



CONSOLIDATED QUARTERLY REPORT
SELVITA S.A. | Q1 2014

13 May 2014

TABLE OF CONTENTS

Basic information on the Capital Group	2
Parent Entity	2
Related Entities as of 31 March 2014	2
The Core Business of the Capital Group	2
Financial Highlights	3
Management Board's COMMENTS on factors and events affecting the financial results	4
Increase and Dynamics of Revenues and Financial Results	4
Economic and Financial Situation	5
Financial Forecasts	5
Information of the Management Board on business development activities	6
R&D Activities	6
Research and Development Commercialization	7
Service Activities	7
Participation in Major Fairs and Marketing Events	8
Other Important Events in Q1 2014	8
Relevant Events in the Period between the End of Q1 2014 and the Publication of the Report	10
Information on Selvita S.A. Shareholding Structure	10
CONSOLIDATED SUMMARIZED FINANCIAL STATEMENTS OF THE CAPITAL GROUP Selvita S.A.	11
Consolidated Summarized Balance Sheet	11
Consolidated Summarized Profit and Loss Account	12
Consolidated Summarized Statement of Cash Flows	13
Summarized Statement of Changes in Consolidated Shareholders' Equity	14
sUMMARIZED FINANCIAL STATEMENTS OF Selvita S.A.	14
Summarized Balance Sheet	14
Summarized Profit and Loss Account	15
Summarized Statement of Cash Flows	17
Summarized Statement of Changes in Shareholders' Equity	17
PRINCIPLES APPLIED in PREPARING THE REPORT	18
Methods for Valuation of Assets and Liabilities and for Determination of Financial Result:	18

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
KRS number	0000367359
Website	www.selvita.com

Related Entities as of 31 March 2014

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
KRS number	0000206301
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
KRS number	0000403763
Shareholders	100% shares held by Selvita S.A.

All entities within the Selvita Group are consolidated.

The Core Business of the Capital Group

The activities of the Capital Group cover three main areas:

- Research and development activities implemented through in-house research projects on innovative drugs,
- R&D services provided to external clients, in particular to pharmaceutical and biotechnology industry,
- Implementation of bioinformatics systems.

FINANCIAL HIGHLIGHTS

Capital Group Selvita S.A.		Consolidated data in PLN			
Item	From		Year to date (YTD)	Year to date (YTD)	
	01.01.2013 to	01.01.2014	From	From	
	31.03.2013	to 31.03.2014	01.01.2013 to 31.03.2013	01.01.2014 to 31.03.2014	
Equity	5 189 423.74	3 790 784.63	5 189 423.74	3 790 784.63	
Long-term receivables	162 043.23	189 645.23	162 043.23	189 645.23	
Short-term receivables	1 848 060.17	4 632 961.39	1 848 060.17	4 632 961.39	
Cash and cash equivalents	3 565 999.75	6 620 225.24	3 565 999.75	6 620 225.24	
Long-term liabilities	231 072.18	164 550.85	231 072.18	164 550.85	
Short-term liabilities	3 356 728.63	4 465 835.83	3 356 728.63	4 465 835.83	
Amortization and depreciation	485 071.18	557 425.63	485 071.18	557 425.63	
Net revenues from sales	2 289 094.56	5 040 424.82	2 289 094.56	5 040 424.82	
Revenues from subsidiaries	1 672 543.68	2 696 803.64	1 672 543.68	2 696 803.64	
Total revenues from sales and subsidiaries	3 961 638.24	7 737 228.46	3 961 638.24	7 737 228.46	
Operating expenses	4 952 752.29	7 236 840.24	4 952 752.29	7 236 840.24	
Profit/loss on sales	-2 663 657.73	-2 196 415.42	-2 663 657.73	-2 196 415.42	
Operating profit/loss	-971 562.65	550 830.47	-971 562.65	550 830.47	
Gross profit/loss	-995 973.58	585 701.53	-995 973.58	585 701.53	
Net profit/loss	-995 973.58	568 036.53	-995 973.58	568 036.53	
EBITDA	-486 491.47	1 108 256.10	-486 491.47	1 108 256.10	

Capital Group Selvita S.A.		Consolidated data in EUR			
Item	From		Year to date (YTD)	Year to date (YTD)	
	01.01.2013 to	01.01.2014	From	From	
	31.03.2013	to 31.03.2014	01.01.2013 to 31.03.2013	01.01.2014 to 31.03.2014	
Equity	1 242 261.63	908 777.75	1 242 261.63	908 777.75	
Long-term receivables	38 790.45	45 464.30	38 790.45	45 464.30	
Short-term receivables	442 394.83	1 110 675.66	442 394.83	1 110 675.66	
Cash and cash equivalents	853 640.96	1 587 089.21	853 640.96	1 587 089.21	
Long-term liabilities	55 314.83	39 448.34	55 314.83	39 448.34	
Short-term liabilities	803 544.94	1 070 610.08	803 544.94	1 070 610.08	
Amortization and depreciation	116 743.97	133 170.63	116 743.97	133 170.63	
Net revenues from sales	550 925.29	1 204 172.40	550 925.29	1 204 172.40	
Revenues from subsidiaries	402 537.59	644 274.37	402 537.59	644 274.37	
Total revenues from sales and subsidiaries	953 462.87	1 848 446.76	953 462.87	1 848 446.76	
Operating expenses	1 191 998.14	1 728 902.54	1 191 998.14	1 728 902.54	
Profit/loss on sales	- 641 072.86	- 524 730.14	- 641 072.86	- 524 730.14	
Operating profit/loss	- 233 829.76	131 595.03	- 233 829.76	131 595.03	
Gross profit/loss	- 239 704.83	139 925.83	- 239 704.83	139 925.83	
Net profit/loss	- 239 704.83	135 705.61	- 239 704.83	135 705.61	
EBITDA	- 117 085.79	264 765.66	- 117 085.79	264 765.66	

The financial highlights presented in this interim report were converted into EUR according to the following criteria:

1. Items concerning the profit and loss account, statement of changes in equity and statement of cash flows were converted according to the exchange rate constituting the arithmetic mean of the daily average exchange rates published by the National Bank of Poland (NBP);
 - for the period from 01.01.2013 – 31.03.2013: PLN 4.1550
 - for the period from 01.01.2014 – 31.03.2014: PLN 4.1858
2. Balance sheet items were converted at the average exchange rate published by the National Bank of Poland as at the balance sheet date, the exchange rate being:
 - as at 31 March 2013: PLN 4.1774
 - as at 31 March 2014: PLN 4.1713

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

Increase and Dynamics of Revenues and Financial Results

The first quarter of 2014 was another reporting period in which the Capital Group Selvita S.A. recorded an operating profit. This positive result is associated with continued profitability in innovation activity and further improving the profitability of services. The Group's Q1 2014 net profit amounted to PLN 568.0k (which translates into a net margin of 7.3% calculated as the net profit to total revenues, i.e. including sales and subsidies) while in the corresponding period of 2013 the Group recorded a net loss of PLN 996k. The improvement in the EBITDA is even more evident – in Q1 2014 the Group's EBITDA was positive and amounted to PLN 1,108.3k compared to PLN -486.5k in Q1 2013. In the reporting period, the Group consistently conducted intensive research and development activities as part of the projects commenced in the previous years, which, according to the Group's accounting policy, are recognized as costs.

In Q1 2014, Selvita Group generated PLN 7,737.2k in revenues – an almost two-fold growth (95.3%) compared to Q1 2013 which saw revenues of PLN 3,961.6k. Net revenues from sales (excluding subsidies) amounted to PLN 5,040.4k, up 120.2% compared to Q1 2013 when the net sales totaled PLN 2,289.0k.

Of particular note are revenues generated by Selvita's in-house R&D projects which amounted to 2,446.6k - a 6.9 growth compared to Q4 2013 (in Q1 2013 this segment failed to generate sales revenue). This was possible owing to continuation of research work under a contract with H3 Biomedicine signed in September 2013 which is bound to bring Selvita PLN 5,783k of guaranteed revenue over the two years of the project as well as continuation of a two-year R&D contract with Merck Serono (signed October 2013) with guaranteed revenues amounting to PLN 10,001k.

In the area of services, Selvita has been consistently implementing its strategy which is to focus on service projects with high added-value and thus greater profitability. As a result, the Group's order portfolio shows a positive trend that has already translated into higher dynamics of commercial revenues in Q1 2014 and which

should continue in the coming quarters. The cost-effective and rapidly growing service segment is a stable foundation for growth - revenues from services for Q1 2014 amounted to PLN 2,593.7k, a 13.3% growth compared to the corresponding period of 2013. In recent months, Selvita has signed new contracts with large multinational pharmaceutical corporations from Europe and North America under which the Group companies continued their advanced research work, i.e. services with high added-value and profit margin.

Compared to Q1 2013, revenues from subsidies in Q1 2014 were up 61.2% from PLN 1,672.5k to PLN 2,696.8k. The increase results from consistent implementation of research projects commenced before 2014 (including a planned increase in expenditure on SEL300 and SEL128 projects) as well as successive writing-off into revenues the received infrastructural subsidies included in the settlements of accrued revenues.

As of the publication date of this quarterly report, revenues from the concluded commercial contracts and grant agreements (backlog) for 2014 amount to PLN 29,627.7 k.

It is also important to note that the Group has systematically increased its employment figures. From May 2013 to May 2014, the number of employees increased from 148 to 189 (174.54 FTEs).

The Group's cash balance as at 31 March 2014 was PLN 6,620.2k, up PLN 1,263.4k compared to the cash balance reported on 31 December 2013. The cash balance on the publication date of this report was PLN 7,700.7k.

Economic and Financial Situation

FIXED ASSETS

As at 31 March 2014, the value of fixed assets was PLN 7,021.7k which represents 35.9% of the Group's total assets. Fixed assets consist primarily of property, plant and equipment with a value of PLN 5,214.5k, including expenditure on adaptation and equipping laboratory premises and long-term prepayments covering mainly deferred income tax assets.

LONG- AND SHORT-TERM RECEIVABLES

Long-term receivables amounting to PLN 189.0 k cover security deposits paid by the Group based on the lease agreement for research space. As at 31 March 2014, short-term receivables amounted to PLN 4,632.9 k which represents 23.7% of the Group's total assets. This asset position consists of mainly trade receivables of PLN 3,859.6k and VAT receivables arising from the submitted VAT refund applications for a total of PLN 668.9k. The reported significant increase in receivables compared to the previous year results from expansion of the Company's operations and issuing high-value invoices in the last month of Q1 2014. These receivables were settled in the next reporting period.

LONG- AND SHORT-TERM LIABILITIES

The value of the Group's liabilities as at 31 March 2014 was PLN 4,630.3k (23.8% of total liabilities) of which long-term liabilities arising from lease contracts totaled PLN 164.5 k. Trade payables amounting to PLN 3,605.2 k. constitute the main share of the Group's short-term liabilities.

Financial Forecasts

Selvita Group has not published its financial forecasts.

The Management Board of Selvita S.A. expects strong revenue growth in 2014 compared to 2013. As at the publication date, the revenues from sales and subsidies contracted for 2014 (backlog) amounted to

PLN 29,627.7 k – a 35.5% increase compared to PLN 21,841.3 k reported in 2013. The Group has been negotiating new contracts to be signed in the coming months which should contribute to further significant increase in the revenue growth compared to 2013.

The value and specifics of the new contracts (both in the area of innovation and services) allow to assume that Selvita Group will report operating and net profit in 2014.

INFORMATION OF THE MANAGEMENT BOARD ON BUSINESS DEVELOPMENT ACTIVITIES

R&D Activities

In Q1 2014, Selvita Group successfully continued all of its research projects, including those in which it invests its own resources and those implemented with external partners, i.e. Kinase Discovery Platform in collaboration with H3 Biomedicine and Cancer Metabolism Platform in collaboration with Merck Serono.

SEL24

The SEL24 project focused on preparation of further preclinical studies and phase 1 clinical trials for the selected clinical candidate (SEL24-B489 molecule). Work included i.a. non-GLP toxicology studies in dogs which will provide preliminary information on dosage to be used during a 28-day GLP studies and on the possible toxic effects associated with high-dose administration of the test compound for an extended period of time. Preliminary results of non-GLP studies are expected in the second quarter of 2014.

SEL120

Work continued on characterization of clinical candidate SEL120-34 (CDK8 inhibitor) to determine its position within the selected therapeutic indications. These efforts involve comparison of the clinical efficacy of SEL120-34 compound versus selected standard therapies, particularly in the treatment of colorectal cancer, lymphomas and leukemias. The research also covers combinations rationally selected based on the expected mechanism of action. These studies should lead to the selection of the optimal clinical development scenario. Additional work has also been conducted to further optimize the specific biomarkers that can be helpful in analyzing the pharmacodynamic profile and selecting a population of patients sensitive to CDK8 kinase inhibitors. Additional safety parameters of the SEL120-34 molecule were studied during the preclinical development in *in-vitro* and *in-vivo* models. In parallel, development work continued with the second series of CDK8 inhibitors with potentially improved safety profile and parameters of selectivity and activity against the target protein.

SEL201

Under the SEL201 we have identified a leading molecule which, to the best of our knowledge, is the most potent and selective MNK1 and MNK2 inhibitor whose mechanism of action has been demonstrated in cellular models. Since the identified leading molecules have satisfactory bioavailability and pharmacokinetic profile, the project efforts are channeled on demonstrating their efficacy in *in-vivo* models and on defining the clinical hypothesis of MNK1/2 inhibitors for oncology and other indications in which the regulation of translation has therapeutic potential.

SEL103

Having received from Orion Pharma the rights for further development and use of the developed molecules, Selvita continues its partnering discussions with prospective pharmaceutical partners which were launched in previous quarters. The discussions concern further development of SEL103 compounds which, compared to

other competitive advanced compounds, have been shown to demonstrate a promising mechanism of action in clinical studies on the symptomatic treatment of Alzheimer's disease. The discussions revolve around the rights to several independent chemotypes demonstrating modulatory activity on 5HT6 receptors and the right to advanced clinical candidates for which advanced chronic and cardiotoxicity toxicity research is available in two animal models in addition to extensive in-vivo activity studies.

KINASE DISCOVERY PLATFORM

In Q1 2014, research conducted within the strategic collaboration with H3 Biomedicine Inc. still concerned mainly two separate protein kinase targets. In both cases, most efforts focused on demonstrating the therapeutic potential for inhibiting the activity of selected protein targets and on the development of small-molecule chemical compounds capable of inhibiting kinase activity. Both studies yielded a number of compounds capable of inhibiting the activity of selected kinase targets at low nanomolar IC50 values and acting against cancer cell-lines with different genetic context. All project works proceed according to the schedule. The details are a trade secret.

CANCER METABOLISM PLATFORM

The work under the SEL300 project focused on establishing a R&D platform for small-molecule inhibitors targeting cancer cell metabolism. In collaboration with Merck Serono, Selvita continued its research to develop specific inhibitors of two enzymes whose activity is crucial in the transformation and development of cancer. The project milestones have been achieved. All details are covered by a trade secret.

OTHER PROJECTS

In addition to the abovementioned projects, Selvita S.A. conducts other in-house research and development programs the details of which are a trade secret.

Research and Development Commercialization

Selvita Group is engaged in intensive talks with clients interested in SEL24, SEL120, SEL141, SEL201, SEL203 and SEL212 projects. Business negotiations are under way and individual projects undergo a multifaceted evaluation based on publicly available or confidential documents as well as chemical material provided by Selvita to the prospective clients. The most advanced negotiations concern SEL24 and SEL120 projects. According to the Management Board of Selvita S.A., there is a good chance to bring the talks to a successful conclusion in the coming months for at least one of the negotiated projects.

Service Activities

The last year's strong upward trend in the profit margin of the new contracts continues in 2014. The structure of the contracts has also improved.

Therefore, Selvita continues to recruit life-science specialist and has decided to set up another three laboratory modules. The rental of additional 300m² floor space with leased equipment is a relatively small investment and financial burden for the Group and it will allow to maintain the growth rate of the number of contracts to be completed in the coming months at the high level recorded within the last 6 months.

According to the established policy, Selvita continues to expand its client portfolio by contracting with new clients and shifting the fixed-price contracts signed with the existing clients towards high-margin FTE-based model as the collaboration develops.

The growing international reputation has already translated into shorter sales cycles and even enabled the Group to establish new collaboration under the FTE model, as in the case of the contract with a Swiss biotech company (reported on 27 March 2014) which decided to start FTE-based collaboration with Selvita worth over 800 thousand PLN.

Also noteworthy is the continuous increase in the share of services for US clients. American pharmaceutical and biotech companies are undisputed leaders among the clients in the global life-science outsourcing market and therefore the presence of Selvita in this market bodes well for further growth of Selvita's service share in this market segment.

Participation in Major Fairs and Marketing Events

In Q1 2014, Selvita continued its active sales and marketing strategy by participating in major conferences and trade fairs, consistently building its brand in the global biotech industry, establishing new business contacts and maintaining the existing good relations with clients.

In Q1 2014, Selvita Group participated i.a. in:

- BIO CEO & Investor Conference, 10-11 February 2014, New York
- 7th Annual European Life Science CEO Forum, 4-5 March 2014, Zurich
- BIO-Europe Spring 2014, 10-12 March 2014, Turin
- International Trade Fair of Analytical, Measurement and Control Technology - EuroLab 2014, 12-14 March 2014, Warsaw

Other Important Events in Q1 2014

SELVITA S.A. CONCLUDED A MAJOR SERVICE CONTRACT WITH A GLOBAL PHARMACEUTICAL CORPORATION

On 13 January 2014, the Company was contracted by one of the biggest global pharmaceutical concerns to provide its chemical services in the scope of discovery of new drugs. The value of the contract is USD 965 466 (PLN 2 939 843.97, 1 USD = PLN 3.0450). The contracted services will be provided from January to December 2014.

The above-mentioned contract will be the Company's largest contract for services since its inception. It is both an extension and a significant expansion of the cooperation commenced in April 2013. The Company Management Board expects further contracts as part of the development of cooperation.

RESOLUTION OF THE SUPERVISORY BOARD CONCERNING TRANSFER OF COMPANY LISTINGS TO THE REGULATED MARKET

In its Resolution of 20 January 2014 the Supervisory Board of Selvita Spółka Akcyjna seated in Kraków (the "Company") authorized the Company Management Board to take all necessary action to transfer the Company listings from the New Connect market to the regulated market of the Warsaw Stock Exchange.

RELEVANT CONTRACT BETWEEN THE SELVITA S.A. – JAGIELLONIAN UNIVERSITY CONSORTIUM AND THE NATIONAL CENTRE FOR RESEARCH AND DEVELOPMENT

On 10 February 2014 the Management Board of Selvita S.A. received information about a contract signed between the National Centre for Research and Development (NCBIR) and the scientific consortium consisting of Selvita S.A., as the consortium leader, and the Jagiellonian University, as the partner. The contract is for execution and financing of the research project "New Inhibitors of Heme Oxygenase-1 as Potential Anticancer Drugs" under the Applied Research Program (the "Project"). Key Project data:

- total net value of the Project: PLN 4 173 096;
- total value of the subsidy for the consortium: PLN 3 697 302;
- Company share: PLN 1 903 176 costs, of which PLN 1 427 382 subsidies;
- implementation time: 2014-2016.

The Project goal is to develop and study new inhibitors of heme oxygenase-1 (HO-1) for the purpose of their commercialization and use in anticancer therapy. Project assumptions are based on earlier research, including numerous studies of the staff of the Medical Biotechnology Department of the Faculty of Biochemistry, Biophysics and Biotechnology of the Jagiellonian University, which demonstrated that in cancers there is an increased presence of HO-1, leading to an increased rate of division of cancer cells, intensification of metastasis, and formation of new blood vessels within the tumor. Simultaneously, the antioxidant properties of this enzyme cause a limitation of the efficacy of anticancer therapies. Among currently available HO-1 inhibitors there are no compounds that would demonstrate sufficient specificity of action and appropriate bioavailability, therefore research leading to the discovery of new inhibitors provide an opportunity for their commercialization and clinical application.

PRESENTATION OF SELVITA S.A. AT “THE 16TH ANNUAL BIO CEO & INVESTOR CONFERENCE” IN NEW YORK

On 10–11 February 2014 the Company met in New York with investors and customers from the USA during “The 16th Annual BIO CEO & Investor Conference” – one of the largest industry events.

The participants of the conference, which covered among others lectures, presentations of companies, and bilateral meetings, included mainly investment funds engaged in biotechnological companies in the USA and in Europe through a sectioned out life-science portfolio or concentrating entirely on this sector, as well as biotechnological companies. The goal of Selvita S.A. was to interest foreign investors with strong industry exposure to biotechnology in Company shares and to establish and continue partnering talks concerning Selvita’s innovative projects.

STARTING COOPERATION WITH ANALYTICAL COMPANY EDISON INVESTMENT RESEARCH

On 19 March 2014 Selvita started cooperation with an investment intelligence firm Edison Investment Research (“Edison”) for the provision of investment analyses. In the first stage of the cooperation, Selvita will be covered by the so called QuickViews notes which comment on the current events in the Company and increase awareness of its activities among international investors from the biotech sector. Within a few months, cooperation will be extended to include comprehensive reports with detailed analysis of products, services, finance and investment prospects as well as professional valuation of the Company.

Currently, Edison has a team of 14 analysts covering over 150 biotech companies 40% of which are listed in USA and 50% in Europe. Reports prepared by Edison will be distributed via a database of about 95000 investors, managers, analysts, consultants and journalists from 120 countries worldwide as well as through global information platforms such as Bloomberg, Thomson Reuters, Factset and First Call.

Cooperation with Edison is yet another element of the Company’s communication with the capital market through experienced biotechnology sector analysts. The first QuickView note on Selvita is available at: <http://www.edisoninvestmentresearch.com/search/Selvita>

CONCLUSION OF A MAJOR CONTRACT

On 27 March 2014 Selvita concluded a major FTE-based contract with a Swiss biotech company for provision of drug discovery services for a total of EUR 202 000 (PLN 841 734, 1 EUR = PLN 4.167). The contracted services will be provided until 23 March 2015.

Starting FTE-based collaboration with a new client was possible due to the increased reputation of Selvita, translating into shorter sales cycles and increased profitability of contracts. Selvita's Management Board expects further orders from this client as the project and cooperation evolve.

Relevant Events in the Period between the End of Q1 2014 and the Publication of the Report

SELVITA PRESENTS NEW DATA FROM ITS ONCOLOGY PROGRAMS DURING AACR ANNUAL MEETING 2014

Selvita presented the latest results of its oncology research programs at AACR Annual Meeting 2014 which took place on April 5 - 9, 2014 in San Diego.

Organized by the American Association for Cancer Research, AACR Annual Meeting is one of the most prestigious scientific conferences in the field of oncology attended by all pharmaceutical and biotech companies to present the results of their research on novel drugs in this treatment area. During this year's conference, Selvita presented new data on two of its oncology projects:

- SEL24, potentially first-in-class dual PIM/FLT3 inhibitor for the treatment of hematological malignancies,
- SEL201, the most selective series of MNK1/2 inhibitors reported so far with therapeutic potential in solid tumors.

More information on the above-mentioned research programs, including posters presented on the AACR conference is available at <http://www.selvita.com/pl/aktualnosci/aktualnosci>.

CONCLUSION OF AGREEMENT WITH ISSUE AGENT – DI INVESTORS

On 17 April 2014 Selvita concluded an agreement with Dom Inwestycyjny Investors S.A. with registered office in Warsaw for performing the function of an Issue Agent, i.e. providing comprehensive services related to admission and listing of Selvita's shares on the regulated market of the Warsaw Stock Exchange.

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	5 446 385	52.05%	8 946 385	61.64%
Bogusław Sieczkowski	909 419	8.69%	1 458 419	10.05%
Privatech Holdings Limited	925 738	8.85%	925 738	6.38%
Other shareholders	3 182 024	30.41%	3 183 024	21.93%
Shareholders	10 463 566	100%	14 513 566	100%

CONSOLIDATED SUMMARIZED FINANCIAL STATEMENTS OF THE CAPITAL GROUP SELVITA S.A.
Consolidated Summarized Balance Sheet

Balance Sheet	PLN	PLN	EUR	EUR
	Status as at 31/03/2013	Status as at 31/03/2014	Status as at 31/03/2013	Status as at 31/03/2014
A. Fixed assets	7 075 350.73	7 021 732.07	1 693 721.15	1 683 343.82
I. Intangible assets	1 845.96	7 250.71	441.89	1 738.24
II. Goodwill of subsidiaries	0.00	0.00	0.00	0.00
III. Tangible fixed assets	5 219 509.54	5 214 595.13	1 249 463.67	1 250 112.71
IV. Long-term receivables	162 043.23	189 645.23	38 790.45	45 464.30
V. Long-term investments	0.00	0.00	0.00	0.00
VI. Long-term prepayments and deferred costs	1 691 952.00	1 610 241.00	405 025.14	386 028.58
B. Current assets	7 270 506.10	12 498 735.80	1 740 438.10	2 996 364.63
I. Inventory	387 985.81	390 425.26	92 877.34	93 597.98
II. Short term receivables	1 848 060.17	4 632 961.39	442 394.83	1 110 675.66
III. Short term investments	3 565 999.75	6 740 225.24	853 640.96	1 615 857.22
IV. Short term prepayments and deferred costs	1 468 460.37	735 123.91	351 524.96	176 233.77
Total assets	14 345 856.83	19 520 467.87	3 434 159.24	4 679 708.45
A. Shareholders' equity	5 189 423.74	3 790 784.63	1 242 261.63	908 777.75
I. Share capital	4 185 426.40	4 185 426.40	1 001 921.39	1 003 386.57
II. Unpaid share capital (negative value)	0.00	0.00	0.00	0.00
III. Treasury shares (negative value)	0.00	0.00	0.00	0.00
IV. Reserve capital	14 429 101.36	2 521 789.11	3 454 086.60	604 557.12
V. Revaluation reserve	0.00	0.00	0.00	0.00
VI. Other reserves	0.00	1 883 442.00	0.00	451 523.99
VII. Currency translation profit/loss	0.00	0.00	0.00	0.00
VIII. Retained profit/loss	(12 429 130.44)	(5 367 909.41)	(2 975 326.86)	(1 286 867.26)
IX. Net profit/loss	(995 973.58)	568 036.53	(238 419.49)	136 177.34
X. Deductions from net profit during the financial year (negative value)	0.00	0.00	0.00	0.00
B. Minority interest	0.00	0.00	0.00	0.00
C. Negative goodwill of subsidiaries	0.00	0.00	0.00	0.00
I. Negative goodwill – subsidiaries	0.00	0.00	0.00	0.00
II. Negative goodwill - jointly controlled entities	0.00	0.00	0.00	0.00
II. Negative goodwill – associated entities	0.00	0.00	0.00	0.00
D. Liabilities and provisions for liabilities	9 156 433.09	15 729 683.24	2 191 897.61	3 770 930.70
I. Provisions for liabilities	950 525.97	2 251 720.05	227 540.09	539 812.54
II. Long-term liabilities	231 072.18	164 550.85	55 314.83	39 448.34
III. Short-term liabilities	3 356 728.63	4 465 835.83	803 544.94	1 070 610.08
IV. Accruals and deferred income	4 618 106.31	8 847 576.51	1 105 497.75	2 121 059.74
Total Liabilities and Equity	14 345 856.83	19 520 467.87	3 434 159.24	4 679 708.45

Consolidated Summarized Profit and Loss Account

	PLN	PLN	PLN	PLN	EUR	EUR	EUR	EUR
Profit and Loss Account (classification of expenses by type)	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014
A. Net sales and sale equivalents	2 367 874.21	4 918 873.63	2 367 874.21	4 918 873.63	569 885.49	1 175 133.46	569 885.49	1 175 133.46
I. Net sales of goods	2 168 244.56	5 014 424.82	2 168 244.56	5 014 424.82	521 839.85	1 197 960.92	521 839.85	1 197 960.92
II. Change in stock of goods	78 779.65	(121 551.19)	78 779.65	(121 551.19)	18 960.20	(29 038.94)	18 960.20	(29 038.94)
III. Cost of goods produced for the Company's own use	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Net sales of goods for resale and raw materials	120 850.00	26 000.00	120 850.00	26 000.00	29 085.44	6 211.48	29 085.44	6 211.48
B. Operating expenses	5 031 531.94	7 115 289.05	5 031 531.94	7 115 289.05	1 210 958.35	1 699 863.60	1 210 958.35	1 699 863.60
I. Depreciation	485 071.18	557 425.63	485 071.18	557 425.63	116 743.97	133 170.63	116 743.97	133 170.63
II. Materials and energy	971 312.64	1 515 963.02	971 312.64	1 515 963.02	233 769.59	362 168.05	233 769.59	362 168.05
III. External services	810 114.63	1 041 166.15	810 114.63	1 041 166.15	194 973.44	248 737.67	194 973.44	248 737.67
IV. Taxes and charges	37 182.96	49 042.59	37 182.96	49 042.59	8 948.97	11 716.42	8 948.97	11 716.42
V. Payroll	2 058 317.08	3 030 287.35	2 058 317.08	3 030 287.35	495 383.17	723 944.61	495 383.17	723 944.61
VI. Social insurance and other benefits	399 236.28	608 583.65	399 236.28	608 583.65	96 085.75	145 392.43	96 085.75	145 392.43
VII. Other	185 496.51	297 986.41	185 496.51	297 986.41	44 644.17	71 189.83	44 644.17	71 189.83
VIII. Value of goods and materials sold	84 800.66	14 834.25	84 800.66	14 834.25	20 409.30	3 543.95	20 409.30	3 543.95
C. Profit/on sales (A-B)	(2 663 657.73)	(2 196 415.42)	(2 663 657.73)	(2 196 415.42)	(641 072.86)	(524 730.14)	(641 072.86)	(524 730.14)
D. Other operating revenue	1 707 228.53	2 747 868.55	1 707 228.53	2 747 868.55	410 885.33	656 473.92	410 885.33	656 473.92
I. Gain on disposal of non-financial fixed assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Subsidies	1 672 543.68	2 696 803.64	1 672 543.68	2 696 803.64	402 537.59	644 274.37	402 537.59	644 274.37
III. Other operating revenue	34 684.85	51 064.91	34 684.85	51 064.91	8 347.74	12 199.56	8 347.74	12 199.56
E. Other operating expenses	15 133.45	622.66	15 133.45	622.66	3 642.23	148.76	3 642.23	148.76
I. Loss on disposal of non-financial fixed assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Impairment of non-financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III. Other operating expenses	15 133.45	622.66	15 133.45	622.66	3 642.23	148.76	3 642.23	148.76
F. Operating profit/loss (C + D-E)	(971 562.65)	550 830.47	(971 562.65)	550 830.47	(233 829.76)	131 595.03	(233 829.76)	131 595.03
G. Financial income	27 774.33	37 967.35	27 774.33	37 967.35	6 684.56	9 070.51	6 684.56	9 070.51
I. Dividends and share in profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Interest	9 709.23	856.48	9 709.23	856.48	2 336.76	204.62	2 336.76	204.62
III. Gain on sale of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Impairment of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
V. Other	18 065.10	37 110.87	18 065.10	37 110.87	4 347.80	8 865.90	4 347.80	8 865.90
H. Financial expenses	12 079.60	3 096.29	12 079.60	3 096.29	2 907.24	739.71	2 907.24	739.71
I. Interest	6 474.60	3 096.29	6 474.60	3 096.29	1 558.27	739.71	1 558.27	739.71
II. Loss on disposal of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III. Impairment of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Other	5 605.00	0.00	5 605.00	0.00	1 348.98	0.00	1 348.98	0.00
I. Profit/loss on disposal of all or part of shares of	0.00							

subsidiaries								
J. Profit/loss on operating activities (F + G-H+/-I)	(955 867.92)	585 701.53	(955 867.92)	585 701.53	(230 052.45)	139 925.83	(230 052.45)	139 925.83
K. Result on extraordinary items (K.I-K.II)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Extraordinary gains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Extraordinary losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
L. Write-off of goodwill	40 105.66	0.00	40 105.66	0.00	9 652.38	0.00	9 652.38	0.00
I. Write-off of goodwill – subsidiaries	40 105.66	0.00	40 105.66	0.00	9 652.38	0.00	9 652.38	0.00
II. Write-off of goodwill - jointly controlled entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III. Write-off of goodwill – associated entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
M. Write-off of negative goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Write-off of negative goodwill – subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Write-off of negative goodwill – entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III. Write-off of negative goodwill – associated entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N. Profit/loss on shares in subsidiaries measured under equity method	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O. Gross profit/loss (J+/-K-L+M+/-N)	(995 973.58)	585 701.53	(995 973.58)	585 701.53	(239 704.83)	139 925.83	(239 704.83)	139 925.83
P. Income tax	0.00	17 665.00	0.00	17 665.00	0.00	4 220.22	0.00	4 220.22
Q. Other obligatory profit decrease (loss increase)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R. Profits/losses of minority shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
S. Net profit/loss (O-P-Q+/-R)	(995 973.58)	568 036.53	(995 973.58)	568 036.53	(239 704.83)	135 705.61	(239 704.83)	135 705.61

Consolidated Summarized Statement of Cash Flows

	PLN	PLN	PLN	PLN	EUR	EUR	EUR	EUR
Statement of Cash Flows (indirect method)	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014
A. Cash flow from operations								
I. Net profit/loss	- 995 973.58	568 036.53	- 995 973.58	568 036.53	- 239 704.83	135 705.61	- 239 704.83	135 705.61
II. Total adjustments	- 965 244.84	-1 453 488.30	- 965 244.84	-1 453 488.30	- 232 309.23	- 347 242.65	- 232 309.23	- 347 242.65
III. Net cash flow from operations (I+/-II)	-1 961 218.42	-885 451.77	-1 961 218.42	-885 451.77	- 472 014.06	- 211 537.05	- 472 014.06	- 211 537.05
B. Cash flows from investing activities								
I. Inflow	-	-	-	-	-	-	-	-
II. Outflow	801 014.36	949 246.50	801 014.36	949 246.50	192 783.24	226 777.80	192 783.24	226 777.80
III. Net cash flows from investing activities (I-II)	- 801 014.36	- 949 246.50	- 801 014.36	- 949 246.50	- 192 783.24	- 226 777.80	- 192 783.24	- 226 777.80
C. Cash flow from financing activities								
I. Inflow	1 247 633.51	3 514 879.37	1 247 633.51	3 514 879.37	300 272.81	839 715.08	300 272.81	839 715.08
II. Outflow	47 289.36	358 242.61	47 289.36	358 242.61	11 381.31	85 585.22	11 381.31	85 585.22
III. Net cash flow from financing activities (I-II)	1 200 344.15	3 156 636.76	1 200 344.15	3 156 636.76	288 891.49	754 129.86	288 891.49	754 129.86
D. Total net cash flow (A.III+/-B.III+/-C.III)	-1 561 888.63	1 321 938.49	-1 561 888.63	1 321 938.49	- 375 905.81	315 815.02	- 375 905.81	315 815.02
E. Change in balance sheet cash and cash equivalents	1 561 888.63	1 321 938.49	1 561 888.63	1 321 938.49	375 905.81	315 815.02	375 905.81	315 815.02
F. Cash and cash equivalents - beginning of the period	5 127 888.38	5 298 286.75	5 127 888.38	5 298 286.75	1 234 148.83	1 265 776.37	1 234 148.83	1 265 776.37
G. Cash and cash equivalents - end of the period (F+/-D)	3 565 999.75	6 620 225.24	3 565 999.75	6 620 225.24	858 243.02	1 581 591.39	858 243.02	1 581 591.39

Summarized Statement of Changes in Consolidated Shareholders' Equity

	PLN		PLN		EUR		EUR	
Statement of Changes in Shareholders' Equity	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014
I. Shareholders' equity – beginning of the period (opening balance)	6 185 397.32	3 222 748.10	6 185 397.32	3 222 748.10	1 488 663.61	769 924.05	1 488 663.61	769 924.05
II. Shareholders' equity – end of the period (closing balance)	5 189 423.74	3 790 784.63	5 189 423.74	3 790 784.63	1 248 958.78	905 629.66	1 248 958.78	905 629.66
III. Shareholders' equity after adjustment for proposed profit distribution (coverage of losses)	5 189 423.74	3 790 784.63	5 189 423.74	3 790 784.63	1 248 958.78	905 629.66	1 248 958.78	905 629.66

SUMMARIZED FINANCIAL STATEMENTS OF SELVITA S.A.

Summarized Balance Sheet

	PLN		EUR	
Assets	Status as at 31/03/2013	Status as at 31/03/2014	Status as at 31/03/2013	Status as at 31/03/2014
A. Fixed assets	8 987 546.56	8 952 470.62	2 151 468.99	2 146 206.37
I. Intangible assets	1 671.17	7 250.71	400.05	1 738.24
II. Tangible fixed assets	3 985 646.50	4 162 002.02	954 097.41	997 770.96
III. Long-term receivables	98 078.39	98 078.39	23 478.33	23 512.67
IV. Long-term investments	3 210 198.50	3 074 898.50	768 468.07	737 155.92
V. Long-term prepayments and deferred costs	1 691 952.00	1 610 241.00	405 025.14	386 028.58
B. Current assets	6 594 285.38	12 733 576.53	1 578 562.12	3 052 663.81
I. Inventory	383 071.75	365 058.42	91 701.00	87 516.70
II. Short-term receivables	1 611 586.33	5 060 225.83	385 786.93	1 213 105.23
III. Short-term investments	3 135 107.53	6 597 563.52	750 492.54	1 581 656.44
IV. Short term prepayments and deferred costs	1 464 519.77	710 728.76	350 581.65	170 385.43
Total assets	15 581 831.94	21 686 047.15	3 730 031.11	5 198 870.17

	PLN	PLN	EUR	EUR
Liabilities and Equity	Status as at 31/03/2013	Status as at 31/03/2014	Status as at 31/03/2013	Status as at 31/03/2014
A. Shareholders' equity	8 040 340.57	6 815 338.26	1 924 723.65	1 633 864.33
I. Share capital	4 185 426.40	4 185 426.40	1 001 921.39	1 003 386.57
II. Unpaid share capital (negative value)	0.00	0.00	0.00	0.00
III. Treasury shares (negative value)	0.00	0.00	0.00	0.00
IV. Reserve capital	14 429 101.36	2 521 789.11	3 454 086.60	604 557.12
V. Revaluation reserve	0.00	0.00	0.00	0.00
VI. Other reserves	0.00	1 883 442.00	0.00	451 523.99
VII. Retained profit/loss	(10 023 870.25)	(2 123 721.20)	(2 399 547.63)	(509 126.94)
VIII. Net profit/loss	(550 316.94)	348 401.95	(131 736.71)	83 523.59
IX. Deductions from net profit during the financial year (negative value)	0.00	0.00	-	-
B. Liabilities and provisions for liabilities	7 541 491.37	14 870 708.89	1 805 307.5	3 565 005.8
I. Provisions for liabilities	751 674.31	1 755 708.50	179 938.3	420 902.0
II. Long-term liabilities	231 072.18	164 550.85	55 314.8	39 448.3
III. Short-term liabilities	2 850 341.67	4 741 362.38	682 324.3	1 136 663.0
IV. Accruals and deferred income	3 708 403.21	8 209 087.16	887 730.0	1 967 992.5
Total Liabilities and Equity	15 581 831.94	21 686 047.15	3 730 031.1	5 198 870.2

Summarized Profit and Loss Account

	PLN	PLN	PLN	PLN	EUR	EUR	EUR	EUR
Profit and Loss Account (classification of expenses by type)	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014
A. Net sales and sale equivalents	2 106 645.33	4 835 814.83	2 106 645.33	4 835 814.83	507 014.52	1 155 290.47	507 014.52	1 155 290.47
I. Net sales of goods	1 919 249.64	4 929 146.93	1 919 249.64	4 929 146.93	461 913.27	1 177 587.78	461 913.27	1 177 587.78
II. Change in stock of goods	66 545.69	(119 332.10)	66 545.69	(119 332.10)	16 015.81	(28 508.79)	16 015.81	(28 508.79)
III. Cost of goods produced for the Company's own use	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Net sales of goods for resale and raw materials	120 850.00	26 000.00	120 850.00	26 000.00	29 085.44	6 211.48	29 085.44	6 211.48
B. Operating expenses	4 151 725.45	7 092 253.72	4 151 725.45	7 092 253.72	999 211.90	1 694 360.39	999 211.90	1 694 360.39
I. Depreciation	354 639.57	473 608.49	354 639.57	473 608.49	85 352.48	113 146.47	85 352.48	113 146.47
II. Materials and energy	788 992.92	1 300 507.24	788 992.92	1 300 507.24	189 889.99	310 695.03	189 889.99	310 695.03
III. External services	766 279.22	1 751 783.30	766 279.22	1 751 783.30	184 423.40	418 506.21	184 423.40	418 506.21
IV. Taxes and charges	36 614.45	47 751.59	36 614.45	47 751.59	8 812.14	11 408.00	8 812.14	11 408.00

V. Payroll	1 607 337.69	2 685 122.25	1 607 337.69	2 685 122.25	386 844.21	641 483.65	386 844.21	641 483.65
VI. Social insurance and other benefits	337 693.22	533 087.20	337 693.22	533 087.20	81 273.94	127 356.11	81 273.94	127 356.11
VII. Other	175 367.72	285 559.40	175 367.72	285 559.40	42 206.43	68 220.99	42 206.43	68 220.99
VIII. Value of goods and materials sold	84 800.66	14 834.25	84 800.66	14 834.25	20 409.30	3 543.95	20 409.30	3 543.95
C. Profit/loss on sales (A-B)	(2 045 080.12)	(2 256 438.89)	(2 045 080.12)	(2 256 438.89)	(492 197.38)	(539 069.92)	(492 197.38)	(539 069.92)
D. Other operating revenue	1 478 574.84	2 573 633.73	1 478 574.84	2 573 633.73	355 854.35	614 848.71	355 854.35	614 848.71
I. Gain on disposal of non-financial fixed assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Subsidies	1 448 670.46	2 536 859.85	1 448 670.46	2 536 859.85	348 657.15	606 063.32	348 657.15	606 063.32
III. Other operating revenue	29 904.38	36 773.88	29 904.38	36 773.88	7 197.20	8 785.39	7 197.20	8 785.39
E. Other operating expenses	1 949.36	622.66	1 949.36	622.66	469.16	148.76	469.16	148.76
I. Loss on disposal of non-financial fixed assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Impairment of non-financial assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III. Other operating expenses	1 949.36	622.66	1 949.36	622.66	469.16	148.76	469.16	148.76
F. Operating profit/loss (C + D-E)	(568 454.64)	316 572.18	(568 454.64)	316 572.18	(136 812.19)	75 630.03	(136 812.19)	75 630.03
G. Financial income	25 798.99	34 876.38	25 798.99	34 876.38	6 209.14	8 332.07	6 209.14	8 332.07
I. Dividends and share in profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Interest	8 883.37	836.61	8 883.37	836.61	2 138.00	199.87	2 138.00	199.87
III. Gain on sale of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Impairment of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
V. Other	16 915.62	34 039.77	16 915.62	34 039.77	4 071.15	8 132.20	4 071.15	8 132.20
H. Financial expenses	7 661.29	3 046.61	7 661.29	3 046.61	1 843.87	727.84	1 843.87	727.84
I. Interest	2 441.98	3 046.61	2 441.98	3 046.61	587.72	727.84	587.72	727.84
II. Loss on disposal of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
III. Impairment of investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Other	5 219.31	0.00	5 219.31	0.00	1 256.15	0.00	1 256.15	0.00
I. Profit/loss on operating activities (F + G-H)	(550 316.94)	348 401.95	(550 316.94)	348 401.95	(132 446.92)	83 234.26	(132 446.92)	83 234.26
J. Result on extraordinary items (J.I-J.II)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I. Extraordinary gains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Extraordinary losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
K. Gross profit/loss (I+/-J)	(550 316.94)	348 401.95	(550 316.94)	348 401.95	(132 446.92)	83 234.26	(132 446.92)	83 234.26
L. Income tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
M. Other obligatory profit decrease (loss increase)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N. Net profit/loss (K-L-M)	(550 316.94)	348 401.95	(550 316.94)	348 401.95	(132 446.92)	83 234.26	(132 446.92)	83 234.26

Summarized Statement of Cash Flows

	PLN		PLN		EUR		EUR	
Statement of Cash Flows (indirect method)	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014
A. Cash flow from operations								
I. Net profit/loss	- 550 316.94	348 401.95	- 550 316.94	348 401.95	- 132 446.92	83 234.26	- 132 446.92	83 234.26
II. Total adjustments	- 1 102 242.18	-1 316 984.65	- 1 102 242.18	-1 316 984.65	- 265 280.91	- 314 631.53	- 265 280.91	- 314 631.53
III. Net cash flow from operations (I+/-II)	- 1 652 559.12	-968 582.70	- 1 652 559.12	-968 582.70	- 397 727.83	- 231 397.27	- 397 727.83	- 231 397.27
B. Cash flows from investing activities								
I. Inflow	-	0.00	-	0.00	-	-	-	-
II. Outflow	679 672.19	888 844.64	679 672.19	888 844.64	163 579.35	212 347.61	163 579.35	212 347.61
III. Net cash flows from investing activities (I-II)	- 679 672.19	-888 844.64	- 679 672.19	-888 844.64	- 163 579.35	- 212 347.61	- 163 579.35	- 212 347.61
C. Cash flow from financing activities								
I. Inflow	426 172.99	3 422 645.71	426 172.99	3 422 645.71	102 568.71	817 680.18	102 568.71	817 680.18
II. Outflow	44 591.56	358 242.61	44 591.56	358 242.61	10 732.02	85 585.22	10 732.02	85 585.22
III. Net cash flow from financing activities (I-II)	381 581.43	3 064 403.10	381 581.43	3 064 403.10	91 836.69	732 094.96	91 836.69	732 094.96
D. Total net cash flow (A.III+/-B.III+/-C.III)	- 1 950 649.88	1 206 975.76	- 1 950 649.88	1 206 975.76	- 469 470.49	288 350.08	- 469 470.49	288 350.08
E. Change in balance sheet cash and cash equivalents	- 1 950 649.88	-1 206 975.76	- 1 950 649.88	-1 206 975.76	- 469 470.49	- 288 350.08	- 469 470.49	- 288 350.08
F. Cash and cash equivalents - beginning of the period	5 010 716.85	5 008 027.48	5 010 716.85	5 008 027.48	1 205 948.70	1 196 432.58	1 205 948.70	1 196 432.58
G. Cash and cash equivalents - end of the period (F+/-D)	3 060 066.97	6 215 003.24	3 060 066.97	6 215 003.24	736 478.21	1 484 782.66	736 478.21	1 484 782.66

Summarized Statement of Changes in Shareholders' Equity

	PLN		PLN		EUR		EUR	
Statement of Changes in Shareholders' Equity	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014	01/01/2013 -31/03/2013	01/01/2014 -31/03/2014
I. Shareholders' equity – beginning of the period (opening balance)	8 590 657.51	6 466 936.31	8 590 657.51	6 466 936.31	2 067 546.93	1 544 970.21	2 067 546.93	1 544 970.21
II. Shareholders' equity – end of the period (closing balance)	8 040 340.57	6 815 338.26	8 040 340.57	6 815 338.26	1 935 100.02	1 628 204.47	1 935 100.02	1 628 204.47
III. Shareholders' equity after adjustment for proposed profit distribution (coverage of losses)	8 040 340.57	6 815 338.26	8 040 340.57	6 815 338.26	1 935 100.02	1 628 204.47	1 935 100.02	1 628 204.47

PRINCIPLES APPLIED IN PREPARING THE REPORT

The Financial Statements, elements of which are contained in the Report, have been prepared in accordance with the Accounting Act of 29 September 1994, with the assumption that the company will continue its operations in the foreseeable future, covering the period of not less than one year from the balance sheet date, in a substantially unreduced scope.

Methods for Valuation of Assets and Liabilities and for Determination of Financial Result:

INTANGIBLE ASSETS

Intangible assets are recognized if it is likely that in the future they will cause an inflow of economic benefits to the company which may be directly related to such assets. The intangible assets are initially reported at purchase prices or manufacturing cost. After initial reporting, intangible assets are valued at purchase prices or manufacturing cost reduced by amortization and impairment write-downs. Intangible assets are amortized based on the linear method in their estimated useful economic life (it is 2 years for software and other intangible assets).

FIXED ASSETS

Fixed assets are valued at the purchase price, manufacturing cost or revalued value reduced by depreciation and impairment write-downs. Costs incurred after placing a fixed asset for use, such as costs of repairs, inspections, maintenance fees, affect the financial result of the reporting period in which they were incurred. If it is however possible to demonstrate that these costs caused an increase in the expected future economic benefits from holding a respective fixed asset over the benefits assumed initially, then they increase the initial value of such a fixed asset.

Fixed assets, except for lands and perpetual usufruct, are depreciated on a straight line basis in the period corresponding to their estimated useful economic life, or for the shorter of the two periods: the useful economic life or the right to use, which is as follows:

Buildings, premises and constructions:	10 years
Machinery and equipment:	from 3 to 10 years
Motor vehicles:	5 years
Other fixed assets:	from 3 to 5 years

Fixed assets with a low unit initial value, i.e. below PLN 3.5 k, are recognized under expenses on a one-off basis.

Construction in progress is valued at the amount of total costs directly related to its purchase or creation, including financial costs, reduced by impairment write-downs. Construction in progress includes outlays on patent fees and legal services related to projects carried out in the field of innovative operations.

LEASING

The Group's companies are not parties to leasing agreements under which they give fixed assets or intangible assets for use against remuneration or to derive benefits. The Group's companies are parties to leasing agreements under which they take external fixed assets or intangible assets for use against remuneration or to derive benefits for a definite time.

In case of leasing agreements under which fundamentally all risk and benefits from holding the assets covered by the agreement are transferred, the object of the leasing is reported in assets as a fixed asset at the amount of the current value of minimal leasing fees fixed as at the date of commencement of the leasing. Leasing fees are divided between financial costs and reduction of liability balance in a manner that allows to achieve a fixed interest rate from the outstanding balance of the liability. Financial costs are reported directly in the Profit and Loss Account.

Fixed assets which are the object of a financial leasing agreement are depreciated for the period corresponding to their estimated useful economic life.

INVENTORY

Inventory is valued at the lower of the two values: the purchase price or the manufacturing cost and the net sale price. Individual inventory groups are valued as follows:

- materials and goods – at the purchase price;
- finished goods and work in progress – at the cost of direct materials and labor and the justified part of indirect production costs, determined at normal use of production capacities.

Inventory releases are valued using the “first in, first out” method”. Net sale price is the sale price possible to achieve as at the balance sheet day without the goods and services tax and the excise tax, decreased by discounts, reductions etc. and the costs related to adapting an asset for sale and making such sale.

SHORT-TERM AND LONG-TERM RECEIVABLES

Receivables are reported at the amount of the payment due reduced by write-downs. The value of receivables is revaluated, taking into account the degree of likelihood of their payment, by making a write-down. For receivables overdue more than 180 days, the write-down is 50% of their value and for receivables overdue more than 360 days it is 100% of their value. Receivable write-downs are included respectively into other operating costs or financial costs – depending on the nature of the receivable to which the write-down relates. Redeemed, overdue or non-collectible receivables reduce their previous write-downs. Redeemed, overdue or non-collectible receivables from which no write-downs were made or for which write-downs were not made in full amount are included respectively into other operating costs or to financial costs.

CASH AND CASH EQUIVALENTS

Cash at bank and in hand is valued at face value. The item cash shown in the Consolidated Statement of Cash Flows consists of cash in hand and at bank and of bank deposits with maturity not longer than 3 months which were not treated as deposit activity.

PREPAYMENTS AND DEFERRED COSTS

The Group makes prepayments if they concern future reporting periods. Prepayments and deferred costs are recognized on a pro rata basis. The timing and method of recognition should correspond to the nature and costs recognized, taking into account the prudence principle.

PROVISIONS

Provisions are reported if the Group’s company has an existing duty (legal or customary) arising out of past events and when it is certain or highly probable that fulfilling this duty will cause a necessary outflow of

resources representing economic benefits, and when the amount of this liability can be credibly assessed. Provisions for employee benefits, i.e. the retirement severance pay and the years of service award, are determined as at each balance sheet day using the actuarial valuation method.

ACCRUALS

Accruals are made at the amounts of likely liabilities in the current reporting period, resulting mainly from:

- goods and services provided to the company by its contractors, if the amount of a liability can be estimated in a reliable manner;
- the obligation to provide, in the future, goods and services, relating to current operations, to unknown persons, the amount of which can be estimated even though the origination date of a liability is not yet known.

Accruals are recognized on a pro rata basis or in proportion to the goods or services provided. The timing and method of recognition should correspond to the nature and costs recognized, taking into account the prudence principle. Accruals resulting from unbilled supplies and services accepted by the company are presented in the Financial Statements as trade liabilities. Accruals in respect of unused holiday are presented in the Financial Statements as provisions for employee benefits.

DEFERRED INCOME

Deferred income recognized under the prudence principle includes in particular the following:

- amounts received or receivable from contractors in respect of goods or services to be provided in future reporting periods;
- cash received to finance the purchase or manufacture of property, plant and equipment, including items of property plant and equipment under construction and development costs, if, in accordance with other acts, it is not credited to equity. Amounts recognized as deferred income are gradually recognized as other operating income, in parallel to the depreciation or amortization of property, plant and equipment or development costs financed from such sources;
- negative goodwill created in the Financial Statements;
- received free of charge, also in the form of donations, property plant and equipment under construction, property, plant and equipment and intangible assets.

HEDGE ACCOUNTING

The Group companies do not apply hedge accounting.

FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than the Polish zloty are converted to Polish zlotys using the exchange rate applicable on the day of the transaction. As at the balance sheet day, assets and liabilities in currencies other than the Polish zloty are converted to Polish zlotys using the National Bank of Poland's daily average exchange rate for the respective currency. Foreign exchange differences from conversion are reported respectively as receivables or financial costs, or in cases provided by law capitalized at the value of assets.

REVENUE RECOGNITION

Revenues are recognized at the amount at which it is likely that the Group will achieve economic benefits that may be credibly valued. Revenues are reported upon transfer of all material risks and benefits related to the goods ownership to the buyer. Revenues include due or obtained sale amounts, reduced by the goods and services tax (VAT). Revenues from provided services are recognized proportionally to the degree of service completion.

CONTACT DETAILS

Investor Relations

Tomasz Nocun

e-mail: tomasz.nocun@selvita.com

telephone: +48 12 297 47 00

fax: +48 12 297 47 01

mobile: +48 784 024 025

Media Contact

Natalia Baranowska

e-mail: natalia.baranowska@selvita.com

telephone: +48 12 297 47 00

fax: +48 12 297 47 01

mobile: +48 608 575 728

Kraków, 13 May 2014

SELVITA S.A.

Park Life Science
ul. Bobrzyńskiego 14,
30-348 Kraków
phone: +48 12 297 47 00
fax: +48 12 297 47 01

www.selvita.com