreement signed on 28.02.2024 with KUKE S.A. to insure receivables from a Tunisian counterparty as part of a successful tender. Due to the large dispersion of counterparties in the domestic and foreign markets, there is no concentration risk in the Company, and due to the insurance of receivables in domestic turnover up to the credit limits granted by the insurer, and the Company makes sales within these limits, the credit risk of receivables is minimal. Foreign turnover is mostly carried out on the basis of prepayment or letters of credit. In the opinion of the Management Board, due to the terms of repayment of receivables - insurance and prepayment - indicates that there have been no significant changes from the previous year.

The value of unsecured trade receivables as at 31.12.2024 includes receivables from related parties (amount of PLN 12,968 thousand), receivables from other parties (amount of PLN 14,286 thousand) and receivables from loans granted to related parties (amount of PLN 13,124 thousand). In the opinion of the Management Board, the risk of non-receipt of the above receivables is low.

7.35 Interest rate risk

The Company's borrowings and loans with fixed interest rates are exposed to the risk of changes in fair value as a result of changes in interest rates. In contrast, borrowings and loans with variable interest rates are exposed to the risk of changes in cash flows as a result of changes in interest rates. Investments in equity instruments and short-term receivables and payables are not exposed to interest rate risk. The Company has no interest rate hedging transactions in place at the date of this report. In the Management Board's opinion, in the case of loans bearing interest in PLN, interest rates have remained high over the last 12 months, which is associated with higher amounts of interest instalments payable on loans denominated in PLN. A USD-denominated loan bearing a variable interest rate is also exposed to the effects of decisions by market regulators (FED). Details of interest rates on borrowings are presented in note 7.24.

7.36 Currency risk

The Company is exposed to foreign exchange risk primarily related to its foreign currency loan and sales of finished goods and purchases of raw materials, which are made in foreign currencies. The Company monitors exchange rate quotations on an ongoing basis and analyses reports and macroeconomic forecasts received from financial institutions in relation to the financial flows in foreign currencies that occur. As a result of receiving receipts in foreign currencies and expenditures in these currencies, the Company 2024 hedged risks through natural headwinds to mitigate foreign exchange risk in its operations. The Company monitors the level of foreign currency receivables on an ongoing basis while adjusting the timing of expenditure in foreign currencies.

The average NBP exchange rate the PLN/USD currency pair in 2024 was PLN 3.98, compared with an average rate of PLN 4.20 2023. In 2024, the exchange rate was between PLN 3.81 and PLN 4.17 per USD, compared with a range of PLN 3.90 and PLN 4.49 in 2023. The average NBP exchange rate for PLN/EUR currency pair in 2024 was 4.31 compared with an average rate in 2023 of PLN 4.54. In 2024, the exchange rate was in the range of PLN 4.24 - PLN 4.40 per EUR 1, compared with a range of PLN 4.31 - PLN 4.79 in 2023.

Total assets denominated in foreign currencies (mainly USD and EUR) as at 31 December 2024 amounted to PLN 27,016 thousand (including loans of PLN 1,606 thousand, trade and other receivables of PLN 23,407 thousand and cash and bank deposits of PLN 2,004 thousand).

Total liabilities denominated in foreign currencies (mainly EUR and USD) as at 31 December 2024 amounted to PLN 67,019 thousand (including loans and borrowings of PLN 4,344 thousand, trade and other payables of PLN 12,547 thousand and other accruals of PLN 38,350 thousand).

7.37 Liquidity risk

The Company manages liquidity through ongoing monitoring of the level of maturing liabilities, cash flow forecasting and appropriate cash management. The Company invests cash in secure, short-term financial instruments (bank deposits) that can be used to service its liabilities. The expected amounts and maturities of the Company's financial liabilities (short-term and long-term) in respect of loans and borrowings received are presented in the table below, by contractual repayment dates. In the Management Board's opinion, the Company financed itself in 2024 with bank debt mainly based on overdrafts and a long-term loan repayable in monthly instalments. The Company is in discussions with banking institutions regarding the extension of the current bank overdraft limits, which will affect the liquidity of the Company and the Group. The Company is in discussions with banking institutions on the terms of new long-term debt financing that will provide the required working capital values. Also, due to improved availability of raw materials and production materials mainly related to delivery dates, the Company as well as the Group will seek to reduce the working capital commitment frozen in inventories during 2025. The Company has also entered into lease agreements to cover the investment in the photovoltaic farm.

In contrast, for all trade payables the payment terms are up to one year and are interest-free.

Principal and interest on loans - projected payments from 31 December 2024. - in thousands PLN	up to one year	1 to 2 years	from 3 years to 5 years	over 5 years	Total
ING Bank Śląski S.A overdraft facility	14 546	-	-	-	**14 546**
ING Bank Śląski S.A.	1 713	-		-	**1 713**

BNP Paribas Bank Polska S.A. overdraft facility	16 000	-	-	-	**16 000**
Unionpek S.A. loan. (USD 7 million) mortgage	4 345	-	-	-	**4 345**
Total	**36 605**	**-**	**-**	**-**	**36 605**

In accordance with IAS 1 para 74, the Company has not reclassified non-current loans as the covenants for all have been met. The Company settles its trade payables within extended payment terms. Their maturities do not exceed one year. A maturity analysis of financial assets for a full analysis of the Company's liquidity risk is presented in note 7.13 and 7.18.

7.38 Hedging transactions

As at 31 December 2024 and 31 December 2023. The Company did not have any foreign exchange hedging transactions for trade receipts.
As at 31 December 2024 and 31 December 2023. The Company had no rate hedging transactions
As hedge accounting is not applied, all changes in the fair value of contracts are recognised in the income statement.
As at the balance sheet date, the Company does not have any foreign exchange hedging transactions.

7.39 Operational risk

Operational risk is the risk of incurring direct or indirect losses, the various reasons for which are related to the Company's processes, personnel, technology and infrastructure, as well as caused by external factors other than credit risk, market risk and liquidity risk, such as, for example, legal or other regulatory requirements or generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's activities which, in the opinion of the Board of Directors, due to geopolitical developments related to the hostilities on Ukrainian territory, and macroeconomic factors, have a significant impact on the Company's and the Group's operations. The Company's objective is to manage operational risk in such a way as to balance minimising potential financial losses and possible damage to the Company's reputation with overall operational efficiency, while eliminating control procedures that limit initiative and creativity.
The primary responsibility for the development and implementation of operational risk controls is assigned to the senior management of each organisationally separate business activity. The exercise of this responsibility is supported by the development of the Company's overall operational risk management standards, which include:

- requirements for appropriate segregation of duties, including the exercise of independent authorisation of transactions,
- reconciliation and transaction monitoring requirements,
- compliance with legal and other regulatory requirements,
- documenting controls and procedures,
- analysing the causes of operational performance on an ongoing basis and agreeing remedial measures where operational losses are incurred or significant operational risks are likely to be realised,
- training and professional development,
- ethical and business standards,
- minimising risk, including through insurance where this is effective.

The Company's compliance with the risk management principles is verified through periodic reviews. The results of the reviews are discussed with the management of the respective identified operating segment, while summaries of the results are provided to senior management

7.40 Capital management

The Board's policy is to maintain a good capital base so as to retain the confidence of investors, lenders and the market, and to ensure the future development of the business. The Management Board's overriding objective is the growth of the Company and to this end the Company primarily wants to allocate resources by building long-term shareholder value. The Board monitors the capital position using the leverage ratio, which is calculated as the ratio of net debt to total capital plus net debt. Net debt includes borrowings, trade and other payables. Net debt is net of cash. Capital includes equity due to the Company's shareholders.

Decisions affecting share capital are preceded by analyses of the Company's financial situation in the context of its current development and investment needs, the structure of its balance sheet, and the price of its shares on the stock market, and are subject to resolution by the General Meeting.

in thousands PLN	**31.12.2023**	**31.12.2023**
Loans, borrowings and other debt instruments payable	36 633	53 815
Trade and other payables	54 303	57 033
Total cash and cash equivalents	(6 738)	(3 759)
Net debt	**84 198**	**107 089**
Equity	**603 387**	**622 096**
Net capital and debt	**687 585**	**779 252**
Leverage ratio	**12,25%**	**13,74%**

7.41 Contractual obligations

Agreement between the Minister of the Economy and Bioton S.A.

In September 2008, Bioton S.A. completed an investment project (Project) under the name "Construction of a manufacturing base for production of biotechnology-derived drugs", implemented under the Sectoral Operational Programme - Improvement of the Competitiveness of Enterprises, years 2004-2006, Priority 2 Direct support for enterprises, Measure 2.2 Support for product and technological competitiveness of enterprises, Sub-measure 2.2.1 Support for enterprises making new investments, on the basis of an agreement (Agreement) concluded on 14 September 2005 with the Minister of Economy (MG).
In February 2009. Bioton received funding of PLN 13,735k.

Bioton S.A. received funding under the Agreement in the total amount of PLN 24,039 thousand, including:

- PLN 23,473 thousand (PLN 9,738 thousand to 31.12.2008) for capital expenditure, which represents 25% of the eligible costs for capital expenditure,
- PLN 566 thousand for employment costs.

Expenditure incurred and subsidies received between 2005 and 31.12.2009. (PLN '000).

Year	Expenditure, including:				Grants received, of which:		
	Total	Fixed assets, including:		New jobs	Total	Fixed assets	New jobs
		Eligible expenditure	Non-eligible expenditure				
2005	**14 959**	2 348	12 554	57	**-**	-	-
2006	**13 789**	12 169	1 478	142	**407**	293	114
2007	**58 478**	50 879	6 037	1 562	**6 466**	6 466	-
2008	**48 557**	28 496	18 595	1 466	**3 431**	2 979	452
2009	**-**	-	-	-	**13 735**	13 735	-
Total	**135 783**	**93 892**	**38 664**	**3 227**	**24 039**	**23 473**	**566**

Grants settled between 2006 and 31.12.2024 (in thousands of PLN).

Year	Total	Fixed assets	New jobs
2006-2017	**6 641**	6 075	566
2018	**640**	640	-
2019	**639**	639	-
2020	**640**	640	-
2021	**640**	640	-
2022	**639**	639	-
2023	**637**	637	-
2024	**637**	637	-
Total cleared	**11**	**10 547**	**566**
Remaining to be settled *(see also notes 7.28 and 7.29*	**12 926**	**12 926**	**-**

Income from settled grants was recognised in other operating income. Grants for fixed assets are accounted for commensurate with the depreciation of the subsidised fixed assets.

Agreement between the National Fund for Environmental Protection and Water Management and Bioton S.A.

In June 2008. Bioton S.A. completed an investment project (Project) named "Construction of a treatment plant to reduce the load of pollutants discharged with wastewater", which is realised under the Sectoral Operational Programme - Improvement of the Competitiveness of Enterprises, 2004-2006, Priority 2 Direct support for enterprises, Measure 2.4 Support for undertakings on adjustments of enterprises to the requirements of environmental protection, on the basis of an agreement (Agreement) concluded on 29 December 2006 with the National Fund for Environmental Protection and Water Management (NFOŚiGW).
In July 2009, an environmental effect confirmed by the Certified Laboratory was achieved.

Year	Expenditure incurred	Subsidy received for fixed assets
2007	5 508	267
2008	11 129	3 783
Total	**16 637**	**4 050**[1)]

[1)]including PLN 3,037.5k from the European Regional Development Fund and PLN 1,012.5k from the National Fund for Environmental Protection and Water Management.

Settled subsidy from 2008 to 31.12.2024 (in thousands of PLN).

Year	Fixed assets
2008-2017	10 056
2018	111
2019	112
2020	111
2021	112
2022	111
2023	111
2024	111
Total cleared	**1 835**
Remaining to be settled *(see also notes 7.28 and 7.29)*	**2 215**

Income from the settled grant was recognised in other operating income. The grant is settled commensurate with the depreciation of the subsidised fixed assets.

7.42 Contingent liabilities

Nature of contingent liability	Name of beneficiary	Amount of liability	Expiry date
Blank promissory note with bill of exchange declaration relating to the trade agreement	Avantor Performence Materials Poland S.A.	PLN 150 000	Indefinitely
Blank promissory note with bill of exchange declaration relating to the trade agreement	Merck Life Science Sp. z o.o. (formerly Merck Sp. z o.o.)	PLN 350 000	Indefinitely
Blank promissory note with a promissory note declaration under the funding agreement POIR.01.01.01-00-0579/16	National Centre for Research and Development[1)]	PLN 20 988.43 thousand	30 November 2025

[1)]See note 7.42

7.43 Information on transactions with related parties

Subject of the transaction - turnover in the period *(in PLN 000)*

Related party transactions are typical supply and service transactions arising from operations and concluded on terms that do not differ materially from market terms.

Name of the entity	Subject of the transaction	Net value	
		01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
BIOLEK Sp. z o. o.	**Sales, including:**	**247**	**247**
	Services	247	247
	Purchase, including:	**9 747**	**8 684**
	goods	9 747	8 684
BIOTON MARKETING AGENCY Sp. z o. o.	**Sales, including:**	**6 042**	**5 382**
	services	1 261	1 261
	goods	4 781	4 121
	Purchase, including:	**21 712**	**23 648**
	services	21 712	23 648
Yifan Pharmaceutical Co.Ltd	**Sales, including:**	**(365)**	**4 981**
	services	(365)	4 981
Hefei Yifan Biopharmaceuticals Inc.	**Sales, including:**	**115**	**-**
	services	115	-
SciGen Ltd. (Singapore)	**Sales, including:**	**70 819**	**43 319**
	goods	63 806	32 089
	services	7 013	11 230

Balances of open settlement positions

Name of the entity	Balance due to:	Value in thousand PLN	
		31.12.2024	31.12.2023
BIOTON International GmbH	**Receivables, on account of:**	**1 670**	**1 617**
	- supplies, works and services	65	62
	- loans	1 606	1 555
BIOLEK Sp. z o. o.	**Receivables, on account of:**	**13 622**	**15 886**
	- supplies, works and services	152	307
	- loans	13 465	15 450
	- write-downs on loans	(1 947)	(1 947)
	Liabilities, on account of:	**4**	**129**
	- supplies, works and services	4	129
BIOTON MARKETING AGENCY Sp. z o. o.	**Receivables, on account of:**	**-**	**45**
	- supplies, works and services	-	45
	Liabilities, due to:	**6 722**	**7 117**
	- supplies, works and services	6 722	7 117
Yifan Pharmaceutical Co.Ltd	**Receivables, on account of:**	**3 242**	**13 350**
	- supplies, works and services	3 242	13 350
Hefei Yifan Biopharmaceuticals Inc.	**Liabilities, due to:**	**3**	**0**
	- supplies, works and services	3	0
SciGen Pte.Ltd	**Receivables, on account of:**	**9 509**	**7 754**
	- supplies, works and services	9 509	7 754
UniApek S.A.	**Liabilities, due to:**	**4 345**	**8 298**
	- loans	4 345	8 298

Balances of open settlement positions will be settled by cash payments. Occasionally, the Company may settle settlements by mutual offsetting of receivables.

7.44 Average employment

in posts	31.12.2024	31.12.2023
Average employment in non-manual positions	195	199
Average employment in blue-collar jobs	121,5	113
	316,5	**312**

7.45 Remuneration paid or payable to members of the management and supervisory bodies (net of value added tax)

in thousands PLN

Lp.	Specification	31.12.2024	31.12.2023
A.	**Managers:**	**3 226**	**3 717**
1.	Launders Jeremy	2 253	2 543
2.	Polonek Adam	973	1 174
B.	**Supervisors:**	**240**	**240**
1.	Liu Jubo	24	24
2.	Trzeciak Dariusz	36	36
3.	Vaidyanathan Viswanath	24	24
4.	Siembida Tomasz	24	24
5.	Cadei Nicola	24	24
6.	Rajentheran Ramesh	36	36
7.	Valery Yeo	24	24
8.	Li Jia	48	48
C.	**Total**	**3 466**	**3 957**

7.46 Auditor's or auditor's fees paid and payable for the financial year

in thousands PLN

		31.12.2024	31.12.2023
a)	mandatory audit of the annual accounts	65	65
b)	mandatory review of the half-yearly financial statements	45	45
c)	other assurance services	23	23
d)	other services	19	19
	Total	**152**	**152**

The Supervisory Board of the Company, by resolution dated 20.04.2022, appointed UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością (formerly: UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością Sp.k.), with its registered office in Warsaw ("UHY"), as the auditor of the financial statements as at 31 December 2022, 31 December 2023 and 31 December 2024 and reviewing the financial statements as at 30 June 2022, 30 June 2023 and 30 2024 (separate and consolidated). The Supervisory Board approved the Company's conclusion of agreements with UHY in this regard.

On 1 July 2023, an organised part of the enterprise in the field of the audit department was transferred from UHY ECA Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa, with its registered office in Warsaw (address: ul. Połczyńska nr 31a, 01-377 Warsaw), entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register under KRS no.: , NIP: , REGON: ("Seller"). Warszawy, XII Economic Division of the National Court Register under the KRS number: 0000418856, NIP: 6772272888, REGON: 120266794 ("Seller") into the entity UHY ECA Audyt spółka z ograniczoną odpowiedzialnością, with its registered office in Warsaw (address: ul. Połczyńska 31a, 01-377 Warsaw), entered in the register of entrepreneurs maintained by the District Court for the capital city of Warsaw in Warsaw, XII Commercial Division of the National Court Register under KRS number: 0000487588, NIP: 6751492461, REGON: 122994138 ("Purchaser"). The Purchaser is entered on the list of audit firms maintained by the Polish Agency for Audit Supervision under number: 3886. The above transfer of an organised part of the enterprise in the form of the audit department is made in connection with an internal reorganisation of the UHY ECA Group and has no impact on the audit contract being performed.

7.47 Estimates and assumptions used in the preparation of the financial statements

Estimates and assumptions made are subject to ongoing review and are based on historical data and the Company's best knowledge at the date of the estimate. The Company makes estimates and assumptions about the future. The results of these estimates are generally not equal to actual results. The estimates and assumptions that are most likely to affect the carrying amount of assets and liabilities relate to the valuation of investments in subsidiaries and the valuation of intangible assets with an indefinite useful life. In order to determine the recoverable amounts of these assets, the Company makes cash flow projections and checks to the expected net selling price.

The Company has identified the key assumptions whose change most significantly affects the estimation of the recoverable amount of assets mainly in terms of sensitivity by a change in the pre-tax discount rate (WACC). The Company also estimated the commencement and volume of product sales in each year, the assumed achievement of market shares in each market, as well as the assumptions made for the rotation of receivables, payables and the acceleration of inventory turnover.

Basic information on key valuation assumptions is provided in the table below:

	Bioton CGU **(assets related to insulin, analogues and other products in diabetology developed at Bioton SA and produced on Bioton SA production lines)**
Valuation value	PLN 853 million
Range of values (Sensitivity analysis)	(WACC +/-2%) change by (139) /+ PLN 182 million
Carrying amount at 31.12.2023	1. Tangible fixed assets - PLN 297.2 million 2. Intangible assets - PLN 342.2 million Total: PLN 639.4 million
Assumptions made	Cash flow projections have been based on the Company's experience and best knowledge, with key assumptions including: 1. the anticipated growth of the market for classic insulin, the development of new markets, analogues and other products in the area of diabetes introduced to the Polish market on the basis of in-licencing agreements, contract manufacturing agreements, as well as products manufactured and distributed to markets other than Poland, 2. timetable for registration of insulin in markets (assumption of entry into individual markets including the EU market for RHI), 3. competitive position (including selling prices in the market), 4. achievable sales volumes and market shares, 5. signed agreements with new distributors and continued global insulin distribution agreement in existing markets, 6. assumptions regarding the working capital required, including the efficiency of the use of stock levels in subsequent years, 7. Funding for the development and registration of RHI insulin in the EU, insulin analogues and the launch of products in the area of obesity treatment based on operational cash flow, external funding from financial institutions and other EU-related support institutions, 8. investments in the development of the production base and the required capital expenditure, 9. production costs on the basis of existing substance and mould production factories, together with assumed expenditure on maintaining the machinery park and increasing the scale of production.
Projection period	2025-2034 and Residual Value based on 0% growth rate
Discount rate (WACC)	16,59%

7.48 Numerical information to ensure comparability of financial statement data for previous periods (published) with data

The Company did not implement the new IFRS standards in 2024 and 2023.

7.49 Proceedings pending before a court, an authority having jurisdiction for arbitration proceedings or an authority of the

public administration

Proceedings concerning the property "Dobra Macierzysz Centre"

In cases concerning the real estate to which the Company is entitled to the right of perpetual usufruct and which was part of the former "Dóbr Macierzysz Ośrodek", hereinafter referred to as the "Real Estate", there are no longer any administrative proceedings pending concerning the assessment of whether the above real estate was subject to the provisions of the Decree of the Polish Committee for National Liberation of 6.09.1944 on the implementation of land reform (Journal of Laws of 1945 No. 3, item 13, as amended). All proceedings ended with valid and final decisions issued by administrative courts, which confirmed the arguments of the heirs of the former owners that the Property was not subject to the provisions of the above Decree. The last of the administrative court cases conducted in the above-mentioned scope, based on the complaint filed by IBA with the participation of BIOTON S.A., ended legally and finally on 16.01.2018. One administrative proceeding is currently pending before the Mazovian Voivode, initiated at the request of the heirs of the former owners of the Property dated 14.04.2009, concerning annulment of the decision of the Head of Ożarów Mazowiecki Municipality dated 15.04.1988 on taking over for the benefit of the State Treasury a part of the Real Estate, in the form of two plots of land with a total area of 78.87 ha, issued on the basis of the Act of 12.03.1958. on the sale of State-owned agricultural real estate and the ordering of certain matters related to the implementation of land reform and agricultural settlement (the "1958 Act"), and the decision of the Head of the Ożarów Mazowiecki Municipality of 19.03.1990 on the transfer of plots of land with a total area of 77.83 ha to the Institute of Biotechnology and Antibiotics ("IBA") for management. In the opinion of the Company, in the light of the jurisprudence to date, and in particular in the light of the decision of the Constitutional Tribunal of 20.02.1991, the likelihood of the Company suffering damage as a result of the recognition of possible claims of the heirs of the former owners of the property "Dobra Macierzysz Ośrodek" by the relevant authorities seems to be small. In the opinion of the Company, the decisions reached to date in cases concerning the determination of whether the real estate of "Dobra Macierzysz Ośrodek" was subject to the provisions of the PKWN Decree, although inconsistent with the Company's litigation position, have no fundamental significance for its legal situation, as the Company derives the right to the real estate from the agreement on the transfer of the right of perpetual usufruct concluded with the IBA. Possible consequences for the Company's situation, on the other hand, may result from the decision on the annulment of the decision issued pursuant to the Act of 1958 by the Head of the Ożarów Mazowiecki Municipality of 15 April 1988 on the acquisition of two plots of land with a total area of 78.87 ha for the benefit of the State Treasury and the decision of the Head of the Ożarów Mazowiecki Municipality of 19 March 1990 on the transfer of plots of land with a total area of 77.83 ha for the management of IBA. In the event that the Mazowieckie Voivodship Governor decides to annul the decisions of the Head of the Ożarów Mazowiecki Municipality of 15.04.1988 and 19.03.1990 in line with the position of the heirs, the Company will have further recourse, including a complaint to the Voivodship Administrative Court and an appeal in cassation. The mere termination of administrative proceedings, even if inconsistent with the Company's position, will not affect the Company's property relations, which may change only after a final decision on the heirs' claims by the civil courts. In such a situation, the Company, with regard to plot No. 4/43, will have a claim against the IBA, which, in the agreement of 06.11.1997, declared that any third-party claims would be charged to the IBA. On 10 May 2021, the Mazovian Governor issued a decision refusing to annul the decisions of the Head of the Municipality of Ozarow Mazowiecki of 15 April 1988 and 19 March 1990. The opposing party appealed against the above decision. The case was referred to the Ministry of Agriculture and Rural Development of the Republic of Poland as a body of second instance. The decision of the Minister of Agriculture and Rural Development of 09.02.2023 repealed the appealed decision in its entirety and referred the case for reconsideration by the body of first instance.

7.50 The economic and political situation in Ukraine

Bioton S.A. continuously monitors the development of the geopolitical situation related to the warfare on the territory of Ukraine, the Group does not conduct direct sales of products and goods on the territory of Belarus and in Ukraine. However, the Group sells insulin (finished forms) and injectables through distributors operating on the Belarusian and Ukrainian markets. According to sales data, in 2024, sales made to the Ukrainian market amounted to PLN 3.3 million (1.58% of the Group's consolidated revenue) and due to won tenders to the Belarusian market amounted to PLN 1.0 million (0.47% of the Group's consolidated revenue), which, in the opinion of the Group's Management Board, does not constitute a significant share in revenue. At the same time, the Group is fulfilling all orders received from the distributor on the Ukrainian market. The Group's long-term intention is to continue to operate in the Ukrainian market mainly due to the nature of its business and the supply of life-saving medicines, while limiting the risks (including financial risks) associated with this. The Board of Directors monitors the situation related to the risks indicated above on an ongoing basis and takes decisions to ensure the continuation of the Company's and the Group's operations.

7.51 Implementation of the contract with Pharmasyntez-Nord JSC

In the Russian market, the Company has an agreement with Pharmasyntez-Nord JSC (see current report 36/2016), under which it is obliged to transfer the technology of the finished form of insulin and is obliged to deliver the active substance for its production by the end of 2027 in accordance with the original term of the agreement (in 2024, as required by the agreement, the Company delivered substances worth PLN 1.9 million). As at the date of publication of this report, the technology has not been implemented at the Pharmasyntez plant in Russia. It should be noted that the law applicable to the Agreement is Swiss law and disputes should be resolved by Swiss arbitration.

7.52 The conclusion of an agreement with i-SENS Inc.

On 3 September 2024, the Company entered into a Distribution Agreement with i-SENS, Inc, Korea, whereby i-SENS established Bioton as the exclusive distributor of continuous glucose monitoring products - CareSens Air- manufactured by i-SENS in Poland. The agreement has been concluded for a period of 2 years, and can be extended for further one-year periods by agreement of the parties. The agreement is governed by German law and any dispute arising out of or in connection with the agreement or its validity will be finally settled in accordance with the Arbitration Rules of the German Arbitration Institute (DIS) and the seat of arbitration is Berlin, Germany.

7.53 Conclusion of agreement with Galenicum Health S.L.U

On 3 October 2024, the Company entered into an Addendum with Galenicum Health, S.L.U. to the Licence and Supply Agreement to extend the collaboration to include 5 new molecules, from the therapeutic group of DPP-4 and SLGT2 inhibitors, i.e. drugs in the areas of Diabetes Management and Cardiovascular Health.

The terms of the Addendum include royalty arrangements and delivery schedules for these New Products, with the other provisions of the Licence Agreement and Deliverables remaining substantially unchanged.

7.54 Conclusion of an agreement with Ferring International Center S.A.

On 23 October 2024, the Company entered into an Addendum with FERRING to the Licence Agreement concluded on 13.01.2012, with regard to, in particular, the extension of the Licence to allow Bioton S.A. to develop short-acting and long-acting insulin analogues or combinations thereof within the scope of the Licence within the scope of the Licence within the scope of the Licence within the scope of the Licence within the scope of the Licence within the scope of the Licence. The licence fees have also been changed. The other provisions of the Licence Agreement have not changed significantly.

7.55 Agreement with the National Fund for Environmental Protection and Water Management

The Company (the "Beneficiary") entered into two Agreements with the State Treasury - the Minister of Development and Technology represented by the National Fund for Environmental Protection and Water Management ("NFOŚiGW"/"Programme Operator") to provide public assistance in connection with the increase in electricity and natural gas prices:

- Agreement of 3 March 2023 on the basis of which the Programme Operator granted aid to the Beneficiary in the amount of PLN 5,214,331.77 under the conditions specified in the Agreement,
- Agreement of 18 December 2023, on the basis of which the Programme Operator granted aid to the Beneficiary in the amount of PLN 4,173,256.11 under the conditions specified in the Agreement,
- Agreement concluded on 21 March 2024, on the basis of which the Programme Operator will grant aid to the Beneficiary in the amount of PLN 2 887 651.48 under the conditions specified in the Agreement,
- Agreement concluded on 23 December 2024, on the basis of which the Programme Operator will grant aid to the Beneficiary in the amount of PLN 896,393.75 under the conditions specified in the Agreement.

The amount of aid granted is based on the costs incurred by the Beneficiary for the purchase of gas and electricity between 2022 and 2024 respectively.

7.56 Significant events after the balance sheet date

Lease agreement with BNP Paribas Leasing Services Sp. z o.o.

On 20 December 2024, the Company entered into an operating lease agreement with BNP Paribas Leasing Services Sp. z o.o. for a net amount of EUR 750 thousand , under which BNP Paribas Leasing Services Sp. z o.o. agreed to finance the purchase and transfer of an Optical Viewer. The term of the Agreement is 60 months. The lease agreement is not yet active.

Contracts for the distribution of the product Liragutide in Poland

On 11 March 2025, the Term Sheet concluded by Bioton S.A. with Fresenius Kabi iPSUM .r.l. was terminated by agreement of the parties. ("FKIP"), namely: (i) Term Sheet CMO FINISHED DOSAGE FORM, dated 27 April 2023, and (ii) Term Sheet PEPTIDE Technology and API Purchase, also dated 27 April 2023, related to the Project concerning the production by Bioton S.A. of a pen containing Liraglutide based on proprietary documentation and API provided by FKIP.

On 17 March 2025, Bioton entered into a Term Sheet with a global pharmaceutical company under which Bioton will be granted a product dossier licence for Liraglutide 6mg/ml - 3ml injections (generic equivalent of Victoza and Saxenda), Synthetic, in injectable form (the "Product") for distribution of the Products in Poland.

The Company declares that, other than the above-mentioned events, no events have occurred after the balance sheet date up to the date of publication of these interim individual financial statements that would have a material impact on the individual financial statements for 2024.

Signatures of all Board Members

Name	Position	Signature
Jeremy Launders	President of the Management Board	
Adam Polonek	Member of the Management Board	

Signature of the person entrusted with bookkeeping

Name	Position	Signature
Renata Prokopczyk	Chief Accountant	

Warsaw, 31 March 2025