



**CONSOLIDATED Q3 2022  
REPORT  
SELVITA CAPITAL GROUP**



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# 1. SELECTED FINANCIAL DATA

The consolidated financial statements cover the period from January 1, 2022 to September 30, 2022 with comparative period from January 1, 2021 to September 30, 2021.

## 1.1. Main results achieved in the reporting period

On May 17, 2021, the General Meeting resolved to adopt a non-diluting Incentive Scheme for 2021-2024 for employees in the form of the right to acquire shares in the Company at a preferential price of 0.19 PLN per share. Mr. Paweł Przewięźlikowski – founder, member of the Supervisory Board and main shareholder of the Company, undertook to transfer to the Company, free of charge, the shares constituting the subject of the program with an order to release them to the company's employees in the total number of 1,247,720. The fair value of the granted shares is determined as at the grant date and recognized over the vesting period in remuneration costs in correspondence with the increase in equity at the time of vesting by employees during the program period. The program's impact during the reporting period is PLN 27,876,864 with **a detailed description of the program provided in the Note 34 to the interim consolidated financial statements**. At the same time, it is important to point out that in the analysis of individual operating segments no impact on the valuation of the incentive scheme was taken due to the one-off and non-cash nature of this event.

### 1.1.1. Consolidated financial data

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

- concerning the consolidated balance sheet:

Selvita S.A. Group Item	Consolidated data in PLN thousand		Consolidated data in EUR thousand	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
<b>Total assets</b>	<b>529,909</b>	<b>455,923</b>	<b>108,815</b>	<b>99,127</b>
Trade and other receivables	84,636	65,616	17,380	14,266
Cash and other monetary assets	76,739	83,550	15,758	18,165
Other financial assets	2,096	13,435	430	2,921
Total liabilities	265,100	250,369	54,438	54,435
Long term liabilities	154,915	154,513	31,811	33,594
Short term liabilities	110,185	95,856	22,626	20,841
<b>Equity</b>	<b>264,809</b>	<b>205,554</b>	<b>54,378</b>	<b>44,691</b>
Share capital	14,684	14,684	3,015	3,193

- concerning the consolidated profit and loss statement:

Item	Consolidated data in PLN thousand				Consolidated data in EUR thousand			
	From 01.01.2022 to 30.09.2022	From 01.01.2021 to 30.09.2021	From 01.07.2022 to 30.09.2022	From 01.07.2021 to 30.09.2021	From 01.01.2022 to 30.09.2022	From 01.01.2021 to 30.09.2021	From 01.07.2022 to 30.09.2022	From 01.07.2021 to 30.09.2021
<b>Revenues from sales</b>	<b>302,427</b>	<b>219,753</b>	<b>106,941</b>	<b>80,513</b>	<b>64,511</b>	<b>48,207</b>	<b>22,379</b>	<b>17,575</b>
Revenues from subsidies	5,109	2,963	2,129	1,036	1,090	650	446	226
Other operating revenues	117	761	-436	277	25	167	-91	60
<b>Revenues from operating activities</b>	<b>307,653</b>	<b>223,477</b>	<b>108,634</b>	<b>81,826</b>	<b>65,625</b>	<b>49,024</b>	<b>22,733</b>	<b>17,862</b>
Operating expenses	-277,410	-203,301	-93,900	-76,669	-59,174	-44,598	-19,650	-16,742
Operating expenses (excl. incentive scheme)	-249,533	-183,304	-88,630	-65,222	-53,228	-40,212	-18,547	-14,237
Depreciation	-27,865	-17,765	-9,776	-6,143	-5,944	-3,897	-2,046	-1,341
Depreciation (excl. IFRS 16 impact)	-17,295	-10,762	-6,220	-3,782	-3,689	-2,361	-1,302	-826
Incentive program valuation	-27,877	-19,997	-5,270	-11,477	-5,946	-4,387	-1,103	-2,505
Profit from operating activities / EBIT	30,243	20,176	14,734	5,127	6,451	4,426	3,083	1,119
<b>Profit from operating activities / EBIT (excl. incentive scheme)</b>	<b>58,120</b>	<b>40,173</b>	<b>20,004</b>	<b>16,604</b>	<b>12,398</b>	<b>8,813</b>	<b>4,186</b>	<b>3,624</b>
Profit before income tax	24,446	14,574	11,092	1,302	5,215	3,197	2,321	284
Net profit	20,607	8,844	10,434	-981	4,396	1,940	2,183	-214
<b>Net profit (excl. incentive scheme)</b>	<b>48,484</b>	<b>28,841</b>	<b>15,704</b>	<b>10,496</b>	<b>10,342</b>	<b>6,327</b>	<b>3,286</b>	<b>2,291</b>
EBITDA	58,108	37,941	24,510	11,270	12,395	8,323	5,129	2,460
<b>EBITDA (excl. incentive scheme)</b>	<b>85,985</b>	<b>57,938</b>	<b>29,780</b>	<b>22,747</b>	<b>18,341</b>	<b>12,710</b>	<b>6,232</b>	<b>4,965</b>
Net cash flows from operating activities	73,144	50,520	38,014	24,942	15,602	11,083	7,955	5,445
Net cash flows from investing activities	-47,921	-146,354	-22,951	-4,217	-10,222	-32,106	-4,803	-921
Net cash flows from financing activities	-32,434	76,383	-12,001	-7,698	-6918	16,756	-2,511	-1,680
Total net cash flows	-7,211	-19,451	3,062	13,028	-1,538	-4,267	641	2,844
Number of shares (weighted average)	18,355,474	18,355,474	18,355,474	18,355,474	18,355,474	18,355,474	18,355,474	18,355,474
Profit (loss) per share (in PLN)	0.96	0.37	0.49	-0.13	0.20	0.08	0.10	-0.03
Diluted profit (loss) per share (in PLN)	0.96	0.37	0.49	-0.13	0.20	0.08	0.10	-0.03
Book value per share (in PLN)	14.43	9.75	14.43	9.75	2.96	2.10	2.96	2.10
Diluted book value per share (in PLN)	14.43	9.75	14.43	9.75	2.96	2.10	2.96	2.10
Declared or paid dividend per share (in PLN)	-	-	-	-	-	-	-	-

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

1. Items relating to the profit and loss statement and the cash flow statement were converted using the exchange rate constituting the arithmetic average of the exchange rates, applicable as of the last day of every month in the given period, based on the information published by the National Bank of Poland (NBP):
  - for the period from 01/01/2022 r. to 30/09/2022 r.: 4.6880 PLN,
  - for the period from 01/07/2022 r. to 30/09/2022 r.: 4.7787 PLN,
  - for the period from 01/01/2021 r. to 30/09/2021 r.: 4.5585 PLN,
  - for the period from 01/07/2021 r. to 30/09/2021 r.: 4.5811 PLN.
  
2. Balance sheet items were converted using the average exchange rate announced by the NBP applicable as at the balance sheet date; which were:
  - as of 30 September 2022: PLN 4.8698,
  - as of 31 December 2021: PLN 4.5994.

## 2. MANAGEMENT BOARD'S COMMENTS ON FINANCIAL RESULTS

### 2.1. Consolidated data excluding incentive scheme impact

SELVITA S.A. GROUP				
Data in PLN thousand	From 01.01.2022 to 30.09.2022	From 01.01.2021 to 30.09.2021	From 01.07.2022 to 30.09.2022	From 01.07.2021 to 30.09.2021
<b>Revenue</b>	<b>307,653</b>	<b>223,477</b>	<b>108,635</b>	<b>81,825</b>
Segment of Services executed in Poland	159,567	109,311	58,472	40,711
Segment of Services executed in Croatia	110,698	91,055	35,788	32,001
Bioinformatics Segment	34,799	21,699	13,528	8,554
Revenues from subsidiaries	5,109	2,963	2,129	1,036
Other operating revenue	117	761	-436	277
Exclusions of revenues between segments	-2,637	-2,312	-846	-754
<b>EBIT (excl. incentive scheme)</b>	<b>58,120</b>	<b>40,173</b>	<b>20,004</b>	<b>16,604</b>
%EBIT (excl. incentive scheme)	19%	18%	18%	20%
<b>EBITDA (acc. to IFRS16 excl. incentive scheme)</b>	<b>85,984</b>	<b>57,938</b>	<b>26,224</b>	<b>22,748</b>
%EBITDA (acc. to IFRS16 excl. incentive scheme)	28%	26%	24%	28%
<b>Net profit (excl. incentive scheme)</b>	<b>48,484</b>	<b>28,841</b>	<b>15,704</b>	<b>10,496</b>
%Net profit (excl. incentive scheme)	16%	13%	14%	13%
MSSF 16 impact on EBITDA	10,570	7,003	3,556	2,361

Data in PLN thousand	From 01.01.2022 to 30.09.2022	Percentage share	From 01.01.2021 to 30.09.2021	Percentage share
<b>Revenues from external customers</b>	<b>298 724</b>	<b>100%</b>	<b>216,737</b>	<b>100%</b>
Biotechnology companies	153,173	51%	109,871	51%
Pharmaceutical companies	110,099	37%	88,473	41%
Academia and Foundations	11,105	4%	6,872	3%
Companies operating in the chemical and agrochemical field	8,720	3%	6,592	3%
Other	15,628	5%	4,974	2%

In the first three quarters of 2022, Selvita S.A. Group recognized total operating revenue of PLN 307,653 thousand, which represents 38% increase compared to the corresponding period in 2021, when the total operating revenue amounted to PLN 223,477 thousand. The Group continued growing organically in all operating segments. The revenues from subsidiaries increased by PLN 2,146 thousand to PLN 5,109 thousand in the first three quarters of 2022 compared to PLN 2,963 thousand in the corresponding period in 2021.

In the first three quarters of 2021, after elimination of the incentive scheme impact, the Group reported EBITDA which amounted to PLN 85,984 thousand and increased by 48% compared to the corresponding period of 2021. The high dynamics of EBITDA is the effect of increase in the Group's profitability of services executed by the Group. EBITDA ratio in the first three quarters of 2022

increased by 2 p.p. to 28% compared to the corresponding period of 2021 of 26% which resulted from a significant increase of EBITDA of Segment of Services executed in Poland offsetting lower EBITDA ratio of Bioinformatics Segment. The depreciation of Polish zloty against other currencies resulted in a positive impact on EBITDA of approximately 1.9 p.p.

The Group's net profit, after elimination of the incentive scheme impact, amounted to 48,484 thousand and increased by 68% compared to the net profit reported during the corresponding period of 2021. The high dynamics of net profit is the effect of higher EBITDA, as described in the previous paragraph, and the recognition of the investment relief in Croatia (PLN 3,316 thousand) along with settlement of the R&D relief in Poland (PLN 3,421 thousand) directly in the first three quarters of 2022, as opposed to 2021 when it was recognized in the fourth quarter for the whole 2021.

The structure of revenues from external customers in the first three quarters of 2022 is mainly focused on biotechnology and pharmaceutical industries and their share in the total of revenues from external customers amounted to 51% and 37% respectively. Compared to the corresponding period of 2021, the share of the revenue mix in biotechnology industry remained at a high level as a result of higher growth dynamics versus growth of revenues reported by other industries.

SEGMENT OF SERVICES EXECUTED IN POLAND				
Data in PLN thousand	From 01.01.2022 to 30.09.2022	From 01.01.2021 to 30.09.2021	From 01.07.2022 to 30.09.2022	From 01.07.2021 to 30.09.2021
<b>Revenue</b>	<b>162,482</b>	<b>110,696</b>	<b>59,246</b>	<b>41,339</b>
Revenues from external customers	153,227	104,013	56,573	38,904
Between segments and to Ryvu	6,339	5,297	1,899	1,807
Revenues from subsidies	2,910	894	1,185	390
Other operating revenue	6	492	-411	238
<b>EBIT (excl. incentive scheme)</b>	<b>32,119</b>	<b>13,840</b>	<b>12,314</b>	<b>6,173</b>
<i>%EBIT (excl. incentive scheme)</i>	20%	13%	21%	15%
<b>EBITDA (acc. to MSSF16) excl. incentive scheme</b>	<b>46,293</b>	<b>24,389</b>	<b>17,321</b>	<b>9,806</b>
<i>%EBITDA (acc. to MSSF16) excl. incentive scheme</i>	28%	22%	29%	24%
<i>IFRS16 impact on EBITDA</i>	4,545	3,887	1,539	1,310

In the first three quarters of 2022 Segment of Services executed in Poland recorded continuing growth of revenues from external customers which increased by 47% and amounted to PLN 153,227 thousand compared to PLN 104,013 thousand during the corresponding period in 2021. The very good contracting results in the area of regulatory services reported from the third quarter of the last year continued in the first three quarters of 2022.

Effective beginning of 2022, sales responsibility regarding services executed in Croatia was transferred on Selvita global sales team and the respective sales costs overheads are allocated to the Services Executed in Croatia Segment. In case the corresponding cost had been allocated to the Services Executed in Croatia in 2021, EBIT, EBITDA of this segment would have been lower by

2.9 p.p. (approximately PLN 2,642 thousand) while EBIT, EBITDA of the Segment of Services Executed in Poland would have been higher by 2.5 p.p. (PLN 2,642 thousand).

In the first three quarters of 2022 EBITDA ratio was at 28%, which is 6 p.p. higher when compared to the corresponding period of 2021. Total EBITDA increased from PLN 24,389 thousand in the first nine months of 2021 to PLN 46,293 thousand in the first nine months of 2022 mainly as a result of higher sales revenues.

Comparing the third quarter of 2022 with the second quarter of 2022, EBITDA increased by 1 p.p.

SEGMENT OF SERVICES EXECUTED IN CROATIA				
Data in PLN thousand	From 01.01.2022 to 30.09.2022	From 01.01.2021 to 30.09.2021	From 01.07.2022 to 30.09.2022	From 01.07.2021 to 30.09.2021
<b>Revenue</b>	<b>110,784</b>	<b>91,266</b>	<b>35,831</b>	<b>32,019</b>
Revenues from external customers	110,698	91,055	35,788	32,001
Other operating revenue	86	211	43	18
<b>EBIT</b>	<b>21,418</b>	<b>21,532</b>	<b>6,341</b>	<b>7,825</b>
%EBIT	19%	24%	18%	24%
<b>EBITDA (acc. to MSSF16)</b>	<b>34,119</b>	<b>27,867</b>	<b>10,766</b>	<b>10,043</b>
%EBITDA (acc. to MSSF16)	31%	31%	30%	31%
IFRS16 impact on EBITDA	5,597	2,696	1,872	915

Segment of Services executed in Croatia has been extracted in 2021 as a result of the acquisition of Fidelta d.o.o. (currently Selvita d.o.o.) which is the only legal entity in this operating segment. In the first three quarters of 2022, Selvita d.o.o. continued the upward trend, achieving 22% increase in sales from PLN 91,055 thousand in the first three quarters of 2021 to PLN 110,698 thousand in the first three quarters of 2022. In the first quarters of 2022, the Segment continued its dynamic development in all areas of the services provided, i.e. in the field of chemistry, ADME / DMPK, *in vitro* research and *in vivo* & toxicology.

In the first three quarters of 2022 the segment's EBITDA profitability was 31% and remained at the close level to the corresponding period of 2021. Operating profit reached 19% in the first three quarters of 2022 compared to 24% in the corresponding period of 2021. The lower operating profit resulted from depreciation of newly leased premises in the new location (Hondlova Street), depreciation of customer database (recognized fully in Q4 of the previous year whereas in the current year charged on a quarterly basis) and bearing the cost of sales management.

Additional information on the operating activities of this segment is provided in section 8 of this report.

## BIOINFORMATICS SEGMENT

Data in PLN thousand	From 01.01.2022 to 30.09.2022	From 01.01.2021 to 30.09.2021	From 01.07.2022 to 30.09.2022	From 01.07.2021 to 30.09.2021
<b>Revenue</b>	<b>37,021</b>	<b>23,826</b>	<b>14,405</b>	<b>9,221</b>
Revenues from external customers	34,799	21,669	13,528	8,554
Revenues from subsidiaries	2,198	2,069	945	646
Other operating revenue	24	58	-68	21
<b>EBIT</b>	<b>4,582</b>	<b>4,801</b>	<b>1,349</b>	<b>2,607</b>
%EBIT	12%	20%	9%	28%
<b>EBITDA (acc. to MSSF16)</b>	<b>5,572</b>	<b>5,681</b>	<b>1,693</b>	<b>2,899</b>
%EBITDA (acc. to MSSF16)	15%	24%	12%	31%
IFRS16 impact on EBITDA	429	419	145	136

Revenue from external customers in bioinformatics segment (i.e. subsidiary Ardigen S.A., including Ardigen Inc.) amounted to PLN 34,799 thousand in the first three quarters of 2022, which represent increase of 60% compared to the corresponding period of the previous year of PLN 21,669 thousand. The bioinformatics segment generated in the first three quarters of 2022 operating profit of PLN 4,582 thousand which is 5% decrease compared to PLN 4,801 thousand in the corresponding period of 2021 and resulted from higher development expenses related to own platforms. Similarly, EBITDA ratio was 15% and reported 9 p.p. decrease.

### 2.2. Contracted (Backlog)

BACKLOG					
Item	For 2022 as of Nov 6, 2022	For 2021 as of Nov 18, 2021	Change	Change %	
Services executed in Poland	195,032	140,005	55,027	39%	
Services executed in Croatia	142,240	122,469	19,771	16%	
Bioinformatics	45,830	29 980	15,850	53%	
Grants	6,668	4,340	2,328	54%	
<b>Total Selvita Group</b>	<b>389,770</b>	<b>296,794</b>	<b>92,976</b>	<b>31%</b>	

The value of the 2022 contracts portfolio resulting from commercial contracts and grant agreements as of November 6, 2022 (backlog) amounts to PLN 389,770 thousand and increased by 31% compared to 2021 backlog announced in November last year. Services executed in Poland reported the most significant increase both in terms of total value and percentage change showing dynamics of 39% and PLN 55,027 thousand increase compared to the previous year. Another significant growth dynamics was reported by the bioinformatics segment which reported 53% increase year on year. The backlog of Services to be executed in Croatia indicates a solid increase by 16% compared to the previous year.

## 3. THE GROUP'S ASSETS AND THE STRUCTURE OF ASSETS AND LIABILITIES

### 3.1. Consolidated data

As of September 30, 2022, the total value of the Selvita Group's assets was PLN 529,909 thousand. At the end of September 2022, the most significant current assets are short-term receivables which amounted to PLN 84,636 thousand and cash amounting to PLN 76,739 thousand. The increase in short-term receivables is the result of an increase in the scale of the Group's operations. The decrease in cash is the result of significant investing activity transactions, financing of investing activity cash flows and servicing financial liabilities which overall exceeded the positive cash flows generated on operating activity.

Fixed assets are mainly laboratory equipment, recognized assets due to the right to use and deferred tax assets in the amount of PLN 5,235 thousand. The total of non-current assets increased in comparison to December 31, 2021, by PLN 57,877 thousand mainly as a result of fixed assets additions regarding Laboratory Services Center and purchase of land at Podole street.

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

	30.09.2022	31.12.2021
<b>Current ratio</b>		
<b>current assets/current liabilities including short-term provisions and deferred revenues (excl. accruals)</b>	2.33	2.44
<b>Quick ratio</b>		
<b>(current assets-inventory)/current liabilities including short-term provisions and deferred revenues (excl. accruals)</b>	2.26	2.41

The main item in the Selvita Group's equity and liabilities is equity, which amounted to PLN 264,809 thousand as of September 30, 2022. Increase of equity compared to the end of 2021 is due to net profit generated in 2022 and recognized increase of reserve capitals from incentive scheme valuation of PLN 27,877 thousand.

Another significant source of financing are long term liabilities which amounted to PLN 154,915 thousand at the end of September 2022. The highest value items in the long-term liabilities are credits and bank loans in total PLN 76,885 thousand (dedicated to financing the purchase of Selvita d.o.o. shares (formerly Fidelta d.o.o) since the Parent Entity, as at September 30, 2022, did not commence using the available loan for Laboratory Services Center) and lease liabilities in total PLN 66,425 thousand. Short-term liabilities remained comparable and amounted to PLN 110,185 thousand at the end of September 2022 and PLN 95,856 thousand at the end of 2021.

## 4. CURRENT AND PROJECTED FINANCIAL CONDITION

The Group's financial position as of the report date is very good. As of September 30, 2022, the value of the Group's cash amounted to PLN 76,739 thousand, and at November 6, 2022, the total cash of the Selvita S.A. Group amounted to PLN 71,735 thousand. The decrease in the level of cash compared to September 30, 2022, is the effect mainly of financing the construction and equipping of the Laboratory Services Centre using mostly its own funds. The first tranche of the loan to finance the construction investment was released on October 28, 2022 in total of around PLN 12.8 million.

The Group meets its obligations timely and maintains sustainable cash levels ensuring its financial liquidity. Cash generated from operations allows to execute the planned investments in the expansion of laboratory infrastructure.

## 5. SIGNIFICANT OFF-BALANCE SHEET ITEMS

Significant off-balance sheet items are described in the Note 36 to the mid-year consolidated financial statements.

## 6. EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS DISCLOSED IN THE HALF YEAR REPORT AND PREVIOUSLY PUBLISHED FORECASTS OF THE FINANCIAL RESULTS

The Issuer did not publish the financial forecast for 2022.

## 7. SIGNIFICANT EVENTS IN REPORTING PERIOD

### 7.1. Significant events in reporting period

#### **Conclusion of significant purchase orders**

On 10 January 2022, the Issuer's subsidiary Selvita Inc. received a purchase order from a biotechnology company based in the United States under a framework agreement that was concluded on 22 August 2016, the subject of which is to support the customer's drug discovery platform in the field of medicinal chemistry consisting in the synthesis of chemical compounds indicated by the customer. The value of the order, which will be executed within the next 12 months, amounts to USD 4,717,440 (PLN 18,899,951.61 converted at the average exchange rate of the National Bank of Poland 1 USD = 4.0064 PLN as of 10 January 2022).

The Issuer's cooperation with the Client has lasted since 2016. The received purchase order is one of the largest single purchase orders ever received by the Issuer.

In addition, on 18 January 2022, the Issuer's subsidiary Ardigen S.A received a purchase order with a total value of EUR 1,191,967.00 (PLN 5,387,810.04 converted at the exchange rate of EUR 1 = PLN 4.5201), under a framework agreement concluded on 19 February 2018 from the largest pharmaceutical companies based in Germany. The subject of the purchase order is to support the client's computational biology business in the digital transformation of data processing, access, analysis and interpretation (using AI) in order to reduce the duration and increase the probability of success of the client's R&D projects. Ardigen's collaboration with the client has been ongoing since 2018.

#### **Changes in the Management Board**

On 31 January 2022. The Issuer's Supervisory Board appointed Ms. Adrijana Vinter to the Issuer's Management Board with effect from 1 February 2022. Ms. Adrijana Vinter currently serves as Managing Director of Selvita d.o.o., based in Croatia, a subsidiary of the Issuer.

Joining the Issuer's Management Board, Ms. Vinter will be responsible for overseeing the drug discovery services provided across the Issuer's group.

At the same time, the Management Board of the Issuer informed that it received a statement on resignation of Ms. Edyta Jaworska from the position of the Member of the Management Board without stating reasons, effective as of 31 January 2022.

#### **Conclusion of a real estate purchase agreement**

On March 7, 2022 the Issuer, as the buyer, concluded with Ringier Axel Springer Polska sp. z o.o. with its registered office in Warsaw ("Seller") a definitive agreement for the purchase ("Agreement") of real property located in Krakow, at Podole Street, with a total area of 10.930 m<sup>2</sup> ("Property"), adjacent to the property on which construction of the Research and Development Centre

for Laboratory Services of Selvita S.A. is currently in progress. The acquisition of the Property secures the possibility of further expansion of the laboratory infrastructure for the Issuer in the future, thus enabling further organic growth of the Company. Pursuant to the Agreement Property was purchased for the price of PLN 8.744.000 net.

### **Announcing the new Selvita Capital Group Strategy for 2022-2025**

On March 31, 2022 the Company announced that the new Development Strategy of Selvita Group for the years 2022-2025 ("Strategy") has been adopted.

The business objectives of the Company's previous strategy for 2020-23, as reported in the current report no 10/2020 on April 29, 2020, that assumed an increase in sales revenue to EUR 70 million, an increase in the scale of operations through acquisitions and over EUR 230 million in market capitalisation, had been achieved by the end of last year.

In view of the above, the Company's Management Board decided to present a new development strategy for 2022-2025. During this period Selvita plans to triple its sales revenue (to EUR 200 million), maintaining high profitability. The Company intends to implement the strategy through organic growth and acquisitions. The implementation of the planned investments will enable Selvita to become a global leading pre-clinical CRO.

The Selvita Group Development Strategy for 2022-2025 is focused around three main goals:

- Building a comprehensive drug discovery and development offering – supplementing the drug discovery offer and building the drug development segment;
- Focus on providing high-value services for the customer – specialization in selected therapeutic areas and development of unique competences;
- Growth of the Group's business in the largest markets in the United States and the United Kingdom – growing teams and potentially establishing new research locations.

To implement the Strategy the Company plans to allocate funds in the total amount of approximately EUR 210 million, including approximately EUR 40 million to finance organic growth, approximately EUR 60 million for laboratory infrastructure development and approximately EUR 100 million for acquisitions. Selvita's Management Board anticipates that the capital expenditures will be financed with own funds, from grants, as well as with bank loans and debt instruments, including leasing agreements (the assumed target level of net debt to EBITDA is below 3x).

### **Obtaining a permit for investments subject to tax relief**

On April 12, 2022 the subsidiary Selvita d.o.o. received the decision of the Minister of Economy and Sustainable development No. 517-03-02-01-01-22-8 of April 7, 2022 on the issuance of a permit for investments subject to tax relief.

Obtaining this permit will enable the company to take advantage of the income tax relief in the amount of 25% of the investment expenditure incurred in the period from March 26, 2021, to March 26, 2024.

## 7.2. Post balance sheet significant events

### Receipt of a significant purchase order

On October 3, 2022, the subsidiary Selvita d.o.o. received a purchase order expanding the scope of existing cooperation under a framework of Research Service Agreement dated 16th of July 2015, amended as of 18th July 2022 ("Order"), concluded between the Company together with its subsidiaries and one of the largest pharmaceutical capital groups in Europe ("Client"). Under the Order the Company shall provide ADME/DMPK services including physicochemical profiling and analytical services to the Client that will support its research programs. The Order's increase will raise the estimated value of the Order by the amount of EUR 1,400,000 (PLN 6,758,080 at the exchange rate of EUR 1 = PLN 4.8272) to the total amount of EUR 3,600,000 (PLN 17,377,920 at an exchange rate of 1 EUR = 4.8272 PLN). The total value of services provided by Selvita Capital Group to the Client's capital group companies during the eight months of 2022 amounted to EUR 2,727,134 (PLN 13,164,419 converted at the exchange rate of 1 EUR = 4.8272 PLN).

## 7.3. Unusual events occurring in the reporting period (Covid-19)

Covid-19 pandemic, which began in the first quarter of 2020, continued during the whole reported period, and from May 16, 2022, the epidemic was abolished and the state of epidemic threat came into force. The Issuer currently does not record a negative impact of Covid-19 on operational efficiency and timeliness in terms of the services provided.

Particularly, in the reporting period direct business contacts, physical participation in conferences has been possible again, which is essential for the implementation and provision of the services offered by the Issuer and was the greatest challenge from the Issuer's perspective in recent quarters. The Issuer's Management Board expects that, due to the lifting of the restrictions related to Covid-19, this tendency will continue in the following quarters.

The Company's Management Board is analysing the Issuer's situation on an ongoing basis. New circumstances, if any, having a significant effect on the Issuer's financial results and business position, will be communicated promptly after their occurrence.

### Conflict in Ukraine

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

## 8. MANAGEMENT BOARD'S INFORMATION ON GROUP'S ACTIVITIES

### THE AREA OF DRUG DISCOVERY

Q3 has seen continued support of IDD business development activities including continuing to prepare IDD proposals for prospective new clients with several resulting in new IDD projects being initiated during Q3. In addition to contributing to these new IDD projects a number of key extensions for existing IDD client projects have also been secured.

During Q3 the IDD department has established routine IDD project review meeting (PRM) updates for all ongoing projects following comprehensive introductory reviews. A focussed internal IDD Project Leader training programme, for our current and aspiring project leaders, is on course to be initiated during Q4. This programme will ensure future IDD PLs are developed at the accelerated rate required to keep pace with Selvita's future growth plans and to become a recognised IDD CRO.

Further growth of the IDD department has continued during Q3 with the appointment of a sixth team member bringing significant complimentary DMPK and CRO expertise. Recruitment of additional team members to fill senior pharmacology and medicinal chemistry positions is in progress with several external high calibre scientists in advance discussions. The initial phase of growth the IDD department is on track to employ up to ten team members.

Similarly, as in previous quarters in Q3 2022 chemistry department have grown in numbers of employees at each site: Zagreb, Poznan and Cracow which allow to provide support for new clients as well as expand collaborations for the existing partners. Department continued working mainly for the pharmaceutical industry clients on the medicinal chemistry and IDD projects from European clients but with the increased interest also from the US. During that period, we have been able to start new collaboration for European and UK based clients as well as prolong existing collaboration for next months. Selvita scientists across three research sites in Zagreb, Poznan and Cracow have worked on improving the physicochemical properties and activities of new compounds with promising pharmacological profile. One of the main tasks for our medicinal chemists was to design new scaffolds - molecular skeletons around which small libraries of compounds could be built to validate the biological hypothesis of the project to enable the project to move to the next stage of development. Medicinal chemists were responsible for studying the structure-activity relationship (SAR) and designing new, more biologically active compounds using appropriate synthetic strategy.

The team of organic chemists was focusing on the cost-effective and time-efficient syntheses of a series of compound libraries with potential activity against specific molecular targets. The analytical chemists purified and characterized the synthesized substances which were then subjected to further studies including: ADME testing, in vitro pharmacology studies, and PK profile determination. The test results were then fed back to the team of computational and medicinal chemists to enable further iterative structure optimization according to the adopted strategy.

Computational chemistry department continue with growing, to be able support the IDD projects by analysing the data available in the public domain, tracking the SAR for the duration of the projects, by designing next-generation structures using virtual techniques based on the protein structure, such as virtual screening or focused docking, to identify key ligand-protein interactions. Continuously, Selvita is increasing the range of available modelling tools and put significant emphasis on the application of the artificial intelligence approaches to drug discovery by employing experienced specialists. We expect AI to become an area of dynamic growth within the DD business.

In Q3 2022 scientist have been involved in two grant projects supported by NCBiR:

1. Creation of ProBiAI platform to produce focused libraries of bioactive compounds by applying machine learning and by integrating the design, parallel synthesis and automatic purification, all of which optimized using artificial intelligence methods in order to accelerate the drug discovery process. The platform will utilize machine learning and it will integrate library design, parallel synthesis, and automatic purification. These processes will be optimized with the help of AI.
2. Technology platform for new generations of drugs against diseases caused by coronaviruses, in particular SARS-CoV-2" - The project is devoted to the establishment of a service platform enabling the discovery of innovative drugs to fight coronavirus infections, particularly COVID-19, based on high throughput screening of the focused library of compounds with potential antiviral properties

Both platforms were progressing according to the schedule with no major issues to be reported.

Department remain very active in implementation and development new synthetic techniques including cold isotope labelling, photochemistry as well as successful campaigns for peptide synthesis projects. In the peptide development we could observe significant interest from our partners which resulted in new IDD project in our pipeline

In Q3 2022 Selvita scientist attend on several international drug discovery and chemistry focused conferences as the presenters, speakers or for the education purposes, continuing building our global presence in the biotech industry.

Similarly to previous quarters more than 95% of the projects were based on the FTE model.

Selvita's Pharmacology and Translational Research has continued to prosecute IDD projects and integrated pharmacology projects, as well as stand-alone services for its clients during Q3 2022.

Scientific integration with KRK site has continued and it has included visit from the KRK Biology group, discussions related to introduction of AI into DD process with special focus on RNAseq, scientific review of Selvita IDD projects, as well as analysis of the offerings from our competitors in the field of oncology. In addition, at the very end of September, Head of *in vivo* KRK has been recruited with the main task to ensure functioning of new *in vivo* facility in KRK, recruitment of the staff and setting up of PK and oncology models.

Discussion with several potential PIs related to possible increase of number of clinical sites involved in collection of existing samples (lungs) & collection novel type of samples for research (different types of malignancies incl. breast, skin, urinary, hematological malignancies) has been initiated by Translational team.

*In vitro* pharmacology group has continued to support hit and lead identification and optimization on various drug discovery projects, either by *in vitro* compound testing or *ex vivo* analysis of animal samples from *in vivo* studies. A testing of drug candidates, translational research, biomarker exploration and analysis has continued and performed on collected human tissues for several clients. Single cell labelling equipment was acquired.

During Q3, most of the work in *In vivo* pharmacology was focused on viral infections, fibrosis, gastro-intestinal diseases, inflammation, and immuno-inflammation. In addition to compound testing in number of studies across different animal models, a group has put significant focus on development of novel medically highly relevant models and procedures, such as a nebulization and dry powder inhalation, and setting up a facility and licenses for the imaging systems. In addition, a collection of tissue samples from different animal models, dedicated to a tissue biobank storage, has been progressing in line with the plan.

During Q3 2022 the Department of Cell and Molecular Biology (CMBD) has continued the execution of Drug Discovery projects based on SAR (Structure-Activity Relationship) studies. Scientists (FTEs), which constituted nearly 50% of CMBD employees, have been involved in the execution of abovementioned projects for several foreign biotech and pharma companies from Europe and USA. Their role was to develop and optimize panel of biochemical and cell-based assays that were then used to determine activity and efficacy as well as mechanism of action of novel drug candidates. In Q3 an integrated Drug Discovery project was launched for European customer in the area of neuroscience. It`s novelty lies in design and synthesis of peptide ligands and screening cascade for assessment of both efficacy and selectivity at the same time. In addition, collaborations with several other European customers have been expanded.

In third quarter of 2022 High-Throughput Screening team (HTS) together with HCS group initiated execution of HCS-HTS campaign of 100k compounds for European client. At the same time new libraries were delivered (200k diverse compound library, additional library of fragments) and now they are offered by the HTS team. Biophysical team installed two major pieces of equipment that broaden the portfolio of available techniques to support Fragment-based Drug Design capabilities. A number of methods were developed to measure *in vivo* target engagement in present PROTAC (protein degrader technology) - related projects. Finally, several FFS projects were started for customers from Europe, USA and Asia.

Moreover, in the described period of time, scientists from Selvita`s Cell and Molecular Biology Department have been engaged in the execution of three projects co-financed by National Center for Research and Development (NCBiR). Activities performed within the scope of the first project "HiScAI – Development of phenotypic assay platform, based on high-content screening technology (HCS) with the analysis using artificial intelligence algorithms, to facilitate drug discovery process for treatment of neuroinflammatory and fibrotic diseases" have been focused on development of complex assays enabling multiparametric analysis of phenotypic changes in cells with the use HCS technology and AI computational procedures. In Q3 the HiScAI team successfully completed Industrial Research Package in the grant – set of AI-supported assays in the field of neuroinflammation were developed. Currently the execution of these assays is being fully automated to increase throughput. Concurrently assays for fibrotic diseases are being developed. In the second project "Technology platform for new generations of drugs against diseases caused by coronaviruses, in particular SARS-CoV-2" CMBD scientists were supporting the activities

of chemists by conducting biochemical and cell-based assays on compounds that are supposed to have anti-viral activity. The biology activities in the third project "Creation of ProBiAI platform for generation of targeted libraries of biologically active molecules utilizing machine learning, integrating design, parallel synthesis and automated purification in order to accelerate drug discovery process" has been initiated and include designing of experiments and sourcing of required materials and first experiments

In Q3 2022, in addition to revenues generated by medicinal chemistry and integrated projects, a significant part of the Drug Discovery revenues came from the production and purification of recombinant proteins and the structural analysis of protein-ligand complexes, which the Biochemistry Department in Krakow specializes in. High-quality recombinant proteins have been produced using both bacterial and eukaryotic (insect and mammalian cells) expression systems that enable the production of a wide variety of proteins, including those that are relatively difficult to produce. Similarly, crystal-grade proteins have been purified for currently running projects and were used to generate high quality diffracting crystals followed by the structure solution and 3D model building. These research projects were carried out for both European and US clients representing the global pharmaceutical and biotechnology concerns, as well as smaller biotech companies related to the Drug Discovery activity. The significant number of projects carried out in the Biochemistry Department in Q3 2022 was undoubtedly related to the recognition of the brand of services of the Recombinant Protein Production and Selvita's Structural Biology Platforms. In addition, in Q3 2022, the Biochemistry Department continued with significant progress the project co-financed by the Małopolska Center of Entrepreneurship. This project aims to expand the Structural Biology Platform related to the crystallography and structural analysis of protein-ligand complexes. It involves the development and implementation of methods for the production and crystallization of various classes of proteins as molecular targets that are potentially important in the process of drug discovery.

In Q3, 2022, Selvita's DMPK department focus remains building capacity cross-site to meet the demand for new research services. This has resulted in continued revenue growth, either from standalone screening services or integrated drug discovery projects with virtual companies, biotech's and mid-sized and large pharma. Both in Krakow and Zagreb there were investments made to further automate *in vitro* screens which should result in even faster turnaround time and optimisation of screening process. DMPK services include a full suite of standard *in vitro* ADME assays required to progress discovery projects; *in vivo* rodent PK, PK/PD and toxicology studies; as well as GLP bioanalytical support (clinical).

## REGULATORY STUDIES

In the third quarter of 2022, as in the previous quarters of the year, the Development and Contract Testing Department worked within three teams: the Analytical Laboratory, the Quality Control Laboratory, and the Biological Test Laboratory.

In Q3 2022, the Analytical Laboratory supported one of the largest pharmaceutical companies in the processes related to the development, optimization, and validation of analytical methods for registered and new products

Cooperation with a key client operating in the field of innovative drugs was continued. For one of the new small molecule products, a project related to the optimization and validation of analytical methods was carried out, and stability studies were continued. The project was implemented as part of FTE cooperation. In the area related to the development of methods, degradation tests, and validation of analytical methods, a new significant client from the pharmaceutical industry was also acquired.

In the area of biological products, stability studies were performed for the drug product tox batch, and certification of another product was carried out.

The cooperation with one of the clients operating in the US market was extended by signing new contracts related to the stability studies and complete characterization of the protein drug substance.

New LC-MS and GC-MS devices were purchased to expand the portfolio and increase throughput for projects related to analyzing nitrosamines in active substances and final products.

In the field of GC analysis, the number of orders for the analysis of low and intermediate volatile compounds was kept at a constant level, while the number of inquiries and orders dedicated to the GC-MS or GC-MS / MS technique increased. For example, the number of orders from one of the key clients for impurity analysis, which has been selected by the authorizing entities as a chemical whose content should be monitored, has increased.

Taking into account the techniques based on mass spectrometry, the laboratory carries out more and more projects related to the identification of unknown impurities.

New contracts were also signed for method transfers for other biological drugs.

For regular agrochemical customers, projects were continued in the field of method validation and 5-batch analyzes, as well as the commencement of physical and chemical tests of active substances and formulations.

The team responsible for bioanalytical research increased in the third quarter of this year the number of conducted studies in the GLP / GCP regime and in support of development research. For this purpose, a triple quadrupole mass spectrometer was also purchased, allowing more projects to be implemented simultaneously. The proteomics research team increased their throughput by purchasing the latest high-resolution mass spectrometer, allowing them to expand their portfolio with new points as part of advanced proteomics research. In cooperation with specialists from other fields, the team also started projects related to the characterization of proteins following the ICH guidelines.

In Q3 2022, the activities of the Biological Assay Laboratory focused on the execution of projects for biological drugs using cell-based, biochemical, and biophysical methods. Many GMP-compliant routine batch release and stability tests have been carried out on several biological drugs of various classes for European, US, and Australian customers. In Q3 2022, BAL continued the execution of two projects concerning the qualification of biological assays to assess the activity of peptide vaccines for treating patients suffering from unresectable/metastatic melanoma. Moreover, scientists from Selvita's BAL have been engaged in the validation of methods for the analysis of a biological product with cytostatic and immunotherapeutic properties used in cancer therapy. In addition, BAL continued the optimization of the bioassay for a new biological product

for a European customer. In Q3 2022, BAL was equipped with two additional microplate multimode readers.

In the area of regulatory and release studies, in the Quality Control Laboratory, certification of active substances as well as biological and small molecule finished products were carried out for several regular pharmaceutical companies, expanding portfolio with veterinary drugs. To provide complex services to pharmaceutical companies, stability tests of products seasoned under controlled conditions in stability chambers were continued. The transfer of one new product was completed, and the further one is ongoing.

## **ARDIGEN S.A.**

In the third quarter of 2022, three companies ranked as the largest pharmaceutical companies in the world joined the Ardigen client portfolio. This segment of clients has the highest revenue growth potential, which the Company is counting on in the coming years.

One of the elements of the Ardigen strategy is to provide biotechnology and pharmaceutical companies with complex solutions based on third-party products. In the last quarter, the Company obtained AWS certification, becoming an official partner of AWS - provider of the Cloud platform widely used by biotechnology and pharmaceutical companies in AI in Drug Discovery projects.

## **RESEARCH AND DEVELOPMENT ACTIVITIES**

### **IMMUNOLOGY**

In the third quarter, the Company continued work on the development of the TCRact platform, including its key element - the component for predicting the binding of TCR (T-cell receptor) T lymphocytes to pHLA (human leukocyte antigen). The database, which is the basis for machine learning processes, was fed with new data, exceeding 4 million observations.

During this period, experimental studies were also started in cooperation with a German CRO which, using specialised technology, generates unique data for the Ardigen pHLA: TCR database. In addition, a total of more than 80 colorectal cancer patients were recruited as part of the clinical observational study NCT04994093. The biological samples obtained as part of this study are ultimately intended to be used to obtain further observations to feed the Ardigen pHLA: TCR database. Laboratory experiments are currently underway with 3 European subcontractors specialising in each stage of the experimental process designed by Ardigen immunologists.

Additionally, intensive consultations with members of the scientific council took place in the third quarter.

### **MICROBIOME**

In the third quarter, work focused on finalising the last stage of the BioForte project co-funded by the National Centre for Research and Development. During this period, laboratory experiments were carried out to validate the Ardigen Microbiome Platform created as a result of research and development. The selection of bacterial strains made by the developed platform was validated. By analysing the samples by real-time PCR, the presence of characteristic sequences belonging to given strains in each of the samples was determined. These sequences were selected

by the AI algorithm as differentiating two groups of patients. In addition, the strains selected as a result of the platform's operation, due to the probioticity predicted by the AI algorithms, were tested for the actual presence of this feature. The features that determine probioticity, such as for instance culture potential, ability to adhere in the intestinal epithelium, non-pathogenicity, lack of resistance to common antibiotics, are currently being determined by a subcontractor. The result of the validation will be the assessment of the actual probioticity of the strains in laboratory conditions.

Positive result of the experiments will confirm the correctness of Ardigen Microbiome Platform operation in the selection of bacterial strains and the accuracy of determining candidate composition of a new generation probiotic. In addition, in this reporting period an application with a graphical interface was developed to facilitate the use of the platform, despite its high complexity.

### **BIOMEDICAL IMAGING**

In the third quarter of 2022, the Company continued development in the area of Biomedical Imaging which resulted from the strategy adopted at the end of last year. This work focuses on the application of machine learning methods to support an early stage of the small molecule drug discovery process using imaging data from phenotypic screening experiments (The Phenotypic Drug Discovery Platform). In the last quarter, the team worked on the basic functionalities of the platform in the field of predicting the mechanism of compound operation and identifying hits. The results related to the technology for predicting the mechanism of compound operation were presented at a conference in Boston organised by the Society for Biomolecular Imaging and informatics.

An important event in the third quarter of 2022 was the signing of an agreement under which Ardigen joined the 'JUMP-Cell Painting Consortium' alongside such companies as Amgen, Astra Zeneca, Bayer, Biogen, Eisai, Janssen, Merck KGaA, Pfizer, Servier and Takeda. The consortium is working on the world's largest set of imaging data characterising phenotypic changes in cells caused by the operation of small molecule compounds. Joining the consortium significantly supports research exploring the possibilities of improving the existing technological solutions, as well as strengthens the credibility and recognition of the Company in this area.

## 9. THE CAPITAL GROUP STRUCTURE

### PARENT ENTITY

<b>Business name</b>	Selvita S.A.
<b>Registered office</b>	ul. Bobrzynskiego 14, 30-348 Krakow
<b>Company (ID)REGON</b>	383040072
<b>TAX ID (NIP)</b>	6762564595
<b>Legal form</b>	Joint – stock company
<b>KRS Number</b>	0000779822
<b>Website</b>	<a href="http://www.selvita.com">www.selvita.com</a>

### AFFILIATES

<b>Business name</b>	Selvita Services spółka z ograniczoną odpowiedzialnością
<b>Registered office</b>	ul. Bobrzynskiego 14, 30-348 Krakow
<b>Company ID (REGON)</b>	122456205
<b>TAX ID (NIP)</b>	676-245-16-49
<b>Legal form</b>	Limited liability company
<b>KRS Number</b>	0000403763
<b>Shareholders</b>	100% of shares held by Selvita S.A.

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

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

<b>Business name</b>	Selvita d.o.o.
<b>Registered office</b>	Prilaz brauna Filipovića 29, HR-10000 Zagreb, Croatia
<b>Shareholders</b>	100% of shares held by Selvita S.A.
<b>Share capital</b>	HRK 51.000.000

<b>Business name</b>	Ardigen Spółka Akcyjna
<b>Registered office</b>	ul. Podole 76, 30-394 Krakow
<b>Company (ID) REGON</b>	362983380
<b>TAX ID (NIP)</b>	676-249-58-65
<b>Legal form</b>	Joint- Stock company
<b>KRS Number</b>	0000585459
<b>Shareholders</b>	Selvita S.A. holds 46,67% shares entitling to exercise 53,98% votes
<b>Business name</b>	Ardigen Inc.
<b>Registered office</b>	San Francisco, USA
<b>Shareholders</b>	100% of shares held by Ardigen S.A.
<b>Share capital</b>	100.000 USD
<b>Establishing date</b>	February 2021

## 10. ISSUER'S CORPORATE BODIES

### MANAGEMENT BOARD

Bogusław Sieczkowski – President of the Management Board

Miłosz Gruca – Vice President of the Management Board

Mirosława Zydroń – Member of the Management Board

Adrijana Vinter – Member of the Management Board

Dariusz Kurdas – Member of the Management Board

Dawid Radziszewski – Member of the Management Board

### RADA NADZORCZA

Piotr Romanowski – Chairman of the Supervisory Board

Tadeusz Wesołowski – Vice Chairman of the Supervisory Board

Paweł Przewięźlikowski – Supervisory Board Member

Rafał Chwast – Supervisory Board Member

Wojciech Chabasiewicz – Supervisory Board Member

Jacek Osowski – Supervisory Board Member

### AUDIT COMMITTEE

Rafał Chwast – Chairman of the Audit Committee

Piotr Romanowski – Audit Committee Member

Tadeusz Wesołowski – Audit Committee Member

Wojciech Chabasiewicz – Audit Committee Member

### REMUNERATION COMMITTEE

Paweł Przewięźlikowski – Chairman of Remuneration Committee

Jacek Osowski – Remuneration Committee Member

Piotr Romanowski – Remuneration Committee Member

During the reporting period there was a change in the Management Board. On 31 January 2022, The Issuer's Supervisory Board appointed Ms. Adrijana Vinter to the Issuer's Management Board with effect from 1 February 2022.

At the same time, the Management Board of the Issuer informed that it received a statement on resignation of Ms. Edyta Jaworska from the position of the Member of the Management Board without stating reasons, effective as of 31 January 2022.

## 11. INFORMATION ON THE SHAREHOLDERS HOLDING (DIRECTLY OR INDIRECTLY) AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE GENERAL SHAREHOLDERS' MEETING OF THE COMPANY AND ON SHARES HELD BY MEMBERS OF THE ISSUER'S MANAGEMENT BOARD AND SUPERVISORY BOARD

### SHARES HELD BY MEMBERS OF THE ISSUER'S MANAGERIAL AND SUPERVISORY BODIES as of the date of Report publication

Shareholder	Preferred shares*	Other series	No. of shares	% of share capital	No. of votes	% votes at GM
<b>Management Board</b>						
<b>Bogusław Sieczkowski</b>	550 000	392 417	<b>942 417</b>	5,13%	<b>1 492 417</b>	6,84%
<b>Miłosz Gruca</b>	-	60 760	<b>60 760</b>	0,33%	<b>60 760</b>	0,28%
<b>Mirosława Zydróż</b>	-	42 909	<b>42 909</b>	0,23%	<b>42 909</b>	0,20%
<b>Adrijana Vinter</b>	-	12 000	<b>12 000</b>	0,07%	<b>12 000</b>	0,05%
<b>Dawid Radziszewski</b>	-	4 472	<b>4 472</b>	0,02%	<b>4 472</b>	0,02%
<b>Dariusz Kurdas</b>	-	4 286	<b>4 286</b>	0,02%	<b>4 286</b>	0,02%
<b>Supervisory board</b>						
<b>Paweł Przewięźlikowski</b>	2 932 000	920 663	<b>3 852 663</b>	20,99%	<b>6 784 663</b>	31,07%
<b>Tadeusz Wesołowski (directly)</b>	-	84 975	<b>84 975</b>	0,46%	<b>84 975</b>	0,39%
<b>Tadeusz Wesołowski (through Augebit FIZ)</b>	-	1 047 738	<b>1 047 738</b>	5,71%	<b>1 047 738</b>	4,80%
<b>Piotr Romanowski</b>	-	100 000	<b>100 000</b>	0,54%	<b>100 000</b>	0,46%
<b>Rafał Chwast</b>	-	121 115	<b>121 115</b>	0,66%	<b>121 115</b>	0,56%

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

## SHARES HELD BY SIGNIFICANT SHAREHOLDERS OF THE COMPANY

as of the date of Report publication

Shareholder	Shares	% shares	Votes	% votes
<b>Paweł Przewięźlikowski</b>	3 852 663	20,99%	6 784 663	31,07%
<b>Bogusław Sieczkowski</b>	942 417	5,13%	1 492 417	6,84%
<b>Nationale Nederlanden OFE</b>	1 901 000	10,36%	1 901 000	8,71%
<b>TFI Allianz Polska*</b>	1 801 928	9,82%	1 1801 928	8,26%
<b>Tadeusz Wesołowski (with Augebit FIZ)</b>	1 132 713	6,17%	1 132 713	5,19%

*\*On July 1, TFI Allianz merged with Aviva Investors Poland TFI, as reported by the Company in current report 20/2022 dated July 7, 2022.*

On September 30, 2022 Mr. Paweł Przewięźlikowski, Member of the Supervisory Board transferred 28 000 shares to the Company due to the implementation of a non-diluting incentive program. Before this transfer Mr. Paweł Przewięźlikowski had 3 880 663 shares, constituting 21,14% of the Company's share capital, which gave the right to 7 380 663 votes, constituting 32,94% of all the votes at the general shareholders meeting. After this transfer Mr. Paweł Przewięźlikowski had 3 852 663 shares, constituting 20,99% of the Company's share capital, which gave the right to 7 352 663 votes, constituting 32,82% of all the votes at the general shareholders meeting

On September 30, Ms. Adrijana Vinter informed the company about having acquired 12 000 shares of the Company, due to the implementation of the incentive program. Before this transfer Ms. Adrijana had no shares; after Ms. Vinter had 12 000 shares, constituting 0,07% of the Company's share capital, which gave the right to 12 000 votes, constituting 0,05% of all the votes at the general shareholders meeting.

After the reporting period, on November 2, 2022, Mr. Paweł Przewięźlikowski requested the Company to convert 568 000 of his preferred series A shares into ordinary bearer shares. As a result of the conversion, a total of 568 000 series A registered shares lost their preference as to voting rights at the Company's General Meeting (preference to grant one series A registered share two votes at the Company's General Meeting).

Consequently, the current structure of the Company's share capital in terms of series A shares is as follows:

- 3,482,000 series A preferred registered shares;
- 568,000 ordinary series A bearer shares.

Prior to the said conversion, the amount of the Company's share capital was PLN 14,684,379.20, and the total number of votes at the Company's General Meeting was 22,405,474.

After the said conversion, the amount of the Company's share capital has not changed and amounts to PLN 14,684,379.20, and the total number of votes at the Company's General Meeting has changed and now amounts to 21,837,474 votes.

## SHARES HELD BY MEMBERS OF THE ISSUER'S MANAGERIAL AND SUPERVISORY BODIES

as of 30.09.2022

Shareholder	Series A*	Other series	No. of shares	% of share capital	No. of votes	% votes at GM
<b>Management Board</b>						
<b>Bogusław Sieczkowski</b>	550 000	392 417	<b>942 417</b>	5,13%	<b>1 492 417</b>	6,66%
<b>Miłosz Gruca</b>	-	60 760	<b>60 760</b>	0,33%	<b>60 760</b>	0,27%
<b>Mirosława Zydróż</b>	-	42 909	<b>42 909</b>	0,23%	<b>42 909</b>	0,19%
<b>Adrijana Vinter</b>	-	12 000	<b>12 000</b>	0,07%	<b>12 000</b>	0,05%
<b>Dawid Radziszewski</b>	-	4 472	<b>4 472</b>	0,02%	<b>4 472</b>	0,02%
<b>Dariusz Kurdas</b>	-	4 286	<b>4 286</b>	0,02%	<b>4 286</b>	0,02%
<b>Supervisory board</b>						
<b>Paweł Przewięźlikowski</b>	3 500 000	352 663	<b>3 852 663</b>	20,99%	<b>7 352 663</b>	32,82%
<b>Tadeusz Wesołowski (directly)</b>	-	84 975	<b>84 975</b>	0,46%	<b>84 975</b>	0,38%
<b>Tadeusz Wesołowski (through Augebit FIZ)</b>	-	1 047 738	<b>1 047 738</b>	5,71%	<b>1 047 738</b>	4,68%
<b>Piotr Romanowski</b>	-	100 000	<b>100 000</b>	0,54%	<b>100 000</b>	0,44%
<b>Rafał Chwast</b>	-	121 115	<b>121 115</b>	0,66%	<b>121 115</b>	0,54%

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

## SHARES HELD BY SIGNIFICANT SHAREHOLDERS OF THE COMPANY

as of 30.09.2022

Shareholder	Shares	% shares	Votes	% votes
<b>Paweł Przewięźlikowski</b>	3 852 663	20,99%	7 352 663	32,82%
<b>Bogusław Sieczkowski</b>	942 417	5,13%	1 492 417	6,66%
<b>Nationale Nederlanden OFE</b>	1 901 000	10,36%	1 901 000	8,48%
<b>TFI Allianz Polska*</b>	1 801 928	9,82%	1 801 928	8,04%
<b>Tadeusz Wesołowski (with Augebit FIZ)</b>	1 132 713	6,17%	1 132 713	5,06%

\*On July 1, TFI Allianz merged with Aviva Investors Poland TFI, as reported by the Company in current report 20/2022 dated July 7, 2022.

## 12. STATEMENT OF THE MANAGEMENT BOARD REGARDING APPLICABLE ACCOUNTING PRINCIPLES

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

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

## 13. ADDITIONAL INFORMATION

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

Did not occur.

### **Significant non-arm's length transactions with related entities**

Did not occur.

### **Warranties for loans and borrowings and guarantees granted**

Selvita Services sp. z o.o. and Selvita d.o.o. are guarantors of the facility agreement concluded on December 21, 2020 with Bank Polska Kasa Opieki S.A. with its registered office in Warsaw. The facility agreement contains a mechanism of extending the liability for obligations under it to the Issuer's affiliate, in case the Issuer's and Guarantor's share in the consolidated EBITDA of the Selvita Capital Group fell below 75%.

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

Not applicable.

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

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

- Sales dynamics, new customers and extending the current offer
- Organic growth and subsequent acquisitions
- The level of investment in sales and marketing
- The level of investments in laboratory infrastructure, including in particular equipment
- Changes in currency exchange rates, especially EUR / PLN and USD / PLN - the Company incurs most of the costs in Polish zlotys and generates most of its revenues in foreign currencies

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

In the reported period, the Covid-19 pandemic occurred. The Issuer described its effect on its and its capital group operations under Significant events that occurred in the reporting period.

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

Not applicable.

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

Not applicable.

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

Information on the changes in impairments is provided in the notes to the consolidated financial statements.

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

Information on the changes in provisions for holidays and bonuses is provided in note 29 to the consolidated financial statements.

**Information on deferred income tax provisions and assets**

Information on deferred income tax provisions and assets is provided in note 10 to the consolidated financial statements.

**Information on significant purchases or disposals of tangible fixed assets**

Information on tangible fixed assets is provided in note 12 to the consolidated financial statements.

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

Information on the liabilities in respect of purchases of tangible fixed assets is provided in note 35 to the consolidated financial statements.

**Information on significant settlements resulting from court cases**

Not applicable.

**Error corrections relating to previous periods**

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

None.

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

Not applicable.

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

Not applicable.

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

Information on changes in contingent liabilities or contingent assets is provided in note 36 to the consolidated financial statement.

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

Not applicable.

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

Not applicable.

Krakow, November 8, 2022

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Bogusław Sieczkowski  
President  
of the Management Board

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Miłosz Gruca  
Vice President  
of the Management Board

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Mirosława Zydrón  
Member  
of the Management Board

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Adrijana Vinter  
Member  
of the Management Board

---

Dawid Radziszewski  
Member  
of the Management Board

---

Dariusz Kurdas  
Member  
of the Management Board



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### **Ardigen S.A.**

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### **Selvita Services Sp. z.o.o.**

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