RYVU
THERAPEUTICS

FINANCIAL STATEMENTS
RYVU THERAPEUTICS S.A.

prepared for the year
from 1 January 2023
to 31 December 2023

in accordance with International Financial Reporting Standards
as approved by the European Union

It is the translation of Polish original document

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2023 TO 31 DECEMBER 2023

	Note	Period ended 31/12/2023	Period ended 31/12/2022
		000' PLN	000' PLN
Continuing operations			
Sales revenue	5.1	46,860	38,946
Grant income	5.2	20,436	29,491
Total operating revenue		**67,296**	**68,437**
Amortization and depreciation		-10,971	-12,900
Consumption of materials and supplies		-17,554	-17,406
External services		-67,225	-41,500
Employee benefit expense	5.4	-56,239	-43,048
Valuation of the incentive program	28	-8,313	-22,184
Other expenses		-3,806	-2,021
Taxes and charges		-932	-838
Total operating expenses		**-165,041**	**-139,897**
Valuation of shares in Nodthera	13	-3,572	-8,929
Other operating revenue		697	2,053
Other operating expenses		-328	-87
Operating (Loss)		**-100,948**	**-78,422**
Financial revenue	7	13,833	1,145
Financial expenses	8	-4,997	-1,918
(Loss) before income tax		**-92,112**	**-79,195**
Income tax expense	9	0	-4,587
Net (loss) on continuing operations		**-92,112**	**-83,782**
NET (LOSS)		**-92,112**	**-83,782**
TOTAL (LOSS) FOR THE PERIOD		**-92,112**	**-83,782**
(Loss)/gain per share			
(expressed in PLN per share)	10		
From continued operations:			
Basic		(4.0)	(4.6)
Diluted		(4.0)	(4.6)

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

STATEMENT OF FINANCIAL POSITION
PREPARED AS AT 31 DECEMBER 2023

	Note	Balance as at 31/12/2023	Balance as at 31/12/2022
		000' PLN	000' PLN
ASSETS			
Non-current assets			
Tangible fixed assets	11	76,517	80,346
Intangible fixed assets	11	1,038	1,873
Deferred tax asset	12	6,337	4,276
Financial assets-Shares in Nodthera	13	16,904	20,475
Other financial assets	16	17,480	76
Other non-financial assets	15	6,534	0
Total non-current assets		**124,809**	**107,047**
Current assets			
Inventory		2,118	1,759
Short-term receivables	17	32,837	16,931
Cash from the issue on the account of the brokerage house	18.5	0	242,962
Other financial assets	16	175,733	528
Other non-financial assets	15	9,766	3,834
Cash and other monetary assets	26	57,939	101,917
Total current assets		278,393	367,930
Total assets		**403,202**	**474,977**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	9,248	7,342
Reserve capital	18	519,748	279,063
Reserve capital paid up but not registered as at the balance sheet date	18.5	0	242,591
Own shares	18	0	0
Capital resulting from the split		-335,396	-335,396
Other reserve capitals	18	66,001	57,688
Retained earnings / Accumulated losses		92,102	175,885
Net (Loss) for the period		-92,112	-83,782
Total equity		**259,592**	**343,390**
Long-term liabilities			
Lease liabilities		365	865
Retirement provision		432	140
Long term finance liabilities	20	8,854	9,904
Deferred revenues	24	23,250	21,307
Contract liabilities	24	41,006	54,496
Other liabilities	24	0	60
Total long-term liabilities		**73,907**	**86,772**
Short-term liabilities			
Trade and other liabilities	21	27,433	15,499
Bank loans		127	874
Lease liabilities		414	1,029
Employee benefit liabilities	23	10,197	10,703
Contract liabilities	24	25,305	13,624
Deferred income	24	6,227	3,085
Total short-term liabilities		**69,703**	**44,814**
Total liabilities		**143,610**	**131,586**
Total equity and liabilities		**403,202**	**474,977**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE REPORTING PERIOD ENDED 31 DECEMBER 2023

	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 2022		**7,342**	**279,063**	**0**	**0**	**-335,396**	**34,408**	**254,962**	**-79,078**	**161,302**
Net loss for the period		0	0	0	0	0	0	0	-83,782	-83,782
Issue of shares	18.5	0	0	242,591	0	0	0	0	0	242,591
Creation of reserve capital as part of the incentive program	28	0	0	0	0	0	22,184	0	0	22,184
Valuation of options to purchase shares resulting from the investment agreement with BioNtech	18.3	0	0	0	0	0	1,096	0	0	1,096
Allocation of the result from previous year		0	0	0	0	0	0	-79,078	79,078	0
Balance as at 31 December 2022		**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	18.5	1,906	240,685	-242,591	0	0	0	0	0	0
Creation of reserve capital as part of the incentive program	28	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**

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

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2023 TO 31 DECEMBER 2023

	Note	Period ended 31/12/2023	Period ended 31/12/2022
		000' PLN	000' PLN
Cash flows from operating activities			
(Loss) for the period		**-92,112**	**-83,782**
Adjustments:			
Valuation of shares in Nodthera		3,572	8,929
Amortization and depreciation and impairment losses on fixed assets		10,971	12,900
Profits (losses) from exchange rate differences		3,995	0
Interest and profit-sharing (dividends), net		-5,016	315
Change in receivables	32	-15,906	-5,560
Change in inventories		-360	198
Change in short-term liabilities and provision excluding credits and loans	32	9,907	-503
Change in deferred income	32	5,085	70,425
Change in deferred tax		0	-438
Change in other assets	32	-13,001	2,109
Valuation of the incentive program	28	8,313	22,184
Income tax paid		0	-5,458
Net cash flows from operating activities		**-84,550**	**21,319**
Cash flows from investing activities			
Purchase of tangible fixed assets and intangible assets	12;12	-8,579	-6,253
Purchase of subsidized fixed assets		535	4,737
Return of grants to fixed assets		0	-3,034
Purchase / (disposal) of other financial assets	16	-192,610	-528
Sale of other financial assets	16	0	4,994
Interest received		5,112	774
Net cash flows from investing activities		**-195,541**	**690**
Cash flows from financing activities			
Issuance of series J shares		250,284	0
Costs of issuing series J shares		-7,693	0
Proceeds from LLS		0	1,146
Repayment of finance lease liabilities		-1,041	-1,810
Proceeds from credits and loans		127	0
Repayment of loans	32	-747	-702
Interest paid	8	-97	-1,089
Net cash flows from financing activities		**240,833**	**-2,455**
Net increase / (decrease) in cash and cash equivalents		-39,259	19,554
Cash and cash equivalents at the beginning of the period		101,917	83,236
The impact of changes in exchange rates on the balance of cash in foreign currencies		-4,720	-872
Cash and cash equivalents at the end of the period	26	**57,939**	**101,917**

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

NOTES TO THE FINANCIAL STATEMENTS
PREPARED AS AT 31 DECEMBER 2023

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 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
Jarl Jungnelius*		Member

*After the reporting period, effective January 3, 2024 Mr. Jarl Jungnelius resigned from the position of a member of the Supervisory Board.

As at December 31, 2023 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	4,065,036	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 OFE	Poland	1,900,000	8.22%	6.99%
TFI Allianz Polska S.A.	Poland	1,910,236	8.26%	7.03%
Allianz Polska OFE	Poland	2,132,000	9.22%	7.85%
Tadeusz Wesołowski (wraz z Augebit FIZ)	Poland	1,372,713	5.94%	5.05%
BioNTech SE	Germany	1,917,437	8.29%	7.06%
Pozostali		8,457,612	36.59%	31.13%
Total		**23,120,148**	**100.00%**	**100.00%**

As of December 31, 2022, 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	3,900,544	21.52%	33.03%
Bogusław Sieczkowski	Poland	825,348	5.04%	6.14%
Nationale -Nederlanden PTE S.A.	Poland	1,530,980	9.65%	6.83%
Tadeusz Wesołowski (with Augebit FIZ)	Poland	1,132,713	6.17%	5.06%
Aviva OFE Santander	Poland	1,532,000	6.12%	6.84%
Other shareholders (less than 5% of votes at the GM)		9,433,889	51.50%	42.10%
Total		**18,355,474**	**100.00%**	**100.00%**

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.

1.2. 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. More information on the above subject can be found in notes 19 and 31 of the financial statements.

The financial situation of the Company as 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 series "J" shares. As at December 31, 2023, the value of the Company's cash and bonds amounted to PLN 250,605 thousand (PLN 238,692 thousand in cash at the banks and in bank deposits and PLN 11,913 thousand in bonds) . More informaton on the above subject can be found in notes 16 and 26.

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 financial statements have been prepared in accordance with the requirements of the International Accounting Standard endorsed by the EU ("IFRS EU").

2.1.1. Period and scope of the report

The Company's financial statements cover the financial period from January 1, 2023 to December 31, 2023.

Status of IFRS endorsement by the EU

2.2. The following standards and interpretations were published by the International Accounting Standards Board, but are not applicable to these financial statements (i.e. financial statements for the 12-month period ended December 31, 2023).

a) Amendment to IFRS 16 "Leases"

The revised standard includes a new example that illustrates the application of the new requirement in this area. The change is effective from January 1, 2024.

b) Amendments to IAS 1 Presentation of Financial Statements

The revised IAS 1 stipulates that liabilities are classified as short-term or long-term depending on the rights existing at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date (for example, a covenant waiver or breach). The published changes are effective for financial statements for periods beginning on or after January 1, 2024.

c) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures

The changes are intended to increase the transparency of disclosed information on agreements regarding the financing of liabilities, but do not affect the principles of recognition and measurement. The new disclosure obligations will apply to annual reporting periods starting on or after January 1, 2024. As at the date of preparation of these financial statements, these changes have not yet been approved by the European Union.

d) Amendments to IAS 21 "The effects of changes in foreign exchange rates"

The published changes are effective for financial statements for periods beginning on or after January 1, 2025. As at the date of preparation of these financial statements, these changes have not yet been approved by the European Union.

e) IFRS 14 "Regulatory Accruals"

This standard allows entities that prepare financial statements in accordance with IFRS for the first time (on or after January 1, 2016) to recognize amounts resulting from activities with regulated prices, in accordance with the accounting principles previously applied. By decision of the European Union, IFRS 14 will not be approved.

f) Amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associates or joint ventures

The changes solve the problem of the current inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether non-monetary assets sold or contributed to an associate or joint venture constitute a "business". The changes were published on September 11, 2014. As at the date of preparation of these financial statements, the approval of this change is deferred by the European Union.

The Company decided not to take advantage of the possibility of early application of the above changes. As at the date of approval of these financial statements for publication, the Management Board does not expect their introduction to have a significant impact on the accounting principles applied by the Company.

3. Summary of significant accounting policies

3.1. Going concern

The financial statements have been prepared in accordance with the historical cost concept, except for shares in Nodthera, which are measured at fair value.
The key accounting principles used by the Company have been presented below.

3.2. Revenue recognition

3.2.1. 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. Subsidies received in the form of cash are recognized in the amount of such cash.

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 where there is reasonable assurance that grants will be received. Accrued income from subsidies is refereed to other receivables (receivables from subsidies). Cash that flows into the bank account is referred to deferred income.

3.2.2. Sales of goods and services

The Company recognizes revenues, with the exception of subsidies, in a way that presents the transaction of transfer of promised goods or services to the customer in an amount reflecting the value of the remuneration that the Company expects in exchange for these goods or services. Therefore, it is crucial to correctly determine the moment and amount of revenue recognized by the Company.

In its current research collaboration and licensing agreements, the Company licenses its intellectual property and sells services to collaborating partner entities. Revenues are generated under these agreements in the form of licensing, clinical and regulatory milestone payments, research and development services fees, and future sales-based milestones and sales-based royalties. In some cases, cooperation agreements and license agreements may also include an element of share subscription. In such a case, the Company analyzes whether the criteria for combining contracts are met.
Material ongoing collaboration and licensing agreements include royalties; milestone payments, the receipt of which is contingent upon the achievement of certain clinical, regulatory or commercial milestones; sales royalties and fees for research and development services.
The accounting policy regarding revenues from contracts for research services is described in more detail in note 5.1.

3.3. 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.

	Balance as at 31/12/2023	Balance as at 31/12/2022
EUR / PLN	4.3480	4.6899
USD / PLN	3.9350	4.4018
GBP / PLN	4.9997	5.2957
CHF / PLN	4.6828	4.7679
JPY / PLN	0.0277	0.0333
SEK / PLN	0.3919	0.4213

3.4. Property, plant and equipment

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 – from 10 to 40 years;
- technical equipment and machines – 3-10 years;
- vehicles – 5 years;
- other fixed assets – 3-5 years.

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

The Company recognizes subsidy revenues from the commencement of work related to a given subsidy agreement. Due to the opinion of the Management Board that there is sufficient certainty that the Company is able to meet all the conditions resulting from the grant agreements and will not be obliged to return the received grants, grant revenues are recognized over time during the period of performance of works related to the grant.

Recognition of patents

The Company capitalizes the costs of patents that serve to protect the rights used in the course of research (not generating revenues), as well as those that generate revenues from research and development cooperation agreements. During the periodic review of the project portfolio, the Management Board makes a significant judgment related to the possibility of generating economic benefits by certain patents in the future.

Exposure to climate-related risks

The company is not exposed to climate-related risks.

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 23. Provisions for bonuses are estimated in accordance with the bonus model adopted by the Company, based on individual and corporate target achievement indicators. The calculated ratios are the basis for making decisions by the Management Board on the expected value of the bonus to be paid out. The Management Board takes into account many factors, including the Company's current and anticipated property and financial standing. The bonus is discretionary.

4.2.2. Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of items of property, plant and equipment and intangible assets 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. 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.

4.2.4. 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 14.

4.2.5. 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 124, respectively.

4.2.6. Estimate for the value of Nodthera's shares

The method of determining the fair value of shares in NodThera is presented in Note 13.

4.2.7. Estimate for the employee incentive program

The method of determining the value of the employee incentive program is presented in note 28.

5. Sales revenue

5.1. 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. Services in this regard may be contracted as separate agreements or as part of broader agreements, such as license sales agreements for R&D projects.

In each case, the Company identifies whether providing employees for the execution of research and development activities constitutes a separate contractual commitment from other promises within the agreement, e.g., concerning the sale of R&D projects. The Company decided that, in the agreements entered into, the provision of employees for the execution of research and development activities constitutes a series of partial services forming a single commitment to perform a service, i.e., an obligation to remain ready to execute an unspecified quantity of essentially the same services, in accordance with the scope and schedule of work determined on an ongoing basis with the client. The agreements do not specify a minimum number of hours for the involvement of the Company's employees. The level of engagement varies between periods.
To fulfill the agreement for the execution of research and development activities, subcontractors are engaged. The Company has recognized that the activities performed by subcontractors are part of the aforementioned series of partial services constituting the commitment to perform a service, and the Company acts as the principal in this regard.

The compensation for the execution of research and development activities is determined as the product of the time spent by employees on the activities during the settlement period and a fixed FTE rate covering the expected implementation costs and the assumed margin. Additionally, the Company is entitled to reimbursement of costs incurred by subcontractors. The compensation is payable in the form of periodic advances, subject to potential adjustment at the end of the settlement period. No significant financial component has been identified.

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.

Assets related to FTE model-based agreements apply to the Company's right to receive compensation for work completed but not yet invoiced at the end of the reporting period, in part not covered by received advance payments. Meanwhile, obligations related to FTE model-based agreements concern advance payments received for the execution of work in subsequent periods. Revenue from such work is recognized within a period shorter than 12 months.

2. 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 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 fulfilled, therefore the recognized revenue relates only to these revenues for which the milestone has been reached (revenue recognized in point of time). Then the recognized revenue corresponds to the remuneration for the achieved milestone.

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

	Period ended 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
Lease of employees - FTE agreements	28,470	142
Sale of R&D projects	18,390	38,804
Operating income	**46,860**	**38,946**

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

	Period ended 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
Advance payments	14,055	38,804
Milestone payments	4,335	0
Sale of R&D projects	**18,390**	**38,804**

5.2. Revenues from subsidies

	Period ended 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
Infrastructure subsidies	2,692	2,016
Grants for research	17,743	27,475
	20,436	**29,491**

5.3. Geographical information

The Company operates in Europe.

Company’s revenue from external customers by geographical area:

	Revenue from external customers	
	Period ended 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
Poland	38	106
EU members	41,662	24,616
Other countries	5,160	14,225
Total	**46,860**	**38,946**

5.4. Operating expenses

	Period ended 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
Salaries and wages	46,860	36,323
Social security charges	6,695	5,045
Other employee benefit	1,850	1,142
Employee Capital Plans	836	539
Employee benefit expense	**56,239**	**43,048**

6. Major customers

	Period ended 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
Segment 1 - Innovations		
Customer A	41,346	24,580
Customer B	5,160	14,225

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

On September 14, 2023, the Company concluded an annex ("Annex") to the global license agreement of March 28, 2017 with Berlin-Chemie AG based in Berlin, Germany, part of the Menarini Group ("Menarini Group") . Pursuant to the Annex, the Company took over responsibility from the Menarini Group for conducting the phase II clinical trial MEN1703 in relapsed/refractory DLBCL, implementing this trial for the Menarini Group. The Menarini Group bears all costs related to the study, and the Company receives a full refund of the costs incurred in connection with the implementation of the clinical trial. The remaining terms of the Agreement remain unchanged, including the total payments potentially due to the Company for achieving milestones and royalties from future sales. The amount of revenue that the Company will actually receive in the future from the provision of services covered by the Annex will depend on the progress of clinical trials and the amount of work needed to implement them.

On November 29, 2022 Ryvu entered into an exclusive research collaboration and license agreement ("License Agreement") and equity investment agreement ("Investment Agreement") (together "Agreements") with BioNTech SE with its registered office in Mainz, Germany ("BioNTech"). The multi-target research collaboration will comprise several small molecule immunotherapy programs, as well as an exclusive license for Ryvu's STING agonist portfolio as standalone small molecules. The initial collaboration term is five years and can be mutually prolonged by both parties. Under the terms of the License Agreement, BioNTech paid Ryvu an upfront fee of EUR 20 million (PLN 93.626 thousand converted at the average exchange rate of the NBP for November, 29 2022, EUR 1 = PLN 4,6813) in exchange for the global, exclusive license to develop and commercialize Ryvu's STING agonist portfolio as standalone small molecules and for the right to license on an exclusive basis multiple small molecule programs ("BioNTech Exclusive Targets") as part of a multi-target research collaboration. The goal of the collaboration is generation of drug candidates to be further developed in pre-clinical studies and clinical trials, and eventually with the goal of producing an approved licensed product. Moreover, until the fifth anniversary of the effective date of this Agreement or the selection of multiple BioNTech Exclusive Targets, whichever comes first, BioNTech will have the right of the first negotiation regarding any non-partnered, immune modulation target in Ryvu's portfolio. Under the License Agreement BioNTech will fund all discovery, research and development activities under the multi-target research collaboration. Ryvu will be eligible to receive success-based development, regulatory and commercialization milestones, as well as low single-digit royalties on the annual net sales of any products that are successfully commercialized and contain a stand-alone STING compound or any compound directed to a given BioNTech Exclusive Target that is developed under the Agreement. Ryvu will be eligible to receive potential maximum milestone payments of up to EUR 876,2 million (PLN 4.101.755 thousand converted at the average exchange rate of NBP for 29, November 2022, EUR 1 = PLN 4,6813). The Management Board emphasizes that the above amount is the maximum amount possible to obtain (bio-euro value), while the amount of revenues that Ryvu will actually obtain from the Licence Agreement will depend on the progress of scientific research and clinical trials, the success of the registration process and the level of revenue from sales of the potential drugs achieved by BioNTech or its licensee. Moreover, the timeline for achieving the milestones and receiving the above potential payments are unknown at this time and not in the near future. Under the Investment Agreement BioNTech invested EUR 20 million (converted into PLN at the average exchange rate of the National Bank of Poland on the day preceding the placing by BioNTech of the subscription order in accordance with the Investment Agreement) by subscribing for new series J ordinary shares issued by the Company under the authorised capital and offered in a public offer, at a price of PLN 48.86 i.e. twenty percent (20%) premium to the volume-weighted average priceper-share (VWAP) beginning on October 26, 2022 to the day before the execution of the Agreements.

On July 6 th, 2022 the Company entered into an exclusive license agreement ("Agreement") with Exelixis, Inc. with its registered office in Alameda, California ("Exelixis"). The aim of the collaboration is to develop novel therapies utilizing Ryvu's STING (STimulator of INterferon Genes) technology. The Agreement combines Ryvu's proprietary small molecule STING agonists and STING biology know-how with Exelixis' network of expertise and resources in antibody engineering, antibody-drug conjugate (ADC) technologies, and oncology therapeutics development and commercialization experience. Exelixis will seek to incorporate Ryvu's small molecule payloads into targeted biotherapeutics such as antibody-drug conjugates. Ryvu will also provide expert guidance and know-how during the early research phase of the collaboration, and upon selection of each development candidate, Exelixis will be responsible for all development and commercialization activities. Ryvu will retain all development and commercial rights to develop its STING agonist portfolio as standalone small molecules. Under the terms of the Agreement, Exelixis paid Ryvu an upfront fee of USD 3 million (PLN 14,039 thousand at the average exchange rate of the National Bank of Poland as at July 6, 2022, 1 USD = 4.6796 PLN) in exchange for certain rights to Ryvu's STING agonist small molecules. Ryvu will also be eligible to receive research funding when the parties agree on a research plan, as well as an additional USD 3 million (PLN 14,039 thousand at the average exchange rate 1 USD = 4.6796 PLN) in near-term research-based milestones, a double-digit milestone at first development candidate selection, and additional development, regulatory and commercialization milestone payments and tiered single-to-low doubledigit royalties on the annual net sales of any products that will be successfully commercialized. In total, Ryvu is eligible to receive research, development and commercial milestones of just over USD 400 million (PLN 1,871,840 thousand at the average exchange rate 1 USD = 4.6796 PLN) for each potential product developed under this Agreement. The Company wishes to emphasize that the amount of revenue the Company will actually receive under the Agreement will depend on the progress of scientific research and clinical trials, the success of the registration process, and the level of revenues from sales of the potential drug achieved by Exelixis or its partners.

7. Financial income

	Period ended 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
Financial income from financial instruments	**13,833**	**1,145**
Interest on deposits and bonds	13,833	1,145
Total financial revenues	**13,833**	**1,145**

8. Financial costs

	Period ended 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
Financial costs related to financial instruments	**4,997**	**1,918**
Interest	97	1,089
Exchange differences	4,900	829
Total financial costs	**4,997**	**1,918**

9. Income taxes on continuing operations

9.1. Income taxes presented in the statement of comprehensive income

	Period ended 31/12/2023	Period ended 30/09/2012
	000' PLN	000' PLN
Current income tax:	0	-4,693
Current income tax expense	0	-4,693
Deferred income tax	0	107
Tax charge presented in the statement of comprehensive income	**0**	**-4,587**

9.2. The effective tax rate reconciliation is as follows:

	Period ended 31/12/2023	Period ended 30/09/2012
	000' PLN	000' PLN
Gross (Loss) before tax	**-92,112**	**-79,195**
Tax at the statutory tax rate applicable in Poland, 19% (2022: 19%)	-17,501	-15,047
Costs that do not constitute tax-deductible costs on a permanent basis	5,820	9,965
Non-taxable and tax-free income (grant income)	-3,859	-5,580
Use of losses from previous years	0	-863
Settlement of payments from Partners - revenues recognized in accordance with IFRS 15 after taking into account the WHT tax paid abroad	0	8,453
Others (e.g.: unrecognized deferred tax asset)	15,540	-1,514
Tax at the effective tax rate	0	-4,587

As at December 31, 2023, unrecognized deferred tax assets amount to PLN 47,639 thousand. Due to the history of tax losses and the lack of sufficient forecasts regarding positive tax flows, the Company did not recognize deferred tax asset.

10. Earnings per share

	Period ended 31/12/2023	Period ended 31/12/2022
	PLN per share	PLN per share
Basic earnings per share:	**(4.0)**	**(4.6)**
From continuing operations	(4.0)	(4.6)
Total basic earnings per share	(4.0)	(4.6)
Diluted earnings per share:	**(4.0)**	**(4.6)**
From continuing operations	(4.0)	(4.6)
Total diluted earnings per share	(4.0)	(4.6)

10.1. Basic earnings per share

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

	Period ended 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
Profit/(loss) used to calculate the total basic earnings per share	-92,112	-83,782

	Period ended 31/12/2023	Period ended 31/12/2022
	quantity	quantity
Weighted average number of ordinary shares used to calculate nasic/diluted earnings per share	22,898,232	18,355,474

The company issued warrants under the agreement with the European Investment Bank (Note 19.1), which will have a dilutive effect. This dilution will be calculated and disclosed upon receiving financing from the European Investment Bank.

11. Tangible fixed assets and rights to use

The Company reviewed the indications of impairment of property, plant and equipment in accordance with IAS 36.12-14 and in the opinion of the Management Board, taking into account all the circumstances presented below, as at December 31, 2023, the analysis of the indications did not show grounds for performing an impairment test and such a test has not been performed.
The specific nature of the industry in which the Company operates is characterized by generating losses and negative cash flows during the drug discovery and development phase, until commercialization and revenues or royalties generated from drugs that have been admitted to trading. This situation is also not unexpected for a company from the biotechnology industry in phases 1 and 2 of clinical trials.
The most important items in property, plant and equipment are new assets (including the newly built Research and Development Center for Innovative Medicines) or almost new assets, purchased at market prices, fully used in research processes, and in the opinion of the Management Board, their fair value less selling costs is equal to or greater than their book value.
The level of capitalization of the Company as at December 31, 2023 and as at the date of approval of the financial statements for 2023 presented a surplus of capitalization over the Company's net assets of approximately PLN 1,071 thousand as at December 31, 2023.

In whole 2023, the Company plans expenditures on non-financial fixed assets in the amount of PLN 7,432 thousand.

Liabilities secured on the entity's assets

The total value of the unit's assets serving as collateral as of December 31, 2023, amounted to PLN 334 thousand. For the liability value of PLN 334 thousand as of December 31, 2022, the overall value of the unit's assets serving as collateral was PLN 11,204 thousand. For the liability value of PLN 3,611 thousand.

11.1. Changes in the value of fixed assets by type in current reporting period

Item	Land	Buildings	Machinery and equipment	Vehicles	Other tangible assets (including lab equipment)	Fixed assets under construction	Rights to use other fixed assets (including laboratory equipment)	Rights to use premises	Rights to use cars	Total
Gross value as at 01.01.2023	**7,468**	**52,146**	**13,997**	**150**	**52,666**	**0**	**4,106**	**2,531**	**1,023**	**134,088**
Increases in gross value:	**0**	**50**	**1,013**	**333**	**5,040**	**5,839**	**0**	**84**	**0**	**12,359**
- Purchases	0	0	0	0	0	5,839	0	0	0	5,839
- Transfer from assets under construction	0	50	1,013	333	4,443	0	0	0	0	5,839
- Other, changes to the contracts	0	0	0	0	0	0	0	84	0	84
- Other, shifts between categories	0	0	0	0	597	0	0	0	0	597
Decreases in gross value:	**0**	**0**	**0**	**113**	**0**	**5,839**	**597**	**0**	**0**	**6,549**
- Sale	0	0	0	113	0	0	0	0	0	113
- Other, transfer to FA	0	0	0	0	0	5,839	0	0	0	5,839
- Other, shifts between categories	0	0	0	0	0	0	597	0	0	597
Gross value as at 31.12.2023	**7,468**	**52,196**	**15,010**	**370**	**57,706**	**0**	**3,509**	**2,616**	**1,023**	**139,898**
Accumulated depreciation as at 01.01.2023	**0**	**4,848**	**3,817**	**8**	**37,408**	**0**	**2,748**	**2,525**	**514**	**51,868**
Inceases in accumulated depreciation:	**0**	**1,579**	**1,261**	**40**	**7,274**	**0**	**741**	**29**	**150**	**11,073**
- Depreciation / amortization write-offs	0	1,579	1,261	40	6,676	0	741	29	150	10,475
- Other, buyout from leasing	0	0	0	0	597	0	0	0	0	597
Decreases in accumulated depreciation:	**0**	**0**	**0**	**0**	**0**	**0**	**597**	**0**	**0**	**597**
- Sale	0	0	0	0	0	0	0	0	0	0
- Other, liquidation	0	0	0	0	0	0	0	0	0	0
- Other, buyout from leasing	0	0	0	0	0	0	597	0	0	597
Accumulated depreciation as at 31.12.2023	**0**	**6,427**	**5,078**	**47**	**44,682**	**0**	**2,891**	**2,554**	**665**	**62,344**
Net carrying amount as at 01.01.2023	**7,468**	**47,298**	**10,180**	**143**	**15,257**	**0**	**1,359**	**7**	**508**	**82,219**
Net carrying amount as at 31.12.2023	**7,468**	**45,769**	**9,932**	**323**	**13,024**	**0**	**618**	**62**	**358**	**77,555**

11.2. Changes in the value of fixed assets by type from 01.01.2022 to 31.12.2022

Item	Land	Buildings	Machinery and equipment	Vehicles	Other tangible assets (including lab equipment)	Fixed assets under construction	Rights to use other fixed assets (including laboratory equipment)	Rights to use premises	Rights to use cars	Total
Gross value as at 01.01.2022	**7,468**	**52,996**	**13,799**	**0**	**52,097**	**610**	**4,848**	**2,683**	**803**	**135,304**
Increases in gross value:	**0**	**0**	**392**	**185**	**4,432**	**3,587**	**70**	**3**	**221**	**8,890**
- Purchases	0	0	0	0	0	3,587	70	0	221	3,878
- Transfer from assets under construction	0	0	392	185	3,620	0	0	0	0	4,197
- Other, changes to the contracts	**0**	**0**	**0**	0	0	0	0	3	0	3
- Other, shifts between categories	0	0	0	0	812	0	0	0	0	812
Decreases in gross value:	**0**	**850**	**194**	**35**	**3,863**	**4,197**	**812**	**155**	**1**	**10,106**
- Sale	0	850	63	35	3,659	0	0	0	0	4,607
- Other, transfer to FA	0	0	0	0	0	4,197	0	155	1	4,353
- Other, shifts between categories	0	**0**	**0**	0	**0**	0	812	0	0	812
Gross value as at 31.12.2022	**7,468**	**52,146**	**13,997**	**150**	**52,666**	**0**	**4,106**	**2,531**	**1,023**	**134,088**
Accumulated depreciation as at 01.01.2022	0	**3,755**	**3,089**	**0**	**32,249**	**0**	**2,706**	**1,986**	**335**	**44,121**
Inceases in accumulated depreciation:	**0**	**1,635**	**921**	**8**	**9,014**	**0**	**853**	**538**	**179**	**13,149**
- Depreciation charge for the period	0	1,635	921	8	8,203	0	853	538	179	12,337
Decreases in accumulated depreciation:	**0**	**541**	**194**	**0**	**3,855**	**0**	**812**	**0**	**0**	**5,402**
- Other, shifts between categories	0	541	63	0	3,651	0	0	0	0	4,256
Depreciation - internal transfers	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Accumulated depreciation as at 31.12.2022	**0**	**4,848**	**3,817**	8	**37,408**	0	**2,748**	**2,525**	**514**	**51,868**
Net carrying amount as at 01.01.2022	**7,468**	**49,241**	**10,709**	**0**	**19,847**	**610**	**2,142**	**697**	**467**	**91,182**
Net carrying amount as at 31.12.2022	**7,468**	**47,298**	**10,180**	**143**	**15,257**	**0**	**1,359**	**7**	**508**	**82,219**

12. Intangible assets

Carrying amount	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Patents*	4,333	3,983
Software	1,657	232
Other intangible assets	347	61
	6,337	**4,276**

* Patents protect rights that are currently at the research level and do not generate revenue, but also those that generate revenue from partnering agreements.
The Company does not use any intangible assets under lease agreements.

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

Item	Other intangible assets	Total
Gross value as at 01.01.2023	**6,415**	**6,415**
Increases in gross value:	**2,795**	**2,795**
- Purchases	2,795	2,795
Decreases in gross value:	298	298
- liquidation	298	298
Gross value as at 31.12.2023	**8,912**	**8,912**
Accumulated depreciation as at 01.01.2023	**2,139**	**2,139**
Inceases in accumulated depreciation:	**496**	**496**
- Depreciation / amortization write-offs	496	496
Decreases in accumulated depreciation:	59	59
- liquidation	59	59
Accumulated depreciation as at 31.12.2023	**2,575**	**2,575**
Net carrying amount as at 01.01.2023	**4,276**	**4,276**
Net carrying amount as at 31.12.2023	**6,337**	**6,337**

In the table above, increases relate to the acquisition of patents (PLN 852 thousand), software (PLN 1,658 thousand), and other intangible assets (PLN 285 thousand). Decreases (PLN 298 thousand) relate exclusively to patents. Increases in depreciation concern other software (PLN 233 thousand) and patents (PLN 263 thousand).

12.2 Changes in the value of intangible assets by type in period from 01.01.2022 to 31.12.2022

Item	Other intangible assets	Total
Gross value as at 01.01.2022	**4,620**	**4,620**
Increases in gross value:	**1,795**	**1,795**
- Purchases	1,795	1,795
Decreases in gross value:	0	0
Gross value as at 31.12.2022	**6,415**	**6,415**
accumulated depreciation 01.01.2022	**1,576**	**1,252**
Inceases in accumulated depreciation:	563	563
- Depreciation / amortization write-offs	563	563
Decreases in accumulated depreciation:	0	0
Accumulated depreciation 31.12.2022	**2,139**	**2,139**
Net carrying amount as at 01.01.2022	**3,044**	**3,044**
Net carrying amount as at 31.12.2022	**4,276**	**4,276**

13. Valuation of shares in Nodthera

As at December 31, 2023, the Company held shares in NodThera Inc., which on December 31, 2021 were exchanged for shares in NodThera Ltd in the same amount and class. NodThera Inc. is a biotechnology company developing NALP3 inhibitors in the field of inflammatory and neuroinflammatory diseases.

On September 20, 2022, NodThera Inc. Series C shares were issued (Series C Preferred Stock). The issue covered 8,698,375 shares at a price of USD 2.8741 per share, and as a result of the issue NodThera received financing in the total amount of USD 25,000,002.47. The issue was addressed only to existing investors. Series C shares are privileged similarly to series A and B shares. Ryvu did not participate in this issue.

According to information obtained from NodThera Inc. thanks to the receipt of funds obtained from the issue of series C shares, NodThera has the necessary financial resources to fully implement its current projects.

On November 7, 2023, the shareholders of Nodthera Inc. passed a resolution enabling Nodthera Inc. to issue up to USD 20 million in aggregate of convertible promissory notes and warrants. Ryvu chose not to participate in this financing.

Thanks to the aforementioned financing and the receipt of funds raised from the Series C share issue, according to information obtained from NodThera Inc., NodThera has the necessary financial resources to fully implement the projects currently underway. In addition, the proceeds will provide enough cash for the company to operate smoothly until the end of 2024 and to seek additional capital for development in the following years.

As at December 31, 2023, NodThera Inc. there were the following types of shares: ordinary shares and preferred shares (Junior Preferred Stock, Series A1 and A2 Preferred Stock, Series B1 and B2 Preferred Stock and Series C Preferred Stock). Ryvu is a holder of preferred shares, i.e. Junior Preferred Stock. Series A, B and C preferred shares carry the right to pay dividends and the right to non-dilution, which may be paid in the form of cash or the issue of shares of the same class. In the case of an issue of shares, shares of the same class (similarly privileged) will be acquired as shares from which the shareholder is due a dividend. For this purpose, the dividend-to-share conversion mechanism is used, according to which the total value of the dividend per share is divided by the issue (first subscription) price of shares of a given series. As a result of this calculation (the quotient of the issue price of shares of a given series and the product of: the dividend value of shares of a given series and the number of shares), the number of shares of a given class is obtained in the event of payment of the dividend through the issue of shares. In addition, in the cases specified in the agreement, preferred shares are converted into ordinary shares - in the ratio specified separately for each series of shares. In particular, the mandatory conversion of all preferred shares will take place if NodThera ordinary shares are introduced to public trading. After applying the above mechanism, i.e. calculating the dividend and converting the value of the dividend into rights to subscribe for shares as at December 31, 2023, the amount of the capitalized dividend in the form of the right to subscribe for additional shares for preferred shareholders (A1, A2, B1, B2 and C) amounts to: 8,645,271 shares.
In addition, preferred shareholders of series A and B shares were entitled to take up 1,857,064 NodThera shares under the right to non-dilution as at December 31, 2023.
The management estimated the financial impact of aformentioned convertible promissory notes and warrants, assuming the conversion price for the bonds at the level of the last issue (i.e., USD 2.8741 per share) and assuming the exercise price for the implied share price for warrants at USD 1.

Therefore, taking into account this possibility of a dividend payment and the exercise of the right to non-dilution in the form of a share issue, Ryvu's share in the share capital of NodThera would decrease from 3.1% to 2.40% on December 31, 2023.

The Management Board of Ryvu decided to include in the valuation of Ryvu's shares in NodThera a 18.73% discount (taking into account the lack of the right to dividend and the lack of the right to non-dilution) compared to the price at which they were acquired as part of the last share capital increase, i.e. through the issue of shares series C and the above approach was applied as at 31 December 2023. The discount percentage of 18.73% was calculated as the quotient of the sum of the number of shares corresponding to the capitalized dividend (i.e.: 8,645,271 shares) and the shares related to the right to non-dilution (i.e.: 1,857. 064 shares) and the total number of all issued NodThera shares as at December 31, 2023 (i.e.: 66,562,750 shares).

Therefore, the share price of USD 2.2495/share was used as the basis for the valuation (share price from the last financing round, i.e. September 20, 2022, taking into account the discount corresponding to the class of shares held by the Company and impact on convertible notes and warrants). As at December 31, 2023, Ryvu held 2.40% of shares in NodThera on a fully diluted basis, and the total valuation of the Issuer's shares in NodThera Inc. amounted to PLN 16,903,500 (at the average NBP exchange rate of PLN 4.9350/USD).

Reconciliation of financial data to the carrying amount of shares in NodThera Inc included in the financial statements as at December 31, 2023

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	2.2495
average NBP exchange rate of December 31, 2023	3.9350
new share issue price (in PLN)	8.85
number of Company's shares in Nodthera Ltd.	1,910,000
value of shares in the balance sheet as at December 31, 2023 (000'PLN)	**16,904**
change in valuation - impact on the result (000'PLN)	-3,572

	Balance as at 31/12/2023	Balance as at 31/12/2022
Carrying amount of the Company's shares in Nodthera Inc	16,904	20,475

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

The Management Board analyzes the factors that may affect the fair value valuation of shares in NodThera on an ongoing basis by analyzing the progress of research work, assessing the Company's competitive environment, as well as the financial and liquidity situation. On this basis, the Management Board of the Company believes that the valuation of the shares held by the Company in NodThera, assuming a potential sale of shares in the future or listing of ordinary shares on the stock exchange, should be at the level of the last closed financing round (ie: September 20, 2022) with a discount for the share class held.

14. 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 December 31, 2023. 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

	31/12/2023		
	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	P1
Other financial assets (exluding 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

	31/12/2022		
	carrying amount	fair value	hierarchy level
Financial assets measured at fair value:			
Financial Assets-Nodthera Shares	20,475	20,475	P2
Financial assets for which fair value is disclosed:			
Trade and other receivables	1,441	1,441	P3
Other short-term financial assets	528	528	P3
Receivables from share buyback	242,962	242,962	P3
Financial liabilities at fair value:			
n.a.			
Financial liabilities for which fair value is disclosed:			
Liabilities from deliveries and services	14,446	14,446	P3
Investment liabilities	61	61	P3
Interest-bearing loans and credits	874	874	P3
Current portion of interest-bearing loans and borrowings, including:	874	874	P3
credit card debt	64	64	P3
Leasing liabilities	1,893	1,893	P3
Long term financial liabilities	9,904	9,904	P3

15. Other non-financial assets

	Balance as at 31/12/2023	Balance as at 31/12/2022
Carrying amount:	PLN	PLN
Licenses	608	987
Costs related to subsequent year	14,907	2,349
Other	785	498
	16,300	**3,834**

16. Other financial assets

Long term financial assets	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Deposits paid	19	76
Bonds	6,933	0
Bank deposits	10,528	0
	17,480	**76**

Short term financial assets	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Deposit	528	528
Bonds	4,980	0
Bank deposits	170,225	0
	175,733	**528**

The maturity date of the bonds ranges from January 2024 to November 2025. The majority of the bonds have a fixed interest rate. The value of bonds based on variable interest rates was disclosed in note 22.6. The bonds held have an S&P rating from A- to A+.

The maturity date of deposits ranges from January 2024 to January 2025. All deposits have a fixed interest rate. The rating of banks in which the company holds deposits was disclosed in note 22.8.

17. Trade and other receivables

	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Trade receivables	9,187	1,045
	9,187	1,045
Tax (VAT) receivables*	13,809	11,879
Other – receivables from employees, security deposits	695	396
Grants due	9,146	3,363
Other	0	247
	32,837	**16,931**

* WHT on transactions with Biontech in the amount of PLN 9.4 million and the calculated VAT in the amount of PLN 4.4 million.

17.1. 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 December 2023 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 majority of receivables were from one counterparty. As of the date of signing this Report, these receivables have been paid off.

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

	Period ended 31/12/2023		
	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	9,184	0.0001%	0
1-90 days after the deadline	2	0.0029%	0
91-180 days after the deadline	0	0.0014%	0
181-365 days after the deadline	0	0.0420%	0
More than 365 days after the deadline	0	100.0000%	0
Total	**9,187**		**0**

	Period ended 31/12/2022		
	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	891	0.0000%	0
1-90 days after the deadline	136	0.0005%	0
91-180 days after the deadline	18	0.0087%	0
181-365 days after the deadline	0	0.0439%	0
More than 365 days after the deadline	0	100.0000%	0
Total	**1,045**		**0**

The average payment term for overdue receivables from the sale of goods and services in the period from January 1 to December 31, 2023 is 11 days, and in the period from January 1, 2022 to December 31, 2022, it was 47 days. Before accepting a new client, the Company assesses his creditworthiness. Due to the specific nature of its operations, the Company cooperates with entities known in the industry, which affects the assessment of credit risk. Payment terms are part of the offer presented to the contractor.

18. Share capital

	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Registered share capital	9,248	7,342
	9,248	7,342

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

	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Number of shares	23,120	18,355
Par value per share	0.40	0.40
Share capital	9,248	7,342

Share capital structure as at the day of approval of financial statements i.e. 31/12/2023

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**

Share capital structure as at 31 December 2022

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		2,384,245	954
Total		**18,355,474**	**7,342**

18.2. Own shares	**Balance as at 31/12/2023**	**Balance as at 31/12/2022**
	number of shares	**number of shares**
Own shares under the Incentive Scheme	8	20,928
Total	**8**	**20,928**

As at 31 December 2023, the Company holds own shares resulting from the implementation of the Incentive Scheme (see note 28). 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 donation from Mr Paweł Przewięźlikowski), their value as at each balance sheet date is PLN 0.

18.3. Other reserve capitals	**Balance as at 31/12/2023**	**Balance as at 31/12/2022**
	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 (i)	53,496	45,183
Valuation of options to purchase shares resulting from the investment agreement with BioNtech (ii)	1,096	1,096
Total	**66,001**	**57,688**

(i) In 2021, the Company started the implementation of the incentive program in place in 2021-2024. Detailed information is disclosed in note 28.

(ii) The fair value of options to purchase shares is determined as at the date of concluding the agreement and is recognized as a reduction of payments from Partners for revenues recognized in accordance with IFRS 15 in correspondence with an increase in other reserves.
Summary of options data:

• date of conclusion of the contract: 29/11/2022
• option maturity date: 22/12/2022
• Number of shares: 1,917,437
• option exercise price: PLN 48.86;
• share price as at the valuation date: PLN 43.40;
• continuous dividend rate: 0%
• risk-free interest rate in continuous capitalization: 7.17%
• volatility coefficient: 50% - obtained as a standard deviation from a sample of logarithmic changes in historical share prices listed on the Warsaw Stock Exchange in the period from 16/10/2019 to the valuation date.

The fair value of options to purchase shares is determined as at the date of concluding the agreement and is recognized as a reduction of payments from Partners for revenues recognized in accordance with IFRS 15 in correspondence with an increase in other reserves.

18.4. Share premium	**Balance as at 31/12/2023**	**Balance as at 31/12/2022**
	000' PLN	**000' PLN**
Supplementary capital created from the surplus from the issue of shares above their nominal value	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 the surplus on the 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 results from previous years in connection with the division	-10,331	-10,331
including the surplus on the issue of shares above their nominal value, "J" series ordinary shares	248,378	0
including issue costs, "J" series ordinary shares	-7,693	0
Total Reserve Capital	**519,748**	**279,063**

18.5. Reserve capital paid up but not registered as at the balance sheet date

	Balance as at 31/12/2023	Stan na 31/12/2022
	000' PLN	000' PLN
Supplementary capital created from the issue of series J shares	0	250,284
including issue costs Shares series "J" ordinary	0	-7,693
Total reserve capital	**0**	**242,591**

Cash from the issue on the account of the brokerage house

	Balance as at 31/12/2023	Stan na 31/12/2022
	000' PLN	000' PLN
Reserve capital paid up but not registered as at the balance sheet date	0	242,591
Interest due on funds from the issue on the account of the brokerage house	0	371
Total proceeds from the issue of series "J" shares	**0**	**242,962**

The Company carried out the issue of series J shares on the basis of Resolution No. 1 of the Company's Management Board of October 5, 2022 on increasing the share capital of the Company within the limits of the authorized capital by issuing series J shares, excluding the pre-emptive right of the existing shareholders in full and amending the Company's Articles of Association, which is the result of the execution of the authorization granted to the Management Board of the Company on the basis of Resolution No. 4 of the Extraordinary General Meeting of the Company of September 19, 2022 on authorizing the Management Board of the Company to increase the share capital of the Company as part of the authorized capital, exclusion by the Management Board of the pre-emptive right to shares issued as part of the authorized capital in whole or in part with the consent of the Supervisory Board, on the basis of which the share capital of the Company was increased from PLN 7,342,189.60 to PLN 9,248,059.20 by issuing, within the authorized capital, ordinary bearer shares of series J of the Company by nominal value PLN 0.40 each.

On January 17, 2023, the Registry Court registered the amendment to the Company's Articles of Association related to the above-mentioned increase in the Company's share capital.

On January 23, 2023, the National Depository for Securities S.A. issued a message informing about the registration in the securities depository on January 25, 2023 of 4,764,674 (four million seven hundred and sixty-four thousand six hundred and seventy-four) Series J ordinary bearer shares of the Company, with a nominal value of PLN 0.40 each ("Series Shares J"), under the ISIN code PLSELVT00013.

Series J shares were offered by the Company by way of private placement within the meaning of art. 431 § 2 item 1) of the Code of Commercial Companies, as part of a public offering within the meaning of Art. 2 lit. d) Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/ EC, excluded from the obligation to prepare and publish a prospectus or other information (offering) document.

The issue price of Series J Shares was set at PLN 55 per share, excluding BioNTech, for which the issue price was PLN 48.86 in accordance with the provisions of the investment agreement. The total proceeds from the issue, understood as the product of the number of shares covered by the offer and the issue price, amounted to PLN 250,284,007, while the total costs of the offering amounted to PLN 7,693,094. Series J shares were acquired by 222 investors.

19. Credit facilities and loans and other sources of financing

19.1. European Investment Bank Loan agreement

On August 16, 2022, the Company concluded with the European Investment Bank (""EIB") a financing agreement (""Agreement"). Under the Agreement, the EIB undertook 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 expenses related to clinical trials, necessary activities to obtain regulatory approvals, internal research and development related to drug discovery and costs related to the protection of intellectual property.
The financing will be disbursed 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. The 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 disbursed tranches in one installment after 5 years from its disbursement. 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 fulfillment by the Company of the conditions set out in the Agreement, relating primarily to the clinical development of the RVU120 compound.

An additional consideration for Tranche A, Tranche B and Tranche C will be the issuance by the Company to the EIB of subscription warrants corresponding in total to 2.5% of the fully issued share capital of the Company ("Warrants"), which will be taken up by EIB free of charge. The validity period of the Warrants is 10 years and EIB will have the right to exercise the Warrants upon maturity of Tranche A or an event of voluntary or mandatory prepayment.
As at December 31, 2023, this loan is not utilised.

On May 4, 2023, the Company entered into an agreement with the European Investment Bank ("EIB") regarding the issuance of subscription warrants to the EIB. Under the Warrant Agreement, the Company committed to issue 592,825 subscription warrants to the EIB, entitling the holder to subscribe for a total of 592,825 shares of the Company with a total nominal value of 237,130 PLN.

The subscription warrants issued by the Company in connection with the financing obtained will be recognized one-off in equity on the date of disbursement of this tranche.

Given the fact that the Company is in the final stage of obtaining "tranche A" and expects to receive a payment of 8,000,000 EUR from the EIB on March 13, 2024, the Company's management has made an estimated of the mentioned financing along with its presentation on the individual lines of the Statement. The Company notes that this is an estimated impact assuming that the Financing was completed on January 31, 2024.

If the expected disbursement of tranche A occurred on January 31, 2024, then:
'- The expected financing from the disbursed tranche would be recognized in the Company's financial position statement as a financial liability valued at amortized cost. At the initial recognition, the liability would be recognized at fair value in the estimated amount of PLN 26.8 million. On each reporting date, the Company will determine the carrying amount (amortized cost) of the liability by applying the effective interest rate method, according to which the interest cost for the period is calculated.

- The subscription warrants issued by the Company in connection with the financing obtained under Tranche A meet the definition of a financial instrument under IAS 32 and would be recognized one-off in equity on the disbursement date 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. Assuming the disbursement of the tranche on January 31, 2024, the fair value of such a calculated warrant would amount to estimated PLN 8.0 million.

Using a market interest rate that is 1 percentage point higher to determine the initial recognition of the financial liability would decrease the financial liability by PLN 1.1 million and increase the initial fair value recognition of the calculated warrant in equity by the same amount.

- Additionally, due to the fact that the put option issued by the Company introduces a contractual obligation to repurchase its own equity instruments (warrants) on the disbursement date of Tranche A, the Company would recognize, in accordance with IAS 32 principles, a liability for the amount required to settle the option, corresponding with equity in the estimated amount of PLN 52.3 million. On each balance sheet date after the initial recognition, the Company will update the amount of the liability for the put option, taking into account changes in the settlement price of this option, with the valuation effects reflected in the statement of comprehensive income. In the event of the expiration of the put option without exercise by the holder (EIB), the Company will reclassify the carrying amount of the liability to equity.
- The estimated impact on equity would amount to 44.3 million PLN (reduction)

20. Long-term liabilities

	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Agreement with LLS	8,854	9,904
	8,854	**9,904**

On August 7, 2017, the Management Board of Ryvu Therapeutics S.A. (formerly Selvity S.A.) concluded an agreement with Leukemia & Lymphoma Society (LLS) regarding cooperation in further studies of the preclinical phase and the first clinical phase of the SEL120 molecule (currently RVU120) (Agreement). Pursuant to the provisions of the Agreement, LLS undertook to provide the Company with financial support of up to USD 3.25 million for the RVU120 project, payable as the project develops. From the date of conclusion of the agreement until December 31, 2022, the Company received a total of USD 2.25 million in support which is the equivalent of PLN 8.9 million (valuation at the exchange rate of the National Bank of Poland as at December 31, 2022).

In return for the financial support provided under the Agreement, LLS will be entitled, after the successful development of RVU120 and leading to the start of the III clinical phase, to receive payments for achieving milestones, and after the commercialization of RVU120 or its introduction to the market by the Company, also to royalties. The total value of payments for LLS will not exceed seven times the co-financing received under the Agreement, i.e. USD 15.75 million.

This liability was initially measured at fair value, which corresponds to the nominal amount, because the discounting effect for the 12-month period is immaterial (a 12-month period was adopted for discounting, because in a period longer than 12 months it cannot be considered that the Company controls that the , therefore discounting for a period longer than 12 months is not justified). After initial recognition, the liability is measured at amortized cost, which as at December 31, 2023 corresponds to the nominal value for the reasons indicated above; as a result, the liability is shown in the amount of cash received after conversion with the current PLN/USD exchange rate as at the balance sheet date.
The liability is classified as a long-term liability in each of the presented periods, because this liability is not due within 12 months from the balance sheet date, i.e. the repayment of these amounts may only take place in the event of successful development of RVU120 and the commencement of the third clinical phase (payments for milestones) and after RVU120 is commercialized or marketed by the Company (royalties), while currently RVU120 is at an early stage of development (Phase II).

On December 14, 2022, the Agreement with LLS was amended so that the maximum amount of support under the Agreement was reduced from USD 3.25 million to USD 2.25 million. At the same time, LLS undertook to participate in the public issue of series "J" Ryvu shares, which took place in December 2022 (see note 18.5), by subscribing for shares worth USD 1 million at the price determined for institutional investors in the bookbuilding process.

21. Trade and other liabilities

	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Trade liabilities	23,142	12,578
Investment liabilities	347	61
Liabilities due to taxes, insurance (social security, personal income tax, PFRON)	1,962	992
Liabilites due to salaries and wages and other liabilities to employees	62	0
Other non-financial liabilities	1,860	1,867
Warranty deposit	60	60
	27,433	**15,559**
- short-term		
Trade and other liabilities	27,433	15,499
- long-term		
Other liabilities	0	60

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. In the case of accrual, the interest rate applicable is the same as for statutory interest.

22. Financial instruments

22.1. 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. These 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 26,

• equity, including reserve capitals and retained earnings, as disclosed in Note 18.

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.

22.1.1. Net debt to equity ratio

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

	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Debt (i)	-143,610	-131,586
Cash and cash equivalents	57,939	101,917
Net debt	**-85,671**	**-29,669**
Equity (ii)	259,592	343,390
Net debt to equity	**(0.33)**	**(0.09)**

(i) Debt comprises long- and short-term debt.

(ii) Equity comprises the equity presented in the statement of financial position.

The achieved level of the debt ratio is within the framework expected and accepted by the Management Board.

22.2. 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.

22.3. 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.

22.4. Market risk

The Company's activities expose it to currency risk (see Note 22.5), interest rate risk (see Note 22.6) and price risk (Note 22.7). 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.

22.5. 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 assets and liabilities as at the end of the reporting period:

	Liabilities		Assets	
	Balance as at 31/12/2023	Balance as at 31/12/2022	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN	000' PLN	000' PLN
EUR	6,333	2,315	59,137	93,294
USD	2,862	915	12,449	14,486
Other	300	73	244	133

22.5.1. Sensitivity to currency risk

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

The degree of sensitivity of the Company's profit 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 31/12/2023	Balance as at 31/12/2022	Balance as at 31/12/2023	Balance as at 31/12/2022
		000' PLN	000' PLN	000' PLN	000' PLN
ASSETS					
Exchange rate increase	15%	8,871	13,994	1,867	2,173
Exchange rate increase	10%	5,914	9,329	1,245	1,449
Exchange rate increase	5%	2,957	4,665	622	724
Exchange rate decrease	-5%	-2,957	-4,665	-622	-724
Exchange rate decrease	-10%	-5,914	-9,329	-1,245	-1,449
Exchange rate decrease	-15%	-8,871	-13,994	-1,867	-2,173
LIABILITIES					
Exchange rate increase	15%	950	347	429	137
Exchange rate increase	10%	633	232	286	92
Exchange rate increase	5%	317	116	143	46
Exchange rate decrease	-5%	-317	-116	-143	-46
Exchange rate decrease	-10%	-633	-232	-286	-92
Exchange rate decrease	-15%	-950	-347	-429	-137
EFFECT ON PROFIT					
Exchange rate increase	15%	7,921	13,647	1,438	2,036
Exchange rate increase	10%	5,280	9,098	959	1,357
Exchange rate increase	5%	2,640	4,549	479	679
Exchange rate decrease	-5%	-2,640	-4,549	-479	-679
Exchange rate decrease	-10%	-5,280	-9,098	-959	-1,357
Exchange rate decrease	-15%	-7,921	-13,647	-1,438	-2,036

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.

22.6. Interest rate risk management

The Company is exposed to interest rate risk resulting from floating rate lease agreements, investment loan and concluded bank deposits or purchased bonds based on variable interest rates. 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.

22.6.1. 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.

In the current and previous financial period, the vast majority of lease contracts were signed in EUR. In the analysis of the hypothetical impact of changes in interest rates for the balance of liabilities as at the balance sheet date, a fluctuation of 50 basis points was assumed, without taking into account the impact of restrictive clauses on negative interest rates.

31 December 2023

	< 1 year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Lease liabilities	414	165	179	21	0	0	779
Credit card limit used	127	0	0	0	0	0	127
	< 1 year	**1–2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**>5 years**	**Total**
Cash	57,939	0	0	0	0	0	57,939
Bonds	0	1,283	0	0	0	0	1,283

31 December 2022

	< 1 year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Lease liabilities	1,029	531	225	88	21	0	1,893
Credit card limit used	874	0	0	0	0	0	874
	< 1 year	**1–2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**>5 years**	**Total**
Cash	101,917	0	0	0	0	0	101,917

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 variable 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
As at 31 December 2023		
Leasing liability (EUR)		
Interest rate change	+0,5%	-2
Interest rate change	-0,5%	2
Lease liability (other currencies)		
Interest rate change	+0,5%	-2
Interest rate change	-0,5%	2
Total impact	+0,5%	-4
Interest rate change	-0,5%	4
Interest rate change		

22.7. Price risk management

The Company's exposure to equity price risk results from investments held by the Company at fair value through profit or loss (Note 13). The company owns shares in only one company, NodThera Inc. These shares have been held by the Company since the beginning of the existence of this company (i.e. 2016). NodThera's activity was based on research conducted before 2016 by the Company (then Selvita S.A.). NodThera is not listed on any stock exchange, and the increase or decrease in the value of shares in this company is, as a rule, the result of research progress. The company diversifies the price risk related to the shares in NodThera by developing its own projects, which can then be commercialized, also in a similar way as NodThera was established.

22.8. 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), 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. Data on receivables as at the balance sheet date can be found in Note 17.

Credit risk related to cash and other short-term financial assets is limited, as the Company's counterparties are banks or institutions with a high credit rating awarded by international rating agencies.

List of banks where the Company has funds on bank accounts:

Bank name	Balance as at 31/12/2023	Balance as at 31/12/2022	Rating	Perspective
	000' PLN	000' PLN		
Bank A	123,798	7,030	A- ip	stable
Bank B	35,616	4,231	A- ip	stable
Bank C	79,083	5	BBB ip	stable
Bank D	195	90,651	A- ip	stable
Total	**238,692**	**101,917**		

At the end of the year, the Company also had cash from the issue on the account of the brokerage house:

Bank name	Balance as at 31/12/2023	Balance as at 31/12/2022	Rating	Perspective
	000' PLN	000' PLN		
Bank E	0	242,962	A- ip	stable

22.9. 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 31/12/2023	As at 31/12/2022
Financial assets (+)	**269,485**	**349,891**
Receivables	18,333	4,408
Cash from the issue on the account of the brokerage house	0	242,962
Cash	57,939	101,917
Other financial assets current	175,733	528
Other financial assets not-current	17,480	76
Financial liabilities (-)	**-33,248**	**-25,311**
Interest bearing credit facilities and loans	-127	-874
Finance lease liabilities	-778	-1,893
Trade liabilities	-23,142	-12,578
Long term financial liabilities	-8,854	-9,904
Investment liabilities	-347	-61
Exposure to liquidity risk	**236,237**	**324,580**

As at the balance sheet date, December 31, 2023, the company's financial liabilities were within the following maturity ranges:

Type of liability	Current:				Non-current:			Liabilities – carrying amount
	Not overdue as at 31/12/2023	within 3 months	3-12 months	Total current liabilities	1-5 years	over 5 years	Total non-current liabilities	
Interest bearing credit facilities and loans	0	127	0	127	0	0	0	127
Finance lease liabilities	0	414	0	414	365	0	365	778
Trade liabilities	16,919	5,458	1,113	23,489	0	0	0	23,489
Long term financial liabilities	0	0	0	0	0	8,854	8,854	8,854
Total	**16,919**	**5,999**	**1,113**	**24,030**	**365**	**8,854**	**9,218**	**33,248**

As at the balance sheet date, December 31, 2022, the company's financial liabilities were within the following maturity ranges:

Type of liability	Current:				Non-current:			Liabilities – carrying amount
	Not overdue as at 31/12/2022	within 3 months	3-12 months	Total current liabilities	1-5 years	over 5 years	Total non-current liabilities	
Interest bearing credit facilities and loans	0	334	540	874	0	0	0	874
Finance lease liabilities	0	217	811	1,029	865	0	865	1,893
Trade liabilities	9,468	2,567	605	12,640	0	0	0	12,640
Long term financial liabilities	0	0	0	0	0	9,904	9,904	9,904
Total	**9,468**	**3,118**	**1,956**	**14,542**	**865**	**9,904**	**10,769**	**25,311**

26.9.1 Available external sources of funding

	Balance as at 31/12/2023	Balance as at 31/12/2022
	PLN	PLN
Collateralized overdraft facilities:		
Amount used	127	64
Amount available	473	336
	600	**400**

23. Accrued costs

	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Unused holiday accrual	2,145	1,691
Bonuses	8,024	9,012
Liabilities due to retirement benefits	28	0
	10,197	**10,703**

24. Period occurrence and license revenues from customer contracts

	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Payments from Partners (i)	66,311	68,120
Government subsidies (ii) revenues recognized in accordance with IAS 20	29,478	24,392
	95,789	**92,512**
Payments from Partners (i)		
Agreement with BioNtech, including:	55,065	68,120
- Short-term	*14,059*	*13,624*
- Long-term	*41,006*	*54,496*
	55,065	**68,120**
Agreement with BioNtech, including:	11,246	0
- Short-term	*11,246*	*0*
	11,246	**0**
Government subsidies (ii) revenues recognized in accordance with IAS 20		
Infrastructure subsidies, including:	20,998	24,252
- Short-term	*2,917*	*2,952*
Research subsidies, including:	8,479	141
- Short-term	*3,310*	*133*
	29,478	**24,392**

(i) Payments from partners include advance payments from contractors to cover part of the costs associated with the services performed. The Company estimates that the entire amount of liabilities will be recognized in revenues within 5 years. The balances of liabilities arising from contracts with customers as of 31/12/2022 were settled in 2023 in the amount of PLN 14,055 thousand.

(ii) Government subsidies include payments received resulting from subsidy contracts signed, which will be settled proportionally to the incurred costs.

25. Related party transactions

25.1. 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 31/12/2023	Period ended 3/12/2022	Period ended 31/12/2023	Period ended 31/12/2022
		000' PLN	000' PLN	000' PLN	000' PLN
Selvita S.A.	POA	657	3,686	6,204	4,764
Selvita Services Sp. z o.o.	POA	0	0	1,480	1,411
Ardigen S.A.	POA	0	1	214	0
Selvita Inc.	POA	0	0	3,127	2,271
Selvita d.o.o.	POA	0	0	0	6
AG Life Science Consulting GmbH & Co. KG	PORN	0	0	3	0
Scott Fields	PORN	0	0	28	13
		657	**3,687**	**11,056**	**8,465**

Balances at the end of the reporting period:

	Binding type	Amounts due from related parties		Amounts due to related parties	
		Balance as at 31/12/2023	Balance as at 31/12/2022	Balance as at 31/12/2023	Balance as at 31/12/2022
		000' PLN	000' PLN	000' PLN	000' PLN
Selvita S.A.	POA	11	322	1,084	2,510
Selvita Services Sp. z o.o.	POA	0	0	353	1,375
Ardigen S.A.	POA	1	1	0	0
Selvita Inc.	POA	0	0	544	743
Selvita d.o.o.	POA	0	0	0	3
		12	**323**	**1,982**	**4,632**

Transactions with related entities were made using market prices.

25.2 Executive compensation

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

	Period ended 31/12/2023			Period ended 31/12/2022		
	Share based payments 000' PLN	Remuneration 000' PLN	Share-based payments* 000' PLN	Share based payments 000' PLN	Remuneration 000' PLN	Share-based payments*
Management Board	**5,429**	**2,636**	**1,186**	**2,830**	**3,582**	**1,458**
Paweł Przewiężlikowski	450	618	0	341	738	0
Krzysztof Brzózka	841	586	96	596	740	360
Kamil Sitarz	621	562	532	486	683	373
Hendrik Nogai	1,762	409	312	608	538	189
Vatnak Vat-Ho	1,754	462	246	800	884	536
Supervisory Board	**1,160**	**0**	**0**	**1,042**	**0**	**0**
Piotr Romanowski	160	0	0	150	0	0
Tadeusz Wesołowski	157	0	0	148	0	0
Rafał Chwast	160	0	0	150	0	0
Axel Glasmacher	157	0	0	148	0	0
Colin Goddard	0	0	0	148	0	0
Jarl Jungnelius	157	0	0	148	0	0
Thomas Turalski	157	0	0	148	0	0
Scot Fields	121	0	0	0	0	0
Peter Smith	90	0	0	0	0	0
	6,589	**2,636**	**1,186**	**3,872**	**3,582**	**1,458**

The company has updated its approach to presenting data for this note. In previous years, the company presented salaries based on the actual amounts paid out (cash basis), whereas now it presents salaries according to the period in which the cost was incurred (accrual basis) - consistent with the Statement of Comprehensive Income. Therefore, the data as of 12/31/2022 have been adjusted for the purpose of ensuring comparability.

* In accordance with IFRS2

Shares held by Members of the Management Board and Members of the Supervisory Board

	Period ended 31/12/2023		Period ended 31/12/2022	
	the number of actions	% of owned capital	the number of actions	% of owned capital
Company's management				
Paweł Przewiężlikowski	4,065,036	17.58%	3,900,544	21.25%
Krzysztof Brzózka	267,321	1.16%	267,321	1.46%
Kamil Sitarz	39,230	0.17%	21,365	0.12%
Hendrik Nogai	13,500	0.06%	9,000	0.05%
Vatnak Vat-Ho	28,500	0.12%	18,500	0.11%
Board of directors				
Piotr Romanowski	50,000	0.22%	331,000	1.80%
Tadeusz Wesołowski*	1,372,713	5.94%	1,132,713	5.66%
Rafał Chwast	121,115	0.52%	121,115	0.66%
Thomas Turalski	20,100	0.09%	20,100	0.11%

*directly and through Augebit FIZ

26. 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 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Cash in hand and at bank	9,562	22,325
	9,562	22,325
Cash and cash equivalents - bank deposits	48,377	79,592
	57,939	101,917

As at December 31, 2023, restricted cash amounted to PLN 8.797 thousand (prepayments from grants). PLN (31/12/2022: PLN 3,175 thousand).

27. Average headcount in the Company

	Period ended 31/12/2023	Period ended 31/12/2022
White collar employees	230	198
Total headcount	**230**	**198**

28. Share-based payments

28.1 Employee incentive program

28.1.1 Detailed description of the incentive program based on subscription warrants

On May 17, 2021, the General Meeting resolved to adopt an Incentive Scheme for employees in the form of the right to purchase shares at a preferential price. The program covers a total of 1,247,720 ordinary shares of Ryvu S.A. which will be transferred free of charge by Paweł Przewięźlikowski, owned by him and constituting a total of 25% of the Company's shares held by him. The scheme provides employees with the right to acquire shares at a preferential price of PLN 0.19 per share. Employees who have a business relationship with the company are eligible to participate in the program. The eligible persons are required to remain in a business relationship with the company and not to dispose of the shares granted under the scheme, for a period not shorter than 12 months and not longer than 36 months from the date of acquiring the shares, subject to exceptional circumstances when the employee may be released from these obligations. .

Nature of the agreement concluded with the Shareholder.

On April 20, 2021, the shareholder submitted a written declaration of will in the form of a letter of intent, in which he declares the transfer of 1,247,720 series B shares of the Issuer to the Issuer free of charge. According to the content of the letter of intent, the obligations of the Shareholder contained in the letter of intent have been effective since April 2021 and expire on the date of a) ineffective expiry of the deadline for convening the Extraordinary General Meeting of Shareholders by the Company, b) failure by the Extraordinary General Meeting of Shareholders to adopt the Incentive Scheme or c) failure to approve the list of entitled persons within 14 days from the adoption of the incentive scheme. None of the above-mentioned circumstances occurred, and the Shareholder has not yet transferred all the shares covered by the letter of intent, so the Shareholder's obligations have not expired.

On July 8, 2021, November 19, 2021, April 14, 2022, 29 May 2023 and 6 June 2023 the Shareholder concluded donation agreements with the Issuer, under which the ownership of 1,044,394 shares, 21,476 shares, 27,497 shares, 74,508 shares and 1,190 shares respectively ("Agreements") was transferred. These shares are issued to the participants of the incentive program immediately, as a rule, on the date of their receipt by the Company.

The role of the Company.

The Management Board determines the list of persons entitled to the additional pool (as the basic pool was addressed to all employees of the Company) and the manner of determining the number of shares offered to a given participant. With regard to the Management Board, the Supervisory Board of the Company performs the same role. The Company, through its bodies, i.e. the Management Board and the Supervisory Board, exercises control over the performance of the Incentive Scheme.

Recognition of the 'donation' transaction from the Shareholder - founder of the Program.

Taking into account the specificity and legal and formal framework of the Incentive Program and IFRS standards, the Company treated the transaction of free transfer of shares ("donation") from the founder of the program, Paweł Przewięźlikowski, as a separate transaction, which in the light of par. 33 IAS 32, taking into account the acquisition cost of these shares amounting to PLN 0, was not presented in the statement of financial position and the shares received free of charge also had no impact on the statement of comprehensive income, statement of changes in equity or statement of cash flows.

28.1.2 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") - Phase I of the program	17.05.2021 r.
Date of granting the program ("grant date") - Phase II of the program	16.03.2022 r.
Date of granting the program ("grant date") - Phase III of the program	24.05.2023 r.
Date of granting the program ("grant date") - Phase IV of the program	11.08.2023 r.
The maturity date of the program	11.08.2026 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 December 31, 2023.	1.074.452

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 phase I of the program:

• option exercise date:

July 9, 2021 for 20,383 shares;

July 9, 2022 for 457,850 shares;

July 9, 2023 for 440,597 shares;

July 9, 2024 for 20,093 shares;

June 30, 2025 for 6,379 shares.

• option exercise price: PLN 0.19;

• share price on the valuation date: PLN 53;

• continuous dividend rate: 0%

• risk-free interest rate in continuous capitalization: 1.96%

• coefficient of variation: 72% - 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.

In the case of phase II of the program:
• option exercise date:
March 16, 2022 for 8,219 shares;
March 16, 2023 for 16,758 shares;
March 16, 2024 for 16,758 shares;
March 16, 2025 for 8,538 shares.
• option exercise price: PLN 0.19;
• share price on the valuation date: PLN 47.45;
• continuous dividend rate: 0%
• risk-free interest rate in continuous capitalization: 4.82%
• coefficient of variation: 44% - 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.

In the case of phase III of the program:
• option exercise date:
May 23, 2024 for 30,261 shares;
May 23, 2025 for 30,261 shares;
May 23, 2026 for 14,755 shares;
• option exercise price: PLN 0.19;
• share price on the valuation date: PLN 58.70;
• continuous dividend rate: 0%
• risk-free interest rate in continuous capitalization: 6.04%
• coefficient of variation: 48% - 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.

In the case of phase IV of the program:
• option exercise date:
10/08/2024 for 2,997 shares
10/08/2025 for 2,997 shares
10/08/2026 for 939 shares
• option exercise price: PLN 0.19;
• share price on the valuation date: PLN 58.70;
• continuous dividend rate: 0%
• risk-free interest rate in continuous capitalization: 5.24%
• 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 31/12/2023, the weighted average period remaining until the end of the contractual duration is 5,3 months.

28.1.3 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	Total discharge
Tranche No. 1	20,383	7/9/2021	**1,076**	**-**	**-**	-	-	-	-	**-**	**-**	**-**	**1,076**
Tranche No. 2	458,465	7/9/2022	**13,964**	**10,217**	**-**	-	-	-	-	**-**	**-**	**-**	**24,181**
Tranche No. 3	437,604	7/9/2023	**7,649**	**10,144**	**5,328**	-	-	-	-	**-**	**-**	**-**	**23,120**
Tranche No. 4	20,093	7/9/2024	**255**	**304**	**330**	82	82	8	-	**173**	**-**	**-**	**1,061**
Tranche No. 5	6,379	6/30/2025	**56**	**80**	**80**	20	20	20	20	**81**	**40**	**-**	**337**
Tranche No. 6	8,219	3/16/2022	**-**	**388**	**-**	-	-	-	-	**-**	**-**	**-**	**388**
Tranche No. 7	16,567	3/16/2023	**-**	**629**	**164**	-	-	-	-	**-**	**-**	**-**	**793**
Tranche No. 8	16,375	3/16/2024	**-**	**314**	**389**	80	-	-	-	**80**	**-**	**-**	**784**
Tranche No. 9	8,155	3/16/2025	**-**	**107**	**130**	32	32	32	32	**129**	**26**	**-**	**392**
Tranche No. 10	30,261	5/23/2024	**-**	**-**	**1,072**	442	257	-	-	**699**	**-**	**-**	**1,771**
Tranche No. 11	30,261	5/23/2025	**-**	**-**	**536**	221	221	223	223	**888**	**347**	**-**	**1,771**
Tranche No. 12	14,755	5/23/2026	**-**	**-**	**174**	72	72	73	73	**289**	**288**	**113**	**864**
Tranche No. 13	2,997	8/10/2024	**-**	**-**	**68**	44	44	20	-	**107**	**-**	**-**	**175**
Tranche No. 14	2,997	8/10/2024	**-**	**-**	**34**	22	22	22	22	**88**	**53**	**-**	**175**
Tranche No. 15	939	8/10/2024	**-**	**-**	**7**	5	5	5	5	**18**	**18**	**11**	**55**
Total	**1,074,452**		**22,999**	**22,184**	**8,313**	**1,019**	**754**	**403**	**375**	**2,552**	**773**	**124**	**56,945**

The valuation of the program, regarding shares currently issued to employees as of December 31, 2023, showed its total estimated cost at PLN 56,945 thousand, which is included in the Company's costs starting from the second quarter of 2021 until the second quarter of 2026.

28.1.4 Recognized costs of the incentive program:

The recognized costs of the incentive program in a given year as at the balance sheet date are as follows:

	Year ended 31/12/2023	Year ended 31/12/2022
Plan costs recognized at fair value	8,313	22,184
	8,313	**22,184**

29. Contingent liabilities and contingent assets

29.1. Contingent liabilities

In the periods covered by the financial statements, the Company incurred contingent liabilities necessary to receive the subsidy and the loan taken out.
Contingent liabilities include:
- promissory note liabilities - covering the amount of subsidies received for which the durability periods have not yet expired, together with interest in the amount specified as for tax arrears calculated from the date of transfer of funds for the account to the date of return. In the period covered by the report, the amount of PLN 21,427 thousand was credited to bank accounts for the co-financing. As at the balance sheet date, December 31, 2023, the sum of cash received from subsidies, whose durability period has not yet expired, is PLN 194,933 thousand.

- claims - in connection with the performance 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 for costs incurred in connection with the prolonged implementation of the Agreement, the unpaid part of the lump sum remuneration, as well as supplementary remuneration for additional, replacement and omitted works (PLN 5,391,425.63) and claims resulting from 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 from the Company the total amount of PLN 7,671,285. The lawsuit was delivered to the Company on January 19, 2022. The Company believes that the claim is completely groundless, therefore it did not create a provision.

29.2. 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 is pursuing claims from Mota-Engil Central Europe S.A. for the payment of PLN 13,756,717.07. The lawsuit was filed on September 24, 2021.

30. Significant events of the reporting period

Financing agreement with the Medical Research Agency

On July 31, 2023, a financing agreement was concluded with the Medical Research Agency (in Polish: Agencja Badań Medycznych) for the Company's project titled "Conducting a multicenter, open-label Phase II clinical trial evaluating the safety and efficacy of RVU120 in combination with venetoclax in patients with relapsed/refractory acute myeloid leukemia who have failed prior therapy with venetoclax and a hypomethylating agent". Pursuant to the Agreement, the total amount of funding for the Project in the form of a grant is up to approx. PLN 62.27 million, which constitutes approx. 47% of the eligible costs of the Project. According to the Agreement, the implementation period of the Project is up to 48 months, with the possibility of making changes to the schedule. The funding will be paid in installments according to the schedule specified in the Agreement.

31. Significant events after the balance sheet date

Achievement of the second milestone under license agreement with Exelixis Inc.

On February 3, 2024 the Company has received a notice that the second milestone has been achieved in the research collaboration with Exelixis Inc. with its registered office in Alameda, California under the license agreement, dated July 6, 2022 (the “Agreement”).
Based on the achievement of the milestone, Ryvu is entitled to receive a payment of USD 2 million (PLN 7 928 200 converted at the average exchange rate of the National Bank of Poland on February 2, 2024, 1 USD = 3.9641 PLN).

32. 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 31/12/2023	Period ended 31/12/2022
	000' PLN	000' PLN
The change in trade and other receivables results from the following items:	**-15,906**	**-5,560**
- change in receivables due to payment for shares	0	242,591
- change in inventory resulting from the balance sheet	-15,906	-248,151
The change in liabilities except loans and credits results from the following items:	**9,907**	**-503**
- change in liabilities resulting from proceeds from LLS	0	-1,146
- change in liabilities resulting from the balance sheet	9,851	-5,394
- change in liabilities due to payment of income tax	0	5,458
- adjustment for the change in liabilities due to the purchase of tangible fixed assets	56	580
The change in reserves results from the following items:	**0**	**-438**
- change in deferred income resulting from the balance sheet	0	-438
The change in the balance of other assets results from the following items:	**-13,001**	**2,109**
- change in provisions resulting from the balance sheet	-12,466	3,812
- change in the balance of other assets resulting from the sale of financial assets	-535	-1,703
The change in the balance of other assets results from the following items:	**-747**	**-702**
- change in the balance of long-term loans resulting from the balance sheet	0	-742
- change in the balance of short-term loans resulting from the balance sheet	-747	41

33. Remuneration of the entity authorized to audit financial statements

Itemization	Balance as at 31/12/2023	Balance as at 31/12/2022
	000' PLN	000' PLN
Mandatory audit of the annual financial statements and mid-year review	220	130
Mid-year review	78	70
Other certification services	41	27
Total salary	**339**	**227**

34. Revenues and costs of R&D own services

Wyszczególnienie	Balance as at 31/12/2023	Balance as at 31/12/2022	Year-over-year change
	000' PLN	000' PLN	000' PLN
Net revenues from the sale of research and development services	46,860	38,946	7,914
Research and development expenses	-156,728	-117,713	-39,015
Employment in jobs related to research and development work	256	175	81

35. Approval of the financial statements

The financial statements were approved by the Company's Management Board on March 11, 2024.

Dokument podpisany przez Elżbieta Kokoć
Data: 2024.03.11 09:22:16 CET

Prepared by: Elżbieta Kokoć

Signatures of members of the Management Board:

Dokument podpisany przez Paweł Tadeusz Przewięźlikowski
Data: 2024.03.11 12:07:18 CET

Paweł Przewięźlikowski - President of the Board

Dokument podpisany przez Krzysztof Daniel Brzózka
Data: 2024.03.11 12:58:23 CET

Krzysztof Brzózka - V-ce President od the Board

Dokument podpisany przez Kamil Sitarz
Data: 2024.03.11 10:05:11 CET

Kamil Sitarz - Member of the Board

Digitally signed by Vatnak Vat-Ho
Date: 2024.03.11 09:32:40 MDT

Vatnak Vat-Ho - Member of the Board

Signed by / Podpisano przez:

FRANZ HENDRIK DR. NOGAI

Date / Data: 2024-03-11 13:44

Hendrik Nogai - Member of the Board

CONTACT

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GENERAL INQUIRIES

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RYVU THERAPEUTICS