CURRENT REPORT 13/2021
May 13, 2021

Information concerning impact of non-diluting incentive program on Company's financial statements

The Management Board of Ryvu Therapeutics S.A. with its registered office in Krakow ("Company"), in relation to information published in the current reports No. 10/2021 and 11/2021 dated 20th of April 2021, concerning establishing of a non-diluting incentive program for employees and associates of the Company ("Program") hereby informs that the Company's Management Board estimated the impact of the Program on Company's financial statements in order to provide more detailed information of the Program.

The Program will include a total number of 1,247,720 Company's ordinary shares, which will be donated free of charge to the Company by Mr. Paweł Przewięźlikowski for the purpose of granting them to Eligible Persons, pursuant to provisions set out in the Program Scheme Regulations. The details of the Program were described in the current report No. 10/2021 dated 20th of April 2021.

The Company, together with its advisers, analysed accounting aspect of the Program and its impact on financial statements of the Company, which was prepared in accordance with International Financial Reporting Standards ("IFRS").

Based on above-mentioned analysis the Company hereby informs, that pursuant to IFRS guidelines, free of charge transaction of donation of shares listed on the Warsaw Stock Exchange, worth PLN 61.7 millions in accordance with the closing rate on 12th of May 2021, by Mr. Paweł Przewięźlikowski to the Company, by which the Company does not incur any cash expenses, cannot be recognized as a revenue. Consequently, it will not affect any item on the Company's balance sheet or profit and loss accounts.

However, granting of shares, which Company will earlier receive in a form of donation from Mr. Paweł Przewięźlikowski, during the course of the Program i.e. between years 2021 and 2024 to the employees, will be recognized, pursuant to IFRS 2, as a non-cash salary expense in Company's financial statements (therefore it will have an impact on the operating result, EBITDA and net profit) and in the equity item as its increase in the same amount as the periodic cost. The total equity of the Company will remain unchanged.

The preliminary estimation, made on the basis of the adopted assumptions and information available as of the date of this Report, concerning, inter alia: the participation of Eligible

Persons in the Program after its adoption by the Company's General Meeting, indicates that the total non-cash expense for the Company will amount to PLN 51-62 million, which will be spread over the duration of the Program, i.e. in the years 2021-2024, same as the amount of PLN 11.2 million in 2015-2017 in connection with the previous incentive program at the Company.

The cost of the Program will be included in the Company's quarterly financial statements, and its value in a given reporting period will depend, inter alia, on factors such as employee's participation in the program, the number of shares allocated to the Eligible Persons, and the fact if the Eligible Persons remain in an employment or other professional relationship with the Company.

In order to enable the evaluation of the Company's performance by investors, the Management Board in subsequent periods will provide both information on the results including Program costs in accordance with IFRS 2 and information on the Company's results without taking into account the Program costs, as it provides a more complete picture of the Company's current business activities.

Legal basis: Article 17(1) of the Market Abuse Regulation (MAR)

Representatives of the Company:

- Paweł Przewięźlikowski – President of the Management Board
- Dariusz Kurdas – Proxy