INTERIM FINANCIAL STATEMENTS
RYVU THERAPEUTICS S.A.

prepared for the 3 months period
from 1 January 2020
to 31 March 2020

in accordance with International Financial Reporting Standards as approved by the European Union
together with the independent auditor's review report

It is the translation of Polish original document

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Notes to the Interim Financial Statements

INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

	Note	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
		PLN	PLN	PLN
Continuing operations				
Sales revenue	5	7 774 247	1 063 316	3 798 331
Grant income	5,2	5 741 060	7 546 753	29 921 936
Total operating revenue		**13 515 307**	**8 610 069**	**33 720 267**
Amortization and depreciation	5,5	(2 429 547)	(1 675 789)	(7 988 635)
Consumption of materials and supplies		(1 821 093)	(3 786 996)	(12 803 746)
External services	5,5	(6 816 665)	(5 799 307)	(27 097 536)
Employee benefit expense	5,5	(7 161 856)	(6 516 683)	(28 400 070)
Employee Capital Plans		(100 249)	-	(67 818)
Other expenses		(128 608)	(546 448)	(2 776 062)
Taxes and charges		(122 246)	(56 935)	(307 973)
Total operating expenses		**(18 580 264)**	**(18 382 158)**	**(79 441 840)**
Other operating revenue	9	97 901	111 922	418 466
Other operating expenses	9	(400)	(35 412)	(82 140)
Operating (loss)		**(4 967 456)**	**(9 695 579)**	**(45 385 247)**
Financial revenue	7	434 620	443 541	906 591
Financial expenses	8	(201 528)	(144 310)	(559 118)
(Loss) on business activities		**(4 734 364)**	**(9 396 348)**	**(45 037 774)**
Valuation of shares in Nodthera	17	513 865	-	928 380
(Loss) before income tax		**(4 220 499)**	**(9 396 348)**	**(44 109 394)**
Income tax expense	10	(86 678)	4 349	(160 890)
Net (loss) on continuing operations		**(4 307 177)**	**(9 391 999)**	**(44 270 284)**
Discontinued operations		**-**	**(229 173)**	**329 910 294**
(Loss) / net profit on discontinued operations	16	-	(229 173)	611 914
Dividend on discontinued operations	16	-	-	8 320 928
Profit on spin-off	16	-	-	320 977 452
NET PROFIT / (LOSS)		**(4 307 177)**	**(9 621 172)**	**285 640 010**
TOTAL INCOME FOR THE PERIOD		**(4 307 177)**	**(9 621 172)**	**285 640 010**
Earnings / (loss) per share				
(expressed in PLN cents per share)	12			
From continued and discontinued operations:				
Basic		-27,0	-60,2	1 788,5
Diluted		-27,0	-60,2	1 788,5
From continued operations:				
Basic		-27,0	-58,8	(277,2)
Diluted		-27,0	-58,8	(277,2)

INTERIM STATEMENT OF FINANCIAL POSITION
PREPARED AS AT 31 MARCH 2020

	Note	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
ASSETS				
Non-current assets				
Tangible fixed assets	13	66 133 905	62 249 197	37 278 209
Lease assets	23,13	7 358 906	8 215 506	17 847 937
Intangible fixed assets	14	3 634 029	2 923 654	2 383 664
Deferred tax asset	10	972 062	700 790	-
Investment in subsidiaries	15	-	-	6 599 616
Financial assets-Shares in Nodthera	17	24 268 120	23 754 255	22 825 875
Other financial assets	20	85 194	85 193	113 579
Total non-current assets		**102 452 216**	**97 928 595**	**87 048 880**
Current assets				
Inventory	21	1 586 162	1 586 162	1 602 008
Short-term receivables	22	21 463 249	14 680 783	34 449 145
Contract assets	5,3	371 642	360 205	596 421
Other financial assets	18	-	-	15 052 998
Other non-financial assets	19	1 412 263	1 242 353	2 162 270
Cash and other monetary assets	35	50 977 640	72 106 927	94 858 075
Total current assets		75 810 956	89 976 430	**148 720 917**
Total assets		**178 263 172**	**187 905 025**	**235 769 797**
EQUITY AND LIABILITIES				
Equity				
Share capital	24	6 388 492	6 388 492	6 388 492
Share premium	24	145 188 585	145 188 585	168 244 820
Capital resulting from the split	16	(14 418 357)	(14 418 357)	-
Capital resulting from the spin-off	16	(320 977 452)	(320 977 452)	-
Other reserve capitals	24	11 172 000	11 172 000	11 172 000
Retained earnings / Accumulated losses		293 226 908	7 586 898	(15 469 337)
Net profit / (loss) for the period		(4 307 177)	285 640 010	-
Total equity		**116 272 999**	**120 580 176**	**170 335 975**
Long-term liabilities				
Bank loans and credits	26	2 159 603	2 362 058	3 171 878
Lease liabilities	23	6 719 845	7 083 276	13 280 477
Retirement provision	29	188 159	188 159	118 023
Deferred tax liability	10	5 504 452	5 143 717	4 430 225
Deferred income	32	19 637 813	21 183 710	10 362 746
Total long-term liabilities		**34 209 872**	**35 960 920**	**31 363 349**
Short-term liabilities				
Trade and other liabilities	28	13 583 141	22 636 132	20 317 336
Contract liabilities	5,3	-	-	759 510
Bank loans and credits	26	809 820	823 750	881 257
Lease liabilities	23	3 022 533	3 222 899	4 811 039
Accrued expenses	31	1 955 275	2 382 595	2 978 966
Deferred income	32	8 409 532	2 298 553	4 322 365
Total short-term liabilities		**27 780 301**	**31 363 929**	**34 070 473**
Total liabilities		**61 990 173**	**67 324 849**	**65 433 822**
Total equity and liabilities		**178 263 172**	**187 905 025**	**235 769 797**

INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE REPORTING PERIOD ENDED 31 MARCH 2020

	Note	Share capital	Share premium	Capital resulting from the split	Capital resulting from the spin-off	Other reserve capitals	Retained earnings / Accumulated losses	Net profit / (loss) for the period	Total
		PLN	PLN	PLN	PLN	PLN	PLN	PLN	PLN
Balance as at 1 January 2019		**6 388 492**	**168 244 820**	**-**	**-**	**11 172 000**	**(15 469 337)**	**-**	**170 335 975**
Net profit for the period		-	-	-	-	-	-	(9 621 172)	(9 621 172)
Other comprehensive income		-	-	-	-	-	-	-	-
Comprehensive income									-
Allocation of the result from previous year		-	-	-	-	-	-	-	-
Balance as at 31 March 2019		**6 388 492**	**168 244 820**	**-**	**-**	**11 172 000**	**(15 469 337)**	**(9 621 172)**	**160 714 803**
Balance as at 1 January 2019		**6 388 492**	**168 244 820**	**-**	**-**	**11 172 000**	**(15 469 337)**	**-**	**170 335 975**
Net profit for the period		-	-	-	-	-	-	285 640 010	285 640 010
Other comprehensive income		-	-	-	-	-	-	-	-
Comprehensive income									-
Allocation of the result from previous year		-	(23 056 235)	-	-	-	23 056 235	-	-
		6 388 492	**145 188 585**	**-**	**-**	**11 172 000**	**7 586 898**	**285 640 010**	**455 975 985**
Separation of assets and transfer to Selvita S.A.		-	-	(14 418 357)	(320 977 452)	-	-	-	(335 395 809)
Balance as at 31 December 2019		**6 388 492**	**145 188 585**	**(14 418 357)**	**(320 977 452)**	**11 172 000**	**7 586 898**	**285 640 010**	**120 580 176**
Net profit for the period		-	-	-	-	-	-	(4 307 177)	(4 307 177)
Other comprehensive income		-	-	-	-	-	-	-	-
Allocation of the result from previous year		-	-	-	-	-	285 640 010	(285 640 010)	-
Balance as at 31 March 2020		**6 388 492**	**145 188 585**	**(14 418 357)**	**(320 977 452)**	**11 172 000**	**293 226 908**	**(4 307 177)**	**116 272 999**

INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

	Note	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Cash flows from operating activities				
Profit / (loss) for the period		**(4 307 177)**	**(9 621 172)**	**285 640 010**
Adjustments:				
Valuation of shares in Nodthera		(513 865)	-	(928 380)
Amortization and depreciation and impairment losses on fixed assets		2 429 547	1 675 789	7 988 635
Interest and profit-sharing (dividends), net		(162 638)	(313 422)	(9 145 892)
Profit on the spin-off		-	-	(320 977 452)
Change in receivables	40	(6 223 430)	1 503 813	11 672 675
Change in inventory	40	-	-	(682 736)
Change in short-term liabilities and provision excluding credits and loans	40	(12 103 780)	(2 960 333)	(1 088 984)
Change in deferred income	40	4 137 762	(6 924 622)	14 660 445
Change in deferred tax	40	89 463	-	(160 890)
Change in other assets	40	(169 910)	(9 913 695)	(4 378 395)
Net cash flows from operating activities		**(16 824 028)**	**(26 553 642)**	**(17 400 964)**
- from continued operations		*(16 824 028)*	*(27 810 730)*	*(19 421 795)*
- from discontinued operations		-	*1 257 088*	*2 020 831*
Cash flows from investing activities				
Disposal of tangible and intangible fixed assets		-	-	80 000
Purchase of tangible and intangible fixed assets		(3 687 714)	(6 453 977)	(23 994 850)
Purchase / (disposal) of other financial assets		-	14 985 926	14 928 600
Purchase of subsidiary, net of cash receipts		-	-	(2 988 750)
Dividends received		-	-	8 320 928
Interest received		101 831	254 915	1 042 764
Repayment of loans		-	1 736	1 709
Loans granted		-	-	5 271
Net cash flows from investing activities		**(3 585 883)**	**8 788 600**	**(2 604 328)**
- from continued operations		*(3 585 883)*	*9 922 722*	*(7 031 859)*
- from discontinued operations		-	*(1 134 122)*	*4 427 531*
Cash flows from financing activities				
Proceeds from shares issue		-	-	-
Repayment of finance lease liabilities	40	(563 797)	(363 239)	(1 704 306)
Proceeds from credits and loans		121 613	93 135	57 508
Repayment of credits and loans	40	(216 385)	(206 407)	(881 258)
Dividends paid		-	-	-
Interest paid		(60 807)	(58 507)	(217 800)
Net cash flows from financing activities		**(719 376)**	**(535 018)**	**(2 745 856)**
- from continued operations		*(719 376)*	*(412 052)*	*(1 629 672)*
- from discontinued operations		-	*(122 966)*	*(1 116 184)*
Net increase / (decrease) in cash and cash equivalents		(21 129 287)	(18 300 060)	(22 751 148)
Cash and cash equivalents at the beginning of the period		72 106 927	94 858 075	94 858 075
Cash and cash equivalents at the end of the period	35	**50 977 640**	**76 558 015**	**72 106 927**

NOTES TO THE FINANCIAL STATEMENTS
PREPARED AS AT 31 MARCH 2020

1. General information

1.1. 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). The registered office of the company is in Poland, Cracow, Bobrzyńskiego Street 4. Currently, the Company is 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.

Composition of the management and supervisory bodies as at the date of these financial statements:

Management Board:

Paweł Tadeusz Przewięźlikowski	-	President of the Management Board
Krzysztof Daniel Brzózka	-	Vice-President of the Management Board
Setareh Gharayagh Shamsili	-	Member of the Management Board

Supervisory Board:

Piotr Romanowski	-	Chairman
Tadeusz Wesołowski	-	Vice- Chairman
Rafał Piotr Chwast	-	Member
Axel Glasmacher	-	Member
Colin Goddard	-	Member
Jarl Jungnelius	-	Member
Thomas Turalski	-	Member

As at 31 March 2020 the shareholder structure of the company is as follows and has not changed compared to 31 December, 2019.

	Registered office	Number of shares	Percentage interest in capital	Percentage share in voting rights
Paweł Tadeusz Przewięźlikowski	Poland	4 990 880	31,25%	42,41%
Bogusław Stanisław Sieczkowski	Poland	924 384	5,79%	7,36%
Augebit Investment Fund *	Poland	1 039 738	6,51%	5,19%
Nationale -Nederlanden Open-End Pension Fund and Nationale - Nederlanden Voluntary Pension Fund	Poland	1 594 749	9,99%	7,97%
Other shareholders		7 421 478	46,46%	37,07%
Razem		**15 971 229**	**100,00%**	**100,00%**

** the benefitient of Augebit is Tadeusz Wesołowski - Vice - Chairman of Supervisory Board*

The duration of the Company is not fixed.

The calendar year is the financial year of the Company.

The core business of the Capital Company comprises research and development in biotechnology.

1.3. 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 March 31, 2020.

Due to the Covid-19 pandemic, which occurred in the first quarter of 2020, the Issuer implemented the recommendations given by the Chief Sanitary Inspectorate and other government institutions in connection with the epidemiological threat, including the implementation of remote work and ensuring safe working conditions for stationary employees.

In the first quarter of 2020, the pandemic affected the progress of the Issuer's clinical trials due to the fact that they are conducted in the centres located in the United States. Therefore, temporary problems were encountered in this period, such as suspension of recruitment of new patients for the SEL24/MEN1703 and SEL120 trials and restrictions of access to the hospitals for clinical monitors. The Issuer follows the information provided by the U.S. Food and Drug Administration (FDA) and adapts its activities to the current situation in the USA.

As far as outsourced research and development services are concerned, in the first quarter of 2020 there were temporary problems with outsourcing work from laboratories located in China, and from March 2020 there were problems caused by temporary suspension of activities of some European service providers.

Due to the gradual "defrosting" of the economy commenced by the Polish government and public authorities in late May / early June 2020 due to the falling number of reported infections, the Issuer expects an improvement and stabilization of the situation in the near future.

For more information on the above subject, see Note 39 to the financial statements.

The Management Board analyzed the above through, among others making conservative revenue assumptions by eliminating any revenue not yet contracted, and assessed that, despite these risks and restrictions, he did not identify a threat to the Company's ability to continue as a going concern for at least 12 months from the balance sheet date.

1.3. Functional and reporting currency

These financial statements have been prepared in the Polish zloty (PLN). The Polish zloty is the functional and reporting currency of the Company. Figures in the financial statements are expressed in full Polish zlotys unless it is otherwise stated.

2. International Financial Reporting Standards

2.1. Statement of compliance

These interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" approved by the EU ("IAS 34").

On June 4, 2020, in accordance with art. 45.1b of the Accounting Act, the Extraordinary General Meeting of Shareholders adopted a resolution to change the accounting principles applied by the Company and start preparing financial statements in accordance with the International Financial Reporting Standards (IFRS) and related interpretations published in the form of regulations of the European Commission, starting from the Company's financial statements prepared for the period of three months ended on March 31, 2020, due to the fact that the financial statements prepared in accordance with IFRS will be more readable and useful for investors, especially foreign investors. This will also ensure the comparability of the Company's financial data with entities operating in the biotechnology industry, which in the vast majority carry out financial reporting in accordance with IFRS.
These separate financial statements prepared for the period from 1 January 2020 to 31 March 2020 are the first quarterly financial statements containing disclosures in accordance with the International Financial Reporting Standards approved by the EU (hereinafter referred to as "IFRS"), in particular with IFRS 1.

Due to the change in accounting standards described in note 25, the restated data for comparative periods were not presented in the financial statements for previous periods and were not subject to audit or review by a certified auditor.

Reconciliation of the Company's capital as at January 1, 2019, March 31, 2019 and December 31, 2019, reconciliation of the Company's total income for the period ended March 31, 2019 and for the year ended December 31, 2019, and reconciliation of cash flows for the year ended December 31, 2019 were presented in note 25 'First-time adoption of IFRS'

The company applied IFRS according to the status as at March 31, 2020. The company applied identical accounting principles (policy) to the preparation of the opening balance sheet according to IFRS as at January 1, 2019 and throughout all the periods presented in this report. All changes in accounting policies were introduced retrospectively, with the exception of the following exemptions permitted by IFRS 1. listed in note 25.
The last available, as at the date of approval of these financial statements, financial statements of the Company prepared in accordance with Polish accounting principles, as defined in the Accounting Act of 29 September 1994 (consolidated text Journal of Laws 2019.351, as amended), is the financial statement prepared for year ended December 31, 2019.

When preparing these financial statements, the opening report on the Company's financial standing was prepared and presented as at January 1, 2019, i.e. as at the date of the Company's transition to IFRS in accordance with the resolution of the Extraordinary General Meeting of Ryvu Therapeutics S.A. on the transition to IFRS of 4 June 2020.

2.1.1. Reporting period and scope

The Company's financial statements cover the financial period from 1 January 2020 to 31 March 2020 and contain comparative data that constitute data for the financial period from 1 January 2019 to 31 March 2019 and an additional financial year from 1 January 2019 to 31 December 2019 year. The statement of financial position and explanatory notes to this report also contain comparative data as at January 1, 2019, constituting the date of the Company's transition to IFRS.

Status of IFRS endorsement by the EU

2.2. The following standards and interpretations have been published by the International Accounting Standards Board, but they do not apply to these financial statements (i.e. for 3-month financial statements ended March 31, 2020)

• IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014) – The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard– not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2016;
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on 11 September 2014) – the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by IASB;
• IFRS 17 Insurance Contracts (issued on 18 May 2017) – not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2021;
• Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020) – not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2022;
• Amendments to IFRS 3: Reference to the Conceptual Framework (issued on 14 May 2020) – not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2022;
• Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use (issued on 14 May 2020) – not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2022;
• Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract (issued on 14 May 2020) – not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2022;
• Annual Improvements to IFRS Standards 2018–2020 (issued on 14 May 2020) – not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2022;
• Amendment to IFRS 16 Leases: Covid-19-Related Rent Concessions (issued on 28 May 2020) – not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020.

The dates of entry into force are the dates resulting from the content of the standards announced by the International Financial Reporting Council. The dates of application of the standards in the European Union may differ from the dates of application arising from the content of the standards and are announced at the time of approval for use by the European Union.

Amendments to IFRS 16 Leasing (published on May 28, 2020) - until the date of approval of these financial statements, not approved by the EU - applicable to annual periods beginning on June 1, 2020 or later.

3. Summary of significant accounting policies

3.1. Going concern

The financial statements have been prepared on the assumption that the company will continue as a going concern in the 12 months following the end of the reported period, i.e. March 31, 2021. The issue of going concern was presented in Note 1.2.

3.2. Basis of preparation

The financial statements have been prepared in accordance with the historical cost concept, except for shares in Nodther, which are measured at fair value.

The key accounting principles used by the Company have been presented below.

3.3. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary, nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Profit or loss, assets, and liabilities of associates are accounted for using the equity method, except for investments classified as held for sale, which are accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. In accordance with the equity method, investments in associates are initially recognized in the statement of financial position at cost and subsequently in the portion of profit or loss attributable to the Company or in other comprehensive income of the associate. If the Company's share in losses of an associate exceeds its interest in the associate (comprising log-term interest that is substantially a part of the net investment in that entity), the Company discontinues to recognize its share in further losses of the associate. Further losses are recognized only up to the value of the Company's legal or constructive obligations or payments made on behalf of the associate.

The surplus of the acquisition cost over the Company's share in the net value of identifiable assets, liabilities and contingent liabilities of an associate, recognized at the acquisition date, is recognized as goodwill and constitutes a component of the carrying amount of the investment. Any excess of the Company's share in the net value of the identifiable assets, liabilities and contingent liabilities over the acquisition cost is recognized directly in profit or loss after subsequent revision.

If necessary, the carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 'Impairment of assets' as if it were a single asset, by comparing its recoverable amount (the higher of value in use and fair value less costs to sell) with the carrying amount. Impairment losses are included in the carrying amount of the investment. Reversal of an impairment loss is recognized in accordance with IAS 36 in the amount corresponding to an increase in the recoverable amount of the investment.

After the sale of an associate, the effect of which is the Company's loss of significant influence on this entity, the remaining shares are measured at fair value as at that day, and this value is treated as fair value at the initial recognition of the financial asset in accordance with IFRS 9. The difference between the original the balance sheet value of the associate attributed to other shares and the fair value of these shares are taken into account when determining the amount of profit or loss on the disposal of the subsidiary. In addition, the Company accounts for all amounts previously recognized in other comprehensive income in relation to the associate in the same way as it would account for if the relevant assets and liabilities were sold by that entity. Therefore, if the profit or loss previously recognized in other comprehensive income is transferred to the financial result at the time of disposal of the relevant assets and liabilities, the Company will reclassify this profit or loss from equity to the result (in the form of a reclassification adjustment) at the time of loss of significant influence on this associate.

If an entity belonging to the Company conducts transactions with a given associate, profits and losses resulting from these transactions are recognized in the financial statements of the Company only in relation to shares in this entity not related to the Company.

3.4. Interests in joint ventures

Not applicable.

3.5. Non-current assets held for sale

Not applicable.

3.6. Revenue recognition

3.6.1 Grants

Subsidies are recognized in accordance with IAS 20. Subsidies are not recognized until there is reasonable certainty that the Company will meet the necessary conditions and will receive such subsidies, government subsidies are recognized at their fair value as deferred income.

Government subsidies for a given cost item are recognized as revenue from subsidies systematically, for each period in which the Company recognizes expenses as costs, the compensation of which is to be a subsidy.

If the subsidy relates to an asset, then its fair value is recognized as deferred income, and then gradually, through equal annual write-offs, recognized in the income from the subsidy over the estimated useful life of the related asset.

Two types of subsidy are awarded: research subsidies and infrastructure subsidies.
In research grants, eligible costs may be the remuneration of employees related to co-financed projects, external services, depreciation of equipment, etc. Revenue from subsidies is calculated in proportion to the eligible costs incurred, the co-financing ratio in accordance with the signed grant agreement.If, under the subsidy, the Company is entitled to a bonus, e.g. due to publication of the results of work, the Management Board of the Company each time assesses whether there is reasonable certainty that the conditions for obtaining the bonus are met, and if there is such justified certainty, it recognizes the revenue from the subsidy, taking into account the Company's right.
The purchase of fixed assets is co-financed in infrastructural subsidies. Revenue from subsidies is calculated in proportion to the depreciation costs, co-financing rate in accordance with the signed subsidy agreement. Accrued income from subsidies is refereed to other receivables (receivables from subsidies). Cash that flows into the bank account is referred to deferred income.

3.6.2 Sales of goods and services

Revenues, except for subsidies, are recognized in accordance with IFRS 15, the Company recognizes revenue in a manner that presents the transaction of transferring to the customer promised goods or services, in the amount reflecting the value of remuneration that the Company expects in exchange for these goods or services. In view of the above, it is crucial to correctly determine the moment and amount of revenue recognized by the Company.

The standard introduced the following unified 5-stage revenue recognition model:
- Stage 1: Identification of the contract with the client,
- Stage 2: Identification of the performance obligations contained in the contract,
- Stage 3: Determining the transaction price,
- Stage 4: Allocation of the transaction price to the performance obligations contained in the contract,
- Stage 5: Income recognition when the performance obligation is met (or being met).

Pursuant to IFRS 15, the Company recognizes revenue when the performance obligation is met (or being met), i.e. when the control over the goods or services that are the subject of the obligation is transferred to the customer. Revenues are recognized as amounts equal to the transaction price that has been assigned to the given performance obligation.
The Company transfers control over a good or service over time and thus meets the obligation to provide a service and recognizes revenue over time if one of the following conditions is met:
- the customer simultaneously receives and receives benefits from the service as it is performed,
- an asset is created or improved as a result of the performance of the service, and the control over that asset - as the customer creates or improves it,
- as a result of the performance of the service, no alternative component is created for the Company, and the Company has an enforceable right to pay for the service performed so far.
The Company uses two methods to measure the degree of total fulfillment of the obligation to perform the performance met over time, including:
a) a results-based method, i.e. it recognizes revenues on the basis of a direct measurement of the value for the client of goods and services that have so far been transferred to the client, in relation to the other goods or services promised in the contract, by assessing the results achieved and the stages
b) an input-based method, i.e. it recognizes revenue based on the stage of completion of the work in proportion to the share of costs incurred in the total contract costs.

When it is probable that total contract costs exceed total contract revenue, the expected loss is recognized immediately in costs and accounted for in accordance with IAS 37.

The amounts received before carrying out the works to which they relate are recognized in the statement of financial position in liabilities as liabilities under contracts. The amounts invoiced for completed works, but not yet paid by customers, are recognized in the statement of financial position in trade receivables and in net profit.

The Company receives part of the remuneration in advance when signing the contract due to the signed contracts for the sale of R&D projects, and is also authorized to receive further payments in the event of successful development and commercialization of a potential drug that will be created based on the results of cooperation. In addition, the Company is guaranteed royalties on the sale of products developed as a result of cooperation.

3.7 Interest and dividend income

Dividend income is recognized at the record date (provided that it is probable that the Company will derive economic benefits and the income may be measured reliably).

Interest income is prorated with respect to the outstanding principal using the effective interest method, which is the rate used for discounting future cash flows over the useful life of a financial asset to its carrying amount on initial recognition.

3.8 Leases

The Company as a lessee

Assets due to the right of use

The Company recognizes assets due to the right to use on the lease commencement date (ie the date when the underlying asset is available for use). Assets under the right to use are valued at cost, less total depreciation and impairment losses, adjusted for any revaluation of lease liabilities. The cost of assets due to the right to use includes the amount of lease liabilities recognized, initial direct costs incurred and any lease payments paid on or before the start date, less any leasing incentives received. Unless the Company has sufficient assurance that it will obtain ownership of the subject of the lease at the end of the lease period, the recognized rights under usufruct rights are amortized using the straight-line method over the shorter of the two periods: estimated useful life or lease period. Assets under the right to use are subject to impairment.

Lease liabilities

At the start of the lease, the Company measures the lease liabilities in the amount of the current value of the lease payments remaining on that date. Leasing fees include fixed fees (including essentially fixed leasing fees) less any leasing incentives due, variable fees that depend on the index or rate, and amounts expected to be paid under the guaranteed final value. Lease payments also include the price of the call option if it can be assumed with sufficient certainty that the Company will exercise it and payment of fines for termination of the lease, if the lease conditions provide for the possibility of the lease being terminated by the Company. Variable lease payments that do not depend on an index or rate are recognized as costs in the period in which the event or condition giving rise to the payment occurs.

When calculating the current value of lease payments, the Company uses the lessee's marginal interest rate on the day the lease starts, if the leasing interest rate cannot be easily determined. After the start date, the amount of the lease liability is increased to reflect interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if the lease period changes, the lease payments change substantially or the judgment regarding the purchase of underlying assets changes.

Short-term leasing and leasing of low-value assets

The Company applies the exemption from recognizing short-term leases to its short-term lease contracts (i.e. contracts whose lease period is 12 months or less from the commencement date and does not include a call option). The Company also applies an exemption regarding the recognition of leases of low-value assets in relation to low-value leases i.e. up to USD 5 thousand. Leasing fees for short-term leasing and leasing of low-value assets are recognized as costs using the straight-line method over the duration of the lease.

Significant judgments and estimates when determining the lease term of contracts with extension options

The Company determines the lease term as an irrevocable lease period, including periods covered by the option to extend the lease, if it can be assumed with sufficient certainty that the option will be exercised, and periods covered by the option to terminate the lease, if it can be assumed with sufficient certainty that the option will not be exercised.

The Company has the option, under some lease contracts, to extend the duration of the asset lease. The Company applies a judgment when assessing whether there is sufficient certainty about using the extension option. This means that it takes into account all relevant facts and circumstances that constitute an economic incentive to extend it or an economic penalty for not extending it. After the commencement date, the Company reassess the lease period if there is a significant event or change in circumstances under its control and affects its ability to exercise (or not exercise) the extension option (e.g. change of business strategy).

3.9 Foreign currencies

Transactions in currencies other than the functional currency (foreign currency transactions) are presented at the exchange rate ruling at the transaction date. As at the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling as at that date. Non-monetary items measured at fair value and denominated in foreign currencies are measured at the exchange rate effective as at the date of fair value measurement. Non-monetary items are measured at historical cost.

Exchange differences on monetary items are recognized in profit or loss for the period when they occur, except exchange differences on assets under construction intended to be used for manufacturing purposes in the future, which increase the cost of such assets and are treated as adjustment to interest expense related to foreign currency loans.

	Balance as at 31/03/2020	**Balance as at 31/12/2019**	**Balance as at 31/03/2019**	**Balance as at 01/01/2019**
EUR / PLN	4,5523	4,2585	4,3013	4,3000
USD / PLN	4,1466	3,7977	3,8365	3,7597
GBP / PLN	5,1052	4,9971	4,9960	4,7895
CHF / PLN	4,3001	3,9213	3,8513	3,8166
JPY / PLN	0,0382	0,0350	0,0346	0,0341
SEK / PLN	0,4114	0,4073	0,4130	0,4201

3.10 Borrowing costs

Borrowing costs directly related to the acquisition or production of assets that require a longer time to bring them to use are included in the costs of producing such assets until they are generally ready for their intended use or sale. In the reporting period, the issue did not occur.

Revenue from investments obtained as a result of short-term investment of acquired external funds allocated directly to finance the purchase or production of assets reduce the value of borrowing costs subject to capitalization. In the reporting period, the issue did not occur.

All other borrowing costs are charged directly to the result in the period in which they were incurred.

3.11 Costs of employee benefits and contract termination

Provisions for employee benefits, i.e. retirement benefits, are estimated at the end of each reporting period using simplified methods similar to actuarial ones.

3.12 Taxes

The entity's income taxes comprise current and deferred tax.

3.12.1 Current tax

The current tax liability is measured on the basis of the taxable profit or loss (tax base) for the reporting period. The taxable profit (loss) differs from the accounting profit (loss) due to elimination of revenue that is temporarily not taxable and temporarily non-deductible expenses as well as expenses and revenue which will never be subject to tax. The tax charge is determined using the tax rates effective in the financial year.

3.12.2 Deferred tax

Deferred tax is recognized with respect to temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used for purposes of calculation of taxable profit, as well as unused tax losses and unused tax credits. As a rule, the deferred tax liability is recognized for all temporary taxable differences. A deferred tax asset is recognized with respect to all temporary deductible differences insofar as it is probable that the entity will generate taxable profit against which such differences may be offset. Such deferred tax asset and liability is not recognized if the temporary differences arise from goodwill or from initial recognition (except business combinations) of other assets and liabilities in a transaction which does not affect the tax or accounting profit.

The value of the deferred tax asset is reviewed at the end of each reporting period and if the expected future taxable profit is insufficient to realize the asset or its part, an impairment loss is recognized as appropriate.

Deferred tax is calculated using tax rates that will apply when the asset is realized or the liability becomes due. The valuation of deferred tax reserves and deferred tax assets reflects the tax consequences that will occur in line with the manner of implementation or settlement of balance sheet assets and liabilities as forecast by the Company. A significant part of the recognized deferred tax asset is expected to be realized over the next 12 months (as it relates to short-term provisions).

In the area of income tax, the Company is subject to general provisions in this area, these are basically the Polish provisions of the CIT Act and associated provisions. The company is not a tax capital Company. The tax and balance sheet years coincide with the calendar year.

The company recognizes a deferred tax asset that is used to carry over unused tax losses to the extent that it is probable that future taxable income will be available against which unused tax losses can be deducted. In assessing whether it is likely that the future taxable income available will be sufficient, the Company takes into account the nature, origin and timing of such income and ensures that convincing evidence is collected. The company assesses the realizability of the deferred tax asset as at each balance sheet date. This assessment requires the involvement of professional judgment and estimates, including regarding future tax results. An unrecognized deferred tax asset is subject to reassessment at each balance sheet date and is recognized up to the amount that reflects the probability of achieving taxable income in the future that will allow recovery of that asset.

Uncertainty associated with the recognition of income tax

Pursuant to IFRIC 23, if in the Company's opinion it is likely that the Company's approach to a tax issue or Company of tax issues will be accepted by the tax authority, the Company determines taxable income (tax loss), tax base, unused tax losses, unused tax credits and rates tax including the approach to taxation planned or used in your tax return. Assessing this probability, the Company assumes that the tax authorities authorized to inspect and challenge the tax treatment will carry out such an inspection and will have access to all information. If the Company determines that it is not probable that the tax authority will accept the Company's approach to a tax issue or Company of tax issues, then the Company reflects the effects of uncertainty in accounting terms of tax in the period in which it determined it. Therefore, the company recognizes an income tax liability using one of the following two methods, depending on which of them better reflects the way in which uncertainty can materialize:
- The company determines the most likely scenario - this is a single amount among the possible outcomes or
- The company recognizes the expected value - it is the sum of probability weighted amounts among the possible results.

3.12.3 Current and deferred tax for the period

The current and deferred tax is recognized in profit or loss, except for items recognized in other comprehensive income or directly in equity. In such a case, the current and deferred tax is also charged to other comprehensive income or equity, respectively. If the current or deferred tax results from initial recognition of a business combination, the tax effect is taken into consideration in the subsequent entries related to that business combination.

3.13 Property, plant and equipment

Fixed assets are measured at cost or revalued amounts less depreciation and impairment losses.
Costs incurred after a fixed asset has been commissioned, such as costs of repairs, inspections or maintenance fees, are recognized in profit or loss for the period during which they were incurred. However, where it may be proven that the said costs resulted in an increase of the expected future economic benefits related to holding the asset above those assumed initially, they increase the initial value of the fixed asset. Where the payment for fixed assets purchased by the Company is made in a foreign currency, the initial value is not increased by exchange differences.

Fixed assets under construction are measured at total cost related directly to their acquisition or manufacturing, including financial expenses, less impairment losses. Fixed assets under construction include payments of patent fees related to research.

Fixed assets, except land and the right of perpetual usufruct of land, are depreciated on a straight-line basis over the period of their estimated useful life or the shorter of the useful life or the period of the right to use the assets, which is as follows:
- building, premises, civil and water engineering structures – 10 years;
- technical equipment and machines – 3-10 years;
- vehicles – 5 years;
- other fixed assets – 3-5 years.

Machines and equipment are recognized at cost less depreciation and accumulated impairment losses.

Depreciation is recognized so as to reduce the cost or the measurement of an asset (other than land and fixed assets under construction) to its residual value using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period (with prospective application of all changes in estimates).

An item of property, plant and equipment is derecognized from the balance sheet upon its disposal or when it is expected that no further economic benefits will flow to the entity in relation to its use. Any gains or losses resulting from disposal of an item of property, plant and equipment or its decommissioning are charged to profit or loss for the period when the item was derecognized (calculated as the difference between proceeds from sale and the carrying amount of the asset).

3.14 Intangible assets

3.14.1 Intangible assets

Intangible assets with fixed useful life, purchased by the Company, are recognized at cost less amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period and the effects of changes in the estimates are accounted for prospectively. Intangible assets with indefinite useful life, purchased by the Company, are recognized at cost less accumulated impairment losses.

3.14.2 Intangible assets developed internally – R&D cost

R&D cost is recognized in profit or loss when incurred.

Intangible assets developed as a result of R&D work are recognized in the statement of financial position only if the Company has:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- knowledge of how the intangible asset will generate future economic benefits;
- access to adequate technical and financial resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The initial value of internally developed intangible assets is the total of expenses incurred from the date at which the asset satisfied the above recognition criteria for the first time. If internal R&D cost cannot be recognized on the balance sheet, it is charged to profit or loss for the period in which it was incurred.

After initial recognition, an intangible asset developed internally is carried at cost less accumulated amortization and accumulated impairment losses, in line with the principles applicable to intangible assets purchased by the entity.

3.14.3 Derecognition of intangible assets

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from derecognition of an intangible asset from the balance sheet (determined as the difference between proceeds from sale and the carrying amount of the asset) are recognized in profit or loss for the period when the asset was derecognized.

3.15 Impairment of property, plant and equipment and intangible assets, except goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets in order to determine whether there are any indications of impairment. If such indications are identified, the recoverable amount of the asset is estimated in order to determine the value of the potential impairment loss. Where the recoverable amount of an asset may not be estimated, an analysis of the recoverable amount is performed for the cash generating unit which the asset has been allocated to. Where a reliable and consistent basis for allocation can be identified, the Company's non-current assets are allocated to individual cash generating units or to the smallest Companys of cash generating units for which a reliable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives or those which have not been commissioned yet are tested for impairment annually and additionally whenever indications of their impairment are identified.

The recoverable amount is determined as the higher of the fair value less costs to sell or the value in use. The value in use is the present value of the projected future cash flows discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash generating unit) is lower than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss of the period in which impairment was identified.

Where an impairment loss is subsequently reversed, the net value of the asset (or a cash generating unit) is increased to the revised estimate of the recoverable amount, which, however, may not exceed the carrying amount of the asset which would have been determined had an impairment loss of the asset/cash generating unit not been recognized in previous years. Reversal of an impairment loss is recognized immediately in profit or loss.

3.16 Inventories

Inventories are measured at the lower of cost or realizable value. The cost of inventories is determined using the FIFO method. The realizable value is the estimated sale price of inventories less any estimated costs necessary to complete the manufacturing process/provide a service or to complete the sale transaction.

Purchased materials are recognized directly in operating expenses and measured at the end of the reporting period in line with the aforementioned principles based on a physical inventory.

The Company's inventories are reagents and laboratory materials used in research.

3.17 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the amount required to fulfil the present obligation at the end of the reporting period, taking into account the risks and uncertainties related to the obligation. Where a provision is measured using the method of projected cash flows required to fulfil the present obligation, the carrying amount corresponds to the present value of such cash flows (if the effect of the time value of money is material).

When some or all of the economic benefits required to settle the provision are expected to be recovered from a third party, the amount due is recognized as an asset if it is almost certain that the amount will be recovered and it can be measured reliably.

3.17.1 Onerous contracts

Current liabilities under onerous contracts are recognized and measured as provisions. An onerous contract is a contract entered into by the Company, in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

3.17.2 Restructuring

A restructuring reserve is recognized only where the Company has developed a detailed and formal restructuring plan and announced its intention to implement the plan or achieve its key objectives to all the parties concerned. The restructuring reserve comprises only direct restructuring costs, that is such amounts as may be necessary to carry out the restructuring project, which are not related to the day-to-day running of the business.

3.18 Trade and other receivables and other receivables

Receivables from sales of goods and services are recognized and disclosed according to the initially invoiced amounts, taking into account the write-down for expected credit losses in the entire lifetime.
If the effect of the time value of money is material, the value of receivables is determined by discounting the projected future cash flows to the present value using a discount rate that reflects current market assessments of the time value of money. If the discounting method was used, the increase in receivables due to the passage of time is recognized as financial income.

Other receivables include, in particular, advance payments for future purchases of property, plant and equipment, intangible assets and inventories. Advances are presented in accordance with the nature of the assets to which they relate - as fixed or current assets, respectively. Advances as non-monetary assets are not discounted.
Budget receivables are presented as other non-financial assets, with the exception of corporate income tax receivables, which constitute a separate item on the balance sheet.

3.19 Cash and cash equivalents

Cash and short-term deposits shown in the balance sheet include cash at bank and in hand, cash at bank on split payment account and short-term deposits with the original maturity of up to three months.
The balance of cash and cash equivalents disclosed in the statement of cash flows consists of the above-mentioned cash and cash equivalents, less outstanding loans in current accounts.

3.20 Interest-bearing bank loans, loans and debt securities

At initial recognition, all bank loans, borrowings and debt securities are recognized at fair value, less costs associated with obtaining the loan.

After initial recognition, interest-bearing loans, borrowings and debt securities are measured at amortized cost using the effective interest method.

When determining the amortized cost, account is taken of the costs associated with obtaining the loan or borrowing as well as discounts or premiums obtained in connection with the liability.

Income and expenses are recognized in profit or loss when the liability is removed from the balance sheet, as well as as a result of settlement using the effective interest rate method.

3.21 Trade and other liabilities

Short-term trade liabilities are disclosed in the due amount.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities initially classified as at fair value through profit or loss. Financial liabilities are classified as held for trading if they were acquired for the purpose of sale in the near future. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are recognized as effective hedging instruments.

As at March 31, 2020, no financial liabilities have been classified as measured at fair value through profit or loss. Financial liabilities measured at fair value through profit or loss are measured at fair value, taking into account their market value as at the balance sheet date, excluding sales transaction costs. Changes in the fair value of these instruments are recognized in profit or loss as financial costs or revenues, except for changes due to own credit risk for financial liabilities initially classified as at fair value through profit or loss, which is recognized in other comprehensive income.

Other financial liabilities, which are not financial instruments at fair value through profit or loss, are measured at amortized cost using the effective interest method.

The Company excludes a financial liability from its balance sheet when the liability has expired - that is, when the obligation specified in the contract has been fulfilled, canceled or has expired.

Other non-financial liabilities include, in particular, liabilities to the Tax Office due to value added tax and liabilities due to advance payments received, which will be settled by the delivery of goods, services or fixed assets. Other non-financial liabilities are recognized at the amount requiring payment.

3.22 Financial instruments

3.22.1 Classification and initial recognition of financial instruments

The Company assigns financial instruments in accordance with the IFRS 9 to one of three categories:
• measured on the basis of the amortized cost,
• measured at fair value through other total income,
• measured at fair value through profit or loss.
The classification depends on the business model used by an entity with respect to financial asset management and on whether cash flows arising from the contracts include solely the payments of principal and interest ('SPPI').
• If a financial instrument is maintained in order to generate cash flow, it is classified as measured based on the amortised cost, provided that it meets the SPPI requirement.
• Debt instruments meeting the SPPI requirement, maintained both in order to generate contractual cash flows arising from assets and to sell assets, are classified as measured at fair value through other total income.
• All other debt instruments are measured at fair value, where the results of measurement are recognised in the financial result.
Financial liabilities and financial assets, excluding trade receivables which do not contain a significant financing component, are measured at fair value during the initial recognition.
Trade receivables that do not contain a significant financing component are measured at the transaction value during the initial recognition.

Cessation of recognition
Financial assets are excluded from the books of accounts when:
• the rights to obtain cash flows from financial assets have expired, or
• the rights to obtain cash flows from financial assets have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Valuation after initial recognition
For the purpose of valuation after initial recognition, financial assets are classified into one of four categories:
• debt instruments measured at amortized cost,
• debt instruments measured at fair value through other comprehensive income,
• equity instruments measured at fair value through other comprehensive income,
• financial assets at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:
(a) the financial asset is held in accordance with a business model whose purpose is to hold financial assets for obtaining contractual cash flows, and
(b) the terms of the contract relating to the financial asset give rise to cash flows on certain dates that are only repayment of principal and interest on the principal amount outstanding.
The Company classifies into the category of financial assets measured at amortized cost:
• trade receivables,
• loans granted that meet the SPPI classification test and which, according to the business model, are shown as held to obtain cash flows,
• cash and cash equivalents.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:
(a) the financial asset is held in accordance with a business model whose purpose is both to receive contractual cash flows and to sell financial assets; and
(b) the terms of the contract relating to the financial asset give rise to cash flows on certain dates that are only repayment of principal and interest on the principal amount outstanding.
Interest income, exchange rate differences and impairment gains and losses are recognized in profit or loss and calculated in the same way as for financial assets measured at amortized cost. Other changes in fair value are recognized in other comprehensive income. When the financial asset is discontinued, the total profit or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.
Interest income is calculated using the effective interest method and is recognized in the statement of comprehensive income under 'Interest income'.
The Company classifies listed debt instruments to the category of debt instruments valued at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income

At the time of initial recognition, the Company may make an irrevocable choice regarding the recognition in subsequent comprehensive income of subsequent changes in the fair value of an investment in an equity instrument that is not held for trading or is not a conditional consideration recognized by the acquirer in a business combination to which IFRS 3 applies. Such selection is made separately for each equity instrument. Accumulated gains or losses previously recognized in other comprehensive income are not reclassified to profit or loss. Dividends are recognized in the statement of comprehensive income when the entity's entitlement to receive dividends arises, unless those dividends are obviously recovering part of the investment costs.
The Company classifies unlisted equity instruments as equity instruments measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.
The Company classifies listed equity instruments as financial assets at fair value through profit or loss.
Profit or loss on the measurement of these assets at fair value is recognized in profit or loss.
Dividends are recognized in the statement of comprehensive income when the entity's entitlement to receive dividends arises.
As at December 31, 2019, no financial assets have been classified as measured at fair value through profit or loss.

Trade and other liabilities

Short-term liabilities due to deliveries and services are shown in the amount requiring payment.
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities initially classified as at fair value through profit or loss. Financial liabilities are classified as held for trading if they were acquired for the purpose of sale in the near future. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are recognized as effective hedging instruments.

Financial liabilities measured at fair value through profit or loss are measured at fair value, taking into account their market value as at the balance sheet date, excluding sales transaction costs. Changes in the fair value of these instruments are recognized in profit or loss as financial costs or revenues, except for changes due to own credit risk for financial liabilities initially classified as at fair value through profit or loss, which is recognized in other comprehensive income.
Other financial liabilities that are not financial instruments at fair value through profit or loss are measured at amortized cost using the effective interest method.
The company excludes from its balance sheet a financial liability when the liability has expired - that is, when the obligation specified in the contract has been fulfilled, canceled or has expired.
Other non-financial liabilities include, in particular, liabilities to the tax office due to value added tax and liabilities due to advance payments received, which will be settled by the delivery of goods, services or fixed assets. Other non-financial liabilities are recognized at the amount requiring payment.

3.22.2 Impairment of financial instruments

At the end of each fiscal year, the Company carries out the analysis of financial instruments in order to determine their impairment and prepare an impairment loss.
To this end, the Company applies the impairment model based on expected credit losses, as a result of which the impairment loss is recognised before the occurrence of credit loss. This model requires taking into account both the current conditions as well as reasonable and documented information concerning the future, available without excessive costs and efforts, in the process of calculating the expected credit loss.
Two approaches are used for the estimation of financial instrument impairment losses:
• General approach – applied to financial assets measured at fair value through other total income and to financial assets measured at the amortised cost, excluding trade receivables.
• Simplified approach – applied to trade receivables and contract assets that do not include a significant financing element. The Company calculates the expected credit loss in the entire life cycle for this category of assets with the use of a provision matrix. The calculation is based on the historic loss rate calculated on the basis of data on the payment of trade receivables in the period of 4 years corrected, in use, for future information. The rate calculated this way is referred to balances of unpaid trade receivables recognised as at the balance sheet date, within ranges defined in the ageing analysis.

3.22.4 Hedge accounting

The Company companies do not use hedge accounting.

4. Significant accounting judgements and estimates

When applying the accounting policies adopted by the Company, the Management Board is obliged to make estimates, judgments and assumptions regarding measurement of individual assets and liabilities. Estimates and the related assumptions are based on past experience and other factors which are considered to be material. The actual figures may be different from the adopted estimates.
The estimates and the underlying assumptions are subject to ongoing review. Changes in estimates are recognized in the period of review if they apply to that period only, or in the current and future periods if the changes apply equally to such periods.

4.1 Professional judgment in accounting

The key judgments other than those related to estimates (see Note 4.2) made by the Management Board in the process of application of the entity's accounting policies, having the most significant effect on the amounts recognized in the financial statements, are presented below.

Recognition of grants

In connection with the subsidies received, the Company is obliged to fulfill the conditions arising from the subsidy agreements signed (including result and product indicators). In the opinion of the Parent's 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.

Leasing - the Company as a lessee

Leasing judgments, where the Company is a lessee, in areas such as whether the contract contains leases, contracts for an indefinite period, using the option to extend or shorten the lease period are presented in Note 3.8.

The Company applied the following judgments and estimates:

Lease period for contracts with extension options
The Company determines the lease term as an irrevocable lease period, including periods covered by the option to extend the lease, if it can be assumed with sufficient certainty that the option will be exercised, and periods covered by the option to terminate the lease, if it can be assumed with sufficient certainty that the option will not be exercised.
The Company has the option, under some lease contracts, to extend the duration of the asset lease. The Company applies a judgment when assessing whether there is sufficient certainty about using the extension option. This means that it takes into account all relevant facts and circumstances that constitute an economic incentive to extend it or an economic penalty for not extending it. After the commencement date, the Company reassess the lease period if there is a significant event or change in circumstances under its control and affects its ability to exercise (or not exercise) the extension option (e.g. change of business strategy).
The Company has included the extension period as part of the leasing period for the leasing of business premises and parking spaces due to the importance of these assets for operations.

Lease period for contracts of unlimited duration
The Company has lease contracts concluded for an indefinite period and contracts that have evolved into indefinite contracts in the situations provided for in the Civil Code, in which both parties have the option to terminate. When determining the leasing period, the Company determines the period of contract enforceability. Leasing ceases to be enforceable when both the lessee and the lessor have the right to terminate the contract without having to obtain permission from the other party without incurring more than insignificant penalties. The Company assesses the significance of broadly understood penalties, i.e. apart from strictly contractual or financial matters, it takes into account all other significant economic factors discouraging the termination of the contract (e.g. significant investments in leasing, availability of alternative solutions, relocation costs). If neither the Company as the lessee nor the lessor incurs a significant penalty for termination (broadly understood), leasing ceases to be enforceable and its period constitutes the notice period. However, in a situation where either party - in accordance with professional judgment - incurs a significant penalty for termination (broadly understood), the Company determines the leasing period as sufficiently reliable (i.e. the period for which it can be assumed with sufficient certainty that the contract will last).

Lessee's marginal interest rate
The Company is not able to easily determine the interest rate for leasing contracts, which is why it uses the lessee's marginal interest rate when measuring the leasing liability. This is the interest rate that the Company would have to pay to borrow for a similar period, in the same currency and with similar collateral, the funds necessary to purchase an asset with a similar value as the asset due to the right to use in a similar economic environment.

4.2 Uncertainty of estimates

Presented below are the main assumptions concerning the future and other uncertainties as at the end of the reporting period, which pose a considerable risk of material adjustments to the carrying amounts of assets and liabilities in the following financial year.

4.2.1 Provisions for bonuses

Provisions for bonuses are presented in Note 31. Provisions for bonuses are estimated in line with an algorithm based on a margin achieved and realized on individual projects or project Companys. The Management Board estimates the value of bonuses to be paid on the basis of the results of the aforesaid calculations. The Management Board considers numerous factors, such as the current and anticipated economic and financial position of the Company. Bonuses are discretionary.

4.2.2 Useful lives of property, plant and equipment

As described in Note 3.13, the Company reviews the estimated useful lives of items of property, plant and equipment at the end of each annual reporting period. In the current financial year, the Management Board did not identify the necessity to reduce the value in use of any assets.

4.2.3 Accounting for long-term contracts using the estimated stage-of-completion method

As described in Note 3.6, the Company determines the stage of completion of contracts with clients by determining the proportion of the project costs incurred so far to the total estimated project costs. Due to the nature of the projects being carried out, as well as the possibility of the occurrence of previously unforeseen difficulties associated with the implementation of the project, it may turn out that the actual total costs of project implementation will differ from the estimates made. A change in the estimated total costs of project implementation may cause that the project progress level as at the balance sheet date, and thus the recognized revenue, should be set at a different value. Project costs are updated on an ongoing basis by the Project Manager, which reduces the risk of large deviations of actual costs from the forecast.

4.2.4 Deferred tax asset

The Company recognizes a deferred tax asset based on the assumption that a tax profit will be available in the future to allow its use. Deterioration of tax results in the future could cause that this assumption would become unjustified.
The Company carefully assesses the nature and extent of evidence justifying the conclusion that it is probable that future taxable income will be sufficient to deduct the unused tax losses, unused tax credits or other negative temporary differences.
When assessing whether it is probable that future taxable profit will be achieved (probability above 50%), the Company shall take into account all available evidence, both confirming the existence of probability and evidence of its absence.
Based on the forecasts for the following years, the Management Board of the Company makes a decision on calculating the deferred tax asset.

4.2.5 Tax settlements

Regulations regarding value added tax, corporate income tax and social security charges are subject to frequent changes. These frequent changes result in a lack of well-established benchmarks, inconsistent interpretations, and few precedents established that could apply. There are no explicit interventions clearly defining tax regulations and relations between both state authorities as well as state authorities and enterprises.

Tax settlements and other areas of activity may be subject to control by authorities that are entitled to impose penalties and fines, and any additional tax obligations resulting from the control must be paid together with interest. These conditions cause increased tax risk.

Consequently, the amounts presented and disclosed in the financial statements may change in the future as a result of the final decision of the tax inspection authority.

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 in conflict with the subject and purpose of the provisions of the Tax Act. 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 or economic justification, (iii) elements that mutually abolish or 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 will 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 will enable Polish tax inspection authorities to question the legal arrangements and agreements implemented by taxpayers, such as the restructuring and reorganization of the Company.

The Company recognizes and measures current or deferred tax assets or liabilities using the requirements of IAS 12 Income tax based on profit (tax loss), tax base, unused tax losses, unused tax credits and tax rates, taking into account the uncertainty associated with settlements tax.

If, in the opinion of the Company, it is likely that the Company's approach to the tax issue or Company of tax issues will be accepted by the tax authority, the Company determines taxable income (tax loss), tax base, unused tax losses, unused tax credits and tax rates taking into account the approach to taxation planned or applied in your tax return. Assessing this probability, the Company assumes that the tax authorities authorized to audit and challenge the tax treatment will carry out such control and will have access to all information.

If the Company determines that it is not probable that the tax authority will accept the Company's approach to the tax issue or Company of tax issues, then the Company reflects the effects of uncertainty in accounting terms of tax during the period in which it determined it. The Company recognizes an income tax liability using one of the following two methods, depending on which of them better reflects the way in which uncertainty can materialize:

· The Company determines the most likely scenario - this is a single amount among the possible outcomes or
· The Company recognizes the expected value - it is the sum of probability weighted amounts among the possible results.

4.2.6 Fair value of financial instruments

The fair value of financial instruments for which there is no active market is determined using appropriate valuation techniques. When selecting the appropriate methods and assumptions, the Company is guided by professional judgment. The method of determining the fair value of individual financial instruments is presented in Note 18.

4.2.7 Depreciation rates

The amount of depreciation rates is determined on the basis of the anticipated period of economic usability of tangible fixed assets and intangible assets. Every year, the Company verifies the adopted periods of economic usability based on current estimates.

4.2.8 Impairment of trade receivables and contract assets

The company uses reserve matrices to value the write-down for expected credit losses in relation to trade receivables and assets under the contract. In order to determine the expected loan losses, trade receivables and contract assets were Companyed based on the similarity of the credit risk characteristics. The company uses its historical data on credit losses, adjusted, where appropriate, by the impact of future information. An increase or decrease in the adjustment regarding the impact of future factors used to estimate the expected loan losses by 10% would result in an increase or decrease in write-offs for credit losses by PLN 106, respectively.

4.2.9 Revenue recognition

Judgments made by the Company that significantly affect the determination of the amount and timing of obtaining revenues from contracts with clients are presented in Note 3.6.

5. Sales revenue

5.1. Revenues

The sales revenues obtained by the Company can be divided into 3 types:

1. Agreements based on the fixed price model.

In the "fixed price" model under the concluded contract, the Company provides specific services for a specific amount of remuneration. In such cases, invoicing usually takes place in the following pattern: a certain percentage of the advance (the so-called upfront payment) and the remainder at the time of the contract.
In accordance with the Company's policy, some of this type of contracts were measured in accordance with the cost-advanced method as long-term contracts. These types of contracts is considered individually in the context of the moment of fulfilling the obligation to perform the service and thus the impact on the moment of recognition of revenues.

2. Agreements based on the FTE (Full-Time Equivalent) model

Under the contract, the Company provides appropriately qualified employees. Revenue is defined as the working time of employees of the Company measured at the rate from the contract. Invoices in accordance with the contract are issued at the end of the set settlement period (usually monthly). The Company's obligation to perform the service is therefore met at the time the employees render the service.

3. Sale of R&D projects

The company concludes research and development cooperation agreements. The subject of cooperation is the discovery and development of innovative small molecule compounds with potential therapeutic use in inflammatory diseases. The cooperation agreement specifies the division and scope of responsibility between the Company and the partner. At the time of signing the contract, the Company receives payment in advance, which is a remuneration for access to the existing test results. Other revenues depend on the achievement of specific scientific and clinical research progress, the success of the registration process, the so-called 'milestones', and the level of revenue from the sale of a potential drug achieved by the partner. The Company receives contractual remuneration for the defined 'milestone' achieved. In addition, the Company is guaranteed royalties on the sale of products developed as a result of cooperation.

The company carries out recent contracts within the portfolio of orders based on the fixed price and FTE models. In the case of sale of R&D projects, for partnering projects, the Company does not have sufficient information and does not affect the pace of work carried out by the project partner to be able to determine precisely when the conditions resulting in payments to the Company will be fulfilled as part of agreed, defined 'milestone steps' .

The breakdown of the Company's sales revenues for continuing operations is as follows:

	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
	PLN	**PLN**	**PLN**
Contract research - fixed priced agreements	11 437	-	360 205
Lease of employees - FTE agreements	238 860	1 063 316	3 438 126
Sale of R&D projects	7 523 950	-	-
Operating income	**7 774 247**	**1 063 316**	**3 798 331**

The above analysis does not reflect the Company's operating segments, which are described in note 6.

5.2. Revenues from subsidies

	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
Infrastructure subsidies	431 815	500 464	2 125 927
Grants for research	5 309 245	7 046 289	27 796 009
	5 741 060	**7 546 753**	**29 921 936**

In the reporting period, the Company signed some orders to be implemented in the form of contracts settled over time.

5.3. Contract assets and liabilities

The scope of changes of contract assets	Balance as at 31/03/2020	Balance as at 31/12/2019	Balance as at 01/01/2019
	PLN	PLN	PLN
Contracts at the beginning of the reporting period	360 205	596 421	235 994
Revenue accrued in proportion to the costs incurred	619 403	607 966	1 965 074
Invoiced revenues	(607 966)	(844 182)	(1 604 647)
	371 642	**360 205**	**596 421**

The scope of changes of contract liabilities	Balance as at 31/03/2020	Balance as at 31/12/2019	Balance as at 01/01/2019
	PLN	PLN	PLN
Contracts at the beginning of the reporting period	-	759 510	206 180
Revenue accrued in proportion to the costs incurred	-	(759 510)	(770 874)
Invoiced revenues	-	-	1 324 204
	-	**-**	**759 510**

5.4 Geographical information

The Company operates in two major geographical regions – in Poland, where its registered office is located, and in Europe.

Company's revenue from external customers by operational area:

	Revenue from external customers		
	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
	PLN	PLN	PLN
Poland	1 694	-	1 300
EU members	7 761 116	1 063 316	3 780 252
Other countries	11 437	-	16 779
Total	**7 774 247**	**1 063 316**	**3 798 331**

5.5. Operating expenses

5.5.1 Amortization and impairment	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
	PLN	PLN	PLN
Amortization of tangible asstes	1 510 219	620 105	4 273 702
Amortization of equipment in leases	453 985	436 102	1 718 169
Amortization of other assets in rents	412 119	605 846	1 779 067
Amortization of intangible assets	53 224	13 736	217 697
Total amortization expense	**2 429 547**	**1 675 789**	**7 988 635**

5.5.2. Employee benefit expense	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
	PLN	PLN	PLN
Salaries and wages	6 080 817	5 600 943	24 508 790
Social security charges	878 014	852 138	3 371 672
Medical and other benefits	119 850	53 090	329 461
Trainings	63 357	6 008	160 980
Workwear	19 818	4 504	29 167
Employee benefit expense	**7 161 856**	**6 516 683**	**28 400 070**

5.5.3 External services	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
	PLN	PLN	PLN
B2C Services*	199 341	1 885 586	10 805 972
Administrative services	1 410 000	-	1 410 000
IT services, databases	357 803	287 746	1 039 019
Research Services	4 781 206	3 525 727	13 330 496
Transportation services	68 315	100 248	512 049
Total external services	**6 816 665**	**5 799 307**	**27 097 536**

* B2C costs include costs of outsourcing human resources and costs of subcontractors used in research projects in the amount of PLN 96 thousand. PLN in the first quarter of 2020, 23,000 PLN in the first quarter of 2019 and 85,000 PLN in the whole year 2019.

6. Operating segments

The Management Board monitors separately segment operating results to take appropriate decisions concerning resources allocation, to assess results of resource allocation and segment performance results. The basis for the assessment is segment operating profit or loss. Company financing (including finance costs and finance income) and deferred tax are monitored at the level of the Company and are not allocated to individual segments.

6.1 Products and services representing a source of revenue of the reporting segments

Currently, the only operating segment is Innovation (continuing operations). The company conducts research and development works in which it focuses on developing innovative, small-molecule pharmacological compounds that are intended for commercialization at a later stage of the development of new drugs.

Before the split, the Company also had a Services segment in which it provided services through two main departments: Contract Chemistry Department and Contract Biology Department. Upon the completion of the division process, the Company ceased operations in this segment.

6.2 Segment revenue and profit or loss

Analysis of the Company's reporting segment revenue and profit or loss:

a) Continued operations

	Revenue			Operating profit		
	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Segment 1 - Innovations, including	**13 613 208**	**8 721 991**	**34 138 733**	**(4 967 456)**	**(9 695 579)**	**(45 385 247)**
revenue from external customers	7 774 247	1 063 316	3 798 331			
grant income	5 741 060	7 546 753	29 921 936			
other operating income	97 901	111 922	418 466			
Total from continued operations	**13 613 208**	**8 721 991**	**34 138 733**	**(4 967 456)**	**(9 695 579)**	**(45 385 247)**

	Expenses		
	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Segment 1 - Innovations, including	**18 580 664**	**18 417 570**	**79 523 980**
amortization and depreciation	2 429 547	1 675 789	7 988 635

The accounting principles applied to the operating segments are the same as the Company's accounting policies presented in Note 3. Segment profit is profit generated by individual segments after the allocation of the costs of central administration and the remuneration of the management as well as the selling costs. This result does not include other profits and losses as well as revenues and financial costs. This information is provided to persons deciding about the allocation of resources and assessing the financial results of the segment.

6.3 Segment assets and liabilities

a) Continued operations

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Segments assets			
Segment 1			
Innovations	178 263 172	187 905 025	195 904 066
Total segment assets	**178 263 172**	**187 905 025**	**195 904 066**
Segment liabilities			
Segment 1			
Innovations	61 990 173	67 324 849	51 972 775
Total segment liabilities	**61 990 173**	**67 324 849**	**51 972 775**

b) Discontinued operations

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Segments assets			
Segment 2			
Services	-	-	39 865 731
Total segment assets	**-**	**-**	**39 865 731**
Segment liabilities			
Segment 2			
Services	-	-	13 461 047
Total segment liabilities	**-**	**-**	**13 461 047**

For purposes of monitoring segment performance and allocating resources:

- reporting segments include: goodwill, unfinished development, shares in associates, long-term receivables, cash and cash equivalents, property, plant and equipment, inventories, trade receivables, subsidies, assets under long-term contracts , deferred tax asset,

* unallocated assets include: unallocated tangible assets, other intangible assets, public-law and employee receivables, other assets.

- reporting segments include trade payables, trade payables, provisions for liabilities, deferred income, financial liabilities

6.4 Other segment information

	Depreciation and amortization			Fixed assets additions		
	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Segment 1 *Innovations*	2 429 547	1 675 789	7 988 635	6 158 526	5 963 790	37 612 646
Total from continued operations	**2 429 547**	**1 675 789**	**7 988 635**	**6 158 526**	**5 963 790**	**37 612 646**

6.5 Major customers

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Segment 1 - Innovations			
Customer A	7 760 571	379 542	1 295 150
Customer B	-	666 035	1 998 849

Customers A,B are customers for which the sales revenue exceeds 10% of segment sales revenue.

7. Finance income

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Financial revenue due to financial instruments	**434 620**	**443 541**	**906 591**
Interest received	101 831	340 723	906 591
Gains on currency differences	332 789	102 818	-
Total finance income	**434 620**	**443 541**	**906 591**

8. Finance cost

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Finance cost due to financial instruments	**170 457**	**131 185**	**513 286**
Interest	60 807	31 430	352 483
Losses on currency differences	109 650	99 755	160 803
Other finance cost	**31 071**	**13 125**	**45 832**
Interest on leases	31 071	13 125	45 832
Total finance cost	**201 528**	**144 310**	**559 118**

9. Other operating income and expenses

9.1 Other operating income

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Gain on disposal of property, plant and equipment	**-**	**-**	**-**
Other operating income:	**97 901**	**111 922**	**418 466**
Written off liabilities	-	101 164	101 164
Other – sales of services to employees (benefits)	97 901	10 758	317 302
Total other operating income	**97 901**	**111 922**	**418 466**

9.2 Other operating expenses

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Loss on disposal of property, plant and equipment	**-**	**-**	**-**
Revaluation of non-financial assets	**-**	**-**	**-**
Other operating expenses:	**400**	**35 412**	**82 140**
Cost refund to employees – prescription glasses	400	1 000	3 200
Donations	-	33 500	74 034
Other	-	912	4 906
Total other operating expenses	**400**	**35 412**	**82 140**

10. Income taxes on continuing operations

10.1 Income taxes presented in the statement of comprehensive income

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Current income tax:	-	-	-
Deferred income tax	(86 678)	4 349	(160 890)
Tax charge presented in the statement of comprehensive income	**(86 678)**	**4 349**	**(160 890)**

10.2 Reconciliation of the tax profit to the accounting profit

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Recorded revenue and profit	**14 561 693**	**9 165 532**	**35 973 704**
Revenue and profits of spin-off operations	**-**	**13 215 985**	**50 612 894**
Non-taxable and tax-exempt income, including:	**7 004 543**	**8 972 319**	**34 354 326**
Exchange differences	810 422	394 398	1 330 524
Long-term contracts	(50 889)	621 590	1 774 401
Grant income	5 731 145	7 956 331	31 187 013
Other - valuation of shares in Nodthera	513 865	-	928 380
SEZ revenue	-	-	(865 992)
Tax revenues, other than accounting revenues:	**-**	**-**	**-**
Long-term contracts	-	-	-
Total taxable income (1-2+3)	**7 557 150**	**13 409 198**	**52 232 272**
Recorded expenses and losses	**18 782 192**	**18 561 880**	**80 083 098**
Expenses and losses of spin-off operations	**-**	**13 445 158**	**41 680 052**
Expenses and losses classified permanently as non-deductible:	**5 813 240**	**8 204 363**	**30 228 032**
PFRON	54 050	109 172	285 642
Business entertainment costs	12 116	47 752	278 299
Subsidized costs	5 731 145	7 956 331	31 187 013
Other non-deductible expenses	15 929	91 108	93 215
SEZ costs	-	-	(1 616 137)
Expenses and losses classified temporarily as non-deductible:	**(1 633 546)**	**107 871**	**4 882 702**
Recognized provisions	(2 018 761)	(716 582)	3 628 313
Exchange differences	350 606	300 768	1 252 017
Outstanding salaries, wages and social security	18 433	511 428	-
Other non-deductible expenses	16 176	12 257	2 372
Tax costs, other than accounting costs:	**-**	**-**	**-**
Total deductible expenses	**14 602 498**	**23 694 804**	**86 652 416**
Taxable Income / (Loss)	**(7 045 348)**	**(10 285 606)**	**(34 420 144)**
Tax-exempt income (“+”)	**-**	**-**	**-**
Deductions from income (“+”)	**-**	**-**	**-**
Income tax at the applicable rate	**-**	**-**	**-**
Deductions from income tax			
Income tax due	**-**	**-**	**-**

The tax charge is determined using the tax rates effective in the financial year. Since 2004, under the amended legislation, the CIT rate has been 19%.

10.3 The effective tax rate reconciliation is as follows:

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Gross (Loss) before tax from continued operations	(4 220 499)	(9 396 348)	(44 109 394)
Gross (Loss) before tax from discontinued operations	-	(229 173)	611 914
Gross (Loss) before tax	**(4 220 499)**	**(9 625 521)**	**(43 497 480)**
Tax at the statutory tax rate applicable in Poland, 19%	(801 895)	(1 828 849)	(8 264 521)
Permanent non-taxable costs	1 104 516	1 558 829	5 743 326
Permanent non-taxable income	(1 088 918)	(1 511 703)	(5 925 532)
Others (e.g.: unrecognized deferred tax asset)	699 619	1 786 072	6 704 861
Tax at the effective tax rate	(86 678)	4 349	(1 741 866)

10.4 Current tax asset and liabilities

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Current tax asset			
Tax refund due	-	-	-
	-	**-**	**-**
Current tax liabilities			-
Income taxes due	-	-	-
	-	**-**	**-**

10.5 Deferred income tax

Analysis of the deferred tax asset / (liability) in the statement of financial position:

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Deferred tax asset	972 062	700 790	-
Deferred tax liability	5 504 452	5 143 717	4 430 225
	(4 532 390)	**(4 442 927)**	**(4 430 225)**

Basis for temporary differences – difference between the tax value and carrying amount of:	**DTA as at**			**Change in DTA recognized in profit and loss account for the period**		**Change in DTA recognized in equity**	
	Balance as at 31/03/2020	Balance as at 31/12/2019	Balance as at 01/01/2019	From 01/01 to 31/03/2020	From 01/01 to 31/12/2019	From 01/01 to 31/03/2020	From 01/01 to 31/12/2019
- fixed assets and intangible assets (excluding leases)	14 000	7 828	-	6 172	7 828	-	-
- fixed assets and intangible assets - leases	465 790	342 535	-	123 255	342 535	-	-
- personnel related accruals	401 522	112 545	-	288 977	112 545	-	-
- trade and other payables (foreign exchange)	90 750	237 882	-	(147 132)	237 882	-	-
Total	**972 062**	**700 790**	**-**	**271 272**	**700 790**	**-**	**-**

10.6 Unrecognized deferred tax asset and unused tax credits

	Balance as at 31/03/2020	Balance as at 31/12/2019	Balance as at 01/01/2019
Recognized tax assets	**972 062**	**700 790**	**-**
As at the end of the reporting period, the following items of the deferred tax asset remained unrecognized:			
Tax losses	5 153 299	3 869 980	405 495
Other items	310 561	983 102	115 370
Total unrecognized deferred tax asset	5 463 860	4 853 082	520 865
Total (recognized and unrecognized) deferred tax asset	**6 435 922**	**5 553 872**	**520 865**

DTA computation method has been described in note 4.2.4.

Unrecognized assets due to unused tax losses concern the years 2016, 2019 and 2020 and may be settled by 2025.

10.7 Deferred tax liability

Basis for temporary differences – difference between the tax value and carrying amount of:	DTL			Change in DTL recognized in profit and loss account for the period		Change in DTL recognized in equity	
	Balance as at 31/03/2020	Balance as at 31/12/2019	Balance as at 01/01/2019	From 01/01 to 31/03/2020	From 01/01 to 31/12/2019	From 01/01 to 31/03/2020	From 01/01 to 31/12/2019
- fixed assets and intangible assets (excluding leases)	192 312	195 098	51 211	-	143 887	-	-
- fixed assets and intangible assets - leases	580 461	216 663	83 251	363 798	133 412	-	-
- trade and other receivables (exchange differences)	153 980	252 799	10 897	(98 819)	241 902	-	-
- receivables (revenues accrued statistically) interest on deposits	-	-	29 989	-	(29 989)	-	-
- contract assets	95 750	94 842	46 954	908	47 888	-	-
- revaluation of shares in Nodthera	4 481 949	4 384 315	4 207 923	97 634	176 392	-	-
Total	**5 504 452**	**5 143 717**	**4 430 225**	**363 521**	**713 492**	**-**	**-**

11. Non-current assets held for sale

None.

12. Earnings per share

	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
	PLN/100 per share	PLN/100 per share	PLN/100 per share
Basic earnings per share:	**(27,0)**	**(60,2)**	**1 788,5**
From continuing operations	(27,0)	(58,8)	(277,2)
From spin-off operations		(1,4)	2 065,7
Total basic earnings per share	(27,0)	(60,2)	1 788,5
Diluted earnings per share:	**(27,0)**	**(60,2)**	**1 788,5**
From continuing operations	(27,0)	(58,8)	(277,2)
From spin-off operations		(1,4)	2 065,7
Total diluted earnings per share	(27,0)	(60,2)	1 788,5

12.1 Basic earnings per share

Earnings and weighted average number of ordinary shares used for calculation of basic earnings per share:

	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
	PLN	PLN	PLN
Profit used to calculate the total basic earnings per share	(4 307 177)	(9 621 172)	285 640 010
Profit used to calculate basic earnings per share from spin-off operations		(229 173)	329 910 294
Profit used to calculate basic earnings per share from continuing operations	(4 307 177)	(9 391 999)	(44 270 284)

	Period ended 31/03/2020	Period ended 31/03/2019	Year ended 31/12/2019
	quantity	quantity	quantity
Weighted average number of ordinary shares used to calculate diluted earnings per share	15 971 229	15 971 229	15 971 229

13. Tangible fixed assets

Net carrying amount:	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Land	7 468 450	7 468 450	7 468 450
Buildings	660 791	708 033	1 866 213
Machinery and equipment	172 703	226 911	476 420
Vehicles	-	-	-
Other tangible assets (including lab equipment)	15 558 330	16 908 463	20 594 791
Rights to use other fixed assets (including laboratory equipment)	6 158 756	6 627 544	4 227 616
Rights to use the premises	1 061 450	1 424 462	13 357 622
Rights to use cars	138 700	163 500	262 699
Assets under construction	42 273 631	36 937 340	6 872 335
Advances for assets under construction	-	-	-
	73 492 811	**70 464 703**	**55 126 146**

In the periods covered by the financial statements, the Company did not make revaluation write-offs for fixed assets.

The company reviewed the premises for impairment of property, plant and equipment. Given that the most important items are new or almost new assets or relate to fixed assets under construction (newly built Innovative Medicines Research and Development Center), the Company's Management Board decided that the fair value of these assets less selling costs is equal to or greater than the book value of the assets, and therefore the Management Board does not see the need to recognize an impairment loss as at 31/03/2020.

In 2020, the Company plans expenditures on non-financial fixed assets in the amount of PLN 38,000 zł. The company does not plan to incur expenses for environmental protection.

Liabilities secured on the entity's assets

Type of security	As at 31/03/2020		As at 31/12/2019		As at 01/01/2019		Nature and form of security
	Value of liability	Value of security	Value of liability	Value of security	Value of liability	Value of security	
Mortgage	**2 949 506,00**	**8 403 000,00**	**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
Pledges, incl.:	**4 481 099,00**	**4 481 099,00**	**4 626 818,00**	**4 626 818,00**	**4 079 134,00**	**4 079 134,00**	
machinery - leasing	4 481 099,00	4 481 099,00	4 626 818,00	4 626 818,00	4 079 134,00	4 079 134,00	laboratory equipment
Promissory note, incl.:	**2 949 506,00**	**2 949 506,00**	**3 171 878,00**	**3 370 552,00**	**3 981 698,00**	**4 294 322,00**	
Promissory note	2 949 506,00	2 949 506,00	3 171 878,00	3 370 552,00	3 981 698,00	4 294 322,00	cash on bank accounts
Contractual right to set off the claim against the account holder's claim	**2 949 506,00**	**2 949 506,00**	**3 171 878,00**	**3 370 552,00**	**3 981 698,00**	**4 294 322,00**	cash on bank accounts
TOTAL	13 329 617,00	18 783 111,00	14 142 452,00	19 770 922,00	16 024 228,00	21 070 778,00	

13.1. Changes in the value of fixed assets by type

Item	Land	Buildings	Machinery and equipment	Vehicles	Other tangible assets (including lab equipment)	Assets under construction	Rights to use other fixed assets (including laboratory equipment)	Rights to use the premises	Rights to use cars	Total
Gross value as at 01.01.2020	**7 468 450**	**1 889 677**	**1 939 317**	**-**	**27 688 469**	**36 937 340**	**11 215 502**	**3 104 330**	**262 699**	**90 505 784**
Increases in gross value:	**-**	**-**	**53 548**	**-**	**5 088**	**5 336 291**	**-**	**24 307**	**-**	5 419 234
- Purchases	-	-	53 548	-	5 088	5 336 291	-	-	-	5 394 927
- Transfer from assets under construction	-	-	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	24 307	-	24 307
Decreases in gross value:	**-**	**-**	**-**	**-**	**-**	**-**	**14 803**	**-**	**-**	14 803
- Other	-	-	-	-	-	-	14 803	-	-	14 803
Gross value as at 31.03.2020	**7 468 450**	**1 889 677**	**1 992 865**	**-**	**27 693 557**	**42 273 631**	**11 200 699**	**3 128 637**	**262 699**	**95 910 215**
Accumulated depreciation as at 01.01.2020	**-**	**1 181 644**	**1 712 406**	**-**	**10 780 006**	**-**	**4 587 958**	**1 679 868**	**99 199**	**20 041 081**
Inceases in accumulated depreciation	**-**	**47 242**	**107 756**	**-**	**1 355 221**	**-**	**453 985**	**387 319**	**24 800**	2 376 323
- Depreciation charge for the period	-	47 242	107 756	-	1 355 221	-	453 985	387 319	24 800	2 376 323
Decreases in accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Accumulated depreciation as at 31.03.2020	**-**	**1 228 886**	**1 820 162**	**-**	**12 135 227**	**-**	**5 041 943**	**2 067 187**	**123 999**	**22 417 404**
Net carrying amount as at 01.01.2020	**7 468 450**	**708 033**	**226 911**	**-**	**16 908 463**	**36 937 340**	**6 627 544**	**1 424 462**	**163 500**	**70 464 703**
Net carrying amount as at 31.03.2020	**7 468 450**	**660 791**	**172 703**	**-**	**15 558 330**	**42 273 631**	**6 158 756**	**1 061 450**	**138 700**	**73 492 811**

13.2. Changes in the value of fixed assets by type from 01.01.2019 to 31.12.2019

Item	Land	Buildings	Machinery and equipment	Vehicles	Other tangible assets (including lab equipment)	Assets under construction	Rights to use other fixed assets (including laboratory equipment)	Rights to use the premises	Rights to use cars	Total
Gross value as at 01.01.2019	**7 468 450**	**3 044 915**	**2 865 612**	**102 050**	**37 144 997**	**6 872 375**	**8 567 352**	**13 357 622**	**262 699**	**79 686 072**
Increases in gross value:	**-**	**41 690**	**424 371**	**-**	**2 811 655**	**39 146 304**	**5 302 961**	**-**	**-**	**47 726 981**
- Purchases	-	41 690	424 371	-	2 811 655	39 146 304	5 302 961	-	-	47 726 981
Decreases in gross value:	**-**	**1 196 928**	**1 350 666**	**102 050**	**12 268 183**	**9 081 339**	**2 654 811**	**10 253 292**	**-**	**36 907 269**
- Disposal	-	-	-	-	406 410	48 714	-	-	-	455 124
- Liquidation - changes to lease	-	-	-	-	27 842	-	-	10 253 292	-	10 281 134
- Other	-	-	-	-	-	8 585 068	-	-	-	8 585 068
- Spin-off of OPE	-	1 196 928	1 350 666	102 050	11 833 931	447 557	2 654 811	-	-	17 585 943
Gross value as at 31.12.2019	**7 468 450**	**1 889 677**	**1 939 317**	**-**	**27 688 469**	**36 937 340**	**11 215 502**	**3 104 330**	**262 699**	**90 505 784**
Accumulated depreciation 01.01.2019	**-**	**1 178 702**	**2 389 192**	**102 050**	**16 550 246**	**-**	**4 339 736**	**-**	**-**	**24 559 926**
Inceases in accumulated depreciation	**-**	**277 237**	**580 900**	**-**	**3 415 565**	**-**	**1 718 169**	**1 679 868**	**99 199**	**7 770 938**
- Depreciation charge for the period	-	277 237	580 900	-	3 415 565	-	1 718 169	1 679 868	99 199	7 770 938
Decreases in accumulated depreciation	**-**	**274 295**	**1 257 686**	**102 050**	**9 185 805**	**-**	**1 469 947**	**-**	**-**	12 289 783
- Disposal	-	-	-	-	406 410	-	-	-	-	406 410
- Liquidation	-	-	-	-	27 842	-	-	-	-	27 842
- Spin-off of OPE	-	274 295	1 257 686	102 050	8 751 553	-	1 469 947	-	-	11 855 531
Accumulated depreciation as at 31.12.2019	**-**	**1 181 644**	**1 712 406**	**-**	**10 780 006**	**-**	**4 587 958**	**1 679 868**	**99 199**	**20 041 081**
Net carrying amount as at 01.01.2019	**7 468 450**	**1 866 213**	**476 420**	**-**	**20 594 751**	**6 872 375**	**4 227 616**	**13 357 622**	**262 699**	**55 126 146**
Net carrying amount as at 31.12.2019	**7 468 450**	**708 033**	**226 911**	**-**	**16 908 463**	**36 937 340**	**6 627 544**	**1 424 462**	**163 500**	**70 464 703**

13.3. Changes in the value of fixed assets by type from 01.01.2019 to 31.03.2019

Item	Land	Buildings	Machinery and equipment	Vehicles	Other tangible assets (including lab equipment)	Assets under construction	Rights to use other fixed assets (including laboratory equipment)	Rights to use the premises	Rights to use cars	Total
Gross value as at 01.01.2019	**7 468 450**	**3 044 915**	**2 865 612**	**102 050**	**37 144 997**	**6 872 375**	**8 567 352**	**13 357 622**	**262 699**	**79 686 072**
Increases in gross value:	**-**	**41 690**	**56 222**	**-**	**1 150 368**	**5 136 961**	**-**	**-**	**-**	**6 385 241**
- Purchases		41 690	56 222	-	1 150 368	5 136 961				6 385 241
Decreases in gross value:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross value as at 31.03.2019	**7 468 450**	**3 086 605**	**2 921 834**	**102 050**	**38 295 365**	**12 009 336**	**8 567 352**	**13 357 622**	**262 699**	**86 071 313**
Accumulated depreciation as at 01.01.2019	**-**	**1 178 702**	**2 389 192**	**102 050**	**16 550 246**	**-**	**4 339 736**	**-**	**-**	**24 559 926**
Inceases in accumulated depreciation	**-**	**76 202**	**201 371**	**-**	**342 532**	**-**	**436 102**	**581 046**	**24 800**	**1 662 053**
- Depreciation charge for the period	-	76 202	201 371	-	342 532	-	436 102	581 046	24 800	1 662 053
Decreases in accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation as at 31.03.2019	**-**	**1 254 904**	**2 590 563**	**102 050**	**16 892 778**	**-**	**4 775 838**	**581 046**	**24 800**	**26 221 979**
Net carrying amount as at 01.01.2019	**7 468 450**	**1 866 213**	**476 420**	**-**	**20 594 751**	**6 872 375**	**4 227 616**	**13 357 622**	**262 699**	**55 126 146**
Net carrying amount as at 31.03.2019	**7 468 450**	**1 831 701**	**331 271**	**-**	**21 402 587**	**12 009 336**	**3 791 514**	**12 776 576**	**237 899**	**59 849 334**

14. Intangible assets

Carrying amount	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Patents	3 530 904	2 848 680	2 232 980
Software	-	-	-
Other intangible assets	103 125	74 974	150 684
	3 634 029	**2 923 654**	**2 383 664**

The Company does not use any intangible assets under lease agreements.

14.1 Changes in the value of intangible assets by type in the current reporting period

Item	Other intangible assets	Total
Gross value as at 01.01.2020	**4 038 550**	**4 038 550**
Increases in gross value:	**763 599**	**763 599**
- Purchases	763 599	763 599
Decreases in gross value:	-	-
Gross value as at 31.03.2020	**4 802 149**	**4 802 149**
Accumulated depreciation as at 01.01.2020	**1 114 896**	**1 114 896**
Inceases in accumulated depreciation	**53 224**	**53 224**
- Depreciation charge for the period	53 224	53 224
Decreases in accumulated depreciation	-	-
Accumulated depreciation as at 31.03.2020	**1 168 120**	**1 168 120**
Net carrying amount as at 01.01.2020	**2 923 654**	**2 923 654**
Net carrying amount as at 31.03.2020	**3 634 029**	**3 634 029**

14.2 Changes in the value of intangible assets by type in period from 01.01.2019 to 31.12.2019

Item	Other intangible assets	Total
Gross value as at 01.01.2019	**3 426 203**	**3 426 203**
Increases in gross value:	**858 112**	**858 112**
- Purchases	858 112	858 112
Decreases in gross value:	245 765	245 765
- Spin-off of OPE	245 765	245 765
Gross value as at 31.12.2019	**4 038 550**	**4 038 550**
Accumulated depreciation 01.01.2019	**1 042 539**	**1 042 539**
Inceases in accumulated depreciation	**264 405**	**264 405**
- Depreciation charge for the period	264 405	264 405
Decreases in accumulated depreciation	192 048	192 048
- Spin-off of OPE	192 048	192 048
Accumulated depreciation as at 31.12.2019	**1 114 896**	**1 114 896**
Net carrying amount as at 01.01.2019	**2 383 664**	**2 383 664**
Net carrying amount as at 31.12.2019	**2 923 654**	**2 923 654**

14.3 Changes in the value of intangible assets by type in period from 01.01.2019 to 31.03.2019

Item	Other intangible assets	Total
Gross value as at 01.01.2019	**3 426 203**	**3 426 203**
Increases in gross value:	**114 627**	**114 627**
- Purchases	114 627	114 627
Gross value as at 31.03.2019	**3 540 830**	**3 540 830**
Accumulated depreciation as at 01.01.2019	**1 042 539**	**1 042 539**
Inceases in accumulated depreciation	**13 736**	**13 736**
- Depreciation charge for the period	13 736	13 736
Decreases in accumulated depreciation	**-**	**-**
Accumulated depreciation as at 31.03.2019	**1 056 275**	**1 056 275**
Net carrying amount as at 01.01.2019	**2 383 664**	**2 383 664**
Net carrying amount as at 31.03.2019	**2 484 555**	**2 484 555**

15. Subsidiaries

The company has no subsidiaries as at March 31, 2020, as well as December 31, 2019. As at January 1, 2019, the Company held shares in BioCentrum sp. z o.o., Selvita Services sp. z o.o., Ardigen SA, Selvita Ltd, Selvita Inc. On October 1, 2019, the shares in these subsidiaries were, as a result of the split, transferred to Selvita S.A.

16. Split of the Company

On 19.09.2019, the Extraordinary General Meeting of Ryvu Therapeutics S.A. with its registered office in Kraków ("Divided Company"), acting pursuant to Article 541 § 1 - § 7 CCC in connection with Article 528 § 1 CCC, 529 § 1 item 4) of the CCC in connection with Article 530 § 2 CCC, Article 393 point 3) of the CCC and § 19 section 1 point o) of its Status decided to split the Divided Company and transfer to Selvita SA (formerly operating under the name Selvita CRO SA) part of the property of Ryvu Therapeutics SA, as part of which carried out service activities in the field of biotechnology consisting in the provision of laboratory research and development services ranging from computer and chemical design of molecules, through their chemical synthesis, ending with analytical work and preclinical studies commissioned by, inter alia, pharmaceutical, biotechnological and chemical companies, creating organizationally and financially separate Company of tangible and intangible assets, intended for conducting business activity, constituting an organized part of the enterprise of the Splited Company ("OPE"), in financial reports presented as Service and Bioinformatics Segment.

The split of the Company, in the light of IFRIC 17, was a transfer of non-cash assets to the Company's shareholders, i.e. a non-monetary dividend payment to shareholders included in correspondence with equity in the same amount. The application of this standard resulted in recognition in a separate item in the profit and loss account of "Gain on spin-off" in the amount of PLN 321 million in 2019, which is the difference between the fair value of all shares of Selvita CRO S.A. (currently Selvita S.A.), calculated as the product of the number of shares and the closing price from the first day of listing on the WSE, i.e. October 16, 2019, and the net asset value transferred in the form of OPE. It was a non-cash item and resulted directly from the division and receipt of 1: 1 ratio of shares in Selvita CRO S.A. (currently Selvita S.A.) by the shareholders of Ryvu Therapeutics S.A.

	Computation	Value in PLN
Fair value	21 * 15.971.229 shares=	335 395 809
Net assets of OPE		14 418 357
Gain on spin-off		**320 977 452**

The spin-off net assets are presented in the table below:

Non-current assets	
Tangible fixed assets	4 545 548,00
Lease assets	1 184 864,00
Other Intangible assets	53 718,00
Investments in associates	6 599 616,25
Other financial assets	225 193,00
Total non-current assets	**12 608 939,25**
Current assets	
Inventory	698 582,00
Trade and other receivables	10 513 724,56
Contract assets	1 852 003,00
Other financial assets	65 628,00
Other non-financial assets	812 695,92
Total current assets	**13 942 633,48**
Total assets	**26 551 572,73**
Long-term liabilities	
Lease liabilities	750 200,72
Retirement provision	64 376,15
Total long-term liabilities	**814 576,87**
Short-term liabilities	
Trade and other liabilities	7 845 096,62
Contract liabilities	718 309,00
Lease liabilities	375 100,00
Accrued expenses	2 380 132,91
Total short-term liabilities	**11 318 638,53**
Total liabilities	**12 133 215,40**
Net assets	**14 418 357,33**

The statement of comprehensive income for the period from January 1, 2019 until the separation of ZCP, i.e. September 30, 2019, and data for the period from January 1, 2019 to March 31, 2019 is presented below.

	01/01/2019 - 30/09/2019	01/01/2019 - 31/03/2019
	IFRS	IFRS
Spin-off operations		
Sales revenue	38 768 832	12 184 043
Grant income	1 212 902	419 560
Other operating income	372 226	162 053
Total operating revenue	**40 353 960**	**12 765 656**
Amortization and depreciation	(2 854 257)	(1 917 102)
Consumption of materials and supplies	(7 811 655)	(2 441 955)
External services	(15 402 379)	(4 344 498)
Employee benefit expense	(12 707 007)	(3 907 170)
Taxes and charges	(347 999)	(117 899)
Other expenses	(872 676)	(253 189)
Other operating expenses	(53 409)	(32 688)
Total operating expenses	**(40 049 382)**	**(13 014 501)**
Operating (loss)	**304 578**	**(248 845)**
Financial revenue	307 336	19 672
Financial expenses	-	-
Profit / (loss) before income tax	**611 914**	**(229 173)**
Income tax expense	-	-
Net profit / (loss) on spin-off operations	**611 914**	**(229 173)**
Dividend on discontinued	8 320 928	-
Total income from spin-off operations	**8 932 842**	**(229 173)**

17. Valuation of shares in Nodthera

As at March 31, 2020, the Company held shares in NodThera Ltd.

On March 30, 2018, the share capital of the related company NodThera Ltd. with its registered office in Edinburgh, United Kingdom increased. The capital was increased by GBP 8,666,667 (PLN 41,615,602 converted at GBP 1 = PLN 4.8018) by issuing 3,482,270 new shares that were acquired by the majority shareholder Epidarex Capital II LP and external investors, resulting in Ryvu Therapeutics SA lost significant influence on Nodthera Ltd.

- Reconciliation of the financial data to the carrying amount of shares in NodThera Ltd. as disclosed in the Company's financial statements as at March 29, 2018 (before the share capital increase):

	Balance as at 31/12/2018 GBP	Balance as at 29/03/2018 GBP
Net assets	-	3 553 564
Percentage share of the Company in the shares of Nodthera Ltd.	0%	39%
Goodwill	-	-
Other adjustments - an adjustment for unrealized sales margin on development works	-	(1 097 088)
Carrying amount of the Company's shares in Nodthera Ltd.	-	288 802
average GBP / PLN exchange rate announced by the National Bank of Poland as at the balance sheet date	-	4,8018
Carrying amount of the Company's shares in Nodthera Ltd. expressed in PLN	-	1 386 769

Carrying amount of the Company's shares in Nodthera Ltd. expressed in PLN as at December 31, 2017	1 386 769
Carrying amount of the Company's shares in Nodthera Ltd. expressed in PLN as at March 29, 2018	-
Impact on the result (before the share capital increase)	(1 386 769)

- Reconciliation of the financial data to the carrying amount of shares in NodThera Ltd. recognized in the Company's financial statements as at March 30, 2018 (after the increase in the share capital):

After the share capital increase in March 2018, the share of Ryvu Therapeutics S.A. in the share capital of NodThera Ltd. amounted to 19.12%. Management Board of Ryvu Therapeutics S.A. made the decision to measure the shares held at fair value through profit or loss based on the price of recently issued shares.

new share issue price (in GBP)	2,4888
average NBP exchange rate of March 29, 2018	4,8018
new share issue price (in PLN)	11,95
number of Company's shares in Nodthera Ltd.	1 910 000
value of shares as at March 30, 2018	22 825 875
value of shares in the balance sheet as at March 29, 2018	1 386 769
change in valuation - impact on the result	21 439 106
value of shares as at March 31, 2019	22 825 875
change in valuation - impact on the result	-

- Reconciliation of the financial data to the carrying amount of shares in NodThera Ltd. recognized in the Company's financial statements as at December 31, 2019 (after another increase in the share capital at an issue price identical to the earlier increase in capital in March 2018):

In October 2019, another increase in the share capital of Nodthera took place confirming the above valuation at fair value. As a result of this event, the Company's share in the share capital is 8.6%.

value of shares in the balance sheet as at December 31, 2019	23 754 255
change in valuation - impact on the result	928 380
value of shares in the balance sheet as at March 31, 2020	24 268 120
change in valuation - impact on the result	513 865

	Balance as at 31/03/2020	Balance as at 31/12/2019	Balance as at 01/01/2019
Carrying amount of the Company's shares in Nodthera Ltd.	24 268 120	23 754 255	22 825 875

Fair value of Ryvu Therapeutics S.A. shares in NodThera Ltd. was established on the basis of other data that can be observed directly or indirectly (so-called Level 2).

On June 3, 2020, the Company's Management Board received information about the acquisition by NodThera Ltd. of financing in connection with the issue of new series B shares with a total value of GBP 44.5 million, which will be taken up by prestigious global biotechnology funds, the so-called blue chips investors, including new investors: Novo Holdings A/S (the investment arm of the pharmaceutical concern Novo Nordisk), Cowen Healthcare Investments and Sanofi Ventures (fund of the pharmaceutical concern Sanofi), as well as its current shareholders 5AM Ventures, F-Prime Capital Partners, Sofinnova Partners and Epidarex Capital. One of the shareholders in Epidarex Capital is Eli Lilly, a global pharmaceutical company that is also a direct shareholder in NodThera.

Financing will be granted in two tranches. Funds in the amount of GBP 20,249,965.22, in connection with the acquisition of 6,817,711 new preferred series B shares, as part of the first financing tranche, were contributed to the company, in accordance with the increase of NodThera's share capital registered on June 2, 2020. Series B shares were taken up at the issue price of GBP 2.9702 per share. The investment agreement signed by NodThera, shareholders and external investors stipulates that after reaching certain milestones in the development of the company's research projects, the share capital of NodTera will be additionally increased by GBP 24,299,835 through the issue of the second tranche of Series B shares in the number of 7,790,656, after an issue price of GBP 3,1191 per share. Pursuant to the investment agreement, the share capital increase referred to above will take place up to June 30, 2021. After the share capital increase under both tranches, the Issuer's share in the share capital of NodThera will be 4.8%.

The above issue, in the opinion of the Management Board, confirms the valuation as at the balance sheet day adopted at the price of one share at GBP 2.4888 / share.

18. Financial assets

The table below presents the individual classes of financial assets and liabilities broken down into levels of the fair value hierarchy as at March 31, 2020. Due to the nature of these items, fair value does not differ significantly from the carrying amount.

	31.03.2020 r.	*Quotations from active markets* (Level 1)	*Important observable data* (Level 2)	*Important unobservable data* (Level 3)
Financial assets for which fair value is disclosed:				
Trade and other receivables	12 455 125	na	na	na
Financial assets-Shares in Nodthera	24 268 120	na	24 268 120	na
Contract assets	371 642	na	na	na
Financial liabilities for which fair value is disclosed:				
Trade payables	12 186 549	na	na	na
Interest-bearing loans and credits, including:	2 969 423	na	na	na
global credit card limit	400 000	na	na	na
Current portion of interest-bearing loans and borrowings, including:	19 917	na	na	na
credit card debt	19 917	na	na	na

	31.12.2019 r.	*Quotations from active markets* (Level 1)	*Important observable data* (Level 2)	*Important unobservable data* (Level 3)
Financial assets for which fair value is disclosed:				
Trade and other receivables	4 464 396	na	na	na
Financial assets-Shares in Nodthera	23 754 255	na	23 754 255	na
Contract assets	360 205	na	na	na
Financial liabilities for which fair value is disclosed:				
Trade payables	21 620 869	na	na	na
Interest-bearing loans and credits, including:	3 185 808	na	na	na
global credit card limit	400 000	na	na	na
Current portion of interest-bearing loans and borrowings, including:	13 930	na	na	na
credit card debt	13 930	na	na	na

	31.03.2019 r.	Quotations from active markets (Level 1)	Important observable data (Level 2)	Important unobservable data (Level 3)
Financial assets for which fair value is disclosed:				
Trade and other receivables	10 747 586	na	na	na
Contract assets	471 226	na	na	na
Financial assets-Shares in Nodthera	22 825 875	na	22 825 875	na
Other short-term financial assets	14 947 393	na	na	na
Financial liabilities for which fair value is disclosed:				
Trade payables	15 426 010	na	na	na
Interest-bearing loans and credits, including:	3 938 127	na	na	na
global credit card limit	400 000	na	na	na
Current portion of interest-bearing loans and borrowings, including:	91 399	na	na	na
credit card debt	91 399	na	na	na

	01.01.2019 r.	Quotations from active markets (Level 1)	Important observable data (Level 2)	Important unobservable data (Level 3)
Financial assets for which fair value is disclosed:				
Trade and other receivables	11 977 438	na	na	na
Other short-term financial assets	14 985 926	na	na	na
Financial assets-Shares in Nodthera	22 825 875	na	22 825 875	na
Loans granted	67 072	na	na	na
Financial liabilities for which fair value is disclosed:				
Trade payables	18 706 361	na	na	na
Contract liabilities	759 510	na	na	na
Interest-bearing loans and credits, including:	4 053 135	na	na	na
global credit card limit	400 000	na	na	na
Current portion of interest-bearing loans and borrowings, including:	71 437	na	na	na
credit card debt	71 437	na	na	na

19. Other non-financial assets

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Carrying amount:			
Licenses	601 360	768 728	527 500
Insurance	45 722	85 168	34 700
Costs related to subsequent year	527 648	137 182	635 514
Devices qualification	114 897	87 993	338 652
Lease related costs	47 991	51 525	106 199
Magazines	-	3 529	-
Stock exchange fee	58 333	-	-
Property tax	11 825	-	-
Market research costs	-	21 439	-
Other	4 487	86 789	519 705
	1 412 263	**1 242 353**	**2 162 270**

20. Other financial assets - long term

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Security deposits	85 194	85 193	113 579
	85 194	85 193	113 579

21. Inventories

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Materials	1 586 162	1 586 162	1 602 008
Total	**1 586 162**	**1 586 162**	**1 602 008**

The Company did not recognize any impairment losses on inventories in the period presented in the financial statements. The Company purchases only such goods and materials as may be directly needed for a specific project. Materials are consumed on an ongoing basis.

22. Trade and other receivables

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Trade receivables	9 247 975	1 288 455	11 264 056
The allowance for expected credit losses	(8 888)	(574)	(50 000)
	9 239 087	1 287 881	11 214 056
Tax (VAT) receivables	3 872 767	5 010 965	6 600 000
Other – receivables from employees, security deposits	3 216 038	3 176 515	763 382
Grants due	5 135 357	5 205 421	15 871 707
	21 463 249	**14 680 782**	**34 449 145**

22.1 The allowance for expected credit losses on trade receivables and contract assets

In regards to trade receivables and contract assets, the Company estimated the expected credit loss as at 31 March 2020 on the basis of a provision matrix defined based on historical data concerning credit losses. It was recognised that receivables and contract assets of particular customers are characterised by a similar level of risk, they were not divided into groups.

The table below presents the calculation of expected credit losses with respect to trade receivables and contrat assets:

	Period ended 31/03/2020		
	Balance of unpaid receivables as at the balance sheet date	The rate of expected credit losses (adjusted)	The amount of the allowance for expected credit losses
Overdue	9 365 523	0,02%	1 962
1-90 days after the deadline	170 094	0,02%	34
91-180 days after the deadline	58 417	1,46%	852
181-365 days after the deadline	16 830	0,00%	0
More than 365 days after the deadline	6 039	100,00%	6 039
Total	**9 616 903**		**8 888**

The average payment date of overdue trade receivables is 10 days. A new customer's creditworthiness is analysed prior to the entry into a relevant contract. Due to its business profile, the Company cooperates with entities that are known in the industry, which also affects their creditworthiness. The payment terms are set in the offers made to contracting parties.

	Period ended 31/12/2019		
	Balance of unpaid receivables as at the balance sheet date	The rate of expected credit losses (adjusted)	The amount of the allowance for expected credit losses
Overdue	1 114 022	0,02%	233
1-90 days after the deadline	513 138	0,02%	103
91-180 days after the deadline	16 278	1,46%	238
181-365 days after the deadline	151	0,00%	0
More than 365 days after the deadline	5 071	0,00%	0
Total	**1 648 660**		**574**

The average payment date of overdue trade receivables is 32 days. A new customer's creditworthiness is analysed prior to the entry into a relevant contract. Due to its business profile, the Company cooperates with entities that are known in the industry, which also affects their creditworthiness. The payment terms are set in the offers made to contracting parties.

	Period ended 01/01/2019		
	Balance of unpaid receivables as at the balance sheet date	The rate of expected credit losses (adjusted)	The amount of the allowance for expected credit losses
Overdue	6 377 861	0,02%	1 336
1-90 days after the deadline	3 991 140	0,02%	798
91-180 days after the deadline	778 115	1,46%	11 355
181-365 days after the deadline	23 322	0,00%	0
More than 365 days after the deadline	93 618	40,00%	37 447
Total	**11 264 056**		**50 936**

Średni termin spłaty przeterminowanych należności z tytułu sprzedaży towarów i usług wynosi 32 dni. Przed przyjęciem nowego klienta Spółka dokonuje oceny jego zdolności kredytowej. Ze względu na specyfikę działalności Spółka współpracuje z jednostkami znanymi w branży, co wpływa na ocenę ryzyka kredytowego. Terminy płatności są elementem oferty przedstawianej kontrahentowi.

The allowance for expected credit losses

	Period ended 31/03/2020 PLN	Period ended 31/12/2019 PLN	Period ended 01/01/2019 PLN
Balance at the beginning of the period	**574**	**50 000**	**50 000**
The allowance for expected credit losses	8 314	574	-
The allowance related to spin-off operations	-	(50 000)	-
Balance at the end of the period	**8 888**	**574**	**50 000**

23. Leases

23.1. The Company as a lessee

The Company has lease agreements for office premises and laboratories, machinery and equipment, office equipment and cars. The leasing period is on average 60 months, except for office equipment, which qualifies as short-term leasing or as low-value contracts.

Some leases include options to extend or terminate the lease. The Company also concludes contracts for an indefinite period. The management board makes a judgment to determine the period over which it can be assumed with reasonable certainty that such contracts will continue (see note 3.8).

The Company also has lease contracts for individual premises with a lease term of 12 months or less, and low value office equipment lease contracts. The Company uses the exemption for short-term leases and leases for which the underlying asset is of low value.

The Company's liabilities under the lease contracts are secured by the lessor's ownership of the subject of the lease. In general, the Company is not entitled to transfer leased assets in subleasing or to assign rights it is entitled to under lease contracts. Some contracts contain requirements for the levels of certain financial indicators.

The following are carrying amounts of the assets due to the right of use (lease agreement) and their changes in the reporting period:

Period ended 31 March 2020	*Buildings and premises*	*Equipment*	*Vehicles*	*Total*
As at 1 January 2020	**1 424 462**	**6 627 544**	**163 500**	**8 215 506**
Purchases (new lease agreements)				-
Changes in lease agreements	24 307	(14 803)		9 504
Depreciation	(387 319)	(453 985)	(24 800)	(866 104)
As at 31 March 2020	**1 061 450**	**6 158 756**	**138 700**	**7 358 906**

Year ended 31 December 2019	*Buildings and premises*	*Equipment*	*Vehicles*	*Total*
As at 1 January 2019	**13 357 622**	**4 227 616**	**262 699**	**17 847 937**
Purchases (new lease agreements)	-	5 302 961		5 302 961
Changes in lease agreements	(10 253 292)			(10 253 292)
Splin off OPE	-	(1 184 864)		(1 184 864)
Depreciation	(1 679 868)	(1 718 169)	(99 199)	(3 497 236)
As at 31 December 2019	**1 424 462**	**6 627 544**	**163 500**	**8 215 506**

The carrying amounts of leasing liabilities and their changes during the reporting period.

	2020
As at 1 January 2020	10 306 175
Purchases (new lease agreements)	-
Changes in lease agreements	9 504
Revaluation	19 747
Interest	11 658
Payments	(604 706)
As at 31 March 2020	9 742 378
Short-term	3 022 533
Long-term	6 719 845

	2019
As at 1 January 2019	18 091 516
Purchases (new lease agreements)	5 302 961
Changes in lease agreements	(10 253 292)
Splin off OPE	(1 125 301)
Revaluation	(6 390)
Interest	140 864
Payments	(1 844 183)
As at 31 December 2019	10 306 175
Short-term	3 222 899
Long-term	7 083 276

	2019
As at 1 January 2019	18 091 516
Purchases (new lease agreements)	-
Changes in lease agreements	
Revaluation	3 576
Interest	75 072
Payments	(961 018)
As at 31 March 2019	17 209 146
Short-term	5 334 835
Long-term	11 874 311

The maturity analysis of leasing liabilities is presented in Note 30.8 Liquidity risk.

Amounts of revenues, costs, profits and losses resulting from leasing (regarding buildings and premises and cars) included in the profit and loss account / statement of comprehensive income are presented below:

	01.01.2020-31.03.2020
Depreciation of leased assets	(412 119)
Interest costs on lease liabilities	(11 658)
Other operating income due to changes in leasing agreements	231
Total amount recognized in the income statement / statement of comprehensive income	**(423 546)**

	01.01.2019-31.12.2019
Depreciation of leased assets	(1 779 067)
Interest costs on lease liabilities	(140 864)
Other operating income due to changes in leasing agreements	208
Total amount recognized in the income statement / statement of comprehensive income	**(1 919 723)**

	01.01.2019-31.03.2019
Depreciation of leased assets	(605 846)
Interest costs on lease liabilities	(75 072)
Other operating income due to changes in leasing agreements	-
Total amount recognized in the income statement / statement of comprehensive income	**(680 918)**

The total cash outflow from leasing (regarding buildings and premises and cars) was PLN 1,844,183 in the entire year 2019, PLN 961,018 in the first quarter of 2019 and PLN 604,706 in the first quarter of 2020.

Amounts of revenues, costs, profits and losses resulting from leasing (regarding equipment) included in the profit and loss account / statement of comprehensive income are presented below:

	01.01.2020-31.03.2020
Depreciation of leased assets	(453 985)
Interest costs on lease liabilities	(30 198)
Total amount recognized in the income statement / statement of comprehensive income	**(484 183)**

	01.01.2019-31.12.2019
Depreciation of leased assets	(1 718 169)
Interest costs on lease liabilities	(121 537)
Total amount recognized in the income statement / statement of comprehensive income	**(1 839 706)**

	01.01.2019-31.03.2019
Depreciation of leased assets	(436 102)
Interest costs on lease liabilities	(26 776)
Total amount recognized in the income statement / statement of comprehensive income	**(462 878)**

The total cash outflow from leasing (regarding equipment) was PLN 1,796,283 in the entire year 2019, PLN 389,608 in the first quarter of 2019 and PLN 453,608 in the first quarter of 2020.

24. Share capital

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Registered share capital	6 388 492	6 388 492	6 388 492
	6 388 492	6 388 492	6 388 492

24.1 Share capital as at the end of the reporting period

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Number of shares	15 971 229	15 971 229	15 971 229
Par value per share	0,40	0,40	0,40
Share capital	6 388 492	6 388 492	6 388 492

Share capital structure as at 31 March 2020

Series / issue Type of shares (ordinary / registered)	Type of preference	Number of shares	Par value of series / issue
Registered "A" shares	2 votes / 1 share	4 050 000	1 620 000
Ordinary "B" shares	none	1 329 500	531 800
Ordinary "C" shares	none	1 833 000	733 200
Ordinary "D" shares	none	551 066	220 426
Ordinary "E" shares	none	2 700 000	1 080 000
Ordinary "F" shares	none	2 651 891	1 060 756
Ordinary "G1" shares	none	327 886	131 154
Ordinary "G2" shares	none	327 886	131 154
Ordinary "H" shares	none	2 200 000	880 000
Total		**15 971 229**	**6 388 492**

Share capital structure as at 31 December 2019

Series / issue Type of shares (ordinary / registered)	Type of preference	Number of shares	Par value of series / issue
Registered "A" shares	2 votes / 1 share	4 050 000	1 620 000
Ordinary "B" shares	none	1 329 500	531 800
Ordinary "C" shares	none	1 833 000	733 200
Ordinary "D" shares	none	551 066	220 426
Ordinary "E" shares	none	2 700 000	1 080 000
Ordinary "F" shares	none	2 651 891	1 060 756
Ordinary "G1" shares	none	327 886	131 154
Ordinary "G2" shares	none	327 886	131 154
Ordinary "H" shares	none	2 200 000	880 000
Total		**15 971 229**	**6 388 492**

Share capital structure as at 1 January 2019

Series / issue Type of shares (ordinary / registered)	Type of preference	Number of shares	Par value of series / issue
Registered "A" shares	2 votes / 1 share	4 050 000	1 620 000
Ordinary "B" shares	none	1 329 500	531 800
Ordinary "C" shares	none	1 833 000	733 200
Ordinary "D" shares	none	551 066	220 426
Ordinary "E" shares	none	2 700 000	1 080 000
Ordinary "F" shares	none	2 651 891	1 060 756
Ordinary "G1" shares	none	327 886	131 154
Ordinary "G2" shares	none	327 886	131 154
Ordinary "H" shares	none	2 200 000	880 000
Total		**15 971 229**	**6 388 492**

Shareholder structure

Balance as at 31/03/2020

Shareholder	Number of shares	Percentage interest in share capital	Number of votes	Percentage share of voting rights
Paweł Tadeusz Przewięźlikowski	4 990 880	31,25%	8 490 880	42,41%
Bogusław Stanisław Sieczkowski	924 384	5,79%	1 474 384	7,36%
Augebit Fundusz Inwestycyjny Zamknięty (directly by Privatech Holdings Limited)	1 039 738	6,51%	1 039 738	5,19%
Nationale Nederlanden PTE S.A.	1 594 749	9,99%	1 594 749	7,97%
Other shareholders	7 421 478	46,46%	7 421 478	37,07%
Total	**15 971 229**	**100,00%**	**20 021 229**	**100,00%**

Balance as at 31/12/2019

Shareholder	Number of shares	Percentage interest in share capital	Number of votes	Percentage share of voting rights
Paweł Tadeusz Przewięźlikowski	4 990 880	31,25%	8 490 880	42,41%
Bogusław Stanisław Sieczkowski	924 384	5,79%	1 474 384	7,36%
Augebit Fundusz Inwestycyjny Zamknięty (directly by Privatech Holdings Limited)	1 039 738	6,51%	1 039 738	5,19%
Nationale Nederlanden PTE S.A.	1 594 749	9,99%	1 594 749	7,97%
Other shareholders	7 421 478	46,46%	7 421 478	37,07%
Total	**15 971 229**	**100,00%**	**20 021 229**	**100,00%**

Balance as at 01/01/2019

Shareholder	Number of shares	Percentage interest in share capital	Number of votes	Percentage share of voting rights
Paweł Tadeusz Przewięźlikowski	4 990 880	31,25%	8 490 880	42,41%
Bogusław Stanisław Sieczkowski	924 384	5,79%	1 474 384	7,36%
Augebit Fundusz Inwestycyjny Zamknięty (directly and indirectly by Privatech Holdings Limited)	1 039 738	7,55%	1 039 738	5,83%
Nationale Nederlanden PTE S.A.	1 316 969	8,25%	1 316 969	6,58%
Other shareholders	7 699 258	47,16%	7 699 258	37,82%
Total	**15 971 229**	**100,00%**	**20 021 229**	**100,00%**

24.2 Revaluation reserve

The Company did not create the revaluation reserve in the period presented in the financial statements.

24.3 Other reserve capitals	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Others - incentive program	11 172 000	11 172 000	11 172 000
Total	**11 172 000**	**11 172 000**	**11 172 000**

In 2017, the Company completed the implementation of the incentive program.

Detailed conditions of the incentive program were determined by the Supervisory Board by resolution of September 17, 2015. The company has issued registered bearer subscription warrants. Each subscription warrant was exchangeable for one ordinary share of the Company. The number of warrants in the incentive program was 627,814 shares. The receiving warrant did not pay or receive any monetary amounts. The rights to subscribe for shares arising from the warrants were exercised on two dates, i.e. until February 29, 2016 and February 28, 2017.

24.4 Share premium	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Share premium	159 680 803	159 680 803	159 680 803
including the surplus on the issue of shares above their nominal value, "H" series ordinary shares	134 200	134 200	-
including issue costs, "H" series ordinary shares	(4 295 093)	(4 295 093)	-
Transfer of result from previous years due to the split	(10 331 325)	(10 331 325)	8 564 017
Total Reserve Capital	**145 188 585**	**145 188 585**	**168 244 820**

25. First-time adoption of IFRS

The financial period ended March 31, 2020 is the first period for which the Company prepared its financial statements in accordance with IFRS and related interpretations adopted by the European Union. IFRS transition date for Ryvu Therapeutics S.A. is January 1, 2019 and the opening balance has been prepared for that day.

Entities that prepare financial statements according to IFRS for the first time apply the guidelines of International Financial Reporting Standard 1 ("IFRS 1") "Application of International Financial Reporting Standards for the first time". Pursuant to IFRS 1, these financial statements have been prepared as if the Company had always applied IFRS EU as at the reporting date, together with a statement of full compliance with all IFRS standards. Due to the change in accounting standards described in this note, the transformed data for comparative periods were not presented in the financial statements for previous periods and were not subject to examination or review by a certified auditor.

The company applied its obligatory and voluntary exemptions from the application of selected EU IFRSs specified in IFRS 1. They are described below.

The company applied the following mandatory exceptions:

Estimates

The estimates as at January 1, 2019, as at March 31, 2019 and December 31, 2019 are consistent with the estimates made for the same dates in accordance with PAS after adjustments reflecting any differences in accounting policies. The company has for the first time used estimates for the following transactions, for which execution was not required under PAS, but is required under IFRS:
- Share-based payments,
- Valuation of financial assets measured at fair value,
- Assets due to the right of use.

Classification and valuation of financial instruments

An entity applying IFRS for the first time is required to assess whether a financial asset meets the conditions on the basis of facts and circumstances that exist at the date of transition to IFRS. As at the date of transition to IFRS, if the assessment of the changed value of money over time is impracticable on the basis of facts and circumstances as at the date of transition to IFRS, the Company assesses the contractual cash flows specific to that financial asset based on facts and circumstances as at transition to IFRS without taking into account the requirements related to the change in the time value of money.

In addition, the Company applied the following voluntary exemptions:

Investments in subsidiaries, joint ventures and associates

If the entity applying IFRS for the first time measures an investment in a subsidiary, joint venture or associate at cost, as at the date of transition to IFRS, it can measure such investment at cost (determined in accordance with IAS 27 Consolidated and separate financial statements) or assumed cost (fair value or value previously disclosed according to UoR as at the date of transition to IFRS).
The company decided to use this exemption for the valuation of investments in related entities as at January 1, 2019, using the valuation established in accordance with the Act on the Act on the date of January.

Leases
When applying IFRS, the company assessed for the first time whether a given contract existing at the date of transition to IFRS includes leasing based on facts and circumstances as at that date.
When applying IFRS for the first time, the Company as a lessee recognized lease liabilities and asset components under the right of use, applying the following practical approaches to all its leases:
a) the lease liability was measured on the date of transition to IFRS. The company measured the lease liability at the present value of other lease payments, discounted using the lessee's marginal interest rate on the date of transition to IFRS;
b) the asset under the right of use was measured on the date of transition to IFRS in an amount equal to the liability under the lease, adjusted for the amount of all prepaid and accrued lease payments relating to that lease, recognized in the statement of financial position immediately before the date of transition to IFRS.
c) IAS 36 was applied to the assets due to the right of use on the date of transition to IFRS.
The Company also decided to take advantage of exemptions for leasing contracts whose lease period at the start date is 12 months or less and which do not include a purchase option ("short-term leasing") and leasing contracts for which the underlying asset is of low value (" low-value assets "), and also excluded initial direct costs from the valuation of the asset due to the right of use on the date of transition to IFRS. In addition, the Company used the knowledge after the fact, e.g. in the case of determining the lease period, if the contract provided for the possibility of extending the lease or terminating the lease. The company applied one discount rate for a portfolio of leases with similar characteristics. The discount rates adopted by the Company for the purpose of valuation in accordance with IFRS 16 were based on reference interest rates on loans on the interbank market, respectively for a given currency, corrected by the margin used by the Company to incur debt. Discount rates include the maturity and currency of the contracts and are not differentiated by type of assets. The weighted average discount rate adopted at the time of the first application of the standard was 1.9%, while the dominant currency of the contracts identified was the euro.

In addition, the Company did not decide to apply a voluntary exemption consisting in the valuation of non-financial fixed assets as at the date of transition to IFRS 1 at the assumed cost at the level of fair value, because as a result of the analysis it found that the value of non-financial fixed assets according to IFRS corresponds to their carrying amount determined as a cost initial reduced by depreciation charges and any impairment losses in accordance with the Accounting Act.

RECONCILIATION OF THE PROFITS AND LOSS ACCOUNT ACCORDING TO POLISH ACCOUNTING STANDARDS AND IFRS FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019

	Period ended 31/03/2019	adjustments*	Period ended 31/03/2019		Period ended 31/03/2019
	Polish Accounting Standards		IFRS adjustments	Presentation of spin-off activities [adjustment 6]	IFRS
Continuing operations					
Sales revenue	13 247 359	6	-	(12 184 043)	1 063 316
Grant income	7 956 331	1,6	9 982	(419 560)	7 546 753
Other operating revenue	273 975	6	-	(162 053)	111 922
Total operating revenue	**21 477 665**		**9 982**	**(12 765 656)**	**8 721 991**
Amortization and depreciation	(2 238 793)	2,3,6	(1 354 098)	1 917 102	(1 675 789)
Consumption of materials and supplies	(6 228 951)	6	-	2 441 955	(3 786 996)
External services	(11 536 119)	1,2,6	1 392 314	4 344 498	(5 799 307)
Employee benefit expense	(10 423 853)	6	-	3 907 170	(6 516 683)
Taxes and charges	(174 834)	6	-	117 899	(56 935)
Other expenses	(799 637)	6	-	253 189	(546 448)
Other operating expenses	(68 100)	6	-	32 688	(35 412)
Total operating expenses	**(31 470 287)**		**38 216**	**13 014 501**	**(18 417 570)**
Operating (loss)	**(9 992 622)**		**48 198**	**248 845**	**(9 695 579)**
Financial revenue	463 213	6	-	(19 672)	443 541
Financial expenses	(144 310)		-	-	(144 310)
(Loss) on business activities	**(9 673 719)**		**48 198**	**229 173**	**(9 396 348)**
Valuation of Investments in associates		5	-		-
(Loss) before income tax	**(9 673 719)**		**48 198**	**229 173**	**(9 396 348)**
Income tax expense	13 649	4	(9 300)		4 349
Net (loss) on continuing operations	**(9 660 070)**		**38 898**	**229 173**	**(9 391 999)**
Discontinued operations					
Net profit / (loss) on discontinued operations		6	-	(229 173)	(229 173)
NET PROFIT / (LOSS)	**(9 660 070)**		**38 898**	**-**	**(9 621 172)**
TOTAL INCOME FOR THE PERIOD	**(9 660 070)**		**38 898**	**-**	**(9 621 172)**

**** Adjustments***

1. Reclassification of subsidy income

- Change in the presentation of revenues from subsidies accrued from the depreciation of low-value fixed assets in the amount of PLN 9,982.

2. Adoption of IFRS 16

- Adjustment of depreciation of usage rights in the amount of PLN 1,343,740 and costs of external services in the amount of PLN 1,392,314.

3. Adjustment of depreciation of low-cost fixed assets

- Adjustment of the depreciation calculation of low-value fixed assets from one-off to straight-line method in the amount of PLN 10,358.

4. Income tax adjustment

- Correction of the calculation of deferred income tax calculated on the change in the depreciation of low-value funds and income from subsidies on the depreciation of low-value funds in the amount of PLN 71, as well as the calculation of deferred income tax for the depreciation and adjustment of services resulting from the application of IFRS 16 in the amount of PLN 9,229.

6. Presentation of spin-off activities

- Change in the presentation of revenues related to spin-off operations in the amount of PLN 12,184,043.
- Change in the presentation of revenues from subsidies related to spin-off operations in the amount of PLN 419,560.
- Change in the presentation of other operating income related to spin-off operations in the amount of PLN 162,053.
- Change in the presentation of depreciation relating to spin-off operations in the amount of PLN 1,917,102.
- Change in the presentation of the consumption of raw materials and materials related to the spin-off activity in the amount of PLN 2,441,955.
- Change in the presentation of external services related to spin-off operations in the amount of PLN 4,344,498.
- Change in the presentation of employee benefits related to spin-off activities in the amount of PLN 3.907.170.
- Change in presentation of taxes and fees related to spin-off operations in the amount of PLN 117,899.
- Change in the presentation of other costs related to spin-off operations in the amount of PLN 253,189.
- Change in the presentation of other operating costs related to spin-off operations in the amount of PLN 32,688.
- Change in the presentation of financial income related to spin-off operations in the amount of PLN 19,672.

RECONCILIATION OF THE PROFITS 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	adjustments*	Period ended 31/12/2019		Period ended 31/12/2019
	Polish Accounting Standards		IFRS adjustments	Presentation of spin-off activities [adjustment 6]	IFRS
Continuing operations					
Sales revenue	42 567 163	6	-	(38 768 832)	3 798 331
Grant income	31 187 013	1,6	(52 175)	(1 212 902)	29 921 936
Other operating revenue	790 484	2,6	208	(372 226)	418 466
Total operating revenue	**74 544 660**		**(51 967)**	**(40 353 960)**	**34 138 733**
Amortization and depreciation	(9 109 107)	2,3,6	(1 733 785)	2 854 257	(7 988 635)
Consumption of materials and supplies	(20 615 401)	6	-	7 811 655	(12 803 746)
External services	(44 344 098)	1,2,6	1 844 183	15 402 379	(27 097 536)
Employee benefit expense	(41 174 895)	6	-	12 707 007	(28 467 888)
Taxes and charges	(655 972)	6	-	347 999	(307 973)
Other expenses	(3 648 738)	6	-	872 676	(2 776 062)
Other operating expenses	(135 549)	6	-	53 409	(82 140)
Total operating expenses	**(119 683 760)**		**110 398**	**40 049 382**	**(79 523 980)**
Operating (loss)	**(45 139 100)**		**58 431**	**(304 578)**	**(45 385 247)**
Financial revenue	9 534 855	6,8	(8 320 928)	(307 336)	906 591
Financial expenses	(424 435)		(134 682)	-	(559 117)
(Loss) on business activities	**(36 028 680)**		**(8 397 179)**	**(611 914)**	**(45 037 773)**
Valuation of Investments in associates	-	5	928 380	-	928 380
(Loss) before income tax	**(36 028 680)**		**(7 468 800)**	**(611 914)**	**(44 109 394)**
Income tax expense	29 990	4	(190 880)	-	(160 890)
Net (loss) on continuing operations	**(35 998 690)**		**(7 659 680)**	**(611 914)**	**(44 270 284)**
Discontinued operations					
Net profit / (loss) on discontinued operations	-	6	-	611 914	611 914
Dividend on discontinued operations		8	8 320 928		8 320 928
Profit on the spin-off	-	7	320 977 452		320 977 452
NET PROFIT / (LOSS)	**(35 998 690)**		**321 638 700**	**-**	**285 640 010**
TOTAL INCOME FOR THE PERIOD	**(35 998 690)**		**321 638 700**	**-**	**285 640 010**

**** Adjustments***

1. Reclassification of subsidy income

- Change in the presentation of revenues from subsidies accrued from the depreciation of low-value fixed assets in the amount of PLN 52.175.

2. Adoption of IFRS 16

- Adjustment of depreciation of usage rights in the amount of PLN 1,827,162 and the costs of external services in the amount of PLN 1,844,183.

- Adjustment of other operating income in the amount of PLN 208.

- Adjustment of financial costs in the amount of PLN 134,682.

3. Adjustment of depreciation of low-cost fixed assets

- Correction of the depreciation calculation of low-value fixed assets from a one-off method to a straight-line method in the amount of PLN 93,377.

4. Income tax adjustment

- Correction of the calculation of deferred income tax calculated on the change in the depreciation of low-value funds and income from subsidies on the depreciation of low-value funds in the amount of PLN 7,828 and the calculation of deferred income tax in the depreciation and adjustment of services resulting from the application of IFRS 16 in the amount of PLN 22,316.

5. Valuation of shares in associates (Note 17)

- Valuation of shares in Nodthera according to the average exchange rate of the National Bank of Poland as at 31.12.2019.

6. Presentation of spin-off activities

- *Change in the presentation of revenues related to spin-off operations in the amount of PLN 38,786,832.*
- *Change in the presentation of revenues from subsidies related to spin-off operations in the amount of PLN 1,212,902.*
- *Change in the presentation of other operating income related to spin-off operations in the amount of PLN 372,226.*
- *Change in the presentation of depreciation relating to spin-off operations in the amount of PLN 2,854,257*
- *Change in the presentation of the consumption of raw materials and materials related to the spin-off activity in the amount of PLN 7,811,655.*
- *Change in the presentation of external services related to spin-off operations in the amount of PLN 15,402,379.*
- *Change in the presentation of employee benefits related to spin-off activities in the amount of PLN 12,707,007.*
- *Change in presentation of taxes and fees related to spin-off operations in the amount of PLN 347,999.*
- *Change in the presentation of other costs related to spin-off operations in the amount of PLN 872.676.*
- *Change in the presentation of other operating costs related to spin-off operations in the amount of PLN 53.409.*
- *Change in the presentation of financial income related to spin-off operations in the amount of PLN 307.336.*

7. Effect of separating of the OPE

The effect of the separation of OPE: The difference to the Accounting Act resulted 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, was a transfer of non-cash assets to the Company's shareholders (and thus a non-cash dividend payment to shareholders in correspondence with equity) and the application of this standard resulted in recognition in a separate item in the profit and loss account of "Separation profit" in the amount of PLN 321 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 from the first day of listing on the WSE: October 16, 2019, and the net asset value transferred in the form of an organized part of the enterprise.

	Computation	**Value in PLN**
Fair value	21 * 15.971.229 shares=	335 395 809
Net assets of OPE		14 418 357
Gain on spin-off		**320 977 452**

The impact on the Company's equity as a result of this recognition of the transaction was zero PLN. It was a non-cash item and was a direct result of the division and receipt of 1: 1 ratio shares of Selvita CRO S.A. (currently Selvita S.A.) by the shareholders of Ryvu Therapeutics S.A.

8. Presentation of the dividend paid from Selvita Services Sp. z o.o. to the Company.

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

	Balance as at 31/12/2019 Polish Accounting Standards	adjustments*	Balance as at 31/12/2019 IFRS adjustments	Balance as at 31/12/2019 IFRS
ASSETS				
Non-current assets				
Tangible fixed assets	63 556 984	2,3	6 907 718	70 464 702
Other Intangible assets	2 923 654		-	2 923 654
Financial assets-Shares in Nodthera	678 910	5	23 075 345	23 754 255
Deferred Tax Asset	350 427	4	350 363	700 790
Other financial assets	85 194		-	85 194
Total non-current assets	**67 595 169**		**30 333 426**	**97 928 595**
Current assets				
Inventory	1 586 162		-	1 586 162
Short-term receivables	9 475 361	1	5 205 421	14 680 782
Contract assets	-	8	360 205	360 205
Other assets	6 860 154	1,8	(5 617 801)	1 242 353
Cash and other monetary assets	72 106 928		-	72 106 928
Total current assets	**90 028 605**		**(52 175)**	**89 976 430**
Total assets	**157 623 774**		**30 281 251**	**187 905 025**
EQUITY AND LIABILITIES				
Equity				
Share capital	6 388 492		-	6 388 492
Share premium	145 188 585		-	145 188 585
Capital resulting from the split	(14 418 357)		-	(14 418 357)
Capital resulting from the spin-off	-	6	(320 977 452)	(320 977 452)
Other reserve capitals	-	7	11 172 000	11 172 000
Retained earnings / Accumulated losses	-		7 586 901	7 586 901
Net profit / (loss) for the period	(35 998 690)		321 638 700	285 640 010
Total equity	**101 160 030**		**19 420 149**	**120 580 179**
Long-term liabilities				
Bank loans and credits	2 362 058		-	2 362 058
Lease liabilities	2 927 882	2	4 155 393	7 083 275
Retirement provision	188 159		-	188 159
Deferred tax liability	350 427	4,5	4 793 286	5 143 713
Deferred income	21 183 710		-	21 183 710
Total long-term liabilities	**27 012 236**		**8 948 679**	**35 960 915**
Short-term liabilities				
Trade and other liabilities	22 636 132		-	22 636 132
Bank loans and credits	823 750		-	823 750
Lease liabilities	1 698 936	2	1 523 963	3 222 899
Deferred income and accrued expenses	4 292 690	1	388 459	4 681 149
Total short-term liabilities	**29 451 508**		**1 912 422**	**31 363 930**
Total liabilities	**56 463 744**		**10 861 101**	**67 324 845**
Total equity and liabilities	**157 623 774**		**30 281 251**	**187 905 025**

**** Adjustments***

1. Reclassification of receivables from subsidies

- Change in the presentation of amounts due from subsidies calculated in proportion to the eligible costs incurred in the amount of PLN 5,205,421.

2. Application of IFRS 16

- Valuation of tangible assets used based on lease contracts in the amount of PLN 5,561,904 and adjustment of long-term leasing liabilities in the amount of PLN 4,155,393 and short-term leasing liabilities in the amount of PLN 1,523,963.

3. Adjustment of depreciation of low-value fixed assets

- Adjustment of the depreciation calculation of low-value fixed assets from a one-off method to a straight-line method in the amount of PLN 93,377.

4. Adjustment for deferred tax

- Adjustment of deferred tax asset from changes in the depreciation of low-value funds and income from subsidies on depreciation of low-value funds in the amount of PLN 7,828, and adjustment of the deferred tax asset resulting from the application of IFRS 16 in the amount of PLN 342,535.

- Adjustment of the provision for deferred tax calculated in connection with the application of IFRS 16 in the amount of PLN 364.851.

5. Valuation of shares in Nodthera (Note 17)

6. Effect of separating OPE (Note 25)

7. Adjustment in connection with the transformation to IFRS as a result of settlement of the option program

- Adjustment of remuneration costs in connection with the incentive program carried out in 2015-2016 in the amount of PLN 11,172,000.

8. Presentation of contract asset

- Change in the presentation of contractual receivables in the amount of PLN 360,205.

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

	Balance as at 31/03/2019 Polish Accounting Standards	adjustments*	Balance as at 31/03/2019 IFRS adjustments	Balance as at 31/03/2019 IFRS
ASSETS				
Non-current assets				
Tangible fixed assets	43 891 759	2,3	15 957 575	59 849 334
Other Intangible assets	2 484 555		-	2 484 555
Financial assets-Shares in Nodthera	678 910	5	22 146 965	22 825 875
Investments in subsidiaries	9 588 366		-	9 588 366
Other financial assets	166 526		-	166 526
Total non-current assets	**56 810 116**		**38 104 540**	**94 914 656**
Current assets				
Inventory	1 602 008		-	1 602 008
Short-term receivables	17 073 625	1	14 767 454	31 841 079
Contract assets	-		1 387 367	1 387 367
Other financial assets	14 954 552		-	14 954 552
Other assets	17 686 609	1	(15 238 680)	2 447 929
Cash and other monetary assets	76 558 015		-	76 558 015
Total current assets	**127 874 809**		**916 141**	**128 790 950**
Total assets	**184 684 925**		**39 020 681**	**223 705 606**
EQUITY AND LIABILITIES				
Equity				
Share capital	6 388 492		-	6 388 492
Share premium	168 244 820		-	168 244 820
Other reserve capitals	-	6	11 172 000	11 172 000
Retained earnings / Accumulated losses	(23 056 237)		7 586 900	(15 469 337)
Net profit / (loss) for the period	(9 660 070)		38 898	(9 621 172)
Total equity	**141 917 005**		**18 797 798**	**160 714 803**
Long-term liabilities				-
Bank loans and credits	2 969 423		-	2 969 423
Lease liabilities	2 475 323	2	10 900 431	13 375 754
Retirement provision	118 023		-	118 023
Deferred tax liability	16 340	4,5	4 400 236	4 416 576
Deferred income	11 092 113		-	11 092 113
Total long-term liabilities	**16 671 222**		**15 300 666**	**31 971 888**
Short-term liabilities				
Trade and other liabilities	17 043 487		-	17 043 487
Contract liabilities	-		916 141	916 141
Bank loans and credits	968 704		-	968 704
Lease liabilities	1 359 700	2	3 627 599	4 987 299
Accrued expenses	2 778 966		-	2 778 966
Deferred income	3 945 841	1	378 477	4 324 318
Total short-term liabilities	**26 096 698**		**4 922 217**	**31 018 915**
Total liabilities	**42 767 920**		**20 222 883**	**62 990 803**
Total equity and liabilities	**184 684 925**		**39 020 681**	**223 705 606**

***Adjustments**

1. Reclassification of receivables from subsidies

- Change in the presentation of receivables from subsidies calculated in proportion to the eligible costs incurred in the amount of PLN 14,767,454.

2. Adoption of IFRS 16

- Valuation of tangible assets used based on lease contracts in the amount of PLN 14,528,030 and adjustment of long-term lease liabilities in the amount of PLN 10,900,431 and short-term lease liabilities in the amount of PLN 3,627,599.

3. Adjustment of depreciation of low-value fixed assets

- Adjustment of the depreciation calculation of low-value fixed assets from the one-off method to the straight-line method in the amount of PLN 1,390,183.

4. Adjustment for deferred tax

- Adjustment of the deferred tax provision related to the valuation of shares in Nodthera in the amount of PLN 4,207,923 and resulting from the change in the method of depreciation of low-value fixed assets in the amount of PLN 192,312.

5. Valuation of shares in Nodthera (Note 17)

6. Adjustment in connection with the transformation to IFRS as a result of settlement of the option program

- Adjustment of remuneration costs in connection with the incentive program carried out in 2015-2016 in the amount of PLN 11,172,000.

RECONCILIATION OF THE STATEMENT OF FINANCIAL POSITION BY POLISH ACCOUNTING STANDARDS AND IFRS PREPARED AS AT 1 JANUARY 2019

	Balance as at 01/01/2019	adjustments*	Balance as at 01/01/2019	Balance as at 01/01/2019
	Polish Accounting Standards		IFRS adjustments	IFRS
ASSETS				
Non-current assets				
Tangible fixed assets	39 713 134	2,3	15 413 012	55 126 146
Other Intangible assets	2 383 664		-	2 383 664
Financial assets-Shares in Nodthera	678 910	5	22 146 965	22 825 875
Investments in subsidiaries	6 599 616		-	6 599 616
Other financial assets	113 579		-	113 579
Total non-current assets	**49 488 903**		**37 559 977**	**87 048 880**
Current assets				
Inventory	1 602 008		-	1 602 008
Short-term receivables	18 577 438	1	15 871 707	34 449 145
Contract assets	-		596 421	596 421
Other financial assets	15 052 998		-	15 052 998
Other assets	18 033 977	1	(15 871 707)	2 162 270
Cash and other monetary assets	94 858 075		-	94 858 075
Assets classified as held for sale	148 124 496		596 421	148 720 917
Total current assets	**148 124 496**		**596 421**	**148 720 917**
Total assets	**197 613 399**		**38 156 398**	**235 769 797**
EQUITY AND LIABILITIES				
Equity				
Share capital	6 388 492		-	6 388 492
Share premium	168 244 820		-	168 244 820
Other reserve capitals	-	6	11 172 000	11 172 000
Retained earnings / Accumulated losses	(23 056 237)		7 586 900	(15 469 337)
Net profit / (loss) for the period	-		-	-
Total equity	**151 577 075**		**18 758 900**	**170 335 975**
Long-term liabilities				-
Bank loans and credits	3 171 878		-	3 171 878
Lease liabilities	2 723 811	2	10 556 666	13 280 477
Retirement provision	118 023		-	118 023
Deferred tax liability	29 989	4,5	4 400 236	4 430 225
Deferred income	10 362 746		-	10 362 746
Total long-term liabilities	**16 406 447**		**14 956 902**	**31 363 349**
Short-term liabilities				
Trade and other liabilities	20 317 336		-	20 317 336
Contract liabilities	-		759 510	759 510
Bank loans and credits	881 257		-	881 257
Lease liabilities	1 355 323	2	3 455 716	4 811 039
Accrued expenses	2 978 966		-	2 978 966
Deferred income	4 096 995	1	225 370	4 322 365
Total short-term liabilities	**29 629 877**		**4 440 596**	**34 070 473**
Total liabilities	**46 036 324**		**19 397 498**	**65 433 822**
Total equity and liabilities	**197 613 399**		**38 156 398**	**235 769 797**

**** Adjustments***

1. Reclassification of receivables from subsidies

- Change in the presentation of receivables from subsidies calculated in proportion to the eligible costs incurred in the amount of PLN 15,871,707.

2. Adoption of IFRS 16

- Valuation of tangible assets used based on lease contracts in the amount of PLN 14,012,382 and adjustment of long-term lease liabilities in the amount of PLN 10,556,666 and short-term lease liabilities in the amount of PLN 3,455,716.

3. Adjustment of depreciation of low-value fixed assets

- Adjustment of the depreciation calculation of low-value fixed assets from the one-off method to the straight-line method in the amount of PLN 1,400,630.

4. Adjustment for deferred tax

- Adjustment of the deferred tax provision related to the valuation of shares in Nodthera in the amount of PLN 4,207,923 and resulting from the change in the method of depreciation of low-value fixed assets in the amount of PLN 192,312.

5. Valuation of shares in Nodthera (Note 17)

6. Adjustment in connection with the transformation to IFRS as a result of settlement of the option program

- Adjustment of remuneration costs in connection with the incentive program carried out in 2015-2016 in the amount of PLN 11,172,000.

RECONCILIATION OF THE STATEMENT OF CASH FLOWS ACCORDING TO POLISH ACCOUNTING STANDARDS AND IFRS FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

	Note	Year ended 31/12/2019 Polish Accounting Standards	adjustment*	Year ended 31/12/2019 IFRS adjustments	Year ended 31/12/2019 IFRS
Cash flows from operating activities					
Profit / (loss) for the period		**(35 998 690)**		**321 638 700**	**285 640 010**
Adjustments:					
Valuation of shares in Nodthera			5	(928 380)	(928 380)
Amortization and depreciation and impairment losses on fixed assets		9 109 107	3	(1 120 472)	7 988 635
Interest and profit-sharing (dividends), net		(9 145 892)		-	(9 145 892)
Profit on the spin-off			6	(320 977 452)	(320 977 452)
Change in receivables		1 006 389	7,8	10 666 286	11 672 675
Change in inventory		(682 736)		-	(682 736)
Change in short-term liabilities and provision excluding credits and loans		(1 088 984)		-	(1 088 984)
Change in deferred income		18 944 892	1	(4 284 447)	14 660 445
Change in deferred tax		454 950	2,4	(615 840)	(160 890)
Change in other assets		-	2,4,7,8	(4 378 395)	(4 378 395)
Net cash flows from operating activities		**(17 400 964)**		**(0)**	**(17 400 964)**
- from continued operations		*(24 253 257)*		*4 831 462*	*(19 421 795)*
- from discontinued operations		*6 852 293*		*(4 831 462)*	*2 020 831*
Cash flows from investing activities					
Disposal of tangible and intangible fixed assets		80 000		-	80 000
Purchase of tangible and intangible fixed assets		(23 994 850)		(0)	(23 994 850)
Purchase / (disposal) of other financial assets		14 928 600		-	14 928 600
Purchase of subsidiary, net of cash receipts		-	10	(2 988 750)	(2 988 750)
Dividends received		-	9	8 320 928	8 320 928
Interest received		1 042 764		-	1 042 764
Repayment of loans		1 709		-	1 709
Loans granted		5 271		-	5 271
Net cash flows from investing activities		**(7 936 506)**		**5 332 178**	**(2 604 328)**
- from continued operations		*(7 031 859)*		*(0)*	*(7 031 859)*
- from discontinued operations		*(904 647)*		*5 332 178*	*4 427 531*
Cash flows from financing activities					
Repayment of finance lease liabilities		(1 704 306)		-	(1 704 306)
Proceeds from credits and loans		57 508		-	57 508
Repayment of credits and loans		(881 259)		1	(881 258)
Dividends received		8 320 928	9	(8 320 928)	-
Purchase of shares of related parties		(2 988 750)	10	2 988 750	-
Interest paid		(217 800)		-	(217 800)
Net cash flows from financing activities		**2 586 321**		**(5 332 177)**	**(2 745 856)**
- from continued operations		*(1 629 672)*		*0*	*(1 629 672)*
- from discontinued operations		*4 215 993*		*(5 332 177)*	*(1 116 184)*
Net increase / (decrease) in cash and cash equivalents		(22 751 148)		0	(22 751 148)
Cash and cash equivalents at the beginning of the period		94 858 075		-	94 858 075
Cash and cash equivalents at the end of the period		**72 106 927**		**0**	**72 106 927**

**** Adjustments***

1. Reclassification of subsidy income
- Change in the presentation of revenues from subsidies accrued from the depreciation of low-value fixed assets in the amount of PLN 52.175.

2. Application of IFRS 16
- Valuation of tangible assets used based on lease contracts in the amount of PLN 5,561,904 and adjustment of long-term leasing liabilities in the amount of PLN 4,155,393 and short-term leasing liabilities in the amount of PLN 1,523,963.

3. Adjustment of depreciation of low-value fixed assets
- Adjustment of the depreciation calculation of low-value fixed assets from a one-off method to a straight-line method in the amount of PLN 93,377.

4. Adjustment for deferred tax
- Adjustment of deferred tax asset from changes in the value of amortization of low-value funds and revenues from subsidies accrued from amortization of low-value funds in the amount of PLN 7,828 and adjustment of the deferred tax asset resulting from the application of IFRS 16 in the amount of PLN 342,535.

5. Valuation of shares in associates (Note 17)

6. Effect of separating OPE (Note 25)

7. Reclassification of subsidies
- Change in the presentation of receivables from subsidies calculated in proportion to the eligible costs incurred in the amount of PLN 5,205,421.

8. Reclassification of receivables from settlement of long-term contracts
- Change in the presentation of contractual receivables in the amount of PLN 360,205.

9. Reclassification of dividends received in the amount of PLN 8,320,928

10. Reclassification of purchase of shares of related entities in the amount of PLN 2,988,750

26. Credit facilities and loans and other sources of financing

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Uncollateralized:			
Overdraft facilities (i)	-	-	-
Used credit card limits (ii)	19 917	13 930	71 437
	19 917	13 930	71 437
Collateralized:			
Bank loans (iii)	2 949 506	3 171 878	3 981 698
	2 949 506	3 171 878	3 981 698
Total:	**2 969 423**	**3 185 808**	**4 053 135**
Current liabilities	809 820	823 750	881 257
Non-current liabilities	2 159 603	2 362 058	3 171 878
	2 969 423	**3 185 808**	**4 053 135**

26.1 Loan agreements

(i) The Company does not have any open overdraft facilities.
(ii) The balance of debt as at 31/03/2020 results from the use of the limit on credit cards in the amount of PLN 19,917.

(iii) The company has a mortgage loan taken for the purchase of a construction plot in Bank PKO BP.

The interest rate as at the balance sheet day was 3.14%.
The loan is secured by a mortgage entry in the amount of PLN 8,403,000, a blank promissory note for PLN 2,949,506 and a contractual right of set-off to PLN 2,949,506.

26.2 Breaches of covenants

None.

27. Provisions

None.

28. Trade and other liabilities

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Trade liabilities	10 698 458	18 413 148	16 907 846
Liabilities due to taxes, insurance (social security, personal income tax, PFRON)	1 396 592	1 015 263	1 565 791
CIT liability	-	-	45 184
Liabilites due to salaries and wages and other liabilities to employees	18 433	11 911	523 685
Other non-financial liabilities	1 469 658	3 195 810	1 274 830
	13 583 141	**22 636 132**	**20 317 336**

The average payment term for purchases of goods and materials is two months. Following its due date, interest usually are not accrued on outstanding liabilities.The Company has a financial risk management policy in place, ensuring that its liabilities are paid on time.

29 Liabilities due to retirement benefits

Balance as at 31/03/2020

Item	Provisions for retirement benefits	Total
Provisions at the beginning of the period	188 159	188 159
Provisions at the end of the period, including:	**188 159**	**188 159**
- long-term	188 159	188 159
- short-term	**-**	**-**

Balance as at 31/12/2019

Item	Provisions for retirement benefits	Total
Provisions at the beginning of the period	118 023	118 023
Increase due to:		
- provisions recognized in profit and loss account in current period	70 136	70 136
Provisions at the end of the period, including:	**188 159**	**188 159**
- long-term	188 159	188 159
- short-term	**-**	**-**

Balance as at 01/01/2019

Item	Provisions for retirement benefits	Total
Provisions at the beginning of the period	118 023	118 023
Provisions at the end of the period, including:	**118 023**	**118 023**
- long-term	118 023	118 023
- short-term	-	-

30. Financial instruments

30.1 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing its profitability through optimization of the debt to equity ratio.
The capital structure as well as the level and maturity of liabilities are reviewed on a regular basis. The said reviews comprise analyses of the cost of capital and the risk associated with its individual categories.

The key items analysed by the Company are:
• cash and cash equivalents, as disclosed in Note 35,
• equity, including reserve capitals and retained earnings, as disclosed in Note 24.

The Company is not subject to any external capital requirements except for the one imposed by Article 396.1 of the Code of Commercial Companies, which the parent is obliged to comply with, whereby supplementary capital has to be created for purposes of offsetting losses. No less than 8% of the profit for the financial year has to be transferred to the supplementary capital until its value reaches at least one third of the share capital. That part of the supplementary capital (retained earnings) may not be distributed to the shareholders.

30.1.1 Net debt to equity ratio

The Company reviews its capital structure periodically. The said reviews comprise analyses of the cost of capital and the risks associated with each category of capital.

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Debt (i)	(61 990 173)	(67 324 849)	(65 433 822)
Cash and cash equivalents	50 977 640	72 106 927	94 858 075
Net debt	**(11 012 533)**	**4 782 078**	**29 424 253**
Equity (ii)	116 272 999	120 580 176	170 335 975
Net debt to equity	**(0,09)**	**0,04**	**0,17**

(i) Debt comprises long- and short-term debt.
(ii) Equity comprises the equity presented in the statement of financial position.

The debt ratio reached is within the expected and accepted by the Management Board.

30.2 Categories of financial instruments

The company is exposed to risks related to financial instruments. The risks to which it is exposed are:
- market risk including currency risk and interest rate risk,
- credit risk and
- liquidity risk.

Individual types of risk are discussed in the following Notes.

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Financial assets			
Financial instruments measured at amortized cost method:	**65 808 920**	**79 045 627**	**137 706 836**
Loans granted (Note 18)	-	-	67 072
Other short term financial assets (Note 18)	-	-	14 985 926
Other financial asets - deposits (Note 20)	85 194	85 193	113 579
Contracted assets (Note 5.3)	371 642	360 205	596 421
Cash (Note 35)	50 977 640	72 106 927	94 858 075
Trade and other receivables (Note 22)	14 374 444	6 493 302	27 085 763
Financial assets at fair value through profit or loss	24 268 120	23 754 255	22 825 875
Other financial assets - Nodthera shares (Note 17)	24 268 120	23 754 255	22 825 875
Financial liabilities			
Financial instruments measured at amortized cost method:	23 410 259	31 076 463	26 658 153
Interest bearing credit facilities and loans (Note 26)	2 969 423	3 185 808	4 053 135
Finance lease liabilities (Note 30.8)	9 742 378	10 306 175	18 091 516
Trade and other liabilities (Note 28)	10 698 458	18 413 148	16 907 846

30.3 Financial risk management objectives

Credit, liquidity and market risks (including mainly currency risk and interest rate risk) occur in the ordinary course of the Company's business. Financial risk management at the Company is primarily aimed to minimize the effect of market factors, such as foreign exchange and interest rates, on the key financial parameters approved in the Company's budget for the year (profit and cash flows) with the use of natural hedges.

30.4 Market risk

The Company's activities expose it to currency risk (see Note 30.5) and interest rate risk (see Note 30.6). The Company does not use any derivative instruments for purposes of currency or interest rate risk management as natural hedges are sufficient to minimize the risk it is exposed to.

Exposure to all market risk categories is measured by means of a sensitivity analysis.

30.5 Foreign currency risk management

The Company enters into certain transactions denominated in foreign currencies. Hence, it is exposed to the risk of changes in foreign exchange rates. The said risk is managed by means of natural hedges.

The carrying amounts of the Company's foreign currency monetary assets and liabilities as at the end of the reporting period:

	Liabilities			Assets		
	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
EUR	6 061 832	5 415 515	10 202 978	10 962 950	10 062 383	6 926 367
USD	1 495 955	1 924 988	958 730	643 972	849 730	118 088
Other	125 902	450 795	157 865	277 029	730 122	2 598

The "Assets" item does not include denominated in foreign currency cash on the Company's bank accounts.

30.5.1 *Sensitivity to currency risk*

The Company is mainly exposed to risk related to EUR and USD.

The degree of sensitivity of the Company to a 15% increase and decrease of the PLN exchange rate for foreign currencies is presented in the table below. 15% is the sensitivity rate used in internal currency risk analyzes for top management and reflects management's assessment of possible changes in foreign exchange rates. The sensitivity analysis covers only unsettled monetary items denominated in foreign currencies and corrects the currency conversion at the end of the accounting period by a 15% change in exchange rates. A positive value in the table below indicates an increase in profit and an increase in equity accompanying the strengthening of the PLN exchange rate for foreign currencies by 15%. In the case of a 15% weakening of PLN against a given foreign currency, this value would be negative, and the impact on profit and equity would be the opposite.

		EUR Effect			USD Effect		
		Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
ASSETS							
Exchange rate increase	15%	1 644 442	1 509 357	1 038 955	96 596	127 460	17 713
Exchange rate increase	10%	1 096 295	1 006 238	692 637	64 397	84 973	11 809
Exchange rate increase	5%	548 147	503 119	346 318	32 199	42 487	5 904
Exchange rate decrease	-5%	(548 147)	(503 119)	(346 318)	(32 199)	(42 487)	(5 904)
Exchange rate decrease	-10%	(1 096 295)	(1 006 238)	(692 637)	(64 397)	(84 973)	(11 809)
Exchange rate decrease	-15%	(1 644 442)	(1 509 357)	(1 038 955)	(96 596)	(127 460)	(17 713)
LIABILITIES							
Exchange rate increase	15%	909 275	812 327	1 530 447	224 393	288 748	143 809
Exchange rate increase	10%	606 183	541 551	1 020 298	149 596	192 499	95 873
Exchange rate increase	5%	303 092	270 776	510 149	74 798	96 249	47 936
Exchange rate decrease	-5%	(303 092)	(270 776)	(510 149)	(74 798)	(96 249)	(47 936)
Exchange rate decrease	-10%	(606 183)	(541 551)	(1 020 298)	(149 596)	(192 499)	(95 873)
Exchange rate decrease	-15%	(909 275)	(812 327)	(1 530 447)	(224 393)	(288 748)	(143 809)
EFFECT ON PROFIT							
Exchange rate increase	15%	735 168	697 030	(491 492)	(127 797)	(161 289)	(126 096)
Exchange rate increase	10%	490 112	464 687	(327 661)	(85 198)	(107 526)	(84 064)
Exchange rate increase	5%	245 056	232 343	(163 831)	(42 599)	(53 763)	(42 032)
Exchange rate decrease	-5%	(245 056)	(232 343)	163 831	42 599	53 763	42 032
Exchange rate decrease	-10%	(490 112)	(464 687)	327 661	85 198	107 526	84 064
Exchange rate decrease	-15%	(735 168)	(697 030)	491 492	127 797	161 289	126 096

The Company's exposure to currency risk changes throughout the year depending on the volume of foreign currency transactions. Nevertheless, the above sensitivity analysis may be regarded as representative for determination of the currency risk exposure.

30.6 Interest rate risk management

The Company is exposed to interest rate risk resulting from floating rate lease agreements. Hedging activities are subject to regular reviews so that they are brought into line with the current interest rate situation and predefined risk appetite, and to ensure that an optimum hedging strategy is in place.

30.6.1 Sensitivity to changes in interest rates

The sensitivity analyzes presented below are based on the degree of exposure to interest rate risk of financial instruments (liabilities arising from leasing and loan agreements) as at the balance sheet date. In the case of liabilities with a variable interest rate, it is assumed for the purposes of the analysis that the amount of unpaid liabilities at the balance sheet date was unpaid for the whole year. Internal analyzes of interest rate risk for key management members use up and down fluctuations of 50 basis points, which reflects management's assessment of the likely change in interest rates.

31 March 2020

	< 1 year	*1–2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*>5 years*	*Total*
Lease liabilities	3 022 533	3 376 768	1 924 816	1 415 197	3 064		9 742 378
Bank loan for the amount of PLN 5,601 thousand	789 903	800 196	800 196	559 211			2 949 506

	< 1 year	*1–2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*>5 years*	*Total*
Cash	50 977 640						50 977 640

31 December 2019

	< 1 year	*1–2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*>5 years*	*Total*
Lease liabilities	3 222 899	3 541 638	1 983 317	1 407 995	150 326		10 306 175
Bank loan for the amount of PLN 5,601 thousand	809 820	800 196	800 196	761 666	-		3 171 878

	< 1 year	*1–2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*>5 years*	*Total*
Cash	72 106 927						72 106 927

1 January 2019

	< 1 year	*1–2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*>5 years*	*Total*
Lease liabilities	4 811 039	6 574 151	4 309 207	1 861 473	535 647		18 091 517
Bank loan for the amount of PLN 5,601 thousand	809 820	800 196	800 196	800 196	771 290		3 981 698

	< 1 year	*1–2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*>5 years*	*Total*
Cash	109 911 073						109 911 073

The interest rate on financial instruments with a variable interest rate is updated in periods of less than one year. Interest on financial instruments with a fixed interest rate is constant throughout the period until the maturity / maturity of these instruments. Other financial instruments of the Company which are not included in the above tables are not interest bearing and are therefore not subject to interest rate risk.

Interest rate risk - sensitivity to changes

The table below presents the sensitivity of gross profit (loss) to reasonably possible changes in interest rates, assuming that other factors remain unchanged (in connection with liabilities with a variable interest rate). No impact on equity or total comprehensive income of the Company was presented.

	Increase / decrease by percentage points	*Impact on gross profit or loss*
Year ended 31 March 2020		
PLN	+0,5%	1 538
EUR	+0,5%	6 458
USD	+0,5%	218
PLN	-0,5%	(1 538)
EUR	-0,5%	(6 458)
USD	-0,5%	(218)
Year ended 31 December 2019		
PLN	+0,5%	(8 717)
EUR	+0,5%	(31 948)
USD	+0,5%	(266)
PLN	-0,5%	8 717
EUR	-0,5%	31 948
USD	-0,5%	266
Year ended 31 December 2018		
PLN	+0,5%	(393)
EUR	+0,5%	(4 698)
USD	+0,5%	(187)
PLN	-0,5%	393
EUR	-0,5%	4 698
USD	-0,5%	187

30.7 Credit risk management

Credit risk is the risk that a contracting party will default on its contractual obligations, resulting in the Company's financial losses. The Company enters into transactions only with creditworthy contracting parties. If necessary, the risk of financial losses due to default is reduced by collateral. While assessing its major customers, the Company also uses other publicly available financial information and internal transaction data. The Company's exposure to counterparty credit risk is monitored on an ongoing basis and the aggregate value of concluded transactions is distributed over approved contracting parties.

Trade receivables comprise amounts due from large, reliable and key customers operating in different geographies. Regular credit analyses are also performed considering the status of receivables.

Excludnig the Company's major customers (information on revenue has been presented in Note 6.5), the Company is not exposed to considerable credit risk with respect to a single counterparty. Each of these customers is an international company with a stable financial position, which considerably reduces credit risk. The concentration of credit risk with respect to other customers does not exceed 10% of gross monetary assets during the year.

Credit risk related to liquid assets is limited as the Company's contracting parties are banks with a high credit rating assigned by international rating agencies. Data on receivables as at the balance sheet date can be found in Note 22 and data on the contracted asset are provided in Note 5.3.

30.8 Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Management Board, which has developed a suitable management system for short-, medium- and long-term funding and liquidity requirements. The Company's liquidity management consists in maintaining the reserve capital at an appropriate level, keeping stand-by lines of credit, ongoing monitoring of projected and actual cash flows and alignment of the maturity of financial assets with that of financial liabilities.

	As at 31/03/2020	As at 31/12/2019	As at 01/01/2019
Financial assets (+)	**65 352 084**	**78 600 229**	**136 996 836**
Receivables (including trade receivables of disposal groups)	14 374 444	6 493 302	27 085 763
Cash	50 977 640	72 106 927	94 858 075
Other financial assets	-	-	15 052 998
Financial liabilities (-)	**(23 410 259)**	**(31 905 131)**	**(39 052 497)**
Interest bearing credit facilities and loans	(2 969 423)	(3 185 808)	(4 053 135)
Finance lease liabilities	(9 742 378)	(10 306 175)	(18 091 516)
Trade liabilities	(10 698 458)	(18 413 148)	(16 907 846)
Exposure to liquidity risk	**41 941 825**	**46 695 098**	**97 944 339**

As at the balance sheet date, March 31, 2020, the company's financial liabilities were within the following maturity ranges:

Type of liability	Current:				Non-current:			
	Maturing as at 31/03/2020	within 3 months	3-12 months	Total current liabilities	1-5 years	over 5 years	Total non-current liabilities	Liabilities – carrying amount
Interest bearing credit facilities and loans	-	217 393	592 427	809 820	2 159 603	-	2 159 603	2 969 423
Finance lease liabilities	-	755 633	2 266 900	3 022 533	6 719 845	-	6 719 845	9 742 378
Trade liabilities	4 404 259	5 989 481	304 718	10 698 458	-	-	-	10 698 458
Total	**4 404 259**	**6 962 507**	**3 164 045**	**14 530 811**	**8 879 448**	**-**	**8 879 448**	**23 410 259**

As at the balance sheet date, December 31, 2019, the company's financial liabilities were within the following maturity ranges:

Type of liability	Current:				Non-current:			
	Maturing as at 31/12/2019	within 3 months	3-12 months	Total current liabilities	1-5 years	over 5 years	Total non-current liabilities	Liabilities – carrying amount
Interest bearing credit facilities and loans	-	216 385	607 365	823 750	2 362 058	-	2 362 058	3 185 808
Finance lease liabilities	-	805 725	2 417 174	3 222 899	7 083 276	-	7 083 276	10 306 175
Trade liabilities	14 170 996	2 319 828	1 922 324	18 413 148	-	-	-	18 413 148
Total	**14 170 996**	**3 341 938**	**4 946 863**	**22 459 797**	**9 445 334**	**-**	**9 445 334**	**31 905 131**

As at the balance sheet date, January 1, 2019, the company's financial liabilities were within the following maturity ranges:

Type of liability	Current:				Non-current:			
	Maturing as at 01/01/2019	within 3 months	3-12 months	Total current liabilities	1-5 years	over 5 years	Total non-current liabilities	Liabilities – carrying amount
Interest bearing credit facilities and loans	-	273 892	607 365	881 257	3 171 878	-	3 171 878	4 053 135
Finance lease liabilities	-	1 541 591	3 269 448	4 811 039	13 280 477	-	13 280 477	18 091 516
Trade liabilities	12 261 890	4 426 835	219 121	16 907 846	-	-	-	16 907 846
Total	**12 261 890**	**6 242 318**	**4 095 934**	**22 600 142**	**16 452 355**	**-**	**16 452 355**	**39 052 497**

30.8.1 Available external sources of funding

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Collateralized overdraft facilities:			
Amount used	19 917	13 930	71 437
Amount available	380 083	386 070	328 563
	400 000	**400 000**	**400 000**

31. Accrued costs

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Unused holiday accrual	906 275	741 595	1 078 966
Bonuses	1 049 000	1 641 000	1 900 000
	1 955 275	**2 382 595**	**2 978 966**
Short-term	1 955 275	2 382 595	2 978 966
Long-term	-	-	-
	1 955 275	**2 382 595**	**2 978 966**

32. Deferred income

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Payments from Partners (i) revenues recognized in accordance with IFRS 15	-	-	1 169 725
Government subsidies (ii) revenues recognized in accordance with IAS 20	28 047 345	23 482 263	13 515 386
	28 047 345	**23 482 263**	**14 685 111**
Short-term	8 409 532	2 298 553	4 322 365
Long-term	19 637 813	21 183 710	10 362 746
	28 047 345	**23 482 263**	**14 685 111**
Government subsidies (ii) revenues recognized in accordance with IAS 20			
Infrastructure subsidies, including:	21 990 571	20 846 481	11 048 154
- Short-term	*3 091 618*	*1 428 184*	*1 428 184*
Research subsidies, including:	6 056 774	2 635 782	2 467 232
- Short-term	*5 317 914*	*870 369*	*1 724 456*
	28 047 345	**23 482 263**	**13 515 386**

(i) Payments from partners include advance payments from contractors to cover part of the costs associated with the services performed.

(ii) Government subsidies include payments received resulting from subsidy contracts signed.

33. Related party transactions

33.1 Commercial transactions

In the financial year, the Company concluded the following commercial transactions with related parties (including in person):

	Sales of goods and services			Purchases of goods and services		
	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Selvita S.A.	233 490	-	535 346	1 184 820	-	1 182 205
Selvita Services Sp. z o.o.	-	1 237 136	4 217 393	304 170	3 546 539	10 079 900
Ardigen S.A.	-	65 576	220 575	-	2 658	9 658
Selvita Inc.	917	190 190	2 542 703	-	-	-
Selvita Ltd.	-	500 795	3 153 045	-	-	-
ALTIUM Piotr Romanowski	-	-	-	-	-	9 415
Chabasiewicz, Kowalska i Partnerzy Radcowie Prawni	-	-	-	-	-	186 400
	234 407	**1 993 697**	**10 669 062**	**1 488 990**	**3 549 197**	**11 467 578**

Balances at the end of the reporting period:

	Amounts due from related parties			Amounts due to related parties		
	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Selvita S.A.	3 780 935	4 022 579	-	2 370 513	1 509 006	-
Selvita Services Sp. z o.o.	150	150	2 662 408	748 844	374 714	4 209 688
Ardigen S.A.	810	-	198 839	-	-	14 307
Selvita Inc.	917	372	208 870	-	-	1 099
Selvita Ltd.	-	-	345 515	-	-	-
Chabasiewicz, Kowalska i Partnerzy Radcowie Prawni	-	-	-	-	2 460	2 460
	3 782 812	**4 023 101**	**3 415 632**	**3 119 357**	**1 886 180**	**4 227 554**

Transactions with related entities were made using market prices.

33.2 Loans to related parties

None.

33.3 Loans from related parties

None.

33.4 Executive compensation

Compensation of members of the Management Board and other executives in the financial year:

	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Period ended 31/12/2019 PLN
Management Board	**1 158 496**	**281 988**	**1 722 930**
Paweł Tadeusz Przewięźlikowski	328 406	136 609	524 126
Krzysztof Daniel Brzózka	336 684	145 379	591 654
Setareh Gharayagh Shamsili	493 406	-	607 150
Supervisory Board	**254 408**	**30 888**	**296 980**
Piotr Romanowski	34 995	11 286	68 027
Tadeusz Wesołowski	34 488	10 296	64 718
Rafał Piotr Chwast	34 995	9 306	62 087
Axel Glasmacher	34 488	-	33 830
Colin Goddard	34 488	-	33 830
Jarl Jungnelius	34 488	-	34 488
Thomas Turalski	46 466	-	-
	1 412 904	**312 876**	**2 019 910**

33.5 Loans and similar benefits granted to members of management, supervisory and administration bodies of the Company

None.

34. Business combinations

None.

35. Cash and cash equivalents

For purposes of preparation of the statement of cash flows, cash and cash equivalents consist of cash in hand and cash at bank, including open overdraft facilities. Cash and cash equivalents at the end of the financial year, presented in the statement of cash flows, can be reconciled with the balance sheet items in the following manner:

At the balance sheet date, funds collected on bank accounts are not adjusted due to risk of impairment as these funds are accumulated in banks belonging to large capital groups with an established market position.

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Cash in hand and at bank	14 607 587	25 937 115	22 757 560
Overdraft facilities	-	-	-
	14 607 587	25 937 115	22 757 560
Cash and cash equivalents - bank deposits	36 370 053	46 169 812	72 100 515
	50 977 640	72 106 927	94 858 075

36. Average headcount in the Company

	Okres zakończony 31/03/2020	Okres zakończony 31/03/2019	Year ended 31/12/2019
White collar employees	158	337	299
Blue collar employees	-	-	-
Total headcount	**158**	**337**	**299**

37. Capital commitments

	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Commitments to purchase property, plant and equipment	6 528 283	4 893 907	8 468 496

Obligations to purchase property, plant and equipment result from subsidy agreements signed by the Company for the creation and increase of the potential of laboratories.

38. Contingent liabilities and assets

38.1 Contingent liabilities

In the periods covered by the financial statements, the Company incurred contingent liabilities necessary to receive a subsidy and a loan.
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 for the account to the date of return. In the period covered by the report, PLN 11,655,419 was credited to the bank accounts for co-financing. As at the balance sheet date, 31/03/2020, the sum of cash received under the subsidy is PLN 131,611,893.

On August 7, 2017, the Management Board of Ryvu Therapeutics S.A. (formerly Selvity 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 to the market by the Company also to royalties. The total value of payments for LLS will not exceed seven times the grant awarded. As at 31/03/2020, the Company received 700 thousand. USD subsidies, in addition 200,000 USD due subsidies, from confirmed submitted application. As at 31/03/2020, the Company does not recognize an obligation due to funds received from LLS due to the early stage of project implementation and the related low probability of repayment.

38.2 Contingent assets

There was no issue in the periods covered by the financial statements.

39. Significant events of the reporting period

Coronavirus (COVID-19)

Due to the Covid-19 pandemic, which occurred in the first quarter of 2020, the Issuer implemented the recommendations given by the Chief Sanitary Inspectorate and other government institutions in connection with the epidemiological threat, including the implementation of remote work and ensuring safe working conditions for stationary employees. Moreover, business trips to the countries which the Chief Sanitary Inspectorate defined as high-risk countries, were suspended. The Issuer used remote communication in its business contacts. Furthermore, the Issuer appointed a working team consisting of the representatives of various organizational units, whose task is to respond to the situation on an ongoing basis and mitigate any adverse effects of the spread of the epidemic on the Issuer. The Company also developed its internal policy for preventing the spread of the coronavirus and taking actions aimed at ensuring appropriate health and safety conditions at work.

In the first quarter of 2020, the pandemic affected the progress of the Issuer's clinical trials due to the fact that they are conducted in the centres located in the United States. Therefore, temporary problems were encountered in this period, such as suspension of recruitment of new patients for the SEL24/MEN1703 and SEL120 trials and restrictions of access to the hospitals for clinical monitors. The Issuer follows the information provided by the U.S. Food and Drug Administration (FDA) and adapts its activities to the current situation in the USA.

As far as outsourced research and development services are concerned, in the first quarter of 2020 there were temporary problems with outsourcing work from laboratories located in China, and from March 2020 there were problems caused by temporary suspension of activities of some European service providers. From late May / early June 2020, due to a gradual stabilization of the situation in Poland and in Europe, the Issuer expects an improvement of the situation.

In March 2020, the Issuer's research and development laboratories worked with approx. 75% of their normal capacity. The decrease in their capacity was associated with employee absenteeism due to quarantine, the fact that some foreigners could not enter Poland and the fact that some employees had to stay home with their children. A significant proportion of the Issuer's office staff worked remotely, which could also have had an adverse effect on the speed of carrying out the project. The research and development work was additionally slowed down by the procedures implemented to prevent infections, e.g. dividing teams into smaller ones, limiting personal contact, decontamination of laboratories, and shift work. In the period from 30 March to 8 April, laboratory work was limited to experiments critical for the current projects in order to reduce the risk of intra-laboratory infections to a minimum. On 12 April 2020, the Issuer's employees returned to work, which allowed to increase the capacity of the laboratories significantly.

The Issuer also identifies foreign exchange risk. 90% of the Issuer's cash is kept in PLN. The grants obtained are also denominated in PLN, whereas the costs of clinical trials and external research and development services are mostly denominated in foreign currencies. This risk is partly mitigated by guaranteed and expected revenues from the commercialization of projects, which are denominated in foreign currencies.

The Issuer also identified risks associated with delays in administrative processes relating to granting and settling grants or VAT reimbursement and regulatory processes concerning clinical trials.

Due to the gradual "defrosting" of the economy commenced by the Polish government and public authorities in late May / early June 2020 due to the falling number of reported infections, the Issuer expects an improvement and stabilization of the situation in the near future. The Company's Management Board will analyse the Issuer's situation on an ongoing basis. New circumstances, if any, having a significant effect on the Issuer's financial results and business position, will be communicated promptly in the individual current reports.

40. Notes to 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:

Item	Period ended 31/03/2020 PLN	Period ended 31/03/2019 PLN	Year ended 31/12/2019 PLN
Change in trade and other receivables:	**(6 223 430)**	**1 503 813**	**11 672 675**
- change in trade and other receivables due to split	-	-	(8 095 687)
- change in trade and other receivables resulting from the balance sheet	(6 223 430)	1 503 813	19 768 362
Change in inventory:	**-**	**-**	**(682 736)**
- change in inventory due to split	-	-	(698 582)
- change in inventory resulting from the balance sheet	-	-	15 846
Change in liabilities, except for loans and borrowings:	**(12 103 780)**	**(2 960 333)**	**(1 088 984)**
- change in liabilities due to split	-	-	13 200 999
- change in liabilities resulting from the balance sheet	(9 052 991)	(2 960 333)	(2 318 796)
- change in liabilities related to purchase of fixed asssets	(3 050 789)	-	(11 971 187)
Change in deferred income:	**4 137 762**	**(6 924 622)**	**14 660 445**
- change in deferred income due to split	-	-	5 863 293
- change in deferred income resulting from the balance sheet	4 137 762	(6 924 622)	8 797 152
Change in provisions:	**89 463**	**-**	**(160 890)**
- change in provisions due to split	-	-	(391 916)
- change in provisions resulting from the balance sheet	89 463	-	231 026
Change in other assets:	**(169 910)**	**(9 913 695)**	**(4 378 395)**
- change in other assets due to split	-	-	(6 540 665)
- change in other assets resulting from the balance sheet	(169 910)	(9 913 695)	2 162 270
Change in lease liabilities:	**(563 797)**	**(363 239)**	**(1 704 306)**
- change in long-term lease liabilities due to split	-	-	6 632 053
- change in short-term lease liabilities due to split	-	-	2 760 022
- change in long-term lease liabilities resulting from the balance sheet	(363 431)	(338 601)	(8 834 809)
- change in in short-term lease liabilities resulting from the balance sheet	(200 366)	(24 639)	(2 261 572)
Change in loans:	**(216 385)**	**(206 407)**	**(881 258)**
- change in long-term loans due to split	-	-	-
- change in short-term loans due to split	-	-	(13 931)
- change in long-term loans resulting from the balance sheet	(202 455)	(202 455)	(809 820)
- change in in short-term loans resulting from the balance sheet	(13 930)	(3 952)	(57 507)

41. Remuneration of the statutory auditor or audit company

Item	Balance as at 31/03/2020 PLN	Balance as at 31/12/2019 PLN	Balance as at 01/01/2019 PLN
Obligatory audit of the annual financial statements	-	247 000	75 000
Other advisory services	90 000	-	40 000
Tax advisory services	-	-	-
Other	-	-	-
Total remuneration	**90 000**	**247 000**	**115 000**

42. Agreements entered into by the Company and not presented on the balance sheet

None.

43. Major events pertaining to prior years and presented in the financial statements for the current year

None.

44. Major events after the end of the reporting period which have not been presented in the financial statements

None.

45. Subsequent events

On April 16, 2020, the Company's Management Board announced that the Company had entered into a research and development cooperation agreement with Galapagos NV with its registered office in Mechelen, Belgium. The subject of cooperation is the discovery and development of innovative small molecule compounds with potential therapeutic use in inflammatory diseases. Pursuant to the Agreement, the Company will receive a payment in advance in the amount of EUR 1,500,000, and will also be entitled to receive total payments in the amount of up to EUR 53,500,000 in the event of successful development and commercialization of a potential drug that will be created based on the results of cooperation.

On June 3, 2020, the Management Board of the Company announced that it had received information on the acquisition by NodThera Ltd. of financing in connection with the issue of new series B shares with a total value of GBP 44.5 million - details are described in Note 17.

46. Approval of the financial statements

The financial statements were approved by the Company's management board on June 8, 2020.

Prepared by: Elżbieta Kokoć

Signatures of members of the Management Board:

Paweł Tadeusz Przewięźlikowski - President of the Board

Krzysztof Daniel Brzózka - V-ce President

Setareh Gharayagh Shamsili - Board Member

Cracow, 9 June 2020

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