

Dear Selvita Shareholders,  
Business Partners and Friends!

2019 is behind us - a truly unique year in the history of Selvita development, because we entered it as a company operating in a hybrid model - Innovations along with Services, and we ended as two independent entities - Selvita S.A. and Ryvu Therapeutics S.A. After the corporate split, Selvita is a typical CRO (Contract Research Organization) company that provides comprehensive research and development services to external clients, while Ryvu is a typical biotech company that focuses on developing its own innovative oncology therapies.



The decision to split was made after extensive consultations, which reassured us of its positive impact on all parties involved in Selvita's operations. As a result of the division, investors gained full flexibility in their investment portfolio construction and risk diversification. Each shareholder has received the same number of "new" Selvita shares as they had before the split, allowing those who preferred the hybrid model to maintain the current model, while simultaneously opening both companies to specialist investors focused on a specific business profile and risk type. Selvita customers responded to the information about the split in an enthusiastic way. For many of them, elimination of the risks associated with execution of service activities together with innovation under one company roof, was a prerequisite for further development of the cooperation. The split is also beneficial for our employees. Working at a dynamically developing CRO company gives our staff extensive development opportunities, both to our scientists who are involved in the execution of top-class scientific projects for the most demanding clients from around the world, as well as to a wide range of specialists working in the support departments. We turned months of very intensive work into success when the corporate split was registered by the National Court Register of Poland on October 1, and from October 16, both companies are independently listed on the main market of the Warsaw Stock Exchange.

At this point, I would like to thank everyone who believed that what we are doing is possible and necessary: our shareholders, business partners, the Supervisory Board, and above all our employees involved in the project - a complicated process implemented on such a tight schedule, would not be successful without massive effort that each of you put into this project. Thank you!

Over the past years, Selvita has gained a reputation of a reliable supplier on the CRO services market, and this constitutes a strong base for our further business and corporate development. Nearly 600 clients from 40 countries on 5 continents, for whom we have completed almost 3,000 projects, are the best proof of Selvita's quality of services.

Selvita's strong position on the preclinical CRO global map results in a very good financial results in 2019. At the level of revenues, the Company maintained high growth dynamics, achieving record sales revenues at the level of PLN 98 million, i.e. 39% higher than the previous year, along with consolidated net revenue of PLN 14 million, indication 23% increase. The compound annual growth rate (CAGR) for 2015-19 amounts to 38% per year. What deserves special attention is the 43% increase in commercial services sales value, which together with 14% operational profitability (EBIT) shows how strong Selvita currently is.

Drug discovery services have been the main pillars of Company development for years, and recently these have been joined by the services from the area of regulatory research and their very high growth

dynamics. The basic offer of the service segment is directed to the pharmaceutical and biotechnology companies, however many of our clients come also from the less common areas of the broadly understood life science industry, including agrochemical and chemical companies.

The bioinformatics segment also looks very promising. Ardigen is a unique combination of bioinformatics and artificial intelligence, with in-depth knowledge of the biology of the immune system and human microbiome. Last year, the company largely focused on the dynamic development of its own technology platforms, as well as marketing and sales activities.

Selvita's biggest asset are our people. Fantastic team of a high-class scientists and specialists. Our employees are at the core of Selvita's capabilities, strength and its future global success. It is their knowledge and skills that allow us to build a good reputation with our business partners. At this point, I would like to thank the whole Selvita team for the great effort and commitment so far. It is your determination and know-how that enabled us to build a solid foundation for further Selvita development and allows us to enter 2020 full of optimism. Although, after only three months we can all already see how difficult this year will be for the global economy, I am convinced that with such a great team, Selvita will turn these difficulties into another opportunities and eventually success.

In 2020, we want to continue the dynamic organic growth, especially since the market environment is favorable to us. The drug discovery services and regulatory research market is steadily growing due to the increasing investment in research on new drugs and the growing trend of outsourcing. At the same time, taking into account the existing geopolitical and social conditions, European markets, including the contract research market, are gaining due to the global need to diversify service providers. Selvita is one of the beneficiaries of these processes.

In addition to the organic development, we see a great potential for growth through acquisitions. We are working on a portfolio of potential targets, and we would like to complete the first transaction this year. We are interested both in domestic and foreign companies, that will enable us to achieve the following business goals: increasing the scale of operations and complementing the portfolio of currently offered services.

The combination of these two growth paths will allow us to achieve the medium-term goal that we set ourselves with the creation of the "new" Selvita, which is to enter the league of ten largest preclinical CROs in the world. We believe that we are prepared to achieve this position both in terms of organization and work culture, access to the latest research technologies, as well as the high competences of our team.

We hope that achieving this goal, will allow us to meet the expectations set for us, both those related to the economic goals such as a significant increase in the Selvita market value or the creation of new jobs for many great scientists and specialists, as well as those related to our corporate social responsibility such as improving the quality and length of human lives through participation in the development of new therapies or assisting our clients with their drugs currently available on the market.

In this, we see the best way to repay the trust you have placed in us from the beginning of our presence on the capital market.

Best regards,  
Bogusław Sieczkowski  
Chief Executive Officer, Selvita S.A.