

A large, circular, microscopic image of a cell or tissue sample, showing various structures and colors (blue, purple, pink) under a microscope. It is partially obscured by a dark teal circle on the left side of the slide.

DEVELOPMENT STRATEGY 2022-25

March 31, 2022

This presentation ("Presentation") has been prepared by Selvita S.A. with its registered office in Cracow (the "Company") and is intended for informational purposes only. Its purpose is to present selected data on Selvita S.A. Group and its development prospects. The information contained in this Presentation that is not directly derived from periodic reports published by Selvita S.A. has not been subject to independent verification; therefore, there is no guarantee that it is complete and fully reflects the actual situation.

The presentation should not be considered as investment advice, a recommendation, an offer to buy or sell any securities or financial instruments or to participate in any trading venture.

This Presentation contains forward-looking statements. Forward-looking statements contained in this Presentation, including, but not limited to, statements regarding the Company's earnings and development, are based on a number of assumptions, expectations and projections that are subject to risks of uncertainty and may change as a result of external and internal factors and should not be relied upon as binding forecasts. Neither the Company nor any persons acting on its behalf, in particular the members of the Management Board, the Company's advisors or any other persons, give any assurance that the forward-looking statements will be fulfilled, and in particular they do not guarantee that future results or events will be consistent with these statements, or that the Company's future results will not differ materially from the forecasts. Accordingly, the Company expressly declares that forward-looking statements are not guarantees of future performance and its actual financial condition, business strategy, plans and objectives of management for future operations may differ materially from those expressed or implied by such statements in this Presentation. This Presentation does not constitute the publication of any projections by the Company.

The information contained herein is current only as of the date hereof and is subject to material change. The Presentation will not be amended, updated or modified to reflect any changes occurring after that date, unless required by applicable law.

Selvita S.A. shall not be liable for the effects of decisions made after reading the Presentation. The only reliable sources of information on the financial performance of the Company and the Group are current and periodic reports published by Selvita S.A. as part of its legal obligations to provide information.

This Presentation is not intended for distribution to, or in, any state where the public dissemination of the information contained in this Presentation may be restricted or be prohibited by law.

Who are we?

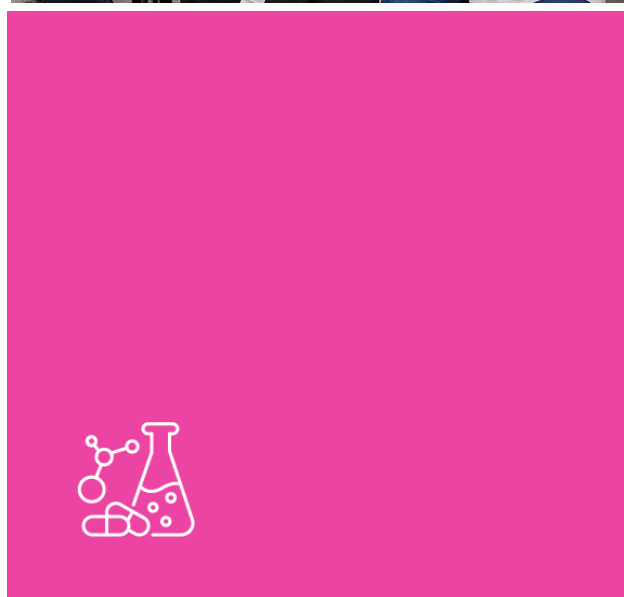
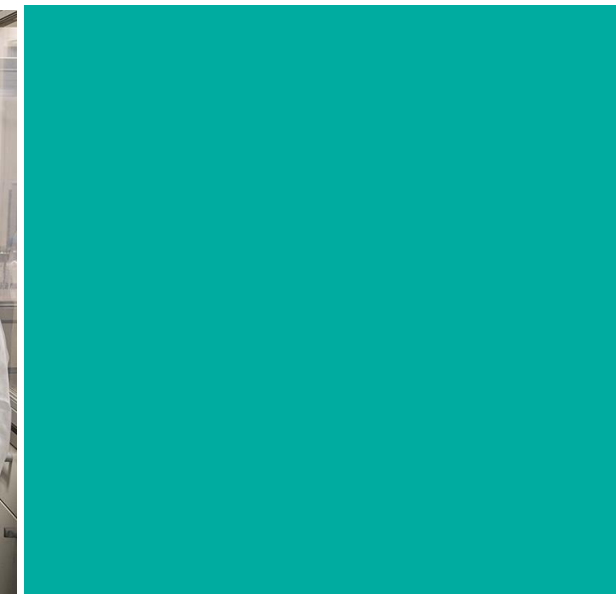
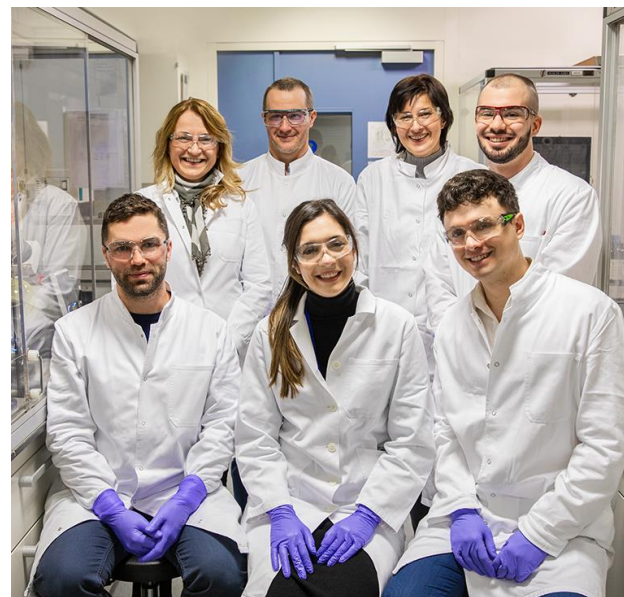
Selvita is an integrated service company (Contract Research Organisation) providing multidisciplinary support in resolving the unique challenges of research within area of:



DRUG DISCOVERY



REGULATORY STUDIES



Selvita Group at a glance in 2022

5

continents

40+

countries

6

locations
in PL, HR, UK and US

~750

customers

Including **7/10** largest, global biotech
and pharma companies

4000+

completed projects

900+

employees

12 000 m²

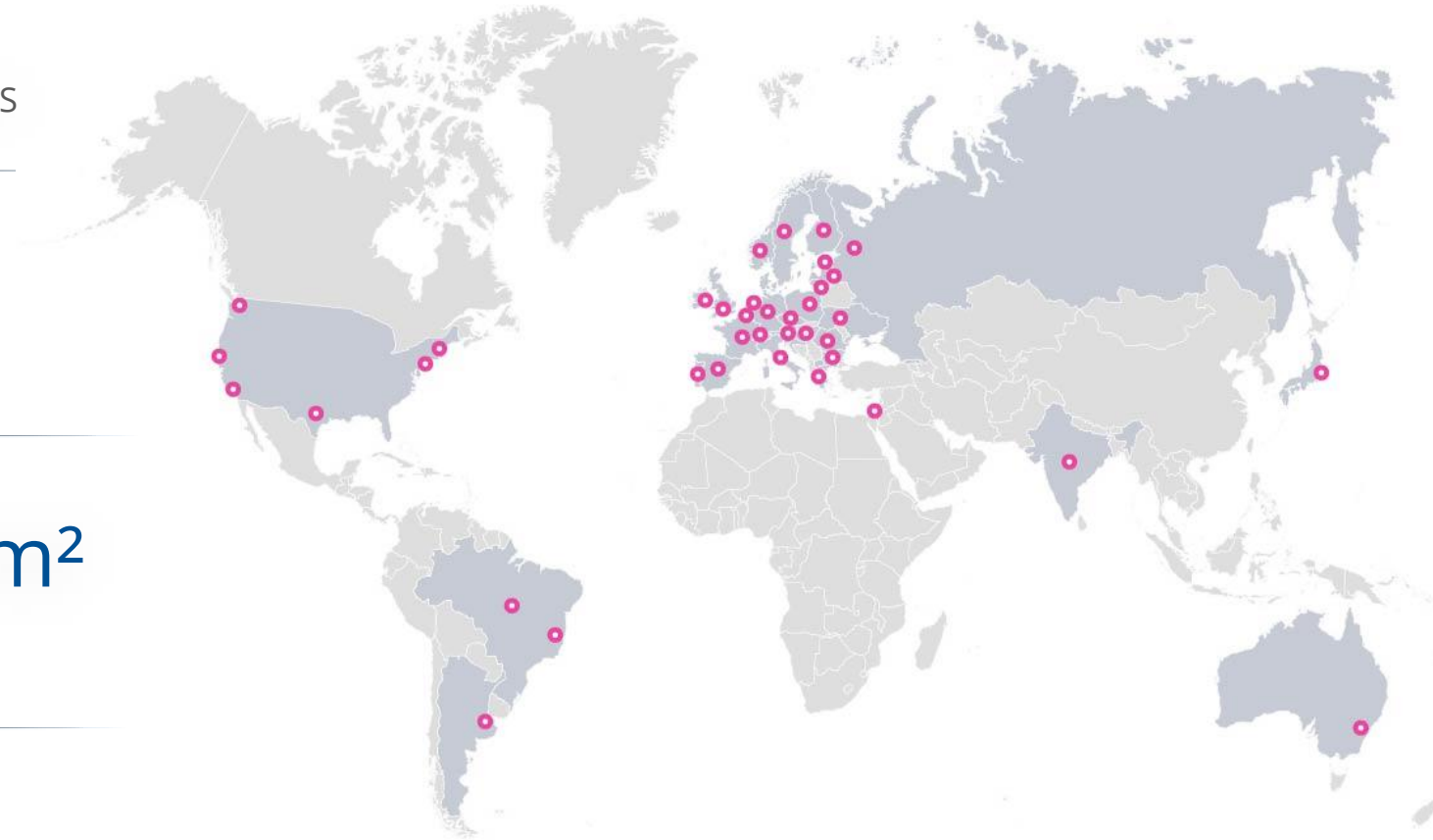
research space

300+

MLN EUR market cap

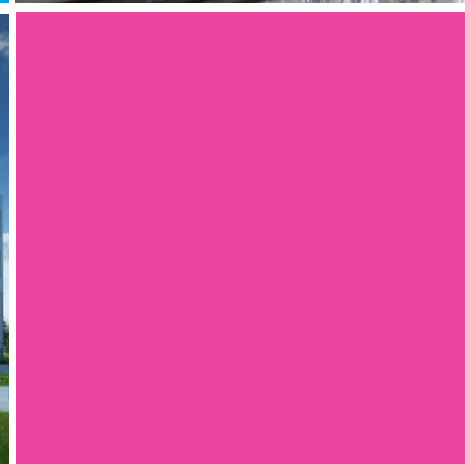
46%

revenue CAGR in years 2014-2021



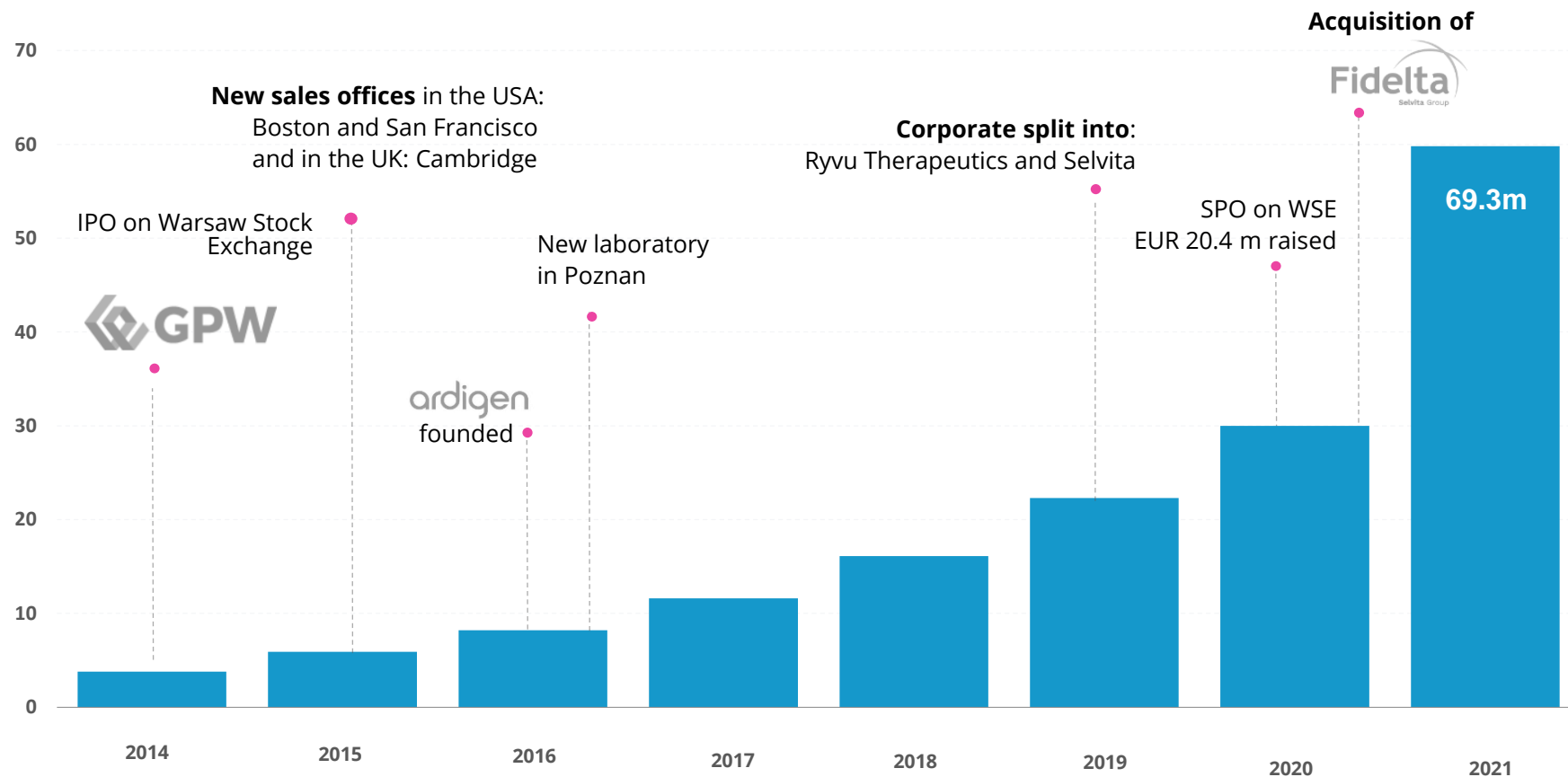
Our competitiveness on the CRO market

- Experienced scientific team
- Technology and research infrastructure
- Efficient communication and corporate culture
- Located in the heart of Europe
- Price competitive



Consistent and continued development

■ Revenues
[EURm]



Selvita ahead of time in realization of Development Strategy for 2020 - 2023

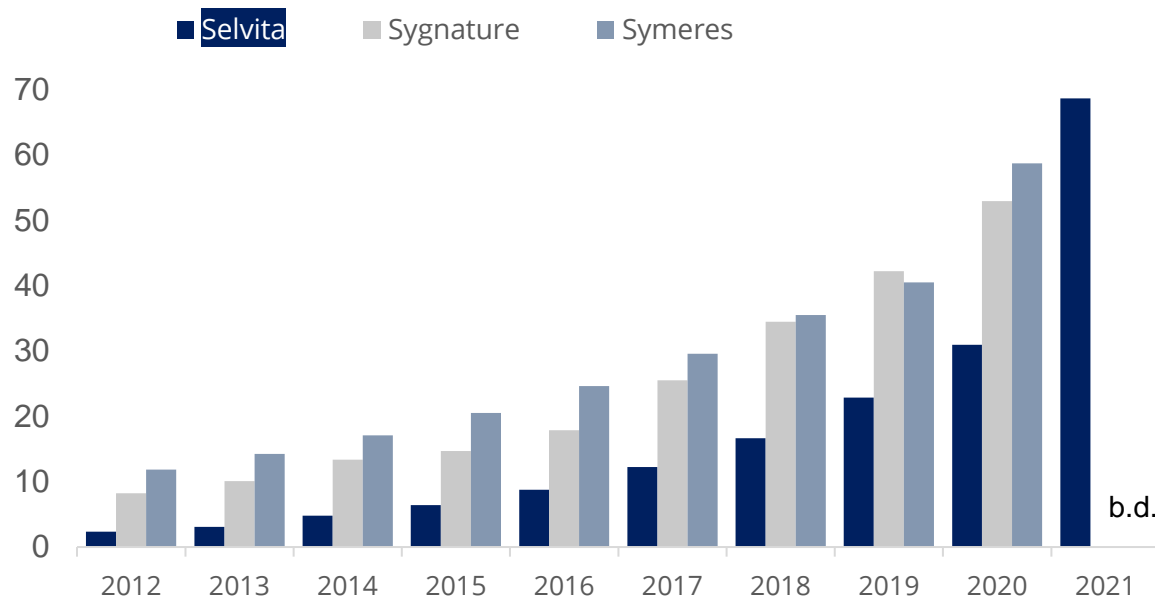
- ✓ Market cap >EUR 230m
- ✓ Growth through acquisitions
- ✓ Revenues ~EUR70m, stable EBITDA margin



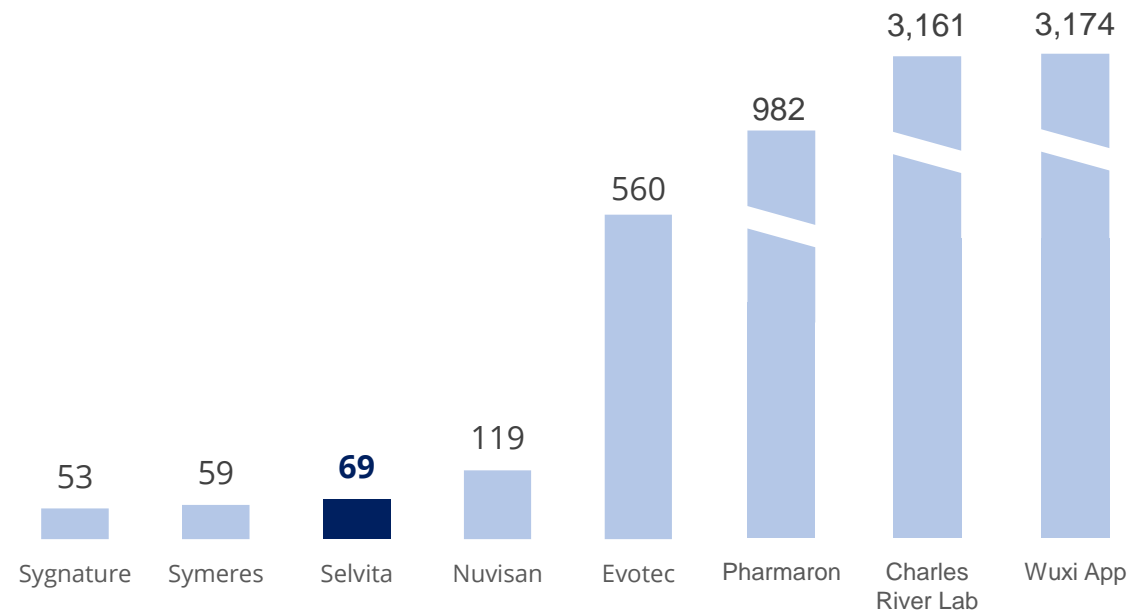
**Selvita compared to other
CROs**

Growing position among peers

Revenue growth - Selvita vs peers (EURm)



Position compared to market leaders – data for 2021¹ (EURm)

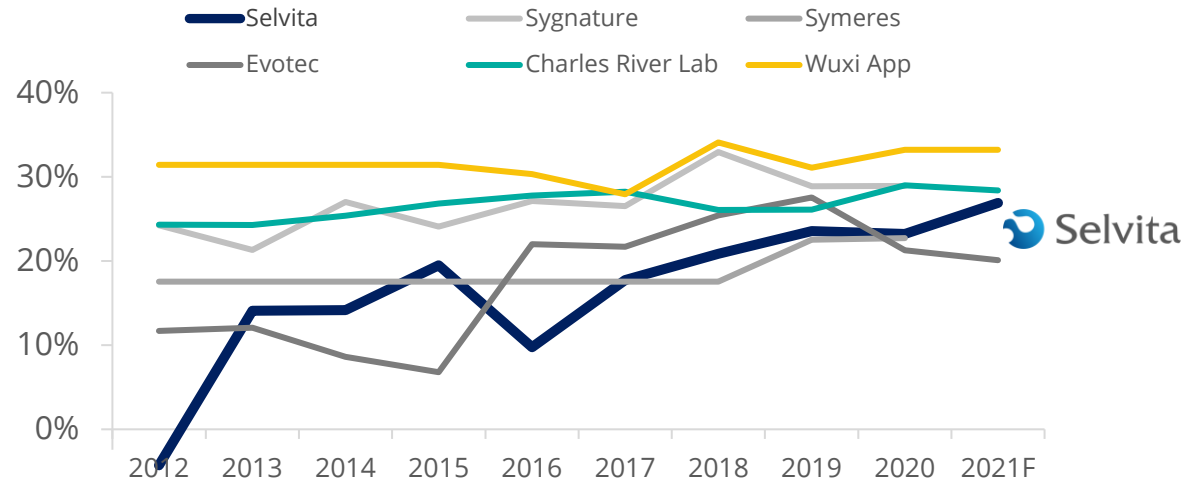


- Selvita's revenue growth CAGR over 10 years was 45%
- Thanks to the dynamic increase in revenues, Selvita has achieved the scale of medium-sized entities, such as: Symeres or Sygnature Discovery
- The company's goal is further growth, which will bring it closer to the largest entities in the industry

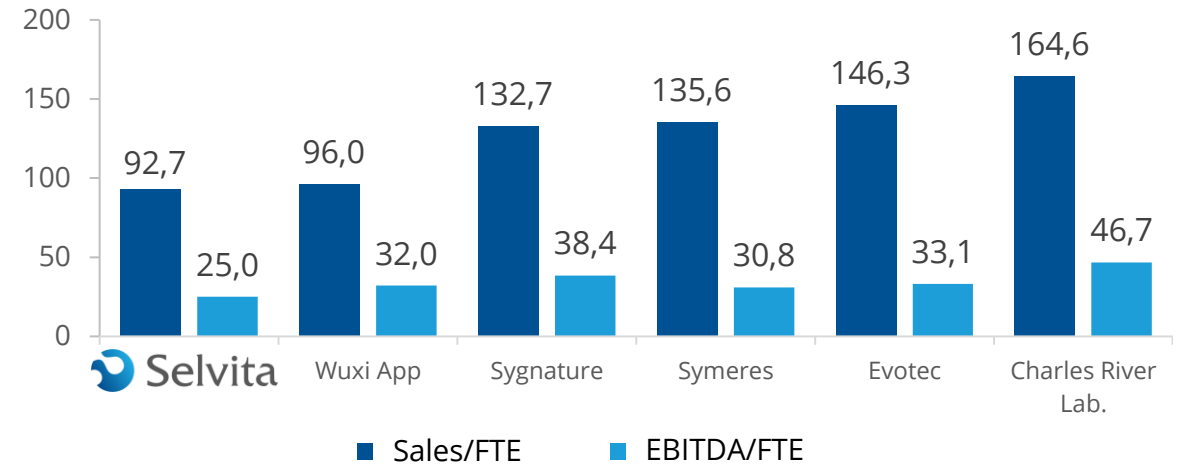
¹Excl. Sygnature, & Symeres with data for 2020

High operational efficiency

EBITDA margin of key players (in %)



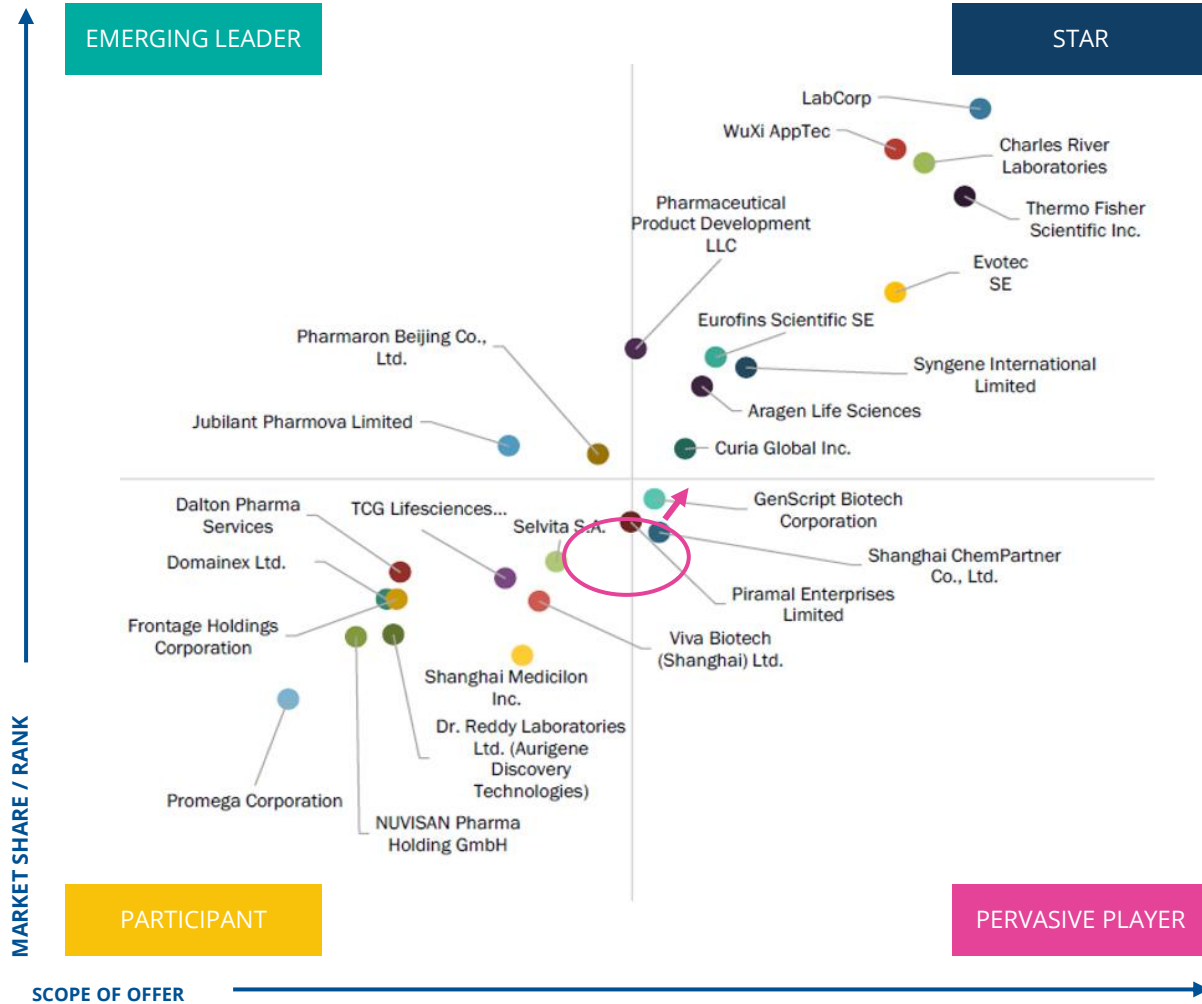
Sales and EBITDA per FTE (data for 2021¹, EUR thousand)



- Selvita Group systematically increases the profitability of the provided services. The EBITDA margin for 2021 was at 27%.
- Along with expanding the scope of services and acquiring high-margin projects, the Group will increase the level of revenues and EBITDA per employee.

¹Data for Sygnature Discovery, Symeres is for 2020, due to lack of information for 2021

Transition to a new phase of development



Currently, Selvita is one of the medium-sized CRO companies that is distinguished by its dynamics of development

Selvita's goal for the upcoming years is to move its position on the value matrix towards the perception as a leader with a comprehensive services offer

Source: Markets&Markets; Drug Discovery Services Market Global Forecast to 2026, January 2022



**Development Strategy
2022 - 2025**

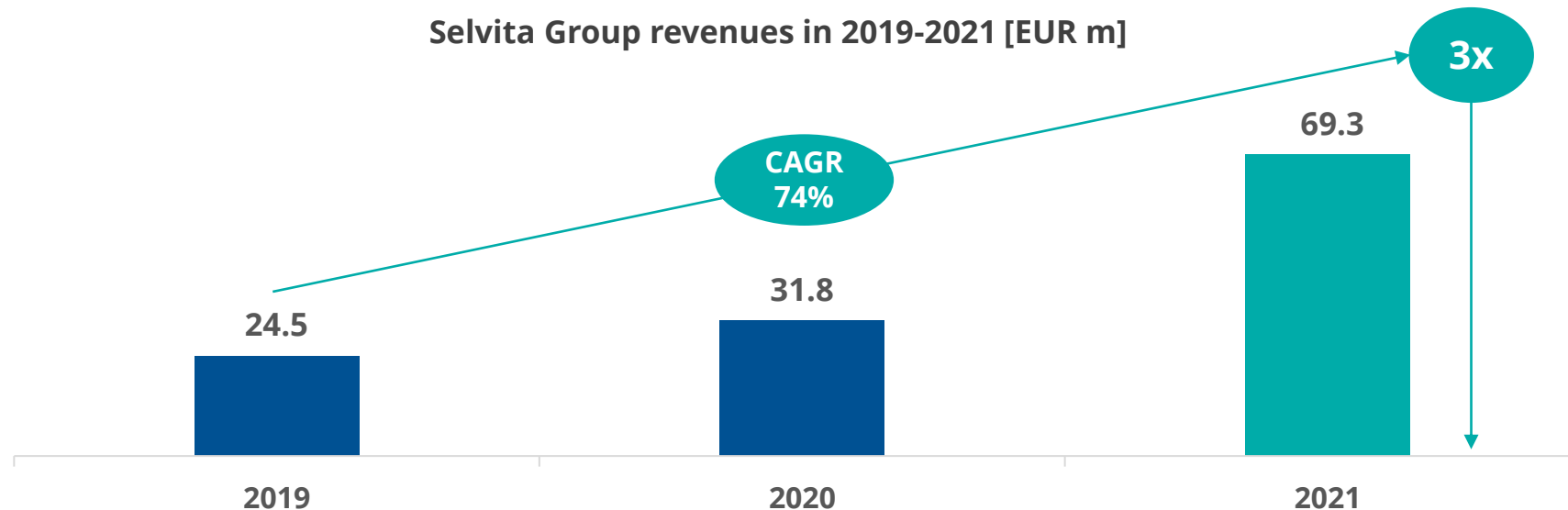
Accelerated implementation of the Strategy announced in 2020

Goals for 2020–2023:

- ✓ Market cap above **EUR 230m**
- ✓ Growth through acquisitions
- ✓ Revenues at the level of app. **EUR 70m** with stable EBITDA margin

Execution as of the end of 2021:

- ✓ Selvita's market value exceeds **EUR 300m**
- ✓ Acquisition of Fidelta (~40% of total Group revenues)
- ✓ Group revenues at the level of **EUR 69.3m** for 2021 with increasing EBITDA margin



Integration of Fidelta and preparing the Group for further development – changes at the Board



Integration of drug discovery area

Maximizing synergies, further development based on high-value services, implementation of new research competences



ADRIJANA VINTER, PH.D.
GLOBAL HEAD OF DRUG DISCOVERY



Sales teams integration

Focus on the effective sale of the entire offer, maximum use of the potential to further build a position on the market



MIŁOSZ GRUCA, PH.D.
CHIEF COMMERCIAL OFFICER, EVP



Strengthening the operational area

Creation of the Operations and Investment Support department responsible for the development and optimization of processes and the implementation of the latest IT technologies



MIROSŁAWA ZYDRÓN, PH.D.
CHIEF OPERATING OFFICER

Strategic Goals 2022-2025

Selvita as a leading global preclinical CRO providing services in the field of drug discovery and development, accelerating access to new therapies for patients

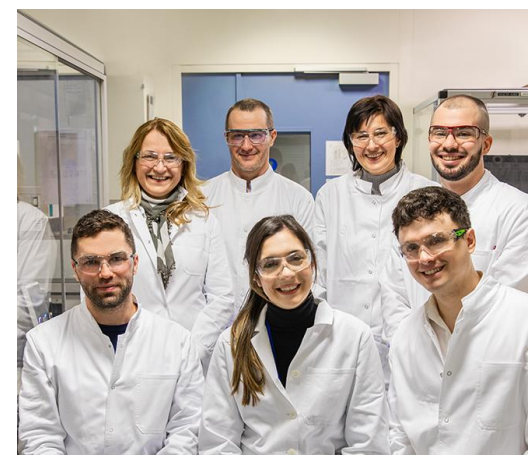
Comprehensive offer in the area of drug discovery and development

- Supplementing the drug discovery offer
- Building the drug development segment

Focus on services with high customer value

- Specialization in selected therapeutic areas
- Unique competences

Strong presence in the largest markets in the US and UK



Revenue
>EUR 200m

High
EBITDA
margin

34% CAGR of
revenues

3X growth with high profitability



Organic Growth

- Continued dynamic organic growth, CAGR >23%
- Planned increase in employment >70%
- Construction of the second laboratory facility in Krakow
- Expansion of the leased laboratory space in Zagreb and Poznan



Acquisitions

- Additional EUR 30-50m of revenues thanks to acquisitions. Financing up to EUR 110m from own resources and available debt
- Interest in companies:
 - in drug development area (CDMOs)
 - supplementing competencies in the area of drug discovery
 - located in Europe and North America
 - from new technological areas

Selvita 2025

EUR 200m in revenues, high EBITDA

- Around 1,600 scientists and experts in several locations:
 - Krakow, Zagreb, Poznan
 - Another location in Europe (acquisition)
 - Project Teams in Cambridge and Boston
 - Laboratories in North America (acquisitions or organically)
- Strong presence and brand recognition in the US and UK
- A comprehensive range of drug discovery and drug development services



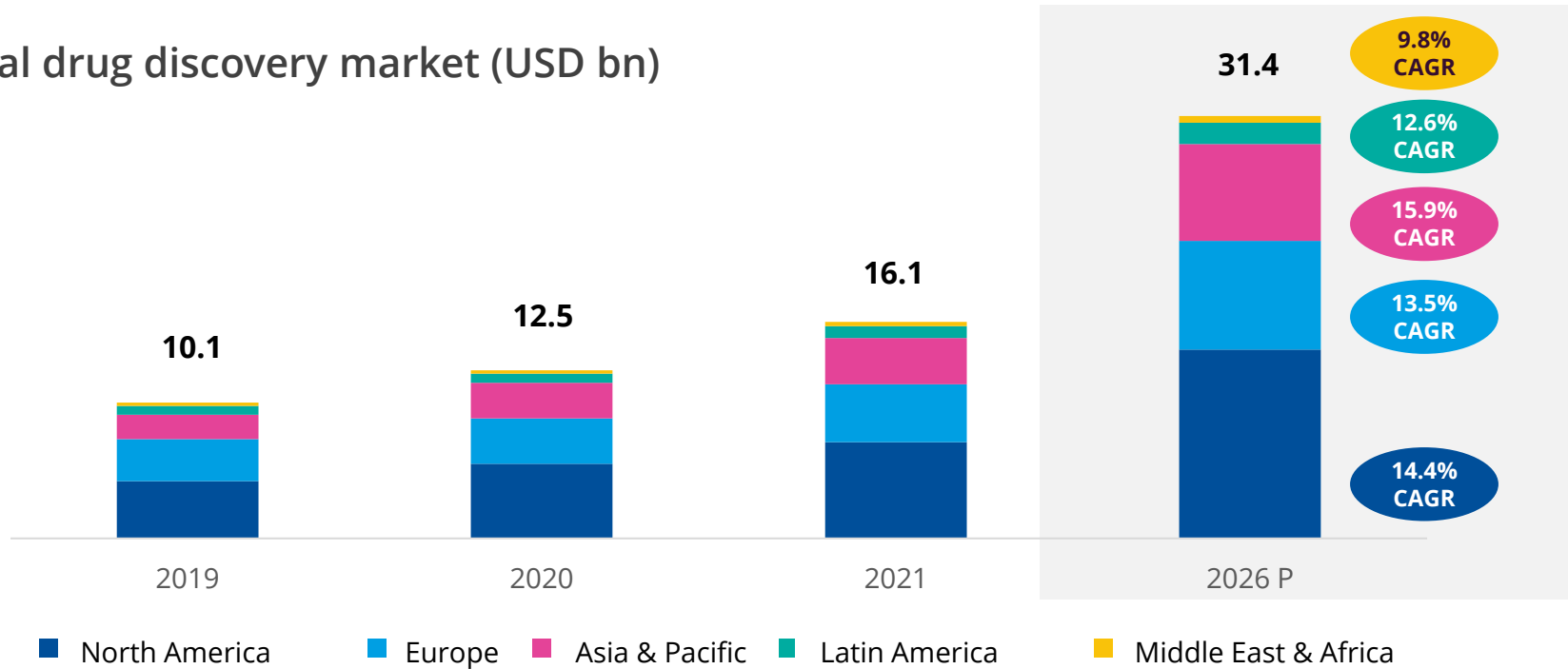
**Selvita as a global
preclinical CRO**



Market perspective

Dynamic growth of the market is favorable for CROs

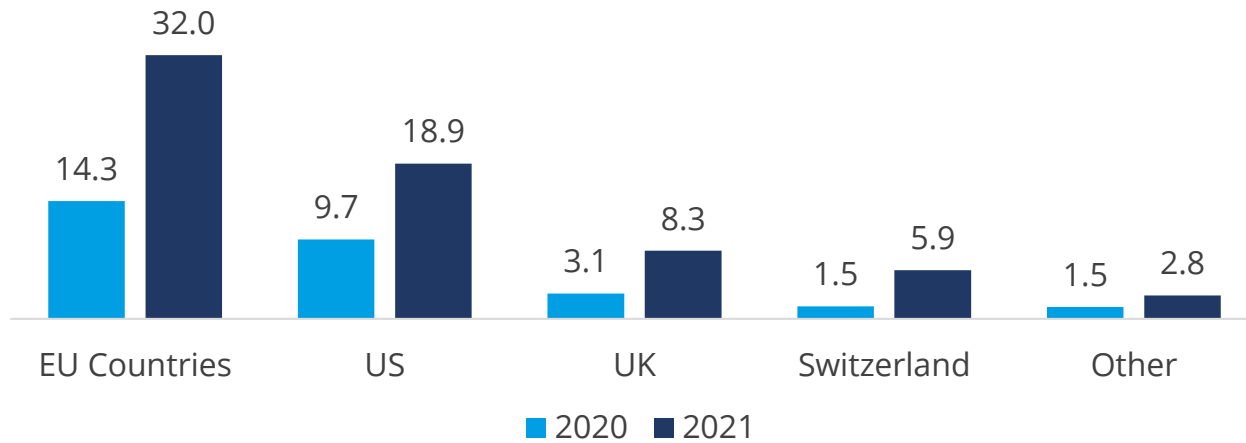
Value of the global drug discovery market (USD bn)



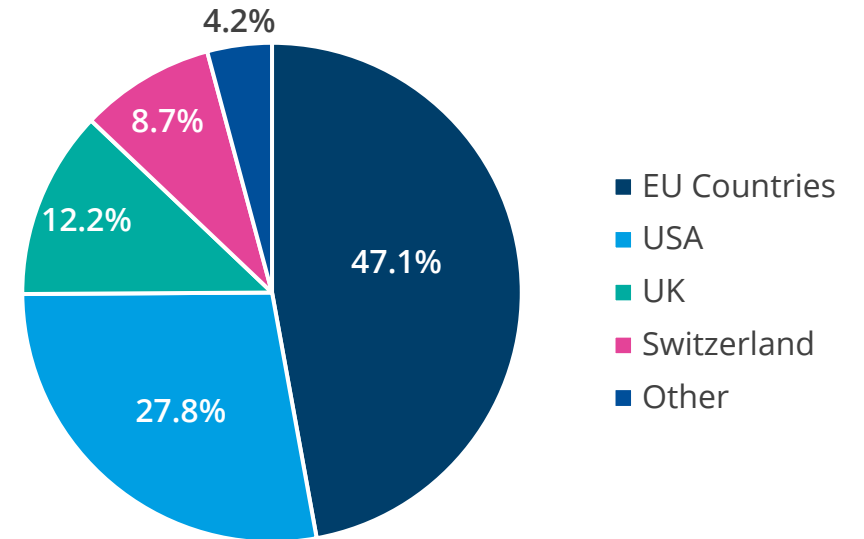
- The global drug discovery market is expected to almost double its size in 2021-2026
- The leading market segments by therapeutic area are: oncology, infectious diseases and neurological disorders
- The leading therapeutic segments match the areas of specialization for both Fidelta and Selvita

Significant presence on major markets

EURm Split of commercial revenues per market



Revenue structure (2021)



- The international profile of the Company with a dominant share of clients from the EU, the US, and the UK
- Dynamic growth of revenues in the US (95% y/y) and UK (171% y/y), accomplished thanks to the acquisition of Fidelta and organic growth of Selvita and Ardigen
- Significant growth potential, especially in the US, where Selvita’s market share still accounts for a small percentage of the market potential available to mid-sized CROs

Selvita Group's Market Strategy

Leveraging over 50 years of cumulative experience in drug discovery (Selvita + Fidelta)

- Strong brand after Selvita and Fidelta integration – supplemented with potential acquisitions
- Comprehensive solutions in the field of preclinical drug discovery

Offer tailored to the needs of customers on the key markets

- The critical distinguishing feature of the competitive market (as in the US) is the offer tailored to the demanding customers
- Competing with competencies and approach to the client, not with the price
- Biology services, as the main growth factor for integrated projects

Selvita closer to the client

- New locations on key markets (US, UK) thanks to acquisitions or organic growth
- Building the relationship with the client at every stage of the project
- Strengthening foreign BD teams

Selvita as an experienced and fully integrated service provider in the field of preclinical drug development

50 years
of experience



Strong
brand

Closer to
the client



Full integration under the Selvita brand

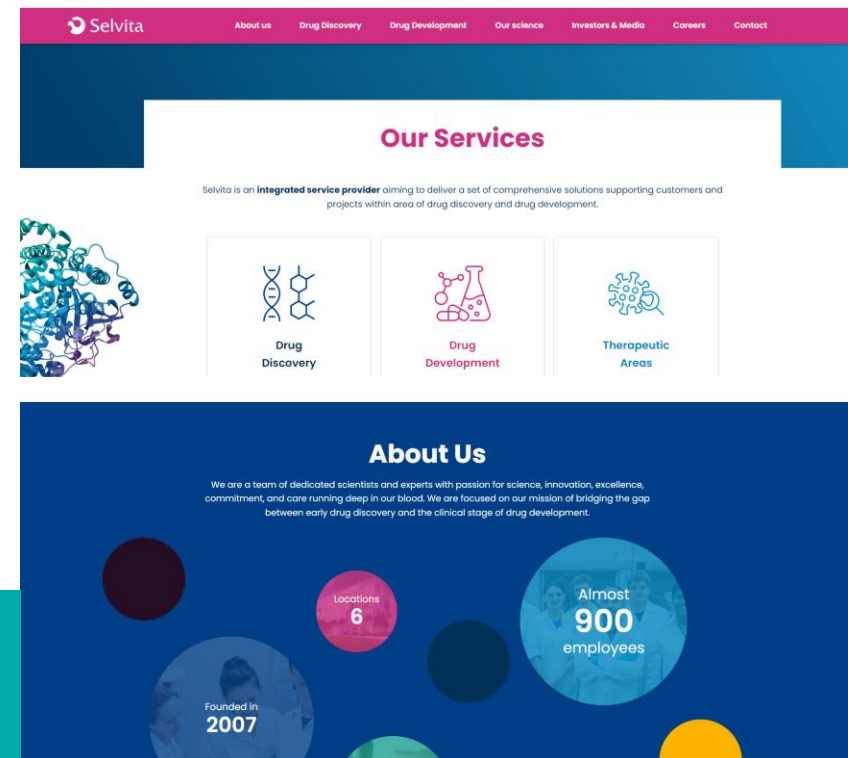
As of March 31 this year, Fidelta will operate under the Selvita brand while remaining a subsidiary company.

Business goal:

To build comprehensive research capabilities bridging the gap between early drug discovery and clinical research.

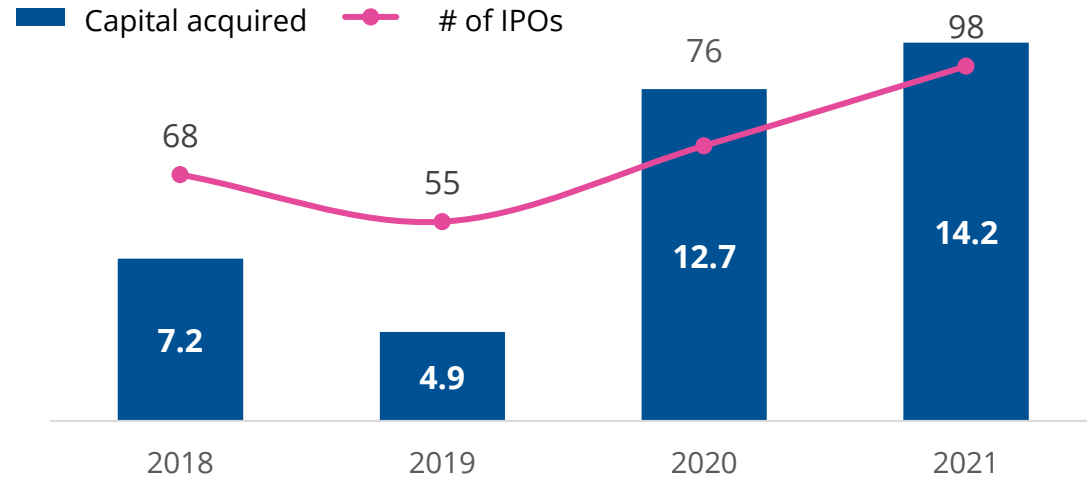
- **New development opportunities** – building a single, strong brand that operates globally
- **Efficient and effective sale of services offer** covering the scope provided both by labs in Poland and Croatia, requires integration under one brand
- **Integrating sales activities**, as a step to strengthen the position on the market – joint sales offer, promotion of one brand at industry events - facilitates communication with customers

Operating under one brand is an important step in Selvita's evolution



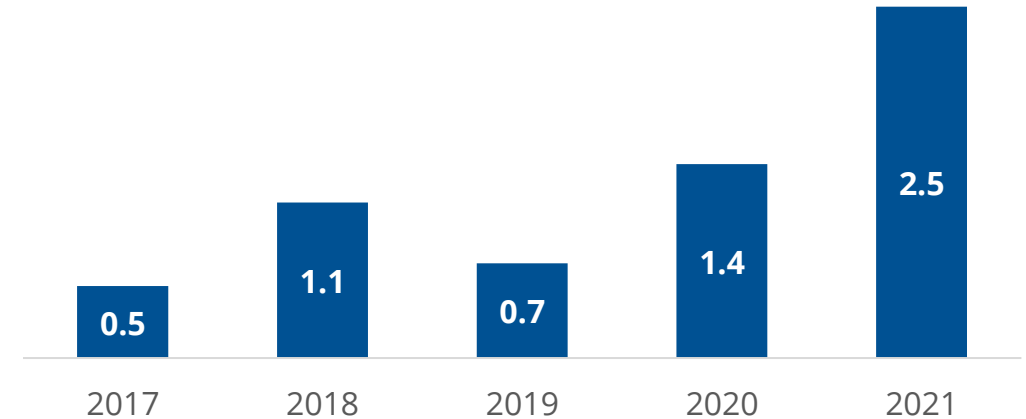
Record-breaking financing in biotech

Acquired capital and number of IPOs on Western Markets [USD bn]



Source: <https://www.evaluate.com/vantage/articles/insights/venture-financing/2021-it-paid-stay-private-when-chips-were-down>

Funds obtained from VC market in UK [GBP bn]



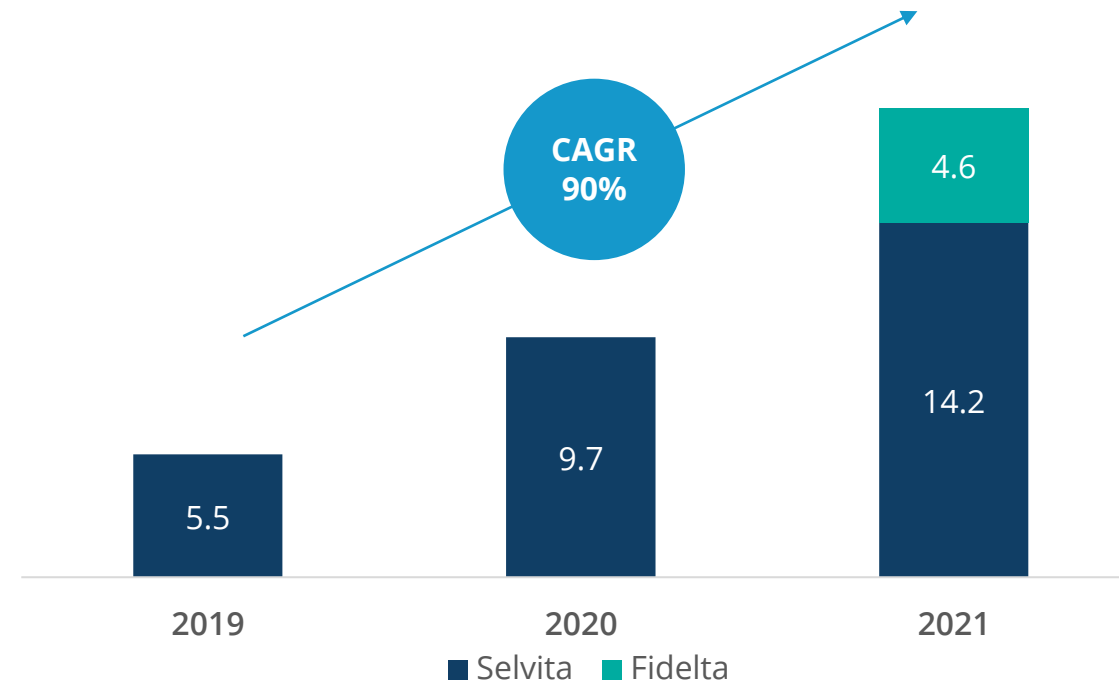
Source: UK BioIndustry Association; UK biotech financing in 2021

- Record-breaking financing of biotech companies is a very good prognostic indicator for the CROs
- The US is by far the largest market (86 IPOs in 2021)
- In Europe the UK market accounts for approx. 40% of the total capital raised in 2021
- The capital raised in the US begins to translate into an increase in the demand for CRO services in Europe as well

United States – a huge growth potential, innovative technologies

- In the next 2-3 years, the US market should dominate in terms of revenues generated by Selvita
- The main factors determining the success of CRO companies are: access to innovative technologies, an experienced research team, and a comprehensive offer
- The increase in recognition of the Selvita brand on the US market and the acquisition of Fidelta translate into a significant increase in revenues
- Tensions between the US and China lead to increased geographical diversification of research the partners of the US biotechnology companies

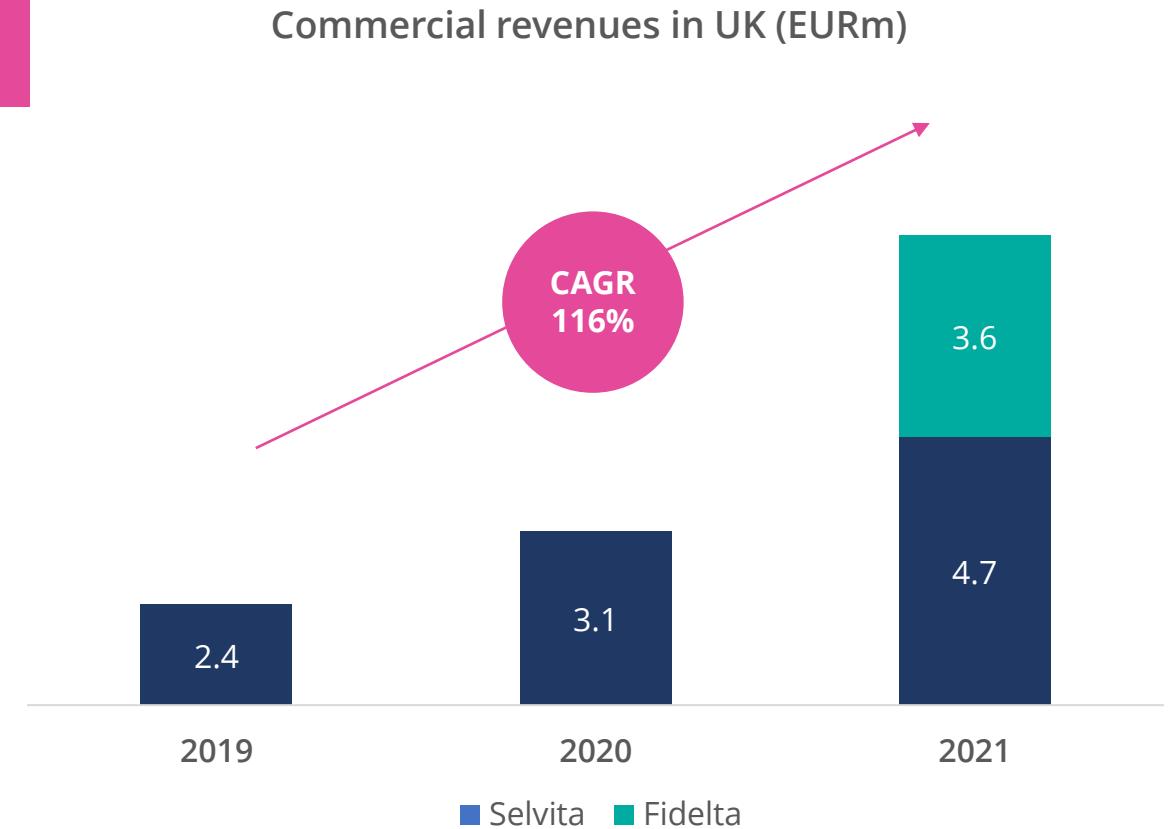
Commercial revenues in US [EURm]



Development in key markets: Great Britain

Great Britain – great financing, integrated projects

- The golden age of the biotechnology sector - well-funded biotechnology companies with high demand for the outsourcing of research projects
- In 2021 alone, UK companies raised around £4.5 billion (public and private investors)
- One of the key markets when it comes to the development of Selvita's offer in the area of integrated projects
- The highest dynamics of revenue growth in Selvita Group



Building a position in key markets

Development of research teams in foreign markets

One of the elements of Selvita's sales strategy will be the development of research teams operating in key markets such as the United Kingdom and the United States

- **Creating a local interface** for clients responsible for direct contact with research teams in Poland
- **Coordination of IDD projects** - bringing teams carrying out research tasks in Poland closer to clients in key markets
- **Initiating the process of creating research teams** in the US and UK - an additional level of consulting used in sales processes
- In times of high geopolitical instability, this strategy will enable continuous recruitment of highly qualified specialists from the local scientific community



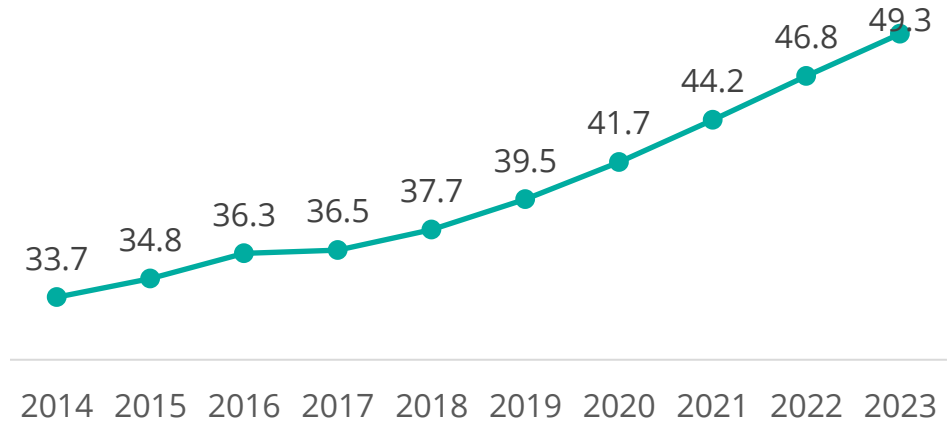


M&A Strategy

M&A drivers and market trends in the preclinical CRO space

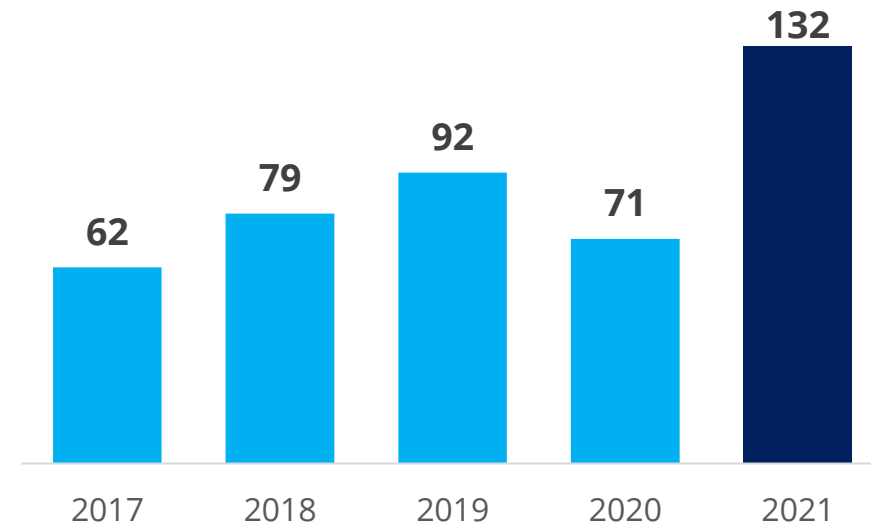
- **Strong tendency to outsource** in the biotechnology and pharmaceutical sectors. The growing share of outsourcing in the drug discovery process and insufficient internal expertise drive activity in the area of mergers and acquisitions
- **Consolidation of the market.** CROs seek to add scale, broaden geographical presence and achieve synergies. Increased competition for niche CRO assets
- **Increasing uptake of technology.** Use of AI and machine learning in drug discovery as a key differentiator
- **The one-stop-shop approach,** i.e. comprehensive CRO and CDMO activities within one organization
- **Extending the offer with new therapeutic areas or modalities** using M&A
- **High transaction activity** in the industry in recent years. A significant increase in the activity of private equity funds

Global CRO Market Penetration Rate, %



Source: Results Healthcare; CRO sector M&A drivers and market trends, Q1 2022

Number of M&A transactions on CRO market is increasing



Vertical Expansion

Combining CRO with CDMO activity. Selvita as an end-to-end provider

/Pre-formulation capabilities, clinical batches manufacturing, GMP scale-up/

Horizontal Expansion

Strengthening portfolio, scaling existing capabilities

/Bioanalytical studies, GLP Tox studies, DMPK, CNS expertise/

Geographic Expansion

US and UK as the main markets for Selvita

Technology Expansion

Opportunistic acquisition. A gateway into new modalities

TARGET CRITERIA: Small and medium companies with a good track record that may require reorganization or have not built extended sales network to release their full potential

QUANTITATIVE CRITERIA: EUR 5-35m revenues

NUMBER OF EMPLOYEES: 30-250

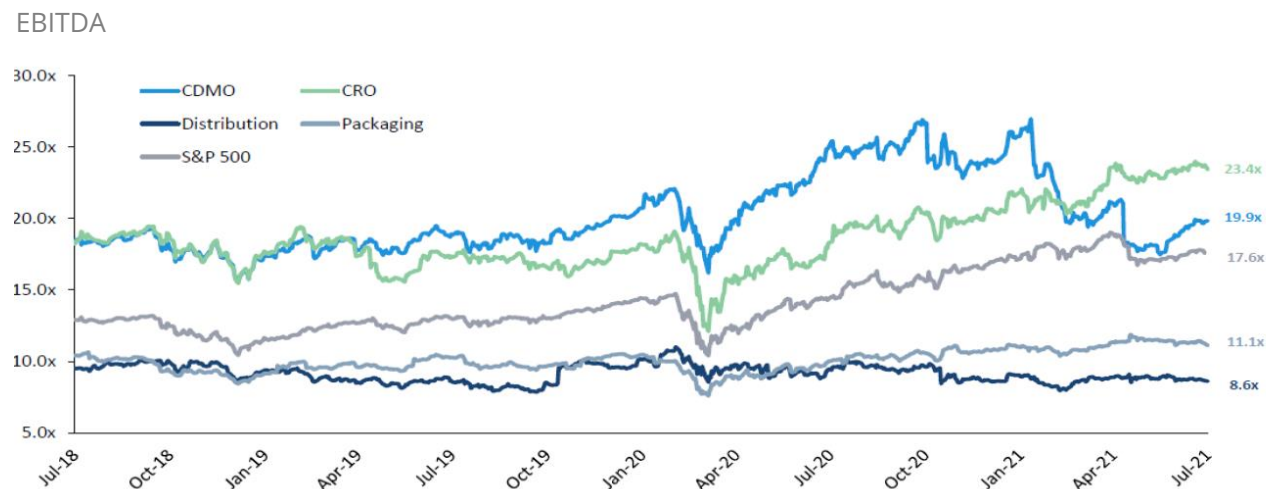


Total revenues that Selvita plans to "acquire" thanks to M&A: **EUR 30-50m**

- **Approximately EUR110 million** (cash + debt) to finance acquisitions
- Healthy balance sheet allows Selvita to primarily finance acquisitions through debt
- Gross leverage ratio to be kept below 3x
- Possibility to finance acquisitions of bigger-sized players through issue/swap of shares
- Strong demand resulted in an increase in the valuations of CRO companies. The median P / S ratio of public CRO deals over the past 5 years was 3.3x *, while current EV / EBITDA valuations are around 20x
- Targets that are too small for the bigger players can be potentially acquired at lower multiples
- Selvita plans to acquire companies whose multipliers will be lower than Selvita's

EURm	Debt	Available cash	Net Debt
Selvita Capital Group	39.0	21.2	17.8
EBITDA	18.6		
Net debt/EBITDA	0,97x		

Valuations of CRO companies are at record high



Source: Results Healthcare; CRO sector M&A drivers and market trends, Q1 2022

* Source: MergerMarket



**Drug discovery
& drug development**

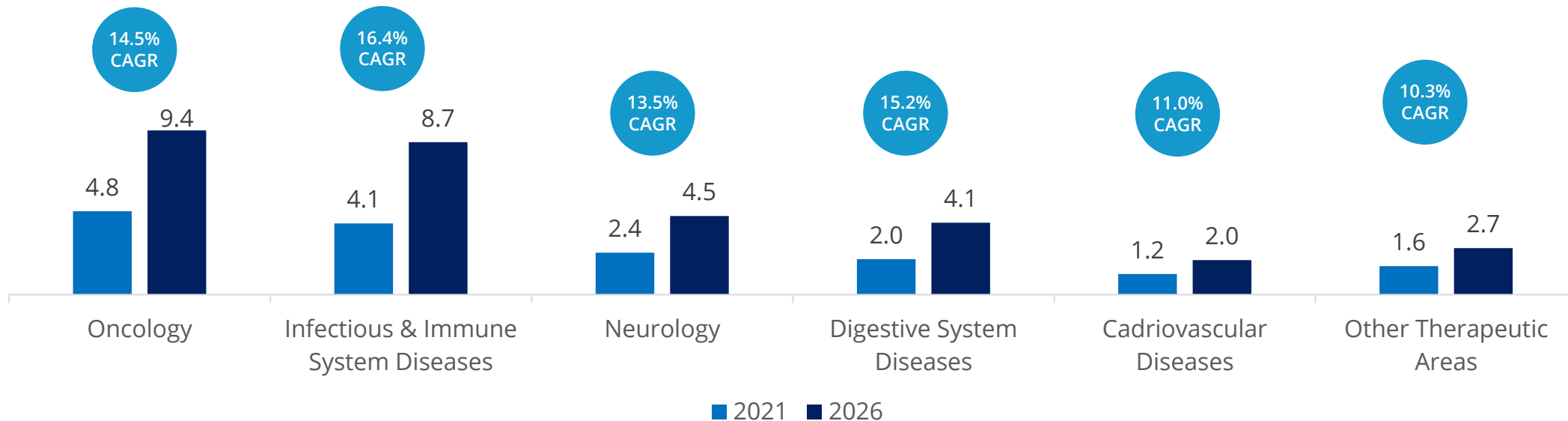
Drug discovery services market

by Therapeutic Area

- The global drug discovery services market forecast for 2021-2026:
 - **projected to reach USD 31.4 billion by 2026**, increasing from USD 16.1 billion in 2021
 - CAGR of 14.3%

- Oncology segment
 - accounts for the largest share of the therapeutic area segment
- Neurosciences
 - the third biggest therapeutic area

Drug Discovery services growth dynamics by Therapeutic Area (USDbn)



Drug discovery services market

by process

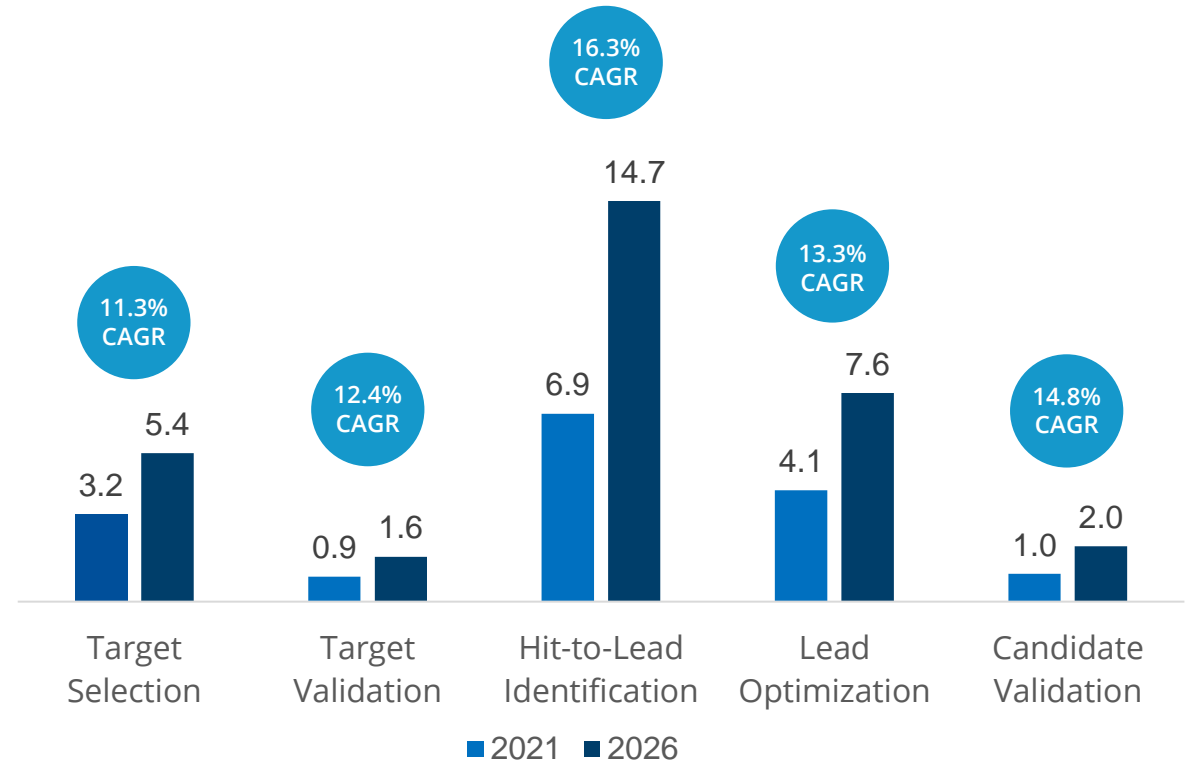
- **Hit-to-lead identification** segment

- the largest share of the drug discovery services market in 2020
- plays vital role in the drug discovery and is the most revenue-generating process
- characterized by the highest growth dynamics

- **Lead optimization** segment

- is the second biggest by revenue
- records double-digit growth increases

Drug Discovery services growth dynamics by Process (USDbn)



Source: Markets&Markets; Drug Discovery Services Market Global Forecast to 2026, January 2022

Leveraging history with dynamic growth and broad market access to create the future

- Long term experience in DD demonstrated by clinical candidates
- Translational approach to Drug Discovery projects
- Following marketing trends
- Passion for discovering new drugs
- Dynamic growth

By offering deep scientific knowledge and focusing on the disease and the patient, we will help clients to accelerate their projects towards the clinic



Offering comprehensive drug discovery and drug development services by

- Filling the gaps in drug discovery offer
- Building drug development segment

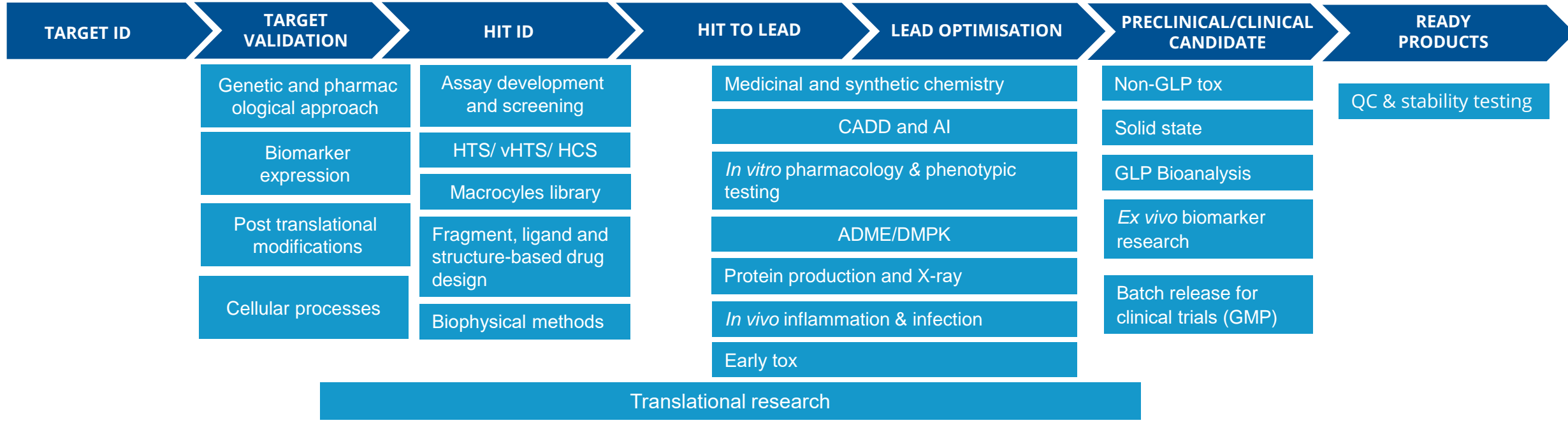


Prime research solutions – focus on competence centers and specialized capabilities

- Further development of established therapeutic areas
- Expanding Oncology and Neurosciences
- Strengthening position on the market as an integrated drug discovery services provider
- AI and structural biology support for drug discovery services
- Drug Development services for biopharmaceuticals

Comprehensive offer of drug discovery & drug development services

SELVITA TODAY



TO BE ACQUIRED / DEVELOPED



Specializing in prime research solutions and focus on the translational offer

Further development of Inflammation, Respiratory, Infection



- Establishment of tissue biobank from *in vivo* animal models
- Developing new assays with more complex read outs
- Addressing the challenges related to post-Covid lung injury syndrom

Strengthening Oncology/ Immunooncology



- Developing *in vivo* offer (initially by partnering then in house)
- Platform of profiled primary human tumour cells & tumor organoids
- HCS models, tailor made PDXs

Expanding Neuroscience



- Building on existing neuro-inflammation assays & models
- Partnering and/or acquisition of more specialised *in vivo* models

Integrated Drug Discovery Approach

Increase visibility
with high-end Drug
Discovery partnerships

Integrate Drug
Discovery departments
through projects

Focus on therapeutic
areas and problem-
solving approach

Bringing larger revenue
streams with increased
stability



**HELP CLIENTS TO DISCOVER NEW DRUGS
by offering full package including AI solutions**

- focus on the protein properties by utilisation of modern structural biology methodologies
- HIT ID by library screening and fragment-based drug discovery (FBDD) approach
- optimize leads by early introduction of translational strategies for compound de-risking

Introduction of AI services in Drug Discovery process

AI influence on the drug discovery process:

- Improving effectiveness of ongoing projects and opening new options especially for rare diseases
- Process could be faster and cheaper = possibility for more new drugs

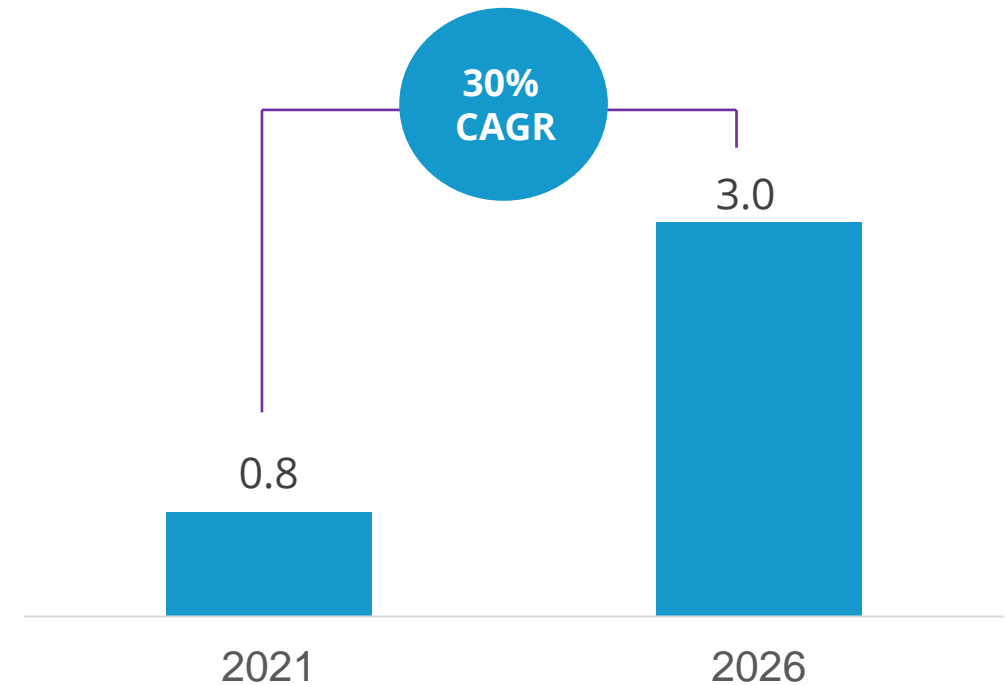
Forecasted dynamic growth of AI services in drug discovery processes, CAGR >30%

Our objective: To make all relevant drug discovery and development services supported by AI tools by 2025

based on extensive Selvita drug discovery expertise and AI excellence of Ardigen team in a new model of cooperation

- Selvita covering in-house basic/general AI/ML services
- Ardigen delivering advanced services and focus/specialized tools

Dynamic growth of global AI in Drug Discovery (USDbn)



Source: <https://www.globenewswire.com/news-release/2022/01/18/2368751/0/en/Pharma-Industry-Players-Leverage-AI-For-Drug-Discovery-By-Using-Precise-Molecular-Target-Identification-As-Per-The-Business-Research-Company-s-Artificial-Intelligence-AI-In-Drug-Di.html>

Regulatory services market

- By 2028 market for outsourcing analytical services will accelerate at a CAGR of 8-9%, reaching **USD 2.5 billion** in Europe and **5.4 billion** in the US
- The market is **fragmented** with dozen players occupying the market share, creating exciting opportunities for companies like Selvita offering CRO and CDMO services
- Approx. 36% of the growth originates from the US alone



Transforming Regulatory department into a fully-fledged drug development segment



Action Plan

- Creating a comprehensive platform for testing small and large molecules throughout the CMC cycle and batch release testing
- Selvita's capabilities should comprise capabilities from IND through NDA to the marketed phase
- Drug Development Department is a natural and logical extension of drug discovery capabilities



Required Steps

- Partnering or acquisition of CDMO to create a comprehensive portfolio of services (GMP production, development of formulation, and analytical testing starting)
- Investments in the analytical platform for biopharmaceutical testing to ensure Selvita can support Clients in earlier stages of drug development
- Increasing capacity for testing small molecules and bioanalytical testing

Ardigen - in the perspective of 2025, the company is planned to become more independent

Ardigen is a rapidly growing company with an attractive offer of AI services. It operates in a market that is expanding exponentially. The strategy for further development will be based on:

- Scaling the Digital CRO segment - maintaining high margins and gradually shifting the business towards larger contracts, long-term cooperation
- Further development of AI platforms - after the first commercial validations, each platform requires a dedicated strategy of further development to achieve commercialization at a satisfactory level, which will ensure even higher margins than currently provided services
- Systematic strengthening of the presence on the American market (currently the Company has a sales team of three)

By 2025, Ardigen will become more independent from Selvita





**Factors driving the
organic growth**

Experienced scientific team: potential for further growth

- ✓ Strengthening Selvita's employer brand
 - Presence in attractive science centers: Krakow, Zagreb, Cambridge, Boston
 - Higher level of life science education in Poland - new specializations
 - Attractive market for employees in PL, CRO - decreasing distance to the countries of Western Europe
 - Over 6.000 applications for research positions in 2021
- ✓ A stable research team with great potential for further development
 - An extensive employee stock ownership program significantly improves employee retention
 - Relatively young team
- ✓ Maximizing the use of the new, post-covid model of partially remote work will attract people who do not want to move to PL / CRO

The team's growing experience is a potential
for further growth of the revenue per employee

~20% scientists at
Selvita laboratories
in Poland are
foreigners



44% of scientists
with a Ph.D. title

24 nationalities



Research space – a key factor for further development

Along with the development of the biotechnology sector, the laboratory space available for rent was saturated

For medium and large companies, building their own laboratories is the optimal solution

- Cost-effective - specialized space is more expensive to rent
- Independence / security

The construction of the first stage of Selvita Research Center in Krakow is underway

- Launch planned for Q1 2023
- Possibility to create approx. 250 new jobs for scientists

By 2025, execution of the second stage of expansion is planned

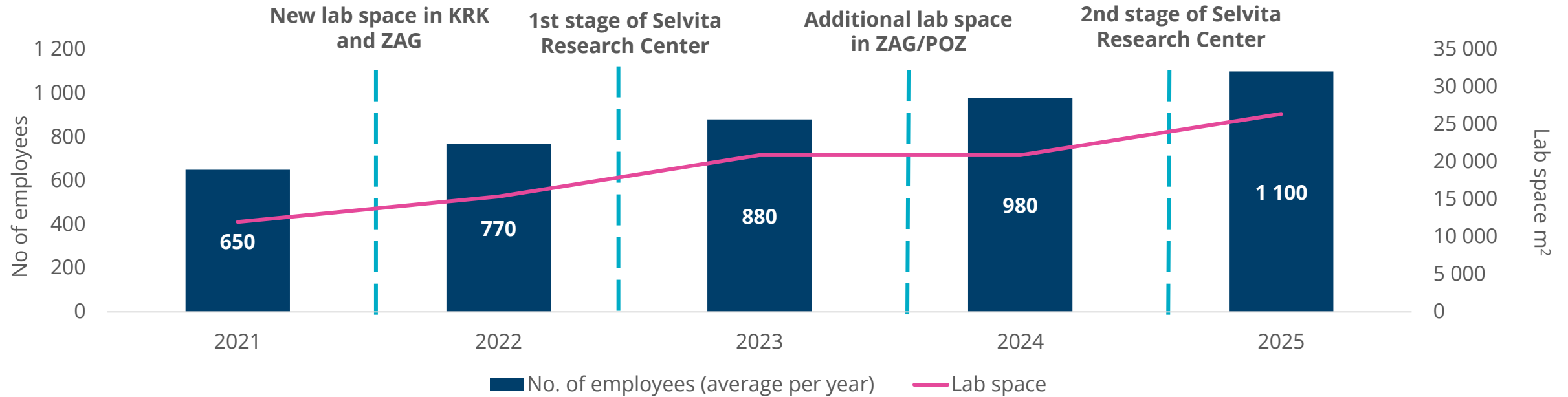
In Q1 2022, the second plot of land in Krakow was purchased

- Doubling the development opportunities
- Ultimately, the possibility of completing four stages & 1,000 additional jobs



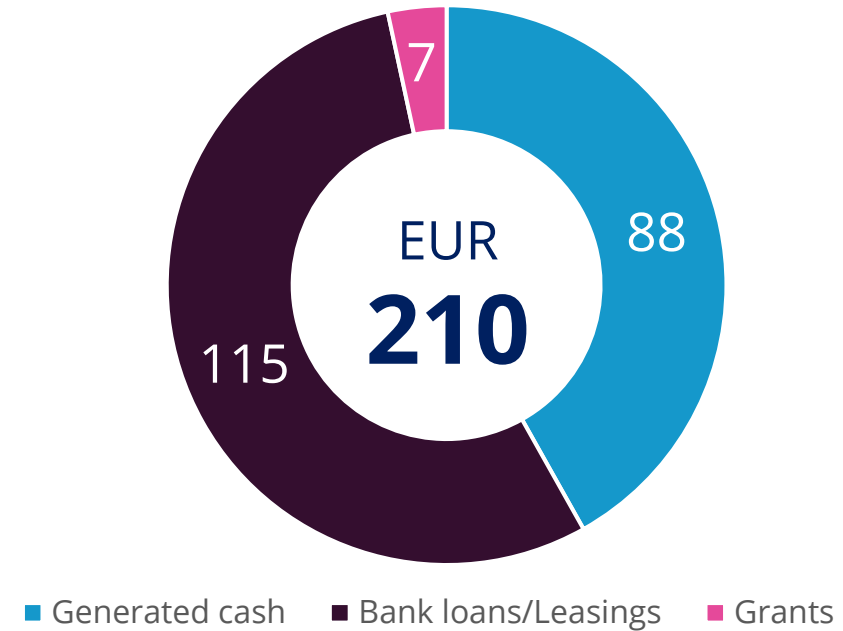
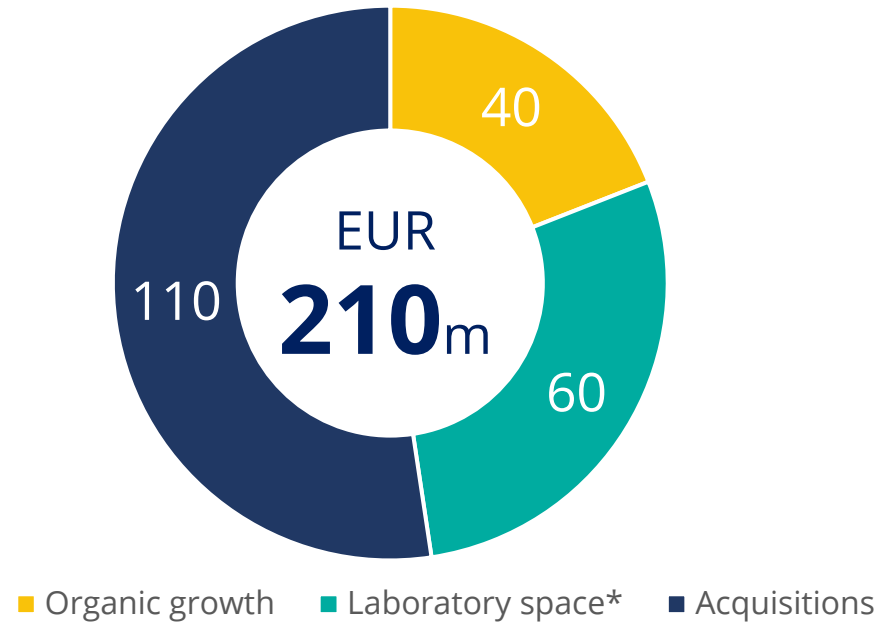
Organic growth supported by additional lab space

Estimated number of employees and lab space (m²) (organic growth)



- Estimated organic CAGR growth of 23% translates into approx. 14% increase in head count y/y
- Estimated cash needs for the completion of the 1st stage and construction of the 2nd stage are ~60m EUR. Financed by own funds, bank loans and grants (1st stage)
- The completion date of the 2nd stage will be tailored to Selvita's needs, Q1-Q3 2025
- The development in Zagreb and Poznan is planned based on the leased space

Financing the Strategy 2022-2025



- The capital expenditures will be financed with own funds, 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
- Acquisitions will be financed with own funds and debt. The Company will consider possible stock swaps or follow-up issuance only in the case of significant transactions

* Includes the phase I & II of Selvita Research Centre construction



Summary

Strategic goals for 2022-2025

Selvita as a leading global preclinical CRO providing services in the field of drug discovery and development, accelerating access to new therapies for patients

Organic growth + growth through acquisitions

- **Comprehensive offer in the area of drug discovery and development**
 - Supplementing the drug discovery offer
 - Building the drug development segment
- **Focus on services with high customer value**
 - Specialization in selected therapeutic areas
 - Unique competences
- **Strong presence in the largest markets in the US and UK**



Contact us: ir@selvita.com



Glossary

- **AI** - Artificial Intelligence
- **ADME** - Absorption, Distribution, Metabolism, Excretion
- **API** - Active Pharmaceutical Ingredient
- **CADD** - Computer Assisted Drug Discovery
- **CDMO** - Contract Development and Manufacturing Organization
- **CLO** - Contract Laboratory Organization
- **CMC** - Chemistry, Manufacturing and Controls
- **CNS** - Central Nervous System
- **CRO** - Contract Research Organization
- **DD** - Drug Discovery
- **DMPK** - Drug Metabolism and Pharmacokinetics
- **FBDD** - Fragment-Based Drug Discovery
- **GLP** - Good Laboratory Practice
- **GMP** - Good Manufacturing Practice
- **HCS** - High Content Screening
- **HTS** - High Throughput Screening
- **IDD** - Integrated Drug Discovery
- **IND** - Investigational New Drug
- **ML** - Machine Learning
- **NDA** - New Drug Application
- **PDX** - Patient Derived Xenograft
- **R&D** - Research and Development
- **TA** - Therapeutic Area
- **QC** - Quality Control

