

FINANCIAL STATEMENTS
RYVU THERAPEUTICS S.A.
for the 12 months ended 31 December 2019

It is the translation of Polish original document



Which consist of:

1. Introduction to the financial statements
2. Balance sheet
3. Profit and loss account
4. Statement of changes in equity
5. Statement of cash flows
6. Supplementary information and explanations

A. INTRODUCTION TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION ON THE COMPANY

Ryvu Therapeutics S.A. was established as a result of the transformation of Selvita Spółka z o.o. in a joint-stock company based on the Notarial Deed of August 20, 2010 prepared at the notary's office A. Deflorian, D. Jastrzębska-Kwiecień Spółka Cywilna (Rep. No. 3222/2010). On October 6, 2010, the Company was registered in the Register of Entrepreneurs of the National Court Register at the District Court for the city of Kraków - Śródmieście - XI Economic Department under the KRS number 0000367359. The company received the statistical number REGON 12015330 and the tax identification number NIP 6792942955.

On October 1, 2019, the District Court for Kraków-Śródmieście in Kraków, 11th Commercial Division of the National Court Register made an entry in the Register of Entrepreneurs of the National Court Register to increase the share capital of Selvita S.A. with its registered office in Kraków (formerly operating under the name: Selvita CRO SA) (hereinafter: the "Acquiring Company") from PLN 100,000.00 (one hundred thousand zlotys) to PLN 12,876,983.20 (twelve million eight hundred seventy six thousand nine hundred and eighty three zlotys and twenty groszy) i.e. by PLN 12,776,983.20 (twelve million seven hundred seventy-six thousand nine hundred and eighty-three zloty and twenty groszy) by issuing 15,971,229 shares, including: 1) 4,050,000 series A registered shares of nominal PLN 0.80 (eighty groszy) each, privileged as to vote, in such a way that for each share of this series there are two votes at the general meeting of that company; 2) 11,921,229 series B ordinary bearer shares with a nominal value of PLN 0.80 (eighty groszy) each ("Registration of the Capital Increase"), in connection with the split of Ryvu Therapeutics S.A. ("Splited Company") pursuant to art. 529 § 1 point 4 of the Commercial Companies Code (split by spin-off), i.e. by transferring to the Acquiring Company part of the Splited Company's assets in the form of an organized part of the enterprise comprising a set of tangible and intangible assets intended for the provision of service activities in the field of Contract Research Organization and shares in subsidiaries, i.e. BioCentrum sp. z oo, Selvita Services sp. z o.o., Ardigen SA, Selvita Ltd., Selvita Inc. ("Spin-off Activity").

On October 1, 2019, the changes in the company's Statute was registered by the District Court for Kraków-Śródmieście in Kraków, the 11th Commercial Department of the National Court Register. As a result, as of October 1, 2019, the name of the Company changed from Selvita Spółka Akcyjna to Ryvu

Therapeutics Spółka Akcyjna.

In accordance with art. 530 § 2 of the Code of Commercial Companies, along with the Registration of the Capital Increase, the Acquiring Company of the Spin-off Activity was transferred, and thus the split into two independent entities of Ryvu Therapeutics S.A. (formerly Selvita S.A) and Selvita S.A. (formerly Selvita CRO S.A.).

The Company was established for an indefinite period.

The financial statements were prepared for the period from 1 January 2019 to 31 December 2019.

The Company does not have any internal organizational units that prepare separate financial statements, therefore the financial statements do not contain aggregate data.

Ryvu Therapeutics S.A. is a biotechnology company developing innovative small molecules with therapeutic potential in oncology.

The financial statements have been prepared in Polish zlotys (PLN).

2. GOING CONCERN ASSUMPTION

The Company's financial statements have been prepared on the assumption that the Company will continue as a going concern for at least 12 months after the balance sheet date, i.e. after December 31, 2019.

On March 11, 2020, the World Health Organization classified the Covid-19 epidemic as a pandemic. The company has implemented instructions recommended by the Chief Sanitary Inspectorate and other state institutions related to dealing with an epidemiological emergency, including the implementation of remote work and ensuring safe working conditions for stationary workers.

The company constantly monitors the state of development of the situation in the country and abroad. The Company is in regular contact with foreign suppliers and as of the day of submitting this report it estimates that the risk on the supply chain side in the scope of services purchased by the Company is significant and may have a significant negative impact on the Company's operations.

To the best of the Company's knowledge as at the date of this report, coronavirus may have a significant impact on the progress of clinical trials due to the fact that they are carried out in centres located in the United States.

An important element of the Company's business is the commercialization of research and development projects with pharmaceutical partners. The company expects the pace of some business talks to slow down due to difficulties in the work of future clients related to teleworking forced by the epidemiological situation in their locations.

The company has also identified the risk associated with a negative situation on the capital market, which may limit access to financing in the future through the issue of shares. There may also be delays in administrative processes for the award and settlement of grants or VAT refunds as well as regulatory processes for clinical trials.

More information on the above subject is included in note 38 of the report.

The Management Board analysed the above and assessed that despite these risks and limitations, it did not find any threat to the Company's ability to continue as a going concern for at least 12 months from the balance sheet date.

3. LEGAL MERGER

In the financial year for which the financial statements were prepared, the Company did not merge with any other entity.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Basis of financial statements preparation

The financial statements have been prepared in accordance with the accounting principles applicable to the territory of the Republic of Poland as set out in the Accounting Act dated 29 September 1994 (Official Journal from 2019, item 351 with amendments) and related bylaws.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

The financial statements have been prepared in accordance with the historical cost rule, which has been modified in the cases described in individual sections of the introduction to the financial statements.

The Company prepared the profit and loss account in a multiple-step variant. The cash flow statement was prepared using the indirect method.

4.2. Intangible assets

Intangible assets are recognized in the balance sheet if it is probable that it will result in inflow of economic benefits to the Company in the future that may be directly related to these assets. Intangible assets are measured at cost i.e. either at acquisition price or directly attributable expenditures less accumulated amortization and any permanent impairment allowances. Intangible assets are amortized using the straight-line method over their estimated useful lives.

Estimated useful lives of particular intangible assets is as follows:

Software	2 years
Other intangible assets	2 years

Depreciation commences in the following month after the asset was brought into use. Useful lives and amortization rates are periodically reassessed with appropriate adjustments to amortization rates recognized on a prospective basis in subsequent financial years.

At the balance sheet date, the Company each time assesses whether the carrying value of the assets does not exceed the value of the expected future economic benefits. If there are indicators of this, the carrying value of assets is reduced accordingly. Impairment losses are recognized in other operating expenses.

4.3. Tangible fixed assets

Fixed assets are measured at cost i.e. either at acquisition price or construction cost less accumulated depreciation and any permanent impairment allowances. The acquisition price or construction cost of fixed assets and fixed assets under construction includes all costs incurred in the construction, assembly, installation and improvement process up to the date when the asset was brought into use. The cost includes borrowing costs and related foreign exchange gains and losses, net of related investment income.

Subsequent expenditure on improvements such as re-construction, extension or modernization is capitalized and increases the initially recognized cost of an asset. Subsequent expenditure is capitalized only if it increases the economic benefit embodied in the asset when it was brought into use.

Fixed assets, with the exception of land, are depreciated on a straight-line basis over the period of their estimated useful economic life, or for the shorter of the two periods: economic usefulness or right to use, which is as follows:

Buildings, water and civil engineering structures	10 years
Technical equipment and machinery	4-5 years
Vehicles	5 years
Other fixed assets	3-5 years

Depreciation commences in the following month after the asset was brought into use. Fixed assets with a low initial value, i.e. less than PLN 10,000, are subject to one-off recognition in costs and are not depreciated over time.

Useful lives and amortization rates are periodically reassessed with appropriate adjustments to amortization rates recognized on a prospective basis in subsequent financial years.

At the balance sheet date, the Company each time assesses whether the carrying value of the assets does not exceed the value of the expected future economic benefits. If there are indicators of this, the carrying value of assets is reduced accordingly. Impairment losses are recognized in other operating expenses.

4.4. Fixed assets under construction

Fixed assets under construction are valued at the amount of total costs directly related to their acquisition or construction, including financial costs, less impairment losses. Fixed assets under construction are not depreciated until they are completed and brought into use.

Advances for fixed assets under construction are recognized at the value of cash paid less any write-offs for impairment.

4.5. Leases

Leases in which the Company assumes substantially all of the risks and rewards of ownership of the leased fixed assets or intangible assets are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Lease payments are divided into interest and capital portion. Interest costs are charged to the profit and loss account as financial costs.

Operating lease payments are recognized in the income statement using the straight-line method over the period resulting from the lease contract. Benefits received and due as an incentive to conclude an operating lease agreement are recognized in the income statement using the straight-line method over the period resulting from the lease agreement.

Fixed assets used under the finance lease contracts are depreciated over a period corresponding to the estimated period of their economic useful life or their period of use, which ranges from 2 to 5 years.

4.6. Borrowing costs

Borrowing costs relating to the construction, adaptation, assembly or improvement of fixed assets or intangible assets over the period of construction, adaptation, assembly or improvement are included in the value of these assets if these liabilities were incurred for this purpose.

Other borrowing costs are recognized in the income statement.

4.7. Shares in subordinated entities

Equity instruments in subordinated entities classified as non-current assets are recognized at the acquisition price. If a permanent impairment has occurred, the carrying value of the investment is decreased by an appropriate impairment allowance.

4.8. Financial instruments

Financial assets are recognized in the accounts as at the date of entering into a contract, at cost, i.e. at the fair value of costs incurred or consideration given in exchange for the assets. Financial liabilities are recognized at the fair value of the consideration received or assets acquired. Transaction costs are

included in the determination of fair value. Transactions to purchase or sell financial instruments on a regulated market are recognized in the accounts at the trade date.

After initial recognition, financial assets are classified into one of four categories and valued as follows:

Category	Valuation
1. Financial assets held to maturity	At amortized cost using the effective interest method.
2. Loans and receivables	At the adjusted acquisition price (amortized cost) determined using the effective interest rate. Receivables with a short maturity, for which no interest rate has been set, are valued at the amount of payment required, observing the prudence principle.
3. Financial assets held for trading	At fair value, and revaluation gains / losses are recognized in the profit and loss account.
4. Financial assets available for sale	At fair value, and revaluation gains / losses are recognized in the revaluation reserve until the investment is sold or its value is reduced. At this time, the total gain or loss on revaluation is recognized in the income statement.

The fair value of financial instruments traded on an active market is determined in relation to prices quoted on this market as at the balance sheet date. In the absence of a quoted market price, fair value is estimated based on the quoted market price of a similar instrument, or on the basis of a valuation model that takes into account input data from active regulated trading, or using other estimation methods commonly recognized as correct.

Derivative financial instruments other than hedging instruments are disclosed as assets or liabilities held for trading.

Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that the asset or group of financial assets is impaired. If such evidence exists, the Company determines the estimated recoverable amount of the asset and makes an impairment loss equal to the difference between the recoverable amount and the carrying amount.

Impairment losses on financial assets are determined:

- 1) in the case of financial assets valued at the amount of the adjusted purchase price - as the

difference between the value of these assets resulting from the accounting books as at the valuation day and the recoverable amount. The recoverable amount is the current value of future cash flows expected by the entity, discounted using the effective interest rate that the entity has used to date by measuring a revalued financial asset or portfolio of similar financial assets,

- 2) in the case of financial assets measured at fair value - as the difference between the purchase price of an asset and its fair value as at the valuation date, except that the fair value of debt financial instruments as at the valuation date is understood as the current value of future cash flows expected by the discounted entity using the current market interest rate applied to similar financial instruments. The cumulative loss recognized up to that date in the capital (fund) from the revaluation is included in financial costs in an amount not less than the write-off, reduced by the part directly included in financial costs,
- 3) in the case of other financial assets - as the difference between the value of an asset arising from the books of accounts and the current value of future cash flows expected by the entity, discounted using the current market interest rate applied to similar financial instruments.

The carrying amounts of assets or groups of assets are reviewed at each reporting date to determine whether there is any indication of permanent impairment. If there is such an indication, then the asset's recoverable amount is estimated and a permanent impairment allowance is recognized for the difference between the carrying amount of the asset and its estimated recoverable amount. Impairment losses are recognized in the profit and loss account. If the asset was previously subject to revaluation, with the effects of such revaluation being recognized in the revaluation reserve, the impairment losses reduce the reserve and any excess is recognized in the profit and loss account.

4.9. Inventories

Purchased materials are recognized directly in operating costs and as at the balance sheet date are measured at the purchase price on the basis of the stock count carried out. Inventory expenditure valuation method was adopted as FIFO (first in, first out). In the period covered by the financial statements, the Company did not make any inventory write-downs.

4.10. Short- and long-term receivables

Trade receivables are valued in the amount of due payment less any impairment allowances.

The value of receivables is revalued taking into account the degree of probability of receiving the

payment by making an impairment allowance in relation to:

- receivables from debtors in liquidation or bankruptcy - up to the amount of the claim covered by the guarantee or other security of the claim, reported to the liquidator or judge commissioner in bankruptcy proceedings,
- receivables from debtors in the event of rejection of the bankruptcy petition, if the debtor's assets are insufficient to meet the costs of bankruptcy proceedings - in full amount of the receivables,
- overdue receivables questioned by debtors, and if according to the assessment of the debtor's property and financial standing, it is not probable that the amount due will be repaid - up to the amount not covered by the guarantee or other collateral,
- receivables being the equivalent of amounts increasing the receivables for which a write-off was previously made - in the amount of these amounts until they are received or written off;
- overdue or not-overdue receivables with a significant probability of collectability, in cases justified by the type of business or structure of debtors - in the amount of the reliably estimated amount of the write-off, including the general allowance, for uncollectible receivables.

Impairment allowance for receivables are included in other operating expenses or financial expenses, depending on the type of receivable. Redeemed, expired or uncollectible receivables reduce the previous revaluation write-offs.

Redeemed, expired or uncollectible receivables for which revaluation write-offs were not made or write-offs not in full amount are included in other operating costs or financial costs, respectively.

4.11. Impairment of assets

The carrying amounts of assets or groups of assets are reviewed at each reporting date to determine whether there is any indication of permanent impairment. If there is such an indication, then the asset's recoverable amount is estimated and a permanent impairment allowance is recognized for the difference between the carrying amount of the asset and its estimated recoverable amount. Impairment losses are recognized in the profit and loss account. If the asset was previously subject to revaluation, with the effects of such revaluation being recognized in the revaluation reserve, the impairment losses reduce the reserve and any excess is recognized in the profit and loss account.

4.12. Exchange differences

Transactions expressed in currencies other than the Polish zloty are converted into Polish zlotys using the exchange rate prevailing on the date of the transaction.

As at the balance sheet day, assets and liabilities expressed in currencies other than the Polish zloty are converted into Polish zlotys using the average exchange rate for the given currency by the National Bank of Poland applicable on that day. The exchange rate differences are recognized respectively in financial income or costs or, in cases specified by law, capitalized in the value of assets.

The following exchange rates have been used in these financial statements for the purpose of valuation:

	31.12.2019	31.12.2018
EUR/PLN	4,2585	4,3000
USD/PLN	3,7977	3,7597
GBP/PLN	4,9971	4,7895
CHF/PLN	3,9213	3,8166
JPY/PLN	0,0350	0,0341
SEK/PLN	0,4073	0,4201

4.13. Cash and cash equivalents

Cash at bank and in hand is valued at its nominal value. The cash item shown in the cash flow statement consists of cash in hand and bank deposits with a maturity of not more than 3 months that have not been treated as investment activities.

4.14. Prepayments and accruals

Prepayments and accrued income

Expenses relating to future reporting periods are deferred as prepayments. The Company recognizes accrued expenses in the amount of probable liabilities relating to the current reporting period, subject to the prudence principle.

Accrued income from subsidies is recognized in correspondence with prepaid expenses. Received funds due to subsidies reduce the balance of prepaid expenses.

Accrued expenses

Accruals are made in the amount of probable liabilities attributable to the current reporting period.

4.15. Long term prepayments and accruals

In 2019, the Company recognized the deferred tax asset.

4.16. Grants settlements

Subsidies are not recognized until there is reasonable assurance that the Company will meet the necessary conditions and will receive such subsidies. Government subsidies are recognized in other operating income systematically, for each period in which the Company recognizes expenses as costs, related to subsidies. In particular, subsidies the basic condition for granting which is the purchase, construction or other type of acquisition of fixed assets are recognized as deferred income in the statement of financial position and are recognized in other operating income systematically in justified amounts over the period of economic usefulness of the related assets.

4.17. Deferred income

Deferred income mainly relates to:

- the equivalent of funds received or receivable from customers for services to be performed in subsequent reporting periods,
- cash received to finance the purchase or construction of fixed assets, including fixed assets under construction and development works, if, pursuant to other laws, they do not increase equity, and the amounts included in deferred income gradually increase other operating revenues, in parallel to depreciation or amortization charges on property, plant and equipment or development costs financed from these sources,
- revenues from the completion of unfinished services covered by a contract with a period of implementation of more than 6 months are determined as at the balance sheet date in proportion to the stage of completion, if it can be reliably determined,
- subsidies received for financing research projects in the amount of the remaining value to be used.

4.18. Equity

Share capital is recognized in the amount specified in the statute and registered in the court register. The differences between the fair value of the payment received and the nominal value of the shares are recognized in reserve capital.

4.19. Provision for liabilities

Provisions are created when the Company has a current obligation (legal or customary) resulting from past events and when it is certain or highly probable that the fulfilment of this obligation will result in the need for an outflow of funds or economic benefits, and when the amount of the liability can be reliably estimated.

The company has a retirement severance pay program. The costs of the above program are recognized in the profit and loss account in a way that distributes the costs of retirement severance pays over the entire period of employment of employees in the Company. Costs due to the above benefits are determined using the actuarial method of valuation of forecast individual entitlements and recognized in accordance with the materiality principle.

4.20. Bank loans

At initial recognition, bank loans and borrowings are recognized at cost, representing the value of cash received and including the cost of obtaining the loan / transaction (transaction costs). Then, all bank loans and borrowings are measured at adjusted purchase price (amortized cost) using the effective interest rate. Financial liabilities are measured not later than at the end of the reporting period in the amount of the adjusted purchase price.

4.21. Contingent liabilities – not presented in the balance sheet

The Company recognizes as a contingent liability a potential future obligation to perform services that arise depending on the occurrence of certain events. Contingent liabilities are recognized in off-balance sheet records.

In the periods covered by the financial statements, the Company incurred contingent liabilities necessary to receive a grant.

Contingent liabilities include:

- promissory note liabilities - covering the amount of co-financing granted with interest in the amount specified as for tax arrears calculated from the date of transferring funds to the account until the date of return. In the period covered by the report, the bank accounts for co-financing were not received by the amount of co-financing.

In connection with the subsidy received, the Company is required to fulfil the conditions arising from the subsidy agreements signed (including result and product indicators).

4.22. Income tax

Corporate income tax, as presented in the profit and loss account, comprises current and deferred income tax.

Current income tax is determined in accordance with the relevant tax regulations. Deferred tax presented in the profit and loss account represents the difference between deferred tax liabilities and deferred tax assets as at the beginning and the end of the reporting period.

Deferred tax assets and liabilities relating to transactions recognized directly in equity are also recognized in equity.

Deferred tax assets are recognized on a prudent basis only to the extent that it is probable that future taxable profits will be available against which tax deductible temporary differences and tax losses carried forward can be utilized.

Deferred tax liabilities are recognized at the amount of corporate income tax payable in the future with respect to taxable temporary differences that will increase taxable profits in the future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse using tax rates enacted at the reporting date.

Deferred tax assets and liabilities are presented separately in the balance sheet.

Tax uncertainty

The provisions regarding VAT, CIT, PIT, and social security contributions are subject to frequent changes, as a result of which there is often no reference to long-term regulations or legal precedents. The applicable regulations also contain ambiguities that cause differences in opinions as to the legal interpretation of tax regulations both between state authorities and between state authorities and enterprises. Tax settlements and other (e.g. customs or foreign exchange) settlements may be subject to control by authorities that are entitled to impose high fines, and the additional amounts of obligations determined as a result of the control must be paid together with high interest. These occurrences cause that the tax risk in Poland is higher than that usually existing in countries with a developed tax system. Tax settlements may be subject to control for a period of five years. As a result, the amounts disclosed in the financial statements may change at a later date after their final determination by the tax authorities.

On July 15, 2016, the Tax Code was amended to take into account the provisions of the General Fraud Prevention Clause (GAAR). GAAR is to prevent the emergence and use of artificial legal structures created to avoid payment of tax in Poland. GAAR defines tax avoidance as an act performed primarily to achieve a tax benefit, which is contrary to the subject and purpose of the provisions of the Tax Act

in given circumstances. According to GAAR, this does not result in a tax benefit if the method of operation was artificial. Any occurrence of (i) unjustified division of operations, (ii) the involvement of intermediaries despite the lack of economic justification, (iii) elements that mutually compensate each other, and (iv) other activities similar to those mentioned above, may be treated as a premise for existence artificial activities subject to GAAR. The new regulations require much more judgment when assessing the tax consequences of individual transactions.

The GAAR clause should be applied to transactions made after its entry into force and to transactions that were carried out before the GAAR clause entered into force, but for which benefits were or are still being achieved after the date of entry into force of the clause. The implementation of the above provisions allows Polish tax inspection authorities to question the legal arrangements and agreements implemented by taxpayers, such as restructuring and reorganization of the group.

4.23. Revenue recognition

Revenues are recognized to the extent that it is probable that the Company will obtain economic benefits that can be reliably measured.

4.23.1. Sales of finished goods, merchandise and raw materials

Revenue from sales of finished goods, merchandise and raw materials is recognized in the profit and loss account when the Company has transferred the significant benefits of ownership to the buyer and it no longer retains control or has managerial involvement in those assets.

4.23.2. Sales of services

Revenues and expenses relating to not completed services with an execution period exceeding 6 months are determined at the balance sheet date in proportion to the contract's stage of completion. If the effects of the transaction related to the provision of services cannot be reliably determined, the revenues from the provision of these services are recognized only up to the amount of costs incurred in this respect.

Expected losses on contracts are recognized immediately as an operating expense.

4.23.3. Interest income

Interest income is measured using the effective interest rate method.

4.23.4. Subsidies

Subsidies are not recognized until there is reasonable assurance that the Company will meet the necessary conditions and will receive such subsidies. Government subsidies are recognized in other operating income systematically, for each period in which the Company recognizes expenses as costs, related to subsidies. In particular, grants whose basic condition for the grant is the purchase, construction or other type of acquisition of fixed assets are recognized as deferred income in the statement of financial position and are referenced to the result systematically in justified amounts over the period of economic usefulness of the related assets.

4.23.5. Contract revenue

Revenues from the performance of not completed services covered by a contract, performed to a significant extent at the balance sheet date, are determined, as at the balance sheet date, proportionally to the stage of completion of the service, if this degree, as well as the anticipated total costs of providing the service for the entire duration of its implementation, can be determined in reliably.

The stage of completion of the service is measured as the share of costs incurred from the day of concluding the contract to the date of determining the revenue in the total costs of providing the service.

If the service contract provides that the price for this service is set at a lump sum - then the revenue from the completion of the not completed service is determined in proportion to the stage of completion of the service, provided that the stage of completion of the service at the balance sheet date can be reliably determined.

If the stage of completion of the not completed service or the anticipated total cost of its performance cannot be reliably determined as at the balance sheet date, the revenue is determined in the amount of costs incurred in a given reporting period, but not higher than the costs which the customer is likely to cover in the future.

The correctness of the adopted methods for determining the stage of completion of the service as well as the anticipated total revenues from the service is verified by the Company no later than as at the balance sheet date. Adjustments caused by verification affect the Company's financial result of the reporting period in which the verification was carried out.

Expected losses on contracts are recognized immediately as an operating expense.

4.23.6. Dividend income

Dividend income is recognized as financial income on the date of adoption of a resolution on the distribution of profit by the shareholders' meeting, unless the resolution states a different ex-dividend date.

4.24. Social fund

On the basis of an agreement with the Employees Council, the Company does not create a Social Benefits Fund.

4.25. Contract costs

Costs that can be directly attributed to the revenues generated by the Company affect the Company's financial result in the reporting period in which these revenues occurred.

Costs, which can only be indirectly attributed to revenues or other benefits achieved by the Company, affect the Company's financial result in the part in which they relate to a given reporting period, ensuring their matching principle with revenues or other economic benefits.

The correctness of determining the estimated total costs related to the service provided is verified by the Company no later than as at the balance sheet date. Adjustments caused by verification affect the Company's financial result of the reporting period in which the verification was carried out.

4.26. Significant estimates

Preparation of the financial statements requires the Company's Management Board to make certain estimates and assumptions, which are reflected in the financial statements as well as in supplementary notes to the financial statements. Actual results may differ from the results of the estimates. The Company's Management Board estimates relate to, among others recognition of revenues from long-term contracts, settlements due to subsidies, created provisions, impairment allowances, prepayments, depreciation rates, leasing classification and assumptions for tests for impairment of assets.

Balance Sheet

ASSETS

No.	Item	Note	As at 31.12.2019	As at 31.12.2018
A	NON-CURRENT ASSETS		67,595,169.00	49,488,903.00
I	Intangible assets	1.1	2,923,654.00	2,383,664.00
1	Development costs		0.00	0.00
2	Goodwill		0.00	0.00
3	Other intangible assets		2,923,654.00	2,383,664.00
4	Prepayments for intangible assets		0.00	0.00
II	Tangible fixed assets		63,556,984.00	39,713,134.00
1	Fixed assets	2	26,619,644.00	32,840,759.00
a	land (including perpetual usufruct of land)		7,468,450.00	7,468,450.00
b	buildings, premises, rights to premises and civil and water engineering structures		708,033.00	1,866,213.00
c	technical equipment and machinery		226,911.00	476,420.00
d	vehicles		0.00	0.00
e	other fixed assets		18,216,250.00	23,029,676.00
2	Fixed assets under construction	3	36,937,340.00	6,872,375.00
3	Prepayments for fixed assets under construction		0.00	0.00
III	Long-term receivables	4	85,194.00	104,238.00
1	From related parties		0.00	0.00
2	From other entities in which the Company holds equity interest		0.00	0.00
3	From other parties		85,194.00	104,238.00
IV	Long-term investments	5	678,910.00	7,287,867.00
1	Investment property		0.00	0.00
2	Intangible fixed assets		0.00	0.00
3	Long-term financial assets		678,910.00	7,287,867.00
a	in related parties		0.00	6,608,957.00
	- Shares		0.00	6,599,616.00
	- Other securities		0.00	0.00
	- Loans granted		0.00	9,341.00
	- Other long-term financial assets		0.00	0.00
b	in other entities in which the Company holds equity interest		0.00	0.00
	- Shares		0.00	0.00
	- Other securities		0.00	0.00
	- Loans granted		0.00	0.00
	- Other long-term financial assets		0.00	0.00
c	in third parties		678,910.00	678,910.00
	- Shares		678,910.00	678,910.00
	- Other securities		0.00	0.00
	- Loans granted		0.00	0.00
	- Other long-term financial assets		0.00	0.00
4	Other long-term investments		0.00	0.00
V	Non-current prepayments and deferred expenses		350,427.00	0.00
1	Deferred tax asset	26	350,427.00	0.00
2	Other prepayments and deferred expenses	10	0.00	0.00
B	CURRENT ASSETS		90,028,605.00	148,124,496.00
I	Inventories	8	1,586,162.00	1,602,008.00
1	Raw materials		1,586,162.00	1,602,008.00
2	Semi-finished products and work in progress		0.00	0.00
3	Finished products		0.00	0.00
4	Merchandise		0.00	0.00
5	Prepayments for inventories and services		0.00	0.00
II	Short-term receivables	9	9,475,361.00	18,577,438.00
1	Receivables from related parties		0.00	4,580,573.00
a	trade receivables:		0.00	4,580,573.00
	- due within 12 months		0.00	4,580,573.00
	- due in more than 12 months		0.00	0.00
b	other		0.00	0.00
2	Receivables from other entities in which the Company holds equity interest		0.00	0.00
a	trade receivables:		0.00	0.00
	- due within 12 months		0.00	0.00
	- due in more than 12 months		0.00	0.00
b	other		0.00	0.00
3	Receivables from third parties		9,475,361.00	13,996,865.00
a	trade receivables:		1,287,881.00	6,633,483.00
	- due within 12 months		1,287,881.00	6,633,483.00
	- due in more than 12 months		0.00	0.00
b	taxation, subsidies, custom duties, social security, health insurance and other legal receivables		5,010,965.00	6,600,000.00
c	other		3,176,515.00	763,382.00
d	receivables subject to legal proceedings		0.00	0.00

III	Short-term investments		72,106,928.00	109,911,073.00
1	Short-term financial assets		72,106,928.00	109,911,073.00
a	in related parties	6	0.00	7,072.00
	- Shares		0.00	0.00
	- Other securities		0.00	0.00
	- Loans granted		0.00	7,072.00
	- Other short-term financial assets		0.00	0.00
b	in third parties	6	0.00	15,045,926.00
	- Shares		0.00	0.00
	- Other securities		0.00	0.00
	- Loans granted		0.00	60,000.00
	- Other short-term financial assets		0.00	14,985,926.00
c	cash and cash equivalents		72,106,928.00	94,858,075.00
	- Cash on hand and in bank		25,937,116.00	22,757,563.00
	- Other cash		46,169,812.00	72,100,512.00
	- Other cash equivalents		0.00	0.00
2	Other short-term investments		0.00	0.00
IV	Short-term prepayments and deferred expenses	10	6,860,154.00	18,033,977.00
TOTAL ASSETS			157,623,774.00	197,613,399.00

Balance Sheet
EQUITY AND LIABILITIES

No.	Item	Note	As at 31.12.2019	As at 31.12.2018
A	EQUITY		101,160,030.00	151,577,075.00
I	Share capital	<u>11</u>	6,388,492.00	6,388,492.00
II	Reserve capital, including:		130,770,228.00	168,244,820.00
	- share premium reserve		145,188,585.00	154,702,440.00
	- result from split		(14,418,357.00)	0.00
III	Revaluation reserve, including:		0.00	0.00
	- from fair value measurement		0.00	0.00
IV	Other capital reserves, including:		0.00	0.00
	- established according to the deed / statute		0.00	0.00
	- treasury shares		0.00	0.00
V	Accumulated profit from previous years		0.00	0.00
VI	Net (loss)	<u>12</u>	(35,998,690.00)	(23,056,237.00)
VII	Appropriation of the net profit during the financial year (negative value)		0.00	0.00
B	LIABILITIES AND PROVISIONS FOR LIABILITIES		56,463,744.00	46,036,324.00
I	Provisions for liabilities		538,586.00	148,012.00
1	Deferred tax liability	<u>26</u>	350,427.00	29,989.00
2	Provision for retirement and similar benefits	<u>13</u>	188,159.00	118,023.00
	- long-term		188,159.00	118,023.00
	- short-term		0.00	0.00
3	Other provisions	<u>13</u>	0.00	0.00
	- long-term		0.00	0.00
	- short-term		0.00	0.00
II	Long-term liabilities	<u>14</u>	5,289,939.00	5,895,689.00
1	Liabilities due to related parties		0.00	0.00
2	Liabilities due to other entities in which the Company holds equity interest		0.00	0.00
3	Liabilities due to third parties		5,289,939.00	5,895,689.00
a	credits and loans	<u>14</u>	2,362,057.00	3,171,878.00
b	debt securities		0.00	0.00
c	other financial liabilities		2,927,882.00	2,723,811.00
d	bills of exchange payable		0.00	0.00
e	other		0.00	0.00
III	Short-term liabilities		25,158,819.00	22,553,916.00
1	Liabilities due to related parties		0.00	4,751,397.00
a	trade liabilities	<u>14</u>	0.00	4,751,397.00
	- due within 12 months		0.00	4,751,397.00
	- due in more than 12 months		0.00	0.00
b	other		0.00	0.00
2	Liabilities due to other entities in which the Company holds equity interest		0.00	0.00
a	trade liabilities	<u>14</u>	0.00	0.00
	- due within 12 months		0.00	0.00
	- due in more than 12 months		0.00	0.00
b	other		0.00	0.00
3	Liabilities due to third parties		25,158,819.00	17,802,519.00
a	credits and loans	<u>14</u>	823,750.00	881,257.00
b	debt securities	<u>14</u>	0.00	0.00
c	other financial liabilities	<u>14</u>	1,698,936.00	1,355,323.00
d	trade liabilities	<u>14</u>	21,605,825.00	14,225,520.00
	- due within 12 months		21,605,825.00	14,225,520.00
	- due in more than 12 months		0.00	0.00
e	advance payments received		0.00	0.00
f	bills of exchange payable		0.00	0.00
g	taxation, custom duties, social security, health insurance and other legal payables		1,012,545.00	1,317,366.00
h	payroll liabilities		54.00	0.00
i	other		17,709.00	23,053.00
4	Special funds		0.00	0.00

IV	Accruals and deferred income		25,476,400.00	17,438,707.00
1	Negative goodwill		0.00	0.00
2	Other	<u>16</u>	25,476,400.00	17,438,707.00
	- long-term		21,183,710.00	10,362,746.00
	- short-term		4,292,690.00	7,075,961.00
TOTAL EQUITY AND LIABILITIES			157,623,774.00	197,613,399.00

prepared by

Board Members signatures:

1.

2.

3.

Krakow, 8 April 2020

Profit and Loss Account

No.	Item	Note	For the period	
			01.01 - 31.12.2019	01.01 - 31.12.2018
A	Net revenue from sales of finished products, merchandise and raw materials, including	<u>21</u>	42,567,163.00	51,679,815.00
	- from related parties		11,318,641.34	17,099,507.00
I	Net revenue from sales of finished products		42,567,163.00	51,679,815.00
II	Net revenue from sales of merchandise and raw materials		0.00	0.00
B	Cost of finished products, merchandise and raw materials sold, including:	<u>21</u>	92,721,003.00	77,542,688.00
	- to related parties		7,923,048.94	12,220,601.00
I	Cost of finished products sold		92,721,003.00	77,542,688.00
II	Cost of merchandise and raw materials sold		0.00	0.00
C	Gross profit/(loss) on sales		(50,153,840.00)	(25,862,873.00)
D	Selling expenses		4,371,869.00	4,163,835.00
E	General and administrative expenses		22,455,339.00	22,069,076.00
F	Profit/(loss) on sales		(76,981,048.00)	(52,095,784.00)
G	Other operating income	<u>22</u>	31,977,497.00	28,051,372.00
I	Gain on disposal of non-financial fixed assets		80,000.00	0.00
II	Grants		31,187,013.00	27,439,972.00
III	Remeasurement of non-financial assets		0.00	0.00
IV	Other		710,484.00	611,400.00
H	Other operating costs	<u>22</u>	135,549.00	298,658.00
I	Loss on disposal of non-financial fixed assets		0.00	0.00
II	Remeasurement of non-financial assets		53,409.00	0.00
III	Other		82,140.00	298,658.00
I	Operating profit/(loss)		(45,139,100.00)	(24,343,070.00)
J	Financial income		9,534,855.00	1,631,943.00
I	Dividends received and share of profits, including:		8,320,928.00	0.00
a	from related parties, including:		0.00	0.00
	- in which the Company holds equity interest		0.00	0.00
b	from third parties, including:		0.00	0.00
	- in which the Company holds equity interest		0.00	0.00
II	Interest, including:	<u>24</u>	1,042,764.00	1,354,230.00
	- from related parties		517.00	1,780.00
III	Gain on disposal of investments, including:		0.00	0.00
	- in related parties		0.00	0.00
IV	Remeasurement of financial assets	<u>24</u>	0.00	0.00
V	Other	<u>24</u>	171,163.00	277,713.00
K	Financial costs		424,435.00	269,937.00
I	Interest, including:	<u>25</u>	217,800.00	188,811.00
	- to related parties		0.00	0.00
II	Loss on disposal of investments, including:		0.00	0.00
	- in related parties		0.00	0.00
III	Remeasurement of financial assets	<u>25</u>	0.00	0.00
IV	Other	<u>25</u>	206,635.00	81,126.00
L	Profit/(loss) before taxation		(36,028,680.00)	(22,981,064.00)
M	Corporate income tax	<u>26, 27</u>	(29,990.00)	75,173.00
N	Other obligatory charges decreasing the profit (increasing the loss)	<u>26, 27</u>	0.00	0.00
O	Net profit/(loss)		(35,998,690.00)	(23,056,237.00)

prepared by

Board Members signatures:

1.

2.

3.

Krakow, 8 April 2020

Statement of Changes in Equity

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
I.	Equity at the beginning of the period	151,577,075.00	44,728,407.00
I.a.	Restated equity at the beginning of the period	151,577,075.00	44,728,407.00
1	Share capital at the beginning of the period	6,388,492.00	5,508,492.00
1.1.	Changes in share capital	0.00	880,000.00
a	increases relating to:	0.00	880,000.00
	- share issue	0.00	880,000.00
b	reductions relating to:	0.00	0.00
	- redemption of shares	0.00	0.00
1.2.	Share capital at the end of the period	6,388,492.00	6,388,492.00
2	Reserve capital at the beginning of the period	168,244,820.00	35,717,598.00
2.1.	Changes in reserve capital	(37,474,592.00)	132,527,222.00
a	increases relating to:	0.00	132,527,222.00
	- shares issued above nominal value	0.00	129,024,905.00
	- profit distribution (statutory)	0.00	0.00
	- profit distribution (above the minimum statutory value)	0.00	3,502,317.00
b	reductions relating to:	(37,474,592.00)	0.00
	- loss coverage	(23,056,235.00)	0.00
	- split and separation of the organized part of the enterprise	(14,418,357.00)	0.00
2.2.	Reserve capital at the end of the period	130,770,228.00	168,244,820.00
3	Revaluation reserve at the beginning of the period	0.00	0.00
3.1.	Changes in revaluation reserve	0.00	0.00
3.2.	Revaluation reserve at the end of the period	0.00	0.00
4	Other capital reserves at the beginning of the period	0.00	0.00
4.1.	Changes in other reserve capital	0.00	0.00
4.2.	Other capital reserves at the end of the period	0.00	0.00
5	Accumulated profit/(loss) from previous years at the beginning of the period	(23,056,237.00)	3,502,317.00
5.1.	Accumulated profit from previous years at the beginning of the period	0.00	4,992,224.00
5.2.	Accumulated profit from previous years at the beginning of the period after restatement	0.00	4,992,224.00
a	increases relating to:	0.00	0.00
	- distribution of profit from previous years	0.00	0.00
b	reductions relating to:	0.00	4,992,224.00
	- distribution of profit from previous years	0.00	4,992,224.00
5.3.	Accumulated profit from previous years at the end of the period	0.00	0.00
5.4.	Accumulated loss from previous years at the beginning of the period	(23,056,237.00)	(1,489,907.00)
	- effects of change in accounting policy	0.00	0.00
	- correction of errors	0.00	0.00
5.5.	Accumulated loss from previous years at the beginning of the period after restatement	(23,056,237.00)	(1,489,907.00)
a	increases relating to:	0.00	0.00
	- transfer of losses from previous years to be covered	0.00	0.00
b	reductions relating to:	(23,056,237.00)	(1,489,907.00)
	- covering losses from reserve capital	(23,056,237.00)	(1,489,907.00)
5.6.	Accumulated loss from previous years at the end of the period	0.00	0.00
5.7.	Accumulated profit/(loss) from previous years at the end of the period	0.00	0.00
6	Net profit/(loss) after taxation for the financial year	(35,998,690.00)	(23,056,237.00)
a	net profit	0.00	0.00
b	net loss	(35,998,690.00)	(23,056,237.00)
c	appropriation of profit	0.00	0.00
II	Equity at the end of the period	101,160,030.00	151,577,075.00
III	Equity after proposed profit distribution (coverage of loss)	101,160,030.00	151,577,075.00

prepared by

Board Members signatures:

1.

2.

3.

Krakow, 8 April 2020

Statement of Cash Flows

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
A	Cash flow from operating activities	(17,400,963.80)	(26,046,543.00)
I	Net profit/(loss)	(35,998,690.00)	(23,056,237.00)
II	Total adjustments:	18,597,726.20	(2,990,306.00)
1	Depreciation and amortisation	9,109,107.00	7,086,324.00
2	Exchange (gains)/losses	0.00	133,199.00
3	Interest and share of profits (dividend income)	(9,145,892.00)	(1,002,998.00)
4	Loss on investing activity	0.00	0.00
5	Change in provisions	454,950.15	(424,370.00)
6	Change in inventories	(682,736.00)	(173,275.00)
7	Change in receivables	1,006,389.44	(7,341,283.00)
8	Change in short-term liabilities (excluding loans and bank credits)	(1,088,984.38)	4,951,934.00
9	Change in prepayments, accruals and deferred income and expenses	18,944,891.99	(6,219,837.00)
III	Net cash flow from operating activities	(17,400,963.80)	(26,046,543.00)
B	Cash flow from investing activities	(7,936,505.66)	(31,570,763.00)
I	Proceeds	16,058,344.00	1,489,210.00
1	Disposal of tangible and intangible assets	80,000.00	0.00
2	Disposal of investment property and intangible assets	0.00	0.00
3	From financial assets, including:	15,978,344.00	1,489,210.00
a	of related parties	5,271.00	264,597.00
b	of third parties	15,973,073.00	1,224,613.00
	- repayment of long-term loans	1,709.00	30,000.00
	- interest	1,042,764.00	1,194,613.00
	- other proceeds from financial assets	14,928,600.00	0.00
II	Disbursements	23,994,849.66	33,059,973.00
1	Purchase of tangible and intangible assets	23,994,849.66	18,061,193.00
2	Purchase of investment property and intangible assets	0.00	0.00
3	For financial assets, including:	0.00	14,998,780.00
a	of related parties	0.00	40,180.00
b	of third parties	0.00	14,958,600.00
	- acquisition of financial assets	0.00	14,928,600.00
	- long term loans granted	0.00	30,000.00
4	Other investing disbursements	0.00	0.00
III	Net cash flow from investing activities	(7,936,505.66)	(31,570,763.00)
C	Cash flow from financing activities	2,586,322.31	127,870,361.00
I	Proceeds	8,378,436.00	134,271,438.00
1	Net proceeds from the issue of shares and other equity instruments and additional shareholder payments	0.00	134,200,000.00
2	Credits and loans	57,508.00	71,438.00
3	Dividends and other	8,320,928.00	0.00
4	Other financing proceeds	0.00	0.00
II	Disbursements:	5,792,113.69	6,401,077.00
1	Purchase of treasury shares	2,988,750.00	0.00
2	Dividends and other payments to shareholders	0.00	0.00
3	Other payments relating to profit distribution, excluding payments to shareholders	0.00	0.00
4	Repayment of bank credits and loans	881,258.00	906,146.00
5	Redemption of debt securities	0.00	0.00
6	Other financial obligations	0.00	4,074,595.00
7	Payments relating to finance lease obligations	1,704,305.69	1,174,719.00
8	Interest	217,800.00	245,617.00
III	Net cash flow from financing activities	2,586,322.31	127,870,361.00
D	Net cash flow - total	(22,751,147.15)	70,253,055.00
E	Balance sheet change in cash, including:	(22,751,147.15)	70,253,056.00
	- change in cash due to exchange differences	0.00	0.00
F	Cash at the beginning of the financial year	94,858,075.00	24,605,020.00
G	Cash at the end of the financial year, including:	72,106,927.85	94,858,075.00
	- restricted cash	0.00	0.00

prepared by

Board Members signatures:

1.

2.

3.

Krakow, 8 April 2020

Note 1***Indication and explanation of the differences in the value of disclosed data between the financial statements prepared in accordance with Polish Accounting Standards (PAS) and the financial statements that would be prepared in accordance with IFRS***

The financial statements have been prepared in accordance with the accounting principles applicable to the territory of the Republic of Poland as set out in the Accounting Act dated 29 September 1994 (Official Journal from 2019, item 351 with amendments) and related bylaws. The company identified areas of differences and their impact on the net asset value and financial result between these published statements prepared in accordance with Polish accounting principles and the financial statements that would have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (hereinafter IFRS). The Management Board of Ryvu Therapeutics Spółka Akcyjna used the best knowledge of the expected standards and interpretations as well as accounting principles that would apply when preparing the financial statements in accordance with IFRS. As a result of the analysis, differences were identified that affect the net asset value and the result of the Company, which are presented below.

RECONCILIATION OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT ACCORDING TO POLISH ACCOUNTING STANDARDS AND IFRS
FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

	Period ended 31/12/2019		Period ended 31/12/2019
	PAS	Adjustments*	IFRS
Continuing operations			
Sales revenue	42,567,163	7	3,798,331
Grant income	31,187,013	1,7	29,921,936
Other operating revenue	790,484	2,7	418,466
Total operating revenue	74,544,660		34,138,733
Total operating expenses	(119,683,760)	2,3,7	(79,523,980)
Operating profit / (loss)	(45,139,100)		(45,385,247)
Profit (loss) on business activities	(36,028,680)		(36,716,845)
Valuation of shares in associates	-	5	928,380
Profit / (loss) before income tax	(36,028,680)		(35,788,466)
Income tax expense	29,990	4	(160,890)
Net profit / (loss) on continuing operations	(35,998,690)		(35,949,356)
Discontinued operations			
Net profit from spin-off operations	-	7	611,914
Profit on spin-off	-	6	320,977,452
NET PROFIT (LOSS)	(35,998,690)		285,640,010
Net profit attributed to:			
Majority shareholders	(35,998,690)		285,640,010
Non-controlling shareholders	-		-
	(35,998,690)		285,640,010
Other comprehensive income	-		-
Other comprehensive income - net	-		-
TOTAL INCOME FOR THE PERIOD	(35,998,690)		285,640,010
Total income attributed to:			
Majority shareholders	(35,998,690)		285,640,010
Non-controlling shareholders	-		-
	(35,998,690)		285,640,010

*** Adjustments**

1. Reclassification of revenues from subsidies
2. Application of IFRS 16
3. Correction of depreciation of low-cost fixed assets
4. Deferred tax adjustment
5. Valuation of shares in associates
6. Separation of OPE.
7. Presentation of spin-off operations

Separation of OPE: The difference to the Accounting Act results from a different treatment of IFRS transactions, i.e. in accordance with IFRIC 17. The division of the Company, in the light of IFRIC 17, is the transfer of non-cash assets to the Company's shareholders (and thus non-cash dividend payment to shareholders recognized in correspondence with equity) and the application of this standard results in recognition in a separate item in the profit and loss account of "Gain on spin-off" in the amount of PLN 320 million in 2019, which is the difference between the fair value of all shares of Selvita CRO SA (currently Selvita S.A.), calculated as the product of the number of shares and the closing price on the first day of listing on the WSE, and the net asset value transferred in the form of an organized part of the enterprise.

	calculation	value in PLN
fair value	21 * 15.971.229	335,395,809
	shares=	
net assets of spin-off operation		14,418,357
Profit on spin-off		320,977,452

The impact on the Company's equity as a result of such recognition of the transaction is zero PLN. It is a non-cash item and results directly from the separation and receipt of 1:1 ratio of shares of Selvita CRO S.A. (currently Selvita S.A.) by the shareholders of Ryvu Therapeutics S.A.

RECONCILIATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY POLISH ACCOUNTING STANDARDS AND IFRS PREPARED AS AT 31 DECEMBER 2019

	As at 31/12/2019		As at 31/12/2019
	PAS	Adjustments*	IFRS
ASSETS			
Total non-current assets	67,595,169	2,3,4,5	92,917,067
Total current assets	90,028,605	1	89,976,430
Total assets	157,623,774		182,893,497
EQUITY AND LIABILITIES			
Equity			
Share capital	6,388,492		6,388,492
Reserve capital	145,188,585		145,188,585
Reserve capital resulting from the split	(14,418,357)		(14,418,357)
Reserve capital resulting from the separation of OPE	-	6	(320,977,452)
Other reserve capitals	-	7	11,172,000
Retained earnings / Accumulated losses	-		6,767,042
Net profit for the period	(35,998,690)		285,640,010
Equity attributed to non-controlling shareholders	-		-
	101,160,030		119,760,320
Amounts recognized directly in equity, related to assets classified as held for sale	-		-
Equity attributable to equity holders of the parent	101,160,030		119,760,320
Equity attributable to non-controlling interest	-		-
Total equity	101,160,030		119,760,320
Total long-term liabilities	27,012,236	2,4	32,537,434
Total short-term liabilities	29,451,508	1,2	30,595,743
Total liabilities	56,463,744		63,133,177
Total equity and liabilities	157,623,774		182,893,497

*** Adjustments**

1. Reclassification of revenues from subsidies
2. Application of IFRS 16
3. Correction of depreciation of low-cost fixed assets
4. Deferred tax adjustment
5. Valuation of shares in associates
6. Separation of OPE
7. Adjustment in connection with the transformation to IFRS as a result of settlement of the option program

RECONCILIATION OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT ACCORDING TO POLISH ACCOUNTING STANDARDS AND IFRS
FOR THE PERIOD FROM 1 JANUARY 2018 TO 31 DECEMBER 2018

	Period ended 31/12/2018		Period ended 31/12/2018
	PAS	Adjustments *	IFRS
Continuing operations			
Sales revenue	51,679,815	6	10,147,729
Grant income	27,439,972	1,6	26,211,486
Other operating revenue	611,400	2,6	403,220
Total operating revenue	79,731,187		36,762,435
Total operating expenses	(104,074,257)	2,3,6	(58,348,370)
Operating (loss)	(24,343,070)		(21,585,935)
(Loss) on business activities	(22,981,064)		(20,360,060)
Share in profits of associates accounted for using the equity method	-	5	(651,843)
Valuation of shares in associates	-	5	21,439,107
Profit / (loss) before income tax	(22,981,064)		427,204
Income tax expense	(75,173)	4	(7,921,606)
Net (loss) on continuing operations	(23,056,237)		(7,494,401)
Discontinued operations			
Net (loss) from spin-off operations	-	6	(2,351,471)
NET (LOSS)	(23,056,237)		(9,845,873)
Net profit attributed to:			
Majority shareholders	(23,056,237)		(9,845,873)
Non-controlling shareholders	-		-
	(23,056,237)		(9,845,873)
Other comprehensive income	-		-
Other comprehensive income - net	-		-
TOTAL INCOME FOR THE PERIOD	(23,056,237)		(9,845,873)
Total income attributed to:			
Majority shareholders	(23,056,237)		(9,845,873)
Non-controlling shareholders	-		-
	(23,056,237)		(9,845,873)

*** Adjustments**

1. Reclassification of revenues from subsidies
2. Application of IFRS 16
3. Correction of depreciation of low-cost fixed assets
4. Deferred tax adjustment
5. Valuation of shares in associates
6. Presentation of spin-off operations

RECONCILIATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY POLISH ACCOUNTING STANDARDS AND IFRS PREPARED AS AT 31 DECEMBER 2018

	As at 31/12/2018		As at 31/12/2018
	PAS	Adjustments*	IFRS
ASSETS			
Total non-current assets	49,488,903	3,4,5	73,036,498
Total current assets	148,124,496		148,124,496
Total assets	197,613,399		221,160,994
EQUITY AND LIABILITIES			
Equity			
Share capital	6,388,492		6,388,492
Reserve capital	168,244,820		168,244,820
Other reserve capitals	-	6	11,172,000
Retained earnings / Accumulated losses	-		(5,623,464)
Net profit for the period	(23,056,237)		(9,845,873)
Equity attributed to non-controlling shareholders	-		-
	151,577,075		170,335,975
Amounts recognized directly in equity, related to assets classified as held for sale	-		-
Equity attributable to equity holders of the parent	151,577,075		170,335,975
Total equity	151,577,075		170,335,975
Liabilities			
Total long-term liabilities	16,406,447	4	20,806,683
Total short-term liabilities	29,629,877	1	30,018,336
Total liabilities	46,036,324		50,825,019
Total equity and liabilities	197,613,399		221,160,994

*** Adjustments**

1. Reclassification of revenues from subsidies
2. Application of IFRS 16
3. Correction of depreciation of low-cost fixed assets
4. Deferred tax adjustment
5. Valuation of shares in associates
6. Adjustment in connection with the transformation to IFRS as a result of settlement of the option program

Note 1.1***Changes in intangible assets in the period 01.01.2019-31.12.2019***

No.	Item	Concessions, patents and licenses		Other	Total
		total	including software		
Gross book value					
1	Opening balance	2,364,965.00	0.00	1,061,238.00	3,426,203.00
2	Additions	733,169.00	0.00	124,943.00	858,112.00
a	purchase	733,169.00	0.00	124,943.00	858,112.00
3	Disposals	0.00	0.00	245,765.00	245,765.00
f	separation of OPE	0.00	0.00	245,765.00	245,765.00
4	Closing balance	3,098,134.00	0.00	940,416.00	4,038,550.00
Accumulated amortisation					
5	Opening balance	131,985.00	0.00	910,554.00	1,042,539.00
6	Additions	117,469.00	0.00	146,936.00	264,405.00
a	amortization for the period	117,469.00	0.00	146,936.00	264,405.00
7	Disposals	0.00	0.00	192,048.00	192,048.00
g	separation of OPE	0.00	0.00	192,048.00	192,048.00
8	Closing balance	249,454.00	0.00	865,442.00	1,114,896.00
Impairment losses					
9	Opening balance	0.00	0.00	0.00	0.00
10	Closing balance	0.00	0.00	0.00	0.00
11	Net book value at the beginning of the period	2,232,980.00	0.00	150,684.00	2,383,664.00
12	Net book value at the end of the period	2,848,680.00	0.00	74,974.00	2,923,654.00

Note 1.1***Changes in intangible assets in the period 01.01.2018-31.12.2018***

No.	Item	Concessions, patents and licenses		Other	Total
		total	including software		
Gross book value					
1	Opening balance	0.00	0.00	917,551.00	917,551.00
2	Additions	2,364,965.00	0.00	143,687.00	2,508,652.00
a	purchase	0.00	0.00	143,687.00	143,687.00
b	used on the basis of rental, lease, leasing contracts	0.00	0.00	0.00	0.00
c	donation	0.00	0.00	0.00	0.00
d	contribution	0.00	0.00	0.00	0.00
e	internal displacement	0.00	0.00	0.00	0.00
f	other	2,364,965.00	0.00	0.00	2,364,965.00
3	Disposals	0.00	0.00	0.00	0.00
a	sale	0.00	0.00	0.00	0.00
b	liquidation	0.00	0.00	0.00	0.00
4	Closing balance	2,364,965.00	0.00	1,061,238.00	3,426,203.00
Accumulated amortisation					
5	Opening balance	0.00	0.00	801,063.00	801,063.00
6	Additions	131,985.00	0.00	109,491.00	241,476.00
a	amortization for the period	131,985.00	0.00	109,491.00	241,476.00
7	Disposals	0.00	0.00	0.00	0.00
a	sale	0.00	0.00	0.00	0.00
b	liquidation	0.00	0.00	0.00	0.00
c	donation	0.00	0.00	0.00	0.00
d	contribution	0.00	0.00	0.00	0.00
e	internal displacement	0.00	0.00	0.00	0.00
f	impairment	0.00	0.00	0.00	0.00
g	other	0.00	0.00	0.00	0.00
8	Closing balance	131,985.00	0.00	910,554.00	1,042,539.00
Impairment losses					
9	Opening balance	0.00	0.00	0.00	0.00
10	Closing balance	0.00	0.00	0.00	0.00
11	Net book value at the beginning of the period	0.00	0.00	116,488.00	116,488.00
12	Net book value at the end of the period	2,232,980.00	0.00	150,684.00	2,383,664.00

Note 2

Changes in fixed assets in the period 01.01.2019-31.12.2019

No.	Item	Land (including perpetual usufruct)	Buildings, premises, rights to premises and civil and water engineering structures	Technical equipment and machinery	Vehicles	Other fixed assets	Total
Gross book value							
1	Opening balance	7,468,450.00	3,044,915.00	2,865,612.00	102,050.00	43,919,658.00	57,400,685.00
2	Additions	0.00	41,690.00	424,371.00	0.00	7,396,998.00	7,863,059.00
c	purchase	0.00	41,690.00	424,371.00	0.00	7,396,998.00	7,863,059.00
3	Disposals	0.00	1,196,928.00	1,350,666.00	102,050.00	14,425,988.00	17,075,632.00
b	sale	0.00	0.00	0.00	0.00	406,410.00	406,410.00
c	liquidation	0.00	0.00	0.00	0.00	27,842.00	27,842.00
q	separation of OPE	0.00	1,196,928.00	1,350,666.00	102,050.00	13,991,736.00	16,641,380.00
4	Closing balance	7,468,450.00	1,889,677.00	1,939,317.00	0.00	36,890,668.00	48,188,112.00
Accumulated depreciation							
5	Opening balance	0.00	1,178,702.00	2,389,192.00	102,050.00	20,889,982.00	24,559,926.00
6	Additions	0.00	277,237.00	580,900.00	0.00	7,986,565.00	8,844,702.00
b	amortization for the period	0.00	277,237.00	580,900.00	0.00	7,986,565.00	8,844,702.00
7	Disposals	0.00	274,295.00	1,257,686.00	102,050.00	10,202,129.00	11,836,160.00
b	sale	0.00	0.00	0.00	0.00	406,410.00	406,410.00
c	liquidation	0.00	0.00	0.00	0.00	27,842.00	27,842.00
h	separation of OPE	0.00	274,295.00	1,257,686.00	102,050.00	9,767,877.00	11,401,908.00
8	Closing balance	0.00	1,181,644.00	1,712,406.00	0.00	18,674,418.00	21,568,468.00
Impairment losses							
9	Opening balance	0.00	0.00	0.00	0.00	0.00	0.00
10	Closing balance	0.00	0.00	0.00	0.00	0.00	0.00
11	Net book value at the beginning of the period	7,468,450.00	1,866,213.00	476,420.00	0.00	23,029,676.00	32,840,759.00
12	Net book value at the end of the period	7,468,450.00	708,033.00	226,911.00	0.00	18,216,250.00	26,619,644.00

Note 2

Changes in fixed assets in the period 01.01.2018-31.12.2018

No.	Item	Land (including perpetual usufruct)	Buildings, premises, rights to premises and civil and water engineering structures	Technical equipment and machinery	Vehicles	Other fixed assets	Total
Gross book value							
1	Opening balance	7,468,450.00	2,757,127.00	2,265,864.00	102,050.00	31,708,650.00	44,302,141.00
2	Additions	0.00	287,788.00	599,748.00	0.00	12,211,008.00	13,098,544.00
a	revaluation	0.00	0.00	0.00	0.00	0.00	0.00
b	acceptance of fixed assets under construction	0.00	0.00	0.00	0.00	0.00	0.00
c	purchase	0.00	287,788.00	599,748.00	0.00	10,083,171.15	10,970,707.15
d	donation	0.00	0.00	0.00	0.00	0.00	0.00
e	disclosures (e.g. stocktake)	0.00	0.00	0.00	0.00	0.00	0.00
f	used on the basis of rental, lease, leasing contracts	0.00	0.00	0.00	0.00	2,127,836.85	2,127,836.85
3	Disposals	0.00	0.00	0.00	0.00	0.00	0.00
a	revaluation	0.00	0.00	0.00	0.00	0.00	0.00
b	sale	0.00	0.00	0.00	0.00	0.00	0.00
4	Closing balance	7,468,450.00	3,044,915.00	2,865,612.00	102,050.00	43,919,658.00	57,400,685.00
Accumulated depreciation							
5	Opening balance	0.00	877,701.00	1,787,237.00	102,050.00	14,948,090.00	17,715,078.00
6	Additions	0.00	301,001.00	601,955.00	0.00	5,941,892.00	6,844,848.00
a	revaluation	0.00	0.00	0.00	0.00	0.00	0.00
b	amortization for the period	0.00	301,001.00	601,955.00	0.00	5,941,892.00	6,844,848.00
7	Disposals	0.00	0.00	0.00	0.00	0.00	0.00
a	revaluation	0.00	0.00	0.00	0.00	0.00	0.00
b	sale	0.00	0.00	0.00	0.00	0.00	0.00
c	liquidation	0.00	0.00	0.00	0.00	0.00	0.00
8	Closing balance	0.00	1,178,702.00	2,389,192.00	102,050.00	20,889,982.00	24,559,926.00
Impairment losses							
9	Opening balance	0.00	0.00	0.00	0.00	0.00	0.00
10	Closing balance	0.00	0.00	0.00	0.00	0.00	0.00
11	Net book value at the beginning of the period	7,468,450.00	1,879,426.00	478,627.00	0.00	16,760,560.00	26,587,063.00
12	Net book value at the end of the period	7,468,450.00	1,866,213.00	476,420.00	0.00	23,029,676.00	32,840,759.00

Note 2 (cont.)***Value of land held under perpetual usufruct***

None.

Depreciated fixed assets under lease agreements

No.	Item	As at 31.12.2019		As at 31.12.2018	
		finance lease	other	finance lease	other
1	Land (including perpetual usufruct)	0.00	0.00	0.00	0.00
2	Buildings, premises, rights to premises and civil and water engineering structures	0.00	0.00	0.00	0.00
3	Technical equipment and machinery	4,022,533.00	0.00	3,835,555.00	0.00
4	Vehicles	0.00	0.00	0.00	0.00
5	Other fixed assets	0.00	0.00	0.00	0.00
TOTAL		4,022,533.00	0.00	3,835,555.00	0.00

Non depreciated fixed assets under lease / rental agreements

The company rents office and laboratory space from the Jagiellonian Center of Innovation and the University of Adam Mickiewicz in Poznan.

In 2018, the size of the rented space was 3,310.27 m², the rental cost was PLN 2,688,040.37.

By 30/09/2019, the size of the rented space was 3,310.27 m². As at 31/12/2019, the size of the rented space was 1,764 m², and the monthly rental cost is PLN 124,066.8. The rental cost in 2019 was PLN 3,290,324.25.

The company has no information about the value of rented space.

The capital expenditure made in the current financial year amounted to PLN 37,142,200.00 (PLN 16,660,117.70 respectively in 2018). The company did not incur any expenditure on environmental protection both in the current previous period.

Capex planned for 2020 amounts to PLN 42 million. The company does not plan to incur any expenses for environmental protection.

The company did not have obligations to the state budget or local government units for obtaining the right to ownership of buildings and structures both in the current year and 2018.

Note 3**Changes in fixed assets under construction in the period 01.01.2019-31.12.2019**

No.	Item	Value
1	Opening balance	6,872,375.00
2	Additions	39,146,304.00
d	purchase	39,146,304.00
3	Disposals	9,081,339.00
b	separation of OPE	447,557.00
c	sale	48,714.00
f	commissioning (transfer to the fixed assets register)	8,585,068.00
4	Closing balance	36,937,340.00

Changes in fixed assets under construction in the period 01.01.2018-31.12.2018

=A3	Item	Value
1	Opening balance	2,397,258.00
2	Additions	20,071,538.00
d	purchase	20,071,538.00
3	Disposals	15,596,421.00
f	commissioning (transfer to the fixed assets register)	15,596,421.00
4	Closing balance	6,872,375.00

Note 4**Changes in long-term receivables in the period 01.01.2019-31.12.2019**

No.	Item	Gross book value of long-term receivables
1	Opening balance	104,238.00
2	Additions	49,611.00
a	new receivables	49,611.00
3	Disposals	68,655.00
a	movement to short-term receivables	0.00
b	separation of OPE	68,655.00
4	Closing balance	85,194.00

Changes in long-term receivables in the period 01.01.2018-31.12.2018

=A3	Item	Gross book value of long-term receivables
7		
1	Opening balance	104,238.00
2	Additions	0.00
a	new receivables	0.00
3	Disposals	0.00
a	movement to short-term receivables	0.00
b	repayments	0.00
4	Closing balance	104,238.00

Allowance for long-term receivables in the period 01.01.2019-31.12.2019

None.

Allowance for long-term receivables in the period 01.01.2019-31.12.2019

None.

Note 5**Changes in long-term investments in the period 01.01.2019-31.12.2019**

No.	Item	Investment property	Intangible assets	Long-term financial assets	Other long-term investments	Total
1	Opening balance	0.00	0.00	7,287,867.00	0.00	7,287,867.00
2	Additions	0.00	0.00	2,989,353.00	0.00	2,989,353.00
a	purchase of shares	0.00	0.00	2,988,750.00	0.00	2,988,750.00
f	reclassification	0.00	0.00	603.00	0.00	603.00
3	Disposals	0.00	0.00	9,598,310.00	0.00	9,598,310.00
b	loan repayment	0.00	0.00	5,874.00	0.00	5,874.00
c	separation of OPE	0.00	0.00	9,588,366.00	0.00	9,588,366.00
e	reclassification	0.00	0.00	4,070.00	0.00	4,070.00
4	Closing balance	0.00	0.00	678,910.00	0.00	678,910.00

Changes in long-term financial assets in the period 01.01.2019-31.12.2019

No.	Item	Shares	Other securities	Loans granted	Other financial assets	Total
1	Opening balance	7,278,526.00	0.00	9,341.00	0.00	7,287,867.00
2	Additions	2,988,750.00	0.00	603.00	0.00	2,989,353.00
a	purchase of shares	2,988,750.00	0.00	0.00	0.00	2,988,750.00
e	reclassification	0.00	0.00	603.00	0.00	603.00
3	Disposals	9,588,366.00	0.00	9,944.00	0.00	9,598,310.00
b	loan repayment	0.00	0.00	5,874.00	0.00	5,874.00
c	separation of OPE	9,588,366.00	0.00	0.00	0.00	9,588,366.00
e	reclassification	0.00	0.00	4,070.00	0.00	4,070.00
4	Closing balance	678,910.00	0.00	0.00	0.00	678,910.00

Changes in long-term investments in the period 01.01.2018-31.12.2018

No.	Item	Investment property	Intangible assets	Long-term financial assets	Other long-term investments	Total
1	Opening balance	0.00	0.00	7,254,759.00	0.00	7,254,759.00
2	Additions	0.00	0.00	40,180.00	0.00	40,180.00
a	purchase / grant of a loan / purchase of shares	0.00	0.00	40,180.00	0.00	40,180.00
3	Disposals	0.00	0.00	7,072.00	0.00	7,072.00
a	sale	0.00	0.00	0.00	0.00	0.00
b	loan repayment	0.00	0.00	7,072.00	0.00	7,072.00
4	Closing balance	0.00	0.00	7,287,867.00	0.00	7,287,867.00

Changes in long-term financial assets in the period 01.01.2018-31.12.2018

No.	Item	Shares	Other securities	Loans granted	Other financial assets	Total
1	Opening balance	7,238,346.00	0.00	16,413.00	0.00	7,254,759.00
2	Additions	40,180.00	0.00	0.00	0.00	40,180.00
a	purchase / grant of a loan / purchase of shares	40,180.00	0.00	0.00	0.00	40,180.00
3	Disposals	0.00	0.00	7,072.00	0.00	7,072.00
a	sale	0.00	0.00	0.00	0.00	0.00
b	loan repayment	0.00	0.00	7,072.00	0.00	7,072.00
4	Closing balance	7,278,526.00	0.00	9,341.00	0.00	7,287,867.00

Note 5 (cont.)***Shares in subsidiaries as at 31.12.2019***

On October 1, 2019, an organized part of the enterprise was separated, as a result of which its shares in related companies, i.e. Selvita Services Sp. z o.o., Ardigen S.A., Selvita Ltd and Selvita Inc, were transferred to another entity, Selvita CRO S.A., currently Selvita S.A.

On March 23, 2019, Selvita CRO S.A. was established, in which Ryvu Therapeutics S.A. has a 100% share. As a result of the division of Ryvu Therapeutics S.A. (former Selvita S.A.) on October 1, 2019, forwarded to Selvita CRO S.A. part of assets, including shares in related companies: Selvita Services Sp. z o.o., Ardigen S.A., Selvita Ltd and Selvita Inc. On October 1, 2019, the company Selvita CRO S.A. changed its name to Selvita S.A. Receivables from involvement in the capital of Selvita S.A. were presented in the balance sheet under - Other receivables from other entities. On February 18, 2020, a decrease in the share capital of Selvita S.A. was recorded in the National Court Register and redemption of 125,000 own shares. As a result of the redemption of Selvita S.A. is obliged to repay the liability towards Ryvu Therapeutics A.A. for the amount of PLN 2,988,750.

Note 5 (cont.)***Shares in other entities as at 31.12.2019***

No.	Entity	Value according to the purchase price of shares	Revaluation	Impairment	Carrying amount of shares	% of commitment in the entity's capital	% of votes in the Company's decision-making body	The value of equity	The Company's net profit / loss for the last financial year
1	Nodthera Ltd.	678,910.00	0.00	0.00	678,910.00	8.6%	8.6%	26,528,657.00	n/a
					678,910.00				

Note Nr 5 (cont.)**Shares in subsidiaries as at 31.12.2018**

No.	Entity	Value according to the purchase price of shares	Revaluation	Impairment	Carrying amount of shares	% of commitment in the entity's capital	% of votes in the Company's decision-making body	The value of equity	The Company's net profit for the last financial year
1	BioCentrum Sp. z o.o.	3,224,899.00	0.00	0.00	3,224,899.00	100%	100.00	2,131,157.00	753,594.00
2	Ardigen S.A.	2,376,264.00	0.00	0.00	2,376,264.00	51.85%	57.63%	7,491,032.00	1,876,332.00
3	Selvita Inc.	390,614.00	0.00	0.00	390,614.00	100%	100.00	1,269,938.90	1,245,684.00
4	Selvita Ltd.	117,839.00	0.00	0.00	117,839.00	100%	100.00	760,634.00	982,442.00
5	Selvita Services Sp. z o.o.	490,000.00	0.00	0.00	490,000.00	100%	100.00	16,681,954.00	5,254,887.00
					6,599,616.00				

Note Nr 5 (cont.)**Shares in other entities as at 31.12.2018**

No.	Entity	Value according to the purchase price of shares	Revaluation	Impairment	Carrying amount of shares	% of commitment in the entity's capital	% of votes in the Company's decision-making body	The value of equity	The Company's net loss for the last financial year
1	Nodthera Ltd.	678,910.00	0.00	0.00	678,910.00	18.35%	18.35%	26,528,657.00	(3,400,234.00)
					678,910.00				

Note 5 (cont.)**Shares**

No.	Item	As at 31.12.2019			As at 31.12.2018		
		Value	Number of shares	Rights	Value	Number of shares	Rights
1.	Shares in Joint stock Companies	0.00	0.00		2,376,264.00	132,139.00	
	Ardigen S.A.	0.00	-		2,376,264.00	132,139	rights to capital, voting rights at the GSM
2.	Shares in Limited Companies	678,910.00			4,902,262.00		
	BioCentrum Sp. z o.o.	0.00	-		3,224,899.00	650	rights to capital, voting rights at the GSM
	Selvita Inc.	0.00	-		390,614.00	5,000	rights to capital, voting rights at the GSM
	Selvita Ltd.	0.00	-		117,839.00	1,000	rights to capital, voting rights at the GSM
	Selvita Services Sp. z o.o.	0.00	-		490,000.00	2,500	rights to capital, voting rights at the GSM
	Nodthera LTD.	678,910.00	1,910,000	prawa do kapitału, prawa głosu na WZW	678,910.00	1,910,000	rights to capital, voting rights at the GSM
3.	Other	0.00			0.00		
		678,910.00			7,278,526.00		

Note 6**Changes in short-term financial assets in the period 01.01.2019-31.12.2019**

No.	Item	Shares	Other securities	Loans granted	Other financial assets	Total
1	Opening balance	0.00	0.00	67,072.00	14,985,926.00	15,052,998.00
2	Additions	0.00	0.00	5,079.00	0.00	5,079.00
c	acrued interest	0.00	0.00	3,616.00	0.00	3,616.00
f	reclassification	0.00	0.00	1,463.00	0.00	1,463.00
3	Disposals	0.00	0.00	72,151.00	14,985,926.00	15,058,077.00
a	sales	0.00	0.00	0.00	14,985,926.00	14,985,926.00
b	loans repayments	0.00	0.00	64,814.00	0.00	64,814.00
c	separation of OPE	0.00	0.00	7,337.00	0.00	7,337.00
4	Closing balance	0.00	0.00	0.00	0.00	0.00

Changes in short-term financial assets in the period 01.01.2018-31.12.2018

No.	Item	Shares	Other securities	Loans granted	Other financial assets	Total
1	Opening balance	0.00	0.00	327,921.00	0.00	327,921.00
2	Additions	0.00	0.00	337.00	14,985,926.00	14,986,263.00
a	purchase / loan granting	0.00	0.00	0.00	14,985,926.00	14,985,926.00
f	reclassification	0.00	0.00	337.00	0.00	337.00
3	Disposals	0.00	0.00	261,186.00	0.00	261,186.00
a	sales	0.00	0.00	0.00	0.00	0.00
b	loans repayments	0.00	0.00	261,186.00	0.00	261,186.00
4	Closing balance	0.00	0.00	67,072.00	14,985,926.00	15,052,998.00

Note 6 (cont.)**Specification of loans granted**

None at the closing balance.

Note 7 (cont.)**Valuation of financial assets**

No.	Item	Valuation method as at 31.12.2019	Fair value as at 01.01.2019	Fair value as at 31.12.2019	Change in valuation in 2019, recorded in Profit and Loss account	Change in valuation in 2019, recorded in Equity	Fair value as at 31.12.2019
1.	Financial assets held for trading	adjusted purchase price	678,910.00	678,910.00	0.00	0.00	678,910.00
a	shares in Nodthera Ltd.		678,910.00	678,910.00	0.00	0.00	678,910.00
2.	Loans and receivables originated by the enterprise	adjusted purchase price	0.00	0.00	0.00	0.00	0.00
3.	Financial assets held to maturity		0.00	0.00	0.00	0.00	0.00
4.	Financial assets available for sale		0.00	0.00	0.00	0.00	0.00
5.	Derivatives (financial assets) used for hedging		0.00	0.00	0.00	0.00	0.00
TOTAL			678,910.00	678,910.00	0.00	0.00	678,910.00

Note 7**Financial instruments - assets****Characteristics of financial instruments**

No.	Item	As at 31.12.2019	As at 31.12.2018
1.	Financial assets held for trading	678,910.00	678,910.00
a	shares	678,910.00	678,910.00
2.	Loans and receivables originated by the enterprise	0.00	76,413.00
a	Loans and receivables originated by the enterprise	0.00	76,413.00
3.	Financial assets held to maturity	0.00	0.00
4.	Financial assets available for sale	0.00	0.00
5.	Derivatives (financial assets) used for hedging	0.00	0.00
	Total	678,910.00	755,323.00

Note 8**Inventories as at 31.12.2019**

No.	Retention period in days	Type of inventory (gross value)			
		Raw materials	Finished products	Merchandise	Semi-finished products and work in progress
1	up to 90 days	313,365.00	0.00	0.00	0.00
2	between 91 and 180 days	389,133.00	0.00	0.00	0.00
3	between 181 and 360 days	883,664.00	0.00	0.00	0.00
4	above 360 days	0.00	0.00	0.00	0.00
TOTAL gross value		1,586,162.00	0.00	0.00	0.00
Impairment allowance		0.00	0.00	0.00	0.00
TOTAL book value		1,586,162.00	0.00	0.00	0.00

Inventories as at 31.12.2018

No.	Retention period in days	Type of inventory (gross value)			
		Raw materials	Finished products	Merchandise	Semi-finished products and work in progress
1	do 90 dni	1,602,008.00	0.00	0.00	0.00
2	od 91 do 180 dni	0.00	0.00	0.00	0.00
3	od 181 do 360 dni	0.00	0.00	0.00	0.00
4	powyżej 360 dni	0.00	0.00	0.00	0.00
TOTAL gross value		1,602,008.00	0.00	0.00	0.00
Impairment allowance		0.00	0.00	0.00	0.00
TOTAL book value		1,602,008.00	0.00	0.00	0.00

Inventories impairment losses in the period 01.01.2019-31.12.2019

None.

Interest and exchange rate differences that increased the purchase price of goods or the cost of finished products

None.

Note 9**Short-term receivables**

No.	Item	As at 31.12.2019			As at 31.12.2018		
		Gross value	Impairment allowance	Net value	Gross value	Impairment allowance	Net value
1	Receivables from related parties	0.00	0.00	0.00	4,580,573.00	0.00	4,580,573.00
a	trade receivables:	0.00	0.00	0.00	4,580,573.00	0.00	4,580,573.00
	- due within 12 months	0.00	0.00	0.00	4,580,573.00	0.00	4,580,573.00
2	Receivables from other entities in which the Company holds equity interest	0.00	0.00	0.00	0.00	0.00	0.00
3	Receivables from third parties	9,475,361.00	0.00	9,475,361.00	14,046,865.00	50,000.00	13,996,865.00
a	trade receivables:	1,287,881.00	0.00	1,287,881.00	6,683,483.00	50,000.00	6,633,483.00
	- due within 12 months	1,287,881.00	0.00	1,287,881.00	6,683,483.00	50,000.00	6,633,483.00
b	taxation, subsidies, custom duties, social security, health insurance and other legal receivables	5,010,965.00	0.00	5,010,965.00	6,600,000.00	0.00	6,600,000.00
c	other	3,176,515.00	0.00	3,176,515.00	763,382.00	0.00	763,382.00
TOTAL		9,475,361.00	0.00	9,475,361.00	18,627,438.00	50,000.00	18,577,438.00

Ageing of trade receivables

No.	Ageing	Gross value	Impairment allowance	Net value
1	Current	753,244.00	0.00	753,244.00
a	Receivables from related parties	0.00	0.00	0.00
b	Receivables from other entities in which the Company holds equity interest	0.00	0.00	0.00
c	Receivables from third parties	753,244.00	0.00	753,244.00
2	Overdue	534,637.00	0.00	534,637.00
a	Receivables from related parties	0.00	0.00	0.00
	- up to 90 days	0.00	0.00	0.00
	- between 91 and 180 days	0.00	0.00	0.00
	- between 181 and 360 days	0.00	0.00	0.00
	- above 360 days	0.00	0.00	0.00
b	Receivables from other entities in which the Company holds equity interest	0.00	0.00	0.00
	- up to 90 days	0.00	0.00	0.00
	- between 91 and 180 days	0.00	0.00	0.00
	- between 181 and 360 days	0.00	0.00	0.00
	- above 360 days	0.00	0.00	0.00
c	Receivables from third parties	534,637.00	0.00	534,637.00
	- up to 90 days	513,138.00	0.00	513,138.00
	- between 91 and 180 days	16,278.00	0.00	16,278.00
	- between 181 and 360 days	141.00	0.00	141.00
	- above 360 days	5,080.00		5,080.00
TOTAL		1,287,881.00	0.00	1,287,881.00

Note 9 (cont.)***Changes in impairment allowance for trade receivables in the period 01.01.2019-31.12.2019***

No.	Item	Trade receivables impairment allowance	<i>including related parties</i>	Other receivables impairment allowance	<i>including related parties</i>	Total impairment allowance
1	Opening balance	50,000.00	0.00	0.00	0.00	50,000.00
2	Additions	0.00	0.00	0.00	0.00	0.00
3	Disposals	50,000.00	0.00	0.00	0.00	50,000.00
a	reversal of impairment losses - separation of OPE	50,000.00	0.00	0.00	0.00	50,000.00
4	Closing balance	0.00	0.00	0.00	0.00	0.00

Changes in impairment allowance for trade receivables in the period 01.01.2018-31.12.2018

No.	Item	Trade receivables impairment allowance	<i>including related parties</i>	Other receivables impairment allowance	<i>including related parties</i>	Total impairment allowance
1	Opening balance	50,000.00	0.00	0.00	0.00	50,000.00
2	Additions	0.00	0.00	0.00	0.00	0.00
3	Disposals	0.00	0.00	0.00	0.00	0.00
4	Closing balance	50,000.00	0.00	0.00	0.00	50,000.00

Note 10***Other long-term prepayments and deferred expenses***

No.	Item	As at 31.12.2019	As at 31.12.2018
1	Expenditure incurred on development	0.00	0.00
2	Deferred Tax Asset	350,427.00	0.00
TOTAL		350,427.00	0.00

Short-term prepayments and deferred expenses

No.	Item	As at 31.12.2019	As at 31.12.2018
1	Prepayments	0.00	0.00
a	The difference between the value of financial assets received and the obligation to pay for them	0.00	0.00
2	Other prepayments and deferred expenses	6,860,154.00	18,033,977.00
a	Settlement of the grant	5,205,421.00	15,871,707.00
b	Licenses	768,728.00	527,500.00
c	Sales invoices for current revenues issued in future periods	138,964.00	247,128.00
d	Insurance	85,168.00	34,700.00
e	Purchases related to the next year	137,182.00	168,861.00
f	Device qualification	87,993.00	338,652.00
g	Others	0.00	378,776.00
h	Long-term contracts	360,205.00	0.00
i	Newspapers	3,529.00	0.00
j	Market research	21,439.00	0.00
k	Leasing costs	51,525.00	0.00
l	Prepayment for additional costs related to external services settled according to expenses incurred	0.00	466,653.00
TOTAL		6,860,154.00	18,033,977.00

Note 11**Share capital**

Share capital				The nominal value of one share is PLN 0.40	
Shares	Type of share	Type of preference	Number of shares	Par value of series / issue	Capital coverage method
"A" shares	registered	2 votes / 1 share	4,050,000	1,620,000.00	payment on account
"B" shares	ordinary	none	1,329,500	531,800.00	payment on account
"C" shares	ordinary	none	1,833,000	733,200.00	payment on account
"D" shares	ordinary	none	551,066	220,426.00	payment on account
"E" shares	ordinary	none	2,700,000	1,080,000.00	payment on account
"F" shares	ordinary	none	2,651,891	1,060,756.00	payment on account
"G1" shares	ordinary	none	327,886	131,155.00	payment on account
"G2" shares	ordinary	none	327,886	131,155.00	payment on account
"H" shares	ordinary	none	2,200,000	880,000.00	payment on account
Total number of shares			15,971,229		
Capital TOTAL				6,388,492.00	

Shareholder structure

Shareholder	Par value	Percentage interest in share capital	Percentage share of voting rights
Przewięźlikowski Paweł	1,996,352.00	31.25%	42.41%
Sieczkowski Bogusław	369,754.00	5.79%	7.36%
Augebit Fundusz Inwestycyjny Zamknięty (direct)	415,895.00	6.51%	5.19%
Nationale Nederlanden OFE	526,788.00	9.99%	7.97%
Other shareholders	3,079,703.00	46.47%	37.07%
TOTAL	6,388,492.00	100%	100%

Earnings per share

Item	for the period ended	
	31.12.2019	31.12.2018
Basic earnings per share	-2.25	-1.49
Diluted earnings per share	-2.25	-1.49
Profit for the financial year attributable to the parent's shareholders	-35,998,690.00	-23,056,237.00
Weighted average number of shares	15,971,229.00	15,522,744.00

Note 12**Proposals for profit distribution or coverage of losses**

Item	Value
net loss for the period	(35,998,690.00)
retained earnings from previous years	0.00
Distribution:	
Reserve capital	0.00
Retained losses - to be covered	(35,998,690.00)

Note 13***Provision for retirement and similar benefits***

No.	Item	Long-term	Short-term	TOTAL
1	Opening balance	118,023.00	0.00	118,023.00
2	Raises	89,085.00	0.00	89,085.00
a	for unused holiday	0.00	0.00	0.00
b	retirement provision revaluation	89,085.00	0.00	89,085.00
3	Releases	18,949.00	0.00	18,949.00
a	separation of OPE	18,949.00	0.00	18,949.00
b	release of unused holiday accrual	0.00	0.00	0.00
4	Uses	0.00	0.00	0.00
5	Closing balance	188,159.00	0.00	188,159.00

Changes in other provisions

None.

Note 14**Ageing of long-term liabilities**

No.	Item	As at 31.12.2019				As at 31.12.2018			
		up to 1 year*)	between 1 and 3 years	between 3 and 5 years	above 5 years	up to 1 year*)	between 1 and 3 years	between 3 and 5 years	above 5 years
1	Liabilities due to related parties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Liabilities due to other entities in which the Company holds equity interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Liabilities due to third parties	2,508,756.00	4,399,378.00	890,561.00	0.00	2,236,580.00	3,834,212.00	2,061,477.00	0.00
a	credits and loans	809,820.00	1,619,640.00	742,417.00	0.00	881,257.00	1,619,640.00	1,552,238.00	0.00
b	debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c	other financial liabilities	1,698,936.00	2,779,738.00	148,144.00	0.00	1,355,323.00	2,214,572.00	509,239.00	0.00
TOTAL		2,508,756.00	4,399,378.00	890,561.00	0.00	2,236,580.00	3,834,212.00	2,061,477.00	0.00

*) presented in short-term liabilities

Financial lease liabilities

No.	Due within:	Nominal value of the minimum lease payments		Current value of the minimum lease payments	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
a	up to 1 year	1,778,816.00	1,423,949.00	1,698,936.00	1,355,323.00
b	between 1 and 3 years	2,858,185.00	2,349,483.00	2,779,738.00	2,214,572.00
c	between 3 and 5 years	148,761.00	515,445.00	148,144.00	509,239.00
d	above 5 years	0.00	0.00	0.00	0.00
TOTAL		4,785,762.00	4,288,877.00	4,626,818.00	4,079,134.00
	Future interest cost (negative value)	(158,944.00)	(209,743.00)	not applicable	not applicable
TOTAL current value of the minimum lease payments:		4,626,818.00	4,079,134.00	4,626,818.00	4,079,134.00
a	Short-term liabilities	1,698,936.00	1,355,323.00	1,698,936.00	1,355,323.00
b	Long-term liabilities	2,927,882.00	2,723,811.00	2,927,882.00	2,723,811.00

Note 14 (cont.)**Ageing of short-term trade liabilities**

No.	Ageing	Value
1	Current:	20,916,667.00
a	Liabilities due to related parties	0.00
b	Liabilities due to other entities in which the Company holds equity interest	0.00
c	Liabilities due to third parties	20,916,667.00
2	Overdue:	4,242,152.00
a	Liabilities due to related parties	0.00
	- up to 90 days	0.00
	- between 91 and 180 days	0.00
	- between 181 and 360 days	0.00
	- above 360 days	0.00
b	Liabilities due to other entities in which the Company holds equity interest	0.00
	- up to 90 days	0.00
	- between 91 and 180 days	0.00
	- between 181 and 360 days	0.00
	- above 360 days	0.00
c	Liabilities due to third parties	4,242,152.00
	- up to 90 days	2,319,828.00
	- between 91 and 180 days	1,774,205.00
	- between 181 and 360 days	31,027.00
	- above 360 days	117,092.00
TOTAL		25,158,819.00

Types of financial liabilities

No.	Type	As at 31.12.2019	As at 31.12.2018	Recorded in Equity	Recorded in Profit and Loss account
		amount	amount		
1	Financial liabilities held for trading	0.00	0.00	0.00	0.00
2	Other financial liabilities	7,812,625.00	8,132,269.00	0.00	0.00
	credits and loans	3,185,807.00	4,053,135.00	0.00	0.00
	other liabilities	4,626,818.00	4,079,134.00	0.00	0.00
3	Derivatives (financial liabilities) used for hedging	0.00	0.00	0.00	0.00
TOTAL		7,812,625.00	8,132,269.00	0.00	0.00

Note 14 (cont.)**Credits and loans**

No.	Type	Lender	Amount	Liability as at 31.12.2019	Short-term part	Long-term part	Interest rate conditions	Securities	
								Nature and form of security	Amount
1	Long-term bank loan	PKO BP SA	5,601,338.00	3,171,877.00	809,820.00	2,362,057.00	3.13%	Mortgage	8,403,000.00
								Promissory note	4,294,322.00
								Contractual right to set off the claim against the account holder's claim	4,294,322.00
2	Credit cards	Pekao	400,000.00	13,930.00	13,930.00	0.00		Power of attorney to the current bank account	200,000.00
TOTAL			6,001,338.00	3,185,807.00	823,750.00	2,362,057.00			

Liabilities secured on the entity's assets

No.	Type of security	As at 31.12.2019		As at 31.12.2018		Nature and form of security
		Value of liability	Value of security	Value of liability	Value of security	
1	Mortgage	3,171,878.00	8,403,000.00	3,981,698.00	8,403,000.00	The property located in Krakow at ul. Sternbach, consisting of registration plots located within 38 with numbers: 81/21, 81/26, 195/11, 195/16, 210/24, 210/9, 210/8, 210/19, 210/3, 210 / 2
2	Pledges:	4,626,818.00	4,626,818.00	4,079,134.00	4,079,134.00	
a	machinery - leasing	4,626,818.00	4,626,818.00	4,079,134.00	4,079,134.00	laboratory equipment
3	Promissory note	3,171,878.00	3,370,552.00	3,981,698.00	4,294,322.00	cash on bank accounts
a	Promissory note	3,171,878.00	3,370,552.00	3,981,698.00	4,294,322.00	
4	Deposits	0.00	0.00	0.00	0.00	
5	Contractual right to set off the claim against the account holder's claim	3,171,878.00	3,370,552.00	3,981,698.00	4,294,322.00	cash on bank accounts
TOTAL		14,142,452.00	19,770,922.00	16,024,228.00	21,070,778.00	

Note 15***Financial hedging instruments***

None.

Note 16***Other accruals and deferred income***

No.	Item	As at 31.12.2019	As at 31.12.2018
1	Long-term	21,183,710.00	10,362,746.00
a	Grants	21,183,710.00	10,362,746.00
2	Short-term	4,292,690.00	7,075,961.00
a	Grants	1,910,096.00	2,574,635.00
b	Accrual for bonuses	1,640,000.00	1,900,000.00
c	Unused holiday accrual	742,594.00	1,078,966.00
d	Other deferred income	0.00	1,359,271.00
e	Long-term contracts	0.00	163,089.00
TOTAL		25,476,400.00	17,438,707.00

Note 17***Assets and liabilities recognized in more than one balance sheet position*****As at 31.12.2019**

No.	Item	Total value	Long-term part	Short-term part
1	credits and loans	3,185,807.00	2,362,057.00	823,750.00
2	other financial liabilities - leases	4,626,818.00	2,927,882.00	1,698,936.00
3	other prepayments	25,476,400.00	21,183,710.00	4,292,690.00
TOTAL		33,289,025.00	26,473,649.00	6,815,376.00

As at 31.12.2018

No.	Item	Total value	Long-term part	Short-term part
1	credits and loans	4,053,135.00	3,171,878.00	881,257.00
2	other financial liabilities - leases	4,079,134.00	2,723,811.00	1,355,323.00
3	other prepayments	17,438,707.00	10,362,746.00	7,075,961.00
TOTAL		25,570,976.00	16,258,435.00	9,312,541.00

Note 18***Non-financial assets valued at fair value*****As at 31.12.2019**

None.

As at 31.12.2018

None.

Note 19***Financial instruments*****Objectives and principles of risk management**

<p>The company is exposed to market risk, which includes primarily the risk of changes in interest rates and exchange rates, which are managed using derivatives and other financial instruments. The Company does not own or issue derivative financial instruments held for trading.</p>
--

<p>The company does not have written guidelines and recommendations in the field of financial risk management, which define its overall operational strategies, level of risk tolerance and general risk management philosophy, but has developed procedures to ensure timely and detailed monitoring and control of hedging transactions. Once a year, the Company's procedures are reviewed by the Company's Management Board. The Company's accounting policy regarding derivatives has been described in the introduction to the financial statements.</p>
--

Interest rate risk

<p>The Company's exposure to market risk caused by changes in interest rates relates primarily to funds accumulated in bank accounts. The company does not hedge its investment portfolio with derivative financial instruments to ensure its liquidity.</p>
--

Currency risk

<p>The company is exposed to currency risk from entered transactions. Such risk arises as a result of sales or purchases made by the operating unit in currencies other than its valuation currency. Approximately 99% of sales transactions concluded by the Company are expressed in currencies other than the reporting currency of the operating unit making the sale, while 30% of costs are expressed in that reporting currency.</p>

Credit risk

<p>Credit risk resulting from the inability of the other party to fulfill the conditions set out in contracts related to the Company's financial instruments is generally limited to the amounts by which the other party's obligations exceed the Company's obligations.</p>

Note 20***Contingent liabilities***

Contingent liabilities include:

- promissory note liabilities - covering the amount of co-financing granted including interest in the amount specified as for tax arrears calculated from the date of transferring funds to the bank account, to the day of return. In the period covered by the report, the Company received PLN 47,616,803.14 of grants.

In connection with the grants received, the Company is required to fulfill the conditions arising from the subsidy agreements signed (including result and product indicators).

In the opinion of the Management Board, the potential risk of return is low.

In addition, if the Company fails to use the granted funds within the period specified in the contractual terms, they are refundable and remain for use in subsequent periods.

On August 7, 2017, the Management Board of Selvita S.A. (currently Ryvu Therapeutics S.A.) has concluded an agreement with Leukemia & Lymphoma Society regarding cooperation in further research of the preclinical phase and the first clinical phase of the SEL120 molecule. Pursuant to the provisions of the Agreement, LLS undertook to provide the Company with financial support of up to USD 3.25 million. In exchange for the financial support provided, LLS will be entitled, after successful development of SEL120 and leading to the commencement of clinical phase III, to receive payments for obtaining milestones, and after commercialization of SEL120 or entering it to the market by the Company also to royalties. The total value of payments for LLS will not exceed the seven times of the amount received by the Company. As at December 31, 2018, the Company received USD 700 thousand of subsidy, additionally charged USD 200 thousand due subsidies, from confirmed submitted application. As at 31/12/2018, the Company does not recognize the liability from the funds received from LLS due to the low risk of reimbursement in the opinion of the Management Board. As at December 31, 2019, the Company received USD 1,749,977 from LLS.

Note 21**Structure of revenue - type**

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Net revenue from sales of finished products	42,567,163.00	51,679,815.00
a	Finished goods	0.00	0.00
b	Services	42,567,163.00	51,679,815.00
2	Net revenue from sales of merchandise and raw materials	0.00	0.00
a	merchandise	0.00	0.00
b	raw materials	0.00	0.00
TOTAL		42,567,163.00	51,679,815.00

Geographical structure of revenue

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Net revenue from sales of finished products	42,567,163.00	51,679,815.00
a	local	7,704,474.00	10,577,575.00
b	export	34,862,689.00	41,102,240.00
2	Net revenue from sales of merchandise and raw materials	0.00	0.00
a	local	0.00	0.00
b	export	0.00	0.00
TOTAL		42,567,163.00	51,679,815.00

Costs by type

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
	Cost by type:		
a	Depreciation and amortisation expense	9,109,107.00	7,086,324.00
b	Raw materials and energy used	20,615,401.00	21,494,289.00
c	External services	44,344,098.00	38,676,154.00
d	Taxes and charges, including:	655,972.00	580,576.00
e	Payroll	34,789,051.00	27,498,676.00
f	Social security and other employee benefits, including:	6,385,844.00	5,699,235.00
g	Other expenditures by nature	3,648,738.00	2,740,345.00
h	Cost of merchandise and raw materials sold	0.00	0.00
1	TOTAL	119,548,211.00	103,775,599.00
2	Change in inventories of finished goods and work in progress	0.00	0.00
3	Cost of manufacturing products for the entity's own needs (negative value)	0.00	0.00
4	Selling expenses (negative value)	(4,371,869.00)	(4,163,835.00)
5	General and administrative expenses (negative value)	(22,455,339.00)	(22,069,076.00)
6	Cost of sales	92,721,003.00	77,542,688.00

Note 22***Other operating income***

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Gain on disposal of non-financial fixed assets	80,000.00	0.00
a	fixed assets and assets under construction	80,000.00	0.00
2	Grants	31,187,013.00	27,439,972.00
3	Remeasurement of non-financial assets	0.00	0.00
4	Other, including:	710,484.00	611,400.00
a	settlement of capitalized costs and additional payment for the SEL 120 project	0.00	176,475.00
d	liabilities written-off	101,164.00	0.00
e	penalties and compensations	0.00	3,860.00
f	sale of medical services to employees (LUXMED) and others	573,124.00	431,065.00
g	other	36,196.00	0.00
TOTAL		31,977,497.00	28,051,372.00

Note 23***Other operating costs***

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Loss on disposal of non-financial fixed assets	0.00	0.00
2	Remeasurement of non-financial assets	0.00	0.00
3	Other, including:	135,549.00	298,658.00
b	donations	74,034.00	35,190.00
c	receivable impairment	53,410.00	0.00
e	employee related	8,105.00	31,243.00
f	costs of inactive patents	0.00	232,225.00
TOTAL		135,549.00	298,658.00

Note 24**Financial income****Interest income**

No.	Type	Interest income in the current period			
		Accrued and received	Accrued but not received		
			up to 3 months	from 3 to 12 months	above 12 months
1	Debt financial instruments	0.00	0.00	0.00	0.00
	-including interest on assets subject to write-offs	0.00	0.00	0.00	0.00
2	Loans granted	517.00	0.00	0.00	0.00
	-including interest on assets subject to write-offs	0.00	0.00	0.00	0.00
3	Receivables	0.00	0.00	0.00	0.00
	-including interest on assets subject to write-offs	0.00	0.00	0.00	0.00
4	Cash	1,042,247.00	0.00	0.00	0.00
	-including interest on assets subject to write-offs	0.00	0.00	0.00	0.00
5	Other assets	0.00	0.00	0.00	0.00
	-including interest on assets subject to write-offs	0.00	0.00	0.00	0.00
TOTAL		1,042,764.00	0.00	0.00	0.00

Revaluation of investments

None.

Other financial income

No.	Item	01.01 - 31.12.2019r.	01.01 - 31.12.2018r.
1	Releases of provisions	0.00	0.00
2	Other, including:	171,163.00	277,713.00
a	reversal of write-offs of interest on receivables	0.00	0.00
b	surplus of positive exchange rate differences over negative ones, including:	168,544.00	274,974.00
	- positive exchange differences realized this year	90,036.00	217,623.00
	- foreign exchange gains not realized - from valuation	78,508.00	57,351.00
c	returns - Cash Back	2,619.00	2,739.00
TOTAL		171,163.00	277,713.00

Note 25**Financial costs****Interest costs**

No.	Rodzaj zobowiązania	Interest cost in the current period			
		Accrued and paid	Accrued but not paid		
			up to 3 months	from 3 to 12 months	above 12 months
1	Financial liabilities held for trading	0.00	0.00	0.00	0.00
2	Other short-term financial liabilities	217,800.00	0.00	0.00	0.00
a	<i>credits and loans</i>	217,513.00	0.00	0.00	0.00
b	<i>debt securities</i>	0.00	0.00	0.00	0.00
c	<i>other financial liabilities</i>	0.00	0.00	0.00	0.00
d	<i>trade liabilities</i>	287.00	0.00	0.00	0.00
e	<i>other short-term liabilities</i>	0.00	0.00	0.00	0.00
3	Long-term financial liabilities	0.00	0.00	0.00	0.00
a	<i>credits and loans</i>	0.00	0.00	0.00	0.00
b	<i>debt securities</i>	0.00	0.00	0.00	0.00
c	<i>other financial liabilities</i>	0.00	0.00	0.00	0.00
4	Other liabilities	0.00	0.00	0.00	0.00
TOTAL		217,800.00	0.00	0.00	0.00

Revaluation of investments

None.

Note 25 (cont.)**Other financial cost**

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Accrued provision	0.00	0.00
2	Other, including:	206,635.00	81,126.00
a	write-offs of interest on receivables	0.00	0.00
b	surplus of negative exchange rate differences over positive ones	0.00	0.00
c	other financial lease costs	45,832.00	56,806.00
d	share issue costs	160,803.00	24,320.00
TOTAL		206,635.00	81,126.00

Note 26**Corporate income tax**

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	(Loss) before taxation	(36,028,680.00)	(22,981,064.00)
2	Costs not considered as tax deductible costs	35,110,733.43	31,661,283.00
	Operating costs	659,528.00	253,586.00
a	difference between balance sheet and tax depreciation	0.00	(317,041.00)
b	membership fees	0.00	0.00
c	unpaid commission contracts and remuneration for the Supervisory Board	0.00	0.00
d	bonus accruals	0.00	0.00
e	provisions for the costs of the financial year	0.00	0.00
f	costs related to taxable revenues in subsequent reporting periods	0.00	0.00
g	PFRON	285,642.00	373,271.00
h	costs of representation	278,299.00	106,610.00
i	other non-deductible costs	93,215.00	75,454.00
j	unpaid delegations	2,372.00	15,292.00
	Other operating costs	34,815,326.00	28,431,069.00
a	impairment write-offs of receivables	0.00	0.00
b	impairment write-offs of inventory	0.00	0.00
c	donations	0.00	35,190.00
d	creation of provisions for retirement benefits	134,512.00	0.00
e	bonus accruals	760,300.00	111,609.00
f	provisions for the costs of the financial year	2,733,501.00	994,558.00
g	subsidized costs	31,187,013.00	27,289,712.00
h	penalties and fines, compensation	0.00	0.00
	Finance costs	1,252,017.00	(2,795,361.00)
a	write-offs for interest on receivables	0.00	0.00
b	revaluation of investments	0.00	0.00
c	negative exchange rate differences on valuation	1,252,017.00	1,494,513.00
d	accrued interest on loans and borrowings	0.00	0.00
e	accrued interest on other liabilities	0.00	5,219.00
f	share issue costs	0.00	(4,295,093.00)
	Other	(1,616,137.57)	5,771,989.00
a	CBR costs	0.00	1,899,162.00
b	SEZ costs	(1,616,137.57)	3,872,827.00
3	Non-taxable income (negative value)	(34,291,938.00)	(27,849,191.00)
	Operating income	(1,774,401.00)	992,385.00
a	rental income	0.00	0.00
c	long-term contracts	(1,774,401.00)	992,385.00
	Other operating income	(31,187,013.00)	(27,289,712.00)
a	reversal of receivables write-offs	0.00	0.00
b	reversal of inventory write-offs	0.00	0.00
c	release of other provisions	0.00	0.00
d	grant income	(31,187,013.00)	(27,289,712.00)
	Finance income	(1,330,524.00)	(1,551,864.00)
a	reversal of write-offs of interest on receivables	0.00	0.00
b	revaluation of investments	0.00	0.00
c	accrued interest on receivables	0.00	0.00
d	positive exchange rate differences on valuation	(1,330,524.00)	(1,551,864.00)
e	dividends	0.00	0.00
4	Other changes to the tax base	865,992.00	0.00
i	SEZ revenue	865,992.00	0.00
5	Tax base	(34,343,892.00)	(19,168,972.00)
6	Income tax	0.00	0.00
8a	Change in DTA - gross	(350,427.00)	0.00
8b	Change in DTA - impairment loss	0.00	0.00
8c	Change in DTL	320,437.00	29,989.00
8d	Discount from a special economic zone	0.00	0.00
8e	Income tax - capital gains	0.00	45,184.00
9	TOTAL income tax disclosed in the profit and loss account	(29,990.00)	75,173.00

Note 27**Deferred tax assets**

No.	Item	Temporary differences		DTA as at 31.12.2019	Temporary differences		DTA as at 31.12.2018
		As at 31.12.2019	tax rate		As at 31.12.2018	tax rate	
1	Recorded in P&L Account	7,018,591.00		1,333,530.00	2,956,893.00		561,808.00
	trade and other receivables						
a	(revaluation write-offs)	0.00	19%	0.00	0.00	19%	0.00
b	provision for unused holidays	742,594.00	19%	141,092.00	0.00	19%	0.00
b	retirement provision	188,159.00	19%	35,750.00	0.00	19%	0.00
b	provisions for future liabilities	3,195,823.00	19%	607,206.00	607,209.00	19%	115,369.00
b	provision for bonuses	1,640,000.00	19%	311,600.00	0.00	19%	0.00
c	trade and other payables (exchange rate differences)	1,252,015.00	19%	237,882.00	194,287.00	19%	36,914.00
d	payroll and social contribution liabilities	0.00	19%	0.00	0.00	19%	0.00
e	tax losses to be settled in subsequent years	0.00	19%	0.00	2,134,195.00	19%	405,497.00
f	delegation liabilities	0.00	19%	0.00	0.00	19%	0.00
g	relief for bad debts - costs	0.00	19%	0.00	0.00	19%	0.00
h	Long-term contracts	0.00	19%	0.00	21,202.00	19%	4,028.00
i	difference between tax and balance sheet depreciation	0.00	19%	0.00	0.00	19%	0.00
2	Recorded in Equity	0.00		0.00	0.00		0.00
	TOTAL	7,018,591.00	X	1,333,530.00	2,956,893.00	X	561,808.00
	asset revaluation write-off			983,103.00			561,808.00
	net value of assets from deferred tax disclosed in the balance sheet			350,427.00			0.00

Changes in deferred tax assets

No.	Item	Gross value	Impairment allowance	Net value
1	Opening balance	0.00	0.00	0.00
2	Additions	1,333,530.00	(983,103.00)	350,427.00
a	recorded in P&L Account	1,333,530.00	(983,103.00)	350,427.00
	- creation of DTA	1,333,530.00	0.00	1,333,530.00
	- recognition of allowance	0.00	(983,103.00)	(983,103.00)
3	Disposals	0.00	0.00	0.00
4	Closing balance	1,333,530.00	(983,103.00)	350,427.00

The provisions regarding VAT tax, CIT, PIT, social security contributions are subject to frequent changes, as a result of which there is often no reference to long-term regulations or legal precedents. The applicable regulations also contain ambiguities that cause differences in opinions as to the legal interpretation of tax regulations both between state authorities and between state authorities and enterprises. Tax settlements and other (e.g. customs or foreign exchange) settlements may be subject to control by authorities that are entitled to impose high fines, and the additional amounts of obligations determined as a result of the control must be paid together with high interest. These occurrences cause that the tax risk in Poland is higher than that usually existing in countries with a developed tax system. Tax settlements may be subject to control for a period of five years. As a result, the amounts disclosed in the financial statements may change at a later date after their final determination by the tax authorities.

Deferred tax liabilities

No.	Item	Temporary differences		DTL as at 31.12.2019	Temporary differences		DTL as at 31.12.2018
		As at 31.12.2019	tax rate		As at 31.12.2018	tax rate	
1	Recorded in P&L Account	1,844,356.00		350,427.00	157,838.00		29,989.00
a	Accrued interest	0.00	19%	0.00	157,838.00	19%	29,989.00
b	Long-term contracts	513,832.00	19%	97,628.00	0.00	19%	0.00
c	Foreign exchange gains on valuation of receivables and currencies	1,330,524.00	19%	252,799.00	0.00	19%	0.00
2	Recorded in Equity	0.00		0.00	0.00		0.00
	TOTAL	1,844,356.00	X	350,427.00	157,838.00	X	29,989.00

Note 27 (cont.)**Changes in deferred tax liabilities**

No.	Item	Gross value
1	Opening balance	29,989.00
2	Additions	350,427.00
a	recorded in P&L Account	350,427.00
	- creation of DTL	350,427.00
b	recorded in Equity	0.00
3	Disposals	29,989.00
a	recorded in P&L Account	29,989.00
	- release of DTL	29,989.00
b	recorded in Equity	0.00
4	Closing balance	350,427.00

Note 28***Income and expense items of extraordinary value or occurring incidentally***

None.

Note 29***Information on revenues, costs and results of discontinued operations in the financial year or to be discontinued in the following year***

None.

Note 30***Fixed assets under construction***

	Total value of capital expenditures on fixed assets under construction	36,937,340.00
	including:	
	- capitalized interest	0.00
	- capitalized exchange rate differences	0.00
	Tangible assets	14,390.00
	Intangible assets	70,600.00
	Construction investments	36,852,350.00

Note 31***Expenditures on non-financial fixed assets***

Expenditure on non-financial fixed assets incurred in the last year and planned for the next year (separately incurred and planned expenditure on environmental protection)

No.	Item	expenditures in the current year	expenditures in the current year
1	Expenditures on non-financial fixed assets	37,142,200.00	42,000,000.00
a	including expenditures on environmental protection:	0.00	0.00

Note 32***Exchange rates adopted for the valuation of assets and liabilities in foreign currencies***

No.	Item	31.12.2019	31.12.2018
1	EUR/PLN	4.2585	4.3000
2	USD/PLN	3.7977	3.7597
3	GBP/PLN	4.9971	4.7895
4	CHF/PLN	3.9213	3.8166
5	JPY/PLN	0.0350	0.0341
6	SEK/PLN	0.4073	0.4201

For the valuation of transactions included in the profit and loss account, exchange rates were applied as of the date of the transaction in accordance with the principles described in the introduction to the financial statements.

Note 33**Information regarding the cash flows statement**

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
Cash		72,106,928.00	94,858,075.00
1	Cash on the bank accounts	26,104,846.00	22,756,391.00
2	Cash on hand	2,082.00	1,172.00
3	Bank deposits	46,000,000.00	72,100,512.00
4	Other cash items	0.00	0.00
Cash equivalents		0.00	0.00
TOTAL		72,106,928.00	94,858,075.00

Note 33 (cont.)**Notes on the cash flow statement**

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

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1.	Profits (losses) from exchange rate differences shown in the cash flow statement	0.00	0.00
2	Interest and profit shares (dividends) consist of:	(9,145,892.00)	(1,002,998.00)
	- interest paid on loans and credits	217,800.00	245,617.00
	- interest on debt securities	0.00	(57,326.00)
	- dividends received	(8,320,928.00)	0.00
	- interest received on deposits and bonds	(1,042,764.00)	(1,191,289.00)
3	Profit (loss) on investing activities	0.00	0.00
4	Change in provisions consists of:	454,950.15	(424,370.00)
	- change in provisions resulting from the balance sheet	390,574.00	(424,370.00)
	- change due to separation of OPE	64,376.15	0.00
5	Change in inventory consists of:	(682,736.00)	(173,275.00)
	- change in inventory resulting from the balance sheet	15,846.00	(173,275.00)
	- change due to separation of OPE	(698,582.00)	0.00
6	Change in receivables consists of:	1,006,389.44	(7,341,283.00)
	- change in short-term receivables resulting from the balance sheet	9,102,077.00	(7,341,283.00)
	- change in short-term receivables due to separation of	(10,882,093.56)	0.00
	- change in long-term receivables resulting from the balance sheet	19,044.00	0.00
	- change in long-term receivables due to separation of OPE	(221,388.00)	0.00
	- adjustment for a change in the balance of receivables from the purchase of shares of Selvita S.A.	2,988,750.00	0.00

7	The change in current liabilities, except for loans and borrowings, results from the following items:	1,088,984.38	(4,951,934.00)
	- change in current liabilities	(2,604,903.00)	(4,951,934.00)
	- change due to separation of OPE	(8,879,371.43)	0.00
	- adjustment for a change in loans and leasing	286,106.00	0.00
	- adjustment for a change in loans and leasing due to separation of OPE	315,965.81	0.00
	- adjustment for a change in the balance of liabilities due to the acquisition of property, plant and equipment	11,971,187.00	0.00
8	The change in prepayments and accrued costs results from the following items:	18,944,891.99	(6,219,837.00)
	- change in short-term prepayments resulting from the balance sheet	11,173,823.00	(6,219,837.00)
	- change in short-term prepayments resulting from the separation of OPE	(2,296,329.92)	0.00
	- change in long-term prepayments resulting from the balance sheet	(350,427.00)	0.00
	- change in accrued expenses resulting from the balance sheet	8,037,693.00	0.00
	- change in accrued expenses resulting from the separation of OPE	2,380,132.91	0.00

Note 34**Employment**

Information on average employment in the financial year by group.

No.	Group	Average employment in the period ended	
		31/12/2019	31/12/2018
1	Total:	155	326
a	White-collar workers	155	326
b	Blue-collar workers	0	0

Note 35**Remuneration of the members of the management and supervisory boards**

Information on remuneration, including remuneration from profit, paid or due to persons belonging to the entity's management and supervisory body, as well as any obligations arising from pensions and benefits of a similar nature for former members of these bodies or obligations incurred in connection with these pensions, with an indication of the amount total for each body category

No.	Item	Salary paid / due in the financial year ended		Liabilities arising from pensions and services of a similar nature	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
1	Members of the Company's Management Board	3,041,497.00	2,055,600.13	0.00	0.00
	Paweł Tadeusz Przewięźlikowski	524,126.00	476,100.60		
	Krzysztof Daniel Brzózka	591,654.00	506,749.03		
	Setareh Gharayagh Shamsili	607,149.00	0.00		
	Bogusław Stanisław Sieczkowski	322,840.00	324,323.26		
	Mikołaj Kazimierz Gruca	460,839.00	290,820.00		
	Edyta Barbara Jaworska	370,068.00	319,407.24		
	Mirosława Monika Zydrón	144,745.00	138,200.00		
	Dariusz Tomasz Kurdas	20,076.00	0.00		
	Dawid Patryk Radziszewski	0.00	0.00		
2	Members of the Company's Supervisory Board	349,854.00	196,704.00	0.00	0.00
	Colin Goddard	33,830.00	0.00		
	Axel Glasmacher	33,830.00	0.00		
	Jarl Jungelius	33,800.00	0.00		
	Wojciech Wit Chabasiewicz	26,781.00	35,814.00		
	Rafał Piotr Chwast	62,087.00	35,814.00		
	Piotr Romanowski	68,027.00	43,434.00		
	Wojciech Sobieraj	26,781.00	21,714.00		
	Tadeusz Wesołowski	64,718.00	39,624.00		
	Adam Przewięźlikowski	0.00	20,304.00		
	TOTAL	3,391,351.00	2,252,304.13	0.00	0.00

Note 36**Information on loans, guarantees and similar granted to persons being members of management and supervisory bodies**

None.

Note 37**Information on income and costs resulting from errors made in previous years, charged to equity in the current financial year**

None.

Note 38**Information on significant events that occurred after the balance sheet date but not included in the financial statements****Coronavirus (COVID-19)**

On March 11, 2020, the World Health Organization classified the Covid-19 epidemic as a pandemic. The Issuer has implemented instructions recommended by the Chief Sanitary Inspectorate and other state institutions related to dealing with an epidemiological emergency, including the implementation of remote work and ensuring safe working conditions for stationary employees. In addition, business trips to countries identified by the Chief Sanitary Inspectorate as high risk countries were suspended. In business contacts, the Issuer uses remote methods of communication. The Issuer also appointed a working team consisting of representatives of various organizational units, which aims to respond to the changing situation on an ongoing basis and minimize the negative effects for the Issuer resulting from the spread of the epidemic. The company has also developed an internal policy on preventing the spread of coronavirus and recommended actions to ensure proper occupational health and safety.

Considering the statement of the European Securities and Markets Authority ESMA and the announcement of the Polish Financial Supervision Authority of March 12, 2020, the Issuer states that to the best of our knowledge, taking into account the current situation in Poland, the impact of coronavirus is not treated as an event after the balance sheet date that significantly affects financial data as at December 31, 2019. Further potential impact of the coronavirus on the Company's financial results is difficult to predict as at the date of this statement. The Issuer constantly monitors the state of development of the situation in the country and abroad. The Issuer is in regular contact with foreign suppliers and as of the day of submitting this report it estimates that the risk on the supply chain side in the scope of services purchased by the Issuer is significant and may have a significant negative impact on the Issuer's operations.

Considering the statement of the European Securities and Markets Authority ESMA and the announcement of the Polish Financial Supervision Authority of March 12, 2020, the Issuer states that to the best of our knowledge, taking into account the current situation in Poland, the impact of coronavirus is not treated as an event after the balance sheet date that significantly affects financial data as at December 31, 2019. Further potential impact of the coronavirus on the Company's financial results is difficult to predict as at the date of this statement. The Issuer constantly monitors the state of development of the situation in the country and abroad. The Issuer is in regular contact with foreign suppliers and as of the day of submitting this report it estimates that the risk on the supply chain side in the scope of services purchased by the Issuer is significant and may have a significant negative impact on the Issuer's operations.

To the best of the Issuer's knowledge as at the date of this report, coronavirus may have a significant impact on the progress of clinical trials due to the fact that they are carried out in centers located in the United States. The Issuer informs that difficulties have been introduced or are expected, such as suspension of new patients' recruitment for research in projects SEL24 / MEN1703 and SEL120 by clinical centers and restrictions related to the access of clinical monitors to hospitals, which hinders quality management in research. In this respect, the Issuer tracks the information provided by the American Food and Drug Administration (FDA), including a guide published by the FDA on actions taken in the field of clinical trials in connection with the emergence of the epidemic threat "Coronavirus (COVID-19) Update: FDA Issues Guidance for Conducting Clinical Trials" (available at <https://www.fda.gov/>).

In the scope of ordered research and development services, in the first quarter of 2020 there were temporary difficulties with commissioning work to laboratory service providers in China, while from March 2020 there are difficulties arising from the temporary suspension of work for some European suppliers.

An important element of the Issuer's operations is the commercialization of research and development projects with pharmaceutical partners. The Issuer expects the pace of some business talks to slow down due to difficulties in the work of future clients related to teleworking forced by the epidemiological situation in their locations. The issuer also expects the clients' laboratories to be temporarily unavailable, and they are often used for experiments in due diligence processes. The effect of such unavailability may be suspension of the partnering process until appropriate data is generated in open service laboratories, which extends the process and increases its costs on the Issuer's side.

The Issuer's research and development laboratories worked in March 2020 on approximately 75% of normal performance. The decrease in productivity was related to the inaccessibility of employees conditioned by quarantines, the inability of some foreigners to enter Poland and the need for some employees to take care of children. A significant proportion of the Issuer's office employees worked in the teleworking system, which could also have a negative impact on the pace of ongoing projects. An additional factor slowing down research and development was the introduced anti-infection procedures, e.g. complexisation of teams, limitation of personal meetings, decontamination of laboratories and shift work. From March 30 to April 8, laboratory work was limited to critical experiments for ongoing projects to minimize the risk of intra-laboratory infections during the expected peak incidence of Covid-19 in Poland. The Issuer plans to return to full capacity of the laboratories after the Christmas break from April 12. During the limitation of laboratories' work, the Issuer's most advanced projects (clinical SEL120, SEL24 / MEN1703, and preclinical A2A / A2B) are implemented without significant obstacles to cooperation with the CRO. The issuer also identifies the exchange rate risk. The Issuer's cash is 90% stored in PLN. Grant funds awarded are also denominated in PLN, while the costs of clinical research and external research and development services are predominantly denominated in foreign currencies. Partial way to limit the above risk are guaranteed and expected revenues from commercialization of projects denominated in foreign currencies.

The Issuer has also identified the risk related to the negative situation on the capital market, which may limit access to financing in the future through the issue of shares. There may also be delays in administrative processes for the award and settlement of grants or VAT refunds as well as regulatory processes for clinical trials.

The Company's Management Board will regularly analyze the Issuer's situation in connection with the spread of the COVID-19 virus.

Any new conditions significantly affecting the generated financial results and economic situation of the Issuer will be communicated immediately in separate current reports.

It should also be borne in mind that, as announced on March 18, 2020, a special Public Investment Fund worth PLN 30 billion is to be set up to stimulate the economy through public investment in key sectors of the economy, including biotechnology.

Note 39***Changes of the accounting policies***

None.

Note 40***Comparability of financial data - error correction***

In 2019, an error correction was made by changing the presentation of data on short-term provisions in the balance sheet and the presentation of grants in the cash flow statement.

Balance sheet***Liabilities***

No	Item	As at 31.12.2018, presented in the previous report	adjustments	As at 31.12.2018, presented in the current report
2	Provision for retirement and similar benefits	1,196,989.00	(1,078,966.00)	118,023.00
	- long-term	118,023.00	0.00	118,023.00
	- short-term	1,078,966.00	(1,078,966.00)	0.00
3	Other provision	3,691,452.00	(3,691,452.00)	0.00
	- long-term	0.00	0.00	0.00
	- short-term	3,691,452.00	(3,691,452.00)	0.00
2	Liabilities due to other entities in which the Company holds equity interest	20,762,464.00	1,791,452.00	22,553,916.00
3	Liabilities due to third parties	16,011,067.00	0.00	17,802,519.00
	- due within 12 months	12,434,068.00	1,791,452.00	14,225,520.00
2	Other	14,459,741.00	2,978,966.00	17,438,707.00
	- long-term	10,362,746.00	0.00	10,362,746.00
	- short-term	4,096,995.00	2,978,966.00	7,075,961.00

Statement of Cash Flows in the period 01.01.2018 - 31.12.2018

No	Item	Period 01.01.2018 - 31.12.2018 presented in the previous report	korekty	Period 01.01.2018 - 31.12.2018 presented in the current report
A	Cash flow from operating activities	(45,207,859.00)	19,161,316.00	(26,046,543.00)
II	Total adjustments:	(22,151,622.00)	19,161,316.00	(2,990,306.00)
9	Change in prepayments	(25,381,153.00)	19,161,316.00	(6,219,837.00)
C	Cash flow from financing activities	147,031,677.00	(19,161,316.00)	127,870,361.00
I	Proceeds	19,161,316.00	(19,161,316.00)	0.00
4	Other financing proceeds	19,161,316.00	(19,161,316.00)	0.00

Note 41***Information on unconsolidated joint ventures***

None.

Note 42***Related party transactions***

No.	Entity	Receivables	Investments - Loans and other	Liabilities	Sales revenue	Other operating revenue	Finance Income	Operating costs	Other operating costs	Financial costs
1	Ardigen S.A.	0.00			4,177.36	0.00	517.00	9,658.00	0.00	0.00
2	Selvita LTD.	0.00	0.00	0.00	2,618,698.66	0.00	0.00	0.00	0.00	0.00
3	Selvita INC.	371.84	0.00	0.00	2,145,009.42	0.00	0.00	0.00	0.00	0.00
4	Selvita Services sp.z o.o.	150.00	0.00	374,714.23	6,015,409.63	0.00	0.00	11,973,299.37	0.00	0.00
5	Selvita S.A.	654,321.56	0.00	1,129,497.80	535,346.27	0.00	0.00	1,187,581.32	0.00	0.00
	TOTAL	654,843.40	0.00	1,504,212.03	11,318,641.34	0.00	517.00	13,170,538.69	0.00	0.00

The above entities were related entities until October 1, 2019. The presented revenues and costs relate to the period of 9 months ended on 30 September 2019.

Note 43***Information on significant transactions concluded by the entity on terms other than market related with related parties***

None.

Note 44

Entities where the Company is a shareholder with unlimited liability

None.

Note 45

Business combinations

None.

Note 46

Going concern assumption

The financial statements were prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future.

Note 47

The nature and economic purpose of contracts not reflected in the balance sheet, to the extent necessary to assess their impact on the financial position and financial result of the Company, e.g. (special purpose vehicles, operational leasing, outsourcing)

None.

Note 48

Remuneration of the audit firm paid or payable for the financial year:

No.	Type of service	Remuneration
1	Fees for the audit of the annual financial statements	191,000.00
2	Fees for other assurance services	0.00
3	Fees for tax consulting services	0.00
4	Fees for other services	0.00
TOTAL		191,000.00

Note 49

Revenues and costs of own R&D services

No.	Item	From 01.01 to 31.12.2019	From 01.01 to 31.12.2018	Change
1.	Net revenues from the sale of research and development services	11,331,475.00	19,165,175.00	-7,833,700.00
2.	Expenses for research and development works [PLN]	67,625,431.00	53,863,952.00	13,761,479.00
3.	Employment in jobs related to research and development	162	240	-78

R&D costs are included in the cost line of products, services and goods sold in the income statement.

Note 50

Cash accumulated on the VAT account

The cash accumulated on the VAT account as at 31 December 2019 amounted to PLN 7,102.40.
--

Note 51

On October 1, 2019, the District Court for Kraków-Śródmieście in Kraków, 11th Commercial Division of the National Court Register made an entry in the Register of Entrepreneurs of the National Court Register to increase the share capital of Selvita S.A. with its registered office in Kraków (formerly operating under the name: Selvita CRO SA) (hereinafter: the "Acquiring Company") from PLN 100,000.00 (one hundred thousand zlotys) to PLN 12,876,983.20 (twelve million eight hundred seventy six thousand nine hundred and eighty three zlotys and twenty groszy) i.e. by PLN 12,776,983.20 (twelve million seven hundred seventy six thousand nine hundred and eighty-three zloty and twenty groszy) by issuing 15,971,229 shares, including: 1) 4,050,000 series A registered shares of nominal PLN 0.80 (eighty groszy) each, privileged as to vote, in such a way that for each share of this series there are two votes at the general meeting of that company; 2) 11,921,229 series B ordinary bearer shares with a nominal value of PLN 0.80 (eighty groszy) each ("Registration of the Capital Increase"), in connection with the split of Ryvu Therapeutics S.A. ("Splited Company") pursuant to art. 529 § 1 point 4 of the Commercial Companies Code (split by spin-off), i.e. by transferring to the Acquiring Company part of the Splited Company's assets in the form of an organized part of the enterprise comprising a set of tangible and intangible assets intended for the provision of service activities in the field of Contract Research Organization and shares in subsidiaries, i.e. BioCentrum sp. z oo, Selvita Services sp. z o.o., Ardigen SA, Selvita Ltd., Selvita Inc. ("Spin-off Activity").

In accordance with art. 530 § 2 of the Code of Commercial Companies, along with the Registration of the Increase in Capital, there was a transfer made to the Acquiring Company of the Spin-off Activity.

At the same time, with the registration of the Split, there was a change in the Company's name from Selvita S.A. to Ryvu Therapeutics S.A.

The Acquiring Company changed the name from Selvita CRO S.A. to Selvita S.A.

As described at the beginning, a separation of an organized part of the enterprise took place from the company Ryvu Therapeutics S.A. to Selvita S.A. in the analyzed period.

Below are the details of the assets and liabilities of the spin-off part of the Company as at 30/09/2019, as well as the revenues and costs generated by this part of operations in the period from 01/01/2019 to 30/09/2019

	30/09/2019
A. NON-CURRENT ASSETS	12,608,938.91
I. Intangible assets	53,718.00
1. Other intangible assets	53,718.00
II. Tangible fixed assets	5,730,412.00
1. Fixed assets	5,282,855.00
a) buildings, premises, rights to premises and civil and water engineering structures	922,633.00
b) technical equipment and machinery	185,939.00
c) other fixed assets	4,174,283.00
2. Fixed assets under construction	447,557.00
III. Long-term receivables	221,388.00
1. From other parties	221,388.00
IV. Long-term investments	6,603,421.25
1. Long-term financial assets	6,603,421.25
a) in related parties	6,603,421.25
- Shares	6,599,616.25
- Loans granted	3,805.00
b) in third parties	0.00
- Shares	0.00
B. CURRENT ASSETS	13,942,633.48
I. Inventories	698,582.00
1. Raw materials	698,582.00
II. Short-term receivables	10,882,093.56
1. Receivables from related parties	3,585,782.00
a) trade receivables:	3,585,782.00
- due within 12 months	3,585,782.00
2. Receivables from third parties	7,296,311.56
a) trade receivables:	7,276,404.56
- due within 12 months	7,276,404.56
b) other	19,907.00
III. Short-term investments	65,628.00
1. Short-term financial assets	65,628.00
a) in related parties	7,337.00
- Loans granted	7,337.00
b) in third parties	58,291.00
- Loans granted	58,291.00
c) cash and cash equivalents	0.00
IV. Short-term prepayments and deferred expenses	2,296,329.92
TOTAL ASSETS - separated	26,551,572.39

	30/09/2019
B. LIABILITIES AND PROVISIONS FOR LIABILITIES	12,133,215.76
I. Provisions for liabilities	64,376.15
1. Deferred tax liability	0.00
2. Provision for retirement and similar benefits	64,376.15
- long-term	64,376.15
- short-term	0.00
3. Other provisions	0.00
- short-term	0.00
II. Long-term liabilities	809,335.27
1. Liabilities due to third parties	809,335.27
a) other financial liabilities	809,335.27
III. Short-term liabilities	8,879,371.43
1. Liabilities due to related parties	4,273,639.00
a) trade liabilities	4,273,639.00
- due within 12 months	4,273,639.00
2. Liabilities due to third parties	4,605,732.43
a) other financial liabilities	315,965.81
b) trade liabilities	4,272,100.69
- due within 12 months	4,272,100.69
c) payroll liabilities	4,217.00
d) other	13,448.93
IV. Accruals and deferred income	2,380,132.91
1. Other	2,380,132.91
- short-term	2,380,132.91
TOTAL EQUITY AND LIABILITIES - separated	12,133,215.76
NET ASSETS:	14,418,356.63

REVENUE AND COSTS OF SPIN-OFF PART in the period 01.01 - 30.09.2019

Profit and Loss Account	01.01 - 30.09.2019
A. Net revenue from sales of finished products, merchandise and raw materials, including	38,768,832.00
- from related parties	11,318,131.00
I. Net revenue from sales of finished products	38,768,832.00
II. Revenues from the sale of R&D projects	0.00
II. Change in finished goods	0.00
III. The cost of manufacturing products for the Company's own needs	0.00
IV. Net revenue from sales of merchandise and raw materials	0.00
B. OPERATING COSTS BY KIND	39,995,973.00
I. Depreciation and amortisation expense	2,854,257.00
II. Raw materials and energy used	7,811,655.00
III. External services	15,402,379.00
IV. Taxes and charges	347,999.00
V. Payroll	10,452,094.00
VI. Social security and other employee benefits, including retirement	2,254,913.00
VII. Other expenses by kind	872,676.00
VIII. Value of R&D projects sold	0.00
IX. The value of goods and materials sold	0.00
C. Gross profit/(loss) on sales	(1,227,141.00)
D. Other operating income	1,585,128.00
I. Gain on disposal of non-financial fixed assets	80,000.00
II. Grants	1,212,902.00
III. Other	292,226.00
E. Other operating costs	53,409.00
I. Loss on disposal of non-financial fixed assets	0.00
II. Remeasurement of non-financial assets	53,409.00
III. Other	0.00
F. Operating profit	304,578.00
G. Financial income	307,336.00
I. Dividends received and share of profits, including:	0.00
- from related parties	0.00
II. Interest, including:	518.00
- from related parties	518.00
III. Gain on disposal of investments	0.00
IV. Remeasurement of financial assets	0.00
V. Other	306,818.00
H. Financial costs	0.00
I. Interest, including:	0.00
- to related parties	0.00
II. Loss on disposal of investments	0.00
III. Remeasurement of financial assets	0.00
IV. Other	0.00
K. Profit before taxation	611,914.00
L. Corporate income tax	0.00
M. Other obligatory charges decreasing the profit (increasing the loss)	0.00
N. Net profit	611,914.00

The Financial Statements were presented by The Management Board of the Company

1.
President of the Management Board

2.
Member of the Management Board

3.
Member of the Management Board

Prepared by:

.....
Chief Accountant

Krakow, 8 April 2020

CONTACT



RYVU THERAPEUTICS

Bobrzyńskiego 12
30-348 Cracow, Poland
Tel: +48 12 297 46 90



EMAIL CONTACT

ryvu@ryvu.com