



**INTERIM CONDENSED  
FINANCIL REPORT  
FOR THE PERIOD  
ENDED 31 MARCH 2021**

Kielpin, 20 MAY 2021

**INTERIM CONDENSED FINANCIAL STATEMENT OF COMPREHENSIVE INCOME**

Continuing operations	1.01.-31.03.2021 ( unaudited )	1.01.-31.03.2020 ( unaudited )
<b>Income</b>	<b>47 427</b>	<b>34 014</b>
Revenue from sales	43 168	30 558
Government grants	3 115	3 453
Other income	855	3
Revenue from the sales of licences	289	0
<b>Operating costs</b>	<b>47 002</b>	<b>36 816</b>
Amortization and depreciation	9 428	5 756
Raw material consumption	13 612	7 066
Third party services	2 176	3 541
Employment benefit expenses	11 237	8 559
R&D costs	8 339	10 358
Other costs	2 210	1 537
<b>Profit / loss from sales</b>	<b>425</b>	<b>-2 802</b>
Other operating income	8	541
Other operating costs	51	70
<b>Operating profit / loss</b>	<b>382</b>	<b>-2 332</b>
Finance income	10	112
Other finance income	0	0
Finance costs	2 116	84
<b>Gross profit / loss</b>	<b>-1 724</b>	<b>-2 305</b>
Income tax	-9	174
<b>Net profit / loss from continuing operations</b>	<b>-1 715</b>	<b>-2 479</b>
<b>Discontinued operations</b>		
<b>Profit / loss from discontinued operations</b>	<b>0</b>	<b>0</b>
<b>Net profit / loss for the financial year</b>	<b>-1 715</b>	<b>-2 479</b>
<b>Other comprehensive income</b>		
<b>Entries that will not be reclassified to profit or loss in subsequent financial period</b>		
<b>Actuarial gains / losses on specific benefit plans</b>	<b>0</b>	<b>0</b>
<b>Net profit / loss on equity instruments at fair value assessment calculated at fair value through other comprehensive income</b>	<b>35 081</b>	<b>-35 732</b>
Income tax on other comprehensive income	6 665	-6 789
<b>Other comprehensive net income that will not be reclassified to profit or loss in subsequent financial periods</b>	<b>28 415</b>	<b>-28 943</b>
<b>Other net comprehensive income</b>	<b>28 415</b>	<b>-28 943</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>26 700</b>	<b>-31 422</b>
Earnings / loss per share	-0,04	-0,06
- basic, profit for the financial year	-0,04	-0,06
- basic, profit from continuing operations for the financial year	-0,04	-0,06
- diluted, profit for the financial year	-0,04	-0,06
- diluted, profit from continuing operations for the financial year	-0,04	-0,06

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

ASSETS	31.03.2021 ( unaudited )	31.12.2020 ( unaudited )	31.03.2020 ( unaudited )
<b>Non-current assets</b>	<b>440 933</b>	<b>412 646</b>	<b>322 978</b>
Property, plant and equipment	333 851	331 414	266 859
-including right-of-use assets	17 779	16 826	5 571
Intangible assets	38 523	41 096	20 745
Investment in other entities	47 953	12 872	12 798
Other financial assets	93	93	91
Other non-financial assets	0	0	0
Deferred tax assets	20 514	27 171	22 485
<b>Current assets</b>	<b>119 343</b>	<b>119 242</b>	<b>126 656</b>
Inventories	29 238	29 760	27 864
Trade receivables	39 165	32 528	30 938
Income tax	1 536	1 536	2 815
Other receivables	4 944	7 957	7 316
Other current non-financial assets	3 139	3 470	2 818
Other current financial assets	13	13	25 379
Cash and cash equivalents	41 307	43 978	29 527
<b>TOTAL ASSETS</b>	<b>560 276</b>	<b>531 888</b>	<b>449 634</b>

LIABILITIES	31.03.2021 ( unaudited )	31.12.2020 ( unaudited )	31.03.2020 ( unaudited )
<b>Equity</b>	<b>371 233</b>	<b>344 532</b>	<b>345 892</b>
Basic share capital	4 500	4 500	4 500
Capital reserve	393 124	393 124	384 789
Revaluation reserve	33 897	5 482	4 804
Retained earnings / Unrecovered losses	-57 657	-57 657	-45 722
Net profit / loss for previous period	-917	0	0
Net profit / loss for current period	-1 715	-917	-2 479
<b>Non-current liabilities</b>	<b>73 870</b>	<b>73 210</b>	<b>35 746</b>
Deferred tax	0	0	0
Provisions	0	0	0
Lease liabilities	9 400	9 158	1 995
Other liabilities	26 170	24 380	0
Other non-financial liabilities	0	0	0
Accruals from government grants	38 299	39 672	33 751
<b>Current liabilities</b>	<b>115 174</b>	<b>114 145</b>	<b>67 996</b>
Trade payables	21 853	20 480	6 661
Interest-bearing loans and borrowings	13 240	12 838	0
Leases	4 024	3 485	2 152
Investments liabilities	25 653	25 633	32 999
Income tax payable	0	0	0
Employee benefits	5 233	4 709	3 943
Other non-financial liabilities	1 344	1 226	1 014
Provisions	0	0	0
Governments grants	43 826	45 775	21 227
<b>Total liabilities</b>	<b>189 044</b>	<b>187 356</b>	<b>103 742</b>
<b>EQUITY AND LIABILITIES</b>	<b>560 276</b>	<b>531 888</b>	<b>449 634</b>

**INTERIM CONDESED STATEMENT OF CASH FLOWS**

STATEMENT OF CASH FLOWS	1.01.-31.03.2021 ( unaudited )	1.01.-31.03.2020 ( unaudited )
<b>Cash flows from operating activities</b>		
<b>Gross profit / loss</b>	<b>-1 724</b>	<b>-2 305</b>
Adjustments to reconcile profit:	7 104	8 471
Amortization and depreciation	9 428	5 756
Profit/loss due to exchange rate differences	1 592	0
Profit / loss from investment	0	-244
Increase / decrease in trade receivables and other receipts	-3 625	4 652
Increase / decrease in inventories	522	2 198
Increase / decrease in other non-financial assets	331	-1 774
Increase / decrease in liabilities, except for loans and borrowings	2 016	-308
Interest income and costs	160	-72
Movements in government grants	-3 321	-1 534
Movements in provisions	0	-200
Income tax paid	0	-4
<b>Net cash flows from operating activities</b>	<b>5 380</b>	<b>6 166</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plan and equipment and intangible assets	0	304
Purchase of property, plan and equipment and intangible assets	-7 443	-17 697
Proceeds from sale of shares in other entities	0	0
Purchase of shares in other entities	0	0
Proceeds from sale of other financial assets	0	20 408
Purchase of other financial assets	0	-350
Dividends received	0	0
Interests received	0	111
Other	0	0
<b>Net cash flow from investing activities</b>	<b>- 7 443</b>	<b>2 776</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	0	0
Proceeds from borrowings	402	0
Repayment of loans and borrowings	0	0
Payment of lease liabilities	-850	-615
Interest on leases	-68	-57
Interest on loans / borrowings	-92	0
Other interest	0	0
Other	0	0
Dividends paid	0	
<b>Net cash flows from financing activities</b>	<b>-608</b>	<b>-672</b>
<b>Cash flows at the start of the reporting period</b>	<b>43 978</b>	<b>21 256</b>
<b>Cash flows at the end of the reporting period</b>	<b>41 307</b>	<b>29 527</b>

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

	Share capital	Reserve capital	Reserve capital revaluation	Retained earnings/unrecovered losses	Net profit / loss	Total equity
<b>As at 1 January 2021 ( audited )</b>	<b>4 500</b>	<b>393 124</b>	<b>5 482</b>	<b>-58 574</b>	<b>0</b>	<b>344 532</b>
Net profit / loss for the period	-	-	-	-	-1 715	-
Other net comprehensive income for the period	-	-	28 415	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>28 415</b>	<b>-</b>	<b>-1 715</b>	<b>26 700</b>
- Issue of shares	-	-	-	-	-	-
- Costs of issue of shares	-	-	-	-	-	-
- Shares based payments	-	-	-	-	-	-
- Dividends paid	-	-	-	-	-	-
- Transfer / Carry over	-	-	-	-	-	-
<b>At 31 March 2021 ( unaudited )</b>	<b>4 500</b>	<b>393 124</b>	<b>33 897</b>	<b>-58 574</b>	<b>-1 715</b>	<b>371 233</b>

	Share capital	Reserve capital	Reserve capital revaluation	Retained earnings/unrecovered losses	Net profit / loss	Total equity
<b>As at 1 January 2020 ( audited )</b>	<b>4 500</b>	<b>384 789</b>	<b>33 747</b>	<b>-45 722</b>	<b>-</b>	<b>377 314</b>
Net profit / loss for the period	-	-	-	-	-917	-
Other net comprehensive income for the period	-	-	-28 265	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-28 265</b>	<b>-</b>	<b>-917</b>	<b>-29 182</b>
- Issue of shares	-	-	-	-	-	-
- Costs of issue of shares	-	-	-	-	-	-
- Shares based payments	-	-	-	-	-	-
- Dividends paid	-	-	-	-3 600	-	-3 600
- Transfer / Carry over	-	8 335	-	-8 335	-	-
<b>At 31 December 2020 ( audited )</b>	<b>4 500</b>	<b>393 124</b>	<b>5 482</b>	<b>-57 657</b>	<b>-917</b>	<b>344 532</b>

	Share capital	Reserve capital	Reserve capital revaluation	Retained earnings/unrecovered losses	Net profit / loss	Total equity
<b>As at 1 January 2020 ( audited )</b>	<b>4 500</b>	<b>384 789</b>	<b>33 747</b>	<b>-45 722</b>	<b>-</b>	<b>377 314</b>
Net profit / loss for the period	-	-	-	-	-2 479	-
Other net comprehensive income for the period	-	-	-28 943	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-28 943</b>	<b>-</b>	<b>-2 479</b>	<b>-31 422</b>
- Issue of shares	-	-	-	-	-	-
- Cost of issue of shares	-	-	-	-	-	-
- Share based payments	-	-	-	-	-	-
- Dividends paid	-	-	-	-	-	-
- Transfer / Carry over	-	-	-	-	-	-
<b>At 31 March 2020 ( unaudited )</b>	<b>4 500</b>	<b>384 789</b>	<b>4 804</b>	<b>-45 722</b>	<b>-2 479</b>	<b>345 892</b>

## ADDITIONAL INFORMATION

### 1. General corporate information

Celon Pharma S.A. ("Company") is a joint stock company with its seat in Kielpin, ul. Ogródowa 2A, the shares of which are publicly traded in securities on the Warsaw Stock Exchange. The interim condensed financial statements of the Company cover the 3-month period ended on March 31, 2021, contain comparative data for the 3-month period ended March 31, 2020 and balance sheet data as at December 31, 2020. The interim condensed financial statements including data for the 3-month period ended on March 31, 2021, along with comparative data, were reviewed by a certified auditor.

Celon Pharma Spółka Akcyjna (PLC), hereinafter also referred to as the "Company", is a public limited company domiciled at Kielpin, ul. Ogródowa 2A. It was established on 25 October 2012 after it incorporated and transformed from a company under the business name Celon Pharma Sp. z o. o. (limited company), registered in Kielpin. Celon Pharma S.A. was registered in the National Court Register of Entrepreneurs on 25 October 2012 under KRS number 0000437778, maintained by the District Court in Warsaw, XIV Commercial Division of the National Court Register.

Celon Pharma Sp. z o. o had been entered in the Register of Entrepreneurs of the National Court Register on 20 June 2002 under number 117523 and subsequently deleted from it on the day of its transformation into a joint stock company. Celon Pharma S.A. is principally engaged in the provision of pharmaceutical drugs, PKD 2120Z (Statistical classification of economic activities in Poland (NACE)).

These interim condensed financial statements of the Company for the 3-month period ended March 31, 2021 were approved for publication by the Management Board on May 17, 2021.

### 2. Corporate structure

The Management Board as at the reporting date consists of:

- Maciej Wieczorek – President
- Jacek Glinka – Vice-President
- Iwona Giedronowicz – Board Member.

The Supervisory Board as at the reporting date includes:

- Krzysztof Kaczmarczyk – Supervisory Board Member,
- Urszula Wieczorek – Supervisory Board Member,
- Michał Kowalczewski – Supervisory Board Member
- Robert Rzeźmiński – Supervisory Board Member,
- Artur Wieczorek – Supervisory Board Member

On 16 February 2021, the Extraordinary General Meeting appointed Mr Bogusław Galewski to the Supervisory Board. On 11 February 2021, Mr Michał Kowalczewski, a Supervisory Board Member, tendered his resignation, effective on the date of the Extraordinary General Meeting, that is 16 February 2021.

### 3. Authorisation for issue of the Financial Statements

These financial statements were authorised for issue in accordance by the Management Board on 20 May 2021.

### 4. The Company's investments

The company is one of the historical four founders of Mabion S.A., i.e. it has had this investment since its inception. During this period, no shares were sold, which confirms the lack of a short-term nature of the capital commitment in Mabion S.A. Mabion S.A. operates in the same industry as the Company. Moreover, the Company - in line with the nature of its core business - does not have any other capital investments. The intention of the company is to keep the shares in the company for a longer period, and not to generate a result on the change in the value of the share, therefore the investment in Mabion has been classified as measured at fair value through other comprehensive income.

As at March 31, 2021, December 31, 2020 and as at March 31, 2020, the Company's percentage share in the capital and the number of votes was as follows:

Entity	Location	Principal activity	Numbers of shares	Relative share of Company in equity	Relative share of Company in number of votes
Mabion S.A	Konstantynów Łódzki	Production of pharmaceutical drugs and preparations	620 350	4,52%	7,28%

The Company has no investments in subsidiaries, associates nor interests in joint arrangements.

## 5. The principles of statement preparation

These interim condensed financial statements have been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting" approved by the European Union ("IAS 34").

The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's historical financial information prepared in accordance with the International Financial Reporting Standards approved for use by the European Union ("IFRS") for the years ended December 31, 2020 on December 31, 2019 and December 31, 2018. The Company's financial statements for 2020 were approved and published on April 7, 2021.

All values disclosed in the interim financial statements are given in thousands of zlotys, unless otherwise indicated

## 6. Zasada kontynuacji działalności

These interim condensed financial statements have been prepared on the assumption that the Company will continue as going concerns in the foreseeable future. For several years, the Company has been focusing on operating activities, i.e. the production of generic drugs and conducting scientific research on new drugs. All projects are financed from current operating activities and obtained subsidies. The Management Board of the Company did not recognize the risk of not going concern in the present form.

The risk assessment of the Company's management board in connection with the ongoing Covid 19 pandemic has not changed since the approval of the last annual financial statements for 2020 and historical financial information for 2020-2018.

When analyzing the risk, we took into account all aspects from the moment the pandemic started, in particular:

- no decrease in revenues from the sale of drugs,
- expanding commercial contacts with suppliers, taking into account the risk of disrupting the supply chain,
- own production of the key packaging, which is an inhaler,
- service of the machine park on its own and in close cooperation with machine suppliers,
- no problems with the inflow of trade receivables from wholesalers.

## 7. Statement of compliance

The accounting principles (policies) applied to the preparation of the interim condensed financial statements are consistent with those applied to the preparation of the historical financial statement of the Company for the years 2020-2018, except for the application of new or amended standards and interpretations applicable to annual periods beginning on January 1, 2021 and later.

The changed standards and interpretations that are applied for the first time in 2021 do not have a significant impact on the Company's interim condensed financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Reform of the Interest Rate Benchmark - Stage 2

The proposed changes contain temporary derogations addressing the effects of replacing the Interbank Interest Rate ("IBOR") with a Near Risk-Free Alternative Interest Rate ("RFR") and their impact on financial reporting. The changes include the following practical solutions:

- a practical solution requiring that changes to the contract or changes to cash flows that are a direct consequence of the reform should be treated as changes in a variable interest rate, which is equivalent to a change in the market interest rate,
- permission to adjust the hedge accounting documentation in terms of designating and documenting hedging relationships without dissolving them, if these changes were directly required by the IBOR reform,
- granting temporary exemption of units from the requirement to meet the separate identification criterion, if the RFR instrument has been designated as a hedge of the risk component.

The Company has not decided to early apply any standard, interpretation or amendment that has been published but has not yet come into force in the light of the European Union regulations.

**8. The effect of changes in the entity's structure during the interim period, including those resulting from business combinations, acquisitions or sale of subsidiaries and long-term investments, restructuring and discontinuation of operations.**

There were no mergers of companies in the current period.

**9. Seasonality of operations**

The company's operations are not seasonal in nature.

**10. The nature and amount of terms affecting assets, liabilities, equity, net financial result or cash flows that are unusual because of their nature, size or frequency.**

In the first quarter of 2021, compared to the first quarter of 2020, as a result of the increase in exports, there was an approx. 40% increase in sales of finished products.

In the same period, the operating costs increased by approx. 28%. (See paragraph 15).

The company holds 620,350 shares of Mabion SA, the valuation of which is presented at fair value. As at March 31, 2021, December 31, 2020 and March 31, 2020, the value of one share was PLN 77.30, PLN 20.75 and PLN 19.40, respectively.

	31.03.2021	31.12.2020	31.03.2020
<b>Investment in other entities</b>	<b>47 953</b>	<b>12 872</b>	<b>12 798</b>

**11. The nature and amount of changes in estimated amounts that have been presented in prior financial years, if they have a material effect on the current interim period.**

	31 March 2021	31 December 2020	31 March 2020
<b>Positive temporary differences</b>			
- Non-current assets under lease conditions	17 779	16 826	5 571
- Valuation of shares in Mabion SA	41 849	6 768	5 930
- Profit-sharing income	1 694	2 541	0
- Valuation of financial investments	0	0	28
<b>Total deferred tax provision</b>	<b>11 651</b>	<b>4 966</b>	<b>2 191</b>
<b>Negative temporary differences</b>			
- Lease liabilities	13 424	12 513	4 147
- Accruals and deferred income	1 503	2 263	200
- Employee benefits provisions	2 303	2 303	1 493
- Other R&D projects (excluding salaries)	116 172	116 172	124 032
- Tax loss from 2020	35 887	35 887	0
<b>Total deferred tax assets</b>	<b>32 165</b>	<b>32 136</b>	<b>24 676</b>
<b>Net deferred income tax assets</b>	<b>20 514</b>	<b>27 170</b>	<b>22 485</b>
<b>-change charged to the profit and loss account</b>	<b>-9</b>	<b>-4 671</b>	<b>174</b>
<b>-change charged to equity</b>	<b>6 665</b>	<b>-6 629</b>	<b>-6 789</b>



As at March 31, 2021, the Company had PLN 35.9 million of unsettled tax losses related to 2020. This loss can be used for 5 consecutive years, i.e. for the year 2025 inclusive, but not more than 50% in each year tax. The value of the deferred tax asset recognized due to the existence of an unsettled tax loss for 2020 amounts to PLN 6.8 million. As at March 31, 2021, there are no unrecognized assets due to tax losses and, possibly, other deductible temporary differences.

The company carried out an analysis of the recoverability of the tax loss asset based on the adopted assumptions, taking into account the possible occurrence of one-off events in the form of commercialization of ongoing innovative projects, including their potential sale to external partners after the completion of a specific phase of clinical trials.

The analysis was based on the guidelines resulting from par. 35 and 36 and 82 of IAS 12, as well as ESMA guidelines 32-63-743 of July 15, 2019. The already achieved significant increases in sales revenues (mainly from export) and the possibility of commercializing some innovative projects in the near future were taken into account. The analysis was prepared using the best estimates in the most likely expected variant. The conducted analysis is sensitive, in particular, to changes in the amount of expected income and tax costs obtained from operating activities, including settlements due to the so-called R&D relief.

In the opinion of the Management Board of the Company, the occurrence of the above event is highly probable in the period of tax loss settlement time, however, it is not able to provide precise amounts to be deducted in subsequent tax years.

At the same time, it should be noted that the operating activities conducted by the Company in the segment of generic drugs are highly profitable and the possible abandonment or slowing down of the pace of clinical trials in the innovative segment (or the successful completion of these projects with the successful introduction of new drugs to the market) will generate significant tax revenues enabling settlement of tax loss for 2020 recognized as deferred tax asset as at March 31, 2021.

## 12. The effective tax rate

The conducted research and development activities, financed from operating activities, lowered the tax base to zero in the current and comparable reporting period.

## 13. Issue, redemption and repayment of debt and equity securities

On February 16, 2021, the Extraordinary General Meeting adopted a number of resolutions, including amendments to the Articles of Association and authorizing the Management Board of the Company to increase the share capital as part of the authorized capital, along with the possibility for the Management Board to exclude the subscription right to shares issued under the authorized capital in full or parts with the consent of the Supervisory Board. The changes were registered by the competent district court on April 12, 2021 and May 5, 2021. On May 10, 2021, the Management Board adopted a resolution on the issue of no less than 1 and no more than 15,000,000 series D ordinary bearer shares. as part of the target share capital increase.

## 14. Dividends paid

No dividends were paid in the current reporting period.

Until these interim financial statements were prepared, the Management Board of the Company has not issued a recommendation regarding the payment of dividends.

## 15. Total operating expenses

<b>Operating costs</b>	<b>47 002</b>	<b>36 816</b>
Amatization and depreciation	9 428	5 756
Raw mateial consumption	13 612	7 066
Third party services	2 176	3 541
Employment benefit expenses	11 237	8 558
R&D costs	8 339	10 358
Other costs	2 210	1 537

The intensive development of the Company resulted in an increase in employment. As at March 31, 2021 and March 31, 2020, the employment amounted to 498 people and 437 people, respectively.

The increase in the consumption of raw materials is due to an increase in sales and an increase in currency exchange rates. The company purchases some raw materials in foreign currencies, the increase of which had a negative impact on material costs. In the first quarter of 2021, compared to the first quarter of 2020, energy costs increased from PLN 493 thousand to PLN 1,363 thousand. PLN.

The increase in depreciation reflects significant capital expenditure completed in previous periods.

The expenditure on R&D costs reflects the design work in progress.

## 16. Operating segments

For management purposes, the Company has been divided into parts based on manufactured products and provided services. Therefore, there are the following operating segments:

The generic drugs segment comprises all operational activities, as a result of which the Company manufactures and sells drugs already registered and admitted to trading.

The innovative segment is all activities aimed at developing documentation on the basis of which a drug could be registered or commercialized at the stage prior to drug registration.

The Management Board separately monitors the operating results of the segments in order to make decisions regarding the allocation of resources, assess the effects of this allocation and the results of operations. The basis for assessing performance is operating profit or loss, which to some extent, as explained in the table below, are measured differently from the operating profit or loss in the financial statements. Financing of the Company (including financial costs and revenues) and income tax are monitored at the level of the Company and they are not allocated to segments.

There are no transactions between the segments.

The table below shows the reconciliation between the disclosure of revenues by category and the information on revenues that the Company discloses for each reporting segment:

	Continuing operations				Total operations	
	31.03.2021		31.03.2020		31.03.2021	31.03.2020
	Generic medicine segment	Innovation segment	Generic medicine segment	Innovation segment		
Sales of medicines	43 168	0	30 558	0	43 168	30 558
Other income	855	0	3	0	855	3
Government grants	0	3 115	0	3 453	3 115	3 453
Revenue from sales of licences	289	0	0	0	289	0
<b>Segment income total</b>	<b>44 312</b>	<b>3 115</b>	<b>30 561</b>	<b>3 453</b>	<b>47 427</b>	<b>34 014</b>
-domestic	20 957	3 115	26 499	3 453	24 072	29 952
-export	23 355	0	4 062	0	23 355	4 062
<b>Total expenses, including</b>	<b>38 056</b>	<b>8 946</b>	<b>25 605</b>	<b>11 211</b>	<b>47 002</b>	<b>36 816</b>
including amortization and depreciation	8 822	606	4 902	854	9 428	5 756
including other costs	29 234	8 339	20 702	10 358	37 573	31 060
<b>Segment profit / loss</b>	<b>6 256</b>	<b>-5 831</b>	<b>4 956</b>	<b>-7 759</b>	<b>425</b>	<b>-2 802</b>
Other operating income	8	0	541	0	8	541
Other operating costs	51	0	70	0	51	70
Profit / loss from operating activity	6 213	-5 831	5 427	- 7 759	382	-2 332
Finance income					10	112
Finance costs					2 116	84
Gross profit / loss					-1724	-2 305
Income tax					-9	174
Deferred income tax					-9	174
<b>Net profit / loss</b>					<b>-1 715</b>	<b>-2 479</b>

## 17. Revenues by categories

	31 March 2021			31 March 2020		
	Generic medicine segment	Innovation segment	Total	Generic medicine segment	Innovation segment	Total
<b>Type of good and service</b>						
Sales of medicines	43 168	0	43 168	30 558	0	30 558
Other income	855	0	855	3	0	3
Government grants	0	3 115	3 115	0	3 453	3 453
Revenue from sales of licences	289	0	289	0	0	0
<b>Total income</b>	<b>44 312</b>	<b>3 115</b>	<b>47 427</b>	<b>30 561</b>	<b>3 453</b>	<b>34 014</b>
<b>Region geograficzny</b>						
domestic	20 957	3 115	24 072	26 499	3 453	29 952
export	23 355	0	23 355	4 062	0	4 062
<b>Total income</b>	<b>44 312</b>	<b>3 115</b>	<b>47 427</b>	<b>30 561</b>	<b>3 453</b>	<b>34 014</b>

## 18. Changes in contingent liabilities or contingent assets that have occurred since the last balance sheet date

Not applicable.

## 19. Purchase and sale of tangible fixed assets

### Buying and selling

During the three-month period ended March 31, 2021, the Company acquired property, plant and equipment worth PLN 7.4 million (during the three-month period ended March 31, 2020: PLN 17.7 million).

During the three-month period ended March 31, 2021, the Company did not sell any tangible fixed assets (during the three-month period ended March 31, 2020: PLN 304 thousand)

### Impairment write-offs

In the reporting period and in the comparable reporting period, the Company did not identify any premises for impairment of property, plant and equipment and therefore did not make any impairment losses on property, plant and equipment.

## 20. Commitments for the purchase of fixed assets

In the current financial year, the company plans to purchase fixed assets for the amount of PLN 20 million.

## 21. Terms and conditions of related entity transactions

The list of entities recognized as related has not changed since the last approved annual financial statements. None of the relationships are considered by the Company as significant. None of the transactions deviate from the market rules.

Name	31.03.2021	31.12.2020	31.03.2020
<b>1. ADR Sp. z o.o.</b>			
- loans granted	0	0	0
- receipts	0	0	0
- liabilities	0	0	0
- sale	0	0	0
- purchase	0	0	0
<b>2. Glatton Sp. z o.o.</b>			
- loans granted	0	350	350
- receipts	0	0	0
- liabilities	0	0	0
- sale	0	0	0
- purchase	0	0	0
<b>3. Neitec Sp. z o.o.</b>			
- pożyczki udzielone	0	0	0
- należności	31	31	31
- zobowiązania	0	0	0
- sprzedaż brutto	0	0	0
- zakupy	0	40	2
Name	31.03.2021	31.12.2020	31.03.2020
<b>1. Urszula Wieczorek</b>			
- loans granted	0	0	0
- receipts	0	0	0
- liabilities	189	216	297
- sale	0	0	0
- purchase	27	108	27

Due to the Company's small, 4.52% share in Mabion S.A. entitling to 7.28% of votes at the General Meeting of Shareholders of Mabion S.A. (see description in item 4), the Issuer does not treat this entity as a related entity within the meaning of IAS 24.

Moreover, there is no operational cooperation between Mabion S.A. and the Company.

## 22. Events after the reporting period

On April 1, 2021, the Company informed in the current report No. 18/2021 about the completion of the phase I clinical trial of CPL280, the second generation GPR40 receptor agonist.

On May 5, 2021, the District Court in Warsaw, 14th Commercial Division of the National Court Register, registered:

- the target capital of the Company in the amount of PLN 1,500,000, in connection with the adoption by the Extraordinary General Meeting of the Company on February 16, 2021 on the amendment to the Articles of Association and authorizing the Management Board of the Company to increase the share capital within the target capital along with with the possibility of exclusion by the Management Board of the pre-emptive right to shares issued within the authorized capital, in whole or in part, with the consent of the Supervisory Board,
- conditional increase of the share capital in the amount of PLN 200,000, in connection with the adoption by the Extraordinary General Meeting of the Company on February 16, 2021 on the issue of resolution No. 7/2021 in order to implement Incentive Programs for Members of the Management Board and other persons of key importance for Of the Company, series A subscription warrants with the deprivation of the pre-emptive rights of the existing shareholders, entitling to take up series C shares and a conditional increase of the share capital by issuing series C shares, depriving the existing shareholders of the subscription right and the related amendment to the Company's Articles of Association.

