Report of the Management Board of BIOTON S.A. on the activities of BIOTON S.A. and of BIOTON S.A. Capital Group for fiscal year ended on 31st December 2024.

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This report of the Management Board of BIOTON S.A. (the "Company") on the activities of BIOTON S.A. and the BIOTON S.A. Group. ("Group") in the period from 01.01.2024 to 31.12.2024 has been prepared in accordance with § 92 and § 70 item 8.8 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognition as equivalent of information required by the laws of a non-member state (Journal of Laws of 2018, item 757, as amended) and therefore a single document of the report of the Management Board of the Company and the Group has been prepared.

1. Principles for the preparation of the separate and consolidated annual financial statements

Basic accounting principles and methods, valuation methods for assets and liabilities, measurement of the financial result and the method of preparing the individual and consolidated annual financial statements are presented in point 1.5 of the Company's annual separate financial statements and in sec. 1.5 of the Group's annual consolidated financial statements for the period from 01.01.2024 to 31.12.2024.

1.1. Average exchange rates of the Polish zloty in the period covered by the annual financial statements and comparative data, against the euro

The average PLN/EUR exchange rates announced by the National Bank of Poland for the periods covered by the financial statements and comparative financial data are presented in the table below.

Financial year	Average rate during the period	Minimum course during the period	Maximum rate during the period	Rate on the last day of the period
2023	4,5437	4,3053	4,7895	4,3480
2024	4,3065	4,2499	4,4016	4,2730

1.2. Key items of the consolidated balance sheet, consolidated income statement and consolidated cash flow statement from the consolidated annual financial statements and consolidated comparative figures translated into EUR

SELECTED CONSOLIDATED FINANCIAL DATA		in PLN thousand		in EUR thousand	
		01.01.2024 - 31.12.2024	**01.01.2023 - 31.12.2023**	**01.01.2024 - 31.12.2024**	**01.01.2023 - 31.12.2023**
I.	Net sales revenue	207 763	181 636	48 244	39 975
II.	Gross operating profit (loss)	(5 709)	15 295	(1 326)	3 366
III.	Profit (loss) before tax	(11 881)	7 234	(2 759)	1 592
IV.	Net profit (loss) attributable to shareholders of the parent company	(15 658)	2 275	(3 636)	501
V.	Net cash flow from operating activities	36 326	39 625	8 435	8 721
VI.	Net cash flow from investing activities	(11 183)	(36 952)	(2 597)	(8 133)
VII.	Net cash flow from financing activities	(22 063)	(8 129)	(5 123)	(1 789)
VIII.	Total net cash flow	3 080	(5 456)	715	(1 201)
		31.12.2024	**31.12.**	**31.12.2024**	**31.12.2023**
IX.	Total assets	794 138	822 224	185 850	189 104
X.	Liabilities and provisions for liabilities	203 590	215 866	47 646	49 647
XI.	Long-term liabilities	60 472	50 276	14 152	11 563
XII.	Current liabilities	143 118	165 590	33 493	38 084
XIII.	Equity	590 548	606 358	138 204	139 457
XIV.	Share capital	1 717 284	1 717 284	401 892	394 960
XV.	Weighted average number of shares	85 864 200	85 864 200	85 864 200	85 864 200
XVI.	Earnings (loss) per ordinary share (PLN/EUR)	(0,18)	0,03	(0,04)	0,01
XVII.	Diluted earnings (loss) per ordinary share (PLN/EUR)	(0,18)	0,03	(0,04)	0,01
XVIII.	Book value per share (in PLN/EUR)	6,88	7,06	1,61	1,62
XIX.	Diluted book value per share (in PLN/EUR)	6,88	7,06	1,61	1,62
XX.	Dividend per share declared or paid (in PLN/EUR)	-	-	-	-

1.3. Key items of the separate balance sheet, separate income statement and separate cash flow statement from the separate annual financial statements and the separate comparative figures translated into EUR

SELECTED SEPARATE FINANCIAL DATA		in PLN thousand		in EUR thousand	
		01.01.2024 - 31.12.2024	**01.01.2023 - 31.12.2023**	**01.01.2024 - 31.12.2024**	**01.01.2023 - 31.12.2023**
I.	Net sales revenue	214 052	187 265	49 704	41 214
II.	Gross operating profit (loss)	(8 160)	13 511	(1 895)	2 974
III.	Profit (loss) before tax	(14 448)	5 821	(3 355)	1 281
IV.	Net profit (loss)	(18 479)	1 193	(4 291)	263
V.	Net cash flow from operating activities	32 823	37 573	7 622	8 269
VI.	Net cash flow from investing activities	(8 074)	(35 151)	(1 875)	(7 736)
VII.	Net cash flow from financing activities	(21 769)	(7 823)	(5 055)	(1 722)
VIII.	Total net cash flow	2 979	(5 401)	692	(1 189)
		31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**
IX.	Total assets	807 414	839 165	188 957	193 000
X.	Liabilities and provisions for liabilities	204 027	217 069	47 748	49 924
XI.	Long-term liabilities	60 983	50 316	14 272	11 572
XII.	Current liabilities	143 044	166 753	33 476	38 352
XIII.	Equity	603 387	622 096	141 209	143 076
XIV.	Share capital	1 717 284	1 717 284	401 892	394 960
XV.	Weighted average number of shares	85 864 200	85 864 200	85 864 200	85 864 200
XVI.	Earnings (loss) per ordinary share (PLN/EUR)	(0,22)	0,01	(0,05)	0,00
XVII.	Diluted earnings (loss) per ordinary share (PLN/EUR)	(0,22)	0,01	(0,05)	0,00
XVIII.	Book value per share (in PLN/EUR)	7,03	7,25	1,64	1,67
XIX.	Diluted book value per share (in PLN/EUR)	7,03	7,25	1,64	1,67
XX.	Dividend per share declared or paid (in PLN/EUR)	-	-	-	-

2. Description of the organisation of the Company and the Group, indicating the entities subject to consolidation, and a description of changes in the organisation of the Group and the reasons for them

As at 31.12.2024, BIOTON S.A.'s subsidiaries were:

- BIOTON MARKETING AGENCY Sp. z o.o. with its registered office in Macierzysz, in which BIOTON S.A. holds 100% of shares
- BIOLEK Sp. z o.o. with its seat in Macierzysz, in which BIOTON S.A. holds 100 % of shares;
- BIOTON (International) GmbH, headquartered in Baar (Switzerland), in which BIOTON S.A. holds 100 % of the shares;
- BioPartners GmbH, headquartered in Reutlingen (Germany), has been entered in the commercial register 'in liquidation'; however, the company cannot be removed from the commercial register due to a pension liability to an employee. The company is still registered in the commercial register, but is no longer active.

As at 31.12.2024, the subsidiaries of BIOTON S.A. included in the consolidation process were:

- BIOTON MARKETING AGENCY Sp. z o.o. with its seat in Macierzysz, in which BIOTON S.A. held 100% of shares;
- BIOLEK Sp. z o.o., Macierzysz, in which BIOTON S.A. held 100% of the shares;
- BIOTON (International) GmbH, headquartered in Baar (Switzerland), in which BIOTON S.A. held 100 % of the shares;

3. A discussion of the key economic and financial figures disclosed in the annual separate and consolidated financial statements, including the characteristics of the structure of assets and liabilities from the point of view of the Company's and the Group's liquidity, in particular a description of factors and events, including those of an unusual nature, which have a significant impact on the Company's and the Group's operations and its profits or losses in 2024, as well as a discussion of the prospects for the development of the Company's and the Group's operations for at least the next financial year

An element affecting the comparability of the data for 2024 and 2023 was the change in the PLN exchange rate against the main currencies used by the Company compared to 2023. In 2024, the average daily exchange rate:

- USD / PLN fell by 5.31%,
- EUR / PLN fell by 5.22%;

The dynamic indicators of the individual components of the consolidated balance sheet were calculated by comparing their values at 31.12.2024 with those at 31.12.2023.

3.1. Key items of the Company's separate annual financial statements

Analytical balance sheet - assets

	31.12.2024		31.12.2023		changes	
ASSETS	total (thousand PLN)	structure (w %)	total (thousand PLN)	structure (w %)	(thousand PLN)	(w %)
A: Non-current assets	**654 980**	**81,1**	**672 163**	**80,1**	**(17 183)**	**(2,6)**
Property, plant and equipment	283 117	35,1	274 671	32,7	8 446	3,1
Investment property	-	<0,1%	-	<0,1%	-	-
Intangible assets	337 172	41,8	363 321	43,3	(26 149)	(7,2)
Right-of-use assets	19 131	2,4	16 434	2,0	2 697	16,4
Non-current financial assets	11 518	1,4	13 503	1,6	(1 985)	**(14,7)**
Investments in subsidiaries and associates	3 965	0,5	3 965	0,5	-	0,0
Long-term accruals and deferred income	75	<0,1%	269	<0,1%	(194)	(72,0)
B: Current assets	**152 434**	**18,9**	**167 002**	**19,9**	**(14 568)**	**(8,7)**
Inventories	105 124	13,0	117 305	14,0	(12 181)	(10,4)
Short-term financial assets	1 606	0,2	1 555	0,2	51	3,3
Trade and other receivables	33 983	4,2	42 556	5,1	(8 573)	(20,1)
Cash	6 738	0,8	3 759	0,4	2 979	79,2
Accruals and deferred income	4 983	0,6	1 827	0,2	3 156	172,7
TOTAL ASSETS	**807 414**	**100,0**	**839 165**	**100,0**	**(31 751)**	**(3,8)**

In 2024, the Company's total assets decreased by 3.8 per cent compared to 2023. Total non-current assets decreased by 2.6 per cent by PLN 17.1 million, mainly influenced by depreciation of property, plant and equipment and intangible assets. At the same time, the Company modernised its property, plant and equipment, which involved the reclassification of development work to investment in fixed assets.

The Company's current assets decreased by 8.7% (PLN 14.5m). The change in the level of current assets was significantly influenced by:

- a decrease in trade and other receivables by 20.1% to PLN 33.9 million; related, inter alia, to the settlement of foreign receivables from the contractor Yifan (balance lower by PLN 4.3 million), the release of a provision for revenue (balance lower by PLN 4.4 million) and a lower domestic sales balance by PLN 2 million; the change was also influenced by a higher foreign sales balance by PLN 2.5 million;
- an increase in cash by 79% (PLN 2.9 million) to PLN 6.7 million
- a decrease inventories by 10.4% (PLN 12.1m) to PLN 105., inter alia due to increased sales of finished goods, mainly cartridges and vials - approximately PLN 9m year-on-year.

The share of non-current and current assets in the balance sheet for 2024 was 81.1% and 18.9% of total assets, respectively.

Analytical balance sheet - liabilities

	31.12.2024		31.12.2023		changes	
LIABILITIES	**total (thousand PLN)**	**structure (w %)**	**total (thousand PLN)**	**structure (w %)**	**(thousand PLN)**	**(w %)**
Equity	**603 387**	**74,7**	**622 096**	**74,1**	**(18 709)**	**(3,0)**
Share capital	1 717 284	**212,7**	1 717 284	204,6	**0**	**0,0**
Capital on issue of shares above their nominal value	57 131	**7,1**	57 131	6,8	**1**	**0,0**
Supplementary capital	260 776	**32,3**	260 776	31,1	**0**	**0,0**
Reserve capital	(268 748)	**<0,1**	(268 517)	<0,1	**(231)**	**0,1**
Retained earnings/losses	(1 163 056)	**<0,1**	(1 144 577)	<0,1	**(18 479)**	**1,6**
Long-term liabilities	**60 983**	**7,6**	**50 317**	**6,0**	**10 667**	**21,2**
Loans, borrowings and other debt instruments payable	0	**<0,1**	1 702	0,2	**(1 702)**	**(100,0)**
Lease commitments	13 698	**1,7**	10 970	1,3	**2 729**	**24,9**
Deferred tax liabilities	8 575	**1,1**	4 599	0,5	**3 976**	**86,5**
Employee benefit obligations	2 308	**0,3**	1 838	0,2	**470**	**25,6**
Deferred income	33 877	**4,2**	29 813	3,6	**4 064**	**13,6**
Other liabilities	2 525	**0,3**	1 394	0,2	**1 131**	**81,1**
Current liabilities	**143 044**	**17,7**	**166 752**	**19,9**	**(23 708)**	**(14,2)**
Loans, borrowings and other debt instruments payable	36 633	**4,5**	52 113	6,2	**(15 480)**	**(29,7)**
Lease commitments	5 791	**0,7**	2 947	0,4	**2 844**	**96,5**
Trade and other payables	54 303	**6,7**	57 033	6,8	**(2 730)**	**(4,8)**
Employee benefit obligations	2 044	**0,3**	2 021	0,2	**23**	**1,1**
Accruals and deferred income	44 273	**5,5**	52 638	6,3	**(8 365)**	**(15,9)**
TOTAL LIABILITIES	**807 414**	**100**	**839 165**	**100,0**	**(31 751)**	**(3,8)**

The Company's equity decreased by 3% to PLN 603.3 million, which was mainly influenced by the loss reported in the income statement for the current year.

The share of equity in the liability structure decreased to 74.7%.

On the liabilities side, moreover, it was noted:

- a decrease in non-current and current liabilities on account of loans, borrowings and other debt instruments by PLN 1.7 million and PLN 15.4 million, respectively, which is due to a reduction in debt with financial institutions repaid in accordance with the schedules indicated in the loan agreements;
- decrease in trade and other payables by PLN 2.7 million, mainly related to the repayment of trade payables and lower purchases of raw materials and supplies in the last quarter of 2024 ,
- an increase in deferred tax liabilities of PLN 3.9 million, mainly due to the write-down of a tax asset related to an unused R&D tax credit;

The growth rates of the individual components of the income statement were calculated by comparing their values in 2024 with those for 2023.

Analytical income statement

	01.01.2024 - 31.12.2024		01.01.2023 - 31.12.2023		changes	
	(thousand PLN)	share of sales	(thousand PLN)	share of sales	(thousand PLN)	(w %)
Sales revenue	214 052	100,0%	187 265	100,0%	26 787	14,3%
Cost of sales	(150 253)	70,2%	(105 259)	56,2%	(44 994)	42,7%
Cost of downtime and unused capacity	(1 929)	0,9%	(10 950)	5,8%	9 021	(82,4%)
Gross profit on sales	**61 870**	**28,9%**	**71 056**	**37,9%**	**(9 186)**	**(12,9%)**
Other operating income	2 518	1,2%	21 600	11,5%	(19 082)	(88,3%)
Selling costs	(37 458)	17,5%	(42 571)	22,7%	5 113	(12,0%)
General and administrative expenses	(29 505)	13,8%	(28 944)	15,5%	(561)	1,9%
Research and development costs	(3 990)	1,9%	(5 496)	2,9%	1 506	(27,4%)
Other operating expenses	(1 594)	0,7%	(2 134)	1,1%	540	(25,3%)
Gross operating profit	**(8 160)**	**3,8%**	**13 512**	**7,2%**	**(21 672)**	**(160,4%)**
Financial revenues	2 833	1,3%	1 752	0,9%	1 081	61,7%
Financial costs	(9 121)	4,3%	(9 443)	5,0%	322	(3,4%)
Profit/loss before tax	**(14 448)**	**6,7%**	**5 821**	**3,1%**	**(20 268)**	**(348,2%)**
Income tax	(4 031)	1,9%	(4 628)	2,5%	597	(12,9%)
Net profit/loss	**(18 479)**	**8,6%**	**1 193**	**0,6%**	**(19 671)**	**(1 649,6%)**

In 2024, the Company achieved sales revenues of PLN 214 million, of which the largest share was sales of insulin forms. In the comparable period of 2023, sales revenues amounted to PLN 187.2 million, which means that revenues in 2024 were 14.3% higher than in the previous year.

The increase in revenues in 2024 compared to 2023 was driven by higher insulin sales in international markets, mainly to Malaysia (PLN 17.6m), Vietnam (PLN 19.) and Tunisia (PLN 11.5m). However, it should be noted that insulin sales in the Polish market declined by PLN 3.9m, mainly due to market changes and increased competition from GLP-1 analogues. Other OAD drug categories in the gastrointestinal area developed in line with or above the market in PL and abroad. The gross margin on sales (including downtime and idle capacity costs) at Bioton unit level reached 28.9% and was 9.0 p.p. lower compared to the corresponding period of 2023.

The gross margin on sales was influenced by the structure of Insulin sales between Poland and foreign markets and the change related to higher sales of vials than cartridges. The margin of Insulin sold on the Polish market is higher compared to the margin of Insulin sold on the international markets, due to high competition on the international markets and realized sales under tenders (vials). An additional negative factor is the increase in the production costs of Insulin products associated with changes in the production structure, an increase in employment costs, an increase in the purchase prices of components for production from Polish and foreign suppliers, including fluctuations in the PLN/USD and PLN/EUR exchange rates. In addition, the cost of goods sold on the Polish market and purchased from foreign suppliers were exposed to changes in the freight cost market. The Company recorded a decrease in the unit cost of production in the last quarter of 2024 and this was related to increased production of insulin cartridges for the Malaysian market, which will have an impact on subsequent quarters.

Other operating income in 2024 amounted to PLN 2.5 million and was lower by PLN 19.08 million compared to 2023, mainly due to non-recurring events related to the sale of a plot of land in Łódź, the write-off of a time-barred liability for additional remuneration resulting from the share sale agreement in Biolek sp. z o.o. dated 22 November 2012 between Troqueera Enterprises Limited and Bioton S.A in 2023 and the statute of limitations of liabilities.

Other operating expenses in 2024 amounted to PLN 1.5 million and were lower by PLN 540 thousand compared to 2023 and included the following items:

- write-downs and reversals of write-downs and liquidations of goods and materials;
- holiday provision;

- written-off receivables;
- provision for employee severance pay.

Financial income/expenses were mostly influenced by interest on loans and borrowings (PLN 7.9 million) and exchange rate differences (PLN 1.6 million) in 2024, part of which is mainly due to repayments of the loan from Uniapek.

In 2024, finance costs were lower than in 2023 mainly due to the lower level of the Company's debt year-on-year and interest rates on PLN- and USD-denominated borrowings.

3.2. Key items in the Group's consolidated annual financial statements

Consolidated analytical balance sheet - assets

	31.12.2024		31.12.2023		changes	
	total	structure	total	structure		
	(thousand PLN)	(w %)	(thousand PLN)	(w %)	(thousand PLN)	w %
ASSETS	**794 138**	**100,0**	**822 224**	**100,0**	**(28 086)**	**(3,4)**
A: Non-current assets	**640 141**	**80,6**	**655 467**	**79,7**	**(15 326)**	**(2,3)**
1. Property, plant and equipment	283 117	35,7	274 671	33,4	8 446	3,1
2. Other intangible assets	337 731	42,5	363 882	44,3	(26 151)	(7,2)
3. Right-of-use assets	19 205	2,4	16 632	2,0	2 573	15,5
4 Long-term accruals and deferred income	88	0,0	282	0,0	(194)	(68,8)
B: Current assets	**153 997**	**19,4**	**166 757**	**20,3**	**(12 760)**	**(7,7)**
1. Inventories	107 287	13,5	118 198	14,4	(10 911)	(9,2)
2. Income tax receivable	26	0,0	73	0,0	(47)	(64,3)
3. Trade and other receivables	34 687	4,4	42 763	5,2	(8 076)	(18,9)
4 Cash	6 963	0,9	3 883	0,5	3 080	79,3
5. Short-term prepayments and accruals	5 033	0,0	1 840	0,2	3 193	173,5

In 2024, the Group's balance sheet total decreased by 3.4% (PLN 28.08 thousand).

Non-current assets decreased by 2.3% (change of PLN 15.3 million), which was mainly influenced by depreciation of property, plant and equipment and intangible assets. At the same time, Bioton upgraded property, plant and equipment, which was related to the reclassification of development work to investment in fixed assets

The Group's current assets decreased by 7.7% (PLN 12.7m). The change in total current assets was significantly influenced by:

- Decrease in inventories by 9.2% (PLN 10.9m) to PLN 107.2m, among other things, increased sales of finished goods, mainly cartridges and vials - around 9m year-on-year;
- a decrease in trade and other receivables by 18.9% (PLN 8.); the decrease in trade receivables was influenced, among other things, by the settlement of foreign receivables from the counterparty Yifan (balance lower by PLN 4.3m), the release of a provision for revenue (balance lower by PLN 4.4m) and a lower domestic sales balance by PLN 2m. The change was influenced by a higher balance of foreign sales by PLN 2.5 million.

The ratio of fixed assets to current assets was 80.6% to 19.4%.

Consolidated analytical balance sheet - liabilities

	31.12.2024		31.12.2023		changes	
	total	structure	total	structure		
	(thousand PLN)	(w %)	(thousand PLN)	(w %)	(thousand PLN)	w %
LIABILITIES	**794 138**	**100,0**	**822 224**	**100,0**	**(28 086)**	**(3,4)**
A: Equity	**590 548**	**74,4**	**606 357**	**73,7**	**(15 809)**	**(2,6)**
1. Share capital	1 717 284	216,2	1 717 284	208,9	-	0,0
2. Capital on issue of shares above their nominal value	57 131	7,2	57 131	6,9	-	0,0
3. Supplementary capital	260 776	32,8	260 776	31,7	-	(0,0)
4. Reserve capital	(266 734)	(33,6)	(266 507)	(32,4)	(227)	0,1
5. Reserve from transactions between shareholders	(80 844)	(10,2)	(80 844)	(9,8)	-	(0,0)
6. Exchange differences on translation of subordinated entities	119	0,0	45	0,0	74	164,4
7. Retained earnings	(1 097 184)	(138,2)	(1 081 527)	(131,5)	(15 657)	1,4
B: Non-current liabilities	**60 472**	**7,6**	**50 276**	**6,1**	**10 196**	**20,3**
1. From loans, borrowings and debt instruments	-	0,0	1 702	0,2	(1 702)	(100,0)
2. From leasing	13 698	1,7	10 975	1,3	2 723	24,8
3. For employee benefits	2 534	0,3	2 027	0,2	507	25,0
4. Deferred income	33 877	4,3	29 814	3,6	4 063	13,6
5. Deferred tax	7 839	1,0	4 364	0,5	3 475	79,6
6. Other liabilities	2 524	0,3	1 394	0,2	1 131	81,1
C: Current liabilities	**143 118**	**18,0**	**165 591**	**20,1**	**(22 473)**	**(13,6)**
1. From loans, borrowings and debt instruments	36 958	4,7	52 852	6,4	(15 894)	(30,1)
2. From leasing	5 912	0,7	3 164	0,4	2 748	86,8
3. For employee benefits	2 300	0,3	2 270	0,3	30	1,3
4. Trade and other	53 044	6,7	54 128	6,6	(1 084)	(2,0)
5. On account of income tax	30	0,0	2	0,0	28	1 400,0
6. Other accruals	44 874	5,7	53 174	6,5	(8 300)	(15,6)
D: Liabilities associated with assets held for sale	**-**	**0,0**	**-**	**0,0**	**-**	**0,0**

Group equity fell by 3.4% to PLN 590.5 million.

Non-current liabilities increased by 20.3% (PLN 10.1 million) to PLN 60 million, mainly as a result of:

- an increase in leasing commitments for new leases, mainly financing a photovoltaic farm;
- reclassification of part of deferred income from current to non-current liabilities (advances to be realised in more than 12 months);
- an increase in the deferred tax liability (as a consequence of the write-down of an asset for unused R&D relief)

Short-term liabilities amounted to PLN 143.1 million and decreased by 13.6% (PLN 22.4 million) compared to the previous year, mainly as a result of the reclassification of short-term accruals to long-term accruals, as well as the repayment of trade payables.

The share of short-term liabilities in the total liabilities structure was 18.0%, which was at a lower level than in the previous year (a change of 13.6%).

The growth rates of the individual components of the consolidated income statement were calculated by comparing their values in 2024 with those for 2023.

Consolidated analytical income statement

	01.01-31.12.2024		01.01-31.12.2023		changes	
	total (thousand PLN)	structure (in %)	total (thousand PLN)	structure (in %)	(thousand PLN)	(w %)
1. Sales revenue	207 763	100,0	181 636	100,0	26 127	14,4%
2. Own costs of sales	(140 993)	67,9	(97 833)	53,9	(43 160)	44,1%
3. Costs of downtime and unused capacity	(1 929)	0,9	(10 950)	6,0	9 021	(82,4%)
4. Gross profit on sales	**64 841**	**31,2**	**72 853**	**40,1**	**8 012**	**(11,0%)**
5. Selling costs	(36 118)	17,4	(40 990)	22,6	4 872	(11,9%)
6. General and administrative expenses	(31 081)	15,0	(30 467)	16,8	(614)	2,0%
7. Research and development costs	(4 043)	1,9	(5 504)	3,0	1 460	(26,5%)
8. Total operating costs (2+3+5+6+7)	(214 165)	103,1	(185 744)	102,3	28 421	15,3%
9. Profit on sales	**(6 402)**	**3,1**	**(4 109)**	**2,3**	**2 293**	**55,8%**
10. Other operating income	2 645	1,3	21 668	11,9	(19 023)	(87,8%)
11. Other operating expenses	(1 952)	0,9	(2 264)	1,2	312	(13,8%)
12. Gross operating profit	**(5 709)**	**2,7**	**15 295**	**8,4**	**21 004**	**(137,3%)**
13. Financial revenues	1 988	1,0	366	0,2	1 622	443,1%
14. Financial costs	(8 159)	3,9	(8 427)	4,6	267	(3,2%)
16 Gross profit	**(11 881)**	**5,7**	**7 235**	**4,0**	**19 115**	**(264,2%)**
17. Income tax	3 778	1,8	4 959	2,7	(1 181)	(23,8%)
18. Net profit from continuing operations	**(15 658)**	**7,5**	**2 276**	**1,3**	**17 934**	**(788,1%)**

In 2024, the Group achieved sales revenue of PLN 207.7 million, compared to total sales revenue of PLN 181.6 million in 2023. The increase in consolidated sales revenue compared to the previous year was PLN 26.1 million, and related to the increase in Insulin sales in foreign markets such as Malaysia (PLN 17.6 million), Vietnam (PLN 19.2 million) and Tunisia (PLN 11.5 million).

In 2024, the Group achieved a gross profit on sales of PLN 64.8 million compared to PLN 72.8 million in 2023, a year-on-year decrease of PLN 8.0 million. The gross margin level in % terms reached 31.2% compared to 40.1% in 2023. The main contributors to the decrease in margin % were higher production costs and the structure of products sold. The share of Insulin sales in Poland, which generates a much higher gross margin compared to Insulin sold internationally, to total Insulin sales fell to 39.6% in 2024, compared to 54.9% in 2023. In addition, there was no revenue from the Analogue project in 2024, which had a positive impact on 2023 results. The Group experienced a decrease in unit cost of production in the last quarter of 2024 and this was related to the increased production of insulin cartridges for the Malaysian market which will have an impact in subsequent quarters.

In 2024, the Group's cost of sales decreased by 11.9% (PLN 4.9m), mainly due to lower distribution costs related to foreign markets

General and administrative expenses in 2024 were lower compared to 2023 by PLN 0.6 million.

Research and development costs decreased from PLN 5.5m in 2023 to PLN 4.0m in 2024.

Other operating income in 2024 amounted to PLN 2.6 million and was lower by PLN 19.0 million compared to 2023, mainly due to non-recurring events related to the sale of a plot of land in Łódź, the write-off of a time-barred liability for additional remuneration resulting from the share sale agreement in Biolek sp. z o.o. of 22 November 2012 between Troqueera Enterprises Limited and Bioton S.A. in the previous year and the statute of limitations of liabilities.

Other operating expenses in 2024 amounted to PLN 1.9m, down by PLN 312,000 compared to 2023

Other operating costs included the following items:

- write-offs and reversals of write-downs and liquidations of goods and materials;
- holiday provision;
- written-off receivables;
- provision for employee severance pay.

Financial income in the Group in 2024 amounted to PLN 1.9 million. Financial expenses in the Group in 2024 amounted to PLN 8.2 million, of which the main items were interest on loans and bank borrowings.

The net loss for 2024 reached PLN 15.6 million, while in 2023 the Group recorded a net profit of PLN 2.2 million.

4. Description of significant off-balance sheet items by subject, object and value

There were no material off-balance sheet items in 2024 in the Company or the Group other than those indicated in the Company and Group financial statements

5. Description of significant risk factors and threats, including the extent of exposure for the Company and the Group

Risk of refusal or delays in the approval of the Company's and Group's products for marketing

New products of the Company and the Group can only be authorised in a given market after the relevant authorisation has been obtained in accordance with applicable legislation. The preparation of the documentation necessary to obtain authorisation for a given product, particularly in certain markets, requires a great deal of time and effort. The authorisation procedure itself can also be extremely time-consuming. This is particularly true of the procedure for the central registration of biotechnology products, which may be prolonged by frequent changes to regulations and doubts as to their interpretation. The above factors may cause significant delays in the marketing of new products by the Company and the Group. A refusal or delay in the marketing approval of the Company's and the Group's products could have a material adverse effect on the Company's and the Group's business, financial condition or results of operations. Threat - high.

Risk of side effects, interactions with other drugs or quality deficiencies of certain Company and Group products

It cannot be ruled out that previously unpredicted side effects, as well as interactions with other medicines, may occur during the use of a medicine after it has been authorised. Such situations may also occur with medicines that have been on the market for a long time and may lead to specific action by the relevant authorities. For example, in Poland, if an unexpected serious undesirable side effect of a medicinal product is found that threatens human life or health, lacks the declared therapeutic efficacy or the risk of use is found to be disproportionate to the therapeutic effect, the Minister of Health revokes the product's marketing authorisation. In addition, in the event of a justified suspicion that a medicinal product does not meet the requirements established for it, the Chief Pharmaceutical Inspector issues a decision to suspend the marketing of certain batches of the medicinal product within its area of operation. The occurrence of any of the above factors could have a material adverse effect on the Company's and the Group's business, financial condition or operating results. Threat - medium.

Risk of not achieving the intended development results in the biotechnology drugs segment

A significant proportion of the expenditure and costs incurred by the Company and the Group is used to fund development, including for biotechnology products. The development of business in the market for biotechnology products requires significant costs and the risk of not achieving the intended results of research and development for biotechnology products is greater than for generic drugs. Failure of the Company's and the Group's funded development work could result in the inability to recover the expenses and costs incurred through the sale of biotechnology products developed as a result of the funded development work, which could have a material adverse effect on the Company's and the Group's business, financial condition or results of operations. Threat - high.

Risks associated with the Company's and Group's product commercialisation strategy in key markets

The Company's and the Group's strategy in the area of commercialisation of the group's products in key markets is based on cooperation with international pharmaceutical companies under long-term distribution agreements. In 2018, the Company signed a global distribution agreement for classical human insulin - Yifan International Pharmaceutical Co., Ltd amended in January 2020 under a signed Novation Agreement. There can be no assurance that the sales levels assumed by the distribution partner, in the respective markets, will be realised and, consequently, that the Group's production and sales volumes will be realised at the anticipated levels. The amounts of expenditures on marketing and sales of the Group's products incurred by the distribution partners, the resources they have in selected foreign markets and their knowledge and experience in promoting and selling pharmaceutical products in a given market may not be sufficient to achieve the assumed sales volumes. Taking the above into account, there is no certainty that the Company's and the Group's activities in selected foreign markets will bring the expected results. It cannot be ruled out that distribution partners will not be able to achieve the intended goals and their marketing strategy in certain export markets will not be effective. The occurrence of any of the above factors could have a material adverse effect on the Company's and the Group's business, financial condition or operating results. Threat - medium.

Risks related to changes in drug reimbursement rules

In most countries in which the Company and the Group operate, the market for medicines, including reimbursed medicines, is regulated in detail by relevant legislation. These laws determine the list of reimbursed medicines, the scope of reimbursement, including prices, limits and the degree of reimbursement. Unfavourable changes in the laws regulating the medicines market, such as the removal of the Company's and the Group's medicines from the list of reimbursable medicines, the introduction of a separate higher price limit for the reimbursement of competing products, a change in the price limit or a reduction in the degree of reimbursement for a given medicine, may adversely affect the competitiveness of the Company's and the Group's products, which may have a material adverse effect on the Company's and the Group's business, financial condition or operating results. Threat - medium.

Exchange rate risk

Part of the Company's and the Group's revenue is derived from the export of medicines, and part of the components required for the Company's and the Group's manufacturing of medicines and the supply of contract products are imported. Due to the above, part of the Company's and Group's revenues and part of the costs are generated or incurred in foreign currencies. In addition, the majority of the Company's and the Group's export revenues are denominated in US dollars, while the distribution of imports is mainly in US dollars and euros. If there is an imbalance between costs and revenues, if there is an imbalance between revenues and costs in the same foreign currency, currency fluctuations could have a material adverse effect on the Company's and the Group's business, financial condition or results of operations. Risk - high.

Risks related to changes in tax law in Poland

The Company and the Group are exposed to the risk of changes in the legal and tax environment in Poland. The changing legal and tax environment has been and will continue to be subject to frequent changes and, in addition, the laws are not applied uniformly by the courts and tax administration authorities. Risk - medium.

Risks related to changes in tax legislation

The Company, as well as the Group, is exposed to the risk of changes in value added tax, corporate income tax and social security charges regulations which are subject to frequent changes. These frequent changes result in a lack of appropriate reference points, inconsistent interpretations and few established precedents to apply. The current legislation also contains ambiguities that result in differences of opinion as to the legal interpretation of the tax rules. Tax settlements and other areas of activity may be subject to audits by the authorities, which are entitled to impose high penalties and fines, and any additional tax liabilities resulting from the audit must be paid with interest. Consequently, the amounts presented and disclosed in the financial statements may change in the future as a result of a final decision by a tax audit authority. Risk - medium.

6. Indication of proceedings pending before a court, an authority competent to conduct arbitration proceedings or a public administration body

The indicated information on proceedings pending before a court, a competent authority for arbitration proceedings or a public administration authority is presented in section 7.49 of the Company's annual separate financial statements and in section. 39 of the Group's annual consolidated financial statements for the period from 01.01.2024 to 31.12.2024.

7. Information on the main products, goods or services with their determination in terms of value and quantity and the share of individual products, goods and services (if significant) or groups thereof in the total sales of the Company and the Group, as well as changes in this respect in the financial year

The main products and commodities of the Company and the Group are:

- Recombinant human insulin in the form of pharmaceutical substance and injectable preparations,
- oral antidiabetic drugs,
- other goods (blood sugar strips, OTC preparations for diabetics, gastrointestinal products),
- equipment (injectors, strips, needles)

7.1. Key items for the Company

Sales on the domestic market are carried out directly by the Company. Sales outside Poland are mainly conducted on the basis of the cooperation agreement with SciGen and other sales agreements concluded directly with foreign partners. In the case of foreign trading partners, cooperation mainly involves direct exports. In the case of domestic export trading partners, products are delivered by the Company to the locations specified by the trading partners responsible for the delivery of products abroad.

Structure of the Company's sales by product range (in value terms)

Sales revenue - assortment structure	01.01.2024-31.12.2024		01.01.2023-31.12.2023	
	(thousand PLN)	structure (w %)	(thousand PLN)	structure (w %)
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 EN	12 784	5,97%	12 288	6,56%
Injectors	8 922	4,17%	10 752	5,74%
Goods and materials	**42 997**	**20,09%**	**44 360**	**23,69%**
Services	**11 177**	5,22%	**20 568**	**10,98%**
Total sales revenue	**214 052**	**100,00%**	**187 265**	**100,00%**

In 2024, the Company achieved sales revenues of PLN 214.0 million, of which the largest share was insulin sales of PLN 159.9 million. In the comparable period of 2023, revenues amounted to PLN 187.3m, an increase of 14.3%. However, in the fourth quarter alone, the Company achieved sales revenues of PLN 79.1 million compared to PLN 48.6 million in the comparable period of 2023, where the main driver of growth was insulin sales to international markets, including Malaysia and Vietnam.

The increase in revenues in 2024 compared to 2023 was influenced by higher insulin sales in international markets, mainly to Malaysia (PLN 17.6m), Vietnam (PLN 19.) and Tunisia (PLN 11.5m). However, it should be noted that insulin sales on the Polish market fell by PLN 3.9m, mainly due to market changes and increased competition from GLP-1 analogues. Other categories of OAD or gastrointestinal drugs developed in line with or above the market in PL and abroad. The gross margin on sales (including costs of downtime and unused capacity) at Bioton unit level reached 28.9% and was 9.0 p.p. lower than in the corresponding period of 2023.

The gross margin on sales was influenced by the structure of Insulin sales between Poland and foreign markets and the change related to higher sales of vials than cartridges. The margin of Insulin sold on the Polish market is higher compared to the margin of Insulin sold on the international markets, due to high competition on the international markets and sales made under tenders (vials). An additional negative factor is the increase in the production costs of Insulin products associated with changes in the production structure, an increase in employment costs, an increase in the purchase prices of components for production from Polish and foreign suppliers, including fluctuations in the PLN/USD and PLN/EUR exchange rates. In addition, the purchase costs of goods sold on the Polish market and purchased from foreign suppliers were exposed to changes in the freight cost market. The Company recorded a decrease in the unit cost of production in the last quarter of 2024 and this was related to increased production of insulin cartridges for the Malaysian market, which will have an impact on subsequent quarters.

7.2. Key items for the Group

Group sales structure by product range (in value terms)

Sales revenue - assortment structure	01.01.2024-31.12.2024		01.01.2022-31.12.2023	
	(thousand PLN)	structure (w %)	(thousand PLN)	structure (w %)
Insulin	159 878	76,95%	122 337	67,35%
Finished products	**159 878**	**76,95%**	**122 337**	**67,35%**
Oral antidiabetic drugs	21 291	10,25%	21 320	11,74%
Other goods ~~EN~~PL	12 784	6,15%	12 288	6,77%
~~Injectors~~Devices	4 141	1,99%	6 631	3,65%
Goods and materials	**38 217**	**18,39%**	**40 240**	**22,15%**
Services	**9 668**	**4,65%**	**19 059**	**10,49%**
Total sales revenue	**207 763**	**100,00%**	**181 636**	**100,00%**

The Group's sales revenue in 2024 amounted to PLN 207.7 million and was 14.4% higher than in the same period in 2023. The value of revenues in 2024 was influenced 76.9% by sales of insulin in the Polish market and in international markets, as indicated above.

The gross margin on sales at the consolidated level was at 31.2% and was 8.9 p.p. lower than in the comparative period, for the reasons indicated above.

8. Information on sales markets, including a division into domestic and foreign markets, and information on sources of supply of production materials, goods and services, specifying dependence on one or more customers and suppliers, and in the event that the share of one customer or supplier reaches at least 10% of total sales revenues - the name (company) of the supplier or customer, its share in sales or supply and its formal relationship with the Group

8.1. Structure of the Company's sales on the domestic and foreign markets

In 2024, the Company achieved domestic sales revenues of PLN 97.9 million, which means that revenues were 8.3% lower compared to 2023.

The Company achieved revenues from insulin sales in the Polish market in terms of sales to pharmaceutical wholesalers of PLN 63.4m in 2024. The Company will achieve a share of 40.5% in the classic insulin market by value in Poland by the end of 2024

Sales structure of BIOTON S.A. on the domestic market

Sales revenues - assortment structure EN	01.01.2024-31.12.2024		01.01.2023-31.12.2023	
	(thousand PLN)	structure (w %)	(thousand PLN)	structure (w %)
Insulin	63 352	64,71%	67 208	62,95%
Finished products	**63 352**	**64,71%**	**67 208**	**62,95%**
Oral antidiabetic drugs	21 291	21,75%	21 320	19,97%
Other goods PL~~Other goods EN~~	5 520	5,64%	7 224	6,77%
Devices~~Injectors~~	5 436	5,55%	7 783	7,30%
Goods and materials	**32 247**	**32,94%**	**36 327**	**34,03%**
Services	**2 297**	**2,35%**	**3 229**	**3,02%**
Total sales revenue	**97 896**	**100,00%**	**106 763**	**100,00%**

In 2024, three pharmaceutical wholesalers operating in the domestic market accounted for the largest percentage share of the Company's sales: Farmacol S.A. (27.6%), Neuca S.A. (23.9%) and POLSKA GRUPA FARMACEUTYCZNA S.A. (13,2%). Mutual relationships are governed by the respective commercial offers.

Structure of BIOTON S.A.'s sales on foreign markets

Sales revenue - assortment structure EXP	01.01.2024-31.12.2024		01.01.2023-31.12.2023	
	(thousand PLN)	structure (w %)	(thousand PLN)	structure (w %)
Insulin	96 526	83,10%	55 129	68,48%
Finished products	**96 526**	**83,10%**	**55 129**	**68,48%**
Other goods	7 264	6,25%	5 064	6,30%
~~Injectors~~Devices	3 486	3,00%	2 969	3,69%
Goods and materials	**10 751**	**9,26%**	**8 034**	**9,98%**
Services	**8 880**	**7,65%**	**17 339**	**21,54%**
Total sales revenue	**116 157**	**100,00%**	**80 502**	**100,00%**

In 2024, the Company achieved export sales revenues of PLN 116.2m, an increase of 44.3% compared to 2023. This increase was due to higher sales representing differences mainly in the markets of Malaysia (PLN 19.4m), Tunisia (PLN 11.5m) and Vietnam (PLN 10.3m).

8.2. Group sales structure in individual foreign markets

Group sales structure by geographical market

Sales revenue - geographical structure customer market EXP	01.01.2024-31.12.2024		01.01.2023-31.12.2023	
	(thousand PLN)	structure (w %)	(thousand PLN)	structure (w %)
Malaysia	21 704	18,69%	3 358	4,17%
Vietnam	21 283	18,32%	10 943	13,59%
Tunisia	11 500	9,90%	0	0,00%
Thailand	6 507	5,60%	0	0,00%
China	6 368	5,48%	-	0,00%
Libya	3 353	2,83%	21 347	26,52%
Bangladesh	4 668	4,02%	4 383	5,44%
Ukraine	3 292	2,83%	3 219	4,00%
Philippines	4 652	4,01%	2 387	2,97%
Other*	32 830	28,26%	34 863	43,32%
Total sales revenue	**116 157**	**100%**	**80 500**	**100%**
* - Includes Transfer Price settlement and re-invoicing of services				

In 2024, the Company achieved export sales revenues of PLN 116.2 million, an increase of 44.3% compared to 2023, mainly related to increased sales in Malaysia, Tunisia and Vietnam.

8.3. Sources of supply

The geographical structure of purchases of individual production materials in 2024 included, in value terms:

- Active substances - the source of supply of active substances was Bioton S.A.'s own production;
- Excipients - about 50% were purchased from domestic companies, which are mostly distributors of imported raw materials, with the remainder sourced from European and non-European countries;
- packaging - the largest suppliers of direct packaging (i.e. vials, caps, corks, cartons, leaflets and labels), came from EU countries (approx. 60%), while domestic deliveries accounted for approx. 40%.

No supplier's share reached 10% of the Company's and the Group's sales revenue. Mutual relations are governed by the relevant commercial contracts or commercial offers.

9. Information on agreements entered into which are significant for the Company's and the Group's operations, including agreements between shareholders known to the Company and the Group, cooperation or cooperation insurance agreements

9.1. Conclusion of a collaboration agreement between Yifan Pharmaceutical Co., Limited and Bioton S.A.

On 16 July 2019, it 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 is a framework agreement. The individual activities and conditions related to the performance of its stages will be regulated in detail in separately concluded orders. All costs related to the purchase and installation of the equipment required for the execution of each stage of the Agreement, the purchase of raw materials and auxiliary substances necessary for the manufacture of the products to the extent covered by the respective orders will be covered by Yifan. As a general rule, the Contract does not provide for the acquisition of the intellectual rights of the parties, with the exception of the granting of a licence to the extent necessary to perform the Contract. If, however, 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 will be granted the right to use Yifan's intellectual property as well as a 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 will be granted a priority right of use in European countries under its own brand name. Bioton will also act as a manufacturer of the products worldwide. The details of the cooperation in this regard will be the subject of a separate agreement. Bioton and Yifan shall be entitled to terminate the Agreement (or orders executed thereunder) immediately upon notice to the other party if: (i) the other party commits a material breach of the provisions relating to the performance of milestones, intellectual property, confidentiality, assignment of the Agreement and subcontracting, (ii) the other party files for bankruptcy, liquidation or similar process or is party to an arrangement with creditors or ceases to conduct business, (iii) the other party breaches two or more agreements with the terminating party (including assignments under this Agreement), and (iv) a change of control event has occurred. Yifan may also terminate the various non-production phases of the work, however, in such event, Yifan shall be obliged to reimburse Bioton for the costs incurred. The Agreement is made under the laws of Singapore and the place of dispute resolution will be the Singapore Court of Arbitration.

9.2. Conclusion of an assignment agreement (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. of 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;

9.3. Entering into an agreement to license and supply recombinant human insulin for the Malaysian market

On 18 October 2024, Bioton entered into an agreement with a global pharmaceutical company for the production of recombinant human insulin to secure patient treatment in Malaysia with deliveries already commencing 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 with additional volume of deliveries until the end of 2025. The contract has a term of five years. The counterparty may terminate the contract without liability by giving six months' notice. In the event of a breach of the contract, either party may terminate the contract with 90 working days' notice if the other party fails to remedy the breach. The agreement also provides for the right to terminate the agreement on 30 working days' notice by either party if the other party ceases to carry on its business, is unable to pay its maturing debts, becomes or is declared insolvent, appoints a receiver, liquidator, administrator, administrator, administrative receiver or similar officer in respect of all or any part of its assets or business (or is the subject of an application to any court for the appointment of such an officer), enters into any composition or arrangement with its creditors, takes or suffers any similar action in respect of its debts, or an order or resolution is made for the dissolution or winding up of the company (except where it is for the purpose of amalgamation or reconstruction), or any equivalent or similar action or proceeding is taken or suffered in any jurisdiction. The Agreement is governed by the laws of Singapore.

9.4. The economic and political situation in Ukraine

The indicated information on the economic and political situation in Ukraine is presented in section 7.50 of the Company's annual separate financial statements and in section 40 of the Group's annual consolidated financial statements for the period from 01.01.2024 to 31.12.2024.

10. Information on organisational or capital links of BIOTON S.A. and the Group with other entities and identification of its main domestic and foreign investments (securities, financial instruments, intangible assets and real estate), including capital investments made outside its group of related entities and a description of the methods of their financing

10.1. BioPartners GmbH, Reutlingen (Germany)

BioPartners GmbH, headquartered in Reutlingen (Germany), has been entered in the commercial register 'in liquidation'; however, the company cannot be removed from the commercial register due to a pension liability to an employee. The company is still registered in the commercial register, but is no longer active.

10.2. Biolek Sp. z o.o. with its registered office in Macierzysz

The company holds a total of 100% of the share capital and voting rights at the Shareholders' Meeting.

10.3. Bioton Marketing Agency Sp. z o.o. based in Macierzysz

The company holds a total of 100% of the share capital and voting rights at the Shareholders' Meeting.

10.4. Bioton International GmbH, Switzerland

The company holds a total of 100% of the share capital and voting rights at the Shareholders' Meeting.

10.5. Investments in tangible and intangible assets

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

10.6. Expenditure on research and development

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

The Group's capitalised expenditure on development work in progress at the end of 2024 amounted to. PLN 28,552 thousand, including:

- Company - PLN 28,208 thousand, related, inter alia, to expenditure on product registrations, including registration procedures for classic insulin in other territories, including registrations under the EMA central procedure and in Brazil amounting to PLN 14.1 million, and expenditure incurred on the project for the development of long-acting analogues in the amount of PLN 8.6 million related to the development of the active substance
- BIOLEK Sp. z o.o. - PLN 343 thousand, mainly related to expenditure on product registrations.

11. Information on material transactions concluded by BIOTON or its subsidiary with related parties on conditions other than market conditions, together with their amounts and information specifying the nature of these transactions

In 2024, the Company and its subsidiaries did not enter into non-arm's length transactions with related parties.

12. Information on borrowing and loan agreements entered into and terminated during the financial year, stating at least their amount, type and interest rate, currency and maturity

Details of the Company's borrowings are set out in note 7.24 of the Company's annual financial statements and note 22 of the Group's annual consolidated financial statements for the period 01.01.2024 to 31.12.2024.

Analysis of age categories as at 31.12.2024 by loan agreement term and repayment schedule:

Principal and interest on loans - projected payments from 31 December 2023. - in thousands PLN	**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.	1 713	-	-	**1 713**
BNP Paribas Bank Polska S.A. overdraft facility	16 000	-	-	**16 000**
Loan from Uniapek S.A. (USD 7 million)	4 345	-	-	**4 345**
Total	**36 605**	**-**	**-**	**36 605**

12.1. Exchange rates

The expected result on exchange differences on the valuation of received loans denominated in foreign currencies granted to the Company by Uniapek S.A. will be reflected in financial expenses/income in the consolidated financial statements of the Group and in the separate financial statements of Bioton S.A.

In the following months, the Company's main assumption in its exchange rate policy will be to hedge the exchange rate of commercial foreign currency inflows (in USD). The Company plans to hedge USD trading inflows by entering into forward hedging transactions. As of 31.12.2024, Bioton S.A. had no open exchange rate hedging transactions.

Bioton S.A. incurs exchange rate risk primarily related to its borrowings and to sales of finished goods, services and purchases of raw materials that are made in foreign currencies.

The compatibility of the instruments used with the foreign exchange position is only intended to hedge the exchange rate risk occurring in Bioton S.A.'s trading activities.

13. Information on loans granted in the financial year, with particular emphasis on loans granted to related parties of Bioton S.A., indicating at least their amount, type and interest rate, currency and maturity

13.1. Loans granted to related parties

On 31.01.2012. Bioton S.A., as the lender, entered into a loan agreement with Biolek Sp. z o.o. with its registered office in Macierzysz ("Biolek"), as the borrower, in the amount of PLN 2.0 million (the "BSA Loan") to finance the operations of Biolek. The BSA Loan was made available in perpetuity. The interest rate on the BSA Loan is based on the variable WIBOR rate plus a margin. On 05.08.2021. Bioton S.A entered into Amendment No. 18 concerning the repayment of part of the loan and interest. On 30.12.2022r. The Company entered into Annex No. 20 concerning the repayment of interest on the Loan. In 2024, Bioton S.A. did not conclude an annex with Biolek changing the amount of the BSA Loan agreement. The total amount of the loan and interest is PLN 11.5 million. Biolek made an interest payment of PLN 3.1 million in 2024 to Bioton SA.

On 31.01.2012. Bioton S.A., as lender, entered into a BSA Loan with Bioton (International) GmbH with its registered office at Turmstrasse 28, CH-6312 Steinhausen Switzerland (former Actavis Bioton GmbH) as borrower (the "BSA Loan") to finance development work and internal administrative costs. On 06.04.2020. Bioton S.A. entered into Amendment No. 1 extending the termination period of the agreement by 9 years from the date of this Amendment. On 25.01.2021. Bioton S.A entered into annex no. 2 extending the termination period of the agreement by 11 years from the date of this annex. On 19.03.2024, Bioton S.A. entered into amendment no. 3 indicating the termination date of the agreement as two months counted from the date of delivery of the demand for payment The total amount of the loan and interest is EUR 375 thousand.

On 14.03.2014. Bioton Marketing Agency Sp. z o.o., as lender, entered into a loan agreement with BIOLEK Sp. z o.o., Macierzysz ("Biolek"), as borrower, in the amount of PLN 1.3 million (the "BMA Loan") to finance Biolek's operations. The BMA Loan was made available in perpetuity. The interest rate on the BMA Loan is based on the variable WIBOR rate plus a margin. The total

amount of the loan and interest is PLN 7.3 million. Bioton Marketing Agency Sp. z o.o. on 09.03.2022 concluded an addendum changing the term of the loan from 14 days to 12 months from call.

14. Information on sureties and guarantees given and received in the financial year, with particular emphasis on sureties and guarantees given to BIOTON S.A.'s related entities.

In 2024, Bioton S.A. and its subsidiaries did not provide loan/loan guarantees or warranties.

15. If securities were issued during the period covered by the report, a description of how the Company and the Group have used the proceeds up to the date of this report

There were no securities transactions by the Company or the Group in 2024.

16. Explanation of differences between the financial results reported in the annual report and previously published profit forecasts for the year

Neither the Company nor the Group has published earnings forecasts for 2024.

17. An assessment, together with its justification, of the management of financial resources, with particular reference to the ability to meet its obligations, and identification of the risks, if any, and the actions that the Company and the Group have taken or intend to take to counter these risks

17.1. Key financial performance indicators of the Company

Key financial performance indicators

	Viability (profitability) indicators:	**2024 in PLN 000**	**2023 in PLN 000**
1.	Net return on sales *(ROS = Net profit / Net sales revenue)*	-8,6%	0,6%
2.	Return on assets *(ROA = Net profit / Assets)*	-2,3%	0,1%

	Liquidity and turnover ratios:	**2024 in PLN 000**	**2023 in PLN 000**
1.	Current ratio *(Current assets / Current liabilities)*	106,6%	100,1%
2.	Quick ratio *(Current assets - Inventory - Prepaid expenses) / Current liabilities)*	29,6%	28,7%
3.	Average trade receivables balance	38 270	36 748
3.a.	Trade receivables turnover ratio *(Net sales revenue / Average receivables)*	5,59	5,10
3.b.	Trade receivables collection cycle in days (360 / Receivables turnover ratio)	64	71
4.	Average inventory levels	111 215	113 307
4.a.	Inventory turnover ratio *(Net sales revenue / Average inventory)*	1,9	1,7
4.b.	Stocks in days *(360 / Stock turnover ratio)*	187	218
5.	Average trade payables	55 668	47 455
5.a.	Trade payables turnover ratio *(Net sales revenue / Average trade payables)*	3,8	3,9
5.b.	Trade payables settlement in days *(360 / Trade payables turnover ratio)*	94	91

	Debt ratios:	**2024 in PLN 000**	**2023 in PLN 000**
1.	Ratio of liabilities to assets *((Long-term liabilities + Short-term liabilities) / Liabilities)*	25,3%	25,9%
2.	Equity to assets ratio *(Equity / Liabilities)*	74,7%	74,1%
3.	Ratio of liabilities to equity [multiple] *((Long-term liabilities + Short-term liabilities) / Equity)*	0,34	0,35

In 2024, the return on net sales was -8.6% and the return on assets was -2.3%.

The average trade receivables turnover ratio increased, reaching 5.59 in 2024 (2023: 5.1), indicating an extension of the receivables turnover cycle. The time to settle trade payables increased to 94 days (from 91 days in 2023). The core ratio assessing the ability to settle current liabilities increased, compared to 2023, from 100.1% to 106.6%. The quick ratio increased to 29.6% (from 28.7% in 2023). Average inventories in 2024 decreased by PLN 2.1 million and were sufficient for 187 days of sales.

The share of third-party financing in assets (referred to by the debt burden ratio) fell to 25.3% (from 25.9% in 2023).

Asset financing structure

		2024 in PLN 000	**2023 in PLN 000**
1.	Equity	603 387	621 609
2.	Long-term liabilities	60 983	50 804
3.	Total fixed capital (1+2)	664 371	672 413
4.	Non-current assets	654 980	672 163
5.	Fixed capital to finance current assets	9 390	250
7.	Current assets	152 434	167 002
8.	Coverage of current assets with current liabilities	143 044	166 752
9.	Percentage of current asset coverage:		
9.a.	fixed capital	6,2%	0,1%
9.b.	current liabilities	93,8%	99,9%
9.c.	Reserves	0,0%	0,0%

Equity to fixed assets ratio *(Equity / Fixed assets)*	0,92	0,92
Working capital ratio *(Non-current liabilities + Current liabilities coverage of current assets) / Current assets)*	1,34	1,30
Capital structure ratio *(equity/non-equity)*	2,96	2,86
Asset structure ratio *(Fixed assets / Current assets)*	4,30	4,02

The level of equity was 7.9% lower than the value of non-current assets (in 2023 the level was 7.4% lower). The capital structure ratio indicates that all liabilities can be covered by equity, which confirms the Company's reliability in business dealings.

17.2. Key financial performance indicators of the Group

Viability (profitability) indicators:		**2024 in PLN 000**	**2023 in PLN 000**
1.	Net return on sales *(ROS = Net profit / Net sales revenue)*	-7,5%	1,0%
2.	Return on assets (ROA = Net profit / Assets)	-2,0%	0,2%
3.	Return on equity (ROE = Net profit / Equity)	-2,7%	0,3%
4.	Leverage (Return on equity - Adjusted return on assets ratio)	-1,0%	-0,5%
Liquidity and turnover ratios:		**2024 in PLN 000**	**2023 in PLN 000**
1.	Current ratio (Current *assets / Current liabilities*)	107,6%	100,7%

2.	Quick ratio (*(Current assets - Inventory - Prepaid expenses) / Current liabilities*)	29,1%	28,2%
3.	Average trade receivables balance	38 725	37 083
3.a.	Trade receivables turnover ratio (*Net sales revenue / Average receivables*)	5,37%	4,90%
3.b.	Trade receivables collection cycle in days (*360 / Receivables turnover ratio*)	67	73
4.	Average inventory levels	112 742	114 600
4.a.	Inventory turnover ratio (*Net sales revenue / Average inventory*)	1,84	1,58
4.b.	Stocks in days (*360 / Stock turnover ratio*)	195	227
5.	Average trade payables	53 586	45 111
5.a.	Trade payables turnover ratio (*Net sales revenue / Average trade payables)*	3,88	4,03
5.b.	Trade payables settlement in days (*360 / Trade payables turnover ratio)*	93	89

Debt ratios:		**2024 in PLN 000**	**2023 in PLN 000**
1.	Ratio of liabilities to assets (*(Long-term liabilities + Short-term liabilities) / Liabilities*)	25,6%	26,1%
2.	Equity to assets ratio (*Equity / Liabilities*)	74,4%	73,7%
3.	Ratio of liabilities to equity [multiple*] ((Long-term liabilities + Short-term liabilities) / Equity)*	34,5%	357%

Return on sales for 2024 was -7.5%, down 8.5 percentage points compared to 2023. ROA was -2.0%, down 2.2 percentage points compared to 2023, and stood at ROE -2.7%, 3.0 percentage points lower than in 2023. ...

The trade receivables turnover ratio in 2024 increased compared to the previous period, reaching 5.37% (from 4.90% in 2023). Trade payables settlement time increased to 93 days (from 89 days in 2023). The current ratio increased to 107.6% in 2024 from 100.7% in 2023. The quick ratio reached 29.1% in 2024 (28.2% in 2023). Average inventories as at 31.12.2024 decreased to PLN 112.7 million compared to PLN 114.6 million in 2023. The inventory turnover ratio, increased to 1.84 in 2024. The turnover ratio in days stood at 195 days (227 days in 2023).

The share of third-party financing in assets (as indicated by the debt-to-equity ratio) was in 2024. 25,6 %. The amount of liabilities in relation to equity represented in 2024. 34,5%.

Asset financing structure

		2024 in PLN 000	2023 in PLN 000
1.	Equity	590 548	605 871
2.	Long-term liabilities	60 472	50 763
3.	Total fixed capital (1+2)	651 020	656 634
4.	Non-current assets	640 141	655 467
5.	Fixed capital to finance current assets	10 879	1 167
7.	Current assets	153 997	166 757
8.	Coverage of current assets with current liabilities	143 118	165 590
9.	Percentage of current asset coverage:		
9.a.	fixed capital	7,1%	0,7%
9.b.	current liabilities	92,9%	99,3%
9.c.	reserves	0,0%	0,0%

Equity to fixed assets ratio (*Equity / Fixed assets*)	0,92	0,92
Working capital ratio (*(Non-current liabilities + Current liabilities coverage of current assets) / Current assets*)	1,32	1,30
Capital structure ratio (*equity/non-equity*)	2,90	2,80
Asset structure ratio (*Fixed assets / Current assets*)	4,16	3,93

18. Assessment of the feasibility of investment intentions, including capital investments, compared to the amount of funds held, taking into account possible changes in the structure of financing of these activities

The Company continues to amend its loan agreements, which primarily involve the conversion of short-term debt into long-term debt. Within 2024, the Company has entered into a number of addenda to its existing loan agreements (details of the debt are described in the separate and consolidated financial statements) to align the terms of these loans with the financial and performance conditions of the Company and the Group, as well as changing market conditions.

The Company and the Group finance themselves with financial surplus, leases and bank debt in accordance with existing agreements with banks.

19. Assessment of factors and unusual events affecting the Company's and the Group's results of operations for the financial year, with an indication of the extent to which these factors or unusual events have affected the result achieved

The Group continued to pursue its stated business strategy, which includes, among other things, optimising and developing the Group's product portfolio, launching new products on the Polish market by signing licence agreements with suppliers and strengthening its position on the global pharmaceutical market, as well as further increasing sales of insulins manufactured by the Company, both in markets where the Company's product is already commercialised and in new foreign markets.

The Company continued the measures implemented in previous years related to the strategy of selling the Company's and the Group's products in the following years, as well as keeping operating costs at a sustainable level.

These activities focused on the following key areas:

1. consolidation of the product portfolio aimed at accelerating the effects of commercialisation of the Company's key product, recombinant human insulin, and focusing development activity on diabetes products with the highest market potential,
2. reducing operating costs and adapting its infrastructure to the new requirements of implementing its strategy in selected markets,
3. focusing the Group's strategic activities on certain core competences, viz:
   - the production of high-quality biotechnology products,
   - research and development of new biotechnology products,
   - activities in the area of registering biotechnology products in key global markets with a view to their subsequent commercialisation in cooperation with leading pharmaceutical companies operating in the global market,
4. reducing debt and increasing the stability of the Group's financing structure,

5. product portfolio development in products around diabetes, gastrology, medical devices and cardiology.

On 27 March 2018. The Company entered into a framework agreement with Yifan International Pharmaceutical Co., Ltd. based in Hong Kong for the global distribution of sales and marketing of the Company's products, the granting of an exclusive right (Right) to use Bioton S.A.'s trademarks, in connection with the advertising, promotion, distribution and sale of the products in the territories covered by the agreement (the "Agreement"). 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 individual 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.

On 16 January 2020, Bioton S.A 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. of Singapore ("Assignee"), whereby Bioton granted to the Cedent the exclusive right to import and distribute Bioton products in the Territory (all countries except Poland). The Cedent and Bioton S.A. 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 S.A.'s products. The Agreement was concluded for a period of 15 years with an automatic option to extend for a further 5 years, unless either party submits written notice of termination of the Agreement at least 12 months prior to the expiry of the period for which it was concluded. 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.

On 16 July 2019, the Board of Directors of the Company 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 medicinal product in finished form (eng. "Drug Product - Finished Form), Bioton S.A. will 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 S.A. will be granted the right of first right of use in European countries under its own brand. Bioton S.A. 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' further 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 of the date of publication 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 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 in Poland of a biosimilar long-acting insulin analogue, Glargine. The drug has been centrally authorised by the European Medicines Agency after a 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 all disputes, conflicts and 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 measures 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 manufactured 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.

20. Characteristics of the external and internal factors significant for the development of BIOTON S.A. and the Group and description of the perspectives for the development of the Company's and the Group's activities at least until the end of 2024, taking into account the elements of the market strategy developed by them

The Group's product range

The Group's product range includes recombinant human insulin, as well as other pharmaceutical products, including biotechnology products. Competition in the market for biotechnology products is much less than in the markets for other pharmaceutical products due to a much smaller number of competitors and significant barriers to entry. Margins in the biotechnology products market are among the highest in the pharmaceutical market. See paragraph 19 above for a broader description.

Proven experience in developing new biotechnology products and bringing them from the laboratory level to industrial production

The Company has a proven track record in the development of biotechnology products. The Company holds an indefinite licence for the production of human insulin using a patented, genetically modified strain of E. coli bacteria, as well as the technology to produce insulin and its finished forms on a laboratory scale. The Company developed full-scale industrial production of the active substance and finished forms of human insulin and obtained registration in Poland. The Company's specialists worked to increase the efficiency of the insulin production process. The production of insulin, due to its scale and complexity, is one of the most complicated processes for manufacturing biotechnology products. The Company's proven experience in developing highly efficient processes for manufacturing biotechnology products is one of its most important competitive advantages.

Opportunities for new product development

With a well-educated and experienced workforce and collaboration with a range of experienced collaborators, it is likely that the planned investments in development will result in the introduction of new biotechnology products. See paragraph 19 above for a more extensive description.

Highly qualified and experienced specialists

The company, as the only Polish company producing biotechnology products, is able to attract leading biotechnology specialists in Poland.

Strong marketing in Poland

The Company was the market leader of the classic insulin segment in Poland, which is responsible for informing doctors and patients. The development and introduction of new products in Poland to the portfolio is further described in paragraph 19 above.

Cooperation aimed at entering new markets

On 16 January 2020, Bioton S.A. 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 ("Cedent") and Scigen Pte. Ltd. of Singapore ("Assignee"), whereby Bioton S.A granted to the Cedent the exclusive right to import and distribute Bioton products in the Territory (all countries except Poland). The Cedent and Bioton S.A. intend to improve the worldwide sales of the products, therefore in order to fulfil the contractual obligations it became necessary to transfer the rights and obligations under the Agreement.

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;

In addition, see paragraph 19 above for a broader description.

Insulin quality/modern production technology

The Company is the only producer of human insulin in Poland and one of the few in the world using recombinant DNA technology. Insulin produced by the Company is characterised by high quality. Both insulin and injectors are manufactured in accordance with GMP principles and meet the recommendations of the European Pharmacopoeia. The analysis of insulin products is carried out extensively using validated chemical, biochemical and microbiological analytical methods. A quality control system that meets EU recommendations has been introduced in the production facilities and quality control laboratories. The Company uses its modern production base to carry out the implementation of the analogue project and other tasks in the area of contract manufacturing described in paragraph 19 above.

21. Changes in the basic management principles of BIOTON S.A. and the Group

There are no changes to the governance arrangements of BIOTON S.A. and the Group in 2024.

22. Any agreements entered into between BIOTON S.A. and management personnel providing for compensation in the event of their resignation or dismissal from their position without a valid reason or if their dismissal or dismissal is due to a merger of the Company by acquisition.

Pursuant to the employment contract (including the act of appointment of the CCC) with the members of the Management Board, in the event of termination of the Agreement / dismissal of the Manager by the Company, except when the Agreement is terminated due to the employee's dismissal due to his/her fault from the Management Board or due to a grave breach of fundamental duties of the employee/manager, the Management Board member is entitled to a severance payment of 3 (three)-times the base salary or an amount equivalent to 4 times the salary on appointment. The severance payment shall be payable within 30 days from the date of termination.

23. The value of remuneration, rewards or benefits, including those resulting from incentive or bonus schemes based on the capital of BIOTON S.A., including schemes based on bonds with pre-emptive rights, convertible bonds,

subscription warrants (in cash, in kind or in any other form), paid, due or potentially due, separately for each of the Company's managing and supervising persons in BIOTON S.A., regardless of whether they were respectively charged to costs or resulted from the distribution of profit, and information on the value of remuneration and rewards received for performing functions in the authorities of subordinate entities

Details of the remuneration, rewards and benefits of BIOTON S.A.'s management and supervisory personnel are set out in note 7.45 of the Company's annual financial statements and in note 35 of the Group's annual consolidated financial statements for the period from 01.01.2024 to 31.12.2024.

The members of the parent company's management and supervisory bodies do not receive any remuneration or other benefits for their functions in the authorities of subordinated entities.

24. Determination of the total number and nominal value of all BIOTON S.A. shares and shares in related parties of the Company held by managing and supervising persons (for each person separately)

According to the information available to Bioton S.A., as of the date of this report:

- The supervisors of Bioton S.A. do not hold any shares in the Company,
- members of the Bioton S.A. Management Board do not hold any shares in the Company
- the managing and supervising persons of Bioton S.A. did not hold any shares in related parties of the Company.

25. Information on agreements known to BIOTON S.A. (including those concluded after the balance sheet date) which may result in future changes in the proportions of shares held by existing shareholders and bondholders

No such agreements occurred in 2024 or after the balance sheet date.

26. Information on the control system for employee share schemes

At the time of publication of this report, the Company has not issued any shares under the incentive scheme.

27. Information about the auditor

Information on the auditor is set out in note 7.46 of the Company's annual financial statements and note 36 of the Group's annual consolidated financial statements for the period 01.01.2024 to 31.12.2024.

28. Statement by the Management Board of Bioton S.A. on compliance

The Management Board of Bioton S.A. declares that, to the best of its knowledge:

1. The annual stand-alone financial statements of Bioton S.A. as at 31.12.2024 and the annual consolidated financial statements of the Bioton S.A. Group as at 31.12.2024 have been prepared in accordance with the International Financial Reporting Standards applicable to annual reports and endorsed by the European Union, hereinafter referred to as "**EU IFRS**", and to the extent not regulated by the aforementioned standards, in accordance with the requirements of the Accounting Act of 29 September 1994 and the implementing regulations issued thereunder

   EU IFRSs include all International Accounting Standards, International Financial Reporting Standards and related Interpretations in addition to the Standards and Interpretations listed below that are pending endorsement by the European Union and Standards and Interpretations that have been endorsed by the European Union but are not yet in force;

   The Company and the Bioton S.A. Group did not take advantage of the early application of new Standards and Interpretations that have already been published and approved by the European Union and that will become effective after the balance sheet date. In addition, as at the balance sheet date, the Bioton S.A. Group is in the process of identifying the listed amendments but does not expect any significant impact on the Group's financial statements for the period in which they will be applied for the first time;

2. the report referred to above gives a true, true and fair view of the Company's and the Group's financial position and performance;

3. the report of the Management Board of Bioton S.A. on the activities of the Company and the activities of the Bioton S.A. Group in the period from 01.01.2024 to 31.12.2024 gives a true picture of the development and achievements and the situation of the Company and the Group, including a description of the main threats and risks.

29. Statement of the Management Board of Bioton S.A. on the selection of the auditor

The Management Board of Bioton S.A. declares that in accordance with Article 66, paragraph 4 of the Accounting Act of 29 September 1994 and to § 21, paragraph 1, item 1) of the Bioton S.A. Statutes, Supervisory Board of the Company, by a 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 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 June 2024 (separate and consolidated). The Supervisory Board approved the Company's conclusion of agreements with UHY in this regard.

The Management Board of BIOTON S.A. informs that this entity and the auditors performing the audit meet the conditions for issuing impartial and independent reports on the review, pursuant to the provisions of the International Standards on Auditing issued by the International Federation of Accountants, Chapter 7 of the Accounting Act of September 29, 1994 and the National Auditing Standards issued by the National Council of Statutory Auditors in Poland. UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością is an entity entered on the list of auditing firms maintained by the Polish Audit Supervision Agency under No. 3886. The Company did not use UHY's services to review and audit its financial statements.

On 1 July 2023, an organised part of the enterprise in the area 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.

30. Bioton S.A. Board of Directors' statement on the application of corporate governance principles

30.1. Indication of the set of corporate governance principles to which Bioton S.A. is subject and where the text of the set of principles is publicly available

As of 01.07.2021. Bioton S.A. is subject to the Code of Best Practice for WSE Listed Companies 2021 (DPSN2021).The text of the "Code of Best Practice for WSE Listed Companies" is available, inter alia, on the website of the Warsaw Stock Exchange S.A. dedicated to corporate governance issues: www.gpw.pl/dobre-praktyki2021.

30.2. An indication of the provisions of the set of corporate governance rules that Bioton S.A. has deviated from, an explanation of the circumstances and reasons for this deviation and the manner in which the company intends to remedy the possible consequences of not applying the provision in question or what steps it intends to take to reduce the risk of not applying the provision in question in the future

The Management Board of Bioton S.A. announces that, sharing the ideas and assumptions underpinning the individual principles of the "Code of Best Practice for WSE Listed Companies" - in view of the Company's established practice or the provisions of the Articles of Association, which require a departure from the management and supervision model envisaged by some of the rules of corporate governance, it cannot apply the principles permanently and in full. Information on the status of the Company's application of the principles contained in the Collection of Good Practices of Companies Listed on the WSE 2021 is up to date and can be found in the following link: https://bioton.com/wp-content/uploads/2021/08/2021.07.22_GPW_dobre_praktyki_2021_PL.pdf

The Management Board of the Company wishes to emphasise that the non-application of certain principles or the expression of certain reservations with respect to certain principles does not adversely affect the transparency of the rules of supervision and management of Bioton S.A. as well as the implementation of good practices, and thus does not lead to a violation of the assumptions underlying corporate governance. The Management Board of Bioton S.A. will continuously evaluate the management and governance rules implemented in the Company as well as examine the expectations of investors as to the Company's position with regard to the non-adopted best practice rules, and when changes are deemed necessary, a decision will be made to adopt certain rules in the wording proposed by the Warsaw Stock Exchange. If, on the other hand, the application of such rules requires a decision by another organ of the Company, the Board of Directors will request it to take the appropriate decision.

30.3. Description of the main features of the Company's internal control and risk management systems in relation to the process of preparing separate and consolidated financial statements

The internal control and risk management system for the preparation of financial statements at Bioton S.A. is based on:

- internal regulations defining the duties, powers and responsibilities of the various organisational units, including those involved in the preparation of the financial statements,
- internal procedures defining the financial and accounting workflow (including document control rules),
- keeping the accounts in a computerised system,
- the activities of the Audit Committee established within the Company's Supervisory Board, which includes, inter alia, the preliminary assessment of the Management Board's reports on the Company's and the Group's activities and the Company's and the Group's annual financial statements, as well as giving an opinion on the basic principles of the Company's existing internal control and risk management system and submitting motions and recommendations to the Supervisory Board on the merits of changing it, and informing the Supervisory Board of any significant irregularities in such a system known to the Committee or risks associated with its organisation and functioning,
- the audit and review of the financial statements by an independent auditor appointed by the Company's Supervisory Board on the recommendation of the Audit Committee.

30.4. Indication of the shareholders holding, directly or indirectly, significant blocks of shares in BIOTON S.A., together with an indication of the number of shares held by these entities, their percentage share in the share capital, the number of votes resulting therefrom and their percentage share in the total number of votes at the general assembly

According to the information in Bioton S.A.'s possession based on shareholder notifications, the ownership structure of Bioton S.A.'s share capital, as at the date of this report, is presented in the table below:

Lp.	Shareholder	Number of shares/votes (in pcs.)	% of share capital/votes
1	Dongren Singapore PTE LTD.[1)]	16 989 289	19,79 %
2	Perfect Trend Ventures 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 %
	Total	**85.864.200**	**100,00%**

1) Yifan Pharmaceutical Co., Ltd. holds indirectly through Dongren Singapore PTE LTD. 16,989,289 dematerialised shares of 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. holds indirectly through Perfect Trend Ventures Limited 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) and 2) Yifan Pharmaceutical Co., Ltd. indirectly holds 27,175,708 shares in the Company, which represent 31.65°% of the Company's share capital and entitle to 27,175,708 votes at the Company's General Meeting of Shareholders, representing 31.65%o of the total number of votes at the Company's General Meeting of Shareholders
3) Basolma Holding Ltd is the parent company of AIS Investment 2 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.

30.5. Indication of the holders of any securities that give special control rights in relation to Bioton S.A., with a description of these rights

As at the date of publication of this report, no shareholder has special control rights under the Company's Articles of Association.

30.6. Indication of any restrictions on the exercise of voting rights, such as restrictions on the exercise of voting rights by holders of a specified proportion or number of votes, time restrictions on the exercise of voting rights or provisions under which, with the Company's cooperation, the capital rights attaching to securities are separated from the holding of securities

Pursuant to Article 411(1) of the Companies Act, one share confers the right to one vote at the General Meeting. Shareholders have the right to vote from the date the shares are fully paid up.
At the date of publication of this report, the Company's Articles of Association do not provide for restrictions on the exercise of voting rights.

30.7. Indication of any restrictions on the transfer of ownership of Bioton S.A. securities.

Pursuant to Article 337 § 1 of the Companies Act, shareholders have the right to dispose of shares without restriction.

30.8. Description of the rules concerning the appointment and dismissal of managers and their powers, in particular the right to decide on the issue or redemption of shares

The Management Board of the Company shall consist of no more than 4 persons, including the President, the Vice-President and the other members of the Management Board. The number of members of the Management Board is determined by the Supervisory Board.
The members of the Management Board are currently appointed and dismissed by the Supervisory Board. The members of the Management Board are appointed for a three-year term of office, if the Management Board is composed of more than one person, the Company is represented by two members of the Management Board acting jointly, a member of the Management Board acting jointly with a proxy.

The powers of the Management Board include the matters provided for in the Commercial Companies Code and the Articles of Association. The Management Board manages the Company's affairs and represents the Company externally.

Pursuant to article 444 of the Code of Commercial Companies and § 11 par. 1 and 2 of the Articles of Association, the Board of Directors was authorised to increase the share capital of Bioton S.A. by issuing new shares with an aggregate nominal value not exceeding PLN 209,090,909.20 by way of one or several consecutive increases of the share capital within the limits set out above (authorised capital). Within the authorisation to increase the share capital within the scope of the authorised capital, the Management Board is authorised to issue subscription warrants as referred to in Article 453 § 2 of the CCC, with the term of exercise of the subscription right expiring no later than the period for which the authorisation was granted.

Save as otherwise provided in the Companies Act or the Articles of Association, the Board of Directors shall decide on all matters relating to the increase of share capital within the framework of authorised capital. The Chairman of the Supervisory Board approves the issue price and the issue of shares for non-cash contributions. In addition, with the consent of the Supervisory Board, the Management Board may partially or fully exclude or limit the pre-emptive rights of shareholders with respect to shares or subscription warrants issued within the scope of the authorised capital

30.9. Description of the rules for amending the Articles of Association of Bioton S.A.

An amendment to the Articles of Association requires a resolution of the General Meeting and an entry in the register. A resolution to amend the Articles of Association requires a majority of 3/4 votes. In addition, pursuant to Article 415 § 3 of the Companies Act, a resolution concerning an amendment to the Articles of Association which increases the benefits of shareholders or depletes the rights granted personally to shareholders requires the consent of all the shareholders concerned.

30.10. The manner of operation of the general meeting and its principal powers, and a description of the rights of shareholders and of the manner in which they are exercised , in particular the rules arising from the rules of procedure of the general meeting, if such rules have been adopted, provided that information in this regard does not result directly from the law

Convening General Meetings

Pursuant to the Act of 15 September 2000, the Commercial Companies Code (the "**Commercial Companies Code" or "CCC"**), general meetings may be ordinary (Ordinary General Meetings) or extraordinary (Extraordinary General Meetings).

Entities entitled to convene the General Meeting

The General Meeting shall be convened by the Management Board. The Supervisory Board may convene an Ordinary General Meeting if the Management Board fails to convene it within six months of the end of the Company's financial year, and an Extraordinary General Meeting if it considers it advisable to convene it. Shareholders of the Company representing at least half of the Company's share capital or at least half of the total votes in the Company shall also have the right to convene an Extraordinary General Meeting. In this case, the shareholders of the Company shall appoint the chairman of this General Meeting. In addition, a shareholder or shareholders of the Company representing at least one-twentieth of the Company's share capital may request the convening of an Extraordinary General Meeting and the inclusion of specific items on the agenda of that General Meeting. The request to convene an Extraordinary General Meeting must be submitted to the Management Board in writing or in electronic form. If the Extraordinary General Meeting is not convened within two weeks from the date of submission of the request to the Management Board, the registration court may authorise the shareholders of the Company making the request to convene the Extraordinary General Meeting. The court shall appoint the chairman of this General Meeting.

Method of convening the General Meeting

The General Meeting is convened by means of an announcement made on the Company's website and in the manner prescribed for the provision of current information in accordance with the Act of 29 July 2005 on Public **Offering** and Conditions for Introducing Financial Instruments to an Organised Trading System and on Public Companies (the "**Public Offering Act**") and the Ordinance of the Minister of Finance of 29 March 2018. on current and periodic information provided by issuers of securities and conditions for recognition as equivalent of information required by the laws of a non-member state (the "**Regulation on Current and Periodic Information**"), as well as the Commercial Companies Code, in particular Articles 402^1 and 402^2. The announcement should be made at least twenty-six days before the date of the General Meeting. The notice of the General Meeting should include, in particular: (i) the date, time and place of the General Meeting and a detailed agenda, (ii) a precise description of the procedures for attending the General Meeting and exercising voting rights, (iii) the record date for the General Meeting, (iv) the information that only persons who are shareholders of the Company on the record date have the right to attend the General Meeting, (v) an indication of where and how a person entitled to attend the General Meeting may obtain the full text of the documentation to be presented to the General Meeting and the draft resolutions or, if no resolutions are to be adopted, the comments of the Management Board or the Supervisory Board on the items placed on the agenda of the General Meeting or on the items to be placed on the agenda prior to the date of the General Meeting, and (vi) an indication of the address of the website where information concerning the General Meeting will be made available.
Pursuant to the Regulation on Current and Interim Information, the Company is required to publish in a current report, inter alia, the date, time and place of the General Meeting together with its detailed agenda. In addition, in the event of an intended amendment of the Articles of Association, an announcement in the form of a current report shall be made about the existing provisions of the Articles of Association, the content of the proposed amendments and, if, due to the significant scope of the intended amendments, the Company decides to prepare a new consolidated text, the content of the new consolidated text of the Articles of Association together with a list of its new provisions. Announcement in the form of a current report shall also be made of the content of draft resolutions and annexes to draft resolutions which are to be the subject of the General Meeting and which are relevant to the resolutions to be adopted.

Right to place certain items on the agenda of the General Meeting

A shareholder or shareholders of the Company representing at least one-twentieth of the Company's share capital may request that specific items be placed on the agenda for the next General Meeting. The request should be submitted to the Management Board no later than twenty-one days before the set date of the General Meeting. The request may be submitted in electronic form. The Management Board is obliged to announce immediately, but no later than eighteen days prior to the set date of the General Meeting, the changes to the agenda introduced at the request of the Company's shareholders. The announcement shall be made in a manner appropriate to the convening of the General Meeting.

Right to propose draft resolutions to the Company

A shareholder or shareholders of the Company representing at least one-twentieth of the share capital may, prior to the date of the General Meeting, submit to the Company, in writing or by means of electronic communication, draft resolutions concerning the items placed on the agenda of the General Meeting or the items to be placed on the agenda. The Company shall immediately publish the draft resolutions on its website.

Right to request a list of shareholders and copies of proposals

A shareholder of the Company may request that the list of shareholders entitled to attend the General Meeting be sent to him or her free of charge by e-mail, stating the e-mail address to which the list should be sent. In addition, any shareholder of the Company has the right to request copies of motions on matters on the agenda of the next General Meeting. Such a request should be submitted to the Management Board. The issuance of copies of the motions should take place no later than one week before the General Meeting.

Participation in the General Assembly

Manner of participation in the General Meeting and exercise of voting rights

A shareholder of the Company may participate in the General Meeting and exercise his/her voting rights in person or through a proxy. A shareholder of the Company intending to participate in the General Meeting through a proxy must grant the proxy a power of attorney in writing or in electronic form. The Company includes a specimen power of attorney in the notice convening the General Meeting. The Company shall take appropriate measures to identify the Company shareholder and the proxy in order to verify the validity of the proxy granted in electronic form. A detailed description of the manner of verification of the validity of a power of attorney granted in electronic form is included in the text of the notice convening the General Meeting.
A shareholder of the Company with shares registered in more than one securities account may appoint separate proxies to exercise the rights attached to the shares registered in each account.
If the proxy of a shareholder of the Company at the General Meeting is a member of the Management Board, a member of the Supervisory Board, a liquidator, an employee of the Company or a member of the bodies or an employee of a subsidiary company or cooperative of the Company, the proxy may authorise representation at only one General Meeting. The proxy is obliged to disclose to the Company's shareholder the circumstances indicating the existence or possibility of a conflict of interest. In such a case, the granting of a further power of attorney is not permitted. The proxy referred to above shall vote in accordance with the instructions given by the Company shareholder. The proxy may represent more than one shareholder of the Company and vote differently from the shares of each shareholder of the Company.
A shareholder of the Company may not vote, either in person or by proxy, on resolutions concerning his liability to the Company for any reason, including discharge, release from liability to the Company and a dispute between him and the Company. The above limitation does not apply to voting by a shareholder of the Company as a proxy of another shareholder on the adoption of the resolutions relating to himself referred to above.

Persons entitled to attend the General Meeting and exercise their voting rights

Only those persons who are shareholders of the Company sixteen days prior to the date of the General Meeting (record date) have the right to attend the General Meeting.
In order to participate in the General Meeting, those entitled under the Company's dematerialised bearer shares should request the entity that maintains their securities account to issue a personalised certificate of the right to participate in the General Meeting. This request should be presented no earlier than after the announcement of the convening of the General Meeting and no later than on the first working day after the record date for participation in the General Meeting.
Holders of registered shares and temporary certificates, as well as pledgees and users with voting rights, have the right to participate in the General Meeting if they are entered in the share register on the record date for the General Meeting.
The list of persons entitled to participate in the General Meeting is determined by the Company on the basis of the list drawn up by the entity maintaining the securities depository in accordance with the Act on Trading in Financial **Instruments** of 29 July 2005 (the "**Act on Trading in Financial Instruments**") and the status disclosed in the Company's share register on the date of registration of participation in the General Meeting. The aforementioned list shall be on display at the Board's premises for three business days preceding the day on which the General Meeting is held.
A shareholder of the Company may transfer shares between the record date and the conclusion of the General Meeting.

Competence of the General Meetings

Pursuant to the provisions of the Companies Act, all types of resolutions may be passed by shareholders at an Extraordinary General Meeting, with the exception of certain resolutions that require to be passed at the Annual General Meeting.
In accordance with the provisions of the Companies Act, the agenda of the Annual General Meeting includes: (i) consideration and approval of the financial statements for the previous financial year and the Management Board's report on the Company's activities, (ii) adoption of a resolution on the distribution of profit or coverage of loss, and (iii) adoption of a resolution on the discharge of duties by members of the Management Board and Supervisory Board.
Resolutions of the General Meeting are generally adopted by an absolute majority of the votes cast, subject to the provisions of the Articles of Association and the mandatory provisions of the Companies Act providing for a qualified majority.

Pursuant to the provisions of the Companies Act, the following matters, among others, require resolutions of the General Meeting:

- amendments to the Articles of Association, cancellation of shares, increase of share capital, reduction of the Company's share capital, issue of convertible bonds and bonds with priority rights, disposal of the company and liquidation of the Company (requires a three-quarters majority vote),
- appointment, removal and suspension of members of the Supervisory Board,
- to amend the Articles of Association in order to authorise the Board of Directors to increase the Company's share capital within the framework of authorised capital (requires a three-quarters majority of the votes of those present at the meeting with shareholders representing at least one-third of the share capital present); if a General Meeting convened to adopt resolutions on the above issue does not take place for lack of a quorum, the next General Meeting may adopt such resolutions regardless of the number of shareholders present at that General Meeting,
- to make a material change to the objects of the Company (requires a two-thirds majority vote irrespective of the number of shareholders present at such General Meeting),
- merger with other companies, which requires a majority of two-thirds of the votes cast, unless the Articles of Association provide for stricter requirements,
- division of the Company and to order a break in the General Meeting (requires a two-thirds majority),
- issue of subscription warrants (requires a four-fifths majority),
- to deprive shareholders of their pre-emptive rights in part or in whole (requires a four-fifths majority vote at the General Meeting),
- an amendment to the Articles of Association increasing the benefits of shareholders or depleting the rights granted personally to individual shareholders (pursuant to Article 415 § 3 of the Companies Act in conjunction with Article 354 of the Companies Act, the consent of all shareholders affected by the amendment is required),
- conclusion by the Company of a credit, loan, surety or other similar agreement with a member of the Management Board, Supervisory Board, proxy, liquidator or in favour of any of these persons requires the consent of the General Meeting.
- Pursuant to the Articles of Association, the following resolutions of the General Meeting require a three-quarters majority of the votes cast:
- resolution on the redemption of shares in the case referred to in Article 415 § 4 of the Companies Act,
- resolutions on the acquisition of shares (treasury shares) to be offered for purchase to employees or persons who have been employed by the Company or its subsidiaries for at least three years,
- resolution on the authorisation to acquire own shares in the case referred to in article 362 § 1 item 8 of the Companies Act,
- resolutions on mergers with other public companies.
- In accordance with the Articles of Association, a resolution of the General Meeting removing or suspending some or all members of the Board of Directors requires a majority of four-fifths of the votes cast.

Right to vote

One share confers the right to one vote at the General Meeting. Shareholders are entitled to vote from the date on which their shares are fully paid up. A shareholder may vote differently on each share held.

Right to transfer shares

Pursuant to Article 337 § 1 of the Companies Act, shareholders have the right to dispose of shares without restriction. In addition, shareholders have the right to encumber their shares with a pledge or usufruct.

Other shareholder rights

In addition, shareholders are entitled to the following rights:

- the right to subscribe for new issue shares in proportion to the number of shares held (pre-emptive right). Pursuant to Article 433 of the Companies Act, shareholders have a pre-emptive right to subscribe for new shares in to the number of shares held, with the pre-emptive right also applying in the event of the issue of securities convertible into shares or incorporating subscription rights,
- the right to demand that the Supervisory Board be elected by separate groups. Pursuant to Article 385 § 3 of the Companies Act, at the request of shareholders representing at least one-fifth of the share capital, the Supervisory Board should be elected by the next General Meeting by voting in separate groups, even if the Company's Articles of Association provide for a different manner of appointing the Supervisory Board,
- The right to request information concerning the Company. Pursuant to Art. 428 of the Polish Companies Act, during a General Shareholders Meeting, the Management Board is obliged to provide a shareholder, upon request, with information concerning the Company, if this is justified for the assessment of a matter included on the agenda for the General Shareholders Meeting. The Management Board refuses to provide information if this could be detrimental to the Company, a company associated with the Company or a company or cooperative dependent on the Company, in particular by revealing technical, trade or organisational secrets of the company. A member of the Management Board may refuse to provide information if the provision of such information could constitute grounds for his criminal, civil or administrative liability. In justified cases, the Management Board may also provide information to a shareholder in writing, no later than within two weeks of the end of the General Meeting. The Management Board may also provide the shareholder with information concerning the Company outside the General Meeting, but such information should then be disclosed by the Management Board in writing in the materials submitted to the next General Meeting. A shareholder who has been refused disclosure of the requested information at the General Meeting and who has objected to the minutes may, within one week of the end of the General Meeting, apply to the Registry Court to oblige the Management Board to provide such information. A shareholder may also apply to the Registry Court to oblige the Company to announce the information provided to another shareholder outside the General Meeting. Pursuant to § 38.1.12 and § 38.1.13 of the Regulation on Current and Periodic Information, information provided to a shareholder outside the General Meeting pursuant to art. 428 § 5 or 6 CCC and pursuant to art. 429 § 1 CCC, resulting from

the obligation of the Management Board by the Registry Court to provide information to a shareholder who objected to the minutes on the refusal to disclose the information requested at the General Meeting, as well as information which the Issuer was obliged to announce, pursuant to art. 429 § 2 of the CCC, by the Registry Court, and which were provided to another shareholder outside the General Meeting, are subject to disclosure to the public in the form of a current report,

- the right to bring an action for the repeal or declaration of invalidity of a General Shareholders Meeting's resolution. Pursuant to Art. 422 of the Polish Companies Act, a General Shareholders Meeting resolution which is in conflict with the Articles of Association or good practice, and which harms the interests of the Company or is intended to harm a shareholder, may be appealed against by way of an action against the Company for the repeal of a resolution. An action for the repeal of a resolution must be brought within one month of becoming aware of the resolution, but no later than three months from the date on which the resolution was adopted. Pursuant to Art. 425 of the Companies Act, a resolution of the General Meeting may also be challenged by way of an action brought against the Company for a declaration that a resolution of the General Meeting which is contrary to the law is invalid, whereby the action should be brought within thirty days from the date of its announcement, but no later than within one year from the date on which the resolution was adopted. The expiry of these deadlines does not exclude the possibility of raising a plea of nullity of the resolution contrary to the law. The following are entitled to bring actions for the revocation or declaration of invalidity of a General Meeting resolution: (i) a shareholder who voted against a resolution and, after its adoption, requested that his or her objection be recorded in the minutes, (ii) a shareholder who was unreasonably withheld from the General Meeting, and (iii) a shareholder who was not present at the General Meeting, only if the General Meeting was convened incorrectly or a resolution was adopted on an issue not on the agenda. The Companies Act provides for certain modifications of the general rules on challenging resolutions on mergers, division and transformation of companies, which are provided for by Articles 509, 544 and 567 of the Companies Act, respectively,
- the right to share in the profit shown in the audited financial statements and allocated by the General Meeting for distribution to shareholders. Pursuant to Article 347 § 2 of the Companies Act, profit is distributed in proportion to the number of shares held, and if the shares are not fully paid up, profit is distributed in proportion to the payments made for the shares,
- the right to request, pursuant to Article 6 of the Companies Act, that a commercial company which is a shareholder of the Company provide information as to whether it has a relationship of domination or dependence with a particular commercial company which is a shareholder of the Company. The entitled person may also request the disclosure of the number of shares or votes that such commercial company holds in the Company that is a shareholder of the Company, including as a pledgee, user or on the basis of agreements with other persons. An answer to the questions set out above shall be given to the entitled person and the relevant capital company within ten days of receipt of the demand. If the request for a reply is received by the addressee more than two weeks before the day on which the general meeting is convened, the period for reply shall begin to run on the day following the day on which the shareholders' or general meeting ends. From the date of commencement of the time limit for replying until the date of replying, the obliged commercial company may not exercise the rights attached to the shares in the capital company referred to above,
- the right, pursuant to Article 410 of the Companies Act, for shareholders holding one-tenth of the share capital represented at a given General Meeting to request that the attendance list at the General Meeting be checked by a committee elected for this purpose and composed of at least three persons,
- the right to bring an action to remedy the damage caused to the Company, pursuant to Article 486 of the Companies Act, if the Company fails to bring an action to remedy the damage caused to it within one year from the date of disclosure of the act causing the damage,
- The right to a share in the assets in the event of liquidation of the Company. Pursuant to Article 474 of the Companies Act, the assets remaining after satisfying or securing the Company's creditors are distributed among the shareholders in proportion to the payments made by each of them into the share capital.

30.11. Composition and changes thereto during the last financial year and description of the operation of the management and supervisory bodies of Bioton S.A. and their committees

Management:

Composition of the Management Board at the date of publication of this report:

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

Board action description:

The following are authorised to make declarations and sign on behalf of the Company: President of the Management Board with another Management Board Member or a proxy jointly, or Vice President of the Management Board with another Management Board Member or a proxy jointly.
The powers of the Management Board include the matters provided for in the Commercial Companies Code and the Articles of Association. The Management Board manages the Company's affairs and represents the Company externally.
The work of the Management Board is regulated in detail by the Rules of Procedure of the Management Board adopted by the Supervisory Board. In accordance with the By-Laws, meetings of the Management Board shall be convened and chaired by the President of the Management Board or, in his/her absence, by the Vice-President of the Management Board. Invited persons from outside the Management Board may participate in the meetings of the Management Board, upon prior agreement with the person convening the meeting. Meetings of the Management Board shall be held as necessary at a time determined by the President of the Management Board or, in his absence, by the Vice-President of the Management Board, but at least twice a month. In accordance with the Rules of Procedure of the Management Board, the Management Board determines the Company's development strategy and objectives and their implementation, which are approved by the Supervisory Board. In accordance with the By-Laws, the Management Board is obliged to submit at least quarterly reports to the Supervisory Board on significant events in the Company's business. This report shall also include a report on the Company's revenue, expenses, profit and loss, the amount of liabilities and the basic balance sheet figures. The Management Board will also inform the Supervisory Board of any changes in the Company's strategy and objectives.

Supervisory Board:

The current composition of the Supervisory Board of Bioton S.A:

- Mr Jia Li - Chairman of the Supervisory Board in 2024. ;
- Mr Dariusz Trzeciak - Deputy Chairman of the Supervisory Board in 2024;
- Mr Ramesh Rejentheran - Deputy Chairman of the Supervisory Board in 2024;
- Nicola Cadei - Member of the Supervisory Board in 2024 ;
- Mr Jubo Liu - Member of the Supervisory Board in 2024;
- Mr Vaidyanathan Viswanath - Member of the Supervisory Board in 2024;
- Ms Valery Yeo - Member of the Supervisory Board in 2024;
- Mr Tomasz Siembida - Member of the Supervisory Board in 2024;

There were no changes in the composition of the Supervisory Board from 01 January 2024 to the date of publication of the financial statements.

Description of the operation of the Supervisory Board:

The Supervisory Board consists of 5 to 13 members, including the Chairman and two Vice-Chairmen. Members of the Supervisory Board are appointed and dismissed by the General Meeting. Pursuant to §18 of the Articles of Association, one member of the Supervisory Board appointed by the General Meeting should fulfil all of the following conditions: (i) he/she has been elected in accordance with the procedure provided for in §18 of the Articles of Association; (ii) he/she must not be a related party (as defined in the Articles of Association) to the Company or to a subsidiary of the Company; (iii) he/she must not be a related party to a parent company of the Company or to another subsidiary of a parent company of the Company (as defined in the Articles of Association); or (iv) shall not be a person who has any relationship with the Company or with any of the entities listed in (ii) and (iii) above that could materially affect the ability of such person as a member of the Supervisory Board to make impartial decisions. The number of members of the Supervisory Board shall be determined by the General Meeting. In the event of voting in separate groups, the number of members of the Supervisory Board shall be 13. A Supervisory Board whose membership, as a result of the expiry of the mandates of certain members of the Supervisory Board (for reasons other than dismissal), is less than the number determined by the General Meeting, but at least 5 members, shall be capable of adopting valid resolutions until supplemented. Members of the Supervisory Board are appointed for a joint three-year term of office.

The validity of the Supervisory Board's resolutions requires the invitation of all and the presence at the meeting of at least half of its members, including the Chairman or Vice Chairman. Resolutions of the Supervisory Board are passed by an absolute majority of votes. Resolutions of the Supervisory Board on the suspension of members of the Management Board shall be adopted by a majority of four-fifths of the votes cast. In the event of an equality of votes, the Chairman's vote shall be decisive. If necessary, resolutions of the Supervisory Board may be adopted in writing or by means of remote communication. In such a case, they become binding once they have been signed by at least half of the members of the Supervisory Board, including the Chairman. Supervisory Board meetings may be attended by members of the Management Board of the Company, as well as other invited persons, as required. The Supervisory Board acts collectively, which does not exclude the possibility of permanently or temporarily delegating individual members of the Supervisory Board to perform specific supervisory activities independently.

The powers of the Supervisory Board include the matters provided for in the Companies Act. The Supervisory Board exercises constant supervision over all areas of the Company's operations and, in particular, evaluates the Management Board's report on the Company's operations, the financial statements for the previous financial year and the Management Board's proposals concerning the distribution of profit or coverage of losses, and presents annual written reports on the results of each of these evaluations to the General Meeting. The Supervisory Board may also suspend, for important reasons, individual or all members of the Management Board from their duties. The powers of the Supervisory Board may be extended by the Articles of Association.

In addition, in accordance with the Articles of Association, the Supervisory Board (i) appoints an entity to audit or review the Company's consolidated and separate financial statements and approves the conclusion of agreements with such an entity, and (ii) approves the conclusion of agreements by the Company's related parties or the performance of other activities for the benefit of the Company's related parties in the event that the value of such agreements or activities exceeds EUR 500,000 or the equivalent amount in other currencies within the following 12 months. EUR 500,000 or the equivalent of this amount in other currencies, except for typical and routine activities performed on an arm's length basis between related parties, the nature and terms of which arise from the day-to-day operations of the Company or its subsidiary. In order to be valid, resolutions on the matters referred to in item (i) require the affirmative vote of a member of the Supervisory Board elected by the General Meeting, in accordance with the procedure set out in the Articles of Association, who does not have any relationship with the Company that could materially affect the ability of such person as a member of the Supervisory Board to make impartial decisions, and in particular is not a related party of the Company. The Supervisory Board determines the remuneration of the members of the Management Board.

In accordance with the Rules of Procedure of the Supervisory Board, the members of the Supervisory Board should attend the General Meeting of the Company in such a composition as to be able to provide substantive answers to the questions asked during the General Meeting. In accordance with the By-Laws, the members of the Supervisory Board should take appropriate measures to receive regular and comprehensive information from the Management Board on all relevant matters relating to the Company's business and on the risks associated with the business and the ways in which these risks are managed. The Chairman and Vice-Chairman of the Supervisory Board are in particular responsible for maintaining contact with the Management Board and for representing the Supervisory Board in its relations with third parties.

The Audit Committee for the period from 1 January 2024 to the date of publication of this report comprised:

- Mr Dariusz Trzeciak - as Chairman of the Audit Committee of the Company's Supervisory Board,
- Mr Ramesh Rejentheran - as Vice-Chairman of the Audit Committee of the Company's Supervisory Board,
- Ms Valery Yeo - as a Member of the Audit Committee of the Supervisory Board of the Company

The number of members of the Committee shall be determined by the Supervisory Board. The members of the Committee, including its Chairman and Vice-Chairman, are appointed by the Supervisory Board from among its members. The composition of the Audit Committee must meet the conditions set out in Article 129 of the Act on Statutory Auditors, Audit Firms and Public Supervision) (the "Act on Statutory Auditors").
On the Audit Committee, Mr Dariusz Trzeciak and Mr Ramesh Rajentheran meet the criteria for independence within the meaning of Article 129(3) of the Act on Statutory Auditors.

On the Audit Committee, Mr Dariusz Trzeciak meets the requirements of the Act on Statutory Auditors to have knowledge and skills in the industry in which the Company operates. He has more than 10 years of experience, due to his position on the Company's Supervisory Board since 2013. Mr Dariusz Trzeciak completed four years of doctoral studies at the Faculty of Law and Administration of the University of Warsaw, Postgraduate Studies in International Business Management at the Warsaw School of Economics, and the Faculty of Law and Administration and the Faculty of History of the University of Warsaw. In the past, he held managerial and supervisory positions in a number of companies, including the position of President of the Management Board in Towarzystwo Ubezpieczeń na Życie Polisa Życie S.A., Sferia S.A., IT Polpager S.A.. He currently holds the functions of: Member of the Management Board of Premium Mobile Sp. z o.o., Member of the Management Board of Sferia S.A., Vice Chairman of the Supervisory Board of Muzo FM Sp. z o.o. (formerly: Radio PIN) and Member of the Supervisory Board of AltaLog Sp. o.o. He is a member of elected bodies in industry organisations and chambers of commerce.

On the Audit Committee, Mr Ramesh Rejentheran meets the conditions of the Chartered Accountants Act to have knowledge and skills in accounting or auditing. Mr Ramesh Rejentheran holds an MBA in Finance from London Business School and a degree from Newcastle Medical School in Newcastle, UK. He is the founder of AlleleHealth Pte Ltd, Singapore. From 2015 to August 2018, he served as the Chief Financial Officer of a Singapore Group called Fullerton Health (FHC). From 2017 to 2018, he served as Chief Operating Officer of FHC Capital Group and from April 2018 to August 2018, he served as Chief Investment Officer there. From 2011 to 2015, he was employed as Managing Director of Asian Healthcare Investment Banking in the Investment Banking Division for the Singapore/Hong Kong area at Barclays. Between 2010 and 2011, he was Head of Markets and Equities and Senior Advisor to the CEO at Hong Leong Group, Kuala Lumpur, Malaysia. From 2009 to 2010, he worked at Barclays Capital, London, UK, as Head of Global Specialty Healthcare Industry. From 2006 to 2009, he was Executive Director of Global Specialty Healthcare Sales at Morgan Stanley, London, UK.

Ms Valery Yeo is a professional accountant with more than 20 years of experience as a finance executive in pharmaceutical and medical companies. She is CFO at Yifan International (CFO from June 2022 to present, CSO from July 2021 to May 2022, head of FP&A from March 2019 to June 2021). She has held several positions at Baxter (2017 to 2018) as Head of Finance - SG Hub/Indonesia/Philippines, at Astrazeneca Singapore Pte Ltd (2011 to 2017) as Head of Finance. Valery is a professional with extensive experience in leading finance transformation in APAC in the areas of FP&A, tax, treasury and controlling. She has extensive business partnership experience in both mature and emerging markets, which has contributed to significant revenue growth.

The method of operation of the Audit Committee is set out in the Audit Committee Regulations. The tasks of the Audit Committee include in particular: (i) to monitor the financial reporting process, (ii) to monitor the effectiveness of the internal control and risk management systems and internal audit, including with regard to financial reporting, (iii) to monitor the performance of auditing activities, in particular the performance of the audit firm, taking into account any conclusions and findings of the Audit Oversight Committee arising from the audit conducted at the audit firm, (iv) controlling and monitoring the independence of the auditor and the audit firm, in particular where services other than the audit are provided to the Company by the audit firm, (v) informing the Company's supervisory board of the results of the audit and explaining how the audit contributed to the integrity of financial reporting in the Company and what was the role of the audit committee in the audit process, (vi) assessing the auditor's independence and approving the auditor's provision of permitted non-audit services to the Company, (vii) developing a policy for the selection of the audit firm to perform the audit, (viii) developing a policy for the provision of permitted non-audit services by the audit firm performing the audit, by affiliates of the audit firm and by a member of the audit firm's network, (ix) determining the procedure for the selection of the audit firm by the Company, (x) making a recommendation to the board on the appointment of auditors or audit firms, in accordance with the policies developed by the audit committee, (audit firm selection policy, policy on the provision of permitted non-audit services), (xi) making recommendations to ensure the integrity of the Company's financial reporting process.

The Company has in place a procedure for the selection of the audit firm, a policy for the selection of the audit firm to conduct the audit and a policy for the provision of permitted non-audit services by the audit firm conducting the audit, by affiliates of the audit firm and by a member of the audit firm's network. The main tenets of the developed policy for the selection of the audit firm to perform the statutory audit and the policy for the provision of non-audit services by the audit firm performing the audit are the adherence to principles related to: (i) maintaining the auditor's independence, (ii) avoiding conflicts of interest, (iii) proper preparation of documentation in the bidding process, (iv) a non-discriminatory process for selecting the audit firm during the bidding process, (v) a fair assessment of the audit firm's experience and that of the audit team and the key auditor, (vi) determining appropriate remuneration of the audit firm for the services performed, (vii) ensuring proper rotation of audit firms.

For 2023, the audit firm auditing the Company's financial statements provided permitted non-audit services to the Company, which are described in note 7.47 of the Separate Financial Statements.

The Audit Committee carried out the tasks of the Audit Committee provided for in the applicable regulations. Two meetings of the Audit Committee were held in 2023: 27.03.2023 and 29.08.2023. The Committee's resolutions are also adopted by means of direct remote communication: electronic voting took place on 12.05.2023 and 9.06.2023. The main purpose of the Audit Committee was to discuss the financial performance of the Company and its Group. The Audit Committee also assisted the Board of Directors with the analogue project. The members of the Audit Committee were in ongoing contact regarding the matters discussed.

31 Statement on non-financial information of the Company and the Bioton S.A. Group.

31.1 Legal requirements.

The statement includes information on labour, human rights, anti-corruption, social and environmental issues. The legal basis for this statement is the Accounting Act, the requirements for the statement of which are primarily contained in Article 55.

This statement contains selected indicators prepared on the basis of the Global Reporting Initiative (GRI Standards) Sustainability Reporting Guidelines. A list of the indicators used can be found in sec. 6.

The statement presents non-financial information for the key Group Companies: Bioton S.A., Biolek Sp. z o.o. and Bioton Marketing Agency Sp. z o.o.

31.2 Description of the entity's business model.

Bioton S.A. is the first in Poland and one of the 8 global producers of biotechnologically derived human insulin active substance, as well as a producer of finished forms of therapeutic insulin products for patients. It also conducts research and development activities. In recent years, a Technology Transfer procedure has been implemented and a Scale Down Model for the production of the active substance has been established. These activities make it possible, in a relatively short period of time, to verify production technologies based on a biotechnological process using different microorganisms. Further, once the technology has been verified, the process is scaled down to a production line and implemented, based on Quality by Design principles.

The Bioton S.A. Group aims to become the preferred supplier of complete diabetes solutions among patients, doctors and the diabetes community. To this end, qualified specialists are constantly developing and improving production technologies, thus responding to the current needs of patients and the market. The combination of strong competence and a laboratory space equipped with state-of-the-art research equipment enables the complete transfer of developed technology to commercial use.

Foundations of Bioton S.A. and the Group:

Every day we build our global success by strengthening our diabetes and biotechnology expertise. Every day we increase our operational excellence through open-mindedness, goal orientation and teamwork.

In pursuing its objectives and taking into account the foundations of its business, the Bioton S.A. Group cares for the quality of health and life of patients by producing pharmaceutical substances of the highest quality, safe and effective medicinal products, products and medical devices, as well as dietary supplements and food for special medical purposes.

As at 31.12.2024, the Group comprised the following actively operating companies:

- Bioton S.A.;
- Bioton Marketing Agency Sp. z o.o.;
- Biolek Sp. z o.o.;
- Bioton (International) GmbH.

The key companies within the Group are Polish companies. The parent company of the Group is Bioton S.A. - the company responsible for the production of recombinant human insulin (active substance), as well as finished forms of insulin medicinal products, the sale of finished products, goods and services both through its own pharmaceutical wholesaler and other pharmaceutical wholesalers and pharmacies in the Polish market and foreign distribution, based on cooperation agreements and sales contracts concluded with foreign and domestic partners. Bioton S.A. has state-of-the-art research facilities enabling scientific work and continuous product development. The Group's marketing activities on the Polish market are the responsibility of Bioton Marketing Agency Sp. z o.o. (BMA). Biolek Sp. z o.o., on the other hand, using the Group's research facilities, specialises in food for special medical purposes for patients with gastrointestinal diseases.

In recent years, the business model of the Bioton S.A. Group has been simplified, focused on building an integrated diabetes care system and concentrating on key projects related to the launch of insulin analogue and other drugs or medical devices in the areas of mainly diabetology, cardiology and oncology. The year 2024 did not bring significant changes to the Group's business model or supply chain, however, some disruption and risks were emerging due to the geopolitical situation related to the ongoing armed conflict in Ukraine.

History

Bioton S.A. started its activities in June 1993 with the purchase of raw materials for the production of injectable cephalosporins and the sale of their pharmaceutical forms. Since then, the Bioton S.A. Group has developed very dynamically, introducing innovative products and entering new markets. The most important "milestones" in the Group's development include:

- 1999, June - Good Manufacturing Practice (GMP) certification obtained by Production Plant No. 1.
- 1999, December - finalisation of the registration process in Poland for 17 products in the Gensulin range.
- 2001, January - Acquisition of IBATECH Sp. z o.o. in Macierzysz and transformation into the Biotechnology Department (production of active substance), obtaining Good Manufacturing Practice (GMP) certificate by the Biotechnology Department.
- 2001, May - Bioton Sp. z o.o. started selling human insulin in Poland.
- 2004, August - transformation of Bioton Sp. z o.o. into a joint stock company Bioton S.A., the first listing of Bioton .A. shares on the Warsaw Stock Exchange took place on 31 March 2005 - Bioton S.A. became the first biotech company listed on the Polish stock exchange.

- Years 2004 - 2011 - expansion into international markets through acquisitions and the signing of distribution agreements, including in China.
- 2011 - Increased sales of proprietary insulin in the Polish market and the launch of new products related to diabetes therapy.
- Years 2011 - 2014 - further development of the portfolio of generic medicines and medical devices related to diabetes therapy (agreements with MSD).
- 2015 - 2016 - Obtaining EC Certification in accordance with Directive 93/42/EEC for the GensuPen Improve automatic insulin injector and Quality Management System Certification in accordance with EN ISO 13485:2012 and expanding the business of manufacturing automatic insulin injectors with the GensuPen2 product.
- 2018 - introduction of GensuCare glucose meter - this is one of the world's most advanced glucose meters, enabling .ie. integration with the user's smartphone and the ability for carers to monitor measurements.
- 2018, March - Signing of a 15-year agreement with Yifan International Pharmaceutical Co., Ltd. for global sales distribution and marketing of Bioton products.
- 2018, May - sale of SciGen Ltd. shares under an investment agreement with Yifan International Pharmaceutical Co., Ltd.
- 2018 - Obtaining certification for a Quality Management System in accordance with EN ISO 13485:2016
- 2019 - entering into a partnership with Yifan International Pharmaceutical Co., Ltd. for the development and commercialisation of insulin analogues, as well as their global distribution. The agreement provides funding for the entire project, i.e. covering the costs associated with the purchase and installation of equipment needed for each stage of the agreement, as well as the purchase of raw materials and excipients necessary for the manufacture of the products.
- 2020, October - amendment to the cooperation agreement with Copernicus Sp. z o.o. in view of the finalisation by Financiere N Nemera of the acquisition of shares in Copernicus Sp. z o.o.
- 2020 - 2023 - development of products from the gastrointestinal line on the Polish and international market within Biolek Sp. z o.o. (development of INTESTA, INTESTA MAX, ENERGAST, INTESTA BIOM, INTESTA TEMPO brands) and further products introduced in 2024.
- 2022 - 2023 - launch of a new product for the treatment of diabetes on the Polish market - Sitaglptin - and the introduction of another drug Combodiab.
- 2024 - launch of two products in the area of gastroenterology under the INTESTA brand: INTESTA PYLOSTAT and LAXIBIOM. The most important event in the past year was the implementation of a medical device - a continuous glycaemic monitoring system - CGMs - I- Sense, CareSense AIR.
- 2025 - subsequent years - the Company plans to implement further drugs in the area of diabetology, continue the development of gastrointestinal products on the basis of the Intesta product line and expand its portfolio with drugs in the area of cardiology in line with the strategy described in paragraph 19 above

Innovation

What distinguishes Bioton S.A. and the Bioton S.A. Group from the competition is undoubtedly its orientation towards innovation and development. Consequently, a great deal of effort has been directed towards seeking opportunities in various scientific and research projects. Previous experience, the potential of specialists and the consistent implementation of a long-term investment strategy have created an environment that is open to new areas of activity, the common denominator of which is the aim to improve the quality of health and life of patients suffering from civilisation diseases.

Bioton S.A. and the Group has modern, technologically advanced research and development facilities with highly qualified and experienced specialists conducting research on biotechnology products and the development of new forms of drugs and carrying out the research programme in the following areas:

- Biotechnology: the aim of studying the processes for producing, isolating and modifying proteins with biological activity is to optimise the selection of methods for processing recombinant protein substances and their manufacture.
- Manufacture of finished form: The aim is to increase the production scale to reduce manufacturing costs and increase the company's production capacity and to develop a process for manufacturing finished insulin analogue form products.

As indicated, a Technology Transfer procedure has been implemented and a Scale Down Model for the production of the active substance has been established. These activities make it possible, in a relatively short period of time, to verify production technologies based on a biotechnological process, using different microorganisms. Further, once the technology is verified, the process is scaled down to a production line and implemented, based on Quality by Design principles. The company also focuses its activities on offering a range of contract manufacturing operations (CMO) and development activities for other products related to diabetes treatment therapies in our factories (CDMO).

In order to remain competitive, the Group's Management is constantly working to expand the current product range. The projects under way to create a modern technological line, based on unique and innovative solutions, intended for the production of active substances from the group of insulin analogues, are the result of such a strategy. The result of the conducted project will be the creation of the first installation for the production of insulin analogues in Poland, the introduction of insulin analogues to the market, while maintaining the highest global therapeutic parameters of the product and better access for patients to the most modern anti-diabetic therapies.

Scale of the organisation's activities

The Group has two production facilities: Production Plant No. 1 for the production of finished moulds and the Biotechnology Plant for the production of active substance. Both plants are located on the parent company's premises in Macierzysz. In 2024, Bioton S.A. delivered 9.0 million packages of products (including more than 8.9 million Gensulin and 151 thousand injectors and glucometers), thanks to which the generated net sales revenue (including revenue from Services) of the Company reached PLN 214.0 million. Excluding reciprocal revenues, the Bioton S.A. Group generated net sales revenues of PLN 207.7 million. The largest markets for the Group's products in 2024 were Poland (44.1% of revenue), Malaysia (10.4%), Vietnam (10.2% of revenue), and at the end of 2024, the Bioton S.A. Capital Group employed 364 people.

The business model adopted allows satisfactory financial and non-financial results to be achieved and the strategic objectives arising from the Group's mission to be effectively realised.

The State Treasury holds shares in the ownership structure of Bioton S.A. : PKO BP SA- 1.18%.

31.3 Risk management

Risk management at Bioton S.A. and the Bioton S.A. Group is an integral part of effective organisational management. The analysis of risk factors covers all areas of the business, including economic, social and environmental aspects.

Adopted practice in the area of risk management includes the following elements:

- risk identification;
- risk analysis;
- risk assessment;
- risk management;
- monitoring and reviewing risks.

Key risks have been identified in the organisation and are subject to analysis and assessment. For each of them, mitigating actions have been defined in case they materialise. A set of actions has also been developed to safeguard the Group in the event of an emergency (crisis management).

According to the methodology adopted, each risk includes:

- a description of the risks identified that have both a direct and indirect impact on the risk in question;
- a description of the safeguards to mitigate the risks identified;
- assigning the role of risk owner - the person responsible for, among other things, monitoring and cyclical review of risks.

This approach makes it possible to determine the acceptable level of risk that Bioton S.A. Group companies are able to take in order to perform key business tasks in an efficient manner. As the risk management process is an ongoing process, every effort is made to ensure that both the risks and the controls to prevent their occurrence are regularly reviewed.

- The Company has a Safety and Compliance Policy in place, the main objective of which is to ensure safety and compliance in its entirety, including in particular: ensuring a process for identifying and mitigating adverse occurrences/events in the sphere of human safety and business processes and reducing the Company's operating costs, including image,
- defining responsibilities for staff and employees coordinating safety improvement and compliance assurance activities,
- setting out the basic principles for identifying, mitigating and monitoring safety and compliance failures.

The Company's Board of Directors considers the following to be the main factors affecting safety levels:

- safety of working conditions and supervision of their provision,
- ensuring respect for legal, ethical and internal operating standards,
- information security,
- extraordinary events: accidents, disasters natural disasters,
- outsourced processes.

For Bioton S.A. - the parent company and at the same time the entity most exposed to risk among the Group companies, due to its size and nature, a Catalogue of typical potential risks in each category has been developed, which presents the opportunities that could have an adverse impact on the Company's operations.

A description of the significant risks and threats (relating directly to the financial position) to which the Group is exposed can be found in the earlier sections of the Bioton S.A. Management Report on the activities of the Bioton S.A. Group.

Key risks and threats related to the business and at the same time having an impact on sustainability issues include such risks as:

- risk of employment conditions;
- the risk of violations of workers' rights;
- business continuity risk;

- risk of non-compliance with legal requirements, good practice and internal regulations;
- risk of abuse;
- risks associated with side effects, interactions with other drugs or quality deficiencies;
- risks associated with the occurrence of an industrial accident: explosion, chemical plant leakage;
- Risk of prolonged drought, loss of access to water;
- the risk of stricter environmental regulations, including waste generation and the discharge of treated wastewater
- risk of violent weather events.

The basic principles and standards for dealing with the aforementioned risks, including the safety of working conditions and supervision of their provision, respect for legal, ethical and internal operating standards, information security, response to extraordinary events (failures, disasters, natural disasters) and outsourced processes (outsourcing) are described and implemented in the Security and Compliance Policy as well as in other policies and procedures such as *the Policy against Corruption Threats and Conflicts of Interest, the Compliance Policy, the Code of Ethics, the Procedure for Anonymous Reporting of Violations and Irregularities and Protection of Whistleblowers in the Bioton Group, the Bioton Good Marketing Practices Policy* described in the following sections of the Statement.

31.4 Ethics management

In the interest of transparency in the Company's activities and to emphasise that ethical actions are fundamental to the activities of Bioton S.A. and the Bioton S.A. Group, a Code of Ethics has been introduced. It provides a formal summary of the standards of conduct expected of all employees of the Company and contains the Company's core values.
The Bioton S.A. *Code of Ethics* describes:

- the purpose and foundations of the organisation;
- obligations to customers and business partners;
- liabilities to employees;
- obligations to the Company;
- commitments to the environment;
- community involvement;
- concern for product and consumer safety;
- privacy and data security.

Every new employee of Bioton S.A. and the Group is required to read the Code. The document is also available to employees in electronic form as well as in traditional form.

The respect for business ethics is also demonstrated by the principles described in *Bioton's Marketing Best Practices Policy,* which primarily relate to the activities of Bioton Marketing Agency Sp. z o.o. (BMA), the subsidiary responsible for marketing activities. The document describes in great detail the legal requirements and ethical principles of conduct in the conducted activities of advertising, promotion, education and image in relation to medicinal products, medical devices, dietary supplements, food for special medical purposes and cosmetics. The obligation to comply with the provisions of the Policy rests with all BMA employees and all other persons involved in conducting marketing activities.

In 2024, there have been no recalls or comments from the Main Pharmaceutical Inspectorate (GIF) or the Main Sanitary Inspectorate (GIS) in relation to marketing information on Bioton S.A products in Poland.

31.5 Social responsibility policies and procedures, their results and non-financial key performance indicators

31.5.1 Policies and indicators relating to staff issues

Recruitment processes are based on the approved staffing plan for the year. New employees are sought internally as a first step. In the absence of a person with the required competences and skills, a decision is taken to initiate external recruitment.
Every effort is made to ensure that the working environment created, is a place where differences between employees, such as gender, age, culture and lifestyle, are valued, in line with current market standards on Diversity & Inclusion. The unique skills and experience that employees possess result in greater creativity and innovation, which in turn results in a better understanding of market needs and improved business performance. Diversity policy issues in the Bioton S.A. Group are formally reflected in the Group's Code of Ethics and Compliance Policy.
The Group makes every effort to ensure that the Company's authorities and key managers are diverse in terms of gender, field of education, age and professional experience. The process of selecting persons for management and executive positions takes into account, inter alia, such elements as adequate education, professional experience and competence. Candidates are not disqualified on the basis of gender or age.
At the end of 2024, the Group employed 364 people.

The following presents data on the employment status of Bioton S.A., Bioton Marketing Agency Sp. z o.o. (BMA), and the Group by gender, age, type of employment contract and type of employment. Data for the subsidiary Biolek Sp. z o.o. has been omitted as the company had no employees as of 31.12.2024.

	Gender	BIOTON S.A.		BMA Sp. z o.o.		BIOTON CG		
		2024	2023	2024	2023	2024	2023	Change 2024 vs 2023
Number of staff employed (contract of employment) at the end of 2023/2024	*Women*	166	175	32	33	198	208	-10
	Men	152	137	14	14	166	151	15
	Total	**318**	**312**	**46**	**47**	**364**	**359**	**5**

The data by type of employment contract and type of employment for the year 2023-2024 are as follows:

Total number of employees by type of employment contract and by gender (BIOTON Group)								
Number of staff employed (contract of employment) at:	**Gender**	**BIOTON S.A.**		**BMA Sp. z o.o.**		**BIOTON CG**		
		2024	**2023**	**2024**	**2023**	**2024**	**2023**	**Change 2024 vs 2023**
indefinitely	*Women*	150	162	28	29	178	191	-13
	Men	131	129	13	14	144	143	1
	Total	**281**	**291**	**41**	**43**	**322**	**334**	**-12**
fixed term	*Women*	13	11	3	4	16	15	1
	Men	21	7	1	0	22	7	15
	Total	**34**	**18**	**4**	**4**	**38**	**22**	**16**
temporary replacement	*Women*	3	2	1	0	4	2	2
	Men	0	1	0	0	0	1	-1
	Total	**3**	**3**	**1**	**0**	**4**	**3**	**1**
SUMA	*Women*	166	175	32	33	198	208	-10
	Men	152	137	14	14	166	151	15
	Total	**318**	**312**	**46**	**47**	**364**	**359**	**5**

Total number of employees by employment type and gender (BIOTON Group)								
Number of staff employed (contract of employment) at:	**Gender**	BIOTON S.A.		BMA Sp. z o.o.		**BIOTON CG**		
		2024	**2023**	**2024**	**2023**	**2024**	**2023**	**Change 2024 vs 2023**
full-time	*Women*	164	172	32	33	196	205	-9
	Men	151	136	14	14	165	150	15
	Total	**315**	**308**	**46**	**47**	**361**	**355**	**6**
part-time	*Women*	2	3	0	0	2	3	-1
	Men	1	1	0	0	1	1	0
	Total	**3**	**4**	**0**	**0**	**3**	**4**	**-1**

Total number of employees by employment type and gender (BIOTON Group)								
Number of staff employed (contract of employment) at:	**Gender**	BIOTON S.A.		BMA Sp. z o.o.		**BIOTON CG**		
		2024	**2023**	**2024**	**2023**	**2024**	**2023**	**Change 2024 vs 2023**
SUMA	*Women*	166	175	32	33	198	208	-10
	Men	152	137	14	14	166	151	15
	Total	**318**	**312**	**46**	**47**	**364**	**359**	**5**

Data on the recruitment of new staff and staff turnover by age group and gender are presented below:

Total number and rates of hiring of new staff and staff turnover by by age group and gender (BIOTON Group)						
			Number of employee departures	**Employee turnover rate***	**Number of new hires**	**Employment rate****
2024	**Women**	less than 30	5	36%	8	57%
		30 to 50	23	17%	16	12%
		above 51	8	16%	2	4%
	Men	less than 30	4	24%	10	59%
		30 to 50	12	11%	18	17%
		above 51	1	2%	3	7%
2023	**Women**	less than 30	1	10%	8	80%
		30 to 50	19	13%	19	14%
		above 51	6	10%	6	10%
	Men	less than 30	5	45%	4	36%
		30 to 50	14	13%	13	13%
		above 51	5	12%	3	7%

*Number of departures of employees in a given category by gender / number of all employees in a given category by gender as at 31.12.2024.
**Number of employees in the category by gender / number of all employees in the category by gender as at 31.12.2024.

Of which for the parent company Bioton S.A.:

Total number and rates of hiring of new staff and staff turnover by by age group and gender (BIOTON S.A.)						
			Number of employee departures	Employee turnover rate*	Number of new hires	Employment rate*
2024	Women	less than 30	5	36%	8	57%
		30 to 50	18	18%	11	11%
		above 51	7	15%	2	4%
	Men	less than 30	4	24%	10	59%
		30 to 50	11	12%	17	18%
		above 51	0	0%	3	7%
2023	Women	less than 30	1	10%	8	80%
		30 to 50	12	10%	13	12%
		above 51	6	11%	5	9%
	Men	less than 30	5	45%	4	36%
		30 to 50	12	13%	9	10%
		above 51	4	10%	3	8%

*Number of departures of employees in a given category by gender / number of all employees in a given category by gender as at 31.12.2024.
**Number of employees in the category by gender / number of all employees in the category by gender as at 31.12.2024.

Before starting work, each employee is familiarised with the Work Regulations, which set out the obligations of the employer and the duties and rights of employees. Newly hired employees are required to undergo a series of training courses aimed at familiarising them with the safety rules applicable to the workplace, policies and procedures, including those relating to human rights, as well as those concerning company confidentiality. A detailed job briefing is also carried out, the purpose of which is, inter alia, to provide the employee with information on hazardous, harmful and onerous factors present in the workplace and its immediate surroundings.

Being a reliable employer, the companies in the Bioton S.A. Group offer employment under an employment contract. In addition, employees are provided with a range of additional benefits adapted to local standards, such as additional life insurance, a medical package or a sports card. The continuous improvement of the Group's remuneration structure can be evidenced by the extent of the changes introduced in 2024 involving the regulation of salaries for selected positions throughout the Bioton S.A. Group. As a company for which concern for people's health is a priority, we offer an attractive medical package. Bioton S.A. and the Bioton Group offers its employees the opportunity to be insured in the international Global Doctors health programme, which covers up to EUR 2 million worldwide for the treatment of chronic diseases. Responding to the needs of its employees, Bioton Group has also launched the "Senior Package", a medical package that can also be used by relatives of employees up to the age of 85. Employees can also take advantage of the Benefit Cafeteria, where they have the opportunity to use allocated funds from the Company's Social Fund and their own funds for offers from partners. For the sake of employees' health and fitness, they also have a choice of sports cards in the Cafeteria. From 2019, employees can join Employee Pension Plans, an additional form of employee retirement savings organised by the Group.

Bioton's management believes that the key to business success lies in the dialogue with employees, which is why it is cyclical and takes place at all levels of the company community. Employees are regularly briefed on the company's strategy and performance in company-wide live meetings, during which the management team also answers employees' questions. The Director of HR and Communications and the HR Business Partner meet regularly with Employee Representatives to present current employee issues and to jointly develop optimal solutions.

The organisation is committed to providing its employees with optimal conditions for their career development and therefore offers employees the opportunity to pursue general development training, certification courses and specialised courses, e.g. in biotechnology, or funding for doctoral studies. Employees can also submit their ideas for interesting professional projects.

Decisions taken sometimes require the decisive steps necessary to achieve the objectives set. Understanding the difficult situation of persons dismissed by an employer's decision through no fault of the employee, the employer provides for the possibility of additional remuneration, to the extent that it depends on the length of service and the position held, thus offering the employee additional time to adjust to the change. In the case of persons of pre-retirement age, a protective period is applied and the retirement itself is associated with the granting of additional remuneration. As a gesture of appreciation, additional benefits above and beyond the statutory ones regulated by the Group's internal procedures are provided for employees.

Health and safety at work

Maintaining a high standard of working conditions, ensuring safety and protecting the health of employees is a priority in the organisation's day-to-day operations.

This is particularly important in the case of manufacturing companies, where employees are exposed to increased risks in relation to their jobs. Therefore, this area is regulated in great detail in the *Health and Safety Policy,* as well as systematic measures are taken to improve the level of health and safety at work, including by:

- Health and safety training to raise employee awareness and skills (educational activities);
- Strive to continuously improve working conditions and improve safety improvement measures - effective implementation of corrective and preventive actions;
- Ongoing identification and fulfilment of legal requirements for safety and health;
- Preventive information and consultation campaigns on possible hazards and related risks among company employees and external workers.

The organisation's main objective in this area is to achieve zero accidents and occupational diseases. This is made possible by the cyclical monitoring and identification of hazards that may affect the safety and health of employees, as well as measures taken to improve safety, including for employees of external companies carrying out work on the site.

Number of accidents at work, including fatal accidents, occupational diseases and days of incapacity among BIOTON S.A. Group employees.						
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Number of fatal accidents	0	0	0	0	0	0
Women	0	0	0	0	0	0
Men	0	0	0	0	0	0
Total number of accidents at work	2	3	2	0	4	3
Women	1	2	0	0	1	2
Men	1	1	2	0	3	1
Accident frequency rate*	6,29	9,6	43	0	11	8,2
Women	3,14	6,4	0	0	2,7	5,6
Men	3,14	3,2	43	0	8,2	2,8
Total number of days of incapacity due to accident at work	174	98	18	0	192	98
Women	0	58	0	0	0	58
Men	174	40	18	0	192	40
Accident severity rate**	87	33	9	0	48	33
Women	0	29	0	0	0	29
Men	174	40	9	0	64	40
Number of recognised occupational diseases	0	0	0	0	0	0
Women	0	0	0	0	0	0
Men	0	0	0	0	0	0

** Number of total accidents / employment * 1000.*

*** Number of days of incapacity due to accident / number of accidents.*

In 2024, only light individual accidents were recorded, mainly bruises. There were no severe, fatal or collective accidents. No occupational diseases among employees were recorded in 2024. There were also no recorded occupational accidents among employees of subcontractors working at the Bioton Group site.

The main hazards identified as having the potential to cause serious accidents to employees or subcontractor workers working on site are chemical burns, thermal burns from hot water or steam, electric shock.
Due to the nature of Bioton S.A.'s and the Group's activities, the Health and Safety Policy is adapted to changes in the working environment. Any accidents occurring during the performance of employee tasks are reported by supervisors to the Chief Health and Safety Officer, who prepares post-accident documentation after the circumstances and causes of the accident have been analysed by the Accident Team. The Accident Team consists of: Chief Health and Safety Officer and Crew Representative. After each accident, an analysis is carried out to assess the implementation of additional safeguards that would prevent similar incidents in the future.
Information on health and safety, together with the relevant policy governing this area, is communicated to employees during initial training - each employee must receive such training before starting to perform the activities on the job. Furthermore, when a procedure in the area of safety is implemented or updated, training is required for the employees to whom the policy will apply. In addition, training sessions for managers are organised at least once a year to discuss and shape safe working conditions and to make employees aware of the consequences of tolerating improper behaviour and working methods. In the case of the use of

external companies, their employees are informed, among other things, of general safety rules (regulated in the Health and Safety Policy), environmental guidelines (contained in the Environmental Policy) and potential hazards and emergency situations before starting work.

Information security

The basis of the internal control system over the IT environment is the *Security and Compliance Policy and the dedicated IT Access Management procedure* that defines standards, rules and requirements for the security area of the IT environment, including but not limited to:

- safety rules;
- security of IT resources;
- physical and environmental safety;
- formal and legal security.

Current standards from the ISO 27000 group, industry standards and experience from best practice are used to create and develop information security policies.

Data protection

The data protection principles guiding Bioton S.A. and the Bioton Group are set out in:

1) *A Data Protection Policy* describing the principles of personal data protection, the procedure for the exercise of data subjects' rights and the principles of IT resource management;
2) *Privacy Policy* made available on the Company's website;
3) *Privacy by design and by default policies* regarding obligations to take account of data protection by design (privacy by design) and data protection by default (privacy by default) as referred to in Article 25 RODO*;*
4) *A data breach notification procedure* the conduct of *personal* data processors under the authority of the controller (end-users) when the possibility of a personal data breach is detected.
5) *The Data Protection Incident Management Policy*, which states:
   a) the implementation of the personal data breach notification obligation (Article 33(1) and (2) RODO),
   b) the implementation of the obligation to notify a personal data breach to the data subject (Article 34(1) RODO),
   c) implementation of the measures planned to remedy the breach.
6) *A procedure for transfers of personal data to a third country or international organisation and for entrusting data to an entity outside* the EEA, which aims to ensure that transfers of personal data to third countries and international organisations take place on the basis and within the limits of the RODO.

The aforementioned internal acts are in line with the applicable legal provisions requiring the protection of certain types of information, including business secrets and personal data.

It is noteworthy that all employees are obliged to undergo dedicated data protection training in an online format. Furthermore, employees sign a statement confirming that they have been made aware of the personal data protection legislation, including in particular the provisions of the RODO, the personal data protection documentation in force in the organisation and the principles of personal data processing by the end user.

During the reported period, no data protection breaches were disclosed that would require notification to the President of the Data Protection Authority as required by the RODO.

31.5.2 Policies and indicators relating to respect for human rights issues

Bioton S.A. and the Group are committed to ensuring equal treatment in all areas of business, following the principle that self-interest must not conflict with good corporate social responsibility practices. Therefore, all business activities and objectives are pursued with the following values in mind:

- providing high quality products and services;
- confidence and customer satisfaction;
- respect and kindness to all customers;
- accountability to stakeholders and the business environment;
- terms and conditions of employment;
- employee development;
- respect for employees;
- promotion of teamwork.

Tackling discrimination and bullying

Bioton Group is committed to creating an appropriate work organisation with a high culture of conflict resolution. To this end, the employer has created appropriate procedures to prevent mobbing and discrimination. Preventing and counteracting mobbing and discrimination at Bioton S.A. is implemented in the following three areas:

- the Company's internal regulations;
- management practice;
- ethics and work culture.

The issue of anti-discrimination and mobbing at Bioton S.A. is regulated in the Anti-Discrimination and Anti-Harassment Policy, which defines the way in which cases of discrimination or mobbing are to be reported, as well as information on the actions that may be applied if a complaint is found to be justified (e.g. transfer of an employee to another job position, a disciplinary penalty, a reprimand or termination of the employment relationship without a notice period).
This is a policy common to the Group's key companies, i.e. the Polish companies. Due to the different nature of the business, as well as the different legal environment, the other subsidiaries are not covered by the above policy.
These regulations were presented to all new employees during the initial training conducted in an online format. Each employee was required to electronically confirm that they had received the training. In addition, each new employee was required to familiarise themselves with the Anti-Bullying and Anti-Discrimination Policy, contained in the Work Regulations, and to certify their familiarisation with the aforementioned Policy by signing a statement.
Periodic training was also provided during 2024 to refresh employees' knowledge in this area and communicate the changes that have taken place with regard to bullying, discrimination and equal treatment in the workplace. The online training was targeted at all employees and each employee was required to electronically confirm that they had received the training.

In 2024, there were no formal reports of discrimination, as required under the Anti-Bullying and Anti-Discrimination Policy, and no formal complaints about the impact on respect for human rights through formal mechanisms allowing complaints to be made.

31.5.3 Policies and indicators relating to anti-corruption issues

Anti-corruption policy

Bioton S.A., as a Company listed on the Warsaw Stock Exchange (WSE), in order to effectively protect its reputation and assets, valuing integrity and transparency, applies a zero tolerance for fraud at all levels of management. Bioton S.A. has *a Policy on Counteracting Corruption Threats and Conflicts of Interest*, which formalises existing practices in the area of counteracting corruption threats and conflicts of interest.
This is a policy common to the Group's key companies, i.e. the Polish companies. Due to the different nature of the business, as well as the different legal environment, the other subsidiaries are not covered by the above policy.
It is worth noting that in 2024, there were no cases of corruption or violations of free competition rules and monopolistic practices, and no fines or sanctions were imposed for non-compliance with laws and regulations. In addition, there were no formal complaints regarding the impact on society during the reported period.

Procedure for Anonymous Whistleblowing and Whistleblower Protection in the Bioton Group

The Board of Directors of Bioton S.A. in 2021 adopted the Procedure for Anonymous Whistleblowing and Whistleblower Protection in the Bioton Group.

This procedure has been introduced in order to create an internal regulation as a tool to increase the effectiveness of monitoring, signalling, detecting and resolving situations involving the occurrence of fraud or violations of the law, procedures and ethical standards applicable in the Bioton Capital Group, as well as to develop an intra-organisational whistleblowing and abuse culture as a concern for the well-being of the Bioton Capital Group and its employees, and to define ways to protect whistleblowers.
The procedure is applicable to violations of the law committed by employees or other persons connected with Bioton S.A. by an obligatory relationship of a similar nature, within the scope of the activities of Bioton S.A. and the entities of the Bioton Capital Group as of 17.12.2021.
In 2024, there were two notifications under the above Procedure, in connection with which the relevant investigations were carried out, as a result of which no violations of any laws, internal regulations, regulations and requirements applicable to Bioton S.A. Group companies or principles of social coexistence were found

31.5.4 Policies and indicators relating to social issues

Bioton S.A. and the Group strive to communicate effectively with society, including local communities. Above all, the priority in social activities is to educate and raise awareness of diabetes and a healthy lifestyle. As this is an ongoing process, Bioton S.A. makes every effort to systematically improve the quality of activities, thus ensuring that they are up-to-date and relevant to the external environment.

Our aim is first and foremost to ensure the safety of diabetes patients. Regardless of the difficulties, we are fully meeting our responsibility by ensuring that the Polish market is fully secured in diabetes preparations - in particular insulin. Also for the sake of the health of diabetic patients, in the situation of difficult access to education in outpatient clinics, we continue to provide the opportunity to use the "Ask the Specialist" platform, through which every patient could take advantage of the education of the Diabetes Nurse and receive professional support in a safe way. The patient was able to access educational advice from the nurse either by phone or email. In 2024, we supported doctors and nurses in the ongoing improvement of their knowledge of diabetes topics by organising scientific meetings and e-mail education, also by supporting scientific societies, such as the Polish Diabetological Society, in statutory activities, e.g. organising conferences, also in online form. For 17 years, Bioton S.A. has supported the activities of the Polish Federation of Education in Diabetology. In 2024, we supported the organisation of the 18th National PFED Conference. The conference was held under the motto "Power and Powerlessness in Diabetology - STOP Complications".

In addition, we also made donations of human insulin medicinal products to hospitals in 2024 and provided the injectors necessary for insulin administration along with educational materials for diabetic patients free of charge.

As part of the local community development programme, Bioton S.A. meets the needs and expectations of patients. In places with difficult access for patients to specialists, we organised Diabetological Consultation Points in 2024, where patients could take advantage of free specialist consultations conducted by diabetologists. As part of the 2024 World Diabetes Day celebrations under the theme ,'Live Healthy and Conscious', we emphasised the need to improve access to diabetes education for both people with diabetes and their loved ones, as well as for healthcare professionals. Realising the importance of preventive measures and education for one's own health, we took measures to broaden the knowledge of Bioton Group employees during organised educational lectures and activities to support pro-health behaviour of employees.

Diabetes poses a challenge to the entire healthcare system. In half of patients, diabetes is still undiagnosed. The other half, with newly diagnosed diabetes, have signs of late complications. Together with the Polish Federation for Education in Diabetology, we have continued to make the FINDRISC (Finnish Diabetes Risk Score) questionnaire, which assesses the risk of type 2 diabetes, available to the public in 2024.

The standards and principles for building business relationships with customers and conducting promotional and educational activities for which the BMA is responsible are set out in a number of documents, in particular the Bioton Good Marketing Practices Policy. In 2019, the process of digitalising the Policy in PDPM's Electronic Document Workflow (EOD) system began. These activities continued in 2024 as well. The electronic document workflow leads to even greater efficiency of the BMA in meetings and promotional and educational activities with representatives of medical entities, persons marketing medicinal products, medical devices, food for special medical purposes and dietary supplements in accordance with medical and pharmaceutical law, as well as pro-health education directed to patients.

Quality management and product liability

The foundation and, at the same time, the core value of Bioton S.A.'s and the Group's business is to take the utmost care of patient safety by manufacturing medicinal products of the highest quality. As a Group, we feel responsible and attach great importance to ensuring that the medicinal products manufactured by Bioton S.A. are safe, effective and durable.

Within the organisational structure of Bioton S.A. (the company responsible for production), there is a Quality and Registration Department consisting of approximately 70 qualified and trained employees, responsible for the functioning of the implemented quality system (in accordance with legal requirements) and for conducting tests and quality assessment of the manufactured end products.

Each of the manufactured medicinal products meets the stringent requirements of the Quality Specification and the Marketing Authorisation. The manufacture of medicinal products, as well as active substances, is carried out in accordance with the requirements of the Marketing Authorisation and in compliance with Good Manufacturing Practice standards. Compliance with these requirements is confirmed by continuously maintained Good Manufacturing Practice (GMP) certificates issued by the General Pharmaceutical Inspector (GIF) on the basis of inspections carried out. The certification covers the Quality Management System in place, the manufacturing facilities for active substances (recombinant human insulin) and medicinal products, as well as quality control and the warehouses where they are stored. Compliance with Good Manufacturing Practice requirements has also been confirmed by agencies in other countries.

For medical devices, Bioton S.A.'s quality management system is compliant with ISO 13485:2016, which was confirmed by obtaining the relevant certificate in 2024. The medical device GensuPen 2 has an EC Certificate granted by the notifying body TUV Rheinland. The validity of the certificate is confirmed by the certification body during annual surveillance audits.

In the case of medicinal products and active substance, the quality management process is implemented through a formally introduced set of policies and procedures, supply chain management, supervision of the various manufacturing steps and of the products. This includes the analysis of deviations from defined procedures and specifications. The efficiency and effectiveness of the quality management system is regularly evaluated (once a month). For this purpose, key quality indicators have been developed, which, by means of constant evaluation and through the ongoing monitoring of the implementation of quality sub-processes (including the evaluation of progress towards the set objectives) or the introduction of improvements, result in a constant increase in the effectiveness of the implemented quality system.

Concerned with the quality and safety of the medicinal products and medical devices manufactured, a Documentation of the General Place of Business (DGMPD) and a Quality Book have been developed, the purpose of which is to present the current state of the organisation, its activities and to demonstrate its ability to meet customer needs and legal requirements. The Quality Manual covers with the quality management system, in a comprehensive manner, the entire product manufacturing process (the so-called main processes), i.e. from the design stage, through the realisation of the product, ending with the storage stage. The Site Master Documentation describes the implemented Quality Management System for the licensed activity, including the manufacturing processes from the stage of material procurement, production, inspection activities, product certification and storage. Each of these stages is governed by additional detailed procedures and instructions.

Internal audits are carried out to assess the compliance of the processes with the requirements and the effectiveness of the quality management system on an ongoing basis. Internal audits are planned on an annual basis, based on a risk analysis carried out in accordance with the adopted internal regulations. In 2024, 14 such audits were conducted. They focused primarily on areas such as:

- Production facilities;
- Quality and Registration Department;
- Technical Department;
- Supply Chain Operations and Warehouse and Pharmaceutical Wholesale.

As a result, all anomalies are identified and subjected to corrective action on an ongoing basis.

Quality control in the supply chain and environmental sustainability

BIOTON S.A. and the Group also ensure that suppliers and business partners act in accordance with the best practices of social responsibility. The supply chain built in this way takes into account social issues while limiting the negative impact on the environment. Already at the supplier selection stage, a detailed verification of suppliers is carried out through the use of questionnaires (depending on the type of cooperation or service), which contain a detailed list of issues to be assessed. The aspects to be checked include:

- training for employees, including hygiene training and protective clothing;
- approach to quality management (including quality control);
- origin of products;
- supplier qualification procedure.

The analysis of a dedicated questionnaire together with the verification of certificates certifying the implementation of a quality management system (e.g. ISO 9001, ISO 15378, HACCP, ISO 22000, ISO 13485, GMP) provide the framework for the initial assessment process of a potential new supplier.

Verification of the quality management system implemented at suppliers is carried out not only during the initial assessment of a new supplier, but also as part of the periodic assessment and during audits. These audits are planned on an annual basis, based on a risk analysis carried out in accordance with the adopted internal regulations. The main criterion for selecting the areas to be audited is the assessment of the occurrence of potential risks. The audits are carried out by qualified internal auditors and any resulting observations are presented in an audit report.

The audits concern suppliers of starting and packaging materials, service providers, as well as contract manufacturers with whom Bioton S.A. has concluded contracts for the manufacture of medicinal products and medical devices. In 2024, 5 audits were conducted at suppliers of materials and services and 2 audits at contract manufacturers. Nonconformities identified during the audits were included in the remediation plan.

In pursuing a sustainable supply chain strategy, a significant proportion of expenditure on services and products is made with local suppliers. The value of the Group's commitments to domestic suppliers accounts for 70% of all commitments to suppliers.

Percentage of spending on local suppliers in the main locations of of BIOTON Group operations

	BIOTON S.A.		**BMA Sp. z o.o.**		**BIOTON CG**	
Driving location Activities:	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Poland	67,7%	69,2%	100,0%	99,7%	70,0%	64,2%

Bioton S.A, and the Group understands that cooperation with suppliers in the immediate vicinity is an important factor in supporting the local economy and maintaining good relations with the local community.

Concern for the quality and safety of the products offered is of paramount importance to the organisation, which is why the Group has a number of documents setting out the principles and standards for the safety and labelling of manufactured medicinal products. Security for medicinal products has been introduced to enable verification of product authenticity. The requirements of Directive 2011/62/EU of the European Parliament and of the Council on counteracting the introduction of falsified medicinal products into the legal distribution chain have thus been complied with. Through the quality management system implemented, the organisation ensures that products are safe and perform their intended function satisfactorily. During the manufacturing process, all relevant product categories are subject to an assessment of their impact on patient health and safety. Products are reliably labelled and contain information related to sustainability issues.

In 2024, as in previous years, there were no cases of non-compliance with regulations on the health and safety impact of products at Bioton S.A. and the Group. There were also no cases of non-compliance with regulations on product information and labelling.

The required procedures and imposed regulations ensure that products are correctly labelled.

The type of product and service information required under the procedures and the percentage of significant product and service categories subject to such requirements		
	YES	NO
Origin of product or service components	ü*	
Composition, especially for substances which may have an environmental or social impact	ü	
Safety in the use of the product or service	ü	
Product disposal and environmental/social impact	ü	
Percentage of relevant product and service categories subject to such requirements	100%	

**In the case of contract suppliers, the origin of the components is evaluated during product registration, and during post-registration changes. In such situations, information on who the supplier is is included on the product packaging.*

An ongoing aspect of the Bioton S.A. Group companies' activities in this area is regular customer satisfaction measurement surveys, which provide feedback on products. The results of these surveys are crucial, in terms of the long-term success of the organisation. In 2024, such a survey was conducted for the medical device GensuPen 2.

Number of questionnaires sent by representatives: 254 questionnaires.

The evaluation of the individual characteristics of the injector showed: the product met the customer's requirements 100% in 48 cases (19% of those surveyed). In 176 cases (69% of those surveyed), the requirements were met between 90% and 100%. In 216 cases (85% of respondents) the requirements were met between 80% and 100%. In 26 cases (10% of respondents) the requirements were met between 70% and 80%. Only 12 respondents (5%) felt that the product met their expectations at less than 70%.

26% of respondents indicated that they noticed distinguishing features of the product from others on the market, 44% of respondents said they did not notice distinguishing features of the product, the remaining respondents (30% of respondents) did not express an opinion - they answered "don't know/ don't have an opinion"

Respondents indicated in an open-ended question such distinguishing features of the GensuPen 2 medical device as: automaticity, insulin administration via a slider on the side of the injector, a green dot indicating that the entire dose of insulin has been administered, and easy administration.

The majority of respondents (242 people, 95% of respondents) answered that Gensupen 2 is easy and convenient to use, including 72% of respondents answering that GensuPen2 is easy to use to a high degree, followed by 23% of respondents answering that GensuPen2 is easy to use to a moderate degree. Only ten people (4%) responded that GensuPen2 was not easy or comfortable to use.

The Bioton Group is taking a number of measures to reduce energy consumption, including:

- construction of a photovoltaic farm - the 1.8 MW installation was commissioned in mid-2024 and covers approximately 20% of Bioton's annual electricity needs; the implementation of this project results in a reduction in non-renewable energy consumption and thus greenhouse gas emissions;
- replacing interior lighting with LED sources to save energy;
- plant thermo-modernisation - a phased project to improve energy efficiency by minimising heat loss;
- investments in equipment and installations to improve energy efficiency, including the installation of LPG, replacement of compressors, etc;
- projects with suppliers and service providers to reduce the carbon footprint.

The Bioton Group promotes cooperation with raw material and packaging suppliers that are active in environmental protection and have appropriate procedures and sustainability strategies in place.

A number of other initiatives supporting sustainability have also been implemented in 2024, e.g. planting trees and shrubs on the biologically active area of the Macierzysz production site, reducing the amount and weight of packaging, using recycled materials.

Also for the coming years, projects are planned to enable the Bioton Group to contribute to energy and greenhouse gas reductions and other measures against climate change.

31.5.5 Policies and indicators relating to environmental issues

Bioton S.A, as the main production company, can have the greatest impact on the environment. However, as all Polish companies use common facilities and premises, the data presented below regarding energy, water, materials and raw materials consumption, generated waste, sewage and emissions relate to the Group's activities at the Macierzysz site.

Bioton S.A. produces, among other things, modern insulin preparations of recombinant human insulin and insulin analogues, while ensuring the highest level of environmental protection, which is a priority of the Company's activities. By continuously investing in

production technologies, improving the quality of management systems and increasing the level of environmental awareness of employees, the Company is able to reduce its negative impact on the environment. The technologies of new medicines being developed take into account the necessary elements for improving environmental effects. The implemented production of human insulin analogues eliminates the use of raw materials whose process residues have so far required disposal.

Bioton S.A. and the Group has an Environmental Policy, which defines the framework of the environmental management system and sets out the objectives and main tasks in the area of environmental protection. These objectives include:

- managing the rational use of water and electricity by taking regular measurements and introducing innovative solutions in the production process;
- reducing the amount of waste generated through prevention, segregation and transfer to authorised companies;
- raising staff awareness through the provision of environmental information and regular training;
- promoting pro-environmental behaviour in subcontractors.

This is a policy common to the Group's key companies, i.e. the Polish companies. Due to the different nature of the business, as well as the different legal environment, the other subsidiaries are not covered by the above policy.

The environmental policy is communicated to all employees during initial training and during any action to motivate employees to behave in an environmentally friendly manner.

Environmental Specialists are responsible for monitoring environmental tasks. The specialists, in consultation with Bioton S.A.'s Management Board, identify and fulfil all legal requirements in the area of environmental protection on an ongoing basis. The correctness of the environmental protection activities carried out is confirmed by the results of the energy audit conducted by the Riktning Group in the second half of 2022. The next energy audit is scheduled for 2025.

In 2024, several innovative ideas have been implemented at Bioton S.A. with tangible environmental and financial benefits for the Company itself.

1. The circulation pumps in boiler room 1 were replaced with energy-saving and flexibly adaptable pumps
2. The next stage of thermal insulation of equipment;
3. The pumps in the well were replaced with energy-efficient pumps;
4. A 1.86 MW photovoltaic power plant has been completed and commissioned;
5. In the compressor area, the air-conditioning unit was replaced with one that does not contain substances that have a negative impact on the environment;
6. Nineteen ash trees were planted on the site.

More than half of the paper packaging used by the Company and placed on the market in 2024, was produced from renewable raw materials. At the same time, 97% of the waste was sent for recovery during the same period.

Changes in the volume of energy consumed, from non-renewable sources to renewable sources, are evidence of the efforts made by Bioton S.A. and the Group to minimise its impact on the environment.

Energy consumption within the organisation (in kWh)			
	2024	**2023**	**% change**
Energy consumption from non-renewable sources (coal, lignite, natural gas)	9 787 897	9 242 177	0,1
Consumption of energy from renewable sources (biomass, hydropower, wind power, solar energy)	3 997 873	3 774 974	0,1
Total energy consumption	**13 785 770**	**13 017 150**	**0,1**

The total water abstraction by source is as follows:

Water abstraction by source (in m³)		
	2024	**2023**
Surface water, including water from wetlands, rivers, lakes and oceans		
Groundwater	106 843	97 686
Rainwater directly collected and stored by the organisation		
Wastewater from another organisation		
Municipal water supply and supply from other water companies		
Total water abstraction (in m³)	**106 843**	**97 686**

The organisation does not produce greenhouse gases in its production processes, the carbon emissions are due to heat generation.

Greenhouse gas intensity		
	2024	**2023**
Metric tonnes of CO2 produced	17 875	13 842
Metric tonnes of CO2 produced per sales revenue	0,00008	0,00006

**Value of net sales revenue from continuing operations of Bioton S.A. (as the main production unit).*

The activity emits only volatile organic compounds (VOCs).

Emissions of nitrogen oxides, sulphur oxides and other significant air emissions (in kg)*		
	2024	**2023**
Nitrogen oxides		
Sulphur oxides		
Persistent organic pollutants (POPs)		
Volatile organic compounds (VOCs)	2705	1 612
Hazardous air pollutants (HAP)		
Particulate matter (PM)		
Other standard categories of air emissions identified in the applicable legislation		
Total emissions (kg)	**2705**	**1 612**

**Data has been prepared on the basis of own estimates, carried out as part of the 'VOC Balance Sheet'.*

The decrease in air emissions of VOCs is directly related to the lower production in the year under review, but indirectly to the modernisation of the production hall.

The destination of the discharged water is the treated sewage receiver, located in the Ozarow Canal.

Total volume of wastewater (in m^3)		
	2024	**2023**
Volume of treated wastewater discharged into the Ożarów Canal (in m3)	109 928	100 035

The decrease in the volume of treated wastewater discharged is due to a decrease in water consumption in 2023.

The organisation makes every effort to ensure that waste from production has as little impact on the environment as possible. Hence, waste collection is carried out by authorised companies and the methods used are the least intrusive:

Total weight of waste by type of waste and disposal method (in Mg)				
	2024		**2023**	
	dangerous	*non-hazardous*	*dangerous*	*non-hazardous*
Re-use				
Processing				
Composting				
Recovery, including energy recovery	1856	124	882	86
Combustion (mass burn)				
Injection into deep wells				
Landfill disposal				
Storage on site				
Disposal	33	14	17	23
Total weight of waste (in Mg)	1889	138	899	109
Total weight of waste (in Mg)	**2 027**		**1 007**	

The decrease and change in the characteristics of the waste generated is linked to the modernisation of the production hall and consequently lower production.

It is also noteworthy that no chemical, diesel, petrol or liquid waste spills were recorded in 2024. There were also no formal complaints about environmental impacts during the period. No administrative penalties were imposed by the institutions inspecting the plant for environmental protection in 2024.

Total expenditure on environmental protection and investment:

Costs of waste treatment and disposal, emissions treatment and remediation (in PLN 000)		
	2024	**2023**
Disposal services	734	398
Cleaning up emissions	-	-
Expenditure on the purchase and use of emission certificates	-	-
Liability insurance in case of environmental damage	Yes	Yes
Total costs (in PLN 000)	**734**	**398**

BIOTON S.A. and the Capital Group in 2024 also incurred costs related to damage prevention and environmental protection management, the total value of which amounted to approximately PLN 45 thousand. Among the most important components we can include: research and development (PLN 25 thousand), additional expenses for environmental purchases (PLN 15 thousand), external services related to environmental management (PLN 24 thousand) and other environmental management costs (PLN 5 thousand). The Group benefits from free environmental protection training organised by the government and local authorities.

31.6 List of indicators

This statement contains performance indicators on the following issues: labour, respect for human rights, anti-corruption, social and environmental. The selected indicators have been prepared using the Global Reporting Initiative (GRI Standards) Sustainability Reporting Guidelines. A list of the indicators with a reference to the Standard can be found below.

Indicator name	**GRI Standards indicator number**	**Name of the GRI Standard**
Chapter 2 Description of the entity's business model		
Scale of the organisation	2-6	GRI 2: General Disclosures 2021
Financial assistance received from the state	201-4	GRI 201: Economic Performance 2016
Economic value generated	201-1	GRI 201: Economic Performance 2016
Chapter 5.1 Policies and indicators relating to staff issues		
Number of employees by type of employment contract and by gender, and by type of employment and by gender	2-7 (a, b)	GRI 2: General Disclosures 2021
Total number and rates of new hires and staff turnover by age group and gender	401-1	GRI 401: Employment 2016
Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2	GRI 401: Employment 2016
Number of accidents at work, including fatal accidents, occupational diseases and days of incapacity among employees	403-9	GRI 403: Occupational Health and Safety 2018
Number of accidents at work, including fatalities, occupational diseases and days of incapacity among subcontractor employees working on site	403-9	GRI 403: Occupational Health and Safety 2018
Number of substantiated complaints regarding breaches of customer privacy and loss of customer data (none)	418-1	GRI 418: Customer Privacy 2016
Chapter 5.2 Policies and indicators relating to respect for human rights issues		
Total number of hours of staff training on human rights policies or procedures that address human rights aspects that are relevant to the organisation's operations, including the percentage of staff trained.	N/A	N/A
Total number of incidents of discrimination (discriminatory incidents) and corrective action taken (none)	406-1	GRI 406: Non-discrimination 2016
Chapter 5.3 Policies and indicators relating to anti-corruption issues		
Confirmed cases of corruption and action taken (none)	205-3	GRI 205: Anti-corruption 2016
Total number of legal actions taken against the organisation for violations of free competition rules, monopolistic practices and their effects (none)	206-1	GRI 206: Anti-competitive Behavior 2016
Amount of significant penalties and total number of non-financial sanctions for non-compliance with laws and regulations (none)	2-27	GRI 2: General Disclosures 2021
Chapter 5.4 Policies and indicators relating to social issues.		
Percentage of relevant product and service categories for which health and safety impacts are assessed	416-1	GRI 416: Customer Health and Safety 2016
Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services (none)	416-2	GRI 416: Customer Health and Safety 2016

Indicator name	GRI Standards indicator number	Name of the GRI Standard
The type of product and service information required under the organisation's procedures and the percentage of significant product and service categories subject to such requirements	417-1	GRI 417: Marketing and Labeling 2016
Total number of incidents of non-compliance with regulations and voluntary codes on information and labelling of products and services by type of impact	417-2	GRI 417: Marketing and Labeling 2016
Percentage of spending on local suppliers in major business locations.	204-1	GRI 204: Procurement Practices 2016
Chapter 5.5 Policies and indicators relating to environmental issues.		
Total energy consumption from non-renewable and renewable sources	302-1 (a, b)	GRI 302: Energy 2016
Total water abstraction by source	303-3	GRI 303: Water and Effluents 2018
Greenhouse gas intensity	305-4 (a, b)	GRI 305: Emissions 2016
Emissions of nitrogen oxides, sulphur oxides and other significant air emissions.	305-7 (a)	GRI 305: Emissions 2016
Total volume of wastewater by quality and final destination.	303-4	GRI 303: Water and Effluents 2018
Total weight of waste by type of waste and disposal method	306-3 (a, b)	GRI 306: Waste 2020
Total number and volume of significant spills (none)	N/A	N/A
Costs of waste treatment and disposal, emissions clean-up and corrective action	N/A	N/A

Signatures of all members of the BIOTON S.A. Management Board.

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

Date: 31.03.2025.