

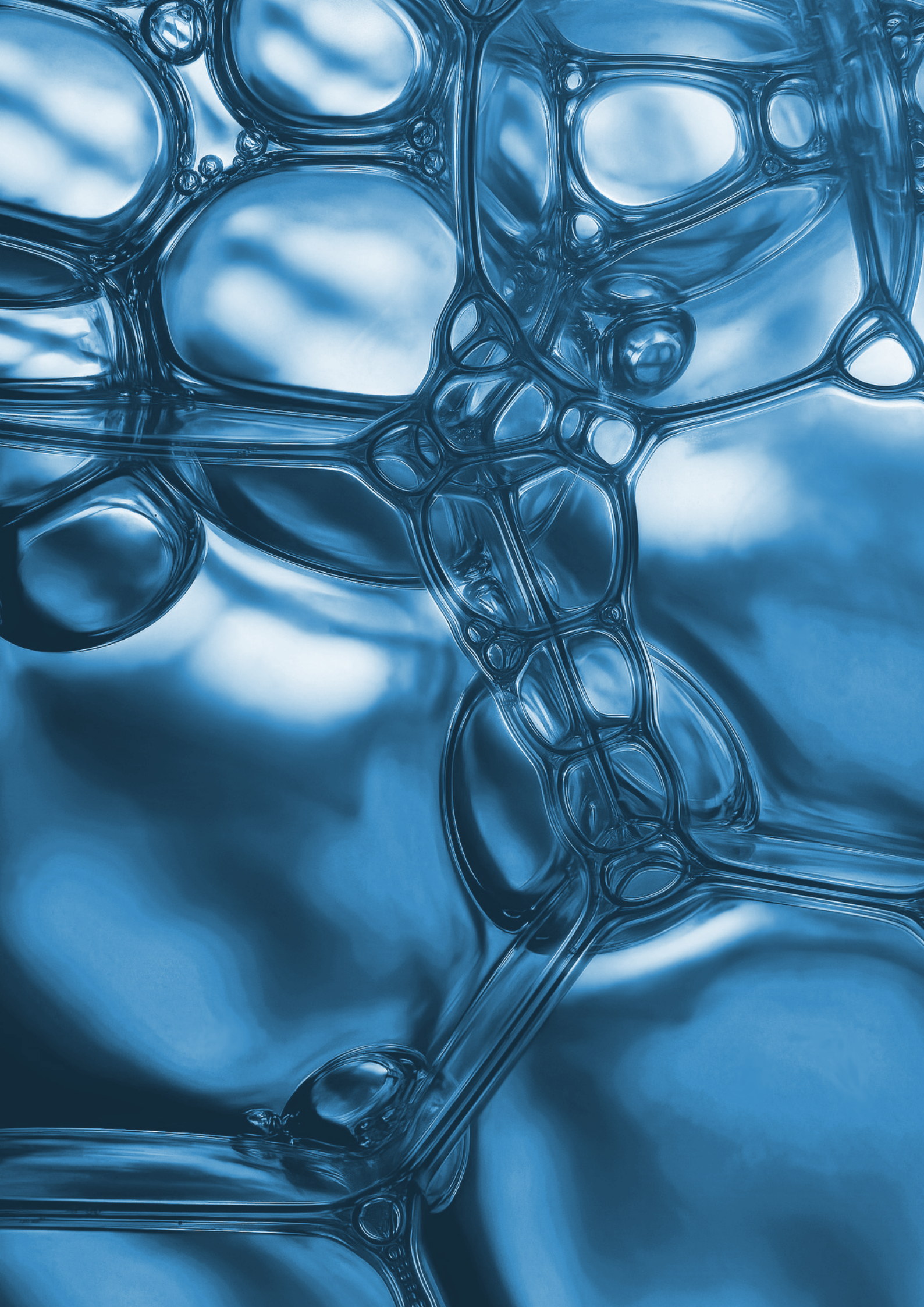


Consolidated Q3 2024 Report

Selvita Capital Group

Table of content

01 — Selected financial data . 4
1.1. Main results achieved in the reporting period
02 — Management Board's comments on financial results . 10
2.1. Consolidated data excluding incentive scheme impact
2.2. Contracted (Backlog)
03 — The group's assets and the structure of assets and liabilities . 18
3.1. Consolidated data
04 — Current and projected financial condition . 19
05 — Significant off-balance sheet items . 20
06 — Explanation of differences between the financial results disclosed in the half year report and previously published forecasts of the financial results . 21
07 — Significant events in reporting period . 22
7.1. Significant events in reporting period
7.2. Post balance sheet significant events
7.3. Unusual events occurring in the reporting period
08 — Management board's information on group's activities . 25
8.1. Drug Discovery segment
8.2. Drug Development Segment
8.3. Ardigen
8.4. R&D Funding In 2024 And R&D Outsourcing Market Update
09 — The capital group structure . 34
10 — Issuer's corporate bodies . 36
11 — Information on the shareholders holding (directly or indirectly) at least 5% of the total number of votes at the general shareholders' meeting of the company and on shares held by members of the issuer's Management Board and Supervisory Board . 37
12 — Additional information . 40
13 — Management Board statement on adopted accounting principles . 42



01 — Selected financial data

The consolidated financial statements cover the period from January 1, 2024 to September 30, 2024 with comparative period from January 1, 2023 to September 30, 2023.

As of the beginning of 2024, the Group has changed the classification of operating segments. Details in point 1.1.2.

On March 18, 2024, the Group decided to expand its operations by launching a new service area related to the discovery and development of biological drugs located in Wrocław. Details in point 7.1.

On May 6, 2024, the Group concluded a share purchase agreement, thereby acquiring 100% of shares in PozLab sp. z o.o. with its registered office in Poznań (currently in Złotniki). Details in point 1.1.3.

1.1. Main results achieved in the reporting period

1.1.1 Consolidated financial data

The table below presents the consolidated financial data of the Selvita S.A. Group:

TABLE 1.

The Consolidated financial data of the Selvita S.A. Group – concerning the consolidated balance sheet

Selvita S.A. Group Item	Consolidated data in PLN thousand		Consolidated data in EUR thousand	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Total assets	639,092	636,260	149,352	146,334
Trade and other receivables	71,764	70,228	16,771	16,152
Investment in subsidiaries not fully consolidated	61,875	63,313	14,460	14,561
Cash and other monetary assets	14,675	52,654	3,430	12,110
Other financial assets	367	311	86	71
Total liabilities	322,348	309,188	75,331	71,110
Long term liabilities	212,325	215,419	49,619	49,554
Short term liabilities	110,023	93,769	25,712	21,566
Equity	316,744	327,071	74,021	75,223
Share capital	14,684	14,684	3,432	3,377



TABLE 2.

The Consolidated financial data of the Selvita S.A. Group – concerning the consolidated profit and loss statement:

Selvita S.A. Group	Consolidated data in PLN thousand				Consolidated data in EUR thousand			
	From 01.01.2024 to 30.09.2024	From 01.01.2023 to 30.09.2023	From 01.07.2024 to 30.09.2024	From 01.07.2023 to 30.09.2023	From 01.01.2024 to 30.09.2024	From 01.01.2023 to 30.09.2023	From 01.07.2024 to 30.09.2024	From 01.07.2023 to 30.09.2023
Revenues from sales	244,719	260,481	88,267	82,352	56,883	56,907	20,600	18,277
Revenues from subsidies	2,860	4,529	1,234	1,750	665	989	288	388
Other operating revenues	306	129	29	81	71	28	7	18
Revenues from operating activities	247,886	265,139	89,531	84,183	57,619	57,925	20,895	18,683
Operating expenses	-254,879	-252,160	-88,152	-80,866	-59,244	-55,089	-20,574	-17,947
Operating expenses (excl. incentive scheme)	-252,187	-241,936	-87,667	-79,199	-58,619	-52,856	-20,460	-17,577
Depreciation	-39,340	-34,078	-13,676	-11,981	-9,144	-7,445	-3,192	-2,659
Depreciation (excl. IFRS 16 impact)	-27,389	-23,031	-9,447	-8,297	-6,366	-5,031	-2,205	-1,841
Incentive program valuation	-2,692	-10,224	-485	-1,667	-626	-2,234	-113	-370
Profit (loss) from operating activities / EBIT	-6,994	12,979	1,378	3,317	-1,626	2,835	322	736
Profit (loss) from operating activities / EBIT (excl. incentive scheme)	-4,302	23,203	1,864	4,984	-1,000	5,069	435	1,106
Profit (loss) before income tax	-15,272	6,136	-616	-4,951	-3,550	1,341	-144	-1,099
Net profit (loss)	-9,565	6,049	2,592	-4,272	-2,223	1,322	605	-948
Net profit (loss) (excl. incentive scheme)	-6,873	16,273	3,078	-2,605	-1,598	3,555	718	-578



Selvita S.A. Group	Consolidated data in PLN thousand				Consolidated data in EUR thousand			
	From 01.01.2024 to 30.09.2024	From 01.01.2023 to 30.09.2023	From 01.07.2024 to 30.09.2024	From 01.07.2023 to 30.09.2023	From 01.01.2024 to 30.09.2024	From 01.01.2023 to 30.09.2023	From 01.07.2024 to 30.09.2024	From 01.07.2023 to 30.09.2023
EBITDA	32,346	47,057	15,054	15,298	7,519	10,281	3,513	3,395
EBITDA (excl. incentive scheme)	35,038	57,281	15,540	16,965	8,144	12,514	3,627	3,765
Net cash flows from operating activities, from continuing operations	38,592	53,066	19,940	32,109	8,970	11,593	4,654	7,126
Net cash flows from investing activities, from continuing operations	-33,944	-18,908	-4,996	11,601	-7,890	-4,131	-1,166	2,575
Net cash flows from financing activities, from continuing operations	-42,690	-25,112	-14,655	-16,788	-9,923	-5,486	-3,420	-3,726
Total net cash flows	-38,042	-7,787	289	26,922	-8,842	-1,701	67	5,975
Number of shares (weighted average)	18,355,474	18,355,474	18,355,474	18,355,474	18,355,474	18,355,474	18,355,474	18,355,474
Profit (loss) per share (in PLN)	-0.52	0.33	0.14	-0.23	-0.12	0.07	0.03	-0.05
Diluted profit (loss) per share (in PLN)	-0.52	0.33	0.14	-0.23	-0.12	0.07	0.03	-0.05
Book value per share (in PLN)	17.26	15.12	17.26	15.12	4.03	3.26	4.03	3.26
Diluted book value per share (in PLN)	17.26	15.12	17.26	15.12	4.03	3.26	4.03	3.26
Declared or paid dividend per share (in PLN)	-	-	-	-	-	-	-	-



Selected financial data presented in the interim report were converted to Euro as follows:

1. Items relating to the profit and loss statement and the cash flow statement were converted using the exchange rate constituting the arithmetic average of the exchange rates, applicable as of the last day of every month in the given period, based on the information published by the National Bank of Poland (NBP):
 - for the period from 01/01/2024 r. to 30/09/2024 r.: 4.3022 PLN,
 - for the period from 01/07/2024 r. to 30/09/2024 r.: 4.2847 PLN,
 - for the period from 01/01/2023 r. to 30/09/2023 r.: 4.5773 PLN,
 - for the period from 01/07/2023 r. to 30/09/2023 r.: 4.5058 PLN.
2. Balance sheet items were converted using the average exchange rate announced by the NBP applicable as at the balance sheet date; which were:
 - as of 30 September 2024: PLN 4.2791,
 - as of 31 December 2023: PLN 4.3480.



1.1.2 Change in operating segments

Due to the significant increase in revenues and contracts related to the Group's activities in the area of analytical and regulatory research services in 2023 and the ongoing process of acquiring competences in the area of drug development services, as well as taking into account the integration within the drug discovery department between centers in Poland and Croatia, which does not justify further separate presentation of results between centers that provide identical services, the Group has decided to change the method of presenting operating segments starting from January 1, 2024. In the opinion of the Management Board, financial information in the Drug Discovery Segment and Drug Development Segment, i.e. division based on the type of services provided instead of geographical division, is more valuable and should be the main differentiator of business results in the future. In order to maintain comparability of data, historical periods have been presented according to the new layout - details were presented in the Quarterly Consolidated Report for Q1'2024 in point 2.3.

The previous Segment of Services executed in Croatia is now entirely part of the Drug Discovery Segment, while the Segment of Services executed in Poland is split and included in the respective parts to both segments, namely Drug Discovery and Drug Development.

1.1.3 Closing of agreement on acquisition by Selvita S.A. of 100% shares in PozLab Sp. z o.o.

On May 6, 2024, the Management Board of Selvita S.A. concluded an agreement with Younick Technology Park sp. z o.o. to acquire 100% of shares in PozLab sp. z o.o. ("Pozlab") after fulfillment of the conditions specified in the conditional agreement concluded on March 27, 2024 (details in point 7.1). PozLab is a CDMO (Contract Development and Manufacturing Organization). The company was established in 2010 on the grounds of the research and development branch in Poznań closed by the GlaxoSmithKline concern. The company has built competences and offer in three main segments: development of pharmaceutical products (including the production of medicinal products), quality control and microbiological tests. Pozlab has approx. 1,700 m² of high-class laboratories in the YouNick Technology Park in Złotniki near Poznań. It employs over 80 people. Selvita S.A. acquired shares in PozLab for a total price of PLN 25 million, of which PLN 21 million was paid on the transaction closing date. At the date of closing of the transaction, the amount of PLN 4 million was retained by the Company for a period of up to 12 months from the transaction closing date as security for any potential events or claims of third

parties against PozLab, enumerated in the preliminary agreement, and for securing settlements related to the price adjustment procedure. The price for the shares was covered from the Company's own funds. Pozlab's results is reported within the Drug Development segment.

On August 9, 2024, the price adjustment amount was agreed upon, which was set at (3,068) thousand PLN (an amount that reduces the contractual price).

As of September 30, 2024, the remaining withheld amount is PLN 3,000 thousand.

1.1.4 Impact of Incentive Scheme on 2021-2024 financial results

On May 17, 2021 a non-diluting Incentive Scheme for 2021-2024 for employees in the form of the right to acquire shares in the Company at a price of 0.19 PLN per share was adopted. Mr. Paweł Przewięźlikowski, main shareholder of the Company, undertook to transfer to the Company, free of charge, the shares constituting the subject of the program with an order to release them to the company's employees in the total number of 1,247,720. The fair value of the granted shares is determined as at the grant date and recognized over the vesting period in remuneration costs in correspondence with the increase in equity at the time of vesting by employees during the program period. In 2024, no shares were distributed under the Program.

The valuation of the program, with regards to the shares currently issued to employees as of September 30, 2024, indicated the total estimated cost of PLN 78,022 thousand, which is recognized in the Group's expenses starting the second quarter of 2021 to the second quarter of 2026. The impact of the program on the reporting period result is PLN 2,692 thousand and this amount reduces the gross result, net result, EBIT and EBITDA in the first three quarters of 2024 (the details are presented in the table below along with the disclosure of its impact on the balance sheet). The estimated impact on the whole current year and the following years is as follows:

- 2024: PLN 3,172 thousand,
- 2025: PLN 902 thousand,
- 2026: 128 thousand.



TABLE 3.

The impact of the valuation of incentive scheme on consolidated statement of comprehensive income in YTD Q3 2024 in PLN thousand

Item	From 01.01.2024 to 30.09.2024 including incentive scheme	incentive scheme valuation	From 01.01.2024 to 30.09.2024 excluding incentive scheme
Operating expenses	-254,879		-252,187
EBIT	-6,994		-4,302
Gross loss	-15,272	2,692	-12,580
Net loss	-9,565		-6,873
EBITDA from continuing operations	32,346		35,038

TABLE 4.

The impact of the valuation of incentive program on consolidated statement of financial position in YTD Q3 2024 in PLN thousand

Item	As of 30.09.2024 including incentive scheme	incentive scheme valuation	As of 30.09.2024 excluding incentive scheme
Equity, incl:	316,744	0	316,744
Other reserve capitals	76,750	-2,692	74,058
Net profit	-9,565	2,692	-6,873

A detailed description of the program provided in the Note 19 to the interim condensed consolidated financial statements. At the same time, it is important to point out that in the anal-

ysis of individual operating segments no impact on the valuation of the incentive scheme was taken due to the one-off and non-cash nature of this event. ●

02 — Management Board's comments on financial results

TABLE 5.
Selvita S.A. Group – continuing operations

Data in PLN thousand	From 01.01.2024 to 30.09.2024	From 01.01.2023 to 30.09.2023	From 01.07.2024 to 30.09.2024	From 01.07.2023 to 30.09.2023
Revenue – organic, including:	243,511	265,138	86,794	84,184
Drug Discovery Segment	184,702	206,531	64,645	63,172
Drug Development Segment	53,111	48,538	20,488	17,450
Revenues from subsidies	2,661	4,341	1,162	1,681
Other operating revenue	85	106	14	47
Unallocated revenues from sales of administration services	2,399	5,255	360	1,693
Unallocated revenues – other	558	367	126	141
Exclusions of revenues between segments	-5	-	-1	-
Revenue – Acquired entities*	4,375	-	2,735	-
EBIT (excl. incentive scheme) – organic	1,503	23,204	4,945	4,985
%EBIT (excl. incentive scheme) – organic	1%	9%	6%	6%
EBIT – Acquired entities*	-5,805	-	-3,082	-
EBITDA (acc. to IFRS16 excl. incentive scheme) – organic	39,130	57,282	17,610	16,966
%EBITDA (acc. to IFRS16 excl. incentive scheme) – organic	16%	22%	20%	20%
EBITDA (acc. to IFRS16) – Acquired entities*	-4,092	-	-2,071	-
Net profit (excl. incentive scheme)	-6,873	16,274	3,078	-2,604
%Net profit (excl. incentive scheme)	-3%	6%	3%	-3%
IFRS16 impact on EBITDA	11,950	11,047	4,229	3,683

* „Acquired entities“ include the established new branch in Wrocław (reported in the Drug Discovery Segment) and the acquired company PozLab Sp z o.o. (reported in the Drug Development Segment), which are consolidated in the period from April to September in the case of the new branch and in the period from May to September in the case of PozLab Sp. z o.o.



TABLE 6.

Selvita S.A. Group – revenues from external customers

Data in PLN thousand	From 01.01.2024 to 30.09.2024	Percentage share	From 01.01.2023 to 30.09.2023	Percentage share
Revenues from external customers	242,182	100%	255,069	100%
Biotechnology companies	120,600	50%	135,386	53%
Pharmaceutical companies – Big Pharma*	58,659	24%	42,589	17%
Pharmaceutical companies	41,037	17%	50,161	20%
Academia and Foundations	13,507	6%	13,962	5%
Companies operating in the chemical and agrochemical field	5,043	2%	9,716	4%
Other	3,336	1%	3,255	1%

*Group qualifies Big Pharma as global pharmaceutical companies whose revenues in 2023 exceeded \$5 billion.

2.1. Consolidated data excluding incentive scheme impact

In the first three quarters of 2024, Selvita S.A. Capital Group achieved operating revenues of PLN 247,886 thousand, which means a decrease of 7% compared to the same period of the previous year, when revenues amounted to PLN 265.138 thousand. Majority of the decrease is due to the strengthening of the zloty, which reduced the Group's comparable revenues by an estimated 5.7 p.p., or approximately PLN 14.2 million. In Q3 2024 the revenues from operating activity increased by 6% to PLN 89.529 thousand compared to Q3 of the previous year as a result of improvement in contracting in the second half of the current year compared to the previous year.

The Group reported an increase in revenues in the Drug Development segment with a simultaneous decrease in revenues from Drug Discovery services.

When analyzing the organic change (excluding the impact of the acquisition of Pozlab Sp. z o.o. and the establishment of a new branch in Wrocław) and the value of commercial revenues in both segments between the third and second quarters of the current year, there is a continued improvement in contracting as well as an increase in revenue dynamics of 9% from 78.042

thousand PLN to 85.171 thousand PLN is observed. The dynamics is 5 p.p. higher than the dynamics reported between the second and first quarter of this year.

The EBITDA result of Selvita S.A. Capital Group, at the level of the entire activity after adjusting for the impact of the incentive program, in the first three quarters of 2024 amounted to PLN 35,038 thousand PLN and is 39% lower when compared to EBITDA for the same period of 2023. The result was mainly affected by: lower contracting in the Drug Discovery segment (the human resources utilization rate was lower by approximately 4 p.p. y/y); a negative impact of an estimated over 1.8 p.p. appreciation of the zloty against other currencies during the year and the results of investments related to establishment of a branch in Wrocław and the acquisition of Pozlab with a total negative impact of PLN 4.1 million. As a result, the EBITDA ratio in the first three quarters of 2024 decreased by 8 p.p. to 14% compared to the same period last year, when it amounted to 22%. In the third quarter of 2024 the Group EBITDA improved from PLN 7,844 thousand generated in the second quarter of 2024 to PLN 15,539 thousand.



The net loss of the Selvita S.A. Capital Group for the three first quarters, after adjusting for the impact of the incentive program, amounted to PLN -6,873 thousand.

The structure of external revenues in the first half of 2024 is dominated by the biotechnology and pharmaceutical industries, whose share in total external revenues amounted to 50% and 41%, respectively. Compared to the same period of 2023, the value of sales to biotechnology companies decreased rel-

ative to pharmaceutical companies as a whole, with a noticeable increase in the share of Big Pharma companies. As a result, the share in the revenue mix of pharmaceutical companies increased relative to the share of biotechnology companies. Revenues from Big Pharma companies increase by PLN 16,070 thousand (by 38%) in the first three quarters of this year compared to the same period last year, reaching revenues of PLN 58.659 thousand.

TABLE 7.
Drug Discovery Segment

Data in PLN thousand	From 01.01.2024 to 30.09.2024	From 01.01.2023 to 30.09.2023	From 01.07.2024 to 30.09.2024	From 01.07.2023 to 30.09.2023
Revenue	187 391	210 964	65 802	64 891
Revenues from external customers	184 702	206 531	64 645	63 172
Revenues from subsidiaries	2 605	4 327	1 143	1 672
Other operating revenue	84	106	14	47
EBIT (excl. incentive scheme) – organic	-7 341	14 469	1 010	1 197
%EBIT (excl. incentive scheme) - organic	-4%	7%	2%	2%
EBITDA (acc. to MSSF16) excl. incentive scheme – organic	22 265	42 696	10 902	11 171
%EBITDA (acc. to MSSF16) excl. incentive scheme – organic	12%	20%	17%	17%
Revenue – Acquired entities*	38	-	38	-
EBIT – Acquired entities*	-2 595	-	-1 342	-
EBITDA (acc. to MSSF16) excl. incentive scheme – Acquired entities*	-2 010	-	-1 031	-
IFRS16 impact on EBITDA	8 382	9 502	2 823	3 158

* refers to the period in which the Group established a new department in Wrocław, i.e. the period 01.04-30.09.2024



The Drug Discovery segment in the first three quarters of 2024 recorded a 11% decrease in revenue from PLN 210,964 thousand in the first three quarters of 2023 to PLN 187,429 thousand in the described period.

The EBITDA ratio of organic growth in the first three quarters of 2024 amounted to 11% and decreased compared to the same period of 2023 by 9 p.p. In value terms, the EBITDA ratio decreased from PLN 42,696 thousand to PLN 20,255 thousand in the first nine months of 2024, mainly as a result of a decrease in sales volume and the appreciation of the zloty against other currencies, while maintaining operating costs (including human resources) at a level enabling the realiza-

tion of increases at the time of the assumed improvement in contracting.

For newly established branch in Wrocław, the recorded EBITDA ratio recorded a negative value - PLN -2.010 thousand in connection with the initial phase of developing this new area of the Group's operations.

The estimated amount of underutilized resources related to laboratory space in the first three quarters of 2024 amounted to approximately PLN 4.6 million (in the comparable period of last year it was PLN 4.3 million because the Laboratory Services Center in Krakow was commissioned in March 2023).

TABLE 8.
Drug Development Segment

Data in PLN thousand	From 01.01.2024 to 30.09.2024	From 01.01.2023 to 30.09.2023	From 01.07.2024 to 30.09.2024	From 01.07.2023 to 30.09.2023
Revenue – organic	53,168	48,552	20,507	17,459
Revenues from external customers	53,106	48,538	20,487	17,450
Revenues from subsidies	57	14	19	9
Between segments	5	0	1	0
EBIT – organic	8,845	8,735	3,936	3,788
%EBIT – organic	17%	18%	19%	22%
EBITDA (acc. to MSSF16) – organic	16,865	14,586	6,708	5,795
%EBITDA (acc. to MSSF16) – organic	32%	30%	33%	33%
Revenue – Acquired entities*	4,337	-	2,697	-
Revenues from external customers	4,331	-	2,695	-
Revenues from subsidies	4	-	2	-
Other operating revenues	2	-	0	-
EBIT – Acquired entities*	-3,210	-	-1,740	-
%EBIT – Acquired entities*	-74%	-	-65%	-
EBITDA (acc. to MSSF16) – Acquired entities*	-2,082	-	-1,040	-
%EBITDA (acc. to MSSF16) – Acquired entities*	-48%	-	-39%	-
IFRS16 impact on EBITDA	3,567	1,545	1,406	525

* refers to the period in which the Group has control over Pozlab Sp. z o.o., i.e. the period 01.05-30.09.2024



The Drug Development segment continues to perform very well due to high contracting. The order portfolio growth of this segment has been observed since the third quarter of 2021. In the first three quarters of 2024, revenues from services for external clients increased by 9% from PLN 48,538 thousand in the first three quarters of 2023 to PLN 53,106 thousand in the period described.

The EBITDA profitability of this segment in the first three quarters of 2024, excluding the impact of the acquisition of Pozlab Sp. z o.o. in May, amounted to 32%, which is comparable to the same period of 2023. The profitability of the operating

result in the first three quarters of 2024 also remains at a comparable level to the same period of 2023.

The nominal value of Pozlab's EBITDA in the first three quarters of 2024 was negative at PLN 2,082 thousand PLN, which is related to the concentration of activities on the operational integration and its adoption to the quality standard applicable in the Selvita Group structures and lower sales in the first months after joining the Group.

TABLE 9.
Selvita s.A. Group – operations not consolidated
Ardigen

Data in PLN thousand	From 01.01.2024 to 30.09.2024*	From 01.01.2023 to 30.09.2023*	From 01.07.2024 to 30.09.2024*	From 01.07.2023 to 30.09.2023*
Revenue	34,339	39,451	12,603	13,720
Revenues from external customers	34,191	38,572	12,529	13,675
Revenues from subsidies	121	861	72	44
Other operating revenue	27	18	2	1
EBIT	440	2,153	1,790	2,567
%EBIT	1%	5%	14%	19%
EBITDA (acc. to MSSF16)	1,386	3,180	2,071	2,912
%EBITDA (acc. to MSSF16)	4%	8%	16%	21%
Net profit	653	1,904	1,360	2,882
% Net profit	2%	5%	11%	21%
IFRS16 impact on EBITDA	494	464	151	159
Net (Loss) **	-1,438	890	55	1,347

* Supplementary data on discontinued operations not consolidated in the financial statements due to the loss of control over this segment from January 1st, 2023 (excluding depreciation of identified assets at the date of losing control)

** included in the consolidated financial statements under "Share of profit/loss from associated entities valued using the equity method".



The Ardigen segment (unconsolidated operations since 01/01/2023), i.e. the subsidiary Ardigen S.A. (together with Ardigen Inc.), achieved revenues from external customers of PLN 34,191 thousand in the first three quarters of 2024, which represents a 11% decrease compared to revenues achieved in the previous year, which amounted to PLN 38,572 thousand. In the first three quarters of 2024, this segment incurred an operating profit of PLN 440 thousand, compared to an operating profit of PLN 1,790 thousand in the same period of the previous year, which results mainly from lower sales achieved on a demanding market, cost inflation not fully passed on to external customers and a significant investment

in the development of foreign sales. The above also resulted in a decrease in EBITDA, which amounted to 4% in the analyzed period.

In the third quarter of 2024, an improvement in contracting is observed as a result of external revenues rising by 22% to PLN 12,529 thousand, from PLN 10,249 thousand in the second quarter of this year. This increase in revenue, along with cost discipline, leads to improved results, consequently, EBITDA rose from a negative 744 thousand PLN in the second quarter to a positive 2,071 thousand PLN in the third quarter of this year.



2.2. Contracted (Backlog)

TABLE 10.

Backlog *

Item	For 2024 as of Nov 18, 2024	For 2023 as of Nov 13, 2023	Change	Change %
Drug Discovery Segment	248,910	266,605	-17,695	-7%
Drug Development Segment	73,101	66,950	6,151	9%
Total organic growth of commercial revenues	322,011	333,555	-11,544	-3%
Grants	3,487	5,020	-1,533	-31%
Pozlab Sp. z o.o.**	7,446	0	7,446	100%
Total Selvita Capital Group from continued operations	332,944	338,575	-5,631	-2%

* Backlog includes the revenues already invoiced in a given year and 2024 portfolio of orders.

** From the perspective of the Capital Group, backlog includes revenues starting from the date of gaining control of PozLab Sp. z o.o. i.e., from May 6, 2024 and 2024 portfolio of orders.

The total of the contracted order portfolio for 2024, resulting from commercial contracts and grant agreements signed as of November 18, 2024, amounts to PLN 332,944 thousand and is 2% lower than the backlog published on November 13, 2023 for 2023.

The value of the contracted order portfolio for the second half of 2024 includes commercial revenues and Pozlab sp. z o.o revenues, amounts to PLN 175,146 thousand which is 14% higher than recognized in the first half of 2024.

The backlog dynamics after normalizing the negative impact of the strengthening of the zloty against foreign currencies would be around +3%.

The lower backlog dynamics observed in the Drug Discovery Segment is the result of the continuing more difficult market environment, i.e. access to financing for biotechnology companies, in particular in the United States, which makes these companies more cautious in spending their R&D budgets. The Group observes an improvement in contracting in this segment, as the current backlog for the second half of the year is 5 p.p. higher than a year ago, and when we compare this 5% dynamics with that achieved for the first half of 2024, we see an improvement of 21 p.p. between the half-years.

In the drug development segment, we observe continued organic contract growth of 9% year-on-year.



TABLE 11.

Backlog

Item	For 2024 as of Nov 18, 2024	For 2023 as of Nov 17, 2023	Change	Change %
Pozlab sp. z o.o.#	13,267	13,722	-455	-3%

From the perspective of standalone legal entity. Backlog includes the revenues already invoiced in a given year and 2024 portfolio of orders.

TABLE 12.

Next year Backlog

Item	For 2025 as of Nov 18, 2024	For 2024 as of Nov 13, 2023	Change	Change %
Drug Discovery Segment	72,527	62,481	10,046	16%
Drug Development Segment	25,777	19,731	6,046	31%
Grants	5,741	1,850	3,891	210%
Total organic growth of backlog	104,045	84,062	19,983	24%
Pozlab Sp. z o.o.	2,065	-	2,065	100%
Total Selvita Capital Group from continued operations	106,110	84,062	22,048	26%

The value of the contracted order portfolio for 2024 of the Pozlab company shows a decrease of 3% year-on-year.

In the case of the Ardigen segment, we observe a downward dynamics of the backlog by -9% year-on-year from PLN 51,068 thousand to PLN 46,452 thousand.

A significant part of the contracts concluded by the Group in this year concerns works to be completed in 2025. In view of the above, the value of the current backlog of signed contracts for 2025 amounts to PLN 106,110 thousand and is higher by 26% when looking at the value of contracting for 2024 at a comparable point in time in 2023. ●

03 — The group's assets and the structure of assets and liabilities

3.1. Consolidated data

The value of Selvita S.A. Capital Group assets at the end of September 2024 amounted to PLN 639,092 thousand. At the end of September 2024, the most significant items of current assets were short-term receivables amounting to PLN 71,764 thousand and cash amounting to PLN 14,675 thousand. The decrease in cash results from significant cash flows related to investment activities, in particular the acquisition of shares in Pozlab Sp. z o.o., servicing financial liabilities, which exceeded positive cash flows from operating activities.

Fixed assets are mostly the Laboratory Services Center in Kraków, laboratory equipment, recognized assets under the right of use, goodwill, investment in Ardigen and deferred income tax assets. The value of fixed assets increased by PLN 37,677 thousand compared to December 31, 2023 mainly as a result of an increase in assets from the right of use as a result of extending agreements for the lease of laboratory space, recognizing agreements for the lease of space rented by Pozlab Sp. z o.o. and the acquisition of laboratory equipment,

including that acquired as part of the acquisition of control over Pozlab Sp. z o.o.

In the liabilities of the balance sheet, one of the largest values is equity, which as of September 30, 2024 amounted to PLN 316,744 thousand. Its decrease compared to the end of 2023 is the effect of the net loss incurred in the first three quarters of 2024 and negative values of exchange differences from the translation of foreign units.

Another significant source of financing are long-term liabilities, which at the end of September 2024 amounted to PLN 212,325 thousand. The largest value items of long-term liabilities are: loans and bank credits in the amount of PLN 99,171 thousand and leasing liabilities in the amount of PLN 73,646 thousand. Short-term liabilities amounted to PLN 110,023 thousand at the end of September 2024 compared to PLN 93,769 thousand at the end of December 2023, which is mainly due to the higher level of trade liabilities. ●

TABLE 13.

The assets structure demonstrates the Group's high financial liquidity, which is confirmed by the following ratios:

	30.09.2024	31.12.2023
Current ratio current assets/current liabilities including short-term provisions and deferred revenues (excl. accruals)	1,16	1,80
Quick ratio current assets-inventory)/current liabilities including short-term provisions and deferred revenues (excl. accruals)	1,08	1,72

04 — Current and projected financial condition

The Group's financial situation at the time of preparation of the report is good. As of September 30, 2024, the value of the Group's cash amounted to PLN 14,675 thousand, while as of November 14, 2024, the value of the Selvita S.A. Capital Group's cash amounted to PLN 10,161 thousand. The change in the cash position compared to September 30, 2024 results from the Group's operating activities.

The Group is currently fulfilling its obligations and maintaining a safe level of cash that allows it to maintain liquidity. Cash generated from operating activities allows for the implementation of planned investments, including the expansion of laboratory infrastructure. ●



05 — Significant off-balance sheet items

Significant off-balance sheet items are described in Note 20 to the mid-year consolidated financial statements. ●

06 — Explanation of differences between the financial results disclosed in the report and previously published forecasts of the financial results

On September 24, 2024, the Issuer published preliminary estimated results of the Selvita S.A. Group for the third quarter of 2024. The management of Selvita estimated that in the third quarter of 2024:

- consolidated commercial revenues of the Selvita Group from external clients would range from PLN 87 to 89 million;
- the operating profitability of the Selvita Group would be in the range of 0% to 3%;
- EBITDA profitability of the Group would range from 15% to 18%.

The actual consolidated commercial revenues of the Selvita Group from external clients in the third quarter of 2024 amounted to PLN 87.9 million, consistent with the published estimate. The operating profitability and EBITDA profitability of Selvita Group reached the upper range of preliminary estimates, standing at 2.1% and 17.4%, respectively.

Additionally, on September 24, 2024, the Issuer also published preliminary estimated results for the third quarter of 2024, excluding the impact of new assets acquired in 2024, namely PozLab Sp. z o.o. and the new branch in Wrocław, which were estimated as follows:

- organic commercial revenues from external clients would range from PLN 83 to PLN 85 million.
- operating profitability would be in the range of 2% to 4%;
- EBITDA profitability would range from 17% to 20%.

The actual organic commercial revenues from external clients in the third quarter of 2024 amounted to PLN 85.2 million, consistent with the published estimate. The operating profitability and EBITDA profitability, excluding the impact of new assets acquired in 2024 (PozLab Sp. z o.o. and the new branch in Wrocław), exceeded the upper range of preliminary estimates, reaching 5.7% and 20.3%, respectively. ●

07 — Significant events in reporting period

7.1. Significant events in reporting period

Selvita S.A. expands operations through introduction of new type of services related to biologic drug discovery and development

The Management Board of Selvita S.A., on March 18, 2024, adopted a resolution regarding the expansion of the Company's operations through the introduction of a new type of services related to the discovery and development of biologic drugs. The Company's objective is to broaden its services portfolio and create entirely new revenue streams. The new activity in the field of biologic drugs will enable the Company to address the second-largest segment of the drug discovery market, after small molecule drugs.

Selvita entered into a conditional equipment purchase agreement on March 18, 2024, with Pure Biologics S.A. headquartered in Wrocław, Poland. Under this agreement for the amount of PLN 1,976,138 net, Selvita in April 2024 acquired a set of high-quality equipment necessary to provide services related, among others, to the selection and preclinical development of biologic antibodies.

On March 15, 2024, the Company also concluded a 5-year lease agreement for approximately 430 square meters of laboratory space with the space owner in the Business Garden complex in Wrocław, Vastint Poland sp. z o.o. The Agreement allows the possibility of increasing the laboratory space to approximately 800 square meters. Ultimately, this could create jobs for approximately 50 specialists.

Simultaneously, the Company, based on the previously concluded letters of intent, employed 16 high-class specialists in the field of biologic drug development, with extensive experience gained, among others, from Pure Biologics S.A.

The Team, Equipment, and laboratory space are intended to form the foundation for further expansion of Selvita's service portfolio in biologic drugs and the gradual increase in resources in line with the increase of sales in the new area.



Receipt of a significant purchase order

The Company on March 26, 2024 has received four orders to conduct stability tests and sample analyses from the process of purifying a biological drug within the framework of cooperation with a biopharmaceutical company based in Europe.

The total estimated value of the Orders amounts to 3,689,868 EUR (15,900,748 PLN converted at the average exchange rate of the National Bank of Poland as of March 26, 2024, 1 EUR = 4.3093 PLN). The tests covered by the Orders are crucial for evaluat-



ing and confirming the effectiveness of the production process, ensuring the appropriate quality of the product. Additionally, data necessary for the registration of the biological product and confirmation of its stability will be collected under the Orders.

Receipt of a significant purchase order

The Issuer received on April 11, 2024, an order from a biotech company based in Europe, the subject of which is lead optimization, a key stage in the immuno-oncology drug discovery project undertaken by the Client. Within the Order, the Issuer will conduct on behalf of the Client integrated drug discovery (IDD) services, covering project management performed by the Issuer's IDD team, medicinal and synthetic chemistry, in vitro pharmacology, ADME (absorption, distribution, metabolism, and excretion) and PK (pharmacokinetic) profiling as well as recombinant protein production. The project's goal within the order is to obtain a preclinical candidate with a defined target product profile. Works within the scope of the order will be carried out over the course of 18 months. The value of the Order is EUR 3,348,577 (which equates to PLN 14,281,346 when converted at the average exchange rate of the National Bank of Poland on April 11, 2024, where 1 EUR = 4.2649 PLN). The Issuer's collaboration with the Client has been ongoing since 2020, and the Order is the largest project undertaken so far by the Issuer for the Client.

Acquisition of PozLab sp. z o.o. by Selvita S.A.

On May 6, 2024, the Issuer, as the buyer, entered into a purchase agreement for the acquisition of 100% of the shares in PozLab sp. z o.o., headquartered in Poznan with Younick Technology Park sp. z o.o., headquartered in Złotniki, as the seller, after the fulfilment of all conditions precedent indicated in the preliminary conditional agreement.

The Issuer acquired PozLab Shares for a total price of PLN 25,000,000, with PLN 21,000,000 paid on the Transaction's closing date. The Issuer will retain the amount of PLN 4,000,000 for a period of up to 12 months from the date of closing the Transaction as security for any, specifically enumerated in the preliminary agreement, events or claims by third parties against PozLab, as well as to secure settlements related to price adjustments. The acquisition of the Shares was financed from the Issuer's own funds.

Acquisition of CDMO (Contract Development and Manufacturing Organization) will strengthen the Issuer's offering in the field of small molecule drug development and allow it to enter a com-

pletely new, highly attractive area related to drug development services for early clinical trials.

Receipt of a significant purchase order by the affiliated company

On May 14, 2024, the company affiliated with the Issuer - Selvita Inc., within the framework of cooperation with a biopharmaceutical company based in the United States, has received an order to engage entities from the Issuer's capital group in a fully integrated drug discovery program to assist with the lead optimization of their hit compound.

Team members from Selvita's chemistry, CADD (Computer-Aided Drug Design), in vitro pharmacology, ADME (absorption, distribution, metabolism, and excretion), and PK (pharmacokinetic) profiling, and in vivo pharmacology will play an integral part in this Order to ensure the project goals are met. The goal of the collaboration is to identify a minimum of one primary clinical development candidate within 18 to 24 months, ensuring that the compound has all needed properties to later be proclaimed as a clinic candidate. The total estimated value of the agreement amounts to USD 2,461,564 (which equates to PLN 9,772,655 when converted at the average exchange rate of the National Bank of Poland on May 14, 2024, where 1 USD = 3.9701 PLN).

Receipt of a significant purchase order by the affiliated company

On June 24, 2024, the company affiliated with the Issuer - Selvita Inc., received a purchase order expanding the scope of existing cooperation concluded between Selvita Inc. and one of a largest pharmaceutical company based in the United States.

The subject matter of the Order, is synthetic and medicinal chemistry support for Client's drug-discovery research programs. In addition, collaboration with the Client will be extended to include services in the field of in-vitro pharmacology and CADD support, which will be executed in parallel with aforementioned activities. The total estimated value of the Order amounts to USD 3,107,400 (which equates to PLN 12,528,726 when converted at the average exchange rate of the National Bank of Poland on June 24, 2024, where 1 USD = 4.0319 PLN).

Receipt of a significant purchase order by the affiliated company

On June 30, 2024, the company affiliated with the Issuer - company Selvita d.o.o., received three purchase orders for research services expanding the scope of existing cooperation under an



agreement between the Company and one of the world's largest biopharmaceutical companies.

The subject of the orders are integrated ADME/DMPK (absorption, distribution, metabolism and excretion / drug metabolism and pharmacokinetics) support services, including physicochemical profiling services, analytical services and in-vivo PK (pharmacokinetics) studies for large and small molecules to support the Client's research programs. The total value of the agreement amounts to EUR 2,965,000 (which equates to PLN 12,743,867 when converted at the average exchange rate of the National Bank of Poland on July 1, 2024, where 1 EUR = 4.2981 PLN).

Receipt of a significant purchase order by the affiliated company

On September 4, 2024, the company affiliated with the Issuer – Selvita Inc., received a purchase order within existing cooperation under a framework of Master Service Agreement dated July 30, 2024, concluded between Selvita Inc. and a biotechnology company based in the United States .

The subject matter of the Order, which will be performed from October 1, 2024, through 12 consecutive months is chemistry support for the Client's research programs.

The total value of the Order amounts to USD 2,115,000 (which equates to PLN 8,193,087 when converted at the average exchange rate of the National Bank of Poland on September 4, 2024, where 1 USD = 3.8738 PLN), while the Client will cover the costs of reagents and materials necessary to complete the order.

7.2. Post balance sheet significant events

No significant events were noted after the balance sheet date.

7.3. Unusual events occurring in the reporting period

Conflict in Ukraine

Due to the Russian invasion on Ukraine, the Issuer's Management Board has analyzed the potential impact of the ongoing conflict on the Issuer's operations. The Management Board did not identify any significant risks that could affect the Issuer's operations as of the date of this report. In particular, it should be noted that the Issuer does not have any assets in Ukraine, and does not conduct business and operations in Ukraine and Russia. The share of entities from Ukraine, Belarus or Russia as customers and suppliers in the Issuer's structure remains insignificant. Nevertheless, due to risks associated with Russia's actions, including the potential risk of spillover from Russia's current invasion of Ukraine into neighboring countries, and the dynamic and unpredictable nature of the current situation in Ukraine, the Management Board of the Company analyses the Issuer's situation in the context of this geopolitical risk on an ongoing basis. Any new circumstances having a significant impact on the financial results and business situation of the Issuer will be communicated to investors. ●

08 — Management board's information on group's activities

8.1. Drug Discovery Segment

Presented below is a summary of the most significant events that occurred within each department of the Drug Discovery Segment. In Q3 2024, the Chemistry Division expanded collaborations with major pharmaceutical companies, focusing on novel drug candidate development, synthesis optimization, and molecule profile enhancement. It also continued efforts in laboratory automation, with key advancements in the purification unit and the ongoing development of a platform targeting new modalities like oligonucleotides and degraders.

The Biochemistry Department has continued building on last quarter's expansion into therapeutic antibody discovery. Biochemistry continued to deliver high-quality recombinant proteins and further specialized in fragment-based drug discovery (FBDD), emphasizing therapeutics' interactions with protein targets. In Q3, the department refined recombinant integral membrane protein (IMP) production techniques and advanced protein analyses.

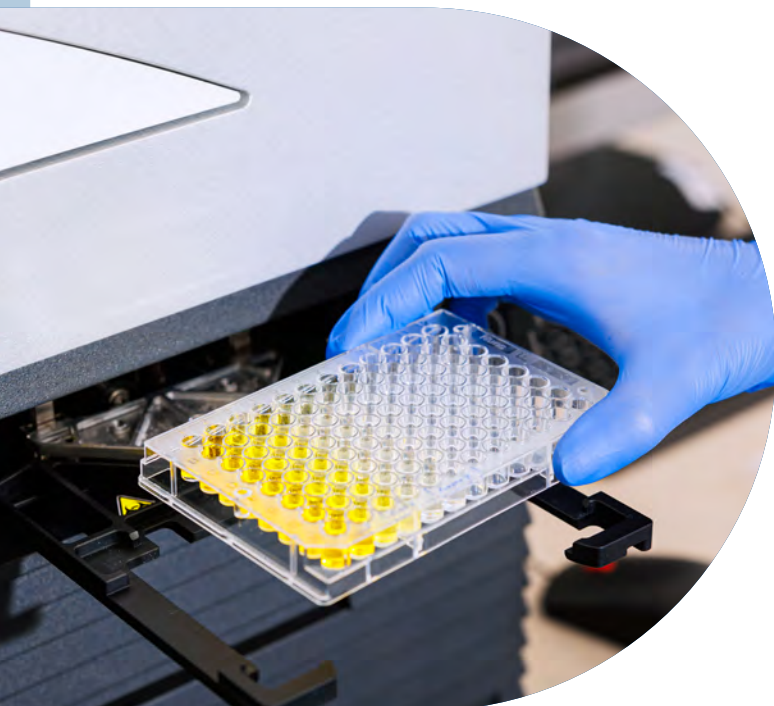
After completing the full integration of the team within the Selvita S.A. capital group, the Antibody Discovery Team initiated a series of training sessions for the sales team, utilizing prepared marketing materials to kick-start efforts aimed at customer acquisition. In the second half of the third quarter, the sales team, together with the Antibody Discovery Team, undertook actions to increase customer awareness of the new team's offerings and range of services, organizing a series of meetings with current and potential clients. Additionally, the promotion of this new area continued at industry scientific conferences focused on biologics, further supporting customer awareness-building regarding the Selvita Capital Group's new scope of activities. To improve the likelihood of achieving

positive results, a decision was also made to diversify library sources through collaboration with commercial entities and the implementation of an internal scientific project aimed at creating a proprietary set of libraries by the team in Wrocław. These actions aim to acquire high-quality phage libraries, which are crucial for the success of ongoing projects. Moreover, as part of the development of methods and expansion of the Antibody Discovery Team's portfolio, new antibody characterization methods have been implemented, further enhancing the attractiveness of the offering for clients.

The Pharmacology team in Krakow experienced significant growth and restructuring, with a particular focus on oncology. The department aligned into specialized units covering in vitro, in vivo, and translational capabilities to effectively address solid and hematologic malignancies. This organization allowed the team to execute multiple IDD projects that evaluated drug efficacy and mechanisms of action (MoA) across various cancer models. Key achievements in oncology included the development of sophisticated orthotopic and ectopic colorectal metastasis models and initiating a leukemia model to support advanced preclinical assessments of anti-metastatic and anticancer therapies. These models enable in-depth studies on the efficacy of potential drugs in realistic disease settings, providing clients with critical insights for their drug development pipelines. The department validated in vivo pharmacokinetic studies, expanded surgical capabilities, and supported the development of new oncology models, reinforcing its commitment to innovative, client-centered drug discovery solutions. In Q3, the team presented high-content screening and cellular senescence posters at several scientific conferences, highlighting Selvita's expertise in screening and assay development for oncology and aging research. The HTS team made significant advancements by finalizing multiple campaigns using Selvita's



internal compound library and investing in further laboratory automation through new equipment acquisitions. These efforts have increased screening efficiency and throughput, enabling faster turnaround times for client projects.



The Pharmacology team in Zagreb expanded its work in immunology and metabolic diseases. Research in immunometabolism and obesity focused on designing innovative in vitro assays to analyze immune responses and optimizing in vivo protocols to explore the link between metabolic and immune health. These initiatives align with broader market trends, with immunology and metabolic disorders representing critical therapeutic needs. The team's integration with Selvita's newly established spatial multiomics lab—supported by European grants—further strengthens its capabilities by enabling comprehensive multimodal analysis, including genomics, transcriptomics, and proteomics. This approach enhances the precision and depth of preclinical studies, positioning Selvita as a leader in holistic drug discovery support. Additionally, Selvita's scientific presence at conferences remained robust. The Pharmacology team in Zagreb presented multiple works, including fibrosis-related studies and extracellular matrix visualization in 3D fibroblast cultures, reinforcing Selvita's leadership in fibrosis research. The DMPK Department focused on expanding bioanalytical capabilities, particularly in the rapidly growing field of

oligonucleotide analysis. By developing a new platform based on electrospray ionization (ESI) mass spectrometry, DMPK is pioneering tailored methods for detecting, quantifying, and profiling oligonucleotides. This initiative supports Selvita's expansion into genetic therapies as oligonucleotide-based treatments gain traction for addressing rare and complex diseases. Alongside this, the bioanalytical team advanced biomarker analyses for in vitro models and clinical studies, supporting a range of new capabilities in translational biomarker development. DMPK also strongly emphasized pharmacokinetics and pharmacodynamics (PK/PD) modelling, particularly PBPK simulation, which provides early-stage predictions of human PK based on limited ADME and in vivo data. This strategic investment allows Selvita to deliver insightful data earlier in the drug development, enhancing project efficiency.

The AI & Computational Drug Discovery (AI&CDD) team also reached significant milestones, particularly with the launch of a Bioinformatics service. The team also showcased the TADAM (Target Aware Drug Activity Model) at ICANN 2024 and published it in Springer Nature, demonstrating its robust capabilities in virtual screening. TADAM's application in screening vast compound libraries has accelerated hit identification and enhanced selectivity and predictive accuracy in drug-target interactions, providing clients with a faster, cost-effective route to promising leads.

The AI&CDD team also improved Selvita's proprietary AI-based retrosynthesis tool, AiZynth, enhancing its algorithms to optimize synthesis pathways. AiZynth's ability to generate practical, cost-efficient synthetic routes for complex molecules has made it an essential asset for Selvita's chemistry services, increasing throughput and accuracy in drug synthesis design. Additional efforts focused on machine learning models for target validation, ADMET predictions, and structure-activity relationship (SAR) optimization, collectively bolstering Selvita's capabilities in predictive modelling and decision-making for clients across the drug development continuum.

The AI&CDD team is at the forefront of integrating computational and experimental insights by leveraging AI, machine learning, and bioinformatics. This helps to streamline R&D pipelines and enables Selvita's clients to make more informed decisions in early drug discovery.



8.2. Drug Development Segment



In line with the growing global demand for high-quality biological product testing services, in the third quarter of 2024, the Development and Contract Testing Department focused primarily on investments in its biological services portfolio. During this period, the Laboratory provided specialized services for characterizing biological products in compliance with global guidelines and market requirements, offering these services under a one-stop-shop concept and individual activities.

In the third quarter of 2024, Department reinforced its growth, mainly through collaboration with a client in the U.S. market. This extended cooperation included sample analysis from multiple manufacturing sites, product characterization, and rigorous stability studies tailored to the client's complex production needs across various locations. Analytical teams also initiated several projects focused on pioneering drugs in peptides and modified peptides, an area of growing importance in next-generation therapeutic development. Orders from multiple clients involved comprehensive analytical packages, covering a range of key services such as detailed product characterization, development and qualification of advanced analytical methods, impurity identification, and extensive stability studies. These projects highlight Selvita's ability to support the analyt-

ical needs of diverse biological drugs, enabling clients to meet stringent regulatory requirements and bring innovative products to market. Additionally, the Laboratory expanded its initiatives by exploring potential candidates for conjugated drugs. Development work specifically focused on antibody-drug conjugates (ADCs), which combine cytotoxic agents with antibodies and represent a promising and rapidly evolving field enabling targeted cancer therapies.

Throughout this quarter, complex host cell protein (HCP) analyses were carried out using advanced mass spectrometry. This unique service placed the company at the forefront of analytical expertise, supporting a field with growing importance and limited global availability.

During the relevant period, numerous transfers of analytical methods' specifically designed for testing biological products, including peptides and monoclonal antibodies, were successfully completed. The transfer process involved extensive research to ensure that analytical methods were robust, reliable, and met the stringent regulatory standards required for product registration in the EU. This comprehensive adaptation of analytical techniques has been tailored to the routine analysis of these products, enabling Selvita's clients to achieve full commercialization in the EU.

Biological Analysis Laboratory focused on the optimization and qualification of new reporter gene assays for a European client developing innovative drugs from the group of peptide vaccines. Additionally, new collaborations in the area of analytical methods transfer and QC testing for biological drugs were started for Asian clients. Another success was the generation of reporter cell lines for multi-peptide vaccine biological activity analysis for an Australian client. In Q3 2024, Laboratory specialists continued projects related to binding affinity analysis for GLP-1 receptor agonists to GLP-1 receptors using SPR (Surface plasmon resonance) technology.

In the third quarter of 2024, the Contract Research and Development Department continued projects focused on the development and optimization of analytical methods for a leading global client operating in the small molecule pharmaceuticals sector. Numerous validations of analytical methods were conducted, along with projects related to API characterization and stability studies. Due to the increasing number of orders, it was decided to expand cooperation with this client and enlarge the team. In the small molecule pharmaceuticals area, a new inno-



vative client was also acquired, for whom a project was initiated involving the validation of analytical methods for quantitative and qualitative assessment of a product in the first clinical phase. Work continued on projects related to the analysis of nitrosamines, pyrrolizidine alkaloids, and genotoxic impurities, requiring the use of high-sensitivity instruments and the engagement of highly skilled personnel. A series of impurity identifications were performed using high-resolution mass spectrometry. As part of projects concerning the determination of extractables and leachables (E&L), the laboratory was equipped with new equipment for preparing test samples. In Q3, one project in this area was completed, and another was contracted with a client who had not previously collaborated with Selvita in this field of research.

In the Quality Control Laboratory, medicinal products were certified for release to the European market, maintaining a strong partnership with existing clients. Testing was conducted at every stage of the product's lifecycle, from starting materials to stability testing of marketed batches. In the area of biological drugs, the newly implemented device for functional testing of autoinjectors enabled comprehensive testing of this drug form across the full range of specifications. Thanks to this implementation, in the third quarter of 2024, the transfers of two new medicinal products were initiated.

Simultaneously, the third quarter of 2024 marked a period of comprehensive integration of the PozLab site into Selvita Group. All operational IT systems of the Group were implemented for routine use, including contract management and revenue planning, payroll, accounting, time tracking, management data system, electronic documentation repository, along with related operational processes. PozLab's commercial offering was integrated with Selvita Group's offering in the area of Drug Development Small Molecules. Training for the Sales Department was completed on the services introduced by the new site, and PozLab adopted the standard Drug Development services offering procedures. Marketing tools, such as the website, LinkedIn profile, and promotional materials, were also integrated. The majority of integration activities in PozLab were successfully completed by the end of the third quarter as planned. Integration tasks in the areas of IT, OHS and GMP quality system procedures will continue through 2025, in accordance with detailed plans, due to the complex nature of these areas.

In the third quarter of 2024 the implementation of a new service, i.e., batch certification for imported medicinal products, was initiated. Qualified personnel with the necessary competencies were hired, and preparations began to align the site quality system for this service. Due to regulatory conditions implementation of this service depends on obtaining the first contract and it is estimated for the beginning of 2025.

PozLab site focused on routine physico-chemical testing of active substances, excipients, and commercial medicinal products, as well as microbiological services, mainly involving microbiological purity and sterility testing of medicinal products and medical devices. Regular cooperation was maintained with existing clients, and new collaborations were established with two Polish clients for physico-chemical analyses and microbiological sterility testing.

In terms of equipment and investments, new HPLC devices were purchased and installed for GMP use, significantly increasing site capacity in this technique and contributing to a gradual equipment upgrade. As part of analytical capacity integration, the new devices were connected to the Chromeleon system, used in Selvita's analytical laboratories in Krakow. Additionally, a project to expand the microbiological laboratory commenced, linked with the purchase and installation of a new isolator, which is scheduled for completion in the fourth quarter of 2024. This will enhance capacity in this area and broaden the sterility testing service offering. Furthermore, modernization of the site storage areas began, with GMP-compliant areas to be gradually brought online: the GMP production storage in the fourth quarter of 2024 and the reagent storage in the first quarter of 2025.



8.3. Ardigen

Ardigen is an AI CRO company transforming AI in drug discovery projects undertaken by pharmaceutical and biotechnology firms. Selvita holds 46.74% of shares in Ardigen's share capital. The company delivers value at the intersection of biology and artificial intelligence to enhance the success probability of drug discovery processes. Through its proprietary platforms, Ardigen supports scientists in extracting valuable insights from large biological and chemical datasets, aiding them in discovering innovative drugs and advancing the concepts of personalized medicine.



In analytical reports, Ardigen ranks within the top 5% of companies operating in the global AI in Drug Discovery market. This strong position is a result of over eight years of scientific work, an active presence in both U.S. and European markets, and completion of more than 400 commercial projects with over 100 clients, including 15 major pharmaceutical companies.

The third quarter demonstrated another increase in sales compared to previous quarters, with an expanded client portfolio that now includes new biotechnology and pharmaceutical companies. Collaboration was initiated with a new large pharmaceutical client with substantial growth potential in the coming quarters,

and existing partnerships with clients in the same segment were further developed.

The end of the third quarter saw Ardigen's team actively participating in industry conferences, notably BioTechX USA (Philadelphia) and BioTechX Europe (Basel). Ardigen's team hosted its own booth and delivered presentations on its innovative AI-driven drug discovery projects at both events. These presentations, along with the company's offerings, garnered significant interest, which could be a signal of anticipated sales growth in 2025.

During the third quarter, Ardigen relocated its headquarters. The company is now based at Sternbach 1 in Kraków, in close proximity to Ryvu Therapeutics and Selvita buildings, an ideal location for continued collaboration with Polish biotechnology industry leaders. The new office is adapted to conduct operations worldwide.

Research and Development activities

In the third quarter of 2024, Ardigen continued developing the phenAID morphological profiling platform, significantly expanding its capacity to process chemical data. The platform can now handle projects involving hundreds of millions of chemical compounds. The first such project was successfully executed with one of Ardigen's clients using the phenAID platform.

In the third quarter, work was completed on applying phenAID to early toxicity screening of small-molecule compounds using HCS-based experiments. To achieve this, appropriate laboratory experiments were conducted, and new predictive models were built using machine learning.

The phenAID platform is employed in several drug discovery programs. In the third quarter, HCS-based data was used to identify active small-molecule compounds and predict protein levels. These projects were executed in collaboration with large pharmaceutical companies.

8.4. R&D Funding in 2024 and R&D outsourcing Market Update

2024 R&D Funding

Global biotech funding sees a rebound in 2024 compared to the previous two years. However, there is still a preference for lower-risk assets, with a significant portion of funding still going to late-stage biotechs with drug candidates in



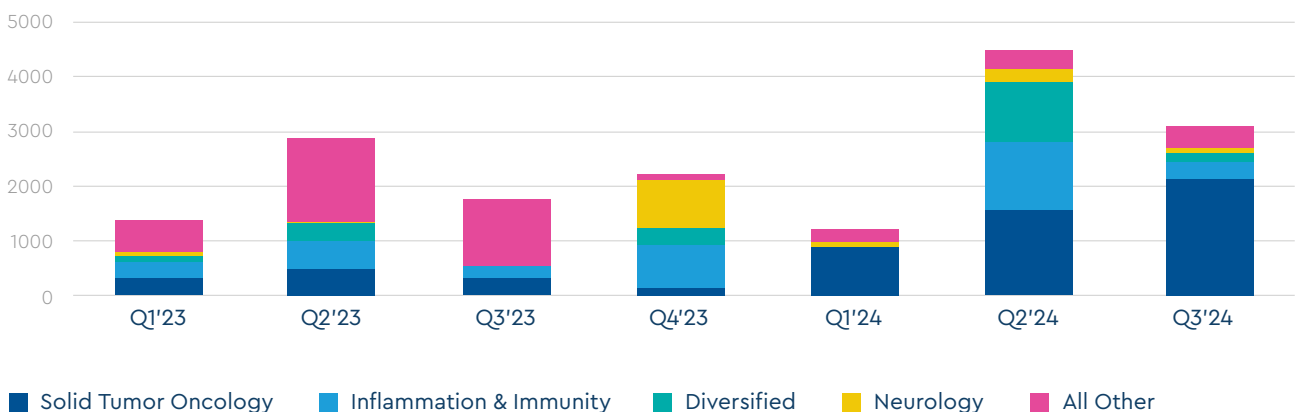
advanced stages of clinical development. Nevertheless, 2024 was also a much better year for early-stage biotechs.

According to William Blair's update on the Biopharma Market published in October 2024, the key takeaways on the market are:

- With inflation in the US seemingly cooling, investor focus has shifted to the labor market and the U.S. presidential election;
- The beginning of the Fed easing cycle was largely viewed as a positive for the biopharma sector by investors; the sector has typically outperformed in lower interest rate environments;
- Investors currently anticipate up to two additional rate cuts before year-end and up to five additional cuts in 2025;
- Interest in Inflammation & Immunity, Neurology, and Oncology remains high, while ADCs are the modality of the greatest investor enthusiasm;
- Escalating geopolitical tensions in the Middle East may create additional pockets of volatility.

Based on Evercore ISI's analysis of private early-stage biotech financing (discovery and pre-clinical stage only), the first three quarters of 2024 already saw more financing (total of \$8.9b) compared to the whole of 2023 (total of \$8.3b). Additionally, 71% of YTD Q3 2024 financing was dedicated to biotechs, whose main therapeutic area was Solid Tumour oncology and/or Inflammation & Immunity. Over 50% of funding was received by biotechs working with small molecules or therapeutic antibodies, indicating that investors are still choosing safer assets instead of investing in more risky advanced therapies.

CHART 1.
Private Biotech Financing – Discovery and Preclinical Stage (\$m)



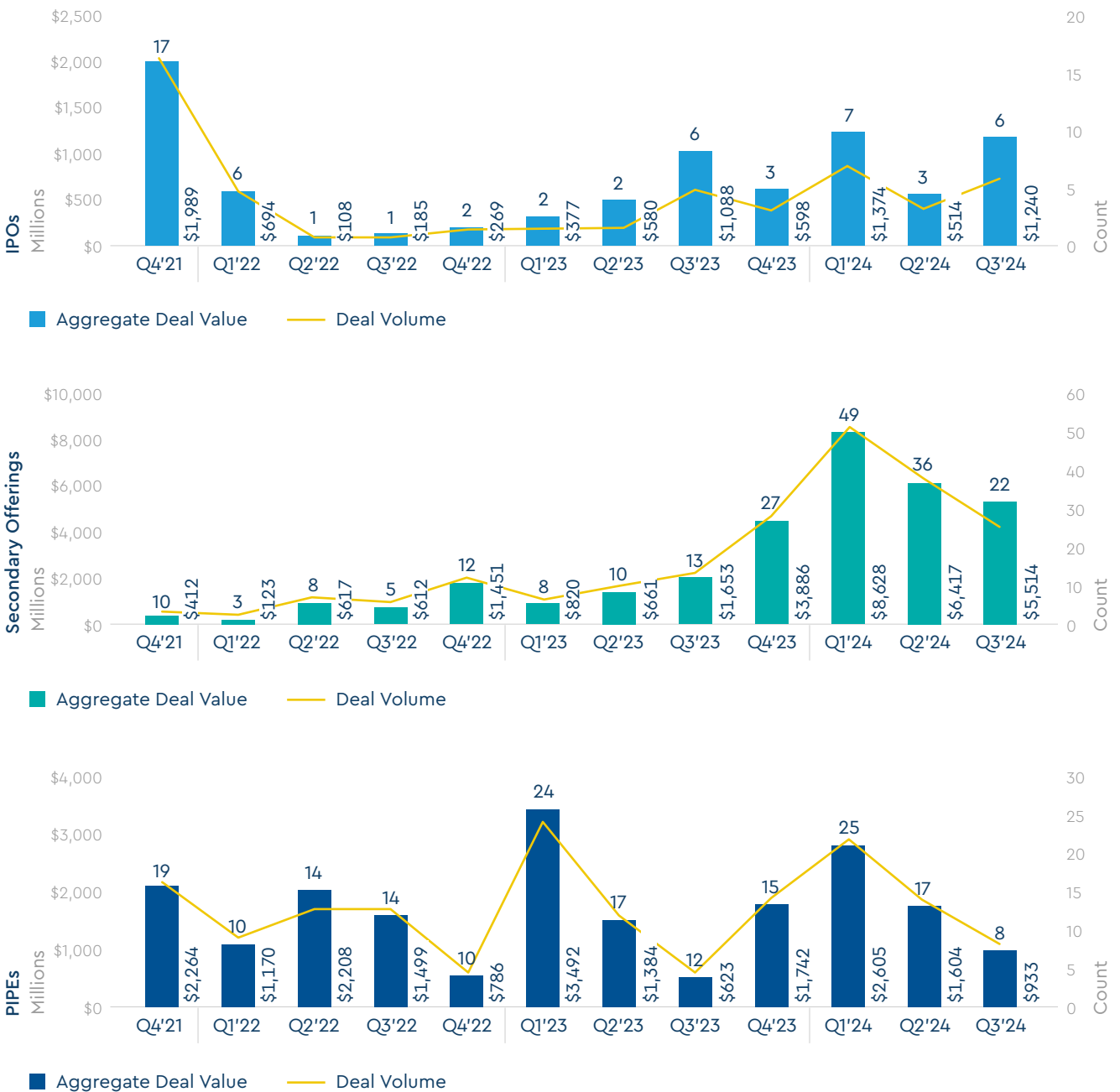
Source: Evercore ISI: Private Biotech Financing Landscape, 10.2024



Q3 2024 continued the gradual recovery trend in capital markets with improved IPO and follow-on activity around the 50-bps rate cut by FED, indicating a shift in investor sentiment. However, the speed of recovery will be heavily dependent

on future rate-cut expectations. The surge in IPO activity at the close of Q3 indicates improved conditions, although the IPO window is still limited to later-stage and more de-risked companies.

CHART 2.
Private Biotech Financing – Discovery and Preclinical Stage (\$m)



Source: Locust Walk, 2024 Q3 Report - Global Trends in Biopharma, 10.2024



R&D Spending and Outsourcing Market Outlook

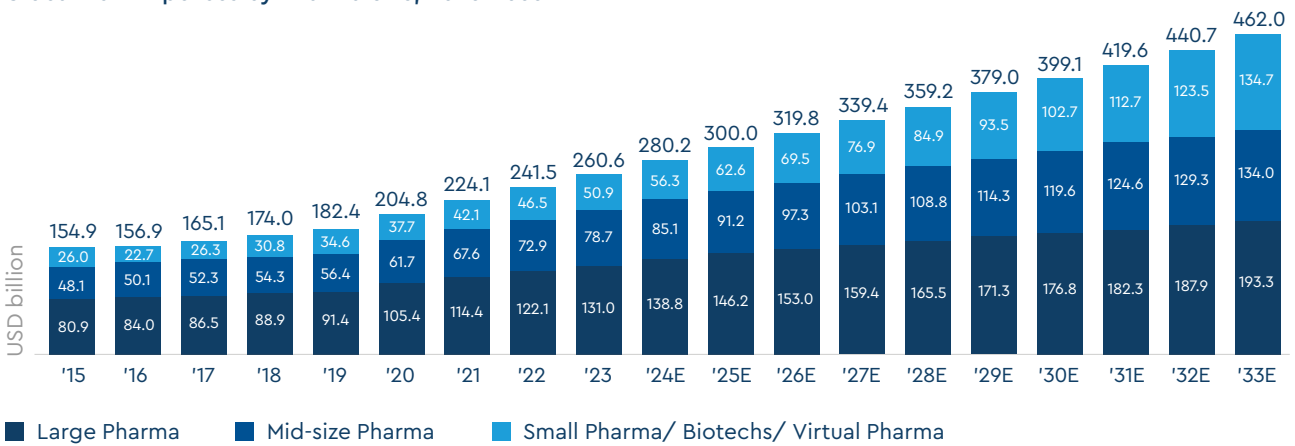
Global R&D Spending is expected to grow at the CAGR of 6.6% in 2023-2028, according to studies conducted by Frost & Sullivan research company. Large and mid-size pharma companies contributed to over 80% of spending in 2023; however, spending from smaller pharma companies, together with biotechs, is

going to grow faster in coming years and, therefore, increase the share in total expenses. The total spending CAGR in the period 2023-2033 is expected to be at the level of ~6.0%.

TABLE 14.
Global R&D Expenses by Pharma Size, 2025-2033E

Period	Large Pharma's	Mid-size Pharma's	Small Pharma's Biotech Virtual Pharma's	Total
2015-2023	6.2%	6.4%	8.8%	6.7%
2023-2028E	4.8%	6.7%	10.8%	6.6%
2028E-2033E	3.2%	4.3%	9.7%	5.2%

CHART 3.
Global R&D Expenses by Pharma Size, 2025-2033E



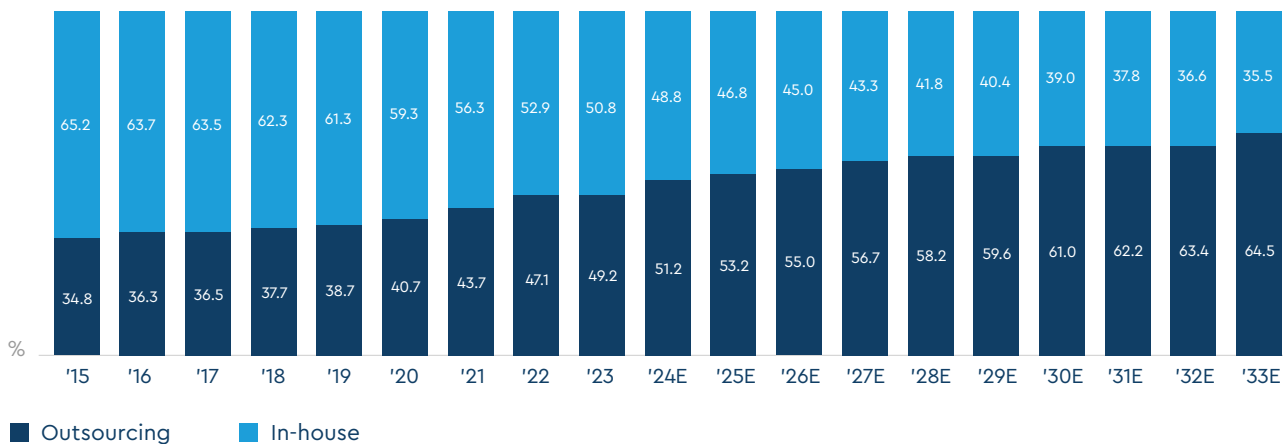
Source: Frost & Sullivan, July 2024

According to the same study, global CRO outsourcing penetration exceeded 50% in 2024 and is expected to reach 65% in 2033 as CRO companies prove to be more efficient than in-house R&D departments, which creates value for investors

and patients. The global outsourcing market is supposed to grow faster than overall R&D spending, with a 9.3 % CAGR in the period 2023-2033 in the Drug Discovery outsourcing area and a 9.0% CAGR in Preclinical services outsourcing. ●

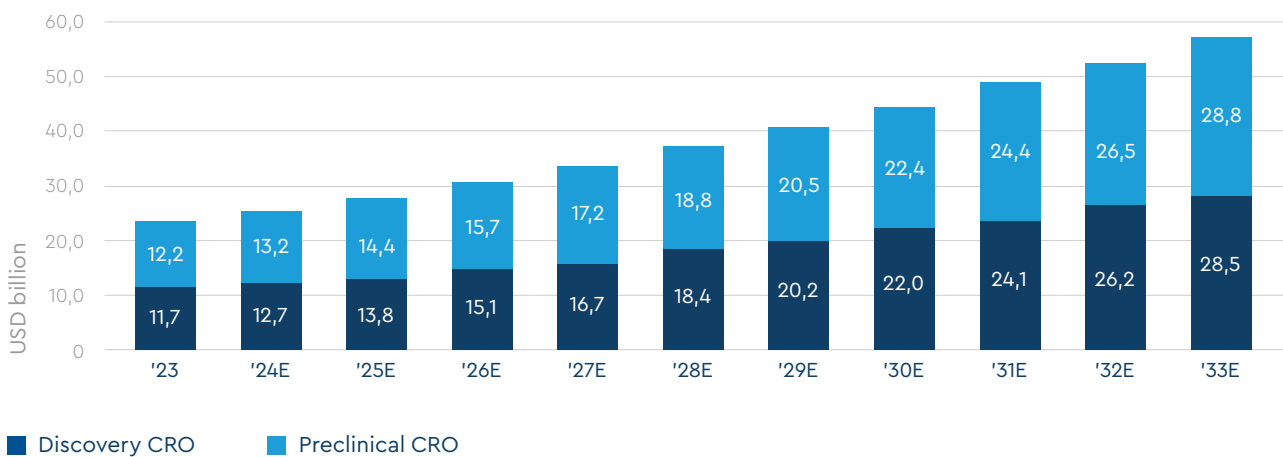


CHART 4.
Global CRO Outsourcing Rate, 2015-2033E (%)



Source: Frost & Sullivan, July 2024

CHART 5.
Global Pharmaceutical R&D Outsourcing Market (USD billion)



Source: Frost & Sullivan, July 2024

09 — The capital group structure

Parent entity

Business name	Selvita S.A.
Registered office	ul. Podole 79, 30-394 Krakow
Company (ID)	383040072
TAX ID (NIP)	6762564595
Legal form	Joint – stock company
KRS Number	0000779822
Website	www.selvita.com

Affiliates

Business name	Selvita Services Sp. z o.o.
Registered office	ul. Bobrzynskiego 14, 30-348 Krakow
Shareholders	100% of shares held by Selvita S.A.
Share capital	290.000 PLN
Establishing date	December 2011

Business name	Selvita Inc.
Registered office	Boston, MA, USA
Shareholders	100% of shares held by Selvita S.A.
Share capital	1 USD
Establishing date	March 2015

Business name	Selvita Ltd.
Registered office	Cambridge, UK
Shareholders	100% of shares held by Selvita S.A.
Share capital	20.000 GBP
Establishing date	April 2015



Affiliates

Business name	Selvita d.o.o.
Registered office	Prilaz baruna Filipovića 29, HR-10000 Zagreb, Croatia
Shareholders	100% of shares held by Selvita S.A.
Share capital	HRK 51.000.000 / EUR 6.768.863,23

Business name	PozLab Sp. z o.o.
Registered office	Kobaltowa 6, 62-002 Złotniki
Shareholders	100% of shares held by Selvita S.A.
Share capital	12.350 PLN

10 — Issuer's corporate bodies

Management Board

Bogusław Sieczkowski	President of the Management Board
Miłosz Gruca	Vice President of the Management Board
Mirosława Zydrón	Member of the Management Board
Adrijana Vinter	Member of the Management Board
Dariusz Kurdas	Member of the Management Board
Dawid Radziszewski	Member of the Management Board

Supervisory Board

Piotr Romanowski	Chairman of the Supervisory Board
Tadeusz Wesołowski	Vice Chairman of the Supervisory Board
Paweł Przewięźlikowski	Supervisory Board Member
Rafał Chwast	Supervisory Board Member
Wojciech Chabasiewicz	Supervisory Board Member
Jacek Osowski	Supervisory Board Member

Audit Committee

Rafał Chwast	Chairman of the Audit Committee
Piotr Romanowski	Audit Committee Member
Tadeusz Wesołowski	Audit Committee Member
Wojciech Chabasiewicz	Audit Committee Member

Remuneration Committee

Paweł Przewięźlikowski	Chairman of the Remuneration Committee
Jacek Osowski	Remuneration Committee Member
Piotr Romanowski	Remuneration Committee Member

During the reporting period there were no changes in Management Board and Supervisory Board. ●

11 — Information on the shareholders holding (directly or indirectly) at least 5% of the total number of votes at the general shareholders' meeting of the company and on shares held by members of the issuer's Management Board and Supervisory Board

TABLE 15.

Shares held by members of the issuer's managerial and supervisory bodies as of 30.09.2024

Shareholder	Preferred shares*	Other series	No. of shares	% of share capital	No. of votes	% votes at GM
Management Board						
Bogusław Sieczkowski	550.000	392.417	942.417	5,13%	1.492.417	6,83%
Miłosz Gruca	-	60.760	60.760	0,33%	60.760	0,28%
Mirosława Zydróż	-	42.909	42.909	0,23%	42.909	0,20%
Adrijana Vinter	-	12.000	12.000	0,07%	12.000	0,05%
Dawid Radziszewski	-	4.472	4.472	0,02%	4.472	0,02%
Dariusz Kurdas	-	4.286	4.286	0,02%	4.286	0,02%
Supervisory Board						
Paweł Przewięźlikowski	2.932.000	38.815	2.970.815	16,18%	5.902.815	27,03%
Tadeusz Wesołowski (through Augebit FIZ)	-	847.738	847.738	4,62%	847.738	3,88%
Tadeusz Wesołowski (directly)	-	84.975	84.975	0,46%	84.975	0,39%
Rafał Chwast	-	121.115	121.115	0,66%	121.115	0,55%
Piotr Romanowski	-	60.000	60.000	0,33%	60.000	0,27%

* Shares are privileged – one share gives the right to two votes at the General Meeting of Selvita S.A.



TABLE 16.

Shares held by members of the issuer's managerial and supervisory bodies as of the date of Report publication

Shareholder	Preferred shares*	Other series	No. of shares	% of share capital	No. of votes	% votes at GM
Management Board						
Bogusław Sieczkowski	550.000	392.417	942.417	5,13%	1.492.417	6,83%
Miłosz Gruca	-	60.760	60.760	0,33%	60.760	0,28%
Mirosława Zydróż	-	42.909	42.909	0,23%	42.909	0,20%
Adrijana Vinter	-	12.000	12.000	0,07%	12.000	0,05%
Dawid Radziszewski	-	4.472	4.472	0,02%	4.472	0,02%
Dariusz Kurdas	-	4.286	4.286	0,02%	4.286	0,02%
Supervisory Board						
Paweł Przewięźlikowski	2.932.000	11.150	2.943.150	16,03%	5.875.150	26,90%
Tadeusz Wesołowski (through Augebit FIZ)	-	847.738	847.738	4,62%	847.738	3,88%
Tadeusz Wesołowski (directly)	-	84.975	84.975	0,46%	84.975	0,39%
Rafał Chwast	-	121.115	121.115	0,66%	121.115	0,55%
Piotr Romanowski	-	60.000	60.000	0,33%	60.000	0,27%

* Shares are privileged - one share gives the right to two votes at the General Meeting of Selvita S.A.

TABLE 17.

Shares held by significant Shareholders of the company as of 30.09.2023

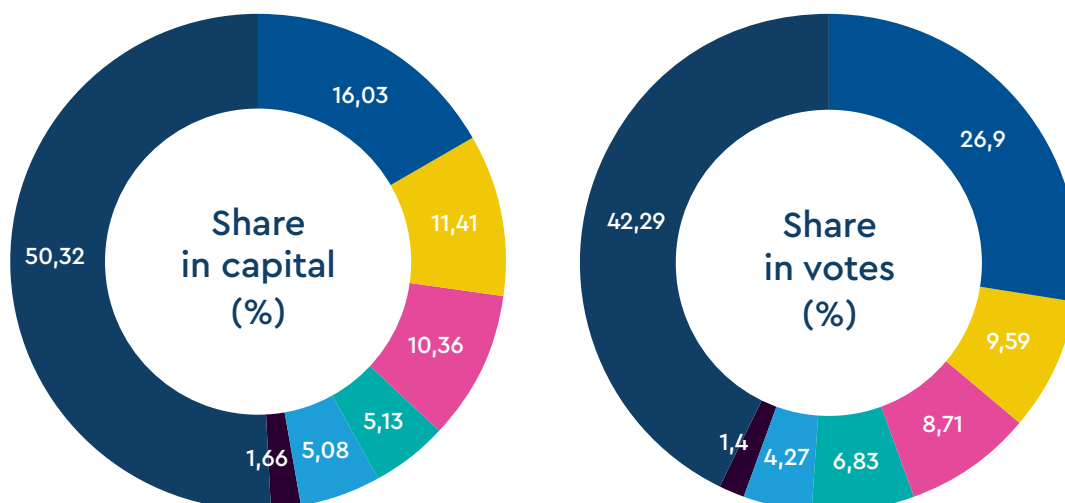
Shareholder	Shares	% shares	Votes	% votes
Paweł Przewięźlikowski	2.970.815	16,18%	5.902.815	27,03%
Bogusław Sieczkowski	942.417	5,13%	1.492.417	6,83%
Nationale Nederlanden OFE	1.901.959	10,36%	1.901.959	8,71%
TFI Allianz Polska*	2.093.826	11,41%	2.093.826	9,59%
Tadeusz Wesołowski (with Augebit FIZ)	932.713	5,08%	932.713	4,27%



TABLE 17.
Shares held by significant Shareholders of the company as of the date of Report publication

Shareholder	Shares	% shares	Votes	% votes
Paweł Przewięźlikowski	2 943 150	16,03%	5.875.150	26,90%
Bogusław Sieczkowski	942.417	5,13%	1.492.417	6,83%
Nationale Nederlanden OFE	1.901.959	10,36%	1.901. 959	8,71%
TFI Allianz Polska*	2.093.826	11,41%	2.093.826	9,59%
Tadeusz Wesołowski (with Augebit FIZ)	932.713	5,08%	932.713	4,27%

CHART 6.
Shares held by significant Shareholders of the company as of the date of Report publication



- Paweł Przewięźlikowski
- TFI Allianz Polska
- Nationale Nederlanden OFE
- Bogusław Sieczkowski
- Tadeusz Wesołowski (with Augebit FIZ)
- Remaining Management Board and Supervisory Board Members
- Remaining Shareholders

12 — Additional information

Proceedings pending at court, before an arbitration institution or a public administration authority

Did not occur.

Significant non-arm's length transactions with related entities

Did not occur.

Warranties for loans and borrowings and guarantees granted

During the reporting period, no other warranties or guarantees were granted to secure loans or borrowings other than the one provided by Selvita S.A. for the loan dated 26 June 2024 described below.

Selvita Services sp. z o.o. and Selvita d.o.o. are guarantors (guarantors) of the credit agreement concluded on December 21, 2020 with Bank Polska Kasa Opieki S.A. with its registered office in Warsaw. The Credit Agreement provides for a mechanism for extending liability for obligations arising from the Credit Agreement to the Issuer's subsidiary in favor of the Lender, in the event that the Issuer's and Guarantor's share in the consolidated EBITDA of the Selvita S.A. Capital Group falls below 75%.

On June 26, 2024, Selvita Services Sp. z o.o. signed a current account credit agreement for up to EUR 1.9 million for the period until June 26, 2025. The guarantor is Selvita S.A. As of September 30, 2024, the debt balance amounted to EUR 242.6 thousand (PLN 1,038 thousand).

On May 24, 2024, Selvita d.o.o. signed a current account overdraft agreement for up to EUR 1.2 million for the period until June 30, 2025. As of June 30, 2024, there was no outstanding balance.

In the period from June 11 to October 8, 2024, Selvita S.A. granted PozLab sp. z o.o. a loan in the amount of PLN 7.6 million to finance its operating activities, investment expenditures planned by this subsidiary and repayment of existing debt. As of the date of publication of this report, PozLab sp. z o.o. used the loan amount of PLN 7.3 million, of which PLN 1.6 million was allocated to repayment of existing debt from the time of taking control of this company.

Other information significant for the assessment of the Issuer's position in the area of human resources, assets, cash flows, financial results and changes thereof and information significant for the assessment of the Issuer's ability to settle its liabilities

Not applicable.

Factors which, in the Issuer's opinion, will affect the results over at least the following quarter

The results of the upcoming quarters will depend mainly on the following factors:

- Sales dynamics, new customers and extending the current offer
- Access to financing for biotech companies in the US
- The pace of integration of the acquired companies and the dynamics of sales of their services
- The level of investment in sales and marketing
- The level of investments in laboratory infrastructure, including in particular equipment
- Changes in currency exchange rates, especially EUR / PLN and USD / PLN.

Description of factors and events, in particular of an unusual nature, having a significant effect on the financial performance

Not applicable.

Explanations regarding the seasonal or cyclical nature of the Issuer's operations in the reported period

Not applicable.

Information on inventory write-downs to the net realizable amount and reversal of such write-downs

Not applicable.

Information on impairment write-downs in respect of financial assets, tangible fixed assets, intangible assets or other assets and the reversal of such write-downs

Not applicable.



Information on the set-up, increase, utilization and reversal of provisions

Information on the changes in provisions for holidays and bonuses is provided in note 16 to the consolidated financial statements.

Information on deferred income tax provisions and assets

Information on deferred income tax provisions and assets is provided in note 6 to the consolidated financial statements.

Information on significant purchases or disposals of tangible fixed assets

Information on tangible fixed assets is provided in note 7 to the consolidated financial statements.

Information on significant liabilities in respect of purchases of tangible fixed assets

Liabilities arising from the purchase of tangible fixed assets as at 30/09/2024 amount to PLN 4,721 thousand.

Information on significant settlements resulting from court cases

Not applicable.

Error corrections relating to previous periods

Not applicable.

Information on changes in the economic situation and business conditions, which have a significant effect on the fair value of the entity's financial assets and financial liabilities

Not applicable.

Information on the failure to repay a loan or borrowing or a breach of significant terms and conditions of a loan agreement, with respect to which no corrective action had been taken by the end of the reporting period

Not applicable.

Information on changes in the method of valuation of financial instruments measured at the fair value

Not applicable.

Information on changes in the classification of financial assets due to a change in their purpose

Not applicable.

Information on the issue, redemption and repayment of non-equity and equity securities

None.

Information on dividends paid (or declared) in the total amount and per share, divided into ordinary and preference shares

Not applicable.

Events that occurred after the date for which the half-year financial statements were prepared, not disclosed in these financial statements although they may have a significant effect on the Issuer's future financial results

Not applicable.

Information on changes in contingent liabilities or contingent assets that occurred after the end of the last financial year

Information on changes in contingent liabilities or contingent assets is provided in note 20 to the consolidated financial statement.

Other disclosures which may have a material impact on the assessment of the Issuer's financial position and results of operations

Not applicable.

Amounts and types of items affecting the assets, liabilities, equity, net profit/ (loss) or cash flows, which are unusual in terms of type, amount or frequency

Not applicable. ●

13 — Management Board statement on adopted accounting principles

The Management Board of Selvita S.A. confirms that, to the best of its knowledge, the quarterly consolidated and standalone financial statements of Selvita Capital Group and Selvita S.A. have been prepared in accordance with the applicable accounting principles and reflect in a true, reliable and clear manner the financial situation of Selvita Capital Group and Selvita S.A. and its financial results.

Report of the Management Board on the activities of Selvita S.A. and Selvita Capital Group contains a true picture of the development and achievements as well as Group's situation, including a description of the basic threats and risks. ●



Management Board

Krakow, November 20, 2024

.....

Bogusław Sieczkowski
PRESIDENT OF THE MANAGEMENT
BOARD

.....

Miłosz Gruca
VICE PRESIDENT OF
THE MANAGEMENT BOARD

.....

Mirosława Zydróż
MEMBER OF THE MANAGEMENT
BOARD

.....

Adrijana Vinter
MEMBER OF THE MANAGEMENT
BOARD

.....

Dawid Radziszewski
MEMBER OF THE MANAGEMENT
BOARD

.....

Dariusz Kurdas
MEMBER OF THE MANAGEMENT
BOARD



Selvita S.A.

Podole 79
30-394 Kraków

Uniw. Poznańskiego 10
61-614 Poznań

Legnicka 48E
54-202 Wrocław

Selvita Ltd.

CB1 Business Centre
Nine Hills Road
Cambridge CB2 1GE

Selvita Inc.

East Coast USA,
One Broadway, 14th Floor
Cambridge MA 02142

West Coast USA
611 Gateway Blvd, Suite 120
South San Francisco, CA 94080

Selvita d.o.o.

Prilaz brauna Filipovića 29
10000 Zagreb

Ardigen S.A.

Leona Henryka Sternbacha 1
(Budynek L1)
30-394 Kraków

Selvita Services Sp. z o.o.

Bobrzyńskiego 14
30-348 Kraków

PozLab Sp. z o.o.

Kobaltowa 6, Złotniki
62-002 Suchy Las



Your partner of choice in integrated research

investors: ir@selvita.com

media: media@selvita.com

www.selvita.com