FULL-YEAR FINANCIAL REPORT 2023

This is a translation into English of the full year financial report of the Company issued in French and it is available on the website of the Company.

Public limited company with a capital of 21,610,998.20 euros
Headquarters: 49, boulevard du général Martial Valin - 75015 Paris
RCS Paris 410 910 095

2023 ANNUAL FINANCIAL REPORT

DECLARATION OF THE PERSON IN CHARGE

"I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the company and all the companies included in the consolidation, and that the management report on page 3 gives a true and fair view of the business performance, the results and the financial position of the company and all the companies included in the consolidation, and describes the main risks and uncertainties that they face.

Done in Paris, France, on April 30, 2024

Shefali AGARWAL, Chairwoman of the Board of directors and CEO"

MANAGEMENT REPORT

INCLUDING THE CORPORATE GOVERNANCE REPORT

YEAR ENDING December 31, 2023

SUMMARY

I - MANAGEMENT REPORT

II - CORPORATE GOVERNANCE REPORT

This report is prepared in accordance with Articles L. 225--100, L. 233--26 and L. 232--1 of the French Commercial Code and is available to shareholders. Its purpose is to present the evolution of the financial situation of Valerio Therapeutics, formerly Onxeo (hereinafter referred to as the "Company") and that of the group (hereinafter referred to as the "Group").

In accordance with the provisions of Article L. 225--37 paragraph 6 of the French Commercial Code; the corporate governance report (section II) is included in this management report.

I - MANAGEMENT REPORT

1. SITUATION AND EVOLUTION OF THE COMPANY'S AND THE GROUP'S ACTIVITIES DURING THE YEAR

Valerio Therapeutics (formerly Onxeo) is a clinical-stage biotechnology company developing innovative oncology drugs targeting tumor intracellular processes through its unique DNA decoy mechanism of action in the sought-after fields of oncology and inflammatory diseases. The Company is focused on bringing early-stage first-in-class or disruptive compounds from translational research to clinical proof-of-concept, a value-creating inflection point appealing to potential partners.

The Annual General Meeting held on June 6, 2023, changed the name of the company from Onxeo to Valerio Therapeutics. This name change was accompanied by a new identity designed to better represent Valerio Therapeutics' ability to rapidly advance breakthrough therapeutic candidates through Phase 2 development, and to collaborate with partners for further development and commercialization.

Valerio Therapeutics is listed on Euronext Growth in Paris.

The Company's portfolio includes:

- platON™ is Valerio Therapeutics proprietary chemistry platform of DNA decoy therapeutics, which generates new innovative compounds and broaden the Company's product pipeline.
    - AsiDNA™, the first compound from platON™, is a highly differentiated, clinical-stage first-in-class candidate in the field of DNA damage response (DDR) applied to oncology. Its DNA decoy therapeutic mechanism acting upstream of multiple DDR pathways results in distinctive antitumor properties, including the ability to prevent or abrogate tumor resistance to targeted therapies such as PARP inhibitors and strong synergy with tumor DNA-damaging agents such as radio-chemotherapy. AsiDNA™ is currently being studied in Europe and the US in combination with other treatment modalities in difficult-to-treat solid tumors.
    - VIO-01 (formerly OX425), the second compound from platON™, is a novel pan-DDR Decoy with high antitumor activity. It also mediates multiple immunostimulatory effects by activating the STING pathway. In 2023, VIO-01 underwent IND-enabling preclinical development until IND submission and positive feedback from the FDA to initiate its clinical development.
    - DecoyTAC: the 3rd generation platON™ platform, leveraging the unique MOA of DNA decoy therapeutics coupled to targeted protein degradation (PROTAC). This evolution expands the activity of platON™ platform beyond DNA repair by targeting other proteins such as transcription and epigenetic factors, in oncology and outside oncology for other diseases like inflammatory and muscular diseases.

The Company is convinced that its DNA decoy technology has significant therapeutic potential and represents a disruptive innovation that could pave the way for a new paradigm in cancer treatment.

1.1 SCOPE OF THE GROUP

The Group comprises the Company, which conducts most of its business, and its subsidiaries, most of which have limited activity:

- Valerio Therapeutics Inc. (formerly Onxeo US)
- Topotarget UK (in liquidation)
- Topotarget Switzerland

1.2 BUSINESS TRENDS AND SIGNIFICANT EVENTS DURING THE YEAR

1.2.1 ASIDNA™

AsiDNA™ is a *first-in-class* DNA Decoy which traps and sequesters DNA-PK, a complex of proteins involved in the DNA Damage Response. AsiDNA™ thus induces inhibition of DNA-PK-dependent DNA repair in tumor cell, which nevertheless continues its replication cycle, but with damaged DNA, thus leading to cell death. AsiDNA is used in combination with other tumor DNA damaging agents such as radiotherapy and chemotherapy, or in combination with inhibitors of a specific repair pathway such as PARPi or other targeted therapies, to increase their efficacy, notably by abrogating any resistance to these treatments, without increasing toxicity. AsiDNA™ specifically targets tumor cells and has a very favorable safety profile in humans observed in four Phase 1/1b clinical studies.

The Company continued the clinical development of AsiDNA™ in 2023.

In clinical development

The company initiated a multi-center Phase 1b/2 trial to evaluate the safety and efficacy of AsiDNA™ in combination with the PARP inhibitor Olaparib in patients with epithelial ovarian cancer, breast cancer and metastatic castration-resistant prostate cancer who have progressed despite initial treatment with PARP inhibitors. This clinical trial started in January 2023, with the activation of the first clinical study site in the United States, *Next Oncology* in San Antonio.

In addition, during the first half of the year, Onxeo continued its two trials conducted in collaboration with two academic research centers of excellence in oncology:

- The Revocan phase 1b/2 investigator sponsored trial evaluating the addition of AsiDNA™ to combat PARP inhibitor resistance in second-line maintenance treatment of recurrent ovarian cancer.
- The Phase 1b/2 trial evaluating AsiDNA™ in combination with radiotherapy in recurrent high-grade glioma in children, an indication with a particularly poor prognosis

1.2.2 VIO-01

VIO-01, formerly OX425, is a Pan-DDR DNA Decoy Targeting Multiple Proteins & Repair Pathways and represents the most optimal drug candidate selected to enter preclinical development. VIO-01 traps several DDR Proteins Inhibiting Different DNA Repair Pathways. VIO-01 reaches the nucleus and acts as a decoy for several DNA repair enzymes. It has an increased resistance to nucleases and plasmatic stability.
Valerio Therapeutics presented new preclinical data confirming the pan-DDR DNA decoy effect of VIO-01 and the high anti-tumor activity in tumor models independently from the homologous recombination repair status on April 19, 2023, at the American Association for Cancer Research (AACR) Annual Meeting. Also, the Company presented new preclinical data confirming VIO-01's capability to abrogate several DNA repair pathways and induce a drug-driven synthetic lethality, without the need of a combined treatment.

VIO-01 underwent late-stage IND-enabling preclinical development in 2023, with the execution of regulatory toxicology and ADME/PK studies. This package allowed IND submission to FDA followed by approval to start first-in-human clinical trial.

NEXT Oncology San Antonio, the first site for the Phase 1/2 (VIO-01-101) study investigating VIO-01 has been activated and has dosed the first patient.

1.2.3 3RD GENERATION OF PLATON™ PLATFORM

Valerio Therapeutics continued to optimize the PlatON™ platform to develop more potent assets coupled to innovative technologies, with the objective to combine PlatON™ platform's DNA decoys with the targeted protein degradation strategy offered by PROTACs (PROteolysis-TArgeting Chimeras) technology. PROTACs technology and other tumor specific targeting options may be a novel class of heterobifunctional molecules that can selectively degrade target proteins within cells. This approach offers several advantages over the other molecules involved in modulating the DNA damage response, such as increased selectivity and reduced toxicity. This specific strategy involves generating DecoyTAC combining our vectorized DNA decoy molecules capable of efficient cell penetration with a linker+E3 ligand promoting the complete degradation of the target proteins, thereby presenting a novel mechanism of action.

The exploration of the convergence of PROTACs and DNA Decoys aims to not only propose new therapeutic modalities against DDR proteins but also against transcription factor proteins that are challenging to target. Through these efforts, the Company strives to advance the field of oncology drug development and contribute to the treatment of cancer patients.

1.2.4 PRODUCTS LICENSED TO THIRD PARTIES - BELEODAQ® (BELINOSTAT)

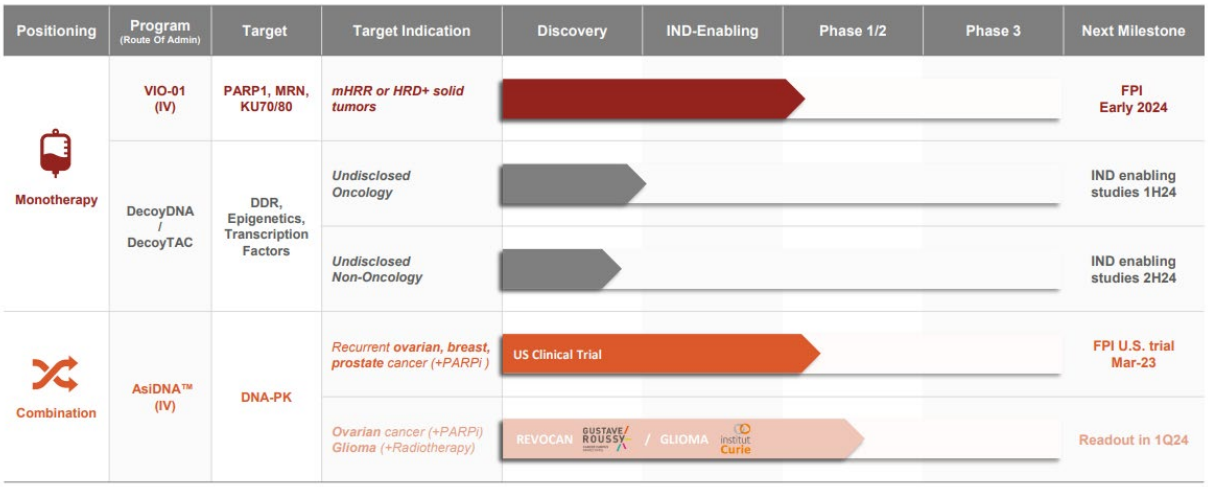
Belinostat is a histone deacetylase inhibitor (HDACi) that is marketed under the brand name Beleodaq® in the United States for the second-line treatment of patients with peripheral T-cell lymphoma. In April 2020, Valerio Therapeutics entered into agreements with Acrotech Biopharma LLC that extend Acrotech's commercialization rights for belinostat to all territories that they did not already have under license (i.e. the United States, Canada, Mexico and India) and transfer patent ownership for the oral form of belinostat to them in all territories.

As of the date of the agreements, Valerio Therapeutics no longer has any responsibility for the development of the product, and it is therefore no longer presented in the Company's R&D portfolio.

In early July 2022, Valerio Therapeutics received the final licensing fees from its partner, which allowed for the full repayment of the balance of the bonded debt contracted with SWK Holdings in June 2018. Since the full repayment of this debt, the license has become royalty-free and Acrotech retains all revenues that Beleodaq® generates.

1.2.5 EVOLUTION OF THE R&D PORTFOLIO

As of the date of this document, the Company's R&D portfolio is as follows:



Changes from the portfolio presented in the 2022 annual financial report are as follows:

- The Phase 1/2 of the trial AsiDNA™ in the U.S., in combination with the PARP inhibitor Olaparib enrolled three patients in 2023.
- Postponement of the preliminary results of the Revocan study to the first half of 2023, instead of the second half of 2022, due to slowed enrollment.
- Preclinical development of VIO-01 (formerly OX425), with the execution of regulatory toxicology and ADME/PK studies and the filing of an Investigational New Drug (IND) application with the FDA in October 2023.

1.3 FUNDING

On June 9, 2023, Valerio Therapeutics completed a new €12 million round of financing from its historical shareholders Invus and Financière de la Montagne and a new investor, Agenus Inc. The net proceeds of this reserved share issue are intended for the development of VIO-01 (formerly OX425), both clinically and industrially, for ongoing and future clinical trials and more generally, to finance the Company's current expenses. This financing is structured in the form of a capital increase of €12 million.

These resources provide the Company with sufficient visibility to carry out its projects, including the expansion of the clinical development of AsiDNA™ and the continuation of the preclinical development of the platON™ compounds, including VIO-01, until the second quarter of 2024.

Terms and conditions of the capital increase

The capital increase was carried out by issuing ordinary shares with cancellation of shareholders' preferential subscription rights, in favor of a category of persons, on the basis of the 6th and 7th resolutions of the Extraordinary General Meeting of February 6, 2023, in accordance with the provisions of Articles L. 225-129 et seq. of the commercial code.

A total of 42,857,143 new ordinary shares, with a par value of €0.25 each, were issued to Invus Public Equities LP, Financière de la Montagne and Agenus. The new shares represent approximately 28% of the Company's share capital before the completion of the private placement. The subscription price has been set at €0.28 per new share, corresponding to the weighted average of the prices of the last three trading sessions (i.e. from May 12 to 16, 2023 inclusive) without discount, representing net proceeds of the issue of €12 million.

The issue has not given rise to a prospectus submitted to the AMF for approval.

The new shares were admitted to trading on the Euronext Growth market in Paris on June 9, 2023. They are listed on the same quotation line as the Company's existing shares (ISIN: FR0010095596), carry current dividend rights and were immediately assimilated to the Company's existing shares.

Following the completion of the capital increase, Invus Public Equities LP and Financière de la Montagne held 28.5% and 19% of the Company's capital respectively, based on a total of 154,364,273 shares. Agenus held 11.5% of the Company's capital, based on a total of 154,364,273 shares, and a shareholder owning 1% of the Company's capital saw its stake reduced to 0.7%. To the Company's knowledge, no other shareholder owns more than 5% of its capital.

1.4 GOVERNANCE

The Annual General Meeting of June 6, 2023, renewed the terms of Financière de la Montagne, represented by Mr. Nicolas Trebouta, and Robert Coleman as directors for three years.

As of the date of this report, the Board of Directors is composed of 7 members, 6 men and 1 woman, including 3 independent members.

Detailed information on corporate governance can be found in the Corporate Governance Report which follows this Management Report.

1.5 CHRONOLOGICAL SUMMARY OF THE COMPANY'S PRESS RELEASES IN FISCAL YEAR 2023

The full text of these press releases can be accessed on the Company website at (www.valeriotx.com).

January 18, 2023	Availability of preparatory documents for the Extraordinary General Meeting of February 6, 2023
January 25, 2023	ONXEO provides update on the Development Program for its first-in-class drug candidate AsiDNA™
January 27, 2023	Publication of the 2023 Financial Agenda
February 6, 2023	Report on the Extraordinary General Meeting of February 6, 2023
March 14, 2023	Change the date of the general meeting to June 6, 2023
April 21, 2023	Publication of the 2022 full-year results postponed to April 24, 2023
April 24, 2023	Publication of the full year 2022 financial results and clinical development updates
April 28, 2023	Publication of the 2022 Annual Financial Report
May 16, 2023	Availability of preparatory documents of the Combined General Meeting of June 6, 2023
June 6, 2023	Results of the Annual General Meeting of June 6, 2023 and focus on the change of name to Valerio Therapeutics
July 6, 2023	Half-year liquidity contract statement
September 28, 2023	Publication of the Half-Year 2023 Financial Results and update on activities

1.6 SIGNIFICANT EVENTS AFTER DECEMBER 31 2023

On February 6, 2024, the Company completed a reduction of the par value of its shares. Using the authorization granted by the Shareholders' General Meeting of 6th February 2023, the Board of Directors decided to reduce the share capital by eliminating part of the losses incurred, by an amount of €16,980,070.03. This capital reduction, motivated by losses, is being carried out by reducing the nominal value of the Company's shares from €0.25 euro to €0.14. Its purpose is to facilitate any new financial transactions that may be appropriate in the future. Following this operation, the Company's share capital amounts to €21,610,998.20, divided into 154,364,273 ordinary shares with a par value of €0.14 each.

The company also announced on April 29, 2024

- Valerio Therapeutics has completed the nonclinical development of VIO-01, formerly OX425, for support of its first-in-human investigation
- Valerio Therapeutics received the FDA's clearance to proceed with the IND-opening study VIO-01-101 for VIO-01
- NEXT Oncology San Antonio, the first site for the Phase 1/2 (VIO-01-101) study investigating VIO-01 has been activated and has dosed the first patient
- Deprioritization of AsiDNA clinical investigation to focus efforts on developing VIO-01, our second-generation development candidate
- Valerio Therapeutics continued its optimization of platON platform by developing DecoyTAC, leveraging the unique DNA Decoy MoA and the targeted protein degradation (PROTAC), and expanding the targets beyond DDR
- Taking into account the financing commitments received from its main shareholders Invus and Financière de la Montagne, in the amount of 5 million euros, the Company will be able to finance its activities at least until the end of fourth quarter of 2024 based on its financing plan.

2 RISK FACTORS

The Group operates in a constantly changing environment, which entails numerous risks, some of which are beyond its control. Before subscribing for or acquiring shares in the Company, investors are invited to review all the information contained in this Report, including the risks described below.

The Company has examined the risks to which it is exposed and presents in this section those which, in its opinion, as of the date of this Report, are likely to have a significant adverse effect on its business, prospects, financial situation, results and growth, and which, in this context, are important in making any investment decision. As of the date of this Report, the Company is not aware of any significant risks other than those presented in this section.

Investors' attention is drawn to the fact that, pursuant to Article 16 of the Prospectus Regulation, the list of risks presented in this section is not exhaustive and that other risks, currently unknown or deemed unlikely, as of the date of this Report, to have a material adverse effect on the Company may exist or could arise.

In order to identify and assess the risks likely to have an adverse impact on the Group's business, prospects, financial situation, results (or its ability to achieve its objectives) and development, the Company periodically draws up a map of these risks.

Every identified risk is assessed in terms of probability of occurrence and potential impact, accounting for the possible consequences, from a financial, legal and reputational point of view, as well as on the achievement of the Group's objectives.

Risk mapping is thus a management tool that makes it possible, where appropriate, to define and monitor the preventive or corrective mitigation measures to be implemented in connection with the various risks identified. The associated action plan specifies the actions to be carried out, who is responsible, who is involved, the deadlines to be met and the budget associated with each action.

The risk management process and risk mapping are presented annually to the audit committee as part of its mission to monitor and control the effectiveness of the internal control and risk management systems.

Risk mapping updated as of the date of this Report has enabled the Company to identify 20 risk factors. The probability of occurrence of each risk is assessed on five levels (from 1 - unlikely, to 5 - probable) and their potential negative impact is assessed on five levels (from 1 - limited, to 5 - major).

Multiplying the two criteria gives an overall criticality score for each risk, making it possible to group the risks into three main groups: acceptable, strong, or major.

The **matrix** below graphically presents the 20 risk factors identified according to their probability of occurrence and their potential impact. The numbers correspond to the risk factors listed in the following **table**, grouped into 4 categories according to their nature, with for each of them the section of this URP where they are described.

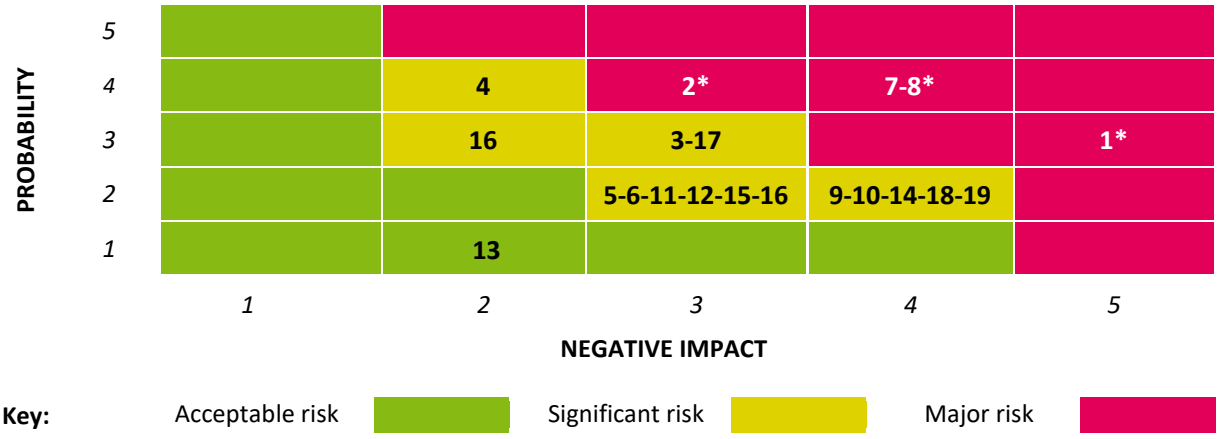
Within each of the four categories mentioned above, risks were ranked in order of **criticality**, with the risks with the highest probability of occurrence and the highest potential impact placed first, on a "net risk" basis, i.e., after accounting for preventive or mitigating measures. The occurrence of new events, either internal or external to the Group, may change this order of importance in the future.

Important note

As of the date of this Report, the Company considers that it has limited exposure to risks on its operations due to the Russian-Ukrainian conflict or the Israeli-Palestinian conflict.

However, it does not rule out the possibility that the sanctions enacted against Russia or a worsening of the Israeli-Palestinian conflict, or a wider extension of these conflicts involving other countries, could affect the smooth running of its subcontracted activities, particularly the conduct of clinical trials and production operations. In addition, the effect of these events on the world's financial markets could have a short-term impact on its ability to finance itself on the capital markets and, consequently, on the conduct of its business. The Company has identified four risks that are likely to be aggravated by this context: they are indicated by an asterisk (*) in the matrix and table below, and the circumstances of aggravation are detailed in the corresponding section.

RISK MATRIX



Category/ Number	Risk factor	Section
I	Financial risks	2.1
1	Liquidity risk (*)	2.1.1
2	Risk related to the evolution of the Company's shares (*)	2.1.2
3	Risks related to the Research Tax Credit	2.1.3
4	Risk of dilution	2.1.4
5	Risk of not carrying forward tax losses	2.1.5
6	Foreign exchange risk	2.1.6
II	Risks related to the business	2.2
7	Risk related to the highly innovative nature of the Company's products and the early stage of their development	2.2.1

Category/ Number	Risk factor	Section
8	Risk of major delays in development (*)	2.2.2
9	Risk of clinical trial failure	2.2.3
10	Risks related to a restrictive and evolving legal and regulatory framework	2.2.4
11	Risks related to competition	2.2.5
12	Risk related to industrial and commercial partnerships	2.2.6
III	Legal Risks	2.3
13	Risks related to industrial protection	2.3.1
14	Risk of legal disputes	2.3.2
15	Risk related to the control regime for foreign investments in France	2.3.3
IV	Risks related to the Company, its organization and its environment	2.4
16	Risk of dependence on third parties and failure of a subcontractor (*)	2.4.1
17	Risk of loss of key employees	2.4.2
18	Risk associated with the use of hazardous chemicals and biological materials	2.4.3

2.1 FINANCIAL RISKS

2.1.1 LIQUIDITY RISK

The Company's cash and cash equivalents were 6.8 million euros at December 31, 2023. The Company relies on leading financial institutions for its cash investments and believes that it does not bear significant credit risk on its treasury.

Taking into account the financing commitments received from its main shareholders Invus and Financière de la Montagne, in the amount of 5 million, the Company will be able to finance its activities at least until the end of fourth quarter of 2024 on the basis of its financing plan.

Beyond this horizon, the advancement of the Company's research and development programs will continue to generate significant funding requirements. The Company's profitability depends primarily on its ability to enter into collaboration or licensing agreements for its drug candidates with industrial partners, which generate upfront and milestone payments and royalties on sales, after market authorization. These processes are lengthy and the Company, which has recorded net operating losses since the beginning of its research and development activities, anticipates further losses in the coming years as its operations continue.

The level of funding requirements and their timing depend on factors largely beyond Valerio Therapeutics control, such as:

- costs associated with potential requests for study modifications or additional work to obtain clinical trial authorizations in Europe and the United States,
- higher costs for the products, raw materials, and consumables it needs, which are billed back to it by its service providers (pass-through costs), leading to a risk of expenditure spiraling out of control,
- higher costs and slower progress than were anticipated by the Company for the preclinical and clinical development of its products,
- the costs of preparing, filing, defending, and maintaining its patents and other intellectual property rights,
- the scope of prior research work and the time frames required to sign license agreements with industrial partners,
- interesting results that may justify starting other unplanned trials to increase the value of AsiDNA™®, VIO-01 and platON™®,
- significant delays in the negotiation of new partnerships,

- new opportunities for developing new products or acquiring technologies, products, or companies.

Like most companies, the Company is impacted by inflation rates, higher than long term averages, resulting in higher prices for the products, raw materials, and consumables it needs, as well as an increase in the cost of services relating to its R&D activities. This has caused a significant increase in the Company's expenses that is not offset by revenues or the possibility of passing these costs on to other parties, given the absence of products commercialized by the Company.

The Company may not be able to raise additional capital when required, or this capital may not be available on financial terms acceptable to the Company. Interest rates held above long-term averages may affect the availability of capital in the biotech industry. Capital may be deployed to less risky financial products compared to investing in the biotech industry. The Company's access to capital may be adversely affected as a result.

In addition, the impact of geopolitical instability on financial market volatility could significantly amplify this risk, making it more difficult or more expensive to raise funds.

The Company will therefore have to seek new sources of financing in the future, notably through new capital increases. It does not exclude taking advantage of financing opportunities depending on market conditions to strengthen its equity. The Company cannot guarantee that it will be able to obtain the additional financing required to continue its operations on acceptable financial terms. In addition, debt financing, to the extent available, could include commitments that are binding on the Company and its shareholders.

If the necessary funds are not available, the Company's business activities could be definitively discontinued or, at a minimum, the Company may have to:

- delay, reduce or eliminate the number or scope of its development programs; and/or
- license its technologies to partners or third parties on terms less favorable to it than those it might have been able to negotiate in a different context; and/or
- enter new collaborative arrangements on terms that are less favorable to it than those it could have obtained in a different context

Furthermore, if the Company raises capital by issuing new shares, the stakes of its shareholders may be diluted. In addition, debt financing, if available, could impose restrictive terms on the Group and its shareholders.

The occurrence of one or more of these risks could have a material adverse impact on the Group and its business, financial position, earnings, development, and prospects.

This risk is particularly sensitive to geopolitical risks, including financial market volatility. A continuation or increase of economic sanctions against Russia in the context of the Russian-Ukrainian conflict, or a worsening of the Israeli-Palestinian conflict, or a wider extension of these conflicts involving other countries, could significantly amplify this risk, reducing, delaying, or making it more difficult or costly for the Company to obtain financing in the markets.

2.1.2 RISK RELATED TO THE EVOLUTION OF THE COMPANY'S SHARES (VOLATILITY AND LIQUIDITY)

The Company's shares are listed on the Euronext Growth market in Paris.

The shares of biotech companies are particularly volatile, and this situation may continue. The market price of the Company's shares could be materially affected by numerous factors affecting the Company, its competitors, or general economic conditions and the biotechnology industry.

In addition to geopolitical or macro-economic events that may have a strong impact on the equity market, particularly for biotechnology companies, the following factors could have a significant influence on the volatility and share price in particular:

- the results of preclinical studies and clinical trials conducted by the Company or by competitors and, more generally, published results concerning cancer treatment products;

- proof of the safety and effectiveness of the Company's and/or its competitors' products;
- regulatory decisions, in particular those governing the pharmaceutical industry or the field of oncology, or their anticipation, due to political factors such as the upcoming presidential elections in France;
- changes in the Company's prospects or those of its competitors from one period to the next;
- the announcement by the Company or its competitors of technological innovations or the commercialization of new products;
- developments of the Company or of companies competing with partner companies;
- developments concerning the Company's patents or intellectual property rights or those of its competitors, including litigation;
- partnership agreements, whether concluded or terminated, including in respect of litigation;
- announcements concerning changes in the Company's shareholding structure;
- announcements regarding changes in the Company's management team.

The sale of Company shares or the anticipation that such sales may occur may also have an adverse impact on the Company's share price. The Company cannot predict the possible effects on the market price of the shares should its shareholders sell their shares.

In addition, the terms of any financing may adversely affect the assets or rights of the Company's shareholders, and the issuance of additional securities, whether equity or debt, or the possibility of such issuance, could result in a decline in the Company's share price.

This risk is particularly sensitive to geopolitical risks, especially in relation to clinical trials and production operations. A continuation or increase in the economic sanctions against Russia in the context of the Russian-Ukrainian conflict, as well as the Israeli-Palestinian conflict, or a wider extension of these conflicts involving other countries, could significantly amplify this risk, for the Company directly or through the impact that this risk could have on its potential investors, financial partners or other stakeholders.

Price evolution and trading volumes

The tables below show the evolution of the share price and the volume of transactions on the Euronext Growth Paris market over the period from January 3 to December 31, 2023

Market capitalization in millions of euros as of December 31, 2023	25.5
Share price (in euros)	
• Highest	0.666
• Lowest	0.144
• At the end of the period (December 31, 2023)	0.165

2.1.3 RISK RELATED TO THE RESEARCH TAX CREDIT

In France, the Company benefits from the Research Tax Credit ("RTC"), which consists of a tax credit offered by the French government to companies investing significantly in research and development. Research expenses that are eligible for the RTC include, in particular, salaries and wages paid to researchers and research technicians, depreciation of non-current assets used for research purposes, services subcontracted to approved research organizations (public or private) and intellectual property costs. The RTC recorded for the year 2023 amounted to 2.3 million euros.

The fluctuations in the research tax credit from one year to the next are due to variations in research costs, as well as the impact of the collection and repayment of public aid for innovation (grants or repayable advances).It cannot be ruled out that the tax authorities may challenge the methods used by the Company to calculate research and development expenses for the purpose of determining the amount of the research tax credit, even though the Company complies with the documentation and eligibility requirements for such expenses. Therefore, the risk of a challenge to these research tax credits cannot be precluded. It should be noted that the right to recapture the tax credit may be exercised until the end of the third year following the year in which the special form required to calculate the research tax credit is filed. In addition, the RTC regime may be subject to regulatory change in the future.

If such a situation were to occur, it could have an adverse effect on the Company's results and financial position.

2.1.4 RISK OF DILUTION

The Company regularly finances itself on the market through capital increases, which can represent a significant dilution for shareholders.

In addition, as part of its policy of motivating its managers and employees and in order to attract skills, the Company regularly allocates stock warrants, stock options and free shares that have a potential dilutive effect.

At December 31, 2023, the full exercise of all the instruments that give access to the capital allocated and outstanding would allow for the subscription of 9,962,230 thus generating a dilution equal to 6.5% on the basis of the capital existing at the date of this report. In addition, there are 37,962,670 of potential new shares resulting from the exercise convertible bonds issued in April 2022.

2.1.5 RISK OF NOT CARRYING FORWARD TAX LOSSES

The Company accumulated tax loss carryforwards of 343 million euros at December 31, 2023.

In France, the deduction of these deficits is limited to 1 million euros, plus 50% of the fraction of profits exceeding this limit. The unused balance of the deficit can be carried forward to future years and is chargeable under the same conditions without a time limit. The amount of tax losses accumulated by Valerio Therapeutics therefore represents a significant financial issue in terms of reducing future income tax expense when the Company will record profits.

There can be no assurance that future changes in applicable tax laws and regulations will not remove or modify these or other provisions in a manner that is unfavorable to the Company.

If this situation were to occur, it could have an adverse impact on the Company's earnings.

2.1.6 FOREIGN EXCHANGE RISK

The Company incurs a portion of its expenses in currencies other than the euro, particularly in the context of its American subsidiary Valerio Therapeutics Inc. (formerly Onxeo US). In the future, the Company may need to expand its research and development activities internationally, including its clinical trials with, VIO-01-101, investigating the safety, PK/PD and preliminary signs of efficacy of VIO-01 in solid tumors,, which could increase its exposure to foreign exchange risk.

In addition, the Company's asset development strategy is based on the signature of license agreements generally involving upfront and milestone payments as well as royalties on sales and it is possible that these agreements will be concluded in the future with partners outside the Euro zone.

The Company's revenues for the year ended December 31, 2023 consist primarily of royalties on sales under the license agreement signed with Acrotech. The Company also works with U.S. subcontractors in its R&D operations. As it has not set up a currency hedging system, it is essentially exposed to the risk of an increase in the value of the U.S. dollar against the euro, which would increase the euro equivalent of its purchases in dollars.

In the future, the Company's exposure to foreign exchange risk may vary depending on:

- the currencies in which it receives its income;
- the currencies chosen when signing the agreements, such as licensing or co-development agreements;
- the development of the Company's presence in the United States;
- the location of R&D activities and in particular clinical trials on drug candidates; and,
- the Company's policy for hedging foreign exchange risk.

2.2 RISKS RELATED TO THE BUSINESS

2.2.1 RISK RELATED TO THE HIGHLY INNOVATIVE NATURE OF THE COMPANY'S PRODUCTS AND THE EARLY STAGE OF THEIR DEVELOPMENT

The risks associated with the failure to develop a drug candidate are closely linked to the maturity stage of the drug candidate. Given the relatively early stage of the Company's most important drug candidates, respectively in Phase 1 for VIO-01 and in the preclinical phase for PlatON 3rd generation DecoyTAC derived assets as of the date of this Report, there is a significant risk that some or all of the Company's drug candidates may not be developed, formulated or produced under acceptable economic conditions, may have their development interrupted, may not be the subject of partnership or licensing agreements, may not obtain regulatory approval or may never be commercialized.

Valerio Therapeutics is developing a novel therapeutic approach based on a decoy DNA mechanism of tumor DNA repair pathways, which could allow synergistic effect with other anti-cancer treatments and prevent or reverse tumor resistance to certain targeted therapies.

To date, however, no decoy DNA of tumor DNA repair pathways have been developed or approved for marketing in oncology by the relevant health authorities. The prospects for the development and profitability

of Valerio Therapeutics most advanced drug candidate, the Company's ability to develop, formulate or produce it under economically acceptable conditions, its safety, efficacy and its acceptance by patients, healthcare prescribers and paying agencies are therefore still highly uncertain.

Given the highly innovative nature of the technology on which it is based, the results of VIO-01 in Phase 1/2 trial, and more generally those relating to all existing or future drug candidates in the Company's portfolio or based on its technology in their research or preclinical phases, may or may not be confirmed by subsequent clinical trials. Such a situation would have a very significant adverse impact on the Company's business, results, financial position, and prospects.

The Company could also be exposed to liability risks during the clinical development of its products (in particular, product liability related to the testing of therapeutic products in humans and animals). Its liability could thus be incurred by patients participating in clinical trials in connection with the development of the therapeutic products tested and due in particular to the unexpected side effects that could result from the administration of these products. Such a situation would have a very significant adverse impact on the Company's business, results, financial position, and prospects.

2.2.2 RISK OF MAJOR DELAYS IN DEVELOPMENT

The development of a drug candidate is a long, costly, and uncertain process aimed at demonstrating the therapeutic benefit of a drug candidate that competes with existing products or those under development.

The clinical development of our product candidates could be delayed, suspended or canceled due to a number of factors, including the following:

- delays or failures in reaching consensus with regulatory authorities on the clinical trial protocol;
- delays in concluding an agreement on acceptable terms with a potential CRO and potential research sites, the terms of which may be subject to extensive negotiations and may vary significantly between different CROs and research sites;
- the imposition of a temporary or permanent clinical suspension by the regulatory authorities, including following a new safety finding that presents an unreasonable risk to clinical trial participants, a negative finding resulting from an inspection of clinical trial operations or investigator sites, developments in trials conducted by competitors for related technologies that raise concerns for the regulatory authorities about the risks to patients of that technology in a broad sense or if a regulatory authority considers that the protocol or research plan clearly fails to meet the objectives set ;
- delays in enrolling appropriate patients to participate in the Company's clinical trials, particularly in the case of patients with HRD and HRRm tumors for treatment with VIO-01 as part of the clinical trial VIO-01-101, which means that the potential patient population is limited;
- difficulties in collaborating with patient groups and researchers;
- delays in obtaining full participation of patients in a clinical trial or their return for post-treatment follow-up;
- patients withdrawing from a clinical trial;
- changes in regulations and regulatory directives requiring the amendment or submission of new clinical trial protocols;
- feedback from regulatory authorities requiring changes to the protocols of ongoing clinical trials to take into account safety considerations;
- disagreements with the relevant regulator on how the Company interprets clinical trial data or because the relevant regulator does not accept these therapeutic effects as valid parameters in clinical trials that are sufficient to grant marketing authorization, for example in orphan indications;

- changes in the standard of care on which a clinical development plan is based, which may require new or additional clinical trials;
- the fact that the cost of clinical trials of drug candidates is higher than anticipated.

Delays in clinical studies could also shorten the operating periods during which the Company's products are protected by patent(s) and allow its competitors to commercialize their products in the shorter term, which could adversely affect Valerio Therapeutics ability to license or successfully commercialize its drug candidates.

Valerio Therapeutics plans to initiate new clinical trials with VIO-01 monotherapy in indications of high unmet medical need, such as rare, advanced, or relapsed cancers.

If a significant delay occurs in a trial and development times deviate significantly from estimates, the Company could be required to abandon the development of one or more of its product candidates and not be able to generate sufficient revenues through partnerships, which could have a negative impact on the Company's financial situation and development.

This risk is particularly sensitive to geopolitical risks, especially in relation to clinical trials and production operations. Although the trials conducted and planned by the Company in 2023 are not in these countries, a continuation or increase of economic sanctions against Russia in the context of the Russian-Ukrainian conflict, or a worsening of the Israeli-Palestinian conflict, or a wider extension of these conflicts involving other countries, could significantly amplify this risk, reducing, delaying, or making it more difficult or costly for the Company to develop its a drug candidate.

2.2.3 RISK OF CLINICAL TRIAL FAILURE

The risk of a serious side effect in a clinical trial or negative results from a clinical trial could affect Valerio Therapeutics' growth.

As part of its research and development programs, the Company must conduct preclinical trials in animals and clinical trials in humans in order to demonstrate the safety and efficacy of its drug candidates.

Although the Company conducts its trials with the utmost care, in particular, in the definition of protocols, the use of experts and scientific advisors and the study of competing products, events that could lead to the failure of a clinical development include:

- the occurrence of unexpected and serious adverse events or deaths, whether or not related to the drug candidate tested, that are believed to outweigh the potential benefits, in which case the Company may elect, or the regulatory authorities may require the Company to suspend or terminate clinical trials;
- negative or unconvincing efficacy results: in such cases, the Company could decide to abandon development projects that it initially considered promising, or it could be required to conduct additional clinical studies, which would generate higher than expected costs.

Given the early stage of the Company's portfolio in the advanced field of DNA repair and the fact that only two products in this portfolio, AsiDNA and VIO-01, have reached the stage of clinical development as of the date hereof, the Company's inability to successfully complete clinical trials of VIO-01 could have a significant adverse effect on its ability to generate future revenues, its financial condition, and its development.

Furthermore, promising results of the drug candidate VIO-01 during the initial preclinical and clinical phases, and even after advanced clinical trials, do not guarantee that any of the Company's drug candidates can be licensed out or successfully marketed and commercialized.

2.2.4 RISKS RELATED TO A RESTRICTIVE AND EVOLVING LEGAL AND REGULATORY FRAMEWORK

One of the major challenges for a growth company like Valerio Therapeutics is to succeed in developing, with the help of partners, products that integrate its technologies in the context of an increasingly restrictive regulatory environment. The pharmaceutical industry is faced with a constantly changing legal and regulatory environment and increased scrutiny from competent authorities such as the French National Agency for the

Safety of Medicines and Health Products ("ANSM"), the European Medicines Agency ("EMA") in Europe, the U.S. Food and Drug Administration ("FDA") in the United States and other regulatory authorities in the rest of the world. At the same time, the public is demanding more assurances about the safety and effectiveness of drugs.

Health authorities oversee research and development studies, preclinical studies, clinical studies, the regulation of pharmaceutical establishments, and the manufacture and marketing of drugs. This strengthening of the legislative and regulatory framework is common throughout the world, although requirements vary from one country to another. In particular, health authorities, such as the ANSM, EMA and FDA, have imposed increasingly stringent requirements in terms of the volume of data requested in order to demonstrate the efficacy and safety of a product. These increased requirements have reduced the number of products authorized compared to the number of applications filed. In addition, marketed products are regularly re-evaluated for their benefit/risk ratio after their authorization. The late discovery of problems that were not detected at the research stage may lead to marketing restrictions, product suspension or withdrawal, and increased litigation risk.

Thus the authorization process is long and costly, and can take several years, with an unpredictable result.

Should new legal or regulatory provisions increase the cost of obtaining and maintaining marketing authorizations for products or limit the economic value of a new product for its inventor, the growth prospects of the pharmaceutical industry and of the Company could be reduced.

In addition, healthcare providers, physicians and other stakeholders play a key role in the clinical development, approval and, once obtained, the recommendation and prescription of Valerio Therapeutics' drug candidates. Its agreements with such persons and third-party payers, as well as its activities, could expose the Company to laws and regulations with a broad scope of application with respect to fraud and abuse, as well as other laws and regulations relating to health care, which could limit the commercial or financial agreements and relationships through which the Company researches, develops and, when authorizations are obtained, markets or distributes its products.

For example, the *U.S. Physician Payments Sunshine Act*, similar state or foreign laws and regulations, such as state "anti-gift" laws and laws relating to false claims, the "Bertrand Act" in France (Law No. 2011--2012 of December 29, 2011), require relevant manufacturers of covered drugs to periodically monitor and report contracts, payments and other transfers of value to physicians and certain property rights and investments held by physicians or their immediate family members or health care professionals.

In addition, the Company may collect, process, use or transfer personal data from persons located within the European Union in the course of its activities, in particular health data, in the context of clinical trials conducted within the European Union. A significant portion of the personal data that the Company may use could be managed by third parties (mainly CROs in connection with clinical trials). The collection and use of personal health data within the European Union is governed by the provisions of the General Data Protection Regulation (EU) 2016/679 (GDPR). Failure to comply with the requirements of the GDPR and the national laws of the Member States of the European Union relating to data protection, including data managed by third parties, for which the Company is unable to ensure compliance with the GDPR, may result in substantial fines, other administrative sanctions, and civil actions against the Company, which could have a material adverse effect on its business, prospects, financial condition and results of operations.

2.2.5 RISKS RELATED TO COMPETITION

The market for biotechnology and pharmaceuticals, including oncology, is characterized by rapidly changing technologies, products protected by intellectual property rights and intense competition, and is subject to significant and rapid change as researchers learn more about diseases and develop new technologies and treatments.

Valerio Therapeutics faces potential competition from many different sources, including large pharmaceutical and biotechnology companies, academic institutions and government agencies, as well as public and private research institutes. All drug candidates that the Company or its partners will successfully develop will compete with existing treatments and new treatments that may become available in the future.

If competing products are marketed ahead of the Company's products, or at lower prices, or cover a broader therapeutic spectrum, or are found to be more effective or better tolerated, sales of the Company's products would be adversely affected. Although some of the Company's products are "first-in-class" due to their mechanism of action, many companies are targeting tumor DNA repair pathways and have drug candidates in clinical development, in particular large international pharmaceutical companies.

Many of the competitors developing cancer treatments have resources and experience significantly greater than the Company's in research, access to patients for clinical trials, drug development, financing, manufacturing, marketing, technology, and personnel. In particular, large pharmaceutical companies have much more experience than Valerio Therapeutics in conducting clinical trials and obtaining regulatory approvals.

The analysis of the competitive environment in DDR highlights two companies that are very involved in this field: AstraZeneca and Merck KGaA, with products that are either approved or in advanced development in most of the major inhibitor families in this therapeutic area. Many smaller biotechnology companies, such as Artios Pharma, Repare Therapeutics, and Impact Therapeutics, have a strong specialization in this field.

Mergers and acquisitions in the pharmaceutical, biotechnology and diagnostics industries may result in an even greater concentration of resources on a smaller number of competitors. Small or start-up companies can also be important competitors, particularly through collaborative arrangements with large, well-established companies.

The Company may also face competition to acquire rights to promising drug candidates and other complementary technologies, to establish clinical trial sites and compete with the Company in enrolling patients for clinical trials and acquiring technologies that are complementary or necessary for its programs, as well as to enter into collaborations with partners having access to innovative technologies.

In addition, the Company's marketed products could be subject to competition through the introduction on the market of comparable drugs, and/or upon expiration of their protection by property rights or market exclusivity, the development of generics, which would result in a decrease in prices and/or sales volume and could have an adverse effect on the Company's business and financial condition.

If the Company is unable to compete successfully with new or existing products, its ability to generate revenues from licensing agreements would suffer and it may never be profitable.

2.2.6 RISK RELATED TO INDUSTRIAL AND COMMERCIAL PARTNERSHIPS

The Company's profitability depends primarily on its ability to enter into collaboration or licensing agreements for its drug candidates with industrial partners, which generate upfront and milestone payments and royalties on sales, after market authorization. Indeed, the Group's strategy favors the conduct of advanced phases of clinical development (particularly phase 3 studies) and the commercialization of its products via partners, rather than directly, given the Group's current structure and the costs in time, energy and financial and human resources required for these activities.

The conclusion of such agreements is the result of negotiations that are often long and complex and could be delayed or called into question by numerous factors, including macroeconomic, political, and competitive factors, or by failures or delays in the development of the Company's products.

The Group cannot guarantee that, when the time comes, it will be able to identify a suitable partner or enter into a partnership on the most favorable commercial terms for it. The Company's inability to enter into agreements with one or more partners to pursue the development of its drug candidates would have a material adverse effect on its ability to generate future revenues, its financial position, and its development.

Moreover, once these partnerships are entered into, the Company cannot guarantee that they will be profitable for the Group. Even if the Group were able to establish a relationship of trust with partners, it has limited control over them. These partners could call into question or be in default in the performance of their obligations, not devote sufficient time or effort to the proper performance of the Group's activities or favor their interests or those of other partners over those of the Group. Thus, insufficient performance by a current or future partner could slow down product development and thus delay or limit revenues from milestone payments or royalty payments on sales of the Company's products.

2.3 LEGAL RISKS

2.3.1 RISKS RELATED TO INDUSTRIAL PROTECTION

The Company's ability to successfully commercialize its products will depend on its ability to obtain, maintain and protect its intellectual property rights. It is important for the success of our business that the Company be able to freely exploit its products without infringing on patents or other intellectual property rights and, conversely, without third parties infringing on its intellectual property rights or those of its partners and other licensors necessary for the development and operation of the R&D programs of the Company. As of the date of this Report, the Company has rights to two hundred and three patents or published patent applications, of which one hundred and fifty-one or 74%, have been granted in several major jurisdictions or countries, including the United States, Europe, China, and Japan.

In the pharmaceutical field, patent law (articles of law, implementing regulations, case law, etc.) continues to evolve and presents uncertainties. In particular, no uniform global policy has so far emerged on the content of patents granted in the fields of biotechnology or on the scope of permitted claims. Thus, for example, patents may be granted with claims of variable/different scope from one territory to another.

Although the Company implements a proactive "intellectual property" strategy, directly related to its research and development projects, both with respect to the detection of inventions, in order to multiply protection, and with respect to monitoring third-party publications and patent procedures, it cannot, however, guarantee:

- That it will succeed in developing new inventions, methods and/or patentable compositions, in particular with regard to the state of the art that consists of scientific publications, published patent applications/patents and/or other types of disclosures by third parties or by the Company;
- That it will not encounter difficulties in making all necessary or desirable filings, including in the examination procedures of its patent applications;
- That it or its licensing or collaboration partners were the first to file patents on the technology;
- That a failure to pay or to comply with certain requirements of the patent process may occur beyond its control or will, thereby resulting in the abandonment or lapse of a patent application or patent, and thus a partial or total loss of patent rights in the relevant jurisdiction;
- That confidentiality agreements entered into with third parties in the context of collaborations, service or subcontracting agreements will not be breached and that results will not be disclosed by these third parties before patent applications are filed, thereby jeopardizing the Company's ability to obtain patent protection, or that the third parties concerned will not claim the benefit of intellectual property rights on the Company's inventions;
- That the Company will be able to obtain, at a reasonable cost and on terms acceptable to it, exclusive licensing rights to patents held in co-ownership by the co-owners;
- That the Company will be able to obtain licensing rights to patents owned by third parties on which its own patents or technologies would depend under financial terms and conditions acceptable to the Company. Otherwise, the Company may have to interrupt or modify certain activities or processes (development, sales, use), or even develop or obtain alternative technologies;
- That all patent applications filed will be granted within a reasonable time, or that they will be granted with the scope necessary to protect the technology, in one or more jurisdictions, including in all territories identified as strategic by the Company;
- That the scope of protection conferred by a patent will be sufficient to protect the Company against the risks associated with infringement, that the Company will be able to prevent or obtain compensation for misappropriation or unauthorized use of its products and technology;
- That the patents issued will not be subject to claims by third parties for rights to patents, know-how or other intellectual property rights that the Company owns or licenses;
- That the granted patents will not be contested by third parties (oppositions, nullity actions, limitation actions) or will be respected (infringement, etc. …) by its competitors.
- That third parties will not develop and market products that compete with the technology by falling outside the protection offered by patents;

- That there are no trademark rights or other prior rights of third parties that may claim rights to the exploitation of the technology carried out by the Company or by a licensee or sub-licensee of the Company or that may give rise to an infringement action;
- That the Company's domain names will not be subject to a UDRP (Uniform Dispute Resolution Policy) procedure by a third party.

If one or more of these circumstances were to occur, the Company could face significant costs to enforce its rights, could be required to significantly challenge the development strategy of its drug candidates or existing or future partnership agreements, which could have an adverse or negative impact on the Company's business and financial condition.

2.3.2 RISK OF LEGAL DISPUTES

The Company operates in compliance with applicable laws and regulations, with the support of its internal legal team and law firms. However, legal proceedings could be instituted against the Company by competitors, industrial or commercial partners, subcontractors or other third parties in the course of its activities.

As of the date of this Report, there are no governmental, legal or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or of which the Group is threatened (with the exception of a disputed invoice sent by a service provider) that are likely to have or have had in the past 12 months a significant effect on the Group's financial situation or profitability.

However, it cannot be excluded that legal proceedings may be initiated against the Company. In particular, it may be held liable for the damaging and/or wrongful conduct of its employees, collaborators, service providers, sub-contractors or partners.

For example, if the Company has to stop or delay a study, or if the results of a study show a limited rationale for carrying on such study, the Company may have to halt, postpone, or stop such study which would have an impact on the subcontractors (CROs, manufacturers, etc.). Depending on the agreements signed with these counterparties, they may claim reimbursement of the costs and fees incurred and/or damages for the amount owed by the Company for work undone / until the end of the agreement. Even such legal proceedings would not result in a conviction to the detriment of the Company, these proceedings, and the time and resources required to resolve them, may force the Company to use resources that should have been allocated to the Company's business. It could also damage the Group's reputation.

The Company has purchased liability insurance. However, if the costs or expenses associated with this or any other litigation exceed its insurance coverage, the Company may be required to directly assume all or part of the costs. If, ultimately, the Company were to pay significant defense costs and/or damages, these payments could have an adverse effect on its business. If its liability or that of its partners, licensees and subcontractors were thus called into question, if it or its partners, licensees and subcontractors were unable to obtain and maintain appropriate insurance coverage at an acceptable cost, or if the Company were unable to protect itself in any way against liability claims, this would seriously affect the marketing of the Company's products and, more generally, adversely affect its business, results, financial position and development prospects.

2.3.3 RISK RELATED TO THE CONTROL REGIME FOR FOREIGN INVESTMENTS IN FRANCE

The completion of any investment (i) by (a) an individual of foreign nationality, (b) any individual of French nationality not domiciled in France within the meaning of article 4B of the French General Tax Code, (c) any entity governed by foreign law, and (d) any entity governed by French law controlled by one or more of the entities referred to in (a) to (c), (ii) which would result in (a) the acquisition of control - within the meaning of article L. 233-3 of the French Commercial Code - of a French company, (b) acquiring all or part of a branch of activity of a French company, or (c) for individuals who are not nationals of a Member State of the European Union or of a State party to the Agreement on the European Economic Area that has entered into an administrative assistance agreement with France and/or are not domiciled in one of these States, or for legal

entities of which at least one of the members of the control chain is not subject to the law of one of these States or is not a national and/or is not domiciled there, to cross the threshold of 25% of the voting rights of a French company listed on Euronext Growth Paris and (iii) whose activities relate, even occasionally, to the research and development of so-called critical technologies, such as biotechnologies, and considered essential to the protection of public health, is subject to prior authorization by the Minister of the Economy.

If an investment in the Company that requires the prior authorization of the Minister of the Economy is made without such authorization having been granted, the Minister of the Economy may cancel the transaction or order (possibly under penalty) the investor concerned (i) to submit an application for authorization, (ii) to have the previous situation restored at its own expense or (iii) to modify the investment. In addition, the Minister may impose undertakings and conditions on the investor (including regular reporting commitments). The investor concerned could also be declared criminally liable and be sanctioned, in particular, by exclusion from all public contracts or by a fine that may not exceed the highest of the following three amounts: (i) twice the amount of the relevant investment, (ii) 10% of the Company's annual pre-tax revenues and (iii) 5 million euros (for a company) or 1 million euros (for an individual).

The application of these regulations is likely to constitute a potential barrier to investments made by investors located outside the European Economic Area and could therefore limit access to financing sources for the Company. It is also difficult to predict whether this regulation will have an impact on the volatility of the Company's share price.

2.4 RISKS RELATED TO THE COMPANY, ITS ORGANIZATION, AND ITS ENVIRONMENT

2.4.1 RISK OF DEPENDENCE ON THIRD PARTIES AND IN PARTICULAR THE RISK OF FAILURE OF A SUBCONTRACTOR IMPORTANT

Due to its structure and size, Valerio Therapeutics relies on third parties located in France and abroad to conduct its activities, in particular for the manufacture of its products and for the preclinical and clinical trials it conducts. The Company may therefore be dependent on its subcontractors and service providers:

- As regards preclinical and clinical trials, the quality of the trial results depends in particular on the quality of the services expected and their compliance with the specifications initially set and with the applicable standards. The failure of a subcontractor involved in a preclinical or clinical trial, loss of data, data processing delays or errors could adversely affect the validity of the trials and the compilation of regulatory files for the Company's products under development.
- With respect to the manufacture of products under development, the unavailability of subcontractors to carry out a project, their failure, loss of data, delays or errors in data processing could have an unfavorable effect on the development of products, their availability, or their compliance, thereby affecting the conduct of tests or procedures relating to them and, ultimately, the Company's ability to generate future revenues, its financial situation, and its development.

This risk is particularly sensitive to geopolitical risks, especially with respect to clinical trials (see paragraph 2.2.4 of the management report) and production operations. A continuation or increase in the economic sanctions against Russia in the context of the Russian-Ukrainian conflict, as well as the Israeli-Palestinian conflict, or a wider extension of these conflicts involving other countries, could significantly amplify this risk, for the Company directly or through the impact that this risk could have on its partners and sub-contractors.

2.4.2 RISK OF LOSS OF KEY EMPLOYEES

The Company may not be able to retain its key personnel and attract the new employees it will need for its development.

The Company's success depends largely on the work and expertise of its senior management and key personnel. The temporary or permanent unavailability of these key persons could impair the Company's ability to achieve its research, development, and marketing objectives, in particular by depriving it of their

know-how and technical capabilities and could seriously harm the Company's ability to successfully implement its business strategy, even though the Company has taken out a "key person" insurance policy covering the risk of bodily injury to its executives.

In addition, the Company will need to recruit new senior managers and qualified scientific personnel for the development of its activities, particularly in areas requiring expertise that it does not have in-house. The Company competes with other companies, research organizations and academic institutions to recruit and retain highly qualified scientific, technical and management personnel. To the extent that this competition is very intense, the Company may not be able to attract or retain the required key personnel on economically acceptable terms.

2.4.3 RISK ASSOCIATED WITH THE USE OF HAZARDOUS CHEMICALS AND BIOLOGICAL MATERIALS

In its laboratory, the Company may use hazardous chemicals and biological materials in the course of its business and any claims relating to improper handling, storage or disposal of these materials could be time-consuming and costly.

Research and development processes involve the controlled use of hazardous materials, including chemical, biological and radioactive products. Valerio Therapeutics cannot eliminate the risk of accidental contamination or release and any injury resulting from accidental exposure to these materials.

The Company also processes genetically recombinant material, genetically modified species and pathological biological samples. Consequently, in France and in the countries where the Company operates, it is subject to environmental and safety laws and regulations governing the use, storage, handling, release and disposal of hazardous materials, including chemical and biological products and radioactive materials.

The Company imposes preventive and protective measures for the protection of its personnel and waste control management, in accordance with applicable laws. If Valerio Therapeutics or any of its partners fail to comply with applicable regulations, the Group could be subject to fines and be required to suspend all or part of its activities.

Compliance with environmental, health and safety regulations entails additional costs, and the Company could incur significant costs to comply with future laws and regulations in the relevant jurisdictions. Compliance with environmental laws and regulations may require the Company to purchase equipment, modify facilities and incur significant expenditures. The Company could be held liable for any inadvertent contamination, injury or damage that could harm its business and reputation, although Valerio Therapeutics has taken out an insurance policy covering certain risks inherent in its business.

2.5 MAIN DISPUTES IN PROGRESS

To date, the Company is not aware of any pending litigation.

3 PRESENTATION OF VALERIO THERAPEUTICS'S FINANCIAL STATEMENTS AND ALLOCATION OF EARNINGS

The annual financial statements of the Company that we are submitting for your approval have been prepared in accordance with the presentation rules and valuation methods provided for by the regulations in force.

3.1 REVIEW OF ACCOUNTS AND RESULTS

During the year ended December 31, 2023, the Company did not record any revenue.

Other operating income totaled 1,587 thousand euros, compared with 6,814 thousand euros recorded in 2022. This item mainly includes a reversal of the provision for impairment of the current account of Valerio subsidiaries in the amount of 1,392 thousand euros and income from operating grants of 165 thousand euros.

Operating expenses increased from 20,915 thousand euros in 2022 to 23,178 thousand euros in 2023. This increase being mainly related to the pre-clinical development of VIO-01 (formerly OX425) and clinical development of AsiDNA™.

The operating result is a loss of (21,591) thousand euros, compared to a loss of (14,101) thousand euros for fiscal year 2022.

The financial result is an income of 773 thousand euros, compared to a loss of (2,156) thousand euros for fiscal year 2022. The income is mainly due to interest on loans with subsidiaries of 976 thousand euros.

The current result before taxes is a loss of (20,818) thousand euros compared to a loss of (16,257) thousand euros for the year 2022.

The extraordinary result is a loss of 1,593 thousand euros mainly relating to a dispute of an invoice sent by a service provider. This invoice being strongly challenged, Valerio took a provision for risks for the whole amount of this invoice. Negotiations are ongoing and may lead to a reassessment of the debt in the accounts.

The Company recorded a research tax credit of 2,340 thousand euros for the year ended December 31, 2023.

As a result of these various items of income and expense, the net result for the year is a loss of (20,216) thousand euros compared with a loss of (14,860) thousand euros for fiscal year 2022.

3.2 ALLOCATION OF RESULTS

We propose to allocate the loss for the year, which amounts to 20,215,717.95 euros, in its entirety to the "Retained Earnings" account, which would thus amount to a negative amount of €35,340,967.92 (taking into account the reduction in the nominal value of the shares from €0.25 to €0.14 carried out on 5 February 2024 by reducing the nominal value by €16,980,070.03, this amount having been definitively charged to the "Retained earnings" account).

In accordance with the provisions of Article 243 bis of the French General Tax Code, we remind you that no dividend was distributed in the last three financial years.

3.3 NON-TAX-DEDUCTIBLE EXPENSES

In accordance with the provisions of Articles 223 quarter of the French General Tax Code, we inform you that no non-tax-deductible expenses were incurred during the year under review.

In addition, no overheads referred to in Articles 39--5 and 223 quinquies of the French General Tax Code that are not included in the special statement were incurred.

3.4 TABLE OF FINANCIAL RESULTS

A table showing the Company's results for the last five years is attached to this report in Appendix I, in accordance with Article R. 225--102 paragraph 2 of the French Commercial Code.

3.5 ACQUISITIONS OF EQUITY INTERESTS AND CONTROLLING INTERESTS AT YEAR-END

In accordance with the provisions of Article L. 233--6 of the French Commercial Code, we inform you that the Company has not acquired any interest in a company with its registered office in France during the past fiscal year.

3.6 AMOUNT OF LOANS UNDER THREE YEARS GRANTED BY THE COMPANY

None.

3.7 TERMS OF PAYMENT STATEMENT

In accordance with the provisions of Article L. 441--14 of the French Commercial Code, the table below shows the payment terms of the Company's suppliers and customers for the last two years.

Invoices received and issued but not yet paid at the end of the fiscal year

	Article D.441-6.1°: invoices received but not paid at the closing date of the financial year for which the term is due						Article D.441 6-2°: invoices issued but not paid at the closing date of the financial year for which the term is due					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment brackets												
Number of invoices concerned	43					70						0
Total amount of the invoices concerned including VAT.	234,413	48,285	3,629	8,365	36,819	97,097	0	0	0	0	0	0
Percentage of total purchases including VAT for the year	1.24%	0.25%	0.02%	0.04%	0.19%	0.51%						
Percentage of sales including VAT for the year							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of excluded invoices	0						0					
Total amount of excluded invoices	0						0					
(C) Reference payment terms used (contractual or legal - Article L. 441-14 or Article L. 443-1 of the Commercial Code)												
Payment terms used to calculate late payments	■ Contractual deadlines: Each invoice is followed with its own contractual deadline. This deadline usually varies from 20 to 30 days end of the month.						■ Contractual deadlines: Each invoice issued is followed with its own contractual deadline. This deadline is 30 days end of month for sales of goods and 45 to 60 days for other services depending on the contract.					

4 PRESENTATION OF THE GROUP'S CONSOLIDATED ACCOUNTS

Valerio Therapeutics group's consolidated financial statements, which we are submitting for your approval, have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Group recorded revenue of 1,800 thousand euros corresponding to lump-sum royalties due from Biogen under a license agreement for a non-strategic product.

Operating expenses have increased from 19,008 thousand euros in 2022 to 21,054 thousand euros in 2023. This variation comes mainly from the following two items:

- Personnel costs increased from 8,624 thousand euros to 9,270 thousand euros due to reinforcement of the teams, and more specifically to the recruitment of highly qualified scientists as well as the indemnities paid to the former employees who left the Group in 2023.
- External expenses increased from 9,392 thousand euros to 10,298 thousand euros, due to R&D activities, with a focus in 2023 on the clinical development of AsiDNA™ and on the optimization and preclinical development of VIO-01.

The financial result is a loss of (39) thousand euros.

After taking into account these various items of income and expense thousand euros, the net result is a loss of 20,344 thousand euros compared to a loss of 19,562 thousand euros recorded in the previous year.

The contribution of the consolidated companies to the overall result is as follows:

- Valerio did not record any revenues. Insofar as it bears the bulk of the Group's research and development costs, as well as general and administrative costs, it generated a loss of 21,634 thousand euros.
- The Swiss subsidiary Topotarget Switzerland, which received license fees from its partner Biogen, recorded a profit of 959 thousand euros.
- The English subsidiary Topotarget UK, recorded a loss of 11 thousand euros.
- The contribution of Onxeo US was a profit of 342 thousand euros.

We submit these financial statements for your approval (Articles L. 225-100, L. 233-16, and R. 225-102 of the French Commercial Code).

5 FINANCIAL POSITION IN RELATION TO THE VOLUME AND COMPLEXITY OF THE BUSINESS

The Group had cash and cash equivalents of 6.8 million euros at the end of the 2023 fiscal year.

On 6th February 2024, the Board approved a reduction in the share capital on the grounds of losses by reducing the par value of the Company's shares from 0.25 euro to 0.14 euro. Given that Valerio Therapeutics showed a negative "Retained earnings" account of (17,245,545) euros as approved by the Annual General Meeting of 15 June 2022, the Board of directors approved the reduction of the nominal value by an amount of 16,980,070.03 euros, this amount being definitively charged to the "Retained earnings" account which moves from 32,105,120 euros to 15,125,250 euros. As a result, the share capital has been brought from 38,591,068.20 euros to 21,610,998.20 euros.

Taking into account the financing commitments received from its main shareholders Invus and Financière de la Montagne, in the amount of 5 million euros, the Company will be able to finance its activities at least until the end of fourth quarter of 2024 based on its financing plan.

The Group contracted government-backed loans and issued convertible bonds in April 2022, the balance of which totaled 8.5 million euros at the end of 2023.

Valerio Therapeutics also has public reimbursable grants of 165 thousand euros, relating to the AsiDNA™® and VIO-01 projects, which will be fully repaid by 2027.

6 FORESEEABLE DEVELOPMENTS AND PROJECTS

In 2024, the Company will pursue its value creation strategy based on the development of its therapeutic innovations up to proof of concept in humans, with the following main steps:

VIO-01 (formerly OX425)

- Execution of the VIO-01-101 phase 1/2 trial

platON™®

- Continued evaluation and optimization of new compounds from PlatON™ 3rd generation, DecoyTAC.

Valerio Therapeutics also intends to rely on the recommendations of the members of its Scientific Advisory Board, which is made up of opinion leaders from international teams that specialize in areas of interest to the Company, to enrich its development programs.

Valerio Therapeutics believes that, given its current activities, it has no further comments to make on trends that would be likely to affect its recurring revenues and general operating conditions from the date of the last fiscal year ended December 31, 2023 up to the date of publication of this report.

7 OTHER INFORMATION CONCERNING THE CAPITAL

7.1 CROSS-SHAREHOLDINGS AND TREASURY SHARES

We inform you that our Company has not carried out any of the transactions provided for in Articles L. 233--29 and L. 233--30 of the French Commercial Code.

7.2 ACQUISITION BY THE COMPANY OF ITS OWN SHARES DURING THE YEAR ENDED DECEMBER 31, 2023

7.2.1 OBJECTIVES OF THE BUYBACK PROGRAM AND USE OF THE REPURCHASED SECURITIES

We remind you that, in accordance with the provisions of Articles L. 225--209 et seq. of the French Commercial Code, the Company has been authorized by its shareholders to trade in its own shares, up to a maximum of 10% of the share capital. This authorization was granted for a period of eighteen months by the Ordinary General Meeting of Shareholders of June 15, 2022, under the terms of its eighth resolution, then renewed for a period of eighteen months by the Ordinary and Extraordinary General Meeting of Shareholders of June 6, 2023, under the terms of its eighth resolution.

During the year ended December 31, 2023, the Board of Directors successively implemented the program authorized by the Shareholders' Meetings of June 15, 2022, and June 6, 2023, which are identical.

The objectives of this buyback program concern, in decreasing order of priority, the following situations:

- stimulation of the secondary market or the liquidity of the Company's shares by an investment services provider acting independently under a liquidity contract that complies with a code of ethics recognized by the Autorité des marchés financiers;
- implementation of any Company stock option plan in accordance with the provisions of Articles L. 225--177 et seq. of the Commercial Code;

- free allocation of shares to employees and corporate officers under the provisions of articles L. 225-197-1 et seq. of the French Commercial Code;
- allocation of shares to employees and, where applicable, to corporate officers in connection with profit-sharing and the implementation of any company savings plan, in accordance with the conditions laid down by law, in particular Articles L. 3332--18 et seq. of the French Labor Code;
- purchase of shares for retention and subsequent remittance in exchange or as payment in the context of external growth transactions, up to a limit of 5% of the share capital;
- delivery of shares on the exercise of rights attached to securities that give access to the capital;
- cancellation of the shares thus repurchased within the limits set by law.

The description of this share buyback program is available at the Company's headquarters and on its website.

7.2.2 IMPLEMENTATION OF THE SHARE BUYBACK PROGRAM

In accordance with the provisions of Article L. 225--211 of the French Commercial Code, we hereby report to you on the implementation of the share buyback program during the past year.

During fiscal year 2022, the share buyback program was used exclusively within the framework of a liquidity contract with the objective of stimulating the secondary market or the liquidity of the Company's shares, by an investment services provider.

On January 2, 2007, the Company entered into a liquidity agreement with CM-CIC Securities in accordance with the code of conduct of the French Financial Markets Association (AMAFI), which is recognized by the Autorité des Marchés Financiers (AMF), in compliance with the regulations in force, and in particular the provisions of European Regulation 2273/2003 of December 22, 2003.

Valerio Therapeutics has then entrusted Kepler Cheuvreux with the implementation of a liquidity contract for its ordinary shares, effective December 3, 2018, for a period of twelve months, and renewable by tacit agreement. This contract complies with the code of ethics of the Association Française des Marchés Financiers ("AMAFI").

For the implementation of this contract, 87,612 shares and 196,423 euros in cash were allocated to the liquidity account. The negotiation costs for this contract amount to 25,000 euros per year.

Under the liquidity contract entrusted by previous name ONXEO to Kepler Cheuvreux, as of December 31, 2023, the following resources were included in the liquidity account:

- 368,174 securities
- € 144,918.05 in cash

The 368,174 bearer shares held in treasury at December 31, 2023, with a par value of 92,043.50 euros (on the basis of a par value of €0.25), represented 0.24 % of the capital and were valued at 60,748.71 euros at the share purchase price.

During the 2nd half of 2023, a total of:

BUY	304,205 securities	€ 69,976.87	324 transactions
SALE	223,191 securities	€ 56,117.81	244 transactions

As a reminder, at the time of the last half-yearly balance sheet as of June 30, 2023, the following resources were included in the liquidity account:

- 287,160 securities
- € 156,554.06 in cash

BUY	634,648 securities	€ 258,705.74	509 transactions
SALE	923,185 securities	€ 402,719.91	492 transactions

In accordance with the requirements of Article 2 of AMF Decision No. 2018-01, the half-yearly and annual reports on the liquidity contract are available on the Company's website

As of December 31, 2023, the Company did not hold any treasury shares (other than those of the liquidity contract here-above).

The assignments of treasury shares under the liquidity contract generated a net capital loss of 26,404.39 euro in the year ended December 31, 2023.

8 EMPLOYEE SHAREHOLDING

In accordance with Article L. 225--102 of the French Commercial Code, we inform you that as of December 31, 2023, the Company's employees and officers did not hold any interests in the Company's share capital under collective management.

To the best of the Company's knowledge, as of December 31, 2023, 55,504 shares representing 0.04% of the share capital were held directly by employees or corporate officers in accordance with Article L. 225-197-1 of the French Commercial Code.

9 TRANSACTIONS BY OFFICERS OR MEMBERS OF THE BOARD OF DIRECTORS IN THE COMPANY'S SECURITIES

In accordance with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code, we hereby inform you of the transactions in the Company's shares (acquisitions, sales, subscriptions or exchanges of shares) carried out by the Company's officers or members of the Board of Directors, or persons with whom they have close personal ties, to the best of the Company's knowledge, during fiscal year 2023.

Persons concerned	Nature of the transaction	Date of the transaction	Number of shares	Amount of the transaction (€)
Financière de la Montagne SARL, Director	Subscription to the capital increase by issuing new shares	17/05/2023	7,142,857	2,000,000,
Invus Public Equities, Director	Subscription to the capital increase by issuing new shares	17/05/2023	17,857,143	5,000,000

10 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY VALERIO THERAPEUTICS

10.1 COMPONENTS OF THE RISK MANAGEMENT PROCESS

10.1.1 ORGANIZATIONAL FRAMEWORK

The risk management process and risk mapping are adjusted and assessed on an ongoing basis by senior management and department heads and are presented at least annually to the Audit Committee as part of its task of monitoring and controlling the effectiveness of internal control and risk management systems.

The Group has adopted a procedure designed to provide a framework for all the risk management methods and tools used and which specifies the terminology adopted within the Group (probability and severity criteria, risk typology and ranking, etc.).

The objectives of this risk management policy are essentially to preserve the Group's assets and image, minimize its costs and promote the achievement of its strategic objectives.

10.1.2 RISK MANAGEMENT PROCESS: IDENTIFICATION AND ANALYSIS OF KEY RISKS

In order to identify and assess the risks that could have an adverse impact on its business, prospects, financial situation, results (or its ability to achieve its objectives) and development, the Company has mapped the risks associated with its business periodically, at least once a year. This has allowed for the identification of potential risks and the assessment of their likelihood of impact and, where possible, their potential impact from a financial, legal and reputational perspective, as well as on the achievement of the Company's objectives. It then allowed for the identification and evaluation of ways to control these risks.

Risk mapping is a management tool. The risk management process and risk mapping are presented annually to the Audit Committee as part of its task of monitoring and controlling the effectiveness of internal control and risk management systems.

At the time of the periodic risk review, all risks and mitigation measures are reviewed and reassessed. This tool is also supplemented by a detailed analysis of the causes and impacts in the event of the occurrence of any significant risk and accounts for the actions and control measures put in place by the Company. This methodology should provide an overview of the risk environment affecting the Company and should allow it to define, if necessary, a risk management plan that specifies the actions to be taken, the persons responsible, the stakeholders, the deadlines to be met, the budget associated with each action as well as the areas of control and internal audits for the coming year.

For each of the identified risks, the potential impact in terms of financial impact, lost workdays, impact on the company's activity and on its image are analyzed, and a probability index and a criticality index are assigned from which a coefficient combining these two criteria is deduced.

The risks are then classified in order of decreasing importance, which allows them to be categorized according to the following typology: major risk, strong risk or acceptable risk.

Every major risk is the subject of a risk management plan that specifies the actions to be taken, the persons responsible, the stakeholders, the deadlines to be met, and the budget associated with each action.

The significant risk factors to which the Company considers itself exposed are presented in section 2 of the Management Report.

10.1.3 INSURANCE AND RISK COVERAGE

The Company has insurance coverage that is adapted to its activities worldwide, and in particular for its clinical trials in France, the United States and all other countries concerned.

The Company has taken out several insurance policies, the main ones being the following:

- A "public liability" insurance policy that covers:
  - "operating liability", which covers the Company against the financial consequences of any civil liability it may incur for bodily injury, property damage and consequential loss caused to third parties and attributable to the Company's activities,
  - "product liability", which covers the Company against the financial consequences of any civil liability it may incur as a result of bodily injury, property damage or consequential loss caused to third parties and attributable to the Company's products, both before and after delivery,
  - "civil liability, criminal defense and recourse";
- A "Directors' and Officers' Liability" insurance policy that covers those involved in the performance of their duties;
- Property damage insurance policies that cover the risks of fire, water damage, theft, machinery and glass breakage, as well as rental risks, on the Company's premises;
- Specific insurance policies for each of the clinical trials sponsored by the Company. Pricing and coverage amounts depend on the local regulations and legislation that apply to the clinical investigation center concerned. In France, the Public Health Code provides for an insurance obligation for clinical trial sponsors. In countries where there is no such obligation, the Company has nevertheless taken out an insurance policy that covers its liability arising from the conduct of clinical trials. The overall amount of premiums depends on the number of patients included in the trials and their geographic location. The Company believes that it is adequately covered for each of the current trials;
- A "key man" insurance policy that covers the risk of bodily injury to officers;
- A "stock and transit" insurance policy, which covers the storage and transportation of the Company's products.

The definition of the insurance policy is part of a concern for efficiency, both in the negotiation and in the management of the policies. In view of the development and internationalization of the Group's activities, the risk management policy should be continued, in close coherence with the evolution of our activities.

10.1.4 ARTICULATION BETWEEN RISK MANAGEMENT AND INTERNAL CONTROL

The purpose of risk management is to identify and analyze the main risks and risk factors that may affect the company's activities, processes and objectives, and to define the means that allow for these risks to be maintained at an acceptable level, in particular by putting in place preventive measures and controls that fall under the internal control system.

At the same time, the internal control process relies on risk management to identify the main risks to be controlled.

10.2 GENERAL PRINCIPLES OF INTERNAL CONTROL

10.2.1 DEFINITION AND OBJECTIVES

Internal control comprises a set of resources, behaviors, procedures and actions that are adapted to the specific characteristics of each company and of the group as a whole, which:

- contributes to the control of its activities, the effectiveness of its operations and the efficient use of its resources; and
- must allow for appropriate consideration of significant operational, financial and compliance risks.

The purpose of internal control is to ensure:

- compliance with laws and regulations;
- the application of the instructions and guidelines set by the Board of Directors;
- the proper functioning of the Group's internal processes, particularly those contributing to the safeguarding of its assets;
- the reliability of financial information.

However, while internal control promotes the achievement of the Company's objectives, it cannot provide an absolute guarantee that they will be achieved. There are inherent limitations to any internal control system, such as the uncertainties of the external environment, the exercise of judgment, or the cost/benefit ratio of implementing new controls.

10.2.2 REFERENCE FRAMEWORK USED BY VALERIO THERAPEUTICS

Valerio Therapeutics continues to develop its internal control process based on the AMF reference framework and its application guide in its updated version of July 22, 2010. This process applies to the general organization of the operational departments and to the risk management procedures implemented by the Company.

The Group's internal control system is implemented by taking into account both the Group's operational functioning and its legal structure.

It concerns all fully consolidated subsidiaries of the Group.

The summary information on the internal control procedures implemented described in this report focuses on the significant elements likely to have an impact on the financial and accounting information published by the Company.

10.2.3 COMPONENTS OF INTERNAL CONTROL

10.2.3.1 Organization

The internal control system is based on a clear organization of responsibilities, guidelines, resources and procedures.

Since the Company's inception, Valerio Therapeutics has had a quality assurance system. The processes in all areas of activity are described by procedures (Standard Operating Procedures or SOPs), operating modes, notices and forms. These written documents trace the progress of activities, define the resources and responsibilities of those involved, specify the Company's know-how and give precise instructions for performing a given operation.

All the Company's stakeholders are involved in the internal control system.

10.2.3.2 Frame of reference

Valerio Therapeutics, which is established in the health and biotechnology sector, is subject to very specific regulations that govern its activities, and compliance with which is also the subject of internal control. Legislative and regulatory provisions, defined by the European Commission and the equivalent regulatory authorities in other countries, in particular the French National Agency for the Safety of Medicines (ANSM), the European Medicines Agency (EMA), and the Food and Drug Administration (FDA), provide a framework for research and development studies, preclinical studies, clinical studies, the regulation of establishments, as well as the manufacture and marketing of medicines. The main regulatory texts that apply to the Company's activity are the following: Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Manufacturing Practices (GMP), French and European regulatory texts that apply to the development and use of drugs, regulatory texts on GMOs, waste disposal, transport of hazardous products, handling of micro-organisms, hygiene and safety.

10.2.3.3 Control activities

The control activities implemented by the Company are supported by a number of internal players and various tools, including a document system that describes the key processes and controls.

- **Stakeholders in risk management and internal control procedures**

Internal control is implemented by the management bodies and by all Group employees through their daily actions.

Internal stakeholders involved in the internal control system include:

- the Board of Directors, which validates the major orientations of the Group's activities and strategy;
- the Audit Committee, whose responsibilities are defined by the Board of Directors, which plays a key role in monitoring (i) the process of preparing financial information, (ii) the effectiveness of internal control and risk management systems, and (iii) the statutory audit of the annual and consolidated financial statements by the statutory auditors;
- general management and department directors, who steer the group's strategy and human resources, allocate the resources needed to achieve them, set objectives and monitor their achievement, and update the risk map and related action plans;
- the finance department, which plays a special role in internal control because of its cross-cutting competencies;
- the quality assurance department, which plays a key role through its involvement in the Company's various activities, by supporting the drafting of procedures and document management, by carrying out and monitoring internal audits of the Company's departments and external audits of service providers, and by implementing improvement actions;
- Finally, employees are responsible on a daily basis for compliance with the standards and guidelines that apply to their field, as well as for the reliability and relevance of the information they generate or transmit.

These provisions are supplemented by the involvement of external stakeholders, including the statutory auditors. The latter rely in particular on a review of the internal control procedures relating to the preparation of accounting and financial information in the context of their statutory mission to certify or audit the consolidated and individual financial statements of Group companies.

- **The documentation system**

All documentation relating to the internal control system is recorded on a dedicated intranet that allows for optimal access to documents and their permanent adaptation to changes in the business (document life cycle management). The objective is to continuously improve the quality of the Company's and the Group's operating processes, whether they be operational, management or support processes.

The internal control system covers the following areas in particular:

- quality assurance, health and safety, risk management;
- administrative, legal, social and financial matters, including financial communication and rules related to the Company's listing on the Euronext Growth Paris market;
- regulatory activities;
- pharmaceutical, preclinical and clinical research and development, including, in particular, for the very specific activity of animal experimentation, an Animal Experimentation Ethics Committee whose objectives are the validation of all experimental protocols and the monitoring of compliance with regulations;
- pharmacovigilance;
- information systems: computerized management of rules for the access, protection and storage of information;
- human resources and labor regulations;

10.3 MAIN DEVELOPMENTS

The Company continues to improve its internal control systems and regularly reviews its risk mapping and the action plans identified within its various departments in order to consolidate the management system put in place in previous years.

II - REPORT ON CORPORATE GOVERNANCE

1. COMPOSITION AND MISSIONS OF THE BOARD OF DIRECTORS

1.1 COMPOSITION OF THE BOARD OF DIRECTORS

Under the applicable laws, regulations and bylaws, the Board of Directors must be composed of at least three and no more than eighteen members, appointed by the Shareholders' Meeting for a three-year term.

The Board of Directors is free to decide how to exercise the general management of the Company. This responsibility may be assumed by the Chairman of the Board of Directors himself, or by another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors of Valerio Therapeutics decided on April 6, 2022 that the Chairwoman of the Board of Directors will combine their duties with those of the Company's Chief Executive Office. Ms. Shefali Agarwal currently empowers these two functions .

As of the date of this report, the Board of Directors is composed of seven members, three of whom are independent:

First name, Last name, Title	Independent Director	Year of 1st appointment	End of the mandate	Audit Committee	Compensation and Nomination Committee	Scientific Committee
Ms. Shefali Agarwal, President and CEO	No	2021	2024			Member
Mr. Khalil Barrage, representing Artal (Invus Group)	No	2022	2025			
Mr. Julien Miara, representing Artal (Invus Group)	No	2022	2025	Member	Member	
Financière de la Montagne, represented by Mr. Nicolas Trebouta	No	2011	2026		Member	
Mr. Robert Coleman	Yes	2021	2026			Chairman
Mr. Bryan Giraudo	Yes	2021	2024	Chairman	Member	
GammaX Corporate Advisory, represented by Mr. Jacques Mallet	Yes	2020	2025		Chairman	Member

The members of the Board bring together a wealth of expertise and enrich the studies and deliberations of the Board and its specialized committees with their varied experience in their field of expertise, particularly in the fields of healthcare and biotechnology companies. They are concerned with the interests of all shareholders and are fully involved in the deliberations in order to participate effectively in the Board's decisions and support them validly.

1.2 MISSIONS OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for determining the strategic, economic, and financial orientations of the Company and the Group. It ensures their proper implementation.

Subject to the powers expressly granted by the shareholders' meetings and within the limits of the Company's corporate purpose, the Board deals with all matters relating to the proper operation of the Company and settles, through its deliberations, all matters that concern it, in particular all strategic decisions of the Company and the Group, on the initiative of its Chief Executive Officer.

The internal regulations, which are available to shareholders at headquarters and also on the Company's website www.valeriotx.com, determine the mission of the Board and the committees and organize their studies.

It specifies the Board's mode of operation and the procedures for implementing the legal requirements and statutory provisions concerning its role in the management of the Company and the Group. It also indicates the rights and duties of the members of the Board of Directors, mainly with regard to the prevention of conflicts of interest, the holding of multiple offices, the strict confidentiality of its deliberations and the diligence required to participate in Board studies. Finally, it deals with the rules relating to transactions in Valerio Therapeutics' shares, as recommended by the Autorité des Marchés Financiers.

To allow for the full exercise of the Board of Directors' mission, the bylaws state:

(i) that it is the responsibility of the Chief Executive Officer and the Chairwoman of the Board of Directors, as well as the Chairman of each of the Committees, to transmit the relevant information to the other members of the Board;

(ii) that meetings of the Board and Committees are preceded by the provision of information within a reasonable period of time on agenda items that require special consideration and analysis, accompanied, where appropriate, by documents;

(iii) that the Board shall be regularly informed of any significant event affecting the Company's business;

(iv) that in order to increase the flexibility of Board consultation and to facilitate decision-making by directors in certain cases and in accordance with the law, the use of videoconferencing and teleconferencing is authorized.

1.3 CORPORATE GOVERNANCE CODE

For the sake of transparency and public information and in order to comply with the requirements of Article L. 225-37-4 of the French Commercial Code, the Company has designated the Corporate Governance Code as published, in its revised version, in September 2021 by MiddleNext (the "**MiddleNext Code**") as its reference code, which is available on the MiddleNext site: www.middlenext.com.

The table below sets out the Company's position with respect to all the recommendations set out in the Corporate Governance Code.

MiddleNext Code recommendations	Compliance
R1 - Board Member Ethics	Yes
R2 - Conflicts of Interest	Yes
R3 - Composition of the Board - Presence of independent members	Yes
R4 - Board Member Information	Yes
R5 - Board Member Training	No
R6 - Organization of Board and Committee Meetings	Yes
R7 - Setting up of committees	Yes

MiddleNext Code recommendations	Compliance
R8 - Setting up of a specialized committee on Corporate Social/Societal and Environmental Responsibility (CSR)	No
R9 - Establishment of an internal regulation for the board	Yes
R10 - Selection of each board member	Yes
R11 - Terms of office for Board members	Yes
R12 - Compensation of Board Members	Yes
R13 - Implementation of an assessment of the board's work	Yes
R14 - Shareholder relations	Yes
R15 - Diversity and equity policy within the company	Yes
R16 - Definition and transparency of the compensation of executive directors	Yes
R17 - Preparation of the succession of officers	Yes
R18 - Combination of employment contract and corporate mandate	Yes
R19 - Severance pay	Yes
R20 - Supplementary Pension Plans	Yes
R21 - Stock options and free share grants	Yes
R22 - Review of vigilance points	Yes

The following clarifications are made with respect to the application of the various recommendations:

R1 - Board Member Ethics
The rules of ethics that directors undertake to respect (in particular confidentiality, independence, and diligence) are clearly set out in the Board of Directors' internal regulations.

R2 - Conflicts of Interest
To date, the Board of Directors is not aware of any potential conflicts of interest.

R3 - Composition of the Board - Presence of independent members on the Board
As of the date of this Report, the Board of Directors is composed of 3 independent directors out of a total of 7 members. They are considered independent with regard to the five criteria defined by the Middlenext Code.

R.4 - Board Member Information
The procedures for providing information to directors are described in Article 2 of the internal regulations.

R.5 - Board Member Training

The Company has integrated into its Board of Directors individuals with expertise in the biotechnology sector who are able to actively advise the Company in its strategy and the execution of its operational plan. As a result, it has not set up a specific training plan, but it does organize an integration program for each new member of the Board with the aim of introducing them to all the managers and informing them of the specific characteristics of Valerio Therapeutics.

R.6 - Organization of Board and Committee Meetings
Article 3 of the internal regulations defines the organization of the meetings of the Board, which must be held at least once a quarter and be the subject of minutes, as specified in article 4 of the said regulations.

R.7 - Setting up of committees
The Board of Directors has set up three specialized committees: an Audit Committee, a Compensation and Appointments Committee and a Scientific Committee.

R.8 - Establishment of a specialized committee on the social/societal and environmental responsibility of companies (CSR)

Given the Company's small size and field of activity, it did not deem it necessary to set up an ad hoc committee. CSR issues are dealt with directly by the Board of Directors.

R.9 - Establishment of an internal regulation for the board
The internal regulation can be consulted on the Company's website www.valeriotx.com and is available to shareholders at the headquarters. These internal regulations include the eight headings defined by the Middlenext Code.

R.10 - Selection of each board member
A detailed information sheet on each candidate is posted on the Company's website prior to the General Meeting that votes on the appointment of a director.

R.11 - Terms of office for Board members
The term of office is 3 years. The appointment dates and therefore the end dates of the directors' terms of office are not all the same, which in fact staggers the renewal of directors.

R.12 - Directors' compensation
The allocation of directors' fees is determined by the Board and takes into account the attendance of directors as well as their possible presence on committees.

R.13 - Implementation of an assessment of the board's work
Once a year, the board takes stock of its operations and defines the relevant areas for improvement. Given the Company's size and the presence of many independent directors from different backgrounds, the Board of Directors considers that this self-assessment is appropriate for assessing the adequacy of its operations on an annual basis.

R.14 - Relationship with "shareholders"
Throughout the year, the Company's executives meet with shareholders at specialized events or ad hoc meetings.

R.15 - Diversity and equity policy within the company

The Compensation and Appointments Committee, under the supervision of the Board of Directors, ensures compliance with these rules.

R.16 - Definition and transparency of the compensation of executive directors
The Compensation and Appointments Committee, under the supervision of the Board of Directors, ensures compliance with these rules.

R.17 - Preparation of the succession of "officers"
Succession planning is one of the topics discussed at Board meetings and is based on preparatory studies by the Compensation and Appointments Committee.

R.18 - Combination of employment contract and corporate mandate
No corporate officer holds an employment contract with the Company.

R.19 - Severance pay
Contractual indemnities are provided for in the event of the departure of the president and chief executive officer. The Company believes that the amount of these indemnities is consistent with the company's compensation policy.

R.20 - Supplementary Pension Plans
There is no supplementary plan in place for the benefit of a corporate officer.

R.21 - Stock options and free share grants
The Company grants stock options and/or free shares to all employees of the Group on an annual basis and makes the grants to the President and Chief Executive Officer and to the members of the Executive Committee subject to performance conditions.

R.22 - Review of vigilance points
The directors are aware of the vigilance points in the Middlenext Code and they review them regularly.

1.4 AGREEMENTS REFERRED TO IN ARTICLE L. 225-37-4, 2° OF THE COMMERCIAL CODE

In accordance with the provisions of Article L. 225-37-4-2° of the French Commercial Code, no agreement has been concluded, either directly or through an intermediary, between a corporate officer or a shareholder holding more than 10% of the voting rights of a company and another company in which the former directly or indirectly holds more than half of the share capital, with the exception of agreements relating to current transactions concluded on normal terms.
There is no transaction entered into during previous fiscal years and approved by the shareholders' meeting which continued during 2023.

2 CORPORATE MANDATES

2.1 EVOLUTION OF THE BOARD OF DIRECTORS.

The Combined General Shareholders' Meeting on June 6, 2023 renewed the directorship of the company Financière de la Montagne (represented by Mr. Nicolas Trebouta) and Robert Coleman for a further three-year period.

The following is a list of all the offices and positions held in all French and foreign companies by each of the Company's directors during the year. This description is extended to the last five years to comply with Annex I of Regulation (EC) No. 809/2004, which governs the drafting of reference documents.

The other offices and/or functions of the directors listed below are based on the declarations of the persons concerned. The Company specifies that it is not responsible for the information provided by the managers or corporate officers.

2.2 OFFICES AND POSITIONS HELD BY EACH OF THE COMPANY'S DIRECTORS

Independent Director	Offices and functions
Shefali AGARWAL Dr. Shefali Agarwal has been an independent director since June 10, 2021 and was appointed as chairperson of the Company on July 29, 2021. Her term of office will expire at the 2024 General Assembly. On April 7, 2022, Shefali Agarwal was appointed as Chairwoman and CEO of Valerio Therapeutics Born on September 27, 1973, Dr. Shefali Agarwal, who is a physician by training, is the Medical and Development Director at Epizyme, Inc., a developer of novel epigenetic therapies for cancer and other serious diseases, where she leads global clinical development and regulatory strategy. Prior to joining Epizyme in 2018, Dr. Agarwal held leadership positions including clinical development and operations, and medical and regulatory affairs. In particular, she led the clinical development and registration of the PARP inhibitor ZEJULA® (niraparib) in ovarian cancer for Tesaro.	*In the Company* • Chairwoman of the Board and CEO *Outside the Company* • Member of the Board of Directors of ITB Med (not listed) • Member of the Board of Directors of Gritstone Bio (Nasdaq: GTRS) • Member of the Board of Directors of Fate Therapeutics (Nasdaq : FATE) • President of Valerio Therapeutics Inc. (formerly Onxeo US) • Director of Topotarget UK *Other offices and positions held over the past five years and completed* • None
Khalil BARRAGE Khalil Barrage has been a director since June 15, 2022. His term of office will expire at the 2025 General Assembly. Khalil Barrage is managing director at Invus, based in New York. He joined Invus in 2003 and created its Public Equity activity. Since its inception, Invus Public Equity has focused its investments in emerging innovative biotechnology companies. Prior to joining Invus, he worked at The Olayan Group in New York and managed their US equity portfolio for 15 years. He holds a BA in Economics from the American University of Beirut.	*In the Company* • Director *Outside the Company* • Managing director at Invus • Director Orthobond • Director of Protagenic Therapeutics • Director of Sensorion • Director of Elevate • Director of Solving Kids Cancer (SKC) • Director of Children of Armenia Fund (COAF) *Other offices and positions held over the past five years and completed* • None
Julien MIARA Julien MIARA has been a Director since April 19, 2022. His term of office will expire at the 2025 Shareholders' Meeting. Born on June 15, 1983, Julien Miara is a Principal at Invus, which he joined in 2010 as an analyst for the investment activity in listed companies (Invus Public Equities LP), particularly covering biotechnologies. In 2018, he was promoted to lead the team in Europe. Previously, he worked in investment banking at BNP Paribas in Paris, Société Générale in New York, and in consulting. Julien Miara obtained his master's degree in management from EDHEC Business School in Lille (France) in 2009.	*In the Company* • Director *Outside the Company* • Principal at Invus • Director of Sensorion • Director of Versity *Other offices and positions held over the past five years and completed* • Chief Executive Officer of Valerio Therapeutics • President of Onxeo US • Director of Topotarget UK *Other offices and positions held over the past five years and completed* • None

Director	Offices and functions
FINANCIERE DE LA MONTAGNE, represented by Nicolas TREBOUTA Financière de la Montagne has been a director since June 29, 2011. Its term of office will expire at the 2023 Shareholders' Meeting. Born on May 29, 1963, Nicolas Trebouta has been investing directly or through funds in biotech companies since 2004 through his Company Financière de la Montagne. Co-founder of Chevrillon et Associés in 2000, he participated in a number of LBOs with this structure, including Picard surgelés, the printing company CPI, and the insurance company Albingia. He is a physician and has been a shareholder of Onxeo since 2008.	*In the Company* • Director *Outside the Company* • Manager of SARL Financière de la Montagne • Manager of SCI Fleurus Immobilier • Manager of SCI 5 rue de la Liberté • Chairman of SAS Dragon 8 • Managing partner of SC Financière des Associés • Director of GIE IO • Chairman of the Supervisory Board of SCA Chevrillon & Associés • Manager of EARL Ferme de Bissy • Managing partner of SC Valois • Manager of SCI du Trillon • Co-manager of SC Aster • Managing partner of SCI du Chardonnet *Other offices and positions held over the past five years and completed* None
Robert L. COLEMAN Robert Coleman has been an independent director since October 6, 2021. His term of office will expire at the 2023 General Assembly. Dr. Coleman, born November 3, 1961, served as Scientific Director of the US Oncology Network, one of the largest U.S. networks dedicated to cutting-edge cancer care and research, with more than 400 ongoing clinical trials and over 1,400 physicians. He is currently the Chief Medical Officer of SCRI - an SMO supporting Phase I-IV clinical trials within the network. Prior to joining the US Oncology Network in 2020, Dr. Coleman was the Executive Director of the MD Anderson Cancer Network Research Program. He also served as professor and Ann Rife Cox Chair in Gynecology at the University of Texas, M.D. Anderson Cancer Center. Dr. Coleman's studies have been published in over 700 publications and focus on the role of novel therapies in gynecologic cancers, including ovarian cancer, such as the integration of PARP inhibitors into the treatment strategy.	*In the Company* • Director *Outside the Company* • CMO, SCRI • SVP and Chief Scientific Officer, US Oncology Research • Co-Director, GOG-Partners of the GOG Foundation, Inc *Other offices and positions held over the past five years and completed* • Executive Director of the MD Anderson Group Cancer Network Research Program

Director	Offices and functions
Bryan GIRAUDO Bryan Giraudo has been an independent director since November 23, 2021. His term of office will expire at the 2024 General Assembly. Bryan Giraudo was born on May 3, 1975. Bryan Giraudo is both Chief Operating Officer and Chief Financial Officer of Gossamer Bio, a U.S. listed biopharmaceutical company (Nasdaq: GOSS) which specializes in the development and commercialization of innovative therapies in the fields of immunology, inflammation, and oncology. Previously, he was a Senior Managing Director at LEERINK Partners, where he was responsible for the life sciences investment banking business for the West Coast of North America and Asia. Prior to joining LEERINK Partners in 2009, Mr. Giraudo was a Managing Director in the Global Healthcare Investment Banking division at Merrill Lynch.	*In the Company* • Director *Outside the Company* • Chief Operating Officer and Chief Financial Officer of Gossamer Bio Inc (USA - Nasdaq : GOSS) • Director of Protagonist Therapeutics (USA) *Other offices and positions held over the past five years and completed* • Senior Managing Director at Leerink Partners
GAMMAX CORPORATE ADVISORY, represented by Mr. Jacques Mallet GammaX Corporate Advisory, represented by Jacques Mallet, has been an independent director since October 6, 2021. Its term of office will expire at the 2025 General Assembly. Dr. Jacques Mallet, born April 27, 1960, was Senior Vice President - Head of Analytics/Corporate Strategy and a member of the Executive Leadership Team at Sanofi and is currently a member of the Board of Directors of several public and private companies in the health technology sector. Previously, Mr. Mallet was head of investments at Auriga Partners, a leading private equity firm that specializes in life sciences in France and has held senior positions at international consulting firms such as Monitor Deloitte and Accenture.	*In the Company* • Director *Outside the Company* • Chairman of Gamma-X Corporate Advisory • Director of Technoflex • Director of the Fournier Majoie Foundation • Director of Neuway Pharma GmbH *Other offices and positions held over the past five years and completed* • Director of Isocell • Senior Vice President Portfolio Analytics & Corporate Strategy at Sanofi

3 WARRANTS, STOCK OPTIONS AND FREE SHARES

Share subscription or purchase options granted during the year to each executive director

During fiscal year 2023, no stock options (SO) were granted to executive directors.

Share subscription or purchase options exercised during the year by each executive director

No stock options were exercised by executive directors during fiscal year 2023.

Performance shares granted during the year to each executive director

No performance shares were granted to executive directors in fiscal year 2023.

Performance shares that became available during the year for each executive director

No performance shares (AGAs) became available in fiscal year 2023.

History of warrants and stock options grants

As part of its policy to remunerate and motivate its managers and employees, Valerio Therapeutics regularly sets up stock option plans and free share allocation plans.

The independent members of the Board also benefit from successive stock purchase warrant (BSA) plans. As of 2014, these awards have been extended to all directors who are not officers or employees of the Company, including the Chairman of the Board, but excluding the Chief Executive Officer.

For both stock options and warrants, the exercise price is determined as the average of the last twenty stock market prices preceding the grant date.

The terms and conditions of exercise of stock options and warrants that were granted to officers and directors and were outstanding at December 31, 2023 are described in the table below.

Stock options	**SO 2022-5**	**SO-2023-1**	**SO 2022-3**
Date of meeting	4/19/2022	6/6/2023	6/6/2023
Date of the Board of Directors	4/21/2022	6/29/2023	6/29/2023
Terms of exercise	180,000 on 4/21/24 180,000 on 4/21/25 180,000 on 4/21/26 180,000 on 4/21/27	161,250 on 6/29/24 161,250 on 6/29/25 161,250 on 6/29/26 161,250 on 6/29/27	428,625 on 6/29/2024 428,625 on 6/29/2025 428,625 on 6/29/2026 428,625 on 6/29/2027
Options granted to corporate officers (Shefali Agarwal)	0	0	1,714,500
Options granted to employees (non-officers)	720,000	645,000	0
Starting point of exercise	4/21/2023	6/29/2023	6/29/2023
Subscription Price	.32	.25	.25
Expiration date	4/21/2033	6/29/2033	6/29/2033
Subscription date	4/21/2023	6/29/2023	6/29/2023
Shares subscribed as of 12/31/2022	0		0
Canceled or lapsed options	0	0	0
Options remaining at 12/31/2023	**695,000**	**645,000**	**1,714,500**

History of warrants and stock options grants (continued)

Share subscription warrants	**BSA 2014-1**	**BSA 2014-2**	**BSA 2015-1**	**BSA 2016-1**	**BSA 2016-3**	**BSA 2017**	**BSA 2018-1**	**BSA 2018-2**	**BSA 2020**
Date of meeting	6/30/2014	June 30, 2014	May 20, 2015	April 06, 2016	April 06, 2016	May 24, 2017	June 19, 2018	June 19, 2018	June 19, 2020
Date of the Board of Directors	9/22/2014	March 04, 2015	October 27, 2015	July 28, 2016	December 21, 2016	July 28, 2017	July 27, 2018	October 25, 2018	September 17, 2020
Terms of exercise	1 warrant/ 1 share								
Shares available for subscription by corporate directors (1)	13,013	5500	15,000	30,000	17,500	40,000	42,500	42,500	75,000
of which Financière de la Montagne	13,013	5500	15,000	30,000	17,500	40,000	42,500	42,500	75,000
Starting point for the exercise of the warrants	3/22/2015	September 04, 2015	April 27, 2016	January 28, 2017	June 21, 2017	April 28, 2018	June 30, 2019	June 30, 2019	March 17, 2021
Expiration date	9/22/2024	March 04, 2025	October 27, 2025	July 28, 2026	December 21, 2026	July 28, 2027	July 27, 2028	October 25, 2028	September 17, 2030
Issue price	€ 0.64	€ 0.63	€ 0.36	€0.26	€0.24	€ 0.20	€0.21 (2)	€ 0.16 (2)	€ 0.16
Subscription price [(1)]	€ 6.17	€ 6.26	€ 3.61	€3.16	€2.43	€ 4.00	€ 1.187	€1.017	€ 0.684
Shares subscribed as of 12/31/2023	0	0	0	0	0	0	0	0	0
Total canceled or lapsed warrants	0	0	0	0	0	0	0	0	0
BSAs remaining at 12/31/2023 (1)	**26,026**	**5500**	**15,000**	**30,000**	**17,500**	**80,000**	**85,000**	**42,500**	**225,000**

(1) After adjustment of the number and subscription price of the warrants as a result of the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L. 228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013 and January 22, 2015)

(2) On May 10, 2019, the Board of Directors decided to raise the subscription price of the warrants retroactively to their market value as determined by an independent expert, in accordance with the recommendations of the AMF.

Share subscription warrants	**BSA 2021**	**BSA 2021-1**	**BSA 2021-3**	**BSA 2021-4**	**BSA 2022**	**BSA 2022-2**
Date of meeting	6/19/2021	June 10, 2021	June 10, 2021	June 10, 2021	June 10, 2021	June 10, 2021
Date of the Board of Directors	4/28/2021	June 11, 2021	July 29, 2021	October 06, 2021	February 02, 2022	February 02, 2022
Terms of exercise	1 warrant/ 1 share	1 warrant/ 1 share	1 warrant/ 1 share	1 warrant/ 1 share	1 warrant/ 1 share	1 warrant/ 1 share
Shares that may be subscribed by corporate directors	150,000 (1)	100,000 (2)	75,000 (3)	75,000 (3)	150,000 (1)	75,000 (3)
Of which Shefali Agarwal	150,000	100,000			150,000	
Of which Financière de la Montagne			75,000			
Of which Robert Coleman				75,000		
Of which Bryan Giraudo						75,000
Starting point for the exercise of the warrants	10/28/2022	June 11, 2022	January 29, 2022	April 06, 2022	August 02, 2023	August 02, 2022
Expiration date	4/28/2031	June 11, 2031	July 29, 2031	October 06, 2031	February 02, 2032	February 02, 2032
Issue price	0.176	0.159	0.146	0.129	0.097	0.100
Subscription date	0.723	0.662	0.62	0.56	0.42	0.42
Shares subscribed as of 12/31/2023	0	0	0	0	0	0
Total canceled or lapsed warrants	0	0	0	0	0	0
BSAs remaining at 12/31/2023	**150,000**	**100,000**	**75,000**	**75,000**	**150,000**	**75,000**

1.1.1.1 Full acquisition after 18 months
2.1.1.1 Full acquisition after 12 months
3.1.1.1 Acquisition by third party every 6 months

Share subscription or purchase options granted during the year to the ten largest non-executive employees or exercised by them

	Total number of options granted	Weighted average price	Plan
Options granted during the fiscal year to the ten employees (other than corporate directors) with the highest number of options granted (aggregate information)	865,000	0.29 €	SO Employees Plan 2022-5 and 2023-1

Other benefits granted to corporate directors and officers

Corporate Directors and Officers	Employment Contract		Supplementary pension plan		Indemnities or benefits due as a result of termination/change of duties		Compensation for a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Shefali Agarwal President and CEO		X		X	X			X

Ms. Agarwal has been remunerated as CEO / corporate officer since her appointment to this position on April 7, 2022, in the amount of €250,000 (with a possible bonus of €250,000) on an annual basis. As she came specially from the United States to work full time for the Company, she also receives an impatriation bonus of € 250,000 (with a possible bonus of € 250,000) on an annual basis.

In accordance with the provisions of articles L. 225-197-1 and L. 225-185 of the Commercial Code, the Board of Directors, on the recommendation of the Compensation Committee, has set the number of shares (shares allocated or shares resulting from the exercise of options) that the executive directors of Valerio Therapeutics are obliged to keep in registered form until the termination of their functions This quota has been set at 10% of the acquisition capital gains net of related taxes and contributions obtained by exercising options.

4 CAPITAL STRUCTURE OF THE COMPANY

4.1 DISTRIBUTION OF SHARE CAPITAL AT DECEMBER 31, 2023

The share capital as of December 31, 2023 was 38,591,068.25 euros, divided into 154,364,273 shares with a par value of 0.25 euros each, all of the same class and fully paid up.

At December 31, 2023, 76% of the Company's capital was held by bearer shareholders and 24% by registered shareholders.

In accordance with the provisions of Article L. 233-13 of the French Commercial Code, we hereby inform you of the identity of shareholders whose threshold exceeds 5% of the share capital, i.e. who own more than one-

twentieth, one-tenth, three-twentieths, one-fifth, one-fourth, one-third, one-half, two-thirds or nineteen-twentieths of the share capital or voting rights as of December 31, 2023.

Shareholders	Shares		Voting rights	
	Number of shares	% of share capital	Number of voting rights	% of voting rights
Artal (Invus Group)	44,083,338	28.56%	44,083,338	28.63%
Financière de la Montagne	29,238,939	18.94%	29,238,939	18.99%
Agenus Inc.	17,857,143	11.57%	17,857,143	11.59%
Treasury stock	368,174	0.24%	-	-
Other	62,816,679	40.69%	62,816,679	40.79%
Total at 12/31/2023	**154,364,273**	**100.00%**	**153.996.099**	**100.00%**

No shareholders' agreements have been declared to the Company.

4.2 CHANGES DURING THE YEAR

	Number	Nominal value (euros)	Share capital after modification
Shares comprising the share capital at year-end 2022	111,507,130	0.25	27,876,782.50
Board of Directors' meeting of April 4, 2023 and CEO decision of May 17, 2023 and June 9, 2023: increase in the share capital with cancellation of preferential subscription rights for shareholders, for a nominal amount of 10,714,285.80 euros, through the issue of 42,857,143 ordinary shares with a par value of 0.25 euro each	42,857,143	0.25	10,714,285.80
Shares comprising the share capital at year-end 2023	154,364,273	0.25	38,591,068.30

LOSS OF MORE THAN HALF OF CAPITAL

Due to the loss that appeared in respect of the 2023 financial year, the amount of shareholders' equity has become less than half of the share capital, and it will therefore be appropriate, according to the provisions of article L.223-42 of the French Commercial Code, to decide whether there is reason for early dissolution of the company, within four months from the date of approval of the accounts.

SUBSIDIARIES AND HOLDINGS

The table below provides all the information concerning the activity of the Company's subsidiaries and holdings for the 2023 financial year. All figures are converted into euros and expressed in thousands.

Company name	**Onxeo US**	**Topotarget UK**	**Topotarget Switzerland**
Address	185 Alewife Brook Parkway Suite 210 Cambridge MA 02138 USA	7200 The Quorum Oxford Business Park North Garsington Road Oxford OX4 2JZ UK	c/o Monique Caillat, avocate Avenue de Sécheron 15 1202 Genève Switzerland
% held by Valerio Therapeutics SA	100%	100%	100%
Gross value of shares	1	38 138	8 120
Net value of shares	0	6 236	0
Revenues	7 601		1 800
Net income	342	(11)	959
Capital	1	1 707	564
Total equity	45	6 225	(23 537)
Dividend paid	None	None	None
Guarantees and endorsements given	None	None	None
Loans and advances given/(received)	(1,343)	(6 212)	29 494

5 CAPITAL LIKELY TO BE SUBSCRIBED BY EMPLOYEES AND MANAGERS AND DILUTED CAPITAL

The fully diluted share capital at December 31, 2023 amounted to 167,845,292 shares. It includes the share capital as of December 31, 2023, consisting of 154,364,273 shares plus 13,481,019 shares likely to be issued as a result of the plans for the granting of securities that give access to the Company's share capital detailed below, representing a potential dilution 8.73% on the basis of the existing capital at the closing date of the fiscal year.

Plan Designation	**Beneficiaries**	**Adjusted subscription price (1) per share in euros**	**Expiration date**	**Adjusted number of warrants/options (1) outstanding at 12/31/23**	**% dilution of share capital**	**% cumulated**
BSA 2014	Non-employees Board Members	6.17	September 22, 2024	85,886	0.06%	1.30%
BSA 2014-2		6.26	March 04, 2025	19,000	0.01%	
BSA 2015		3.61	October 27, 2025	65,000	0.04%	
BSA 2015-2		3.33	January 23, 2026	90,000	0.06%	
BSA 2016		3.16	July 28, 2026	160,000	0.10%	
BSA 2016-3		2.43	December 21, 2026	52,500	0.03%	
BSA-2017		4.00	July 28, 2027	300,000	0.19%	

BSA 2018		1.19	July 27, 2028	274,500	0.18%	
BSA 2018-2		1.02	October 25, 2028	85,000	0.06%	
BSA 2020		0.68	September 17, 2030	350,000	0.23%	
BSA 2021-2		0.662	June 11, 2031	100,000	0.06%	
BSA 2021-3		0.62	July 29, 2031	125,000	0.08%	
BSA 2021-4		0.56	October 06, 2031	75,000	0.05%	
BSA 2022		0.42	February 02, 2032	225,000	0.15%	
BSA 2016-2	Consultants	2.61	October 25, 2026	30,000	0.02%	0.12%
BSA 2021 (2)		0.723	April 28, 2031	150,000	0.10%	
SO 2014	Executives	6.17	September 22, 2024	15,616	0.01%	3.00%
SO 2018		1.19	July 27, 2028	108,723	0.07%	
SO 2020		0.68	September 17, 2030	170,000	0.11%	
SO 2021		0.62	July 29, 2031	60,000	0.04%	
SO 2021-2		0.62	July 28, 2027	210,916	0.14%	
SO 2022		0.42	February 02, 2032	250,000	0.16%	
SO 2022-3		0.40	May 04, 2032	3,810,285	2.47%	
SO 2013	Employees	3.85	September 19, 2023	31,232	0.02%	4.32
SO 2014		6.17	September 22, 2024	9587	0.01%	
SO 2017-2		1.48	March 29, 2028	25,000	0.02%	
SO 2018		1.19	July 27, 2028	366,246	0.24%	
SO 2020		0.68	September 17, 2030	547,500	0.35%	
SO 2021		0.62	July 29, 2031	146250	0.09%	
SO 2021-2		0.62	July 28, 2027	218,278	0.14%	
SO 2022-2		0.40	May 04, 2032	2,030,000	1.32%	
SO 2022-4		0.33	September 13, 2032	240,000	0.16%	
SO-2022-5		0.32	April 21, 2023	695,000	0.45%	
SO-2023-1		0.25	June 27, 2023	645,000	0.42%	
SO-2023-2		0.25	June 27, 2023	1,714,500	1.11%	
TOTAL				**13,481,019**		**8.73%**

(1) After adjustment of the number and subscription price of warrants, options and free shares as a result of the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L. 228-99 of the French Commercial Code

(2) Grant to Ms. Shefali Agarwal under a consultancy agreement entered into prior to her appointment as a director of the Company (June 10, 2021)

Pursuant to the provisions of Article L. 225-185 of the French Commercial Code, the Board of Directors has decided that the Chief Executive Officer must hold in registered form, until he or she ceases to hold office, 10% of the shares resulting from the exercise of options granted by the Board, up to a limit of a number of options such that their cumulative exercise price does not exceed one year's total gross compensation

In accordance with the provisions of Article L. 225-197-1 II paragraph 4, the Board of Directors has decided that the Chief Executive Officer must hold in registered form, until the end of his or her term of office, 10% of the shares allocated, up to a number of shares such that their cumulative value does not exceed one year's total gross compensation.

Appendix I – RESULTS OF THE LAST FIVE YEARS (STATUTORY ACCOUNTS)

In euros	2019	2020	2021	2022	2023
Capital at year-end					
Share capital	15,329,462.75	19,579,452.50	22,998,733.75	27,876,782.50	38,591,068.25
Number of existing common shares	61,317,851	78,317,810	91,994,935	111,507,130	154,364,273
Number of existing preferred shares					
Maximum number of future shares to be created:					
By conversion of bonds					
By exercising the subscription right					
Operations and results for the year					
Turnover before tax	1,150,646	488,518	45,523	2	
Income before tax, employee profit-sharing, depreciation and provisions	-23,097,256	-8,246,501	-10,252,400	-18,678,338	-23,805,587
Income taxes	-1,381,822	-794,638	-1,744,594	-1,206,867	-2,340,098
Employee profit-sharing due for the year					
Income after tax, employee profit-sharing, depreciation and provisions	-28,967,798	-3,566, 539	-5,351,535	-14,859,775	-20,215,718
Distributed income					
Earnings per share					
Income after tax, employee profit-sharing, but before depreciation and provisions	-0.35	-0.09	-0.08	-0,16	-0.15
Income after tax, employee profit-sharing, depreciation and provisions	-0.47	-0.05	-0.03	-0,13	-0.13
Dividend allocated to each share					
Staff					
Average number of employees during the year	30	25	25	25	19
Total payroll for the year	3,029,115	2,773,547	2,607,315	4,184,877	2,843,626
Amounts paid for employee benefits	1,490,970	1,258,312	1,211,015	1,508,581	982,959

Appendix II - Summary table of current delegations of authority granted by the General Meeting to the Board of Directors to increase the share capital

Year ended December 31, 2023

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, we hereby report to you on the current delegations of authority granted by the Shareholders' Meeting to the Board of Directors to increase the share capital, and on the use made of these delegations during the year ended December 31, 2023.

	Duration of validity / expiry date	Ceiling (nominal value)	Use made of the delegation
Delegations granted by the Shareholders' Meeting of February 06, 2023*			
Delegation of authority granted to the Board of Directors to increase the share capital, immediately or in the future, by issuing ordinary shares or any securities that give access to the capital, with preferential subscription rights (2nd resolution)	26 months / April 06, 2025	€ 111,507.130 (446,028,520 shares) €100,000,000 in debt securities	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities that give access to the capital, with waiver of shareholders' preferential subscription rights and a public offering (3rd resolution)	26 months / April 06, 2025	€ 111,507.130 (446,028,520 shares) €100,000,000 in debt securities	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to issue shares or any securities that give immediate or future access to the share capital, without shareholders' preferential subscription rights, by means of an offer referred to in Article L 411-2 of the French Monetary and Financial Code (4th resolution)	26 months / April 06, 2025	€ 22,301,426 (89,205,704 shares) €20,000,000 in debt securities	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to increase the amount of issues with or without preferential subscription rights that would be decided pursuant to the 2nd to 4th resolutions above (5th resolution)	26 months / April 06, 2025	15% of the initial issue	The Board did not make use of this authority.
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities that give access to the capital, without shareholders' preferential subscription rights for the benefit of a first category of persons (investors active in the healthcare or biotechnology sectors) (6th resolution)	18 months / August 06, 2024	€ 111,507.130 (446,028,520 shares) €100,000,000 in debt securities	On April 24, 2023, the Board of Directors decided to carry out a capital increase which led to the issue, on June 9, 2023, of 25,000,000 new shares for a total amount, including issue premium, of 7,000,000 euros (capital increase of 6,250,000 euros nominal value at a unit price of 0.28 euro).

	Duration of validity / expiry date	Ceiling (nominal value)	Use made of the delegation
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any securities that give access to the capital, without shareholders' preferential subscription rights, for the benefit of a second category of persons (industrial companies active in the healthcare or biotechnology sectors) (7th resolution)	18 months / August 06, 2024	€ 111,507.130 (446,028,520 shares) €100,000,000 in debt securities	On April 24, 2023, the Board of Directors decided to carry out a capital increase which led to the issue, on June 9, 2023, of 17,857,143 new shares for a total amount, including issue premium, of 5,000,000 euros (capital increase of 4,464,285.75 euros nominal value at a unit price of 0.28 euro).
Delegation of authority granted to the Board of Directors to increase the capital by issuing ordinary shares or any other securities without shareholders' preferential subscription rights for the benefit of a category of persons within the framework of an equity or bond financing agreement 8th resolution)	18 months / August 06, 2024	€ 22,301,426 (89,205,704 shares) €20,000,000 in debt securities	The Board did not make use of this delegation.
Delegations granted by the Shareholders' Meeting of June 6, 2023 **			
Authorization for the Board of Directors to grant stock options or stock purchase options (10th resolution)	38 months / August 6, 2026	7,350,000 options representing a maximum nominal amount of 1,837,500 euros	The Board did not make use of this delegation.
Delegation of authority granted to the Board of Directors to issue a maximum number of 1,850,000 warrants to members of the Board of Directors in office on the date of allocation of the warrants, who are not employees or officers of the Company or of one of its subsidiaries, and persons bound by a service or consultancy contract to the Company or one of its subsidiaries (11th resolution)	18 months /December 6, 2024	1,850,000 warrants representing a maximum nominal amount of 462,500 euros	The Board did not make use of this delegation.
Authorization granted to the Board of Directors to issue free shares (first allocation by substitution to the payment in cash of the 2022 variable compensation) (12th resolution)	38 months / August 6, 2026	300,000 free shares representing a maximum nominal amount of 75,000 euros	The Board did not make use of this delegation.
Authorization granted to the Board of Directors to issue free shares (second allocation by substitution to the payment in cash of the 2023 variable compensation) (13th resolution)	38 months / August 6, 2026	435,000 free shares representing a maximum nominal amount of 108,705 euros	The Board did not make use of this delegation.

* global overall limit of 111,507,130 euros for equity securities on the basis of a €0.25 par value and a global overall limit of 150,000,000 euros for debt securities.

** cumulative thresholds of each financial instruments (no global overall limit).

FINANCIAL STATEMENTS AT 12/31/2023

PREPARED ACCORDING TO FRENCH STANDARDS

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Valerio Therapeutics

Statutory auditor's report on the annual accounts

Year ended December 31, 2023

Aca Nexia - Société par actions simplifiée au capital de 640 000 € - RCS Paris 331 057 406
Société d'expertise comptable et de commissariat aux comptes
Membre indépendant de Nexia International
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To the Annual General Meeting of Valerio Therapeutics,

1. Opinion

In compliance with the engagement entrusted to us by the Shareholders' Meeting, we have audited the accompanying parent company financial statements of Valerio Therapeutics for the year ended December 31, 2023.

In our opinion, the parent company financial statements give a true and fair view of the Company's assets, liabilities and financial position as of December 31, 2023 and of the results of its operations for the fiscal year then ended in accordance with French accounting principles.

2. Basis for the opinion

2.1. Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of our report entitled "Statutory Auditors' responsibilities for the audit of the consolidated financial statements".

2.2 Independence

We carried out our audit engagement in compliance with the independence rules provided for by the French Commercial Code and the Code of Ethics for Statutory Auditors for the period from January 1, 2023 to the date of issue of our report.

3. Observation

Without questioning the opinion expressed above, we draw your attention to note 1. "Accounting Principles and Methods" and 2.4 "Events after December 31, 2023"in the notes to the annual financial statements, which set out the elements underlying the application of the company's going concern principle.

4. Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement which, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year, as well as how we addressed those risks

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

For R&D and goodwill intangible assets, as indicated in note 3.1 "Intangible assets" in the notes to the annual financial statements, the valuation used as a reference for impairment tests is the recoverable amount, which is the greater of the fair value net of disposal costs and the value in use. We've looked at

how impairment testing is implemented and what data is used by your company's management. We have verified that Note 3.1 "Intangible assets" provides appropriate information in this regard.

5. Specific verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information provided in the Management Report and in the other documents given to shareholders related to the financial position and the parent company financial statements

We have no matters to report as to the fair presentation and the consistency with the parent company financial statements of the information provided in the Management Report of the Board of Directors and in the other documents given to shareholders related to the financial position and the parent company financial statements.

We attest to the fair presentation and the consistency with the parent company financial statements of the information on payment terms set out in Article D. 441-6 of the French Commercial Code.

Report on Corporate Governance

We attest the existence, in the section of the Board of Directors' management report devoted to corporate governance, of the information required by Article L.225-37-4 of the French Commercial Code.

Other information

In accordance with the law, we have ensured that the various information relating to the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management Report.

6. Responsibilities of management and those charged with governance for the parent company financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, for disclosing any matters related to going concern, and for using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Performance Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, internal audit, regarding accounting and financial reporting procedures.

The parent company financial statements have been approved by the Board of Directors.

7. Statutory Auditors' responsibilities for the audit of the parent company financial statements

Objectives and audit approach

Our role is to issue a report on the parent company financial statements. Our objective is to obtain reasonable assurance as to whether the parent company financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability or the quality of management of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. The Statutory Auditor also :

- identifies and assesses the risks of material misstatement of the parent company financial statements, whether due to fraud or error; designs and performs audit procedures responsive to those risks; and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding internal control;
-
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
-
- assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the parent company financial statements;
-
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the parent company financial statements or, if such disclosures are not provided or inadequate, to issue a qualified or adverse audit opinion;
-
- assesses the overall presentation of the parent company financial statements and whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris, April 30, 2024

The Statutory Auditor

Aca Nexia
represented by
Laurent Cazebonne

Summary

BALANCE SHEET

BALANCE SHEET ASSETS

In thousands of euros	Gross	Amortization / Impairment	Net 2023	Net 2022
UNCALLED SUBSCRIBED CAPITAL				
INTANGIBLE ASSETS				
Set-up expenses				
Development costs	65 089	61 830	3 259	3 259
Concessions, patents and similar rights	181	181		
Commercial Fund	4 450		4 450	4 450
Other intangible assets	244	244		
Advances and down payments on intangible assets				
Total intangible assets	**69 964**	**62 255**	**7 709**	**7 709**
TANGIBLE ASSETS				
Land				
Constructions				
Technical installations, industrial equipment and tools	1696	1238	458	436
Other tangible assets	1327	993	334	340
Assets under construction				
Advances and down payments				
Total tangible assets	**3 023**	**2 231**	**792**	**776**
FINANCIAL FIXED ASSETS				
Investments accounted for using the equity method				
Other investments	48 578	42 467	6 111	6 111
Receivables related to investments				
Other long-term securities	61		61	81
Other financial fixed assets	220		220	83
Total financial fixed assets	**48 859**	**42 467**	**6 392**	**6 275**
FIXED ASSET	**121 846**	**106 953**	**14 894**	**14 761**
INVENTORIES				
Raw materials, supplies				
Goods in process of production				
Services in process of production				
Intermediate and finished products				
Goods				
Total Inventories				
RECEIVABLES				
Advances and deposits paid on orders	127		127	308

Trade receivables and related accounts				
Other receivables	32 297	16 604	15 693	13 734
Capital subscribed and called up, not paid				
Total receivables	**32 424**	**16 604**	**15 820**	**14 042**
LIQUID ASSETS				
Securities:				
Liquid assets	2 342		2 342	10 774
Total liquid assets	**2 342**		**2 342**	**10 774**
CURRENT ASSET	**34 766**	**16 604**	**18 162**	**24 816**
Prepaid expenses	991		991	293
Deferred loan issue expenses				
Bond redemption premiums				
Currency translation differences assets	185		185	14
GENERAL TOTAL	**157 788**	**123 557**	**34 231**	**39 884**

BALANCE SHEET LIABILITIES

In thousands of euros		Net 2023	Net 2022
NET POSITION			
Share or individual capital which paid in: **Of**	38 591	38 591	27 877**Error! Bookmark not defined.**
Share premiums, merger premiums, contribution premiums, ...		15 691	14 406
Revaluation differences			
Legal reserve			
Statutory or contractual reserves			
Regulated reserves			
Other reserves			
Carry forward		(32,105)	(17 246)
RESULT FOR THE YEAR (profit or loss)		**(20 216)**	**(14 860)**
Total net equity			
Investment subsidies			
Regulated provisions			
EQUITY		**1,962**	**10 177**
Proceeds from issues of equity securities			
Conditional advances		165	83
OTHER EQUITY		165	83
Provisions for risks		1 875	34
Provisions for expenses			
Provision for risks and expenses		**1 875**	**34**
FINANCIAL DEBTS			
Convertible bonds		4 000	4 000
Other debenture loans		11	11
Borrowings and debts with credit institutions		4 171	5 007

Miscellaneous borrowings and financial liabilities	1 343	109
Total financial liabilities	**9 525**	**9 127**
OPERATING LIABILITIES		
Advances and deposits received on current orders		
Trade payables and related accounts	1 985	3 200
Tax and social security liabilities	1 682	1 504
Total operating liabilities	**3 667**	**4 704**
MISCELLANEOUS LIABILITIES		
Debts on fixed assets and related accounts		46
Other debts	9 960	10 148
Total miscellaneous liabilities	**9 960**	**10 194**
ACCRUALS		
Deferred revenue		
DEBTS	**23 152**	**24 025**
Currency translation differences liabilities	7 076	5 564
GENERAL TOTAL	**34 231**	**39 884**

FINANCIAL RESULT

FINANCIAL RESULT (PART 1)

In thousands of euros	France	Export	Net 2023	Net 2022
Sale of goods				
Sold production of goods				
Sold production of services				
NET TURNOVER				
Stored production				
Capitalized production				
Operating grants			165	
Reversals of depreciation and provisions, expense transfers			1,392	1 858
License fees and other products			30	4 956
TOTAL REVENUE			1 587	6 814
EXTERNAL EXPENSES				
Purchase of goods (including customs duties)				
Inventory change (goods)				
Purchase of raw materials and other supplies (including customs duties)			442	490
Change in inventories (raw materials and supplies)				
Other purchases and external expenses			18 506	13 469
Total external expenses			**18 948**	**13 469**
Tax, duties and other levies			**47**	**52**
PERSONNEL EXPENSES				
Wages and salaries			2 843	4 185
Social security expenses			972	1 762
Total personnel expenses			**3 815**	**5 947**
Operating allocations				
Depreciation of fixed assets			129	68
Charges to provisions on fixed assets				
Charges to provisions on current assets				20
Allocations to provisions for risks and expenses				
Total operating allocations			**129**	**88**
OTHER OPERATING EXPENSES			383	869
TOTAL OPERATING EXPENSES			**23 178**	**20 915**
OPERATING INCOME			**(21 591)**	**(14 101)**

FINANCIAL RESULT (PART 2)

In thousands of euros	Net 2023	Net 2022
OPERATING INCOME	**(21 591)**	**(14 401)**
JOINT OPERATIONS		
Profit allocated or loss transferred		
Loss incurred or profit transferred		
FINANCIAL PROCEEDS		
Financial income from investments	976	109
Income from other securities and receivables from fixed assets	28	17
Other interest and similar income	(4)	5
Reversals of provisions and expense transfers	14	505
Positive exchange rate differences	62	5
Net proceeds from sales of marketable securities		
TOTAL FINANCIAL INCOME	**1 080**	**639**
FINANCE CHARGES		
Depreciation, amortization and provisions	185	14
Interest and similar charges	78	2 324
Negative exchange rate differences	43	456
Net expenses on disposals of marketable securities		
TOTAL FINANCIE CHARGES	**307**	**2 795**
FINANCIAL RESULT	**773**	**(2 156)**
CURRENT RESULT	**(20 818)**	**(16 257)**
EXTRAORDINARY PROCEEDS		
Extraordinary income on management operations	26	7
Extraordinary income on capital transactions	114	12
Reversals of provisions and expense transfers		358
TOTAL EXTRAORDINARY INCOME	**140**	**377**
SPECIAL CHARGES		
Exceptional expenses on management operations	42	50
Exceptional expenses on capital transactions		137
Exceptional depreciation, amortization and provisions	1690	
TOTAL EXCEPTIONAL EXPENSES	**1 732**	**187**
EXTRAORDINARY RESULT	**(1 593)**	**190**
Employee profit-sharing		
Income taxes	(2 340)	(1 207)
TOTAL REVENUE	**2 745**	**7 830**
TOTAL EXPENSES	**22,961**	**22 689**
PROFIT or LOSS	**(20,216)**	**(14 860)**

Accounting methods and rules

Valerio Therapeutics (the "Company") is a clinical-stage biotechnology company developing novel cancer drugs by targeting tumor DNA functions through unique mechanisms of action in the highly sought-after area of DNA damage response (DDR). The Company focuses on the development of novel first-in-class or disruptive compounds (in-house, acquired or in-licensed) from translational research to human clinical proof-of-concept, a value-creating and attractive inflection point for potential partners.

Valerio Therapeutics' accounts at December 31, 2023 were prepared under the responsibility of the Chief Executive Officer and were approved by the Board of Directors on April 29, 2024.

1. ACCOUNTING PRINCIPLES AND METHODS

The financial statements for the year ended December 31, 2023 have been prepared and presented in accordance with the provisions of the French Commercial Code, the French General Chart of Accounts and ANC Regulation 2016-07 of November 4, 2016, in compliance with the principle of prudence and independence of financial years.

The financial statements have been prepared on a going concern basis. This principle has been retained by the Board of Directors on the basis of a net cash position of 6.8 million euros at December 31, 2023.

The items entered in the accounts were valued by reference to the historical cost method. The valuation methods used for this year have not been changed from the previous year.

1.1. INTANGIBLE ASSETS

Intangible assets are recorded at their acquisition cost or contribution value, minus accumulated amortization and any impairment losses.

Research and development costs incurred by the company are directly expensed. They may be immobilized when the following conditions are simultaneously met:

- The projects involved are clearly individualized,
- Each project must have at the date of establishment of the accounts, a serious chance of technical success and commercial profitability,
- Their cost can be clearly established.

These criteria are considered not to be met until a marketing authorization has been obtained.

Acquired research and development projects are recognized as intangible assets at their contributed value even in the absence of a marketing authorization.

When their useful life is defined, the cost of intangible assets, minus any residual value, is amortized over the useful life expected by the Company. This period is determined on a case-by-case basis according to the nature and characteristics of the items included under this heading. In particular, concessions and patents are amortized over a period of 10 years on a straight-line basis, software is amortized over a period of 12 months on a straight-line basis and R&D assets with a finite life (in the marketing phase) are amortized over the period of use that the Company can expect.

When their useful life is indefinite, intangible assets are not amortized but are subject to annual impairment tests. Goodwill is tested at least once a year, at the end of the financial year. Assets relating to acquired molecules not yet marketed (and therefore not yet depreciated) are also tested on an annual basis, at the end of the financial year, and as soon as an impairment indicator is identified. For example, slower than expected commercialization may be an indication of impairment.

1.2. PROPERTY, PLANT AND EQUIPMENT

The gross value of the tangible fixed assets corresponds to the value at which the assets were acquired, taking into account the costs necessary to bring the assets into a usable condition, but excluding the costs incurred for their acquisition.

Amortization for impairment is determined on a straight-line basis. The depreciation periods and methods most commonly used are as follows:

- Machinery and equipment 5 years
- Specialized facilities 5 years
- General installations 10 years
- Office and computer equipment 4 years
- Furniture 5 years

1.3. FINANCIAL ASSETS

Equity interests and other long-term investments are valued at the price for which they were acquired, excluding the costs incurred in their acquisition.

A provision for impairment is recorded if, at the end of the financial year, the value in use is lower than the book value. The value in use of the securities is established on the basis of the net assets at the closing date. The outlook for profitability requires the exercise of Management's judgment in order to confirm the assessment made of the netbook value of the equity securities.

The amounts involved in a liquidity contract managed by an Investment Services Provider (ISP) are recorded in the accounts:

- under "Other long-term investments" for treasury stock (the portion invested in company shares),
- under "Other financial assets" for the part retained in cash.

1.4. STOCKS AND WORK IN PROGRESS

Inventories and work-in-progress are valued at cost using the weighted average cost method.

A provision for impairment is recorded if the present value is lower than the carrying amount.

1.5. RECEIVABLES AND PAYABLES

Receivables and payables are valued at their nominal value. A provision for impairment is recorded if, at the end of the financial year, the present value of the receivables is less than the book value.

Payables and receivables in foreign currencies are recorded at the exchange rate on the day of the transaction and are revalued at the closing rate. The exchange differences thus recorded are recorded as translation differences. A provision for expenses is recorded in the event of an unrealized foreign exchange loss.

Receivables are reviewed on a case-by-case basis and a provision for impairment is established according to the risk incurred.

1.6. MARKETABLE SECURITIES

Marketable securities are valued at acquisition cost, excluding expenses incurred for their acquisition.

In the event of a sale involving a group of securities of the same kind that confer the same rights, the entry value of the securities sold is estimated using the P.E.P.S. method.

1.7. LIQUID ASSETS

Cash in hand or at the bank is valued at nominal value.

1.8. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions correspond to commitments resulting from litigation and miscellaneous risks, the timing and amount of which are uncertain, that the company may face in the course of its business. A provision is recognized when

the company has a legal or constructive obligation to a third party as a result of a past event that is probable or certain to result in an outflow of resources to the third party, without at least equivalent consideration expected from the third party, and the future cash outflow can be reliably estimated.

1.9. LICENSING AGREEMENTS

1.9.1. LICENSES GRANTED TO THIRD PARTIES

Agreements whereby the Company licenses to a third party the right to commercialize one or more products in its portfolio generally include a payment upon signature as well as subsequent payments and royalties on sales.

Payments due in respect of the signature of a license agreement, representing the co-contractor's share of past R&D investments and research expenses remaining payable by Valerio Therapeutics, are initially recognized as prepaid income and spread over the term of the contract or a shorter period, depending on the company's involvement or the specific features of the contract. This duration generally corresponds to the estimated time required to obtain marketing authorization for the product concerned and this estimate is reviewed annually by the Management. In general, subsequent payments are conditional and depend on the achievement of certain objectives: registration of products, placing products on the market, obtaining a price and/or reaching sales thresholds (sales performance). They are recognized immediately in other income in the year in which they are received by the Company.

In addition, the company benefits from royalties corresponding to a percentage of the net sales effectively realized by the partners over the period, in application of a contractual rate. Royalties are generally calculated on the basis of monthly or quarterly reporting from the partners. At closing, in the event that reporting for the last period has not been received, royalties are valued on the basis of actual quantities sold using a historical net selling price.

In the case of a disposal of assets, the initial payments will be fully recognized on the date the contract is signed.

1.10. GRANTS

Operating grants are charged to income at the rate of the expenses incurred.

Repayable advances are recognized in "Other equity". If the project is successful, these advances will be reimbursed taking into account the operational forecast of the project's proceeds. In the event of a duly justified failure with the lending institution, the advances received will generally remain vested and will be recognized in the income statement.

2. SIGNIFICANT EVENTS THAT OCCURRED DURING THE FINANCIAL YEAR

2.1. R&D PROGRAMS

- ***AsiDNA™***

AsiDNA™ is a first-in-class product composed of a double-stranded DNA fragment that behaves like a damaged tumor DNA fragment. It hijacks and sequesters key proteins for tumor DNA repair (decoy mechanism) and then hyperactivates them. AsiDNA™ thus induces inhibition of DNA repair and depletion of the repair pathways of the tumor cell, which nevertheless continues its replication cycle, but with damaged DNA, thus leading to cell death.

The Company continued the preclinical and clinical development of AsiDNA™ in 2022.

In terms of preclinical development

Valerio Therapeutics presented new preclinical data confirming the relevance of combining AsiDNA™ with PARP inhibitors (PARPi) in tumor models with an active homologous recombination repair proficient (HRP) pathway on March 9, 2022, at the ESMO Targeted Anticancer Therapies Congress. Although PARP inhibitors have shown significant benefit in cancer patients with homologous recombination repair deficiency (HRD), they show no or very limited efficacy in tumors with active homologous recombination repair proficiency (HRP). The data presented by Valerio Therapeutics highlight the therapeutic advisability of combining AsiDNA™ with PARPi in HRP tumors to overcome intrinsic or acquired resistance in the clinical setting.

- At the American Association for Cancer Research (AACR) Annual Meeting, held April 8-13, 2022, the Company presented new preclinical data that confirmed AsiDNA™'s capabilities to protect against cancer treatment toxicity and combat tumor resistance:

- In the framework of the collaboration with Prof. Gilles Favre (Toulouse Cancer Research Center), AsiDNA™ has been shown to prevent the emergence of resistance to tyrosine kinase inhibitors in several models of oncogenic addiction, highlighting the therapeutic advisability of combining AsiDNA™ with tyrosine kinase inhibitors (TKIs) to overcome resistance in a clinical setting.
- Furthermore, in the context of the collaboration with Prof. Marie Dutreix (Institut Curie), experiments in in vivo and in vitro models have shown the potential of AsiDNA™ to protect healthy cells from the toxicity of several cancer treatments. Indeed, when combined with various cancer therapies (carboplatin +/- paclitaxel in long-term treatment, radiation therapy, doxorubicin, PARP inhibitors), AsiDNA™ activates its nuclear target only in dividing cells, while preserving healthy non-proliferating cells. In addition, in some healthy proliferating cells, AsiDNA™ induces a halt in their division or boosts their DNA repair activity, protecting them from the toxic effects of anti-cancer treatments.

In clinical development

On June 30, 2022, the Company announced that the Food and Drug Administration (FDA) approved the initial Investigational New Drug (IND) application for AsiDNA™, its first-in-class drug candidate. This is the first IND filed by Valerio Therapeutics since the arrival of the American team in April 2022.

This decision allows the Company to initiate a multi-center Phase 1b/2 trial to evaluate the safety and efficacy of AsiDNA™ in combination with the PARP inhibitor Olaparib in patients with epithelial ovarian cancer, breast cancer and metastatic castration-resistant prostate cancer who have progressed despite initial treatment with PARP inhibitors. This clinical trial started in January 2023, with the activation of the first clinical study site in the United States, *Next Oncology* in San Antonio.

In addition, during the first half of the year, Valerio Therapeutics continued its two trials conducted in collaboration with two academic research centers of excellence in oncology:

- The Revocan phase 1b/2 investigator sponsored trial evaluating the addition of AsiDNA™ to combat PARP inhibitor resistance in second-line maintenance treatment of recurrent ovarian cancer. Gustave Roussy is the promoter of this study. The study team conducted its first interim analysis (IA) on 10 patients in January 2023. The combination of AsiDNA™ and PARP inhibitors did not show any dose-limiting toxicity and was generally well tolerated. The interim analysis demonstrated encouraging

clinical activity with six patients showing stable disease (SD) and one patient showing a complete response (CR) with a disease control rate of approximately 70%. The study is still enrolling patients, and the detailed results of the interim analysis will be published by the investigator.

- The Phase 1b/2 trial evaluating AsiDNA™® in combination with radiotherapy in recurrent high-grade glioma in children, an indication with a particularly poor prognosis. The Institut Curie is the sponsor of this study, which is supported by a grant from the European Fight Kids Cancer program. The Company announced the treatment of the first patients in early September 2022.

- ***PlatON™® platform and OX400 family***

PlatON™® is a chemistry platform for building new molecules using three components: the decoy DNA (a double-stranded DNA fragment), a linker between the two strands to ensure the stability of the fragment, and a vector to promote cell penetration (a cholesterol molecule in the case of AsiDNA™®). With platON™®, Valerio Therapeutics has the means to enrich its portfolio of highly innovative drug candidates while capitalizing on the expertise and knowledge it has accumulated in the field of decoy DNAs and DNA repair mechanisms in recent years.

After AsiDNA™®, the first compound derived from platON™®, the company has designed a series of new compounds called OX400 based on its therapeutical decoy DNA platform. Based on Valerio Therapeutics's proprietary decoy DNA technology, the OX400 series is positioned both in the field of DNA damage response (DDR) by acting on several proteins including PARP, a key protein in tumor DNA repair, and in immuno-oncology.

At the end of November 2022, Valerio Therapeutics announced the expansion of its portfolio of drug candidates with OX425, the new optimized OX400 series compound from its proprietary PlatON™™ platform..

OX425 is a new generation decoy DNA whose mechanism of action is clearly differentiated from that of PARP inhibitors. Indeed, it causes hyperactivation of PARP-1 and leads to the exhaustion of the DNA damage response, thus inducing cancer cell death. In addition, it also leads to the activation of the STING pathway. Like other platON™™-based drug candidates, such as AsiDNA™, OX425 benefits from a decoy DNA mechanism of action and does not induce tumor resistance to treatment. This profile represents a clear differentiation from other targeted therapies such as PARP inhibitors. In addition, OX425 has no activity on healthy cells, which should allow for a favorable safety profile in the clinical phase.

Based on these promising results, Valerio Therapeutics will finalize the preclinical development with the aim of filing an ***Investigational New Drug*** (IND) application with the FDA in mid-2023.

2.2. FUNDING

On June 9, 2023, Valerio Therapeutics (formerly Onxeo) completed a new €12 million round of financing from its historical shareholders Invus and Financière de la Montagne and a new investor, Agenus Inc. This financing, structured in the form of a capital increase, was announced in April 2023 as being part of the financing structure enabling the Company to finance its activities at least until the second quarter of 2024.
The net proceeds of the issue are intended (i) for the development of VIO-01 (formerly OX425), both clinically and industrially, (ii) for ongoing and future clinical trials and (iii) more generally, to finance the Company's current expenses.

Terms and conditions of the capital increase

The capital increase was carried out by issuing ordinary shares with cancellation of the shareholders' preferential subscription rights, in favor of a category of persons, on the basis of the 6th and 7th resolutions of the Extraordinary Shareholders' Meeting of February 6th, 2023, in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code.

A total of 42,857,143 new ordinary shares, with a par value of €0.25 each, were issued to Invus Public Equities LP, Financière de la Montagne, and Agenus. The new shares represent approximately 38% of the Company's share capital before the completion of the private placement. The subscription price has been set at €0.28 per

new share, corresponding to the weighted average of the prices of the last three trading sessions (i.e. from May 12 to 16, 2023 inclusive) without discount, representing net proceeds of the issue of €12 million.

The issue has not given rise to a prospectus submitted to the AMF for approval.

The new shares were admitted to trading on the Euronext Growth market in Paris on June 9, 2023. They are listed on the same quotation line as the Company's existing shares (ISIN: FR0010095596), carry current dividend rights and were immediately assimilated to the Company's existing shares.

Following the completion of the capital increase, Invus Public Equities LP and Financière de la Montagne held 28.5% and 19% of the Company's capital respectively, on the basis of a total of 154,364,273 shares. Agenus held 11.5% of the Company's capital. A shareholder owning 1% of the Company's capital saw its stake reduced to 0.72%. To the Company's knowledge, no other shareholder owns more than 5% of its capital.

2.3. IMPACT OF THE INTERNATIONAL SITUATION

The Company follows closely the geopolitical situation.

A continuation or increase of economic sanctions against Russia in the context of the Russian-Ukrainian conflict, or a worsening of the Israeli-Palestinian conflict, or a wider extension of these conflicts involving other countries, could significantly impact the Company in the following identified fields:

- financial market volatility, amplification of the difficulties to finance the Company by reducing, delaying, or making it more difficult or costly for the Company to obtain financing, both through equity or debt financing.

- although the trials conducted and planned by the Company in 2023 are not in these countries, amplification of the difficutlies to run its clinical trials and production operations, reducing, delaying, or making it more difficult or costly for the Company to develop its a drug candidate.

- Difficulties for the Company to carry on its clinical trials and production operations directly or through the impact that the international situation could have on its partners and subcontractors.

Like most companies, the Company is also impacted by inflation rates, higher than long term averages, resulting in higher prices for the products, raw materials, and consumables it needs, as well as an increase in the cost of services relating to its R&D activities. This has caused a significant increase in the Company's expenses that is not offset by revenues or the possibility of passing these costs on to other parties, given the absence of products commercialized by the Company.

2.4 EVENTS AFTER DECEMBER 31, 2023

On February 6, 2024, the Company completed a reduction of the par value of its shares. Using the authorization granted by the Shareholders' General Meeting of 6th February 2023, the Board of Directors decided to reduce the share capital by eliminating part of the losses incurred, by an amount of €16,980,070.03. This capital reduction, motivated by losses, is being carried out by reducing the nominal value of the Company's shares from €0.25 euro to €0.14. Its purpose is to facilitate any new financial transactions that may be appropriate in the future. Following this operation, the Company's share capital amounts to €21,610,998.20, divided into 154,364,273 ordinary shares with a par value of €0.14 each.

The company also announced on April 29, 2024

- Valerio Therapeutics (ValerioTX) has completed the nonclinical development of VIO-01, formerly OX425, for support of its first-in-human investigation
- ValerioTX received the FDA's clearance to proceed with the IND-opening study VIO-01-101 for VIO-01
- NEXT Oncology San Antonio, the first site for the Phase 1/2 (VIO-01-101) study investigating VIO-01 has been activated and has dosed the first patient
- Deprioritization of AsiDNA clinical investigation to focus efforts on developing VIO-01, our second-generation development candidate
- ValerioTX continued its optimization of platON platform by developing DecoyTAC, leveraging the unique DNA Decoy MoA and the targeted protein degradation (PROTAC), and expanding the targets beyond DDR
- Taking into account the financing commitments received from its main shareholders Invus and Financière de la Montagne, in the amount of 5 million euros, the Company will be able to finance its activities at least until the end of fourth quarter of 2024 based on its financing plan.

3. NOTES TO THE BALANCE SHEET

3.1. INTANGIBLE ASSETS

In thousands of euros	December 31, 2023	Increase	Decrease	December 31, 2022
Beleodaq® R&D assets	61,830	0	0	61,830
AsiDNA™ /VIO-01 R&D assets	3,259	0	0	3,259
Goodwill	4,450	0	0	4,449
Other intangible assets	425	0	0	425
Gross TOTAL	**69,964**	**0**	**0**	**69,964**
Beleodaq® amortization	-8,227	0	0	-8,227
AsiDNA™/VIO-01 Amortization	0	0	0	0
Amortization of other intangible assets	-425	0	0	-425
TOTAL Depreciation and amortization	**-8,652**	**0**	**0**	**-8,652**
Beleodaq® Depreciation	-53,603	0	0	-53,603
TOTAL Impairments	**-53,603**	**0**	**0**	**-53,603**
Total	***7,709***	***0***	***0***	***7,709***

Gross intangible assets consist mainly of:

- Development costs for the product Beleodaq® (belinostat), amounting to 61,830 thousand euros, recognized at the time of the acquisition by merger of the company Topotarget in 2014. In accordance with the license agreement signed with Acrotech Biopharma on April 6, 2020, Valerio Therapeutics will no longer benefit from any future revenues related to Beleodaq®/belinostat, other than what is required to repay the bond loan contracted with SWK Holdings, and consequently these R&D assets have been fully amortized at December 31, 2020. It should be noted that the SWK loan was fully repaid during 2022.
- Development costs for the AsiDNA™ product in the amount of 3,259 thousand euros, recognized upon the acquisition of DNA Therapeutics in 2016.

- Goodwill in the amount of 4 450 thousand euros which represents the difference between the acquisition value of Topotarget and the net assets contributed.
- Patents and trademarks acquired by the company for a gross amount of 181 thousand euros and software for a gross amount of 244 thousand euros.

Impairment tests

The R&D assets that correspond to AsiDNA™, which are not amortized, as well as the goodwill, were tested for impairment at December 31, 2023, as described below.

- ***R&D assets***

The value in use of these assets has been determined using the projected cash flow method, on the basis of a 23-year financing plan prepared by management and representing its best estimate. This financing plan takes into account, among other things, a model of future sales of products under development and includes probabilities of success. The valuation model does not include a terminal value as the time horizon chosen takes into account all foreseeable cash flows. A discount rate of 20.5% has been applied to the cash flows, which takes into account the market risk and the specific risks linked to Valerio Therapeutics. As the value in use obtained for AsiDNA™ exceeded the bases tested, no impairment was recognized.

- ***Goodwill***

The Company has determined the recoverable amount of goodwill as the higher of fair value less the disposal costs and value in use.

The fair value was assessed by reference to the market capitalization of Valerio Therapeutics on December 31, 2023. The costs of disposal were considered insignificant. At the closing date, the market capitalization was higher than the basis tested (net book value at that date).

In order to support this result, the Company has, in a second step, determined its value in use on the basis of a 23-year financing plan prepared by management and representing its best estimate. This financing plan takes into account, among other things, a model of future sales of products under development and includes probabilities of success. The valuation model does not include a terminal value as the time horizon chosen takes into account all foreseeable cash flows. These cash flows include all revenues and expenses related to the current indications in the portfolio, including potential developments on products under development by the Group. A discount rate of 20.5% has been applied to the cash flows, which takes into account the market risk and the specific risks linked to Valerio Therapeutics. As the value in use thus determined was also higher than the basis tested (net book value at December 31, 2023), no impairment was recognized.

- ***Sensitivity test***

Goodwill and R&D assets related to VIO-01 have not been subject to sensitivity testing to the extent that their recoverable amount is significantly higher than their carrying amount.

3.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment consists primarily of laboratory and research equipment, computer hardware and other fixtures and fittings acquired by the company.

3.3. FINANCIAL ASSETS

Financial assets correspond mainly to the investments held by Valerio Therapeutics in its subsidiaries. The change in this item corresponds mainly to reversals and allowances during the financial year for provisions for impairment of subsidiaries' shares, for a net amount of 1,365 thousand euros.

The amount of treasury shares held under the liquidity contract as of December 31, 2023, is 61 thousand euros corresponding to 368,174 shares recorded under "Other long-term investments". Cash not invested under the contract amounted to 145 thousand euros.

3.4. OTHER RECEIVABLES

In thousands of €	December 31, 2023	< 1 year	> 1 year	December 31, 2022
Subsidiaries' current accounts	12,773		12,773	9,959
Research tax credit	2,571	2,571		3,218
Other tax receivables (VAT)	344	344		551
Other receivables	5	5		6
Debtors suppliers	127		127	307
Net value of other receivables	**15,820**	**2,920**	**12,900**	**14,042**

The increase in subsidiaries' current accounts of 2,814 thousand euros is mainly due to a reversal of the provision for depreciation of 1,364 thousand euros and an exchange rate impact of 1,641 thousand euros of the current account of the subsidiary Topotarget Switzerland. The research tax credit decreased by 647 thousand euros as 2022 represented 2 years of tax credit paid in 2023 and 2024. The amount of Tax Credit in 2023 is 2,340 thousand euros.

3.5. CASH AND CASH EQUIVALENTS

At December 31, 2023, the cash amounted to 2,342 thousand euros, which corresponds to cash and cash equivalents.

The 8.4 million euro decrease in cash over the year is mainly due to the company's operating expenses, notably in research and development.

PREPAID EXPENSES

Prepaid expenses at December 31, 2023 amounted to 991 thousand euros and corresponded mainly to industrial subcontracting services, as well as fees and rent for the headquarters in the first quarter of 2024.

3.7. SHAREHOLDERS' EQUITY

At December 31, 2023, the capital amounted to 38 591 thousand euros, divided into 154,364,273 ordinary shares with a par value of €0.25 each, all of the same class and fully paid up.

During the financial year, the share capital changed as follows

		Par	# of shares	€
Fully paid-up shares as of 12/31/2022		0.25	111,507,130	27,876,782.50
Capital increase	(1)	0.25	42,857,143	10,714,286
Fully paid-up shares as of 12/31/2023		0.25	**154,364,273**	**38,591,068**

(1) Capital increase in the form of a private placement on June 9, 2023, for a gross amount of 12 million euros, through the issue of 42,857,143 new shares at a price of 0.28 euros each. The par value of each share is 0.25 euro, representing an increase in share capital of 10,714 thousand euros and a share premium of 1,285 thousand euros

The share premium item increased from 14,406 thousand euros to 15,692 thousand euros as a result of the issue premiums from the capital increase described above.

3.8. OTHER SHAREHOLDERS' EQUITY

Other shareholders' equity in the amount of 165 thousand euros correspond to a Bpifrance advance paid in 2019 under the INNOV'UP program, linked to the PlatON™ program. This amount will be repaid over the period 2023 to 2028.

3.9 FINANCIAL LIABILITIES

This item includes the following:

- A convertible bond issued in April 2022 and subscribed by Invus Public Equities LP and Financière de la Montagne for 2.5 million euros and 1.5 million euros respectively. The maturity of this loan is set for April 6, 2027. Convertible bonds do not bear interest. They may be converted into ordinary shares exclusively at the Company's initiative between the issue date and the maturity date; the CBs will entitle their holders, in the event of conversion, to a number N of new ordinary shares equal to the par value of one CB divided by X; X being the lesser of (a) 0.410 euros, and (b) the volume-weighted average of the prices of the three trading sessions preceding the date of the request for conversion, without any discount.
- Government-backed loans (GBLs) granted in February 2021 by Bpifrance and the Group's commercial banks, amounting to 5 million euros. Valerio Therapeutics has chosen to repay these loans over a period of 5 years starting in February 2022, the first year being a grace period during which only interest will be paid. These loans bear interest at rates ranging from 0.69% to 2.25% over the repayment period.

3.10. TRADE PAYABLES

Trade payables decreased from 3 300 thousand euros at December 31, 2022, to 1 985 thousand euros at December 31, 2023, which is consistent with the timing of R&D activities.

It is specified that the Company conducts preclinical and clinical research and contracts with external partners who assist Valerio Therapeutics in its studies. The research expenses accrued at year-end are determined based on estimates of work completed received by suppliers and validated by management.

3.11. TAX AND SOCIAL SECURITY LIABILITIES

In thousands of €	December 31, 2023	December 31, 2022
Social security liabilities	1,443	1,265
Tax liabilities	239	239
Total	**1,682**	**1,504**

The change in social security liabilities is mainly due to the increase in variable compensation for the year 2023.

3.12. OTHER LIABILITIES

This item of 9,960 thousand euros corresponds to the current account in credit of the subsidiary Topotarget UK for 6,100 thousand euros and to the debt to SpePharm related to the settlement agreement signed by the Company on February 11, 2020, for an amount of 4,048 thousand euros currently with a balance of 3,743 thousand euros. The SpePharm agreement was amended on March 14, 2024, and will be reimbursed between April 2024 and June 2025 and will include interest in the amount of 342 thousand euros at a rate of 10% per annum.

4. NOTES ON THE PROFIT/LOSS

4.1. REVENUES

The Company did not record any revenues for the year 2023.

4.2. LICENSE ROYALTIES

The Company did not record any royalties for the year 2023, however, the French company received cash from the Switzerland subsidiary in the amount of 1,050 thousand euros for royalties received in Switzerland.

4.3. OTHER OPERATING INCOME

Other operating income consists mainly of reversals of provisions for impairment of subsidiaries' current accounts, particularly a reversal of 1,392 thousand euros concerning Topotarget Switzerland, related to license revenues received by this company in 2023. There were operating income of 165 thousand euros due to receipt of BPI operating grants.

4.4. EXTERNAL EXPENSES

External expenses increased from 13,469 thousand euros at December 31, 2022, to 18,506 thousand euros at December 31, 2023, in particular due to the increase in R&D costs, which amounted to 16,562 thousand euros, compared with 10,776 thousand euros in the previous year. This change is primarily related to the clinical development of VIO-01. Other external expenses corresponding to general and administrative costs decreased by 307 thousand euros.

4.5. PERSONNEL EXPENSES

Personnel expenses decreased from 5,947 thousand euros in 2022 to 3,815 thousand euros in 2023. This change is related to a reduction of average number of employes reduced by 7 from 2022.

4.6. FINANCIAL INCOME

Financial income of 1 080 thousand euros mainly includes interest on inter-company current accounts of 980 thousand euros and positive exchange rate differences of 62 thousand euros.

Financial expenses of 307 thousand euros include foreign exchange losses or provisions for foreign exchange losses of 228 thousand euros and interest on loans of 78 thousand euros.

4.7. EXCEPTIONAL ITEMS

The extraordinary loss of 1,593 thousand euros corresponds mainly to:

- A provision for dispute of an invoice from a service provider being strongly challenged of 1,690 thousand euros
- Donations to research institutions in the amount of 40 thousand euros
- Income on treasury shares transactions in the amount of 61 thousand euros

4.8. INCOME TAXES

The Company has a French tax loss carry-forward amounting to 343 million euros at December 31, 2023.

5. OFF-BALANCE SHEET COMMITMENTS

5.1. PENSION OBLIGATIONS

The actuarial valuation method used for pension obligations is the retrospective valuation method. Under this method, the present value of benefits is determined on the basis of services rendered by the employee at the valuation date. This is a defined benefit plan.

The actuarial assumptions used are as follows:

- Collective agreement: National CBA of Pharmaceutical Companies
- Retirement age: From the age of 65, in application of the law of April, 14 2023 on pension reform
- Calculation date: 12/31/2023

- Mortality table: INSEE 2022
- Discount rate: 3.30 %
- Salary escalation rate: (rate of salary increase + inflation) 3%
- Turnover rate: By age group
- Payroll tax rates: 46 %

At December 31, 2023,pension commitments amounted to 108 thousand euros.

5.2. LEASING COMMITMENTS

Lease commitments amounted to 121 thousand euros at December 31, 2023.

6. RELATED PARTIES

The parties related to Valerio Therapeutics SA are:

- Financière de la Montagne which, as a shareholder of the Company with 18.9% of the capital as of December 31, 2023, and as a member of the Board of Directors, is considered to exercise significant influence over the Company.
- Invus public Equities which, as a shareholder of the Company with 28.6% of the capital as of December 31, 2023, and as a member of the Board of Directors, is considered to exercise significant influence over the Company.

7. INTRA-GROUP TRANSACTIONS

Transactions with other companies related to the Group relate exclusively to companies included in the scope of consolidation. These mainly consist of sales of finished products and services, invoicing of marketing license fees and intra-group loans and borrowings under cash management agreements.

The table below shows the impact of intra-group transactions at December 31, 2023 :

in thousands of euros	31/12/2023	December 31, 2022
Assets	29,377	27,927
Liabilities	7,560	6,209
Revenues	997	109
Expenses	7,437	3,261

The amount of the assets corresponds mainly to the current account of the subsidiary Topotarget Switzerland and to the equity investments, the amount of the liabilities to the current account of the subsidiary Topotarget UK and to the debts towards the US subsidiary.

Appendix tables

8. FIXED ASSETS

In thousands of euros	Amount beginning 2023	Increases	Decreases	Amount end 2023
Start-up and development costs	65,089			65,089
Other intangible asset items	4,875			4,875
TOTAL INTANGIBLE ASSETS	**69,964**			**69,964**
Land				
Buildings on own land				
Buildings on other people's land				
General installations, building fixtures and fittings				
Technical installations, equipment and industrial tools	1,596	100		1,696
General installations, fixtures and various fittings	960	21		981
Transportation equipment				
Office equipment and computer furniture	322	24		346
Recoverable and miscellaneous packaging				
Tangible assets in progress				
Advances and down payments				
TOTAL TANGIBLE ASSETS	**2,879**	**145**		**3,023**
Investments accounted for using the equity method				
Other investments	48,578			48,578
Other long-term securities	81		20	61
Loans and other financial assets	83	137		220
TOTAL FINANCIAL ASSETS	**48,742**	**137**	**20**	**48,859**
GENERAL TOTAL	**121,584**	**282**	**20**	**121,846**

AMORTIZATION TABLE

In thousands of euros	Amount beginning 2023	Increases	Decreases	Amount end 2023
Establishment, research and development costs	8,227			8,227
Other intangible asset items	425			425
TOTAL INTANGIBLE ASSETS	8,652			8,652
Land				
Buildings on own land				
Buildings on other people's land				
General installations, building fixtures and fittings				
Technical installations, equipment and industrial tools.	1,160	78		1,238
General installations, fixtures and fittings	679	35		714
Transportation equipment				
Office and computer equipment, furniture	263	16		279
Recoverable and miscellaneous packaging				
TOTAL TANGIBLE ASSETS	2,102	129		2,231
GENERAL TOTAL	**10,754**	**129**		**10,883**

9. TABLE OF PROVISIONS

In thousands of euros	Amount beginning 2023	Increases: Allowances for the year	Decreases:			Amount end 2023
			Used during the year	Not used during the year	Reversals during the year	
Regulated provisions						
Provisions for reconstruction of deposits (mines, oil)						
Provisions for investment						
Provisions for price increases						
Excessive depreciation						
Of which exceptional increases of 30%.						
Provisions for installation loans						
Other regulated provisions						
TOTAL REGULATED PROVISIONS						
Provisions for liabilities and charges						
Provisions for litigation	20	1,690			20	1,690
Provisions for guarantees given to clients						
Provisions for losses on futures markets						
Provisions for fines and penalties						
Provisions for foreign exchange losses	14	185			14	185
Provisions for pensions and similar obligations						
Provisions for taxes						
Provisions for renewal of fixed assets						
Provisions for major maintenance and overhauls						
Provisions for social security and tax charges on leave payable						

Other provisions for liabilities and charges						
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	**34**	**1,875**			**34**	**1,875**
Provisions for depreciation						
On intangible assets						
On tangible assets						
On capitalization of investments using the equity method						
On capitalization of equity investments	42,467	-				42,467
On other financial assets						
On stock and work in progress						
On accounts receivable						
Other provisions depreciation	17,969				1,365	16,604
TOTAL PROVISIONS FOR DEPRECIATION	**60,436**				**1,365**	**59,071**
GENERAL TOTAL	60,470	1,875			1,399	60,946

Of which operating allowances and reversals	1,690		1,385	
Of which financial allowances and reversals	185		14	
Of which exceptional allowances and reversals				

10. RECEIVABLES

In thousands of euros	Gross amount	Up to 1 year	Over 1 year
Receivables related to equity investments			
Loans(1) (2)			
Other financial assets	220		220
Total fixed assets	**220**		**220**
Advances and prepayments on orders	127		127
Doubtful or contentious clients			
Other trade receivables			
Receivables representing loaned securities			
Personnel and related accounts	5		5
Social security and other social organizations			
Income taxes	2,571	2,571	
Value Added Tax	210	210	
Other taxes and similar payments	134	134	
Miscellaneous			
Group and Associates (2)	29,377	29,377	
Miscellaneous debtors			
Total current assets	**32,424**	**32,292**	**132**
Prepaid expenses	991	991	
TOTAL RECEIVABLES	**33,634**	**33,282**	**352**

(1) Amount of loans granted during the year	
(1) Amount of repayments obtained during the year	
(2) Loans and advances to associates (legal entities)	

11. DEBTS

In thousands of euros	Gross amount	Up to 1 year	More than 1 year 5 years or less	Over 5 years
Convertible bonds	4,000		4,000	
Other bonds (1) (A)	11	11		
Loans and debts to credit institutions up to one year	4,171	1,372	2,799	
Loans and debts with credit institutions due in more than one year				
Other loans and financial liabilities (1) (2)				
Trade payables and related accounts	1,985	1,985		
Personnel and related accounts	965	965		
Social security and other social organizations	437	437		
Income taxes	239	239		
Value Added Tax	1	1		
Guaranteed Bonds				
Other taxes, duties and similar	39	39		
Debts on fixed assets and related accounts				
Group and Associates (2)	7,561	7,561		
Other liabilities SpePharm	3,743	2,003	1,740	
Debt on borrowed securities				
Deferred income				
TOTAL DEBTS	**23,152**	**14,613**	**8,539**	

(1) Loans taken out during the year	
(1) Loans repaid during the year	
(2) Amount of loans and debts due to associates	

12. ACCRUED INCOME

In thousands of euros	2023	2022
Financial assets		
Receivables related to equity investments		
Other financial assets		
Total financial fixed assets		
Receivables		
Trade receivables and related accounts		
Other receivables		
Total receivables		
Cash and miscellaneous		
Marketable securities		
Liquid assets		
Total cash and miscellaneous		
TOTAL		

13. ACCRUED EXPENSES

In thousands of euros	2023	2022
Financial debts		
Convertible bonds		
Other debenture loans	11	11
Loans and debts with credit institutions		
Miscellaneous loans and debts and financial liabilities		
Advances and deposits received on orders in progress		
Total financial debts	**11**	**300**
Operating liabilities		
Trade payables and related accounts	1,653	2 814
Tax and social security liabilities	716	1 113
Total operating liabilities	**3 927**	**3 281**
Miscellaneous debts		
Debts on fixed assets and related accounts	40	
Other debts		
Total operating liabilities	**40**	
TOTAL	**3 978**	**3 581**

14. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of euros	01/01/2023	Capital increase	Decrease in capital	Profit appropriation 2022	Other movements	Profit/loss 2023	31/12/2023
Social or individual capital	27 877	10 714					38 591
Share premium, merger premium, contribution premium ...	14 406	1 285					15 691
Revaluation differences							
Legal reserve							
Statutory or contractual reserves							
Regulated reserves							
Other reserves							
Carry forward	(17 246)			(14,860)			(32 105)
Profit or loss for the year	(14 860)			14 860		(20 216)	(20 216)
Investment subsidies							
Regulated provisions							
Dividends paid							
TOTAL	**10 177**	**11 999**				**(20 216)**	**1 962**

15. LEASING

LEASE-BACK FIXED ASSETS (in thousands of euros)	Entry cost	Depreciation and amortization		Net value
		of the fiscal year	cumulated	
Land				
Constructions				
Technical installations, equipment, tools	506	57	278	228
Other tangible assets	45	11	20	25
Assets under construction				
TOTAL	**551**	**68**	**298**	**253**

LEASE COMMITMENTS (in thousands of euros)	Royalties paid		Outstanding royalties				Residual purchase price
	of the fiscal year	cumulated	up to 1 year	from 1 to 5 years	more than 5 years	Total	
Land							
Constructions							
Technical installations, ...	56	341	65	107		172	2
Other tangible assets	11	21	11	13		24	
Assets under construction							
TOTAL	**67**	**362**	**76**	**120**		**196**	**2**

16. AVERAGE NUMBER OF EMPLOYEES

Categories	Average number of employees	
	2023	2022
Executives		24
Supervisors	19	
Employees and technicians		1
Total	**19**	**25**

17. RELATED COMPANIES AND SHAREHOLDINGS

In thousands of euros	Amount for the related	
	companies	with which the company has an equity interest
Financial assets		
Advances and deposits on fixed assets		
Shareholdings	48 578	
Receivables related to equity investments		
Loans		
Total financial fixed assets	**48,578**	
Receivables		
Advances and deposits paid on orders		
Trade receivables and related accounts		
Other receivables	29,377	
Subscribed capital called but not paid		
Total receivables	**29,377**	
Convertible bonds		
Other debenture loans		
Loans and debts with credit institutions		
Miscellaneous loans and debts and financial liabilities		
Advances and deposits received on current orders		
Trade payables and related accounts		
Other debts	7,560	
Total debts	**7,560**	
Financial elements		
Income from investments		
Other financial income	997	
Financial expenses	7 437	
Total financial elements		
Other		

18. TABLE OF SUBSIDIARIES AND INVESTMENTS

In thousands of euros Companies	Capital	Share of capital held (in %)	Book value of securities held		Loans and advances granted by the company and not yet repaid	Result (profit or loss for the last fiscal year)
			Gross	Net		
Topotarget Switzerland	92	100	9,918	0	29,377	1,449
Topotarget UK	1,606	100	38,659	6,111	6,217	118
VALERIO THERAPEUTICS US	1	100	1	0	1,343	1,234
Total			**48,578**	**6,111**	**21,719**	**2,801**

CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2023

PREPARED IN ACCORDANCE WITH IFRS

Statutory Auditor's report on the consolidated financial statements

Valerio Therapeutics

Statutory Auditor's report on the consolidated financial statements

Year ended December 31, 2023

Aca Nexia - Société par actions simplifiée au capital de 640 000 € - RCS Paris 331 057 406
Société d'expertise comptable et de commissariat aux comptes
Membre indépendant de Nexia International
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To the Annual General Meeting of Valerio Therapeutics,

1. Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Valerio Therapeutics for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as of December 31, 2023 and of the results of its operations for the fiscal year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Basis for our opinion

2.1. Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of our report entitled "Statutory Auditors' responsibilities for the audit of the consolidated financial statements".

2.2. Independence

We conducted our audit engagement in compliance with the independence rules provided by the French Commercial Code and the French Code of Ethics for Statutory Auditors, for the period from January 1, 2023 to the date of our report.

3. Observation

Without calling into question the opinion expressed above, we draw your attention to note 3.1. "Basis for the preparation of the financial statements" in the notes to the consolidated financial statements which presents the elements underlying the application of the company's going concern principle.

4. Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement which, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

For R&D and goodwill intangible assets, as set out in Note 3.5 "Intangible assets" in the notes to the consolidated financial statements, the valuation used as a benchmark for impairment tests is the

recoverable amount, which is the greater of the fair value net of disposal costs and the value in use. We've looked at how impairment testing is implemented and what data is used by your company's management. We have verified that Note 3.5 "Intangible Assets" provides appropriate information on this subject.

5. Specific verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required by laws and regulations of the information concerning the Group provided in the Management Report of the Board of Directors.

We have no matters to report as to this information's fair presentation and its consistency with the consolidated financial statements.

6. Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing any matters related to going concern, and for using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations

The consolidated financial statements have been approved by the Board of Directors.

7. Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance as to whether the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability or the quality of management of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. The Statutory Auditor also:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error;

- designs and performs audit procedures responsive to those risks; and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to issue a qualified or adverse audit opinion;
- assesses the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the scope of consolidation to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these financial statements.

Paris, April 30, 2024

The Statutory Auditor

Aca Nexia
represented by
Laurent Cazebonne

SUMMARY

CONSOLIDATED BALANCE SHEET

ASSETS in €K	December 31, 2023	December 31, 2022	Note
Non-current assets			
Intangible assets	20,531	20,531	5
Property, plant and equipment	802	794	6.1
Rights of use	727	1,093	6.2
Other financial assets	220	90	7
Total non-current assets	**22,279**	**22,507**	
Current assets			
Trade receivables and related accounts	1,889	1,473	8.1
Other current receivables	4,287	4,521	8.2
Cash and cash equivalents	6,818	14,586	8.3
Total current assets	**12,995**	**20,579**	
TOTAL ASSETS	**35,274**	**43,086**	

LIABILITIES AND EQUITY €K	December 31, 2023	December 31, 2022	Note
Shareholders' equity			
Capital	38,591	27,877	9.1
Less: Treasury shares	-61	-81	9.2
Additional paid-in capital	28,991	27,705	9.3
Retained earnings	-32,372	-13,669	9.3
Result	-20,344	-19,562	
Total shareholders' equity	**14,805**	**22,270**	
Non-current liabilities			
Non-current provisions	379	869	10.1
Deferred tax liability	0	0	15
Non-current financial debts	6,906	8,104	10.2
Non-current lease liabilities	313	646	10.2
Other non-current liabilities	1,740	4,048	10.3
Total non-current liabilities	**9,339**	**13,667**	
Current liabilities			
Current provisions	1,690	20	
Short-term borrowings and financial liabilities	1,447	1,003	11.1
Current lease liabilities	332	335	11.1
Trade payables and related accounts	2,458	3,449	11.2
Other current liabilities	5,203	2,342	11.3
Total current liabilities	**11,130**	**7,149**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**35,274**	**43,086**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In K€	December 31, 2023	December 31, 2022	Note
Revenues	**1,800**	**1,443**	13.1
Purchases consumed	-533	-514	
Personnel expenses	-9,270	-8,624	13.2
External expenses	-10,298	-9,392	13.3
Taxes	-47	-52	
Net depreciation and provisions	-480	-1	
Other current operating expenses	-425	-423	
Operating expenses	**-21,054**	**-19,008**	
Other current operating income	200	450	
Recurring operating income	**-19,053**	**-17,115**	
Other non-current operating income	456	395	
Other non-current operating expenses	-1,690	-6	
Share of profit from equity affiliates			
Operating income after share of profit from equity affiliates	**-20,288**	**-16,727**	
Cost of net financial debt	-110	-2,173	
Other financial income	144	124	
Other financial expenses	-72	-500	
Financial Income	**-39**	**-2,549**	14
Income tax expenses	-17	-285	15
- *of which deferred taxes*	204	204	
Net income of all consolidated accounts	**-20,344**	**-19,562**	
Earnings per share	-0.15	-0.18	16
Diluted earnings per share	-0.15	-0.18	16

In K€	December 31, 2023	December 31, 2022	Note
Earnings for the period	**-19,371**	**-19,562**	
Translation differences	171	105	
Other items that can be reclassified to profit or loss	**171**	**105**	
Actuarial gains and losses	60	86	
Other items that cannot be reclassified to profit or loss	**60**	**86**	
Other comprehensive income for the period, net of tax	**231**	**191**	
Total comprehensive income for the period	**-19,140**	**-19,371**	
Total comprehensive income attributable to owners of the parent company	**-19,140**	**-19,371**	
Non-controlling interests			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

				Change in reserves and profit/loss				
In K€	**Capital**	**Own shares**	**Additional paid-in capital**	**Conversion reserves**	**Gains and losses recognized in equity**	**Reserves and consolidated profit/loss**	**Total Variations**	**TOTAL**
Shareholders' equity as of 01/01/2022	**22,999**	**-181**	**24,583**	**127**	**-124**	**-14,462**	**-14,459**	**32,942**
Total comprehensive income for the period				105	86	-19,562	-19,371	-19,371
Capital increase	4,878		3,122				0	8,000
Own shares		99				-125	-125	-26
Other movements							0	0
Share-based payments						724	724	724
Shareholders' equity as of 12/31/2022	**27,877**	**-82**	**27,705**	**232**	**-38**	**-33,425**	**-33,231**	**22,270**
Total comprehensive income for the period				171	60	-19,830	-19,600	-19,600
Capital increase	10,714		1,286				0	12,000
Own shares		-125				114	114	-11
Other movements							0	0
Share-based payments						0	0	0
Shareholders' equity as of 12/31/2023	**38,591**	**-207**	**28,991**	**403**	**22**	**-53,142**	**-52,716**	**14,660**

CONSOLIDATED STATEMENT OF NET CASH FLOWS

K€	December 31, 2023	December 31, 2022	Note
Consolidated net loss	**-20,344**	**-19,562**	
+/- Depreciation, amortization and provisions, net (excluding provisions against working capital)	1,743	-167	5/6/10
+/- Unrealized gain and losses associated with changes in fair value		213	
+/- Non-cash income and expenses on stock options and similar items	514	724	
+/- Other calculated income and expenses			
+/- Capital gains and losses on disposal			
+/- Dilution gains and losses			
+/- Share of equity affiliates			
Gross operating cash flow after cost of net debt and taxes	**-18,088**	**-18,792**	
+ Cost of net debt	139	2,189	14
+/- Tax expenses (including deferred taxes)	17	285	15
Gross Operating cash flow before cost of net debt and taxes	**-17,932**	**-16,318**	
- Taxes paid			
+/- Changes in operating WCR (including debt related to employee benefits)	-665	6,875	
NET CASH FLOW FROM OPERATING ACTIVITIES	**-18,597**	**-9,443**	
- Expenditures on acquisition of tangible and intangible assets	-183	-488	
+ Proceeds of disposal of tangible and intangible assets			
- Expenditures on acquisition of financial assets			
+ Proceeds of disposal of financial assets	7	80	
+/- Effect on changes in scope of consolidation			
+ Dividends received (equity affiliates, unconsolidated investments)			
+/- Change in loans and advances granted			
+ Capital grants received			
+/- Other changes from investment transactions			
NET CASH FLOW FROM INVESTING ACTIVITIES	**-177**	**-409**	
+ Net amount received from shareholders on capital increase			
. Paid by shareholders of the parent company	12,114	7,875	9
. Paid by minority interest in consolidated companies			
+ Amount received on exercise of stock options			
-/+ Purchase and Sale of treasury shares	-125	99	
+ Amounts received on issuances of new loans			
- Reimbursements of loans (including lease debts)	-1,223	-1,513	10/11/14
o/w repayment of lease debts (IFRS16)	-336	-405	
+/- Others flows related to financing activities	-7	1	
NET CASH FLOW FROM FINANCING ACTIVITIES	**10,759**	**6,463**	
+/- Effects of fluctuations in foreign exchange rates	244	87	
CHANGE IN CASH AND CASH EQUIVALENTS	**-7,771**	**3,301**	
CASH AND CASH EQUIVALENTS AT START OF YEAR	**14,585**	**17,886**	
CASH AND CASH EQUIVALENTS AT YEAR END	**6,814**	**14,585**	

NOTE 1 - PRESENTATION OF THE GROUP

Valerio Therapeutics is a clinical-stage biotechnology company that develops new cancer drugs by targeting tumor DNA functions through mechanisms of action that are unmatched in the highly sought-after field of DNA damage response (DDR). The Group focuses on the development of innovative first-in-class or disruptive compounds (in-house, acquired or under license) from translational research to human clinical proof of concept, a value-creating inflection point that is attractive to potential partners.

The Group is based in Paris, France, and the Boston area of the United States, and has approximately 35 employees. The parent company Valerio Therapeutics is listed on the SME growth market Euronext Growth in Paris, France.

Valerio Therapeutics consolidated financial statements at December 31, 2023 were prepared under the responsibility of the President and CEO and were approved by the Board of Directors on April 25, 2024.

NOTE 2 - SIGNIFICANT EVENTS AND TRANSACTIONS

2.1. RESEARCH AND DEVELOPMENT

- ***AsiDNA™***

AsiDNA™ is a first-in-class product composed of a double-stranded DNA fragment that behaves like a damaged tumor DNA fragment. It hijacks and sequesters key proteins for tumor DNA repair (decoy mechanism) and then hyperactivates them. AsiDNA™ thus induces inhibition of DNA repair and depletion of the repair pathways of the tumor cell, which nevertheless continues its replication cycle, but with damaged DNA, thus leading to cell death.

The Company continued the preclinical and clinical development of AsiDNA™ in 2022.

In terms of preclinical development

Valerio Therapeutics presented new preclinical data confirming the relevance of combining AsiDNA™ with PARP inhibitors (PARPi) in tumor models with an active homologous recombination repair proficient (HRP) pathway on March 9, 2022, at the ESMO Targeted Anticancer Therapies Congress. Although PARP inhibitors have shown significant benefit in cancer patients with homologous recombination repair deficiency (HRD), they show no or very limited efficacy in tumors with active homologous recombination repair proficiency (HRP). The data presented by Valerio Therapeutics highlight the therapeutic advisability of combining AsiDNA™ with PARPi in HRP tumors to overcome intrinsic or acquired resistance in the clinical setting.

- At the American Association for Cancer Research (AACR) Annual Meeting, held April 8-13, 2022, the Company presented new preclinical data that confirmed AsiDNA™'s capabilities to protect against cancer treatment toxicity and combat tumor resistance:

- In the framework of the collaboration with Prof. Gilles Favre (Toulouse Cancer Research Center), AsiDNA™ has been shown to prevent the emergence of resistance to tyrosine kinase inhibitors in several models of oncogenic addiction, highlighting the therapeutic advisability of combining AsiDNA™ with tyrosine kinase inhibitors (TKIs) to overcome resistance in a clinical setting.
- Furthermore, in the context of the collaboration with Prof. Marie Dutreix (Institut Curie), experiments in in vivo and in vitro models have shown the potential of AsiDNA™ to protect healthy cells from the toxicity of several cancer treatments. Indeed, when combined with various cancer therapies (carboplatin +/- paclitaxel in long-term treatment, radiation therapy, doxorubicin, PARP inhibitors), AsiDNA™ activates its nuclear target only in dividing cells, while preserving healthy non-proliferating cells. In addition, in some healthy proliferating cells, AsiDNA™ induces a halt in their division or boosts their DNA repair activity, protecting them from the toxic effects of anti-cancer treatments.

In clinical development

On June 30, 2022, the Company announced that the Food and Drug Administration (FDA) approved the initial Investigational New Drug (IND) application for AsiDNA™, its first-in-class drug candidate. This is the first IND filed by Valerio Therapeutics since the arrival of the American team in April 2022.

This decision allows the Company to initiate a multi-center Phase 1b/2 trial to evaluate the safety and efficacy of AsiDNA™ in combination with the PARP inhibitor Olaparib in patients with epithelial ovarian cancer, breast cancer and metastatic castration-resistant prostate cancer who have progressed despite initial treatment with PARP inhibitors. This clinical trial started in January 2023, with the activation of the first clinical study site in the United States, *Next Oncology* in San Antonio.

In addition, during the first half of the year, Valerio Therapeutics continued its two trials conducted in collaboration with two academic research centers of excellence in oncology:

- The Revocan phase 1b/2 investigator sponsored trial evaluating the addition of AsiDNA™ to combat PARP inhibitor resistance in second-line maintenance treatment of recurrent ovarian cancer. Gustave Roussy is the promoter of this study. The study team conducted its first interim analysis (IA) on 10 patients in January 2023. The combination of AsiDNA™ and PARP inhibitors did not show any dose-limiting toxicity and was generally well tolerated. The interim analysis demonstrated encouraging clinical activity with six patients showing stable disease (SD) and one patient showing a complete response (CR) with a disease control rate of approximately 70%. The study is still enrolling patients, and the detailed results of the interim analysis will be published by the investigator.
- The Phase 1b/2 trial evaluating AsiDNA™® in combination with radiotherapy in recurrent high-grade glioma in children, an indication with a particularly poor prognosis. The Institut Curie is the sponsor of this study, which is supported by a grant from the European Fight Kids Cancer program. The Company announced the treatment of the first patients in early September 2022.

- ***PlatON™® platform and OX400 family***

PlatON™® is a chemistry platform for building new molecules using three components: the decoy DNA (a double-stranded DNA fragment), a linker between the two strands to ensure the stability of the fragment, and a vector to promote cell penetration (a cholesterol molecule in the case of AsiDNA™®). With platON™®, Valerio Therapeutics has the means to enrich its portfolio of highly innovative drug candidates while capitalizing on the expertise and knowledge it has accumulated in the field of decoy DNAs and DNA repair mechanisms in recent years.

After AsiDNA™®, the first compound derived from platON™®, the company has designed a series of new compounds called OX400 based on its therapeutical decoy DNA platform. Based on Valerio Therapeutics's proprietary decoy DNA technology, the OX400 series is positioned both in the field of DNA damage response (DDR) by acting on several proteins including PARP, a key protein in tumor DNA repair, and in immuno-oncology.

At the end of November 2022, Valerio Therapeutics announced the expansion of its portfolio of drug candidates with OX425, the new optimized OX400 series compound from its proprietary PlatON™™ platform..

OX425 is a new generation decoy DNA whose mechanism of action is clearly differentiated from that of PARP inhibitors. Indeed, it causes hyperactivation of PARP-1 and leads to the exhaustion of the DNA damage response, thus inducing cancer cell death. In addition, it also leads to the activation of the STING pathway. Like other platON™™-based drug candidates, such as AsiDNA™, OX425 benefits from a decoy DNA mechanism of action and does not induce tumor resistance to treatment. This profile represents a clear differentiation from other targeted therapies such as PARP inhibitors. In addition, OX425 has no activity on healthy cells, which should allow for a favorable safety profile in the clinical phase.

Based on these promising results, Valerio Therapeutics will finalize the preclinical development with the aim of filing an ***Investigational New Drug*** (IND) application with the FDA in mid-2023.

2.2 FUNDING

On June 9, 2023, Valerio Therapeutics (formerly Onxeo) completed a new €12 million round of financing from its historical shareholders Invus and Financière de la Montagne and a new investor, Agenus Inc. This financing, structured in the form of a capital increase, was announced in April 2023 as being part of the financing structure enabling the Company to finance its activities at least until the second quarter of 2024.
The net proceeds of the issue are intended (i) for the development of VIO-01 (formerly OX425), both clinically and industrially, (ii) for ongoing and future clinical trials and (iii) more generally, to finance the Company's current expenses.

Terms and conditions of the capital increase

The capital increase was carried out by issuing ordinary shares with cancellation of the shareholders' preferential subscription rights, in favor of a category of persons, on the basis of the 6th and 7th resolutions of the Extraordinary Shareholders' Meeting of February 6th, 2023, in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code.

A total of 42,857,143 new ordinary shares, with a par value of €0.25 each, were issued to Invus Public Equities LP, Financière de la Montagne and Agenus. The new shares represent approximately 38% of the Company's share capital before the completion of the private placement. The subscription price has been set at €0.28 per new share, corresponding to the weighted average of the prices of the last three trading sessions (i.e. from May 12 to 16, 2023 inclusive) without discount, representing net proceeds of the issue of €12 million.

The issue has not given rise to a prospectus submitted to the AMF for approval.

The new shares were admitted to trading on the Euronext Growth market in Paris on June 9, 2023. They are listed on the same quotation line as the Company's existing shares (ISIN: FR0010095596), carry current dividend rights and were immediately assimilated to the Company's existing shares.

Following the completion of the capital increase, Invus Public Equities LP and Financière de la Montagne held 28.5% and 19% of the Company's capital respectively, on the basis of a total of 154,364,273 shares. Agenus held 11.5% of the Company's capital. A shareholder owning 1% of the Company's capital saw its stake reduced to 0.72%. To the Company's knowledge, no other shareholder owns more than 5% of its capital.

2.3. IMPACT OF THE INTERNATIONAL SITUATION

The Company follows closely the geopolitical situation.
A continuation or increase of economic sanctions against Russia in the context of the Russian-Ukrainian conflict, or a worsening of the Israeli-Palestinian conflict, or a wider extension of these conflicts involving other countries, could significantly impact the Company in the following identified fields:

- Financial market volatility, amplification of the difficulties to finance the Company by reducing, delaying, or making it more difficult or costly for the Company to obtain financing, both through equity or debt financing.
- Although the trials conducted and planned by the Company in 2023 are not in these countries, amplification of the difficutlies to run its clinical trials and production operations, reducing, delaying, or making it more difficult or costly for the Company to develop its a drug candidate.
- Difficulties for the Company to carry on its clinical trials and production operations directly or through the impact that the international situation could have on its partners and sub-contractors.

Like most companies, the Company is also impacted by inflation rates, higher than long term averages, resulting in higher prices for the products, raw materials and consumables it needs, as well as an increase in the cost of services relating to its R&D activities. This has caused a significant increase in the Company's expenses that is not offset by revenues or the possibility of passing these costs on to other parties, given the absence of products commercialized by the Company.

2.4 EVENTS AFTER DECEMBER 31, 2023

On February 6, 2024, the Company completed a reduction of the par value of its shares. Using the authorization granted by the Shareholders' General Meeting of 6th February 2023, the Board of Directors decided to reduce the share capital by eliminating part of the losses incurred, by an amount of €16,980,070.03. This capital reduction, motivated by losses, is being carried out by reducing the nominal value of the Company's shares from €0.25 euro to €0.14. Its purpose is to facilitate any new financial transactions that may be appropriate in the future. Following this operation, the Company's share capital amounts to €21,610,998.20, divided into 154,364,273 ordinary shares with a par value of €0.14 each.

The company also announced on April 29, 2024

- Valerio Therapeutics (ValerioTX) has completed the nonclinical development of VIO-01, formerly OX425, for support of its first-in-human investigation
- ValerioTX received the FDA's clearance to proceed with the IND-opening study VIO-01-101 for VIO-01
- NEXT Oncology San Antonio, the first site for the Phase 1/2 (VIO-01-101) study investigating VIO-01 has been activated and has dosed the first patient
- Deprioritization of AsiDNA clinical investigation to focus efforts on developing VIO-01, our second-generation development candidate
- ValerioTX continued its optimization of platON platform by developing DecoyTAC, leveraging the unique DNA Decoy MoA and the targeted protein degradation (PROTAC), and expanding the targets beyond DDR
- Taking into account the financing commitments received from its main shareholders Invus and Financière de la Montagne, in the amount of 5 million euros, the Company will be able to finance its activities at least until the end of fourth quarter of 2024 based on its financing plan.

NOTE 3 - ACCOUNTING PRINCIPLES, RULES, AND METHODS

3.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2023 have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board (IASB) as of December 31, 2023, and with the international standards as adopted by the European Union as of December 31, 2023.

The standard adopted by the European Commission can be consulted on the following website: https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=LEGISSUM%3Al26040

The accounting principles and methods applied in the consolidated financial statements for the year ended December 31, 2023 are identical to those used in the consolidated financial statements for the year ended December 31, 2022, and take into account the IFRS standards, amendments and interpretations as adopted by the European Union and the IASB, which are mandatory for financial years beginning on or after January 1, 2023 (and which have not been applied early by the Group), namely:

Standard	Name
Amendments to IFRS 3	Reference to the conceptual framework
Amendments to IAS 16	Property, plant and equipment: proceeds from sale before intended use
Amendments to IAS 37	Loss-making contracts: cost of performing the contract
Annual improvements process - IFRS 1	First-time adoption of the International Financial Reporting Standards: Subsidiary as a first-time adopter
Annual improvements process - IFRS 9	Financial instruments: Commissions in the "10%" test for the derecognition of financial liabilities
Annual improvements process - IAS 41	Agriculture - Taxation in fair value measurements

The application of these standards, amendments and interpretations does not have a material impact on the Group's consolidated financial statements.

In addition, the other standards, amendments or interpretations published respectively by the IASB and the IFRIC (International Financial Reporting Interpretations Committee) and adopted by the European Union as of December 31, 2022, but whose mandatory application is subsequent to the fiscal year beginning January 1, 2022, have not been applied in advance by the Group: IFRS 17 (Insurance Contracts), amendments to IAS 8 (definition of accounting estimates), amendments to IAS 1/amendments to the IFRS 2 Practice Statement (presentation of accounting policies), amendments to IAS 12 (Deferred tax on assets and liabilities arising from a single transaction), amendments to IFRS 16 (lease liability in a sale and leaseback transaction), amendments to IAS 1 (classification of liabilities as current and non-current), amendments to IFRS 10 and IAS 28 (Sale or contribution of assets between an investor and an associate or a joint venture)

The Group Management's judgments and estimates

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual values may differ from the estimated values.

The estimates and underlying assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognized in the period of the change and any subsequent periods affected.

Information about the key sources of estimation and assumption uncertainty and the judgments made in applying the accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements relate to the following items:

- The market value of R&D programs acquired as part of business combinations (mergers/acquisitions) - see note 5,
  - Share-based payments - see note 9.4,
  - Provisions - see note 10.1,
  - Trade payables provided for at the end of the year, relating to ongoing clinical trials - see note 11.2,

The information provided in respect of contingent assets and liabilities existing at the date of preparation of the consolidated financial statements is also subject to estimates (see note 17).

The financial statements have been prepared on a going concern basis. This principle has been adopted by the Board of Directors on the basis of a consolidated net cash position of 6.8 million euros on December 31, 2023

Taking into account the financing commitments received from its main shareholders Invus and Financière de la Montagne, in the amount of 5 million euros, the Company will be able to finance its activities at least until the end of fourth quarter of 2024 on the basis of its financing plan.

3.2. SCOPE OF CONSOLIDATION

The Group companies close their accounts on December 31 of each year.

The scope of consolidation includes the following companies as of December 31, 2023:

- Valerio Therapeutics,
  - Topotarget UK (in liquidation),
  - Topotarget Switzerland,
  - Valerio Therapeutics US

All subsidiaries are wholly owned and fully consolidated. Intra-group transactions and balances on transactions between group companies have been eliminated. Where the accounting policies of subsidiaries differ from those of the Group, they are restated in the consolidated financial statements.

3.3. SEGMENT INFORMATION

The Group as a whole constitutes a single operating segment. In accordance with IFRS 8.32 and 33, information on the breakdown of revenues by geographic area is provided in note 13.1. In addition, it is specified with reference to this standard that the Group's non-current assets are mainly located in France.

3.4. EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

3.4.1. TRANSLATION OF FINANCIAL STATEMENTS PREPARED IN A CURRENCY OTHER THAN THE EURO

The presentation currency of the consolidated financial statements is the euro, which is also the functional currency of the parent company.

The assets and liabilities of subsidiaries with a functional currency other than the euro are translated into euros at the exchange rates prevailing at the balance sheet date. Income statements are translated at average rates for the year.

Differences arising from the translation of balance sheet and income statement items are recorded in the balance sheet under "Translation differences" in shareholders' equity. When a foreign entity is disposed of, these translation differences are recycled into the income statement under gains and losses on disposal.

3.4.2. ACCOUNTING FOR FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are converted into euros using the exchange rates prevailing on the dates of the transactions. At the balance sheet date, cash and cash equivalents and operating receivables and payables denominated in foreign currencies are translated into euros using the latest exchange rate for the year. Unrealized gains and losses resulting from this translation are recognized in the income statement for the year.

3.5. INTANGIBLE ASSETS

3.5.1. PATENTS

Patents created by Valerio Therapeutics are expensed or capitalized in accordance with the treatment of research and development costs explained below.

Patents acquired for valuable consideration by Valerio Therapeutics are capitalized and amortized. The amortization period generally used by Valerio Therapeutics is ten years, which corresponds to the estimated useful life.

3.5.2. RESEARCH AND DEVELOPMENT COSTS

Research costs are systematically expensed. In particular, in the context of clinical trials conducted by the Group, an estimate of costs not yet invoiced per patient is determined by management on the basis of study follow-up documents and recorded as an expense for the year. Development costs are capitalized when all the

conditions required by IAS 38 are met. The company considers that the six criteria set out in IAS 38 are met only when a marketing authorization is obtained.

Research and development projects that have been acquired (or contributed) are recognized as intangible assets at their acquisition cost, even if no marketing authorization has been obtained.

In accordance with IAS 38, intangible assets are classified into two categories:

- Assets with a finite useful life, which have an initial value recorded in the balance sheet, less any residual value, are depreciated over the period of use expected by the Company, from the time they are put into service (start of marketing). They are tested for impairment whenever there is an indication of impairment. Where such assets are not depreciated because they have not yet been put into service, they are also subject to an annual impairment test as soon as there is an indication that they may be impaired, and at least annually.
    - Assets with an indefinite useful life, which are not depreciated but are subject to annual impairment tests as soon as there is an indication of impairment.

3.5.3. GOODWILL

In the context of business combinations, mergers or acquisitions, goodwill corresponds to the difference between the amount of the transaction and the market value of the assets and liabilities acquired.

Goodwill is not amortized and is tested for impairment annually and whenever there is an indication of impairment.

3.5.4. IMPAIRMENT TESTING

In accordance with IAS 36 "Impairment of Assets":

- CGUs, when they include goodwill, are subject to an impairment test once a year; Valerio Therapeutics performs this test at the closing date;
    - R&D assets relating to products under development or not yet marketed (and therefore not amortized) are subject to an annual impairment test. Valerio Therapeutics performs this test at the closing date;
    - R&D assets relating to marketed products (and therefore amortized) are tested for impairment when new circumstances indicate that these assets may be impaired. This would be the case for indicators that suggest a slower than expected commercialization.
    - In the event of impairment of the above intangible assets, a provision for depreciation is recorded.

The Group considers that it comprises a single cash-generating unit (CGU), insofar as the projects it develops belong to the same product family, have overlapping business models and are therefore interdependent. In particular, this single CGU includes goodwill and R&D assets acquired in connection with the acquisition of DNA Therapeutics (AsiDNA™) at year-end.

These impairment tests consist of comparing their recoverable amount (the higher of fair value net of disposal costs and value in use) with their tested basis. The value in use is determined on the basis of a financing plan prepared by management and representing its best estimate. An impairment loss is recognized when the recoverable amount is less than their tested basis. In addition, sensitivity tests on the key parameters of the financial model used to determine the value in use allow for the identification of potential impairment risks.

3.6. PROPERTY, PLANT AND EQUIPMENT

In accordance with IAS 16, property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method.

The most commonly used amortization periods are as follows:

- Machinery and equipment 5 years
    - Specialized facilities 5 years
    - General facilities 10 years

- Office and computer equipment 4 years
- Furniture 5 years

Property, plant, and equipment are tested for impairment whenever there is an indication that they may be impaired.

3.7. FINANCIAL ASSETS

Financial assets included in the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income.

Non-current financial assets include financial assets, in particular:

- Deposits and guarantees corresponding mainly to deposits requested at the conclusion of rental contracts.
- And the "cash" part of the liquidity contract, linked to the purchase of own shares.

Current financial assets include trade receivables, other current assets, and cash and cash equivalents. Cash and cash equivalents include cash in bank current accounts. Cash equivalents include money market funds and mutual funds, which can be converted or sold in the short term into a known amount of cash and are subject to an insignificant risk of change in value.

These assets are accounted for according to their nature, based on the following rules:

3.7.1. ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial instruments that are designated as being measured at fair value through profit or loss on initial recognition, in accordance with the conditions for the application of the fair value option, or that are managed and whose performance is measured on the basis of fair value, or that are managed in trading. Instruments that do not meet the SPPI test, such as units of funds / UCITS, are also included in this item.

This item includes units in cash UCITS, which can be sold or transferred in the very short term and do not present a significant risk of loss of value in the event of changes in interest rates.

These assets are classified in the balance sheet as cash and cash equivalents. They are recorded at fair value without deduction of transaction costs that may be incurred on their sale. Realized and unrealized gains and losses arising from changes in the fair value of these assets are recognized in the income statement as income from cash and cash equivalents.

3.7.2. LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Their classification in each of these categories depends on the business model applied to them and the characteristics of their contractual cash flows (the "solely payments of principal and interest - SPPI" or "basic loan" criteria). Accordingly, after initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment.

This item includes deposits and guarantees in the case of non-current assets, and trade receivables (trade and other current assets) in the case of current assets.

Trade receivables are initially recorded at their fair value, which is equal to their nominal value for short-term receivables. They are discounted when their maturity date is greater than one year. They are then recognized at amortized cost and the interest is recorded as financial income in the income statement.

These assets may be subject to impairment in the event of an expected credit loss.

In the case of trade receivables, risk analysis is performed on a case-by-case basis, taking into account criteria such as the client's financial situation (likelihood of bankruptcy or significant financial difficulties), the age of the receivable or the existence of a dispute.

3.8. INVENTORIES

Inventories are valued at their lowest cost or net realizable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress includes raw material costs, direct costs and production overhead.

Depreciation is determined by comparing the inventory value with the acquisition cost.

3.9. SHARE-BASED PAYMENTS

Equity instruments (such as stock options, bonus shares and warrants) granted by the Company are measured at the grant date in accordance with IFRS 2, with the result that an expense is recognized in the income statement. The valuation is performed using the Black & Scholes and binomial/trinomial methods by an external service provider. The implementation of these methods requires, in particular, the use of assumptions on the price of the underlying Valerio Therapeutics share as well as on its volatility. The expense is generally spread over the vesting period.

The final vesting of stock options, purchase warrants or free shares granted to Group employees is subject to a condition of presence at the vesting date. If an employee leaves before this date, the condition is no longer met and the employee loses the benefit of his or her rights. In this situation, the Group applies the "forfeiture" method, which consists of reversing in the income statement all expenses previously recognized for plans that have not yet vested.

3.10. NON-CURRENT LIABILITIES

3.10.1. EMPLOYEE BENEFIT OBLIGATIONS (IAS 19)

Pension obligations

Pension commitments are recorded as provisions. In accordance with IAS 19, the actuarial valuation method used is the Projected Unit Credit Method with Service Prorate, which is based on financial assumptions (discount rate, inflation rate) and demographic assumptions (rate of salary increase, employee turnover rate).

This method allows for the determination of the present value of benefits based on the services rendered by the employee at the measurement date. Actuarial gains and losses are recognized in "other comprehensive income".

3.10.2. PROVISIONS FOR LITIGATION

A provision is recognized when the Group has a present legal or constructive obligation to a third party as a result of a past event, which is likely to result in an outflow of resources to the third party without at least equivalent consideration being received from the third party, and the future cash outflow can be reliably estimated.

3.10.3. REIMBURSABLE ADVANCES

In accordance with IAS 20 on accounting for government grants and disclosure of government assistance, the benefits of loans with zero or low interest rates compared to market rates are taken into account and therefore recognized as grants. Repayable advances less the amount of the grant are recorded as financial liabilities. Interest expenses are calculated on the basis of market interest rates.

Repayable advances without a preferential rate are accounted for in accordance with IAS 39 under the "amortized cost" rule; financial expenses are calculated at the effective interest rate.

Repayable advances are recorded under "Other non-current financial liabilities" and "Short-term borrowings" depending on their maturity. They are measured at fair value on initial recognition, which in most cases is the nominal value, and then at amortized cost.

In the event of the failure of the financed program, duly justified to the lender, the advances received are generally forfeited and the agreed debt waiver is recorded as a subsidy on the line "Other operating income".

3.10.4. FINANCIAL LIABILITIES

Bank loans and debt instruments are initially recorded at fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Gains and losses are recognized in the income statement when debts are derecognized, as well as through the amortized cost mechanism. The interest expense, as determined using the effective interest method (and including amortization of original costs), is recognized in "Financial income, Cost of debt".

Financial liabilities classified as short-term correspond to commitments of less than one year.

3.10.5. OTHER CURRENT LIABILITIES

Other current liabilities at the balance sheet date consist exclusively of the debt to SpePharm and are measured at fair value.

3.10.6. OPERATING REVENUES

Under IFRS 15, revenue is recognized when the Company fulfills a performance obligation by supplying separate goods or services (or a set of goods or services) to a customer, i.e. when the customer obtains control of those goods or services.

In view of the Group's activities, revenues generally include revenues generated by license agreements signed with commercial partners, royalties received on the sales made by these partners, billings for services rendered and revenues from the sale of pharmaceutical products.

Each transaction or contract has been and will be analyzed, on a case-by-case basis, in order to determine the "performance obligations" towards the customer, according to the principles of IFRS 15.

- License agreements

The Group develops drugs from the early stages to human clinical trials with the objective of obtaining sufficiently conclusive results to obtain the best value for these products through licensing agreements with commercial partners. In exchange for access to the technology of one or more products in its licensed portfolio, the Group generally receives an initial payment on signature of the contract, various additional payments on reaching key development milestones (start of a clinical study, filing of a marketing authorization application, obtaining this authorization, etc.) or contractual sales targets (annual or cumulative), as well as royalties corresponding to a percentage of net sales achieved by the partner.

The group's main contracts were analyzed as including:

- Either a single performance obligation (granting of a "right of use" type license) and when the company has no further obligation towards the customer after the effective date of the contract and there are no services provided by Valerio Therapeutics, giving rise to the immediate recognition in revenues of the amount of the remuneration of the contract (i.e. the initial payment), which is highly probable that it will not be called into question
- Or two separate performance obligations (granting of a "right to use" type license followed by a service provision). In this case, the amount of the highly probable remuneration of the contract is allocated to the different performance obligations. The portion allocated to the license is recognized immediately as revenue and the portion allocated to services is recognized over the period in which the services are rendered (see below).

Additional amounts paid by the customer corresponding to the achievement of contractual milestones or objectives, as well as royalties on revenues, constitute variable elements of the contractual remuneration. They are recognized as revenue when it is highly probable that these objectives will be achieved.

- Product sales

Sales of products are recognized as revenue upon transfer of control to the customer at the time of delivery in an amount that reflects the payment the company expects to receive for the goods.

- Service provision

In the event that a license agreement includes separate services, the corresponding revenue (allocated to this performance obligation) is prorated over the estimated duration of the Group's involvement in future development studies, which may be subject to periodic review.

3.10.7. OPERATING GRANTS

In accordance with IAS 20, government grants, the amounts of which are related to the rate of corresponding expenditure, are classified as a reduction of the corresponding expenses.

3.10.8. OTHER OPERATING INCOME AND EXPENSES

This item includes non-recurring, non-operational and significant events.

3.10.9. DEFERRED TAXES

A deferred tax asset is recognized for the carry forward of unused tax losses and tax credits where it is probable that future taxable profits will be available against which the unused tax losses and tax credits can be utilized.

A deferred tax liability is recognized for all taxable temporary differences as well as for deferred tax on acquired R&D assets.

3.10.10. RESEARCH TAX CREDIT

Research tax credits (CIR) are granted to companies by the French government to encourage them to carry out technical and scientific research. Companies that can prove that they have incurred expenses that meet the criteria required to benefit from the RTC can use it to pay corporate income tax for the year in which the expenses were incurred, as well as for the three following years. If the amount of tax is not sufficient to cover the full amount of the tax credit at the end of the three-year period, the difference is refunded by the government in cash to the entity. If the company meets certain criteria in terms of sales, headcount or assets to be eligible for the SME category, it can request an immediate refund of the RTC. Valerio Therapeutics meets these criteria. Valerio Therapeutics benefits from a similar mechanism in Denmark.

The Group uses RTCs for research expenses incurred during each fiscal year and recognizes the amount receivable as a reduction of these expenses in the same year.

NOTE 4 - FINANCIAL INSTRUMENT RISK MANAGEMENT (IFRS7)

The Group's operational and financial activities expose it to the following main risks with respect to the financial instruments used:

4.1. LIQUIDITY RISK

Liquidity risk is essentially linked to the Group's financial profile as long as it does not generate significant revenues with respect to its expenses, particularly in the area of research and development. The level of cash at the end of the fiscal year and the financing commitments received from its main shareholders Invus and Financière de la Montagne, as well as from a new investor, give the Group financial visibility at least until the 2nd quarter 2024 on the basis of its financing plan. Beyond this deadline, it is not excluded that the Group will have recourse to other non-dilutive financing or fundraising to secure its operations in the event that it does not manage to generate additional resources, in particular through new licensing agreements.

In addition, the Group has no structural borrowings. Financial liabilities are usually advances from public bodies (notably BPI France) in the context of R&D programs, which are only repayable in the event of proven technical and commercial success. However, at the beginning of 2021, the Group took out government-backed loans of up to 5 million euros as part of the aid systems set up by the government to deal with the health crisis. The Group has chosen to repay these loans over a period of five years and to benefit from a one-year grace period on the repayment of the principal, which will therefore be repaid as of March 2023.

4.2. CREDIT RISK

The Group's trade receivables at the closing date mainly include royalties from Biogen. This leading pharmaceutical company is not considered to generate significant credit risk.

4.3. FINANCIAL COUNTERPARTY RISK

Counterparty risk is limited to the investments made by the Group. These investments are made in leading institutions and the company monitors its exposure to financial counterparty risk on an ongoing basis.

4.4. FOREIGN EXCHANGE RISK

Due to its presence in the United States, the Group is subject to fluctuations in the dollar. For the moment, no currency hedging instrument has been put in place.

4.5. INTEREST RATE RISK

The financial debts contracted by the Group are at a fixed rate and the latter is therefore not subject to interest rate risk.

NOTE 5 - INTANGIBLE ASSETS

Intangible assets in the net amount of 20,531 thousand euros at December 31, 2023, consist primarily of R&D assets acquired in connection with the acquisition of DNA Therapeutics (AsiDNA™) and goodwill recognized on the merger with Topotarget, as detailed below:

In thousands of €	December 31, 2021	Increase	Decrease	December 31, 2022	Increase	Decrease	December 31, 2023
Beleodaq® R&D assets	0			0			
AsiDNA™ /VIO-01 R&D assets	2,472			2,472			2,472
Goodwill	20,059			20,059			20,259
Other intangible assets	507	4		511			511
Total gross values	**23,034**	**4**		**23,042**			**23,042**
Amortization of Beleodaq® R&D assets	0			0			
Other amortization	-507	-4		-511			-511
Total amortization	**-500**	**-4**		**-511**			**-511**
Depreciation of Beleodaq® R&D assets	0			0			0
Depreciation of goodwill	-2,000			-2,000			-2,000
Total depreciation	**-2,000**			**-2,000**			**-2,000**
TOTAL	**20,531**			**20,531**			**20,531**

5.1. IMPAIRMENT TESTING

The R&D assets, corresponding to AsiDNA™/VIO-01 , since they are not amortized, as well as the goodwill, were tested for impairment at December 31, 2023, as described below.

- **Impairment testing of R&D assets**

The value in use of these assets is determined using the cash flow forecasts method which is based on a 23-year financing plan drawn up by management and representing its best estimate. This financing plan takes into account, among other things, a model of future sales of products under development and is accompanied by probabilities of success. The valuation model does not include a terminal value as the time horizon chosen takes into account all foreseeable cash flows. A discount rate of 20.5% has been applied to the cash flows, taking into account the market risk and the specific risks linked to Valerio Therapeutics. Since the value in use obtained for AsiDNA™ is greater than the basis tested, no impairment was found.

- **Goodwill impairment test**

The Group performed an impairment test on goodwill. As the Group benefits from the synergies associated with goodwill, the latter is tested at Group level. In accordance with IAS 36.6, the recoverable amount of a CGU is the higher of the fair value minus the exit costs and the value in use.

First, the Group determined its fair value. Since the market for Valerio Therapeutics shares can be considered an active market within the meaning of IFRS 13.38.a, in view of the volumes of shares traded, which characterize significant liquidity, the fair value of the Group was assessed by reference to its market capitalization at December 31, 2023. The exit costs were considered insignificant. At the end of the year, the market capitalization amounted to 15.7 million euros, which is less than the tested basis (consolidated net book value at that date) of 22.1 million euros.

Besides, the value in use was determined on the basis of a 23-year financing plan designed by management and representing its best estimate. This financing plan takes into account, among other things, a model of future sales of products under development and is accompanied by probabilities of success. The valuation model does not include a terminal value as the time horizon chosen takes into account all foreseeable cash flows. These cash flows include all revenues and expenses related to the current indications in the portfolio, including potential developments on the products developed by the Group. A discount rate of 20.5% has been applied to the cash flows, considering the market risk and the specific risks linked to Valerio Therapeutics. As the value in use thus determined is higher than the basis tested (consolidated net book assets at December 31, 2023) and represents the highest recoverable amount, no impairment was recognized.

- **Sensitivity testing**

The Group performed sensitivity tests by varying the discount rate used in the model used to determine the values in use. The table below shows the potential corresponding levels of impairment of the R&D assets related to ASIDNA™ , as well as the goodwill.

In millions of euros	ASIDNA™	Goodwill
Change in discount rate		
+0.5%	0	0
+1%	0	0
+1.5%	0	0
+2%	0	0
+2.5%	0	0
+3%	0	0

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT AND RIGHTS OF USE

6.1. PROPERTY, PLANT AND EQUIPMENT

In thousands of €	December 31, 2021	Increase	Decrease	December 31, 2022	Increase	Decrease	December 31, 2023
Gross value	3,280	528	-907	2,901	145		3,046
Depreciation	-2,942	-72	907	-2,107	-137		-2,244
Provision for depreciation	-158		158	0			0
Net value of property, plant and equipment	**180**	**456**	**1,580**	**794**	**9**		**802**

Property, plant, and equipment consist mainly of various laboratory equipment and fixtures and fittings at the head office.

6.2. RIGHTS OF USE

In thousands of €	December 31, 2021	Increase	Decrease	December 31, 2022	Increase	Decrease	December 31, 2023
Rights of use	3,681	107	-867	2,921		-26	2,896
Depreciation of rights of use	-1,624	-454	250	-1,828	-340		-2,169
Net value of rights of use	**2,057**	**-347**	**-617**	**1,093**	**-340**	**-26**	**727**

The rights of use correspond mainly to the lease of the head office and to the rental of laboratory equipment and vehicles. These rights of use are amortized over the remaining term of the contracts.

NOTE 7 - OTHER FINANCIAL ASSETS

In thousands of €	December 31, 2021	Increase	Decrease	December 31, 2022	Increase	Decrease	December 31, 2023
Deposits and guarantees	125		-46	79		-4	75
Liquidity contract - Cash	37		-26	11	134		145
Net value of other financial assets	**162**		**-72**	**90**	**134**	**-4**	**220**

NOTE 8 - CURRENT ASSETS

8.1. TRADE RECEIVABLES

In thousands of €	December 31, 2023	< 1 year	> 1 year	December 31, 2022
Trade receivables and related accounts	1,889	1,889		1,473

Trade receivable corresponding to royalties on sales of a non-strategic product under a licensing agreement with Biogen.

As of December 31, 2023, trade receivables consisted exclusively of:

- Receivables from Biogen for royalties
- The breakdown of trade receivables at December 31, 2023, by maturity date is as follows (in thousands of euros):

Total	Amount due	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days	Amount not due
1,889							1,889

No provision for impairment of trade receivables was recorded in the absence of any identified credit risk.

8.2. OTHER RECEIVABLES

In thousands of €	December 31, 2023	< 1 year	> 1 year	December 31, 2022
Suppliers - Advances and deposits paid	127	127		455
Personnel and related accounts	6	6		6
Research tax credit	2,570	2,570		3,218
Other tax receivables	417	417		553
Prepaid expenses	1,167	1,167		289
Net value of Other receivables	**4,287**	**4,287**		**4,521**

The item "research tax credit (RTC)" includes French RTC receivables for the year 2023, for an amount of 2,340 thousand euros, and a balance for the year 2022 of 201 thousand euros. The item also includes the Danish RTC 2021, not yet repaid, for an amount of 29 thousand euros.

Prepaid expenses mainly consist of milestone payments for research contracts.

In accordance with IAS 20, the research tax credit for fiscal year 2023 has been presented as a deduction from income and expense items according to its nature, as follows:

In thousands of €	December 31, 2023	December 31, 2022
Decrease in personnel expenses	515	326
Decrease in external expenses	1,798	1,116
Decrease in depreciation	27	32
Total Research tax credit	**2,340**	**1,474**

Other tax receivables correspond mainly to various VAT credits.

8.3. CASH AND CASH EQUIVALENTS

In thousands of €	Net values as of 12/31/2023	Net values as of 12/31/2022	Change in cash and cash equivalents
Cash	6,818	7,086	-268
Cash equivalents		7,500	-7,500
Total Net Cash Flow	**6,818**	**14,586**	**-7,768**

The change in net cash is mainly related to the company's operating expenses, notably in research and development, for an amount of 23 million euros, offset by Biogen royalties, of 1.6 million euros, Research tax credit of 3 million euros and the Group carried out a capital increase for a net amount of 12 million euros.

NOTE 9 - SHAREHOLDERS' EQUITY

9.1. SHARE CAPITAL AND PREMIUMS

At December 31, 2023, the capital amounted to 38,591,168 euros, divided into 154,507,130 ordinary shares with a par value of €0.25 each, all of the same class and fully paid up.

During the financial year, the share capital changed as follows:

		Par	# of shares	€
Fully paid-up shares as of 12/31/2022		0.25	111,507,130	27,876,782.50
Capital increase	(1)	0.25	42,857,143	10,714,286
Fully paid-up shares as of 12/31/2023		0.25	**154,364,273**	**38,591,068**

(1) Capital increase in the form of a private placement on June 9, 2023, for a gross amount of 12 million euros, through the issue of 42,857,143 new shares at a price of 0.28 euros each. The par value of each share is 0.25 euro, representing an increase in share capital of 10,714 thousand euros and a share premium of 1,285 thousand euros

9.2. TREASURY SHARES

In accordance with IAS 32 §33, treasury shares acquired under the liquidity contract signed with Kepler-Cheuvreux have been deducted from equity in the amount of 61 thousand euros.

9.3. SHARE PREMIUM AND RESERVES

As a result of the capital increase described in 9.1 above, the share premium account increased by a total of 1,285 thousand euros, after deducting the costs inherent in the operation.

9.4. SHARE-BASED PAYMENTS

The options and warrants were valued using the Black & Scholes method, supplemented by the binomial/trinomial method in order to take account of the various possible exercise dates. This valuation was carried out with the help of an external service provider. The main assumptions used are the underlying share price, volatility and the average maturity of the instruments concerned.

During the year, the Board of Directors granted stock options to certain employees (SO 2022-5 and SO 2023-1 plans).

These grants have the following characteristics:

	SO 2022-5	SO 2023-1	SO-2023-2
Date of grant	April 21, 2023	June 29, 2023	June 29, 2023
Number of options granted	720,000	645,000	1,714.500
Strike price (€)	0.32	0.26	0.25
Vesting	Over 4 years, 25% per year	Over 4 years, 25% per year	Over 4 years, 25% per year

There were 1,368,063 of Stock Options canceled due to departure of employees.

9.4.1. SUMMARY OF SHARE SUBSCRIPTION WARRANTS (BSA) AS OF DECEMBER 31, 2023

Type	Date of authorization	SSWs authorized	Date of grant	SSWs granted	SSWs subscribed	Beneficiaries	Outstanding SSWs as of 12/31/2023 adjusted (1)	SSWs exercisable at 12/31/2023 adjusted (1)	Adjusted subscription price per share in euros (1)	Date of expiration
SSW 2014	June 30, 2014 Resolution 19	314,800	September 22, 2014	107,500	82,500	Non-salaried and non-executive members of the Board	85,886	85,886	6.17	September 22, 2024
SSW 2014-2			March 04, 2015	35,500	19,000		19,000	19,000	6.26	March 04, 2025
SSW 2015	May 20, 2015 Resolution 18	405,000	October 27, 2015	80,000	65,000		65,000	65,000	3.61	October 27, 2025
SSW 2015-2			January 23, 2016	90,000	90,000		90,000	90,000	3.33	January 23, 2026
SSW 2016	April 06, 2016 Resolution 23	405,520	July 28, 2016	260,000	190,000		160,000	160,000	3.16	July 28, 2026
SSW 2016-2			October 25, 2016	30,000	30,000	Key consultants of the company	30,000	30,000	2.61	October 25, 2026
SSW 2016-3			December 21, 2016	70,000	70,000	Non-salaried and non-executive members of the Board	52,500	52,500	2.43	December 21, 2026
SSW 2017	May 24, 2017 Resolution 29	470,440	July 28, 2017	340,000	300,000		300,000	300,000	4.00	July 28, 2027
SSW 2018	June 19, 2018 Resolution 28	360,000	July 27, 2018	359,500	274,500		274,500	274,500	1.187	July 27, 2028
SSW 2018-2			October 25, 2018	85,000	85,000		85,000	85,000	1.017	October 25, 2028
SSW 2020	June 19, 2020 Resolution 31	500,000	September 17, 2020	500,000	350,000		350,000	233,000	0.684	September 17, 2030
SSW 2021			April 28, 2021	150,000	150,000	Key consultants of the company (2)	150,000	150,000	0.723	April 28, 2031

(1) Adjustment of the number and subscription price of warrants following the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L.228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013, and January 22, 2015)

(2) Warrants granted to Ms. Shefali Agarwal under a consultancy agreement, prior to her appointment as a director (June 10, 2021)

Type	Date of authorization	SSWs authorized	Date of grant	SSWs granted	SSWs subscribed	Beneficiaries	Outstanding SSWs as of 12/31/2023 adjusted (1)	SSWs exercisable at 12/31/2023 adjusted (1)	Adjusted subscription price per share in euros (1)	Date of expiration
SSW 2021-2	June 10, 2021 Resolution 19	700,000	June 11, 2021	100,000	100,000	Non-salaried and non-executive members of the Board	100,000	100,000	0.662	June 11, 2031
SSW 2021-3			July 29, 2021	300,000	125,000		125,000	125,000	0.620	July 29, 2031
SSW 2021-4			October 06, 2021	150,000	75,000		75,000	50,000	0.560	October 06, 2031
SSW 2022			February 02, 2022	150,000	150,000	Chair of the Board	150,000	150,000	0.420	February 02, 2032
SSW 2022-2			February 02, 2022	75,000	75,000	Non-salaried and non-executive members of the Board	75,000	72,500	0.420	February 02, 2032
TOTAL							**2,186,886**	**2,069,886**		

(1) Adjustment of the number and subscription price of warrants following the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L.228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013, and January 22, 2015)

9.4.2. SUMMARY OF STOCK OPTIONS (SO) AS OF DECEMBER 31, 2023

Plan designation	Date of authorization	Number of options authorized	Date of grant	Number of options granted	Beneficiaries	Outstanding options as of 12/31/2023 adjusted (1)	Options exercisable as of 12/31/2023 adjusted (1)	Adjusted subscription price per share in euros (1)	Date of expiration
SO Employees 2014	June 30, 2014 Resolution 17	314,800	September 22, 2014	138,700	Employees	9,587	9,587	6.17	Sept 22, 2024
SO Executives 2014				40,000	Executives	15,616	15,616	6.17	Sept 22, 2024
TOTAL SO 2014		**314,800**		**178,700**		**25,203**	**25,203**		
SO Employees 2017-2	May 24, 2017 Resolution 26	470,440	March 29, 2018	25,000	Employees	25,000	25,000	1.48	March 29, 2028
TOTAL SO 2017		**470,440**		**417,800**		**25,000**	**25,000**		
SO Employees 2018	June 19, 2018 Resolution 27	970,000	July 27, 2018	758,604	Employees	366,246	366,246	1.187	July 27, 2028
SO Executives 2018				150,723	Executives	108,723	108,723	1.187	July 27, 2028
TOTAL SO 2018		**314,800**		**178,700**		**474,969**	**474,969**		
SO Employees 2020	June 19, 2020 Resolution 30	1,200,000	September 17, 2020	1,030,000	Employees	547,500	362500	0.684	Sept 17, 2030
SO Executives 2020				170,000	Executives	170,000	170,000	0.684	Sept 17, 2030
TOTAL SO 2020		**314,800**		**1,200,000**		**717,500**	**532,500**		
SO Employees 2021	June 10, 2021 Resolution 30	1,500,000	July 29, 2021	281,000	Employees	146,250	53,250	0.62	July 29, 2031
SO Executives 2021			July 29, 2021	60,000	Executives	60,000	60,000	0.62	July 29, 2031
SO 2021-2			July 29, 2021	429,194	Employees & executives	429,194	429,194	0.62	July 29, 2031
TOTAL SO 2021		**1,500,000**		**770,194**		**635,444**	**542,444**		
SO 2022	June 10, 2021 Resolution 18	1,500,000	February 02, 2022	250,000	Executives	250,000	250,000	0.42	Feb. 02, 2032
SO 2022-2	April 19, 2022 Resolution 4	7,350,000	May 04, 2022	2,030,000	Employees	2,030,000	0	0.40	May 04, 2032
SO 2022-3				3,810,285	Executives	3,810,285	1,580,143	0.40	May 04, 2032
SO 2022-4			September 13, 2022	240,000	Employees	240,000	0	0.33	Sept 13, 2032
TOTAL SO 2022		**8,850,000**		**6,330,285**		**6,330,285**	**1,830,143**		
SO 2022-5	April 21 2023	720,000	April 21 2023	720,000	Employees	695,000		.32	April 21 2033
SO-2023-1	June 27 2023	645,000	June 27 2023	645,000	Employees	645,000		.25	June 27 2033
SO 2023-2	June 27 2023	1,714,500	June 27 2023	1,714,500	Executives	1,714,500		.25	June 27 2033
						3,054,500	**0**		
						11,262,901	**3,180,259**		

(1) Adjustment of the number and subscription price of warrants following the capital increases of July 2011, July 2013 and December 2014, in accordance with Article L.228-99 of the French Commercial Code (Board of Directors' meetings of July 28, 2011, November 14, 2013 and January 22, 2015)

NOTE 10 - ON-CURRENT LIABILITIES

10.1. PROVISIONS

In thousands of €	December 31, 2022	Provision charges	Reversals		December 31, 2023
			used	not used	
Pension obligations	168			-60	108
Provisions	701		-430		271
Total non-current provisions	**869**		**-430**	**-60**	**379**

10.1.1. RETIREMENT BENEFIT OBLIGATIONS (IAS 19 REVISED)

The provision for pension obligations amounted to 108 thousand euros, compared to 168 thousand euros in 2022. This decrease is linked to a change in the workforce structure.

The actuarial assumptions used were as follows:

	December 31, 2023	December 31, 2022
Collective Agreement	National CBA of Pharmaceutical Companies	
Retirement age	Between the ages of 65 and 67, in application of the law of April 14, 2023 on pension reform	
Date of calculation	December 31, 2023	December 31, 2022
Mortality table	INSEE 2022	INSEE 2022
Discount rate	3.75%	3.74%
Salary increase rate	3%	3%
Turnover rate	By age bracket: - 0% 16 to 24 years old - 0% 25 to 34 years old - 6.74% 35 to 44 years old - 2.25% 45 to 54 years old - 1.12% over 55 years old	By age bracket: - 0% 16 to 24 years old - 0% 25 to 34 years old - 5.75% 35 to 44 years old - 2.30% 45 to 54 years old - 1.15% over 55 years old
Social security rates	46% for Valerio Therapeutics FR	

10.1.2. PROVISIONS

Provisions consist of a provision for restoration in the context of the application of IFRS 16 for 271 thousand euros.

They also include a provision for 1.690 thousand euros as the company is facing a dispute of an invoice sent by a service provider. This invoice being strongly challenged, Valerio took a provision for risks for the whole amount of this invoice. Negotiations are ongoing and may lead to a reassessment of the debt in the accounts.

10.2. NON-CURRENT FINANCIAL DEBTS

In thousands of €	December 31, 2023	December 31, 2022	Change		
			Total	Impact on cash flow	No impact on cash flow
Government-backed loans	2,799	4,046	-1247	-1,247	
Convertible bond issue	4,000	4,000			
Reimbursable advances	107	58	49		49
Subtotal	**6,906**	**8,104**	**-1,198**	**1,247**	
Lease liabilities	313	646	-333		-333
TOTAL	**7,220**	**8,750**	**-1,531**	**-1,247**	**-284**

The government-backed loans (GBLs) were granted in February 2021 by Bpifrance and the Group's commercial banks. Valerio Therapeutics has chosen to repay these loans over a period of 5 years starting in February 2022, the first year being a grace period during which only interest will be paid. These loans bear interest at rates between 0.69% and 2.25% over the repayment period and these relatively low rates should lead to the recognition of a grant in accordance with IAS 20. However, given the purpose and terms of the GBLs, the value of the grant is linked to the term of the loan and the grant should be considered a subsidy of the cost of financing the GBLs to be recognized in profit or loss on a symmetrical basis with the interest expense. The identification of a grant would therefore have no practical impact on the result for the period, nor on its presentation in relation to the recognition of the GBL at the contractual rate. For this reason, the Group has chosen to record them at the value of the cash received net of transaction costs.

The convertible bonds were issued in April 2022 and subscribed by Invus Public Equities LP and Financière de la Montagne for €2.5 million and €1.5 million respectively. The maturity of this loan is set for April 6, 2027. Convertible bonds do not bear interest. They may be converted into ordinary shares exclusively at the Company's initiative between the issue date and the maturity date; the CBs will entitle their holders, in the event of conversion, to a number N of new ordinary shares equal to the par value of one CB divided by X; X being the lesser of (a) 0.410 euros2, and (b) the volume-weighted average of the prices of the three trading sessions preceding the date of the request for conversion, without any discount.

Repayable advances were granted by Bpifrance and the Ile-de-France region, notably under the Innov'Up Leader PIA program, to finance the Company's R&D programs originating from the PlatON™™ platform. These advances do not bear interest.

Lease liabilities are recognized in accordance with IFRS 16, in exchange for the recognition of rights of use for buildings and movable assets leased by the Group.

The table below shows a breakdown by maturity of non-current liabilities:

In thousands of €	December 31, 2023	1 to 5 years	More than 5 years
Government-backed loans	2,799	2,799	
Convertible bond issue	4,000	4,000	
Reimbursable advances	107	107	
Lease liabilities	313	313	
TOTAL	**7,220**	**7,220**	

10.3. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities include exclusively the debt to SpePharm related to the settlement agreement signed by the Group on February 11, 2020, for an amount of 4,048 thousand euros. This debt will be repaid in the form of a 20% share of the amounts received under the license agreements entered by Valerio Therapeutics or its subsidiaries. The residual amount originally to be paid January 31, 2024, was amended on March 14, 2024, and will be reimbursed between April 2024 and June 2025 and will include interest in the amount of 342 thousand euros at a rate of 10% per Anum.

NOTE 11 - CURRENT LIABILITIES

11.1. SHORT-TERM BORROWINGS AND FINANCIAL LIABILITIES

In thousands of €	December 31, 2023	December 31, 2022	Change		
			Total	Impact on cash flow	No impact on cash flow
Accrued interest and commissions	14	16	-2	-2	
Bond debt					
Government-backed loans	1,372	954	418	418	
Reimbursable advances	58	25	33		33
Other	3	8	-5	-5	
Subtotal	**1,447**	**1,003**	**444**	**411**	**33**
Lease liabilities	332	335	-3	-206	203
TOTAL	**1,779**	**1,338**	**441**	**205**	**236**

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11.2. TRADE PAYABLES AND RELATED ACCOUNTS

No discounting has been applied as trade payables are not older than one year.

In thousands of €	December 31, 2023	December 31, 2022
Trade payables and related accounts	2,458	3,449

The change in this item over the year is linked to the development of activities during the year, particularly in the area of R&D.

The Company conducts preclinical and clinical research and contracts with external partners who assist Valerio Therapeutics in its studies. It is specified that the Company conducts preclinical and clinical research and contracts with external partners who assist Valerio Therapeutics in its studies. For research expenses accrued at year-end are determined based on estimates of work completed received by suppliers and validated by management.

11.3. OTHER CURRENT LIABILITIES

In thousands of €	December 31, 2023	December 31, 2022
Social security debts	2,620	1,812
Tax liabilities	579	484
Other liabilities	2,004	46
Total	**5,203**	**2,342**

Increase to Social security debts are related to increase of employment in the US.

Other liabilities include exclusively the debt to SpePharm related to the settlement agreement signed by the Group on February 11, 2020, and was amended on March 14, 2024

NOTE 12 - FINANCIAL INSTRUMENTS:

The carrying amount of financial instruments by category under IFRS 9 is detailed as follows:

- **At 1/1/2023:**

In thousands of €	Balance sheet value	Of which non-financial assets and liabilities	Of which financial assets and liabilities			Total financial assets and liabilities
			Loans and receivables/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Lease liability	
Other financial assets	90		79	11		90
Trade receivables and related accounts	1,473		1,473			1,473
Other receivables	4,521		4,521			4,521
Cash and cash equivalents	14,586		14,586			14,586
Total Financial Assets	**20,670**		**20,659**	**11**		**20,670**
Other non-current financial liabilities	8,750		8,104		646	8,750
Other non-current liabilities	4,048		4,048			4,048
Short-term borrowings and financial liabilities	1,338		1,003		335	1,338
Trade payables and related accounts	3,449		3,449			3,449
Other liabilities	2,342		2,342			2,342
Total Financial Liabilities	**19,927**		**18,946**		**981**	**19,927**

- **At 12/31/2023:**

In thousands of €	Balance sheet value	Of which non-financial assets and liabilities	Of which financial assets and liabilities			Total financial assets and liabilities
			Loans and receivables/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Lease liability	
Other financial assets	220		220			220
Trade receivables and related accounts	1,889		1,889			1,889
Other receivables	4,287		4,287			4,287
Cash and cash equivalents	6,818		6.818			6,818
Total Financial Assets	**13,214**		**13,214**			**13,214**
Other non-current financial liabilities	7,220		6,906		313	7,220
Other non-current liabilities	1,740		1,740			1,740
Short-term borrowings and financial liabilities	1,779		1,447		332	1,779
Trade payables and related accounts	2,458		2,458			2,458
Other current liabilities	5,203		5,203			5,203
Total Financial Liabilities	**18,400**		**17,754**		**645**	**18,400**

Note: financial assets at fair value through profit or loss relate to cash held under the liquidity contract

Breakdown of financial assets and liabilities at fair value:

The following table presents the financial instruments at fair value by level:

- Level 1: financial instruments listed on an active market
- Level 2: financial instruments whose fair value is measured by comparison with observable market transactions in similar instruments or based on a valuation method whose variables include only observable market data
- Level 3: financial instruments whose fair value is determined in whole or in part using a valuation method based on an estimate which is not based on market transaction prices for similar instruments.

	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Total Financial Assets			
Derivatives at fair value through profit or loss			
Total Financial Liabilities			

NOTE 13 - OPERATING INCOME AND EXPENSES

13.1. REVENUES

In thousands of €	December 31, 2023	December 31, 2022
Revenues	**1,800**	**1,443**

Revenues mainly comprise flat-rate royalties due from Biogen under a licensing agreement for a non-strategic product.

In accordance with IFRS 8.32 and 33, the table below shows the origin of revenues in terms of geographical area:

In thousands of €	December 31, 2023	December 31, 2022
France	0	0
Other Europe	0	0
Rest of the world	1,800	1,443
Total	**1,800**	**1,443**

13.2. PERSONNEL EXPENSES

Personnel expenses are broken down as follows:

In thousands of €	December 31, 2023	December 31, 2022
Salaries	7,487	6,188
Expenses	1,574	1,992
Employee benefits (IFRS 2)	510	724
Imputed Research Tax Credit	-346	-326
Other personnel expenses	45	46
Total personnel expenses	**9,270**	**8,624**
Average headcount (employees and corporate officers)	35	32

Wage increases are linked to the reinforcement of the teams, and more specifically to the recruitment of highly qualified scientists as well as the indemnities paid to the former employees who left the Group in 2023.

The 2023 expense recognized under employee benefits in accordance with IFRS 2 is explained by the grants of securities giving access to capital made by the Board of Directors, a summary of which is given in note 9.4.

13.3. EXTERNAL EXPENSES

External expenses are composed of the following items:

In thousands of €	December 31, 2023	December 31, 2022
R&D costs	9,679	7,873
Imputed Research Tax Credit	-1,992	-1,116
General and administrative expenses	2,611	2,635
Total	**10,298**	**9,392**

The change in external expenses is mainly due to R&D activities, with a focus in 2023 on the clinical development of AsiDNA™ and on the optimization and preclinical development of VIO-01.

NOTE 14 - FINANCIAL INCOME

In thousands of €	December 31, 2022	Impact on cash flow	No impact on cash flow	December 31, 2021
Income in cash and cash equivalents	28	28		16
Cost of financial debt	-138	-138		-2,189
Cost of net financial debt	**-110**	**-110**		**-2,173**
Other financial income	144		144	124
Other financial expenses	-72		-72	-500
Financial income	**-39**	**-110**	**72**	**-2,549**

Other financial income is mainly due to interest on lease liabilities.

NOTE 15 - TAX

As of December 31, 2023, the Valerio Therapeutics Group had French tax loss carryforwards of 343 million euros. No deferred tax asset has been recognized as the company is not in a position to recover this tax asset in the short term.

The reconciliation between tax expense and accounting income is presented below:

In thousands of €	December 31, 2022
Result of integrated companies	-20 244
Reintegration of income taxes, amortization and provisions for goodwill and income from companies accounted for by the equity method	17
Income before income tax, goodwill amortization and provisions, and income from companies accounted for by the equity method	-20 227
Theoretical tax at the rate of the consolidating entity	**5 068**
Effects of base differences	-5 411
Effects of rate differences	73
Effects of special tax provisions	265
Manual entries on tax	0
Theoretical tax expense	**-17**
Actual tax expense	**-17**
Effective tax rate	**N/A**

NOTE 16 - EARNINGS PER SHARE

In thousands of €	December 31, 2023	December 31, 2022
Net income attributable to common shareholders	-20,344	-19,562
Number of shares issued	154,364,273	111,507,130
Number of treasury shares	368,174	575,697
Number of shares outstanding (excluding treasury shares)	**153,996,099**	**110,931,433**
Stock options	7,775,344	8,239,633
Share subscription warrants	2,186,886	2,275,376
Number of potential and issued shares (excluding treasury shares)	**163,958,329**	**121,446,442**
Weighted average number of shares outstanding (excluding treasury shares)	135,209,406	105,746,000
Net earnings per share in euros	**-0.15**	**-0.18**
Potentially dilutive securities resulting from the exercise of options and share subscription warrants	6,865,145	9,542,698
Weighted average number of outstanding and potential securities (excluding treasury securities)	142,074,551	115,288,698
Diluted earnings per share in euros	**-0.15**	**-0.18**

NOTE 17 - OFF-BALANCE SHEET COMMITMENTS

17.1. OFF-BALANCE SHEET COMMITMENTS RELATED TO THE COMPANY'S OPERATING ACTIVITIES

None.

17.2. OFF-BALANCE SHEET COMMITMENTS RELATED TO THE COMPANY'S FINANCING

None.

17.3. OTHER COMMITMENTS RELATED TO COMPANIES IN THE SCOPE OF CONSOLIDATION

The subsidiary Topotarget Switzerland holds patents which are licensed to and developed by third parties. These contracts provide for the payment of royalties linked to stages of product development.

NOTE 18 - RELATED PARTIES

With reference to paragraph 9 of IAS 24, the parties related to Valerio Therapeutics SA are

- Invus public Equities which, as a shareholder of the Company with 28.6% of the capital as of December 31, 2023 and as a member of the Board of Directors, is considered to exercise significant influence over the Company.
- Financière de la Montagne which, as a shareholder of the Company with 18.9% of the capital as of December 31, 2023 and as a member of the Board of Directors, is considered to exercise significant influence over the Company.

NOTE 19 - INTRA-GROUP TRANSACTIONS

Transactions between the parent company and other Group companies are summarized in gross value in the following table:

In thousands of €	December 31, 2023	December 31, 2022
Assets	29,377	27,927
Liabilities	7,560	6,209
Revenue	997	109
Expenses	7,437	3,261

AUDITORS' FEES

The fees paid by the Company to Valerio Therapeutics auditors were as follows:

Audit, statutory audit, certification, review of accounts under French and IFRS standards

	ACA Nexia				Grant Thornton				Ernst & Young			
In thousands of €	Amount		%		Amount		%		Amount		%	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Issuer	101		96%							120	98%	98%
Fully consolidated subsidiary												
Services other than certification of accounts	4		4%			12	100%	100%		13	2%	2%
Subtotal						12	100%	100%		133	100%	100%
Other services provided by the networks to fully consolidated subsidiaries												
Subtotal												
Total	**105**		**100%**			**12**	**100%**	**100%**		**133**	**100%**	**100%**