



SELVITA S.A. GROUP

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Prepared for the period
from 01/01/2024
to 31/03/2024**

in accordance with the International Accounting Standard No. 34
as endorsed by the European Union

It is the translation of the Polish original document

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

	Note	3-month period ended 31/03/2024	3-month period ended 31/03/2023
		000'PLN	000'PLN
Continuing operations			
Sales revenue	3	76,340	90,593
Grant income	3	821	1,163
Total revenue		77,161	91,757
Amortization	3	(12,466)	(10,419)
Consumption of materials and supplies		(17,372)	(19,937)
External services		(12,343)	(13,510)
Employee benefit expense		(33,484)	(36,836)
Costs of the incentive program	19	(1,270)	(4,403)
Other expenses		(2,030)	(1,819)
Taxes and charges		(442)	(587)
Total operating expenses		(79,407)	(87,511)
Other operating revenue		204	57
Other operating expenses		(40)	(27)
Operating profit		(2,082)	4,275
Financial revenue	5	2,198	147
Financial expenses	5	(3,060)	(1,791)
Share in the profit/loss of associates valued using the equity method		(719)	(147)
Profit (loss) before income tax		(3,664)	2,485
Income tax expense	6	1,528	(38)
Net profit (loss) from continuing operations		(2,136)	2,447
NET PROFIT (LOSS)		(2,136)	2,447
Net other comprehensive income, which will be reclassified to profit or loss			
Foreign subsidiaries results translation differences		1,076	1,047
Total net other comprehensive income		1,076	1,047
TOTAL INCOME FOR THE PERIOD		(1,060)	3,494
Net profit (loss) attributed to:			
Majority shareholders		(2,136)	2,447
Non-controlling shareholders		-	-
Total income attributed to:			
Majority shareholders		(1,060)	3,494
Non-controlling shareholders		-	-
Earnings per share			
(expressed in PLN per share)			
With continuing operations:			
Basic		(0.12)	0.13
Diluted		(0.12)	0.13

The interim condensed consolidated statement of comprehensive income should be analyzed together with the explanatory notes constituting an integral part of the interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
PREPARED AS AT 31 MARCH 2024

	Note	Balance as at 31/03/2024	Balance as at 31/12/2023
		000'PLN	000'PLN
ASSETS			
Non-current assets			
Tangible fixed assets	7	201,889	207,255
Right of use assets	7	116,336	100,519
Goodwill	8	71,287	72,065
Other intangible assets	9	28,747	29,559
Investments valued using the equity method	11	62,594	63,313
Deferred tax asset	6	14,758	10,992
Other financial assets		973	1,310
Total non-current assets		496,584	485,014
Current assets			
Inventory		6,765	6,540
Trade and other receivables	12	67,472	70,228
Contract assets with customers	3.3	15,009	14,755
Other financial assets		-	311
Other assets		8,779	6,757
Cash and other monetary assets	18	44,320	52,654
Total current assets		142,345	151,245
Total assets		638,929	636,260
EQUITY AND LIABILITIES			
Equity			
Share capital		14,684	14,684
Share premium		86,448	86,448
Own shares		0	0
Reserve capital resulting from the acquisition of OPE		22,994	22,994
Other reserve capitals		75,328	74,058
Currency differences on translation of foreign operations		(8,736)	(9,812)
Retained earnings		138,700	68,822
Net profit for the period		(2,136)	69,878
Equity attributed to majority shareholders		327,281	327,071
Equity attributed to non-controlling shareholders		-	-
Total equity		327,281	327,071
Long-term liabilities			
Credit facilities and loans	14	108,386	112,879
Lease liabilities	13	67,743	64,973
Liabilities due to retirement benefits		984	988
Deferred tax provision	6	5,552	3,568
Deferred income	16.2	32,625	33,011
Total long-term liabilities		215,290	215,419
Short-term liabilities			
Trade and other liabilities	15	32,193	30,590
Contract liabilities with customers	3.3	2,520	2,582
Lease liabilities	13	28,067	27,207
Short-term loans and bank credits	14	19,808	19,686
Current tax liabilities		-	75
Accruals	16.1	9,015	9,838
Deferred income	16.2	4,753	3,791
Total short-term liabilities		96,357	93,769
Total liabilities		311,647	309,188
Total equity and liabilities		638,929	636,260

The interim condensed consolidated statement of financial position should be analyzed together with the explanatory notes constituting an integral part of the interim condensed consolidated financial statements

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE REPORTING PERIOD ENDED 31 MARCH 2024**

	Note	Share capital	Share premium	Reserve capital resulting from the acquisition of OPE	Other reserve capitals	Own shares	Currency differences on translation of foreign operations	Retained earnings	Net profit	Equity attributable to shareholders of the parent company	Equity attributed to non-controlling shareholders	Total equity
		000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN
Balance as at 1 January 2024		14,684	86,448	22,994	74,058	-	(9,812)	68,822	69,878	327,071	-	327,071
Net profit for the period		-	-	-	-	-	-	-	(2,136)	(2,136)	-	(2,136)
Other comprehensive income		-	-	-	-	-	1,076	-	-	1,076	-	1,076
Creation of reserve capital as part of the incentive program	19	-	-	-	1,270	-	-	-	-	1,270	-	1,270
Transfer of result from previous years		-	-	-	-	-	-	69,878	(69,878)	-	-	-
Balance as at 31 March 2024		14,684	86,448	22,994	75,328	-	(8,736)	138,700	(2,136)	327,281	-	327,281
Balance as at 1 January 2023		14,684	86,448	22,994	62,544	-	6,686	38,514	30,309	262,178	10,983	273,161
Net profit for the period		-	-	-	-	-	-	-	69,878	69,878	-	69,878
Other comprehensive income		-	-	-	-	-	(16,498)	-	-	(16,498)	-	(16,498)
Creation of reserve capital as part of the incentive program	19	-	-	-	11,514	-	-	-	-	11,514	-	11,514
Transfer of result from previous years		-	-	-	-	-	-	30,309	(30,309)	-	-	-
Cessation of consolidation of Ardigen S.A.		-	-	-	-	-	-	-	-	-	(10,983)	(10,983)
Balance as at 31 December 2023		14,684	86,448	22,994	74,058	-	(9,812)	68,822	69,878	327,071	-	327,071
Balance as at 1 January 2023		14,684	86,448	22,994	62,544	-	6,686	38,514	30,309	262,178	10,983	273,161
Net profit for the period		-	-	-	-	-	-	-	2,447	2,447	-	2,447
Other comprehensive income		-	-	-	-	-	1,047	-	-	1,047	-	1,047
Creation of reserve capital as part of the incentive program	19	-	-	-	4,403	-	-	-	-	4,403	-	4,403
Transfer of result from previous years		-	-	-	-	-	-	30,309	(30,309)	-	-	-
Cessation of consolidation of Ardigen S.A.		-	-	-	-	-	-	-	-	-	(10,983)	(10,983)
Balance as at 31 March 2023		14,684	86,448	22,994	66,947	-	7,734	68,823	2,447	270,076	-	270,076

The interim condensed consolidated statement of changes in equity should be analyzed together with the explanatory notes constituting an integral part of the interim condensed consolidated financial statements

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

	Note	3-month period ended 31/03/2024	3-month period ended 31/03/2023
		000'PLN	000'PLN
Cash flows from operating activities			
Net profit for the period, including:		(2,136)	2,447
Adjustments:			
Amortization and depreciation and impairment losses on fixed assets		12,466	10,419
Exchange gains (losses)		2,239	1,047
Interest and profit-sharing (dividends), net		3,029	1,750
Change in receivables	21	2,840	8,278
Change in inventory	21	(225)	(198)
Change in short-term liabilities and provision excluding credits and loans	21	2,034	(15,202)
Change in deferred income	21	(246)	(667)
Share in the profit/loss of associates valued using the equity method	21	719	-
Change in provisions	21	1,980	332
Change in other assets	21	(5,476)	(11,120)
Cost of the incentive program	19	1,270	4,403
Net cash flows from operating activities		18,495	1,489
Cash flows from investing activities			
Purchase of tangible and intangible fixed assets		(10,460)	(22,417)
Proceeds from subsidies to fixed assets		-	7,339
Return of grants to fixed assets		-	-
Goodwill adjustment		-	585
Change in consolidation of subsidiary less cash of subsidiary		-	(5,850)
Purchase of other financial assets		311	1,311
Interest received		5	4
Net cash flows from investing activities		(10,144)	(19,029)
Cash flows from financing activities			
Repayment of finance lease liabilities	13.1	(9,701)	(7,724)
Proceeds from credits and loans	21	210	7,689
Repayment of credits and loans	21	(4,478)	(3,740)
Interest paid		(3,034)	(1,754)
Net cash flows from financing activities		(17,003)	(5,528)
Net increase in cash and cash equivalents		(8,652)	(23,069)
Cash and cash equivalents at the beginning of the period		52,654	74,157
Net currency differences on cash and cash equivalents		318	353
Cash and cash equivalents at the end of the period	18	44,320	51,441

The interim condensed consolidated statement of cash flows should be analyzed together with the explanatory notes constituting an integral part of the interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED AS AT 31 MARCH 2024

1. General information

1.1. The parent company

The parent company of the Selvita Capital Group was established in 2019 on the basis of a notarial deed of 22 March 2019 prepared at B. Lipp's notary office (Rep. A No. 670/2019). The parent company has its registered office in Poland. Currently, the company is registered in the National Court Register in the District Court for the City of Kraków - Śródmieście, 11th Commercial Department under the number KRS 0000779822.

In the first quarter of 2024, the name of the Company was not changed.

The seat of the Parent Company, Selvita Spółka Akcyjna, is located at 30-394 Kraków, ul. Podole 79.

Composition of the parent's management and supervisory bodies as at the date of these consolidated financial statements:

Management Board:

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

Supervisory Board:

Piotr Romanowski	-	Chairman
Tadeusz Wesołowski	-	Vice- Chairman
Rafał Chwast	-	Member
Wojciech Chabasiewicz	-	Member
Paweł Przewięźlikowski	-	Member
Jacek Osowski	-	Member

As at 31 March 2024, the shareholder structure of the parent company was as follows:

	Registered office	Number of shares	Percentage interest in capital	Percentage share in voting rights
As at 31 March 2024				
Paweł Przewięźlikowski	Poland	2,970,815	16.18%	27.03%
TFI Allianz Polska Nationale -Nederlanden Open-End	Poland	2,015,577	10.98%	9.23%
Pension Fund and Nationale - Nederlanden Voluntary Pension Fund	Poland	1,901,000	10.36%	8.71%
Bogusław Sieczkowski	Poland	942,417	5.13%	6.83%
Tadeusz Wesołowski (with Augebit FIZ)	Poland	932,713	5.08%	4.27%
Other shareholders (less than 5% of votes at the GM)		9,592,952	52.27%	43.93%
Total		18,355,474	100.00%	100.00%

1.2. The Capital Group

As at the balance sheet day, the Selvita Capital Group includes Selvita S.A. as the parent company and 4 subsidiaries - Selvita Services Spółka z o.o, Selvita Inc., Selvita Ltd. and Selvita d.o.o. In January 2023, Selvita S.A. lost control of Ardigen S.A. and Ardigen Inc.

	Registered Office	% of capital held	% of voting rights
		As at 31 March 2024	
Selvita Services Spółka z ograniczoną odpowiedzialnością	Poland	100.00%	100.00%
Selvita Inc.	USA	100.00%	100.00%
Selvita Ltd.	UK	100.00%	100.00%
Selvita d.o.o. (previously Fidelta d.o.o.)	Croatia	100.00%	100.00%

The duration of the Capital Group companies is not fixed. The financial statements of all controlled entities have been prepared as of 31 March 2024, using consistent accounting principles.

The calendar year is the financial year of the parent company. The consolidation of subsidiaries covers the period from 01/01/2024 to 31/03/2024, i.e. the period in which the Parent Company had control over these entities. The Group's core activities include research and development in the field of biotechnology.

Selvita S.A. Group is a capital group from the biotechnology industry that provides multidisciplinary support in solving unique research challenges in the area of drug discovery, regulatory research, as well as research and development.

2. Information on the principles adopted when preparing the interim condensed consolidated financial statements

2.1. Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the requirements of the International Accounting Standard No. 34 "Interim Financial Reporting" endorsed by the EU ("IAS 34").

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the financial year ended December 31, 2023, prepared in accordance with the International Financial Reporting Standards ("IFRS") adopted for use in the European Union ("EU").

The interim condensed consolidated financial statements of Group cover the financial period from January 1, 2024 to March 31, 2024 and contain comparative data, which constitute data for the financial period from January 1, 2023 to March 31, 2023, and in the case of data regarding the statement of financial position, they include comparative data as of December 31, 2023.

Preparing financial statements in accordance with IFRS requires the use of specific accounting estimates. It also requires the Management Board to use its own judgment when applying the accounting principles adopted by the Group. Matters in respect of which a greater degree of judgment is required, matters that are more complex or those in which assumptions and estimates are significant from the point of view of the financial statements, are disclosed in Note 2.3.

2.2. Basis for preparing the interim condensed consolidated financial statements and the accounting principles used

The accounting principles (policies) used to prepare these interim condensed financial statements are consistent with those used in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2023.

The consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the period of at least 12 months following the date of this report. As of the date of preparation of the interim condensed consolidated financial statements, there were no circumstances that would indicate a risk to the Group ability to continue as a going concern.

These interim condensed consolidated financial statements have been prepared in the Polish zloty (PLN). Figures in the financial statements are expressed in thousand of Polish zlotys unless it is stated otherwise.

2.3. Significant accounting judgements and estimates

Preparing interim condensed consolidated financial statements in accordance with IFRS EU requires the Company's Management Board to use judgments and estimates that affect the accounting principles used and the reported assets, liabilities, revenues and costs. Ratings and estimates are verified on an ongoing basis. Changes in estimates are reflected in the result of the period in which the change occurred.

During the reporting period, there were no significant changes in the assessments or estimates described in the annual consolidated financial statements for 2023.

2.4 Foreign currencies

Transactions in currencies other than the functional currency (foreign currency transactions) are presented at the exchange rate ruling at the transaction date. As at the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling as at that date. Non-monetary items measured at fair value and denominated in foreign currencies are measured at the exchange rate effective as at the date of fair value measurement. Non-monetary items are measured at historical cost.

Exchange differences on monetary items are recognized in profit or loss for the period when they occur, except exchange differences on assets under construction intended to be used for manufacturing purposes in the future, which increase the cost of such assets and are treated as adjustment to interest expense related to foreign currency loans.

	As at 31/03/2024	As at 31/12/2023
EUR / PLN	4.3009	4.3480
USD / PLN	3.9886	3.9350
GBP / PLN	5.0300	4.9997
CHF / PLN	4.4250	4.6828
JPY / PLN	0.0264	0.0277

3. Operating income

3.1. Sales revenue

Analysis of the Group's sales revenue for the period from 1 January 2024 to 31 March 2024:

	3-month period ended 31/03/2024	3-month period ended 31/03/2023
	000'PLN	000'PLN
Contract research - fixed priced agreements	36,848	40,068
Contract research - FTE agreements	38,060	48,896
Revenues from the sale of administrative services	1,375	1,560
Other income	57	69
Operating income	76,340	90,593

The above analysis does not reflect the Group's operating segments, which are described in note 4.

3.2. Revenues from subsidies

The amount of revenues from subsidies is presented in the table below:

	3-month period ended 31/03/2024	3-month period ended 31/03/2023
	000'PLN	000'PLN
Infrastructure subsidies	630	162
Grants for research	192	1,001
Revenues from subsidies	821	1,163

3.3. Contract assets and liabilities with customers

The scope of changes of contract assets with customers	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Balance at the beginning of the reporting period	14,755	15,204
Revenue accrued in proportion to the costs incurred	13,407	51,210
Invoiced revenues	(13,154)	(51,658)
Balance at the end of the reporting period	15,009	14,755

The scope of changes of contract liabilities with customers	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Balance at the beginning of the reporting period	2,582	3,351
Invoicing beyond the obligation to provide	3,910	6,543
Execution of contracts without invoicing	(3,972)	(7,311)
Balance at the end of the reporting period	2,520	2,582

3.4 Geographical information

The Group operates in two major geographical regions – in Poland, where its registered office is located, and in Europe. In regards to other countries, the United States are a major market.

Group's revenue from external customers by geographical area:

	Revenue from external customers	
	3-month period ended	3-month period ended
	31/03/2024	31/03/2023
	000'PLN	000'PLN
Poland	3,347	3,372
EU members	26,485	32,622
USA	18,290	24,852
Switzerland	9,808	8,626
UK	13,834	15,749
Other countries	4,575	5,372
Total	76,340	90,593

3.5. Operating expenses

<i>Amortization and impairment</i>	3-month period ended	3-month period ended
	31/03/2024	31/03/2023
	000'PLN	000'PLN
Amortization of tangible assets	5,004	3,820
Amortization of equipment usage rights	2,964	2,056
Amortization of rights to use the premises and cars	3,671	3,638
Amortization of intangible assets	164	185
Amortization of contractor base	663	721
Total amortization expense	12,466	10,419

4. Operating segments

The Management Board monitors separately segment operating results to take appropriate decisions concerning resources allocation, to assess results of resource allocation and segment performance results. The basis for the assessment is segment operating profit or loss. Group financing (including finance costs and finance income) and deferred tax are monitored at the level of the Group and are not allocated to individual segments.

Changes to operating segments

Following the increase of importance within the Group and significant revenue growth in 2023 and the expected acquisition in related or similar areas concerning analytical and regulatory research services within the Group, the Group decided to change the operating segments starting from January 1st, 2024.

The Management Board determined that the provision of financial information by Drug Discovery and Drug Development is more meaningful to the readers of the consolidated financial statements because it believes that these two areas where the Group operates should be the main business performance differentiator going forward.

For the sake of comparability, historical periods have been restated.

4.1 Products and services representing a source of revenue of the reporting segments

For management purposes, the Group was divided into parts based on the services provided. Therefore, there are two operating segments.

The first segment accounting for the major part of the Group's revenue is the Segment of Drug Discovery. Services provided to external contractors are in the field of chemistry, biochemistry, DMPK, in-vivo and in-vitro, and also integrated research and development projects.

The second segment is the Segment of Drug Development, which provides services in the fields of analytics, regulatory, and, after the acquisition of Pozlab Sp. z o.o., pharmaceutical product development, including manufacturing of medicinal products, quality control, and microbiological testing, including biological drugs.

4.2 Segment revenue and profit or loss

Analysis of the Group's reporting segment revenue and profit or loss:

a) Continuing operations

	Revenue		Operating profit	
	3-month period ended	3-month period ended	3-month period ended	3-month period ended
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	000'PLN	000'PLN	000'PLN	000'PLN
Segment 1 - Drug discovery, including	57,867	73,996	(5,550)	3,163
<i>revenue from external customers (FTE)</i>	34,797	47,036		
<i>revenue from external customers (fixed price)</i>	22,296	25,821		
<i>intersegment revenue</i>	-	-		
<i>grant income</i>	747	1,119		
<i>other operating income</i>	27	20		
Segment 2 - Drug development, including	17,833	16,109	3,468	1,112
<i>revenue from external customers (FTE)</i>	3,262	1,860		
<i>revenue from external customers (fixed price)</i>	14,552	14,247		
<i>intersegment revenue</i>	-	-		
<i>grant income</i>	19	2		
<i>other operating income</i>	-	-		
Non-located revenues, including	1,665	1,708		
<i>revenues from sales of administrative services</i>	1,376	1,561		
<i>other income</i>	289	147		
Total from continuing operations	77,365	91,814	(2,082)	4,275

	Expenses	
	3-month period ended	3-month period ended
	31/03/2024	31/03/2023
	000'PLN	000'PLN
Segment 1 - Drug discovery, including	63,417	70,833
<i>amortization and depreciation</i>	9,224	7,820
<i>amortization of contractor database</i>	663	721
<i>costs of central administration, Management Board remuneration and selling costs</i>	13,728	14,066
<i>valuation of the incentive program</i>	919	3,246
Segment 2 - Drug development, including	14,365	14,997
<i>amortization and depreciation</i>	2,579	1,878
<i>costs of central administration, Management Board remuneration and selling costs</i>	2,810	2,974
<i>valuation of the incentive program</i>	351	1,157
Non-allocated costs, including	1,665	1,708
<i>cost of administrative services</i>	1,376	1,561
<i>other costs</i>	289	147
Total from continuing operations	79,447	87,538

Administrative costs arise in individual administrative units assigned to individual segments. The allocation of costs to individual segments remains at the level of individual subsidiaries.

The accounting principles applied to the operating segments are the same as the Group's accounting policies as described in the Note 2. Segment profit is profit generated by individual segments after the allocation of the costs of central administration and the remuneration of the management as well as the selling costs. This result does not include other profits and losses as well as revenues and financial costs. This information is provided to persons deciding about the allocation of resources and assessing the financial results of the segment. The transaction prices used in transactions between operating segments are established on an arm's length basis, as in transactions with unrelated parties.

4.3 Segment assets and liabilities

a) Continuing operations

Segments assets	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Segment 1		
Drug discovery	475,487	483,120
Segment 2		
Drug development	163,442	153,140
Total segment assets	638,929	636,260
Segment liabilities		
Segment 1		
Drug discovery	223,793	226,506
Segment 2		
Drug development	87,854	82,683
Total segment liabilities	311,647	309,188

For purposes of monitoring segment performance and allocating resources:

- goodwill, research and development in progress, non-current receivables, cash and cash equivalents, property, plant and equipment, inventories, trade receivables, trade receivables, assets arising from long-term contracts and deferred tax asset are allocated to the reporting segments;
- trade liabilities, liabilities under long-term contracts, provisions for liabilities, deferred income and financial liabilities are allocated to the reporting segments;

4.4 Other segment information

	Depreciation and amortization		Fixed assets additions	
	3-month period ended	3-month period ended	3-month period ended	3-month period ended
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	000'PLN	000'PLN	000'PLN	000'PLN
Continuing operations:				
Segment 1				
<i>Drug discovery</i>	9,887	8,541	16,946	25,966
Segment 2				
<i>Drug development</i>	2,579	1,878	5,972	9,123
Total	12,466	10,419	22,918	35,089

4.5 Major customers

	3-month period ended	3-month period ended
	31/03/2024	31/03/2023
	000'PLN	000'PLN
Continuing operations:		
Segment 1 - Drug discovery		
Customer A**	6,554	3,966
Segment 2 - Drug development		
Customer B**	4,671	1,101
Customer C	2,270	2,940
Customer D*	945	1,957
Total	14,440	9,964

* The customer did not exceed 10% of the segment's sales in 2024

** The customer did not exceed 10% of the segment's sales in 2023

5. Finance costs and revenues

	3-month period ended 31/03/2024	3-month period ended 31/03/2023
	000'PLN	000'PLN
Finance cost due to financial instruments	1,828	965
Interest	1,802	928
Losses on currency differences	26	37
Other finance cost	1,232	826
Interest on leases	1,232	826
Total finance costs	3,060	1,791

Financial revenues in the first quarter of 2024 result mainly from exchange rate differences in the amount of PLN 2,193 thousand and interest received in the amount of PLN 5 thousand.

6. Income taxes on continuing operations

6.1 Income taxes presented in the statement of comprehensive income

	3-month period ended 31/03/2024	3-month period ended 31/03/2023
	000'PLN	000'PLN
Current income tax:	254	(4)
<i>Current income tax charge</i>	254	144
<i>Other</i>	-	(148)
Deferred income tax	(1,781)	(34)
Tax charge presented in the statement of comprehensive income	(1,528)	(38)

6.2 The effective tax rate is as follows:

The Group's average effective tax rate from continuing operations for the 3 months ended March 31, 2024 was 42%, compared to 1.5% for the 3 months ended March 31, 2023. The increase in the average effective tax rate results mainly from the calculation of the R&D tax relief.

6.3 Deferred income tax

Analysis of the deferred tax asset / (liability) in the consolidated statement of financial position:

	As at 31/03/2024	As at 31/03/2024	As at 31/03/2024	As at 31/12/2023
	short-term 000'PLN	long-term 000'PLN	total 000'PLN	000'PLN
Deferred tax asset	11,339	3,418	14,758	10,992
Deferred tax liability	1,296	4,257	5,552	3,568
	10,043	(838)	9,205	7,424

Basis for temporary differences – 19% deferred tax on the difference between the tax value and carrying amount of:	DTA as at	DTA as at	Change in DTA recognized in profit and loss account for the period	Change in DTA recognized in profit and loss account for the period
	As at 31/03/2024	As at 31/12/2023	from 01/01 to 31/03/2024	from 01/01 to 31/12/2023
- due to SEZ	3,831	4,174	(343)	(1,655)
- settlements on business trips	3	5	(2)	5
- the tax relief for investments in Croatia	1,831	1,851	(20)	1,851
- trade and other receivables and liabilities (negative FX differences)	134	323	(189)	(671)
- customer contracts	339	299	40	(1,592)
- payables for future reserves	847	251	596	(23)
- retirement provision	188	188	-	87
- bonus provision	607	845	(238)	(551)
- unused holiday provision	1,106	1,024	82	(77)
- liability under the right of use	8,933	8,204	729	(219)
- R&D relief to be settled in the following years	5,232	4,590	642	4,286
- tax losses to be settled in subsequent years (Poland)	5,562	5,256	306	5,256
- tax losses to be settled in subsequent years (Croatia)	589	-	589	-
Netting	(14,445)	(16,018)	1,573	(5,799)
Total	14,757	10,992	3,765	898

The SEZ relief can be accounted for through 2026.

The Group has no unrecognized deferred tax asset.

6.4 Tax losses to be used in subsequent periods

3-month period ended 31/03/2024 Year	Loss amount	Use	Possible to use	Max period of use
2023-2024	6,151	-	6,151	2028-2029

6.5 Accrued R&D relief to be settled

3-month period ended 31/03/2024 Year	Relief amount	Use	Possible to use	Max period of use
2022	304	-	304	2028
2023	4,286	-	4,286	2029
2024	642	-	642	2030

6.6 Deferred tax liability

Basis for temporary differences – 19% deferred tax on the difference between the tax value and carrying amount of:	DTL		Change in DTL recognized in profit and loss account for the period	Change in DTL recognized in profit and loss account for the period
	As at 31/03/2024	As at 31/12/2023	from 01/01 to 31/03/2024	from 01/01 to 31/12/2023
- fixed assets and intangible assets (excluding leases)	146	738	(592)	533
- trade receivables and liabilities and others (positive exchange differences)	358	2,051	(1,693)	1,780
- difference between tax and balance sheet depreciation	4,086	2,542	1,544	1,700
- customer contracts	1,391	1,160	231	120
- right of use assets	9,159	8,066	1,093	-
- contractor databases	4,856	5,029	(173)	(1,089)
Netting	(14,445)	(16,018)	1,573	(5,799)
Total	5,552	3,568	1,984	(2,755)

7. Tangible fixed assets and right of use assets

Net carrying amount	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Land	21,207	21,207
Buildings	52,156	52,153
Machinery and equipment	49,431	50,317
Vehicles	69	113
Other tangible assets (including lab equipment)	73,152	77,674
Assets under construction	5,875	5,792
Total fixed assets	201,889	207,255
Other tangible assets usage rights (including lab equipment)	68,129	57,293
Rights to use the premises	47,086	41,963
Car usage rights	1,122	1,263
Total right of use assets	116,336	100,519

8. Goodwill

	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
At cost	71,287	72,065
Accumulated impairment	-	-
	71,287	72,065

8.1 Goodwill from consolidation of subsidiaries in the current reporting period

COMPANY	Goodwill at the beginning of the period	Increase due to acquisition of company	Change in the value due to changes in foreign exchange rates	Change in value due to revaluation of estimated goodwill	Goodwill at the end of the period	Impairment allowances
Selvita Services sp. z o.o.	281	-	-	-	281	-
Selvita d.o.o.	71,784	-	(778)	-	71,006	-
Total goodwill	72,065	-	(778)	-	71,287	-

Goodwill of Selvita d.o.o. based in Croatia was established as a result of the acquisition of this company (previously named Fidelta d.o.o.) on January 4, 2021 from Galapagos NV based in Belgium. It is included in the Drug Discovery segment.

9. Other intangible assets

	As at 31/03/2024	As at 31/12/2023
Carrying amount		
Software - Data Warehouse	246	253
Other intangible assets	1,521	1,366
Contractor database	26,980	27,940
	28,747	29,559

The contractors database concerns the contracts and contacts taken over as part of the purchase of the Croatian company Selvita d.o.o. The value of the database was estimated based on the current cooperation parameters. The depreciation rate was determined for a period of 13.5 years as the average expected period of cooperation.

10. Subsidiaries

10.1 Changes in Group ownership - interests in subsidiaries

The event did not occur during the reporting period.

Events relating to the expansion of the Group made after the balance sheet date are described in Note 22.

11. Investments valued using the equity method

	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Carrying amount		
Ardigen S.A	62,594	63,313
	62,594	63,313

12. Trade and other receivables

	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Trade receivables	53,392	55,218
The allowance for expected credit losses	(855)	(808)
	<u>52,537</u>	<u>54,410</u>
Tax (VAT) receivables	14,525	15,320
Other – receivables from employees, security deposits	410	498
	<u>67,472</u>	<u>70,228</u>

13. Leases

13.1. The Group as a lessee

The Group has lease agreements for office premises and laboratories, machinery and equipment, office equipment and cars. Leases have an average term of 60 months, except for office equipment, which qualifies as short-term leases or as low-value contracts.

Some leases include options to extend or terminate the lease. The Group also concludes contracts for an indefinite period. The management board makes a judgment to determine the period over which it can be assumed with reasonable certainty that such contracts will continue.

The Group also has lease contracts for individual premises with a lease term of 12 months or less, and low value office equipment lease contracts. The Group uses the exemption for short-term leases and leases for which the underlying asset is of low value.

The Group's liabilities under the lease contracts are secured by the lessor's ownership of the subject of the lease. In general, the Group is not entitled to transfer leased assets in subleasing or to assign rights it is entitled to under lease contracts.

The balance sheet values of the right-of-use assets and their changes during the reporting period are shown in note 7.

The carrying amounts of leasing liabilities and their changes during the reporting period:

	2024		
	Leases for buildings, premises and vehicles	Leasing of machinery and equipment	Total
As at 1 January	42,351	49,829	92,180
New leases and lease modifications	8,651	4,375	13,026
Revaluation (foreign exchange differences)	(736)	(191)	(927)
Interests	454	778	1,232
Payments	(4,187)	(5,514)	(9,701)
As at 31 March	46,533	49,277	95,810
Short-term	12,732	15,335	28,067
Long-term	33,801	33,942	67,743

Amounts of revenues, costs, profits and losses resulting from leasing (regarding buildings, premises and vehicles) included in the consolidated profit and loss account / statement of comprehensive income are presented below:

	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023
Cost of depreciation of right-of-use assets	(3,671)	(3,638)
Interest costs on lease liabilities	(454)	(339)
Costs of negative exchange differences due to balance sheet valuation of lease liabilities	736	(126)
The total amount recognized in the consolidated income statement / statement of comprehensive income	(3,389)	(4,103)

Amounts of revenues, costs, profits and losses resulting from leasing (regarding machinery and equipment) included in the consolidated profit and loss account / statement of comprehensive income are presented below:

	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023
Depreciation of leased assets	(2,964)	(2,056)
Interest expense on lease liabilities	(778)	(487)
Costs of negative exchange differences due to balance sheet valuation of lease liabilities	191	(2,801)
The total amount recognized in the consolidated income statement / statement of comprehensive income	(3,551)	(5,344)

14. Credit facilities and loans

	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Uncollateralized:		
Used credit card limits	210	166
	210	166
Collateralized:		
Bank loans, including:	118,095	123,727
<i>acquisition loan</i>	62,538	65,839
<i>construction loan</i>	55,557	57,888
Finance lease liabilities	9,890	8,672
	127,984	132,399
Total:	128,194	132,565
Current liabilities	19,808	19,686
Non-current liabilities	108,386	112,879

During the reporting period, the Group met the restrictive conditions in the loan agreements. As at March 31, 2024, the net debt to EBITDA ratio (without the impact of IFRS 16) was 125% (116% as at December 31, 2023), the DSCR ratio was 228% (205% as at December 31, 2023). The share of guarantors is not subject to quarterly reporting (92% as of December 31, 2023).

15. Trade and other liabilities

The increase in trade and other payables is mainly due to higher purchases of materials and reagents in the first quarter of 2024 compared to the fourth quarter of 2023.

16. Employee benefit liabilities and deferred income

16.1 Employee benefit liabilities

	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Accrual for holidays	5,822	5,392
Accrual for bonuses	3,193	4,446
	9,015	9,838
Short-term	9,015	9,838
Long-term	-	-

16.2 Deferred income

	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Grants (i) revenue recognition according to IAS 20	36,076	35,827
Advances on services	1,303	975
	37,378	36,802
Short-term	4,753	3,791
Long-term	32,625	33,011
	37,378	36,802

(i) Grants include payments received resulting from subsidy contracts signed. These are subsidies for fixed assets and are settled over the depreciation period of a given fixed asset. The expected period of settlement of the funds in the subsidy in the Group's revenues is approximately 40 years.

17. Related party transactions

Transactions concluded between the Company and its subsidiaries being related parties were eliminated in the course of consolidation and have not been presented in this note. Detailed information regarding transactions between the Group and other related parties (including those related personally) is presented below.

17.1 Commercial transactions

The group of related entities was established for the purposes of preparing these consolidated financial statements in accordance with International Accounting Standard 24, constituting an annex to Commission Regulation (EC) No. 1126/2008 of November 3, 2008. (OJ L 320, 29/11/2008, p. 1, as amended). Personal connections based on the connections of Members of the Management Board and Members of the Supervisory Board were determined in accordance with the instructions in point 9 above International Accounting Standard 24.

During the financial year, the Group companies entered into the following commercial transactions with related parties (including those related personally) other than Group companies:

Sales to related entities include revenues from research services, revenues from administrative services and re-invoicing of incurred costs.

Purchases from related entities include the purchase of research, advisory and administrative services.

In the financial year, the Group identified the following commercial transactions with related parties. Personal connections based on connections between Members of the Management Board and Members of the Supervisory Board.

Binding type:

POA - personal relationship through shares held by the Shareholder

PORN - personal connection by a Member of the Supervisory Board

POZ - personal connection through a Member of the Management Board

JS - associate

	The type of association	Sales of goods and services	Sales of goods and services	Purchases of goods and services	Purchases of goods and services
		3-month period ended	3-month period ended	3-month period ended	3-month period ended
		31/03/2024	31/03/2023	31/03/2024	31/03/2023
		000'PLN	000'PLN	000'PLN	000'PLN
Ryvü Therapeutics S.A.	POA	2,139	2,869	87	97
Dawid Radziszewski	POZ	1	-	75	75
Chabasiewicz, Kowalska i Partnerzy Radcowie Prawni	PORN	-	-	-	18
Ardigen S.A.	JS	210	210	-	-
		2,351	3,079	162	189

Balances at the end of the reporting period:

	The type of association	Amounts due from related parties	Amounts due from related parties	Amounts due to related parties	Amounts due to related parties
		As at	As at	As at	As at
		31/03/2024	31/12/2023	31/03/2024	31/12/2023
		000'PLN	000'PLN	000'PLN	000'PLN
Ryvü Therapeutics S.A.	POA	1,602	1,982	2	11
Dawid Radziszewski	POZ	1	3	31	31
Ardigen S.A.	JS	257	257	-	-
		1,860	2,242	33	42

17.2 Executive compensation

Compensation of members of the Management Board and other executives in the financial year:

	3-month period ended 31/03/2024			3-month period ended 31/03/2023		
	Share-based payments*	Salary**	Total	Share-based payments*	Salary**	Total
	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN
Management Board	70	1,071	1,141	344	1,096	1,440
Bogusław Sieczkowski	0	201	201	64	201	265
Miłosz Gruca	0	188	188	49	187	236
Mirosława Zydróż	0	123	123	46	122	168
Dariusz Kurdas	0	123	123	15	123	138
Dawid Radziszewski	0	48	48	16	44	60
Adrijana Vinter	47	273	320	103	297	400
Marija Gradečak Galović	23	115	138	51	122	173
Supervisory Board	0	97	97	0	97	97
Piotr Romanowski	0	20	20	0	20	20
Tadeusz Wesołowski	0	17	17	0	17	17
Paweł Przewięźlikowski	0	15	15	0	15	15
Rafał Chwast	0	15	15	0	15	15
Wojciech Chabasiewicz	0	15	15	0	15	15
Jacek Osowski	0	15	15	0	15	15
	70	1,168	1,238	344	1,193	1,537

*valuation in accordance with IFRS2. The Group has updated its approach to the presentation of share-based payment data. In the first quarter of 2023, the Group presented the cost of share-based payments on a cash basis (at the end of the share lock-up period); it now presents the cost in accordance with IFRS2 (i.e. in 2024, the cost of the period is presented) and therefore the figures as at 31 March 2023 have been restated for comparability purposes.

**the Group presents remuneration in this note on the basis of the amounts actually paid (cash approach).

18. Cash and cash equivalents

	As at 31/03/2024	As at 31/12/2023
	000'PLN	000'PLN
Cash in hand and at bank	44,320	52,654
Credit card limit usage	(210)	(166)
	44,110	52,488

As at March 31, 2024, restricted cash amounted to PLN 526 thousand (31.12.2023: PLN 825 thousand). Restrictions on disposal as of March 31, 2024 result from the fact that these are security deposits for credit cards.

19. Share-based payments

A detailed description of the incentive program currently implemented in the Group is presented in the consolidated financial statements for the period ending December 31, 2023. Below, only selected topics are presented, in particular regarding the recognition of its third tranche, which was recognized in 2023.

19.1.1 The fair value of the share options granted during the year

The fair value of the options granted 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.

Summary of data about the program:

Date of granting the program ("grant date") Phase I of the program (90% of the pot)	17/05/2021
Date of granting the program ("grant date") Phase II of the program (5% of the pot)	29/03/2022
Date of granting the program ("grant date") Phase III of the program (5% of the pot)	02/06/2023
The maturity date of the program	01/06/2026
Number of shares in the program	1,247,720
Expected number of shares after taking into account employee turnover ratio and available data as at March 31, 2024:	1,107,123

The total cost of the program was estimated on the basis of the estimated value of the shares to which employees will acquire rights during the duration of the program. The fair value of the program was determined using the Black-Scholes-Merton valuation model, taking into account the following parameters:

In case of III Phase of program:

- option exercise date:
01.06.2024 for 33.946 shares;
01.06.2025 for 33.946 shares;
01.06.2026 for 13.026 shares;
- option exercise price: PLN 0.19;
- share price as at the valuation date: PLN 70.9;
- continuous dividend rate: 0%
- risk-free interest rate in continuous capitalization: 5.86%
- coefficient of variation: 49% - obtained as a standard deviation from a sample of logarithmic changes in historical prices of shares listed on the WSE in the period from October 16, 2019 to the valuation date.

19.1.2 Estimated impact of the incentive program on financial results (in PLN thousand):

Tranche number	Number of shares	Date of purchase of the shares	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024	2025	2026	Total impact
Tranche no 1	650	09/07/2021	46	-	-	-	-	-	-	-	-	-	46
Tranche no 2	481,091	09/07/2022	20,153	13,914	-	-	-	-	-	-	-	-	34,067
Tranche no 3	479,036	09/07/2023	11,039	15,075	7,741	-	-	-	-	-	-	-	33,855
Tranche no 4	9,706	09/07/2024	230	192	223	53	53	5	-	112	-	-	757
Tranche no 5	18,574	28/03/2023	-	904	287	-	-	-	-	-	-	-	1,191
Tranche no 6	18,574	28/03/2024	-	452	596	144	-	-	-	144	-	-	1,191
Tranche no 7	18,574	28/03/2025	-	301	397	99	99	100	100	398	95	-	1,190
Tranche no 8	33,946	01/06/2024	-	-	1,394	599	408	-	-	1,006	-	-	2,401
Tranche no 9	33,946	01/06/2025	-	-	697	299	299	303	303	1,204	500	-	2,401
Tranche no 10	13,026	01/06/2026	-	-	178	77	77	77	77	308	307	128	921
Total	1,107,123		31,469	30,838	11,514	1,270	936	485	480	3,172	902	128	78,021

The valuation of the program, in terms of shares currently issued to employees as at March 31, 2024, showed its total estimated cost at PLN 78,021 thousand, which is recognized in the Group's costs from the second quarter of 2021 until the second quarter of 2026. Impact of the program on the result of the reporting period is PLN 1,270 thousand and this amount reduces the gross result, net result and operating profit in the first quarter of 2024. The estimated impact for the following years is as follows:

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

19.1.3 The recognized costs of the incentive program:

The recognized costs of the incentive program as at the balance sheet date are as follows:

	3-month period ended 31/03/2024	3-month period ended 31/03/2023
Program costs recognized at fair value	1,270	4,403
	1,270	4,403

20. Contingent liabilities

20.1 Contingent liabilities

In the periods presented in the financial statements, the Group took on contingent liabilities necessary to receive a grant and a loan.

They comprise:

- bills of exchange liabilities - covering the amount of co-financing granted with interest in the amount specified as for tax arrears calculated from the date of transfer of funds to the account until the date of return. In the period covered by the report, the amount of PLN 1,063 thousand was credited to the bank accounts for co-financing. As at the balance sheet date, March 31, 2024, the total sum of funds received from the subsidy amounts to PLN 53,349 thousand.

As a result of obtaining a permit to conduct business activity in the special economic zone, Krakowski Park Technologiczny Selvita Services Sp. z o.o. is obliged to incur capital expenditure in the amount of at least PLN 7,320 thousand and to create 150 new jobs by December 2023. By March 31, 2024, PLN 13,307 thousand of the income tax relief was used for operations in the Special Economic Zone.

Selvita d.o.o. granted bank guarantees for the total value of PLN 2,493 thousand. The guarantees concern newly rented laboratory space in Zagreb.

21. Notes on the consolidated statement of cash flow

Explanation of the reasons for significant differences between changes in certain items in the balance sheet and changes in the same items disclosed in the the consolidated statement of cash flow:

Items	3-month	3-month period
	period ended 31/03/2024	ended 31/03/2023
	000'PLN	000'PLN
The change in trade receivables and other receivables results from the following items:	2,840	8,278
- change in receivables resulting from discontinued operations	-	(12,055)
- change in receivables resulting from the balance sheet	2,840	20,333
The change in inventory results from the following items:	(225)	(198)
- change in inventory resulting from discontinued operations	-	-
- change in inventory resulting from the balance sheet	(225)	(198)
The change in liabilities, except for loans and borrowings, results from the following items:	2,034	(15,202)
- change in liabilities from discontinued operations	-	(4,781)
- change in income tax payment liabilities	-	-
- change in liabilities resulting from the balance sheet	1,466	(14,251)
- change in investment liabilities	568	3,831
Change in deferred income results from the following items:	(246)	(667)
- change in deferred income resulting from the discontinued operations	-	(1,883)
- change in deferred income resulting from the balance sheet	(246)	1,216
- proceeds from subsidies to fixed asset	-	-
- return of subsidy to fixed assets	-	-
The change in provisions results from the following items:	1,980	332
- change in provisions resulting from discontinued operations	-	(44)
- change in provisions resulting from the balance sheet	1,980	375
The change in other assets results from the following items:	(5,476)	(11,120)
- change in other assets resulting from discontinued operations	-	(2,640)
- change in other assets resulting from the balance sheet	(5,476)	(1,141)
- proceeds from subsidies to fixed asset	-	(7,339)
Change in credits and loans:	(4,478)	(3,740)
- change in other assets resulting from discontinued operations	-	40
- change in credits and loans resulting from the balance sheet	(4,371)	3,682
- exchange differences arising from the valuation of credits and loans	103	-
- proceeds from credits and loans	(210)	(7,462)

22. Significant events after the end of the 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. The Company plans to commence its operations in the biologic drugs field by providing services related to the preclinical development of monoclonal antibodies.

In connection with the planned entry into the new service area, Selvita entered into a conditional equipment purchase agreement on March 18, 2024, with Pure Biologics S.A. headquartered in Wrocław, Poland ("Seller"). Under this agreement for the amount of PLN 1,976,138 net, Selvita acquired a set of high-quality equipment necessary to provide services related, among others, to the selection and preclinical development of biologic antibodies ("Equipment"). The transfer of ownership took place in April 2024.

On March 15, 2024, the Company also concluded - conditioned by Consent - a 5-year lease agreement ("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 has entered into letters of intent with 16 high-class specialists in the field of biologic drug development ("Team"), with extensive experience gained, among others, from Pure Biologics S.A., expressing readiness to enter into employment agreements with Selvita. The commencement of operations related to services in the field of biologic drug development is planned for the first half of April 2024.

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.

The conditional agreement for the acquisition of 100% of the shares in PozLab sp. z o.o. by Selvita S.A.

On March 27, 2024, Selvita S.A., as the buyer, entered into a preliminary conditional agreement ("Preliminary Agreement") for the acquisition of 100% of the shares ("Shares") in PozLab sp. Z o.o., headquartered in Poznan ("PozLab"), ("Transaction"), with Younick Technology Park sp. Z o.o., headquartered in Złotniki, as the seller ("Seller").

The price for the Shares has been set at PLN 25,000,000 of which:

- PLN 21,000,000 will be paid on the day of acquisition of the Shares;
- PLN 4,000,000 will be retained by the Issuer for a period of up to 12 months from the date of closing the Transaction as security for any, specifically enumerated in the Agreement, events or claims by third parties against PozLab, as well as to secure settlements related to price adjustments.

The acquisition of the Shares will be financed from the Issuer's own funds.

The closing of the Transaction, including the completion of a series of formalities typical for such transactions, payment of the price for the Shares, and the acquisition of PozLab by the Issuer through the conclusion of a promised share purchase agreement, is conditioned upon the fulfillment of the following conditions ("Suspensive Conditions"):

- obtaining the consent of the National Centre for Research and Development (in Polish: Narodowe Centrum Badań i Rozwoju), granted in at least documentary form, for the acquisition of all Shares by the Issuer; and
- completion of the capital restructuring process of the Seller's group by concluding, between PozLab and a third party designated by the Seller, an agreement for the sale of 100% of the shares in Applied Manufacturing Science sp. z o.o., a subsidiary of PozLab.

PozLab was established in 2010 based on a research and development department in Poznań closed by GlaxoSmithKline. The company has built competencies and offerings in three main segments: pharmaceutical product development including manufacturing of medicinal products, quality control, and microbiological testing including biological drugs. It operates approximately 1700 m² of high-class laboratories within the YouNick Technology Park in Złotniki near Poznań. It employs over 80 employees.

The company's acquisition will strengthen Selvita's offering in the field of small molecule drug development and allow it to enter a completely new, highly attractive area related to the drug development services, including manufacturing of batches for early clinical trials, thus significantly extending the value chain offered by the Company.

Closing of an acquisition of PozLab sp. z o.o. by Selvita S.A.

On May 6, 2024, the Company, as the buyer, entered into a purchase agreement ("Agreement", "Transaction") for the acquisition of 100% of the shares ("Shares") in PozLab sp. z o.o., headquartered in Poznan ("PozLab") with Younick Technology Park sp. z o.o., headquartered in Złotniki, as the seller ("Seller"), after the fulfillment of all conditions precedent indicated in the preliminary conditional agreement.

The Company 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 Company retained 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 Company's own funds.

Acquisition of CDMO (Contract Development and Manufacturing Organization) will strengthen the Company's offering in the field of small molecule drug development and allow it to enter a completely new, highly attractive area related to drug development services for early clinical trials.

23. Approval of the financial statements

The consolidated financial statements were approved by the management board of the parent company on 22 May, 2024.

Prepared by: Elżbieta Kokoć

Signatures of Members of the Management Board:

Bogusław Sieczkowski - President of the Board

Miłosz Gruca - Vice-President of the Board

Mirosława Żydroń - Member of the Board

Dariusz Kurdas - Member of the Board

Dawid Radziszewski - Member of the Board

Adrijana Vinter - Member of the Board

Cracow, 22 May 2024

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