CAPTOR THERAPEUTICS S.A.

INTERIM CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

November 28, 2023
Wrocław

Selected Financial Data from the Interim Condensed Consolidated Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME	*(PLN '000)*		*(EUR '000)*	
	01.01.2023-30.09.2023	**01.01.2022-30.09.2022**	**01.01.2023-30.09.2023**	**01.01.2022-30.09.2022**
Revenue from R&D services	6,716	3,337	1,467	712
Cost of services sold	2,031	1,129	444	241
Profit (loss) on sales	4,685	2,208	1,024	471
Profit/(loss)from operating	-61,444	-30,170	-13,424	-6,436
Profit (loss) from continuing operations	-59,041	-29,379	-12,899	-6,267
Net profit (loss) for the period	-59,098	-29,379	-12,911	-6,267
Number of shares (in pcs.)	4,245,712	4,168,130	4,245,712	4,168,130
Earnings (loss) per share (in PLN/EUR)	-13.92	-7.05	-3.04	-1.50

STATEMENT OF FINANCIAL POSITION	*(PLN '000)*		*(EUR '000)*	
	30.09.2023	**31.12.2022**	**30.09.2023**	**31.12.2022**
Non-current assets	9,031	11,676	1,948	2,490
Current assets	63,512	101,324	13,701	21,605
Equity	40,829	96,322	8,808	20,538
Long-term liabilities	1,671	3,286	360	701
Short-term liabilities	30,043	13,392	6,481	2,855

STATEMENT OF CASH FLOWS	*(PLN '000)*		*(EUR '000)*	
	01.01.2023-30.09.2023	**01.01.2022-30.09.2022**	**01.01.2023-30.09.2023**	**01.01.2022-30.09.2022**
Net cash flow from operating activities	-34,913	-20,785	-7,627	-4,434
Net cash flow from investing activities	3,422	-19,352	748	-4,128
Net cash flow from financing activities	-1,095	-4,959	-239	-1,058

Conversion into euros was made on the basis of the following principles:

- items of the statement of financial position according to the average exchange rate of the National Bank of Poland as of the balance sheet date, i.e. as of September 30, 2023, the rate of EUR 1 = PLN 4.6356, and as of December 30, 2022, the rate of EUR = PLN 4.6899,
- items of the statement of financial performance and other comprehensive income and the cash flow statement at the average exchange rate which is the arithmetic mean of the average exchange rates published by the National Bank of Poland at the end of each calendar month of the period, i.e. for the period from January 1, 2023 to September 30, 2023, the rate of EUR 1 = PLN 4.5773, and for the period from January 1, 2022 to September 30, 2022, the rate of EUR 1 = PLN 4.6880.

Selected Financial Data from the Interim Condensed Separate Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME	*(PLN '000)*		*(EUR '000)*	
	01.01.2023-30.09.2023	**01.01.2022-30.09.2022**	**01.01.2023-30.09.2023**	**01.01.2022-30.09.2022**
Revenue from R&D services	6,716	3,337	1,467	712
Cost of services sold	2,031	1,129	444	241
Profit (loss) on sales	4,685	2,208	1,024	471
Profit (loss) from operating	-61,560	-30,143	-13,449	-6,430
Profit (loss) from continuing operations	-59,117	-29,347	-12,915	-6,260
Net profit (loss) for the period	-59,174	-29,347	-12,928	-6,260
Number of shares (in pcs.)	4,245,712	4,168,130	4,245,712	4,168,130
Earnings (loss) per share (in PLN/EUR)	-13.94	-7.04	-3.04	-1.50

STATEMENT OF FINANCIAL POSITION	*(PLN '000)*		*(EUR '000)*	
	30.09.2023	**31.12.2022**	**30.09.2023**	**31.12.2022**
Non-current assets	8,360	9,209	1,804	1,963
Current assets	63,458	101,390	13,689	21,619
Equity	40,755	96,327	8,792	20,539
Long-term liabilities	1,279	1,430	276	305
Short-term liabilities	29,784	12,842	6,425	2,738

STATEMENT OF CASH FLOWS	*(PLN '000)*		*(EUR '000)*	
	01.01.2023-30.09.2023	**01.01.2022-30.09.2022**	**01.01.2023-30.09.2023**	**01.01.2022-30.09.2022**
Net cash flow from operating activities	-35,369	-20,379	-7,727	-4,347
Net cash flow from investing activities	3,423	-19,485	748	-4,156
Net cash flow from financing activities	-767	-4,915	-168	-1,048

Conversion into euros was made on the basis of the following principles:

- items of the statement of financial position according to the average exchange rate of the National Bank of Poland as of the balance sheet date, i.e. as of September 30, 2023, the rate of EUR 1 = PLN 4.6356, and as of December 30, 2022, the rate of EUR = PLN 4.6899,
- items of the statement of financial performance and other comprehensive income and the cash flow statement at the average exchange rate which is the arithmetic mean of the average exchange rates published by the National Bank of Poland at the end of each calendar month of the period, i.e. for the period from January 1, 2023 to September 30, 2023, the rate of EUR 1 = PLN 4.5773, and for the period from January 1, 2022 to September 30, 2022, the rate of EUR 1 = PLN 4.6880.

GENERAL INFORMATION

1. Information about the Company and the Group

Captor Therapeutics S.A. (the "Company", the "Entity", the "Parent Company", the "Issuer") was registered in the National Court Register in Poland on December 30, 2015 as a limited liability company under KRS No. 0000594615, and was subsequently transformed into a joint stock company.

The transformation of Captor Therapeutics Sp. z o.o. into Captor Therapeutics S.A. took place in accordance with Article 551 of the Code of Commercial Companies, based on the Resolution of the Extraordinary Meeting of Shareholders of Captor Therapeutics Sp. z o.o. dated August 28, 2018, covered by the notarial deed Rep. A No. 6456/2018, drawn up by Małgorzata Kieruzal – Rydzewska, notary public from the notarial office at 98/1 Pańska Street in Warsaw.

The company has been assigned REGON 363381765 (statistical number) and NIP 8943071259 (tax identification number). The Parent Company is registered under number: KRS 0000756383.

The Parent Company has is registered office at 11 Duńska Street in Wroclaw.

The Parent Company's predominant line of business is scientific research and development in the field of biotechnology (72.11.Z).

As of April 19, 2021, the Issuer's shares are listed on the main market of the Warsaw Stock Exchange.

The Company holds shares in one subsidiary, Captor Therapeutics GmbH, seated in Switzerland (the "Subsidiary"). The Subsidiary was established by the Company through paying the share capital of CHF 20,000.

Registered office address of the Subsidiary: Hegenheimermattweg 167A, 4123 Allschwil, Switzerland (Formerly: Gewerbestrasse 24, 4123 Allschwil (Basel), Switzerland)

Registration date of the Subsidiary: August 30, 2018

The objects of Captor Therapeutics GmbH consist of research and development and implementation of related projects, as well as business development consulting services.

Composition of the Subsidiary's Management Board as of the balance sheet date and as of the date of preparation of these consolidated financial statements: Michał Walczak - President of the Management Board, Sylvain Cottens - Member of the Management Board.

2. Description of the Captor Therapeutics S.A. Group.

Captor Therapeutics S.A. Capital Group. ("Capital Group", "Group") consists of:

- Parent Company, Captor Therapeutics S.A., based in Wrocław, Poland,
- Subsidiary, Captor Therapeutics GmbH, seated in Basel, Switzerland.

Captor Therapeutics S.A. holds 100% of the Subsidiary's shares.

Acquisitions/disposals of shares in companies

Apart from the establishment of the Subsidiary in 2018, there were no acquisitions or disposals of shares in subsidiaries.

Changes in the composition of the Group after the balance sheet date

There were no changes in the composition of the Group after the balance sheet date, i.e. in the period from September 30, 2023.

3. Composition of the parent company's management board and supervisory board

The governing bodies of the Entity, in addition to the General Meeting, are as follows: the Management Board and the Supervisory Board.

As of the date of this report, the composition of the Parent Company's Management Board is as follows:

1. Thomas Shepherd – Chairman of the Board
2. Michał Walczak – Member of the Management Board, Scientific Director
3. Radosław Krawczyk – Member of the Management Board, Chief Financial Officer

If the Management Board consists of one person, the Company is represented by one Member of the Management Board. If the Management Board consists of more than one person, the Company shall be represented by two Members of the Management Board acting jointly.

As of the date of this report, the composition of the Parent Company's Supervisory Board is as follows:

1. Paweł Holstinghausen Holsten – Chairman of the Supervisory Board
2. Robert Florczykowski – Member of the Supervisory Board
3. Florent Gros – Member of the Supervisory Board
4. Krzysztof Samotij – Member of the Supervisory Board
5. Maciej Wróblewski – Member of the Supervisory Board

As of September 30, 2023, the composition of the Supervisory Board was as follows:

1. Paweł Holstinghausen Holsten – Chairman of the Supervisory Board
2. Robert Florczykowski – Member of the Supervisory Board
3. Florent Gros – Member of the Supervisory Board
4. Krzysztof Samotij – Member of the Supervisory Board
5. Maciej Wróblewski – Member of the Supervisory Board

Compared to the composition of the Parent Company's Supervisory Board as of December 31, 2022, there was no change.

The Entity has an Audit Committee appointed by the Supervisory Board for another term of office on June 29, 2022. As of the date of this report, the composition of the Audit Committee is as follows:

1. Krzysztof Samotij – Chairman of the Audit Committee
2. Florent Gros – Member of the Audit Committee
3. Maciej Wróblewski – Member of the Audit Committee

The Parent Company has a Remuneration Committee which was appointed by the Supervisory Board for another term of office on June 30, 2022. As of the date of this report, the composition of the Remuneration Committee is as follows:

1. Paweł Holstinghausen Holsten – Chairman of the Remuneration Committee
2. Florent Gros – Member of the Remuneration Committee.
3. Maciej Wróblewski – Member of the Remuneration Committee.

The General Meeting of Shareholders, the Supervisory Board and the Management Board have standard powers arising from the Commercial Companies Code, as provided for joint stock companies, and the Company's Articles of Association.

4. Approval of financial statements

These interim condensed consolidated and separate financial statements of Captor Therapeutics S.A. (the "financial statements") were approved by the Parent Company's Management Board on November 28, 2023.

5. Basis of preparation of the financial statements

These interim condensed consolidated and separate financial statements of Captor Therapeutics S.A. have been prepared in accordance with the historical cost principle, except for those financial instruments that are measured at fair value. These interim condensed consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the EU, including primarily International Accounting Standard No. 34, "Interim Financial Reporting."

The same accounting policies and calculation methods were followed in the interim condensed consolidated and separate financial statements as in the last annual financial statements. Taking into account the ongoing process of introducing IFRS standards in the EU and the Group's and Company's operations, there is no difference in the accounting principles applied between IFRS standards that have come into force and IFRS standards approved by the EU. IAS and IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The interim condensed consolidated and separate financial statements do not include all information and disclosures required in the annual consolidated and separate financial statements and should be read in conjunction with the consolidated and separate financial statements of Captor Therapeutics S.A. for the year ended December 31, 2022, published on April 6, 2023.

6. Reporting period and comparative data

The period covered by these interim condensed consolidated and separate financial statements includes the 9-month period from January 1, 2023 to September 30, 2023 and data as of September 30, 2023.

The interim condensed consolidated and separate statements of performance and other comprehensive income include data for the nine months ended September 30, 2023 and comparative data for the nine months ended September 30, 2022. The interim condensed consolidated and separate statements of financial position include data as of September 30, 2023 and comparative data as of December 31, 2022. The interim condensed consolidated and separate statements of cash flows and the interim condensed consolidated and separate statements of changes in equity include data for the nine months ended September 30, 2023 and comparative data for the nine months ended September 30, 2022.

7. Functional currency and currency of financial statements

The functional currency of the Parent Company is the Polish zloty (PLN).

The functional currency of the subsidiary included in these interim condensed consolidated financial statements is the Swiss franc (CHF).

The reporting currency of the entire Group is the Polish zloty (PLN).

The functional currency of the entities was considered to be the currency in which the entity generates and spends most of its cash.

8. Transactions in foreign currency

At the end of each reporting period:

- monetary items expressed in foreign currency are translated using the closing exchange rate in effect on that date, i.e., the average exchange rate set for the currency by the National Bank of Poland,

- non-cash items valued at historical cost in a foreign currency are translated using the exchange rate (i.e., the average exchange rate of the National Bank of Poland set for the currency) in effect on the date of the transaction, and

- non-monetary items measured at fair value in a foreign currency are translated using the exchange rate (i.e., the average exchange rate of the National Bank of Poland set for the currency) in effect on the date the fair value is determined.

Foreign exchange gains and losses arising from:

- settlement of transactions in foreign currency,

- balance sheet valuation of monetary assets and liabilities other than derivatives denominated in foreign currencies are recognized in financial income or expenses.

The following exchange rates were adopted for balance sheet valuation purposes:

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

exchange rates used in the financial statements	**2023 January – September**		**2022 January – September**		**2022 January - December**	
	EUR	***CHF***	***EUR***	***CHF***	***EUR***	***CHF***
exchange rate at the end of the reporting period	4.6356	4.8030	4.8698	5.0714	4.6899	4.7679
average exchange rate during the reporting period	4.5773	4.6744	4.6880	4.6612	4.6883	4.6832

9. Error correction

No correction of prior period errors has been made in these interim condensed consolidated and separate financial statements.

10. Change in estimates

During the nine months ended September 30, 2023, there was no change in estimation methods that would affect the current period or future periods.

11. New standards and interpretations

Impact of new and revised standards and interpretations on the financial statements of the Group and the Company

The following are new or amended IFRS/IAS regulations and IFRIC interpretations that have been adopted in the EU for use and that the Group and the Company have applied since January 1, 2023:

- *IFRS 17 Insurance Contracts (published on May 18, 2017) including amendments to IFRS 17 (published on June 25, 2020) - applicable to reporting periods beginning on or after January 1, 2023,*
- *Amendments to IAS 1 Presentation of financial statements and IFRS Code of Practice 2: Disclosure of accounting policies (published on February 12, 2021) - effective for reporting periods beginning on or after January 1, 2023,*
- *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued February 12, 2021) - effective for reporting periods beginning on or after January 1, 2023,*
- *Amendments to IAS 12 Income Taxes: Deferred Tax on Assets and Liabilities Arising from a Single Transaction (issued May 7, 2021) - effective for reporting periods beginning on or after January 1, 2023,*
- *Amendments to IFRS 17 Insurance Contracts: Preliminary Application of IFRS 17 and IFRS 9 - Comparative Information (published December 9, 2021) - effective for reporting periods beginning on or after January 1, 2023.*
- *Amendments to IFRS 4 "Insurance Contracts": "Extension of the temporary exemption from IFRS 9" approved in the EU on December 16, 2020 (the expiration date of the temporary exemption from IFRS 9 was extended from January 1, 2021 to annual periods beginning on or after January 1, 2023).*

The following standards and interpretations have been issued by the International Accounting Standards Board and have not been endorsed by the EU:

- *Amendments to IAS 7: Statement of Cash Flows and IFRS 7: Financial Instruments: Disclosures: Supplier Finance Arrangements (published May 25, 2023). The amendment describes the characteristics of the supplier finance arrangements and introduces the need for additional disclosures — not approved by the EU as of the date of approval of these financial statements - applicable to reporting periods beginning on or after January 1, 2024.*
- *Amendment to IAS 12: Income Tax: International Tax Reform – Model Principles of the Second Pillar. The amendment introduces a temporary exception to the recognition of deferred tax resulting from the implementation of the international tax reform ("Pillar Two Model Rules" issued by the OECD) and an obligation to introduce additional related disclosures (published on 23 May 2023) – not approved by the EU as of the date of approval of these financial statements - applicable to reporting periods beginning on or after January 1, 2023.*
- *Amendments to IAS 1: Presentation of Financial Statements – Classification of liabilities as current or non-current Date and Classification of liabilities as current or non-current - deferral, effective date and Long-term liabilities subject to covenants (published on January 23, 2020 and July 15, 2020 and October 31, 2022, respectively). The amendment clarifies*

that, at the balance sheet date, an entity does not take into account covenants that will have to be met in the future when considering the classification of liabilities as long-term or short-term. Instead, an entity should disclose those covenants in the notes to the financial statements – not approved by the EU as of the date of approval of these financial statements - applicable to reporting periods beginning on or after January 1, 2024.

- *Amendments to IFRS 16 Leases: Lease liability in sale and leaseback transactions (published September 22, 2022). The amendment clarifies the requirements for the valuation of a lease liability arising from a sale and leaseback transaction. It is intended to prevent inaccurate recognition of the result of a transaction in the retained right-of-use part, where lease payments are variable and do not depend on an index or rate - not approved by the EU as of the date of approval of these financial statements - applicable to reporting periods beginning on or after January 1, 2023.*
- *Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Non-exchangeability (published on August 15, 2023) - not endorsed by the EU until the date of approval of these financial statements - applicable to annual periods beginning on or after January 1, 2025*

The effective dates are those resulting from the content of the standards promulgated by the International Financial Reporting Council. The application dates of the standards in the European Union may differ from the application dates resulting from the content of the standards and are announced at the time of approval for application by the European Union.

In the opinion of the Parent's Management Board, the above changes will not have a material impact on the consolidated and separate financial statements.

12. Continued operations

These interim condensed consolidated and separate financial statements of Captor Therapeutics S.A. have been prepared on the assumption that the Group and the Company will continue as a going concern for the foreseeable future, for at least 12 months after the balance sheet date.

The Group is a biopharmaceutical company specializing in the development of drugs that induce targeted degradation of pathogenic proteins. The Group is active in the area of cancer and autoimmune diseases for which there is currently a lack of treatment options, or the available methods show significant therapeutic limitations. The Group is in the early stages of ongoing research. The Group's ability to generate profits from the sale of drugs or licensing of therapeutic solutions will depend on success in developing drug candidates and eventual commercialization of drugs. The target group will comprise large pharmaceutical companies developing and implementing new drugs based on drug candidates. The Group mainly plans to sell licenses for the results of its projects to a company that, based on its experience and operational potential, will conduct further phases of clinical trials, develop production and launch the drug on the Polish and foreign markets. In addition, the Company will seek to attract partners from the pharmaceutical industry to jointly develop drug candidates not currently in the research phase.

Given the nature of the Group's operations as described above and the early stage of the studies being conducted, the Group is currently incurring losses from operations and it is expected that this situation may continue for the foreseeable future.

However, in the past 12 months, the Group has pursued its strategy and made progress in its ongoing projects, reaching significant milestones in particular in the CT-01 project moving towards the clinical trial phase and CT-03, as communicated by the Parent Company in accordance with applicable regulations.

In addition, in the first quarter of this year The Parent Company announced the next steps in its strategy for 2023-2025, in the following areas:

- Clinical development;

- Collaborating on R&D and developing early-stage projects;

- Strengthening the OptigradeTM platform through its continued development and collaboration with partners;

- Entering global capital markets.

Despite the early stage of the research being carried out, the Parent Group is also recording revenue from the implementation of partnership agreements. In 2021, the Parent Company commenced a project in collaboration with Heptares Therapeutics Ltd (an entity of the Sosei Heptares group), and in the fourth quarter of 2022, another agreement was signed with the firm Ono

Pharmaceutical Co., Ltd. From these agreements, the Group recorded total revenues of PLN 6,716 thousand in the nine-month period of 2023.

As a result of the series G share offering in April 2021, the Parent Company's equity increased by approximately PLN 149.9 million in the first half of 2021. Raising cash from investors changed the financial situation dramatically. Thanks to the funds raised from the IPO and the funds from the Narodowe Centrum Badań i Rozwoju (ang. the National Center for Research and Development) ("NCBiR") by the end of 2023, the Parent Group has secured financing for further development and for conducting research on its projects in an uninterrupted manner over the next time horizon. In addition, the Parent Company has become a reliable partner for its service providers and for financial institutions, which puts the Parent Company in a stronger position in business negotiations.

In September of this year, the Parent Company conducted another round of financing and obtained additional funds in the amount of PLN 40 million (the inflow of funds took place after the balance sheet date). In accordance with the presented next steps of the strategy, these funds will mainly be used to finance Phase I of clinical trials in the CT-01 and CT-03 projects.

Already after the balance sheet date, the Parent Company submitted applications to NCBiR for the so-called project phasing (i.e. splitting the project into phases and the possibility of financing the uncompleted phase in the next EU funding cycle) concern the CT-01 and CT-03 projects, which, according to the current funding agreements, should be completed by the end of 2023. The applications have been submitted under the SMART Track - Phased Projects, which enables funding to be obtained for the implementation of Phase II of projects selected for funding based on the provisions for the 2014 2020 perspective under the 2014-2020 Operational Program for Intelligent Development (OPIR). If the applications are approved by NCBiR, the Company's cash flow will be strengthened by an additional PLN 11.7 million.

In connection with the outbreak of the armed conflict between Ukraine and Russia, the Parent Company's Management Board analyzed the impact of the current situation on the Capital Group's operations. In the opinion of the Parent Company's Management Board, there are no significant risks that could significantly affect its operations. The Group has neither assets in Ukraine nor operations in conflict areas.

Taking into account (i) a stable liquidity situation, (ii) the possibility of using allocated and unused financing from NCBiR until the end of 2023, (iii) the possibility of using allocated and unused financing from ABM, which in total amount amounts to about 114 million. PLN million as of September 30, 2023, (iv) strengthened liquidity position thanks to raising an additional PLN 40 million already after the balance sheet date and in view of the implementation of the established strategy by achieving progress in scientific research, particularly in the CT-01 project heading towards the clinical phase, in the opinion of the Parent Company's Management Board, as of September 30, 2023, there is no risk of a threat to the Group's and Group entities' going concern.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
PREPARED FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME	Note	01.01.2023-30.09.2023	01.01.2022-30.09.2022
CONTINUING OPERATIONS			
Revenue from research and development services	13	6,716	3,337
Cost of services sold	14	2,031	1,129
Gross profit (loss) from sales		**4,685**	**2,208**
Grant revenue	13	12,259	16,510
Costs of research work	14	50,278	20,707
Overhead costs of projects	14	4,393	13,344
General and administrative expenses	14	13,496	17,050
Other operating income	15	546	2,229
Other operating expenses	15	10,767	16
Profit (loss) from operations		**-61,444**	**-30,170**
Financial income	16	2,652	1,128
Financial costs	16	249	337
Gross profit (loss) from continuing operations		**-59,041**	**-29,379**
Income tax	17	57	-
Net profit (loss) from continuing operations		**-59,098**	**-29,379**
Net profit (loss) from discontinued operations		**-**	**-**
Net profit (loss) for the period		**-59,098**	**-29,379**
- attributable to shareholders of the parent company		-59,098	-29,379
- attributable to non-controlling shareholders		-	-
Other comprehensive income			
Items that may be transferred to earnings in subsequent reporting periods		**3**	**22**
Foreign exchange differences on translation of foreign units		3	22
Items that will not be transferred to earnings in subsequent reporting periods		**-**	**-**
Actuarial gains/losses		-	-
Other comprehensive net income		**3**	**22**
Total comprehensive income		**-59,095**	**-29,357**
- attributable to shareholders of the parent company		-59,095	-29,357
- attributable to non-controlling shareholders		-	-
Earnings (loss) per share (in PLN)		**-13.92**	**-7.05**
Diluted earnings (loss) per share (in PLN)		**-13.53**	**-6.74**

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
ASSETS	**Note**	**30.09.2023**	**31.12.2022**
I. FIXED ASSETS		**9,031**	**11,676**
Expenditures for development work (in progress)		612	180
Property, plant and equipment	20	7,878	10,666
Intangible assets	21	311	602
Other long-term assets		230	228
II. CURRENT ASSETS		**63,512**	**101 324**
Trade and other receivables	23	8,365	9,678
Other financial assets	24	16,284	19,854
Accruals		413	756
Cash and cash equivalents		38,450	71,036
TOTAL ASSETS		**72,543**	**113,000**

LIABILITIES	**Note**	**30.09.2023**	**31.12.2022**
I. EQUITY		**40,829**	**96,322**
Share capital	25.1	425	417
Share premium reserve	25.2	170,031	170,031
Other reserves capitals	25.3	175	175
Capital from share-based payments		23,379	19,785
Retained earnings/Uncovered losses		-153,200	-94,102
Foreign exchange differences on translation		19	16
Non-controlling shares		-	-
TOTAL LIABILITIES		**31,714**	**16,678**
II. LONG-TERM LIABILITIES		**1,671**	**3,286**
Liabilities on account of retirement benefits	26	75	51
Interest-bearing loans and credits	27	-	-
Lease obligations	28	1,596	3,235
III. SHORT-TERM LIABILITIES		**30,043**	**13,392**
Trade and other payables		10,135	7,816
Lease obligations	28	2,927	3,717
Provisions for liabilities	26	9,024	1,733
Other liabilities/deferred income	29	7,957	126
TOTAL LIABILITIES		**72,543**	**113,000**

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS	**01.01.2023-30.09.2023**	**01.01.2022-30.09.2022**
OPERATIONS		
Profit (loss) before taxation	**-59,098**	**-29,379**
Corrections:	**24,185**	**8,594**
Depreciation	4,304	5,488
(Gains) losses on foreign exchange differences	3	34
Interest	-2,380	-913
Incentive program	3,594	6,502
Change in accounts receivable	1,119	-109
Change in liabilities, except for loans and credits	2,081	1,764
Change in reserves	7,316	-4,640
Change in prepayments and accruals	8,174	468
Other adjustments from operations	-26	-
Net cash flow from operating activities	**-34,913**	**-20,785**
INVESTMENT ACTIVITY		
I. Proceeds	**56,641**	**15,331**
Interest	2,684	931
Proceeds from bonds	53,957	14,400
II. Expenses	**53,219**	**34,683**
Expenses for property, plant and equipment and intangible assets	2,769	811
Purchase of bonds	50,450	33,872
Net cash flow from investment activities	**3,422**	**-19,352**
FINANCING ACTIVITIES		
I. Proceeds	**8**	**4**
Proceeds from issuance of shares	8	4
II. Expenses	**1,103**	**4,963**
Expenditures on account of credits / loans	-	-
Interest and commission expenses	194	229
Payments of liabilities under lease agreements	909	4,734
Net cash flow from financing activities	**-1,095**	**-4,959**
Total cash flow	**-32,586**	**-45,096**
Balance sheet change in cash and cash equivalents	**-32,586**	**-45,096**
Cash at the beginning of the period	**71,036**	**117,943**
Cash at the end of the period	**38,450**	**72,847**
- restricted cash	-	-

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Core capital	Share premium reserve	Other reserves	Capital from share-based payments	Retained earnings/Uncovered losses	Foreign exchange differences on translation	Equity attributable to the Parent Company	Non-controlling shares	Total equity
As of 01.01.2023	**417**	**170,031**	**175**	**19,785**	**-94 102**	**16**	**96,322**	**-**	**96,322**
Profit/loss for the period	-	-	-	-	-59 098	-	**-59,098**	-	**-59,098**
Other comprehensive income	-	-	-	-	-	3	**3**	-	**3**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-59 098**	**3**	**-59,095**	**-**	**-59,095**
Issuance of shares	8	-	-	-	-	-	**8**	-	**8**
Redemption of shares	-	-	-	-	-	-	**-**	-	**-**
Incentive program	-	-	-	3,594	-	-	**3,594**	-	**3,594**
As of 30.09.2023	**425**	**170,031**	**175**	**23,379**	**-153,200**	**19**	**40,829**	**-**	**40,829**

As of 01.01.2022	**413**	**170,031**	**175**	**11,779**	**-58,208**	**11**	**124,201**	**-**	**124,201**
Profit/loss for the period	-	-	-	-	-29,379	-	**-29,379**	**-**	**-29,379**
Other comprehensive income	-	-	-	-	-	22	**22**	-	**22**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-29,379**	**22**	**-29,357**	**-**	**-29,357**
Issuance of shares	4	-	-	-	-	-	**4**	-	**4**
Redemption of shares	-	-	-	-	-	-	**-**	-	**-**
Incentive option program	-	-	-	6,502	-	-	**6,502**	**-**	**6,502**
As of 30.09.2022	**417**	**170,031**	**175**	**18,281**	**-87,587**	**33**	**101,350**	**-**	**101,350**

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SELECTED EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. Total revenue

SALES REVENUE AND TOTAL REVENUE	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Revenue from research and development services	6,716	3,337
Total sales revenue	**6,716**	**3,337**
Grant revenue	12,259	16,510
Other operating income	546	2,229
Financial income	2,652	1,128
Total revenue	**22,173**	**23,204**

In the reporting period the Company generated revenue from cooperation with the Sosei Heptares firm and the Ono Pharmaceutical firm. As a result, in the nine-month period of 2023, the Company generated total revenue of PLN 6,716 thousand from these two agreements, compared with PLN 3,337 thousand in the same period of the previous year.

Other operating income and financial income are described in notes 15 and 16.

14. Costs by type

14.1 Operating expenses

OPERATING EXPENSES	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Depreciation	4,304	5,488
- depreciation of fixed assets	4,013	5,353
- amortization of intangible assets	291	135
Consumption of materials and energy	4,204	3,204
Third-party services	40,653	22,678
Taxes and fees	318	295
Employee benefit costs	19,154	20,252
Other costs by type	1,565	313
Total costs by type, including:	**70,198**	**52,230**
Items included in cost of sales of services	2,031	1,129
Items included in the cost of research work	50,278	20,707
Items included in project overheads	4,393	13,344
Items included in general and administrative expenses	13,496	17,050
Change in products	-	-
Cost of production of benefits for the entity's own needs	-	-

The increase in the Company's operating expenses compared to the comparative period is mainly due to an increase in third-party service costs related in particular to the costs of research work in the most advanced projects CT-01 and CT-03. In the period under review, the costs of consumption of materials and energy also increased compared to the previous period, resulting mainly from the costs incurred for the purchase of reagents and laboratory supplies. The decrease in employee benefit costs is related to a decrease in the cost of the incentive program. The breakdown of employee costs is indicated in note 14.3.

In view of the achievement of further milestones and the acceleration of research processes in 2022, and in particular the change in the cost structure between eligible costs from the funding received from NCBiR and the Company's own costs, in order to increase the transparency of the information provided to the recipients of the financial statements, the Company decided at the stage of preparing the 2022 Financial Statements to reclassify and change the presentation of the portion of project overheads reported during 2022 to research costs. In 2021 and the first half of 2022, research costs financed from own funds were treated as overall project overheads. Currently, the Company qualifies as research costs all direct costs incurred in connection with ongoing research projects (irrespective of the source of funding) including, in particular, costs related to salaries of researchers, third-party services and other direct costs such as e.g. materials and labor, electricity and other media, depreciation of research assets, etc. Unlike research work costs, project overheads include costs not allocated to individual research projects. The main cost headings recognized as project overheads are, in particular, costs of personnel involved in project management, costs of personnel, financial, administrative, and legal services, costs of maintaining office space related to project administration and other costs related to project administration and service. The above change has the value of a presentation change only and does not affect the change of the total value of research and general project costs and the Company's financial result. Due to the above change, the value of project overheads presented in the interim condensed consolidated statement of profit or loss and other comprehensive income for the period from 1 January to 30 September 2023 is lower than the value of costs presented in the interim condensed consolidated financial statements for the period from 1 January to 30 September 2022.

While preparing these financial statements, the Company's Management Board made all reasonable efforts and actions to determine the possible amount of costs recognized in the financial result for the three quarters of 2022 and presented as project overheads, which, given the above-described change in presentation in 2022, should be presented as research costs in the comparative data for the three quarters of 2022. Bearing in mind para. 42 of International Accounting Standard No. 1 "Presentation of Financial Statements", due to the significant labor intensity associated with the possible recalculation of the comparative data in relation to the information value resulting from the presentation of a fully analogous breakdown of costs, it was decided not to restate the comparative data, given that the change was only of a presentational nature between research costs and project overheads.

Other operating income and financial income are described in Notes 15 and 16.

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

14.2 Depreciation and amortization expense recognized in profit or loss

DEPRECIATION AND AMORTIZATION EXPENSES RECOGNIZED IN PROFIT OR LOSS	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Items included in cost of services sold	**53**	**170**
Depreciation of fixed assets	20	169
Amortization of intangible assets	33	1
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
Items included in the cost of research work	**3,372**	**4,368**
Depreciation of fixed assets	3,129	4,263
Amortization of intangible assets	243	105
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
Items included in project overheads	**637**	**779**
Depreciation of fixed assets	635	767
Amortization of intangible assets	2	12
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
Items included in general and administrative expenses	**242**	**170**
Depreciation of fixed assets	229	153
Amortization of intangible assets	13	17
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
Total depreciation and amortization expenses	**4,304**	**5,488**

Depreciation and amortization expenses in the third quarter of 2023 decreased by PLN 1,184 thousand compared with the same period of the previous year. This is due to the termination of certain contracts and the Group not entering into any new material contracts classified under IFRS 16 'Leases'.

14.3 Employee benefit costs

EMPLOYEE BENEFIT COSTS	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Wages and salaries	12,963	10,689
Social security costs	1,929	1,801
Pension and holiday benefit costs	5	29
Other employee benefit costs	663	1,232
Costs of incentive programme	3,594	6,502
Total employee benefit costs, including:	**19,154**	**20,252**
Items included in cost of sales of services	1,059	496
Items included in research costs	9,172	6,619
Items included in project overheads	774	2,411
Items included in general and administrative expenses	8,149	10,726
Change in products	-	-
Cost of benefits for the entity's own needs	-	-

The main contributors to employee benefit costs are the Company's employee remuneration costs, which amounted to PLN 12,963 thousand in the nine months ended 30 September 2023, and the costs of the incentive program introduced in 2019, the cost of which in the period from 1 January to 30 September 2023 amounted to PLN 3,594 thousand (however, this is an accounting cost not related to real cash outflow). Details of this program and its valuation in subsequent quarters are described in the "Accounting policies and additional information".

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

15. Other operating income and expenses

OTHER OPERATING INCOME	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Profit on disposal of fixed assets	-	-
Dissolution of asset impairment losses	-	-
Donation	-	2,000
Other	546	229
Total other operating income	**546**	**2,229**

In the first and second quarter of 2023, the Company released unused provisions of PLN 465 thousand set up in 2022. The remaining value consists interest income from improper performance of contracts by suppliers and remuneration of the payer for timely payment of payroll taxes.

OTHER OPERATING EXPENSES	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Loss on disposal of fixed assets	-	-
Revaluation of assets	-	-
Other	10,767	16
Total other operating expenses	**10,767**	**16**

In accordance with the principle of prudence, the Parent Company, in connection with the NCBiR's termination of the grant for the CT-02 project, made an allowance for receivables from grant income booked in previous periods in the CT-02 project in the amount of PLN 3,131 thousand. The Company also decided to create a provision for a liability to NCBiR in the amount of PLN 7,375 thousand for a potential obligation to return the grant received. This amount includes the principal amount plus interest.

CREATION OF REVALUATION ALLOWANCES	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Intangible assets	-	-
Tangible fixed assets	-	-
Receivables (credit losses)	3,131	-
Inventories	-	-
Other	-	-
Total revaluation write-downs	**3,131**	**-**

16. Financial revenue and costs

FINANCIAL REVENUE	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Interest income	2,627	1,128
Release of revaluation write-downs	-	-
Excess positive exchange rate differences	25	-
Total financial income	**2,652**	**1,128**

In connection with the investment policy adopted by the Company, free funds are invested in secure financial instruments: bank deposits or bonds secured by government or banking institutions.

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In the period from 1 January to 30 September 2023, the Company earned mainly interest on short-term deposits in the amount of PLN 1,841 thousand and short-term bonds purchased in the amount of PLN 778 thousand.

FINANCIAL COSTS	**01.01.2023-30.09.2023**	**01.01.2022-30.09.2022**
Interest expense on financial liabilities	-	89
Financial costs related to leasing agreements	194	138
Revaluation of investments	-	-
Excess negative exchange rate differences	-	110
Other	55	1
Total finance costs	**249**	**337**

In 2023, the Company incurred finance costs from interest on financial liabilities (leases) and budgetary interest.

17. Income tax

17.1 Tax burden

Due to tax losses from operations, the Group has no current tax burden.

The parent company reported and paid tax on realized capital gains for 2022 in the amount of PLN 57 thousand.

17.2 Deferred income tax

The Group has not recognized deferred tax assets and liabilities taking into account the prudence principle. With no tax losses to be deducted, the impact of temporary differences is immaterial.

DEDUCTIBLE TEMPORARY DIFFERENCES, TAX LOSSES ON WHICH DEFERRED TAX ASSETS HAVE NOT BEEN RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	**Basis for asset recognition at the end of the period**	**Basis for asset recognition at the end of the period**	**Date of expiry temporary differences, tax losses**
	30.09.2023	**31.12.2022**	
Due to:			
Other reserves	8,477	1,166	-
Provisions for employee benefits	623	618	-
Difference between leasing assets and liabilities	153	617	-
Tax losses	118,044*	60,008	2023-2027
Total:	**127,297**	**62,409**	

**the tax loss presented in the table above includes the accumulated tax losses incurred by the Company in 2018-2023 and in the period from 1 January to 30 September 2023.*

18. Discontinued operations

There were no discontinued operations in the period from January 1 to September 30, 2023 or in the corresponding period of 2022.

19. Dividends paid and proposed for payment

The Company did not pay dividends in the period from January 1 to September 30, 2023 and in the corresponding period of 2022. Advances on dividends were also not paid.

20. Property, plant and equipment

The Group's property, plant and equipment as of September 30, 2023 consists of property, plant and equipment of the Parent Company and the Subsidiary.

PROPERTY, PLANT AND EQUIPMENT	**30.09.2023**	**31.12.2022**

Own	3,511	4,354
Used under a rental, lease or other agreement, including a lease agreement	4,367	6,312
Total	**7,878**	**10,666**

PROPERTY, PLANT AND EQUIPMENT	**30.09.2023**	**31.12.2022**
Fixed assets, of which:	**7,878**	**10,666**
buildings and structures	4,458	5,644
machinery and equipment	2,931	4,941
means of transport	-	-
Other fixed assets	489	81
Fixed assets under construction	**-**	**-**
Total	**7,878**	**10,666**

Included in machinery and equipment are medical and specialized equipment acquired and used by the Company.

In the reporting period, the Company reclassified the value of fixed assets between the 'other fixed assets' and 'machinery and equipment' groups in the amount of PLN 627 thousand.

The following tables show the changes in the Company's fixed assets from 1 January to 30 September 2023 and in the comparative period.

CHANGES IN FIXED ASSETS BY TYPE 01.01.2023 - 30.09.2023	**buildings and structures**	**machinery and equipment**	**other fixed assets**	**total fixed assets**
Gross fixed assets, beginning of period	**13,835**	**19,609**	**1,135**	**34,578**
Increases, due to	**2,620**	**128**	**20**	**2,768**
acquisitions	2,620	128	20	**2,768**
Decreases, due to	**1,491**	**-**	**-**	**1,491**
change in the lease agreement	1,491			**1,491**
Gross fixed assets, end of the period	**14,964**	**19,737**	**1,154**	**35,855**
Accumulated depreciation, beginning of period	**8,190**	**14,668**	**1,053**	**23,912**
Increases, due to	**2,651**	**2,137**	**238**	**5,026**
movement between groups of fixed assets	**-**	-	**-**	-
revaluation	337	-	**-**	**337**
depreciation	2,314	1,510	238	**4,063**
other	-	627	-	**627**
Decreases, due to	**335**	**-**	**627**	**961**
other	-	-	627	**627**
change in the lease agreement	335	-	-	335
Accumulated depreciation at the end of the period	**10,506**	**16,805**	**665**	**27,977**
Impairment losses at the beginning of the period	**-**	**-**	**-**	**-**
Impairment losses at the end of the period	**-**	**-**	**-**	**-**
Net value of fixed assets at the end of the period	**4,458**	**2,931**	**489**	**7,878**

CHANGES IN FIXED ASSETS BY TYPE 01.01.2022 - 31.12.2022	**buildings and structures**	**machinery and equipment**	**Other fixed assets**	**total fixed assets**
Gross fixed assets, beginning of period	**9,771**	**24,852**	**702**	**35,326**
Increases, due to	**4,513**	**244**	**432**	**5,190**
acquisitions	4,513	244	432	5,190

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Decreases, due to	**450**	**5,488**	**-**	**5,938**
termination of the lease	-	5,488	-	5,488
disposal	450	-	-	450
Gross value of fixed assets, end of period	**13,835**	**19,609**	**1,135**	**34,578**
Accumulated depreciation, beginning of period	**6,156**	**16,413**	**145**	**22,714**
Increases, due to	**2,484**	**3,463**	**909**	**6,856**
depreciation	2,484	3,463	909	6,856
Decreases, due to	450	5,208	-	5,658
termination of the lease	-	5,208	-	5,208
disposal	450	-	-	450
Accumulated depreciation, end of period	**8,190**	**14,668**	**1,053**	**23,912**
Impairment losses, beginning of period	**-**	**-**	**-**	**-**
Impairment losses, end of period	**-**	**-**	**-**	**-**
Net fixed assets, at the end of period	**5,644**	**4,941**	**81**	**10,666**

The Company does not have any tangible fixed assets to which the Entity's title would be restricted or which would provide security for liabilities.

The Company has no contractual obligations to acquire property, plant and equipment in the future.

21. Intangible assets

The Group's intangible assets consist solely of the Parent Company's intangible assets.

INTANGIBLES	**30.09.2023**	**31.12.2022**
Acquired concessions, patents, licenses and the like	311	602
Other intangible assets	-	-
Total	**311**	**602**

The Group has no internally generated intangible assets.

Reported intangible assets are mainly licenses and software used in the Group's operations.

The Group does not have any intangible assets to which the Group's title would be restricted or which would serve as collateral for liabilities.

The Group has no contractual obligations to acquire intangible assets in the future.

22. Business combinations, acquisitions of assets of significant value and acquisitions of minority interests

In 2023, there were no business combinations, acquisitions of assets of significant value or acquisitions of interests to which the Parent Company or the Subsidiary would be a party. As of September 30, 2023, there was no goodwill in the interim condensed consolidated statement of financial position.

23. Trade and other receivables

TRADE RECEIVABLES	**30.09.2023**	**31.12.2022**
Net trade receivables	**2,970**	**982**
- from related parties	-	-
- from other entities	2,970	982
Impairment losses on receivables	-	-
Gross trade receivables	**2,970**	**982**

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OTHER RECEIVABLES	**30.09.2023**	**31.12.2022**
Other receivables, net	**5,394**	**8,696**
Budget receivables	1,369	980
Grants receivable	3,701	7,557
Other	324	159
Estimation of credit loss	3,131	-
Gross other receivables	**8,525**	**8,696**

Receivables from grants relate to eligible costs incurred in a given fiscal year and subject to reimbursement in subsequent reporting periods. In accordance with the principle of prudence and in connection with the NCBiR's termination of the subsidy for the CT-02 project, the Parent Company created an allowance for receivables on account of subsidy income booked in previous periods in the CT-02 project in the amount of PLN 3,131 thousand.

In the opinion of the Parent Company's Management Board, there is no credit risk above the level determined by the allowance for uncollectible receivables specific to the Group's trade receivables.

24. Other financial assets

OTHER FINANCIAL ASSETS	**30.09.2023**	**31.12.2022**
Short-term bonds	16,284	19,854
Loans granted	-	-
Write-downs	-	-
Other financial assets	**16,284**	**19,854**

As part of its free cash management, the unit invests in short-term SP or corporate bonds that are backed by government or banking institutions.

25. Equity

25.1 Share capital

As at 30 September 2023, the Company's share capital (basic) amounted to PLN 424,571.20 and was divided into 4,245,712 shares with a nominal value of PLN 0.10 each.

SHARE CAPITAL	**30.09.2023**	**31.12.2022**
Number of shares (pcs.)	4,245,712	4,168,130
Nominal value of shares (PLN)	0.10	0.10
Share capital	**425**	**417**

Changes in the share capital of the Parent Company:

On July 25, 2023, the Parent's Board of Directors adopted a resolution to issue 25,271 series O ordinary bearer shares, within the limits of the Company's authorized capital, excluding, in full, the pre-emptive rights of the Company's existing shareholders. The issuance of shares is related to the implementation of the Company's share-based incentive program for employees and members of the Company's governing bodies (information was provided in current report No. 29/2023 dated July 25, 2023). The share capital increase was registered by the Company's competent registry court on September 19, 2023.

On August 18, 2023, the registry court having jurisdiction over the Parent Company registered an amendment to the Company's Articles of Incorporation, made on the basis of the Company's Board of Directors' Resolution No. 2 dated February 14, 2023 on the issuance of 11,292 series N ordinary bearer shares, within the limits of the Company's authorized capital, excluding the pre-emptive rights of the Company's existing shareholders in full. The shares were issued within the framework of the Company's incentive program.

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On September 21, 2023. The Parent's Board of Directors adopted a resolution on the issuance of not less than 1 but not more than 400,000 series P ordinary bearer shares, within the limits of the Company's authorized capital, excluding, in full, the pre-emptive rights of the Company's existing shareholders. The issuance of shares was related to the commencement of the book-building process for the offering of new series P bearer shares and the conclusion of a share offering placement agreement. In connection with the issuance of series P shares, on September 29, 2023. The Company's Board of Directors adopted a resolution on the allotment of 400,000 series P ordinary bearer shares of the Company with a par value of PLN 0.10 each and a total par value of PLN 40,000.00. The share capital increase was registered by the Company's competent registry court on October 23, 2023.

As of the publication date of this report, the Company's share capital amounts to PLN 464,571.20 and is divided into 4,645,712 shares with a nominal value of PLN 0.10 per share. The total number of votes resulting from all shares of the Company is 5,793,105.

25.2 Share premium reserve

The Group's share premium reserve is equal to the Parent Company's share premium reserve and is derived from the following items:

SHARE PREMIUM ACCOUNT	30.09.2023	31.12.2022
AGIO series B share issue	3,774	3,774
Voluntary capital reduction without compensation	36	36
Series C share issue AGIO investment agreements 2018	3,898	3,898
Issuance of shares series C2 and D AGIO investment agreements 2019	8,584	8,584
Issuance of G, H, I, J shares	153,739	153,739
Total	**170,031**	**170,031**

25.3 Reserve capital

The Group's reserve capital is equal to the Parent Company's reserve capital and results from the following items:

OTHER RESERVE CAPITALS	30.09.2023	31.12.2022
Redemption of shares	103	103
Capital from actuarial gains and losses	72	72
Unregistered share issue	-	-
Total	**175**	**175**

26. Retirement benefit obligations and provisions for liabilities

PROVISIONS FOR EMPLOYEE BENEFITS	30.09.2023	31.12.2022
Provision for outstanding leave	546	543
Pension provision	77	75
Total, including:	**623**	**618**
long-term	75	51
short-term	548	567

The provision for outstanding vacation leave is presented in the interim condensed consolidated statement of financial position in current liabilities under provisions for liabilities.

CHANGE IN EMPLOYEE PROVISIONS	Provision for outstanding leave	Pension provision	Total
Status as of 01.01.2023	**543**	**75**	**618**
Establishment of a reserve	3	2	5
Costs of benefits paid (utilization)	-	-	-
Released reserves	-	-	-
Status as of 30.09.2023	**546**	**77**	**623**

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Status as of 01.01.2022	**441**	**59**	**501**
Establishment of a reserve	124	16	139
Costs of benefits paid (utilization)	-	-	-
Released reserves	22	-	22
Status as of 31.12.2022	**543**	**75**	**618**

PROVISIONS FOR LIABILITIES	**30.09.2023**	**31.12.2022**
Third-party services	1,102	94
Other	7,375	1,072
Total	**8,477**	**1,166**

Other provisions as of September 30, 2023 in the amount of PLN 7,375 thousand relate to a provision for a liability to NCBiR in the amount of PLN 7,375 thousand for a potential obligation to return the grant received in the CT-02 project (this amount includes the principal amount plus interest).

CHANGE IN PROVISIONS FOR LIABILITIES	**Third-party services**	**Other**	**Total**
Status as of 01.01.2023	**94**	**1,072**	**1,166**
Establishment of a reserve	8,383	-	8,383
Use of the reserve	-	1,000	1,000
Release of the reserve	-	72	72
Status as of 30.09.2023	**8,477**	**-**	**8,477**
Status as of 01.01.2022	**137**	**5,658**	**5,795**
Establishment of a reserve	94	1,072	1,166
Use of the reserve	137	5,658	5,795
Release of the reserve	-	-	-
Status as of 31.12.2022	**94**	**1,072**	**1,166**

In the reporting period, the Parent Company used part of the established provision in the amount of PLN 1,000 thousand and established new provisions in the amount of PLN 8,383 thousand, mainly due to the necessity of reimbursement of subsidies and delivery of third-party services.

27. Loans received

As of September 30, 2023 and December 31, 2022, the Group had no loans received.

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

28. Liabilities under leases

Structure of lease liabilities by maturity

LEASE LIABILITIES	30.09.2023	31.12.2022
Short-term lease obligations, including:	2,927	3,717
- up to 1 month	324	450
- 1 month to 3 months	629	855
- 3 months to 6 months	858	1,059
- 6 months to a year	1,116	1,353
Long-term lease obligations, including:	1,596	3,235
- one to five years	1,596	3,235
- over five years	-	-
Total	**4,523**	**6,952**

Lease obligations mainly relate to leases of office space, laboratory space and specialized equipment used in the Group's day-to-day operations.

29. Other liabilities/deferred income

The Group has deferred income, which relates to grant advances received by the Parent Company from grant funding received mainly from ABM, which amounted to PLN 7,831 thousand as of September 30, 2023. These funds will be used to cover the corresponding costs in the next reporting period. The value of advances received and unused as of the balance sheet date is as follows:

DEFERRED INCOME	30.09.2023	31.12.2022
- from project POIR.01.02.00-00-0073/18	-	-
- from project POIR.01.01.01-00-0956/17	-	-
- from project POIR.04.01.04-00-0116/16	-	-
- from project POIR.01.01.01-00-0931/19	-	-
- from project POIR.01.01.01-00-0747/16	-	-
- from project POIR.01.01.01-00-0740/19	-	-
- from project POIR.01.01.01-00-0741/19	-	-
- from project POIR.04.01.02-00-0147/16	126	126
- from project POIR.01.02.00-00-0079/18	-	-
- from project 022/ABM/06/00001 - 00	7,831	
Other	-	-
Total	**7,957**	**126**

30. Financial instruments

Fair values of individual classes of financial instruments

The following table compares the carrying values and fair values of all the Group's financial instruments, by class and category of assets and liabilities.

FAIR VALUES OF PARTICULAR CLASSES OF FINANCIAL ASSETS AND LIABILITIES	Category	Carrying value		Fair value	
		30.09.2023	31.12.2022	30.09.2023	31.12.2022
Financial assets					
Bonds	WwgZK	16,284	19,854	16,284	19,854
Trade receivables	WwgZK	2,970	982	2,970	982
Other receivables	WwgZK	5,394	8,696	5,394	8,696
Cash and cash equivalents	WwgZK	38,450	71,036	38,450	71,036
Total		**63,098**	**100,568**	**63,098**	**100,568**

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

Financial liabilities					
Interest-bearing bank loans and advances	PZFwgZK	-	-	-	-
Lease liabilities	Wg MSSF16	4,523	6,952	4,523	6,952
Trade payables	PZFwgZK	7,302	5,648	7,302	5,648
Other liabilities	PZFwgZK	2,833	2,169	2,833	2,169
Total		**14,658**	**14,768**	**14,658**	**14,768**

Abbreviations used:

WwgZK - Valued at amortized cost

PZFwgZK - Other financial liabilities measured at amortized cost

Lease liabilities presented in the table above are measured in accordance with IFRS 16 'Leases'.

The fair value of the financial instruments held by the Group as of the balance sheet date does not differ from the value presented in the financial statements due to the fact that with regard to short-term instruments, the possible effect of discounting is not significant, these instruments relate to transactions concluded at arm's length.

31. Explanations to the statement of cash flows

LISTING	30.09.2023	30.09.2022
Depreciation:	**4,304**	**5,488**
depreciation of intangible assets	291	135
depreciation of property, plant and equipment	4,013	5,353
Foreign exchange gains (losses)	**3**	**34**
accrued exchange rate differences	3	34
Interest:	**-2,380**	**-913**
other interest paid	53	-
accrued interest on loans received	-	-
interest received on bonds	-842	-191
other accrued interest	-5	-17
accrued interest on loans granted	-2	-
interest received on short-term deposits	-1,841	-740
interest accrued on bonds	64	-193
interest paid on leases	193	229
Change in reserves:	**7,316**	**-4,640**
balance sheet change in provisions for trade liabilities	7,311	-4,669
balance sheet change in provisions for employee benefits	5	29
Change in accounts receivable:	**1,119**	**-109**
change in short-term receivables resulting from the balance sheet	1,119	-108
change in long-term receivables resulting from the balance sheet	-	-1
Change in current liabilities, except for financial liabilities:	**2,081**	**1,764**
change in short-term liabilities resulting from the balance sheet	2,081	1,764
change in other liabilities	-	-
Change in accruals:	**8,174**	**468**
change in accruals resulting from the balance sheet	8,174	468

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN ‘000)

32. Information on related parties

The following is a list of related parties to the Group as of September 30, 2023, with which the Company transacted during the period covered by these financial statements.

entity or individual	function performed / description of relationship
Sylvain Cottens	Member of the Management Board of Captor Therapeutics GmbH, shareholder of Captor Therapeutics S.A.
Thomas Shepherd	CEO of Captor Therapeutics S.A.
Michał Walczak	Chairman of the Management Board of Captor Therapeutics GmbH, Member of the Management Board of Captor Therapeutics S.A., shareholder of Captor Therapeutics S.A.
Radosław Krawczyk	Member of the Management Board of Captor Therapeutics S.A.,
Captor Therapeutics GMBH	The company, 100% of which is owned by Captor Therapeutics S.A.
Paweł Holstinghausen Holsten	Member of the Supervisory Board of Captor Therapeutics S.A., shareholder of Captor Therapeutics S.A.
Maciej Wróblewski	Member of the Supervisory Board of Captor Therapeutics S.A.
Florent Gros	Member of the Supervisory Board of Captor Therapeutics S.A.
Krzysztof Samotij	Member of the Supervisory Board of Captor Therapeutics S.A.
Swissvention Partners GMBH	The company in which Florent Gros is the Managing Director and owner
Robert Florczykowski	Member of the Supervisory Board of Captor Therapeutics S.A.

Transactions with related parties

The following table shows transactions made in the period from January 1 to September 30, 2023 with related parties to the Group.

01.01.2023-30.09.2023	Towards subsidiaries	Towards partially owned subsidiaries	Towards key management*	Towards other related parties**
Purchases	-	-	-	-
Sales	-	-	-	-
Loans granted	-	-	-	-
Financial income - interest on loans	-	-	-	-
Loans received	-	-	-	-
Financial costs - interest on loans and remuneration for the establishment of a registered pledge	-	-	-	-
Trade receivables	-	-	-	-
Trade payables	-	-	-	-
Remuneration - paid by the Company***	-	-	3,176	59
Other	-	-	-	-

* This item includes persons having authority and responsibility for planning, directing, and controlling the activities of the entity;

** This item includes entities related through key management;

***item does not include the costs of the Company's Share-based Incentive Scheme. For information on the Incentive Scheme, please refer to note 50.

Transactions between related parties took place on terms equivalent to those in arm's length transactions.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

PREPARED FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

Interim Condensed Separate Statements of Income and Other Comprehensive Income

SEPARATE STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME	Note	01.01.2023-30.09.2023	01.01.2022-30.09.2022
CONTINUING OPERATIONS			
Revenue from research and development services	33	6,716	3,337
Cost of services sold	34	2,031	1,129
Gross profit (loss) from sales		**4,685**	**2,208**
Grant revenue	33	12,259	16,510
Costs of research work	34	50,125	20,685
Overhead costs of projects	34	4,393	13,344
General and administrative expenses	34	13,740	17,045
Other operating income	35	521	2,229
Other operating expenses	35	10,767	16
Profit (loss) from operations		**-61,560**	**-30,143**
Financial income	36	2,652	1,128
Financial costs	36	209	332
Gross profit (loss) from continuing operations		**-59,117**	**-29,347**
Income tax	37	57	-
Net profit (loss) from continuing operations		**-59,174**	**-29,347**
Net profit (loss) from discontinued operations		**-**	**-**
Net profit (loss) for the period		**-59,174**	**-29,347**

Other comprehensive income		
Items that may be transferred to earnings in subsequent reporting periods	**-**	**-**
Items that will not be transferred to earnings in subsequent reporting periods	**-**	**-**
Actuarial gains/losses	-	-
Other comprehensive net income	**-**	**-**
Total comprehensive income	**-59 174**	**-29,347**
Earnings (loss) per share (in PLN)	**-13.94**	**-7.04**
Diluted earnings (loss) per share (in PLN)	**-13.55**	**-6.74**

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

Interim Condensed Separate Statement of Financial Position

SEPARATE STATEMENT OF FINANCIAL POSITION			
ASSETS	**Note**	**30.09.2023**	**31.12.2022**
I. FIXED ASSETS		**8,360**	**9,209**
Expenditures for development work (in progress)		612	180
Property, plant and equipment	41	7,361	8,351
Intangible assets	21	311	602
Other long-term assets		76	76
II. CURRENT ASSETS		**63,458**	**101,390**
Trade and other receivables	42	8,358	9,667
Other financial assets	43	16,413	19,980
Accruals		413	756
Cash and cash equivalents		38,274	70,987
TOTAL ASSETS		**71,818**	**110,599**

LIABILITIES	Note	30.09.2023	31.12.2022
I. EQUITY		**40,755**	**96,327**
Share capital	25.1	425	417
Share premium reserve	25.2	170,031	170,031
Other reserves capitals	25.3	175	175
Capital from share-based payments		23,379	19,785
Retained earnings/Uncovered losses		-153,255	-94,081
TOTAL LIABILITIES		**31,063**	**14,272**
II. LONG-TERM LIABILITIES		**1,279**	**1,430**
Liabilities on account of retirement benefits	26	75	51
Interest-bearing loans and credits	27	-	-
Lease obligations	45	1,204	1,379
III. CURRENT LIABILITIES		**29,784**	**12,842**
Trade and other payables		10,002	7,810
Lease obligations	45	2,801	3,245
Provisions for liabilities	26	9,024	1,661
Other liabilities/deferred income	29	7,957	126
TOTAL LIABILITIES		**71,818**	**110,599**

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

Interim Condensed Separate Statement of Cash Flows

SEPARATE STATEMENT OF CASH FLOWS	01.01.2023-30.09.2023	01.01.2022-30.09.2022
OPERATIONS		
Profit (loss) before taxation	**-59,174**	**-29,347**
Corrections:	**23,805**	**8,968**
Depreciation	3,998	5,444
(Gains) losses on foreign exchange differences	-	14
Interest	-2,419	-917
Incentive program	3,594	6,502
Change in accounts receivable	1,310	455
Change in liabilities, except for loans and credits	1,762	1,625
Change in reserves	7,386	-4,619
Change in prepayments and accruals	8,174	464
Net cash flow from operating activities	**-35,369**	**-20,379**
INVESTMENT ACTIVITY		
I. Proceeds	**56,641**	**15,331**
Interest	2,684	931
Proceeds from bonds	53,957	14,400
II. Expenses	**53,218**	**34,816**
Expenses for property, plant and equipment and intangible assets	2,768	811
Purchase of bonds	50,450	33,872
Loans granted	-	133
Net cash flow from investment activities	**3,423**	**-19,485**
FINANCING ACTIVITIES		
I. Proceeds	**8**	**4**
Proceeds from issuance of shares	8	4
II. Expenses	**775**	**4,919**
Expenditures on account of credits / loans	-	-
Interest and commission expenses	155	223
Payments of liabilities under lease agreements	620	4,696
Net cash flow from financing activities	**-767**	**-4,915**
Total cash flow	**-32,713**	**-44,779**
Balance sheet change in cash and cash equivalents	**-32,713**	**-44,779**
Cash at the beginning of the period	**70,987**	**117,622**
Cash at the end of the period	**38,274**	**72,843**
- restricted cash	-	-

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

Interim Condensed Separate Statement of Changes in Equity

SEPARATE STATEMENT OF CHANGES IN EQUITY	Core capital	Share premium reserve	Other reserves	Capital from share-based payments	Retained earnings/Uncovered losses	Total equity
As of 01.01.2023	**417**	**170,031**	**175**	**19,785**	**-94,081**	**96,327**
Profit/loss for the period	-	-	-	-	-59,174	-59,174
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	**-59,174**	**-59,174**
Issuance of shares	8	-	-	-	-	8
Redemption of shares	-	-	-	-	-	-
Incentive program	-	-	-	3,594	-	3,594
As of 30.09.2023	**425**	**170,031**	**175**	**23,379**	**-153,255**	**40,755**
As of 01.01.2022	**413**	**170,031**	**175**	**11,779**	**-58,335**	**124,063**
Profit/loss for the period	-	-	-	-	-29,347	**-29,347**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	**-29,347**	**-29,347**
Issuance of shares	4	-	-	-	-	**4**
Redemption of shares	-	-	-	-	-	-
Incentive program	-	-	-	6,502	-	**6,502**
As of 30.09.2022	**417**	**170,031**	**175**	**18,281**	**-87,682**	**101,222**

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

SELECTED EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

33. Total revenue

SALES REVENUE AND TOTAL REVENUE	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Revenue from research and development services	6,716	3,337
Total sales revenue	**6,716**	**3,337**
Grant revenue	12,259	16,510
Other operating income	521	2,229
Financial income	2,652	1,128
Total revenue	**22,148**	**23,204**

In the reporting period the Company generated revenue from cooperation with the Sosei Heptares firm and the Ono Pharmaceutical firm. As a result, in the nine-month period of 2023, the Company generated total revenue of PLN 6,716 thousand from these two agreements, compared with PLN 3,337 thousand in the same period of the previous year.

Other operating income and financial income are described in notes 35 and 36.

34. Costs by type

34.1. Operating expenses

OPERATING EXPENSES	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Depreciation	3,998	5,444
- depreciation of fixed assets	3,707	5,309
- depreciation of intangible assets	291	135
Consumption of materials and energy	4,204	3,204
Third-party services	42,061	23,290
Taxes and fees	315	292
Employee benefit costs	18,146	19,660
Other costs by type	1,565	313
Total costs by type, including:	**70,289**	**52,203**
Items included in cost of sales of services	2,031	1,129
Items included in the cost of research work	50,125	20,685
Items included in project overheads	4,393	13,344
Items included in general and administrative expenses	13,740	17,045
Change in products	-	-
Cost of production of benefits for the entity's own needs	-	-

The increase in the Entity's operating expenses compared to the comparative period is mainly due to an increase in third-party service costs related in particular to the costs of research work in the most advanced projects CT-01 and CT-03. In the period under review, the costs of consumption of materials and energy also increased compared to the previous period, resulting mainly from the costs incurred for the purchase of reagents and laboratory supplies. The decrease in employee benefit costs is related to a decrease in the cost of the incentive program. The breakdown of employee costs is indicated in note 34.3.

In view of the achievement of further milestones and the acceleration of research processes in 2022, and in particular the change in the cost structure between eligible costs from the funding received from NCBiR and the Company's own costs, in order to increase the transparency of the information provided to the recipients of the financial statements, the Company decided at the stage of preparing the 2022 Financial Statements to reclassify and change the presentation of the portion of project overheads reported during 2022 to research costs. In 2021 and the first half of 2022, research costs financed from own funds were treated as overall project overheads. Currently, the Company qualifies as research costs all direct costs incurred in connection with ongoing research projects (irrespective of the source of funding) including, in particular, costs related to salaries of researchers, third-party services and other direct costs such as e.g. materials and labor, electricity and other media, depreciation of research assets, etc. Unlike research work costs, project overheads include costs not allocated to individual research projects. The main cost headings recognized as project overheads are, in particular, costs of personnel involved in project management, costs of personnel, financial, administrative and legal services, costs of maintaining office space related to project administration and other costs related to project administration and service. The above change has the value of a presentation change only and does not affect the change of the total value of research and general project costs and the Company's financial result. Due to the above change, the value of project overheads presented in the interim condensed consolidated statement of profit or loss and other comprehensive income for the period from 1 January to 30 September 2023 is lower than the value of costs presented in the interim condensed consolidated financial statements for the period from 1 January to 30 September 2022.

In the course of preparing these financial statements, the Company's Management Board has taken all reasonable efforts and actions to determine the possible amount of costs recognized in the financial result of the first three quarters of 2022 and presented as project overheads, which, given the above-described change in presentation in 2022, should be presented as research costs in the comparative data for the first three quarters of 2022. Bearing in mind para. 42 of International Accounting Standard No. 1 "Presentation of Financial Statements", due to the significant labor intensity associated with the possible recalculation of the comparative data in relation to the information value resulting from the presentation of a fully analogous breakdown of costs, it was decided not to restate the comparative data, given that the change was only of a presentational nature between research costs and project overheads.

Other operating income and financial income are described in Notes 35 and 36.

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

34.2. Depreciation and amortization expense recognized in profit or loss

DEPRECIATION AND AMORTIZATION EXPENSES RECOGNIZED IN PROFIT OR LOSS	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Items included in cost of services sold	**53**	**170**
Depreciation of fixed assets	20	169
Amortization of intangible assets	33	1
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
Items included in the cost of research work	**3,218**	**4,346**
Depreciation of fixed assets	2,975	4,241
Amortization of intangible assets	243	105
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
Items included in project overheads	**637**	**779**
Depreciation of fixed assets	635	767
Amortization of intangible assets	2	12
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
Items included in general and administrative expenses	**90**	**148**
Depreciation of fixed assets	77	131
Amortization of intangible assets	13	17
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
Total depreciation and amortization expenses	**3,998**	**5,444**

Depreciation and amortization expenses in the third quarter of 2023 decreased by PLN 1,446 thousand compared with the same period of the previous year. This is due to the termination of certain contracts and the Group not entering into any new material contracts classified under IFRS 16 'Leases'.

34.3. Employee benefit costs

EMPLOYEE BENEFIT COSTS	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Wages and salaries	12,059	10,251
Social security costs	1,825	1,646
Pension and holiday benefit costs	5	29
Other employee benefit costs	663	1,232
Costs of incentive programme	3,594	6,502
Total employee benefit costs, including:	**18,146**	**19,660**
Items included in cost of sales of services	1,059	496
Items included in research costs	9,173	6,619
Items included in project overheads	774	2,411
Items included in general and administrative expenses	7,140	10,134
Change in products	-	-
Cost of benefits for the entity's own needs	-	-

The main contributors to employee benefit costs are the Company's employee remuneration costs, which amounted to PLN 12,059 thousand in the nine months ended 30 September 2023, and the costs of the incentive program introduced in 2019, the cost of which in the period from 1 January to 30 September 2023 amounted to PLN 3,594 thousand (however, this is an accounting cost not related to real cash outflow). Details of this program and its valuation in subsequent quarters are described in the "Accounting policies and additional information".

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

35. Other operating income and expenses

OTHER OPERATING INCOME	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Profit on disposal of fixed assets	-	-
Dissolution of asset impairment losses	-	-
Donation	-	2,000
Other	521	229
Total other operating income	**521**	**2,229**

In the first three quarters of 2023, the Company released unused provisions of PLN 465 thousand set up in 2022. The remaining value represents interest income from improper performance of contracts by suppliers and remuneration of the payer for timely payment of payroll taxes.

OTHER OPERATING INCOME	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Loss on disposal of fixed assets	-	-
Revaluation of assets	-	-
Other	10,767	16
Total other operating expenses	**10,767**	**16**

In accordance with the principle of prudence, the Parent Company, in connection with the NCBiR's termination of the grant for the CT-02 project, made an allowance for receivables from grant income booked in previous periods in the CT-02 project in the amount of PLN 3,131 thousand. The Company also decided to create a provision for a liability to NCBiR in the amount of PLN 7,375 thousand for a potential obligation to return the grant received. This amount includes the principal amount plus interest.

CREATION OF REVALUATION ALLOWANCES	01.01.2023-30.09.2023	01.01.2022-30.06.2022
Intangible assets	-	-
Tangible fixed assets	-	-
Receivables (credit losses)	3,131	-
Inventories	-	-
Other	-	-
Total revaluation write-downs	**3,131**	**-**

36. Financial income and expenses

FINANCIAL REVENUE	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Interest income	2,627	1,128
Release of revaluation write-downs	-	-
Excess positive exchange rate differences	25	-
Total financial income	**2,652**	**1,128**

In the period from 1 January to 30 September 2023, the Company earned mainly interest on short-term deposits in the amount of PLN 1,841 thousand and short-term bonds purchased in the amount of PLN 778 thousand.

Interim condensed consolidated and separate financial statements prepared for the period from January 1 to September 30, 2023 (PLN '000)

In connection with the investment policy adopted by the Company, free funds are invested in secure financial instruments: bank deposits or bonds secured by government or banking institutions.

FINANCING COSTS	**01.01.2023-30.09.2023**	**01.01.2022-30.09.2022**
Interest expense on financial liabilities	-	89
Financial costs related to leasing agreements	154	131
Revaluation of investments	-	-
Excess negative exchange rate differences	-	110
Other	55	2
Total finance costs	**209**	**332**

In 2023, the Company incurred finance costs from interest on financial liabilities (leases) and budgetary interest.

37. Income tax

37.1. Tax burden

Due to tax losses from operations, the Group has no current tax burden.

The parent company reported and paid tax on realized capital gains for 2022 in the amount of PLN 57 thousand.

37.2. Deferred income tax

The Group has not recognized deferred tax assets and liabilities taking into account the prudence principle. With no tax losses to be deducted, the impact of temporary differences is immaterial.

DEDUCTIBLE TEMPORARY DIFFERENCES, TAX LOSSES ON WHICH DEFERRED TAX ASSETS HAVE NOT BEEN RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	**Basis for asset recognition at the end of the period**	**Basis for asset recognition at the end of the period**	**Date of expiry temporary differences, tax losses**
	30.09.2023	**31.12.2022**	
Due to:			
Other reserves	8,477	1,094	-
Provisions for employee benefits	623	618	-
Difference between leasing assets and liabilities	154	-	-
Tax losses	118,044*	60,008	2023-2027
Total:	**127,298**	**61,720**	

* *the tax loss presented in the table above includes the accumulated tax losses incurred by the Company in 2018-2023 and in the period from 1 January to 30 September 2023.*

38. Discontinued operations

There were no discontinued operations in the period from January 1 to September 30, 2023 or in the corresponding period of 2022.

39. Dividends paid and proposed for payment

The Company did not pay dividends in the period from January 1 to September 30, 2023 and in the corresponding period of 2022. Advances on dividends were also not paid.

40. Business combinations, acquisition of assets of significant value and acquisition of minority interests

There were no mergers of business entities, acquisitions of assets of significant value or acquisitions of minority interests to which the Entity was a party during 2023.

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41. Tangible fixed assets

PROPERTY, PLANT AND EQUIPMENT	30.09.2023	31.12.2022
Own	3,511	4,354
Used under a rental, lease or other agreement, including a lease agreement	3,850	3,997
Total	**7,361**	**8,351**

PROPERTY, PLANT AND EQUIPMENT	30.09.2023	31.12.2022
Fixed assets, of which:	**7,361**	**8,351**
buildings and structures	3,941	3,329
machinery and equipment	2,931	4,941
Other fixed assets	489	81
Fixed assets under construction	-	-
Total	**7,361**	**8,351**

Included in machinery and equipment are medical and specialized equipment acquired and used by the Company.

In the reporting period, the Company reclassified the value of fixed assets between the 'other fixed assets' and 'machinery and equipment' groups in the amount of PLN 627 thousand.

The following tables show the changes in the Company's fixed assets from 1 January to 30 September 2023 and in the comparative period.

CHANGES IN FIXED ASSETS BY TYPE 01.01.2023 - 30.09.2023	buildings and structures	machinery and equipment	other fixed assets	total fixed assets
Gross fixed assets, beginning of period	**11,357**	**19,609**	**1,135**	**32,100**
Increases, due to	**2,620**	**128**	**20**	**2,768**
acquisitions	2,620	128	20	**2,768**
Decreases, due to	-	-	-	-
Gross fixed assets, end of the period	**13,977**	**19,737**	**1,154**	**34,868**
Accumulated depreciation, beginning of period	**8,028**	**14,668**	**1,053**	**23,749**
Increases, due to	**2,008**	**2,138**	**238**	**4,385**
depreciation	2,008	1,511	238	**3,758**
movement between groups of fixed assets	-	627	-	627
Decreases, due to	-	-	**627**	**627**
movement between groups of fixed assets	-	-	627	627
Accumulated depreciation at the end of the period	**10,036**	**16,806**	**665**	**27,507**
Impairment losses at the beginning of the period	-	-	-	-
Impairment losses at the end of the period	-	-	-	-
Net value of fixed assets at the end of the period	**3,941**	**2,931**	**489**	**7,361**

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CHANGES IN FIXED ASSETS BY TYPE 01.01.2022 - 31.12.2022	buildings and structures	machinery and equipment	Other fixed assets	total fixed assets
Gross fixed assets, beginning of period	**9,771**	**24,852**	**702**	**35,326**
Increases, due to	**2,036**	**244**	**432**	**2,712**
acquisitions	2,036	244	432	2,712
Decreases, due to	**450**	**5,488**	**-**	**5,938**
termination of the lease	-	5,488	-	5,488
disposal	450	-	-	450
Gross value of fixed assets, end of period	**11,357**	**19,609**	**1,135**	**32,100**
Accumulated depreciation, beginning of period	**6,156**	**16,413**	**145**	**22,714**
Increases, due to	**2,322**	**3,463**	**909**	**6,694**
depreciation	2,322	3,463	909	6,694
Decreases, due to	**450**	**5,208**	**-**	**5,658**
termination of the lease	-	5,208	-	5,208
disposal	450	-	-	450
Accumulated depreciation, end of period	**8,028**	**14,668**	**1,053**	**23,749**
Impairment losses, beginning of period	**-**	**-**	**-**	**-**
Impairment losses, end of period	**-**	**-**	**-**	**-**
Net fixed assets, at the end of period	**3,329**	**4,941**	**81**	**8,351**

The Company does not have any tangible fixed assets to which the Entity's title would be restricted or which would provide security for liabilities.

The Company has no contractual obligations to acquire property, plant and equipment in the future.

42. Trade and other receivables

TRADE RECEIVABLES	30.09.2023	31.12.2022
Net trade receivables	**2,970**	**982**
- from related parties	-	-
- from other entities	2,970	982
Impairment losses on receivables	-	-
Gross trade receivables	**2,970**	**982**

OTHER RECEIVABLES	30.09.2023	31.12.2022
Other receivables, net	**5,388**	**8,685**
Budget receivables	1,361	969
Grants receivable	3,701	7,557
Other	326	159
Estimation of credit loss	3,131	-
Gross other receivables	**8,519**	**8,685**

Receivables from grants relate to eligible costs incurred in a given fiscal year and subject to reimbursement in subsequent reporting periods. In accordance with the principle of prudence and in connection with the NCBiR's termination of the subsidy for the CT-02 project, the Parent Company created an allowance for receivables on account of subsidy income booked in previous periods in the CT-02 project in the amount of PLN 3,131 thousand.

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In the opinion of the Parent Company's Management Board, there is no credit risk above the level determined by the allowance for uncollectible receivables specific to the Group's trade receivables.

43. Other financial assets

OTHER FINANCIAL ASSETS	30.09.2023	31.12.2022
Short-term bonds	16,284	19,854
Loans granted	129	126
Write-downs	-	-
Other financial assets	**16,413**	**19,980**

As part of its free cash management, the unit invests in short-term SF or corporate bonds that are backed by government or banking institutions.

On September 2, 2022, a loan agreement was signed between Captor Therapeutics S.A. and Captor Therapeutics GmbH. Captor Therapeutics S.A., as the lender, granted the Subsidiary a loan in the amount of CHF 26,162.35. The loan was disbursed in the third quarter of 2022. According to the agreement, the borrower is obliged to repay the loan by December 31, 2023. The loan agreement does not provide for collateral. The interest rate on the loan is on terms in accordance with the transfer pricing rules.

44. Equity

44.1 Share capital

As of 30 September 2023, the Company's share capital amounted to PLN 424,571.20 and was divided into 4,245,712 shares with a nominal value of PLN 0.10 each.

SHARE CAPITAL	30.09.2023	31.12.2022
Number of shares (pcs.)	4,245,712	4,168,130
Nominal value of shares (PLN)	0.10	0.10
Share capital	**425**	**417**

On July 25, 2023, the Parent's Board of Directors adopted a resolution to issue 25,271 series O ordinary bearer shares, within the limits of the Company's authorized capital, excluding, in full, the pre-emptive rights of the Company's existing shareholders. The issuance of shares is related to the implementation of the Company's share-based incentive program for employees and members of the Company's governing bodies (information was provided in current report No. 29/2023 dated July 25, 2023). The share capital increase was registered by the Company's competent registry court on September 19, 2023.

On August 18, 2023, the registry court having jurisdiction over the Parent Company registered an amendment to the Company's Articles of Incorporation, made on the basis of the Company's Board of Directors' Resolution No. 2 dated February 14, 2023 on the issuance of 11,292 series N ordinary bearer shares, within the limits of the Company's authorized capital, excluding the pre-emptive rights of the Company's existing shareholders in full. The shares were issued within the framework of the Company's incentive program.

On September 21, 2023. The Parent's Board of Directors adopted a resolution on the issuance of not less than 1 but not more than 400,000 series P ordinary bearer shares, within the limits of the Company's authorized capital, excluding, in full, the pre-emptive rights of the Company's existing shareholders. The issuance of shares was related to the commencement of the book-building process for the offering of new series P bearer shares and the conclusion of a share offering placement agreement. In connection with the issuance of series P shares, on September 29, 2023. The Company's Board of Directors adopted a resolution on the allotment of 400,000 series P ordinary bearer shares of the Company with a par value of PLN 0.10 each and a total par value of PLN 40,000.00. The share capital increase was registered by the Company's competent registry court on October 23, 2023.

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As of the publication date of this report, the Company's share capital amounts to PLN 464,571.20 and is divided into 4,645,712 shares with a nominal value of PLN 0.10 per share. The total number of votes resulting from all shares of the Company is 5,793,105.

45. Liabilities under leases

Structure of lease liabilities by maturity

LEASE LIABILITIES	**30.09.2023**	**31.12.2022**
Short-term lease obligations, including:	2,801	3,245
- up to 1 month	313	411
- 1 month to 3 months	597	777
- 3 months to 6 months	828	941
- 6 months to a year	1,063	1,116
Long-term lease obligations, including:	1,204	1,379
- one to five years	1,204	1,379
- over five years	-	-
Total	**4,005**	**4,625**

Lease obligations mainly relate to leases of office space, laboratory space and specialized equipment used in the Group's day-to-day operations.

46. Financial instruments

Fair values of individual classes of financial instruments

The following table compares the carrying values and fair values of all the Group's financial instruments, by class and category of assets and liabilities.

FAIR VALUES OF PARTICULAR CLASSES OF FINANCIAL ASSETS AND LIABILITIES	**Category**	**Carrying value**		**Fair value**	
		30.09.2023	**31.12.2022**	**30.09.2023**	**31.12.2022**
Financial assets					
Bonds	WwgZK	16,284	19,854	16,284	-
Loans granted	WwgZK	129	126	129	-
Trade receivables	WwgZK	2,970	982	2,970	982
Other receivables	WwgZK	5,388	8,685	5,388	8,685
Cash and cash equivalents	WwgZK	38,274	70,987	38,274	70,987
Total		**63,045**	**100,634**	**63,045**	**100,634**
Financial liabilities					
Interest-bearing bank loans and advances	PZFwgZK	-	-	-	-
Lease liabilities	wg MSSF16	4,005	4,625	4,005	4,625
Trade payables	PZFwgZK	7,446	5,736	7,446	5,736
Other liabilities	PZFwgZK	2,555	2,074	2,555	2,074
Total		**14,006**	**12,435**	**14,006**	**12,435**

Abbreviations used:

WwgZK - Valued at amortized cost

PZFwgZK - Other financial liabilities measured at amortized cost

Lease liabilities presented in the table above are measured in accordance with IFRS 16 'Leases'.

The fair value of the financial instruments held by the Group as of the balance sheet date does not differ from the value presented in the financial statements due to the fact that with regard to short-term instruments, the possible effect of discounting is not significant, these instruments relate to transactions concluded at arm's length.

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47. Explanations to the statement of cash flows

LISTING	30.09.2023	30.09.2022
Depreciation:	**3,998**	**5,444**
depreciation of intangible assets	291	135
depreciation of property, plant and equipment	3,707	5,309
Foreign exchange gains (losses)	**-**	14
accrued exchange rate differences	-	14
Interest:	**-2,419**	**-917**
other interest paid	53	-
accrued interest on loans received	-	-
interest received on bonds	-842	-191
other accrued interest	-5	-15
accrued interest on loans granted	-2	-
interest received on short-term deposits	-1,841	-740
interest accrued on bonds	64	-193
interest paid on leases	154	223
Change in reserves:	**7,386**	**-4,619**
Balance sheet change in provisions for trade liabilities	7,381	-4,648
balance sheet change in provisions for employee benefits	5	29
Change in accounts receivable:	**1,310**	**455**
change in short-term receivables resulting from the balance sheet	1,310	456
change in long-term receivables resulting from the balance sheet	-	-1
Change in current liabilities, except for financial liabilities:	**1,762**	**1,625**
change in short-term liabilities resulting from the balance sheet	1,762	1,625
change in other liabilities	-	-
Change in accruals:	**8,174**	**464**
change in accruals resulting from the balance sheet	8,174	464

48. Information on related parties

The following is a list of related parties to the Group as of September 30, 2023, with which the Company transacted during the period covered by these financial statements.

entity or individual	function performed / description of relationship
Sylvain Cottens	Member of the Management Board of Captor Therapeutics GmbH, shareholder of Captor Therapeutics S.A.
Thomas Shepherd	CEO of Captor Therapeutics S.A.
Michał Walczak	Chairman of the Management Board of Captor Therapeutics GmbH, Member of the Management Board of Captor Therapeutics S.A., shareholder of Captor Therapeutics S.A.
Radosław Krawczyk	Member of the Management Board of Captor Therapeutics S.A.,
Captor Therapeutics GMBH	The company, 100% of which is owned by Captor Therapeutics S.A.
Paweł Holstinghausen Holsten	Member of the Supervisory Board of Captor Therapeutics S.A., shareholder of Captor Therapeutics S.A.
Maciej Wróblewski	Member of the Supervisory Board of Captor Therapeutics S.A.
Florent Gros	Member of the Supervisory Board of Captor Therapeutics S.A.
Krzysztof Samotij	Member of the Supervisory Board of Captor Therapeutics S.A.
Swissvention Partners GMBH	The company in which Florent Gros is the Managing Director and owner
Robert Florczykowski	Member of the Supervisory Board of Captor Therapeutics S.A.

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Transactions with related parties

The following table shows transactions made in the period from January 1 to September 30, 2023 with related parties to the Group.

01.01.2023-30.09.2023	**Towards subsidiaries**	**Towards partially owned subsidiaries**	**Towards key management***	**Towards other related parties****
Purchases	1,313	-	-	-
Sales	-	-	-	-
Loans granted	-	-	-	-
Financial income - interest on loans	2	-	-	-
Loans received	-	-	-	-
Financial costs - interest on loans and remuneration for the establishment of a registered pledge	-	-	-	-
Trade receivables	-	-	-	-
Trade payables	168	-	-	-
Remuneration - paid by the Company***	-	-	2,201	-
Other	-	-	-	-

* This item includes persons having authority and responsibility for planning, directing, and controlling the activities of the entity;
** This item includes entities related through key management;
***item does not include the costs of the Company's Share-based Incentive Scheme. For information on the Incentive Scheme, please refer to note 50.

Transactions between related parties took place on terms equivalent to those in arm's length transactions.

49. Significant values based on professional judgment and estimates

Criteria for Assessing the Likelihood of Commercialization of Projects

When the Group begins work on a particular project, it assesses whether the expenditure incurred should be classified as research or development. The following is first assessed: the scope of the work in question, what product it relates to, what are the regulatory requirements for that product, what is the potential market in which it is to be commercialized, and the Group's management assesses the likelihood of obtaining registration and the possibility of commercialization according to the decision criteria below.

The Group makes a clear distinction between projects in terms of their likelihood of commercialization. Consequently, it is possible to determine how the costs arising from them will be accounted for. The costs of projects whose commercialization is uncertain will be charged to the current period's costs, while those whose commercialization is certain are capitalized in accordance with the terms of IAS 38. The Group has set an internal probability level, the achievement of which will indicate that a given project and its expenditures may be subject to capitalization - this level was set at no less than 70% probability.

The decision criteria for assessing probability relate to the following:

1) the size and trend of the market to which the project is related;

2) compatibility of the new project with the Group's current portfolio;

3) compatibility of the new project with the Group's commercial model;

4) meeting the registration requirements in the shortest possible time;

5) possessed production and laboratory facilities;

6) sufficiency of financial resources or potential sources of financing through existing or future contracts;

7) obtaining an independent or internal opinion on the implementation of the project.

Projects are evaluated annually according to the same business criteria as well as the requirements according to par. 57 of IAS 38.

Grants

The Group estimates the probability of having to repay the grants received. Depending on the adopted estimation, the received subsidies may be charged to profit or loss in the year when the costs financed by the subsidies are incurred or suspended on deferred income until there is reasonable assurance that the amounts received will not be returned.

The Group distinguishes three types of risk related to the return of received subsidies:

Risks relating to project implementation (risk number 1), in the opinion of the Parent Company's management, are as follows:

- The Group refuses to undergo or hinders the inspection or does not implement the post-inspection recommendations within the indicated timeframe;
- In the course of control proceedings by authorized institutions, errors or shortcomings were found in the submitted documentation of the Project's environmental impact and these were not corrected or supplemented within the indicated deadline;
- The Group does not submit a payment application or interim report on time;
- The Group does not correct the payment claim or interim report containing gaps or errors within the set deadline;
- The Group fails to provide information and explanations about the implementation of the Project
- The Group uses the grant money contrary to its purpose, collects the grant money unduly or in excessive amount;
- The Group uses the grant with violation of procedures referred to in Article 184 of the Public Finance Act;
- Any Interim Report was negatively assessed by the authorized institutions as referred to in the grant agreement;
- Further implementation of the Project by the Group is impossible or pointless;
- The Group ceases to implement the Project or implements it in a manner contrary to the agreement or in breach of law;
- There is no progress in the implementation of the Project in relation to deadlines specified in the application for a grant, which causes that there are reasonable grounds to believe that the Project will not be implemented in full or that its objective will not be achieved.

These risks are under the Group's control. The Group ensures that projects are implemented in compliance with the guidelines and provisions of the grant agreements. Project expenditures are incurred in compliance with the principle of fair competition, which is verified at three levels of project audit i.e. internal audit, verification of project expenditures at the time of payment application by the financing institution and verification of project expenditures conducted by an external company.

Risks related to the Group's activities (risk number 2), in the opinion of the Parent Company's management, are as follows:

- The Group or the Parent Company makes legal and organizational changes that threaten the implementation of the Agreement or fails to inform the Intermediate Body of its intention to make legal and organizational changes that may have a negative impact on the implementation of the Project or the achievement of the Project objectives. This risk is controlled by the Group. The Management Board of the Parent Company informs the Intermediate Body about all legal and organizational changes.
- The Group does not promote the Project as specified in the Agreement. This risk is controlled by the Group. The Group promotes the Projects at thematic scientific conferences and the execution of promotional activities is in line with the grant agreements.
- Laboratory facilities - the Group has existing laboratory facilities.
- Insufficient resources of specialized staff and laboratories able to design and implement studies intended to use the new

drug development technology
- Insufficient financial resources or potential funding sources through existing or future licensing or collaboration agreements.

  The risks of project sustainability (risk number 3) in the assessment of the Parent Company's management are presented below.

The Management of the Parent Company ensures that the project sustainability requirement is met. In accordance with the Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006, and with the subsidy agreements, the Group is obliged to ensure project sustainability for a period of three years from their completion.

The sustainability principle is infringed if during its period at least one of the premises occurs:

- the Group ceases its activity or moves it outside the program support area,
- a change of ownership of an element of the co-financed infrastructure occurs, which gives an undue advantage to the company,
- there is a significant change affecting the nature of the project, its objectives or the conditions for its implementation which could lead to a violation of its original assumptions.

Separately from the above, it should be noted that, the grant agreements with NCBiR relate to the implementation and financing of the Company's projects until the end of 2023. The Company has applied for phasing of two projects, i.e. extending their implementation until 2026. The Company estimates that some of its projects will enter Phase I clinical trials between 2023 and 2024. Even if the Company's estimated timetable for certain projects currently provides for entry into Phase I clinical trials in the period that is or will be covered by phased project financing, it cannot be ruled out that such a timetable will change. As a result, the Company may not be able to utilize all of the funding received for a project from NCBiR and will have to finance further work from its own resources. The Company is also exposed to the risk of the grant being withheld, significantly reduced or having to return some or all of the funds received from the grant.

The Company received some of the NCBiR funding as a consortium member. This situation occurred in the case of implementation of two projects: (i) the project entitled" "Development of laboratory kits for screening testing of chemical compounds in the development of a new class of drugs", under which the Company cooperated with the Institute of Immunology and Experimental Therapy of the Polish Academy of Sciences based in Wrocław, (ii) the project entitled: "Development and implementation of an innovative platform for screening analysis of degron-type therapeutic compounds" under which the Group cooperated with PORT Polski Ośrodek Rozwoju Technologii sp. z o.o. with its registered office in Wrocław (formerly: Wrocławskie Centrum Badań EIT+ spółka z o.o.). In both cases, the Group and the other member of the consortium share the rights to the results of work and research under the project. As a result, the economic implementation of research results, e.g., their sale or licensing, requires the cooperation of the consortium members and cannot be carried out by the Company alone. Because of the necessity of cooperation between the consortium members, the Company cannot exclude the risk of lack of cooperation from the other consortium member or inability to reach agreement on the terms of sale or implementation of project results, which might consequently have an adverse impact on the Company's operations, financial position, development prospects and results.

In contrast, the project financed by the Medical Research Agency does not have a specific shelf life in relation to the maintenance of project performance indicators, but the provisions of the grant agreement impose certain information and reporting obligations on the Company for a period of 5 years after the completion of the project.

Moreover, agreements providing for sale or granting a license for the project results must meet a number of requirements described in more detail in the grant agreement. It cannot be excluded that it will not be possible to meet some or all of the above-mentioned requirements or that the Company will not manage to implement the results of research and development work within the deadlines indicated in agreements which may result in subsidies being withheld or grant agreements being terminated and, in an obligation, to return all or some subsidies with interest.

Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that non-financial assets are impaired. If any indication exists that the carrying amount of these assets may not be recoverable, the Group tests the non-financial assets for impairment. As at the balance sheet date, in the opinion of the Group's Management Board, there is no indication of impairment of the carrying amount of non-financial assets held.

50. Important accounting principles

Research and development costs

Research costs are charged to the result as incurred. Expenditure incurred on development work performed as part of a project is carried forward if it can be deemed to be recoverable in the future. Subsequent to the initial recognition of development expenditure, the historical cost model is applied requiring assets to be carried at cost less accumulated depreciation and accumulated impairment losses. Any expenditure carried forward is amortized over the expected period of benefit to be derived from the project.

Development costs are reviewed for impairment annually - if the asset has not yet been placed in service, or more frequently - if during the reporting period an indication of impairment becomes apparent that its carrying amount may not be recoverable.

In order to correctly identify development work, the Group distinguishes it from research work. According to IAS 38, research work is an innovative and planned search for solutions undertaken with the intention of acquiring and assimilating new scientific and technical knowledge. Examples of research work according to IAS 38 include:

- activities aimed at acquiring new knowledge;
- the search for, evaluation and selection of the use of the results of research work or other knowledge;
- the search for alternative materials, devices, products, systems processes or services;
- the formulation, design, evaluation, and final selection of new or improved materials, devices, products, processes, systems, or services.

When generating intangible assets on its own, the Group allocates the expenditure to research and development accordingly. If the Group is unable to separate the research stage from the development stage, it treats the entire costs incurred as research stage costs. This results in charging the result for the period in which the costs were incurred. Expenditure incurred in the course of development work is recognized as an expense when incurred or is recognized as an intangible asset, depending on whether the criteria for capitalization are met.

It is possible to recognize expenditure and classify it as development work provided that:

- it is technically possible to complete the intangible asset so that it is suitable for use or can be held for sale,
- there is a realistic possibility that the intangible asset will generate probable future economic benefits,
- there is the ability to use or sell the intangible asset,
- there are available technical, financial, and other resources and expenditures can be measured reliably,
- there is a method of implementation and applicability considering the existence of a market for the product.

When development expenditure meets the above conditions, the expenditure incurred is capitalized and reported in the statement of financial position as "Development expenditure (work in progress)".

In accordance with IAS 38, development cost includes all expenditure that is directly attributable to the activities of creating, producing, and adapting an asset for use in the manner intended by management. These expenditures include:

- expenditures for materials and services used or consumed in generating the intangible asset,
- costs of employee benefits arising directly from the generation of the intangible asset,

- fees to register a legal title,
- amortization of patents and licences that are used to generate the intangible asset.

Leasing

Under IFRS 16, the Group classifies arrangements as leases if, under the arrangement, the Group obtains the right to control the use of an identified asset for a specified period in return for consideration. The entity reassesses whether an arrangement is or contains a lease only if the terms of the arrangement change.

With respect to an arrangement that is a lease, the Group applies a solution expedient and does not separate the non-lease elements from the lease elements and instead recognizes each lease element and any accompanying non-lease elements as a single lease element.

The Group applies a single recognition and measurement approach for all leases to which it is a lessee, except for short-term leases and leases of low-value assets, which are recognized as an expense in earnings on a straight-line basis over the lease term.

In determining the lease term for leases with an indefinite term, the Group exercises professional judgement considering:

- the expenditures incurred in relation to a particular contract; or
- the potential costs of terminating the lease, including the costs of obtaining a new lease, such as negotiation costs, relocation costs, the costs of identifying another underlying asset to meet the lessee's needs, the costs of integrating the new asset into the lessee's operations, or termination penalties and similar costs, including the costs of returning the underlying asset in the condition specified in the contract or to the location specified in the contract.

Where the costs associated with termination of the lease are significant, the lease term is assumed to be the same as the assumed depreciation period for a similar fixed asset with characteristics similar to those of the leased asset. To the extent that the costs associated with termination of the lease are reliably determinable, the lease term over which termination is not justified is determined. When the expenditure incurred on a particular arrangement is significant, the lease term is the period over which the economic benefits from the use of the expenditure are expected to flow. The value of the expenditure incurred is a separate asset from the right-of-use asset. If there is no expenditure on a contract, or no termination costs, or if the expenditure is immaterial, the termination period is the lease term.

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date that the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation, and impairment losses, adjusted for any revaluation of lease liabilities. The cost of right-of-use assets comprises the amount of recognized lease commitments, initial direct costs incurred, and any lease payments made on or before the commencement date, less any lease incentives received. Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, recognized right-of-use assets are amortized on a straight-line basis over the shorter of the estimated useful life or the lease term.

At the inception of the lease, the Group measures its lease liabilities at the present value of the lease payments outstanding at that date. Lease payments comprise fixed payments (including substantially fixed lease payments) less any lease incentive payable, variable payments that depend on an index or rate and amounts expected to be paid under the guaranteed residual value. Lease payments also include the exercise price of a call option, if the exercise by the Group can be assumed with reasonable certainty, and payments of lease termination penalties, if the terms of the lease provide for the Group's ability to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition giving rise to the payment occurs.

In calculating the present value of lease payments, the Group uses the lessee's incremental borrowing rate at the inception of the lease if the lease rate cannot be readily determined. After the commencement date, the amount of the lease liability is increased to reflect interest and reduced by lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is a change in the lease term, a change in the substantially fixed lease payments, or a change in judgement regarding the purchase of the underlying assets.

Leases where control of the assets does not pass are operating leases. Lease payments made under operating leases (adjusted for any special promotional offers received from the lessor (financing party) are charged to expense on a straight-line basis over the lease term.

Impairment of non-financial fixed assets

At each balance sheet date, the Group assesses whether there is any indication that a non-financial non-current asset may be impaired. If any such indication exists, or if an annual impairment test is required, the Group estimates the recoverable amount of the asset or the cash-generating unit to which the asset belongs.

At each balance sheet date, the Group assesses whether there is any indication that an impairment loss recognized in prior periods in respect of an asset is no longer necessary or should be reduced. If such indications exist, the Group estimates the recoverable amount of the asset. A previously recognized impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increased amount cannot exceed the carrying amount of the asset that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss for an asset is recognized as income in the income statement. After the reversal of an impairment loss is recognized, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Grants

The Group operates in the biopharmaceutical industry, specializing in the development of drugs that induce targeted degradation of pathogenic proteins. The Group benefits from UE grants from the Narodowe Centrum Badań i Rozwoju (ang. the National Center for Research and Development) ("NCBiR") and a grant from the state budget provided by the Medical Research Agency. The Group receives grants in the form of cash upon fulfilment of the conditions set out in the grant agreements and upon acceptance of payment applications. This is done after the Group has incurred expenses, either in the form of refunds or advances.

Grant funds, including non-monetary grants recognized at fair value, are recognized only when there is reasonable assurance that the Group will satisfy the conditions attached to the grant and that the grant will actually be received. Where a grant relates to a specific cost item, it is recognized as income over the period necessary to match it with the related costs which the grant is intended to compensate. On the other hand, if a grant relates to a specific asset, then its fair value is recognized in the deferred income account and then it is gradually recognized in the income statement as revenue in proportion to the depreciation write-offs made on that asset.

Grants may relate to expenditure on research, industrial research, development work (intangible assets) or fixed assets.

When a grant becomes repayable, it results in a change of estimate and the repayment of the grant is recognized immediately in profit or loss.

Grant reimbursement risks are further described in Section 8.11 Significant values based on professional judgment and estimates in the "Grants" paragraph.

The Criteria for Assessing the Likelihood of Commercialization of Projects are further described in Section 8.11 Significant Values Based on Professional Judgment and Estimates in the paragraph entitled "Criteria for Assessing the Likelihood of Commercialization of Projects."

Employee share schemes – share-based payments

The Parent Company operates an equity-settled share-based benefit plan under which employees have the opportunity to acquire shares in the Parent Company upon satisfying the conditions set out in the Incentive Plan Regulations. The scheme covers a total of no more than 237,244 ordinary shares in the Parent Company.

The Incentive Scheme was established pursuant to Resolution no. 14 of the Parent Company's Annual General Meeting of 16 May 2019, as amended by Resolution no. 22 of the Parent Company's Annual General Meeting of 26 June 2020 and Resolution no. 10 of the Parent Company's Extraordinary General Meeting of 8 January 2021. On the basis of the Incentive Scheme, eligible persons (i.e. persons employed in the Parent Company or its subsidiaries, on the basis of an employment contract or other legal basis, indicated by the Management Board of the Parent Company after obtaining the approval of the Supervisory Board, as well as members of the Supervisory Board indicated by the General Meeting) will have the right to purchase existing or newly issued shares of the Parent Company. The decision as to whether the Parent Company will offer employees the treasury shares acquired by the Parent Company from the shareholders of the Parent Company (the Parent Company's primary obligation) or issue newly issued shares (the so-called alternate authorization) has been left to the Parent Company.

The sale price per share (or issue price in the case of newly issued shares) is PLN 0.10 (ten groszy), i.e. participating participants in the Incentive Program may purchase (take up) shares at the issue price corresponding to the nominal value of the shares. The number of shares in the Parent Company to be offered to a given employee shall depend on the decision of the Management Board and the Supervisory Board. The criteria taken into account in determining it are: position, length of service, evaluation of the employee's contribution to the value of the Parent Company to date and the importance of the employee's position to the achievement of the objectives of the Parent Company. In order to participate in the Incentive Scheme, employees of the Parent Company will enter into agreements to participate in the Incentive Scheme, on the basis of which shares will be acquired in four equal tranches falling, as a rule, on the first, second, third and fourth anniversary of the conclusion of the agreement on participation in the Incentive Scheme. The condition for acquiring the right to subsequent tranches is that the employee remains in employment on the date of expiration of the relevant tranche's acquisition period, with a resolution of the Supervisory Board on June 7, 2023 introducing a stipulation in contracts for new program participants that in the event of a long-term absence, the share tranche's acquisition period is extended (absence of less than 6 months) or the eligible person loses the right to the share tranche (absence of more than 6 months). Employees of the Parent Company, in agreements concerning participation in the Incentive Program, undertake towards the Parent Company not to sell the acquired shares for a period of one year from the date of acquisition of a given tranche of shares (in accordance with a resolution of the Supervisory Board dated February 22, 2021, amending the Regulations of the Incentive Program, the Supervisory Board agreed that the aforementioned obligation not to sell shares will last for a period of one year from the date of fulfillment of the condition entitling to acquisition of a given tranche. The above amendment has been implemented by the Parent Company in the Incentive Program participation agreements entered into to date as well as will be applied in participation agreements entered into in the future).

The valuation of employee share schemes is based on IFRS2. The Parent Company has decided to estimate the fair value of the rights arising from the Incentive Scheme by an external, independent actuary. The fair value of the rights is recognized as an expense over the vesting period.

The total amount to be recognized as an expense is determined by reference to the fair value of the shares granted, determined at the grant date:

- taking into account any market conditions (for example, the entity's share price);
- without taking into account the effect of any seniority-related or non-market vesting conditions (for example, sales profitability, sales growth targets and the indicated period of mandatory service with the entity).

At the end of each reporting period, the Parent Company revises its estimates of the expected number of shares that will vest as a result of non-market vesting conditions. The Group presents the effect of any revision to the original estimates in the statement of profit or loss, with a corresponding adjustment to equity.

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According to the valuation, the value of the incentive program is as follows in each quarter for the years 2023-2027:

Quarter	Cumulative cost (PLN)	Cost of the period (PLN)
2023 Q4	24,320	941
2024 Q1	25,123	803
2024 Q2	25,889	766
2024 Q3	26,346	457
2024 Q4	26,701	356
2025 Q1	26,971	270
2025 Q2	27,218	247
2025 Q3	27,342	125
2025 Q4	27,416	73
2026 Q1	27,466	50
2026 Q2	27,514	48
2026 Q3	27,546	32
2026 Q4	27,564	18
2027 Q1	27,580	15
2027 Q2	27,593	14
2027 Q3	27,597	4
2027 Q4	27,597	0

The above values may change in subsequent periods if rights are granted to new employees or if cooperation with existing employees is terminated, resulting in the loss of their rights.

51. Business segment information

A company is organized and managed by segments, taking into account the type of products and services offered. Each operating segment represents a strategic business unit offering different products and goods. Operating segments are aggregated into reportable segments based on the nature of the business.

Management believes that the Group has one reportable segment - research and development.

Due to the existence of one reportable segment, the Management Board of the Parent Company has refrained from preparing information on operating segments.

52. Shareholders

The list of significant shareholders of the Parent Company (holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the General Meeting) is presented in the table below.

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As of 30 September 2023:

OWNERSHIP STRUCTURE OF SHARE CAPITAL*

No.	Shareholder	Total number of shares	Total number of votes	Percentage of shares capital	Percentage of total votes at the GSM
1.	Michał Walczak	955,128	1,496,145	22.50%	27.74%
2.	Paweł Holstinghausen Holsten	596,187	956,262	14.04%	17.73%
3.	Sylvain Cottens	340,897	526,730	8.03%	9.77%
4.	Funds managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. **	303,075	303,075	7.14%	5.62%
5.	Others	2,050,425	2,110,893	48.30%	39.14%
	Total	**4,245,712**	**5,393,105**	**100.0%**	**100.0%**

** Based on information available to the Company.*

*** Of which Nationale-Nederlanden Otwarty Fundusz Emerytalny individually holds 271,564 of the Company's shares, which constitutes 5.03% of the total number of votes and 6.40% of the share capital.*

As of the date of these interim condensed consolidated and separate financial statements:

OWNERSHIP STRUCTURE OF SHARE CAPITAL*

No.	Shareholder	Total number of shares	Total number of votes	Percentage of shares capital	Percentage of total votes at the GSM
1.	Michał Walczak	955,128	1,496,145	20.56%	25.83%
2.	Paweł Holstinghausen Holsten	596,187	956,262	12.83%	16.51%
3.	Sylvain Cottens	340,897	526,730	7.34%	9.09%
4.	TFI Allianz Poland S.A.	343,483	343,483	7.39%	5.93%
5.	Funds managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. **	303,075	303,075	6.52%	5.23%
6.	Others	2,106,942	2,167,410	45.35%	37.41%
	Total	**4,645,712**	**5,793,105**	**100.0%**	**100.0%**

** Based on information available to the Company.*

** *Of which Nationale-Nederlanden Otwarty Fundusz Emerytalny individually holds 271,564 of the Company's shares, which constitutes 4.69% of the total number of votes and 5.85% of the share capital.*

53. Contingent liabilities

The Company issues registered blank promissory notes for each grant agreement (for each project) concluded with NCBiR. This is required by the regulations for projects co-financed from public funds.

As collateral for proper performance of obligations under the project funding agreement, the Parent Company's Management Board submitted a security in the form of a blank promissory note bearing the clause "not to order". The security was established until the end of the projects' durability period. This is a requirement resulting from the subsidy (grant) agreement. Such a provision is included in each of the agreements to which the Parent Company is a party.

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The contingent liabilities presented below are the same for both the Company and the Group.

CONTINGENT LIABILITIES			**30.09.2023**
Type of contract to be secured			**Bills of exchange together with the declaration of exchange**
Description	**Contractual amount**	**Potential contingent liability**	**Type of bill of exchange**
POIR.01.01.01-00-0747/16*	24,320	12,027	in blanco
POIR.01.01.01-00-0956/17	27,203	20,186	in blanco
POIR.01.02.00-00-0073/18	25,511	12,426	in blanco
POIR.01.02.00-00-0079/18	29,558	16,814	in blanco
POIR:01.01.01-00-0740/19	28,960	16,592	in blanco
POIR.01.01.01-00-0931/19	7,683	6,615	in blanco
POIR.01.01.01-00-0741/19	27,411	5,949	in blanco
Total	**160,646**	**90,609**	

54. Litigation

As of 30 September 2023, and as at the date of these interim condensed consolidated and separate financial statements, the Group entities are not party to any major litigation.

55. Seasonality

There is no seasonality or cyclicality in the business segments in which the Group companies operate.

56. Events after the balance sheet date

After the balance sheet date (i.e. September 30, 2023), the following significant events occurred that may affect the assessment of the Captor Therapeutics S.A. Group's financial position.

- Conclusion of contracts for services to conduct Phase I clinical trials for the CT- 01 project with ICON Clinical Research Limited

On October 13, 2023. The Company entered into the following agreements with ICON Clinical Research Limited ("ICON") to conduct Phase I clinical trials for the CT-01 project (discovery and development of a drug candidate for the treatment of hepatocellular carcinoma to eliminate cancer stem cells through induced degradation of an oncogenic transcription factor):

1. a Start-Up Agreement (pl. Implementation Agreement) for the initial services required to prepare the study protocol and enter into a full-scale contract for a Phase I, open-label, dose-escalation and dose-escalation study to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of CT-01 in patients with intermediate or advanced hepatocellular carcinoma with an estimated fee and cost budget of €275,000; and

2. a Master Service Agreement (pl. Master Agreement), the purpose of which is to establish the terms and conditions of cooperation between the Company and ICON regarding the provision by ICON of full-scope services related to the Phase I clinical trial concerning CT-01 on the basis of which, once the full scope of services required for Phase I of this clinical trial has been established, a detailed Statement of Work (pl. Service Order) will be entered into. The Company estimates that the costs associated with the services provided for in items 1 and 2 above will amount to approximately EUR 8 million, with the above budget subject to change depending on the final defined scope of work.

- Registration of the share capital increase and amendments to the Company's Articles of Association

On September 21, 2023. The Company's Board of Directors commenced the book-building process for a public offering conducted by private placement of not more than 400,00 Series P ordinary bearer shares with a par value of PLN 0.10 each ("Series P Shares") issued by the Company (the "Offering"). The final issue price per Series P Share was set at PLN 100.

The Offering was conducted on the basis of and subject to the terms and conditions set forth in the Board of Directors' Resolution No. 2 dated September 21, 2023 on increasing the Company's share capital within the limits of authorized capital through the issuance of Series P Shares, excluding pre-emptive rights, and on amending §6(1) of the Company's Articles of Association (the "Issuance Resolution").

Pursuant to the Issuance Resolution, the conduct of the Offering and the admission of the Series P Shares to trading on the regulated market operated by the Warsaw Stock Exchange did not require the Company to make available to the public a prospectus or other information or offering document within the meaning of applicable laws. Adoption of a resolution by the General Meeting of the Company

The bookbuilding was completed on September 22, 2023. The offering was addressed to: (i) qualified investors, within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC; (ii) investors who will acquire Series P Shares with an aggregate equivalent of at least EUR 100,000 under the Offering; and (iii) fewer than 150 natural or legal persons who are investors other than qualified investors.

The offering was conducted to the exclusion of shareholders' preemptive rights, but with the preemptive right provided for in par. 6 b (8) of the Company's Articles of Association.

On September 29, 2023. The Company's Board of Directors adopted a resolution on the allocation of P Shares. As a result of the Offering, the Company raised PLN 40 million.

On October 23, 2023, the registry court having jurisdiction over the Company registered an amendment to the Articles of Incorporation to increase the Company's share capital in connection with the issuance of 400,000 series P shares.

- Admission and listing of N, O and P shares by the Stock Exchange

On November 2, 2023. The Company learned that the Board of Directors of the Warsaw Stock Exchange (WSE) adopted Resolution No. 1173/2023 on November 2, 2023 on the admission and introduction to trading on the primary market as of November 6, 2023:

1. 11,292 series N ordinary bearer shares of the Company, with a nominal value of PLN 0.10 each,

2. 25,271 series O ordinary bearer shares of the Company, with a nominal value of PLN 0.10 each,

3. 400,000 P-series ordinary bearer shares of the Company, with a par value of PLN 0.10 each,

provided that the National Securities Depository S.A. registers these shares and designates them with the ISIN code PLCPTRT00014 on November 6, 2023

- Registration of N, O and P series bearer shares by the National Securities Depository

On November 6, 2023. The Company learned that the National Securities Depository ("NDS") had issued an announcement. ("NDS") on November 2, 2023 an announcement on the registration in the securities depository of 436,563 ordinary bearer shares of series N, O and P, with a nominal value of PLN 0.10 each and ISIN code PLCPTRT00014. The date of registration of the shares in the NDS securities depository was November 6, 2023.

- Submission of phasing applications and final payment applications for CT-05 project

On November 13, 2023. The company has submitted applications to the National Center for Research and Development for the so-called phasing of certain projects and for final payment on project CT-05 ("Application of targeted protein degradation technology for the treatment of psoriasis and rheumatoid arthritis").

Requests for so-called Project phasing (i.e., the division of a project into phases and the possibility of funding an uncompleted phase in the next EU funding cycle) are for projects CT-01 ("Discovery and development of a drug candidate for the treatment of hepatocellular carcinoma for the elimination of cancer stem cells by induced degradation of an oncogenic transcription factor") and CT-03 ("Induction of apoptosis using low-molecular-weight compounds as a therapeutic intervention in cancer diseases") which, according to the current grant agreements, should be completed by the end of 2023. The applications were submitted under the SMART Track - Phased Projects, which enables funding to be obtained for Phase II projects selected for funding based on the regulations for the 2014-2020 perspective under the 2014-2020 Operational Program for Intelligent Development (OPIR).

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The company submitted applications based on the following key parameters:

- CT - 01 - extension of the project until 31.03.2026, the amount of subsidy to be used from January 1, 2024 (i.e., during the extended project period) - PLN 6,766,157.95; and

- CT - 03 - extension of the project until 31.07.2026, amount of subsidy to be used from January 1, 2024 (i.e., during the extended project period) - PLN 4,976,940.75.

The Company's decision to submit a final payment request for the CT-05 project is mainly due to delays in the implementation of this project, which, in the Company's opinion, at this point in time, make it impossible for the Company to achieve further milestones by the deadline stipulated in the grant agreement, i.e. by the end of 2023. The above delays are primarily due to objective circumstances beyond the Company's control, such as lengthy chemical syntheses and complex in vivo disease models. At the same time, the Company assesses that the submission of a phasing application for the CT-05 project is not justified because the completion of phase one clinical trials for this project within the expected time horizon is unlikely. The Company, to the best of its knowledge, assesses that it will not be required to return any funds received and used to date. Notwithstanding the above, in the Company's opinion, the CT-05 project, as well as the therapeutic indications, i.e. psoriasis and rheumatoid arthritis, represent a very attractive area for pharmacological intervention and, above all, there is a highly unmet market need in this area. As a result, the Company, despite its application to the NCBiR, intends to continue R&D of CT-05 using its own resources, with the Company estimating that expenditures for further implementation of the project will not be significant.

57. War in Ukraine

Due to the outbreak of armed conflict between Ukraine and Russia, the Group has analyzed the impact of the current situation on its operations. In the Parent Company's opinion, there are no significant risks that could significantly affect its operations. The Group has both no assets in Ukraine and no operations in conflict areas.

As a result of Russia's military actions, European Union countries and the US have introduced a series of harsh sanctions against Russia, which cover key sectors of the Russian economy by blocking their access to technology and markets, including financial ones. In view of the above, it cannot be ruled out that the implemented sanctions package may affect the activities carried out by companies, including those in Poland, due to, for example, the supply of raw materials from Russia. Also, the supply of raw materials from Ukraine may be significantly disrupted or even halted, which could consequently disrupt the global supply chain.

In addition, the armed conflict in Ukraine, may affect Poland's macroeconomic situation, including in particular interest rates and the valuation of the Polish currency (zloty). Foreign exchange risk may result in an increase in the cost of servicing liabilities for research services and reagents purchased abroad. As of the date of this report, the Parent Company's Management Board is unable to estimate the exact impact of these events on ongoing research programs or the availability of financing. The Group is continuously analyzing the situation and about possible new circumstances affecting its financial results and business situation.

Thomas Shepherd	Michał Jerzy Walczak	Radosław Krawczyk
Signed with a qualified electronic signature	*Signed with a qualified electronic signature*	*Signed with a qualified electronic signature*
President of the Management Board	Member of the Management Board Chef Scientific Officer	Member of the Management Board Chief Financial Officer