



SELVITA S.A.
CONSOLIDATED QUARTERLY
REPORT (SUMMARY)

Q1
2016

May 12, 2016

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BASIC INFORMATION ON THE CAPITAL GROUP

Parent Entity

Business name of the Company	Selvita Spółka Akcyjna
Registered office	ul. Bobrzyńskiego 14, 30-348 Kraków
Company ID (REGON)	120515330
Tax ID (NIP)	679-29-42-955
Legal form	Joint-Stock Company
Website	www.selvita.com

Related Entities as of May 12, 2016

Business name of the Company	BioCentrum spółka z ograniczoną odpowiedzialnością
Registered office	ul. Bobrzyńskiego 14, 30-348 Kraków
Company ID (REGON)	356815670
Tax ID (NIP)	676-226-47-81
Legal form	Limited Liability Company
Website	www.biocentrum.com.pl
Shareholders	100% shares held by Selvita S.A.

Business name of the Company	Selvita Services spółka z ograniczoną odpowiedzialnością
Registered office	ul. Bobrzyńskiego 14, 30-348 Kraków
Company ID (REGON)	122456205
Tax ID (NIP)	676-245-16-49
Legal form	Limited Liability Company
Shareholders	100% shares held by Selvita S.A.

Business name of the Company	Selvita Inc.
Registered office	Wilmington, Delaware, USA
Company File No.	5700516
Legal form	Corporation
Shareholders	100% shares held by Selvita S.A.

Business name of the Company	Selvita Ltd
Registered office	Cambridge, Great Britain
Company No.	9553918
Legal form	Limited Liability Company
Shareholders	100% shares held by Selvita S.A.

Business name of the Company	Ardigen Spółka Akcyjna
Registered office	ul. Bobrzyńskiego 14, 30-348 Kraków
Company ID (REGON)	362983380
Tax ID (NIP)	676-249-58-65
Legal form	Joint-Stock Company
Shareholders	Selvita S.A. holds 60.01% of shares and 63.13% votes at the shareholder meeting

All entities within the Selvita Group are consolidated.

The Core Business of the Capital Group

The activities of the Capital Group cover two main business segments:

- **Innovative segment** – research and development activities implemented through in-house research projects on innovative drugs,
- **Service segment** – R&D services provided to external clients, in particular to pharmaceutical and biotechnology industry and implementation of bioinformatics systems.

FINANCIAL HIGHLIGHTS

Selvita S.A. Capital Group – consolidated data						
Item	PLN thousands			EUR thousands		
	From 01.01.2016 to 31.03.2016	From 01.01.2016 to 31.03.2016 excl. incentive programme	From 01.01.2015 to 31.03.2015	From 01.01.2016 to 31.03.2016	From 01.01.2016 to 31.03.2016 excl. incentive programme	From 01.01.2015 to 31.03.2015
Net revenues from sales	11 391	11 391	8 403	2 612	2 612	2 045
Revenues from subsidies	1 964	1 964	3 624	450	450	882
Total revenues from sales and subsidies	13 355	13 355	12 027	3 063	3 063	2 927
Operating expenses	-16 041	-12 897	-10 986	-3 679	-2 958	-2 674
Depreciation	-851	-851	-772	-195	-195	-188
Profit/loss on operating activities (EBIT)	-2 563	581	1 121	-588	133	273
Profit/loss before income tax	-2 521	622	1 281	-578	143	312
Net profit/loss	-2 522	621	1 276	-578	142	311
EBITDA	-1 712	1 432	1 893	-393	328	461
Net cash flow from operating activities	1 726	1 726	-1 127	396	396	-274
Net cash flows from investing activities	-1 038	-1 038	-995	-238	-238	-242
Net cash flows from financing activities	58	58	29 948	13	13	7 288
Total net cash flow	746	746	27 826	171	171	6 772
Number of shares	13 115 457	13 115 457	13 115 457	13 115 457	13 115 457	13 115 457
Profit (loss) per share (in PLN/EUR)	-0,19	0,05	0,10	-0,04	0,01	0,02
Diluted profit (loss) per share (in PLN/EUR)	-0,19	0,05	0,10	-0,04	0,01	0,02
Book value per share (PLN/EUR)	3,63	3,63	2,80	0,83	0,83	0,68
Diluted book value per share (PLN/EUR)	3,63	3,63	2,80	0,83	0,83	0,68
Declared or paid dividend per share (PLN/EUR)	-	-	-	-	-	-

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 according to the exchange rate constituting the arithmetic mean, 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 01/03/2016 – 31/03/2016: PLN 4.3602;
 - for the period from 01/01/2015 – 31/03/2015: PLN 4.1092.

2. Balance sheet items were converted according to the average exchange rate announced by the NBP, applicable as at the balance sheet date; this exchange rate amounted to:

- as at 31 March 2016: PLN 4.2684;
- as at 31 December 2015: PLN 4.2615;
- as at 31 March 2015: PLN 4.0890.

MANAGEMENT BOARD'S COMMENTS ON FACTORS AND EVENTS AFFECTING THE FINANCIAL RESULTS

Increase and Dynamics of Revenues and Financial Results

The first quarter of 2016 is another subsequent quarter in which Selvita Capital Group S.A. (hereinafter referred to in this report as 'Selvita Group' or the 'Group'), not taking into consideration the costs of the incentive scheme, achieved an operating income. The positive result is an effect of continuing the profitable operations both within the scope of innovation as well as services segments. During this quarter the Group continued to account for the Key Company Management and Employees Incentive Scheme ('Scheme', 'Programme'), approved on 2 September 2015, which is based on the issue of subscription warrants convertible to the Company's shares, in the Company's profit and loss account. The cost of the mentioned Scheme is an accrual basis cost and does not result in any cash expenditures.

In order to maintain comparability of financial data for the current period with the data from the previous periods, the comments presented below are based on data that does not account for the costs of the Scheme that amounted to PLN 3,144 thousand during Q1 2016.

The Group's net profit for the Q1 2016 amounted to PLN 621 thousand compared to PLN 1,276 thousand net profit achieved in Q1 2015. This means net profitability (calculated as the net profit against total revenues, meaning revenues from sales and subsidies) at a level of 5%. Within the reporting period Selvita Group was consequently involved in intensive research as part of the programmes started in previous years, most of which, as per the accounting policy adopted, are accounted for directly as costs.

In Q1 2016 Selvita Group achieved an operating revenue in the amount of PLN 13,478 thousand, which means an 11.3% increase against Q1 2015, when the revenues amounted to PLN 12,107 thousand. In Q1 2016 net sales revenues (excluding subsidies) amounted to PLN 11,391 thousand, which means dynamics at the level of 35.6% compared to Q1 2015, in which net sales revenues (excluding subsidies) amounted to PLN 8,403 thousand.

Q1 2016 is the first full quarter of Ardigen S.A.'s operations. Ardigen S.A. is Selvita's subsidiary where an organised part of the enterprise (the Group's bioinformatics division) was contributed in 2015. Due to the above, starting from Q1 2016, Bioinformatics was separated (for a presentation and external reporting purpose) as the third operating segment which shall include the results of the subsidiary Ardigen S.A. The operations of Ardigen S.A. (and thus of the entire bioinformatics segment of the Group) are described further in the report.

In 2015 the focus of Selvita Group in the services segment was mainly on intensive development achieved through expanding the scope of operations and penetrating new markets. The profitable and dynamically developing

services provides the Group with a solid basis for growth – revenues from services provided to external customers in Q1 2016 amounted to PLN 6,974 thousand, which means a 66% increase in comparison to the corresponding period of the previous year, where the revenues amounted to PLN 4,200 thousand. Services segment's operating income (EBIT) for Q1 2016 amounted to PLN 542 thousand and increased by 165% in comparison to Q1 2015 EBIT which amounted to PLN 205 thousand. What is important, such a high growth was achieved in spite of foreign subsidiaries operating costs incurred in the whole Q1 2016, while such costs were not incurred in Q1 2015.

The second profitable segment of the Group's operations is the innovations segment. Revenues generated by the innovations segment of Selvita Group in Q1 2016 amounted to PLN 3,892 thousand, which means growth of 7% compared to Q1 2015, where the revenues amounted to PLN 3,641 thousand. Innovations segment's operating income (EBIT) for Q1 2016 amounted to PLN 201 thousand which means 76% decrease in comparison to Q1 2015 EBIT which amounted PLN 841 thousand. The main reason of operating income decrease were higher expenditure incurred in Q1 2016 on not yet commercialized R&D projects in early research stages than in Q1 2015.

In Q1 2016 the bioinformatics segment revenues amounted to PLN 525 thousand, which means decrease of 7% in comparison to the revenues of the bioinformatics division for Q1 2015, which amounted to PLN 562 thousand. Bioinformatics segment incurred operating loss in Q1 2016 in the amount of PLN 281 thousand, which was a result of investments in sales and marketing activities and development of new products.

In Q1 2016 the revenues from subsidies decreased by 46% in comparison to the corresponding period of the previous year – from PLN 3,624 thousand to PLN 1,964 thousand. Revenues from subsidies do not account for the amount that was deferred in the balance sheet in parallel to the deferred costs of development works, and amounted to PLN 239 thousand in Q1 2015 and PLN 1,442 thousand in Q1 2016, respectively. A decrease in the revenues from subsidies results mainly from the fact that part of the subsidies that the Group benefitted from in the recent years have already been consumed. Another reason is that the new innovative projects executed under the new subsidies perspective started in Q1 2016 and costs of those projects are incurred gradually.

The value of the contracted portfolio of orders for the year 2016, resulting from commercial contracts signed as of the day of publication of the report and subsidy agreements ('Backlog'), amounts to PLN 42,380 thousand, of which:

- Services PLN 22,252 thousand
- Innovations PLN 10,121 thousand
- Subsidies PLN 10,007 thousand

and is 13% higher than the backlog for the year 2015 announced in May last year and 20% higher than the backlog for the year 2016 announced in March current year. Special attention should be drawn to the increase of the orders portfolio in the services sector, amounting respectively to 78% (in comparison to the backlog for the year 2015 announced in May last year) and 30% (in comparison to the backlog for the year 2016 announced in March current year). The subsidies backlog does not account for the amount of PLN 3,560 thousand, which constitutes revenues from subsidies to be accounted for in the balance sheet in parallel to the deferred costs of development works.

The Group's Assets and the Structure of Assets and Liabilities

The value of the Group's assets as of the end of Q1 2016 amounted to PLN 64,870 thousand and was reduced by PLN 372 thousand compared to the end of 2015 (PLN 65,242 thousand). As of the end of Q1 2016 the most

important tangible assets lines are property, plant and equipment, amounting to PLN 10,105 thousand, including most of the equipment of laboratories and the deferred income tax assets, amounting to PLN 5,651 thousand. Compared to the amounts as of 31 December 2015, the value of tangible assets increased by PLN 2,264 thousand. This is primarily the effect of purchasing new tangible assets (partially off-set by the planned depreciation expenses) and accounting for the spending on development works carried out under the KIND-P1 project as assets.

From 1 January 2015 Selvita started capitalization of development costs for KIND-P1 project as a result of the fulfilment of the accounting criteria allowing for such treatment. The value of these assets as of the end of Q1 2016 amounted to PLN 8,469 thousand and is presented under the “unfinished development work” item in the amount of PLN 2,904 thousand, after deducting the amount of PLN 5,565 thousand i.e. the value of the deferred revenues from subsidies attributable to the deferred costs.

The assets structure exemplifies the Group’s financial liquidity and an improvement against previous years, which is confirmed by the following indicators:

	31/03/2016	31/12/2015
Liquidity indicator		
current assets/current liabilities including short-term provisions and accruals (excl. deferred revenues)	5.19	5.43
Increased liquidity indicator		
(current assets-inventory)/current liabilities including short-term provisions and accruals (excl. deferred revenues)	5.05	5.30

Surplus cash not used in operating activities are invested in safe financial instruments – bank deposits.

The main item in the Selvita Group’s equity and liabilities is equity which amounted to PLN 47,235 thousand and increased by PLN 787 thousand compared to 31 December 2015. The second most important source of funding are current liabilities which, together with provisions, amounted to PLN 14,517 thousand at the end of Q1 2016. The highest value items in the Group’s liabilities are trade liabilities, deferred revenues (most of which are subsidies received and to be settled in the future) and short-term provisions.

Current and Foreseen Financial Situation

The Group’s financial position as of the report date is very good. As of 31 March 2016 the value of the Group’s cash amounted to PLN 29,553 thousand, whereas as of 10 May 2016 the value of the Group’s cash amounted to PLN 29,944 thousand.

Both the innovations segment as well as the services segment of the Group’s operations are profitable. The R&D activities are financed by revenues from customers and co-financed by research grants and funds obtained through issues. A further increase in revenues is anticipated in the subsequent quarters of 2016, both from services provided, as well as from the commercialisation of further research projects and maintaining profitability in both segments.

The Company fulfils its liabilities without delays and maintains a safe level of cash that allows it to retain liquidity. Revenues from issues and the cash generated from the operating activities allow for executing the planned investments, especially in the development of innovative projects, laboratory infrastructure and the opening of foreign companies aiming to support business development.

INFORMATION FROM THE MANAGEMENT BOARD ON THE ACTIVITIES IN SPECIFIC BUSINESS DEVELOPMENT AREAS

R&D Activities (Innovative Segment)

In Q1 2016, the Selvita Group successfully continued all research projects that are part of the internal drug discovery pipeline as well as projects performed with external partners i.e.: the Kinase Platform in cooperation with H3 Biomedicine and the Cancer Cell Metabolism Platform in cooperation with Merck Serono.

SEL24

The goal of SEL24 project is a discovery of innovative anticancer therapeutic. Its mechanism of action is based on the ability to selectively target cancer cells – especially AML (Acute Myeloid Leukemia) but also MM (Multiple Myeloma) and Non-Hodgkin Lymphomas.

Majority of efforts in Q1 were concentrated on preparations to IND (Investigational New Drug) filing. GLP toxicology was finished as well as synthesis of API under GMP standard which will be used for patients administrations during clinical trials. In parallel, all the necessary IND documentation required before filing was prepared. Pre IND meeting with FDA (Food and Drug Administration) allowed to streamline final work around the IND preparations.

SEL120

SEL120 project is focused on development of CDK8 kinase inhibitors. The candidate compound SEL120-34A has completed a series of non-GLP mice and monkey toxicity studies conducted by a specialized CRO. The compound was well tolerated at effective doses and treatment did not result in significant changes in blood morphology, blood biochemistry and histopathological analysis of major organs. There is also an ongoing work focused on therapeutic positioning of the candidate molecule in the treatment of heme malignancies and solid tumors.

SEL201

SEL201 is focused on development of selective MNK1/2 inhibitors. The candidate compound has been selected based on a very good safety and favorable PK/PD profile in vivo. Currently a major focus is on the analysis of mechanism of action for identified inhibitors and conformation of responder-non responder hypothesis in vitro and in vivo and therapeutic positioning of the molecule in comparison to competitive MNK inhibitors in clinical development.

KINASE INHIBITORS PLATFORM

A strategic partnership with H3 Biomedicine, performed within Selvita kinase platform, aims to develop an innovative anticancer therapy. The novel low molecular weight compounds designed within the collaboration modulate new targets associated with the oncogenic kinase signaling.

In Q1 2016, optimization of effective in vitro modulators of the selected kinase target with proved mechanism of action was performed. Superior efficacy to competitive reference compounds in cellular models of aggressive hematologic malignancies has been proved. The substances showed good tolerability in mice in therapeutic dose ranges and achieved the desired concentration in tumors in vivo. Efficacy in a mouse xenograft model for the most promising compounds is being evaluated. Identification of preclinical candidate is planned for Q3/Q4 2016. The collaborative research investigations proceed according to schedule. Further details cannot be disclosed due to confidentiality restrictions.

CANCER METABOLISM PLATFORM II

The goal of the project is to develop new anticancer drugs targeting particular biological targets associated with aberrant metabolic pathways in cancer cells (cancer metabolism). Dependence of specific metabolic pathways (e.g.. glutaminolysis or glycolysis) is a common feature of many types of cancer, therefore, such drugs have potentially very broad application spectrum. In cooperation with partner several biological undisclosed targets have been selected, and research work have different degrees of advancement (from target validation to lead optimization). The project, in addition to funding, has substantial scientific and infrastructural support from the partner, which is the research and development department of one of the top 25 global pharmaceutical companies.

Conducted research work is on schedule, but further details of the project are covered by trade secret.

OTHER PROJECTS

Apart from the aforementioned projects, Selvita Group also carries out other research and development projects, however their details and the current progress of work is confidential.

Service Segment

BIOLOGY DEPARTMENT

In Q1 2016 the activities of the Contract Biology Department were focused on services within the scope of biological, biochemical and analytical research carried out for customers in the field of chemistry, pharmaceutical sciences and biotechnology, as well as in the agrochemical industry. The Contract Biology Department Laboratories specialise in certified GLP and GMP testing within the following scope: pharmacodynamic testing, cytotoxicity testing, development and validation of biochemical, bioanalytical and cellular tests, as well as analytical methods. Moreover, another well-developed segment are the services within the scope of recombinant protein production, carried out by the biochemical laboratory.

In Q1 2016 the Analytical Laboratory continued works started at the end of 2015, which consisted primarily of projects for a Swiss pharmaceutical company, which decided to co-operate in the FTE model as the first customer in the laboratory's history. The scope of orders was expanded to include further stability testing for GMP batches of tested products (fixed price model) and analyses based on preparative HPLC (FTE model). New orders in Q1 pertained primarily to routine analyses carried out based on previously developed methods – a total of 124 analytical GMP certificates were issued for the analysed product batches provided by various customers from Poland and other European countries. The execution of plans made for this year started in 2016, which consisted in continuing to develop the range of services offered for the agrochemical industry and increasing the number of commercial customers in the ADME sector. At the end of the quarter it was also decided to extend the laboratory premises to include another module with an area of 100 m², which will house GC and ICP equipment. Adaptation works on the premises, transfer of equipment, qualification and introduction into the GMP system were planned for Q2 of this year.

The biochemical laboratory extended its previous co-operation with global customers from the pharmaceutical industry and smaller biotechnological companies within the scope of services concerning the production of recombinant proteins using both bacterial systems, as well as eukaryotic systems. The production of recombinant proteins constitutes the core activity of the Laboratory and is becoming increasingly interesting for foreign customers, which might have a significant impact on winning new customers and an increase in revenues. Moreover, the Laboratory offers genotoxicity testing for chemical compounds based on bacterial models, which supplements the services offered by the biochemical team.

In Q1 2016 the Molecular and Cellular Biology Laboratory continues projects related to analysing the safety and efficacy of compounds used in the agrochemical industry. During the same period the laboratory established co-operation with companies and scientific units in the United Kingdom, Switzerland and the United States. This research was connected with analysing low molecular mass compounds with potential anti-cancer and immunosuppressive effects. Projects in the scope of developing bioanalytical methods to analyse contamination resulting from the process of manufacturing biologics were also continued. These projects were executed for a large European pharmaceutical company.

The next main goals of the Contract Biology Department will be to increase the penetration of Western Europe and United States markets, with a special focus on the offer for pharmaceutical/biotechnological customers who are looking for integrated solutions for projects related to the development of innovative medication, as well as winning new projects and clients and developing the offer within the scope of testing biologics and biosimilars. The experience and knowledge obtained in the course of projects executed for Polish customers will be used to win new orders in foreign markets.

Moreover, sales efforts will be directed at a new group of customers from the agrochemical industry, which constitutes a growing part of the portfolio of customers of the Department year on year.

The long-term goal of the Contract Biology Department will be to shift from the currently most frequent fee-for-service co-operation model to the significantly more profitable model based on FTE settlements. This model is already efficiently used by the Company in projects executed by the Contract Chemistry Department and in the Innovative Segment projects; in recent months it has been used for the first time when executing analytical orders at the Department.

CHEMISTRY DEPARTMENT

An upward trend continued in Q1 2016 at the Contract Chemistry Department.

We signed new FTE contracts with Big Pharma pharmaceutical companies and we continue co-operation based on the FTE model with existing customers from the pharmaceutical, biotechnological and agrochemical sector, continuing to strengthen the position of Selvita in the global research services outsourcing market and building trust that the life sciences industry puts in our services.

At the same time a considerable percentage of the revenues of the Department is obtained through series of fixed-price projects submitted by our regular customers.

We are heavily involved in sales efforts in the United States, Europe and Israel, winning fixed-price contracts and FTE contracts from new customers.

In Q1 2016, apart from the standard sales activities, customer visits at Selvita and visits of Selvita employee's at the customers' premises, we also took part in prestigious industry conferences. Events important from the business perspective of Contractual Chemistry included:

- New Approaches in Medicinal Chemistry, Stevenage, UK, January 2016
- XXII Symposium CHEMIA 2016, Płock, Poland, January 2016
- Crops and Chemicals Europe, Berlin, Germany, February 2016
- Advances and Progress in Drug Design, London, UK, February 2016
- Belgian Peptide Group Meeting 2016, Brussels, Belgium, February 2016

- Innovation for Health, Rotterdam, The Netherlands, February 2016
- Cambridge Therapeutics Forum Meeting, Cambridge, UK, February 2016
- BIO Wales, Cardiff, UK, March 2016
- ECO-BIO 2016, Rotterdam, The Netherlands, March 2016

In Q1 2016 we continued to build our team of scientists at the Contract Chemistry Department. Recently the Group also invested in specialist equipment to support working on R&D projects in the field of discovering new molecules and optimising synthesis processes, thus increasing work efficiency and the scope of research capacities.

The current number of contracts and the business negotiations under way allow for anticipating a further strong upward trend at the Contract Chemistry Department in 2016.

ARDIGEN S.A. (BIOINFORMATICS AND PRECISION MEDICINE)

Q1 2016 is the first full quarter that the former Bioinformatics Division of Selvita S.A. has been functioning within the structure of the company Ardigen S.A., founded on 24 September 2015. According to the operational strategy adopted by Ardigen, the operational focus was on strengthening competences within the scope of personalised medicine, as well as genomics, transcriptomics, metagenomics and immunomics. Among other specialists, two bioinformatics PhDs with many years of experience in the analysis of omics data using modern machine-learning techniques joined the team.

Sales activities were focused on the US market and resulted in establishing co-operation with Harvard Medical School and a California-based biotechnology company that carries out a worldwide innovative project within the field of personalised medicine. In January Ardigen, as the only Polish company, attended the Personalized Medicine World Conference in Mountain View, California, and the Molecular Medicine conference hosted in March in San Francisco. Taking part in those prestigious events allowed us to establish a number of important contacts and learn about the global trends in personalised medicine. These activities will be reflected in winning new contracts in the subsequent quarters.

In parallel, similar to previous quarters, sales and implementation activities will be carried out concerning a solution that is at the core of a professionally managed laboratory – the STARLIMS system by Abbott Informatics. LIMS systems competences allow Ardigen to handle the entire process of bioinformatics analyses, starting in the laboratory. This ensures that Ardigen’s offer may be extended to include Integrated Bioinformatics services.

Information on Selvita S.A. Shareholding Structure

As at the date of publication of the Report, the shareholding structure of Selvita S.A. including shareholders holding at least 5 % of votes at the General Meeting is as follows:

Shareholder	Shares	% of shares	Votes	% of votes
Paweł Przewięźlikowski	5 248 595	39,04%	8 748 595	50,01%
Bogusław Sieczkowski	963 984	7,17%	1 513 984	8,65%
Tadeusz Wesołowski (directly and indirectly)	1 282 713	9,54%	1 282 713	7,33%
Other members of the Management and Supervisory Board	1 049 550	7,81%	1 049 550	6,00%
Remaining shareholders	4 898 501	36,44%	4 898 501	28,00%
Total	13 443 343	100,00%	17 493 343	100,00%

FINANCIAL INFORMATION

Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016	01/01/2016 - 31/03/2016	01/01/2015 - 31/03/2015
	PLN	PLN
Continued operations		
Revenues from sales	11 391 219	8 403 105
Revenues from subsidies	1 963 509	3 624 265
Other operating revenues	123 536	79 358
Revenues on operating activities	13 478 264	12 106 728
Change in stock of goods	-	(3 832)
Amortisation and depreciation	(850 572)	(771 551)
Consumption of materials and energy	(2 395 032)	(2 571 065)
External services	(1 691 057)	(1 917 595)
Payroll	(6 934 176)	(4 893 219)
Taxes and charges	(100 206)	(79 936)
Other costs by type	(830 803)	(568 149)
Value of goods and materials sold	(92 327)	(178 879)
Other	(3 176)	(1 624)
Operating expenses excluding impact of share-based incentive program	(12 897 349)	(10 985 851)
Profit (loss) on operating activities excluding impact of share-based incentive program	580 915	1 120 878
Share-based incentive program	(3 144 000)	-
Profit (loss) on operating activities	(2 563 085)	1 120 878
Financial revenues	156 159	300 300
Financial expenses	(114 590)	(140 391)
Other	-	-
Profit (loss) before income tax	(2 521 516)	1 280 787
Income tax expense	(1 331)	(4 397)
Net profit (loss) on continued operations	(2 522 847)	1 276 390
Discontinued operations		
Profit (loss) on discontinued operations	-	-
Net profit (loss)	(2 522 847)	1 276 390
Net profit loss attributed to		
Majority shareholders	(2 339 161)	1 276 390
Non-controlling shareholders	(183 686)	-
	(2 522 847)	1 276 390
Other comprehensive income:		
Foreign subsidiaries results translation differences	(9 158)	-
Total other comprehensive income	(9 158)	-
Total income	(2 532 005)	1 276 390
Total comprehensive income attributed to:		
Majority shareholders	(2 348 319)	1 276 390
Non-controlling shareholders	(183 686)	-
	(2 532 005)	1 276 390
Earnings per share (expressed in gr per share)		
With continued and discontinued operations:		
Basic	(18.4)	9.7
Diluted	(18.4)	9.7
With continued operations:		
Basic	(18.4)	9.7
Diluted	(18.4)	9.7

Consolidated Balance Sheet

AS OF 31 MARCH 2016	31/03/2016	31/12/2015	31/03/2015
	PLN	PLN	PLN
ASSETS			
Fixed assets			
Tangible fixed assets	10 104 946	8 597 002	6 338 543
Investment in real-estate	-	-	-
Goodwill	280 740	280 740	280 740
Other intangible assets	146 064	153 638	48 187
Unfinished development works	2 903 759	1 839 834	-
Investments in related parties	-	-	-
Deferred tax assets	5 650 690	5 650 690	2 109 051
Other financial assets	-	-	-
Other assets	196 038	196 038	580 259
Total fixed assets	19 282 237	16 717 942	9 356 780
Current assets			
Inventory	1 174 090	1 174 090	576 778
Short-term receivables	12 644 958	17 411 959	7 706 110
Receivables on long-term contracts	1 337 795	549 455	183 069
Other financial assets	-	-	120 000
Current tax related assets	-	-	-
Other assets	878 193	581 815	1 190 085
Cash and other monetary assets	29 552 620	28 806 527	32 583 981
	45 587 656	48 523 846	42 360 024
Non-current assets held for sale and discontinued operations	-	-	-
Total current assets	45 587 656	48 523 846	42 360 024
Total assets	64 869 893	65 241 788	51 716 804

	31/03/2016	31/12/2015	31/03/2015
	PLN	PLN	PLN
EQUITY AND LIABILITIES			
Equity			
Share capital	5 246 183	5 246 183	5 246 183
Surplus from sale of shares above par value	25 284 072	25 284 072	-
Own shares	-	-	-
Supplementary capital	7 712 842	5 829 400	27 805 861
Other reserve capitals	7 873 000	6 612 442	1 883 442
Foreign subsidiaries results translation differences	(9 158)	(2 619)	-
Previous years profit (loss)	3 651 155	(2 790 893)	516 068
Net profit (loss)	(2 522 847)	6 269 811	1 276 390
Provisions related to non-current assets held for sale and discontinued operations presented directly in equity	-	-	-
Equity attributed to majority shareholders	47 235 247	46 448 396	36 727 944
Equity attributed to minority shareholders	408 697	431 379	-
Total equity	47 643 944	46 879 775	36 727 944
Long-term liabilities			
Long-term credits and loans	-	-	-
Other financial liabilities	1 073 900	297 618	176 893
Liabilities for retirement	61 438	61 438	27 074
Provision for deferred income tax	60 324	170 144	15 028
Provisions for liabilities-long-term	-	-	-
Deferred income	1 513 384	1 513 384	1 988 771
Other liabilities	-	-	-
Total long-term liabilities	2 709 046	2 042 583	2 207 766
Short-term liabilities			
Trade liabilities	5 364 217	3 927 091	4 457 217
Construction contracts liabilities	-	1 374 860	1 111 714
Short-term credits and loans	39 742	33 469	101 686
Other financial liabilities	379 321	268 379	280 135
Current tax liabilities	-	4 481	-
Short-term provisions	3 008 575	3 327 277	3 183 560
Deferred income	5 725 049	7 383 873	3 646 782
Other liabilities	-	-	-
Total short-term liabilities	14 516 904	16 319 430	12 781 094
Total liabilities	17 225 950	18 362 013	14 988 860
Total equity and liabilities	64 869 893	65 241 788	51 716 804

Consolidated Cash Flow

	01/01/2016- 31/03/2016	01/01/2015- 31/03/2015
	PLN	PLN
<i>Cash flows from operating activities</i>		
Net profit (loss)	(2 522 847)	1 276 390
Adjustments		
Amortisation and depreciation	850 571	771 551
Exchange gains (losses)	-	-
Interest and profit-sharing (dividends)	(106 416)	(104 068)
Profit (loss) on investing activities	-	-
Change in receivables	4 774 432	(486 293)
Change in inventory	-	-
Change in short-term liabilities and provision excluding credits and loans	1 432 646	(486 293)
Change in grants	(1 972 319)	(576 135)
Change in other assets	(3 358 537)	(2 463 024)
Change in provisions	(318 701)	363 928
Income tax paid	-	-
Contribution in kind of non-controlling shareholders	(196 820)	-
Share-based incentive program	3 144 000	-
Other	-	13 988
Cash flows from operating activities	1 726 009	(1 126 655)
<i>Cash flows from investing activities</i>		
Proceeds from sale of property, plant and equipment	-	-
Purchase of tangible and intangible fixed assets	(1 726 815)	(688 715)
Purchase of tangible and intangible fixed assets partially financed with grant	-	(19 969)
Purchase of other financial assets	(62 444)	(390 614)
Interest received	106 552	104 106
Loans granted	-	-
Other inflows from financial assets	-	-
Other	-	-
Cash flows from investing activities	(1 037 707)	(995 193)
<i>Cash flow from financing activities</i>		
Proceeds from shares issue	-	27 314 477
Payment of liabilities from finance lease agreements	(90 774)	(86 997)
Proceeds from credits and loans	39 741	101 686
Subsidies	142 428	3 679 753
Repayment of credits and loans	(95 913)	(90 921)
Dividends	62 444	-
Interest paid	(136)	(38)
Other	-	(969 949)
Net cash flows from financing activities	57 790	29 948 012
Increase of net cash	746 093	27 826 165
Cash opening balance	28 806 620	4 757 817
Cash and cash equivalents - end of the period	29 552 620	32 583 981

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