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

FULL-YEAR FINANCIAL REPORT 2024

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2024 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 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 July 9, 2025

Julien Miara, Chief Executive Officer

MANAGEMENT REPORT

INCLUDING THE CORPORATE GOVERNANCE REPORT

YEAR ENDING DECEMBER 31, 2024

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 drug candidates using two proprietary platforms: the PlatON platform and its unique DNA decoy mechanism of action, and the V-Body platform generating single-domain therapeutic antibodies. 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.

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. radiotherapy and chemotherapy. Clinical development of AsiDNA has been discontinued in order to redirect research and development efforts to next-generation drug candidates from both the PlatON and V-Body platforms.
- **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 2024, VIO-01 underwent a first phase 1 clinical development trial in the United States. Clinical development of VIO-01 was halted in early 2025 in order to redirect research and development efforts to next-generation drug candidates from both the PlatON and V-Body platforms.

- **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 factors, in oncology and outside oncology for other diseases like inflammatory and muscular diseases. In 2024, a first proof of concept was generated by targeting the c-myc oncoprotein.

- **V-bodies Platform**: The acquisition of Emglev Therapeutics (owned by Valour Bio, a subsidiary of Valerio Therapeutics) enabled the use of phage display technology to produce single-domain antibodies, called V-bodies, from proprietary synthetic libraries. These V-bodies differ from traditional antibodies in that they are significantly smaller, approximately one-tenth that of

conventional antibodies. This size advantage allows them to penetrate tissues more rapidly and reach targets that are typically difficult to access, while retaining the binding and/or neutralizing functions of a full-length antibody.

Furthermore, Valour Bio's proprietary libraries are humanized or fully human, meaning they have been engineered to reduce the potential for immunogenicity and toxicity. This humanization process improves their compatibility with the human immune system, potentially making them more tolerable as therapeutic agents for patients.

The versatility of V-bodies allows them to target a wide range of antigens, expanding their therapeutic applicability. Single-domain antibodies (Sd-Abs) have demonstrated strong potential in various pathologies, including autoimmune diseases, inflammatory conditions, and cancer. Their ability to efficiently bind to a variety of targets makes them valuable tools for the development of antibody-based therapies for the most complex diseases.

V-bodies can be used in several therapeutic formats, such as bispecific T-cell engagers (BiTEs), antibody-drug conjugates (ADCs), and chimeric antigen receptor (CAR-T) cells engrafted into T cells. Antibody-drug conjugates are particularly noteworthy because they can deliver various types of payloads, including radioisotopes, chemotherapeutic agents, small molecules, or oligonucleotides. This diversity of payloads expands the potential applications for different patient populations, making V-bodies a promising platform in biomedicine. Furthermore, V-bodies can potentially be administered via various routes, such as subcutaneous, inhaled, oral, or intravenous, offering a significant improvement over traditional antibodies, which generally require intravenous administration. Overall, Valour Bio's approach with V-bodies represents a major advancement in the field of antibody-based therapies, providing potential solutions to the critical limitations of conventional antibodies.

Optimizing the PlatON Platform with V-bodies:

The main challenges faced by the PlatON platform's DNA decoys are their short half-life and specific delivery. Combining the V-body platform with the PlatON platform will leverage these two innovations by:

- Extending half-life with an anti-albumin V-body conjugated to the DNA decoys.
- Increasing specificity by using V-bodies targeting tissue-specific receptors for delivery, conjugated to the DNA decoys.

The Company is convinced that these technologies have significant therapeutic potential and represent a disruptive innovation that could pave the way for a new paradigm of treatment of diseases in the field of oncology, rare diseases and inflammatory and autoimmune diseases

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:

- Topotarget UK (liquidation 2024)
- Valerio Therapeutics Inc. (in the process of liquidation)
- Topotarget Switzerland
- Valour Bio
- Emglev Therapeutics

1.2 BUSINESS TRENDS AND SIGNIFICANT EVENTS DURING THE YEAR

1.2.1 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 clinical 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.

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 which started in January 2024.
NEXT Oncology San Antonio, the first site for the Phase 1/2 study (VIO-01-101) of VIO-01, was activated and the first patient was treated in January 2024. In the first half of 2024, VIO-01 was evaluated in six patients at two different doses, with an encouraging safety profile.

Clinical development of VIO-01 was discontinued in early 2025 to redirect research and development efforts toward next-generation drug candidates based on the PlatON and V-Body platforms.

1.2.2 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 hetero-bifunctional 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. A first proof of concept was demonstrated by targeting the cMYC oncoprotein. Through these efforts, the Company strives to advance the field of drug development and contribute to the treatment of patients with pathologies with a real therapeutic need.

1.2.3 NEW V-BODY PLATFORM

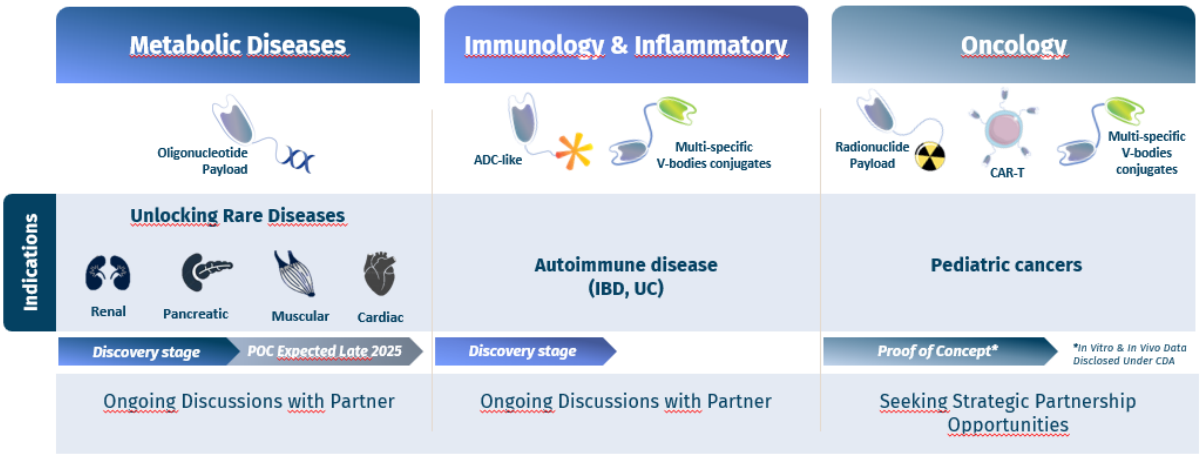
Valour Bio's platform will enable the diversification and expansion of the company's portfolio into other oncology targets, as well as beyond oncology, particularly in autoimmune, inflammatory, and rare genetic diseases. The assets generated through the PlatON platform (DNA decoys), the V-body platform (bispecifics, ADCs, CAR-T), or both combined (V-body-oligonucleotide conjugates) will revolutionize our approach to these diseases and bring added value to the company by attracting diverse investors and facilitating future fundraising. The last quarter of 2024 allowed the internalization of the various expertise and technologies associated with this new platform and the initial proof-of-concept experiments to be conducted.

1.2.4 EVOLUTION OF THE R&D PORTFOLIO

Developments compared to the portfolio presented in the 2024 annual report are as follows:

- Phase 1/2 of the VIO-01 clinical study in the United States began with the enrollment of six patients in the first half of 2024. Following the evolution of the R&D strategy, this study was closed in January 2025 to refocus the company on optimizing the new platforms.
- Initial proofs of concept with DecoyTAC technology (3rd generation platON platform)
- Internalization of the new V-body platform

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



1.3 FUNDING

On April 30, 2024, Valerio Therapeutics has received a €5 million financing commitment from its main shareholders, Artal International inc. and Financière de la Montagne. This commitment was made in the form of a shareholder current account in May 2024, providing the Company with a cash flow horizon through the end of 2024.

Part of this financing was used by Valerio Therapeutics to complete the acquisition of Emglev Therapeutics, for an amount of 2.5 million euros.

Valerio Therapeutics used a portion of this financing to complete the acquisition of Emglev Therapeutics for €2.5 million (a portion of which was paid in shares). The acquisition was made through its subsidiary Valour Bio. The remainder of the financing was used to cover Valerio Therapeutics' ongoing operations and the development of the new Emglev platform.

At the end of 2024, a reduction in the Company's operating expenses enabled it to extend its cash flow horizon by approximately three months. Furthermore, in 2025, in addition to reducing its expenses, the Company negotiated with various stakeholders and obtained an agreement to secure its financial and cash flow trajectory until at least the end of 2025.

1.4 GOVERNANCE

The Annual General Meeting of June 4, 2024 renewed the mandate of directors of Ms. Shefali Agarwal and Mr. Bryan Giraudo for a period of three years.

At a meeting held on November 13, 2024, the Board of Directors of Valerio Therapeutics decided to appoint Mr. Julien Miara as Chief Executive Officer and Chairman of the Board of Directors of Valerio Therapeutics, succeeding Ms. Shefali Agarwal.

At a meeting held on November 20, 2024, the Board of Directors of Valerio Therapeutics acknowledged the resignation of Mr. Robert L. Coleman from his position as director.

At a meeting held on November 21, 2024, the Board of Directors of Valerio Therapeutics decided to appoint Mr. Antoine Barouky as Deputy Chief Executive Officer of the Company.

As of December 31, 2024, the Board of Directors was composed of 6 members, including 2 independent members.

As of the date of this report, the Board of Directors consists of five members, including one independent member (see Corporate Governance Report for the composition of the Board of Directors as of the date of this report).

1.5 CHRONOLOGICAL SUMMARY OF THE COMPANY'S PRESS RELEASES IN FISCAL YEAR 2024

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

January 25, 2024	Half-yearly report on the liquidity contract of Valerio Therapeutics
February 5, 2024	Valerio Therapeutics announces capital reduction driven by losses through reduction in par value of company shares
April 30, 2024	Availability of the 2023 annual report
May 22, 2024	Valerio Therapeutics Provides Clinical Development Update on its Phase 1/2 VIO-01 Clinical Trial
September 29, 2024	Half-yearly report on the liquidity contract entered into with Kepler Cheuvreux
September 30, 2024	Valerio Therapeutics Announces First Half 2024 Financial Results and Provides Business Update
September 30, 2024	Valerio Therapeutics Acquires Emglev Therapeutics, a Single Domain Antibody Therapies Company
November 15, 2024	Valerio Therapeutics S.A. Board of Directors Meeting of November 13, 2024

1.6 SIGNIFICANT EVENTS AFTER DECEMBER 31, 2024

On February 3, 2025, the Company announced the strategic decision to discontinue all clinical trials and related activities, including the ongoing VIO-01 trial. This decision was made by the Board of Directors in response to the Company's financing challenges. The completion of clinical trials will allow the Company to focus exclusively on early-stage drug development, ensuring efficient use of available capital while maintaining a strong focus on innovation. As part of this transition, the Company will cease its oncology clinical-stage activities and close its U.S. office in Lexington, MA.

On February 27, 2025, the Company announced that it had terminated the liquidity agreement entered into on October 29, 2018, with KEPLER CHEUVREUX. The termination took effect on February 19, 2025. This termination was decided as part of the savings realized by the Company given its cash position. The Company does not plan to enter into another liquidity agreement at this stage.

On May 5, 2025, the Company announced the postponement of the publication of its 2024 annual financial report, initially scheduled for April 30, 2025, and of the closing and approval of its 2024 statutory and consolidated financial statements, due in particular to significant difficulties in accessing the accounting elements of its subsidiary in the United States, Valerio Therapeutics Inc.

Although the assets relating to this subsidiary are depreciated in the Company's statutory financial statements and it ceased all activity at the end of 2024, this delay in the accounting treatment of Valerio Therapeutics Inc. does not allow the Company to finalize its statutory and, a fortiori, consolidated financial statements.

Consequently, the Company's 2024 consolidated and statutory accounts and the publication of the 2024 annual financial report will not be able to take place before the end of July 2025. The Company's 2024 annual accounts will be approved in September 2025.

On June 12, 2025, the Company announced, regarding the development of its financial situation, that it had finalized an agreement to extend the maturity of its bank debts and to reduce or stagger its debts to its main suppliers.

The Company's main shareholders, Artal International Inc. and Financière de la Montagne, have made advances that should be incorporated into the capital in the amount of five million five hundred thousand euros in order to meet the Company's short-term needs and finance its activities at least until the end of 2025 (it being specified that part of this envelope has already been used to settle the Company's debts). The Company's financial situation remains precarious, however, and a long-term and sustainable financing solution is still being sought.

On June 24, 2025, the Company announced the temporary suspension of trading of its shares on Euronext as of June 17, 2025, following the delay in the publication of the annual financial report for the year ended December 31, 2024. The Company reminds its shareholders that the publication of the 2024 annual financial report has been postponed due to significant difficulties in accessing the accounting information of its U.S. subsidiary, Valerio Therapeutics Inc. Valerio Therapeutics is currently finalizing its statutory and consolidated financial statements. The report will be published after the certification of the accounts by the statutory auditors.

Trading in Valerio Therapeutics shares on Euronext Growth in Paris is expected to resume after publication of this report. The Company will inform the market as soon as possible of the new publication date of the 2024 annual financial report, the final date of the General Meeting, and the effective date of resumption of trading.

2. RISK FACTORS

The Group operates in a constantly changing environment, which entails numerous risks, some of which are beyond its control. Before subscribing to 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.

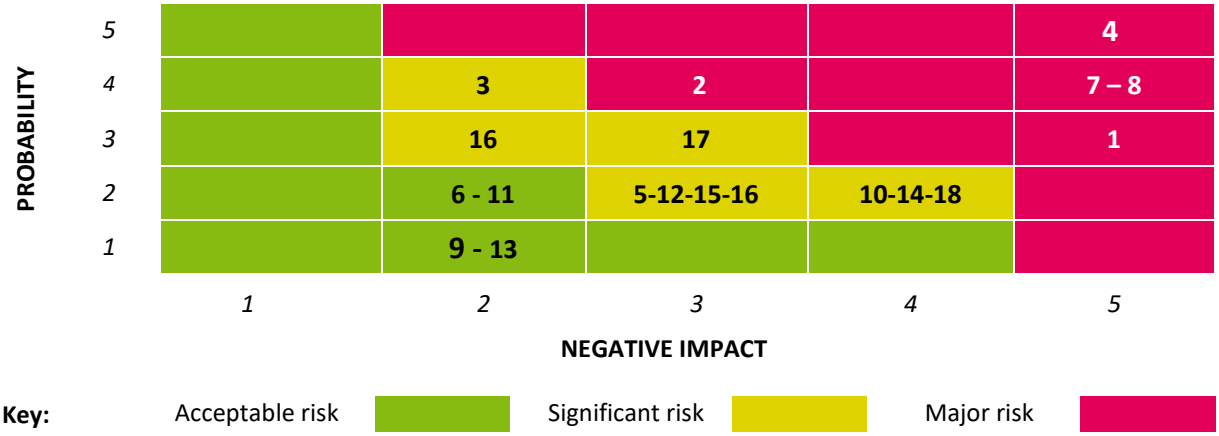
Within each of the four categories mentioned above, risks were ranked in order of **criticality**, with the risks with the highest probability of occurrence and the highest potential impact placed first, on a "net risk" basis, i.e., after accounting for preventive or mitigating measures. The occurrence 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
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 1.2 million euros on December 31, 2024. The Company relies on leading financial institutions for its cash investments and believes that it does not bear significant credit risk on its treasury.

The Company's main shareholders, Artal International Inc. and Financière de la Montagne, have provided advances which should be incorporated into the capital in the amount of five million five hundred thousand euros in order to meet the Company's short-term needs and finance its activities at least until the end of 2025 (it being specified that part of this envelope has already been used to settle the Company's debts).

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:

- 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,
- 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 company's ability to generate its own pipeline and/or to enter into partnership agreements;
- 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 their anticipation, due to political factors such as the upcoming presidential elections in Franc, in the EU, or in the US;
- 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.

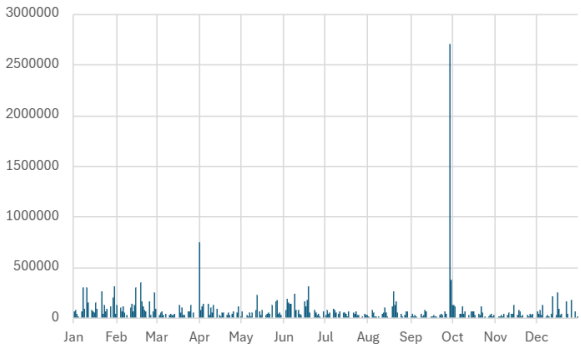
The sale of Company shares or the anticipation that such sales may occur may also have an adverse impact on the Company's share price. The Company cannot predict the possible effects on the market price of the shares should its shareholders sell their shares.

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.

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, 2024

Market capitalization in millions of euros as of December 31, 2024	11.58
Share price (in euros)	
• Highest	0.166
• Lowest	0.0065
• At the end of the period (December 31, 2024)	0.075



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 2024 amounted to 954,000 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.

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

Finally, as part of the 2025 Finance Bill, several reforms to the Research Tax Credit were adopted, although they had not yet entered into force at the end of the 2024 financial year. These changes include a reduction in the flat rate for operating costs from 43% to 40% and the elimination of the mechanism increasing personnel expenses related to the hiring of young doctors. These changes, which will come into force in 2025, are likely to reduce the amount of the CIR that can be used in the future and will require increased vigilance in justifying R&D expenses. They are part of a context of streamlining tax incentive schemes and encourage companies to strengthen their traceability and their technical and financial documentation. In addition, these reforms tend to strengthen documentary requirements and increase tax audits, making obtaining the CIR more complex and uncertain. In particular, increased attention is paid to the qualification of R&D work, the justification of its innovative nature, as well as the traceability of eligible expenses.

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.

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 361 million euros at December 31, 2024.

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 incurred 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). However, the Company will cease its clinical oncology activities and close its US office in Lexington, MA in 2025.

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 with partners outside the Euro zone.

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 location of R&D activities;
- 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 preclinical drug candidates, for the PlatON (3rd generation DecoyTAC) and V-Body platforms, , 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 technologies 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.

If a significant delay occurs in a trial during this discovery phase of new drug candidates 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 2024 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

All clinical trials are currently being completed and will be definitively completed in the first half of 2025.

2.2.4 RISKS RELATED TO 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 the same indications and have drug candidates in clinical development, in particular large international pharmaceutical companies.

Many of the competitors developing treatments in the field of oncology and rare diseases 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.

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 a hundred and ten patents or published patent applications, of which ninety-three or 85%, 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 expertise 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

As of the date hereof, the Company is not aware of any ongoing 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, 2024, the Company did not record any revenue.

Other operating income totaled 1,709 thousand euros in 2024, compared with 1,587 thousand euros recorded in 2023. This item mainly consists of reversals of provisions, including a reversal of 1,690 thousand euros relating to a provision for litigation.

Operating expenses decreased from 23,178 thousand euros in 2023 to 20,700 thousand euros in 2024. This decrease is mainly due to the reduction in R&D subcontracting costs, which amounted to 9,969 thousand euros, compared with 15,555 thousand euros in the previous financial year.

The operating result is a loss of (18,991) thousand euros, compared to a loss of (21,591) thousand euros for fiscal year 2023.

The financial result is an income of 1,162 thousand euros, compared to a loss of (773) thousand euros for fiscal year 2023. Financial income of 1,486 thousand euros mainly comprises interest in intercompany current accounts of 1,206 thousand euros and foreign exchange gains of 280 thousand euros. Financial expenses of 324 thousand euros include foreign exchange losses or provisions for foreign exchange losses of 126 thousand euros and interest on loans of 198 thousand euros.

The current result before taxes is a loss of (17,829) thousand euros compared to a loss of (20,818) thousand euros for the year 2022.

The extraordinary result is an income of 6,154 thousand euros mainly relating to:

- A reversal of provisions on securities held by the subsidiary Topotarget UK for 32,548 thousand euros;
- A reversal of provisions on current accounts for 5,816 thousand euros;
- An expense for the liquidation of securities held by the subsidiary Topotarget UK for 32,442 thousand euros.

The Company recorded a research tax credit of 954 thousand euros for the year ended December 31, 2024.

As a result of these various items of income and expense, the net result for the year is a loss of (10,721) thousand euros compared with a loss of (20,126) thousand euros for fiscal year 2023.

3.2 ALLOCATION OF RESULTS

We propose to allocate the loss for the year, which amounts to 10,721,021.15 euros, in its entirety to the "Retained Earnings" account, which would thus amount to a negative amount of 46,061,989.07 euros (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).

It is specified that the Company plans, in the second half of 2025, to carry out a capital reduction motivated by losses through a reduction in the nominal value of the shares.

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. 2024233-6 of the French Commercial Code, we inform you that during the past financial year, the Company acquired Emglev Therapeutics, a biotechnology company specializing in the discovery of therapeutic products based on single domain antibodies. The transaction was finalized on September 29, 2024, and allowed the acquisition of Emglev's unique proprietary platform of fully synthetic single domain antibodies. Valour Bio, a subsidiary of Valerio Therapeutics, was created to focus on the discovery of single domain antibodies, sdAbs, as immuno/radio-drug conjugates, bispecific sdAbs, sdAb inhibitors, or for CAR-T application as drug candidates for multiple therapeutic areas, including autoimmune and inflammatory diseases as well as cancers. The acquisition is structured through a cash share sale and an in-kind contribution of Emglev shares for Valour Bio shares. As a result, Emglev shareholders became Valour Bio shareholders.

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	75					481						1
Total amount of the invoices concerned including VAT.	500 396	343 622	243 807	234 955	3 739 100	4 561 485	0	0	0	0	544	544
Percentage of total purchases including VAT for the year	7.03%	4.83%	3.43%	3.30%	52.56%	64.12%						
Percentage of sales including VAT for the year							0.00%	0.00%	0.00%	0.0%	0.0%	100,00%
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)												

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 1,793 thousand euros corresponding to lump-sum royalties due from Biogen under a license agreement for a non-strategic product.

Operating expenses have decreased from 21,054 thousand euros in 2023 to 18,283 thousand euros. This variation comes mainly from the following two items:

- Personnel costs decreased from 9,270 thousand euros in 2023 to 6,626 thousand euros due to staff reduction.
- External expenses decreased from 10.298 thousand euros in 2023 to 7,323 thousand euros, due to the decreased in R&D expenses.

The financial result is a loss of (171) thousand euros.

After taking into account these various items of income and expense thousand euros, the net result is a loss of (23,919) thousand euros compared to a loss of 20,344 thousand euros recorded in the previous year.

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

- Valerio Therapeutics did not record any revenue. As it bears most of the Group's research and development costs and overheads, it posted a loss of 10,721 thousand euros.
- The Swiss subsidiary Topotarget Suisse, which received license fees from its partner Biogen, generated a profit of 715 thousand euros.
- The American subsidiary Valerio Therapeutics Inc. generated a profit of 78 thousand euros.
- The French subsidiary Valour Bio did not record any revenue and posted a loss of 61 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 1.2 million euros at the end of the 2024 fiscal year.

On February 5, 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.

The Company's main shareholders, Artal International Inc. and Financière de la Montagne, provided advances in the first half of 2025 that should be incorporated into the capital in the amount of €5.5 million in order to meet the Company's short-term needs and finance its activities at least until the end of 2025 (it should be noted that part of this amount has already been used to settle the Company's debts). However, the Company's financial situation remains precarious, and a long-term, sustainable financing solution is still being sought.The Group contracted government-guaranteed loans and, in April 2022, issued convertible bonds with a total balance of 7.5 million euros at the end of 2024. During the financial year, the Company entered into shareholder loan agreements with Artal International Inc. and Financière de la Montagne for an amount of 5 million euros.

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 2025, 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:

- **V-Body**: continued internalization of this new platform and discovery of new therapeutic modalities in the field of oncology, but also in the fields of inflammatory diseases and rare genetic diseases.
- **platON™®:** Continued evaluation and optimization of new compounds from PlatON™ 3rd generation, DecoyTAC.

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, 2024

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, 2024, 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 Valerio Therapeutics to Kepler Cheuvreux, as of December 31, 2024, the following resources were included in the liquidity account:
- 486 152 securities
- € 139 565.93 in cash

The 486 152 bearer shares held in treasury at December 31, 2024, with a par value of 0.148 euros (on the basis of a par value of €0.14), represented 0.24 % of the capital and were valued at 34,303.64euros at the share purchase price.

During the 2nd half of 2024, a total of:

BUY	344,028 securities	€ 26 652,96	211 transactions
SALE	250,241 securities	€ 20 149,32	152 transactions

As a reminder, at the time of the last half-yearly balance sheet as of June 30, 2024, the following resources were included in the liquidity account:
- 128,013 securities
- €15,133.69 in cash

BUY	128 013 securities	€ 258,705.74	108 transactions
SALE	103 822 securities	€ 402,719.91	95 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, 2024, 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 6,503.64 euros in the year ended December 31, 2024.

8 EMPLOYEE SHAREHOLDING

In accordance with Article L. 225--102 of the French Commercial Code, we inform you that as of December 31, 2024, 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, 2024, 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 no transactions on the Company's shares (acquisitions, sales, subscriptions or exchanges of shares) were 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 2024.

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 November 13, 2024 to appoint Mr. Julien Miara as Chief Executive Officer and Chairman of the Board of Directors of the Company, succeeding Ms. Shefali Agarwal.

The Board of Directors, on February 20, 2025, decided to separate the roles of Chairman of the Board and Chief Executive Officer. GammaX Corporate Advisory resigned and its Chairman, Mr. Jacques Mallet, was appointed Chairman of the Board of Directors. Mr. Julien Miara was confirmed as Chief Executive Officer of the Company. Mr. Khalil Barrage resigned as a director of the Company and Mr. Antoine Barouky was co-opted as a director.

The extraordinary general meeting of April 9, 2025, ratified the appointment of Mr. Jacques Mallet and Mr. Antoine Barouky, and terminated the mandate of Ms. Shefali Agarwal as director.

As of the date of this report, the Board of Directors is composed of five members, including one independent member.

First name, Last name, Title	Independent Director	Year of 1st appointment	End of the mandate	Audit Committee	Compensation and Nomination Committee	Scientific Committee
Mr. Antoine Barouky, Deputy General Director	No	2025	2025			Member
Mr. Julien Miara, representing Artal (Invus Group), General Manager	No	2022	2025	Member		
Financière de la Montagne, represented by Mr. Nicolas Trebouta	No	2011	2026		Member	
Mr. Bryan Giraudo	Yes	2021	2026	Chairman	Chairman	
Mr. Jacques Mallet, Chairman of the Board of Directors	Non	2021	2025		Member	Chairman

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

MiddleNext Code recommendations	Compliance
R7 - Setting up of committees	Yes
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 1 independent director out of a total of 5 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.

1.5 AGREEMENTS REFERRED TO IN ARTICLE L.225-38 OF THE COMMERCIAL CODE

We inform you that two contracts referred to in Article L.225-38 of the Commercial Code were concluded during the financial year ending December 31, 2024:

Shareholder loan agreement concluded between the Company and Artal International Inc., a shareholder holding more than 10% of the voting rights, on September 11, 2024 (with retroactive effect from May 23, 2024)

Person concerned: Artal International Inc, a shareholder holding more than 10% of the voting rights.

A shareholder loan agreement for a total amount of four million euros (€4,000,000) has been concluded between the Company and Artal International Inc. to ensure the financing of the Company. The advance has been granted for 10 years, at a 3-month Euribor interest rate with a minimum of 2% per year. The agreement was previously authorized by the Board of Directors on September 11, 2024, and will be submitted for approval to the annual ordinary general meeting of 2025, which will rule on the accounts for the financial year ending December 31, 2024.

Shareholder loan agreement between the Company and Financière de la Montagne, a shareholder with more than 10% of the voting rights, on September 11, 2024 (with retroactive effect to May 17, 2024).

Concerned party: Financière de la Montagne, a shareholder with more than 10% of the voting rights.

A shareholder loan agreement for a total amount of one million euros (€1,000,000) has been concluded between the Company and Financière de la Montagne to ensure the financing of the Company. The advance was granted for 10 years, at an interest rate of 3-month Euribor with a minimum of 2% per year. The agreement was authorized in advance by the Board of Directors on September 11, 2024, and will be submitted for approval to the annual ordinary general meeting of 2025, which will decide on the accounts for the fiscal year ending December 31, 2024.

2. CORPORATE MANDATES

2.1 EVOLUTION OF THE BOARD OF DIRECTORS

The General Meeting of June 4, 2024, renewed the terms of office of Ms. Shefali Agarwal and Mr. Bryan Giraudo as directors for a term of three years.

At a meeting held on November 13, 2024, the Board of Directors of Valerio Therapeutics decided to appoint Mr. Julien Miara as Chief Executive Officer and Chairman of the Board of Directors of Valerio Therapeutics, succeeding Ms. Shefali Agarwal.

At a meeting held on November 20, 2024, the Board of Directors of Valerio Therapeutics acknowledged the resignation of Mr. Robert L. Coleman from his position as director. At a meeting held on November 21, 2024, the Board of Directors of Valerio Therapeutics decided to appoint Mr. Antoine Barouky as Deputy Chief Executive Officer of Valerio Therapeutics.

The Board of Directors on February 20, 2025 decided to separate the functions of Chairman of the Board and Chief Executive Officer. GammaX Corporate Advisory resigned and Mr. Jacques Mallet was appointed Chairman of the Board of Directors. Mr. Julien Miara was confirmed as Chief Executive Officer of the Company. Mr. Khalil Barrage resigned from his position as a director of the Company and Mr. Antoine Barouky, current Deputy Chief Executive Officer, was co-opted as a director of the Company.

The extraordinary general meeting of 9 April 2025 ratified the appointment of Mr Jacques Mallet and Mr Antoine Barouky, and terminated the term of office of Ms Shefali Agarwal as director.

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

Below is a list of all the mandates and functions exercised in all French or foreign companies by each of the Company's directors during the financial year. This description covers the last five years in order to comply with Annex I of Regulation (EC) No. 809/2004, which governs the drafting of reference documents.

The other mandates and/or functions of the directors listed below are based on the declarations of the persons concerned. The Company specifies that it accepts no responsibility for the information provided by the directors or corporate officers.

Director	Offices and functions
Shefali AGARWAL (board member until April 9, 2025) 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 (resigned on February 20, 2025) 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' Annual 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 2026 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 (resigned on November 14, 2024) 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 2027 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* • *None*
GAMMAX CORPORATE ADVISORY, represented by Mr. Jacques MALLET (resignation of GammaX Corporate Advisory and co-optation of Mr Jacques MALLET on February 20, 2025) 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
Antoine BAROUKY Antoine Barouky is the Interim Deputy General Manager of Valerio Therapeutics and a Venture Partner at Invus since 2023, where he works closely with public and private health teams on an international scale. Before joining Invus, Antoine was a founding member of the management teams of several American companies in Europe, including Alnylam, Shire, Cubist, and Forest Laboratories, where he developed and led operations for thirteen years. Earlier in his career, he held various leadership positions at Stallergenes for twelve years, including Senior Vice President in charge of business and corporate development. Antoine holds a degree in biotechnology engineering from the National Institute of Applied Sciences in Lyon, as well as a Master's in Finance from HEC Paris. Antoine Barouky was appointed Deputy CEO of Valerio Therapeutics on February 20, 2025.	*In the Company* • Administrator Outside the Company • President of MAAsiRNA • President of AB Global Strategy • Partner at Invus *Other mandates and roles held over the last 5 years and completed* None

3. WARRANTS, STOCK OPTIONS AND FREE SHARES

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

During fiscal year 2024, 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 2024.

- **Performance shares granted during the year to each executive director**

No performance shares were granted to executive directors in fiscal year 2024.

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

No performance shares (AGAs) became available in fiscal year 2024.

- **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 on December 31, 2024 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 12/31/2024	0		0
Canceled or lapsed options	0	0	0
Options remaining at 12/31/2024	**695,000**	**645,000**	**1,714,500**

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 12/31/2024	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 12/31/2024 (1)	**0**	**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 12/31/2024	0	0	0	0	0	0
Total canceled or lapsed warrants	0	0	0	0	0	0
BSAs remaining at 12/31/2024	**150,000**	**100,000**	**75,000**	**75,000**	**150,000**	**75,000**

(1) Full acquisition after 18 months
(2) Full acquisition after 12 months
(3) 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**

No subscription or purchase option for shares has been granted during the fiscal year to the top ten non-executive employees or exercised by them.

- **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 received an impatriation bonus of € 250,000 (with a possible bonus of € 250,000) on an annual basis. It is specified that Mrs. Agarwal's mandate as CEO ended on November 13, 2024.

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, 2024

The share capital as of December 31, 2024 was 21.610.998,20 euros, divided into 154,364,273 shares with a par value of 0.14 euros each, all of the same class and fully paid up.

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, 2024.

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 12/31/2024	**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 2023	154,364,273	0.25	38,591,068.20
Board of Directors of February 5, 2024: reduction of the nominal value of each	154,364,273	0.14	21,610,998.20

share by 0.11 euros, going from 0.25 euros to 0.14 euros			
Shares comprising the share capital at year-end 2024	154,364,273	0.14	21,610,998.20

4.3 LOSS OF MORE THAN HALF OF CAPITAL

Due to the loss recorded in the Company's accounts for the 2024 financial year, the amount of shareholders' equity remains below half of the share capital. It is reminded that, in accordance with the provisions of Article L.225-248 of the Commercial Code, the General Assembly of June 4, 2024 (9th resolution) decided that there was no need for early dissolution of the Company.

4.4 SUBSIDIARIES AND HOLDINGS

The table below provides all the information concerning the activity of the Company's subsidiaries and holdings for the 2024 financial year. All figures are converted into euros and expressed in thousands.

Company name	**Valerio Therapeutics Inc**	**Valour Bio**	**Topotarget Switzerland**
Address	185 Alewife Brook Parkway Suite 210 Cambridge MA 02138 USA	58 rue de Monceau, 75008 Paris, France	c/o Monique Caillat, avocate Avenue de Sécheron 15 1202 Genève Switzerland
% held by Valerio Therapeutics SA	100%	85.22%	100%
Gross value of shares	1	3,201	9,918
Net value of shares	0	3	0
Revenues	6,147	0	1,814
Net income	78	(61)	715
Capital	1	3,756	728
Total equity	125	4,527	(22,443)
Dividend paid	Aucun	Aucun	Aucun
Guarantees and endorsements given	Aucun	Aucun	Aucun
Loans and advances given/(received)	0	0	23,606

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

The fully diluted share capital on December 31, 2024 amounted to 167,728,174 shares. It includes the share capital as of December 31, 2024, consisting of 154,364,273 shares plus 13,363,901 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 8.66% 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 12/31/24	% dilution of share capital	% cumulated
	Non-employees Board Members					1.24%
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%	
	Employees					4.30%
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, 2033	695,000	0.45%	
SO-2023-1		0.25	June 27, 2033	645,000	0.42%	
SO-2023-2		0.25	June 27, 2033	1,714,500	1.11%	
TOTAL				**13,363,901**		**8.66%**

(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	2020	2021	2022	2023	2024
Capital at year-end					
Share capital	19,579,452.50	22,998,733.75	27,876,782.50	38,591,068.25	21,610,998.22
Number of existing common shares	78,317,810	91,994,935	111,507,130	154,364,273	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	488,518	45,523	2		453
Income before tax, employee profit-sharing, depreciation and provisions	-8,246,501	-10,252,400	-18,678,338	-21,950,711	-47,315,385
Income taxes	-794,638	-1,744,594	-1,206,867	-2,340,098	-954,208
Employee profit-sharing due for the year					
Income after tax, employee profit-sharing, depreciation and provisions	-3,566, 539	-5,351,535	-14,859,775	-20,215,718	-10,721,021
Distributed income					
Earnings per share					
Income after tax, employee profit-sharing, but before depreciation and provisions	-0.09	-0.08	-0,16	-0.13	-0,30
Income after tax, employee profit-sharing, depreciation and provisions	-0.05	-0.03	-0,13	-0.13	-0,07
Dividend allocated to each share					
Staff					
Average number of employees during the year	25	25	25	19	21
Total payroll for the year	2,773,547	2,607,315	4,184,877	2,843,626	2,010,343
Amounts paid for employee benefits	1,258,312	1,211,015	1,508,581	982,959	838,765

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, 2024

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, 2024.

	Duration of validity / expiry date	Ceiling (nominal value)	Use made of the delegation
Delegations granted by the Shareholders' Meeting of June 04, 2024*			
Delegation of authority granted to the board of directors with a view to increasing the capital by issuing ordinary shares and/or any securities, with maintenance of the shareholders' preferential subscription rights, within the limit of a total nominal amount of 151,276,987 euros or within the limit of a total nominal amount of 108,054,990.70 euros in the event of adoption and implementation of the tenth resolution (11th resolution)	26 months / August 04, 2026	€151,276,987 (1,080,549,907 shares) €151,276,987 in debt securities	The Board did not make use of this delegation.
Delegation of authority granted to the board of directors with a view to increasing the capital by issuing ordinary shares or any securities with the removal of shareholders' preferential subscription rights by way of a public offer outside the offers referred to in paragraph 1° of Article L. 411-2 of the Monetary and Financial Code (12th resolution)	26 months / August 04, 2026	€151,276,987 (1,080,549,907 shares) €151,276,987 in debt securities	The Board did not make use of this delegation.
Delegation of authority granted to the board of directors with a view to issuing shares or any securities giving immediate or future access to the capital, with the removal of shareholders' preferential subscription rights, by offer referred to in paragraph 1° of article L 411-2 of the Monetary and Financial Code (13th resolution)	26 months / August 04, 2026	€4,322,199.64 (30,872,854 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 with a view to increasing the amount of issues with or without maintaining preferential subscription rights which would be decided under resolutions 11 to 13, in accordance with the provisions of article L. 225-135-1 of the French commercial code (14th resolution)	26 months / August 04, 2026	15% of the initial issue	The Board did not make use of this delegation.

	Duration of validity / expiry date	Ceiling (nominal value)	Use made of the delegation
Delegation of authority granted to the board of directors with a view to increasing the capital by issuing ordinary shares or any securities giving access to the capital, with the removal of the preferential subscription right of shareholders in favor of a first category of persons meeting specific characteristics (investors active in the health or biotechnology sector) (15th resolution)	18 months / October 04, 2025	€151,276,987 1,080,549,907 shares €151,276,987 in debt securities	The Board did not make use of this delegation.
Delegation of authority granted to the board of directors with a view to increasing the capital by issuing ordinary shares or any securities giving access to the capital, with the removal of the preferential subscription right of shareholders in favor of a second category of persons meeting specific characteristics (industrialists active in the health or biotechnology sector) (16th resolution)	18 months / October 04, 2025	€151,276,987 (1,080,549,907 shares) €151,276,987 in debt securities	The Board did not make use of this delegation.
Delegation of authority granted to the board of directors with a view to increasing the capital by issuing ordinary shares or any securities with removal of the preferential subscription right of shareholders for the benefit of a category of person within the framework of an equity or bond financing contract (17th resolution)	18 months / October 04, 2025	€4,322,199.64 (30,872,854 shares) €4,322,199.64 in debt securities	The Board did not make use of this delegation.
Delegation of authority granted to the board of directors with a view to increasing the share capital by issuing shares and securities giving access to the Company's capital for the benefit of employees participating in the group's savings plan (18th resolution)	26 months/August 4, 2026	€14,000 (100,000 shares)	The Board did not exercise this delegation.
Authorization to be granted to the board of directors to grant stock options or stock purchase options (21st resolution)	38 months/ August 4, 2027	7,350,000 options representing a maximum nominal amount of €1,029,000	The Board did not use this authorization.
Delegation of authority to be granted to the board of directors for the purpose of issuing and allocating share subscription warrants for the benefit of (i) members of the board of directors of the Company in office on the date of allocation of the warrants who are not employees or	18 months/October 4, 2025	1,850,000 BSAs representing a maximum nominal amount of €259,000	The Board did not make use of this delegation.

	Duration of validity / expiry date	Ceiling (nominal value)	Use made of the delegation
directors of the Company or one of its subsidiaries and (ii) persons bound by a service or consultancy contract to the Company or one of its subsidiaries (22nd resolution)			
First authorization to be given to the board to proceed with the free allocation of existing or to be issued shares in accordance with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code (23rd resolution)	38 months/ August 4, 2027	300,000 free shares representing a maximum nominal amount of €42,000	The Board did not use this authorization.
Second authorization to be given to the board to proceed with the free allocation of existing or to be issued shares in accordance with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code (24th resolution)	38 months/ August 4, 2027	435,000 free shares representing a maximum nominal amount of €60,900	The Board did not use this authorization.

* Overall limit of €151,276,987 for equity securities based on a nominal value of €0.14 and overall limit of €151,276,987 for debt securities (19th resolution).

FINANCIAL STATEMENTS AT 12/31/2024

PREPARED ACCORDING TO FRENCH STANDARDS

Valerio Therapeutics

Statutory auditor's report on the annual accounts

Year ended December 31, 2024

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, 2024.

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, 2024 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, 2024 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 2.5 "Events after December 31, 2024" 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, July 9, 2025

The Statutory Auditor

Aca Nexia
represented by
Laurent Cazebonne

SUMMARY FINANCIAL STATEMENTS

BALANCE SHEET

BALANCE SHEET ASSETS

In thousands of euros	Gross	Amortization / Impairment	Net 2024	Net 2023
UNCALLED SUBSCRIBED CAPITAL				
INTANGIBLE ASSETS				
Set-up expenses				
Development costs	3 259	3 259		3 259
Concessions, patents and similar rights	1 181	1 181		
Commercial Fund	4 450		4 450	4 450
Other intangible assets	244	244		
Advances and down payments on intangible assets				
Total intangible assets	**9 134**	**4 684**	**4 450**	**7 709**
TANGIBLE FIXED ASSETS				
Land				
Constructions				
Technical installations, industrial equipment and tools	1 743	1 478	266	458
Other tangible assets	1 373	1 049	324	334
Assets under construction				
Advances and down payments				
Total tangible fixed assets	**3 118**	**2 528**	**590**	**792**
FINANCIAL ASSETS				
Investments accounted for using the equity method				
Other investments	13 120	9 919	3 201	6 111
Receivables related to investments				
Other long-term securities	36		36	61
Other financial fixed assets	215		215	220
Total financial fixed assets	**13 371**	**9 919**	**3 452**	**6 392**
FIXED ASSETS	**25 623**	**17 131**	**8 492**	**14 894**
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
Trade receivables and related accounts				
Other receivables	25 290	10 788	14 502	15 693
Capital subscribed and called up, not paid				
Total receivables	**25 290**	**10 788**	**14 502**	**15 820**
LIQUID ASSETS				
Securities:				
Liquid assets	368		368	2 342
Total liquid assets	**368**		**368**	**2 342**
CURRENT ASSET	**25 658**	**10 788**	**14 870**	**18 162**
Prepaid expenses	124		124	991
Deferred loan issue expenses				

Bond redemption premiums				
Currency translation differences assets	44		44	185
GENERAL TOTAL	**51 448**	**27 919**	**23 529**	**34 231**

BALANCE SHEET LIABILITIES

In thousands of euros			Net 2024	Net 2023
NET POSITION				
Share or individual capital in:	Of which paid	21 611	21 611	38 591
Share premiums, merger premiums, contribution premiums, ...			15 692	15 691
Revaluation differences				
Legal reserve				
Statutory or contractual reserves				
Regulated reserves				
Other reserves				
Carry forward			(35 341)	(32 105)
RESULT FOR THE YEAR (profit or loss)			**(10 721)**	**(20 216)**
Total net equity				
Investment subsidies				
Regulated provisions				
EQUITY			**(8 759)**	**1 962**
Proceeds from issues of equity securities				
Conditional advances			116	165
OTHER EQUITY			**116**	**165**
Provisions for risks			44	1 875
Provisions for expenses				
Provision for risks and expenses			**44**	**1 875**
FINANCIAL DEBTS				
Convertible bonds			4 000	4 000
Other debenture loans			7	11
Borrowings and debts with credit institutions			3 429	4 171
Miscellaneous borrowings and financial liabilities			7 326	1 343
Total financial liabilities			**14 762**	**9 525**
OPERATING LIABILITIES				
Advances and deposits received on current orders				
Trade payables and related accounts			4 834	1 985
Tax and social security liabilities			1 450	1 682
Total operating liabilities			**6 284**	**3 667**
MISCELLANEOUS LIABILITIES				
Debts on fixed assets and related accounts				
Other debts			4 746	9 960
Total miscellaneous liabilities			**4 746**	**9 960**
ACCRUALS				
Deferred revenue				
DEBTS			**25 793**	**23 152**
Currency translation differences liabilities			6 337	7 076
GENERAL TOTAL			**23 529**	**34 231**

FINANCIAL RESULT

FINANCIAL RESULT (PART 1)

In thousands of euros	France	Export	Net 2024	Net 2023
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			1 693	1 392
License fees and other products			16	30
TOTAL REVENUE			1 709	1 587
EXTERNAL EXPENSES				
Purchase of goods (including customs duties)				
Inventory change (goods)				
Purchase of raw materials and other supplies (including customs duties)			419	442
Change in inventories (raw materials and supplies)				
Other purchases and external expenses			12 504	18 506
Total external expenses			**12 923**	**18 948**
Tax, duties and other levies			**58**	**47**
PERSONNEL EXPENSES				
Wages and salaries			2010	2 843
Social security expenses			847	972
Total personnel expenses			**2 857**	**3 815**
Operating allocations				
Depreciation of fixed assets			296	129
Charges to provisions on fixed assets			4 260	
Charges to provisions on current assets				
Allocations to provisions for risks and expenses				
Total operating allocations			**4 556**	**129**
OTHER OPERATING EXPENSES			306	383
TOTAL OPERATING EXPENSES			**20 700**	**23 178**
OPERATING INCOME			**(18 991)**	**(21 591)**

FINANCIAL RESULT (PART 2)

In thousands of euros	Net 2024	Net 2023
OPERATING INCOME	**(18 991)**	**(21 591)**
JOINT OPERATIONS		
Profit allocated or loss transferred		
Loss incurred or profit transferred		
FINANCIAL PROCEEDS		
Financial income from investments	1 206	976
Income from other securities and receivables from fixed assets		28
Other interest and similar income		(4)
Reversals of provisions and expense transfers	303	14
Positive exchange rate differences	(23)	62
Net proceeds from sales of marketable securities		
TOTAL FINANCIAL INCOME	**1 486**	**1 080**
FINANCE CHARGES		
Depreciation, amortization and provisions	162	185
Interest and similar charges	198	78
Negative exchange rate differences	(36)	43
Net expenses on disposals of marketable securities		
TOTAL FINANCIAL CHARGES	**324**	**307**
FINANCIAL RESULT	**1 162**	**773**
CURRENT RESULT	**(17 829)**	**(20 818)**
EXTRAORDINARY PROCEEDS		
Extraordinary income on management operations	262	26
Extraordinary income on capital transactions	(6)	114
Reversals of provisions and expense transfers	38 364	
TOTAL EXTRAORDINARY INCOME	**38 621**	**140**
SPECIAL CHARGES		
Exceptional expenses on management operations	1	42
Exceptional expenses on capital transactions	32 465	
Exceptional depreciation, amortization and provisions		1 690
TOTAL EXTRAORDINARY EXPENSES	**32 467**	**1 732**
EXTRAORDINARY RESULT	**6 154**	**(1 593)**
Employee profit-sharing		
Income taxes	(954)	(2 340)
TOTAL REVENUE	**41 815**	**2 745**
TOTAL EXPENSES	**52 536**	**22 961**
PROFIT or LOSS	**(10 721)**	**(20 216)**

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' financial statements for the year ended 31 December 2024 were prepared under the responsibility of the Chief Executive Officer and were approved by the Board of Directors on 8 July 2025.

1. ACCOUNTING PRINCIPLES AND METHODS

The financial statements for the year ended 31 December 2024 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 4 November 2016, in compliance with the principle of prudence and the independence of financial years.

The financial statements have been prepared on a going concern basis.

Items recorded in the accounts have been 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 stated at cost or contribution value, less accumulated amortisation and any impairment losses.

Research and development costs incurred by the company are expensed directly. They may be capitalised if all the following conditions are met:

- The projects involved are clearly individualised,
- At the date of establishment of the financial statements, each project must have 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 recognised as intangible assets at their contribution value, even in the absence of a marketing authorization.

When their useful life is defined, the cost of intangible assets, less any residual value, is amortised 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 amortised over 10 years on a straight-line basis, software is amortised over 12 months on a straight-line basis, and R&D assets with a finite useful life (in the marketing phase) are amortised over the period of use expected by the Company.

Where their useful life is indefinite, intangible assets are not amortised but are subject to annual impairment tests. Goodwill is tested for impairment at least once a year, at the end of the financial year. Assets relating to acquired molecules not yet marketed (and therefore not yet amortised) are also tested annually, at the end of the financial year, and as soon as an indicator of impairment is identified. For example, a slower-than-expected time-to-market 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 year
- 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

- **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

- **platON** is Valerio Therapeutics' exclusive chemical platform for DNA decoy therapies, generating innovative new compounds and expanding the company's product portfolio.

- **AsiDNA**, platON's first compound, is a highly differentiated first-in-class clinical-stage 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 anti-tumour properties, including the ability to prevent or abrogate tumour resistance to targeted therapies such as PARP inhibitors and strong synergy with tumour DNA damaging agents such as radiotherapy and chemotherapy. Clinical

development of AsiDNA has been halted in order to redirect research and development efforts towards next-generation drug candidates based on the PlatON and V-Body platforms.

- **VIO-01 (anciennement OX425),** the second platON compound, is a new pan-DDR decoy with high anti-tumour activity. It also mediates multiple immunostimulatory effects by activating the STING pathway. In 2024, VIO-01 was the subject of a first phase 1 clinical development trial in the United States.
  The clinical development of VIO-01 was halted in early 2025 in order to redirect research and development efforts towards next-generation drug candidates based on the PlatON and V-Body platforms - DecoyTAC: the 3rd-generation platON platform, exploiting the unique mode of action of DNA decoy therapies coupled to targeted protein degradation (PROTAC). This evolution extends the activity of the platON platform beyond DNA repair by targeting other proteins such as transcription factors, in oncology and outside oncology for other diseases such as inflammatory and muscular diseases. In 2024, a first proof of concept was generated by targeting the c-myc oncoprotein.

- **Plateform V-body :** the acquisition of Emglev Therapeutics (owned by Valour Bio, a subsidiary of Valerio Therapeutics) has made it possible to exploit phage-display technology to produce single-domain antibodies, known as V-bodies, from proprietary synthetic libraries. These V-bodies differ from traditional antibodies in that they are considerably smaller, around one tenth the size of conventional antibodies. This size advantage enables them to penetrate tissues more rapidly and reach targets that are generally difficult to access, while retaining the binding and/or neutralising functions of a full antibody.

  In addition, Valour Bio's proprietary libraries are humanised or fully human, meaning that they have been designed to reduce the potential for immunogenicity and toxicity. This humanisation process improves their compatibility with the human immune system, which could make them more tolerable as therapeutic agents for patients.

  The versatility of V-bodies enables them to target a wide range of antigens, broadening their therapeutic applicability. Single-domain antibodies (Sd-Abs) have shown great potential in a variety of pathologies, including autoimmune diseases, inflammatory conditions and cancer. Their ability to bind efficiently to a variety of targets makes them valuable tools for the development of antibody-based therapies for the most complex diseases.

  V-bodies can be used in a number of therapeutic formats, such as bispecific T-cell "engageors" (BiTEs), antibody-drug conjugates (ADCs) and chimeric antigen receptors (CAR-Ts) grafted into T-cells. Antibody-drug conjugates are particularly remarkable because they can deliver various types of payload, including radioisotopes, chemotherapeutic agents, small molecules or oligonucleotides. This diversity of payloads broadens the potential applications for different patient populations, making V-bodies a promising platform for biomedicine.
  In addition, V-bodies can potentially be administered by different routes, such as subcutaneous, inhaled, oral or intravenous, offering a significant improvement over traditional antibodies that generally require intravenous administration.

  Overall, Valour Bio's approach with V-bodies represents a major advance in the field of antibody-based therapies, providing potential solutions to the critical limitations of conventional antibodies.

  Optimising the PlatON platform with V-bodies:

  The main challenges faced by DNA lures on the PlatON platform are their short half-life and specific delivery. Combining the V-body platform with the PlatON platform will make it possible to take advantage of these two innovations by :

  - Prolongs half-life thanks to an anti-albumin V-body conjugated to DNA lures.
  - Increasing specificity by using V-bodies targeting tissue-specific receptors for delivery, and conjugated to DNA decoys.

The Company is convinced of the significant therapeutic potential of these technologies and the disruptive innovation they represent, which could pave the way for a new paradigm in the treatment of diseases in the fields of oncology, rare diseases and inflammatory and autoimmune diseases.

2.2. FUNDING

On 30 April 2024, Valerio Therapeutics received a €5 million financing commitment from its main shareholders, Artal and Financière de la Montagne. This commitment was realised in the form of a shareholders' current account in May 2024, providing the Company with a cash flow horizon to the end of 2024.

Part of this financing was used by Valerio Therapeutics to acquire Emglev Therapeutics for €2.5 million (part of which was paid in shares). The acquisition was made through its subsidiary Valour Bio.

The remainder of the financing was used to pay for Valerio Therapeutics' ongoing operations and the development of the new Emglev platform.

At the end of 2024, a reduction in the Company's operating expenses enabled it to extend its cash flow horizon by approximately three months. Furthermore, in 2025, in addition to reducing its expenses, the Company negotiated with various stakeholders and obtained an agreement to secure its financial and cash flow trajectory until at least the end of 2025.

- **Capital reduction due to losses**

At the Extraordinary General Meeting held on February 6, 2023, shareholders approved a reduction in share capital to reflect the Company's net worth, by reducing the par value of the shares. This capital reduction was authorized up to a maximum amount of 17,000,000 euros, within the limit of the losses incurred and subject to compliance with the legal minimum capital requirement stipulated in article L. 224-2 of the French Commercial Code. This authorization is valid until February 6, 2024.

In accordance with this authorization, the Board of Directors noted at its meeting on February 5, 2024 that the Company had a deficit on retained earnings of (17,245,545) euros, as approved at the Annual General Meeting of June 15, 2022. It therefore decided to carry out a capital reduction of 16,980,070.03 euros, by reducing the par value of each share by 0.11 euros, from 0.25 euros to 0.14 euros.

This reduction was definitively charged to retained earnings, reducing the balance from (17,245,545) euros to (265,474.97) euros.

As a result, the Company's share capital was reduced from 38,591,068.20 euros to 21,610,998.20 euros, while remaining above the minimum threshold required by current regulations.

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 2024 are not in these countries, amplification of the difficulties 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, 2024

On February 3, 2025, the Company announced its strategic decision to discontinue all clinical trials and related activities, including the ongoing VIO-01 trial. This decision was taken by the Board of Directors in view of the challenge posed by the Company's financing. The end of clinical trials will enable the company to focus exclusively on early-stage drug development, ensuring efficient use of available capital while maintaining a strong focus on innovation. As part of this transition, the Company will cease its oncology clinical phase activities and close its US office in Lexington, MA.

On February 27, 2025, the Company announced that it had terminated the liquidity contract entered into on October 29, 2018 with KEPLER CHEUVREUX. The termination took effect on February 19, 2025. This termination was decided as part of the savings made by the Company given its cash position. The Company has no plans to enter into another liquidity contract at this stage.

On May 5, 2025, the Company announced the postponement of the publication of its 2024 annual financial report, initially scheduled for April 30, 2025, and of the closing and approval of its 2024 parent company and consolidated financial statements, due in particular to significant difficulties in gaining access to the accounting data of its US subsidiary, Valerio Therapeutics Inc.

Although the assets relating to this subsidiary have been written down in the Company's parent company financial statements, and it ceased all activity at the end of 2024, this time lag in the accounting treatment of Valerio Therapeutics Inc. does not allow the Company to finalize its parent company and, a fortiori, consolidated financial statements.

Consequently, the Company's parent company and consolidated financial statements for 2024 will not be approved, nor will the annual financial report for 2024 be published, before the end of July 2025. The Company's 2024 financial statements will be approved in September 2025.

On June 12, 2025, the Company announced, with regard to its financial situation, that it had finalized an agreement to extend the maturity of its bank debts and to reduce or stagger its debts to its main suppliers.

The Company's main shareholders, Artal International Inc. and Financière de la Montagne, have made advances of five million five hundred thousand euros, which should be incorporated into the Company's capital, in order to cover the Company's short-term requirements and finance its activities until at least the end of 2025 (it being specified that part of this package has already been used to settle the Company's debts). However, the Company's financial situation remains precarious, and a long-term, sustainable financing solution is still being sought.

On June 24, 2025, the Company announced the provisional suspension of the listing of its shares by Euronext with effect from June 17, 2025, following the delay in the publication of the annual financial report for the year ended December 31, 2024.The Company reminds its shareholders that the publication of the 2024 annual financial report has been postponed due to significant difficulties in accessing the accounting information of its US subsidiary, Valerio Therapeutics Inc. Valerio Therapeutics is currently finalizing its parent company and consolidated financial statements. The report will be published once the accounts have been certified by the statutory auditors.

Listing of Valerio Therapeutics shares on Euronext Growth in Paris is expected to resume after publication of the report. The Company will inform the market as soon as possible of the new date of publication of the 2024 annual financial report, the definitive date of the Annual General Meeting, and the effective date of resumption of trading.

3. NOTES TO THE BALANCE SHEET

3.1. INTANGIBLE ASSETS

In thousands of euros	December 31, 2023	Increase	Decrease	December 31, 2024
Beleodaq® R&D assets	61 830	0	61 830	00
AsiDNA™ /VIO-01 R&D assets	3 259	0	0	3 259
Goodwill	4 450	0	0	4 450
Other intangible assets	425	1 000	0	1 426
Gross TOTAL	**69 964**	**1 000**	**61 830**	**9 135**
Beleodaq® amortization	-8 227	- 53 603	61 830	0
AsiDNA™/VIO-01 Amortization	0	- 3 259	0	-3 259
Amortization of other intangible assets	-425	- 1 000	0	-1 426
TOTAL Depreciation and amortization	**-8 652**	**57 862**	**61 830**	**-4 685**
Beleodaq® Depreciation	-53 603	0	53 603	0
TOTAL Impairments	**-53 603**	**0**	**53 603**	**0**
Total	***7 709***	***0***	***0***	***4 450***

Gross intangible assets mainly comprise:

- AsiDNA product development costs of 3,259 thousand euros, recognized on acquisition of DNA Therapeutics in 2016.
- Goodwill amounting to 4,450 thousand euros, representing 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 1,181 thousand euros and software for a gross amount of 244 thousand euros.

Development costs relating to Beleodaq® (belinostat), amounting to 61,830 thousand euros, had been recognized when Topotarget was acquired by way of merger in 2014.

In accordance with the licensing agreement signed with Acrotech Biopharma on April 6, 2020, the Company no longer benefits from any future income related to Beleodaq®/belinostat, with the exception of cash flows intended to repay the bond loan contracted with SWK Holdings. Consequently, these R&D assets had been fully amortized by December 31, 2020.

The SWK Holdings bond was fully repaid in 2022. In 2024, the corresponding intangible assets, fully amortized, were derecognized to reflect the definitive end of their accounting valuation.

Impairment tests

The company's intangible assets were tested for impairment separately, as described below.

- **R&D ASSETS**

The R&D assets corresponding to AsiDNA-VIO were tested separately for impairment. We determined the fair value less costs to sell of the intangible asset concerned.

In June 2024, in view of the limited efficacy observed in Phase 1 clinical trials, particularly in monotherapy, it was decided to halt the clinical development of AsiDNA. The Company decided to focus its efforts on the development of VIO-01, its second-generation drug candidate.

In December 2024, Valerio Therapeutics decided to discontinue all clinical trials and related activities, including the ongoing VIO-01 trial. This decision was taken in the context of the Company's financing difficulties. Its cash position should enable it to finance the refocusing of its activities over the next three months.

As part of this transition, Valerio will cease its clinical-stage oncology activities and close its U.S. office in Lexington, Massachusetts. The Company is currently conducting a strategic review to redefine its product portfolio. The Company will focus on its early-stage activities, namely the development of its single-stranded antibody platform, which, combined with its chemistry capabilities and oligonucleotide expertise, can open up new prospects for the company.

The company's cessation of development of the AsiDNA - VIO-01 asset is a trigger for impairment under IAS 36.

According to the information provided by the company, no future economic benefits are expected from the use or disposal of the AsiDNA - VIO-01 asset in the foreseeable future.

Under IAS 38, if the project is abandoned and no future benefits arise, the asset must be fully written down.

The recoverable amount, determined as the higher of fair value less costs to sell and value in use, has been estimated at zero.

Consequently, the asset is written down to 3,259,350.63 euros.

- **GOODWILL**

Goodwill recognized in connection with the acquisition of Topotarget was tested for impairment by calculating its recoverable amount (value in use), using a DCF model based on the Company's projections for royalty payments between 2025 and 2031.

Based on management's business plan for Beleodaq® royalty payments and a discount rate, value in use was estimated at EUR 10,035,300. Consequently, a current account adjustment of 5,816,073.20 EUR has been recorded.

Given the high volatility of the Company's market capitalization over the past two years, we were unable to use this as an indication of the recoverable value of the Company's assets.

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

Long-term investments correspond mainly to Valerio Therapeutics' equity interests in its subsidiaries.

The change in this item corresponds to

- 32,548,000 in reversals of provisions for impairment in value of shares in subsidiaries.
- The acquisition of Valour Bio shares for 3,201 thousand euros.

Treasury shares held under the liquidity contract on December 31, 2024 amounted to 36 thousand euros, corresponding to 486,152 shares recorded under "Other long-term investments". Cash not invested under the contract amounted to 140 thousand euros.

3.4. OTHER RECEIVABLES

In thousands of €	31/12/2024	< 1 an	> 1 an	31/12/2023
Subsidiaries' current accounts	12 818		12 818	12 773
Research tax credit	744	744		2 571

Other tax receivables (VAT)	490	490		344
Other receivables	213	213		5
Debtors suppliers	310		310	127
Net value of other receivables	**14 575**	**1 447**	**13 128**	**15 820**

The tax credit decreased by 1,827 thousand euros due to lower eligible expenses.

3.5. CASH AND CASH EQUIVALENTS

At 31 December 2024, cash and cash equivalents amounted to 341 thousand euros.

3.6. PREPAID EXPENSES

Prepaid expenses at December 31, 2024 amounted to 124 thousand euros, corresponding mainly to head office rent for the first quarter of 2025.

3.7. SHAREHOLDERS' EQUITY

At December 31, 2024, share capital stood at 21,611 thousand euros, divided into 154,364,273 fully paid-up ordinary shares of the same class, each with a par value of 0.14 euros.

Changes in share capital during the year were as follows:

		Par	# of shares	€
Fully paid-up shares as of 12/31/2023		0,25	154 364 273	38 591 068
Capital decrease	(1)	0,11	154 364 273	16 980 070
Fully paid-up shares as of 12/31/2024		0,14	**154 364 273**	**21 610 998**

(1) Share capital reduction on February 5, 2024 in the amount of 16,980 thousand euros, by reducing the par value of each share from 0.25 euros to 0.14 euros, charged in full to retained earnings.

3.8. OTHER SHAREHOLDERS' EQUITY

Other equity of 116 thousand euros corresponds to a Bpifrance advance paid in 2019 as part of 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 increase from 1,985 thousand euros at December 31, 2023 to 4,524 thousand euros at December 31, 2024.

This increase is explained by the fact that the Company is negotiating with various stakeholders and seeking to obtain the agreement necessary to secure its financial and cash trajectory over the next twelve months.

The Company carries out preclinical and clinical research, and contracts with external partners who assist Valerio Therapeutics in its work. Research costs recognized at year-end are determined on the basis of estimates of work performed received from suppliers and validated by management

3.11. TAX AND SOCIAL SECURITY LIABILITIES

In thousands of €	December 31, 2024	December 31, 2023
Social security liabilities	1 438	1 443
Tax liabilities	12	239
Total	**1 450**	**1 682**

3.12. OTHER LIABILITIES

This item of 4,746 thousand euros corresponds to an earn-out debt of 1,000 thousand euros owed to four former associates of DNA Therapeutics (acquired in March 2016) and to the debt owed to SpePharm in connection with the Amicable Settlement Agreement signed by the Company on February 11, 2020 for an amount of 4,048 thousand euros, currently with a balance of 3,670 thousand euros. The SpePharm agreement has been amended and will be repaid between April 2025 and April 2026.

4. NOTES ON THE PROFIT/LOSS

4.1 REVENUES

The Company did not record any revenues for the year 2024.

4.2 LICENSE ROYALTIES

The Company has not recorded any royalties for 2024.

4.3 OTHER OPERATING INCOME

Other operating income mainly comprises reversals of provisions, in particular a reversal of 1,690 thousand euros relating to a litigation provision.

4.4 EXTERNAL EXPENSES

External expenses fell from 18,506 thousand euros at December 31, 2023 to 12,504 thousand euros at December 31, 2024, mainly as a result of lower R&D subcontracting costs, which came to 9,969 thousand euros, compared with 15,555 thousand euros the previous year.

4.5 PERSONNEL EXPENSES

Personnel expenses fell from 3,815 thousand euros in 2023 to 2,857 thousand euros in 2024. This decrease is essentially due to the large amount of compensation paid in 2023.

4.6 FINANCIAL INCOME

Financial income of 1,486 thousand euros mainly comprises interest on inter-company current accounts for 1,206 thousand euros and reversals of exchange differences for 280 thousand euros.

Financial expenses of 324 thousand euros include exchange losses or provisions for exchange losses of 126 thousand euros and interest on borrowings of 198 thousand euros.

4.7 EXCEPTIONAL ITEMS

Exceptional income of 6,154 thousand euros corresponds mainly to :
- 32,548 thousand euros reversal of provision on shares in Topotarget UK;
- A reversal of a provision on a current account for 5,816 thousand euros;
- A charge for the liquidation of shares in the Topotarget UK subsidiary for 32,442 thousand euros.

4.8 INCOME TAXES

The Company has a French tax loss carry-forward amounting to €361 million at 31 December 2024.

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: 31/12/2024
- Mortality table: INSEE 2024
- Discount rate: 3,35 %
- Salary escalation rate: (rate of salary increase + inflation) 3%
- Turnover rate: By age group
- Payroll tax rates: 46 %

At 31 December 2024, pension commitments amounted to 34 thousand euros.

5.2. LEASING COMMITMENTS

Leasing commitments amounted to €36 thousand at 31 December 2024.

6. RELATED PARTIES

The related parties of Valerio Therapeutics SA are:

Financière de la Montagne which, as a shareholder of the Company with 18.9% of the capital at 31 December 2024 and as a member of the Board of Directors, is considered to exercise significant influence over the Company.

Artal International Inc. which, as a shareholder of the Company with 28.56% of the capital at 31 December 2024 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, 2024 :

in thousands of euros	31/12/2024	31/12/2023
Assets	23 606	29 377
Liabilities	7 326	7 560
Revenues	1 206	997
Expenses	6 545	7 437

The amount of the assets corresponds mainly to the current account of the subsidiary Topotarget Switzerland, while the amount of the liabilities corresponds to the current accounts of the subsidiaries VALOUR BIO, VALERIO THERAPEUTICS US and the shareholders Artal and Financière de la Montagne.

APPENDIX TABLES

FIXED ASSETS

In thousands of euros	Amount beginning 2024	Increases	Decreases	Amount end 2024
Start-up and development costs	65 089		61 830	3 259
Other intangible asset items	4 875	1 000		5 875
TOTAL INTANGIBLE ASSETS	**69 964**	**1 000**	**61 830**	**9 135**
Land				
Buildings on own land				
Buildings on other people's land				
General installations, building fixtures and fittings				
Technical installations, equipment and industrial tools	1 696	47		1 743
General installations, fixtures and various fittings	981	42		1 023
Transportation equipment				
Office equipment and computer furniture	346	4		350
Recoverable and miscellaneous packaging				
Tangible assets in progress				
Advances and down payments				
TOTAL TANGIBLE ASSETS	**3 023**	**93**		**3 116**
Investments accounted for using the equity method				
Other investments	48 578	3 201	38 659	13 120
Other long-term securities	61		24	36
Loans and other financial assets	220		5	215
TOTAL FINANCIAL ASSETS	**48 859**	**3 201**	**38 689**	**13 371**
GENERAL TOTAL	**121 846**	**4 294**	**100 519**	**25 623**

AMORTIZATION TABLE

In thousands of euros	Amount beginning 2024	Increases	Decreases	Amount end 2024
Establishment, research and development costs	8 227	56 863	61 830	3 259
Other intangible asset items	425	1 000		1 426
TOTAL INTANGIBLE ASSETS	8 652	57 863	61 830	4 685
Land				
Buildings on own land				
Buildings on other people's land				
General installations, building fixtures and fittings				
Technical installations, equipment and industrial tools.	1 238	240		1 478
General installations, fixtures and fittings	714	37		751
Transportation equipment				
Office and computer equipment, furniture	279	19		298
Recoverable and miscellaneous packaging				
TOTAL TANGIBLE ASSETS	2 231	296		2 527
GENERAL TOTAL	**10 883**	**58 159**	**61 830**	**7 212**

TABLE OF PROVISIONS

In thousands of euros	Amount beginning 2024	Increases: Allowances for the year	Decreases:			Amount end 2024
			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	1 690				1 960	
Provisions for guarantees given to clients						
Provisions for losses on futures markets						
Provisions for fines and penalties						
Provisions for foreign exchange losses	185	44			185	44
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	**1 875**	**44**			**1 875**	**44**
Provisions for depreciation						
On intangible assets						
On tangible assets						
On capitalization of investments using the equity method						
On capitalization of equity investments	42 467				32 548	9 919
On other financial assets						
On stock and work in progress						
On accounts receivable						
Other provisions depreciation	16 604				5 816	10 788
TOTAL PROVISIONS FOR DEPRECIATION	**59 071**				**38 364**	**20 707**
GENERAL TOTAL	60 946	44			40 239	20 750

Of which operating allowances and reversals			40 054	
Of which financial allowances and reversals	44		185	
Of which exceptional allowances and reversals				

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	215		215
Total fixed assets	**215**		**215**
Advances and prepayments on orders			
Doubtful or contentious clients			
Other trade receivables			
Receivables representing loaned securities			
Personnel and related accounts	1	1	
Social security and other social organizations			
Income taxes	744	744	
Value Added Tax	492	492	
Other taxes and similar payments			
Miscellaneous	137	137	
Group and Associates (2)	23 606	23 606	
Miscellaneous debtors	310	310	
Total current assets	**25 290**	**25 290**	
Prepaid expenses	124	124	
TOTAL RECEIVABLES	**25 629**	**25 414**	**215**
(1) Amount of loans granted during the year			
(1) Amount of repayments obtained during the year			
(2) Loans and advances to associates (legal entities)			

DEBTS

In thousands of euros	Gross amount	Up to 1 year	More than 1 year 5 years or	Over 5 years

			less	
Convertible bonds	4 000		4 000	
Other bonds (1) (A)	7	7		
Loans and debts to credit institutions up to one year	27	27		
Loans and debts with credit institutions due in more than one year	3 402	1 854	1 548	
Other loans and financial liabilities (1) (2)				
Trade payables and related accounts	4 834	4 834		
Personnel and related accounts	1 040	1 040		
Social security and other social organizations	398	398		
Income taxes				
Value Added Tax	3	3		
Guaranteed Bonds				
Other taxes, duties and similar	9	9		
Debts on fixed assets and related accounts				
Group and Associates (2)	7 326	7 326		
Other liabilities SpePharm	4 746	4 746		
Debt on borrowed securities				
Deferred income				
TOTAL DEBTS	**25 793**	**20 245**	**5 548**	

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

ACCRUED INCOME

In thousands of euros	2024	2023
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		

ACCRUED EXPENSES

In thousands of euros	2024	2023
Financial debts		
Convertible bonds		
Other debenture loans	7	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	**7**	**11**
Operating liabilities		
Trade payables and related accounts	383	1 653

Tax and social security liabilities	1 267	716
Total operating liabilities	**1 650**	**3 927**
Miscellaneous debts		
Debts on fixed assets and related accounts		40
Other debts		
Total operating liabilities		**40**
TOTAL	**1 657**	**3 978**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of euros	01/01/2024	Capital increase	Decrease in capital	Profit appropriation 2023	Other movements	Profit/loss 2024	31/12/2024
Social or individual capital	38 591		(16 980)				21 611
Share premium, merger premium, contribution premium ...	15 691						15 691
Revaluation differences							
Legal reserve							
Statutory or contractual reserves							
Regulated reserves							
Other reserves							
Carry forward	(32 105)		16 980	(20 216)			(35 341)
Profit or loss for the year	(20 216)			20 216		(10 721)	(10 721)
Investment subsidies							
Regulated provisions							
Dividends paid							
TOTAL	**1 961**					**(10 721)**	**(8 760)**

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	254	51	172	31
Other tangible assets	45	11	32	2
Assets under construction				
TOTAL	**299**	**62**	**204**	**33**

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, ...	65	211	18	2		20	
Other tangible assets	11	44	2			2	
Assets under construction							
TOTAL	**76**	**255**	**20**	**2**		**22**	

AVERAGE NUMBER OF EMPLOYEES

Categories	Average number of employees	
	2024	2023
Executives	21	19
Supervisors		
Employees and technicians		
Total	**21**	**19**

RELATED COMPANIES AND SHAREHOLDINGS

In thousands of euros	Montant concernant les entreprises	
	companies	with which the company has an equity interest
Financial assets		
Advances and deposits on fixed assets		
Shareholdings	9 918	
Receivables related to equity investments		
Loans		
Total financial fixed assets	**9 918**	
Receivables		
Advances and deposits paid on orders		
Trade receivables and related accounts		
Other receivables	23 606	
Subscribed capital called but not paid		
Total receivables	**23 606**	
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	7 326	
Total debts	**7 326**	
Financial elements		
Income from investments		
Other financial income	1 206	
Financial expenses		
Total financial elements	**1 206**	
Other		

TABLE OF SUBSIDIARIES AND INVESTMENTS

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	728	100	9,918	0	23 606	715
VALOUR BIO	3 756	85.22	3 201	3	0	(61)
VALERIO THERAPEUTICS Inc	1	100	1	0	0	78
Total			**13 120**	**6,111**	**21,719**	**732**

CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2024

PREPARED IN ACCORDANCE WITH IFRS

Valerio Therapeutics

Statutory Auditor's report on the consolidated financial statements

Year ended December 31, 2024

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, 2024.

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, 2024 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

1.1 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".

1.2 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, 2024 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 Notes 3.5 "Intangible Assets" and 5.1 "Impaiment test" 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, July 9, 2025

The Statutory Auditor

Aca Nexia
represented by
Laurent Cazebonne

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS in €K	December 31, 2024	December 31, 2023	Note
Non-current assets			
Intangible assets	11,967	20,531	5
Property, plant and equipment	607	802	6.1
Rights of use	565	727	6.2
Other financial assets	220	220	7
Total non-current assets	**13,360**	**22,279**	
Current assets			
Trade receivables and related accounts	1,724	1,889	8.1
Other current receivables	1,667	4,287	8.2
Cash and cash equivalents	1,178	6,818	8.3
Total current assets	**4,569**	**12,995**	
TOTAL ASSETS	**17,929**	**35,274**	

LIABILITIES AND EQUITY €K	December 31, 2024	December 31, 2023	Note
Shareholders' equity			
Capital	21,611	38,591	9.1
Less: Treasury shares	-36	-61	9.2
Additional paid-in capital	15,692	28,991	9.3
Retained earnings	-22,278	-32,372	9.3
Result	-23,919	-20,344	
Total shareholders' Valerio Therapeutics	**-8,930**		
Non-controlling interests	665		
Total shareholders' equity	**-8,265**	**14,805**	
Non-current liabilities			
Non-current provisions	305	379	10.1
Deferred tax liability	0	0	15
Non-current financial debts	5,630	6,906	10.2
Non-current lease liabilities	182	313	10.2
Other non-current liabilities	1,740	1,740	10.3
Total non-current liabilities	**7,858**	**9,339**	
Current liabilities			
Current provisions	0	1,690	
Short-term borrowings and financial liabilities	7,298	1,447	11.1
Current lease liabilities	325	332	11.1
Trade payables and related accounts	5,247	2,458	11.2
Other current liabilities	5,467	5,203	11.3
Total current liabilities	**18,337**	**11,130**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**17,929**	**35,274**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In K€	December 31, 2024	December 31, 2023	Note
Revenues	**1,793**	**1,800**	13.1
Purchases consumed	-513	-533	
Personnel expenses	-6,626	-9,270	13.2
External expenses	-7,323	-10,298	13.3
Taxes	-61	-47	
Net depreciation and provisions	-3,261	-480	
Other current operating expenses	-562	-425	
Operating expenses	**-18,283**	**-21,054**	
Other current operating income	63	200	
Recurring operating income	**-16,489**	**-19,053**	
Other non-current operating income	787	456	
Other non-current operating expenses		-1,690	
Share of profit from equity affiliates	-8,023		
Operating income after share of profit from equity affiliates	**-23,725**	**-20,288**	
Cost of net financial debt	-110	-110	
Other financial income	485	144	
Other financial expenses	-72	-72	
Financial Income	**171**	**-39**	14
Income tax expenses	-377	-17	15
- *of which deferred taxes*		204	
Net income of all consolidated accounts	**-23,931**	**-20,344**	
Earnings per share	-0.18	-0.15	16
Diluted earnings per share	-0.18	-0.15	16

In K€	December 31, 2024	December 31, 2023	Note
Earnings for the period	**-23,931**	**-20,344**	
Translation differences	-161	171	
Other items that can be reclassified to profit or loss	**-161**	**171**	
Actuarial gains and losses	108	60	
Other items that cannot be reclassified to profit or loss	**108**	**60**	
Other comprehensive income for the period, net of tax	**-53**	**231**	
Total comprehensive income for the period	**-23,984**	**-20,114**	
Total comprehensive income attributable to owners of the parent company	**-23,984**	**-20,114**	
Non-controlling interests			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In K€	Capital	Own shares	Additional paid-in capital	Conversion reserves	Gains and losses recognized in equity	Reserves and consolidated profit/loss	Total Variation	Total Group	Non-controlling interests	TOTAL
Shareholders' equity as of 01/01/2022	**22,877**	**-82**	**27,705**	**232**	**-38**	**-33,425**	**-33,231**	**22,270**		**22,270**
Total comprehensive income for the period				171	60	-20,344	-20,114	-20,344		-20,344
Capital increase	10,714		1,286					12 000		12 000
Own shares		20				114	114	134		134
Other movements								0		0
Share-based payments						514	514	514		514
Shareholders' equity as of 12/31/2023	**38,591**	**-62**	**28,991**	**403**	**22**	**-53,142**	**-52,716**	**14,805**		**14,805**
Total comprehensive income for the period				-161	108	-23,931	-23,984	-23,984	-13	-23 997
Capital decrease	16,980		1,286			16,980	16,980	0		
Own shares		24								
Perimeter movements				-123			-123	-123	678	555
Other movements			-13,299	61		13,219	13,280	-19		-19
Share-based payments						390	390	390		390
Shareholders' equity as of 12/31/2024	**21,611**	**-36**	**15,692**	**180**	**130**	**-46,484**	**-46 173**	**8,931**	**666**	**8,265**

CONSOLIDATED STATEMENT OF NET CASH FLOWS

K€	December 31, 2024	December 31, 2023	Note
Consolidated net loss	**-23,931**	**-20,344**	
+/- Depreciation, amortization and provisions, net (excluding provisions against working capital)	11,314	1,743	5/6/10
+/- Unrealized gain and losses associated with changes in fair value			
+/- Non-cash income and expenses on stock options and similar items	390	514	
+/- Other calculated income and expenses			
+/- Capital gains and losses on disposal	-787		
+/- Dilution gains and losses			
+/- Share of equity affiliates			
Gross operating cash flow after cost of net debt and taxes	**-13,015**	**-18,088**	
+ Cost of net debt	178	139	14
+/- Tax expenses (including deferred taxes)	377	17	15
Gross Operating cash flow before cost of net debt and taxes	**-12,460**	**-17,392**	
- Taxes paid			
+/- Changes in operating WCR (including debt related to employee benefits)	-4,091	-665	
NET CASH FLOW FROM OPERATING ACTIVITIES	**-12,460**	**-17,392**	
- Expenditures on acquisition of tangible and intangible assets	-319	-182	
+ Proceeds of disposal of tangible and intangible assets			
- Expenditures on acquisition of financial assets			
+ Proceeds of disposal of financial assets	9	7	
+/- Effect on changes in scope of consolidation	-1,080		
+ 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	**-1,389**	**-177**	
+ Net amount received from shareholders on capital increase			
. Paid by shareholders of the parent company		12,144	9
. Paid by minority interest in consolidated companies			
+ Amount received on exercise of stock options			
-/+ Purchase and Sale of treasury shares	24	-125	
+ Amounts received on issuances of new loans			
- Reimbursements of loans (including lease debts)	-1,356	-1,233	10/11/14
o/w repayment of lease debts (IFRS16)	-357	-336	
+/- Others flows related to financing activities		-7	
NET CASH FLOW FROM FINANCING ACTIVITIES	**4,210**	**10,759**	
+/- Effects of fluctuations in foreign exchange rates	-115	244	
CHANGE IN CASH AND CASH EQUIVALENTS	**-5,663**	**-7,771**	
CASH AND CASH EQUIVALENTS AT START OF YEAR	**6,814**	**14,585**	
CASH AND CASH EQUIVALENTS AT YEAR END	**1,151**	**6,814**	

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, 2024 were prepared under the responsibility of the President and CEO and were approved by the Board of Directors on July 8, 2025.

NOTE 2 - SIGNIFICANT EVENTS AND TRANSACTIONS

2.1. RESEARCH AND DEVELOPMENT

- **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 clinical 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.

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 which started in January 2024.
NEXT Oncology San Antonio, the first site for the Phase 1/2 study (VIO-01-101) of VIO-01, was activated and the first patient was treated in January 2024. In the first half of 2024, VIO-01 was evaluated in six patients at two different doses, with an encouraging safety profile.

Clinical development of VIO-01 was discontinued in early 2025 to redirect research and development efforts toward next-generation drug candidates based on the PlatON and V-Body platforms.

- **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 hetero-bifunctional 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. A first proof of concept was demonstrated by targeting the cMYC oncoprotein. Through these efforts, the

Company strives to advance the field of drug development and contribute to the treatment of patients with pathologies with a real therapeutic need.

- **NEW V-BODY PLATFORM**

Valour Bio's platform will enable the diversification and expansion of the company's portfolio into other oncology targets, as well as beyond oncology, particularly in autoimmune, inflammatory, and rare genetic diseases. The assets generated through the PlatON platform (DNA decoys), the V-body platform (bispecifics, ADCs, CAR-T), or both combined (V-body-oligonucleotide conjugates) will revolutionize our approach to these diseases and bring added value to the company by attracting diverse investors and facilitating future fundraising. The last quarter of 2024 allowed the internalization of the various expertise and technologies associated with this new platform and the initial proof-of-concept experiments to be conducted.

- **EVOLUTION OF THE R&D PORTFOLIO**

Developments compared to the portfolio presented in the 2024 annual report are as follows:

- Phase 1/2 of the VIO-01 clinical study in the United States began with the enrollment of six patients in the first half of 2024. Following the evolution of the R&D strategy, this study was closed in January 2025 to refocus the company on optimizing the new platforms.
- Initial proofs of concept with DecoyTAC technology (3rd generation platON platform)
- Internalization of the new V-body platform

2.2. EXTERNAL GROWTH

Valerio Therapeutics set up a subsidiary, Valour Bio, in 2024 to acquire Emglev Therapeutics, a biotech company specializing in the discovery of single-domain antibody therapeutics. This acquisition was carried out partly through a contribution of shares, enabling the sellers of Emglev to become minority shareholders in Valour Bio.

2.3. FUNDING

On 30 April 2024, Valerio Therapeutics received a €5 million financing commitment from its main shareholders, Artal and Financière de la Montagne. This commitment was realised in the form of a shareholders' current account in May 2024, providing the Company with a cash flow horizon to the end of 2024.

2.4. SHARE CAPITAL OPERATION

On 5 February 2024, the Company reduced the nominal value of its shares. Exercising the authorisation granted by the General Meeting of Shareholders on 6 February 2023, the Board of Directors decided to reduce the share capital by eliminating part of the losses incurred, for an amount of €16,980,070.03. This capital reduction, motivated by losses, was achieved by reducing the par value of the Company's shares from €0.25 to €0.14. Its purpose is to facilitate new financial transactions that may prove opportune in the future. Following this transaction, the Company's share capital amounts to €21,610,998.20, divided into 154,364,273 ordinary shares with a nominal value of €0.14 each.

2.5. 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 2024 are not in these countries, amplification of the difficulties 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.

2.6. EVENTS AFTER DECEMBER 31, 2024

On February 3, 2025, the Company announced its strategic decision to discontinue all clinical trials and related activities, including the ongoing VIO-01 trial. This decision was taken by the Board of Directors in view of the challenge posed by the Company's financing. The end of clinical trials will enable the company to focus exclusively on early-stage drug development, ensuring efficient use of available capital while maintaining a strong focus on innovation. As part of this transition, the Company will cease its oncology clinical phase activities and close its US office in Lexington, MA.

On February 27, 2025, the Company announced that it had terminated the liquidity contract entered into on October 29, 2018 with KEPLER CHEUVREUX. The termination took effect on February 19, 2025. This termination was decided as part of the savings made by the Company given its cash position. The Company has no plans to enter into another liquidity contract at this stage.

On May 5, 2025, the Company announced the postponement of the publication of its 2024 annual financial report, initially scheduled for April 30, 2025, and of the closing and approval of its 2024 parent company and consolidated financial statements, due in particular to significant difficulties in gaining access to the accounting data of its US subsidiary, Valerio Therapeutics Inc.

Although the assets relating to this subsidiary have been written down in the Company's parent company financial statements, and it ceased all activity at the end of 2024, this time lag in the accounting treatment of Valerio Therapeutics Inc. does not allow the Company to finalize its parent company and, a fortiori, consolidated financial statements.

Consequently, the Company's parent company and consolidated financial statements for 2024 will not be approved, nor will the annual financial report for 2024 be published, before the end of July 2025. The Company's 2024 financial statements will be approved in September 2025.

On June 12, 2025, the Company announced, with regard to its financial situation, that it had finalized an agreement to extend the maturity of its bank debts and to reduce or stagger its debts to its main suppliers.

The Company's main shareholders, Artal International Inc. and Financière de la Montagne, have made advances of five million five hundred thousand euros, which should be incorporated into the Company's capital, in order to cover the Company's short-term requirements and finance its activities until at least the end of 2025 (it being specified that part of this package has already been used to settle the Company's debts). However, the Company's financial situation remains precarious, and a long-term, sustainable financing solution is still being sought.

On June 24, 2025, the Company announced the provisional suspension of the listing of its shares by Euronext with effect from June 17, 2025, following the delay in the publication of the annual financial report for the year ended December 31, 2024.The Company reminds its shareholders that the publication of the 2024 annual financial report has been postponed due to significant difficulties in accessing the accounting information of its US subsidiary, Valerio Therapeutics Inc. Valerio Therapeutics is currently finalizing its parent company and

consolidated financial statements. The report will be published once the accounts have been certified by the statutory auditors.

Listing of Valerio Therapeutics shares on Euronext Growth in Paris is expected to resume after publication of the report. The Company will inform the market as soon as possible of the new date of publication of the 2024 annual financial report, the definitive date of the Annual General Meeting, and the effective date of resumption of trading.

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, 2024 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, 2024.

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, 2024 are identical to those used in the consolidated financial statements for the year ended December 31, 2023, 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, 2024 (and which have not been applied early by the Group), namely:

Norme	Libellé
Amendments to IFRS 16	Lease agreements on sales and sale-leaseback policies.
Amendments to IAS 1	Non-current liabilities subject to restrictive covenants
Amendments to IAS 7 and IFRS 7	Supplier financing
Amendments to IAS 21	Lack of convertibility

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

The Group Management's judgments and estimates

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

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

Information on the main sources of uncertainty relating to estimates and assumptions and the judgements made in applying accounting policies, which have the most significant impact on the amounts recognized in the consolidated financial statements, relate to the following items:

The market value of R&D programs acquired in business combinations (mergers/acquisitions) – see Note 5,

- Share-based payments – see Note 9.4,
- Provisions – see Note 10.1,
- Trade payables provisioned at year-end 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 was adopted by the Board of Directors on the basis of consolidated net cash of €1.2 million as at 31 December 2024.

Taking into account the €5 million in funding received in 2024 and the €5 million received in 2025 from its main shareholders, Artal International Inc. and Financière de la Montagne, the Company will be able to finance its activities at least until the end of the fourth quarter of 2025, based on 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, 2024:

- Valerio Therapeutics,
  - Topotarget UK (company liquidated in 2024),
  - Topotarget Switzerland,
  - Valerio Therapeutics Inc.,
  - Valour Bio,
  - Emglev Therapeutics.

All subsidiaries are wholly owned except for Valour Bio and Emglev, which are 85.22% owned. All companies are fully consolidated.

Intragroup transactions and balances on operations between group companies have been eliminated. When the accounting methods used by subsidiaries differ from those of the Group, they are restated for the preparation of the consolidated financial statements.

3.3. SEGMENT INFORMATION

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

3.4. EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

- **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.

- **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

- **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.

- **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.

- **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.

- **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 itself to be composed of a single cash-generating unit (CGU), as the projects it develops belong to the same product family, have interlinked business models, and are therefore interdependent. This single CGU includes, in particular, at the end of the financial year, goodwill and R&D assets acquired as part of the acquisition of DNA Therapeutics (AsiDNA™) and goodwill as part of the acquisition of Emglev Therapeutics.

These impairment tests consist of comparing their recoverable amount (the higher of fair value net of disposal costs and value in use) to their tested basis. Value in use is determined based on a financing plan developed by management and representing its best estimate. An impairment loss is recognized when the recoverable amount is lower than their tested basis. Furthermore, sensitivity tests on the key parameters of the financial model used to determine value in use help to identify potential impairment risks.

Since the acquisition of Emglev was completed close to the closing date (end of November 2024), no goodwill impairment test was performed for this transaction. Given the recent nature of the transaction, management considers the entry cost of the underlying assets to be representative of their market value at the closing date of December 31, 2024.

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:

- **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.

- **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

- **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".

- **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.

- **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".

- **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.

- **OTHER CURRENT LIABILITIES**

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

- **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.

- **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.

- **OTHER OPERATING INCOME AND EXPENSES**

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

- **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.

- **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

The Company's cash and cash equivalents amounted to €1.2 million as of December 31, 2024. The Company uses leading financial institutions for its cash investments and believes it does not bear any significant credit risk on its cash flow.

The Company's principal shareholders, Artal International Inc. and Financière de la Montagne, have made advances that are expected to be capitalized in the amount of €5,500,000 to meet the Company's short-term needs and finance its operations until at least the end of 2025 (it being understood that a portion of this amount has already been used to settle the Company's debts).

Beyond this horizon, the progress of the Company's research and development programs will continue to generate significant financing requirements. The Company's profitability relies primarily on its ability to enter into collaboration or licensing agreements for its drug candidates with industrial partners. These agreements generate upfront and milestone payments, followed by royalties on sales after marketing 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 activities continue.

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

- higher costs for the products, raw materials, and consumables it requires, which are re-invoiced by its service providers (pass-through costs), resulting in a risk of spending slippage;
- higher costs and slower progress than anticipated by the Company for the preclinical and clinical development of its products;
- costs of preparing, filing, defending, and maintaining its patents and other intellectual property rights; - the scope of prior research and the time required to sign licensing agreements with industrial partners;
- significant delays in negotiating new partnerships;
- new opportunities to develop new products or acquire technologies, products, or companies.

Like most businesses, the Company is impacted by inflation rates, which are higher than long-term averages, resulting in higher prices for the products, raw materials, and consumables it needs. This has caused a significant increase in the Company's expenses that are not offset by revenues or possible rebilling to other parties given the Company's lack of revenue.

The Company may not be able to raise additional capital when needed, or such capital may not be available on financial terms acceptable to the Company. Interest rates maintained above long-term averages may affect the availability of capital in the biotechnology industry. Capital can be deployed toward less risky financial products than investing in the biotechnology industry. This may affect the Company's access to capital.

Furthermore, the impact of geopolitical instability on financial market volatility could significantly amplify this risk, making fundraising more difficult or costly.

The Company will therefore need to seek new sources of financing in the future, particularly through new capital increases. It does not rule out 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

necessary to continue its operations on acceptable financial terms. Furthermore, debt financing, to the extent available, could include binding commitments for the Company and its shareholders.

If the necessary funds were not available, the Company's activities could be permanently halted or, at the very least, the Company could be forced 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 than those it could have negotiated in a different context; and/or;
- enter into new collaboration agreements on terms less favorable to it than those it could have obtained in a different context.

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

The occurrence of one or more of these risks could have a material adverse effect on the Group and its business, financial condition, results of operations, development and prospects.

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

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, with a net amount of €11,968 thousand as of December 31, 2024, consist primarily of R&D assets acquired as part of the acquisition of DNA Therapeutics (AsiDNA™), goodwill recognized in connection with the merger with Topotarget, and goodwill on Emglev recognized in 2024 upon its acquisition of 100% control.
The intangible assets are detailed below:

In thousands of €	December 31, 2022	Increase	Decrease	December 31, 2023	Increase	Decrease	December 31, 2024
Beleodaq® R&D assets	0			0			

AsiDNA™ /VIO-01 R&D assets	2,472			2,472	787		3,259
Goodwill	20,059			20,059	1,932		21,991
Other intangible assets	511			511	1,004		1,515
Total gross values	**23,042**			**23,042**	**3,723**		**26,765**
Amortization of Beleodaq® R&D assets	0			0			
Other amortization	-511			-511	-4,263		-4,774
Total amortization	**-511**			**-511**	**-4,263**		**-4,774**
Depreciation of Beleodaq® R&D assets	0			0			0
Depreciation of goodwill	-2,000			-2,000	-8,023		-10,023
Total depreciation	**-2,000**			**-2,000**	**-8,023**		**-10,023**
TOTAL	**20,531**			**20,531**	**-8,563**		**11,968**

5.1. IMPAIRMENT TESTING

The R&D assets corresponding to AsiDNA™/VIO-01, which are not amortized, as well as the goodwill, were subject to impairment tests as of December 31, 2024, as described below.

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

Following the Group's strategic refocusing, which led to the cessation of clinical development for the AsiDNA™ and VIO/01 programs, the corresponding intangible assets were fully impaired at the end of the financial year.

This decision, based on the abandonment of the prospects for generating future economic flows associated with these assets, led to a zero recoverable amount being used in the impairment test conducted in accordance with IAS 36.

- **Goodwill impairment test**

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

Given the discontinuation of clinical trials for the AsiDNA™ and VIO/01 programs as part of the Group's strategic refocusing, the goodwill arising from the acquisition of Topotarget, amounting to €18,059 thousand as of January 1, 2024, can now only be attributed to the licensing agreement entered into with Biogen (relating to Beleodaq®). In this context, the recoverable amount of goodwill was determined based on a discounted cash flow (DCF) model related to the royalties expected under this contract, applying a discount rate of 14.3% reflecting market risks and risks specific to Valerio Therapeutics. This test results in a recoverable amount of €10,035 thousand and, consequently, in the recognition of a goodwill impairment charge of €8,024 thousand as of December 31, 2024.

Finally, the goodwill relating to the acquisition of Emglev, amounting to €1,932 thousand, was not subject to an impairment test at closing, as this transaction was finalized at the end of November 2024 and no objective evidence of impairment was identified at that date.

- **Sensitivity testing**

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

In millions of euros	ASIDNA™	Goodwill
Change in discount rate		
+0.5%	0	-0,18
+1%	0	-0,35
+1.5%	0	-0,52

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

6.1. PROPERTY, PLANT AND EQUIPMENT

In thousands of €	December 31, 2022	Increase	Decrease	December 31, 2023	Increase	Decrease	December 31, 2024
Gross value	2,901	145		3,046	113		3,158
Depreciation	-2,107	-137		-2,244	-308		-2,551
Provision for depreciation	0			0			0
Net value of property, plant and equipment	**794**	**9**		**802**	**-195**		**607**

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, 2022	Increase	Decrease	December 31, 2023	Increase	Decrease	December 31, 2024
Rights of use	2,921		-26	2,896	220	-100	3,015
Depreciation of rights of use	-1,828	-340		-2,169	-381	100	-2,450
Net value of rights of use	**1,093**	**-340**	**-26**	**727**	**-161**	**0**	**565**

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, 2022	Increase	Decrease	December 31, 2023	Increase	Decrease	December 31, 2024
Deposits and guarantees	79		-4	75	4		81
Liquidity contract - Cash	11	134		145	5	-9	140
Net value of other financial assets	**90**	**134**	**-4**	**220**	**9**	**-9**	**220**

NOTE 8 - CURRENT ASSETS

8.1. TRADE RECEIVABLES

In thousands of €	December 31, 2024	< 1 year	> 1 year	December 31, 2023
Trade receivables and related accounts	1,724	1,724		1,889

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

As of December 31, 2024, trade receivables consisted exclusively of receivables from Biogen for invoiced royalties. The breakdown of trade receivables as of December 31, 2024, according to their due dates, 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
1,724							1,724

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, 2024	< 1 year	> 1 year	December 31, 2023
Suppliers - Advances and deposits paid				127
Personnel and related accounts	4	4		6
Other receivables	4	4		
Research tax credit	874	874		2,570
Other tax receivables	668	668		417
Prepaid expenses	167	167		1,167
Net value of Other receivables	**1,667**	**1,667**		**4,287**

The "Research Tax Credit" item includes French receivables for 2024 amounting to €954,000, and a balance for prior years of -€239,000. This item also includes the US subsidiary's unreimbursed tax credit of €130,000.

At the end of 2023, prepaid expenses primarily consisted of milestone payments on research contracts. These were closed during the year. At the end of 2024, prepaid expenses primarily consisted of rents for the first quarter of 2025 in France and the United States.

In accordance with IAS 20, the research tax credit for 2024 has been presented as a reduction in income and expense items based on its nature, as follows:

In thousands of €	December 31, 2024	December 31, 2023
Decrease in personnel expenses	443	515
Decrease in external expenses	482	1,798
Decrease in depreciation	30	27

Total Research tax credit	**954**	**2,340**

Other tax receivables correspond mainly to various VAT credits.

8.3. CASH AND CASH EQUIVALENTS

In thousands of €	Net values as of 12/31/2024	Net values as of 12/31/2023	Change in cash and cash equivalents
Cash	1,178	6,818	-5,640
Cash equivalents			
Total Net Cash Flow	**1,178**	**6,818**	**-5,640**

The change in net cash is mainly linked to the company's operating expenses, particularly in research and development, for an amount of 26.5 million euros, offset by Biogène royalties of 1.8 million euros and the research tax credit of 1 million euros.

NOTE 9 - SHAREHOLDERS' EQUITY

9.1. SHARE CAPITAL AND PREMIUMS

At December 31, 2024, the capital amounted to 21,610,998 euros, divided into 154,507,130 ordinary shares with a par value of €0.14 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 12/31/2023		0.25	154,364,273	38,591,068
Capital decrease	(1)	0.11	154,364,27	16,980,070
Fully paid-up shares as of 12/31/2024		0.14	**154,364,273**	**21,610,998**

(1) Share capital reduction due to losses on February 5, 2024 in the amount of 16,980 thousand euros, by reducing the par value of each share from 0.25 euros to 0.14 euros, charged in full to retained earnings.

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 36 thousand euros.

9.3. SHARE PREMIUM AND RESERVES

As a result of the capital reduction described in 14.0 above, the retained earnings account increased by a total amount of €16,980 thousand.

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 did not grant stock options.

- **SUMMARY OF SHARE SUBSCRIPTION WARRANTS (BSA) AS OF DECEMBER 31, 2024**

Type	Date of authorization	SSWs authorized	Date of grant	SSWs granted	SSWs subscribed	Beneficiaries	Outstanding SSWs as of 12/31/2024 adjusted (1)	SSWs exercisable at 12/31/2024 adjusted (1)	Adjusted subscription price per share in euros (1)	Date of expiration
SSW 2015	May 20, 2015 Resolution 18	405,000	October 27, 2015	80,000	65,000	Non-salaried and non-executive members of the Board	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 12/31/2024 adjusted (1)	SSWs exercisable at 12/31/2024 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	83,333	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	0	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	25,000	0.420	February 02, 2032
TOTAL							**2,101,000**	**1,717,333**		

(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)

- **SUMMARY OF STOCK OPTIONS (SO) AS OF DECEMBER 31, 2024**

Plan designation	Date of authorization	Number of options authorized	Date of grant	Number of options granted	Beneficiaries	Outstanding options as of 12/31/2024 adjusted (1)	Options exercisable as of 12/31/2024 adjusted (1)	Adjusted subscription price per share in euros (1)	Date of expiration
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**	**1,580,143**		
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**		
						11,237,698	**3,155,056**		

(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 - NON-CURRENT LIABILITIES

10.1. PROVISIONS

In thousands of €	December 31, 2023	Provision charges	Reversals		December 31, 2024
			used	not used	
Pension obligations	108			-74	34
Provisions	271				271
Total non-current provisions	**379**			**-74**	**305**

- **RETIREMENT BENEFIT OBLIGATIONS (IAS 19 REVISED)**

The provision for pension obligations amounted to 34 thousand euros, compared to 108 thousand euros in 2023. This decrease is linked to a change in the workforce structure.

The actuarial assumptions used were as follows:

	December 31, 2024	December 31, 2023
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, 2024	December 31, 2023
Mortality table	INSEE 2024	INSEE 2022
Discount rate	3.35%	3.75%
Salary increase rate	3%	3%
Turnover rate	By age bracket: - 0% 16 to 24 years old - 1.12% 25 to 34 years old - 6.74% 35 to 44 years old - 2.25% 45 to 54 years old - 0% over 55 years old	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
Social security rates	40% for Valerio Therapeutics FR	46% for Valerio Therapeutics FR

- **PROVISIONS**

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

10.2. NON-CURRENT FINANCIAL DEBTS

In thousands of €	December 31, 2024	December 31, 2023	Change		
			Total	Impact on cash flow	No impact on cash flow
Government-backed loans	1,548	2,799	-1,251	-1,251	
Convertible bond issue	4,000	4,000			
Reimbursable advances	83	107	-24		-24
Subtotal	**5,630**	**6,906**	**-1,275**	**-1,251**	**-24**

Lease liabilities	182	313	-131		-131
TOTAL	**5,813**	**7,220**	**-1,407**	**-1,251**	**-155**

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, 2024	1 to 5 years	More than 5 years
Government-backed loans	1,548	1,548	
Convertible bond issue	4,000	4,000	
Reimbursable advances	83	83	
Lease liabilities	182	182	
TOTAL	**5,630**	**5,630**	

10.3. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist exclusively of the €1.7 million debt owed to SpePharm related to the Settlement Agreement signed by the Group on February 11, 2020, which included an amount of €4,048,000. This debt will be repaid in the form of a 20% share of the amounts received under the licensing agreements entered into by Valerio Therapeutics or its subsidiaries. The residual amount initially payable on January 31, 2024, was amended on March 14, 2024, and will be repaid between April 2024 and June 2025. It will include interest of €342,000 at a rate of 10% per annum.

NOTE 11 - CURRENT LIABILITIES

11.1. SHORT-TERM BORROWINGS AND FINANCIAL LIABILITIES

In thousands of €	December 31, 2024	December 31, 2023	Change		
			Total	Impact on cash flow	No impact on cash flow
Accrued interest and commissions	11	14	-3	-3	
Bond debt					
Government-backed loans	1,854	1,372	482	482	
Reimbursable advances	33	58	-25		-25
Other	5,399	3	5,396	5,396	
Subtotal	**7,297**	**1,447**	**5,850**	**5,825**	**-25**
Lease liabilities	325	332	-7	-356	350
TOTAL	**7,622**	**1,779**	**5,843**	**5,394**	**325**

The increase in short-term debt stems from current account advances of 5,322 thousand euros, made by Artal and Financière de la Montagne for 4,297 and 1,025 thousand euros respectively.

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, 2024	December 31, 2023
Trade payables and related accounts	5,247	2,458

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, 2024	December 31, 2023
Social security debts	1,713	2,620
Tax liabilities	627	579
Other liabilities	3,126	2,004
Total	**5,467**	**5,203**

The decrease in social security liabilities is linked to the decrease in personnel costs at the end of the year.

The increase in other liabilities corresponds to the €1 million debt to the Majoie Foundation for the acquisition of intangible assets. Other liabilities also include the debt to SpePharm related to the settlement agreement signed by the Group on February 11, 2020, and 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 31/12/2023:

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 liabilities	5,203		5,203			5,203
Total Financial Liabilities	**18,400**		**17,754**		**645**	**18,400**

At 12/31/2024:

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	1,723		1,723			1,723
Other receivables	1,667		1,667			1,667
Cash and cash equivalents	1,178		1,178			1,178
Total Financial Assets	**4,788**		**4,788**			**4,788**
Other non-current financial liabilities	5,813		5,630		182	1,813
Other non-current liabilities	1,740		1,740			1,740
Short-term borrowings and financial liabilities	7,623		7,298		325	7,623
Trade payables and related accounts	5,247		5,247			5,247
Other current liabilities	5,467		5,203			5,203
Total Financial Liabilities	**25,890**		**25,383**		**507**	**25,890**

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, 2024	December 31, 2023
Revenues	**1,793**	**1,800**

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, 2024	December 31, 2023
France	0	0
Other Europe	0	0
Rest of the world	1,793	1,800
Total	**1,793**	**1,800**

13.2. PERSONNEL EXPENSES

Personnel expenses are broken down as follows:

In thousands of €	December 31, 2024	December 31, 2023
Salaries	5,538	1,574
Expenses	1,093	1,574
Employee benefits (IFRS 2)	390	510
Imputed Research Tax Credit	-443	-346
Other personnel expenses	46	45
Total personnel expenses	**6,626**	**9 270**
Average headcount (employees and corporate officers)	38	35

The wage reduction is linked to the reduction in staff numbers and, more specifically, the departure of the US team.

The 2024 expense recognized as employee benefits in accordance with IFRS 2 is explained by the allocation of shares giving access to the capital made by the Board of Directors, a summary of which is provided in Note 9.4.

13.3. EXTERNAL EXPENSES

External expenses are composed of the following items:

In thousands of €	December 31, 2024	December 31, 2023
R&D costs	5,144	9,679
Imputed Research Tax Credit	-481	-1,992
General and administrative expenses	2,660	2,611
Total	**7,323**	**10,298**

The change in external expenses stems mainly from R&D activities, which fell sharply in fiscal 2024.

NOTE 14 - FINANCIAL INCOME

In thousands of €	December 31, 2024	Impact on cash flow	No impact on cash flow	December 31, 2023
Income in cash and cash equivalents				28
Cost of financial debt	-177	-177		-138
Cost of net financial debt	**-177**	**-177**		**-110**
Other financial income	484		484	144
Other financial expenses	-136		-136	-72
Financial income	**171**	**-177**	**348**	**-39**

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

NOTE 15 - TAX

As of December 31, 2024, the Valerio Therapeutics Group had French tax loss carryforwards of 361 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, 2024
Result of integrated companies	-23,931
Reintegration of income taxes, amortization and provisions for goodwill and income from companies accounted for by the equity method	8,401
Income before income tax, goodwill amortization and provisions, and income from companies accounted for by the equity method	-15,531
Theoretical tax at the rate of the consolidating entity	**3,883**
Effects of base differences	-3,776
Effects of rate differences	119
Effects of special tax provisions	-226
Manual entries on tax	0
Theoretical tax expense	**-377**
Actual tax expense	**-377**
Effective tax rate	**-2,43%**

The baseline difference effects mainly correspond to the unactivated deficits of the period.

NOTE 16 - EARNINGS PER SHARE

In thousands of €	December 31, 2024	December 31, 2023
Net income attributable to common shareholders	-23,931	-20,344
Number of shares issued	154 364 273	154,364,27
Number of treasury shares	486 152	368,174
Number of shares outstanding (excluding treasury shares)	**153 878 121**	**153,996,09**
Stock options	7 775 344	7,775,344
Share subscription warrants	2 186 886	2,186,886
Number of potential and issued shares (excluding treasury shares)	**163 840 351**	**163,958,32**
Weighted average number of shares outstanding (excluding treasury shares)	153 878 121	135,209,40
Net earnings per share in euros	**-0,16**	**-0.15**
Potentially dilutive securities resulting from the exercise of options and share subscription warrants	6 865 145	6,865,145
Weighted average number of outstanding and potential securities (excluding treasury securities)	160 743 266	142,074,55
Diluted earnings per share in euros	**-0,16**	**-0.15**

No dilutive effect is taken into account in the calculation of diluted net earnings per share, as the Company reported a net loss for the financial year. In accordance with IAS 33, potentially dilutive instruments are therefore excluded from the calculation.

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

- Artal International Inc which, as a shareholder of the Company with 28.56% of the capital as of December 31, 2024 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, 2024 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, 2024	December 31, 2023
Assets	23,606	29,377
Liabilities	683	7,560
Revenue	1,206	997
Expenses	6,147	7,437

NOTE 20 - 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				Ernst & Young			
In thousands of €	Amount		%		Amount		%	
	2024	2023	2024	2023	2024	2023	2024	2023
Issuer	103	101	100%	96%		120		100%
Fully consolidated subsidiary								
Services other than certification of accounts		4		4%				
Subtotal	103	105	100%	100%		120		100%
Other services provided by the networks to fully consolidated subsidiaries								
Subtotal								
Total	**103**	**105**	**100%**	**100%**		**120**		**100%**