



SELVITA S.A. GROUP

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Prepared for the period
from 01/01/2024
to 30/09/2024**

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

It is the translation of the Polish original document

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Notes to the Consolidated Financial Statements

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 SEPTEMBER 2024**

	Note	9-month period ended 30/09/2024	3-month period ended 30/09/2024	9-month period ended 30/09/2023	3-month period ended 30/09/2023
Continuing operations		000'PLN	000'PLN	000'PLN	000'PLN
Sales revenue	3	244,719	88,267	260,481	82,352
Grant income	3	2,860	1,234	4,529	1,750
Total revenue		247,579	89,502	265,010	84,103
Amortization and depreciation	3.5	(39,340)	(13,676)	(34,078)	(11,981)
Consumption of materials and supplies		(54,862)	(18,887)	(54,555)	(17,553)
External services		(40,008)	(14,001)	(37,678)	(12,780)
Employee benefit expense		(108,058)	(38,461)	(106,049)	(33,702)
Costs of the incentive program	19	(2,692)	(485)	(10,224)	(1,667)
Other expenses		(7,962)	(2,016)	(7,868)	(2,611)
Taxes and charges		(1,817)	(603)	(1,590)	(541)
Total operating expenses		(254,739)	(88,129)	(252,042)	(80,835)
Other operating revenue		306	29	129	81
Other operating expenses		(140)	(23)	(118)	(31)
Operating profit		(6,994)	1,378	12,979	3,317
Financial revenue	5	3,037	1,352	716	(5,977)
Financial expenses	5	(9,877)	(3,401)	(8,450)	(3,639)
Share in the profit/loss of associates valued using the equity method	11	(1,438)	55	890	1,347
Profit (loss) before income tax		(15,272)	(616)	6,136	(4,951)
Income tax expense	6	5,537	3,039	(87)	679
NET PROFIT (LOSS)		(9,735)	2,423	6,049	(4,272)
Net other comprehensive income, which will be reclassified to profit or loss					
Foreign subsidiaries results translation differences		(3,284)	(2,231)	(995)	10,574
Total net other comprehensive income		(3,284)	(2,231)	(995)	10,574
TOTAL INCOME FOR THE PERIOD		(13,019)	192	5,054	6,302
Net profit/ (loss) attributed to:					
Majority shareholders		(9,735)	2,423	6,049	(4,272)
Non-controlling shareholders		-	-	-	-
Total income attributed to:					
Majority shareholders		(13,019)	192	5,054	6,302
Non-controlling shareholders		-	-	-	-
Earnings per share (expressed in PLN per share)					
With continued operations:					
Basic		(0.53)	0.13	0.33	(0.23)
Diluted		(0.53)	0.13	0.33	(0.23)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
PREPARED AS AT 30 SEPTEMBER 2024

	Note	Balance as at 30/09/2024	Balance as at 31/12/2023
		000'PLN	000'PLN
ASSETS			
Non-current assets			
Tangible fixed assets	7	199,089	207,255
Right of use assets	7	126,779	100,519
Goodwill	8	90,019	72,065
Other intangible assets	9	27,519	29,559
Investments valued using the equity method	11	61,875	63,313
Deferred tax asset	6	16,306	10,992
Other financial assets		1,471	1,310
Total non-current assets		523,058	485,014
Current assets			
Materials		7,634	6,540
Short-term receivables	12	71,764	70,228
Contract assets with customers	3.3	13,838	14,755
Other financial assets		-	311
Other assets		8,122	6,757
Cash and other monetary assets	18	14,675	52,654
Total current assets		116,034	151,245
Total assets		639,092	636,260
EQUITY AND LIABILITIES			
Equity			
Share capital		14,684	14,684
Share premium		86,448	86,448
Own shares		-	-
Reserve capital resulting from the acquisition of OPE		22,994	22,994
Other reserve capitals		76,750	74,058
Currency differences on translation of foreign operations		(13,096)	(9,812)
Retained earnings		138,700	68,822
Net (loss) profit for the period		(9,735)	69,878
Equity attributed to majority shareholders		316,744	327,071
Equity attributed to non-controlling shareholders		-	-
Total equity		316,744	327,071
Long-term liabilities			
Credit facilities and loans	14	99,171	112,879
Lease liabilities	13.1	73,646	64,973
Liabilities due to retirement benefits		1,049	988
Deferred tax provision	6	3,086	3,568
Deferred income	16.2	35,373	33,011
Total long-term liabilities		212,325	215,419
Short-term liabilities			
Trade and other liabilities	15	41,957	30,590
Contract liabilities with customers	3.3	3,148	2,582
Lease liabilities	13.1	31,148	27,207
Short-term loans and bank credits	14	20,963	19,686
Current tax liabilities		-	75
Employee benefit liabilities	16.1	9,539	9,838
Deferred income	16.2	3,268	3,791
Total short-term liabilities		110,023	93,769
Total liabilities		322,348	309,188
Total equity and liabilities		639,092	636,260

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE REPORTING PERIOD ENDED 30 SEPTEMBER 2024**

	Note	Share capital	Share premium	Reserve capital resulting from the acquisition of OPE	Other reserve capitals	Own shares	Currency differences on translation of foreign operations	Retained earnings/ Accumulated losses from previous years	Net (loss) profit for the period	Equity attributed to majority shareholders	Equity attributed to non-controlling shareholders	Total equity
		000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN
Balance as at 1 January 2024		14,684	86,448	22,994	74,058	-	(9,812)	68,822	69,878	327,071	-	327,071
Net (loss) profit for the period		-	-	-	-	-	-	-	(9,735)	(9,735)	-	(9,735)
Other comprehensive income		-	-	-	-	-	(3,284)	-	-	(3,284)	-	(3,284)
Creation of reserve capital as part of the incentive program	19	-	-	-	2,692	-	-	-	-	2,692	-	2,692
Transfer of result from previous years		-	-	-	-	-	-	69,878	(69,878)	-	-	-
Balance as at 30 September 2024		14,684	86,448	22,994	76,750	-	(13,096)	138,700	(9,735)	316,744	-	316,744
Balance as at 1 January 2023		14,684	86,448	22,994	62,544	-	6,686	38,513	30,309	262,178	10,983	273,161
Net profit for the period		-	-	-	-	-	-	-	69,878	69,878	-	69,878
Other comprehensive income		-	-	-	-	-	(16,498)	-	-	(16,498)	-	(16,498)
Creation of reserve capital as part of the incentive program	19	-	-	-	11,514	-	-	-	-	11,514	-	11,514
Transfer of result from previous years		-	-	-	-	-	-	30,309	(30,309)	-	-	-
Cessation of consolidation of Ardigen S.A.		-	-	-	-	-	-	-	-	-	(10,983)	(10,983)
Balance as at 31 December 2023		14,684	86,448	22,994	74,058	-	(9,812)	68,822	69,878	327,071	-	327,071
Balance as at 1 January 2023		14,684	86,448	22,994	62,544	-	6,686	38,513	30,309	262,178	10,983	273,161
Net profit for the period		-	-	-	-	-	-	-	6,049	6,049	-	6,049
Other comprehensive income		-	-	-	-	-	(995)	-	-	(995)	-	(995)
Creation of reserve capital as part of the incentive program	19	-	-	-	10,244	-	-	-	-	10,244	-	10,244
Transfer of result from previous years		-	-	-	-	-	-	30,309	(30,309)	-	-	-
Cessation of consolidation of Ardigen S.A.		-	-	-	-	-	-	-	-	-	(10,983)	(10,983)
Balance as at 30 September 2023		14,684	86,448	22,994	72,788	-	5,691	68,822	6,049	277,476	-	277,476

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 SEPTEMBER 2024**

	Note	9-month period ended 30/09/2024 000' PLN	9-month period ended 30/09/2023 000' PLN
Cash flows from operating activities			
Net profit for the period, including:		(9,735)	6,049
- from continuing operations		(9,735)	6,049
- from discontinued operations		-	-
Adjustments:			
Amortization and depreciation and impairment losses on fixed assets		39,340	34,078
Exchange gains (losses)		(3,022)	2,810
Interest and profit-sharing (dividends), net		9,377	7,973
Change in receivables	21	4,699	14,928
Change in inventory		(1,095)	403
Change in short-term liabilities and provision excluding credits and loans	21	6,495	(4,515)
Change in deferred income and employee benefit liabilities	21	(2,362)	(7,836)
Share in the profit/loss of associates valued using the equity method		1,438	(890)
Change in provisions	21	(505)	113
Change in other assets	21	(6,331)	(4,906)
Valuation of the incentive program	19	2,692	10,224
Corporate income tax paid		(2,399)	(5,366)
Net cash flows from operating activities, including:		38,592	53,066
- from continuing operations		38,592	53,066
- from discontinued operations		-	-
Cash flows from investing activities			
Purchase of tangible and intangible fixed assets		(17,294)	(43,549)
Proceeds from subsidies to fixed assets		3,559	24,753
Return of subsidies to fixed assets		-	(153)
Purchase of other financial assets		311	38
Acquisition of shares in Pozlab sp. z o.o. after taking into account cash acquired		(20,533)	-
Cash over which control has been lost		-	(16,833)
Interest received		13	4
Net cash flows from investing activities, including:		(33,944)	(35,741)
- from continuing operations		(33,944)	(18,908)
- from discontinued operations		-	(16,833)
Cash flows from financing activities			
Repayment of finance lease liabilities		(22,780)	(25,506)
Proceeds from credits and loans	21	4,629	18,285
Repayment of credits and loans	21	(15,051)	(9,912)
Interest paid		(9,488)	(7,977)
Net cash flows from financing activities		(42,690)	(25,112)
- from continuing operations		(42,690)	(25,112)
- from discontinued operations		-	-
Net increase in cash and cash equivalents		(38,042)	(7,787)
Cash and cash equivalents at the beginning of the period		52,654	74,157
Net currency differences on cash and cash equivalents		64	(376)
Cash and cash equivalents at the end of the period	18	14,675	65,994
- from continuing operations		14,675	65,994
- from discontinued operations		-	-

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED AS AT 30 SEPTEMBER 2024

1. General information

1.1. The parent company

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

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

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

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

Management Board:

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

Supervisory Board:

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

As at 30 September 2024, the shareholder structure of the parent company was as follows:

	Registered office	Number of shares	Percentage interest in capital	Percentage share in voting rights
			As at 30 September 2024	
Paweł Przewięźlikowski	Poland	2,970,815	16.18%	27.03%
TFI Allianz Polska	Poland	2,093,826	11.41%	9.59%
Nationale -Nederlanden Open-End Pension Fund	Poland	1,901,959	10.36%	8.71%
Bogusław Sieczkowski	Poland	942,417	5.13%	6.83%
Tadeusz Wesołowski (with Augebit FIZ)	Poland	932,713	5.08%	4.27%
Other shareholders (less than 5% of votes at the GM)		9,513,744	51.84%	43.57%
Total		18,355,474	100.00%	100.00%

1.2. The Capital Group

As at the balance sheet day, the Selvita Capital Group includes Selvita S.A. as the parent company and 5 subsidiaries - Selvita Services Spółka z o.o., Selvita Inc., Selvita Ltd., Selvita d.o.o. and Pozlab Spółka z o.o. In January 2023, Selvita S.A. lost control over Ardigen S.A. and Ardigen Inc. and on 6 May 2024, Pozlab Sp. z o.o. joined the Group.

	Registered Office	% of capital held	% of voting rights
		As at 30 September 2024	
Selvita Services Spółka z ograniczoną odpowiedzialnością	Poland	100.00%	100.00%
Selvita Inc.	USA	100.00%	100.00%
Selvita Ltd.	UK	100.00%	100.00%
Selvita d.o.o.	Croatia	100.00%	100.00%
Pozlab Spółka z ograniczoną odpowiedzialnością	Poland	100.00%	100.00%

The duration of the Capital Group companies is not fixed. The financial statements of all controlled entities have been prepared as of 30 September 2024, using consistent accounting principles.

The calendar year is the financial year of the parent company. The consolidation of subsidiaries covers the period from 01/01/2024 to 30/09/2024, i.e. the period in which the Parent Company had control over these entities with the exception of Pozlab Sp. z o.o., which is consolidated from May 2024, i.e. from the beginning of the month in which control was acquired. The core activities of the Capital Group include scientific research and development work in the field of biotechnology.

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

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

2.1. Statement of compliance, period and scope of the report

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

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

The interim condensed consolidated financial statements of Grypa cover the financial period from January 1, 2024 to September 30, 2024 and contain comparative data, which constitute data for the financial period from January 1, 2023 to September 30, 2023, and in the case of data regarding the statement of financial position, they include comparative data as of December 31, 2023.

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

The accounting principles (policies) used to prepare these interim condensed financial statements are consistent with those used in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2024.

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

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

2.3. Significant accounting judgements and estimates

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

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

2.4 Foreign currencies

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

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

	As at 30/09/2024	As at 31/12/2023
EUR / PLN	4.2791	4.3480
USD / PLN	3.8193	3.9350
GBP / PLN	5.1241	4.9997
CHF / PLN	4.5279	4.6828
JPY / PLN	0.0268	0.0277

3. Operating income

3.1. Sales revenues

Analysis of the Group's sales revenue for the period from 1 January 2024 to 30 September 2024:

	9-month period ended 30/09/2024	3-month period ended 30/09/2024	9-month period ended 30/09/2023	3-month period ended 30/09/2023
	000'PLN	000'PLN	000'PLN	000'PLN
Contract research - fixed priced agreements	116,514	42,400	114,970	36,425
Contract research - FTE agreements	125,663	45,465	140,100	44,198
Revenues from the sale of administrative services	2,399	360	5,255	1,693
Other income	144	42	157	37
Operating income (excluding grants)	244,719	88,267	260,481	82,352

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

3.2. Revenues from subsidies

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

	9-month period ended 30/09/2024	3-month period ended 30/09/2024	9-month period ended 30/09/2023	3-month period ended 30/09/2023
	000'PLN	000'PLN	000'PLN	000'PLN
Infrastructure subsidies	1,863	617	1,148	522
Grants for research	997	618	3,381	1,228
Revenues from subsidies	2,860	1,234	4,529	1,750

3.3. Contract assets and liabilities with customers

The scope of changes of contract assets with customers	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
Balance at the beginning of the reporting period	14,755	15,204
Revenue accrued in proportion to the costs incurred	17,825	51,210
Invoiced revenues	(18,742)	(51,658)
Balance at the end of the reporting period	13,838	14,755

The scope of changes of contract liabilities with customers	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
Balance at the beginning of the reporting period	2,582	3,351
Contracts acquired as part of the purchase of Pozlab	571	-
Invoicing beyond the obligation to provide	6,432	6,543
Execution of contracts without invoicing	(6,438)	(7,311)
Balance at the end of the reporting period	3,148	2,582

3.4 Geographical information

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

Group's revenue from external customers by geographical area:

	Revenue from external customers			
	9-month period	3-month period	9-month period	3-month period
	ended 30/09/2024	ended 30/09/2024	ended 30/09/2023	ended 30/09/2023
	000'PLN	000'PLN	000'PLN	000'PLN
Poland	10,330	3,653	10,655	3,552
EU members	91,811	35,092	97,077	31,573
USA	64,852	25,741	66,848	20,711
Switzerland	33,069	11,569	25,858	7,411
UK	33,485	10,294	45,215	14,196
Other countries	11,172	1,918	14,828	4,909
Total	244,719	88,267	260,481	82,352

3.5. Amortization and impairment

3.5.1 Amortization and impairment	9-month period	3-month period	9-month period	3-month period
	ended	ended	ended	ended
	30/09/2024	30/09/2024	30/09/2023	30/09/2023
	000'PLN	000'PLN	000'PLN	000'PLN
Amortization of tangible assets	16,192	5,288	12,828	5,109
Amortization of equipment usage rights	8,707	3,326	7,594	2,329
Amortization of rights to use the premises and cars	11,950	4,229	11,018	3,677
Amortization of intangible assets	513	176	527	158
Amortization of contractor base	1,977	655	2,111	709
Total amortization expense	39,340	13,676	34,078	11,981

4. Operating segments

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

Changes to operating segments

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

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

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

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

For management purposes, the Group has been divided into parts based on the services provided. There are therefore two operating segments.

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

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

4.2 Segment revenue and profit or loss

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

	Revenue				Operating profit			
	9-month period	3-month period	9-month period	3-month period	9-month period	3-month period	9-month period	3-month period
	ended 30/09/2024	ended 30/09/2024	ended 30/09/2023	ended 30/09/2023	ended 30/09/2024	ended 30/09/2024	ended 30/09/2023	ended 30/09/2023
	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN
Segment 1 - Drug discovery, including	187,429	65,841	210,964	64,890	(11,674)	(587)	6,941	(29)
<i>revenue from external customers (FTE)</i>	114,881	41,881	134,215	42,225				
<i>revenue from external customers (fixed price)</i>	69,859	22,802	72,316	20,947				
<i>intersegment revenue</i>	-	-	-	-				
<i>grant income</i>	2,605	1,143	4,327	1,672				
<i>other operating income</i>	84	14	106	47				
Segment 2 - Drug development, including	57,505	23,204	48,552	17,459	4,681	1,966	6,038	3,346
<i>revenue from external customers (FTE)</i>	10,782	3,584	5,885	1,972				
<i>revenue from external customers (fixed price)</i>	46,654	19,598	42,654	15,478				
<i>intersegment revenue</i>	5	1	-	-				
<i>grant income</i>	61	21	14	9				
<i>other operating income</i>	2	-	-	-				
Non-located revenues, including	2,957	487	5,622	1,834				
<i>revenues from sales of administrative services</i>	2,399	360	5,255	1,693				
<i>other income</i>	558	126	367	141				
Elimination of intersegment revenue	5	1	-	-				
Total from continuing operations	247,886	89,531	265,139	84,183	(6,994)	1,378	12,979	3,317

	Expenses			
	9-month period ended 30/09/2024	3-month period ended 30/09/2024	9-month period ended 30/09/2023	3-month period ended 30/09/2023
	000'PLN	000'PLN	000'PLN	000'PLN
Segment 1 - Drug discovery, including	199,104	66,428	204,023	64,919
amortization and depreciation	28,215	9,548	26,117	9,264
amortization of contractor database	1,977	655	2,111	709
<i>costs of central administration, Management Board remuneration and selling costs</i>	46,377	15,217	45,522	15,039
<i>intersegment expenses</i>	5	1	-	-
<i>Valuation of the incentive program</i>	1,738	255	7,528	1,226
Segment 2 - Drug development, including	52,824	21,239	42,514	14,113
amortization and depreciation	9,148	3,472	5,851	2,007
<i>costs of central administration, Management Board remuneration and selling costs</i>	9,573	3,840	8,872	3,102
<i>intersegment expenses</i>	-	-	-	-
<i>valuation of the incentive program</i>	954	230	2,697	442
Non-allocated costs, including	2,957	487	5,622	1,834
<i>cost of administrative services</i>	2,399	360	5,255	1,693
<i>other costs</i>	558	126	367	141
Elimination of intersegment expenses	5	1	-	-
Total – continuing operations	254,879	88,152	252,160	80,866

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

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

4.3 Segment assets and liabilities

Segments assets	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
Segment 1		
Drug discovery	468,974	483,120
Segment 2		
Drug development	170,118	153,140
Total segment assets	639,092	636,260
Segment liabilities		
Segment 1		
Drug discovery	227,517	226,506
Segment 2		
Drug development	94,831	82,683
Total segment liabilities	322,348	309,188

For purposes of monitoring segment performance and allocating resources:

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

4.4 Other segment information

	Depreciation and amortization				Fixed assets additions			
	9-month period ended	3-month period ended	9-month period ended	3-month period ended	9-month period ended	3-month period ended	9-month period ended	3-month period ended
	30/09/2024	30/09/2024	30/09/2023	30/09/2023	30/09/2024	30/09/2024	30/09/2023	30/09/2023
	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN
Segment 1								
<i>Drug discovery</i>	30,191	10,203	28,227	9,974	22,018	3,990	54,515	8,089
Segment 2								
<i>Drug development</i>	9,148	3,472	5,851	2,007	32,143	5,399	14,811	2,198
Total	39,340	13,676	34,078	11,981	54,160	9,389	69,326	10,287

4.5 Major customers

	9-month period ended	3-month period ended	9-month period ended	3-month period ended
	30/09/2024	30/09/2024	30/09/2023	30/09/2023
	000'PLN	000'PLN	000'PLN	000'PLN
Segment 1 - Drug discovery				
Customer A*	22,995	8,042	13,496	4,236
Segment 2 - Drug development				
Customer B*	12,138	5,173	4,643	2,246
Customer C	5,619	1,536	9,303	3,519
Total	40,752	14,751	27,442	10,002

* The customer did not exceed 10% of the segment's sales in 3 quarters of 2023.

5. Finance cost and revenues

	9-month period ended 30/09/2024	3-month period ended 30/09/2024	9-month period ended 30/09/2023	3-month period ended 30/09/2023
	000'PLN	000'PLN	000'PLN	000'PLN
Finance cost due to financial instruments	5,708	1,946	5,605	2,610
Interest	5,435	1,803	5,133	2,138
Losses on currency differences	272	143	472	472
Other finance cost	4,170	1,454	2,844	1,029
Interest on leases	4,053	1,436	2,844	1,029
Other	117	18	-	-
Total finance cost	9,877	3,401	8,450	3,639

Financial revenues in 2024 result mainly from exchange rate differences in the amount of 000'PLN 3,022 and interest received in the amount of 000'PLN 15, which in the first three quarters of the previous year amounted to 000'PLN 676 and 000'PLN 40, respectively.

6. Income taxes on continuing operations

6.1 Income taxes presented in the statement of comprehensive income

	9-month period ended 30/09/2024	9-month period ended 30/09/2023
	000'PLN	000'PLN
Current income tax:	258	3,642
<i>Current income tax charge</i>	258	3,642
<i>Other</i>	-	-
Deferred income tax	(5,796)	(3,555)
Tax charge presented in the statement of comprehensive income	(5,537)	87

6.2 The effective tax rate reconciliation is as follows:

The Group's average effective tax rate from continuing operations for the 9 months ended September 30, 2024 was 36%, compared to 7% for the 9 months ended September 30, 2023. The increase in the average effective tax rate results mainly from the calculation of the R&D tax relief.

6.3 Deferred income tax

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

	As at 30/09/2024	As at 30/09/2024	As at 30/09/2024	As at 31/12/2023
	short-term 000'PLN	long-term 000'PLN	total 000'PLN	000'PLN
Deferred tax asset	13,598	2,708	16,306	10,992
Deferred tax liability	504	2,582	3,086	3,568
	13,094	126	13,220	7,424

Basis for temporary differences – 19% deferred tax on the difference between the tax value and carrying amount of:	DTA as at	DTA as at	Change in DTA recognized in profit and loss account for the period	Change in DTA recognized in profit and loss account for the period
	As at 30/09/2024	As at 31/12/2023	from 01/01 to 30/09/2024	from 01/01 to 31/12/2023
- due to SEZ	4,356	4,174	182	(1,655)
- the tax relief for investments in Croatia	2,037	1,851	186	1,851
- trade and other receivables and liabilities (negative FX differences)	239	328	(89)	(666)
- customer contracts	553	299	254	(1,592)
- payables for future reserves	260	251	9	(23)
- retirement provision	200	188	12	87
- bonus provision	881	845	36	(551)
- unused holiday provision	931	1,024	(93)	(77)
- liability under the right of use	10,570	8,204	2,366	(219)
- tax losses to be settled in subsequent years	7,929	5,256	2,673	5,256
- R&D relief to be settled in the following years	8,607	4,590	4,017	4,286
Netting	(20,257)	(16,018)	(4,239)	(5,799)
Total	16,306	10,992	5,314	898

The SEZ relief can be accounted for through 2026.

The Group has no unrecognized deferred tax asset.

6.4 Tax losses to be used in subsequent periods

Period ended 30/09/2024	Loss amount	Use	Possible to use	Max period of use
Year				
2023	5,256	-	5,256	2028
2024	2,673	-	2,673	2029

6.5 Accrued R&D relief to be settled

Period ended 30/09/2024	Relief amount	Use	Possible to use	Max period of use
Year				
2022	2,667	2,363	304	2028
2023	4,286	-	4,286	2029
2024	4,017	-	4,017	2030

6.6 Deferred tax liability

Basis for temporary differences – 19% deferred tax on the difference between the tax value and carrying amount of:	DTL	DTL	Change in DTL recognized in profit and loss account for the period	Change in DTL recognized in profit and loss account for the period
	As at 30/09/2024	As at 31/12/2023	from 01/01 to 30/09/2024	from 01/01 to 31/12/2023
- fixed assets and intangible assets (excluding leases)	610	738	(128)	533
- trade receivables and liabilities and others (positive exchange differences)	583	2,051	(1,468)	1,780
- difference between tax and balance sheet depreciation	5,494	2,542	2,952	1,700
- customer contracts	1,536	1,160	376	120
- right of use assets	10,523	8,066	2,457	-
- contractor databases	4,596	5,029	(433)	(1,089)
Netting	(20,257)	(16,018)	(4,239)	(5,799)
Total	3,086	3,568	(482)	(2,755)

7. Tangible fixed assets and right of use assets

Net carrying amount	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
Land	21,168	21,207
Buildings	51,327	52,153
Machinery and equipment	47,804	50,317
Vehicles	200	113
Other tangible assets (including lab equipment)	75,943	77,674
Assets under construction	2,648	5,792
Total fixed assets	199,089	207,255
Other tangible assets usage rights (including lab equipment)	71,339	57,293
Rights to use the premises	54,593	41,963
Car usage rights	847	1,263
Right of use assets	126,779	100,519

The increase in rights of use of other fixed assets at the end of September 2024 compared to the end of 2023 is due to the purchase and acceptance into the records of laboratory equipment, including the acquisition of Pozlab Sp. z o.o. On the other hand, the increase in rights of use of premises is mainly due to the acquisition of Pozlab Sp. z o.o., together with the lease agreements for the laboratory space in which this company carried out its activities and the opening of a new location in Wrocław (as part of the Parent Company's expansion of its activities by launching a new service area related to the discovery and development of biological drugs).

8. Goodwill

	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
At cost	90,019	72,065
Accumulated impairment	-	-
	90,019	72,065

8.1 Goodwill from consolidation of subsidiaries in the current reporting period

COMPANY	Goodwill at the beginning of the period	Increase due to acquisition of company	Change in the value due to changes in foreign exchange rates	Change in value due to revaluation of estimated goodwill	Goodwill at the end of the period	Impairment allowances
Selvita Services sp. z o.o.	281	-	-	-	281	-
Selvita d.o.o.	71,784	-	(1,138)	-	70,647	-
Pozlab sp. z o.o.	-	19,091	-	-	19,091	-
Total goodwill	72,065	19,091	(1,138)	-	90,019	-

On May 6, 2024, the Parent Company, as buyer, concluded with Younick Technology Park sp. z o.o., based in Złotniki, as seller, an agreement to purchase 100% of the shares ('Shares') in PozLab sp. z o.o., based in Poznań ('PozLab'), subject to the fulfilment of all conditions precedent indicated in the preliminary conditional sale agreement concluded on March 27, 2024.

Selvita S.A. acquired the Shares of PozLab for a total price of PLN 25 million, with an amount of PLN 21 million paid on May 6, 2024. The remaining amount (PLN 4 million) was retained by Selvita S.A. for a period of up to 12 months from the date of acquisition of the Shares as security for any events or claims of third parties against PozLab, enumerated in the preliminary agreement, as well as security for settlements related to the price adjustment procedure. The price for the Shares was covered from Selvita S.A.'s own funds.

On August 9, 2024, the price adjustment amount was agreed and set at PLN (3,068) thousand (amount reducing the contractual price).

As of September 30, 2024, the remaining retained amount is PLN 3,000 thousand.

PozLab was established in 2010 on the basis of the research and development division in Poznań, which was closed down by the GlaxoSmithKline concern. The company has built competence and offerings in three main segments: pharmaceutical product development (including drug product manufacturing), quality control and microbiological testing (including biological drugs). It has approximately 1,700 m² of high-end laboratories at the YouNick Technology Park in Złotniki near Poznań. It The acquisition of the Contract Development and Manufacturing Organisation (CDMO) will significantly expand the Group's small-molecule drug development offering, as well as allowing it to enter a completely new and very attractive area related to the production of drugs for early clinical trials.

Pozlab is reported within the Drug Development segment.

As part of the provisional settlement of the acquisition, the Group allocated the entire excess of the price paid over the value of the net assets acquired to goodwill.

At the date of approval of the financial statements, the process of allocating the purchase price and fair value of the net assets acquired has not yet been completed by the Group. Therefore, the goodwill recognised on the acquisition may be subject to change within a period of 12 months from the date of acquisition of control of the company.

For this reason, the Group also does not disclose all the information required by IFRS 3.B64, in particular the fair values of all assets and liabilities acquired and the amount of goodwill determined for tax purposes.

The provisional fair values of the company's identifiable assets and liabilities at the date of acquisition of control are as follows:

	As at 06/05/2024
Assets acquired	
Tangible fixed assets	877
Right of use assets	12,383
Other intangible assets	13
Short-term receivables	2,866
Other assets	36
Cash and other monetary assets	7
Total assets	16,182
Liabilities acquired	
Deferred tax provision	60
Liabilities due to retirement benefits	23
Employee benefit liabilities	343
Lease liabilities	9,840
Trade and other liabilities	1,891
Contract liabilities with customers	571
Short-term loans and bank credits	613
Total liabilities	13,341
Net assets	2,841
Purchased percentage of share capital	100%
Purchase Price (Price for Shares)	25,000
Purchase price adjustment for net cash and working capital settled on August 9, 2024	(3,068)
Estimated value of the company as at the date of taking over control, i.e.: 06/05/2024	19,091

9. Other intangible assets

	As at 30/09/2024	As at 31/12/2023
Carrying amount		
Software - Data Warehouse	225	253
Other intangible assets	1,761	1,366
Contractor database	25,533	27,940
	27,519	29,559

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

10. Subsidiaries

10.1. Changes in ownership of the Group - shares in subsidiaries

During the reporting period, the Group acquired 100% of the shares in Pozlab Sp. z o.o. (Note 8.1).

11. Investments valued using the equity method

	As at 30/09/2024	As at 31/12/2023
Carrying amount	000'PLN	000'PLN
Ardigen S.A	61,875	63,313
	61,875	63,313

Changes in the value of investments accounted for using the equity method during the 9 months of 2024 are as follows:

Ardigen S.A. including Ardigen Inc.	9-month period ended 30/09/2024
	000'PLN
Carrying value of Ardigen S.A. at 31.12.2023	63,313
Share of profit/(loss)	(1,438)
Carrying amount of Ardigen S.A. as at 30/09/2024	61,875

12. Trade and other receivables

	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
Trade receivables	59,249	55,218
The allowance for expected credit losses	(1,123)	(808)
	<u>58,126</u>	<u>54,410</u>
Tax (VAT) receivables	13,108	15,320
Other – receivables from employees, security deposits	530	498
	<u>71,764</u>	<u>70,228</u>

13. Leases

13.1. The Group as a lessee

The Group has lease agreements for office premises and laboratories, machinery and equipment, office equipment and cars. The leasing period is on average 60 months, except for office equipment, which qualifies as short-term leasing or as low-value contracts.

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

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

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

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

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

	2024		
	Leases for buildings, premises and vehicles	Leasing of machinery and equipment	Total
As at 1 January	42,351	49,829	92,180
New leases and lease modifications	15,457	10,423	25,880
Increases as a result of the acquisition of Pozlab Sp. z o.o.	8,689	1,151	9,840
Revaluation (foreign exchange differences)	452	(777)	(325)
Interests	2,038	2,014	4,053
Payments	(13,265)	(13,567)	(26,833)
As at 30 September	55,722	49,073	104,794
Short-term	15,803	15,346	31,148
Long-term	39,919	33,727	73,646

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

	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Cost of depreciation of right-of-use assets	(11,950)	(11,018)
Interest costs on lease liabilities	(2,038)	(1,155)
Costs of negative exchange differences due to balance sheet valuation of lease liabilities	(452)	277
The total amount recognized in the consolidated income statement / statement of comprehensive income	(14,441)	(11,896)

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

	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Depreciation of leased assets	(8,707)	(7,594)
Interest expense on lease liabilities	(2,014)	(1,689)
Costs of negative exchange differences due to balance sheet valuation of lease liabilities	777	(1,900)
The total amount recognized in the consolidated income statement / statement of comprehensive income	(9,944)	(11,184)

14. Credit facilities and loans

	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
Uncollateralized:		
Used credit card limits	119	166
Overdraft facility usage (i)	1,038	-
	1,157	166
Collateralized (ii):		
Bank loans, including:	108,848	123,727
<i>acquisition loan</i>	56,970	65,839
<i>construction loan</i>	51,878	57,888
Finance lease liabilities	10,129	8,672
	118,977	132,399
Total:	120,134	132,565
Current liabilities	20,963	19,686
Non-current liabilities	99,171	112,879

(i) On June 26, 2024, Selvita Services Sp. z o.o. signed an overdraft agreement up to EUR 1.9 million for the period until June 26, 2025.

On May 24, 2024, Selvita d.o.o. signed an overdraft agreement up to EUR 1.2 million for the period until June 30, 2025.

The interest rate on these loans is variable and is the sum of EURIBOR1M + the bank's margin. Both loans are secured by issued promissory notes. In addition, the loan granted to Selvita Services Sp. z o.o. is additionally guaranteed by Selvita S.A., and the bank was granted a power of attorney to debit all bank accounts in order to make any repayment. Both loans have no restrictive conditions.

As of September 30, 2024, the unpaid balance relates entirely to the overdraft facility granted to Selvita Services Sp. z o.o.

(ii) During the reporting period, the Group was in compliance with the restrictive covenants in its loan agreements. As at September 30, 2024, the net debt to EBITDA ratio (excluding the impact of IFRS 16) was 175% (116% as at December 31, 2023) and the DSCR ratio was 161% (205% as at December 31, 2023). The share of guarantors is not subject to quarterly reporting (92% as of December 31, 2023).

15. Trade and other liabilities

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

16. Employee benefit liabilities and deferred income

16.1 Employee benefit liabilities

	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
Accrual for holidays	4,902	5,392
Accrual for bonuses	4,637	4,446
	9,539	9,838
Short-term	9,539	9,838
Long-term	-	-

16.2 Deferred income

	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
Grants (i) revenue recognition according to IAS 20	38,312	35,827
Advances on services	328	975
	38,640	36,802
Short-term	3,268	3,791
Long-term	35,373	33,011
	38,640	36,802

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

17. Related party transactions

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

17.1 Commercial transactions

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

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

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

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

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

Binding type:

POA - personal relationship through shares held by the Shareholder

PORN - personal connection by a Member of the Supervisory Board

POZ - personal connection through a Member of the Management Board

JS - associate

	The type of association	Sales of goods and services	Sales of goods and services	Purchases of goods and services	Purchases of goods and services
		9-month period ended	9-month period ended	9-month period ended	9-month period ended
		30/09/2024	30/09/2023	30/09/2024	30/09/2023
		000'PLN	000'PLN	000'PLN	000'PLN
Ryvu Therapeutics S.A.	POA	3,727	8,570	87	559
Dawid Radziszewski	POZ	4	4	224	549
Chabasiewicz, Kowalska i Partnerzy	PORN	-	-	20	19
Radcowie Prawni					
Ardigen S.A.	JS	634	709	-	-
		4,364	9,284	332	1,128

Balances at the end of the reporting period:

	The type of association	Amounts due from related parties	Amounts due from related parties	Amounts due to related parties	Amounts due to related parties
		As at	As at	As at	As at
		30/09/2024	31/12/2023	30/09/2024	31/12/2023
		000'PLN	000'PLN	000'PLN	000'PLN
Ryvu Therapeutics S.A.	POA	422	1,982	408	11
Dawid Radziszewski	POZ	2	3	-	31
Ardigen S.A.	JS	360	257	-	-
		784	2,242	408	42

17.2 Executive compensation

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

	Period ended 30/09/2024			Period ended 30/09/2023		
	Share-based payment*	Salary**	Total	Share-based payment*	Salary**	Total
	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN	000'PLN
Management Board	128	4,427	4,555	702	4,873	5,575
Bogusław Sieczkowski	-	788	788	136	900	1,036
Miłosz Gruca	-	961	961	104	903	1,007
Mirosława Zydrón	-	529	529	97	521	618
Dariusz Kurdas	-	436	436	32	468	500
Dawid Radziszewski	-	317	317	34	325	359
Adrijana Vinter	86	987	1,073	200	1,248	1,448
Marija Gradečak Galović	42	408	450	99	508	607
Supervisory Board	-	293	293	-	293	293
Piotr Romanowski	-	59	59	-	59	59
Tadeusz Wesołowski	-	52	52	-	52	52
Paweł Przewięźlikowski	-	46	46	-	46	46
Rafał Chwast	-	46	46	-	46	46
Wojciech Chabasiewicz	-	46	46	-	46	46
Jacek Osowski	-	45	45	-	45	45
	128	4,720	4,848	702	5,166	5,868

* Valuation in accordance with IFRS2. The Group has updated its approach to the presentation of share-based payment data. In the 9 months of 2023, the Group presented the cost of share-based payments on a cash basis (at the end of the share lock-up period); it now presents the cost in accordance with IFRS2 (i.e. in 2024, the cost of the period is presented) and therefore the figures as at 30 September 2023 have been restated for comparability purposes.

** In this note, the Group presents remuneration based on amounts actually paid (cash approach).

18. Cash and cash equivalents

	As at 30/09/2024	As at 31/12/2023
	000'PLN	000'PLN
Cash in hand and at bank	14,675	52,654
Overdrafts and credit card limits used	(119)	(166)
	14,556	52,488

As at September 30, 2024, restricted cash amounted to PLN 514 thousand (31.12.2023: PLN 825 thousand). Restrictions on disposal as of September 30, 2024 result from the fact that these are security deposits for credit cards.

19. Share-based payments

A detailed description of the incentive scheme currently in place in the Group is presented in the consolidated financial statements for the period ending December 31, 2023. There were no awards of new shares under this programme in the current year.

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

Tranche number	Number of shares	Date of purchase of the shares	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024	2025	2026	Total impact
Tranche no 1	650	09/07/2021	46	-	-	-	-	-	-	-	-	-	46
Tranche no 2	481,091	09/07/2022	20,153	13,914	-	-	-	-	-	-	-	-	34,067
Tranche no 3	479,036	09/07/2023	11,039	15,075	7,741	-	-	-	-	-	-	-	33,855
Tranche no 4	9,706	09/07/2024	230	192	223	53	53	5	-	112	-	-	757
Tranche no 5	18,574	28/03/2023	-	904	287	-	-	-	-	-	-	-	1,191
Tranche no 6	18,574	28/03/2024	-	452	596	144	-	-	-	144	-	-	1,191
Tranche no 7	18,574	28/03/2025	-	301	397	99	99	100	100	398	95	-	1,191
Tranche no 8	33,946	01/06/2024	-	-	1,394	599	408	-	-	1,006	-	-	2,401
Tranche no 9	33,946	01/06/2025	-	-	697	299	299	303	303	1,204	500	-	2,401
Tranche no 10	13,026	01/06/2026	-	-	178	77	77	77	77	308	307	128	921
Total	1,107,123		31,469	30,838	11,514	1,270	936	485	480	3,172	902	128	78,022

The valuation of the program, in terms of shares currently issued to employees as at September 30, 2024, showed its total estimated cost at PLN 78,022 thousand, which is recognized in the Group's costs from the second quarter of 2021 until the second quarter of 2026. Impact of the program on the result of the reporting period is PLN 2,692 thousand and this amount reduces the gross result, net result and operating profit in the 9 month of 2024. The estimated impact for the whole of 2024 and the following years is as follows:

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

19.1.2 The recognized costs of the incentive program:

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

	9-month period ended 30/09/2024	9-month period ended 30/09/2023
Program costs recognized at fair value	2,692	10,224
	2,692	10,224

20. Contingent liabilities

20.1 Contingent liabilities

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

They comprise:

- bills of exchange liabilities - covering the amount of co-financing granted with interest in the amount specified as for tax arrears calculated from the date of transfer of funds to the account until the date of return. In the period covered by the report, the amount of PLN 4,622 thousand was credited to the bank accounts for co-financing. As at the balance sheet date, September 30, 2024, the total sum of funds received from the subsidy amounts to PLN 56,908 thousand.

As a result of obtaining a permit to conduct business activity in the special economic zone, Krakowski Park Technologiczny Selvita Services Sp. z o.o. is obliged to incur capital expenditure in the amount of at least PLN 7,320 thousand and to create 150 new jobs by December 2023. The company is obliged to maintain 30 new jobs created by 31 December 2022 until 31 December 2025 and to maintain 15 new jobs created by 30 June 2023 until 30 June 2026. By September 30, 2024, PLN 12,895 thousand of the income tax relief was used for operations in the Special Economic Zone.

Selvita d.o.o. granted bank guarantees for the total value of PLN 2,651 thousand. The guarantees concern newly rented laboratory space in Zagreb.

21. Notes on the consolidated statement of cash flow

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

Items	9-month period ended 30/09/2024	9-month period ended 30/09/2023
	000'PLN	000'PLN
The change in trade receivables and other receivables results from the following items:	4,699	14,928
- change in receivables resulting from discontinued operations	-	(13,942)
- change in trade receivables resulting from the acquisition of Pozlab Sp. z o.o.	2,866	-
- change in receivables due to overpayment of income tax	2,141	-
- change in trade and other receivables, assets from contracts with customers and other assets resulting from the balance sheet	(308)	28,870
- change in receivables due to settlements of the purchase price of Pozlab	-	-
The change in liabilities, except for credits and loans, results from the following items:	6,495	(4,515)
- change in liabilities from discontinued operations	-	6,959
- change in liabilities resulting from the acquisition of Pozlab Sp. z o.o.	(2,462)	-
- change in liabilities for payment of income tax	-	5,366
- change in liabilities resulting from the balance sheet	12,056	(27,502)
- change in investment liabilities	(99)	10,662
- change in liabilities arising from the settlement of the purchase price of Pozlab	(3,000)	-
The change in deferred income and employee benefit obligations is due to the following items:	(2,362)	(7,836)
- change in deferred income resulting from the discontinued operations	-	1,883
- change in employee benefit obligations resulting from the acquisition of Pozlab	(343)	-
- change in deferred income and employee benefit obligations resulting from the balance sheet	1,540	14,881
- proceeds from subsidies to fixed asset	(3,559)	(24,753)
- return of subsidy to fixed assets	-	153
The change in provisions results from the following items:	(505)	113
- change in pension liability and deferred tax liability resulting from discontinued operations	-	44
- change in pension liability and deferred tax liability resulting from the acquisition of Pozlab Sp. z o.o.	(83)	-
- change in pension liability and deferred tax liability resulting from the balance sheet	(422)	69
The change in other assets results from the following items:	(6,331)	(4,906)
- change in other financial and non-financial assets and deferred tax assets resulting from discontinued operations	-	(898)
- change in other non-financial assets resulting from the acquisition of Pozlab Sp. z o.o.	36	-
- change in other financial and non-financial assets and deferred tax asset resulting from the balance sheet	(6,367)	(4,008)
Change in credits and loans:	(15,051)	(9,912)
- change in credits and loans resulting from discontinued operations	-	40
- change in credits and loans resulting from the acquisition of Pozlab Sp. z o.o.	(613)	-
- change in credits and loans resulting from the balance sheet	(12,431)	12,893
- exchange differences resulting from the valuation of credits and loans	2,622	(4,560)
- proceeds from credits and loans	(4,629)	(18,285)

22. Approval of the financial statements

The consolidated financial statements were approved by the management board of the parent company on November 20, 2024.

Prepared by: Elżbieta Kokoć

Signatures of Members of the Management Board:

Bogusław Sieczkowski - President of the Board

Miłosz Gruca - Vice-President of the Board

Mirosława Żydroń - Member of the Board

Dariusz Kurdas - Member of the Board

Dawid Radziszewski - Member of the Board

Adrijana Vinter - Member of the Board

Cracow, 20 November 2024

CONTACT



INVESTOR RELATIONSHIP

ir@selvita.com



MEDIA

media@selvita.com

