

Report on the remuneration of members of the Management Board and Supervisory Board of Selvita S.A. for 2021

Report on the remuneration of members of the Management Board and Supervisory Board of Selvita S.A. (hereinafter "**Selvita**" or "**the Company**") was prepared on the basis of:

a) Art. 90g of the Act of July 29, 2005 on public offering and conditions for introducing financial instruments to an organized trading system and on public companies;

b) Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36 / EC as regards encouraging shareholders to long-term commitment.

This Report presents the financial year 2021, as well as comparative data from previous years, and provides an overview of the remuneration granted to members of the Company's governing bodies in accordance with the applicable internal regulations contained in the Remuneration Policy for Members of the Management Board and Supervisory Board of Selvita S.A. adopted by the General Shareholders Meeting of the Company on August 31, 2020 ("**Remuneration Policy**"). Since then there were no changes to the Remuneration Policy.

1. The amount of the total remuneration and its components and the mutual proportions between these remuneration components

The remuneration of the Members of the Management Board consists of:

- a) **Fixed Remuneration**, constituting monthly remuneration in cash, paid for performing functions on the Management Board;
- b) **Variable Remuneration**, constituting supplementary remuneration paid quarterly or less often, constituting additional remuneration dependent on achievement of the Management Objectives, and also reflecting the exceptionally favourable situation in which the Company found itself as a result of actions taken by the Company's Management Board.

In shaping the amount of the Variable Remuneration of the Members of the Management Board, the Supervisory Board shall take into account the Management Objectives, including, in particular:

- a) the achievement of the short-, medium- and long-term tasks respectively, arising from the Company's business strategy and relating to the pursuit of its interests;
- b) the accomplishment of quantitative or qualitative tasks in a given area for which a given Member of the Management Board is responsible.

The Management Objectives shall be specified by the Supervisory Board each year at the beginning of each calendar year. The Management Objectives set by the Supervisory Board should take into account the Company's current operating and strategic objectives for a given period, along with the criteria (measures) for assessing the achievement thereof. According to the Remuneration Policy, the Company's Supervisory Board may assign appropriate weights to the individual Management Objectives which determine the amount of Variable Remuneration of the Members of the Management Board, and to establish a proportion between Fixed Remuneration and Variable Remuneration and Additional Benefits, to ensure a proper balance from the perspective of the total remuneration received by a Member of the Management Board in order to ensure the sustainable development of the Company and to achieve an increase in its value. The Management Objectives also take into account non-financial criteria.

The Supervisory Board may grant additional variable remuneration of discretionary nature awarded post factum and not resulting from the achievement of the Management Objectives set out at the beginning of the year, in particular in the event of:

- a) exceptional results of actions taken by the Management Board member, exceeding the expectations set out in the Management Objectives set by the Supervisory Board or related to achievements not anticipated in the Management Objectives,
- b) when the Company's situation improves significantly as a result of actions taken by the Management Board in a given accounting period, and such actions exceed the expectations set out in the Management Objectives or are not included in them.

In terms of the Variable Remuneration of Management Board Members paid for 2021, the Supervisory Board established corporate goals and measures (criteria for their implementation) aimed at:

- increase in revenue and profitability in the case of Management Board Members responsible for sales;
- achievement of assumed strategic milestones related to corporate objectives such as acquisitions, obtaining external financing or construction of the Research and Development Center for Laboratory Services in the case of other Members of the Management Board.

In addition, appropriate weights have been assigned to individual Management Objectives and their measures, which allows to determine the amount of the awarded Variable Remuneration of Management Board Members in 2021, if the goal was achieved. The entire Variable Remuneration was awarded based on the Management Objectives established at the beginning of the calendar year 2021.

Irrespective of the Fixed Remuneration and the Variable Remuneration the Members of the Management Board may receive an **Additional Benefit** consisting of other additional benefits, including non-cash benefits. In 2021 the Additional Benefits consisted of:

- Benefits for reimbursement of expenses or additional costs incurred by the Company, including:
 - a. possibility of using a company car, computer, cell phone,
 - b. covering travel costs,
 - c. provision of health (including private medical care), sports, artistic or educational benefits,
 - d. payment cards for business expenses,

- Benefits considered to be additional expenditures, including:
 - a. sports cards
 - b. medical insurance
 - c. possibility to use a company car for private purposes.
- Benefits resulting from separate acts, including:
 - a. inclusion in the Employee Capital Plan on the same principles as other employees of the Company and also other general savings program or similar or concerning other employee benefits resulting from separate acts.

The Members of the Supervisory Board are entitled to fixed monthly remuneration. The remuneration of the Members of the Supervisory Board may differ depending on the function performed, including, in particular, due to the performance of the function of the Chairman or Deputy Chairman of the Supervisory Board or being a member of the given Committee within the Supervisory Board. Members of the Supervisory Board are also entitled to reimbursement of travel expenses, board and lodging related to participating in meetings of the Supervisory Board.

Table no. 1: Remuneration of Members of the Management Board for 2021 [PLN]

Name of Director	Fixed Remuneration	Variable Remuneration	Additional Benefits	Remuneration at subsidiaries	Remuneration [TOTAL]	Variable Remuneration in total Remuneration [%]
Bogusław Sieczkowski	329 600	805 500	7 142	198 400	1 340 642	60%
Miłosz Gruca	203 000	675 100	5 852	313 000	1 196 952	56%
Mirosława Zydróż	108 000	608 300	8 303	278 000	1 002 603	61%
Edyta Jaworska	263 458	565 200	6 196	110 000	944 854	60%
Dariusz Kurdas	276 000	292 900	7 504	115 250	691 654	42%
Dawid Radziszewski	178 000	521 500	15 774	177 000	892 273	58%

Table no. 2: Remuneration of Members of the Supervisory Board for 2021 [PLN]

Name of the Supervisory Board Member	Fixed Remuneration	Remuneration under contracts concluded with Selvita S.A.
Paweł Przewięźlikowski	37 453	-
Piotr Romanowski	46 052	7 819
Tadeusz Wesołowski	41 184	-
Rafał Chwast	38 115	-
Wojciech Chabasiewicz	37 782	-
Jacek Osowski	37 224	-

2. Information on how the remuneration complies with the Remuneration Policy including how it contributes to the Company's long-term performance

The company pays remuneration to members of the Management Board and Supervisory Board strictly in accordance with the Remuneration Policy. The remuneration of the members of the Management Board contributes to their full involvement in the performance of specific functions, motivates them to achieve the Company's business goals. The remuneration is adequate to the positions held by the Management Board Members. The level of remuneration of the members of the Management Board and the Supervisory Board ensures the retention and proper motivation of persons with the highest competences, which enable them to manage the Company in a manner that contributes to the achievement of its economic and financial objectives, as well as to properly supervise it.

3. Comparative information on the change of remuneration and Company performance and the average remuneration of employees of the Company, who are not members of the Management Board or the Supervisory Board, over the period of five financial years

Due to the Company's actual commencement of operations on the day of transfer of an organised part of Selvita S.A.'s enterprise (currently Ryvu Therapeutics S.A.) in the form of CRO activities and shares in Selvita Services sp. z o.o., Selvita Inc., Selvita Ltd, BioCentrum sp. z o.o. (currently combined with Selvita Services sp. z o.o.) into Selvita CRO S.A. (now Selvita S.A.), the comparison of the remuneration of the Management Board on an annual basis, i.e. for 2019 and 2020, as well as the financial results of the Selvita S.A. Group does not reflect the dynamics of the change in remuneration and the actual increase in revenue and the actual change in the financial result between 2019 and 2020.

Table no. 3: Comparison of the remuneration of members of the Management Board on annual basis [PLN]

Name	2019	2020	2021
Bogusław Sieczkowski	187 498	834 045	1 340 642,22
Change [%]	-	345%	61%
Miłosz Gruca	352 391	862 232	1 196 951,52
Change [%]	-	145%	39%
Mirosława Zydróż	249 963	670 815	1 002 602,97
Change [%]	-	168%	49%
Edyta Jaworska	119 170	516 394	944 853,57
Change [%]	-	333%	83%
Dariusz Kurdas	116 333	454 651	691 653,72
Change [%]	-	291%	52%
Dawid Radziszewski	53 905	502 729	892 273,50
Change [%]	-	833%	77%

Table no. 4: Comparison of Company's results on an annual basis* [PLN]

Financial Results	2019*	2020	2021
Net sales (including subsidiaries) from continuing operations	30 443 469	137 356 285	310 920 815
Change [%]		+451%	+226%
Operating profit / EBIT from continuing operations (without impact of the incentive program)	5 374 587	19 544 158	26 084 156
Change [%]		+363%	+133%
EBITDA from continuing operations (without impact of the incentive program)	8 004 406	33 069 880	53 572 166
Change [%]		+413%	+162%
Net profit from continuing operations	5 804 200	19 921 919	18 221 967
Change [%]		+343%	-8%

*Data according to consolidated financial statements of Selvita Capital Group for 2019

Table no. 5: Comparison of the average salary of employees employed in Company on annual basis * [PLN]

	2019	2020	2021
Average salary	6 245	6 593	7 849
Change [%]		5,57%	19,05%

* The average remuneration of the Company's employees constitutes the sum of the remuneration (fixed remuneration, bonuses and other awards, commissions, non-cash benefits and all other payments) paid to employees in a given calendar year (over a 12-month period) divided by average employment (average number of full-time employees) in a given year. The presented remuneration for 2019 includes the period from October 1, 2019, i.e. from the date of the corporate split of Ryvu Therapeutics S.A. and the transfer on that date of the employees previously employed by Ryvu Therapeutics S.A. (within the organized part of the enterprise).

The compensation of employees in subsidiary companies is described and indicated in Item 4 below.

- 4. The remuneration in entities belonging to the same capital group within the meaning of the Accounting Act of 29 September 1994 (Dz.U. 2019, item 351, 1495, 1571, 1655 and 1680 and of 2020, item 568)**

Table no. 6: Comparison of the average salary of employees employed* in subsidiary companies of Selvita Capital Group [PLN]

	2019	2020	2021
Average salary in Ardigen S.A.	11 956	9 739	11 507
Change [%]		-18,54%	18,15%
Average salary in Selvita Services Sp. z o.o.	5 875	6 642	7 356
Change [%]		13,06%	10,75%
Average salary in Selvita d.o.o.*			10 847**
Change [%]			-

*The company Selvita d.o.o. (formerly: Fidelta d.o.o.) with its registered office in Zagreb became part of the Selvita Group from 4 January 2021. Accordingly, remuneration for Selvita d.o.o. is presented for 2021 only.

** Remuneration converted from Croatian kuna according to the average exchange rate of the National Bank of Poland as of 31 December 2021 1 HRK = 0,6118 PLN.

5. Liczba przyznanych lub zaoferowanych instrumentów finansowych oraz główne warunki wykonywania praw z tych instrumentów, w tym cenę i datę wykonania oraz ich zmiany

On 17 May 2021, the General Shareholders Meeting resolved to adopt a non-dilutive Incentive Scheme (the "Incentive Scheme") for 2021-2024 for employees in the form of a right to acquire shares in the Company. The subject matter of the Program is a total of 1,247,720 shares of the Company transferred free of charge as a donation by Mr. Paweł Przewięźlikowski - the founder, President and main shareholder of the Company, constituting in total 25% of the Company's shares held by him. The Program provides employees with the right to acquire shares at a preferential price of PLN 0.19 per share, which takes into account the Company's administrative costs incurred in order to implement the Incentive Program. All persons who are in a business relationship with the Company are eligible to participate in the Scheme, whereby a list of participants in the Scheme was drawn up based on the recommendation of Mr. Paweł Przewięźlikowski and approved by the Supervisory Board in relation to Management Board Members and by the Management Board in relation to other persons (the "Eligible Persons"). Participation in the program is voluntary. The Eligible Persons will be obliged to remain employees of the Company and not to sell the Shares granted under the Plan within a period of not less than 12 months and not more than 36 months from the date of acquisition of the Shares, subject to exceptional circumstances, when an employee may be released from these obligations.

Table no. 7: Number of Selvita's shares taken up by the Management Board Members in 2021

Name	Transfer date	Number of shares	Share price [PLN]
Bogusław Sieczkowski	09.07.2021	18 033	0,19
Miłosz Gruca	09.07.2021	13 760	0,19
Mirosława Zydrón	09.07.2021	12 909	0,19
Edyta Jaworska	09.07.2021	14 927	0,19
Dariusz Kurdas	09.07.2021	4 286	0,19
Dawid Radziszewski	12.08.2021	4 472	0,19

6. Information on use of the right to reclaim the return of Variable Remuneration components

The right to reclaim the return of Variable Remuneration components is not provided in the Remuneration Policy.

7. Derogations and deviations from the Remuneration Policy and from the procedure for its implementation including the explanation of the nature of the exceptional circumstances and the indication of the specific elements derogated from

Pursuant to the Remuneration Policy, the derogation from its application may only take place if it is necessary to achieve the long-term interests and financial stability of the Company or to guarantee its profitability. In 2021 the Supervisory Board did not decide to depart from the adopted Remuneration Policy.

Report on the remuneration of the Management Board and Supervisory Board of Selvita S.A. for the 2019-2020 financial years was submitted to the Ordinary General Meeting of shareholders of the Company which by Resolution No. 21 of June 29, 2021 issued a positive opinion without reservations on the content of the above-mentioned Report.

Conclusions:

The Supervisory Board reviewed the remuneration and other benefits received by individual members of the Management Board and Supervisory Board and assessed the overall compliance with the applicable Remuneration Policy and states that:

- 1. remuneration and other benefits paid to members of the Management Board and Supervisory Board comply with the applicable Remuneration Policy and meet the requirements provided for by law,**
- 2. The current Remuneration Policy is an effective tool for granting the remuneration to Management Board Members and enables a flexible policy of awarding variable remuneration components.**