

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

**prepared for the year  
from 1 January 2022  
to 31 December 2022**

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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## Notes to the Financial Statements

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM 1 JANUARY 2022 TO 31 DECEMBER 2022**

	Note	Period ended 31/12/2022		Period ended 31/12/2021
		000' PLN		restated* 000' PLN
<b>Continuing operations</b>				
Sales revenue	5.1	38,946		11,186
Grant income	5.2	29,491		24,226
<b>Total operating revenue</b>		<b>68,437</b>		<b>35,413</b>
Amortization and depreciation	5.4	-12,900		-12,561
Consumption of materials and supplies		-17,406		-13,725
External services	5.4	-41,500		-33,661
Employee benefit expense	5.4	-42,509		-30,329
Employee Capital Plans		-539		-362
Valuation of the incentive program	32	-22,184		-22,999
Other expenses		-2,021		-852
Taxes and charges		-838		-480
<b>Total operating expenses</b>		<b>-139,897</b>		<b>-114,968</b>
Valuation of shares in Nodthera	14	-8,929		286
Other operating revenue	7	2,053		722
Other operating expenses	7	-87		-52
<b>Operating (Loss)</b>		<b>-78,422</b>		<b>-78,599</b>
Financial revenue	8	1,145		79
Financial expenses	9	-1,918		-442
<b>(Loss) before income tax</b>		<b>-79,195</b>		<b>-78,962</b>
Income tax expense	10	-4,587		-116
<b>Net (loss) on continuing operations</b>		<b>-83,782</b>		<b>-79,078</b>
<b>NET (LOSS)</b>		<b>-83,782</b>		<b>-79,078</b>
<b>TOTAL (LOSS) FOR THE PERIOD</b>		<b>-83,782</b>		<b>-79,078</b>
<b>(Loss)/gain per share</b>				
<b>(expressed in PLN per share)</b>				
From continued operations:				
Basic		(4.6)		(4.3)
Diluted		(4.6)		(4.3)

\* *adjusted described in note 38.1*

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

**STATEMENT OF FINANCIAL POSITION  
PREPARED AS AT 31 DECEMBER 2022**

	Note	Balance as at 31/12/2022	Balance as at 31/12/2021 restated*	Balance as at 01/01/2021 restated*
		000' PLN	000' PLN	PLN
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible fixed assets	12	80,346	87,876	86,672
Lease assets	20;12	1,873	3,307	4,490
Intangible fixed assets	13	4,276	3,044	2,319
Deferred tax asset	10	0	331	594
Financial assets-Shares in Nodthera	14	20,475	29,404	29,118
Other financial assets	17	76	604	85
<b>Total non-current assets</b>		<b>107,047</b>	<b>124,565</b>	<b>123,278</b>
<b>Current assets</b>				
Inventory	18	1,759	1,957	1,676
Short-term receivables	19	16,931	11,741	7,948
Cash from the issue on the account of the brokerage house	21.5	242,962	0	0
Other financial assets	17	528	4,994	24,969
Other non-financial assets	16	3,834	2,321	1,551
Cash and other monetary assets	30	101,917	83,236	136,218
<b>Total current assets</b>		<b>367,930</b>	<b>104,248</b>	<b>172,362</b>
<b>Total assets</b>		<b>474,977</b>	<b>228,813</b>	<b>295,640</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	21	7,342	7,342	7,342
Reserve capital	21	279,063	279,063	279,063
Reserve capital paid up but not registered as at the balance sheet date	21.5	242,591	0	0
Own shares	21	0	0	0
Capital resulting from the split		-14,418	-14,418	-14,418
Capital resulting from the spin-off		-320,977	-320,977	-320,977
Other reserve capitals	21	57,688	34,408	11,172
Retained earnings / Accumulated losses		175,885	254,962	286,581
Net (Loss) for the period		-83,782	-79,078	-31,619
<b>Total equity</b>		<b>343,390</b>	<b>161,302</b>	<b>217,144</b>
<b>Long-term liabilities</b>				
Bank loans	22	0	742	1,552
Lease liabilities	20	865	1,576	2,775
Retirement provision	25	140	118	235
Long term finance liabilities	23	9,904	8,120	6,577
Deferred tax liability	10	0	438	6,042
Deferred income	28	21,307	20,257	27,503
Contract liabilities	28	54,496	0	0
Other liabilities	24	60	60	0
<b>Total long-term liabilities</b>		<b>86,772</b>	<b>31,312</b>	<b>44,684</b>
<b>Short-term liabilities</b>				
Trade and other liabilities	24	15,499	20,915	11,528
Bank loans	22	874	833	814
Lease liabilities	20	1,029	1,918	2,268
Retirement provision	27	10,703	3,587	4,643
Contract liabilities	28	13,624	0	0
Deferred income	28	3,085	8,946	14,559
<b>Total short-term liabilities</b>		<b>44,814</b>	<b>36,200</b>	<b>33,813</b>
<b>Total liabilities</b>		<b>131,586</b>	<b>67,512</b>	<b>78,497</b>
<b>Total equity and liabilities</b>		<b>474,977</b>	<b>228,813</b>	<b>295,640</b>

\* adjusted described in note 38.2

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE REPORTING PERIOD ENDED 31 DECEMBER 2022**

	Note	Share capital	Share premium	Reserve capital paid up but not registered as at the balance sheet date	Own shares	Capital (fund) from the division	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	000' PLN
<b>Balance as at 1 January 2021</b>		<b>7,342</b>	<b>279,063</b>	<b>0</b>	<b>0</b>	<b>-14,418</b>	<b>-320,977</b>	<b>11,172</b>	<b>293,227</b>	<b>-31,688</b>	<b>223,721</b>
Correction of an error regarding the agreement with LLC	38.2	0	0	0	0	0	0	0	-6,646	69	-6,577
<b>Balance as at 1 January 2021 restated</b>		<b>7,342</b>	<b>279,063</b>	<b>0</b>	<b>0</b>	<b>-14,418</b>	<b>-320,977</b>	<b>11,172</b>	<b>286,581</b>	<b>-31,619</b>	<b>217,144</b>
Net loss for the period		0	0	0	0	0	0	0	0	-79,078	-79,078
Payments for the transfer of shares to employees		0	0	0	0	0	0	237	0	0	237
Creation of reserve capital as part of the incentive program		0	0	0	0	0	0	22,999	0	0	22,999
Allocation of the result from previous year		0	0	0	0	0	0	0	-31,619	31,619	0
<b>Balance as at 31 December 2021 restated</b>		<b>7,342</b>	<b>279,063</b>	<b>0</b>	<b>0</b>	<b>-14,418</b>	<b>-320,977</b>	<b>34,408</b>	<b>254,962</b>	<b>-79,078</b>	<b>161,302</b>
<b>Balance as at 1 January 2021</b>		<b>7,342</b>	<b>279,063</b>	<b>0</b>	<b>0</b>	<b>-14,418</b>	<b>-320,977</b>	<b>34,408</b>	<b>261,539</b>	<b>-77,535</b>	<b>169,422</b>
Correction of an error regarding the agreement with LLC	38.2	0	0	0	0	0	0	0	-6,577	-1,543	-8,120
<b>Balance as at 1 January 2021 restated</b>		<b>7,342</b>	<b>279,063</b>	<b>0</b>	<b>0</b>	<b>-14,418</b>	<b>-320,977</b>	<b>34,408</b>	<b>254,962</b>	<b>-79,078</b>	<b>161,302</b>
Net loss for the period		0	0	0	0	0	0	0	0	-83,782	-83,782
Issue of shares	21.5	0	0	242,591	0	0	0	0	0	0	242,591
Creation of reserve capital as part of the incentive program	32	0	0	0	0	0	0	22,184	0	0	22,184
Valuation of options to purchase shares resulting from the investment agreement with BioNtech	21.3	0	0	0	0	0	0	1,096	0	0	1,096
Allocation of the result from previous year		0	0	0	0	0	0	0	-79,078	79,078	0
<b>Balance as at 31 December 2022</b>		<b>7,342</b>	<b>279,063</b>	<b>242,591</b>	<b>0</b>	<b>-14,418</b>	<b>-320,977</b>	<b>57,688</b>	<b>175,885</b>	<b>-83,782</b>	<b>343,390</b>

\* adjusted described in note 38.2

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

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 1 JANUARY 2022 TO 31 DECEMBER 2022**

	Note	Period ended 31/12/2022	Period ended 31/12/2021 restated*
		000' PLN	000' PLN
<b>Cash flows from operating activities</b>			
<b>(Loss) for the period</b>		<b>-83,782</b>	<b>-79,078</b>
<b>Adjustments:</b>			
Valuation of shares in Nodthera		8,929	-286
Amortization and depreciation and impairment losses on fixed assets		12,900	12,561
Interest and profit-sharing (dividends), net		315	-259
Change in receivables	37	-5,560	-3,793
Change in inventories		198	-281
Change in short-term liabilities and provision excluding credits and loans	37	-503	9,795
Change in deferred income	37	70,425	-13,914
Change in deferred tax	37	-438	-5,604
Change in other assets	37	2,109	-1,026
Valuation of the incentive program	32	22,184	22,999
Income tax paid		-5,458	0
<b>Net cash flows from operating activities</b>		<b>21,319</b>	<b>-58,886</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets and intangible assets	12;13	-6,253	-11,982
Purchase of subsidized fixed assets		4,737	0
Return of grants to fixed assets		-3,034	0
Purchase / (disposal) of other financial assets	17	-528	-4,994
Sale of other financial assets	17	4,994	24,969
Interest received		774	61
<b>Net cash flows from investing activities</b>		<b>690</b>	<b>8,055</b>
<b>Cash flows from financing activities</b>			
Proceeds from shares issue		0	237
Proceeds from LLS		1,146	1,018
Repayment of finance lease liabilities	20.1	-1,810	-2,419
Repayment of loans	37	-702	-791
Interest paid	9	-1,089	-197
<b>Net cash flows from financing activities</b>		<b>-2,455</b>	<b>-2,152</b>
Net increase / (decrease) in cash and cash equivalents		19,554	-52,983
Cash and cash equivalents at the beginning of the period		83,236	136,218
The impact of changes in exchange rates on the balance of cash in foreign currencies		-872	0
<b>Cash and cash equivalents at the end of the period</b>	30	<b>101,917</b>	<b>83,236</b>

\* adjusted described in note 38.2

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

# NOTES TO THE FINANCIAL STATEMENTS

## PREPARED AS AT 31 DECEMBER 2022

### 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
Jarl Jungnelius	-	Member
Thomas Turalski	-	Member

As at December 31, 2022 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	3,900,544	21.25%	33.03%
Bogusław Sieczkowski	Poland	825,348	4.50%	6.14%
Nationale -Nederlanden PTE S.A.	Poland	1,530,980	8.34%	6.83%
Tadeusz Wesołowski (with Augebit FIZ)	Poland	1,132,713	6.17%	5.06%
Aviva OFE Santander	Poland	1,532,000	8.35%	6.84%
Other shareholders (less than 5% of votes at the GM)		9,433,889	51.39%	42.10%
<b>Total</b>		<b>18,355,474</b>	<b>100.00%</b>	<b>100.00%</b>

As of December 31, 2021, 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	3,949,517	21.52%	33.25%
Bogusław Sieczkowski	Poland	924,384	5.04%	6.58%
Nationale -Nederlanden PTE S.A.	Poland	1,771,000	9.65%	7.90%
Tadeusz Wesołowski (with Augebit FIZ)	Poland	1,132,713	6.17%	5.06%
Aviva OFE Santander	Poland	1,122,859	6.12%	5.01%
Other shareholders (less than 5% of votes at the GM)		9,455,001	51.50%	42.20%
<b>Total</b>		<b>18,355,474</b>	<b>100.00%</b>	<b>100.00%</b>

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.

Due to the outbreak of the armed conflict in Ukraine, the Company's Management Board analyzed the impact of the ongoing war on the Company's operations. In particular, it should be noted that the Company does not have any assets in Ukraine and does not conduct business in Ukraine and Russia. The participation of entities from Ukraine or Russia as suppliers in the Company's structure is insignificant and is mainly limited to providing libraries of compounds for discovery projects at their early stage. The Company also identifies currency risk. 90% of the Company's cash is denominated in PLN. The grants obtained are also denominated in PLN, while the costs of clinical trials and external research and development services are mostly denominated in foreign currencies. More information on the above subject can be found in note 35 of the 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 25 and 39 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, 2022, the value of the Company's cash amounted to PLN 101,917 thousand, and as at March 17, 2023, the value of the Company's cash amounted to PLN 320.589 thousand. The increase in cash is mainly due to receipt of funds from the issue of series "J" shares carried out in December 2022.

## 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").

These financial statements for the period from January 1, 2022 to December 31, 2022 are full financial statements containing disclosures in accordance with the requirements of the International Accounting Standards approved by the EU.

#### **2.1.1. Reporting period and scope**

The Company's financial statements cover the financial period from 1 January 2022 to 31 December 2022 and contain comparative data that constitute data for the financial period from 1 January 2021 to 31 December 2021. The statement of financial position and explanatory notes to this report also contain comparative data as at December 31, 2021.

## Status of IFRS endorsement by the EU

### 2.2. The following standards and interpretations have been published by the International Accounting Standards Board, but they do not apply to these financial statements (i.e. for 12-months financial statements ended December 31, 2022)

#### a) IFRS 17 "Insurance Contracts" and amendments to IFRS 17

IFRS 17 "Insurance Contracts" was issued by the International Accounting Standards Board on May 18, 2017, and the amendments to IFRS 17 were published on June 25, 2020. The new revised standard is effective for annual periods beginning on or after January 1, 2023.

IFRS 17 Insurance Contracts will replace the current IFRS 4, which allows for a variety of practice in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting of all entities that deal with insurance contracts and investment contracts.

b) Amendments to IAS 1 "Presentation of Financial Statements" and guidelines of the IFRS Board on disclosures about accounting policies in practice  
The amendment to IAS 1 introduces the requirement to disclose significant information about the accounting principles defined in the standard. The amendment explains that information on accounting policies is material if, in the absence of such information, users of the financial statements would not be able to understand other material information included in the financial statements. In addition, the Board's guidance on applying the concept of materiality in practice has also been revised to provide guidance on how to apply the concept of materiality to accounting disclosures. The change is effective from January 1, 2023.

#### c) Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

In February 2021, the Board published an amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" regarding the definition of accounting estimates. The amendment to IAS 8 explains how entities should distinguish changes in accounting policies from changes in accounting estimates. The change is effective from January 1, 2023.

#### d) Amendments to IAS 12 "Income Taxes"

Amendments to IAS 12 clarify how to account for deferred tax on transactions such as leasing and decommissioning liabilities. Before the amendment to the standard, there were uncertainties as to whether the exemption from the recognition of deferred tax recognized for the first time applied to this type of transaction, i.e. where both deferred tax assets and liabilities are A33 recognized. The amendments to IAS 12 clarify that the exemption does not apply and that entities are required to recognize deferred tax on such transactions. The amendments oblige companies to recognize deferred tax on transactions which, upon initial recognition, give rise to the same taxable and deductible temporary differences.

The amendment is effective for financial statements for periods beginning on or after January 1, 2023. As at the date of preparing these consolidated financial statements, these changes have not yet been approved by the European Union.

#### e) Amendments to IAS 1 "Presentation of Financial Statements"

The Board published amendments to IAS 1, which clarify the issue of presenting liabilities as long- and short-term. The published changes are effective for financial statements for periods beginning on or after January 1, 2023.

As at the date of preparing these consolidated financial statements, the change has not yet been approved by the European Union.

#### f) Amendment to IFRS 17 "Insurance Contracts"

The amendment concerns the transitional requirements in connection with the first-time application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments". The purpose of the amendment is to ensure the usefulness of financial information for investors in the period of the first application of the new standard by introducing certain simplifications with regard to the presentation of comparative data.

The amendment only applies to the application of the new standard by insurers and does not affect any other requirements of IFRS 17.

As at the date of preparing these consolidated financial statements, the change has not yet been approved by the European Union.

#### g) IFRS 14 "Regulatory Deferral Accounts"

This standard allows entities that prepare financial statements in accordance with IFRS for the first time (on or after 1 January 2016) to recognize amounts resulting from activities with regulated prices in accordance with the accounting principles applied so far. To improve comparability, with entities that already apply IFRS and do not report such amounts, in accordance with the published IFRS 14, amounts resulting from activities with regulated prices should be presented in a separate item both in the statement of financial position and in the profit and loss account and in the statement of financial position. other comprehensive income.

By the decision of the European Union, IFRS 14 will not be approved.

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

The amendments solve the current inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business".

Where non-monetary assets constitute a "business", the investor shows a full profit or loss on the transaction. If the assets do not meet the definition of a business, the investor recognizes a gain or loss only to the extent of the part constituting the shares of other investors.

The changes were published on September 11, 2014. As at the date of preparation of these consolidated financial statements, the approval of this change is deferred by the European Union.

In the Company's opinion, the above-mentioned new standards and amendments to existing standards would not have an impact on the financial statements if they had been applied by the Company as at the balance sheet date.

### **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**

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.

#### **3.3. Revenue recognition**

##### **3.3.1. 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.

The fair value includes grants received in kind. 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 referred to other receivables (receivables from subsidies). Cash that flows into the bank account is referred to deferred income.

### 3.3.2. Sales of goods and services

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

The standard introduced the following unified 5-stage revenue recognition model:

- Stage 1: Identification of the contract with the client,

In its current cooperation agreements and license agreements, the Company licenses its intellectual property and the sale of its services to cooperating partner entities. Revenue is generated under these agreements in the form of licences, milestone payments based on clinical and regulatory criteria, R&D fees, and future sales-based milestones and sales-based royalties. In some cases, cooperation agreements and license agreements may also include a share subscription element. In such a case, the Company analyzes whether the criteria for combining contracts, in accordance with the rules set out in IFRS 15, are met.

- Stage 2: Identification of the performance obligations contained in the contract,

Depending on the type of contract, it may contain one or more separate performance obligations. The separation of performance obligations is based on the assessment of whether the promises contained in the contract can be separate and whether other promises to provide goods and/or services under the contract are separate from them.

- Stage 3: Determining the transaction price,

Our material ongoing collaboration and licensing agreements include license fees; milestone payments, the receipt of which is contingent upon the achievement of certain clinical, regulatory or commercial milestones; royalties on sales and fees for research and development services.

- a) If a license to the Company's intellectual property is deemed separate from other performance obligations identified in the contract, the Company recognizes revenue from non-refundable upfront fees assigned to that license when the license is transferred to the customer and the customer obtains the right to use the license.
- b) The milestone payment, being a variable consideration, is included in the transaction price only to the extent that it is highly probable that there will be no significant reversal in the amount of cumulative revenue recognition, when the uncertainty associated with the variable consideration is subsequently resolved. The Company estimates the amount to be included in the transaction price after reaching the milestone. The transaction price is then allocated to each performance obligation based on a separate selling price, for which the Company recognizes revenue when the performance obligations under the contract are satisfied. At the end of each reporting period, the Company re-evaluates the probability of reaching such milestones.
- c) Research and development services are performed and satisfied over time, provided that the customer simultaneously receives and consumes the benefits provided.
- d) Our material ongoing partnerships and licensing agreements include sales-based royalties, including commercial milestone payments based on sales level, and commercial milestone payments. The related revenue is recognized when the subsequent underlying sale occurs.

- Stage 4: Allocation of the transaction price to the performance obligations contained in the contract,

As a rule, the entity assigns the transaction price to each obligation to perform the benefit specified in the contract.

- Stage 5: Income recognition when the performance obligation is met (or being met).

In accordance with IFRS 15, the Company recognizes revenue when (or in the course of fulfilling) the performance obligation, i.e. when control over the goods or services being the subject of this obligation is transferred to the customer. Revenues are recognized as amounts equal to the transaction price that has been assigned to a given performance obligation.

The company transfers control over the good or service over time and thus meets the performance obligation and recognizes revenue over time if one of the following conditions is met:

- the customer simultaneously receives and enjoys the benefits of the service as it is performed,
- as a result of the performance of the service, an asset is created or improved, and control over this asset - as it is created or improved, is exercised by the customer,
- as a result of the performance, no component with an alternative use for the Company is created, and the Company has an enforceable right to payment for the performance performed so far.

To measure the degree of total fulfillment of the obligation to perform the performance met over time the Company uses a results-based method, i.e. it recognizes revenues on the basis of a direct measurement of the value for the client of goods and services that have so far been transferred to the client, in relation to the other goods or services promised in the contract, by assessing the results achieved and the stages.

For items in which the Company remains ready to provide services, revenue is settled on a straight-line basis over the period of standby.

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

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

### 3.4. Interest and dividend income

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have been impaired due to credit risk. In the case of credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (net of the allowance for expected credit losses).

### **3.5. Leases**

#### **The Company as a lessee**

##### **Assets due to the right of use**

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

As a standard, the company signed lease agreements for a period of 5 years. 80% of signed contracts have extension options. The Company does not exercise these options. The discount rate in the range from 1.7 to 9.2% was adopted for the valuation of lease liabilities.

Right-of-use assets are depreciated as follows:

- '- premises – 10 years;
- technical equipment and machines – 4-5 years;
- vehicles – 5 years;

##### **Lease liabilities**

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

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

##### **Short-term leasing and leasing of low-value assets**

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

Significant judgments and estimates were described in the Note 4.1.

##### **The company as a lessor**

Leasing agreements, under which the Company retains substantially all the risks and benefits arising from the ownership of the leased asset, are classified as operating lease agreements. The Company recognizes lease payments from operating leases as income using the straight-line method.

The Company presents the underlying assets covered by operating leases in its statement of financial position in accordance with the nature of the underlying asset.

### 3.6. Foreign currencies

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

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

	Balance as at 31/12/2022	Balance as at 31/12/2021
EUR / PLN	4.6899	4.5994
USD / PLN	4.4018	4.0600
GBP / PLN	5.2957	5.4846
CHF / PLN	4.7679	4.4484
JPY / PLN	0.0333	0.0353
SEK / PLN	0.4213	0.4486

### 3.7. Borrowing costs

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

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

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

### **3.8. Costs of employee benefits**

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

### **3.9. Taxes**

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

#### **3.9.1. Current tax**

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

#### **3.9.2. Deferred tax**

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

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

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

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

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

#### **Uncertainty associated with the recognition of income tax**

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

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

#### **3.9.3. Current and deferred tax for the period**

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

### **3.10. Property, plant and equipment**

Fixed assets are measured at cost less depreciation and impairment losses.

Costs incurred after a fixed asset has been commissioned, such as costs of repairs, inspections or maintenance fees, are recognized in profit or loss for the period during which they were incurred. Expenditures incurred in subsequent periods are recognized in the carrying amount of an asset or recognized as a separate asset only when it is probable that the Group will obtain economic benefits related to a given item in the future and the amount can be reliably determined. When an item recognized as a separate asset is replaced, its carrying amount is no longer recognized. In the case of fixed assets purchased in a foreign currency, exchange differences do not increase the initial value.

Fixed assets under construction, except for the case when exchange differences are an adjustment of the cost of interest to be recognized in the carrying amount of a fixed asset in accordance with the accounting policy presented in Note 3.7, are measured at total cost related directly to their acquisition or manufacturing, including costs of external financing, less impairment losses. Fixed assets under construction include payments of patent fees related to research.

Fixed assets, except land and the right of perpetual usufruct of land, are depreciated on a straight-line basis over the period of their estimated useful life or the shorter of the useful life or the period of the right to use the assets, which is as follows:

- building, premises, civil and water engineering structures – from 10 to 40 years;
- technical equipment and machines – 3-10 years;
- vehicles – 5 years;
- other fixed assets – 3-5 years.

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

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

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

### **3.11. Intangible assets**

#### **3.11.1. Intangible assets**

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

#### **3.11.2. Intangible assets developed internally – R&D cost**

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

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

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

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

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

#### **3.11.3. Derecognition of intangible assets**

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

### **3.12. Impairment of property, plant and equipment and intangible assets, except goodwill**

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

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

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

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

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

### **3.13. Inventories**

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

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

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

### **3.14. Provisions**

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

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

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

#### **3.14.1. Onerous contracts**

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

### **3.15. Cash and cash equivalents**

Cash and short-term deposits shown in the balance sheet include cash at bank and in hand, cash at bank on split payment account and short-term deposits with the original maturity of up to three months.

The balance of cash and cash equivalents disclosed in the statement of cash flows consists of the above-mentioned cash and cash equivalents.

The company has no balance on split payment accounts as at the balance sheet dates.

### 3.16. Financial instruments

#### 3.16.1. Classification and initial recognition of financial instruments

The Company assigns financial instruments in accordance with the IFRS 9 to one of three categories:

- measured on the basis of the amortized cost,
- measured at fair value through other total income,
- measured at fair value through profit or loss.

The classification depends on the business model used by an entity with respect to financial asset management and on whether cash flows arising from the contracts include solely the payments of principal and interest ('SPPI').

- If a financial instrument is maintained in order to generate cash flow, it is classified as measured based on the amortised cost, provided that it meets the SPPI requirement.
- Debt instruments meeting the SPPI requirement, maintained both in order to generate contractual cash flows arising from assets and to sell assets, are classified as measured at fair value through other total income.
- All other debt instruments are measured at fair value, where the results of measurement are recognised in the financial result.

Financial liabilities and financial assets, excluding trade receivables which do not contain a significant financing component, are measured at fair value during the initial recognition.

Trade receivables that do not contain a significant financing component are measured at the transaction value during the initial recognition.

#### Cessation of recognition

Financial assets are excluded from the books of accounts when:

- the rights to obtain cash flows from financial assets have expired, or
- the rights to obtain cash flows from financial assets have been transferred and the Company has transferred substantially all risks and rewards of ownership.

#### Valuation after initial recognition

For the purpose of valuation after initial recognition, financial assets are classified into one of four categories:

- debt instruments measured at amortized cost,
- debt instruments measured at fair value through other comprehensive income,
- equity instruments measured at fair value through other comprehensive income,
- financial assets at fair value through profit or loss.

#### Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- (a) the financial asset is held in accordance with a business model whose purpose is to hold financial assets for obtaining contractual cash flows, and
- (b) the terms of the contract relating to the financial asset give rise to cash flows on certain dates that are only repayment of principal and interest on the principal amount outstanding.

The Company classifies into the category of financial assets measured at amortized cost:

- trade receivables,
- loans granted that meet the SPPI classification test and which, according to the business model, are shown as held to obtain cash flows,
- cash and cash equivalents,
- bonds issued by renowned Polish financial entities.

#### *Trade and other receivables and other receivables*

Receivables from sales of goods and services are recognized and disclosed according to the initially invoiced amounts, taking into account the write-down for expected credit losses in the entire lifetime.

If the effect of the time value of money is material, the value of receivables is determined by discounting the projected future cash flows to the present value using a discount rate that reflects current market assessments of the time value of money. If the discounting method was used, the increase in receivables due to the passage of time is recognized as financial income.

Other receivables include, in particular, advance payments for future purchases of property, plant and equipment, intangible assets and inventories. Advances are presented in accordance with the nature of the assets to which they relate - as fixed or current assets, respectively. Advances as non-monetary assets are not discounted.

Budget receivables are presented as other non-financial assets, with the exception of corporate income tax receivables, which constitute a separate item on the balance sheet.

#### **Financial assets at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

(a) the financial asset is held in accordance with a business model whose purpose is both to receive contractual cash flows and to sell financial assets; and

(b) the terms of the contract relating to the financial asset give rise to cash flows on certain dates that are only repayment of principal and interest on the principal amount outstanding.

Interest income, exchange rate differences and impairment gains and losses are recognized in profit or loss and calculated in the same way as for financial assets measured at amortized cost. Other changes in fair value are recognized in other comprehensive income. When the financial asset is discontinued, the total profit or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

The Company classifies listed debt instruments to the category of debt instruments valued at fair value through other comprehensive income.

#### **Financial assets at fair value through other comprehensive income**

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

The Company classifies unlisted equity instruments as equity instruments measured at fair value through other comprehensive income.

#### **Financial assets at fair value through profit or loss**

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

The Company classifies listed equity instruments as financial assets at fair value through profit or loss.

Profit or loss on the measurement of these assets at fair value is recognized in profit or loss.

#### **Trade and other liabilities**

Short-term liabilities due to deliveries and services are shown in the amount requiring payment and then measured at amortized cost using the effective interest rate method.

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

Financial liabilities measured at fair value through profit or loss are measured at fair value, taking into account their market value as at the balance sheet date, excluding sales transaction costs. Changes in the fair value of these instruments are recognized in profit or loss as financial costs or revenues, except for changes due to own credit risk for financial liabilities initially classified as at fair value through profit or loss, which is recognized in other comprehensive income.

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

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

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

### **Interest-bearing bank loans, loans and debt securities**

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

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

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

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

### **3.16.2. Impairment of financial instruments**

At the end of each reporting period, the Company performs an analysis of financial instruments in order to determine their impairment and calculate a revaluation write-down.

For this purpose, the Company applies an impairment model based on expected credit losses, resulting in the recognition of a write-down before a credit loss is incurred. This model requires taking into account in the process of calculating expected credit losses both current conditions and reasonable and documentable information about the future, available without excessive costs and efforts.

Two approaches are used to estimate impairment losses on financial instruments:

- General approach – applies to financial assets measured at fair value through other comprehensive income and to financial assets measured at amortized cost, except for trade receivables.
- When determining the allowance for expected credit losses, the Company applies an approach based on a provision matrix. To do it, the entity uses its historical data on credit losses, adjusted where appropriate for the impact of information regarding the future (e.g. crisis in the sector, change in customer profile). In order to determine expected credit losses, trade receivables are grouped on the basis of similarity in credit risk characteristics.

### **3.17. Share-based payments**

The accounting policy for share-based payments (IFRS 2) is described in Note 32.

### **3.18. Liability for funding received from LLS in relation to the research conducted**

The company is obliged to pay cash to LLS in the event of an event beyond its control (i.e. leading to the start of the III clinical phase and then commercialization of RVU120 or its introduction to the market). This meets the definition of a financial liability. A financial liability is initially measured at fair value. After initial recognition, the liability is measured at amortized cost.

A change in estimates of expected future payments will result in a change in the carrying amount of the liability and recognition of the impact in profit or loss:

- in the case of success (ie leading to the start of the third clinical phase, commercialization of RVU120 or its introduction to the market), a loss will be recognized in the financial result due to changes in expected future cash flows,
- in the event of failure of the works carried out - the Company will derecognize the financial liability with the impact recognized in the financial result.

## 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.

#### Leasing - the Company as a lessee

**The Company applied the following judgments and estimates:**

##### Lease period for contracts with extension options

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

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

The Company has included the extension period as part of the leasing period for the leasing of business premises and parking spaces due to the importance of these assets for operations.

##### Lease period for contracts of unlimited duration

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

##### Lessee's marginal interest rate

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

### 4.2. Uncertainty of estimates

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

#### 4.2.1. Provisions for bonuses

Provisions for bonuses are presented in Note 28. 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**

As described in Note 3.10 and in Note 3.11, 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. Deferred tax asset**

The Company recognizes a deferred tax asset based on the assumption that a tax profit will be available in the future to allow its use. Deterioration of tax results in the future could cause that this assumption would become unjustified.

The Company carefully assesses the nature and extent of evidence justifying the conclusion that it is probable that future taxable income will be sufficient to deduct the unused tax losses, unused tax credits or other negative temporary differences.

When assessing whether it is probable that future taxable profit will be achieved (probability above 50%), the Company shall take into account all available evidence, both confirming the existence of probability and evidence of its absence.

Based on the forecasts for the following years, the Management Board of the Company makes a decision on calculating the deferred tax asset.

#### **4.2.4. 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.

#### **4.2.5. 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 15.

#### **4.2.6. 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.

#### **4.2.7. Estimate for the value of Nodthera's shares**

The method of determining the fair value of shares in NodThera is presented in Note 14.

#### **4.2.8. Estimate for the employee incentive program**

The method of determining the value of the employee incentive program is presented in note 32.

#### **4.2.9. Recognition of the proceeds from unregistered share issue**

The method of determining the value of proceeds from unregistered share issue and presentation is presented in note 21.5.

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

#### 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. 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 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
Lease of employees - FTE agreements	142	829
Sale of R&D projects	38,804	10,358
<b>Operating income</b>	<b>38,946</b>	<b>11,186</b>

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

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
Advance payments	38,804	0
Milestone payments	0	10,358
<b>Sale of R&amp;D projects</b>	<b>38,804</b>	<b>10,358</b>

### 5.2. Revenues from subsidies

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
Infrastructure subsidies	2,016	3,735
Grants for research	27,475	20,492
	<b>29,491</b>	<b>24,226</b>

### 5.3. Geographical information

The Company operates in Europe.

Company's revenue from external customers by geographical area:

	Revenue from external customers	
	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
Poland	106	156
EU members	24,616	11,031
Other countries	14,225	-
<b>Total</b>	<b>38,946</b>	<b>11,186</b>

### 5.4. Operating expenses

#### 5.4.1. Amortization and impairment

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
Depreciation of tangible asstes	10,766	10,622
Depreciation of the rights to use machines and equipment	853	788
Depreciation of rights to use of buildings	538	690
Depreciation of rights to use of cars	179	137
Amortization of intangible assets and liquidation of patents	563	324
<b>Total amortization expense</b>	<b>12,900</b>	<b>12,561</b>

#### 5.4.2. Employee benefit expense

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
Salaries and wages	36,323	25,181
Social security charges	5,045	3,424
Other employee benefit	1,142	1,723
<b>Employee benefit expense</b>	<b>42,509</b>	<b>30,329</b>

#### 5.4.3. External services

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
B2C Services*	6,834	11,952
Administrative services	5,557	4,330
IT services, databases	2,110	1,768
Research Services	25,992	15,018
Transportation services	1,007	593
<b>Total external services</b>	<b>41,500</b>	<b>33,661</b>

\* The costs of B2C services, including: legal services, renovation, repair and maintenance of equipment, telecommunications, include the costs of outsourcing of human resources and the costs of subcontractors used in research projects in the amount of PLN 1,867 thousand in the period ended December 31, 2022. In the period ended December 31, 2021, the costs of subcontractors amounted to PLN 1,018 thousand.

#### 5.4.4. Research and development costs recognized in profit or loss when incurred

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
Research and development costs recognized in profit or loss when incurred including:	<b>117,713</b>	<b>92,327</b>
<i>Amortization and depreciation</i>	12,900	12,561
<i>Employee benefit expense</i>	42,509	30,329
<i>Consumption of materials and supplies</i>	17,406	13,725

## 6. Major customers

	Period ended	Period ended
	31/12/2022	31/12/2021
	000' PLN	000' PLN
<b>Segment 1 - Innovations</b>		
Customer A	24,580	0
Customer B	14,225	0
Customer C *	24	5,265
Customer D *	0	5,766

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

\* The customer did not exceed 10% of the segment's sales revenue in 2022.

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, including as monotherapy and in therapeutic combinations; 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. BioNTech Exclusive Targets will be in the field of immunomodulation, and may be relevant for the treatment of oncology, immunology, or other disorders where modulation of immune cells could be therapeutically beneficial. 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 has committed to invest 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 the lower 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 or (ii) the final issue price of the new shares to be determined by the Management Board of the Company following completion of a book-building process, applicable to institutional investors. The Company undertook to allot to BioNTech such number of Series J Shares, that BioNTech will subscribe for, without reducing the subscription order made by BioNTech. BioNTech undertook not to dispose or acquire, directly or indirectly, shares or other securities convertible into shares from 29 November 2022 until the date falling 12 months after the admission and introduction of the series J shares to trading on the regulated market of the WSE (however not later than on 31 January 2024), subject to exceptions provided in the Investment Agreement, including upon the Company's written consent to a transaction or upon termination of the Licence Agreement. The other terms and conditions of the Investment Agreement and the License Agreement are in line with terms and conditions commonly used in such contracts.

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. Targeted delivery of Ryvu's STING agonist payloads could provide a differentiated and novel mechanism of action for killing cancer cells. The STING pathway can be activated in immune cells in the tumor microenvironment and in tumor cells, and induces innate and adaptive immunity via activation of antigen-presenting cells (APCs), cytotoxic T cells and natural killer (NK) cells. Ryvu's STING agonists have been rationally designed for differentiation from competitor compounds and have demonstrated STING-dependent, durable anti-tumor activity and cytokine release in preclinical models. The other terms and conditions of the Agreement are in line with terms commonly used in such contracts.

## 7. Other operating income and expenses

### 7.1. Other operating income

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
<b>Gain on disposal of property, plant and equipment</b>	<b>1,195</b>	<b>0</b>
Income from the sale of non-financial fixed assets (+)	1,546	0
Net value of assets disposed of (-)	-351	0
<b>Other operating income:</b>	<b>858</b>	<b>722</b>
Rental income	844	650
Other	14	73
<b>Total other operating income</b>	<b>2,053</b>	<b>722</b>

### 7.2. Other operating expenses

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
<b>Loss on disposal of property, plant and equipment</b>	<b>0</b>	<b>0</b>
<b>Revaluation of non-financial assets</b>	<b>0</b>	<b>0</b>
<b>Other operating expenses:</b>	<b>87</b>	<b>52</b>
Donations	40	26
Other	47	25
<b>Total other operating expenses</b>	<b>87</b>	<b>52</b>

## 8. Finance income

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
<b>Financial revenue due to financial instruments</b>	<b>1,145</b>	<b>79</b>
Interest	1,145	61
Exchange differences	0	18
<b>Total finance income</b>	<b>1,145</b>	<b>79</b>

## 9. Finance cost

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
<b>Finance cost due to financial instruments</b>	<b>1,918</b>	<b>442</b>
Interest	1,089	442
Exchange differences	829	0
<b>Total finance cost</b>	<b>1,918</b>	<b>442</b>

## 10. Income taxes on continuing operations

### 10.1. Income taxes presented in the statement of comprehensive income

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
<b>Current income tax:</b>	-4,693	-5,458
<i>Current income tax expense</i>	-4,693	-5,458
<i>Corrections relating to previous years</i>	0	0
Deferred income tax	107	5,342
<b>Tax charge presented in the statement of comprehensive income</b>	<b>-4,587</b>	<b>-116</b>

### 10.2. Reconciliation of the tax profit to the accounting profit

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
<b>Recorded revenue and profit</b>	<b>62,707</b>	<b>38,400</b>
Non-taxable and tax-exempt income, including:	<b>-46,521</b>	<b>25,280</b>
Exchange differences	1,857	696
Interest accrued	371	0
Payments from Partners revenues recognized in accordance with IFRS 15	-69,191	72
Grant income	29,371	24,226
Other - valuation of shares in Nodthera	-8,929	286
Tax revenues, other than accounting revenues:	<b>0</b>	<b>0</b>
Long-term contracts	0	0
<b>Total taxable income (1-2+3)</b>	<b>109,228</b>	<b>13,120</b>
<b>Recorded expenses and losses</b>	<b>141,902</b>	<b>115,819</b>
Expenses and losses classified permanently as non-deductible:	<b>52,445</b>	<b>47,566</b>
PFRON	168	136
Business entertainment costs	169	43
Costs of the incentive program	22,184	22,999
Subsidized costs	29,371	24,226
Other non-deductible expenses	553	163
Expenses and losses classified temporarily as non-deductible:	<b>9,476</b>	<b>1,664</b>
Recognized accruals for bonus and unused holiday	7,117	-1,056
Recognized other accruals	-641	1,970
Provisions for retirement gratuities established	22	-117
Exchange differences	2,978	815
Unpaid salaries and ZUS	0	40
Other non-deductible expenses	0	12
Tax costs, other than accounting costs:	<b>0</b>	<b>0</b>
<b>Total deductible expenses</b>	<b>79,982</b>	<b>66,589</b>
<b>Taxable Income / (Loss)</b>	<b>29,246</b>	<b>-53,469</b>
Deductions from income (enter the amounts with a positive sign):	4,542	0
Tax losses from previous years	4,542	0
<b>Taxable Income / (Loss)</b>	<b>24,704</b>	<b>0</b>
<b>Income on Capital Gains</b>	<b>0</b>	<b>29,404</b>
<b>Costs on Capital Gains</b>	<b>0</b>	<b>679</b>
<b>Income on Capital Gains</b>	<b>0</b>	<b>28,725</b>
<b>Income tax at the rate</b>	<b>0</b>	<b>5,458</b>
Tax deductions		
<b>Income tax due</b>	<b>4,693</b>	<b>5,458</b>

The tax charge is determined using the tax rates effective in the financial year.

**10.3. The effective tax rate reconciliation is as follows:**

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
<b>Gross (Loss) before tax</b>	<b>-79,195</b>	<b>-78,962</b>
Tax at the statutory tax rate applicable in Poland, 19% (2021: 19%)	-15,047	-15,003
Permanent non-taxable costs	9,965	9,038
Permanent non-taxable income	-5,580	-4,603
Use of losses from previous years	-863	0
Settlement of payments from Partners - revenues recognized in accordance with IFRS 15 after taking into account the WHT tax paid abroad	8,453	0
Others (e.g.: unrecognized deferred tax asset)	-1,514	10,452
Tax at the effective tax rate	-4,587	-116

**10.4. Current tax asset and liabilities**

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
<b>Current tax asset</b>		
Tax refund due	0	0
	<b>0</b>	<b>0</b>
<b>Current tax liabilities</b>		
Income taxes due	4,693	5,458
WHT income tax paid abroad	-4,693	0
	<b>0</b>	<b>5,458</b>

## 10.5. Deferred income tax

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

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Deferred tax asset	0	331
Deferred tax liability	0	438
	<b>0</b>	<b>-107</b>

	DTA as at		Change in DTA recognized in profit and loss account for the period		Change in DTA recognized in equity	
	Balance as at 31/12/2022	Balance as at 31/12/2021	From 01/01 to 31/12/2022	From 01/01 to 31/12/2021	From 01/01 to 31/12/2022	From 01/01 to 31/12/2021
<b>Basis for temporary differences – difference between the tax value and carrying amount of:</b>						
- fixed assets and intangible assets (excluding leases)	0	8	-8	8	0	0
- fixed assets and intangible assets - leases	0	223	-223	-46	0	0
- financial assets measured at fair value	0	0	0	0	0	0
- trade and other receivables and payables (negative foreign exchange)	0	100	-100	-224	0	0
- tax losses to be settled in the following years	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>331</b>	<b>-331</b>	<b>-262</b>	<b>0</b>	<b>0</b>

## 10.6. Unrecognized deferred tax asset and unused tax credits

	Balance as at 31/12/2022	Balance as at 31/12/2021
<b>Recognized tax assets</b>	<b>0</b>	<b>331</b>
As at the end of the reporting period, the following items of the deferred tax asset remained unrecognized:	0	0
Tax losses	13,901	19,656
Other accruals	1,146	1,241
Accruals for bonuses and unused holidays	2,034	681
Trade and other receivables and payments from Partners revenues recognized in accordance with IFRS 15	12,943	0
Financial assets measured at fair value	1,696	0
Fixed assets and intangible assets	129	0
Total unrecognized deferred tax asset	<u>31,848</u>	<u>21,578</u>
<b>Total (recognized and unrecognized) deferred tax asset</b>	<b><u>31,848</u></b>	<b><u>21,910</u></b>

DTA computation method has been described in note 4.2.3.

## 10.7. Deferred tax liability

Basis for temporary differences – difference between the tax value and carrying amount of:

- fixed assets and intangible assets (excluding leases)
- fixed assets and intangible assets - leases
- trade and other receivables (exchange differences)
- contracts with clients
- revaluation of shares in Nodthera

**Total**

	DTL		Change in DTL recognized in profit and loss account for the period		Change in DTL recognized in equity	
	Balance as at 31/12/2022	Balance as at 31/12/2021	From 01/01 to 31/12/2022	From 01/01 to 31/12/2021	From 01/01 to 31/12/2022	From 01/01 to 31/12/2021
- fixed assets and intangible assets (excluding leases)	0	85	-85	85	0	0
- fixed assets and intangible assets - leases	0	253	-253	-70	0	0
- trade and other receivables (exchange differences)	0	87	-87	-202	0	0
- contracts with clients	0	13	-13	-14	0	0
- revaluation of shares in Nodthera	0	0	0	-5,403	0	0
<b>Total</b>	<b>0</b>	<b>438</b>	<b>-438</b>	<b>-5,604</b>	<b>0</b>	<b>0</b>

## 11. Earnings per share

	Period ended 31/12/2022	Period ended 31/12/2021
	PLN per share	PLN per share
<b>Basic earnings per share:</b>	<b>(4.6)</b>	<b>(4.3)</b>
From continuing operations	(4.6)	(4.3)
From spin-off operations	n/a	n/a
Total basic earnings per share	(4.6)	(4.3)
<b>Diluted earnings per share:</b>	<b>(4.6)</b>	<b>(4.3)</b>
From continuing operations	(4.6)	(4.3)
From spin-off operations	n.a.	n/a
Total diluted earnings per share	(4.6)	(4.3)

### 11.1. Basic earnings per share

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

	Period ended 31/12/2022	Period ended 31/12/2021
	000' PLN	000' PLN
Profit/(loss) used to calculate the total basic earnings per share	-83,782	-79,078
Profit/(loss) used to calculate basic earnings per share from spin-off operations	0	0
Profit/(loss) used to calculate basic earnings per share from continuing operations	-83,782	-79,078
	Period ended 31/12/2022	Period ended 31/12/2021
	quantity	quantity
Weighted average number of ordinary shares used to calculate basic/diluted earnings per share	18,355,474	18,355,474

## 12. Tangible fixed assets and rights to use

Net carrying amount:

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Land	7,468	7,468
Buildings	47,298	49,241
Machinery and equipment	10,180	10,709
Vehicles	143	0
Other tangible assets (including lab equipment)	15,257	19,847
Assets under construction	0	610
Advances for assets under construction	0	0
<b>Total tangible fixed assets</b>	<b>80,346</b>	<b>87,876</b>
Rights to use other fixed assets (including laboratory equipment)	1,359	2,142
Rights to use the premises	7	697
Rights to use cars	508	467
<b>Total rights to use</b>	<b>1,873</b>	<b>3,307</b>

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

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, 2022, the analysis of the indications did not show grounds for performing an impairment test and such a test has not been performed. has been drawn up.

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, 2022 and as at the date of approval of the financial statements for 2022 presented a surplus of capitalization over the Company's net assets of approximately PLN 774m as at December 31, 2022.

The industry in which the Company operates is a promising industry characterized by a double-digit CAGR of revenue growth year on year, which results from its specificity related to improving our lives.

In whole 2023, the Company plans expenditures on non-financial fixed assets in the amount of PLN 8,900 thousand, including PLN 200 thousand expenditures for environmental protection.

**Liabilities secured on the entity's assets**

Type of security	As at 31/12/2022		As at 31/12/2021		Nature and form of security
	Value of liability	Value of security	Value of liability	Value of security	
<b>Mortgage</b>	<b>810</b>	<b>8,403</b>	<b>1,552</b>	<b>8,403</b>	The property located in Krakow at ul. Sternbach, consisting of registration plots located within 38 with numbers: 81/21, 81/26, 195/11, 195/16, 210/24, 210/9, 210/8, 210/19, 210/3, 210/2
<b>Pledges, incl.:</b>	<b>1,181</b>	<b>1,181</b>	<b>2,165</b>	<b>2,165</b>	
machinery - leasing	1,181	1,181	2,165	2,165	laboratory equipment
<b>Promissory note, incl.:</b>	<b>810</b>	<b>810</b>	<b>1,552</b>	<b>1,552</b>	
Promissory note	810	810	1,552	1,552	cash on bank accounts
<b>Contractual right to set off the claim against the account holder's claim</b>	<b>810</b>	<b>810</b>	<b>1,552</b>	<b>1,552</b>	cash on bank accounts
<b>TOTAL</b>	<b>3,611</b>	<b>11,204</b>	<b>6,822</b>	<b>13,673</b>	

### 12.1. 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)	Assets under construction	Rights to use other fixed assets (including laboratory equipment)	Rights to use the premises	Rights to use cars	Total
<b>Gross value as at 01.01.2022</b>	<b>7,468</b>	<b>52,996</b>	<b>13,799</b>	<b>0</b>	<b>52,097</b>	<b>610</b>	<b>4,848</b>	<b>2,683</b>	<b>803</b>	<b>135,304</b>
<b>Increases in gross value:</b>	<b>0</b>	<b>0</b>	<b>392</b>	<b>185</b>	<b>4,432</b>	<b>3,587</b>	<b>70</b>	<b>3</b>	<b>221</b>	<b>8,890</b>
- 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
<b>Decreases in gross value:</b>	<b>0</b>	<b>850</b>	<b>194</b>	<b>35</b>	<b>3,863</b>	<b>4,197</b>	<b>812</b>	<b>155</b>	<b>1</b>	<b>10,106</b>
- Sale	0	850	63	35	3,659	0	0	0	0	4,607
- Liquidation	0	0	130	0	204	0	0	0	0	334
- 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
<b>Gross value as at 31.12.2022</b>	<b>7,468</b>	<b>52,146</b>	<b>13,997</b>	<b>150</b>	<b>52,666</b>	<b>0</b>	<b>4,106</b>	<b>2,531</b>	<b>1,023</b>	<b>134,088</b>
<b>Accumulated depreciation as at 01.01.2022</b>	<b>0</b>	<b>3,755</b>	<b>3,089</b>	<b>0</b>	<b>32,249</b>	<b>0</b>	<b>2,706</b>	<b>1,986</b>	<b>335</b>	<b>44,121</b>
<b>Increases in accumulated depreciation:</b>	<b>0</b>	<b>1,635</b>	<b>921</b>	<b>8</b>	<b>9,014</b>	<b>0</b>	<b>853</b>	<b>538</b>	<b>179</b>	<b>13,149</b>
- Depreciation / amortization write-offs	0	1,635	921	8	8,203	0	853	538	179	12,337
- Other, buyout from leasing	0	0	0	0	812	0	0	0	0	812
<b>Decreases in accumulated depreciation:</b>	<b>0</b>	<b>541</b>	<b>194</b>	<b>0</b>	<b>3,855</b>	<b>0</b>	<b>812</b>	<b>0</b>	<b>0</b>	<b>5,402</b>
- Sale	0	541	63	0	3,651	0	0	0	0	4,256
- Other, liquidation	0	0	130	0	204	0	0	0	0	334
- Other, buyout from leasing	0	0	0	0	0	0	812	0	0	812
<b>Accumulated depreciation as at 31.12.2022</b>	<b>0</b>	<b>4,848</b>	<b>3,817</b>	<b>8</b>	<b>37,408</b>	<b>0</b>	<b>2,748</b>	<b>2,525</b>	<b>514</b>	<b>51,868</b>
<b>Net carrying amount as at 01.01.2022</b>	<b>7,468</b>	<b>49,241</b>	<b>10,709</b>	<b>0</b>	<b>19,847</b>	<b>610</b>	<b>2,142</b>	<b>697</b>	<b>467</b>	<b>91,182</b>
<b>Net carrying amount as at 31.12.2022</b>	<b>7,468</b>	<b>47,298</b>	<b>10,180</b>	<b>143</b>	<b>15,257</b>	<b>0</b>	<b>1,359</b>	<b>7</b>	<b>508</b>	<b>82,219</b>

## 12.2. Changes in the value of fixed assets by type from 01.01.2021 to 31.12.2021

Item	Land	Buildings	Machinery and equipment	Vehicles	Other tangible assets (including lab equipment)	Assets under construction	Rights to use other fixed assets (including laboratory equipment)	Rights to use the premises	Rights to use cars	Total
<b>Gross value as at 01.01.2021</b>	<b>7,468</b>	<b>48,328</b>	<b>13,109</b>	<b>0</b>	<b>38,171</b>	<b>4,585</b>	<b>9,035</b>	<b>4,266</b>	<b>381</b>	<b>125,344</b>
<b>Increases in gross value:</b>	<b>0</b>	<b>4,668</b>	<b>690</b>	<b>48</b>	<b>14,631</b>	<b>11,982</b>	<b>0</b>	<b>9</b>	<b>422</b>	<b>32,449</b>
- Purchases	0	0	0	0	0	11,982	0	0	424	12,406
- Transfer from assets under construction	0	4,668	690	48	10,444	0	0	0	0	15,849
- Other, changes to the contracts	0	0	0	0	0	0	0	9	-3	7
- Other, shifts between categories	0	0	0	0	4,187	0	0	0	0	4,187
<b>Decreases in gross value:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>705</b>	<b>15,957</b>	<b>4,187</b>	<b>1,592</b>	<b>0</b>	<b>22,489</b>
- Sale	0	0	0	48	0	0	0	0	0	48
- Other, transfer to FA	0	0	0	0	0	15,849	0	0	0	15,849
- Other, low-value fixed assets	0	0	0	0	705	0	0	0	0	705
- Other, transfer to the CIS	0	0	0	0	0	108	0	0	0	108
- Other, shifts between categories	0	0	0	0	0	0	4,187	0	0	4,187
- Other, liquidation	0	0	0	0	0	0	0	1,592	0	1,592
<b>Gross value as at 31.12.2021</b>	<b>7,468</b>	<b>52,996</b>	<b>13,799</b>	<b>0</b>	<b>52,097</b>	<b>610</b>	<b>4,848</b>	<b>2,683</b>	<b>803</b>	<b>135,304</b>
<b>Accumulated depreciation as at 01.01.2021</b>	<b>0</b>	<b>2,130</b>	<b>2,127</b>	<b>0</b>	<b>20,733</b>	<b>0</b>	<b>6,105</b>	<b>2,888</b>	<b>198</b>	<b>34,181</b>
<b>Increases in accumulated depreciation:</b>	<b>0</b>	<b>1,625</b>	<b>963</b>	<b>0</b>	<b>12,221</b>	<b>0</b>	<b>788</b>	<b>690</b>	<b>137</b>	<b>16,424</b>
- Depreciation charge for the period	0	1,625	963	0	8,034	0	788	690	137	12,237
- Other, shifts between categories	0	0	0	0	4,187	0	0	0	0	4,187
<b>Decreases in accumulated depreciation:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>705</b>	<b>0</b>	<b>4,187</b>	<b>1,592</b>	<b>0</b>	<b>6,484</b>
- Other, shifts between categories	0	0	0	0	0	0	4,187	0	0	4,187
- Other, liquidation	0	0	0	0	705	0	0	1,592	0	2,297
<b>Accumulated depreciation as at 31.12.2021</b>	<b>0</b>	<b>3,755</b>	<b>3,089</b>	<b>0</b>	<b>32,249</b>	<b>0</b>	<b>2,706</b>	<b>1,986</b>	<b>335</b>	<b>44,121</b>
<b>Net carrying amount as at 01.01.2021</b>	<b>7,468</b>	<b>46,199</b>	<b>10,982</b>	<b>0</b>	<b>17,438</b>	<b>4,585</b>	<b>2,930</b>	<b>1,378</b>	<b>183</b>	<b>91,162</b>
<b>Net carrying amount as at 31.12.2021</b>	<b>7,468</b>	<b>49,241</b>	<b>10,709</b>	<b>0</b>	<b>19,847</b>	<b>610</b>	<b>2,142</b>	<b>697</b>	<b>467</b>	<b>91,182</b>

### 13. Intangible assets

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
<b>Carrying amount</b>		
Patents*	3,983	2,596
Software	232	417
Other intangible assets	61	32
	<b>4,276</b>	<b>3,044</b>

\* 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.

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

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

#### 13.2 Changes in the value of intangible assets by type in period from 01.01.2021 to 31.12.2021

Item	Other intangible assets	Total
<b>Gross value as at 01.01.2021</b>	<b>3,570</b>	<b>3,570</b>
<b>Increases in gross value:</b>	<b>1,050</b>	<b>1,050</b>
- Purchases	942	942
- Acceptance of fixed assets under construction	108	108
<b>Gross value as at 31.12.2021</b>	<b>4,620</b>	<b>4,620</b>
<b>accumulated depreciation 01.01.2021</b>	<b>1,252</b>	<b>1,252</b>
<b>Accumulated depreciation as at 01.01.2021</b>	<b>324</b>	<b>324</b>
Increases in accumulated depreciation:	324	324
Decreases in accumulated depreciation:	0	0
<b>Accumulated depreciation 31.12.2021</b>	<b>1,576</b>	<b>1,576</b>
<b>Net carrying amount as at 01.01.2021</b>	<b>2,319</b>	<b>2,319</b>
<b>Net carrying amount as at 31.12.2021</b>	<b>3,044</b>	<b>3,044</b>

## 14. Valuation of shares in Nodthera

As at December 31, 2022, 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.

At the end of 2021, the shareholders of NodThera Ltd. began the process of corporate changes, the purpose of which was to transfer operations to the USA in order to facilitate a possible IPO of NodThera there. Due to the specificity of the industry in which NodThera operates, it is important that potential future rounds of financing by American investors are based on a company registered in the United States.

This process, known as The "Delaware flip" consisted in the creation of a new company based on the laws of the state of Delaware, which then took over 100% of the assets of NodThera Ltd., duplicating the existing ownership structure of the company 1:1. As a result, each existing shareholder in NodThera Inc. is proportionally identical to its previous share in NodThera Ltd. As a result of this process, as at December 31, 2021, the Issuer held shares in NodThera Inc. in quantity and grade as previously at NodThera Ltd.

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.

As at December 31, 2022, 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, 2022, 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: 6,074,982 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, 2022.

The shares held by Ryvu, ie Junior Preferred Stock, do not have the aforementioned right to pay dividends or the right to non-dilution.

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 3.67% to 3.18% on December 31, 2022.

The Management Board of Ryvu decided to include in the valuation of Ryvu's shares in NodThera a 15.23% 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 2022. The discount percentage of 15.23% was calculated as the quotient of the sum of the number of shares corresponding to the capitalized dividend (i.e.: 6,074,982 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, 2022 (i.e.: 52,073,474 shares).

Therefore, the share price of USD 2.4363/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). As at December 31, 2022, Ryvu held 3.18% of shares in NodThera on a fully diluted basis, and the total valuation of the Issuer's shares in NodThera Inc. amounted to PLN 20,475,200 (at the average NBP exchange rate of PLN 4.4018/USD).

Reconciliation of financial data to the carrying amount of shares in NodThera Inc included in the financial statements as at December 31, 2022

price of new shares (in GBP) from the issue of series C shares taking into account the discount corresponding to the class of shares held by the Company	2.4363
average NBP exchange rate of December 31, 2022	4.4018
new share issue price (in PLN)	10.72
number of Company's shares in Nodthera Ltd.	1,910,000
<b>value of shares in the balance sheet as at December 31, 2022 (000'PLN)</b>	<b>20,475</b>
change in valuation - impact on the result (000'PLN)	8,929

	Balance as at 31/12/2022	Balance as at 31/12/2021
Carrying amount of the Company's shares in Nodthera Inc	20,475	29,404

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.

## 15. 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, 2022. 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

	31/12/2022		
	carrying amount	fair value	hierarchy level
<b>Financial assets measured at fair value:</b>			
Financial Assets-Nodthera Shares	20,475	20,475	P2
<b>Financial assets for which fair value is disclosed:</b>			
Trade and other receivables	1,441	1,441	P3
Other short-term financial assets	528	528	P3
Cash from the issue on the account of the brokerage house	242,962	242,962	P3
<b>Financial liabilities at fair value:</b>			
n.a.			
<b>Financial liabilities for which fair value is disclosed:</b>			
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
<i>credit card debt</i>	64	64	P3
Leasing liabilities	1,893	1,893	P3
Long term financial liabilities	9,904	9,904	P3

	31/12/2021		
	carrying amount	fair value	hierarchy level
<b>Financial assets measured at fair value:</b>			
Financial Assets-Nodthera Shares	29,404	29,404	P2
<b>Financial assets for which fair value is disclosed:</b>			
Trade and other receivables	6,129	6,129	P3
Other short-term financial assets	4,994	4,994	P3
<b>Financial liabilities at fair value:</b>			
n.a.			
<b>Financial liabilities for which fair value is disclosed:</b>			
Liabilities from deliveries and services	13,629	13,629	P3
Investment liabilities	610	610	P3
Interest-bearing loans and credits	1,576	1,576	P3
Current portion of interest-bearing loans and borrowings, including:	833	833	P3
<i>credit card debt</i>	23	23	P3
Leasing liabilities	3,494	3,494	P3
Long term financial liabilities	8,120	8,120	P3

## 16. Other non-financial assets

	Balance as at	Balance as at
	31/12/2022	31/12/2021
	PLN	PLN
<b>Carrying amount:</b>		
Licenses	987	511
Costs related to subsequent year	2,349	1,630
Other	498	180
	<b>3,834</b>	<b>2,321</b>

## 17. Other financial assets

Long term financial assets	Balance as at	Balance as at
	31/12/2022	31/12/2021
	000' PLN	000' PLN
Deposits paid	76	76
Security deposits	0	528
	<b>76</b>	<b>604</b>

Short term financial assets	Balance as at	Balance as at
	31/12/2022	31/12/2021
	000' PLN	000' PLN
Deposit	528	0
Bonds	0	4,994
	<b>0</b>	<b>4,994</b>

Bonds issued by Pekao Leasing S.A. guaranteed by Bank PeKaO S.A. with a maturity date of March 1, 2022 amounted to PLN 4.994 thousand.

## 18. Inventories

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Materials	1,759	1,957
<b>Total</b>	<b>1,759</b>	<b>1,957</b>

## 19. Trade and other receivables

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Trade receivables	1,045	5,944
The allowance for expected credit losses	0	0
	<b>1,045</b>	<b>5,944</b>
Tax (VAT) receivables	11,879	1,854
Other – receivables from employees, security deposits	396	185
Grants due	3,363	3,758
Other	247	0
	<b>16,931</b>	<b>11,741</b>

### 19.1. 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 2022 on the basis of a provision matrix defined based on historical data concerning credit losses. It was recognised that receivables and contract assets of particular customers are characterised by a similar level of risk, they were not divided into groups.

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

	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
<b>Total</b>	<b>1,045</b>		<b>0</b>
	Period ended 31/12/2021		
	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	5,719	0.0000%	0
1-90 days after the deadline	225	0.0000%	0
91-180 days after the deadline	0	0.0000%	0
181-365 days after the deadline	0	0.0000%	0
More than 365 days after the deadline	0	100.0000%	0
<b>Total</b>	<b>5,944</b>		<b>0</b>

The average payment term for overdue receivables from the sale of goods and services in the period from January 1 to December 31, 2022 is 47 days, and in the period from January 1, 2021 to December 31, 2021, it was 51 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.

### The allowance for expected credit losses

	Period ended 31/12/2022	Period ended 31/12/2021
	PLN	PLN
<b>Balance at the beginning of the period</b>	<b>0</b>	<b>27</b>
The allowance for expected credit losses	0	0
Amounts recovered during the year	0	-27
<b>Balance at the end of the period</b>	<b>0</b>	<b>0</b>

## 20. Leases

### 20.1. The Company as a lessee

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

Some leases include options to extend or terminate the lease. The Company also concludes contracts for an indefinite period. The management board makes a judgment to determine the period over which it can be assumed with reasonable certainty that such contracts will continue (see note 3.5).

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

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

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

Period ended 31 December 2022	Buildings and premises	Equipment	Vehicles	Total
<b>As at 1 January 2022</b>	<b>697</b>	<b>2,142</b>	<b>467</b>	<b>3,307</b>
Purchases (new lease agreements)	0	70	221	291
Changes in lease agreements	-152	0	-1	-153
Depreciation	-538	-853	-179	-1,571
<b>As at 31 December 2022</b>	<b>7</b>	<b>1,359</b>	<b>508</b>	<b>1,873</b>

Year ended 31 December 2021	Buildings and premises	Equipment	Vehicles	Total
<b>As at 1 January 2021</b>	<b>1,378</b>	<b>2,930</b>	<b>183</b>	<b>4,490</b>
Purchases (new lease agreements)	0	0	424	424
Changes in lease agreements	9	0	-3	7
Depreciation	-690	-788	-137	-1,615
<b>As at 31 December 2021</b>	<b>697</b>	<b>2,142</b>	<b>467</b>	<b>3,307</b>

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

	2022
As at 1 January 2022	3,494
Purchases (new lease agreements)	291
Changes in lease agreements	-153
Revaluation	4
Interest	68
Payments	-1,810
As at 31 December 2022	1,893
Short-term	1,029
Long-term	865
	2021
As at 1 January 2021	5,043
Purchases (new lease agreements)	424
Changes in lease agreements	7
Revaluation	330
Interest	109
Payments	-2,419
As at 31 December 2021	3,494
Short-term	1,918
Long-term	1,576

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

	01.01.2022- 31.12.2022
Depreciation of leased assets	-717
Interest costs on lease liabilities	-27
Other operating income due to changes in leasing agreements	<u>2</u>
<b>Total amount recognized in the income statement / statement of comprehensive income</b>	<b><u>-742</u></b>

	01.01.2021- 31.12.2021
Depreciation of leased assets	-827
Interest costs on lease liabilities	-26
Other operating income due to changes in leasing agreements	<u>0</u>
<b>Total amount recognized in the income statement / statement of comprehensive income</b>	<b><u>-853</u></b>

The total cash outflow from leases (concerning buildings and premises and cars) amounted to PLN 781 thousand in 12 months of 2022 and PLN 871 thousand in the entire year 2021.

Below are the amounts of revenues, costs, profits and losses resulting from leasing (concerning machines and devices) included in the profit and loss account / statement of comprehensive income:

	01.01.2022- 31.12.2022
Depreciation of leased assets	-853
Interest costs on lease liabilities	-41
Other operating income due to changes in leasing agreements	<u>0</u>
<b>Total amount recognized in the income statement / statement of comprehensive income</b>	<b><u>-895</u></b>

	01.01.2021- 31.12.2021
Depreciation of leased assets	-788
Interest costs on lease liabilities	-58
Other operating income from changes to lease agreements	<u>0</u>
<b>Total amount recognized in the income statement / statement of comprehensive income</b>	<b><u>-846</u></b>

The total cash outflow from leases (concerning machinery and equipment) amounted to PLN 1,029 thousand in 12 months of 2022 and PLN 1,547 thousand in 2021.

## 21. Share capital

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Registered share capital	7,342	7,342
	<b>7,342</b>	<b>7,342</b>

### 21.1. Share capital as at the end of the reporting period

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Number of shares	18,355	18,355
Par value per share	0.40	0.40
<b>Share capital</b>	<b>7,342</b>	<b>7,342</b>

### Share capital structure as at the day of approval of financial statements i.e. 22 March 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
<b>Total</b>		<b>23,120,148</b>	<b>9,248</b>

### 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	none	2,384,245	954
<b>Total</b>		<b>18,355,474</b>	<b>7,342</b>

### Share capital structure as at 31 December 2021

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
<b>Total</b>		<b>18,355,474</b>	<b>7,342</b>

## Shareholder structure

### Balance as at 31/12/2022

Shareholder	Number of shares	Percentage interest in share capital	Number of votes	Percentage share of voting rights
Paweł Przewięźlikowski	3,900,544	21.25%	7,400,544	33.03%
Bogusław Sieczkowski	825,348	4.50%	1,375,348	6.14%
Nationale Nederlanden PTE S.A.	1,530,980	8.34%	1,530,980	6.83%
Tadeusz Wesołowski (with Augebit FIZ)	1,132,713	6.17%	1,132,713	5.06%
Aviva OFE Santander	1,532,000	8.35%	1,532,000	6.84%
Other shareholders	9,433,889	51.39%	9,433,889	42.10%
<b>Total</b>	<b>18,355,474</b>	<b>100.00%</b>	<b>22,405,474</b>	<b>100.00%</b>

### Balance as at 31/12/2021

Shareholder	Number of shares	Percentage interest in share capital	Number of votes	Percentage share of voting rights
Paweł Przewięźlikowski	3,949,517	21.52%	7,449,517	33.25%
Bogusław Sieczkowski	924,384	5.04%	1,474,384	6.58%
Nationale Nederlanden PTE S.A.	1,771,000	9.65%	1,771,000	7.90%
Tadeusz Wesołowski (with Augebit FIZ)	1,132,713	6.17%	1,132,713	5.06%
Aviva OFE Santander	1,122,859	6.12%	1,122,859	5.01%
Other shareholders	9,455,001	51.50%	9,455,001	42.20%
<b>Total</b>	<b>18,355,474</b>	<b>100.00%</b>	<b>22,405,474</b>	<b>100.00%</b>

### 21.2. Own shares

	Balance as at 31/12/2022	Balance as at 31/12/2022	Balance as at 31/12/2021	Balance as at 31/12/2021
	number of shares	000' PLN	number of shares	000' PLN
Own shares under the Incentive Scheme	20,928	0	0	0
<b>Total</b>	<b>20,928</b>	<b>0</b>	<b>0</b>	<b>0</b>

As at 31 December 2022, the Company holds own shares resulting from the implementation of the Incentive Scheme (see note 32). 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.

### 21.3. Other reserve capitals

	Balance as at 31/12/2022	Balance as at 31/12/2021
	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)	45,183	22,999
Valuation of options to purchase shares resulting from the investment agreement with BioNtech (ii)	1,096	0
<b>Total</b>	<b>57,688</b>	<b>34,408</b>

(i) In 2021, the Company started the implementation of the incentive program in place in 2021-2024. Detailed information is disclosed in note 32.

(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.

#### 21.4. Share premium

	Balance as at 31/12/2022	Balance as at 31/12/2021
	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
<b>Total Reserve Capital</b>	<b>279,063</b>	<b>279,063</b>

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

	Balance as at 31/12/2022	Stan na 31/12/2021
	000' PLN	000' PLN
Supplementary capital created from the issue of series J shares	250,284	0
including issue costs Shares series "J" ordinary	-7,693	0
<b>Total reserve capital</b>	<b>242,591</b>	<b>0</b>

### Cash from the issue on the account of the brokerage house

	Balance as at 31/12/2022	Stan na 31/12/2021
	000' PLN	000' PLN
Reserve capital paid up but not registered as at the balance sheet date	242,591	0
Interest due on funds from the issue on the account of the brokerage house	371	0
<b>Total proceeds from the issue of series "J" shares</b>	<b>242,962</b>	<b>0</b>

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 PLSLVT00013.

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.

In the financial statements, proceeds from the issue are presented in the item "Cash from the issue on the account of the brokerage house". The funds from the issue were received by the Company's on January 23, 2023.

## 22. Credit facilities and loans and other sources of financing

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
<b>Uncollateralized:</b>		
Overdraft facilities (i)	0	0
Used credit card limits (ii)	<u>64</u>	<u>23</u>
	<u>64</u>	<u>23</u>
<b>Collateralized:</b>		
Bank loans (iii)	<u>810</u>	<u>1,552</u>
	<u>810</u>	<u>1,552</u>
<b>Total:</b>		
Current liabilities	<u>874</u>	<u>1,576</u>
Non-current liabilities	<u>0</u>	<u>742</u>
	<u>874</u>	<u>1,576</u>

### 22.1. Loan agreements

1. The company has a mortgage loan for the purchase of a construction plot in Bank PKO BP. The loan was concluded on December 13, 2016 for a period of 7 years.

The interest rate is variable and is formed as the sum of WIBOR1M + bank margin.

The loan is secured with a mortgage entry in the amount of PLN 8,403 thousand, with a blank promissory note for the amount of PLN 810 thousand and the contractual right to set off receivables in the amount of PLN 810 thousand.

2. On August 16, 2022, the Company concluded with the European Investment Bank ("EIB") a financing agreement ("Agreement") under the European Fund for Strategic Investments program, which aims to provide financing for projects of high social and economic value, contributing to the implementation of EU policy objectives. 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, a highly selective, orally administered lead clinical candidate of Ryvu being studied in patients with relapsed or refractory acute myeloid leukemia (AML) or myelodysplastic syndrome (MDS) and in solid tumors (in phases 2/3), as well as support for other Company projects at earlier stages of development. 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. The payment of Tranche A is subject to (a) the Company's providing consent to start a phase II clinical trial, consisting in determining the dose recommended for phase II (RP2D) for RVU120 in a solid tumor trial for which no additional consent is required or in an AML trial /MDS separate consent to start the phase II trial; and (b) the issue of subscription warrants by the Company to EIB in accordance with the terms set out in the warrant agreement to be concluded between EIB and the Company. Ryvu Therapeutics S.A. [www.ryvu.com](http://www.ryvu.com) The conditions for the payment of Tranche B are: (a) successful initiation of the RVU120 Phase II clinical trial in the AML/MDS study, including First Patient Dosed; (b) the development of at least one research project of the Company to the stage of research directly preceding the introduction of the compound into the clinical phase (IND-enabling studies) or the conclusion of a partnering agreement regarding one of the Company's research projects with a specified minimum transaction value; and (c) obtaining by the Company additional financing in the amount at least equal to the amount used under Tranche B, from other sources of financing, e.g. from an increase in share capital or grants from outside the European Union, in the period from June 2022. Tranche C is Contingent on (a) the progress of the Phase II RVU 120 AML/MDS study in the form of recruitment of at least ten patients; and (b) obtaining by the Company additional funding of at least EUR 10 million from current or future partnering agreements or scientific cooperation agreements in the form of advance payments, research funding and payments for milestones in the period from September 30, 2021.

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. The conditions of issuing the Warrants will be regulated in the warrant agreement, the signing of which will be announced by the Company in a separate current report.

As at December 31, 2022, this loan is not utilised.

## 23. Long-term liabilities

	Balance as at 31/12/2022	Balance as at 31/12/2021 *
	000' PLN	000' PLN
Agreement with LLS	9,904	8,120
	<b>9,904</b>	<b>8,120</b>

\* adjusted described in note 38.2

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 9.9 million (valuation at the exchange rate of the National Bank of Poland as at December 31, 2022). At the end of 2021, the value of the support received totaled USD 2.00 million, which is the equivalent of PLN 8.1 million (valuation at the exchange rate quoted by the National Bank of Poland on December 31, 2021).

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, 2022, December 31, 2021 and January 1, 2021 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 I).

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 21.5), by subscribing for shares worth USD 1 million at the price determined for

## 24. Trade and other liabilities

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Trade liabilities	12,578	11,689
Investment liabilities	61	610
Liabilities due to taxes, insurance (social security, personal income tax, PFRON)	992	1,218
CIT liability	0	5,458
Liabilities due to salaries and wages and other liabilities to employees	0	52
Other non-financial liabilities	1,867	1,888
Warranty deposit	60	60
	<b>15,559</b>	<b>20,976</b>
- short-term		
Trade and other liabilities	15,499	20,915
- long-term		
Other liabilities	60	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.

## 25. Liabilities due to retirement benefits

Item	Provisions for retirement benefits	
	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Provisions at the beginning of the period	118	235
Increases:	22	117
- provisions recognized in profit and loss account in current period	22	117
<b>Provisions at the end of the period, including:</b>	<b>140</b>	<b>118</b>
- long-term	140	118
- short-term	0	0

The main assumptions adopted for the valuation of employee benefits as at the reporting date are as follows:

	Balance as at 31/12/2022	Balance as at 31/12/2021
Discount rate (%)	6.85	3.64
Projected inflation rate (%)	3.50	1.50
Employee turnover rate (%)	0	0
Expected wage growth rate (%)	3.50	1.50
Remaining average employment period	18	18

## 26. Financial instruments

The life science industry is one of the most globalized branches of the economy in the world. Compounds with therapeutic potential developed in one country are protected by international patents and commercialized as drugs around the world. Many subcontractors operating in different countries, on different continents, often participate in their creation. It is a truly global market where discoveries and developments in one part of the world have a direct impact on the industry in other parts of the world.

A characteristic feature of the biotechnology market is also the fact that the commercialization of the final product, which is a drug, is preceded by several formalized stages, which often last for many years and are characterized by various degrees of success probability.

These stages can be distinguished as follows:

- 1) drug discovery stage,
- 2) preclinical studies (in vitro and in vivo),
- 3) clinical trials (which normally include three phases),
- 4) the process of registration and acceptance by the relevant authorities,
- 5) commercialization of the approved drug.

A key characteristic of the biotechnology market is that only a small percentage of the substances that were analyzed during drug discovery will be approved by the relevant authorities and commercialized as an actual drug. An important element is that, in fact, at each of the above-mentioned stages, it may turn out that a given project will not be successfully carried to the next phase, as a result of which the company will have to decide to end the project and focus its resources on other projects. It is also possible that the company, despite the transition of the project to the next stage (for example: by decision of the relevant authorities or due to new circumstances), will be forced to return to the previous stage in order to conduct additional tests.

In connection with the above, a characteristic feature of the biotechnology market is also the fact that the projects carried out are long-term, and the probability of predicting the final success is extremely difficult to estimate.

The nature of the industry in which the Company operates is characterized by generating losses and negative cash flows in 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.

### 26.1. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing its profitability through optimization of the debt to equity ratio.

The capital structure as well as the level and maturity of liabilities are reviewed on a regular basis. The said reviews comprise analyses of the cost of capital and the risk associated with its individual categories.

The key items analysed by the Company are:

- cash and cash equivalents, as disclosed in Note 30,
- equity, including reserve capitals and retained earnings, as disclosed in Note 21.

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.

#### 26.1.1. Net debt to equity ratio

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

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Debt (i)	-131,586	-67,512
Cash and cash equivalents	101,917	83,236
Net debt	<b>-29,669</b>	<b>15,724</b>
Equity (ii)	343,390	161,302
Net debt to equity	<b>(0.09)</b>	<b>0.10</b>

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

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

"The debt ratio achieved is within the limits expected and accepted by the Management Board.

In addition, in December 2022, the Company carried out an issue of "J" series shares and the net cash from this issue in the amount of PLN 242,591 thousand was received by the Company on January 23, 2023.

In addition, it should be remembered that as at December 31, 2021, the Company had short-term investments presented in the item Other financial assets (Note 17), which concerned funds invested in liquid financial instruments issued by leading financial institutions on the Polish market."

## 26.2. Categories of financial instruments

The company is exposed to risks related to financial instruments. The risks to which it is exposed are:

- market risk including currency risk and interest rate risk,
- credit risk and
- liquidity risk.

Individual types of risk are discussed in the following Notes.

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
<b>Financial assets</b>		
<b>Financial instruments measured at amortized cost method:</b>	<b>349,891</b>	<b>98,007</b>
Other short term financial assets (Note 17)	528	4,994
Other financial assets - deposits (Note 17)	76	76
Cash (Note 30)	101,917	83,236
Trade and other receivables (Note 19)	4,408	9,702
Cash from the issue on the account of the brokerage house (Note 21.5)	242,962	0
<b>Financial assets at fair value through profit or loss</b>	<b>20,475</b>	<b>29,404</b>
Other financial assets - Nodthera shares (Note 14)	20,475	29,404
<b>Financial liabilities</b>		
<b>Financial instruments measured at amortized cost method:</b>	<b>25,311</b>	<b>25,489</b>
Interest bearing credit facilities and loans (Note 22)	874	1,576
Finance lease liabilities (Note 26.9)	1,893	3,494
Trade and other liabilities (Note 24)	12,640	12,299
Long term financial liabilities (Note 23)	9,904	8,120

## 26.3. 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.

## 26.4. Market risk

The Company's activities expose it to currency risk (see Note 26.5), interest rate risk (see Note 26.6) and price risk (Note 26.7). 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.

## 26.5. Foreign currency risk management

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

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

	Liabilities		Assets	
	Balance as at 31/12/2022	Balance as at 31/12/2021	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN	000' PLN	000' PLN
EUR	2,315	4,385	93,294	9,967
USD	915	673	14,486	9,510
Other	73	125	133	660

### 26.5.1. 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 31/12/2022	Balance as at 31/12/2021	Balance as at 31/12/2022	Balance as at 31/12/2021
		000' PLN	000' PLN	000' PLN	000' PLN
<b>ASSETS</b>					
Exchange rate increase	15%	13,994	1,495	2,173	1,427
Exchange rate increase	10%	9,329	997	1,449	951
Exchange rate increase	5%	4,665	498	724	476
Exchange rate decrease	-5%	-4,665	-498	-724	-476
Exchange rate decrease	-10%	-9,329	-997	-1,449	-951
Exchange rate decrease	-15%	-13,994	-1,495	-2,173	-1,427
<b>LIABILITIES</b>					
Exchange rate increase	15%	347	658	137	101
Exchange rate increase	10%	232	438	92	67
Exchange rate increase	5%	116	219	46	34
Exchange rate decrease	-5%	-116	-219	-46	-34
Exchange rate decrease	-10%	-232	-438	-92	-67
Exchange rate decrease	-15%	-347	-658	-137	-101
<b>EFFECT ON PROFIT</b>					
Exchange rate increase	15%	13,647	837	2,036	1,326
Exchange rate increase	10%	9,098	558	1,357	884
Exchange rate increase	5%	4,549	279	679	442
Exchange rate decrease	-5%	-4,549	-279	-679	-442
Exchange rate decrease	-10%	-9,098	-558	-1,357	-884
Exchange rate decrease	-15%	-13,647	-837	-2,036	-1,326

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.

## 26.6. 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.

### 26.6.1. 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 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
Bank loan for the amount of PLN 5,601 thousand and the credit card limit used	874	0	0	0	0	0	874
Cash	101,917						101,917

#### 31 December 2021

	< 1 year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Lease liabilities	1,918	1,034	330	149	63	0	3,494
Bank loan for the amount of PLN 5,601 thousand and the credit card limit used	810	742	0	0	0	0	1,552
Cash	83,236						83,236

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

#### Interest rate risk - sensitivity to changes

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

	Increase / decrease by percentage points	Impact on gross profit or loss
<b>As at 31 December 2022</b>		
<b>Bank loan (PLN)</b>		
Interest rate change	+0,5%	-4
Interest rate change	-0,5%	4
<b>Leasing liability (EUR)</b>		
Interest rate change	+0,5%	-7
Interest rate change	-0,5%	7
<b>Lease liability (other currencies)</b>		
Interest rate change	+0,5%	-3
Interest rate change	-0,5%	3
<hr/>		
<b>Total impact</b>	+0,5%	-13
Interest rate change	-0,5%	13
Interest rate change		

#### 26.7. 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 14). 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.

#### 26.8. 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.

Excluding 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 19.

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. Moreover, in the case of bonds issued by PeKaO Leasing S.A, which the company held in 2021, the bonds were secured with a surety by Bank PeKaO S.A. (which has an S&P short-term rating in domestic currency at A-2).

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

Bank name	Balance as at 31/12/2022 000' PLN	Balance as at 31/12/2021 000' PLN	Rating	Perspective
Bank A	7,031	31,268	A- ip	stable
Bank B	4,231	5,464	A- ip	stable
Bank C	5	0	BBB ip	stable
Bank D	90,651	46,504	A- ip	stable
<b>Total</b>	<b>101,918</b>	<b>83,236</b>		

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 31/12/2022 000' PLN	Balance as at 31/12/2021 000' PLN	Rating	Perspective
Bank E	242,962	0	A- ip	stable

## 26.9. 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 31/12/2022	As at 31/12/2021
<b>Financial assets (+)</b>	<b>349,815</b>	<b>97,932</b>
Receivables	4,408	9,702
Cash from the issue on the account of the brokerage house	242,962	0
Cash	101,917	83,236
Other financial assets	528	4,994
<b>Financial liabilities (-)</b>	<b>-25,311</b>	<b>-25,466</b>
Interest bearing credit facilities and loans	-874	-1,552
Finance lease liabilities	-1,893	-3,494
Trade liabilities	-12,578	-11,689
Long term financial liabilities	-9,904	-8,120
Investment liabilities	-61	-610
<b>Exposure to liquidity risk</b>	<b>324,504</b>	<b>72,466</b>

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
<b>Total</b>	<b>9,468</b>	<b>3,118</b>	<b>1,956</b>	<b>14,542</b>	<b>865</b>	<b>9,904</b>	<b>10,769</b>	<b>25,311</b>

As at the balance sheet date, December 31, 2021, the company's financial liabilities were within the following maturity ranges:

Type of liability	Current:				Non-current:			Liabilities – carrying amount
	Not overdue as at 31/12/2021	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	202	607	810	742	0	742	1,552
Finance lease liabilities	0	269	1,649	1,918	1,576	0	1,576	3,494
Trade liabilities	9,423	1,906	970	12,299	0	0	0	12,299
Long term financial liabilities	0	0	0	0	0	8,120	8,120	8,120
<b>Total</b>	<b>9,423</b>	<b>2,377</b>	<b>3,227</b>	<b>15,027</b>	<b>2,319</b>	<b>8,120</b>	<b>10,439</b>	<b>25,466</b>

### 26.9.1 Available external sources of funding

	Balance as at 31/12/2022	Balance as at 31/12/2021
	PLN	PLN
Collateralized overdraft facilities:		
Amount used	64	23
Amount available	336	377
	<b>400</b>	<b>400</b>

## 27. Accrued costs

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Unused holiday accrual	1,692	1,389
Bonuses	9,012	2,198
	<b>10,703</b>	<b>3,587</b>
Short-term	10,703	3,587
Long-term	0	0
	<b>10,703</b>	<b>3,587</b>

## 28. Deferred income

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Payments from Partners (i)	68,120	0
Government subsidies (ii) revenues recognized in accordance with IAS 20	24,392	29,204
	<b>92,512</b>	<b>29,204</b>
Short-term	16,709	8,946
Long-term	75,803	20,257
	<b>92,512</b>	<b>29,204</b>
Payments from Partners (i)		
Agreement with BioNtech, including:	68,120	0
- Short-term	13,624	0
- Long-term	54,496	0
	<b>68,120</b>	<b>0</b>
Government subsidies (ii) revenues recognized in accordance with IAS 20		
Infrastructure subsidies, including:	24,252	23,639
- Short-term	2,952	3,394
Research subsidies, including:	141	5,522
- Short-term	133	5,457
	<b>24,392</b>	<b>29,161</b>

(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.

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

## 29. Related party transactions

### 29.1. Commercial transactions

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

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

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

Binding type:

POA - personal relationship through shares held by the Shareholder

PORN - personal connection by a Member of the Supervisory Board

	Binding type	Sales of goods and services		Purchases of goods and services	
		Period ended	Period ended	Period ended	Period ended
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
		000' PLN	000' PLN	000' PLN	000' PLN
Selvita S.A.	POA	3,686	2,092	4,764	4,279
Selvita Services Sp. z o.o.	POA	0	0	1,411	868
Ardigen S.A.	POA	1	0	0	0
Selvita Inc.	POA	0	0	2,271	1,132
Selvita d.o.o.	POA	0	0	6	0
ALTIUM Piotr Romanowski	PORN	0	0	0	6
AG Life Science Consulting GmbH & Co. KG	PORN	0	0	13	0
		<b>3,687</b>	<b>2,092</b>	<b>8,465</b>	<b>6,285</b>

Balances at the end of the reporting period:

	Binding type	Amounts due from related parties		Amounts due to related parties	
		Balance as at	Balance as at	Balance as at	Balance as at
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
		000' PLN	000' PLN	000' PLN	000' PLN
Selvita S.A.	POA	322	454	2,510	1,186
Selvita Services Sp. z o.o.	POA	0	190	1,375	0
Ardigen S.A.	POA	1	0	0	0
Selvita Inc.	POA	0	0	743	454
Selvita d.o.o.	POA	0	0	3	0
		<b>323</b>	<b>644</b>	<b>4,632</b>	<b>1,640</b>

Transactions with related entities were made using market prices.

## 29.2 Executive compensation

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

	Period ended 31/12/2022			Period ended
	Share based payments	Remuneration	Total	Total
	000' PLN	000' PLN	000' PLN	000' PLN
<b>Management Board</b>	<b>1,022</b>	<b>3,088</b>	<b>4,111</b>	<b>4,444</b>
Paweł Przewięźlikowski	0	341	341	1,164
Krzysztof Brzózka	320	596	915	1,418
Setareh Shamsili	0	0	0	1,216
Kamil Sitarz	331	486	817	645
Hendrik Nogai	0	728	728	0
Vatnak Vat-Ho	371	938	1,309	0
<b>Supervisory Board</b>	<b>0</b>	<b>1,042</b>	<b>1,042</b>	<b>1,018</b>
Piotr Romanowski	0	150	150	147
Tadeusz Wesołowski	0	148	148	145
Rafał Chwast	0	150	150	147
Axel Glasmacher	0	148	148	145
Colin Goddard	0	148	148	145
Jarl Jungnelius	0	148	148	145
Thomas Turalski	0	148	148	145
	<b>1,022</b>	<b>4,131</b>	<b>5,153</b>	<b>5,462</b>

### 30. 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 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Cash in hand and at bank	22,325	47,146
Overdraft facilities	0	0
	<u>22,325</u>	<u>47,146</u>
Cash and cash equivalents - bank deposits	79,592	36,090
	<u>101,917</u>	<u>83,236</u>

As at December 31, 2022, restricted cash amounted to PLN 3,175 thousand. PLN (31/12/2021: PLN 4,966 thousand).

### 31. Average headcount in the Company

	Period ended 31/12/2022	Period ended 31/12/2021
White collar employees	198	186
Blue collar employees	-	-
<b>Total headcount</b>	<u>198</u>	<u>186</u>

## **32. Share-based payments**

### **32.1 Employee incentive program**

#### ***32.1.1 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. .

#### **Purpose of the Program**

The purpose of implementing the universal incentive program as proposed will be:

and - ensuring optimal conditions for the long-term increase in the value of the Company by creating a general employee shareholding structure;

and - creating an incentive that will motivate employees to act even more actively in the interest of the Company and its shareholders and encourage them to stay in a long-term relationship with the Company;

and - building a modern organization in which the increase in the value of the Company will translate directly into an increase in the wealth of the employees and associates of the Company.

#### **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. 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 and April 14, 2022, the Shareholder concluded donation agreements with the Issuer, under which the ownership of 1,044,394 shares, 21,476 shares and 27,497 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.

#### **Rights and obligations of the Company and the Shareholder resulting from the agreements.**

Pursuant to the Agreements, the Shareholder was obliged to transfer the shares covered by the agreement on a specific date, i.e. by August 31, 2021, December 31, 2021 and April 30, 2022, respectively. The Shareholder is entitled to revoke the donation if the Company makes a gross ingratitude, which the contract specified as: 1) allocating all or part of the shares for a purpose other than the incentive programme; 2) failure to transfer all shares to entitled persons within the time limit specified in the agreement. 3) Preventing the performance of control activities regarding the fulfillment of its obligations by the Company. The agreements do not specify the legal remedies available to the Issuer in the event of the Shareholder's failure to perform the obligation, however, Polish law applies to the agreements, so the Company would be entitled to claims provided for in the Civil Code, e.g. Participants of the incentive scheme, i.e. employees of the Company, are not entitled to any enforceable claims against the Company related to the incentive scheme, therefore the Company does not bear any risk related to the incentive scheme. If the Shareholder fails to transfer the shares to the Company, the Company is not obliged to issue the shares to the participant of the incentive program, as each agreement for participation in the incentive program directly determines that it is concluded under the condition precedent in the form of the transfer of shares by the Shareholder to the Company necessary for implementation of the Incentive Program.

**The role of the Company.**

Pursuant to the Regulations of the Incentive Scheme and the agreements concluded between the Shareholder and the Company, the Company acts as a specific agent of shares between the Shareholder and the participants of the Incentive Scheme. Moreover, 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.

**32.1.2 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 (90% of the pool)	17.05.2021 r.
Date of granting the program ("grant date") - II phase of the program (5% of the pool)	16.03.2022 r.
The maturity date of the program	16.03.2025 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, 2022.	995,575

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 1st phase of the program:

- option exercise date:

09/07/2021 for 20,383 shares;

09/07/2022 for 457,850 shares;

09/07/2023 for 440,597 shares;

09/07/2024 for 20,093 shares;

June 30, 2025 for 6,379 shares.

- option exercise price: PLN 0.19;

- share price as at 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 the 2nd phase 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 as at the measurement 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 31/12/2022, the weighted average period remaining until the end of the contractual duration is 6 months.

### 32.1.3 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 Q2	2021 Q3	2021 Q4	2021	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2022	2023	2024	2025	Total discharge
Tranche No. 1	20,383	09/07/2021	951	126		<b>1,076</b>	-	-	-	-	-	-	-	-	<b>1,076</b>
Tranche No. 2	457,850	09/07/2022	3,768	5,098	5,098	<b>13,964</b>	4,923	4,978	492	(176)	<b>10,217</b>	-	-	-	<b>24,181</b>
Tranche No. 3	440,597	09/07/2023	2,064	2,792	2,792	<b>7,649</b>	2,677	2,707	2,736	2,024	<b>10,144</b>	5,479	-	-	<b>23,272</b>
Tranche No. 4	20,093	09/07/2024	69	93	93	<b>255</b>	86	87	88	43	<b>304</b>	330	173	-	<b>1,061</b>
Tranche No. 5	6,379	30/06/2025	15	20	20	<b>56</b>	20	20	20	20	<b>80</b>	80	81	40	<b>337</b>
Tranche No. 6	8,219	16/03/2022				-	388	-	-	-	<b>388</b>	-	-	-	<b>388</b>
Tranche No. 7	16,758	16/03/2023				-	33	197	200	200	<b>629</b>	164	-	-	<b>793</b>
Tranche No. 8	16,758	16/03/2024				-	16	99	100	100	<b>314</b>	396	83	-	<b>793</b>
Tranche No. 9	8,538	16/03/2025				-	6	34	34	34	<b>107</b>	134	135	28	<b>404</b>
<b>Total</b>	<b>995,575</b>		<b>6,866</b>	<b>8,129</b>	<b>8,004</b>	<b>22,999</b>	<b>8,149</b>	<b>8,121</b>	<b>3,670</b>	<b>2,244</b>	<b>22,184</b>	<b>6,583</b>	<b>472</b>	<b>68</b>	<b>52,306</b>

The valuation of the program, in terms of shares currently issued to employees as at December 31, 2022, showed its total estimated cost of PLN 52,306 thousand which is recognized in the Company's costs from the second quarter of 2021 until the second quarter of 2025. The impact of the program on the result of the reporting period is PLN 22,184 thousand and this amount reduces the gross result, net result and operating profit in 2022. The estimated impact for the following years is as follows:

- 2023: PLN 6,583 thousand,
- 2024: PLN 472 thousand,
- 2025: PLN 68 thousand.

### 32.1.4 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 31/12/2022	Year ended 31/12/2021
Plan costs recognized at fair value	22,184	22,999
	<b>22,184</b>	<b>22,999</b>

### 33. Capital commitments

	Balance as at 31/12/2022	Balance as at 31/12/2021
	000' PLN	000' PLN
Commitments to purchase property, plant and equipment	149	211

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

### 34. Contingent liabilities and contingent assets

#### 34.1. 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 27,157 thousand was credited to bank accounts for the co-financing. As at the balance sheet date, December 31, 2022, the sum of cash received from subsidies, whose durability period has not yet expired, is PLN 173,686 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.

#### 34.1. 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.

### 35. Significant events of the reporting period

#### The situation in Ukraine

Due to the outbreak of the armed conflict in Ukraine, the Company's Management Board analyzed the impact of the ongoing war on the Company's operations. In the opinion of the Management Board, apart from the currency risk, the Management Board has not identified any other significant risks that may affect the Company's operations.

In particular, it should be noted that the Company does not have any assets in Ukraine and does not conduct business in Ukraine and Russia. The participation of entities from Ukraine or Russia as suppliers in the Company's structure is insignificant and is mainly limited to providing libraries of compounds for discovery projects at their early stage.

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

The Management Board of the Company analyzes the situation of the Company on an ongoing basis. Any new circumstances having a significant impact on the Company's financial results and business situation will be immediately communicated to investors in current reports.

### 36. Significant events after the balance sheet date

In December 2022, the Company carried out an issue of "J" series shares. The increase in capital was registered by the Registry Court on January 17, 2023 (for more details, see Note 21.1 and 21.5).

### 37. 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	Period ended
	31/12/2022	31/12/2021
	000' PLN	000' PLN
<b>Change in trade and other receivables:</b>	<b>-5,560</b>	<b>-3,793</b>
- change in receivables due to payment for shares	242,591	0
- change in trade and other receivables resulting from the balance sheet	-248,151	-3,793
<b>Change in liabilities, except for loans and borrowings:</b>	<b>-503</b>	<b>9,795</b>
- change in liabilities resulting from proceeds from LLS	-1,146	-1,018
- change in liabilities resulting from the balance sheet	-5,394	10,813
- change in liabilities due to payment of income tax	5,458	0
- adjustment for the change in liabilities due to the purchase of tangible fixed assets	580	0
<b>Change in deferred income:</b>	<b>70,425</b>	<b>-13,914</b>
- change in deferred income resulting from the balance sheet	70,425	-13,914
<b>Change in provisions:</b>	<b>-438</b>	<b>-5,604</b>
- change in provisions resulting from the balance sheet	-438	-5,604
<b>Change in other assets:</b>	<b>2,109</b>	<b>-1,026</b>
- change in other assets resulting from the balance sheet	3,812	-1,026
- change in assets due to grants for fixed assets	-1,703	0
<b>Change in loans:</b>	<b>-702</b>	<b>-791</b>
- change in long-term loans resulting from the balance sheet	-742	-810
- change in in short-term loans resulting from the balance sheet	41	19

### 38. Changes in presentation in the interim condensed statement of comprehensive income and basic error correction

#### 38.1. Changes in presentation in the interim condensed statement of comprehensive income

In 2022, the Company decided to change the presentation of the valuation of shares held in Nodthera, the recognition of rental income and the presentation of income from employee benefits in order to better illustrate revenues and costs. The valuation of shares in Nodthera was moved from the line below the result on economic activities to the line concerning the result on operating activities. Rental income was included in other operating income instead of sales income. In the case of presentation of income from the sale of employee benefits, they reduce the costs of employee benefits instead of presenting them as an item of other operating income.

#### STATEMENT OF COMPREHENSIVE INCOME (fragment)

	DATA BEFORE TRANSFORMATION			TRANSFORMED DATA	
	Period ended 31/12/2021	presentation of rental income and presentation of income from employee benefits	presentation of the valuation of shares held in Nodthera	correction of a error regarding the agreement with LLC (note 38.2)	Period ended 31/12/2021
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
Sales revenue	11,836	-650	0	0	11,186
Income from subsidies	25,244	0	0	-1,018	24,226
<b>Total operating income</b>	<b>37,080</b>	<b>-650</b>	<b>0</b>	<b>-1,018</b>	<b>35,413</b>
Employee benefits costs	-30,686	357	0	0	-30,329
<b>Total operating costs</b>	<b>-115,325</b>	<b>357</b>	<b>0</b>	<b>0</b>	<b>-114,968</b>
Valuation of shares in Nodthera	0	0	286	0	286
Other operating income	430	292	0	0	722
Other operating cost	-52	0	0	0	-52
<b>(Loss) on operating activities</b>	<b>-77,867</b>	<b>0</b>	<b>286</b>	<b>-1,018</b>	<b>-78,599</b>
Financial revenue	604	0	0	-525	79
Financial expenses	-442	0	0	0	-442
<b>(Loss) on business activity</b>	<b>-77,704</b>	<b>0</b>	<b>286</b>	<b>-1,543</b>	<b>-78,962</b>
Valuation of shares in Nodthera	286	0	-286	0	0
<b>(Loss) before income tax</b>	<b>-77,419</b>	<b>0</b>	<b>0</b>	<b>-1,543</b>	<b>-78,962</b>
Income tax	0	0	0	0	0
<b>(Loss) net on continuing operations</b>	<b>-77,419</b>	<b>0</b>	<b>0</b>	<b>-1,543</b>	<b>-78,962</b>

As a result of the error correction, the loss per share increased from -PLN 4.2/share to -PLN 4.3/share.

## 38.2 Error Correction

On August 7, 2017, Ryvu Therapeutics S.A. (formerly Selvita S.A.) entered into a cooperation agreement with Leukemia & Lymphoma Society (LLS) regarding pre-clinical and clinical phase I studies of the SEL120 molecule (currently RVU120) (Agreement). Pursuant to the provisions of the Agreement, LLS undertook to provide the Company with financing up to USD 3.25 million (subsequently reduced by an annex in December 2022 to USD 2.25 million) for the RVU120 project, paid as the project develops (for more see Note 23 and 3.18).

From 2018, the Company consistently recognized this Agreement in accordance with the common practice used by biotechnology companies on the American market based on American standards (so-called: US GAAP), i.e. the amounts received were recognized as income in the financial result and a contingent liability was recognized for the possibility of recovering these amounts in the future. However, after a thorough analysis of the Agreement, IFRS regulations and IFRIC interpretation (March 2016: IAS 20 Accounting for Government Grants and Disclosure of Government Assistance—Accounting for recoverable cash payments) at the turn of 2022/2023, the Company decided that, in accordance with the position of IFRIC, received payments are a financial liability in accordance with IFRS 9 and not a contingent liability. The treatment of contracts such as those concluded with LLS is one of the differences between the American standards and IFRS.

As a consequence, this year the Company decided to adjust the financial data retrospectively. As a result of the adjustment, as at 01/01/2021 and 31/12/2021, a long-term liability was recognized in the amount of: PLN 6,577 thousand, respectively: PLN (USD 1,750 thousand) and PLN 8,120 thousand. PLN (2,000 thousand USD). However, in the Statement of comprehensive income for 2021, a loss higher by PLN 1,543 thousand was recognized. zloty.

In particular, the Company points out that a different approach to the Agreement does not affect the overall financial situation, in particular cash, the amount of which is the most significant from the point of view of the Company's operations and development phase, which incurs significant costs related to the development of drugs.

The error was corrected by restating all items of the financial statements for the previous periods affected as follows:

### STATEMENT OF FINANCIAL POSITION (fragment)

	DATA BEFORE TRANSFORMATION	correction of an error regarding the agreement with LLC	TRANSFORMED DATA	DATA BEFORE TRANSFORMATION	correction of an error regarding the agreement with LLC	TRANSFORMED DATA
	Balance as at 31/12/2021		Balance as at 31/12/2021	Balance as at 01/01/2021		Balance as at 01/01/2021
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
Retained earnings/ Uncovered losses	261,539	-6,577	254,962	293,227	-6,646	286,581
(Loss) net	-77,535	-1,543	-79,078	-31,688	69	-31,619
<b>Total equity</b>	<b>169,422</b>	<b>-8,120</b>	<b>161,302</b>	<b>223,721</b>	<b>-6,577</b>	<b>217,144</b>
Long-term financial liabilities	0	8,120	8,120	0	6,577	6,577
<b>Total long-term liabilities</b>	<b>23,192</b>	<b>8,120</b>	<b>31,312</b>	<b>38,106</b>	<b>6,577</b>	<b>44,684</b>

### STATEMENT OF COMPREHENSIVE INCOME (fragment)

The correction of the error regarding the Statement of comprehensive income is presented in note 38.1.

### STATEMENT OF CASH FLOWS

	DATA BEFORE TRANSFORMATION	correction of an error regarding the agreement with LLC	TRANSFORMED DATA	DATA BEFORE TRANSFORMATION	correction of an error regarding the agreement with LLC	TRANSFORMED DATA
	Balance as at 31/12/2021		Balance as at 31/12/2021	Balance as at 01/01/2021		Balance as at 01/01/2021
	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN	000' PLN
<b>Cash flows from operating activities</b>						
(Loss) for the period	-77,535	-1,543	-79,078	-31,688	69	-31,619
<b>Adjustments:</b>						
Change in short-term liabilities and provision excluding credits and loans	9,270	525	9,795	-11,061	-69	-11,130
<b>Net cash flows from operating activities</b>	<b>-57,868</b>	<b>-1,018</b>	<b>-58,886</b>	<b>-10,636</b>	<b>0</b>	<b>-10,636</b>
<b>Cash flows from financing activities</b>						
Proceeds from LLS	0	1,018	1,018	0	0	0
<b>Net cash flows from financing activities</b>	<b>-3,170</b>	<b>1,018</b>	<b>-2,152</b>	<b>130,689</b>	<b>0</b>	<b>130,689</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>83,236</b>	<b>0</b>	<b>83,236</b>	<b>136,218</b>	<b>0</b>	<b>136,218</b>

### 39. Remuneration of the entity authorized to audit financial statements

Itemization	Balance as at	Balance as at
	31/12/2022	31/12/2021
	000' PLN	000' PLN
Mandatory audit of the annual financial statements and mid-year review	200	98
Other attestation services	27	14
Tax advisory services	0	0
Other services	0	0
<b>Total salary</b>	<b>227</b>	<b>112</b>

### 40. Revenues and costs of R&D own services

Wyszczególnienie	Balance as at	Balance as at	Year-over-year
	31/12/2022	31/12/2021	change
	000' PLN	000' PLN	000' PLN
Net revenues from the sale of research and development services	38,946	11,186	27,760
Research and development expenses	-117,713	-92,327	-25,386
Employment in jobs related to research and development work	175	186	(11)

### 41. Approval of the financial

The financial statements were approved by the Company's Management Board on March 22, 2023.

*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*

*Vatnak Vat-Ho - Member of the Board*

*Hendrik Nogai - Member of the Board*

# CONTACT

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 **GENERAL INQUIRIES**

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