

# REPORT ON REMUNERATION OF MANAGEMENT AND SUPERVISORY BOARD MEMBERS OF SELVITA S.A.

## FOR THE YEAR 2023

Report on the remuneration of members of the Management Board and Supervisory Board of Selvita S.A. (hereinafter "**Selvita**" or "**the Company**") was prepared on the basis of:

a) Art. 90g of the Act of July 29, 2005 on public offering and conditions for introducing financial instruments to an organized trading system and on public companies;

b) Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards encouraging shareholders to long-term commitment.

This Report presents the financial year 2023, as well as comparative data from previous years, and provides an overview of the remuneration granted to members of the Company's governing bodies in accordance with the applicable internal regulations contained in the Remuneration Policy for Members of the Management Board and Supervisory Board of Selvita S.A. adopted by the General Shareholders Meeting of the Company on August 31, 2020 ("**Remuneration Policy**"). Since then there were no changes to the Remuneration Policy.

In 2023, the Company's Management Board consisted of:

- 1) Bogusław Sieczkowski – President of the Management Board
- 2) Miłosz Gruca – Vice President of the Management Board
- 3) Mirosława Zydroń – Member of the Management Board
- 4) Dariusz Kurdas – Member of the Management Board
- 5) Dawid Radziszewski – Member of the Management Board
- 6) Adrijana Vinter – Member of the Management Board

In 2023, the Company's Supervisory Board consisted of:

- 1) Piotr Romanowski – Chairman of the Supervisory Board
- 2) Tadeusz Wesołowski – Vice Chairman of the Supervisory Board
- 3) Paweł Przewięźlikowski – Supervisory Board Member
- 4) Rafał Chwast – Supervisory Board Member
- 5) Wojciech Chabasiewicz – Supervisory Board Member
- 6) Jacek Osowski – Supervisory Board Member

## **1. The amount of the total remuneration and its components and the mutual proportions between these remuneration components**

Members of the Management Board receive remuneration on the basis of an employment contract or by appointment.

The remuneration of the Members of the Management Board consists of:

- a) **Fixed Remuneration**, constituting monthly remuneration in cash, paid for performing functions on the Management Board;
- b) **Variable Remuneration**, constituting supplementary remuneration paid semi-annually or less often, constituting additional remuneration dependent on achievement of the Management Objectives, and also reflecting the exceptionally favorable situation in which the Company found itself as a result of actions taken by the Company's Management Board.

In shaping the amount of the Variable Remuneration of the Members of the Management Board, the Supervisory Board shall take into account the Management Objectives, including, in particular:

- a) the achievement of the short-, medium- and long-term tasks respectively, arising from the Company's business strategy and relating to the pursuit of its interests;
- b) the accomplishment of quantitative or qualitative tasks in a given area for which a given Member of the Management Board is responsible.

The Management Objectives shall be specified by the Supervisory Board each year at the beginning of each calendar year. The Management Objectives set by the Supervisory Board should take into account the Company's current operating and strategic objectives for a given period, along with the criteria for assessing the achievement thereof. According to the Remuneration Policy, the Company's Supervisory Board may assign appropriate weights to the individual Management Objectives which determine the amount of Variable Remuneration of the Members of the Management Board, and to establish a proportion between Fixed Remuneration and Variable Remuneration and Additional Benefits, to ensure a proper balance from the perspective of the total remuneration received by a Member of the Management Board in order to ensure the sustainable development of the Company and to achieve an increase in its value. The Management Objectives also take into account non-financial criteria.

The Supervisory Board may grant additional variable remuneration of discretionary nature awarded post factum and not resulting from the achievement of the Management Objectives set out at the beginning of the year, in particular in the event of:

- a) obtaining exceptional results of actions taken by the Management Board Member, exceeding the expectations specified in the Management Objectives set by the Supervisory Board or related to achievements not foreseen in the Management Objectives,
- b) when the Company's situation improves significantly as a result of actions taken by the Management Board in a given accounting period, and these actions exceed the expectations set forth in the Management Objectives or are not included in them.

In terms of the Variable Remuneration of Management Board Members paid for 2023, the Supervisory Board established corporate goals and measures (criteria for their assessment) aimed at:

- achievement of a certain level of revenue and profitability;
- achievement of assumed strategic milestones related to corporate objectives such as construction of the Research and Development Center for Laboratory Services, development of IT applications and progress in the area of acquisitions.

In addition, appropriate weights have been assigned to individual Management Objectives and their measures, which allows to determine the amount of the awarded Variable Remuneration of Management Board Members in 2023, if the goal was achieved. The entire Variable Remuneration was awarded based on the Management Objectives established at the beginning of the calendar year 2023.

Irrespective of the Fixed Remuneration and the Variable Remuneration the Members of the Management Board may receive an Additional Benefit consisting of other additional benefits, including non-cash benefits. In 2023 the Additional Benefits consisted of:

- Benefits for reimbursement of expenses or additional costs incurred by the Company, including:
  - a. possibility of using a company car, computer, cell phone,
  - b. covering business travel costs,
  - c. provision of health (including private medical care), sports, artistic or educational benefits,
  - d. D&O insurance,
  - e. payment cards for business expenses.
- Benefits considered to be additional expenditures, including:
  - a. sports cards,
  - b. medical insurance,
  - c. lunch cards,
  - d. possibility to use a company car for private purposes.
- Benefits resulting from separate acts, including:
  - a. inclusion in the Employee Capital Plan on the same principles as other employees of the Company and also other general savings program or similar or concerning other employee benefits resulting from separate acts.

Additional Benefits are not available to family members of Members of the Management Board, except for the coverage of such persons with respect to medical packages.

The Members of the Supervisory Board are entitled to fixed monthly remuneration. The remuneration of the Members of the Supervisory Board may differ depending on the function performed, including, in particular, due to the performance of the function of the Chairman or Deputy Chairman of the Supervisory Board or being a member of the given Committee within the Supervisory Board. Members of the Supervisory Board are also entitled to reimbursement of travel expenses, board and lodging related to participating in meetings of the Supervisory Board. Supervisory Board Members are included in the Employee Capital Plans on the same terms as other employees of the Company.

**Table no. 1: Remuneration of Members of the Management Board for 2023 [PLN]**

Name of director	Fixed Remuneration at Selvita S.A.	Variable Remuneration <sup>3)</sup> at Selvita S.A.	Additional Benefits at Selvita and subsidiaries <sup>2)</sup>	Remuneration at S.A. subsidiaries	Remuneration [TOTAL]	Variable Remuneration in total Remuneration [%]
<b>Bogusław Sieczkowski</b>	480 000	298 100	10 803	312 000	<b>1 100 903</b>	<b>27%</b>
<b>Miłosz Gruca</b>	312 000	339 700	7 872	432 000	<b>1 091 572</b>	<b>31%</b>
<b>Mirosława Zydróż</b>	186 000	152 300	11 891	294 000	<b>644 191</b>	<b>24%</b>
<b>Dariusz Kurdas</b>	306 000	99 700	11 015	174 000	<b>590 715</b>	<b>17%</b>
<b>Dawid Radziszewski</b>	186 000	182 600	9 614	294 000	<b>672 214</b>	<b>27%</b>
<b>Adrijana Vinter</b>	-	-	-	1 250 199 <sup>1),3),4)</sup>	<b>1 250 199<sup>1),3),4)</sup></b>	<b>24%</b>

1) Remuneration converted from Euro according to the average exchange rate of the National Bank of Poland as of 31 December 2023 1 EUR= 4,3480 PLN.

2) Additional benefits include the cost of services such as health, education, sports, lunch cards and the use of company cars for private purposes.

3) The Variable Remuneration includes the remuneration actually paid in 2023 regarding the final settlement for 2022. The amounts of variable remuneration due resulting from the final settlement for 2023 (not included in Table No. 1) were: PLN 185.200 in the case of Bogusław Sieczkowski, PLN 396.700 in the case of Miłosz Gruca, PLN 160.200 in the case of Mirosława Zydróż, PLN 67.300 in the case of Dariusz Kurdas, PLN 173.800 in the case of Dawid Radziszewski and PLN 151.100 in the case of Adrijana Vinter.

4) Includes fixed remuneration from subsidiary and variable remuneration actually paid in 2023, regarding the final settlement for 2022, which amounted to PLN 298.490 (68.650 EUR)<sup>1),3)</sup>.

**Table no. 2: Remuneration of Members of the Supervisory Board for 2023 [PLN]**

Name of the Supervisory Board Member	Fixed remuneration	Remuneration for the provision of consulting services for Selvita S.A.	Additional benefits	Total remuneration
<b>Paweł Przewięźlikowski<sup>2)</sup></b>	60 000	0	750	<b>60 750</b>
<b>Piotr Romanowski<sup>2)</sup></b>	78 000	0	1 268	<b>79 268</b>
<b>Tadeusz Wesołowski</b>	69 000	0	0	<b>69 000</b>
<b>Rafał Chwast<sup>2)</sup></b>	60 000	0	975	<b>60 975</b>
<b>Wojciech Chabasiewicz<sup>2)</sup></b>	60 000	18 910 <sup>1)</sup>	975	<b>79 885</b>
<b>Jacek Osowski</b>	60 000	0	0	<b>60 000</b>

1) Remuneration for the purchase of consulting services for the Company from Chabasiewicz Kowalska i Wspólnicy Spółka Komandytowo-Akcyjna.

2) Participant in Employee Capital Plan due to holding the position of Member of the Supervisory Board.

## 2. Information on how the remuneration complies with the Remuneration Policy including how it contributes to the Company's long-term performance

The company pays remuneration to members of the Management Board and Supervisory Board strictly in accordance with the Remuneration Policy. The remuneration of the Members of the Management Board contributes to their full involvement in the performance of specific functions, motivates them to achieve the Company's business goals. The remuneration is adequate to the positions held by the Management Board Members. The level of remuneration of the members of the Management Board and the Supervisory Board ensures the retention and proper motivation of persons with the highest competences, which enable them to manage the Company in a manner that contributes to the achievement of its economic and financial objectives, as well as to properly supervise it.

## 3. Comparative information on the change of remuneration and Company performance and the average remuneration of employees of the Company, who are not members of the Management Board or the Supervisory Board, over the period of five financial years

Due to the Company's actual commencement of operations on the day of transfer of an organized part of Selvita S.A.'s enterprise (currently Ryvu Therapeutics S.A.) in the form of CRO activities and shares in Selvita Services sp. z o.o., Selvita Inc., Selvita Ltd, BioCentrum sp. z o.o. (currently combined with Selvita Services sp. z o.o.) into Selvita CRO S.A. (now Selvita S.A.), i.e. October 1, 2019, the comparison of the remuneration of the Management and Supervisory Board on an annual basis, i.e. for 2019 and 2020, as well as the financial results of the Selvita S.A. Group does not reflect the dynamics of the change in remuneration and the actual increase in revenue and the actual change in the financial result between 2019 and 2020.

**Table no. 3: Comparison of the remuneration of members of the Management Board on annual basis [PLN]**

Name	2019	2020	2021	2022	2023
<b>Bogusław Sieczkowski</b>	<b>187 498</b>	<b>834 045</b>	<b>1 340 642</b>	<b>1 397 678</b>	<b>1 100 903</b>
Change [%]	-	344,82%	60,73%	4,25%	-21,23 %
<b>Miłosz Gruca</b>	<b>352 391</b>	<b>862 232</b>	<b>1 196 951</b>	<b>1 278 290</b>	<b>1 091 572</b>
Change [%]	-	144,68%	38,82%	6,80%	-14,61%
<b>Mirosława Zydroń</b>	<b>249 963</b>	<b>670 815</b>	<b>1 002 603</b>	<b>807 991</b>	<b>644 191</b>
Change [%]	-	168,36%	49,46%	-19,41%	-20,27%
<b>Adrijana Vinter*</b>	-	-	-	<b>1 291 879**</b>	<b>1 250 199***</b>
Change [%]	-	-	-	-	-3,23%
<b>Dariusz Kurdas</b>	<b>116 333</b>	<b>454 651</b>	<b>691 654</b>	<b>683 009</b>	<b>590 715</b>
Change [%]	-	290,81%	52,12%	-1,25%	-13,51%
<b>Dawid Radziszewski</b>	<b>53 905</b>	<b>502 729</b>	<b>892 274</b>	<b>840 095</b>	<b>672 214</b>
Change [%]	-	832,62%	77,48%	-5,85%	-19,98%

\* Data for the period from February 1, 2022.

\*\* Remuneration converted from Croatian kuna according to the average exchange rate of the National Bank of Poland as of 31 December 2022 1 HRK = 0.6224 PLN.

\*\*\* Remuneration converted from Euro according to the average exchange rate of the National Bank of Poland as of 31 December 2023 1 EUR= 4,3480 PLN.

**Table no. 4: Comparison of the fixed remuneration of members of the Management Board on annual basis [PLN]**

Nazwa	2019	2020	2021	2022	2023
<b>Paweł Przewięźlikowski</b>	<b>9 306</b>	<b>37 986</b>	<b>37 453</b>	<b>59 517</b>	<b>60 000</b>
Zmiana [%]	-	308%	-1%	59%	0,81%
<b>Piotr Romanowski</b>	<b>11 286</b>	<b>45 200</b>	<b>46 052</b>	<b>80 248</b>	<b>78 000</b>
Zmiana [%]	-	300%	2%	74%	-2,80%
<b>Tadeusz Wesołowski</b>	<b>10 296</b>	<b>41 184</b>	<b>41 184</b>	<b>69 108</b>	<b>69 000</b>
Zmiana [%]	-	300%	0%	68%	-0,16%
<b>Rafał Chwast</b>	<b>9 306</b>	<b>37 271</b>	<b>38 116</b>	<b>60 250</b>	<b>60 000</b>
Zmiana [%]	-	301%	2%	58%	-0,41%
<b>Wojciech Chabasiewicz</b>	<b>9 306</b>	<b>37 271</b>	<b>37 782</b>	<b>60 250</b>	<b>60 000</b>
Zmiana [%]	-	301%	1%	59%	-0,41%
<b>Jacek Osowski</b>	<b>9 306</b>	<b>37 224</b>	<b>37 224</b>	<b>59 388</b>	<b>60 000</b>
Zmiana [%]	-	301%	0%	60%	1,03%

**Table no. 5: Comparison of Group's results on an annual basis [PLN]**

Financial Results	2019*#	2020#	2021#	2022#	2023
<b>Net sales from continuing operations</b>	<b>30 443 469</b>	<b>137 356 285</b>	<b>310 920 815</b>	<b>407 461 814</b>	<b>346 957 000</b>
Change [%]	-	351%	126%	31%	-15%
<b>Operating profit / EBIT** from continuing operations (without impact of the incentive program and profit on loss of control)</b>	<b>5 374 587</b>	<b>19 544 158</b>	<b>57 553 000</b>	<b>75 613 000</b>	<b>28 261 000</b>
Change [%]	-	264%	194%	31%	-63%
<b>EBITDA** from continuing operations (without impact of the incentive program and profit on loss of control)</b>	<b>8 004 406</b>	<b>33 069 880</b>	<b>85 041 000</b>	<b>112 441 000</b>	<b>73 713 000</b>
Change [%]	-	313%	157%	32%	-34%
<b>Net profit from continuing operations (without profit on loss of control)</b>	<b>5 804 200</b>	<b>19 921 919</b>	<b>18 221 967</b>	<b>32 608 088</b>	<b>17 314 000</b>
Change [%]	-	243%	-9%	79%	-47%

\*Data according to consolidated financial statements of Selvita Capital Group for 2019

\*\* The Supervisory Board of Selvita S.A. evaluates the Capital Group's performance using, among other indicators, EBIT and EBITDA. These indicators should be treated as supplementary information, expanding the presentation of the Capital Group's results and other data. EBITDA and EBIT are not defined in IFRS, so this indicator should not be considered as an alternative to the measures defined in IFRS. EBITDA is defined as operating profit adjusted for depreciation and amortization. EBIT is defined as operating profit.

# Data including the investment in Ardigen (i.e. Ardigen S.A. and Ardigen Inc.) in the Selvita Group structures

On January 18, 2023 the Company, as a consequence of the provisions of the investment agreement and the Articles of Association of Ardigen S.A. in light of the dilution of Mr. Pawel Przewięźlikowski in Ryvu Therapeutics S.A., lost the voting preference of its series A and B preferred shares in Ardigen S.A., and currently holds shares in Ardigen S.A. representing 46.74% of the share capital and 46.22% of the total number of votes at the general meeting of that company. In view of the above, Selvita S.A. ceased to be a parent company of Ardigen S.A. within the meaning of Article 4 § 1 item 4(a) of the Commercial Companies Code. Thus, the Parent Company assessed that it no longer has control over Ardigen S.A. within the meaning of Article 5-9 of International Financial Reporting Standard 10 - Consolidated Financial Statements and ceased to consolidate Ardigen S.A. as a subsidiary as of January 1, 2023. As of the date of loss of control, the investment in Ardigen is included in the Group's consolidated financial statements as an affiliate entity, and the valuation is performed according to the equity method.

Accordingly, the following table presents revenue increases and changes in financial result between 2023 and 2022 for the data after eliminating the data of the investment in Ardigen in 2022, in order to show the dynamics of the Group's revenue and financial results under the structure that operates in 2023 and today.

Financial results (excluding investment in Ardigen)	2022	2023
<b>Net sales from continuing operations</b>	<b>360 680 000</b>	<b>346 957 000</b>
Change [%]	-	-4%
<b>Operating profit / EBIT from continuing operations (without impact of the incentive program and profit on loss of control)</b>	<b>70 763 000</b>	<b>28 261 000</b>
Change [%]	-	-60%
<b>EBITDA from continuing operations (without impact of the incentive program and profit on loss of control)</b>	<b>106 243 000</b>	<b>73 713 000</b>
Change [%]	-	-31%
<b>Net profit from continuing operations (without profit on loss of control)</b>	<b>28 292 000</b>	<b>17 314 000</b>
Change [%]	-	-39%

**Table no. 6: Comparison of the average salary of employees employed in Company on annual basis\* [PLN]**

	2019	2020	2021	2022	2023
<b>Average monthly salary</b>	6 245	6 593	7 849	8 256	9 569
Change [%]	-	5,57%	19,05%	5,18%	15,90%

\* The average remuneration of the Company's employees constitutes the sum of the remuneration (fixed remuneration, bonuses and other awards, commissions, non-cash benefits and all other payments) paid to employees in a given calendar year (over a 12-month period) divided by average employment (average number of full-time employees) in a given year divided further by 12 months. The presented remuneration for 2019 includes the period from October 1, 2019, i.e. from the date of the corporate split of Ryvu Therapeutics S.A. and the transfer on that date of the employees previously employed by Ryvu Therapeutics S.A. (within the organized part of the enterprise).

The compensation of employees in subsidiary companies is indicated in Item 4 below.

#### **4. The remuneration in entities belonging to the same capital group within the meaning of the Accounting Act of 29 September 1994 (Dz.U. 2023, item 120)**

Pursuant to the Remuneration Policy, Members of the Management Board or Supervisory Board who also perform a function in a subsidiary are entitled to receive benefits from the subsidiary separate from those they receive in connection with their function in the Company.

Members of the Company's Management Board received remuneration from Selvita Group subsidiaries (from Selvita Services Sp. z o.o. (Bogusław Sieczkowski, Miłosz Gruca, Mirosława Zydrón, Dariusz Kurdas, Dawid Radziszewski), Selvita d.o.o. (Adrijana Vinter)) on the basis of: appointment, employment contract or services contract.



Members of the Company's Supervisory Board did not receive remuneration from Selvita Group subsidiaries.

**Table no. 7: Comparison of the average salary of employees employed in subsidiary companies of Selvita Capital Group on annual basis [PLN]**

	2019	2020	2021	2022	2023
<b>Average monthly salary in Selvita Services Sp. z o.o.</b>	5 875	6 642	7 356	7 846	8 981
Change [%]	-	13,06%	10,75%	6,66%	14,47%
<b>Average monthly salary in Selvita d.o.o.*</b>	-	-	10 847**	11 016***	10 713****
Change [%]	-	-	-	1,56%	-2,75%

\*The company Selvita d.o.o. with its registered office in Zagreb became part of the Selvita Group from 4 January 2021. Accordingly, remuneration for Selvita d.o.o. is presented for 2021 and upwards only.

\*\* Remuneration converted from Croatian kuna according to the average exchange rate of the National Bank of Poland as of 31 December 2021 1 HRK = 0.6118 PLN.

\*\*\* Remuneration converted from Croatian kuna according to the average exchange rate of the National Bank of Poland as of 31 December 2022 1 HRK = 0.6224 PLN.

\*\*\*\* Remuneration converted from Euro according to the average exchange rate of the National Bank of Poland as of 31 December 2023 1 EUR = 4.3480 PLN.

## **5. Information on the number of shares and share options granted or offered to directors, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof**

On 17 May 2021, the General Shareholders Meeting resolved to adopt a non-dilutive Incentive Scheme (the "Incentive Scheme") for 2021-2024 for employees in the form of a right to acquire shares in the Company. The subject matter of the Program is a total of 1,247,720 shares of the Company transferred free of charge as a donation by Mr. Paweł Przewięźlikowski - the founder, President and main shareholder of the Company, constituting in total 25% of the Company's shares held by him. The Program provides employees with the right to acquire shares at a preferential price of PLN 0.19 per share, which takes into account the Company's administrative costs incurred in order to implement the Incentive Program. All persons who are in a business relationship with the Company are eligible to participate in the Scheme, whereby a list of participants in the Scheme was drawn up based on the recommendation of a Shareholder and approved by the Supervisory Board in relation to Management Board Members and by the Management Board in relation to other persons (the "Eligible Persons"). Participation in the program is voluntary. The Eligible Persons will be obliged to remain employees of the Company and not to sell the Shares granted under the Plan within a period of not less than 12 months and not more than 36 months from the date of acquisition of the Shares, subject to exceptional circumstances, when an employee may be released from these obligations.

There were no new shares granted to Members of the Management Board in 2023.

## **6. Information on use of the right to reclaim the return of Variable Remuneration components**

The right to reclaim the return of Variable Remuneration components is not provided in the Remuneration Policy.

## **7. Derogations and deviations from the Remuneration Policy and from the procedure for its implementation including the explanation of the nature of the exceptional circumstances and the indication of the specific elements derogated from**

Pursuant to the Remuneration Policy, the derogation from its application may only take place if it is necessary to achieve the long-term interests and financial stability of the Company or to guarantee its profitability. In 2023 the Supervisory Board did not decide to depart from the adopted Remuneration Policy.

## **8. Severances**

No severances were paid in 2023 for Members of the Management Board and Members of the Supervisory Board.

## **9. Information on approval of the report for the previous year**

On June 27, 2023 the Company's Ordinary General Meeting of Shareholders positively approved the Supervisory Board's Report on remuneration of Members of the Management Board and Supervisory Board of the Company for 2022.

### **Conclusions:**

The Supervisory Board reviewed the remuneration and other benefits received by individual members of the Management Board and Supervisory Board and assessed the overall compliance with the applicable Remuneration Policy and states that:

1. remuneration and other benefits paid to members of the Management Board and Supervisory Board comply with the applicable Remuneration Policy and meet the requirements provided for by law,
2. current Remuneration Policy is an effective tool for granting the remuneration to the Management Board Members and enables a flexible policy of awarding variable remuneration components.