CONSOLIDATED Q1 2021 REPORT

SELVITA CAPITAL GROUP

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1. SELECTED FINANCIAL DATA

The Group started its operating activity on **October 1, 2019**, that is after the National Court Register of Poland ("KRS") had recognized the increase of the Company's share capital and change to the Company's name to Selvita S.A. (formerly Selvita CRO S.A.) in connection with the corporate split of Ryvu Therapeutics S.A. (formerly Selvita S.A.). As a result of the split of Ryvu Therapeutics S.A., there was a transfer of the organized part of the enterprise of Ryvu Therapeutics S.A. to Selvita S.A. The organized part of the enterprise (Separated Activity) consisted of tangible and intangible assets dedicated to provision of service activities in the field of biotechnology, of the Contract Research Organization type as well as shares in the subsidiaries i.e.: Selvita Services Sp. z o.o., BioCentrum Sp. z o.o. (currently, the company merged with Selvita Services sp. z o.o), Ardigen S.A., Selvita Ltd., and Selvita Inc.

The consolidated financial statements cover the period from January 1, 2021 to March 31, 2021 with comparative period from January 1, 2020 to March 31, 2020.

1.1. Main results achieved in the reporting period

Key impact on the financial results for Q1'2021 has the acquisition of 100% shares of Fidelta d.o.o., accomplished on January 4, 2021, in accordance to the Conditional Share Purchase Agreement concluded on November 23, 2020 between the Issuer as a purchaser and Galapagos NV headquartered in Mechelen in Belgium as a seller. The price for shares was estimated at EUR 31.2 million, equivalent of PLN 141,913,299 ("Price for Shares"), was the value before corrections according to the agreement. The transaction included standard in that kind of agreement corrections, such as net cash and working capital adjustments of target company in the amount of EUR 5.9 million which is PLN 26,775,521. The value of the goodwill estimated on March 31, 2021 amounted to HRK 176,407 thousand (which is PLN 108,579 thousand).

Due to the expansion of the Group, the Issuer modified its operating segments by adding an additional segment called 'Services executed in Croatia', which includes only Fidelta d.o.o. subsidiary. The previously reported segment named Services changed only its name to 'Services executed in Poland', without any changes of allocation of resources or the way of the results' recognition of this activity in relation to the previously reported ones.

1.1.1. Consolidated financial data

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

- concerning the consolidated profit and loss statement:

Selvita S.A. Group	Consolidated data in PLN thousand		Consolidated data in EUR thousand	
Item	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020
Revenues from sales	**69,420**	**29,726**	**15,183**	**6,762**
Revenues from subsidies	926	1,126	203	256
Other operating revenues	324	145	71	33
Revenues on operating activities	**70,670**	**30,997**	**15,457**	**7,051**
Operating expenses	-58,566	-26,515	- 12,809	-6,031
Depreciation	-5,679	-2,825	- 1,242	-643
Depreciation (excl. IFRS 16 impact)	-3,374	-1,826	-738	-415
Profit on operating activities (EBIT)	12,104	4,482	2,647	1,020
Profit before income tax	11,483	4,361	2,512	992
Net profit	**10,091**	**3,668**	**2,207**	**834**
EBITDA	**17,783**	**7,307**	**3,889**	**1,662**
EBITDA (excl. IFRS 16 impact)	15,478	6,308	3,385	1,435
Net cash flows from operating activities	11,051	7,677	2,417	1,746
Net cash flows from investing activities	-139,944	-1,736	- 30,608	-395
Net cash flows from financing activities	97,129	-2,369	21,244	-539
Total net cash flows	-31,764	3,572	- 6,947	813
Number of shares (weighted average)	18,355,474	16,038,537	18,355,474	16,038,537
Profit (loss) per share (in PLN)	0.51	0.21	0.11	0.05
Diluted profit (loss) per share (in PLN)	0.51	0.21	0.11	0.05
Book value per share (in PLN)	8.54	2.80	1.83	0.61
Diluted book value per share (in PLN)	8.54	2.80	1.83	0.61
Declared or paid dividend per share (in PLN)	-	-	-	-

- concerning the consolidated balance sheet:

Selvita S.A. Group	Consolidated data in PLN thousand		Consolidated data in EUR thousand	
Items	31.03.2021	31.12.2020	31.03.2021	31.12.2020
Total assets	**379,762**	**218,796**	**81,489**	**47,412**
Trade and other receivables	49,919	33,998	10,712	7,367
Cash and other monetary assets	61,242	93,005	13,141	20,154
Other financial assets	13,330	10,153	2,860	2,200
Total liabilities	216,920	66,136	46,546	14,331
Long term liabilities	148,501	33,288	31,865	7,213
Short term liabilities	68,419	32,848	14,681	7,118
Equity	**162,842**	**152,660**	**34,942**	**33,081**
Share capital	14,684	14,684	3,151	3,182

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

1. Items relating to the profit and loss statement and the cash flow statement were converted using the exchange rate constituting the arithmetic average of the exchange rates, applicable as of the last day of every month in the given period, based on the information published by the National Bank of Poland (NBP):

- for the period from 01/01/2021 to 31/03/2021: PLN 4.5721,
- for the period from 01/01/2020 to 31/03/2020: PLN 4.3963.

2. Balance sheet items were converted using the average exchange rate announced by the NBP applicable as at the balance sheet date; which were:

- as of 31 March 2021: PLN 4.6603,
- as of 31 December 2020: PLN 4.6148.

2. MANAGEMENT BOARD'S COMMENTS ON FINANCIAL RESULTS

2.1. Consolidated data

SELVITA S.A. GROUP		
Data in PLN thousand	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020
Revenue	**70,671**	**30,997**
Segment of Services executed in Poland	33,804	26,784
Bioinformatics Segment	6,504	2,994
Segment of Services executed in Croatia	29,838	-
Revenues from subsidies	926	1,126
Other operating revenue	324	145
Exclusions of revenues between segments	-725	-52
EBIT	**12,104**	**4,482**
%EBIT	17%	14%
EBITDA (acc. to IFRS16)	**17,783**	**7,307**
%EBITDA (acc. to IFRS16)	25%	24%
EBITDA (IFRS16 impact excluded)	**15,478**	**6,308**
%EBITDA (IFRS16 impact excluded)	22%	20%
Net profit	**10,091**	**3,668**
%Net profit	14%	12%

In the first quarter of 2021, Selvita S.A. Group recognized total operating revenue of PLN 70,671 thousand, which represents 128% increase compared to the corresponding period in 2020, when the total operating revenue amounted to PLN 30,977 thousand. The net revenue from sales (excluding subsidies) amounted to PLN 70,146 thousand, which represents an increase of 136% (by PLN 40,368 thousand) compared to the corresponding period in 2020 when it amounted to PLN 29.778 thousand. The increase is mostly due to the acquisition of Fidelta d.o.o., which is a separate segment – 'Services executed in Croatia', as well as due to organic growth of other Group's operating segments. In the first quarter of 2021, revenues from subsidies decreased by PLN 200 thousand compared to the same period of the previous year from PLN 1,126 thousand to PLN 926 thousand.

In the first quarter of 2021, the Group reported a profit on the overall activity (net profit) which amounted to PLN 10,091 thousand and increased by 175% compared to the corresponding period of 2020. Noteworthy is the significantly higher dynamics of net result growth than the dynamics of revenue growth. EBITDA for the first quarter of 2021 amounted to 25% and increased by 1 percentage point compared to the corresponding period of the previous year.

SEGMENT OF SERVICES EXECUTED IN POLAND		
Data in PLN thousand	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020
Revenue	**34 214**	**27 285**
Revenues from external customers	31 855	25 321
Internal revenue - between segments and to Ryvu	1 949	1 462
Revenues from subsidies	278	374
Other operating revenue	132	128
EBIT	**3 112**	**4 130**
%EBIT	9%	15%
EBITDA (acc. to MSSF16)	**6 504**	**6 727**
%EBITDA (acc. to MSSF16)	19%	25%
EBITDA (MSSF 16 impact excluded)	**5 213**	**5 863**
%EBITDA (MSSF 16 impact excluded)	15%	21%
IFRS16 impact on EBITDA	1 291	864

In the first quarter of 2021 Segment of Services executed in Poland recorded continuing growth of revenues from external customers which increased by 26% and amounted to PLN 31,855 thousand compared to PLN 25,321 thousand during the corresponding period in 2020. In the first quarter of 2021 there were one-off Fidelta d.o.o. acquisition expenses recognized in this segment which amounted to PLN 688 thousand and related to external consultants' services. The cost of depreciation increased by 31% from PLN 2,597 thousand in the first quarter of 2020 to PLN 3,391 thousand in the corresponding period of 2021 which is a result of the increase in the park of laboratory equipment necessary for further development. The resulting EBITDA ratio was at 19%, which is lower when compared to the previous year and decreased from PLN 6,727 thousand in Q1 2020 to PLN 6,504 thousand in Q1 2021.

SEGMENT OF SERVICES EXECUTED IN CROATIA		
Data in PLN thousand	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020
Revenue	**30,014**	**-**
Revenues from external customers	29,838	-
Other operating revenue	176	-
EBIT	**7,404**	**-**
%EBIT	25%	-
EBITDA (acc. to MSSF16)	**9,392**	**-**
%EBITDA (acc. to MSSF16)	31%	-
EBITDA (MSSF 16 impact excluded)	**8,518**	-
%EBITDA (MSSF 16 impact excluded)	28%	-
IFRS16 impact on EBITDA	874	-

Segment of Services executed in Croatia is reported for the first time as a result of the acquisition of Fidelta d.o.o. which is the only legal entity in this operating segment. In the first quarter of 2021, Fidelta d.o.o. continued the upward trend, achieving a 21% increase in sales compared to the first quarter of 2020 (based on data in EUR). In Q1 2021, Fidelta continued its dynamic development in all areas of the services provided, i.e. in the field of chemistry, ADME / DMPK, in vitro research and in vivo & toxicology. Long-term contracts with key clients, in particular for integrated drug discovery projects, have been extended and will be continued in the upcoming quarters.

In the first quarter of 2021 the EBITDA profitability was 31% with the operating profit reaching a level of 25%. Such good results reported in the first quarter were achieved largely due to exceptionally good in vivo contracting by Fidelta.

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

BIOINFORMATICS SEGMENT		
Data in PLN thousand	From 01.01.2021 to 31.03.2021	From 01.01.2020 to 31.03.2020
Revenue	**7,167**	**3,763**
Revenues from external customers	6,504	2,994
Revenues from subsidies	647	752
Other operating revenue	16	17
EBIT	**1,588**	**351**
%EBIT	22%	9%
EBITDA (acc. to MSSF16)	**1,887**	**579**
%EBITDA (acc. to MSSF16)	26%	15%
EBITDA (MSSF 16 impact excluded)	**1,747**	**444**
%EBITDA (MSSF 16 impact excluded)	24%	12%
IFRS16 impact on EBITDA	140	135

In 2021 bioinformatics segment's revenue from external customers amounted to PLN 6,504 thousand, which is an increase of 117% compared to the corresponding period of 202o amounting to PLN 2,994 thousand. Particularly noteworthy is that the bioinformatics segment generated the operating profit of PLN 1,588 thousand in the first quarter of 2021, compared to PLN 351 thousand in the corresponding period of 2020 which is an increase of approx. 4 times. The EBITDA ratio was 26% and increased significantly by 11 pp. compared to the corresponding period of the last year.

So significant improvement of the operating profit and EBITDA is related to the improvement of the margin generated by services to external clients with comparable to 2020 research activities on its products.

2.2. Contracted (Backlog)

BACKLOG				
Item	**For 2021, as of May 20, 2021**	**For 2020, as of May 26, 2020**	**Change**	**Change %**
Services executed in Poland	86,468	79,311	7,157	9%
Services executed in Croatia	86,234	- *	86,234	100%
Bioinformatics	20,679	10,857	9,822	90%
Grants	5,319	5,491	-172	-3%
Total Selvita Group	**198,700**	**95,659**	**103,041**	**108%**

**Fidelta d.o.o. considered non-Group entity*

The value of the 2021 contracts portfolio resulting from commercial contracts and grant agreements signed as of May 20, 2021 (backlog) amounts to PLN 198,700 thousand and increased by 108% compared to the 2020 backlog announced in May 2020. The most significant part of the increase makes Fidelta's backlog which amounted to PLN 86,234 thousand and which was not included in 2020 as Fidelta was not a part of the Selvita's Capital Group that year. Another significant dynamics of growth was recorded by the bioinformatics segment which reported 90% increase compared to the previous year.

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

3.1. Consolidated data

As of March 31, 2021, the value of the Selvita Group's assets was PLN 379,762 thousand. At the end of March 2021, the most significant items of current assets are short-term receivables which amounted to PLN 49,919 thousand, cash amounting PLN 61,242 thousand and other financial assets amounting PLN 13,330 thousand. The increase in short-term receivables is the result of an increase in the scale of the Group's operations. The decrease in cash is mainly due to the purchase of shares in Fidelta d.o.o. namely payment transaction for a part of Price for Shares financed from own cash on January 4, 2021, whereas the total consideration was settled using own cash in case of the price correction for net cash and working capital as of March 4, 2021.

Fixed assets are mainly laboratory equipment, recognized assets due to the right to use and deferred tax assets in the amount of PLN 17,610 thousand. The total of non-current assets increased in comparison to December 31, 2020, by PLN 163,604 thousand mainly as a result of recognition of goodwill on acquisition of Fidelta d.o.o. of PLN 108,579 thousand. In addition, as a part of Fidelta d.o.o. consolidation, Selvita S.A. Capital Group recognized fixed assets of PLN 24,004 thousand and rights to use assets of PLN 23,694 thousand.

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

	31.03.2021	31.12.2020
Current ratio current assets/current liabilities including short-term provisions and deferred revenues (excl. accruals)	2.32	5.73
Quick ratio (current assets-inventory)/current liabilities including short-term provisions and deferred revenues (excl. accruals)	2.28	5.64

The main item in the Selvita Group's equity and liabilities is equity, which amounted to PLN 162,842 thousand as of March 31, 2021. Its increase compared to the end of 2020 is due to net profit generated in 2021.

Another significant source of financing is long term liabilities which amounted to PLN 148,501 thousand at the end of March 2021. The highest value items in the long-term liabilities are credits and bank loans in total PLN 90,500 thousand which increased as a result of a loan granted for Fidelta d.o.o acquisition on January 4, 2021. Other significant items are lease liabilities in total

PLN 48,399 thousand which mainly increased due to consolidating Fidelta's d.o.o. rights to use premises and vehicles in total PLN 19,916 thousand.

Increase of short-term liabilities from PLN 32,848 thousand at the end of 2020 to PLN 68,419 thousand at the end of March 2021 results from increased scale of operations of the Capital Group, the loan to finance the acquisition as previously described which splits into short part in total PLN 11,281 thousand and consolidated lease liability of Fidelta d.o.o in total PLN 3,208 thousand.

4. CURRENT AND PROJECTED FINANCIAL CONDITION

The Group's financial position as of the report date is very good. As of March 31, 2021, the value of the Group's cash and other financial assets (mainly deposit with the Bank Pekao in the amount of EUR 2.2 million) amounted to PLN 74,572 thousand, and at May 19, 2021, the total cash of the Selvita S.A. Capital Group together with other financial assets (not yet released deposit with the Bank Pekao in the amount of EUR 2.2 million) amounted to PLN 70,296 thousand.

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

5. SIGNIFICANT OFF-BALANCE SHEET ITEMS

Significant off-balance sheet items are described in the Note 35 to the consolidated financial statements.

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

The Issuer did not publish the financial forecast for 2021.

7. SIGNIFICANT EVENTS IN REPORTING PERIOD

7.1. Significant events in Q1 2021

Closing of an acquisition of Fidelta's d.o.o.

On 4th of January after the fulfilment of all conditions precedent, including in particular:

i) extension of the lease agreement concluded between Fidelta d.o.o. ("Fidelta") and Pliva Hrvatska d.o.o. concerning office and laboratory space, until 31 December 2027,

ii) ii) conclusion by Fidelta of a pre-lease agreement with Medi-Lab d.o.o. and Emo Mancipo d.o.o. concerning rental of additional office and laboratory space,

Issuer, as the buyer and Galapagos NV with its registered office in Mechelen (Belgium), as the seller, concluded an agreement concerning purchase of 100% of Fidelta's shares for the price of EUR 31.2 mln (adjusted on the basis of the standard adjustments in this type of transactions, specified in the share purchase agreement, concerning the net cash and working capital of Fidelta in the amount of EUR 5.9 million, i.e. PLN 26,775,621).

The Transaction constitutes Selvita Capital Group's long-term investment of a strategic nature and at the same time is a transformative step in the implementation of the Issuer's Capital Group's Strategy for years 2020-2023, which was adopted on 29 April 2020.

Conclusion of significant purchase orders

On 4 th of January 2021 the Issuer also informed about obtaining further orders with a total value of EUR 1,423,293 from a biotechnological company with its registered office in Europe ("Customer"), under the framework agreement concluded between the above-mentioned parties on 1st of February 2018. Orders concern the provision of services consisting in the synthesis of chemical compounds aimed at supporting the development of the Customer's innovative projects. In addition, the Issuer's affiliated company - Fidelta received an order under the contract concluded by Fidelta with the Customer on1st of October 2018, with a value of EUR 2,510,761. The subject of the order are support services of the development of Customer's drug discovery projects in the field of medical chemistry, in vitro pharmacology and in vitro and in vivo DMPK tests.

In view of the above, the total value of services provided by the Issuer's Capital Group to the Customer in 2021 will amount to EUR 3,934,054. Orders are carried out, respectively, in the Issuer's research laboratories in Poland and Fidelta's in Croatia, from January 4, 2021, and the works are planned for the entire period of 2021.

The Management Board of the Issuer, taking into account the value of orders and the fact that they strengthen the cooperation with the Customer, considered them important in the light of the implementation of Issuer's Capital Group long-term plans to continue increasing exposure

in the area of providing support services in research on drug discovery and building a position on the international preclinical CRO (Clinical Research Organization) market.

7.2. Events occurred after reporting period

Obtaining a building permit for Selvita Research Centre

On April 12, 2021 the Company received information on issuance by the President of the City of Krakow of an administrative decision on the approval of the architectural and construction design and land development plan, granting the Company a permit to build Selvita Research Centre. The new Centre will be located in Krakow at Podole Street, near the current headquarters of the Company.

Declaration of establishing a non-diluting incentive program in the Company for the years 2021-2024

On April 20, 2021 the Company received a letter of intent from Mr. Paweł Przewięźlikowski – the main shareholder and Supervisory Board Member of the Company ("Shareholder"), regarding declaration of donation of part of the shares held by the Shareholder for the purpose of establishing an incentive program for employees and associates of the Company and certain companies belonging to the Selvita Capital Group ("Program").

The Program will include a total number of 1.247.720 ordinary shares of the Company ("Shares") representing 25% of the Company's shares held by the Shareholder. The program will be implemented by granting the Eligible Persons the right to acquire Shares at a preferential price.

The purpose of implementing the incentive program as proposed will be:

i) ensuring optimal conditions for long-term growth of the Company's value by creating a broad employee participation shareholding structure;
ii) creating an incentive that will motivate employees to act even more actively in the best interest of the Company and its shareholders and encourage them to stay in a long-term relationship with the Company;
iii) building a modern organization in which the increase in the value of the Company will translate directly into an increase in the wealth of the employees and associates of the Company.

Extraordinary Meeting of Shareholders of Selvita S.A. held on May, 17 2021

On May 17, 2021 the General Shareholders Meeting was convinced to adopt a resolution regarding adoption of the Incentive Program for the years 2021-2024.

The incentive program will cover eligible persons (employees or associates remaining with the Company or a company from the Selvita Capital Group in a legal relationship specified in the Program Regulations, "Eligible Persons"). Under the Program, a total of 1,247,720 (one million two hundred and forty-seven thousand seven hundred and twenty) shares of the Company will be allocated to Eligible Persons, acquired by the Company from Mr. Paweł

Przewięźlikowski ("Shares"). Eligible Persons will be each time indicated by the Shareholder who sponsors the Incentive Scheme from among the Eligible Persons, while specifying the number of Shares that will be offered to each of the Eligible Persons.

The condition for the release of the Shares by the Company as part of the Incentive Scheme settlement will be:

a. signing an agreement with the Company for participation in the Incentive Program ("Incentive Scheme Participation Agreement");

b. the Entitled Person's commitment not to dispose of the Shares granted for the period specified in the Incentive Scheme Participation Agreement, not shorter than 12 months and not longer than 36 months from the date of purchase of the Shares ("Transfer Restriction");

c. staying by the Eligible Person in a business relationship with the Company or a Capital Group Company for the period specified in the Incentive Scheme Participation Agreement, not shorter than 12 months and not longer than 36 months from the date of purchase of the Shares ("Service Relationship Durability");

d. remaining as an employee or associate with the Company or a Company from the Capital Group in a relationship as at the date of issuing the Shares.

The Own Shares of the Company will be issued to the Eligible Persons at a price calculated and determined by the Management Board of the Company, at the latest by the date of concluding the first Incentive Scheme Participation Agreement in the Program, corresponding to the quotient of the Incentive Program Costs and the number of all Own Shares participating in the Incentive Program, but not higher than PLN 1 for one Share.

Information concerning impact of non-diluting incentive program on Company's consolidated financial statements

In order to assess the impact of the establishment of the non-dilutive incentive scheme programm of Selvita S.A. for the years 2021-2024, the Issuer's Management Board, together with advisers, prepared a preliminary analysis of its impact on the Company's consolidated financial statements.

Based on above-mentioned analysis, pursuant to IFRS guidelines, free of charge transaction of donation of shares listed on the Warsaw Stock Exchange, by Mr Paweł Przewięźlikowski to the Company, by which the Company does not incur any cash expenses, cannot be recognized as a revenue. Consequently, it will not affect any item on the Company's balance sheet or profit and loss accounts.

However, granting of shares, which Company will earlier receive in a form of donation from Mr Paweł Przewięźlikowski, during the course of the Program i.e. between years 2021 and 2024 to the employees, will be recognized, pursuant to IFRS 2, as a non-cash salary expense in Company's consolidated financial statements (therefore it will have an impact on the operating result, EBITDA and net profit) and in the equity item as its increase in the same amount as the periodic cost. The total equity of the Company will remain unchanged.

The preliminary estimation, made on the basis of the adopted assumptions and information available as of the date of this Report, concerning, inter alia: the participation of Eligible Persons

in the Program after its adoption by the Company's General Meeting, indicates that the total non-cash expense for the Company will amount to PLN 75-88 million, which will be spread over the duration of the Program, i.e. in the years 2021-2024, same as the amount of PLN 11.2 million in 2015-2017 in connection with the previous incentive program at Selvita S.A. (which after the corporate split dated as of 1st of October 2019 is operating under the name Ryvu Therapeutics S.A.).

The cost of the Program will be included in the Company's quarterly consolidated financial statements, and its value in a given reporting period will depend, inter alia, on factors such as employee's participation in the program, the number of shares allocated to the Eligible Persons, and the fact if the Eligible Persons remain in an employment or other professional relationship with the Company.

In order to enable the evaluation of the Company's performance by investors, the Management Board in subsequent periods will provide both information on the results including Program costs in accordance with IFRS 2 and information on the Company's results without taking into account the Program costs, as it provides a more complete picture of the Company's current business activities.

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

Covid-19 pandemic, which began in the first quarter of 2020, continued during the whole reported period. In Q 1 2020 the Issuer did not however recorded a negative impact of Covid-19 on operational efficiency and timeliness in terms of the services provided.

The Issuer - out of concern for the health and safety of employees – still carries out and performs all of the restrictions and rules set out in connection to new sanitary regime implemented by the Issuer at the beginning of the pandemic, which included: decontamination of laboratory surfaces and the entire facility, additional disinfection, permanent obligation to wear a face-mask, relocating employees, who work stationary in such a way to ensure maintenance of appropriate distance (to minimize the risk of infection), ensuring the possibility of remote work for administration employees, or limiting employees' business trips.

Taking into account the current state of development of the pandemic and the actions taken to limit it, including the rate of vaccination, the Management Board believes that the restrictions will be slowly loosened, thus limiting the negative effects of the pandemic. In particular, the Management Board of the Company hopes that in the third or fourth quarter of this year, direct business contacts, physical participation in conferences will be possible again, which is essential for the implementation and provision of the services offered by the Issuer and was the greatest challenge from the Issuer's perspective both in 2020 and in the first quarter of 2021.The Company's Management Board is analysing the Issuer's situation on an ongoing basis. New circumstances, if any, having a significant effect on the Issuer's financial results and business position, will be communicated promptly after their occurrence.

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

THE AREA OF DRUG DISCOVERY/DRUG DEVELOPMENT

The area of customer support in the drug discovery process is Selvita's largest field of activity. The major part of Selvita's revenues comes from this type of projects. Most of them are projects carried out in the FTE (Full Time Equivalent) model, the Company is trying to gain more cooperation in the area of integrated drug discovery (IDD) projects, combining various services provided by the Company in the area of chemistry, biochemistry, biology and analytics within one project.

Selvita's drug discovery services capabilities have significantly expanded with the acquisition of Fidelta which led to an increase in the overall headcount of emolyees by over 30%, in particular with highly experienced scientists. Fidelta's competences in inflammation, fibrosis, and anti-infectives perfectly complement Selvita's fields of expertise in oncology, respiratory diseases and CNS. The scope of services provided by Fidelta will also enable Selvita to build competitive advantage in business areas such as DMPK, in vivo pharmacology, and toxicology, as well as to increase its scale of operations within medicinal chemistry and in vitro pharmacology. The Management Board believes that having an animal facility with developed animal models will be a significant value driver for the expanded company in a near future and position further Selvita as the leader for drug discovery CRO in the region.

Further support of Selvita's drug discovery capabilities, particularly at the earlier stages of the IDD process, is coming from the newly established high throughput screening (HTS) facilities including the high-content screening platform (HCS), and the original compound library integrated with the compound management capabilities.

Selvita is also organically growing within the team of scientists working in the DD area. Selvita appreciates the education level and experience brought in by the new employees and continuously supports them in the process of improving their qualifications. Some of them have taken part in the so-called "industrial PhD programs" sponsored by the Polish government in collaboration with Selvita and local universities (UJ, PAN). More and more of Selvita's scientists are foreigners, who bring specialist experience in various therapeutic areas, organic, medicinal, computational and analytical chemistry, biochemistry, molecular and cell biology, and ADME / DMPK, which is essential to ensure the high quality of services required by our clients.

The largest orders obtained in Q1 2021 in the area of Drug Discovery involved organic chemistry synthetic support for research projects aimed at developing new therapies. The main task of chemistry teams was the synthesis of a series of libraries of chemical compounds with potential biological activity, their purification and qualitative analysis to support the clients' R&D projects. Collaborations in this area are most often based on long-term relationships with clients and contracts Selvita signed with them in previous years. It shall be deemed to be an expression of trust and a high assessment of the services Selvita provides. The group of this type of contracts includes, among others, the agreement reported in Q1 2021 - Current report 3/2021 dated January 4, 2021 (reference to the current report No. 25/2020 dated July 4, 2020, published by Selvita SA) –

additional purchase orders with a total value of EUR 1.423.293 (PLN 6.473.847 converted at the rate EUR 1 = PLN 4.5485) from an European biotechnological company under the framework agreement which was concluded between the above-mentioned parties on February 01, 2018. It is one of several similar contracts. The fact of expanding cooperation with each of the major clients is important from the point of view of the further development of the Company's operations.

In Q1 2021, Selvita continued working on the IDD projects (mainly for European clients), at the same time building the necessary resources in the area of medicinal chemistry. Here, apart from having the knowledge and experience in the fields of typical organic and computational chemistry, it is essential to be able to interpret the ADME parameters, to evaluate biological data coming from in vitro pharmacological studies, and to predict stability of the compounds in animal and human organisms. Selvita scientists have worked on improving the physicochemical properties and activities of new compounds with promising pharmacological profile. One of the main tasks for our medicinal chemists was to design new scaffolds - molecular skeletons around which small libraries of compounds could be built in order to validate the biological hypothesis of the project to enable the project to move to the next stage of development. Medicinal chemists were responsible for studying the structure-activity relationship (SAR) and designing new, more biologically active compounds using appropriate synthetic strategy.

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

The role of scientists from the Department of Molecular and Cell Biology (CMBD) working on the IDD projects was to conduct studies and provide the data for SAR (Structure-Activity Relationship) analyses. The initial tasks focused on the establishment and optimisation of biochemical and cellular assays to characterize the activity, efficacy and the mechanism of action of new molecules of potential therapeutic importance. After that, the groups of cellular and molecular biologists analysed the activity of the synthesized novel drug candidates in an iterative manner, using a panel of previously developed complex biochemical and cellular tests. Altogether, 40% of the department's scientists were involved in the FTE projects devoted to the development of new biologically active substances under contracts with biotechnology and pharmaceutical companies from Europe and the US. It is worth noting that in Q1 2021 CMBD has significantly strengthened its presence on the US market. Launching of new Drug Discovery projects made USA the country generating the highest income for the department.

Integrated project – based collaboration with old clients was also continued in the area of ADME / DMPK, in the form of additional analyses performed in this area. Thanks to the introduction of a new proteomics offer in 2020 and the acquisition of new LC-MS / MS spectrometers, in Q1 2021 the first orders for the analysis of polypeptides and proteins were completed.

Computational chemists supported the IDD projects by analysing the data available in the public domain, tracking the SAR for the duration of the projects, by designing next-generation structures using virtual techniques based on the protein structure, such as virtual screening or focused

docking, to identify key ligand-protein interactions. Recently, Selvita has increased the range of available modelling tools and put significant emphasis on the application of the artificial intelligence approaches to drug discovery by employing experienced specialists. We expect AI to become an area of dynamic growth within the DD business.

A very good coordination of the work of medicinal, synthetic, computational and analytical chemists, as well as the ADME and in vitro pharmacology team by the IDD Project Managers, as well as significant intellectual contribution of Selvita scientists, supported by good communication with the clients allowed us to generate high-quality data and to achieve the assumed project goals.

Apart from supporting the IDD projects, the activities of computational chemists included: triaging HTS results from standard screening tests and from testing DNA-encoded libraries and support for PROTAC work with the use of protein-protein docking, among other techniques.

In Q1 2021, on top of the revenue generated by organic chemistry and integrated projects, a large part of the Drug Discovery area's income came from the production and purification of recombinant proteins and the structural analysis of protein-ligand complexes, in which the Biochemistry Department specializes. High-quality recombinant proteins were produced using both bacterial and eukaryotic expression systems, which enable the production of a wide variety of proteins, including these very difficult to obtain.

Furthermore, the Biochemistry Laboratory is continuing the project co-financed by the Lesser Poland Center of Entrepreneurship. The project aims to further broaden our experience with crystallography and structural analysis of proteins by implementing and developing methods to produce and crystallize a variety of protein classes as molecular targets that may be of great importance in the drug discovery process. These research projects were carried out for European and US clients representing global pharmaceutical and biotechnology companies, as well as smaller firms involved in the development of new drugs. The continuing high number of projects at the Biochemistry Laboratory in Q1 2021 is undoubtedly associated with the growing recognition of the service offer and the strengthening of the Selvita Biochemistry brand. This, in turn, allows for the dynamic development of the Biochemistry Laboratory, which is manifested in the increase in employment of experienced scientists and the continuous improvement of the laboratory infrastructure.

Furthermore, over that period, scientists from the Department of Molecular and Cell Biology executed two projects co-financed by the Lesser Poland Center of Entrepreneurship and the National Center for Research and Development.

As part of the first one, entitled 'Development of an in vitro research platform for biosimilar therapeutic antibodies', the research team has developed a series of biophysical, biochemical and cellular in vitro tests to compare the affinity and activity of monoclonal antibodies from the group of TNFα and VEGF inhibitors. The above platform will be of similar character to the platform for comparative research of biosimilar insulins and their analogues, which was developed by the team over the previous years.

Within the second project: "HiScAI - Development of a phenotypic research platform, based on high-content screening technology, with analysis using artificial intelligence algorithms for the discovery of new drugs in neuroinflammatory and fibrotic diseases", which was implemented together with scientists from Ardigen, the work on experimental protocols started to enable multi-

parameter analysis of phenotypic changes in cells with the use of HCS technology and artificial intelligence algorithms. At this stage of the project, scientists from the Department of Molecular and Cell Biology are focusing on optimizing the tests aimed at assessing the activity of drugs in neuroinflammatory diseases.

Finally, the construction of High-Throughput Screening (HTS) Platform was successfully finished in Q1. We believe that the platform will enable more efficient and faster execution of integrated drug discovery projects at the stage of hit identification (identification of active compounds).

In the following quarters / years, in addition to strengthening the team by employing highly qualified staff with diverse therapeutic area and technological experience, as well as by investing in equipment, technologies and laboratories necessary for the balanced functioning of the growing organization, the organic growth of the Drug Discovery area will depend on increasing the efficiency of operations. This will be done, for example, through the implementation of automation of the processes of synthesis, purification and testing of chemical compounds and the wider use of artificial intelligence tools in the processes of data analysis, including the data coming from the HCS assays, compound binding model creation, as well as the prediction of compound structures expected to show improved activity in the IDD projects.

Taking into account the current contracts and the ongoing business talks, one should expect the upward trend to continue, strengthening the market position and an increase in the scale of operations in the Selvita's Drug Discovery in the coming quarters / years.

FIDELTA

General/Introduction

Fidelta combines expertise in the field of medicinal and synthetic chemistry, CADD, in vitro and in vivo pharmacology, ADME/DMPK, toxicology and translational science. Drug discovery projects and services at Fidelta are driven by the objective to deliver efficacious, safe and differentiated pre-clinical candidates with a strong emphasis on translational science, focusing on patients and disease-relevant test models/systems. Over the past two decades, the team has undertaken numerous drug discovery projects including fully integrated projects (i.e. including in vivo disease models) in the therapeutic areas of inflammation (respiratory, GI, autoimmune) and infections (viral and bacterial), building a strong expertise in the field and developing broad packages of assays and animal models. Fidelta has also experienced working in other therapeutic areas like CNS and immune-oncology. Fidelta offers standalone discovery services alongside fully or partially integrated project services. Fidelta's team has gained significant integrated drug discovery (IDD) experience. Our combined experience totals more than 120 integrated drug discovery (IDD) projects for which more than 30 have delivered pre-clinical candidates and 6 entered the clinic.

In Q1 2021 Fidelta continued trend of growth in all areas of drug discovery services, working both on integrated projects as well as on projects based on standalone packages. All of the major collaborations from 2020 continued into 2021 and contracts were renewed. High volume deals are coming from integrated drug discovery services where Fidelta is running Lead Optimisation phases of the project covering medicinal chemistry, ADME/PK, in vitro and in vivo biology. Those are yearly

based contracts with multiple FTEs involved. Fidelta achieved 21% growth in comparison to Q1 2020, from €5.5M to €6.6M.

Since the beginning of the year Fidelta entered the process of integration to Selvita with IT, ERP, HR and BD systems which progressed very well and as scheduled. Teams are now working together for months, full integration of both companies shall be completed by the end of this year. Sales and Marketing teams from Selvita and Fidelta has been already successful with cross selling of services to their respective clients. This should continue for the following months.

Currently Fidelta employs 191 people, out of which more than 170 scientists. In Q1 Fidelta employed 5 new people and by the end of 2021 it is planned to employ additional 15 people.

The company is in the process of adapting a new leased facility for in vitro biology and DMPK departments in Zagreb (Hondlova ulica) that will assure more than 2500 m2 of lab and office space for further growth. The project is going according to plans and the building supposed to be ready to move in by the end of Q3.

Chemistry & ADME/DMPK

With more than 25 years of experience in drug discovery and early development, Chemistry department has continued to prosecute a variety of IDD projects, spanning hit ID, Hit-to-Lead and Lead Optimisation for its clients during Q1 2021. The continued double digit growth of the department, has been notable with the extension and expansion of 5 major IDD collaborations including inflammation, respiratory and oncology therapeutic indication.

In addition the team has contributed to specialised synthetic macrocyclic projects which have included investigation of novel therapeutic approaches towards COVID-19 treatment therapies.

The department continue to invest in newer technologies, such as flow chemistry and SFC analytical equipment while during 2021 the analytical team will add GMP services to their offering.

Fidelta's ADME/DMPK department has a strong history supporting both standalone screening services and IDD projects. The services that are provided to the clients include; a full suite of standard in vitro ADME assays required to progress discovery projects; in vivo rodent PK; and GLP bioanalytical support (both pre-clinical and clinical). Our clients span virtual, biotech and large pharma organisations. As in the entire year 2020, in Q1 2021 the department recorded a dynamic increase in revenues, thanks to the continued cooperation with Fidelta's current business partners.

The in vitro ADME team offering is highly flexible and can be adapted to providing low/medium to high-throughput in vitro assay formats, with appropriate standard controls, to ensure a reduction in cycle time and allow for dynamic quality decision making. The ADME/DMPK team has extensive experience cross-validating assays to match our partner's requirements but it can also provide own 'industry standard' calibrated assays. The ADME/DMPK team has experience working as an integral component of Fidelta's IDD project teams characterizing and interpreting ADME and PK compound properties during hit-to-lead, lead optimisation and candidate selection. In line with the phase of the project tailored screening cascades are devised to characterize and progress compounds with favourable properties in an efficient and cost-effective manner. In vivo pharmacokinetic studies, ranging from cassette PK at early stages to full PK studies including various routes of administration and matrices, are used to support in vitro-in vivo extrapolations, highlight and understand potential liabilities, and aid human PK and dose predictions. Bioanalytical capability

and experience enable the DMPK team to provide support for in vitro/in vivo pharmacology and toxicology studies within integrated projects for small molecules and biomarkers.

Pharmacology and Translational Research

Fidelta's Pharmacology and Translational Research has a long-standing history of vertically integrated pharmacology approach, from target validation in human tissues to proof of mechanism in humans, and has continued working in that manner in Q1 2021. Comprehensive data sets on compounds of interest have been created by combining in vitro, in vivo and ex vivo assays with safety, ADME and PK studies. This approach ensured that molecular observations are put in the context of the whole organism.

The in vitro pharmacology group is very experienced at developing assays to assist preclinical drug discovery with expertise in infection, inflammation, fibrosis, host-pathogen interaction and immuno-oncology. Assays are aimed to support hit and lead identification and optimization by determining the activity at the target proteins in cell free and cellular settings, as well as the effect on cell function, such as mediator release, cell surface and intracellular markers expression, proliferation and chemotaxis.

Whenever appropriate we prioritize assays on human primary cells and tissues, from healthy donors and patients, in order to resemble human disease as much as possible, and run in parallel assays that address the influence of compounds on cellular health. In addition to regular compound screening, the in vitro pharmacology group regularly develops whole blood assays for proof of mechanism studies in clinical trials and performs analysis of clinical samples with the same scope. The majority of the work performed in Q1 was focused on bacterial and viral infections, fibrosis, gastro-intestinal, auto-immune, respiratory and skin diseases.

The in vitro pharmacology team at Fidelta together with Sosei Heptares recently developed a cell-based assay for testing of novel compounds against human corona viruses in BSL2 environment that can significantly speed up the process of compound testing prior to assessing their effectiveness against SARS-CoV-2. This in vitro corona virus testing platform (presented this May at the ATS 2021 International Conference) has already proven to be a useful tool in SARS-CoV-2 research in a collaborative effort to identify promising small molecules for further development as oral treatments for SARS-CoV-2 infection and related human coronaviruses. Using this approach, combined with the expertise of our in vivo pharmacology team and in-house established animal models with a variety of different read outs, we are capable of screening compounds for their efficacy against corona viruses in BSL2 conditions in vitro and test the efficacy of novel compounds in amelioration and treatment of long-lasting post COVID-19 effects in vivo. Fidelta, therefore, is well-placed to provide support to current and future antiviral drug discovery activities using our capabilities and experience in drug discovery research.

The in vivo pharmacology and toxicology team is experienced in using animal models as an irreplaceable tool for a wide range of applications: in vivo target validation, efficacy testing, PK/PD, mechanistic and translational studies as well as PD/tox studies in which early safety read-outs can be assessed. A full panel of automated clinical biochemistry, haematology and coagulation analyses as well as molecular biology techniques are available to support investigation of the compound efficacy and safety. Experienced pathologists, and an in-house histopathological laboratory that routinely runs all standard and special histological techniques, enable accurate

characterization of animal models, elucidation of compound effects and link results of animal studies to clinics helping clients to diminish the risk of failure in the clinics. Fully characterized animal models of infection (viral and bacterial), inflammation (respiratory, gastro-intestinal, auto-immune, dermatology) and fibrosis (lung, liver, kidney), validated with clinically relevant pharmacological controls, offer a comprehensive approach to primary and secondary pharmacodynamic profiling of compounds to ensure generation of high-quality data relevant to human disease. Thought Q1 2021, pharmacological profiling of multiple potential therapeutic agents was performed across multiple therapeutic areas.

The translational research team designs, plans and executes prospective medical research studies on carefully selected patient population, and has continued doing that during Q1 2021 in spite of ongoing pandemics. We have established contracts with major Croatian hospitals that allows us doing different ex vivo and biomarker studies on patient samples.

REGULATORY STUDIES

In the first quarter of 2021 Selvita Analytical Laboratory continued the implementation of the offer addressed primarily to pharmaceutical and agrochemical customers. Research related to the development of methods, optimization of methods and identification of active compounds and impurities was carried out following the FTE approach, while orders related to the validation and transfer of analytical methods were executed based on the FFS (fee for service) approach. In the first quarter of this year the work was done mainly for Selvita's regular customers.

A large CMC project for a global pharmaceutical company involving comprehensive analytical support for the compound synthesis process in Q1 entered the regulatory phase (including stability studies). For the same client, compounds from the pharmaceutical product development stage were also analysed for their nitrosamines content. Cooperation with a similar scope, but for a new molecule, will also continue in the following quarters of the year. A project was also carried out for a new large pharmaceutical client to identify impurities using high-resolution mass spectrometry. Now the work has entered the stage of optimization of the identification method and the introduction of complementary methods confirming the identity of the compounds. In the field of nitrosamines analyses, new orders were received during Q1. This research will be performed using a new LCMS equipment, the purchase of which was decided at the beginning of the year.

In the area of regulatory studies, certification of active substances as well as biological and low-molecular-weight finished products was performed for several pharmaceutical companies, including a well-known global company, the initial cooperation with which concerned only research and validation projects. In the first quarter, the first series for three products were certified and a significant increase in the scale of these tests is planned for the near future.

For agrochemical companies, work was carried out in the field of method validation, certification of active compounds and impurities and 5Batch testing in the GLP system. Another order for physicochemical analyses was received from a global agrochemical company and the work started.

Cell and Molecular Biology laboratory performed transfers of bioanalytical methods as well as batch release and stability testing of several biological drugs from various classes for European and US clients. These analyzes were carried out in the Good Manufacturing Practice (GMP)

standard. It should be emphasized that in Q1 2021 CMBD started the execution of three new projects for a European customer. Projects concern the development of biological assays to assess the activity of peptide vaccines for the treatment of patients suffering from unresectable/metastatic melanoma.

R&D/RESEARCH AND DEVELOPMENT

In addition to the revenues generated within the Drug Discovery and Regulatory areas, in Q1 2021 some services revenues came from R&D projects.

The main types of projects in this area are typically synthetic chemistry projects for the biotechnology and pharmaceutical industry, development of new, effective, cost-efficient and environmentally safe synthetic processes / alternative technologies to make chemical substances, scaling up chemical processes for production purposes, as well as optimization and parameterization of technologies for registration purposes.

In Q1 2021, Selvita scientists also worked on contract synthesis of pharmaceutical and chemical compounds on a scale from mg to kg – providing the customers with active substances, intermediates, impurities and degradation products.

Based on a broad offer of chemical, bioanalytical and proteomic analyses the Selvita Analytical Laboratory carried out R&D projects for clients with whom collaboration had been established in previous years, as well as with new ones, that were acquired thanks to the constantly expanding package of tests.

The R&D area is of interest to both large and medium-size pharmaceutical and biotechnology companies, agrochemical and chemical industries as well as the CRO / CMO organizations. Within this group of projects, the company provides services based on the FFS and FTE models. Selvita works on such projects with clients from Europe, Israel and the US.

Selvita continuously expands the portfolio of available technologies, e.g. in the field of photochemistry, electrochemistry, flow synthesis, high pressure synthesis and the available analytical testing package, in line with the expectations of our clients, which allows for the continuation of the upward trend also in the area of R&D / Research and Development.

ARDIGEN S.A.

The first quarter of 2021 began the implementation by Ardigen of the strategy of further development adopted at the end of last year, where the main challenge for the Company in the coming years is to maintain and strengthen its leading position in the service provider segment on the attractive and dynamically developing AI in Drug Discovery global market.

The company's offer has been divided into two segments:

The first are general services (Digital CRO), i.e. the provision of necessary competences which allow our clients (pharmaceutical and biotechnology companies) to implement the Data-Driven or AI-Driven strategy. They will allow them to build the foundation that is necessary for these companies

to develop their strategies with the AI component. This concept is based on the integration of biological, bioinformatics, data science and software engineering competences.

The second segment are specialized services provided with the use of a proprietary, technologically advanced AI Platform. Here, the company solves problems for which the currently available methods are very time-consuming and costly or even ineffective. The value of Ardigen's services here is primarily to increase the chances of success and to shorten the time of a single drug development programme.

Ardigen applied three main criteria when selecting specializations:

- considerable complexity of the problem to be solved,

- the availability of laboratory technologies "producing" a large amount of data,

- expert assessment of the potential for the development of innovative oncological therapies.

As a result, the company's offer has been divided into three specialized areas: Immunology, the Microbiome and the newly set up area of Biomedical Imaging.

In each area, unique, specialist knowledge on the line between molecular biology and Artificial Intelligence technology is acquired. Computing platforms are used alongside laboratory experiments. Synergies between these areas are also generated.

IMMUNOLOGY

In the area of immunology, the company focuses on the development of two advanced platforms: ArdImmuneVax and TCRact, which significantly accelerate, reduce costs and increase the safety of contemporary cancer immunotherapy.

In the first quarter, sequencing of samples collected from lung cancer patients in an observational clinical study (NCT04145232) began. The analysis of these data is the next step to verify and confirm the effectiveness of the algorithms developed to assess the chances of successful immunotherapy in cancer patients.

As part of the development of the TCRact platform and experimental confirmation of the effectiveness of the ArdImmune Vax platform, the Company signed a contract for a number of complex laboratory experiments in the field of immuno-oncology with the Danish company ImmuMap. This cooperation is also a big step ahead in the production of data necessary to learn the artificial intelligence algorithms developed in order to support the advancement of therapies based on T lymphocyte receptors (TCR).

Intense development work is being done on an innovative approach to mitigate potential serious side effects of immunotherapy which are difficult to predict prior to clinical trials. The results in the form of two posters have been accepted for prestigious scientific conferences planned for the second quarter of this year: CIMT (Europe's Cancer Immunotherapy Meeting) and ISCT International Society for Cellular Therapy Annual Meeting. The team continued intense promotion and sales, including at the following virtual industry meetings: PepTalk, CAR-TCR Summit, Festival of Biologics and BIO Europe Spring.

In the first quarter of this year, the company established cooperation with European and American academic centres which will contribute to a faster development of Ardigen technology platforms.

THE MICROBIOME

In the microbiome area, Ardigen focuses on supporting the development of contemporary therapies and diagnostic methods by identifying bacteria or compounds produced by bacteria (postbiotics) which are active in this context. The use of Artificial Intelligence methods in combination with bioinformatics and biology enables research in the very complex world of the microbiome and its interactions with humans. This approach is the cornerstone of the technology platform developed by Ardigen.

In the first quarter of 2021, Ardigen continued the development of the AI Ardigen Microbiome Translational Platform designed for functional microbiome analysis based on the full available metagenomic and metabolomic information.

The company worked with a pharmaceutical company on a commercial project using the above-mentioned platforms. A project on the potential use of the environmental microbiome in forensics was continued. This is done in a consortium with the Central Forensic Laboratory of the Police and the Jagiellonian University.

In the first quarter, a patent application was filed together with the Poznań Institute of Bioorganic Chemistry of the Polish Academy of Sciences as part of the Map of the Polish Microbiome project.

Due to the ongoing pandemic, company representatives attended virtual microbiome conferences in the first quarter of 2021. In addition, the company engaged in online marketing, for instance in mailing campaigns, webinars, posting short thematic films, interviews and blog entries. Ardigen also featured in the Microbiome Times report as one of the leading microbiome companies.

In the first quarter, Ardigen continued active membership in the Pharmabiotic Research Institute, an organization which brings together international leaders in LBP class therapies.

In the first quarter of 2021, intense sales operations aimed at acquiring new customers were also conducted and talks were continued with other potential scientific and business partners. The company held meetings with numerous prospective customers and submitted many offers. Interest in microbiome research has grown significantly around the world.

BIOMEDICAL IMAGING

In the first quarter of 2021, intense sales and marketing operations received priority treatment. New marketing materials were developed (leaflets and a web subpage) presenting the Ardigen offer in the Biomedical Imaging area. Attendance at a number of virtual industry conferences (SLAS 2021 Conference, AI in Healthcare & Pharma Virtual Summit, Spatial Biology Europe, High Content Imaging Conference, AI Medicine & Drug Target Discovery, Drug Discovery and Development 2021, AI in Drug Discovery Conference) allowed Ardigen to present its offer to potential clients. Four contracts were signed as a result of intensive sales operations.

In the last quarter, further work was done with a company from the top ten list of pharmaceutical companies. The project is on phenotypic screening and is aimed at developing algorithms that allow to predict the properties of small molecule compounds based on an image.

DIGITAL CRO

Intense marketing and sales operations were carried out in the first quarter of 2021. Marketing materials were updated. The updated content includes the experience gained in projects carried out last year. In January, February and March, representatives of Digital CRO took part in the virtual editions of the Festival of Genomics, JP Morgan Healthcare, MassBio Partnering Week, Tri-Con, Festival of Biologics, AI in Drug Discovery, Re-Work AI for Health & Pharma conferences. Apart from the above, constant interest in services from current customers and recommendations to new companies led to the signing of over a dozen contracts in Q1 2021. Increasing the number of customers in this segment is an important strategic goal of Ardigen.

9. THE CAPITAL GROUP STRUCTURE

PARENT ENTITY

Business name	Selvita S.A.
Registered office	ul. Bobrzynskiego 14, 30-348 Krakow
Company (ID)REGON	383040072
TAX ID (NIP)	6762564595
Legal form	Joint – stock company
KRS Number	0000779822
Website	www.selvita.com

AFFILIATES

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

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

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

Business name	Fidelta d.o.o.
Registered office	Prilaz brauna Filipovića 29, HR-10000 Zagreb, Croatia
Shareholders	100% of shares held by Selvita S.A.
Share capital	HRK 100.000.000

Business name	Ardigen Spółka Akcyjna
Registered office	ul. Podole 76, 30-394 Krakow
Company (ID) REGON	362983380
TAX ID (NIP)	676-249-58-65
Legal form	Joint- Stock company
KRS Number	0000585459
Shareholders	Selvita S.A. holds 46,67% shares entitling to exercise 53,98% votes

Business name	Ardigen Inc.*
Registered office	San Francisco, USA
Shareholders	100% of shares held by Ardigen S.A.
Share capital	100.000 USD
Establishing date	February 2021

** In the reporting period of Q1 2021, Ardigen Inc. was established as a 100% subsidiary of Ardigen S.A. The company was registered in the state of Delaware on February 3, 2021. The company's address remains 611 Gateway Boulevard South San Francisco, CA 94080. The Management Board (Officers & Board of Directors) includes the existing Members of the Board of Ardigen SA, i.e. Mr. Janusz Homa (President and Chief Executive Officer), Mr. Łukasz Nowak (Treasurer, Secretary and Chief Operating Officer), Mrs. Kaja Milanowska-Zabel (Executive VP) and Mr. Michał Warchoł (Executive VP). The purpose of establishing the company as the sales office of Ardigen S.A. remains further foreign development and expansion of the Ardigen's offer dedicated to clients from the United States.*

10. ISSUER'S CORPORATE BODIES

MANAGEMENT BOARD
Bogusław Sieczkowski – President of the Management Board
Miłosz Gruca – Vice President of the Management Board
Mirosława Zydroń – Member of the Management Board
Edyta Jaworska – Member of the Management Board
Dariusz Kurdas – Member of the Management Board
Dawid Radziszewski – Member of the Management Board

RADA NADZORCZA
Piotr Romanowski – Chairman of the Supervisory Board
Tadeusz Wesołowski – Vice Chairman of the Supervisory Board
Paweł Przewięźlikowski – Supervisory Board Member
Rafał Chwast – Supervisory Board Member
Wojciech Chabasiewicz – Supervisory Board Member
Jacek Osowski – Supervisory Board Member

AUDIT COMMITTEE
Rafał Chwast – Chairman of the Audit Committee
Piotr Romanowski – Audit Committee Member
Tadeusz Wesołowski – Audit Committee Member
Wojciech Chabasiewicz – Audit Committee Member

RENUMERATION COMMITEE
Paweł Przewięźlikowski – Chairman of Renumeration Committee
Jacek Osowski – Renumeration Committee Member
Piotr Romanowski – Renumeration Committee Member

During the reporting period Q1 2021, as well as after it ended, there were not changes in composition in Issuer's corporate bodies.

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

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

Shareholder	Series A*	Series B	No. of shares	% of share capital	No. of votes	% votes at GM
Management Board						
Bogusław Sieczkowski	550 000	374 384	**924 384**	5,04%	**1 474 384**	6,58%
Miłosz Gruca	-	47 000	**47 000**	0,26%	**47 000**	0,21%
Mirosława Zydroń	-	30 000	**30 000**	0,16%	**30 000**	0,13%
Edyta Jaworska	-	10 000	**10 000**	0,05%	**10 000**	0,04%
Supervisory board						
Paweł Przewięźlikowski	3 500 000	1 490 880	**4 990 880**	27,19%	**8 490 880**	37,9%
Tadeusz Wesołowski (indirectly)	-	92 975	**92 975**	0,51%	**92 975**	0,41%
Tadeusz Wesołowski (through Augebit FIZ)	-	1 039 738	**1 039 738**	5,66%	**1 039 738**	4,64%
Piotr Romanowski	-	250 000	**250 000**	1,36%	**250 000**	1,12%
Rafał Chwast	-	121 115	**121 115**	0,66%	**121 115**	0,54%

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

In the reporting period, there was one change resulting from the sale of 70,000 shares by Mr. Piotr Romanowski, about which the Issuer informed in the current report No. 5/2021 of February 5, 2021. Before the transaction, Mr. Piotr Romanowski held 320,000 shares entitling to the same number of votes at the Issuer's general meeting, which constituted 1.74% of shares in the share capital and 1.43% of votes, respectively. After the transaction, Mr. Piotr Romanowski holds 250,000 shares entitling to the same number of votes (1.36% in the share capital and 1.12% of votes, respectively).

The Issuer is not aware of any other agreements that may have an impact on changes in the proportion of shares held by the existing shareholders. There are no other restrictions on the transfer of ownership of the Issuer's securities.

SHARES HELD BY SIGNIFICANT SHAREHOLDERS OF THE COMPANY

Shareholder	Shares	% shares	Votes	% votes
Paweł Przewięźlikowski	4 990 880	27,19%	8 490 880	37,90%
Bogusław Sieczkowski	924 384	5,04%	1 474 384	6,58%
Nationale Nederlanden OFE	1 900 000	10,35%	1 900 0000	8,48%
AVIVA Investors TFI	1 133 009	6,17%	1 133 009	5,06%

On 15th of April 2021 the Company received the information from the Funds managed by Aviva Investors TFI (Aviva Investors Fundusz Inwestycyjny Otwarty, Aviva Investors Specjalistyczny Fundusz Inwestycyjny Otwarty, Aviva Specjalistyczny Fundusz Inwestycyjny Otwarty PPK, Aviva Investors Specjalistyczny Fundusz Inwestycyjny Otwarty Dużych Spółek) that as a result of the acquisition of Company's shares Aviva has exceeded the threshold of 5% of the total number of votes at the Company's general meeting and currently hold 1 133 009 of the Company's shares, representing 6,17% of the Company's share capital, entitling to 1 133 009 votes at the Company's General Meeting of Shareholders, which accounts for 5,06% of the total number of votes.

12. ADDITIONAL INFORMATION

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

Did not occur.

Significant non-arm's length transactions with related entities

Did not occur.

Warranties for loans and borrowings and guarantees granted

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

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

Not applicable.

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

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

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

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

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

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

Not applicable.

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

Not applicable.

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

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

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

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

Information on deferred income tax provisions and assets

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

Information on significant purchases or disposals of tangible fixed assets

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

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

Information on the liabilities in respect of purchases of tangible fixed assets is provided in note 34 to the consolidated financial statements.

Information on significant settlements resulting from court cases

Not applicable.

Error corrections relating to previous periods

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

None.

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

Not applicable.

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

Information on events that occurred after the date for which the financial statements were prepared is provided in note 41 to the consolidated financial statements.

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

Information on changes in contingent liabilities or contingent assets is provided in note 35 to the consolidated financial statement.

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

Not applicable.

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

Not applicable.

Cracow, May, 25 2021 r.

Bogusław Sieczkowski President of the Management Board	Miłosz Gruca Vice President of the Management Board	Mirosława Zydroń Member of the Management Board
Edyta Jaworska Member of the Management Board	Dawid Radziszewski Member of the Management Board	Dariusz Kurdas Member of the Management Board

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