

**CONDENSED INTERIM
FINANCIAL STATEMENTS
RYVU THERAPEUTICS S.A.**

**prepared for the period
from 1 January 2024
to 31 March 2024**

in accordance with the requirements of the International Accounting Standard No.
34 approved by the EU

It is the translation of Polish original document



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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

	Note	3-month period ended 31/03/2024	3-month period ended 31/03/2023
		000' PLN	000' PLN
Continuing operations			
Sales revenue	4.1	21,606	12,861
Grant income	4.2	3,820	5,454
Total operating revenue		25,426	18,316
Amortization and depreciation		-2,762	-2,782
Consumption of materials and supplies		-4,846	-4,906
External services		-19,876	-11,011
Employee benefit expense		-17,852	-13,131
Employee Capital Plans		-280	-243
Valuation of the incentive program	21	-1,207	-2,991
Other expenses		-687	-578
Taxes and charges		-416	-198
Total operating expenses		-47,925	-35,840
Valuation of shares in Nodthera	9	-17	-783
Other operating revenue		76	238
Other operating expenses		-32	-34
Operating (Loss)		-22,471	-18,103
Financial revenue	6	3,813	2,117
Financial expenses	7	-717	-1,611
(Loss) before income tax		-19,376	-17,597
Income tax expense		-23	0
Net (loss) on continuing operations		-19,399	-17,597
NET (LOSS)		-19,399	-17,597
TOTAL (LOSS) FOR THE PERIOD		-19,399	-17,597
(Loss)/gain per share			
(expressed in PLN per share)			
From continued operations:			
Basic		-0.8	-0.8
Diluted		-0.8	-0.8

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
PREPARED AS AT 31 MARCH 2024

	Note	Balance as at 31/03/2024	Balance as at 31/12/2023
		000' PLN	000' PLN
ASSETS			
Non-current assets			
Tangible fixed assets		74,989	76,517
Right-of-use assets		813	1,038
Intangible fixed assets		6,495	6,337
Financial assets-Shares in Nodthera	9	16,886	16,904
Other financial assets	12	5,239	17,480
Other non-financial assets	11	6,534	6,534
Total non-current assets		110,957	124,809
Current assets			
Inventory		2,118	2,118
Short-term receivables	13	35,309	32,837
Other financial assets	12	115,869	175,733
Other non-financial assets	11	10,863	9,766
Cash and other monetary assets	20	129,719	57,939
Total current assets		293,879	278,393
Total assets		404,835	403,202
EQUITY AND LIABILITIES			
Equity			
Share capital	14	9,248	9,248
Reserve capital	14	519,748	519,748
Own shares	14	0	0
Capital resulting from the spin-off		-335,396	-335,396
Other reserve capitals	14	21,119	66,001
Retained earnings / Accumulated losses		-9	92,102
Net (Loss) for the period		-19,399	-92,112
Total equity		195,311	259,592
Long-term liabilities			
Bank loans	15	25,825	0
Lease liabilities		309	365
Retirement provision		432	432
Long term finance liabilities	16	62,532	8,854
Deferred tax liability		23	0
Deferred income	18	20,976	23,250
Contract liabilities	18	37,492	41,006
Total long-term liabilities		147,589	73,907
Short-term liabilities			
Trade and other liabilities		24,632	27,433
Bank loans		100	127
Lease liabilities		227	414
Retirement provision	17	6,140	10,197
Contract liabilities	18	24,625	25,305
Deferred income	18	6,210	6,227
Total short-term liabilities		61,934	69,703
Total liabilities		209,524	143,610
Total equity and liabilities		404,835	403,202

The accompanying notes form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE REPORTING PERIOD ENDED 31 MARCH 2024**

	Note	Share capital	Share premium	Reserve capital paid up but not registered as at the balance sheet date	Own shares	Capital created as a result of spin-off	Other reserve capitals	Retained earnings / Accumulated losses	Net (Loss) for the period	Total
		000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
Balance as at 1 January 2023		7,342	279,063	242,591	0	-335,396	57,688	175,885	-83,782	343,390
Net loss for the period		0	0	0	0	0	0	0	-17,597	-17,597
Issue of shares		1,906	240,685	-242,591	0	0	0	0	0	0
Creation of reserve capital as part of the incentive program		0	0	0	0	0	2,991	0	0	2,991
Allocation of the result from previous year		0	0	0	0	0	0	-83,782	83,782	0
Balance as at 31 March 2023		9,248	519,748	0	0	-335,396	60,679	92,102	-17,597	328,784
Balance as at 1 January 2023		7,342	279,063	242,591	0	-335,396	57,688	175,885	-83,782	343,390
Net loss for the period		0	0	0	0	0	0	0	-92,112	-92,112
Issue of shares		1,906	240,685	-242,591	0	0	0	0	0	0
Creation of reserve capital as part of the incentive program	21	0	0	0	0	0	8,313	0	0	8,313
Allocation of the result from previous year		0	0	0	0	0	0	-83,782	83,782	0
Balance as at 31 December 2023		9,248	519,748	0	0	-335,396	66,001	92,102	-92,112	259,592
Net loss for the period		0	0	0	0	0	0	0	-19,399	-19,399
Creation of reserve capital as part of the incentive program	21	0	0	0	0	0	0	0	0	1,207
Wycena warrantów subskrypcyjnych	14.3	0	0	0	0	0	1,207	0	0	8,554
Wycena opcji put wynikająca z umowy z Europejskim Bankiem Inwestycyjnym	14.3	0	0	0	0	0	8,554	0	0	-54,643
Allocation of the result from previous year		0	0	0	0	0	-54,643	-92,112	92,112	0
Balance as at 31 March 2024		9,248	519,748	0	0	-335,396	21,119	-9	-19,399	195,311

The accompanying notes form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024**

	Note	3-month period ended 31/03/2024 000' PLN	3-month period ended 31/03/2023 000' PLN
<i>Cash flows from operating activities</i>			
(Loss) for the period		-19,399	-17,597
Adjustments:			
Valuation of shares in Nodthera		-17	-783
Amortization and depreciation and impairment losses on fixed assets		2,762	2,782
Profits (losses) from exchange rate differences		-5,177	0
Interest and profit-sharing (dividends), net		-5,574	-1,574
Change in receivables		-2,472	-8,625
Change in short-term liabilities and provision excluding credits and loans		-11,199	-8,793
Change in deferred income		-2,292	-1,961
Change in deferred tax		23	0
Change in other assets		-1,097	292
Valuation of the incentive program	21	1,207	2,991
Net cash flows from operating activities		-43,235	-33,268
<i>Cash flows from investing activities</i>			
Acquisition of property, plant and equipment and intangible assets		-792	-580
Purchase/Sale of other financial assets	12	72,105	-12,870
Interest received		5,662	2,093
Net cash flows from investing activities		76,974	-11,358
<i>Cash flows from financing activities</i>			
Series J share issue		0	250,284
The costs of issuing series J shares		0	-7,693
Repayment of finance lease liabilities		-228	-279
Proceeds from the issuance of warrants in connection with the EIB loan		8,554	0
Proceeds from the loan obtained from the EIB		25,689	0
Repayment of loans		-27	-245
Interest paid		-88	-519
Net cash flows from financing activities		33,901	241,548
Net increase / (decrease) in cash and cash equivalents		67,640	196,923
Cash and cash equivalents at the beginning of the period		57,939	101,917
The impact of changes in exchange rates on the balance of cash in foreign currencies		4,140	1,998
Cash and cash equivalents at the end of the period	20	129,719	300,839

The accompanying notes form an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

PREPARED AS AT 31 MARCH 2024

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, Sternbacha Street 2. 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 Przewięźlikowski	-	President of the Management Board
Krzysztof Brzózka	-	Vice-President of the Management Board
Kamil Sitarz	-	Member of the Management Board
Hendrik Nogai	-	Member of the Management Board
Vatnak Vat-Ho	-	Member of the Management Board

Supervisory Board:

Piotr Romanowski	-	Chairman
Tadeusz Wesołowski	-	Vice-Chairman
Rafał Chwast	-	Member
Axel Glasmacher	-	Member
Thomas Turalski	-	Member
Scott Z. Fields	-	Member
Peter Smith	-	Member

As at March 31, 2024 the shareholder structure of the company is as follows:

	Registered office	Number of shares	Percentage interest in capital	Percentage share in voting rights
Paweł Przewięźlikowski	Poland	4,033,286	17.44%	27.73%
Bogusław Sieczkowski	Poland	825,348	3.57%	5.06%
Management Board + Board of Directors		504,016	2.18%	1.85%
Nationale -Nederlanden OFE	Poland	1,900,000	8.22%	6.99%
TFI Allianz Polska S.A.	Poland	1,910,236	8.26%	7.03%
PTE Allianz Polska S.A.	Poland	2,132,000	9.22%	7.85%
Tadeusz Wesołowski (with Augebit FIZ)	Poland	1,372,713	5.94%	5.05%
BioNTech SE	Germany	1,917,437	8.29%	7.06%
Other shareholders		8,525,112	36.88%	31.38%
Total		23,120,148	100.00%	100.00%

As of December 31, 2023, the shareholding structure of the Company was as follows:

	Registered office	Number of shares	Percentage interest in capital	Percentage share in voting rights
Paweł Przewięźlikowski	Poland	4,065,036	17.58%	27.84%
Bogusław Sieczkowski	Poland	825,348	3.57%	5.06%
Management Board + Board of Directors		539,766	2.33%	1.99%
Nationale -Nederlanden PTE S.A.	Poland	1,900,000	8.22%	6.99%
TFI Allianz Polska S.A.	Poland	1,910,236	8.26%	7.03%
PTE Allianz Polska S.A.	Poland	2,132,000	9.22%	7.85%
Tadeusz Wesołowski (with Augebit FIZ)	Poland	1,372,713	5.94%	5.05%
BioNTech SE	Germany	1,917,437	8.29%	7.06%
Other shareholders		8,457,612	36.59%	31.13%
Total		23,120,148	100.00%	100.00%

The duration of the Company's operations is not limited.

The calendar year is the financial year of the Company.

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

1.2. Going concern assumption

The Company's financial statements have been prepared on the assumption that the Company will continue as a going concern for at least 12 months after the date of signing of this financial statements.

In connection with the signing of the financing agreement with the European Investment Bank in the amount of EUR 22 million and the issue of series "J" shares in December 2022, the Management Board of the Company sees no threats related to the continuation of its operations and financing the development of its projects.

The financial situation of the Company at the moment of signing these financial statements is good, taking into account the current level of cash, the financing granted by the European Investment Bank and the issue of "J" series shares. As at March 31, 2024, the value of the Company's cash and bonds was PLN 250,281 thousand (including: PLN 240,455 thousand of cash in banks and deposits and PLN 9,826 thousand in bonds).

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 thousand of Polish zlotys (PLN)** unless it is otherwise stated.

2. International Financial Reporting Standards

2.1. Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard No. 34 "Interim Financial Reporting" approved by the EU ("IAS 34").

These interim condensed financial statements do not contain all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the financial year ended December 31, 2023, prepared in accordance with International Financial Reporting Standards as approved by the EU.

2.1.1. Reporting period and scope

The financial statements of the Company cover the financial period from January 1, 2024 to March 31, 2024 and contain comparative data, which constitute data for the financial period from January 1, 2023 to March 31, 2023, and in the case of data concerning the statement of financial position, they contain comparative data on December 31, 2023.

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 date of signing of this financial statements. The issue of going concern was presented in Note 1.2.

3.2. Basis of preparation

In the condensed interim financial report, the same accounting principles and calculation methods as in the last annual financial report were adhered to.

4. Sales revenue

4.1. Revenues

The sales revenues obtained by the Company can be divided into 2 types. The main type of contracts is the sale of R&D projects and next FTE contracts.

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

Under the contract, the Company provides appropriately qualified employees for the carry-out of research and development activities. Revenue from service delivery is recognized over time. The Company is entitled to receive payment from the client corresponding directly to the value that the services performed by the Company have for the client, and therefore, revenue is recognized at the amount that the Company is entitled to invoice.

2. Sale of R&D projects

The company concludes research and development cooperation agreements. The subject of the 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. The Company does not have sufficient information and has no influence on the pace of work performed by the project partner to be able to precisely determine when the conditions resulting in payments to the Company within the agreed, defined 'milestones' will be met, therefore the recognized revenue relates only to these revenues, for which a milestone has been achieved (recognition of revenue at a point in time). Then the recognized revenue corresponds to the remuneration for the milestone achieved.

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

	Period ended 31/03/2024	Period ended 31/03/2023
	000' PLN	000' PLN
Contract research (FTE agreements)	10,164	5,012
Sale of R&D projects	11,442	7,849
Operating income	21,606	12,861

Breakdown of revenues from the sale of R&D projects is as follows:

	Period ended 31/03/2024	Period ended 31/03/2023
	000' PLN	000' PLN
License sale	3,514	3,514
Milestone payments	7,928	4,335
Sale of R&D projects	11,442	7,849

4.2. Revenues from subsidies

	Period ended 31/03/2024	Period ended 31/03/2023
	000' PLN	000' PLN
Infrastructure subsidies	636	690
Grants for research	3,184	4,764
	3,820	5,454

5. Major customers

	Period ended 31/03/2024	Period ended 31/03/2023
	000' PLN	000' PLN
Customer A	12,695	8,419
Customer B	8,204	4,335

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

6. Finance income

	Period ended 31/03/2024	Period ended 31/03/2023
	000' PLN	000' PLN
Financial revenue due to financial instruments	3,813	2,117
Interest	2,583	2,117
Exchange differences	1,229	0
Total finance income	3,813	2,117

7. Finance cost

	Period ended 31/03/2024	Period ended 31/03/2023
	000' PLN	000' PLN
Finance cost due to financial instruments	717	1,611
Interest	298	519
Exchange differences	419	1,092
Total finance cost	717	1,611

8. Earnings per share

	Period ended 31/03/2024	Period ended 31/03/2023
	PLN per share	PLN per share
Basic earnings per share:	-0.8	-0.8
From continuing operations	-0.8	-0.8
Total basic earnings per share	-0.8	-0.8
Diluted earnings per share:	-0.8	-0.8
From continuing operations	-0.8	-0.8
Total diluted earnings per share	-0.8	-0.8

8.1. Basic earnings per share

	Period ended 31/03/2024	Period ended 31/03/2023
	000' PLN	000' PLN
Profit/(loss) used to calculate the total basic earnings per share	-19,399	-17,597
Profit/(loss) used to calculate basic earnings per share from continuing operations	-19,399	-17,597

	Period ended 31/03/2024	Period ended 31/03/2023
	quantity	quantity
The weighted average number of common shares used to calculate basic earnings per share	23,120,148	22,220,154
The weighted average number of common shares used to calculate diluted earnings per share*	23,120,148	22,220,154

The Company in statement of comprehensive income reports net loss. Therefore, in accordance with paragraphs 41 and 43 of IAS 33 potential shares are not dilutive as their conversion would increase loss per share from continuing operations.

9. Valuation of shares in Nodthera

Reconciliation of financial data to the carrying amount of shares in NodThera Inc. included in the financial statements as at March 31, 2024

price of new shares (in USD) from the issue of series C shares taking into account the discount corresponding to the class of shares held by the Company	2.2165
average NBP exchange rate of March 31, 2024	3.9886
new share issue price (in PLN)	8.84
number of Company's shares in Nodthera Inc.	<u>1,910,000</u>
value of shares in the balance sheet as at March 31, 2024 (000'PLN)	<u>16,886</u>
change in valuation - impact on the result (000'PLN)	-17

	Balance as at 31/03/2024	Balance as at 31/12/2023
Carrying amount of the Company's shares in Nodthera Inc.	16,886	16,904

10. Financial assets and liabilities

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, 2024. Due to the nature of these items, fair value does not differ significantly from the carrying amount.

P1 - Quotes from active markets

P2 - Significant Observable Data

P3 - Relevant data unobservable

	31/03/2024		
	carrying amount	fair value	hierarchy level
Financial assets measured at fair value:			
Financial Assets-Nodthera Shares	16,886	16,886	P2
Financial assets for which fair value is disclosed:			
Trade and other receivables	12,109	12,109	P3
Bonds	9,826	9,826	P3
Other financial assets (excluding bonds)	111,282	111,282	P3
Financial liabilities at fair value:			
n.a.			
Financial liabilities for which fair value is disclosed:			
Liabilities from deliveries and services	22,301	22,301	P3
Interest-bearing loans and credits	25,925	25,925	P3
Leasing liabilities	536	536	P3
Long term financial liabilities	62,532	62,532	P3

	31/12/2023		
	carrying amount	fair value	hierarchy level
Financial assets measured at fair value:			
Financial Assets-Nodthera Shares	16,904	16,904	P2
Financial assets for which fair value is disclosed:			
Trade and other receivables	9,881	9,881	P3
Bonds	11,913	11,913	P3
Other financial assets (excluding bonds)	181,300	181,300	P3
Financial liabilities at fair value:			
n.a.			
Financial liabilities for which fair value is disclosed:			
Liabilities from deliveries and services	25,064	25,064	P3
Investment liabilities	347	347	P3
Interest-bearing loans and credits	127	127	P3
Leasing liabilities	778	778	P3
Long term financial liabilities	8,854	8,854	P3

11. Other non-financial assets

	Balance as at	Balance as at
	31/03/2024	31/12/2023
Carrying amount:	000' PLN	000' PLN
Licenses	1,512	608
Costs related to subsequent year	14,522	14,907
Other	1,362	785
	17,397	16,300

12. Other financial assets

Long term financial assets	Balance as at	Balance as at
	31/03/2024	31/12/2023
	000' PLN	000' PLN
Deposits paid	19	19
Bonds	5,220	6,933
Bank deposits	0	10,528
	5,239	17,480

Short term financial assets	Balance as at	Balance as at
	31/03/2024	31/12/2023
	000' PLN	000' PLN
Deposit	528	528
Bonds	4,606	4,980
Bank deposits	110,735	170,225
	115,869	175,733

The maturity date of the bonds is between April 2024 and November 2025. Most bonds have a fixed interest rate. The bonds held are rated S&P from A- to A+.

The maturity date of the deposits is from April 2024 to January 2025. All deposits have a fixed interest rate.

13. Trade and other receivables

	Balance as at 31/03/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Trade receivables	11,523	9,187
	11,523	9,187
Tax receivables*	13,902	13,809
Other – receivables from employees, security deposits	585	695
Grants due	9,298	9,146
	35,309	32,837

* Applies to WHT tax on transactions with Biontech in the amount of PLN 9.3 million and input VAT in the amount of PLN 4.6 million.

14. Share capital

	Balance as at 31/03/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Registered share capital	9,248	9,248
	9,248	9,248

14.1. Share capital as at the end of the reporting period

	Balance as at 31/03/2024	Balance as at 31/12/2022
	000' PLN	000' PLN
Number of shares	23,120	23,120
Par value per share	0.40	0.40
Share capital	9,248	9,248

Share capital structure as at 31/03/2024

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
Ordinary "B" shares	none	1,329,500	532
Ordinary "C" shares	none	1,833,000	733
Ordinary "D" shares	none	551,066	220
Ordinary "E" shares	none	2,700,000	1,080
Ordinary "F" shares	none	2,651,891	1,061
Ordinary "G1" shares	none	327,886	131
Ordinary "G2" shares	none	327,886	131
Ordinary "H" shares	none	2,200,000	880
Ordinary "I" shares	none	2,384,245	954
Ordinary "J" shares	none	4,764,674	1,906
Total		23,120,148	9,248

Share capital structure as at 31 December 2023

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
Ordinary "B" shares	none	1,329,500	532
Ordinary "C" shares	none	1,833,000	733
Ordinary "D" shares	none	551,066	220
Ordinary "E" shares	none	2,700,000	1,080
Ordinary "F" shares	none	2,651,891	1,061
Ordinary "G1" shares	none	327,886	131
Ordinary "G2" shares	none	327,886	131
Ordinary "H" shares	none	2,200,000	880
Ordinary "I" shares	none	2,384,245	954
Ordinary "J" shares	none	4,764,674	1,906
Total		23,120,148	9,248

14.2. Own shares

	Balance as at 31/03/2024	Balance as at 31/12/2023
	number of shares	000' PLN
Own shares under the Incentive Scheme	317	8
Total	317	8

As at March 31, 2024, the Company holds treasury shares resulting from the implementation of the Incentive Scheme (see note 21). In the light of paragraph 33 of IAS 32, taking into account that the acquisition cost of these shares was PLN 0 (received free of charge by the Company as a gift from Mr Paweł Przewięźlikowski), their value as at each balance sheet date is PLN 0.

14.3. Other reserve capitals

	Balance as at 31/03/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Others - 2015-2017 incentive program	11,172	11,172
Payments for the transfer of shares to employees	237	237
Others - incentive program 2021-2024	54,703	53,496
Valuation of options to purchase shares resulting from the investment agreement with BioNtech	1,096	1,096
Valuation of subscription warrants*	8,554	0
Valuation of put options resulting from the agreement with the European Investment Bank*	-54,643	0
Total	21,119	66,001

*Details in note 21.

14.4. Share premium

	Balance as at 31/03/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Share premium	159,681	159,681
including the surplus on the issue of shares above their nominal value, "H" series ordinary shares	134	134
including issue costs, "H" series ordinary shares	-4,295	-4,295
including surplus from issue of shares above their nominal value "I" series ordinary shares	142,101	142,101
including issue costs, "I" series ordinary shares	-8,227	-8,227
Transfer of result from previous years due to the split	-10,331	-10,331
including surplus from the issue of shares above their nominal value "J" series ordinary shares	248,378	248,378
including issue costs, "J" series ordinary shares	-7,693	-7,693
Total Reserve Capital	519,748	519,748

15. Credit facilities and loans and other sources of financing

On August 16, 2022, the Company concluded a financing agreement with the European Investment Bank ("EIB") ("Agreement"). Under the Agreement, the EIB agreed to grant the Company a loan in the maximum amount of EUR 22,000,000 (PLN 103,241,600 converted at the average exchange rate of the National Bank of Poland on August 16, 2022: EUR 1 = PLN 4.6928).

The purpose of the Agreement is to support the development of the RVU120 molecule. The majority of the funding will be used to cover costs associated with clinical trial expenses, necessary regulatory approval activities, internal research and development related to drug discovery, and costs associated with intellectual property protection.

The financing will be paid in three tranches: Tranche A and B in the amount of EUR 8,000,000 each and Tranche C in the amount of EUR 6,000,000. Tranches may be paid to the Company within 36 months from the date of signing the Agreement. The company is obliged to repay each of the paid tranches in one installment after 5 years from its launch. The interest rate for Tranche A will be 3% per annum, for Tranche B 2.7% per annum, and for Tranche C 2.4% per annum. Interest on each tranche will be payable annually.

The payment of each tranche depends on the Company meeting the conditions specified in the Agreement, relating primarily to the clinical development of the RVU120 compound.

Additional consideration for Tranche A, Tranche B and Tranche C will be the issue by the Company to EIB of subscription warrants corresponding in total to 2.5% of the fully issued share capital of the Company ("Warrants"), which will be acquired free of charge by EIB. The validity period of the Warrants is 10 years and EIB will have the right to exercise the Warrants upon the maturity of Tranche or a voluntary or mandatory prepayment event.

On May 4, 2023, the Company concluded an agreement with the European Investment Bank ("EIB") regarding the issue of subscription warrants to the EIB.

Pursuant to the Warrant Agreement, the Company agreed to issue to EIB 592,825 subscription warrants entitling to acquire a total of 592,825 shares of the Company with a total nominal value of PLN 237,130.

On March 13, 2024, the EIB disbursed Tranche A financing. The financing resulting from the paid tranche is included in the Company's statement of financial position as a financial liability (bank loans) measured at amortized cost. At the moment of initial recognition, the liability was recognized at fair value adjusted for direct costs of obtaining financing (commissions, fees). At each balance sheet date, the Company determines the carrying amount (amortized cost) of the liability by applying the effective interest rate method, according to which the interest cost is calculated in a given period.

Subscription warrants issued by the Company in connection with the financing obtained under Tranche A (215,575 warrants) meet the definition of an equity instrument within the meaning of IAS 32 and were recognized on a one-off basis in equity as at the date of payment of this tranche, as the difference between the amount of funds received from the EIB by the Company and the initial fair value of the financial liability. Transaction costs directly related to the issue of warrants were recognized in equity.

Additionally, because the put option issued by the Company creates a contractual obligation to repurchase its own equity instruments (warrants), on the day of the disbursement of Tranche A, the Company recognized a liability for the amount required to settle the option, in accordance with IAS 32, offset against equity. On each reporting date after the initial recognition, the Company updates the amount of the liability for the put option, taking into account changes in the settlement price of this option, with the effects of the valuation reflected in the statement of comprehensive income. If the put option expires without being exercised by the holder (European Investment Bank), the Company will reclassify the carrying value of the liability to equity.

16. Long-term financial liabilities

	Balance as at 31/03/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Agreement with LLS	8,974	8,854
Obligation to settle the required option with the EIB*	53,558	0
	62,532	8,854

* described in note 15

17. Employee Benefit Obligations

	Balance as at 31/03/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Accrued leave obligations	2,675	2,145
Accrued bonus liabilities	3,438	8,024
Pension benefit obligations	28	28
	6,140	10,197

18. Deferred revenues and liabilities arising from contracts with customers

	Balance as at 31/03/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Payments from Partners	62,117	66,311
Government subsidies (ii) revenues recognized in accordance with IAS 20	27,186	29,478
	89,303	95,789
Payments from Partners		
Agreement with BioNtech (i), including:	51,552	55,065
- Short-term	14,059	14,059
- Long-term	37,492	41,006
	51,552	55,065
Other, including:	10,566	11,246
- Short-term	10,566	11,246
	10,566	11,246
Government subsidies (ii) revenues recognized in accordance with IAS 20		
Infrastructure subsidies, including:	20,362	20,998
- Short-term	2,917	2,917
Research subsidies, including:	6,824	8,479
- Short-term	3,293	3,310
	27,186	29,478

(i) Liabilities under contracts with clients include advance payments from contractors to cover part of the costs related to the services provided. The company estimates that the entire amount of liabilities will be recognized in revenues within 5 years. The balance of liabilities under contracts with customers from December 31, 2023 was settled in the first quarter of 2024 in the amount of PLN 3,514 thousand.

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

19. Related party transactions

19.1. Commercial transactions

The group of related entities was determined for the purposes of preparing these condensed interim financial statements in accordance with the International Accounting Standard 24, constituting an attachment to Commission Regulation No. 1126/2008 of November 3, 2008. Personal connections based on connections between Members of the Management Board and Members of the Supervisory Board have been defined in accordance with the disposition of point 9 above International Accounting Standard 24.

Sales to related parties include rental income and re-invoicing.

Purchases from related entities include the acquisition of advisory and administrative services.

In the financial year, the Company identified the following commercial transactions with related parties. Personal connections based on connections between Members of the Management Board and Members of the Supervisory Board.

Binding type:

POA - personal relationship through shares held by the Shareholder

PORN - personal connection by a Member of the Supervisory Board

	Binding type	Sales of goods and services		Purchases of goods and services	
		Period ended	Period ended	Period ended	Period ended
		31/03/2024	31/03/2023	31/03/2024	31/03/2023
		000' PLN	000' PLN	000' PLN	000' PLN
Selvita S.A.	POA	87	209	820	1,059
Selvita Services Sp. z o.o.	POA	0	0	270	403
Ardigen S.A.	POA	0	0	9	0
Selvita Inc.	POA	0	0	1,041	1,514
		88	209	2,139	2,975

Balances at the end of the reporting period:

	Binding type	Amounts due from related parties		Amounts due to related parties	
		Balance as at	Balance as at	Balance as at	Balance as at
		31/03/2024	31/12/2023	31/03/2024	31/12/2023
		000' PLN	000' PLN	000' PLN	000' PLN
Selvita S.A.	POA	2	11	587	1,084
Selvita Services Sp. z o.o.	POA	0	0	165	353
Ardigen S.A.	POA	0	1	0	0
Selvita Inc.	POA	0	0	850	544
		2	12	1,602	1,982

Transactions with related entities were made using market prices.

19.2 Executive compensation

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

	Period ended 31/03/2024		Period ended 31/03/2023	
	Salary	Share-based payments*	Salary	Share-based payments*
	000' PLN	000' PLN	000' PLN	000' PLN
Management Board	1,481	434	1,470	185
Paweł Przewięźlikowski	114	0	105	0
Krzysztof Brzózka	213	0	193	0
Kamil Sitarz	159	178	145	47
Hendrik Nogai	603	97	615	53
Vatnak Vat-Ho	392	159	413	85
Supervisory Board	288	0	224	0
Piotr Romanowski	41	0	38	0
Tadeusz Wesołowski	40	0	37	0
Rafał Chwast	41	0	38	0
Axel Glasmacher	40	0	37	0
Colin Goddard	0	0	0	0
Jarl Jungnelius	1	0	37	0
Thomas Turalski	40	0	37	0
Scot Fields	45	0	0	0
Peter Smith	40	0	0	0
	1,770	434	1,694	185

The company has updated its approach to presenting data for this note. In previous years, the Company presented remuneration based on the amounts actually paid (cash approach), currently it presents remuneration in accordance with the period in which the cost was incurred (accrual approach) - in accordance with the Statement of comprehensive income. Therefore, the data as of March 31, 2023 have been transformed for comparability purposes.

* Valuation in accordance with IFRS2

20. 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.

	Balance as at 31/03/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Cash in hand and at bank	19,969	9,562
	<u>19,969</u>	<u>9,562</u>
Cash and cash equivalents - bank deposits	109,750	48,377
	<u>129,719</u>	<u>57,939</u>

As at March 31, 2024, restricted funds (advances received from grants) amounted to PLN 7,974 thousand (as at December 31, 2023, restricted funds amounted to PLN 8,797 thousand).

21. Share-based payments

21.1 Employee incentive program

21.1.1 Detailed description of the incentive program based on subscription warrants

A detailed description of the incentive program currently implemented in the Company is presented in the financial statements for the period ending December 31, 2023. Below, only selected issues are presented, in particular regarding the recognition of the fifth tranche, which was recognized in 2024.

21.1.2 The fair value of the share options granted during the year

The fair value of the options granted is determined as at the grant date and recognized over the vesting period in remuneration costs in correspondence with the increase in equity at the time of vesting by employees during the program period.

Summary of data about the program:

Date of granting the program ("grant date") - I phase of the program	17.05.2021 r.
Date of granting the program ("grant date") - II phase of the program	16.03.2022 r.
Date of granting the program ("grant date") - III phase of the program	24.05.2023 r.
Date of granting the program ("grant date") - IV phase of the program	11.08.2023 r.
Date of granting the program ("grant date") - V phase of the program	29.01.2024 r.
The maturity date of the program	29.01.2027 r.
Number of shares in the program	1.247.720
Expected number of shares after taking into account employee turnover ratio and available data as at March 31, 2024.	1,099,118

The total cost of the program was estimated on the basis of the estimated value of the shares to which employees will acquire rights during the duration of the program. The fair value of the program was determined using the Black-Scholes-Merton valuation model, taking into account the following parameters:

In the case of the 5th phase of the program:

• option exercise date:

29.01.2025 r. dla 17.641 shares

29.01.2026 r. dla 3.991 shares

29.01.2027 r. dla 3.033 shares

• option exercise price: PLN 0.19;

• share price as at the valuation date: PLN 54,60;

• continuous dividend rate: 0%

• risk-free interest rate in continuous capitalization: 4.84%

• coefficient of variation: 47% - obtained as a standard deviation from a sample of logarithmic changes in historical prices of shares listed on the WSE in the period from October 16, 2019 to the valuation date.

As at 31/03/2024, the weighted average period remaining until the end of the contractual duration is 4.2 months.

21.1.3 Estimated impact of the incentive program on the financial results (in PLN thousand):

Tranche number	Number of shares	Date of purchase of the shares	2021	2022	2023	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024	2025	2026	2027	Total discharge
Tranche No. 1	20,383	7/9/2021	1,076	0	0	0	0	0	0	0	0	0	0	1,076
Tranche No. 2	458,465	7/9/2022	13,964	10,217	0	0	0	0	0	0	0	0	0	24,181
Tranche No. 3	437,604	7/9/2023	7,649	10,144	5,327	0	0	0	0	0	0	0	0	23,120
Tranche No. 4	20,093	7/9/2024	255	304	330	82	82	8	0	173	0	0	0	1,062
Tranche No. 5	6,379	6/30/2025	56	80	81	20	20	20	20	80	40	0	0	337
Tranche No. 6	8,219	3/16/2022	0	388	0	0	0	0	0	0	0	0	0	388
Tranche No. 7	16,567	3/16/2023	0	629	164	0	0	0	0	0	0	0	0	793
Tranche No. 8	16,375	3/16/2024	0	314	389	80	0	0	0	80	0	0	0	784
Tranche No. 9	8,155	3/16/2025	0	107	130	32	32	32	32	129	26	0	0	392
Tranche No. 10	30,261	5/23/2024	0	0	1,072	442	257	0	0	699	0	0	0	1,771
Tranche No. 11	30,261	5/23/2025	0	0	536	221	221	223	223	888	347	0	0	1,771
Tranche No. 12	14,755	5/23/2026	0	0	174	72	72	73	73	289	288	113	0	864
Tranche No. 13	2,997	8/10/2024	0	0	68	44	44	20	0	107	0	0	0	175
Tranche No. 14	2,997	8/10/2025	0	0	34	22	22	22	22	88	53	0	0	175
Tranche No. 15	939	8/10/2026	0	0	7	5	5	5	5	18	18	11	0	55
Tranche No. 16	17,641	1/28/2025	0	0	0	160	239	242	242	884	76	0	0	960
Tranche No. 17	3,991	1/28/2026	0	0	0	18	27	27	27	100	109	9	0	217
Tranche No. 18	3,033	1/28/2027	0	0	0	9	14	14	14	51	55	55	4	165
Total	1,099,118		22,999	22,184	8,313	1,207	1,034	686	658	3,586	1,013	188	4	58,287

The valuation of the program, regarding shares currently issued to employees as of March 31, 2024, showed its total estimated cost at PLN 58,267 thousand. PLN, which is included in the Company's costs starting from the second quarter of 2021 until the first quarter of 2027.

22. Contingent liabilities and contingent assets

22.1. Contingent liabilities

In the periods covered by the financial statements, the Company incurred contingent liabilities necessary to receive subsidies and loans.

Contingent liabilities include:

- bill of exchange liabilities - covering the amount of subsidies received for which the durability periods have not yet expired, together with interest in the amount specified for tax arrears calculated from the date of transfer of funds to the account until the date of return. In the period covered by the report, the amount of PLN 1,337,000 was transferred to the bank accounts for co-financing. As at the balance sheet date, March 31, 2024, the total amount of funds received from subsidies whose durability period has not yet expired is PLN 196,270 thousand.

- claims - in connection with the implementation of the contract for the performance of construction works as part of the general contracting of the investment entitled: "Construction of the Research and Development Center for Innovative Medicines Selvita S.A." the contractor, i.e.: Mota-Engil Central Europe S.A., pursues claims in a lawsuit for costs incurred in connection with the extended implementation of the Agreement, the unpaid part of the lump sum remuneration, as well as additional remuneration for additional, replacement and omitted works (PLN 5,391,425.63) and claims arising from the unauthorized - in the opinion of the contractor - use by the Company of the guarantee of proper performance of the contract and removal of defects and faults (PLN 2,063,507.56). Together with statutory interest, the Contractor demands a total amount of PLN 7,671,285 from the Company. The lawsuit was delivered to the Company on January 19, 2022. The Company believes that the claim is completely unfounded, therefore it did not create a provision.

22.2. Contingent assets

In connection with the implementation of the contract for the performance of construction works as part of the general contracting of the investment entitled: "Construction of the Research and Development Center for Innovative Medicines Selvita S.A." The company pursues claims from Mota-Engil Central Europe S.A. for payment of the amount of PLN 13,756,717.07. The lawsuit was filed on September 24, 2021.

23. Significant events of the reporting period

Payment from Exelixis Inc.

On February 3, 2024, the Company received information about achieving the second milestone in the project implemented jointly with the American company Exelixis Inc. based in Alameda, California, under the license agreement dated July 6, 2022. Pursuant to the Agreement, for achieving the second milestone, Ryvu is received a payment from Exelixis in the amount of USD 2 million (which is the equivalent of PLN 7,928,200 converted at the average exchange rate of the National Bank of Poland on February 2, 2024, USD 1 = 3.9641 PLN).

24. Approval of the financial statements

The financial statements were approved by the Company's Management Board on May 14, 2024.

Prepared by: Elżbieta Kokoć

Signatures of members of the Management Board:

Paweł Przewięźlikowski - President of the Board

Krzysztof Brzózka - V-ce President of the Board

Kamil Sitarz - Member of the Board

Hendrik Nogai - Member of the Board

Vatnak Vat-Ho - Member of the Board

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 **GENERAL INQUIRIES**

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