



SELVITA S.A. GROUP

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Prepared for the period
from 01/01/2025
to 31/03/2025**

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

It is the translation of the Polish original document

Table of Contents	Page
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of financial position	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7

Notes to the Interim Condensed Consolidated Financial Statements

Page

1	General information	7
2	Information on the principles adopted when preparing the interim condensed consolidated financial statements	9
3	Operating income	11
4	Operating segments	13
5	Finance cost	17
6	Income taxes on continuing operations	18
7	Tangible fixed assets and right of use assets	21
8	Goodwill	22
9	Other intangible assets	23
10	Subsidiaries	24
11	Investments valued using the equity method	24
12	Trade and other receivables	25
13	Leases	26
14	Credits, loans received and other sources of financing	27
15	Trade and other liabilities	27
16	Employee benefit liabilities and deferred income	28
17	Related party transactions	29
18	Cash and cash equivalents	31
19	Share-based payments	31
20	Contingent liabilities	33
21	Notes on the consolidated statement of cash flow	34
22	Significant events after the end of the reporting period	35
23	Approval of the financial statements	35

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2025 TO 31 MARCH 2025**

	Note	3-month period ended 31/03/2025	3-month period ended 31/03/2024
		000'PLN	000'PLN
Continuing operations			
Sales revenue	3	90,279	76,340
Grant income	3	907	821
Total revenue		91,186	77,161
Amortization	3.5	(13,851)	(12,466)
Consumption of materials and supplies		(18,095)	(17,372)
External services		(13,567)	(12,343)
Employee benefit expense		(41,945)	(33,484)
Costs of the incentive program	19	(763)	(1,270)
Other expenses		(2,190)	(2,030)
Taxes and charges		(550)	(442)
Total operating expenses		(90,962)	(79,407)
Other operating revenue		116	204
Other operating expenses		(64)	(40)
Operating profit (loss)		277	(2,082)
Financial revenue	5	1,428	2,198
Financial expenses	5	(2,318)	(3,060)
Share in the profit/loss of associates valued using the equity method		(942)	(719)
Profit (loss) before income tax		(1,555)	(3,664)
Income tax expense	6	569	1,528
NET PROFIT (LOSS)		(986)	(2,136)
Net other comprehensive income, which will be reclassified to profit or loss			
Foreign subsidiaries results translation differences		(3,458)	1,076
Total net other comprehensive income		(3,458)	1,076
TOTAL INCOME FOR THE PERIOD		(4,444)	(1,060)
Net profit (loss) attributed to:			
Majority shareholders		(986)	(2,136)
Non-controlling shareholders		-	-
Total income attributed to:			
Majority shareholders		(4,444)	(1,060)
Non-controlling shareholders		-	-
Earnings per share			
(expressed in PLN per share)			
With continuing and discontinued operations:			
Basic		(0.05)	(0.12)
Diluted		(0.05)	(0.12)

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 2025

	Note	Balance as at 31/03/2025	Balance as at 31/12/2024
		000'PLN	000'PLN
ASSETS			
Non-current assets			
Tangible fixed assets	7	193,086	198,812
Right of use assets	7	122,197	121,590
Goodwill	8	88,167	89,638
Other intangible assets	9	25,538	26,949
Investments valued using the equity method	11	61,178	62,119
Deferred tax asset	6	19,694	16,750
Other financial assets		1,503	1,679
Total non-current assets		511,363	517,538
Current assets			
Inventory		8,654	6,855
Trade and other receivables	12	77,884	79,454
Contract assets with customers	3.3	10,792	9,472
Other assets		8,397	6,258
Cash and other monetary assets	18	15,527	22,512
Total current assets		121,255	124,551
Total assets		632,618	642,089
EQUITY AND LIABILITIES			
Equity			
Share capital		14,684	14,684
Share premium		86,448	86,448
Own shares		-	-
Reserve capital resulting from the acquisition of OPE		22,994	22,994
Other reserve capitals		78,010	77,247
Currency differences on translation of foreign operations		(15,555)	(12,097)
Retained earnings		132,601	138,700
Net profit/(loss) for the period		(986)	(6,098)
Total equity		318,196	321,877
Long-term liabilities			
Credit facilities and loans	14	88,227	7,472
Lease liabilities	13	63,635	68,352
Liabilities due to retirement benefits		802	811
Deferred tax provision	6	5,372	3,289
Deferred income	16.2	34,063	34,708
Total long-term liabilities		192,099	114,632
Short-term liabilities			
Trade and other liabilities	15	49,892	46,051
Contract liabilities with customers	3.3	2,210	4,187
Lease liabilities	13	31,269	31,148
Short-term loans and bank credits	14	24,668	111,565
Current tax liabilities		259	283
Accruals	16.1	10,534	9,357
Deferred income	16.2	3,489	2,991
Total short-term liabilities		122,323	205,581
Total liabilities		314,422	320,213
Total equity and liabilities		632,618	642,089

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 2025**

	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/(loss)	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 2025		14,684	86,448	22,994	77,247	-	(12,097)	138,700	(6,098)	321,877	-	321,877
Net profit for the period		-	-	-	-	-	-	-	(986)	(986)	-	(986)
Other comprehensive income		-	-	-	-	-	(3,458)	-	-	(3,458)	-	(3,458)
Creation of reserve capital as part of the incentive program	19	-	-	-	763	-	-	-	-	763	-	763
Transfer of result from previous years		-	-	-	-	-	-	(6,098)	6,098	-	-	-
Balance as at 31 March 2025		14,684	86,448	22,994	78,010	-	(15,555)	132,601	(986)	318,196	-	318,196
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		-	-	-	-	-	-	-	(6,098)	(6,098)	-	(6,098)
Other comprehensive income		-	-	-	-	-	(2,285)	-	-	(2,285)	-	(2,285)
Creation of reserve capital as part of the incentive program	19	-	-	-	3,189	-	-	-	-	3,189	-	3,189
Transfer of result from previous years		-	-	-	-	-	-	69,878	(69,878)	-	-	-
Balance as at 31 December 2024		14,684	86,448	22,994	77,247	-	(12,097)	138,700	(6,098)	321,877	-	321,877
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

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 2025 TO 31 MARCH 2025

	Note	3-month period ended 31/03/2025	3-month period ended 31/03/2024
		000'PLN	000'PLN
Cash flows from operating activities			
Net profit (loss) for the period, including:		(986)	(2,136)
Adjustments:			
Amortization and depreciation and impairment losses on fixed assets		13,851	12,466
Exchange gains (losses)		(4,968)	2,239
Interest and profit-sharing (dividends), net		2,318	3,029
Change in receivables	21	425	2,840
Change in inventory		(1,799)	(225)
Change in liabilities except credits and loans	21	1,940	2,034
Change in deferred income and accrued expenses	21	1,031	(246)
Share of profits of associates		942	719
Change in provisions	21	2,074	1,980
Change in other assets	21	(5,082)	(5,476)
Cost of the incentive program	19	763	1,270
Corporate income tax paid		(261)	-
Net cash flows from operating activities		10,248	18,495
Cash flows from investing activities			
Purchase of tangible and intangible fixed assets		(1,979)	(10,460)
Acquisition of other financial assets		-	311
Interest received		-	5
Net cash flows from investing activities		(1,979)	(10,144)
Cash flows from financing activities			
Repayment of finance lease liabilities	13.1	(9,315)	(9,701)
Proceeds from credits and loans	21	1,198	210
Repayment of credits and loans	21	(4,461)	(4,478)
Interest paid		(2,676)	(3,034)
Net cash flows from financing activities		(15,254)	(17,003)
Net increase in cash and cash equivalents		(6,985)	(8,652)
Cash and cash equivalents at the beginning of the period		22,512	52,654
Net currency differences on cash and cash equivalents		-	318
Cash and cash equivalents at the end of the period	18	15,527	44,320

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 2025

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 2025, 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
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 2025, 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 2025				
Paweł Przewięźlikowski	Poland	2,943,150	16.03%	26.90%
TFI Allianz Polska	Poland	2,093,826	11.41%	9.59%
Nationale -Nederlanden Open-End Pension Fund	Poland	1,901,959	10.36%	8.71%
Bogusław Sieczkowski	Poland	944,617	5.14%	6.84%
Tadeusz Wesołowski (with Augebit FIZ)	Poland	932,713	5.08%	4.27%
Other shareholders (less than 5% of votes at the GM)		9,539,209	51.98%	43.69%
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 5 subsidiaries - Selvita Services Spółka z o.o, Selvita Inc., Selvita Ltd., Selvita d.o.o. and Pozlab Sp. z o.o.

	Registered Office	% of capital held	% of voting rights
		As at 31 March 2025	
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.	Croatia	100.00%	100.00%
Pozlab Sp. z o.o.	Poland	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 2025, using consistent accounting principles.

The calendar year is the financial year of the parent company. The consolidation of subsidiaries covers the period from 01/01/2025 to 31/03/2025, 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 condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard No. 34 "Interim Financial Reporting" adopted by the European Union ("IAS 34").

The condensed interim consolidated financial statements do not include all the 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 31 December 2024 prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union ("EU").

The Group's interim condensed consolidated financial statements cover the financial period from 1 January 2025 to 31 March 2025 and contain comparative data which constitute data for the financial period from 1 January 2024 to 31 March 2024 and, in the case of data relating to the statement of financial position, contain comparative data as at 31 December 2024.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires the Management Board to exercise its judgment in applying the accounting policies adopted by the Group. Matters requiring a greater degree of judgment, more complex matters or matters where assumptions and estimates are significant from the perspective 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, 2024.

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 2024.

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 31/03/2025	As at 31/12/2024
EUR / PLN	4.1839	4.2730
USD / PLN	3.8643	4.1012
GBP / PLN	5.0020	5.1488
CHF / PLN	4.3875	4.5371
JPY / PLN	0.0259	0.0262

3. Operating income

3.1. Sales revenue

Analysis of the Group's sales revenue for the period from 1 January 2025 to 31 March 2025:

	3-month period ended 31/03/2025	3-month period ended 31/03/2024
	000'PLN	000'PLN
Contract research - fixed priced agreements	41,645	36,848
Contract research - FTE agreements	48,142	38,060
Revenues from the sale of administrative services	421	1,375
Other income	71	57
Operating income	90,279	76,340

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 31/03/2025	3-month period ended 31/03/2024
	000'PLN	000'PLN
Infrastructure subsidies	616	630
Grants for research	292	192
Revenues from subsidies	907	821

3.3. Contract assets and liabilities with customers

The scope of changes of contract assets with customers	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
Balance at the beginning of the reporting period	9,472	14,755
Revenue accrued in proportion to the costs incurred	12,364	112,768
Invoiced revenues	(11,045)	(118,051)
Balance at the end of the reporting period	10,792	9,472

The scope of changes of contract liabilities with customers	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
Balance at the beginning of the reporting period	4,187	2,582
Contracts acquired as part of the Pozlab purchase	-	571
Invoicing beyond the obligation to provide	6,772	8,256
Execution of contracts without invoicing	(8,748)	(7,223)
Balance at the end of the reporting period	2,210	4,187

3.4 Geographical information

The Group operates in three major geographical regions – in Poland, where its registered office is located, in Europe and USA.

Group's revenue from external customers by geographical area:

	Revenue from external customers	
	3-month period ended	3-month period ended
	31/03/2025	31/03/2024
	000'PLN	000'PLN
Poland	4,393	3,347
EU members	31,222	26,485
USA	28,740	18,290
Switzerland	12,391	9,808
UK	10,828	13,834
Other countries	2,705	4,575
Total	90,279	76,340

3.5. Operating expenses

<i>Amortization and impairment</i>	3-month period ended	3-month period ended
	31/03/2025	31/03/2024
	000'PLN	000'PLN
Amortization of tangible assets	4,860	5,004
Amortization of equipment usage rights	3,916	2,964
Amortization of rights to use the premises and cars	4,240	3,671
Amortization of intangible assets	193	164
Amortization of contractor base	643	663
Total amortization expense	13,851	12,466

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. In the case of subsidiaries assigned entirely to a given segment, the allocation of their statement of financial position items is made to all their assets and liabilities.

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 generating the largest part of the Group's revenues is the Drug Discovery Segment. Services provided to external clients include the areas of chemistry, biochemistry, DMPK, in-vivo and in-vitro, as well as integrated research and development projects.

The second segment is the Drug Development Segment, which provides services in the field of analytics, regulatory research, and after the acquisition of Pozlab Sp. z o.o. in May 2024, the development of pharmaceutical products, including the production 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:

	Revenue		Operating profit	
	3-month period ended	3-month period ended	3-month period ended	3-month period ended
	31/03/2025	31/03/2024	31/03/2025	31/03/2024
	000'PLN	000'PLN	000'PLN	000'PLN
Segment 1 - Drug discovery, including	65,917	57,867	(2,711)	(5,550)
revenue from external customers (FTE)	45,528	34,797		
revenue from external customers (fixed price)	19,557	22,296		
intersegment revenue	0	0		
grant income	819	747		
other operating income	13	27		
Segment 2 - Drug development, including	24,735	17,833	2,988	3,468
revenue from external customers (FTE)	2,614	3,262		
revenue from external customers (fixed price)	22,089	14,552		
intersegment revenue	0	0		
grant income	21	19		
other operating income	11	0		
Non-located revenues, including	650	1,665		
revenues from sales of administrative services	420	1,376		
other income	230	289		
Total from continuing operations	91,302	77,365	277	(2,082)

	Expenses	
	3-month period ended	3-month period ended
	31/03/2025	31/03/2024
	000'PLN	000'PLN
Segment 1 - Drug discovery, including	68,628	63,417
amortization and depreciation	9,484	9,224
amortization of contractor database	643	663
costs of central administration, Management Board remuneration and selling costs	14,397	13,728
intersegment expenses	0	0
valuation of the incentive program	457	919
Segment 2 - Drug development, including	21,747	14,365
amortization and depreciation	3,724	2,579
costs of central administration, Management Board remuneration and selling costs	4,163	2,810
valuation of the incentive program	306	351
Non-allocated costs, including	650	1,665
cost of administrative services	420	1,376
other costs	230	289
Total from continuing operations	91,025	79,447

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 or various allocation keys based on, among others, sales markets, the number of operational employees.

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

Segments assets	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
Segment 1		
Drug discovery	398,829	410,781
Segment 2		
Drug development	144,569	142,732
Total segment assets	543,398	553,513
unallocated assets	89,220	88,576
Total assets	632,618	642,089

Segment liabilities		
Segment 1		
Drug discovery	141,135	143,300
Segment 2		
Drug development	61,339	61,497
Total segment liabilities	202,474	204,797
unallocated liabilities	111,948	115,416
Total liabilities	314,422	320,213

For purposes of monitoring segment performance and allocating resources:

- in the first step, in the case of all assets and liabilities of Selvita d.o.o. they are fully assigned to the Drug Discovery,
- in the next step, the remaining items are assigned to the operating segments:
 - goodwill, non-current receivables, cash and cash equivalents, property, plant and equipment, inventories, trade receivables, trade receivables and assets arising from long-term contracts;
 - trade liabilities, liabilities under long-term contracts, provisions for liabilities and financial leases;
- in the last step, other assets and liabilities are assigned using the direct allocation method in the case of use by a specific segment or using a cost allocation key.

Unallocated assets include: investment in Ardigen S.A., and not allocated in the previous steps: deferred tax assets and public law receivables.

Unallocated liabilities include: loans, and not allocated in the previous steps: deferred tax provision and public law liabilities.

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
	31/03/2025	31/03/2024	31/03/2025	31/03/2024
	000'PLN	000'PLN	000'PLN	000'PLN
Continuing operations:				
Segment 1				
<i>Drug discovery</i>	10,127	9,887	5,114	16,946
Segment 2				
<i>Drug development</i>	3,724	2,579	3,032	5,972
Total	13,851	12,466	8,147	22,918

4.5 Major customers

	3-month period ended	3-month period ended
	31/03/2025	31/03/2024
	000'PLN	000'PLN
Continuing operations:		
Segment 1 - Drug discovery		
Customer A	8,971	6,554
Segment 2 - Drug development		
Customer B	5,614	4,671
Customer C*	1,503	2,270
Total	16,087	13,495

* The client did not exceed 10% of the segment's sales revenue in Q1 2025.

5. Finance cost

	3-month period ended 31/03/2025	3-month period ended 31/03/2024
	000'PLN	000'PLN
Finance cost due to financial instruments	869	1,828
Interest	1,227	1,802
Amortized cost valuation	(358)	-
Losses on currency differences	-	26
Other finance cost	1,449	1,232
Interest on leases	1,449	1,232
Total finance cost	2,318	3,060

Financial income in Q1 2025 results mainly from exchange rate differences in the amount of PLN 1,427 thousand (Q1 2024: PLN 2,193 thousand).

6. Income taxes on continuing operations

6.1 Income taxes presented in the statement of comprehensive income

	3-month period ended 31/03/2025	3-month period ended 31/03/2024
	000'PLN	000'PLN
Current income tax:	291	254
<i>Current income tax charge</i>	291	254
<i>Other</i>	-	-
Deferred income tax	(860)	(1,781)
Tax charge presented in the statement of comprehensive income	(569)	(1,528)

6.2 The effective tax rate is as follows:

The Group's average effective tax rate from continuing operations for the 3 months ended 31 March 2025 was 37%, compared to 42% for the 3 months ended 31 March 2024.

6.3 Deferred income tax

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

	As at 31/03/2025	As at 31/03/2025	As at 31/03/2025	As at 31/12/2024
	short-term 000'PLN	long-term 000'PLN	total 000'PLN	000'PLN
Deferred tax asset	16,770	2,923	19,694	16,751
Deferred tax liability	1,109	4,263	5,372	3,289
	15,661	(1,340)	14,321	13,462

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 31/03/2025	As at 31/12/2024	from 01/01 to 31/03/2025	from 01/01 to 31/12/2024
- fixed assets and intangible assets (excluding leasing)	-	27	(27)	27
- due to SSE	3,713	4,503	(790)	329
- the tax relief for investments in Croatia	1,101	1,451	(350)	(400)
- trade and other receivables and liabilities (negative FX differences)	33	106	(73)	(217)
- customer contracts	427	626	(199)	327
- payables for future reserves	497	630	(133)	379
- retirement provision	71	71	-	(117)
- bonus provision	529	617	(89)	(228)
- unused holiday provision	991	725	266	(299)
- liability under the right of use	9,149	9,799	(650)	1,595
- R&D relief to be settled in the following years	10,059	9,560	499	4,970
- the remaining	960	782	178	777
- unused loss	9,889	7,451	2,438	2,195
- compensation	(17,725)	(19,597)	1,872	(3,579)
Total	19,694	16,751	2,943	5,759

The SEZ relief can be accounted for through 2026.

Tax relief for investments made in Croatia can be settled until 2032.

The Group did not recognize a deferred tax asset of PLN 1,639 thousand for losses on capital gains in Poland.

6.4 Tax losses to be used in subsequent periods

3-month period ended 31/03/2025 Year	Loss amount	Use	Possible to use	Max period of use
2023	5,256	-	2,628	2027
		-	2,628	2028
2024	2,195	-	1,098	2028
		-	1,097	2029
2025	2,438	-	1,219	2029
		-	1,219	2030

6.5 Accrued R&D relief to be settled

3-month period ended 31/03/2025 Year	Relief amount	Use	Possible to use	Max period of use
2022	2,667	2,363	304	2028
2023	4,286	-	4,286	2029
2024	4,970	-	4,970	2030
2025	499	-	499	2031

6.6 Deferred tax liability

Basis for temporary differences – 19% deferred tax on the difference between the tax value and carrying amount of:	DTL	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 31/03/2025	As at 31/12/2024	from 01/01 to 31/03/2025	from 01/01 to 31/12/2024
- fixed assets and intangible assets (excluding leases)	298	247	51	(491)
- trade and other receivables and payables (positive exchange rate differences)	432	1,427	(995)	(624)
- difference between balance sheet and tax depreciation	6,295	6,210	85	3,668
- customer contracts	509	359	150	(801)
- assets arising from the right of use	11,301	10,201	1,100	2,135
- contractor databases	4,263	4,442	(179)	(587)
- compensation	(17,725)	(19,597)	1,872	(3,579)
Total	5,372	3,289	2,083	(279)

7. Tangible fixed assets and right of use assets

Net carrying amount	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
Land	21,114	21,165
Buildings	50,883	51,291
Machinery and equipment	46,716	47,714
Vehicles	40	84
Other tangible assets (including lab equipment)	71,071	76,516
Assets under construction	3,263	2,043
Total fixed assets	193,086	198,812
Other tangible assets usage rights (including lab equipment)	73,303	69,805
Rights to use the premises	47,519	50,636
Car usage rights	1,376	1,149
Total right of use assets	122,197	121,590

The increase in rights to use other fixed assets at the end of March 2025 compared to the end of 2024 results from the purchase and admission to the records of laboratory equipment.

8. Goodwill

	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
At cost	88,167	89,638
Accumulated impairment	-	-
	88,167	89,638

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.	70,546	-	(1,471)	-	69,075	-
Pozlab sp. zo.o.	18,811	-	-	-	18,811	-
Total goodwill	89,638	-	(1,471)	-	88,167	-

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

Goodwill of Pozlab sp. z o.o. based in Złotniki was created as a result of the acquisition of this company on May 6, 2024 from YOUNICK Technology Park sp. z o.o. It is included in the Drug Development segment.

9. Other intangible assets

	As at 31/03/2025	As at 31/12/2024
Carrying amount		
Software - Data Warehouse	203	210
Other intangible assets	1,649	1,896
Contractor database	23,685	24,843
	25,538	26,949

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

Other intangible assets mainly relate to acquired software and the backlog identified at the time of taking control over Pozlab Sp. z o.o.

10. Subsidiaries

10.1 Changes in Group ownership - interests in subsidiaries

The phenomenon did not occur in the reporting period.

11. Investments valued using the equity method

	As at 31/03/2025	As at 31/12/2024
Carrying amount	000'PLN	000'PLN
Ardigen S.A	61,178	62,119
	61,178	62,119

Changes in the value of investments accounted for using the equity method in the first quarter of 2025 are as follows:

Ardigen S.A. and Ardigen Inc.	
	000'PLN
Carrying amount of Ardigen S.A. as at 31/12/2024	62,119
Share of profit/(loss) in 2025	(942)
Carrying amount of Ardigen S.A. as at 31/03/2025	61,178

12. Trade and other receivables

	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
Trade receivables	66,862	70,548
The allowance for expected credit losses	(855)	(863)
	<u>66,007</u>	<u>69,686</u>
Tax (VAT) receivables	11,409	9,362
Other – receivables from employees, security deposits	468	406
	<u>77,884</u>	<u>79,454</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. The leasing period is on average 60 months, except for office equipment, which qualifies as short-term leasing 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 following are carrying amounts of the assets due to the right of use (lease agreement) and their changes in the reporting period:

The carrying amounts of lease liabilities and their changes during the reporting period are presented below.

	2025		
	Leases for buildings, premises and vehicles	Leasing of machinery and equipment	Total
As at 1 January	51,572	47,928	99,500
New leases and lease modifications	1,300	4,396	5,696
Revaluation (foreign exchange differences)	(568)	(409)	(976)
Interests	770	679	1,449
Payments	(4,920)	(5,844)	(10,764)
As at 31 March	48,155	46,750	94,905
Short-term	15,758	15,511	31,269
Long-term	32,397	31,239	63,635

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:

	01.01.2025 - 31.03.2025	01.01.2024 - 31.03.2024
Cost of depreciation of right-of-use assets	(4,240)	(3,671)
Interest costs on lease liabilities	(770)	(454)
Costs of negative exchange differences due to balance sheet valuation of lease liabilities	568	736
The total amount recognized in the consolidated income statement / statement of comprehensive income	(4,442)	(3,389)

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:

	01.01.2025 - 31.03.2025	01.01.2024 - 31.03.2024
Depreciation of leased assets	(5,844)	(2,964)
Interest expense on lease liabilities	(679)	(778)
Costs of negative exchange differences due to balance sheet valuation of lease liabilities	409	191
The total amount recognized in the consolidated income statement / statement of comprehensive income	(6,114)	(3,551)

14. Credit facilities and loans

	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
Uncollateralized:		
Overdraft facilities (i)	4,843	4,275
Used credit card limits	160	140
	5,003	4,415
Collateralized:		
Bank loans (ii), including:	97,942	104,265
<i>acquisition loan</i>	50,636	54,237
<i>construction loan</i>	47,306	5,028
Finance lease liabilities	9,951	10,356
	107,893	114,621
Total:	112,896	119,036
Current liabilities	24,668	111,565
Non-current liabilities	88,227	7,472

(i) On May 24, 2024, Selvita d.o.o. signed a current account credit agreement for up to EUR 1.2 million for the period ending on June 30, 2025.

On June 26, 2024, Selvita Services Sp. z o.o. signed a current account credit agreement for up to EUR 1.9 million, which was amended on March 5, 2025, for the period ending on January 31, 2026.

On April 11, 2025, Selvita S.A. signed a current account credit agreement for up to EUR 1.9 million for the period ending on April 11, 2026.

The interest rate on these loans is variable and is the sum of the EURIBOR1M rate + the bank's margin. The loans are secured by issued bills of exchange. In addition, the loan granted to Selvita Services Sp. z o.o. is additionally guaranteed by Selvita S.A. and the credit granted to Selvita S.A. is additionally guaranteed by Selvita Services Sp. z o.o., and the bank has been granted powers of attorney to debit all bank accounts in order to make a possible repayment of the receivables. These credits have no restrictive conditions.

(ii) During the reporting period, the Group complied with the restrictive covenants in its credit agreements. As of March 31, 2025, the net debt to EBITDA ratio (excluding the impact of IFRS 16) was 340% (364% as of December 31, 2024), and the DSCR ratio was 126% (139% as of December 31, 2024). The share of guarantors is not subject to quarterly reporting (106% as of December 31, 2024).

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 2025 compared to the fourth quarter of 2024.

16. Employee benefit liabilities and deferred income

16.1 Employee benefit liabilities

	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
Accrual for holidays	6,477	5,116
Accrual for bonuses	4,058	4,241
	10,534	9,357
Short-term	10,534	9,357
Long-term	-	-

16.2 Deferred income

	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
Grants (i) revenue recognition according to IAS 20	37,002	37,648
Advances on services	550	51
	37,552	37,699
Short-term	3,489	2,991
Long-term	34,063	34,708
	37,552	37,699

(i) Grants include payments received under signed grant agreements. 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 grant funds 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 31/03/2025	3-month period ended 31/03/2024	3-month period ended 31/03/2025	3-month period ended 31/03/2024
		000'PLN	000'PLN	000'PLN	000'PLN
Ryvu Therapeutics S.A.	POA	1,215	2,139	-	87
Dawid Radziszewski	POZ	3	1	76	75
Ardigen S.A.	JS	215	210	-	-
		1,432	2,351	76	162

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 31/03/2025	As at 31/12/2024	As at 31/03/2025	As at 31/12/2024
		000'PLN	000'PLN	000'PLN	000'PLN
Ryvu Therapeutics S.A.	POA	449	1,618	-	43
Dawid Radziszewski	POZ	1	3	31	31
Ardigen S.A.	JS	171	314	77	-
		620	1,935	108	74

17.2 Executive compensation

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

	3-month period ended 31/03/2025			3-month period ended 31/03/2024		
	Share-based payments*	Salary**	Total	Share-based payments*	Salary**	Total
	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN
Management Board	27	1,152	1,179	70	1,071	1,141
Bogusław Sieczkowski	0	201	201	0	201	201
Miłosz Gruca	0	189	189	0	188	188
Mirosława Zydrón	0	123	123	0	123	123
Dariusz Kurdas	0	123	123	0	123	123
Dawid Radziszewski	0	48	48	0	48	48
Leja Anna	0	94	94	0	0	0
Adrijana Vinter	18	265	283	47	273	320
Marija Gradečak Galović	9	109	118	23	115	138
Supervisory Board	0	98	98	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	16	16	0	15	15
Wojciech Chabasiewicz	0	15	15	0	15	15
Jacek Osowski	0	15	15	0	15	15
	27	1,250	1,277	70	1,168	1,238

*valuation in accordance with IFRS2.

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

18. Cash and cash equivalents

	As at 31/03/2025	As at 31/12/2024
	000'PLN	000'PLN
Cash in hand and at bank	15,527	22,512
Credit card limit used	(160)	(140)
Overdraft facilities	(4,843)	(4,275)
	10,525	18,097

As of 31.03.2025, restricted cash amounted to PLN 526 thousand (31.12.2024: PLN 554 thousand). Restrictions on disposal as of 31.03.2025 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 ended 31 December 2024.

There were no new shares awarded under this programme this year.

19.1.1 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	2025 Q1	2024 Q2	2025 Q3	2025 Q4	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	8,305	09/07/2024	230	192	223	112	-	-	-	-	-	-	757
Tranche no 5	18,574	29/03/2023	-	904	287	-	-	-	-	-	-	-	1,191
Tranche no 6	18,574	28/03/2024	-	452	596	144	-	-	-	-	-	-	1,191
Tranche no 7	18,574	28/03/2025	-	301	397	398	95	-	-	-	95	-	1,191
Tranche no 8	33,121	01/06/2024	-	-	1,394	1,006	-	-	-	-	-	-	2,401
Tranche no 9	32,186	01/06/2025	-	-	697	926	281	193	-	-	474	-	2,097
Tranche no 10	12,313	01/06/2026	-	-	178	304	72	72	73	73	290	121	893
Tranche no 11	14,778	07/10/2025	-	-	-	199	211	213	215	16	655	-	854
Tranche no 12	14,778	07/10/2026	-	-	-	100	105	107	108	108	427	328	855
Total	1,131,981		31,469	30,838	11,514	3,189	763	585	396	197	1,942	449	79,399

The valuation of the program, in terms of shares currently issued to employees as at March 31, 2025, showed its total estimated cost at PLN 79,399 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 763 thousand and this amount reduces the gross result, net result and operating profit in the first quarter of 2025. The estimated impact for the following years is as follows:

- in the entire 2025: PLN 1,941 thousand,
- 2026: PLN 449 thousand.

19.1.2 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 31/03/2025	3-month period ended 31/03/2024
Program costs recognized at fair value	763	1,270
	763	1,270

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. During the reporting period, no funds were transferred to bank accounts in respect of the subsidy. As at the balance sheet date, March 31, 2025, the total sum of funds received from the subsidy amounts to PLN 56,908 thousand.

In order to obtain a permit to conduct business activity within the special economic zone, Krakowski Park Technologiczny Selvita Services Sp. z o.o. is obliged to incur capital expenditures of at least PLN 7,320 thousand and to create 150 new jobs by December 2023. As of March 31, 2025, PLN 13,761 thousand of income tax relief from operations within the Special Economic Zone has been used.

Selvita d.o.o. granted bank guarantees for the total value of PLN 2,425 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 period ended 31/03/2025	3-month period ended 31/03/2024
	000'PLN	000'PLN
The change in trade receivables and other receivables results from the following items:	425	2,840
- change in receivables from deliveries and services and other receivables, assets from contracts with customers and other assets resulting from the balance sheet	425	2,840
The change in liabilities, except for loans and borrowings, results from the following items:	1,940	2,034
- change in income tax payment liabilities	261	-
- change in liabilities resulting from the balance sheet	1,841	1,466
- change in investment liabilities	(161)	568
Change in deferred income and employee benefit liabilities results from the following items:	1,031	(246)
- change in pension benefit liabilities and deferred tax provision resulting from the balance sheet	1,031	(246)
The change in provisions results from the following items:	2,074	1,980
- change in pension benefit liabilities and deferred tax provision resulting from the balance sheet	2,074	1,980
The change in other assets results from the following items:	(5,082)	(5,476)
- change in other financial and non-financial assets and deferred tax assets resulting from the balance sheet	(5,082)	(5,476)
Change in credits and loans:	(4,461)	(4,478)
- change in credits and loans resulting from the balance sheet	(6,141)	(4,371)
- exchange differences arising from the valuation of credits and loans	2,520	103
- unpaid IRR interest on the loan	358	-
- proceeds from credits and loans	(1,198)	(210)

22. Significant events after the end of the reporting period

On May 9, the Management Board of Selvita S.A. announced that on May 8, 2025, it received a statement of resignation from Ms. Mirosława Zydroń from the position of Member of the Management Board of the Company without specifying the reasons, with effect from May 8, 2025.

23. Approval of the financial statements

The consolidated financial statements were approved by the management board of the parent company on 21 May, 2025.

Prepared by: Elżbieta Kokoć

Signatures of Members of the Management Board:

Bogusław Sieczkowski - President of the Board

Miłosz Gruca - Vice-President of the Board

Dariusz Kurdas - Member of the Board

Dawid Radziszewski - Member of the Board

Adrijana Vinter - Member of the Board

Cracow, 21 May 2025

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