

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

**prepared for the period
from 1 January 2024
to 30 June 2024**

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

It is the translation of Polish original document



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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024**

	Note	6-month period ended 30/06/2024	From 01/04/2024 to 30/06/2024 *	6-month period ended 30/06/2023	From 01/04/2023 to 30/06/2023 *
		000' PLN	000' PLN	000' PLN	000' PLN
Continuing operations					
Sales revenue	4.1	37,351	15,745	23,620	10,759
Grant income	4.2	11,090	7,269	9,730	4,276
Total operating revenue		48,441	23,014	33,350	15,034
Amortization and depreciation		-5,470	-2,708	-5,569	-2,787
Consumption of materials and supplies		-8,591	-3,745	-9,359	-4,452
External services		-47,405	-27,529	-29,755	-18,744
Employee benefit expense		-37,129	-18,997	-28,638	-15,265
Valuation of the incentive program	21	-2,241	-1,034	-5,995	-3,004
Other expenses		-2,363	-1,676	-1,752	-1,174
Taxes and charges		-690	-274	-411	-214
Total operating expenses		-103,888	-55,964	-81,480	-45,640
Valuation of shares in Nodthera	9	169	187	-2,025	-1,242
Other operating revenue		81	5	458	220
Other operating expenses		-55	-23	-48	-14
Operating (Loss)		-55,253	-32,781	-49,745	-31,642
Financial revenue	6	6,191	2,379	7,386	5,269
Financial expenses	7	-628	89	-3,745	-2,134
(Loss) on business activities		-49,690	-30,313	-46,104	-28,507
Income tax expense		-129	-106	0	0
Net (loss) on continuing operations		-49,818	-30,419	-46,104	-28,507
NET (LOSS)		-49,818	-30,419	-46,104	-28,507
TOTAL (LOSS)		-49,818	-30,419	-46,104	-28,507
(Loss)/gain per share					
(expressed in PLN per share)					
From continued operations:					
Basic		-2.2	-1.4	-2.0	-1.2
Diluted		-2.2	-1.4	-2.0	-1.2

*data is no subject to the review

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
PREPARED AS AT 30 JUNE 2024

	Note	Balance as at 30/06/2024	Balance as at 31/12/2023
		000' PLN	000' PLN
ASSETS			
Non-current assets			
Tangible fixed assets		73,298	76,517
Right-of-use assets		912	1,038
Intangible fixed assets		7,321	6,337
Financial assets-Shares in Nodthera	9	17,073	16,904
Other financial assets	12	4,016	17,480
Other non-financial assets	11	7,521	6,534
Total non-current assets		110,141	124,809
Current assets			
Inventory		2,695	2,118
Short-term receivables	13	28,511	32,837
Other financial assets	12	141,727	175,733
Other non-financial assets	11	11,104	9,766
Cash and other monetary assets	20	112,469	57,939
Total current assets		296,506	278,393
Total assets		406,647	403,202
EQUITY AND LIABILITIES			
Equity			
Share capital	14	9,248	9,248
Reserve capital	14	519,748	519,748
Own shares	14	0	0
Capital resulting from the spin-off		-335,396	-335,396
Other reserve capitals	14	61,634	66,001
Retained earnings / Accumulated losses		-9	92,102
Net (Loss) for the period		-49,818	-92,112
Total equity		205,407	259,592
Long-term liabilities			
Bank loans	15	51,302	0
Lease liabilities		254	365
Retirement provision		466	432
Long term finance liabilities	16	9,072	8,854
Deferred tax liability		55	0
Deferred income	18	17,910	23,250
Contract liabilities	18	32,978	41,006
Total long-term liabilities		112,037	73,907
Short-term liabilities			
Trade and other liabilities		26,537	27,433
Bank loans		132	127
Lease liabilities		218	414
Short-term finance liabilities	16	22,933	0
Retirement provision	17	9,295	10,197
Contract liabilities	18	23,564	25,305
Deferred income	18	6,524	6,227
Total short-term liabilities		89,203	69,703
Total liabilities		201,240	143,610
Total equity and liabilities		406,647	403,202

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

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE REPORTING PERIOD ENDED 30 JUNE 2024**

	Note	Share capital	Share premium	Reserve capital paid up but not registered as at the balance sheet date	Own shares	Capital created as a result of spin-off	Other reserve capitals	Retained earnings / Accumulated losses	Net (Loss) for the period	Total
		000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
Balance as at 1 January 2023		7,342	279,063	242,591	0	-335,396	57,688	175,885	-83,782	343,390
Net loss for the period		0	0	0	0	0	0	0	-46,104	-46,104
Issue of shares		1,906	240,685	-242,591	0	0	0	0	0	0
Creation of reserve capital as part of the incentive program		0	0	0	0	0	5,995	0	0	5,995
Allocation of the result from previous year		0	0	0	0	0	0	-83,782	83,782	0
Balance as at 30 June 2023		9,248	519,748	0	0	-335,396	63,683	92,102	-46,104	303,281
Balance as at 1 January 2023		7,342	279,063	242,591	0	-335,396	57,688	175,885	-83,782	343,390
Net loss for the period		0	0	0	0	0	0	0	-92,112	-92,112
Issue of shares		1,906	240,685	-242,591	0	0	0	0	0	0
Creation of reserve capital as part of the incentive program	21	0	0	0	0	0	8,313	0	0	8,313
Allocation of the result from previous year		0	0	0	0	0	0	-83,782	83,782	0
Balance as at 31 December 2023		9,248	519,748	0	0	-335,396	66,001	92,102	-92,112	259,592
Net loss for the period		0	0	0	0	0	0	0	-49,818	-49,818
Creation of reserve capital as part of the incentive program	21	0	0	0	0	0	2,241	0	0	2,241
Subscription warrants valuation	14.3	0	0	0	0	0	17,597	0	0	17,597
Valuation of the put option resulting from the agreement with the EIB	14.3	0	0	0	0	0	-24,205	0	0	-24,205
Allocation of the result from previous year		0	0	0	0	0	0	-92,112	92,112	0
Balance as at 30 June 2024		9,248	519,748	0	0	-335,396	61,634	-9	-49,818	205,407

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

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024**

	Note	6-month period	6-month period
		ended 30/06/2024	ended 30/06/2023
		000' PLN	000' PLN
<i>Cash flows from operating activities</i>			
(Loss) for the period		-49,818	-46,104
Adjustments:			
Valuation of shares in Nodthera	9	-169	2,025
Amortization and depreciation and impairment losses on fixed assets		5,470	5,569
Profits (losses) from exchange rate differences		-1,472	0
Interest and profit-sharing (dividends), net		-6,766	-2,944
Change in receivables		4,325	-13,307
Change in inventories		-576	-277
Change in short-term liabilities and provision excluding credits and loans		-11,210	-7,218
Change in deferred income		-5,044	-1,358
Change in deferred tax		55	0
Change in other assets		-2,325	-276
Valuation of the incentive program	21	2,241	5,995
Net cash flows from operating activities		-65,288	-57,896
<i>Cash flows from investing activities</i>			
Acquisition of property, plant and equipment and intangible assets		-2,905	-1,892
Purchase/Sale of other financial assets		47,470	-193,865
Return of grants to fixed assets		0	535
Interest received		6,949	3,024
Net cash flows from investing activities		51,515	-192,198
<i>Cash flows from financing activities</i>			
Series J share issue		0	250,284
The costs of issuing series J shares		0	-7,693
Repayment of finance lease liabilities		-301	-543
Proceeds from EIB financing	15	68,934	0
Repayment of loans		5	-408
Interest paid		-183	-80
Net cash flows from financing activities		68,454	241,560
Net increase / (decrease) in cash and cash equivalents		54,681	-8,534
Cash and cash equivalents at the beginning of the period		57,939	101,917
The impact of changes in exchange rates on the balance of cash in foreign currencies		-151	382
Cash and cash equivalents at the end of the period	20	112,469	93,765

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS PREPARED AS AT 30 JUNE 2024

1. General information

1.1. The company

Ryvu Therapeutics S.A. was established as a result of the transformation of Selvita Spółka z o.o. in a joint-stock company based on the Notarial Deed of August 20, 2010 prepared at the notary's office A. Deflorian, D. Jastrzębska-Kwiecień Spółka Cywilna (Rep. No. 3222/2010). The registered office of the company is in Poland, Cracow, Sternbacha Street 2. Currently, the Company is registered in the Register of Entrepreneurs of the National Court Register at the District Court for the city of Kraków - Śródmieście - XI Economic Department under the KRS number 0000367359.

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

Management Board:

Paweł Przewięźlikowski	-	President of the Management Board
Krzysztof Brzózka	-	Vice-President of the Management Board
Kamil Sitarz	-	Member of the Management Board
Hendrik Nogai	-	Member of the Management Board
Vatnak Vat-Ho	-	Member of the Management Board

Supervisory Board:

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

As at June 30, 2024 the shareholder structure of the company is as follows:

	Registered office	Number of shares	Percentage interest in capital	Percentage share in voting rights
Paweł Przewięźlikowski	Poland	4,016,985	17.37%	27.67%
Bogusław Sieczkowski	Poland	825,348	3.57%	5.06%
Management Board + Board of Directors		518,266	2.24%	1.90%
Nationale -Nederlanden OFE	Poland	1,817,324	7.86%	6.69%
TFI Allianz Polska S.A.	Poland	2,251,710	9.74%	8.29%
Allianz Polska OFE	Poland	2,132,540	9.22%	7.85%
Tadeusz Wesołowski (with Augebit FIZ)	Poland	1,372,713	5.94%	5.05%
BioNTech SE	Germany	1,917,437	8.29%	7.06%
Other shareholders		8,267,825	35.76%	30.43%
Total		23,120,148	100.00%	100.00%

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

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

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

The calendar year is the financial year of the Company.

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

1.2. Going concern assumption

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

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

The financial situation of the Company at the moment of signing these financial statements is good, taking into account the current level of cash, the financing granted by the European Investment Bank and the issue of "J" series shares. As at June 30, 2024, the value of the Company's cash and bonds was PLN 257,665 thousand (including: PLN 250,607 thousand of cash in banks and deposits and PLN 7,058 thousand in bonds).

1.3. Functional and reporting currency

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

2. International Financial Reporting Standards

2.1. Statement of compliance

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

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

2.1.1. Reporting period and scope

The financial statements of the Company cover the financial period from January 1, 2024 to June 30, 2024 and contain comparative data, which constitute data for the financial period from January 1, 2023 to June 30, 2023, and in the case of data concerning the statement of financial position, they contain comparative data on December 31, 2023.

3. Summary of significant accounting policies

3.1. Going concern

The financial statements have been prepared on the assumption that the company will continue as a going concern in the 12 months following the date of signing of this financial statements. The issue of going concern was presented in Note 1.2.

3.2. Basis of preparation

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

4. Sales revenue

4.1. Revenues

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

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

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

2. Sale of R&D projects

The company concludes research and development cooperation agreements. The subject of the cooperation is the discovery and development of innovative small-molecule compounds with potential therapeutic use in inflammatory diseases. The cooperation agreement specifies the division and scope of responsibility between the Company and the partner. The Company does not have sufficient information and has no influence on the pace of work performed by the project partner to be able to precisely determine when the conditions resulting in payments to the Company within the agreed, defined 'milestones' will be met, therefore the recognized revenue relates only to these revenues, for which a milestone has been achieved (recognition of revenue at a point in time). Then the recognized revenue corresponds to the remuneration for the milestone achieved.

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

	Period ended 30/06/2024	From 01/04/2024 to 30/06/2024	Period ended 30/06/2023	From 01/04/2023 to 30/06/2023
	000' PLN	000' PLN	000' PLN	000' PLN
Contract research (FTE agreements)	22,396	12,232	12,257	7,245
Sale of R&D projects	14,956	3,514	11,363	3,514
Operating income	37,351	15,745	23,620	10,759

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

	Period ended 30/06/2024	From 01/04/2024 to 30/06/2024	Period ended 30/06/2023	From 01/04/2023 to 30/06/2023
	000' PLN	000' PLN	000' PLN	000' PLN
License sale	7,028	3,514	7,028	3,514
Milestone payments	7,928	0	4,335	0
Sale of R&D projects	14,956	3,514	11,363	3,514

4.2. Revenues from subsidies

	Period ended 30/06/2024	From 01/04/2024 to 30/06/2024	Period ended 30/06/2023	From 01/04/2023 to 30/06/2023
	000' PLN	000' PLN	000' PLN	000' PLN
Infrastructure subsidies	636	0	1,376	686
Grants for research	10,453	7,269	8,354	3,590
	11,090	7,269	9,730	4,276

5. Major customers

	Period ended 30/06/2024	From 01/04/2024 to 30/06/2024	Period ended 30/06/2023	From 01/04/2023 to 30/06/2023
	000' PLN	000' PLN	000' PLN	000' PLN
Customer A	27,289	14,594	19,158	10,739
Customer B	8,282	77	4,335	0

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

6. Finance income

	Period ended 30/06/2024	From 01/04/2024 to 30/06/2024	Period ended 30/06/2023	From 01/04/2023 to 30/06/2023
	000' PLN	000' PLN	000' PLN	000' PLN
Financial revenue due to financial instruments	6,191	2,379	7,386	5,269
Interest	4,919	2,336	7,386	5,269
Other financial income - valuation of the option issued to the EIB	1,272	43	0	0
Total finance income	6,191	2,379	7,386	5,269

7. Finance cost

	Period ended 30/06/2024	From 01/04/2024 to 30/06/2024	Period ended 30/06/2023	From 01/04/2023 to 30/06/2023
	000' PLN	000' PLN	000' PLN	000' PLN
Finance cost due to financial instruments	628	-89	3,745	2,134
Interest	206	52	80	33
Exchange differences	422	-141	3,665	2,101
Total finance cost	628	-89	3,745	2,134

8. Earnings per share

	Period ended 30/06/2024	Period ended 30/06/2023
	PLN per share	PLN per share
Basic earnings per share:	(2.2)	(2.0)
From continuing operations	(2.2)	(2.0)
Total basic earnings per share	(2.2)	(2.0)
Diluted earnings per share:	(2.2)	(2.0)
From continuing operations	(2.2)	(2.0)
Total diluted earnings per share	(2.2)	(2.0)

8.1. Basic earnings per share

	Period ended 30/06/2024	Period ended 30/06/2023
	000' PLN	000' PLN
Profit/(loss) used to calculate the total basic earnings per share	-49,818	-46,104
Profit/(loss) used to calculate basic earnings per share from continuing operations	-49,818	-46,104

	Period ended 30/06/2024	Period ended 30/06/2023
	quantity	quantity
The weighted average number of common shares used to calculate basic earnings per share	23,120,148	22,672,637
The weighted average number of common shares used to calculate diluted earnings per share*	23,120,148	22,672,637

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

9. Valuation of shares in Nodthera

Reconciliation of financial data to the carrying amount of shares in NodThera Inc. included in the financial statements as at June 30, 2024

price of new shares (in USD) from the issue of series C shares taking into account the discount corresponding to the class of shares held by the Company	2.2169
average NBP exchange rate of June 30, 2024	4.0320
new share issue price (in PLN)	8.94
number of Company's shares in Nodthera Inc.	1,910,000
value of shares in the balance sheet as at June 30, 2024 (000'PLN)	17,073
change in valuation - impact on the result (000'PLN)	169

	Balance as at 30/06/2024	Balance as at 31/12/2023
Carrying amount of the Company's shares in Nodthera Inc.	17,073	16,904

10. Financial assets and liabilities

The table below presents the individual classes of financial assets and liabilities broken down into levels of the fair value hierarchy as at June 30, 2024. Due to the nature of these items, fair value does not differ significantly from the carrying amount.

P1 - Quotes from active markets

P2 - Significant Observable Data

P3 - Relevant data unobservable

	30/06/2024		
	carrying amount	fair value	hierarchy level
Financial assets measured at fair value:			
Financial Assets-Nodthera Shares	17,073	17,073	P2
Financial assets for which fair value is disclosed:			
Trade and other receivables	12,477	12,477	P3
Bonds	7,058	7,058	P1
Other financial assets (excluding bonds)	138,685	138,685	P3
Financial liabilities at fair value:			
n.a.			
Financial liabilities for which fair value is disclosed:			
Liabilities from deliveries and services	22,301	22,301	P3
Interest-bearing loans and credits	51,434	51,434	P3
Leasing liabilities	471	471	P3
Financial liabilities	32,005	32,005	P3

	31/12/2023		
	carrying amount	fair value	hierarchy level
Financial assets measured at fair value:			
Financial Assets-Nodthera Shares	16,904	16,904	P2
Financial assets for which fair value is disclosed:			
Trade and other receivables	9,881	9,881	P3
Bonds	11,913	11,913	P1
Other financial assets (excluding bonds)	181,300	181,300	P3
Financial liabilities at fair value:			
n.a.			
Financial liabilities for which fair value is disclosed:			
Liabilities from deliveries and services	25,064	25,064	P3
Investment liabilities	347	347	P3
Interest-bearing loans and credits	127	127	P3
Leasing liabilities	778	778	P3
Long term financial liabilities	8,854	8,854	P3

11. Other non-financial assets

	Balance as at	Balance as at
	30/06/2024	31/12/2023
Carrying amount:	000' PLN	000' PLN
Licenses	1,369	608
Costs related to subsequent year	15,979	14,907
Other	1,277	785
	18,625	16,300

12. Other financial assets

Long term financial assets	Balance as at	Balance as at
	30/06/2024	31/12/2023
	000' PLN	000' PLN
Deposits paid	19	19
Bonds	3,997	6,933
Bank deposits	0	10,528
	4,016	17,480

Short term financial assets	Balance as at	Balance as at
	30/06/2024	31/12/2023
	000' PLN	000' PLN
Deposit	528	528
Bonds	3,062	4,980
Bank deposits	138,138	170,225
	141,727	175,733

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

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

13. Trade and other receivables

	Balance as at 30/06/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Trade receivables	11,829	9,187
	11,829	9,187
Tax receivables*	13,205	13,809
Other – receivables from employees, security deposits	648	695
Grants due	2,830	9,146
	28,511	32,837

* Applies to WHT tax on transactions with Biontech in the amount of PLN 10.1 million and input VAT in the amount of PLN 3.1 million.

14. Share capital

	Balance as at 30/06/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Registered share capital	9,248	9,248
	<u>9,248</u>	<u>9,248</u>

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

	Balance as at 30/06/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Number of shares	23,120	23,120
Par value per share	0.40	0.40
Share capital	<u>9,248</u>	<u>9,248</u>

Share capital structure as at 30/06/2024

Series / issue Type of shares (ordinary / registered)	Type of preference	Number of shares	Par value of series / issue
Registered "A" shares	2 votes / 1 share	4,050,000	1,620
Ordinary "B" shares	none	1,329,500	532
Ordinary "C" shares	none	1,833,000	733
Ordinary "D" shares	none	551,066	220
Ordinary "E" shares	none	2,700,000	1,080
Ordinary "F" shares	none	2,651,891	1,061
Ordinary "G1" shares	none	327,886	131
Ordinary "G2" shares	none	327,886	131
Ordinary "H" shares	none	2,200,000	880
Ordinary "I" shares	none	2,384,245	954
Ordinary "J" shares	none	4,764,674	1,906
Total		<u>23,120,148</u>	<u>9,248</u>

Share capital structure as at 31 December 2023

Series / issue Type of shares (ordinary / registered)	Type of preference	Number of shares	Par value of series / issue
Registered "A" shares	2 votes / 1 share	4,050,000	1,620
Ordinary "B" shares	none	1,329,500	532
Ordinary "C" shares	none	1,833,000	733
Ordinary "D" shares	none	551,066	220
Ordinary "E" shares	none	2,700,000	1,080
Ordinary "F" shares	none	2,651,891	1,061
Ordinary "G1" shares	none	327,886	131
Ordinary "G2" shares	none	327,886	131
Ordinary "H" shares	none	2,200,000	880
Ordinary "I" shares	none	2,384,245	954
Ordinary "J" shares	none	4,764,674	1,906
Total		<u>23,120,148</u>	<u>9,248</u>

14.2. Own shares

	Balance as at 30/06/2024	Balance as at 31/12/2023
	number of shares	number of shares
Own shares under the Incentive Scheme	526	8
Total	526	8

As at June 30, 2024, the Company holds treasury shares resulting from the implementation of the Incentive Scheme (see note 21). In the light of paragraph 33 of IAS 32, taking into account that the acquisition cost of these shares was PLN 0 (received free of charge by the Company as a gift from Mr Paweł Przewięźlikowski), their value as at each balance sheet date is PLN 0.

14.3. Other reserve capitals

	Balance as at 30/06/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Others - 2015-2017 incentive program	11,172	11,172
Payments for the transfer of shares to employees	237	237
Others - incentive program 2021-2024 (i)	55,737	53,496
Valuation of options to purchase shares resulting from the investment agreement with BioNtech	1,096	1,096
Valuation of subscription warrants*	17,597	0
Valuation of put options resulting from the agreement with the European Investment Bank*	-24,205	0
Total	61,634	66,001

*Details in note 15.

14.4. Share premium

	Balance as at 30/06/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Share premium	159,681	159,681
including the surplus on the issue of shares above their nominal value, "H" series ordinary shares	134	134
including issue costs, "H" series ordinary shares	-4,295	-4,295
including surplus from issue of shares above their nominal value "I" series ordinary shares	142,101	142,101
including issue costs, "I" series ordinary shares	-8,227	-8,227
Transfer of result from previous years due to the split	-10,331	-10,331
including surplus from the issue of shares above their nominal value "J" series ordinary shares	248,378	248,378
including issue costs, "J" series ordinary shares	-7,693	-7,693
Total Reserve Capital	519,748	519,748

15. Credit facilities and loans and other sources of financing

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

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

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

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

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

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

On March 13, 2024, and June 25, 2024 the EIB disbursed Tranche A and B financing. The financing resulting from the paid tranches is included in the Company's statement of financial position as a financial liability (bank loans) measured at amortized cost. At the moment of initial recognition, the liability was recognized at fair value adjusted for direct costs of obtaining financing (commissions, fees). At each balance sheet date, the Company determines the carrying amount (amortized cost) of the liability by applying the effective interest rate method, according to which the interest cost is calculated in a given period.

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

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

On September 5, 2024 (event after the balance sheet date), the Company received "Tranche C" in the amount of EUR 6,000,000. Below is the recalculated impact on individual lines of the Financial Statements:

- the financing received under the disbursed tranche C will be recognized in the statement of comprehensive income of the Company as a financial liability measured at amortized cost. As at the date of initial recognition, the liability will be recognized at fair value in the estimated amount of PLN 18.7 million.
- the fair value of the calculated warrant will be recognized in the Financial Statements on a one-off basis in equity in the estimated amount of PLN 7.0 million.
- on the date of payment of Tranche C, the company will recognize the liability due to the amount required to settle the option, in correspondence with equity in the estimated amount of PLN 8.4 million.

16. Financial liabilities

	Balance as at 30/06/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Agreement with LLS	9,072	8,854
Obligation to settle the required option with the EIB*	22,933	0
	32,005	8,854

* described in note 15. The company recognized the liability for the settlement of the option with the EIB as short-term financial liabilities due to the fact that the conditions for exercising the option involve events that are beyond the control of the Company and beyond the control of the EIB as well. However, the Company does not expect the option to be exercised at least until the EIB loan is repaid.

17. Employee Benefit Obligations

	Balance as at 30/06/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Accrued leave obligations	3,149	2,145
Accrued bonus liabilities	6,146	8,024
Pension benefit obligations	0	28
	9,295	10,197

18. Deferred revenues and liabilities arising from contracts with customers

	Balance as at 30/06/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Payments from Partners	56,542	66,311
Government subsidies (ii) revenues recognized in accordance with IAS 20	24,434	29,478
	80,976	95,789
Payments from Partners		
Agreement with BioNtech (i), including:	47,037	55,065
- <i>Short-term</i>	14,059	14,059
- <i>Long-term</i>	32,978	41,006
	47,037	55,065
Other, including:	9,505	11,246
- <i>Short-term</i>	9,505	11,246
	9,505	11,246
Government subsidies (ii) revenues recognized in accordance with IAS 20		
Infrastructure subsidies, including:	20,827	20,998
- <i>Short-term</i>	2,917	2,917
Research subsidies, including:	3,607	8,479
- <i>Short-term</i>	3,607	3,310
	24,434	29,478

(i) Liabilities under contracts with clients include advance payments from contractors to cover part of the costs related to the services provided. The company estimates that the entire amount of liabilities will be recognized in revenues within 5 years, starting from December 2022. The balance of liabilities under contracts with customers from December 31, 2023 was settled in the first quarter of 2024 in the amount of PLN 7,028 thousand.

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

19. Related party transactions

19.1. Commercial transactions

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

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

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

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

Binding type:

POA - personal relationship through shares held by the Shareholder

PORN - personal connection by a Member of the Supervisory Board

Binding type	Sales of goods and services		Purchases of goods and services		
	Period ended 30/06/2024	Period ended 30/06/2023	Period ended 30/06/2024	Period ended 30/06/2023	
	000' PLN	000' PLN	000' PLN	000' PLN	
Selvita S.A.	POA	87	439	1,480	3,844
Selvita Services Sp. z o.o.	POA	0	0	-53	619
Ardigen S.A.	POA	0	0	55	0
Selvita Inc.	POA	0	0	1,617	2,113
Scott Fields	PORN	0	0	0	25
		88	440	3,098	6,601

Balances at the end of the reporting period:

Binding type	Amounts due from related parties		Amounts due to related parties		
	Balance as at 30/06/2024	Balance as at 31/12/2023	Balance as at 30/06/2024	Balance as at 31/12/2023	
	000' PLN	000' PLN	000' PLN	000' PLN	
Selvita S.A.	POA	1	11	846	1,084
Selvita Services Sp. z o.o.	POA	408	0	165	353
Ardigen S.A.	POA	0	1	0	0
Selvita Inc.	POA	0	0	599	544
		409	12	1,611	1,982

Transactions with related entities were made using market prices.

19.2 Executive compensation

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

	Period ended 30/06/2024		Period ended 30/06/2023	
	Salary	Share-based payments*	Salary	Share-based payments*
	000' PLN	000' PLN	000' PLN	000' PLN
Management Board	2,794	851	2,817	438
Paweł Przewięźlikowski	229	0	219	0
Krzysztof Brzózka	428	0	409	91
Kamil Sitarz	317	307	304	168
Hendrik Nogai	968	165	997	110
Vatnak Vat-Ho	851	379	888	69
Supervisory Board	568	0	224	0
Piotr Romanowski	81	0	76	0
Tadeusz Wesołowski	80	0	75	0
Rafał Chwast	81	0	76	0
Axel Glasmacher	80	0	75	0
Colin Goddard	0	0	0	0
Jarl Jungnelius	1	0	75	0
Thomas Turalski	80	0	75	0
Scot Fields	85	0	39	0
Peter Smith	80	0	8	0
	3,362	851	3,041	438

The company has updated its approach to presenting data for this note. In previous years, the Company presented remuneration based on the amounts actually paid (cash approach), currently it presents remuneration in accordance with the period in which the cost was incurred (accrual approach) - in accordance with the Statement of comprehensive income. Therefore, the data as of June 06, 2023 have been transformed for comparability purposes.

* Valuation in accordance with IFRS2

20. Cash and cash equivalents

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

At the balance sheet date, funds collected on bank accounts are not adjusted due to risk of impairment.

	Balance as at 30/06/2024	Balance as at 31/12/2023
	000' PLN	000' PLN
Cash in hand and at bank	13,618	9,562
	13,618	9,562
Cash and cash equivalents - bank deposits	98,851	48,377
	112,469	57,939

As at June 30, 2024, restricted funds (advances received from grants) amounted to PLN 5,949 thousand (as at December 31, 2023, restricted funds amounted to PLN 8,797 thousand).

21. Share-based payments

21.1 Employee incentive program

21.1.1 Detailed description of the incentive program based on subscription warrants

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

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

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

Summary of data about the program:

Date of granting the program ("grant date") - I phase of the program	17.05.2021 r.
Date of granting the program ("grant date") - II phase of the program	16.03.2022 r.
Date of granting the program ("grant date") - III phase of the program	24.05.2023 r.
Date of granting the program ("grant date") - IV phase of the program	11.08.2023 r.
Date of granting the program ("grant date") - V phase of the program	29.01.2024 r.
The maturity date of the program	29.01.2027 r.
Number of shares in the program	1.247.720
Expected number of shares after taking into account employee turnover ratio and available data as at June 30, 2024.	1,099,118

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

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

- option exercise date:
 - 29.01.2025 r. dla 17.641 shares
 - 29.01.2026 r. dla 3.991 shares
 - 29.01.2027 r. dla 3.033 shares
- option exercise price: PLN 0.19;
- share price as at the valuation date: PLN 54,60;
- continuous dividend rate: 0%
- risk-free interest rate in continuous capitalization: 4.84%
- coefficient of variation: 47% - obtained as a standard deviation from a sample of logarithmic changes in historical prices of shares listed on the WSE in the period from October 16, 2019 to the valuation date.

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

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

The valuation of the program, regarding shares currently issued to employees as of June 30, 2024, showed its total estimated cost at PLN 58,267 thousand, which is included in the Company's costs starting from the second quarter of 2021 until the first quarter of 2027.

22. Contingent liabilities and contingent assets

22.1. Contingent liabilities

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

Contingent liabilities include:

- bill of exchange liabilities - covering the amount of subsidies received for which the durability periods have not yet expired, together with interest in the amount specified for tax arrears calculated from the date of transfer of funds to the account until the date of return. In the period covered by the report, the amount of PLN 11,283,000 was transferred to the bank accounts for co-financing. As at the balance sheet date, June 30, 2024, the total amount of funds received from subsidies whose durability period has not yet expired is PLN 206,216 thousand.

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

22.2. Contingent assets

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

23. Significant events of the reporting period

Payment from Exelixis Inc.

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

24. Significant events after the balance sheet date

The Company received "Tranche C" of financing from the European Investment Bank (EIB) on September 5, 2024. Details of this transaction are provided in Note 15.

25. Approval of the financial statements

The financial statements were approved by the Company's Management Board on September 9, 2024.

Prepared by: Elżbieta Kokoć

Signatures of members of the Management Board:

Paweł Przewięźlikowski - President of the Board

Krzysztof Brzózka - V-ce President of the Board

Kamil Sitarz - Member of the Board

Hendrik Nogai - Member of the Board

Vatnak Vat-Ho - Member of the Board

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 **GENERAL INQUIRIES**

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