



FINANCIAL STATEMENT 2021

VERESTRO S.A.

FINANCIAL STATEMENT

FOR THE PERIOD FROM 01.01.2021 TO 31.12.2021

Balance sheet - Assets

| in USD* | 31.12.2020 | 31.12.2021 |
|---|---------------------|---------------------|
| A. Fixed assets | 2 096 014.98 | 3 118 911.34 |
| I. Intangible assets | 1 677 956.61 | 2 569 379.61 |
| 1.R&D expenses | 1 659 619.32 | 2 524 177.70 |
| 2.Goodwill | - | - |
| 3.Other intangible assets | 18 337.29 | 45 201.92 |
| 4. Advances for intangible assets | - | - |
| II. Tangible fixed assets | 268 446.44 | 278 125.52 |
| 1. Tangible fixed assets in use | 238 405.65 | 278 125.52 |
| a) land (including right to perpetual usufruct) | - | - |
| b) buildings, premises, civil and water engineering structures | 144 065.58 | 182 532.37 |
| c) technical equipment and machinery | 94 340.06 | 95 593.15 |
| d) vehicles | - | - |
| e) other tangible fixed assets | - | - |
| 2. Tangible fixed assets under construction | 26 398.08 | - |
| 3. Advances for tangible fixed assets under construction | 3 642.72 | - |
| III. Long-term receivables | - | - |
| IV. Long-term investments | 149 611.93 | 268 760.41 |
| 1. Real property | - | - |
| 2. Intangible assets | - | - |
| 3. Long-term financial assets | 149 611.93 | 268 760.41 |
| a) In related entities | 149 611.93 | 268 760.41 |
| - shares or stocks | 149 611.93 | 268 760.41 |
| - other securities | - | - |
| - granted loans | - | - |
| - other long-term financial assets | - | - |
| b) in other entities in which the company has equity interests | - | - |
| c) in other entities | - | - |
| 4. Other long-term investments | - | - |
| V. Long-term prepayments | - | 2 645.80 |
| 1. Assets due to deferred income tax | - | - |
| 2.Other prepayments | - | 2 645.80 |
| B. Current assets | 3 077 688.39 | 3 666 710.36 |
| I. Inventory | 5 646.02 | - |
| 1. Materials | 581.01 | - |
| 2. Semi-finished products and work in progress | - | - |
| 3. Finished products | - | - |
| 4. Goods | - | - |
| 5. Advances for deliveries | 5 065.01 | - |
| II. Short-term receivables | 1 259 152.59 | 2 034 622.68 |
| 1. Receivables from related entities | - | 28 816.43 |
| 2. Receivables from other entities | - | - |
| 3. Receivables from other entities | 1 259 152.59 | 2 005 806.25 |
| a) with title supplies and services | 935 211.10 | 1 408 940.35 |
| - up to 12 months | 935 211.10 | 1 408 940.35 |
| - over 12 months | - | - |
| b) receivables from tax, subsidy, customs, social security etc. | 310 962.24 | 583 546.30 |
| c) other | 12 979.25 | 13 319.60 |
| d) claimed at court | - | - |
| III. Short-term investments | 1 775 733.20 | 1 581 225.48 |
| 1.Short-term financial assets | 1 775 733.20 | 1 581 225.48 |

| | | |
|---|---------------------|---------------------|
| a) in related entities | 115 933.71 | 120 598.59 |
| - shares | - | - |
| - other securities | - | - |
| - loans granted | 115 933.71 | 120 598.59 |
| - other short-term financial assets | - | - |
| b) in other entities | - | - |
| - shares | - | - |
| - other securities | - | - |
| - loans granted | - | - |
| - other short-term financial assets | - | - |
| c) cash and cash equivalents | 1 659 799.49 | 1 460 626.89 |
| - cash in hand and at bank | 1 659 799.49 | 1 455 146.94 |
| - other cash | - | 5 479.95 |
| - other cash equivalents | - | - |
| 2. Other short-term investments | - | - |
| IV. Short-term prepayments | 37 156.58 | 50 862.20 |
| C. Contributions due to share capital (fund) | - | - |
| D. Own shares | - | - |
| Total assets | 5 173 703.36 | 6 785 621.70 |

Balance sheet - Liabilities

| in USD* | 31.12.2020 | 31.12.2021 |
|---|---------------------|---------------------|
| A. Equity | 4 668 281.87 | 6 261 295.62 |
| I. Share capital | 29 825.87 | 31 621.32 |
| II. Supplementary capital | 3 462 028.30 | 4 773 677.01 |
| - surplus of issue value over the nominal value of shares | - | - |
| III. Revaluation capital | - | 33.12 |
| - due to fair value updating | - | - |
| IV. Other reserve capital | - | - |
| - created in accordance with the company's articles of association | - | - |
| - for own shares | - | - |
| V. Previous years' profit (loss) | - | - |
| VI. Net profit (loss) | 1 176 427.70 | 1 455 964.17 |
| VII. Charges to net profit during the financial year | - | - |
| B. Liabilities and provisions for liabilities | 505 421.49 | 524 326.08 |
| I. Provisions for liabilities | - | - |
| II. Long-term liabilities | 125 468.39 | 30 011.76 |
| 1. To related entities | - | - |
| 2. To other entities in which the entity has equity interests | - | - |
| 3. to other units | 125 468.39 | 30 011.76 |
| a) from credits and loans | 125 468.39 | 30 011.76 |
| b) due to the issue of debt securities | - | - |
| c) other financial liability | - | - |
| d) bill of exchange liability | - | - |
| e) other | - | - |
| III. Short-term liabilities | 374 824.01 | 493 278.89 |
| 1. Liabilities to related entities | - | - |
| 2. Liabilities to other entities in which the entity has equity interests | - | - |
| 3. Liabilities to other entities | 374 824.01 | 493 278.89 |
| a) for loans and borrowings | 33 018.00 | 33 329.13 |
| b) due to the issue of debt securities | - | - |
| c) other financial liability | - | - |
| d) for supplies and services, including | 247 513.04 | 333 163.91 |
| -up to 12 months | 247 513.04 | 333 163.91 |
| -over 12 months | - | - |
| e) advances received for supplies and services | - | - |
| f) bill of exchange liability | - | - |
| g) due to taxes, customs, social and health insurance etc. | 42 258.68 | 60 432.48 |
| h) from remuneration | 46 759.83 | 63 140.29 |
| i) other | 5 274.46 | 3 213.08 |
| 4. special funds | - | - |
| IV. Prepayments and accruals | 5 129.08 | 1 035.44 |
| 1. Negative goodwill | - | - |
| 2. Other accruals | 5 129.08 | 1 035.44 |
| - long-term | 1 025.77 | - |
| - short-term | 4 103.31 | 1 035.44 |
| Total liabilities | 3 599 860,94 | 5 173 703,36 |

Profit and loss account

| in USD* | 2020 | 2021 |
|---|---------------------|---------------------|
| A. Net revenues from sales and equivalent | 3 955 449.43 | 5 558 810.13 |
| - from related entities | - | - |
| I. Net revenues from sales of products | 3 955 449.43 | 5 558 810.13 |
| II. Change in the balance of products | - | - |
| III. Manufacturing cost of products for internal purposes | - | - |
| IV. Net revenues from sales of goods and materials | - | - |
| B. Operating expenses | 2 721 045.14 | 4 062 602.88 |
| I. Amortisation and depreciation | 270 685.89 | 511 469.18 |
| II. Usage of materials and energy | 79 718.87 | 116 891.05 |
| III. External Services | 1 723 583.88 | 2 531 996.09 |
| IV. Taxes and charges | 5 266.13 | 10 648.84 |
| V. Payroll | 532 139.85 | 717 583.93 |
| VI. Social security and other benefits | 82 467.40 | 144 995.24 |
| VII. Other costs by type | 27 183.12 | 29 018.54 |
| VIII. Value of goods and materials sold | - | - |
| C. Profit (loss) on sales (A-B) | 1 234 404.29 | 1 496 207.25 |
| D. Other operating revenues | 7 922.48 | 88 567.01 |
| I. Gain on disposal of non-financial fixed assets | - | 910.69 |
| II. Subsidies | 4 103.31 | 7 455.55 |
| III. Revaluation of non-financial assets | 1 157.13 | - |
| IV. Other operating revenues | 2 662.04 | 80 200.77 |
| E. Other operating expenses | 13 526.71 | 21 777.03 |
| I. Loss on disposal of non-financial fixed assets | - | - |
| II. Revaluation of non-financial assets | - | - |
| III. Other operating expenses | 13 526.71 | 21 777.03 |
| F. Profit (loss) on operating activities (C+D-E) | 1 228 800.06 | 1 562 997.22 |
| G. Financial revenues | 4 720.42 | 92 721.64 |
| I. Dividend and profit sharing | - | - |
| - from related entities | - | - |
| II. Interest | 4 720.42 | 3 798.09 |
| - from related entities | 3 460.96 | - |
| III. Gain on disposal of financial assets | - | - |
| - from related entities | - | - |
| IV. Revaluation of financial assets | - | - |
| V. Other | - | 88 923.55 |
| H. Financial expenses | 37 386.93 | 128 081.60 |
| I. Interest | 65.22 | 429.85 |
| - for related entities | - | - |
| II. Loss on disposal of financial assets | - | - |
| - for related entities | - | - |
| III. Revaluation of financial assets | - | - |
| IV. Other | 37 321.71 | 127 651.75 |
| I. Gross profit (loss) (F+G-H) | 1 196 133.55 | 1 527 637.26 |
| J. Income tax | 19 705.84 | 71 673.10 |
| K. Other statutory reductions in profit (increases in loss) | - | - |
| L. Net profit (loss) (I-J-K) | 1 176 427.70 | 1 455 964.17 |

Cash flow

| in USD* | 2020 | 2021 |
|---|----------------------|----------------------|
| A. Cash flows from operating activities | 1 160 894.52 | 1 219 843.67 |
| I. Net profit (loss) | 1 176 427.61 | 1 455 964.17 |
| II. Total adjustments | -15 533.09 | -236 120.50 |
| 1. Amortisation and depreciation | 270 685.89 | 511 469.18 |
| 2. Exchange gains (losses) | 32.95 | -5.92 |
| 3. Interest and profit sharing (dividend) | -3 460.96 | -3 572.45 |
| 4. Profit (loss) on investment activities | - | -910.69 |
| 5. Change in provisions | - | - |
| 6. Change in inventory | 367.88 | 5 699.22 |
| 7. Change in receivables | -406 298.13 | -763 605.13 |
| 8. Change in short-term liabilities excluding credits and loans | 129 300.86 | 114 922.92 |
| 9. Change in prepayments and accruals | -6 161.59 | -20 143.27 |
| 10. Other adjustments | - | -79 974.37 |
| III. Net cash flows from operating activities (I +/- II) | 1 160 894.52 | 1 219 843.67 |
| B. Cash flows from investment activities | -1 195 113.66 | -1 511 019.33 |
| I. Inflows | 753.35 | 910.69 |
| 1. Disposal of intangible and tangible fixed assets | - | 910.69 |
| 2. Disposal of investments in real property and in intangible assets | - | - |
| 3. From financial assets | 753.35 | - |
| a) in related parties | - | - |
| b) in other entities | 753.35 | - |
| - sales of financial assets | - | - |
| - dividend and profit sharing | - | - |
| - repayment of granted long-term loans | - | - |
| - interest | 753.35 | - |
| - other inflows from financial assets | - | - |
| 4. Other inflows from investment activities | - | - |
| II. Outflows | 1 195 867.01 | 1 511 930.02 |
| 1. Purchase of intangible assets and tangible fixed assets | 1 100 463.30 | 1 394 230.36 |
| - including R&D | 377 767.41 | - |
| 2. Investments in real property and intangible assets | - | - |
| 3) For financial assets | 95 403.71 | 117 699.66 |
| a) in related parties | 72 322.65 | 117 699.66 |
| b) in other entities | 23 081.07 | - |
| - purchase of financial assets | - | - |
| - long-term loans granted | 23 081.07 | - |
| 4. Other outflows from investment activities | - | - |
| III. Net cash flows from investment activities (I-II) | -1 195 113.66 | -1 511 019.33 |
| C. Cash flows from financial activities | 327 424.94 | 76 362.81 |
| I. Inflows | 1 430 186.97 | 1 280 540.52 |
| 1. Net inflows from issuance of shares and other capital instruments and from capital contributions | 1 271 700.58 | 1 280 540.52 |
| 2. Credits and loans | - | - |
| 3. Issuance of debt securities | - | - |
| 4. Other inflows from financial activities | 158 486.39 | - |
| II. Outflows | 1 102 762.03 | 1 204 177.70 |
| 1. Purchase of own shares | - | - |

| | | |
|--|---------------------|---------------------|
| 2. Dividend and other payments to shareholders | 1 102 762.03 | 1 187 513.15 |
| 3. Profit distribution liabilities other than profit distribution payments to shareholders | - | - |
| 4. Repayment of credits and loans | - | - |
| 5. Redemption of debt securities | - | - |
| 6. Payment of other financial liabilities | - | - |
| 7. Payment of liabilities arising from financial leases | - | - |
| 8. Interest | - | - |
| 9. Other outflows from financial activities | - | 16 664.55 |
| III. Net cash flows from financial activities (I-II) | 327 424.94 | 76 362.81 |
| D. Total net cash flows (A.III. +/- B.III +/- C.III) | 293 205.79 | -214 812.85 |
| E. Balance sheet change in cash, including: | 292 800.10 | - |
| change in cash due to exchange differences | - | - |
| F. Cash opening balance | 1 366 593.71 | 1 675 439.75 |
| G. Closing balance of cash (F+/-D), including: | 1 659 799.50 | 1 460 626.90 |

* Average USD/PLN exchange rate according to The National Bank of Poland: 2020 (3.8993), 2021 (3.8629)