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# **Captor Therapeutics S.A.**

## **Annual Report 2022**

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## LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD TO SHAREHOLDERS

Dear Shareholders, Stakeholders, Business Partners, and Friends,

The year 2022 was a year of dynamic progress for the Company in both research and in business. On the research side, we made major steps towards the clinic with our two most advanced pipeline programmes CT-01 and CT-03 in oncology, as well as significant progress in our two earlier projects, CT-02 and CT-05 in autoimmunity. On the business side, we were delighted to announce in November 2022 the signature of an international Research collaboration with Ono Pharmaceutical Co. Ltd. ("Ono"), which aims to develop small-molecule compounds capable of degrading a selected molecular target with applications primarily in the field of neurodegenerative diseases with inadequate treatment options.



Looking back to January 2022 in our CT-01 project, dedicated to the treatment of hepatocellular carcinoma therapy, we obtained spectacular results from key animal studies, which demonstrated highly significant anti-tumour activity of our lead compounds and throughout the year we continued to release strong data in more complex models, culminating in the nomination of our clinical candidate compound CPT-6281 in August 2022. In the Autumn we started manufacturing scale up and IND/CTA enabling studies that will form the basis of our future submission of a Clinical Trial Authorisation for this exciting drug candidate. All activities in this lead project are being carried out according to the approved schedule and we have been preparing since last year for the transition to a clinical stage company by building out our clinical, development, and manufacturing teams and advisors.

CT-03 is our second most advanced project and should be our second project to reach clinical studies. In contrast to CT-01, which is a Molecular Glue type of degrader, the CT-03 series of compounds are Bifunctional Degraders. We believe this ability to develop both types of degraders give the Company additional flexibility in being able to choose the best type of degrader for each disease or target. In the case of CT-03, we believe that we have potential first-in-class degraders of the MCL1 target which could have broad application in haematological and in solid tumours and we are planning to start clinical studies in 2024.

In the attached Annual Report, we will provide more information on our earlier pipeline projects CT-02 and CT-05 which will bring Captor Therapeutics into the disease area of autoimmunity. Until the announcements made to the Stock Exchange in March 2023, the identity of the molecular targets in these two projects was confidential. But both projects made significant advances in the last months and should shortly complete proof of concept animal studies, so it was the appropriate time to disclose the targets. We know that these two molecular targets will be of great interest to the pharmaceutical industry, and we believe that a degrader approach will have significant benefits over previous approaches.

In the P3 project, the Company is expanding its technology platform by developing new small-molecule ligands of E3 ligases, which have not yet been used for targeted protein degradation. Work on projects P1 and P2 has been completed. The Company is currently exploring options to bring the results of the projects to market.

In the first quarter of 2022, we made a major investment in setting up an advanced proteomics laboratory, a key tool in the area of targeted protein degradation. The newly established laboratory expanded the analytical capabilities of researchers and will be indispensable for

current as well as future projects. This is already benefiting our early and late-stage projects and has allowed our research work to accelerate significantly.

The agreement mentioned above with Ono not only strengthens the Company's financial position with up-front payments, R&D funding, and milestones, but also validates the Company's scientific achievements and R&D capabilities. Working with degraders in the field of neurodegeneration will also strengthen the competences and experience of our scientists as they address new issues. Captor Therapeutics continues to actively seek further collaborations to achieve the milestones planned for the next few years and is already investing heavily in building global recognition of our Company with the investor community and the pharmaceutical industry worldwide.

Notwithstanding our advances, it is important to remember that 2022 was a difficult year for the vast majority of businesses. Europe had yet to recover from the crisis caused by the COVID - 19 pandemic, and the economy was shaken by the outbreak of war in Ukraine. As a result of Russia's hostilities, European Union countries and the USA introduced a series of severe sanctions against Russia and the human suffering caused by this unnecessary war is plain for all to see. The armed conflict in Ukraine, had a real impact on the macroeconomic situation both in Poland and globally, including interest rates, energy prices, general inflation, and the valuation of the Polish currency (PLN). The Biotechnology industry was not immune from these issues and the cost and availability of research services and reagents was affected, as were the capital markets, where investment-heavy innovative industries such as Biotechnology saw valuations fall in the first half of the year. From the perspective of a company whose prime objective is to improve the life of patients with severe or incurable diseases, the waste of human life and suffering in Ukraine that occurs every single day is a tragedy of epic proportions.

Despite these difficult macroeconomic and geopolitical events, we are looking forward to pushing Captor forward in 2023, which will be extremely important for us as we transition to be a clinical stage company and from a European company to a global player. The reason we believe in the company's further successes in both the scientific and business areas, is because we believe in our team. Therefore, I would like to end by thanking our entire team for their work and commitment every day to pursue our core mission of curing what seems today to be incurable diseases, and also thank our shareholders, partners and friends for your unswerving daily support, which we appreciate greatly.

With my best regards,

**Tom Shepherd**

**President of the Management Board**

# 1. FINANCIAL DATA

Below please find selected financial data of Captor Therapeutics S.A. and the capital group of Captor Therapeutics from the consolidated and separate financial statements. The consolidated and separate financial statements of Captor Therapeutics S.A. have been prepared in accordance with the historical cost principle, except for financial instruments that are measured at fair value. The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. The going concern assumptions are described in the consolidated financial statements in note no. 13.

## 1.1. Selected financial data of the Capital Group of Captor Therapeutics S.A.

### Consolidated statement of performance and other comprehensive income

	(PLN / '000)		(EUR /'000)	
	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Research and development income	9 158	3 986	1 953	871
Cost of services sold	2 087	741	445	162
Gross profit (loss) from sales	7 071	3 245	1 508	709
Operating profit (loss)	-38 364	-31 709	-8 183	-6 927
Profit (loss) before tax	-35 894	-32 572	-7 656	-7 116
Net profit (loss)	-35 894	-32 572	-7 656	-7 116
Number of shares (pcs.)	4 168 130	4 127 972	4 168 130	4 127 972
Net profit (loss) per share (in PLN/EUR)	-8,61	-7,89	-1,84	-1,68

### Consolidated statement of financial position

	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Non-current assets	11 676	12 986	2 490	2 823
Current assets	101 324	130 555	21 605	28 385
Equity	96 322	124 201	20 538	27 004
Non-current liabilities	3 286	2 973	701	646
Current liabilities	13 392	16 367	2 855	3 559

### Consolidated cash flow statement

	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Net cash flow from operating activities	-22 948	-28 473	-4895	-6 220
Net cash flow from investing activities	-17 630	-5 113	-3760	-1 117
Net cash flow from financing activities	-6 329	140 875	-1350	30 776

The conversion into EURO was made on the basis of the following principles:

- items of the statement of financial according to the average exchange rate of the National Bank of Poland as of the balance sheet date, i.e., as of 31 December 2022, the exchange rate of EUR 1 = PLN 4.6899, and as of 31 December 2021, the exchange rate of EUR 1 = PLN 4.5994;
- items of the statement of performance and other comprehensive income and the cash flow statement - according to the average exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland as of the end of each



calendar month in a given period, i.e. for the period from 1 January 2022 to 31 December 2022, the exchange rate of EUR 1 = PLN 4.6883 for the period from 1 January 2021 to 31 December 2021, the exchange rate of EUR 1 = PLN 4.5775.

## 1.2. Selected financial data of Captor Therapeutics S.A.

### — Separate statement of performance and other comprehensive income

	(PLN / '000)		(EUR / '000)	
	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Research and development income	9 158	3 986	1 953	871
Cost of services sold	2 087	741	445	162
Gross profit (loss) from sales	7 071	3 245	1 508	709
Operating profit (loss)	-38 241	-31 888	-8 157	-6 966
Profit (loss) before tax	-35 746	-32 751	-7 625	-7 155
Net profit (loss)	-35 746	-32 751	-7 625	-7 155
Number of shares (pcs.)	4 168 130	4 127 972	4 168 130	4 127 972
Net profit (loss) per share (in PLN/EUR)	-8,58	-7,93	-1,83	-1,73

### — Separate statement of financial position

	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Non-current assets	9 208	13 049	1 963	2 837
Current assets	101 390	130 220	21 619	28 312
Equity	96 327	124 063	20 539	26 974
Non-current liabilities	1 430	2 973	305	646
Current liabilities	12 841	16 233	2 738	3 529

### — Separate cash flow statement

	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Net cash flow from operating activities	-22 726	-28 790	-4 848	-6 289
Net cash flow from investing activities	-17 755	-5 113	-3 787	-1 117
Net cash flow from financing activities	-6 154	140 875	-1 313	30 775

The conversion into EURO 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 31 December 2022, the exchange rate of EUR 1 = PLN 4.6899, and as of 31 December 2021, the exchange rate of EUR 1 = PLN 4.5994;
- items of the statement of performance and other comprehensive income and the cash flow statement - according to the average exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland as of the end of each calendar month in a given period, i.e. for the period from 1 January 2022 to 31 December 2022, the exchange rate of EUR 1 = PLN 4.6883 for the period from 1 January 2021 to 31 December 2021, the exchange rate of EUR 1 = PLN 4.5775.

## 2. INFORMATION ON CAPTOR THERAPEUTICS S.A. AND THE CAPITAL GROUP

### 2.1. Basic information on Captor Therapeutics S.A. and the Capital Group

Captor Therapeutics is an innovative biopharmaceutical group specializing in the development of drugs based on Targeted Protein Degradation ("TPD") and a European leader of this young technology. The Group's strategy is based on building a competitive advantage by completely focusing on the development of the TPD drug discovery platform and the continuous maintenance and commercialisation of a high value pipeline composed of drug candidates with the potential to treat severe diseases where there is no satisfactory treatment. On 19 April 2021 Captor Therapeutics S.A. debuted on the Warsaw Stock Exchange, becoming the first European public company fully dedicated to the TPD technology.

The Parent Company was formed as a result of the transformation of Captor Therapeutics spółka z ograniczoną odpowiedzialnością (limited liability company) pursuant to a resolution of the Extraordinary Shareholders Meeting of Captor Therapeutics sp. z o.o. dated 28 August 2018. On 7 November 2018, the Company was registered in the National Court Register kept by the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Register under number KRS 0000756383. The Company's registered office is located in Wrocław. The parent company was incorporated for an indefinite period of time and operates under the laws of Poland.

**Table 1: Basic data**

Company	Captor Therapeutics Spółka Akcyjna
Registered office address	54-427 Wrocław, Duńska 11
Telephone	+48 537 869 089
Website	www.captortherapeutics.com
e-mail	info@captortherapeutics.com
Regon	363381765
NIP	8943071259
KRS	0000756383

### 2.2. Structure of the Group

The Captor Therapeutics Group consists of the parent company: **Captor Therapeutics Spółka Akcyjna ("Parent Company", "Company", "Captor Therapeutics")** and the subsidiary: **Captor Therapeutics GMBH ("Subsidiary"** hereafter also collectively with the Company as **the "Group" or "Capital Group, and Captor Therapeutics Group")**.

As of 31 December 2022, and as of the date of publication this report, the Captor Therapeutics Group comprised Captor Therapeutics GMBH with its registered office in Switzerland. The object of the subsidiary's activity consists of drug research and development, implementation of related projects, creation of intellectual property and cooperation with pharmaceutical companies in this field. The Parent Company holds 100% of shares in the share capital of the Subsidiary.

### 2.3. Changes in the structure of the Captor Therapeutics Group

There were no changes in the structure of the Captor Therapeutics Group during the reporting period.

## **2.4. Company's corporate governance principles and the Capital Group**

In accordance with the Statutes of Captor Therapeutics, the Company's governing bodies are as follows: the Management Board, the General Meeting, and the Supervisory Board. Powers of the Company's governing bodies are specified in the Company's Statutes and the Commercial Companies Code dated 15 September 2020. Further, the Supervisory Board's operating procedure is specified in the Regulations of the Supervisory Board.

The composition and powers of the Supervisory Board are described in more detail in point 5.4.2 of this report. The manner of operation of the General Meeting and its powers are presented in point 5.4.3.

The Company's Statutes and the provisions of law define tasks of the Management Board of Captor Therapeutics S.A. which include primarily management of the Company's everyday affairs and representing it in all court and out of court actions. Further, the Management Board ensures the transparency and effectiveness of the Group management and makes sure that its affairs are conducted in accordance with the provisions of law and good corporate practice. If the Management Board consists of one member, the Company is represented by one member of the Management Board. If the Management Board consists of more than one member, the Company is represented jointly by two members of the Management Board acting jointly.

The President of the Management Board exercises supervision over the operations of the Company and the Group and fulfils his obligations with the support of members of the Management Board, project leaders and directly subordinated independent positions.

## **2.5. Changes in the Company's and the Group's corporate governance principles**

There were no changes in the Company's organizational structure in the reporting period.

## **2.6. Organizational or equity links**

Organizational and equity links are presented in detail in point 2.2. of this report.

### 3. ACTIVITIES OF THE COMPANY AND THE CAPITAL GROUP

The Company is an innovative biopharmaceutical company specializing in targeted protein degradation technology to discover and develop new drugs that treat severe diseases where satisfactory treatments do not exist. The Company focuses its operations on development of therapeutic molecules for treating certain oncological and autoimmune diseases. The drug candidates being developed are characterized by high efficacy and the ability to remove disease causing proteins that are either beyond the reach of classical inhibitor or blocking drugs or are inadequately treated.

The targeted protein degradation (“TPD”) approach of the Company overcomes the limitations of classical inhibitor and antibody drugs by destroying disease causing proteins which are resistant to available therapeutics. This is achieved by exploiting the pharmacological advantage of degraders<sup>1</sup> over inhibitors<sup>2</sup>. Thanks to TPD technology the Company has much wider possibilities of discovering drug candidates than traditional biotechnology companies.

The Company's research and development facilities, including professional scientific staff and modern laboratories, allow it to carry out all early phases of drug discovery and development of protein degradation drugs. This makes the Company a European leader in this respect.

The Company's business model assumes advancing the drug candidates in its pipeline to the late preclinical or early clinical stages of development to demonstrate preclinical and clinical proof of concept for drug candidates. Captor's Optigrade™ platform enables the discovery and development of drug candidates using two complementary degrader drug modalities, i.e., molecular glues and bifunctional degraders. This approach distinguishes the Company from many companies in the TPD area who focus more on one of these areas and it provides the Company with great flexibility in the way it can address different diseases. The commercial strategy of Captor is to take the most promising and appropriate pipeline programmes into early clinical trials, one of the key value inflection points in development, to ensure that the Company captures optimum value for shareholders in any future transactions, while at the same time entering partnerships earlier for those programmes where a pharma partner would be more appropriate to take the project to the global market place. Partnerships of this nature are normally involving a license for technology and related patents and know-how, with a typical structure comprising the following payment phases: up-front payment, multiple milestone payments and royalties on sales.

In addition to collaborations on its pipeline of drug candidates, Captor also intends to enter discovery partnerships with pharma and large biotech companies to develop new drug candidates in other diseases, outside of the disease of interest in Captor's own drug pipeline.

#### 3.1. Targeted Protein Degradation

Targeted Protein Degradation overcomes many existing drug limitations of small molecule inhibitor drugs or antibodies by removing disease causing proteins resistant to, or poorly treated by, available therapeutics, rather than just inhibiting or blocking them.

The top five advantages of TPD over other therapeutic approaches include:

<sup>1</sup> a small molecule compound which induces protein degradation (usually proteasomal degradation). Proteasomal degradation is a process of decomposition of ubiquitin-labelled proteins into smaller molecules, the so-called oligopeptides, by the proteasome (i.e., multi-enzyme complex). A degrader can be designed to target the degradation process towards disease-related protein. As opposed to inhibitors, the pharmacological effect of a degrader can last longer, until the cell will synthesize a new portion of the degraded protein.

<sup>2</sup> small molecule compound, which blocks biochemical reactions or biological processes. The effect of inhibitor drugs is maintained until the compound is decomposed or excreted, and until drug concentration is sufficiently high.

1. The ability to remove disease-causing proteins, including structural proteins that are commonly considered "untreatable" or undruggable" with classical drugs such as inhibitors or antibodies.
2. The ability to use lower doses - compared to inhibitors, resulting in a reduced incidence of the number and type of side effects.
3. Prolonged therapeutic effect due to a change in the relationship between the therapeutic effect (pharmacodynamics) and the drug concentration in the blood (pharmacokinetics).
4. Removal of pathogenic proteins from cells instead of just inhibiting or blocking them. Protein degradation eliminates all functions of a pathogenic protein, whereas usually, only one function of the pathogenic protein is inhibited. Disabling all functions of a pathogenic protein can lead to much improved efficacy.
5. Ability to overcome cancer resistance to classical drugs.

The purpose of TPD is to remove dysfunctional proteins at the post-translation level, i.e., without interference with the genetic material of a cell. Many diseases, such as for example autoimmune diseases, are presently treated using biological drugs, i.e., therapeutic proteins (peptides, antibodies, or their fragments) and nucleotide technologies, which regulate the function of receptors of pathogenic proteins. In many cases various receptors are activated by the same protein activators (ligands), which results in activation of several signal transduction pathways – both those leading to the development of a diseases but also those involved in proper functioning of the body. Therefore, inhibition of several receptors or a shared ligand does not only result in inhibition of the disease, but also negatively affects other control mechanisms of the human body. Such therapy can lead to strong side effects which is a principal drawback of many currently available drugs.

The Company uses the Optigrade™ technology platform, developed internally using its own resources to enable selective degradation of specific proteins while maintaining other signal transduction pathways or receptors intact, thus minimizing the side effect potential of the therapy. Degradation drugs on which the Company is working are also easier to administer (most often, orally) than biological drugs which often need to be administered by (intravenous or subcutaneous) injection.

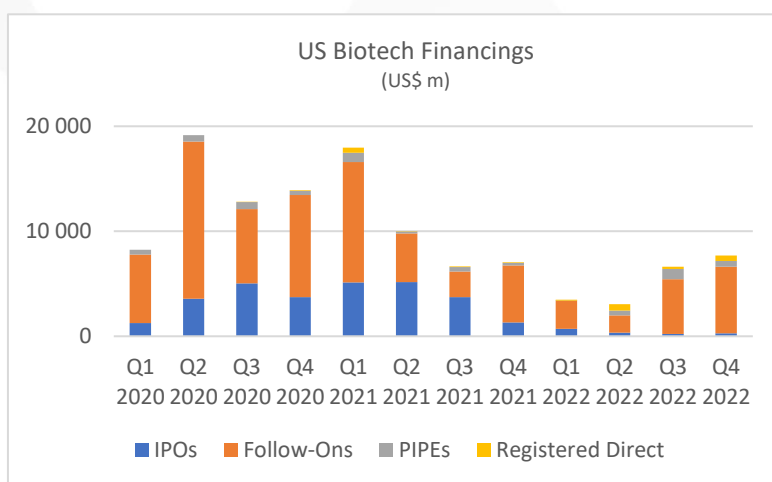
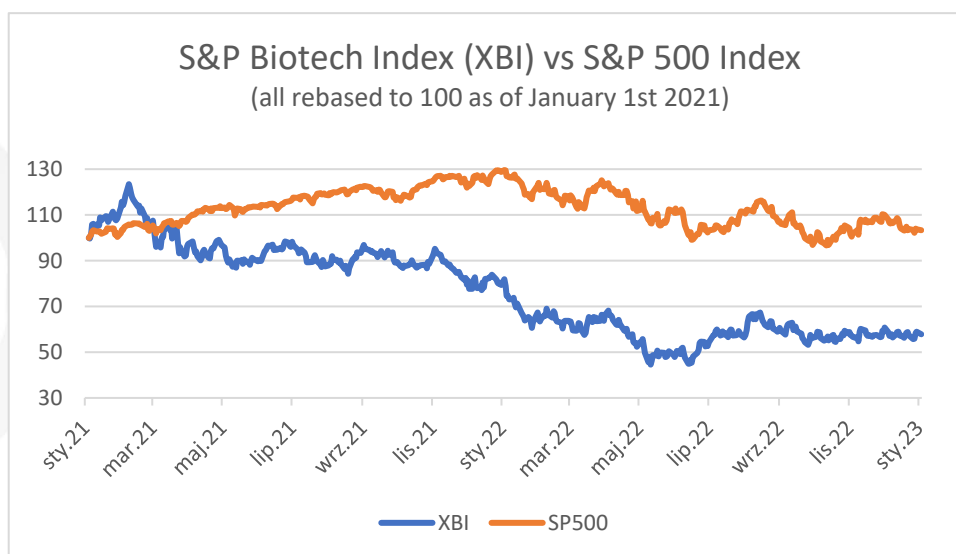
TPD drugs have the potential to address a potentially unlimited numbers of new molecular targets that are currently beyond the reach of classical drugs (known as undruggable targets), which translates into tremendous potential for the development of new therapies. Because of the vast pool of available targets, the Company has a lot of room to work on targets where there is little or no competition.

## **3.2. Market environment**

### **Global biopharmaceutical market**

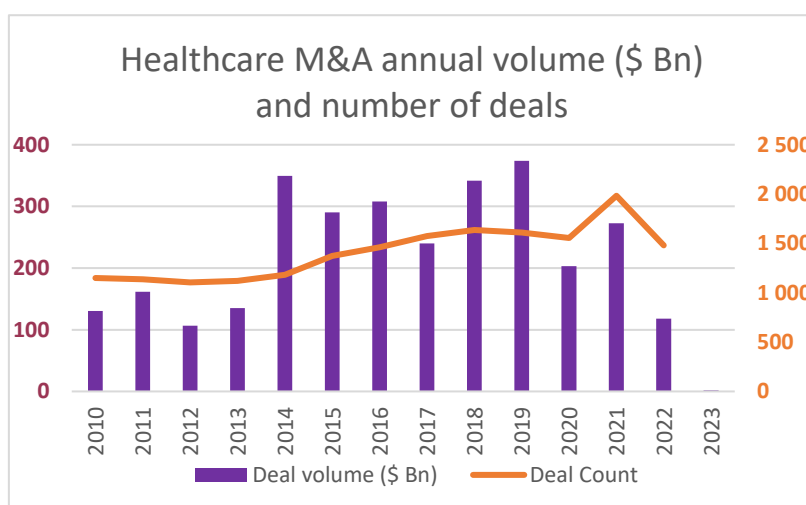
The year 2021 and the beginning of 2022 proved challenging for the global healthcare sector and, in particular, for small and mid-cap biotech companies. Sentiment improved in the second half of 2022, when the market began to slowly stabilize and factors such as inflation concerns and last year's poor performance of the S&P 500 Index caused investors to look more favorably towards the biotechnology sector. While the S&P 500 index has little clear direction due to significant uncertainty around inflation and possible continued interest rate hikes by central banks, investor sentiment from the healthcare sector remains cautious. They remain extremely selective about valuations, preferring companies that have potentially breakthrough products, generate a profit, or those with differentiated technologies and sufficient capital.





Although fresh capital inflows into the biotech sector have not returned to the historically high levels of 2020, the markets have regained some strength in the second half of 2022, providing companies with the funds they need to implement their plans. And while sentiment has improved significantly in recent months, reflected in a rebound in the share

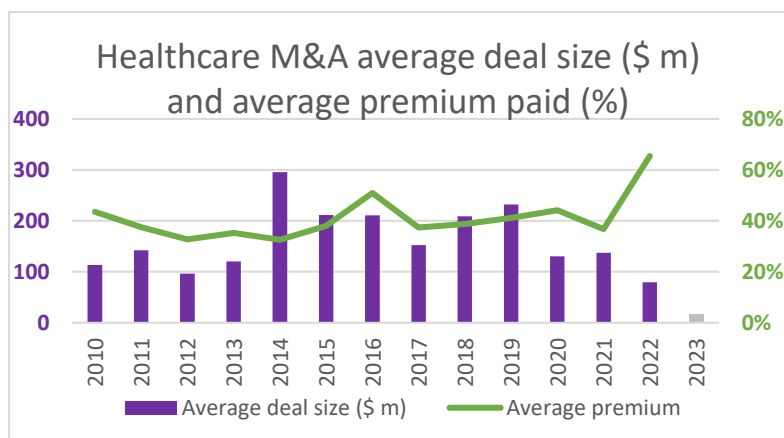
price of those whose projects are close to commercialization, it remains difficult for companies to raise capital.



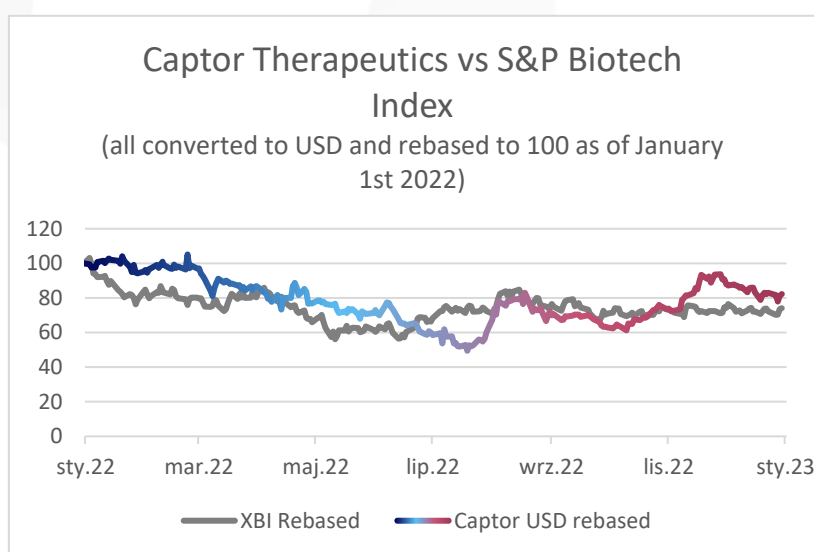
Although the number of M&A deal transactions remained relatively stable in 2022 compared to previous years, lower valuations mean that overall deal volume, measured in billions of USD, was the second lowest since 2010, at USD 118 billion, compared to USD 106 billion in 2010 (the lowest) and

USD 373 billion in 2019 (the highest).

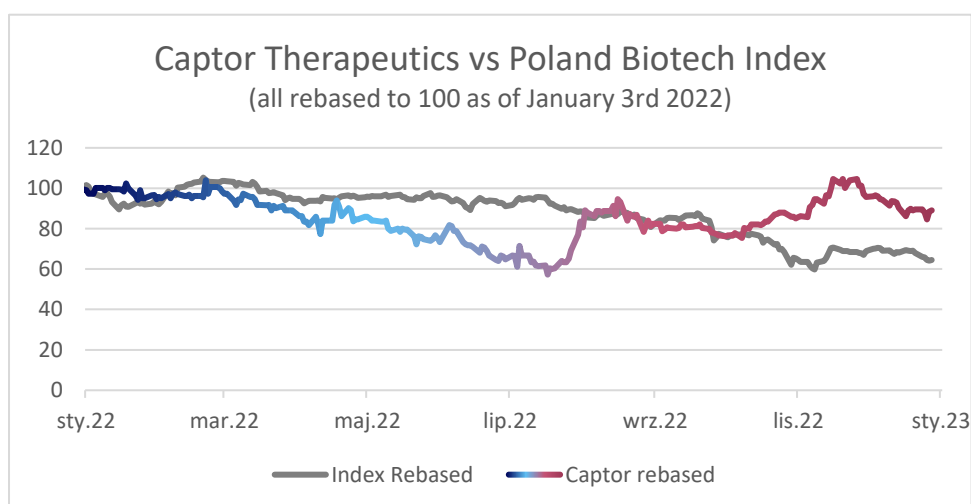
The average return paid in 2022 however was 65%, the highest of the entire 2010-2022 period and significantly higher than the median of 37% in the 2010-2021 period. It seems that the general market uncertainty played a key role in restraining activity in 2022, but deals were still done at a reduced rate.



#### Comparative analysis of the stock market situation



The S&P Biotech index closed last year in negative territory (25.9%) with a marked difference between the negative -33.6% in the first half of the year and the positive +11.7% in the second half of 2022. In comparison, Captor Therapeutics' share price (in USD) outperformed the S&P Biotech index by 8.1%, ending 2022 in negative territory by only 17.7%.



In the home market, Captor Therapeutics shares also performed quite well given the overall situation, outperforming the Polish Biotechnology Index by 24.5%.

### 3.3. Company strategy

#### 3.3.1. Products and services

The Group has one reporting segment which is research and development work.

The Company's strategy is based on building a competitive advantage through a complete focus on the development of the Optigrade™ TPD platform and, above all, on rational drug discovery, as well as on continuously maintaining a high value pipeline in the area of severe diseases where classical drugs (inhibitors and antibodies) are not applicable.

TPD drugs being developed by the Company overcome some of the limitations of classical small-molecule drugs and biological drugs, thus have the potential to treat diseases that have developed resistance to current drugs. It is estimated that existing drugs can inhibit the activity of about 20% of the total number of potential drug targets in humans, while TPD drugs can potentially also address the remaining protein pool that are unavailable. As a result, the Company has a much broader capability to discover high value drug candidates compared to traditional Biotech companies. The Company is currently developing first-in-class compounds with therapeutic potential against autoimmune and cancer (e.g., hepatocellular carcinoma, breast, and lung cancers).

In accordance with the data published by the *Institute for Health Metrics and Evaluation* of the University of Washington the global incidence of cancer (oncological diseases) is growing continuously, from 18.7 million in 2010 to 23.6 million in 2019. Only in 2019, 10 million people died of cancer. According to the report entitled: *"Global Oncology Trends 2022 – therapeutics, clinical development and health system implications"*, published by IQVIA Institute for Human Data Science, in 2021 global expenditures on cancer drugs amounted to USD 185 bn (12.1% increase year-over-year). It is estimated that by 2026 the value of the oncology drug market will reach more than USD 300 billion. In the period 2017-2021 104 novel active substances were launched globally for the treatment of cancer, with a record of 30 launched in 2021. The pace of growth is also stimulated by the growing number of clinical trials. Oncology trial starts reached historically high levels in 2021, up 56% from 2016 and mostly focused on rare cancer indications.

The market volume and demand for new medical solutions also continues to grow with respect to autoimmune diseases. According to the report: *"The Global Use of Medicines 2023. Outlook to 2027"* published by IQVIA the value of autoimmune drug market amounted to USD 143 billion in 2022 and it is estimated that by 2027 it will grow to USD 177 billion. There are over 100 types of autoimmune diseases, and almost 50 million people suffer from immunological diseases in the United States alone (data from the *American Autoimmune Related Diseases Association*, published in 2019). There are over 300 new drug candidates in development for autoimmune diseases (according to <https://phrma.org>). The dynamic growth of the autoimmune drug market causes that the Company's research and development programs intend to develop new drug candidates for diseases that are hard to cure meet market needs, as part of which there is a great demand for innovative medical solutions. Just like in case of the oncological drug market the growing value of the autoimmune drug market causes that this area of activity conducted by the Company is very attractive from a commercial point of view.

Focus on the above-mentioned two therapeutic areas (autoimmune and oncological diseases), for which there is a significant demand among patients, makes it possible to build a balanced product portfolio for the following reasons. Firstly, this focus reflects the fact that there are no effective therapies for many oncological diseases and early phases of clinical development are carried out in patients. The foregoing makes it possible to carry out relatively quick proof of mechanism studies, which results in the increase of the scientific and commercial value of the developed drug candidate. Secondly, drugs targeting incurable or poorly treated cancers have greater chances of accelerated evaluation process by supervisory institutions (FDA, EMA), which

in turn enables much faster and cost-effective commercialization of the results of the research program. Thirdly, targeting autoimmune diseases which are mostly chronic and treated by injected biological drugs (such as Humira® and Enbrel®, which are some of the top-selling drugs in the world), the Company opens new possibilities of developing oral medications for such diseases without the need for injection. The Company expects that drugs using TPD will be simpler and cheaper to produce than biological drugs, and at the same time easier to administer to patients.

### 3.3.2. Business model and strategy

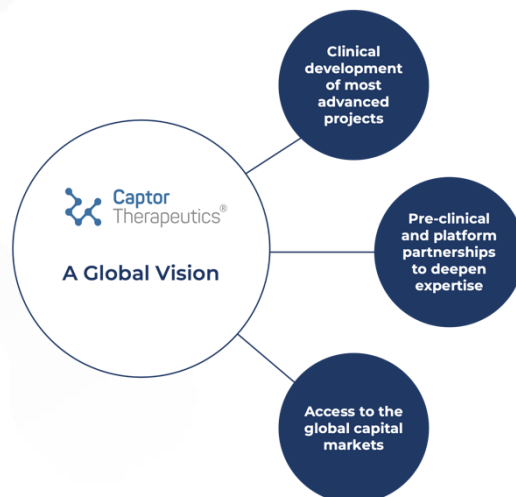
The business model of Captor Therapeutics is based on three strategic pillars.

The first aspect of the business model involves adding significant value to Captor's most promising lead assets by taking them into early clinical trials in patients, one of the significant value inflection points in drug development. We will seek partnering agreements or liquidity events for these clinical assets at the optimal time to ensure effective access to global markets while managing risk and maximizing value for our shareholders.

The second aspect of the Company's business model focuses on early collaborations, where the Group pursues a drug discovery and development with a partner from the outset using our Optigrade™ platform in indications outside the Company's area of interest. This was the case with our collaboration with Ono Pharmaceutical Co Ltd., where we have a partnership to apply our TPD platform in neurodegeneration. Such partnership agreements enable both the expansion of the technology platform's operations and strengthen the competencies of the team, and above all build the Company's global brand. We are particularly excited by two new areas for development, the potential of our platform to develop next generation degrader drugs through exploiting novel E3 Ligases that are not currently in development, and our series of very high potency degraders that have potential to be combined with antibodies in the area of Antibody Drug Conjugates, which could result in a whole new class of Antibody - Degradator Conjugate drugs.

The third element of the business model is development of Captor into a global, clinical stage TPD leader which will entail accessing global capital at the appropriate time outside of Europe.

Captor Therapeutics' Business Model



### 3.3.3. Strategic objectives

Business Model and Strategic Plans of the Company for 2023-2025 aimed at delivering on our vision of becoming a global leader in the Targeted Protein Degradation (TPD) space, based on 3 key steps:

- Initiate **the clinical development** of our most advanced projects;
- Leverage our **pre-clinical assets** and partner our **technology platform** more broadly;
- Access the **global capital markets**.

Since Captor became a public company, we have expanded our business through partnerships with renowned partners and have advanced our lead projects toward the clinic by delivering

highly differentiated pre-clinical safety and efficacy data in animal models. The compelling data generated has led us to conclude that we should expand our lead assets clinical development, which we expect to deliver significant value to Captor's stakeholders. We aim to maintain a balanced and diversified portfolio to allow minimum cash burn and maximum value creation, and to continue partnering our earlier pipeline projects. While the Biotech capital market has been challenging over the last couple of years, Captor has managed to perform better than most Biotech peers, be it in the US or its local Polish market and will continue to closely monitor the capital markets in order to exploit opportunities to expand its institutional investor base in US and Europe.

By the end of the 2023-2025 period, Captor intends to build a diversified portfolio consisting of two fully owned clinical assets, with proof of mechanism demonstrated in patients, at least one partnered pipeline asset in development, two additional early-stage assets in our pipeline, and at least one additional platform collaboration.

In order to achieve these strategic objectives, the Company has outlined below key development goals for 2023-2025 in the following areas:

- Clinical development;
- Early pipeline and preclinical development and partnering;
- Captor's platform development and partnering;
- Accessing global capital markets.

#### Captor's key objectives for 2023 -2025

2023	<b>CT-01:</b> Phase Ia/Ib initiation in liver cancer patients
2023	<b>CT-02</b> and <b>CT-05:</b> <i>In vivo</i> proof of concept in autoimmunity
2024	<b>CT-03:</b> Phase Ia/Ib initiation in haematological cancer patients
2024	<b>CT-01:</b> Clinical readouts: safety, pharmacology, & mechanism
2024	First degrader of a new target based on <b>new E3 ligase</b>
2025	<b>CT-01:</b> Clinical readouts: combination safety, pharmacology & mechanism
2025	Lead compound of a new target based on <b>new E3 ligase enters pipeline</b>
2025	<b>CT-03:</b> Clinical readouts: safety, pharmacology & mechanism (monotherapy and combination)

#### 1. Clinical development

Captor plans to expand the proposed trials for its two most advanced pipeline assets into phase Ia/Ib clinical trials, including studies promising combinations.

- Selecting assets with highest potential and in indications where Captor has capabilities for self-development;
- Generating Phase Ia/Ib data is considered a major inflection point for Biotech companies, so by combining relatively affordable clinical development costs with significant de-risking of the asset, Captor plans to take two self-developed assets up to and including Phase Ia/Ib clinical trials which will provide data on safety, dose and proof of mechanism in patients;
- positive *in-vivo* efficacy data on CT-01 and CT-03 make them ideal candidates for self-development.



## 2. Early-stage projects and in the pre-clinical phase of development

Priority for contracts with external partners (partnering) will be given to CT- 02 and CT-05 projects.

Prioritization of partnerships for CT-02 and CT-05

- *In-vitro* and *in-vivo* preclinical data generated in 2022 for CT-02 and CT-05 have demonstrated their high potency and selectivity to degrade the relevant targets, which, as indicated by discussions, are of interest to large pharmaceutical companies.

## 3. Captor's TPD Platform (Optigrade™)

Captor's Drug Discovery (Optigrade™) platform has made significant progress in 2022 leading to significant interest from large pharmaceutical companies, as a result, Captor entered into a global partnership with Ono Pharmaceuticals Co. in November 2022 worth EUR 197 million (assuming exercise of the exclusivity option, all milestone payments and funding of research costs<sup>3</sup>). While initially focused on Oncology, the TPD drug modality is now expanding into other fields, such as CNS (Central Nervous System) and Neurodegeneration.

The Optigrade platform uses industry-leading TPD approaches based on structural biology, biophysics, protein engineering, as well as Fragment-Based Lead Discovery and computational methods. Further investments in the Optigrade technology platform create opportunities for the Company's sustainable growth by providing new, proprietary projects as existing assets are licensed, as well as establishing cooperation in the field of discovering new therapeutic degraders.

### 3.1 New ligases

- One of Captor's key differentiators compared to other TPD companies is the ability to generate new E3 ligases that could overcome the challenges and limitations associated with the widely used Cereblon E3 ligase, which is at the heart of many TPD companies' activities;
- In 2022, Captor identified multiple proprietary chemical ligands to four alternative E3 ligases, laying the foundation for next generation degrader drugs;
- These advances have allowed Captor to initiate discussions with potential partners which could lead to agreements that would help position Captor as the global leader in the discovery of new E3 ligases during this plan period.

### 3.2 New ligases

- This new field of collaboration for Captor relates to using high potency (picomolar DC50) degrader drugs in an antibody drug conjugate format (**ADC**);
- Antibody Drug Conjugates (ADCs) combine the ability of antibodies to target very specifically a receptor or cell type, with an attached toxin, or payload, designed to kill the target cell, usually a cancer cell. The last few years have seen the emergence of effective ADC technologies and successful approved drugs, making this approach a high-profile approach to cancer therapy;
- Discussions with Pharma companies has revealed that while most ADCs use highly toxic substances as the payload, the use of degrader drugs as a new class of payload is of high interest.
- Following some initial discussions, we have now discovered that the prospect of using a degrader drug as the payload in an ADC resonates very well with Pharma and ADC specialist companies as this could offer improved selectivity and improved safety profile, not to mention generating ADCs against currently undrugged targets;

<sup>3</sup> See Company's current report no. 40/2022 dated 14 November 2022.

- This interest is very timely as Captor has recently generated several new series of highly potent degraders against different targets with potential in cancer treatment;
- Importantly, these new degrader candidates have a potency which is high enough (picomolar DC50) to justify an ADC approach.

### 3.3 Platform expansion – acquisition of advanced capabilities

- To expand our platform and work cost-effectively in the new areas for collaboration described above, we need to invest in additional equipment;
- We have reviewed the latest advanced equipment solutions in proteomics and analytics (e.g., Bruker and Shimadzu mass spectrometers that are capable of accelerating and broadening our capabilities in protein degradation and supporting in- vivo studies, while allowing us at the same time to reduce outsourcing costs;
- This investment will not only maintain Captor at the leading edge of TPD discovery but improve our delivery times and protect us from increasing bottlenecks in outsourcing, as key partners suffer increasing demand leading to increased delivery times.

### 3.4 Opportunistic development of new targets

- The Company remains open for development in new areas which expand our library;
- The Company plans to develop 1-2 novel molecular glues with a high risk, high reward status, e.g., CRBN neosubstrates with a role in regulating immuno-oncology pathways and/or based on phenotypic screening of Captor's focused molecular glue library.

### 3.5 Project focus and de-prioritization

- Because Captor is focused on delivering the highest possible return to its shareholders, we constantly monitor the prospects, probability of success and financial requirements of each project to be able to maintain an optimal balance in our portfolio
- We announced last year that we had terminated the funding contract from the NCBiR in the CT-04 project. Although this project still has high potential, after considering a number of factors including its early stage of development, the financial resources required to develop the project, and the prospects of other internal projects - CT-01, CT-03, CT- 02 and CT- 05, the Company decided to focus on pursuing the Company's other projects that are more advanced than CT- 04.

## 4. Accessing global capital markets

Captor is well supported on the Warsaw Stock Exchange, following our successful IPO in 2021 and has solid support from our shareholders. However, we are operating in a global Biotech, market where significant investment in technology and product development from Biotech specialist investors is the norm, therefore the mid-term strategy of the Company must include accessing Biotech specialist investors in addition to our current shareholders.

Our long-term strategy is to be listed on Nasdaq (directly or via depositary receipts or other instruments) with numerous other leading biotech companies, those specializing in TPD included. Therefore, now that our projects are generating interest on a global basis, we will start the process of building links with international biotech investors with the objective of bringing them in to our shareholder base at the appropriate time and taking into account, among others, market conditions. The increased global recognition for Captor, higher international credibility, and increased liquidity, should transform into more value for current shareholders. Subject to the evolution of global stock market conditions, and our entry into the clinical phase mentioned above, we aim to start preparations for Nasdaq listing during this strategic period. For success

in the international setting the proper scale of business is required, resulting in the growth objectives of our pipeline and platform described above.

### **3.4. Competitive advantages**

#### **Strong and experienced Captor Therapeutics team**

One of the Company's main competitive advantages consists of decades of unique international experience of the Company's management team and specialist and highly qualified scientific staff. The Company is managed by a team of people associated with scientific, financial and biotech circles. The Company is also provided with very strong support from its experienced Supervisory Board which has industry experience, international networks of contacts and financial competences.

The Group also has access to highly qualified human resources, and in particular cooperates with specialists with appropriate educational profile and industry experience. The Company's scientific staff is composed of highly skilled individuals who graduated from various universities/institutes in Poland or abroad and have significant professional experience gained in companies from biotech and pharmaceutical sectors. The Company takes efforts to recruit junior staff from among most talented students of the best Polish and foreign scientific centres specializing in biotechnology.

Further, the Company's employees responsible for building relationships with potential partners have many years of international experience gained in large pharmaceutical companies (in the United States, United Kingdom, Europe, and Asia) and a track record of licensing and partnering agreements with most of the top ten global pharmaceutical companies.

In addition to many years of experience in biotechnology sector and significant scientific achievements, the source of success of the Company's scientific staff is their passion and commitment to the development of new therapies for diseases for which there are presently no effective medicines. In order to motivate and reward the Company's team for their efforts the Company introduced an incentive scheme based on the Company's shares which the Company expects will serve as an additional incentive for employees and will help retain employees in the Company by ensuring their participation in the future growth of the Company's value, as a result of the achievement of the Company's goals and progress in commercialization of drugs.

#### **Funding enabling further development of the Company and undisturbed continuation of research related to projects**

The Company has been successful in obtaining public funding for research and development as an innovative branch of the Polish economy. Until the date of approval of this report the Company has entered into grant agreements with the NCRD for over PLN 175 million for nine research and development projects. The Smart Development Program for financing research, development, and innovation, led by the NCRD, under which the company received funding, lasts until 2023.

Moreover, as a result of a public offering of series G shares ("**IPO**") the Parent Company's equity increased by approximately PLN 149.9 million in the first half of 2021.

With the funds raised from the IPO and from NCBR, the Company has secured adequate funding to continue to develop and conduct research on its projects in an uninterrupted manner over the near-term horizon. In addition, the Company has become a reliable partner for its service providers and for financial institutions, which will put the Company in a stronger position in business negotiations in the future.

In addition, in order to secure financing for the Company's further development and to carry out project research in a seamless manner in the medium term, in line with the next steps of the Strategy 2023-2025, as announced in current report no. 7/2023 of 6 March 2023, the Board has obtained shareholder approval for an augmentation of authorized share capital, which will enable Captor to obtain equity financing in a timely manner when opportunities present themselves. The increase in authorized share capital will provide the Management Board, under the supervision of the Supervisory Board, with the flexibility to optimize the financing of development plans in the medium term and take advantage of positive developments in the capital markets when they arise.

The target capital may be used to raise financing on the international capital markets or on the domestic market in Poland. The Management Board will decide on the specific financing structures and timeframe, taking into account, among other aspects, market conditions and investor interest.

### **3.5. Sales and supply markets**

#### **3.5.1. Sales markets**

The Group's business area did not change during the reporting period. Due to the early stage of development, the Group has no traditional manufacturing, service, or commercial activities. In 2022, the Company continued its research and development collaboration with Sosei Heptares to discover and develop new small molecules to degrade G protein-coupled receptors (GPCR), in November 2022, a further research and development collaboration agreement was entered into with Ono Pharmaceutical Co., Ltd, the target of which is primarily applicable to neurodegenerative diseases. As a result, in 2022, the Company achieved from these two agreements, total revenues of 9.16 million.

#### **3.5.2. Supply markets**

Due to the specificity of the Company's activity, the Company does not identify any key suppliers of services or materials on which the Company's activity would depend. The main costs incurred in 2022 were related to analyses and tests carried out by external entities. For more information, please refer to note 17 of the consolidated financial statement.

### **3.6. Report on activities of the Company and the Group**

At the end of the reporting period, the Company's portfolio included four proprietary drug development projects in the area of autoimmune and oncological diseases with unmet medical needs, as well as a joint project with Sosei Heptares for targeted GPCR receptors, which started in 2021.

In addition, in November 2022, the Company entered into a collaboration agreement with Ono Pharmaceutical Co, Ltd., the object of which is to cooperate on the development of small molecules capable of degrading a molecular target agreed by both parties, which may have applications primarily in the field of neurodegenerative diseases. This agreement will provide the Company with additional funding as work progresses on the above project.

At the same time, the Company has identified several molecular targets that may represent attractive drug candidates in the areas of autoimmunity or oncology, which the Company believes will be of interest to pharmaceutical companies where there is a strong demand for new and effective products. If current projects reach the commercialization stage, the Company may add additional projects to its pipeline based on the molecular targets already

selected and validated. The Company also carries out a project dedicated to the further development of the TPD platform (as part of the P3 project described below).

Based on the dynamic progress of research and the achievement of successive milestones in 2022, in particular in the leading projects CT-01 and CT-03, the Company announced the next steps of its Strategy for 2023-2025, in which it also presented development opportunities in new research areas, such as ADC conjugates and the evolution of the Optigrade™ platform. Details are presented in section 3.3.3 of this report.

Please note that the following statements and projections are based on estimates that are subject to change depending on circumstances, including those beyond the Company's control. They should not be relied upon as a basis for making definitive estimates or projections with respect to any of the projects.

### 3.6.1. Company's pipeline projects

Below please find a brief description of the objectives of each project and their level of progress at the time of publication of this report.

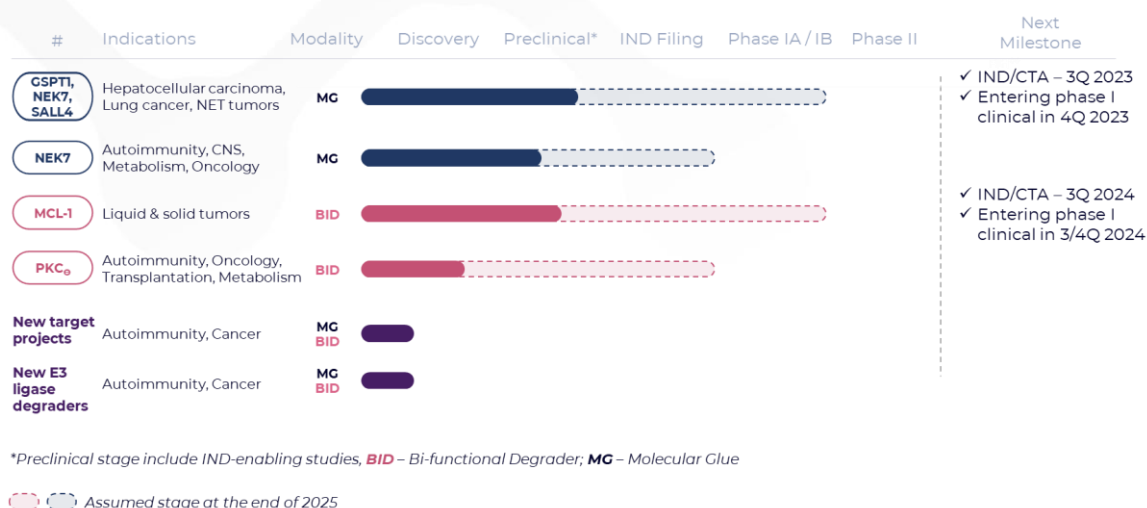


Figure 1: Progress of works with respect to discovery and development of drugs – projects carried out by the Issuer on its own and in collaboration with external entities.

### 3.6.2. Advanced projects

#### 3.6.2.1 Project CT-01: Discovery and development of a new clinical drug candidate for the eradication of cancer stem cell in the treatment of hepatocellular carcinoma, through degradation of oncofetal transcription factor

The purpose of the CT-01 project is to develop a drug candidate based on targeted protein degradation technology that will stop the progress of hepatocellular carcinoma and will offer significant clinical benefit for patients.

Hepatocellular carcinoma (HCC) constitutes a significant unmet medical need since most patients are diagnosed at a late, disseminated stage of the disease and current treatments offer limited benefits in terms of overall survival rate. At the same time, the number of patients diagnosed with hepatocellular carcinoma is increasing year by year. In patients diagnosed early, surgical removal of the tumor remains the only effective treatment. Pharmacological treatment options for patients who are not eligible for surgery or liver transplantation are very limited. Since 2007, Sorafenib (a multikinase inhibitor), has been the standard of care, even though it



extends patients' survival by just 2.8 months compared to placebo. In May 2020, the combination of atezolizumab and bevacizumab was approved by the U.S. Food and Drug Administration (FDA) for treatment of patients ineligible for surgery or with metastasis who were previously not treated systemically. In patients treated with this regimen, progression-free survival was prolonged by 3 months and overall survival by 6 months compared to Sorafenib treatment.

As described in Current Report No. 11/2022 of 11 April 2022, lead compounds in Project CT-01 present a unique degradation profile as they induce degradation of the GSPT1 and SALL4 proteins, among others. Both disclosed proteins are highly attractive molecular targets: GSPT1 has been validated as a molecular target of CC-90009 degrader, which is currently in clinical trials for the treatment of acute myeloid leukemia, while SALL4 is a transcription factor, expression of which in patients correlates with poor prognosis in hepatocellular carcinoma. The combined unique degradation profile of the proteins that are therapeutic targets of the compounds confirms the high commercial potential of this project.

In addition, after the end of the reporting period, the company announced that the compound that is the drug candidate in Project CT-01 also effectively degrades NEK7 protein, thus offering a unique degradation profile of three proteins that can be used in the treatment of hepatocellular carcinoma (HCC) and some other cancers. Degradation of NEK7 leads to a reduction in interleukin-1 $\beta$ , IL-1 $\beta$ , a well-established pro-carcinogenic factor IL-1 $\beta$  levels are elevated in inflammation, which is observed in 80% of patients with hepatocellular carcinoma. A reduction in IL-1 $\beta$  levels enable the stimulation of the immune response against cancer cells. The CPT-6281 drug candidate was developed as a pro-drug activated by an enzyme present at elevated levels in inflammation in the liver, lungs, and some gastrointestinal tumors, which confers additional potential benefits for the treatment of cancers of these organs and also expands the therapeutic window for the drug candidate.

In January 2022, the Company announced the results of experiments that confirmed the potent anticancer activity of two CT-01 lead compounds in a mouse model of human hepatocellular carcinoma (known as xenograft). The study showed complete regression (disappearance) of human Hep 3B2.1-7 cell tumors when implanted in mice, supporting the therapeutic hypothesis. The high activity level of the compounds was confirmed in subsequent studies announced in April 2022, which demonstrated disappearance of a tumor at significantly lower doses (10 mg/kg for CPT-6218 and 25 mg/kg for CPT-5170).

In August 2022, the company selected a drug candidate (CPT-6281) and began a large-scale synthesis process, which was carried out by an experienced international subcontractor. Thus, the Company has started to create the so-called CTA/IND-enabling studies package, which will enable the start of clinical trials.

In the third and fourth quarters of 2022, the Company improved the process of large-scale synthesis of the compound CPT-6281 and conducted *in vivo* and *in vitro* tests that allow the selection of animal species for toxicological studies (e.g., pharmacokinetic studies, development of bioanalytical methods, cross-species studies on the activity of the compound in primary cells). New pharmacological results obtained in additional patient derived xenograft (PDX) models of hepatocellular carcinoma support the therapeutic efficacy of CPT-6281 (Figure 2). The three presented models achieved growth arrest of 60% or more, which is a very promising result in terms of predicted efficacy in patients. The company is also assembling a clinical team experienced in liver cancer and early-stage clinical trials.

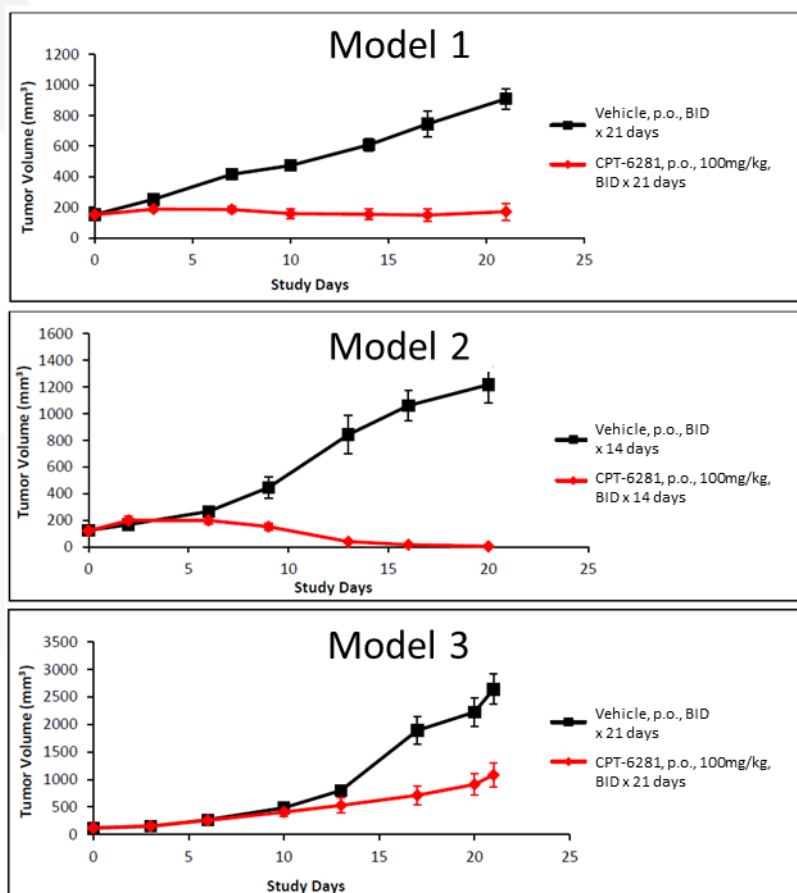


Figure 2: Results of pharmacology studies in additional models of hepatocellular carcinoma - xenografts from patient samples. Figures 3A-3C show tumor volumes in response to oral administration of drug CPT-6281 or control. Compared to the rapid growth in the control group, inhibition of tumor growth was observed after administration of the candidate. In contrast to the Hep3B model results presented previously, these models are obtained from cells taken directly from patients and are more similar to cancers that develop in patients.

In the first quarter of 2023, a preliminary toxicological evaluation will be performed on two selected animal species, which will allow for the proper performance of toxicological tests according to the GLP (*Good Laboratory Practice*) standard, which are an essential part of the documentation for clinical trial authorization. The company expects the project to enter the clinical phase in 2023.

The expected major milestones for the CT-01 project are as follows:

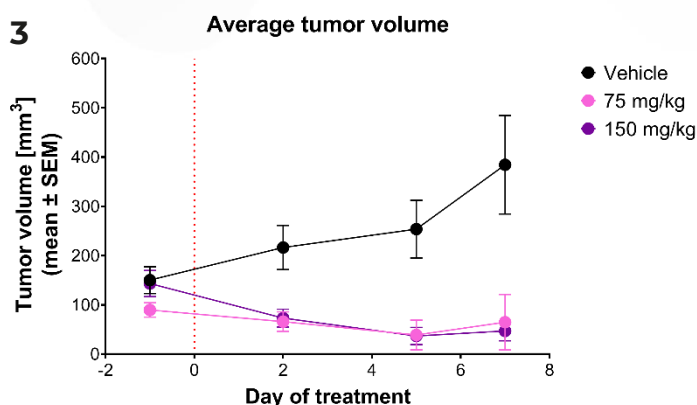
- IND/CTA approval (Investigational New Drug) allowing the initiation of clinical trials (testing in humans) in Q3 2023;
- Initiation of Phase I clinical trial in Q4 2023;
- Phase I top-line data to be reported by the end of 2024.



### 3.6.2.2 Project CT-03: Inducing apoptosis with small molecules as therapeutic intervention in multiple severe malignancies

The purpose of the CT-03 project is to develop a MCL-1 protein bi-functional degrader. MCL-1 is the major survival signal for many cancers. It is also responsible for the mechanism of resistance to treatment with e.g., BCL-2 inhibitors. MCL-1 degradation is an attractive treatment strategy for many cancers, including hematologic malignancies, small cell lung cancer (SCLC), non-small cell lung cancer (NSCLC), and triple-negative breast cancer (TNBC)-cancers with very high unmet medical needs due to the limited possibility of effective treatment-as well as acute myeloid leukemia (AML), which is the most common type of leukemia in adults, affecting more than 5 per 100,000 people (2013 data). The drug candidate being developed under the CT -03 project may be considered "first-in-class" because, to the Company's knowledge, it is the only MCL-1 degrader currently being developed by a pharmaceutical company.

In the first quarter of 2022, the Company announced the results of an experiment demonstrating the validity of the therapeutic hypothesis in an animal model (*in vivo proof of concept*), including tumor volume monitoring following the administration of multiple doses of the compounds, conducted by an independent research organization on behalf of the Company. These results show that once-daily administration of MCL-1 degraders leads to regression (shrinkage) of tumors in the MV-4-11 mouse model of acute myeloid leukemia. At both doses, 75 mpk (milligrams per kilogram) and 150 mpk, a strong anticancer effect was observed. These results, shown in Figure 3, are another milestone on the way to selecting a candidate for clinical development.



**Figure 3: Testing the ability of the developed lead compound to inhibit tumor growth. Mice were injected with human acute myeloid leukemia cells to induce tumor formation. After the tumors reached the appropriate size, the compound was administered once daily, and the volume of the tumors was measured.**

Following the promising research results on the efficacy of MCL-1 degraders in MV-4-11 mouse model of acute myeloid leukemia, the compounds were subjected to further pharmacological studies. Based on these studies, internal analyzes are performed to help clearly select the best candidate for preclinical development. The Company has launched a large-scale synthesis process, which is carried out by an experienced subcontractor.

Experiments were also conducted during the reporting period to select animal models for toxicological studies. At the time of publication of this report, the safety of multiple doses of the clinical candidate was being evaluated in one rodent species. Based on these studies, the maximum tolerated dose of what is known as MTD (Maximum Tolerated Dose) was determined when a clinical candidate was administered once, and then it was investigated whether this dose could be safe when administered repeatedly over a 14-day period.

Clinical trials with MCL-1 inhibitors conducted by pharmaceutical companies are in various stages of phase I/ II. In these studies, correlations between the use of potential drugs and side effects on cardiac muscle function were found in some cases. The technology developed by the Company to degrade MCL-1 has a different pharmacokinetic and pharmacodynamic profile

than inhibitors used in clinical trials, which is likely to reduce the risk of cardiotoxicity. To confirm these assumptions, the drug candidate has been tested in *in vitro* assays that allow detection of side effects on cardiac muscle function. At the time of publication of this report, the results are promising, and all indications are that therapy with the clinical candidate should not cause cardiotoxicity.

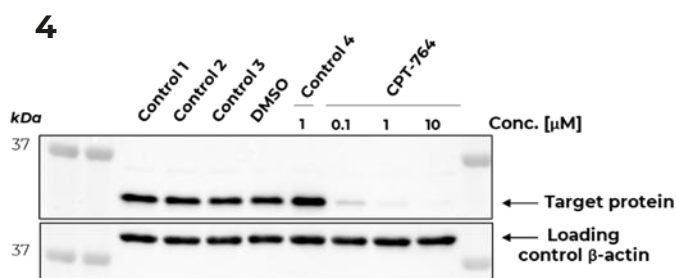
The expected major milestones for the CT-03 project are as follows:

- IND/CTA approval in Q3 2024;
- Initiation of Phase I clinical trial in Q3/Q4 2024;
- Phase I top-line data to be reported in 2025.



### 3.6.2.3 Project CT-02: *Discovery and development of non-toxic ligase ligands and their application in the treatment of autoimmune diseases*

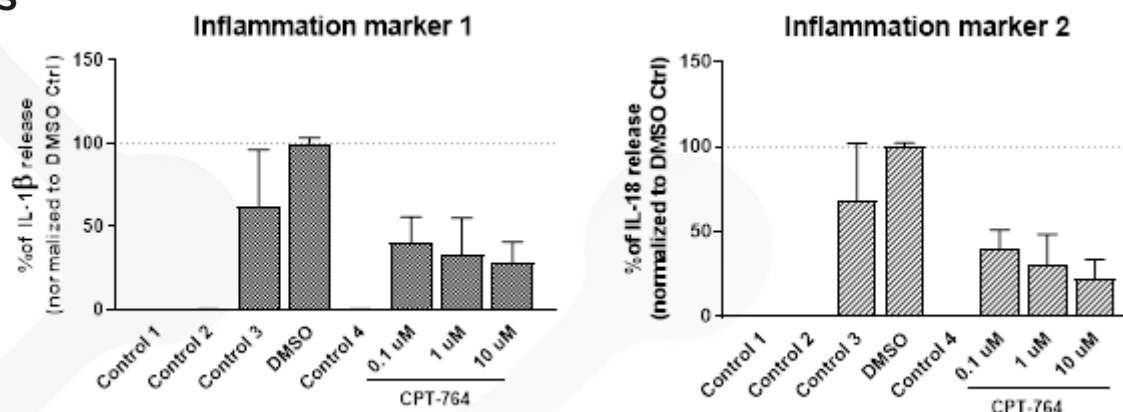
The key therapeutic area in the CT-02 project is autoimmune diseases such as inflammatory bowel disease, gout, and non-alcoholic fatty liver disease, as well as other diseases where the Company sees an opportunity to address important patient needs and a large market potential. In addition, CT-02 degraders also show high potential for the treatment of central nervous system disorders.



**Figure 4: Western-blot analysis of the level of the target protein of the CT-02 project in macrophages obtained from human peripheral blood mononuclear cells. The compound CPT - 764 significantly degrades the target protein in the tested model.**

In 2022, the CT-02 project continued work with the identified degradation products of a molecular target that plays an important, pathological role in the development of autoimmune diseases caused by chronic activation of inflammation. It was shown that as a result of the strong degradation of the described pathological protein, the presence of inflammatory markers was significantly reduced in studied cell models. The observed phenomenon suggests a high therapeutic potential of the identified small molecule compounds in autoimmune diseases. In 2023, animal studies will be conducted to evaluate the ability of the lead compound CPT-764 (CPT-9344) to inhibit the activation of inflammation in a mouse model.

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**Figure 5: The results of measuring inflammatory markers via ELISA method in immune cells (macrophages distinguished from peripheral blood mononuclear cells). The compound CPT -764 leads to a significant reduction in released inflammatory markers by degrading the target protein.**

Subsequent to the end of the reporting period, the Company disclosed NEK7 protein as the molecular target of the CT-02 project. The selective degradation of NEK7 protein in the CT-02 project is of significant value for the treatment of numerous autoimmune diseases by balancing the therapeutic role and preservation of immune function of the IL-1b-dependent pathway.

NEK7 protein is involved in modulating the activity of the inflammasome complex, which plays a key role in triggering the inflammatory response. Activation of the inflammasome complex is not entirely dependent on the kinase activity of NEK7 protein - its structural (scaffolding) function plays a key role. Therefore, classical inhibition of NEK7 enzyme function, as opposed to its degradation, will not provide therapeutic benefit.

The anticipated major milestones for the CT-02 project are as follows:

- obtain results on the efficacy of the drug *in an animal model (in vivo proof-of-concept)* in 2023;
- the identification of a drug candidate that crosses the blood-brain barrier potentially useful in neuroinflammation (in addition to the systemic indications in the area of autoimmune diseases and chronic inflammatory conditions).

### **3.6.2.4 Project CT-05: Application of targeted protein degradation technology in the treatment of psoriasis and rheumatoid arthritis**

The purpose of the CT-05 project is to obtain a degrader of a pro-inflammatory kinase whose role in the mechanism of development of autoimmune diseases (such as psoriasis or rheumatoid arthritis) has been thoroughly documented. The obtained drug candidate will be characterized by a new mechanism of action and oral bioavailability.

In the CT-05 project, small molecule compounds that induce selective PKC $\epsilon$  degradation may be used to treat a range of autoimmune and cancer diseases. The degradation of PKC $\epsilon$  kinase is of high therapeutic value, and the previous approach based on classical inhibitors was characterized by good efficacy in patients and numerous side effects resulting from inhibition of other PKC protein isoforms as well as other unidentified molecular targets. The use of TPD technology, and in particular the use of bi-functional degraders, allowed the development of molecules with the highest selectivity in this class.



The results of the Company's research under the project CT-05 show the desired activity in the form of:

- Efficient degradation and desirable selectivity profile of the first-in-class PKC $\epsilon$  molecular target in cells of the immune system *in vitro*;
- The desired effect on immune cells *ex vivo*, while having no undesirable effects on non-immune cells, unlike less selective inhibitors;
- Best-in-class selectivity distinguishes the Company's compounds from inhibitors that have been unsuccessful in clinical trials due to side effects.

The PKC $\epsilon$  protein is a recognized modulator of signaling pathways leading to IL-17 secretion - a clinically validated target in autoimmune diseases such as psoriasis.

The expected milestones for the CT-05 project are as follows:

In 2023, the Company expects to obtain proof-of-concept study results in the acute inflammation model, which could be an impetus to begin discussions about building a partnership or licensing this project.

### **3.6.3. Other projects**

The goal of the **CT-04 project** is to develop a first-in-class oral drug for the treatment of colorectal cancer by inhibiting Wnt signaling pathway, which is abnormally activated in more than 93% of colorectal cancers. The proposed small molecule drug will cause protein degradation in Wnt signaling pathway. The molecular target of the CT-04 project is considered a so-called "*Undruggable Target*" for classical small molecule drugs.

The CT-04 project was co-funded with grants from the National Center for Research and Development ("**NCRD**"). At the end of 2022, the Company sent a letter to NCRD requesting termination of the funding agreement for project CT-04 and notifying it of an intention to apply request the final payment.

The Company's decision and filing was due to delays in the implementation of the CT-04 project, as a result of which the Company assessed that it would not be able to achieve further milestones agreed with NCRD within the time limit required by the co-funding agreement, i.e., by the end of 2023. The above delays are due to issues with the complexity of the original lead series and the need to seek additional chemical series. Additionally, following a comprehensive analysis of the progress of the CT-04 project, in particular over the last 24 months, the Company concluded that, although the molecular target remains very attractive and has significant potential, the project has encountered certain research challenges and that inhibiting the activity of the selected molecular target at an adequate level is a goal that requires more time than it was originally anticipated. As a result, the Company was unable to achieve the originally anticipated milestones within the timeframe stated above, which justified the filing with NCRD.

Notwithstanding the foregoing, the Company and the biotech community believe that the molecular target in the CT-04 project and the therapeutic indications, i.e., colorectal cancer, represent a very attractive area for pharmacological intervention and, most importantly, there is a significant market demand that has not been satisfied. As a result, in spite of the filing submitted to NCRD, the Company intends to continue its research and development activities in respect to CT-04 using its own resources, while the Company believes that expenditures for further implementation of the CT-04 project will not be significant.

In March of this year, the Company received a position from NCRD, which analyzed the final information submitted by the Company and concluded that further implementation of project CT-04 would not lead to the achievement of its objective within the assumed timeframe. According to NCRD's external expert, the cessation of further work is objectively justified. In NCRD's view, the Company had made every effort to carry out the Project until the date of

cessation in accordance with the scope of the agreement. In accordance with the agreement NCRD considered the Project to be completed. Information on the above event was published in Current Report No. 38/2022 of 31 October 2022 and 4/2023 of 2 March 2023.

**The project implemented in cooperation with Ono Pharmaceutical Co, Ltd.,** is implemented on the basis of the Agreement of 14 November 2022. The subject matter of the Agreement is to cooperate on the development of small molecules capable of degrading a molecular target agreed by both parties, which may have applications primarily in the field of neurodegenerative diseases. The terms of the Collaboration Agreement cover any human disease indication covered by the above molecular target and the unlimited territorial scope of the collaboration.

As of the publication date of this report the research and development work are going on schedule. A meeting was held in December 2022 to discuss the current state of research and the work was scheduled for the current year. Both parties are satisfied with the progress of the project. Captor is reimbursed for the costs of the research and development tasks performed.

**The project implemented in cooperation with Sosei Heptares** is implemented in accordance with the provisions of the Agreement. Both the Captor R&D team and the Sosei Heptares representatives are satisfied with the scientific collaboration. Captor is reimbursed for the costs of performing the research and development tasks in accordance with the terms of the agreement.

Under the **P3 project**, the Company continued work on a technological platform aimed at developing new small molecule ligands of E3 ligases. Currently, the industry of targeted protein degradation relies on ligands for two ligases, namely CRBN and VHL. The development of new molecules targeting E3 ligases other than CRBN and VHL will allow to expand the pool of proteins that can be degraded and to apply the technology of targeted protein degradation in new therapeutic indications.

Over the past year, the Company has significantly improved the activity and physico-chemical parameters for the previously identified ligands of two E3 ligases. In addition, the Company has identified ligands with new chemical structures and high affinity for two other E3 ligases and was probably the first in the world to obtain crystal structures of complexes of these ligases with small molecule ligands. Currently, the company is working to establish a proof of concept for the use of the developed molecules and identified E3 ligases for the degradation of model proteins.

### **3.7. Information on other events operations and financial results of the Company and the Group or which are likely to have an impact thereon in the next years**

#### **3.7.1 Significant events and factors during the financial year**

During the reporting period, certain events took place in the Company and the Group which significantly affected the Parent Company's operations and results the most important of these events are described below.

[Provision of information to NCRD regarding potential irregularities in the settlement of eligible costs for EU projects](#)

On 26 January 2022, the Parent Company reported that there was a risk of potential past irregularities in the settlement of eligible costs incurred by the Company in the implementation of EU projects under the agreements concluded by the Company with the National Center for Research and Development ("**NCRD**", "**Projects**"). The above potential irregularities were related to the Company's historical activities and did not affect the results of the Company's research and development activities.

As the Company became aware of proceedings conducted by state authorities with regard to potential irregularities in procurement procedures for EU projects, the Company engaged reputable third-party financial and legal consultants to carry out an audit ("**Audit**"). In accordance with the provisions of the agreements concluded for the Projects, the Company also decided to notify NCRD of such risk of irregularities.

The scope of the Audit covered the settlements of eligible costs incurred by the Company in the implementation of all EU Projects under the agreements concluded by the Company with NCRD. The timeframe covered by the Audit included agreements related to eligible costs incurred by the Company that were signed up until 31 December 2021.

As a result of the Audit, certain irregularities were identified which, in the opinion of the Company, gave rise to an obligation to repay the following amounts with respect to individual Projects:

POIR.01.01.01-00-0931/19-00 – PLN 104,889.98

POIR.01.01.01-00-0741/19-00 – PLN 279,190.33

POIR.01.01.01-00-0747/16-00 – PLN 1,008,328.40

POIR.01.02.00-00-0073/18-00 – PLN 557,027.89

POIR.01.02.00-00-0079/18-00 – PLN 476,541.33

POIR.01.01.01-00-0956/17-00 – PLN 1,026,946.40

POIR.01.01.01-00-0740/19-00 – PLN 437,914.08

The total amount to be refunded to NCRD amounted to PLN 3,890,838.41, which represented 2.22% of the total amount of all agreements concluded by the Company with NCRD (i.e., PLN 175.1 million) and 5.4% of the co-funding received by the Company from NCRD to date (i.e. PLN 72.5 million as of 31 March 2022). The above refund amount was additionally increased by interest accrued up to the date of the refund in the total amount of PLN 767 thousand. The Company notified NCRD of the identified irregularities and repaid the above amount to NCRD on 13 April 2022.

On 16 November 2022, the Company received letters from NCRD regarding the final clearing of the Audit results. After reviewing the results of the Audit, NCRD did not object to the calculations for the refund of direct costs resulting from the irregularities identified during the Audit. However, it indicated that the Company should additionally return a lump sum (indirect costs) for these expenditures in the total amount of PLN 802,917.68 for all projects. After analyzing NCRD's letters, the Company agreed with NCRD's reasoning and on 16 November 2022 it refunded the above amount to NCRD together with statutory interest, i.e. PLN 1,031,837.68 in total. In the opinion of the Company's Management Board, the above refund represents the final settlement of the irregularities found during the Audit.

Information on the above events was published in Current Reports No. 5/2022 of 26 January 2022, No. 10/2022 of 8 April 2022 and No. 41/2022 of 16 November 2022.

#### [Armed conflict in Ukraine](#)

Due to the outbreak of armed conflict between Ukraine and Russia, the Company analyzed the impact of the current situation on the Group's operations. In the opinion of the Management Board, there were no significant risks that could materially affect the business. The Group has no assets in Ukraine and no operations in the conflict territories.

As a result of Russia's hostilities, countries of the European Union and the United States introduced a series of severe sanctions against Russia, targeting key sectors of the Russian economy by blocking their access to technology and markets, including financial markets. In view of the above, we cannot rule out that the sanctions package might affect the activities of companies, including those in Poland, for example in connection with the supply of raw

materials from Russia. The supply of raw materials from Ukraine may also be significantly disrupted or even halted, which as a result may cause disruption of the global supply chain.

The armed conflict in Ukraine also affected the macroeconomic situation in Poland and globally, in particular the level of interest rates, the level of inflation and the valuation of the Polish currency (PLN).

These risks may lead to increased costs of paying liabilities for research services and reagents purchased abroad. As of the date of this report, the Management Board of the Company is unable to estimate the exact impact of these events on the Company's ongoing research programs or the availability of financing in the future.

#### Registration of amendments to Articles of Association

On 12 May 2022, the court of registration with jurisdiction over the Company registered an amendment to the Company's Articles of Association made by Resolution No. 2 adopted by the Company's Management Board on 10 December 2021, to issue 30,738 Series K ordinary bearer shares within the limits of the Company's authorized capital, excluding pre-emptive rights of the Company's existing shareholders in full (information in Current Report No. 17/2022 of 12 May 2022).

On 7 September 2022, the court of registration with jurisdiction over the Company registered an amendment to the Company's Articles of Association made by Resolution No. 2 adopted by the Company's Management Board on 27 April 2022, to issue 9,420 Series L ordinary bearer shares within the limits of the Company's authorized capital, excluding pre-emptive rights of the Company's existing shareholders in full (information in Current Report No. 35/2022 of 7 September 2022).

Additionally, on 16 September 2022, the court of registration with jurisdiction over the Company registered an amendment to the Company's Articles of Association resulting from resolutions adopted by the General Meeting of the Company on 30 June 2022, which are attached to the Company's Current Report No. 25/2022 of 30 June 2022 (information provided in Current Report No. 36/2022 of 16 September 2022).

#### Conditional registration of the Series K ordinary bearer shares and admission and introduction of the shares to stock exchange trading

On 28 June 2022, the Central Securities Depository of Poland ("**KDPW**") conditionally registered 30,738 Series K ordinary bearer shares ("**Series K Shares**") with a nominal value of PLN 0.10 each and ISIN code PLCPTRT00014.

The registration of the shares was conditional and took place within 3 days after the receipt by the Central Securities Depository of Poland of a decision to introduce the above-mentioned shares to trading on the regulated market to which other shares of the Company bearing the above-mentioned ISIN code had been admitted, but not earlier than the date indicated in the decision as the date of introduction of those shares to trading on that regulated market.

Additionally, on 29 June 2022, the Management Board of the Warsaw Stock Exchange adopted Resolution No. 651/2022 on the introduction of Series K Shares to exchange trading on the primary market as of 1 July 2022, on the condition that on 1 July 2022, the Central Securities Depository of Poland registered these shares and marked them with the ISIN code PLCPTRT00014. The shares were issued as part of the framework of the Company's incentive program (information in Current Report No. 23/2022 of 28 June 2022 and No. 24/2022 of 29 June 2022).

#### Conditional registration of the Series L ordinary bearer shares and admission and introduction of the shares to stock exchange trading

On 22 November 2022, the Central Securities Depository of Poland (“**KDPW**”) conditionally registered 9,420 Series L ordinary bearer shares (“**Series L Shares**”) with a nominal value of PLN 0.10 each and ISIN code PLCPTRT00014.

The registration of the shares was conditional and took place within 3 days after the receipt by the Central Securities Depository of Poland of a decision to introduce the above-mentioned shares to trading on the regulated market to which other shares of the Company bearing the above-mentioned ISIN code had been admitted, but not earlier than the date indicated in the decision as the date of introduction of those shares to trading on that regulated market.

Additionally, on 23 November 2022, the Management Board of the Warsaw Stock Exchange adopted Resolution No. 1073/2022 on the introduction of Series K Shares to exchange trading on the primary market as of 25 November 2022, on the condition that, on 25 November 2022, the Central Securities Depository of Poland registered these shares and marked them with the ISIN code PLCPTRT00014. The shares were issued as part of the Company’s incentive program (information in Current Report No. 42/2022 of 22 November 2022 and No. 43/2022 of 23 November 2022).

#### Potential delays in Project CT- 03

The Company reported that, after reviewing information received from external contractors, it had identified a potential risk of delays in Project CT-03 (MCL-1) (“**Project**”) due to limitations in the global availability of key chemical building blocks.

As IND-enabling studies require large amounts of drug substances to be manufactured, there is a risk of a delay of several months in the Project, which could mean entering the clinical phase in 2024 (previously the Company estimated that the Project would enter the first phase of clinical trials by the end of 2023). The Company continued to seek alternative solutions to reduce such risk of delay.

The potential delays have no impact on the project results to date or the market potential offered by a first-in-class MCL-1 degrader. For more information on the CT-03 project, please refer to section 3.6 of this report. Information provided in Current Report No. 19/2022 of 27 May 2022.

#### Participation in scientific and business conferences

Both during and after the reporting period, the Company regularly attended meetings with investors and with the pharmaceutical and biotechnology community.

In January 2022, The Company participated in the 11th annual LifeSci Partners Corporate Access Event, which was held online from 5 to 7 January 2022. The event showcased innovative, publicly traded biotechnology, medical device, pharmaceutical, life science and digital health companies from around the world. The event included meetings with executives and panel discussions with key opinion leaders (KOLs), investors and healthcare experts, who discussed the most relevant topics affecting the life sciences industry today.

On 17 March 2022, Michał Walczak, Chief Scientific Officer, delivered a presentation at the [2<sup>nd</sup> Annual Targeted Protein Degradation Europe Summit](#) held in London.

In May 2022, the Parent Company took part in the 8th annual [LSXWC World Congress 2022](#), which was held in London on 10-11 May 2022. Thomas Shepherd, the CEO of Captor Therapeutics took part in a panel discussion on targeted protein degradation and in partnering meetings.

During the Investor Day, all interested parties were able to meet with Company representatives to discuss the progress of ongoing research, take a virtual tour of the laboratory, and participate in a panel discussion, during which the Company’s consultant, F. Baumert, MD from the University of Strasbourg, discussed hepatocellular carcinoma therapy.

On 9 and 10 August 2022, the Company took part the 13th Annual Wedbush PacGrow Healthcare Conference, which was held in New York. On Tuesday, 9 August 2022, Tom Shepherd, the CEO of Captor Therapeutics, participated in a panel discussion entitled "Bullseye - Targeted Oncology - In with the New", and also met with corporate representatives and investors. The conference was attended by Wedbush's institutional clients and executives from leading public and private healthcare companies.

Company representatives also attended the 5th Annual Targeted Protein Degradation Summit in Boston and ESMO - European Society for Medical Oncology in Singapore. At ENA 2022 in Barcelona, the results of work were presented in a poster session entitled "Development of selective MCL-1 heterobifunctional degraders".

The Company also won the "Innovation of Products and Services" category in the 23rd edition of the ranking organized by the Puls Biznesu daily.

### **3.7.2 Significant events and factors after the end of the financial year**

The following events took place in the Company and the Group after the end of the financial year:

#### [Announcement of strategic plans of Captor Therapeutics S.A. for 2023-2025](#)

On 6 March 2023, the Company's Supervisory Board adopted a resolution to approve the next steps in the Company's strategy for 2023-2025 ("**Strategic Plans**") presented by the Management Board. The key objectives of the Company's Strategic Plans are described in Section 3.3.3 of this Report and in Current Report No. 7/2023 of 6 March 2023.

The Company's Management Board plans to secure funding for the implementation of the adopted Strategic Plans by issuing (within the authorized capital) up to 1,222,467 ordinary shares of the Company. The shares will be issued at the time that is considered most advantageous for the Company, taking into account market conditions and investor interest, although the Management Board does not rule out issuing a smaller number of shares if the issue price enables the Company to raise financing enabling the implementation of the Strategic Plans.

#### [Registration of a share capital increase and amendments to the Articles of Association](#)

After the end of the reporting period, i.e. on 10 February 2023, the court of registration with jurisdiction over the Company registered an amendment to the Company's Articles of Association made by Resolution No. 2 adopted by the Company's Management Board on 28 September 2022, to issue 41,019 Series M ordinary bearer shares within the limits of the Company's authorized capital, excluding pre-emptive rights of the Company's existing shareholders in full (the Company disclosed the adoption of the resolution in on 28 September 2022, in Current Report No. 37/2022). The shares were issued as part of the incentive plan in effect in the Company. Information provided in Current Report No. 2/2023 of 10 February 2023.

#### [Registration of Series M ordinary bearer shares with the securities depository and admission and introduction of Series M shares to trading](#)

On 10 March 2023, the Central Securities Depository of Poland ("**KDPW**") issued a release on the registration with the securities depository of 41,019 Series M ordinary bearer shares ("**Shares**"). On 14 March 2023, the Shares were registered with the KDPW securities depository with the ISIN code PLCPTRT00014.

On 9 March 2023, the Management Board of the Warsaw Stock Exchange adopted Resolution No. 198/2023 on the introduction to exchange trading on the primary market as of 14 March 2023 of 41,019 Series M common bearer shares of the Company with a par value of PLN 0.10 each, on the condition that, on 14 March 2023, the Central Securities Depository of Poland registered these shares and marked them with the ISIN code PLCPTRT00014. Information



provided in Current Reports No. 5/2023 of 2 March 2023, No. 9/2023 of 9 March 2023 and No. 10/2023 of 13 March 2023.

#### Resolution of the Management Board of the Company on a share issue within the limits of the authorized share capital

On 14 February 2023, the Company's Management Board adopted a resolution to issue 11,292 Series N common bearer shares within the limits of the Company's authorized capital, while fully excluding the pre-emptive rights of the Company's existing shareholders.

The share issue is related to the implementation of the Company's share-based incentive program for employees and members of its corporate bodies. As of the date of this report, the shares have not yet been issued.

#### Resolution of the General Meeting of the Company to create authorized capital and amend the Articles of Association.

On 3 April 2023, the General Meeting of the Company amended the Company's Articles of Association by introducing an authorization for the Company's Management Board to increase the share capital by an amount not exceeding PLN 122,246.70 by issuing up to 1,222,467 new shares of the Company ("**Authorized Investment Capital**"). The Management Board may exercise the authorization in accordance with the rules set forth in the resolution of the General Meeting; in particular it may exclude the pre-emptive and priority rights (granted by the resolution), while the issue price of the shares issued within the limit of the Authorized Investment Capital may not be lower than the average market price of the Company's shares listed on the Main Market of the Warsaw Stock Exchange from the 3-month period preceding (but not including) the day on which the Company's Management Board adopts a resolution to commence the offering of the shares within the limit of the Authorized Investment Capital. The General Meeting also adopted a resolution to amend the Articles of Association, which included, among other things, a waiver of certain provisions of the Commercial Company Code, which came into effect in 2022, and clarified certain issues related to a consultant to the Supervisory Board (the resolutions adopted were communicated by the Company in Current Report No. 13/2023 of 3 April 2023). The amendments to the Articles of Association, including the creation of Authorized Investment Capital will become effective upon their registration in the Register of Commercial Undertakings at KRS.

### 3.8. Information on agreements concluded by the Company and the Group

#### 3.8.1 Material agreements concerning operating activities

##### Cooperation agreement with Ono Pharmaceutical Co., Ltd.

On 14 November 2022, the Company entered into a collaboration agreement ("**Collaboration Agreement**", "**Agreement**") with Ono Pharmaceutical Co., Ltd. with its registered office in Osaka, Japan ("**Ono**"). The object of the Agreement is collaboration on the development of small molecules capable of degrading a molecular target agreed by both parties, which may have applications primarily in the field of neurodegenerative diseases. The terms of the Collaboration Agreement cover any human disease indication covered by the above molecular target and the unlimited territorial scope of the collaboration.

The Collaboration Agreement provides that the Company will be, as a rule (in accordance with detailed timetable and division of works agreed by the parties), responsible for the research and identification activity of the molecules covered by the Collaboration Agreement, while Ono will be responsible for the development and commercialization process (i.e. conducting clinical trials, cooperation with doctors, distribution, promotion, obtaining permits from the relevant

public authorities for the sale of the commercialized products, etc.) of the drugs based on the substances developed.

In addition, the Collaboration Agreement establishes a system for the payment of remuneration to the Company: (i) payment of remuneration when the Collaboration Agreement is concluded and when Ono exercises the exclusive option by Ono (as a result of exercising this option, Ono will acquire intellectual property rights resulting from the cooperation and rights to certain drug candidate molecules), (ii) payment of additional remuneration upon the achievement of successive milestones related to progress in research & development and commercialization (milestone payments), (iii) a percentage share of revenues from the sale of drugs developed in performance of the Collaboration Agreement. The Company will also be entitled to a reimbursement of research costs from Ono in the amounts indicated in the Collaboration Agreement. The anticipated total amount of cumulative cash payments from Ono to the Company (assuming the exercise of the exclusive option, all milestone payments and reimbursement of research costs, but excluding the payments envisaged in (iii) above) is approximately EUR 197 million.

The above amount is the maximum possible amount which can be received by the Company (so called *bio-dollar value*), however the amount that the Company will in fact receive under the agreement will depend, *inter alia*, on the exercise by Ono of the exclusive option and the achievement of milestones by Ono. Information on the collaboration was published in Current Report No. 40/2022 of 14 November 2022.

#### [Annex to the research collaboration agreement with Sosei Heptares](#)

On 21 December 2022, the Company concluded an annex to the research collaboration agreement of 22 December 2020 with Heptares Therapeutics Ltd., an entity of the Sosei Group Corporation, extending the term of the agreement for 6 more months until 21 June 2023. Information provided in Current Report No. 46/2022 of 21 December 2022.

### **3.8.2 Agreements concerning credit facilities and loans of the Company and the Group**

During the period under review, neither the Parent Company nor the Group entered into or terminated any loan or credit agreement. The Group also did not grant any loan during the period covered by this report with the exception of the loan granted by the Parent Company to the Subsidiary, which is disclosed in Note 31 of the Company's separate financial statements for 2022, which is part of the annual report. The loan was granted in the amount of CHF 26.2 thousand. The current interest rate is based on the SARON 3M rate plus an appropriate margin. The repayment date is 31 December 2023.

### **3.8.3 Other agreements important for activities of the Company and the Group**

To the best knowledge of the Management Board, in the reporting period and until the date of preparation of this report no material cooperation agreements, agreements between shareholders and insurance agreements other than the ones described in this report have been executed.

### **3.8.4 Surety bonds and guarantees received and granted**

In the reporting period the Group has not granted or received any surety bonds and guarantees.

### **3.8.5 Transactions with related parties**

During the reporting period, transactions between related parties took place on terms equivalent to those of arm's length transactions. Information on transactions concluded with related parties is included:

- in the consolidated financial statements for the year 2022 ended 31 December 2022 in note 44; and
- in the separate financial statements for the year 2022 ended 31 December 2022 in note 44.

### **3.9. Risk and threats faced by the Company and the Group**

#### *Risk related to the Group's operating activity*

Due to the innovative nature of the Group's business, the Group is currently at an early stage of research. All of the therapeutic molecules that the Group is working on are in the preclinical stage. The Group's ability to generate profits from the sale of medicines or licensing of therapeutic solutions will depend on the success in developing drug candidates (a drug candidate is a chemical compound with a high therapeutic potential (demonstrated at least in an experimental set-up) and with desirable pharmacological properties, which has not yet been registered as a medicine, and possible commercialization of the medicines. The Company's success is contingent on a number of factors, in particular:

- successful completion of preclinical studies;
- successful initiation of clinical trials;
- successful recruitment of patients to conduct and finalize clinical trials;
- obtaining all necessary regulatory and market approvals for potential clinical candidates;
- entering into partnership or collaboration agreements with third parties on commercially advantageous terms;
- competing effectively with other therapies;
- gaining acceptance of the drug in the marketplace and among potential patients;
- successful commercialization of a medicine.

To date, the Group has not generated sales revenue from the commercialization and sale (licensing) of drug candidates or medicines. All of the Group's research and development programs are at the stage of developing a suitable therapeutic molecule for the selected molecular target and validating its properties, i.e., before the stage of clinical trials. The Group has not commenced clinical trials of developed drug candidates and anticipates that it will be several more years before a drug candidate passes clinical trials and is ready for commercialization. There is a risk that the Group and its partners may not reach the stage of commercialization and marketing of a drug, and even if they do, the Group may not generate revenues that are significant enough to make its business profitable.

#### *Risks related to the SARC-Cov2 pandemic*

In connection with the ongoing pandemic of the coronavirus SARC-Cov2, which causes the COVID-19 disease worldwide, the following factors have been identified as of the date of this report, which may temporarily affect the period of individual research work within the ongoing research and development projects or the financial situation of the Group and the Company.

In case of persistence or introduction of new restrictions and limitations in the economies of the countries affected by the pandemic and uncertainty as to the development of the situation in the capital markets:

- there may be delays in the supply of materials and reagents from contractors with operations or collaborations in affected countries;

- the research work of certain highly specialised external service providers working with the Group may be delayed, postponed or unable to be contracted due to staffing constraints or inability to commit in connection with uncertainty and restrictions imposed;
- it may be necessary to quarantine one or more or all of the employees working on the research or laboratory teams, as well as other personnel.

As of the date of this financial report, the Parent Company was unable to estimate the possible magnitude of the effects of the potential economic risks. The Company monitors on an ongoing basis developments affecting the likelihood of the effects of the potential risks. In the reporting period the coronavirus pandemic has not adversely affected the ability of the Group and the Company to continue as a going concern. The Company has implemented a number of measures to enhance occupational safety and measures to eliminate potential risks associated with its operations. Measures to enhance occupational safety and eliminate risks associated with operations have also been implemented at the Subsidiary.

The epidemic state was abolished in Poland by the Ministerial Decree of 13 May 2022 amending the decree on the establishment of certain restrictions, orders in connection with the occurrence of an epidemic state.

#### *Risks related to the armed conflict in Ukraine*

In connection with the outbreak of the armed conflict between Ukraine and Russia, the Company analysed the impact of the current situation on the Group's operations. In the Management Board's opinion there are no material risks which may significantly affect the activities being conducted. The Group does not either have any assets in Ukraine or conduct any activities within the areas affected by the conflict.

As a result of military operations conducted by Russia, the EU countries and the USA introduced a number of severe sanctions on Russia which cover key sectors of the Russian economy through blocking access to technologies and markets, including financial markets. In view of the foregoing, it cannot be excluded that the implemented sanctions package may affect the activities conducted by the Company, including those in Poland, for example due to deliveries of raw materials from Russia. Also, deliveries of materials from Ukraine may be significantly disturbed or even stopped, which may consequently disrupt the global supply chain.

Further, the armed conflict in Ukraine may affect the macroeconomic situation in Poland, and in particular interest rates and valuation of Polish currency (Polish zloty). The foreign exchange risk may result in the increase of the costs of servicing liabilities related to research services and reagents purchased abroad. As of the date of preparation of this report the Management Board of the Company is not able to determine the exact impact of such events on the research programs being conducted or availability of funding. The Company is analysing the situation on an ongoing basis and the Management Board of the Company will keep you updated of any new circumstances affecting the financial results and business situation of the Group.

#### *Risks related to grants*

Research and development programs of the Company are primarily financed by public subsidies. In order to obtain public subsidies, the Company is obliged to meet many formal requirements and restrictive competition conditions, and applications submitted by the Company undergo meticulous inspection. The Company is planning to submit in the future applications for further grants for new research and development programs, whereas there is a risk that applications submitted by the Company will not meet the formal and legal requirements or will not be approved by experts evaluating the merits of such applications, which will consequently result in the necessity to engage the Company's own resources and adversely affect the Company's activity and results.

Captor Therapeutics receives subsidies proportionally to the scope of the implemented project. Agreements concluded with the NCRD provide for two systems of co-financing. According to the first model the Parent Company finances research works from its own resources and then receives reimbursement of incurred costs. In the second model, the Company receives advance payments for research, which it is subsequently obligated to settle in accordance with the application and grant agreement (presently projects are settled through advance payments). The Company cannot exclude the risk that the costs incurred for research and development will be contested by the financing entity, which will mean a reduction in the amount of reimbursement to the Company or an obligation to return certain amounts obtained in the prepayment system with interest to the financing entity.

The Group is regularly audited by NCRD in terms of the correctness of grant spending, providing the institution with relevant project and cost documentation. There is a potential risk that certain potential irregularities might have occurred in the past in reconciliation of the qualified costs incurred by the Company, in the course of execution of EU projects, on the basis of agreements concluded by the Company with the NCRD, and consequently that the Company will be required to return some of the subsidies received by the Company with interest. Such irregularities were identified by the Company as a result of the Audit commissioned by the Company and completed in April 2022 (for more details please see point 3.7 above).

In addition, grant agreements with the NCRD concern the execution and funding of the Company's projects until the end of 2023. The Company estimates that some of its projects will enter phase I clinical tests in 2023, and some of them between 2023 and 2025. Even if the time schedule of some projects, as estimated by the Company, presently provides for the entry into phase I clinical tests in 2023, it cannot be excluded that such time schedule will change, and projects will enter phase I clinical tests after 2023. Consequently, the Company might not have time to use the entire subsidy granted for a relevant project by the NCRD and will have to finance further works from own resources. The Company is also exposed to the risk of the grant being withheld or significantly reduced or being required return part or all of the funds received from the grant.

Further, the grant agreements concluded by the Company impose on the Company an obligation (under pain of withholding the grant or terminating the grant agreement and repaying all or part of the grant with interest) to implement the results of the research and development work performed under the project within 3 years from the completion of a given project. The agreements provide that the implementation of the results referred to above may be carried out in the following forms:

- by starting the production or services on the basis of obtained project results; or
- granting a license (at the market price) for using the Company's rights to research results to another entrepreneur; or
- selling (at market prices) rights to research results in order to introduce them to the market by another entrepreneur.

The Company received some of the NCRD 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.

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.

High relevance of the above risk follows from the fact that the Company's activity is presently based to a significant extent on funds from subsidies and the total value of subsidies is significant. The Company is exposed to the risk of subsidies being withheld or significantly reduced by public entities or being required to repay some or all funds, which may have a strong adverse impact on the Company's ability to conduct new or finish the existing projects.

#### *Risks of attrition of management or scientific staff*

The Company's business is highly dependent on adequate research and development staff and managers with relevant skills, qualifications, and experience. Recruitment and retention of qualified scientific and management personnel is critical to the Company's success in the market. The loss of specialist staff and key managers may adversely affect the research capabilities and development of drug candidates, as well as the effective implementation of the Company's strategy. The replacement of managerial and scientific staff is very difficult in the biotechnology industry due to the shortage of specialists and high competition for employees between biotechnology or pharma companies, hence there is a risk that the Group will not be able to retain its current staff or recruit new employees or will be forced to increase employee costs in order to bind its key personnel. This risk exists despite the fact that the Company has introduced an Incentive Program for managers and employees.

#### *Risks associated with delays in conducting sequential stages of clinical trials*

Before a drug can be approved for marketing, clinical trials must be conducted by the Company together with a strategic partner with whom the Company will commercialize the drug candidate. Clinical trials of medicinal products are conducted in four phases.

The following phases of research are distinguished:

- Phase I - on a small group of healthy volunteers or patients in the case of drug candidates being tested for oncological indications, virus indications, or other special populations such as patients with renal or hepatic failure to assess safety toxicity, pharmacokinetics, and pharmacodynamics of therapy;
- Phase II - on a larger group, aims to study the clinical efficacy of the therapy;
- Phase III - randomized trials on a large group of patients, aims to fully evaluate the effectiveness of a new therapy;
- Phase IV - prolonged clinical trials examining in more detail the safety of the medicinal product after it has been authorized for marketing; during this phase, rare undesirable effects or adverse effects related to long-term use, overdose symptoms, interactions of the new drug with others, among others, are observed.



Each of the above phases must be successfully completed in order for the next phase to commence, therefore there is a risk that if the clinical trials in a given phase are unsuccessful, the Company together with the strategic partner with whom it intends to commercialize the drug will not be able to proceed to the next phase of clinical trials, which may cause delays in the project timetable, and in extreme situations, make it impossible to continue work on a given drug candidate.

*Risks related to failure to establish cooperation with strategic partners*

The Company's strategy is to collaborate with strategic partners in the biotechnology/pharmaceutical industry to conduct preclinical, clinical studies, drug launch and commercialization. The market trend observed by the Company in terms of entering into partnership agreements is that potential strategic investors show interest in clinical candidates for innovative drugs in the areas of oncology and autoimmunity that show an initial therapeutic effect, have been positively evaluated from a toxicology point of view and have sufficient safety at the stage of development and preclinical studies.

In order to fully leverage the potential of the Company's technology and accelerate the development of its discovered therapeutic molecules, the Company plans to cooperate with leading biopharmaceutical companies with significant experience in supporting research and development companies and significant capabilities in drug development and commercialization. The Company faces significant competition in attracting suitable strategic partners, and therefore the risk of not finding a suitable industry investor interested in the drugs currently being developed by the Group cannot be excluded. This risk is associated with factors such as the changing strategies of large pharmaceutical companies with respect to the research and development programs of smaller partners, the existence of other effective therapies on the market, the inability to reach decision makers within the organization of a given industry investor, or the insufficient effectiveness of the developed drug in the initial stages. The Company cannot guarantee that, despite successful initial development of a drug candidate, there will be an opportunity to establish a partnership with a strategic partner.

*Risks related to financing the Company's operating activity*

The Company does not generate revenues on an ongoing basis (save for revenues from cooperation with Sosei Heptares which are not significant in view of the Group's capital needs), and its operations are capital intensive and have to date been financed primarily from funds received from shareholders through subsequent share issues and grants from public sources. Due to the uncertainty of the success of laboratory tests, possible underestimation of project budgets, the need to obtain further funds to continue research or to undertake new projects, the Company may need to obtain additional financing.

*Risks related to not identifying drug candidates*

A key element of the Group's strategy is to use developed technology to develop a broad category of therapeutic molecules for multiple molecular targets, thereby reducing the risk of failure. Despite this, there is a risk that the Company's research and development activities in degradative compounds may not be successful in discovering additional drug candidates with effective therapeutic applications in the treatment of cancer or autoimmune diseases. The Company's research and development programs may show initial promising results in identifying therapeutic compounds, although at a later stage of clinical trials or commercialization, therapeutic molecules or drugs may not exhibit relevant properties, including, in particular, due to:

- harmful and undesirable side effects or demonstration of therapeutic parameters which imply that drugs based on these therapeutic compounds may not obtain appropriate marketing approvals or receive sufficient recognition in the drug market;

- failure of a potential clinical candidate to demonstrate adequate efficacy in treating the targeted diseases.

Research and development programs directed at identifying new drug candidates require significant capital, human and technical resources. The risk cannot be excluded that the Company will direct its efforts to the research and development of inappropriate compounds that ultimately will not be effective in treating the targeted diseases.

Thus, there is a risk that the Company will not generate income from commercialization and sale of drugs in the next years which may have a strong negative impact on the Company's operations, financial situation, development prospects and results.

#### *Clinical trial authorisation risks*

After the Company conducts preclinical studies, the Company, in cooperation with a strategic partner from the biopharmaceutical industry, intends to continue working on a given drug candidate in the clinical research phase at centers in Poland and abroad. The commencement of clinical trials depends on obtaining an authorization to conduct clinical trials, following a positive ethical and scientific evaluation. In order for a therapeutic molecule to be admitted to clinical trials, the Company is required to present the results of pharmacological and toxicological tests and the chemical specificity of the drug candidate. The Company has not yet applied for authorization to conduct clinical trials. In view of the need to comply with formal requirements in order to obtain a clinical trial authorisation, there is a risk that the Company, in the event of non-compliance with any of the requirements, may be exposed to a delay in the project schedule or the need to incur additional financial outlays in order to comply with additional substantive or formal requirements, not excluding, in the worst case scenario, the obligation to terminate a given research project, which may have a negative impact on the Company's operations, financial position, development prospects and results.

Clinical trials require large capital expenditures, adequate preparation, and implementation, and may take several years to complete, with uncertain trial results. Failure of one or more clinical trials can occur at any stage of a clinical trial. The Company or a partner of the Company may experience a number of unforeseen problems during clinical trials that could result in a delay in or inability to obtain marketing and commercialization approval for a drug, including, but not limited to:

- regulatory authorities may not approve the initiation of clinical trials at a specialty research site selected by the Company;
- difficulties or delays in contracting with a particular research site on commercially acceptable terms;
- clinical trials of therapeutic molecules may yield negative or inconclusive results, forcing the Company to order additional testing or terminate clinical trials, or a regulatory authority orders termination of these activities under its regulatory authority;
- the number of patients required for trials may be less than expected patient recruitment for clinical trials may be slower than anticipated or trial participants may drop out in greater numbers than anticipated;
- the Company's partners or collaborators may fail to meet their obligations in a timely manner or breach regulatory requirements;
- the Company will be forced to suspend or terminate testing of drug candidates for a number of reasons, in particular because of the risk to the health or lives of patients during clinical trials;
- regulatory authorities may order the Company or its partners to suspend or terminate clinical trials for a number of reasons, including violations of regulatory requirements;
- the drug molecules being tested may exhibit undesirable side effects or other unexpected characteristics, forcing the Company or its partners to suspend or terminate clinical trials;

- the costs of conducting clinical trials may be greater than estimated;
- the supply of chemicals necessary to validate the effectiveness of the therapeutic molecule or the quality of the chemicals may be insufficient to conduct representative clinical trials.

In the event that (i) the Company or a partner of the Company is required to undertake tests in addition to those included in the project schedule, or (ii) the tests performed fail, or (iii) the results of the tests demonstrate therapeutic capability but to an unsatisfactory degree, the Company or a partner of the Company may face delays in obtaining marketing authorization, or no marketing authorization at all, a narrower scope of application than anticipated, or restrictions on the manner of consumption or labelling of the drugs.

Research and development costs will increase materially in the event of delays in preclinical or clinical studies or in obtaining the relevant marketing approvals for a drug. The Company cannot guarantee that preclinical or clinical studies will be initiated or completed within the anticipated project timeframe. Significant delays during these procedures may result in the Company's competitors being able to develop similar drugs in a shorter timeframe and bring them to the market, which would negatively affect the Company's or its partners' ability to market the developed drug, which in turn may have a negative impact on the Company's business, financial standing, development prospects and results of operations.

#### *Risks related to significant competition in drug discovery and development*

The biotechnology and pharmaceutical industries are characterized by rapid and dynamic development of modern technologies and significant competition. The Company faces competitors who may in the future develop drugs with greater therapeutic efficacy at a lower risk of undesirable side effects, which in turn may result in lower financial proceeds from the sale of, or licensing of, a drug developed by the Company. The Company cannot guarantee that competitors, also using protein degradation technology, will not develop drug candidates with better therapeutic properties for oncology or autoimmune diseases at the preclinical research stage, resulting in a decrease in interest from sectoral investors and industry partners in the Company's methods or degradation molecules developed by the Company. There is also a risk of competition from third parties that apply other methods of drug and therapy development (e.g., inhibitor treatment, gene therapy, antibody treatment and genome modification) such as large pharmaceutical companies, specialized pharmaceutical and biotechnology companies, scientific and scientific institutions or private or public research institutes.

#### *Risk of not obtaining patent protection or insufficient patent protection for solutions developed by the Company*

The Company has innovative know-how in the area of research and development of chemical compounds and drug candidates, which constitutes a legally protected trade secret. In order to obtain more effective protection of its rights, the Company intends to apply for appropriate patent protection in the territory of Poland, member states of the European Union, as well as in other countries (e.g., the USA), in the event that a particular therapeutic compound under development exhibits features that enable it to obtain a patent in a particular jurisdiction.

Patent application procedures are generally lengthy and costly, and in the case of biotechnological solutions, the outcome is often uncertain due to the scientific, technical and legal complexity of the proceedings. The publication of discoveries and biotechnological solutions is usually secondary and delayed compared to the actual filing of the discovery for patent protection, hence there is a risk that a particular therapeutic solution for a particular therapeutic indication has been discovered or developed earlier by an entity other than the Company, which will prevent a patent from being registered in favor of the Company due to failure to meet the prerequisites for patentability. Until a decision is issued by the relevant patent office, there is a risk that patent protection will be denied or granted in a narrower scope than that applied for by the Company. In addition, in the course of ongoing patent proceedings,

third parties, including the Competitor's competitors, may file claims or objections to the Company's applications. This raises a potential risk of making it more difficult to obtain patent protection and, in extreme cases, even preventing the Company from obtaining patent protection due to prior patenting of the same solution by a third party. Also, in the period after patent protection has been granted, it may be invalidated for various reasons, which, in extreme cases, may prevent the Company from receiving part or all of the revenue related to a given project, despite its significant progress and costs incurred.

#### *Risk of potential infringement of intellectual property rights*

Much of the intellectual property used by the Company in its research and development activities is developed and created by the Company's employees and associates. Despite laws governing the transfer of intellectual property and copyrights from the Company's employees to the Company, there is a risk that such intellectual property and copyrights may remain with the employees, which could potentially give rise to claims by such employees against the Company for unlawful use of such intellectual property and copyrights. The Company also cannot exclude the possibility that, despite appropriate contractual arrangements, intellectual property rights or copyrights have not been effectively transferred from the Company's employees to the Company, thereby exposing the Company to potential claims from its employees, former and present.

The Company's success also depends on its ability to develop and commercialize drug candidates using relevant intellectual property owned by third parties. The Company has taken appropriate measures not to infringe the intellectual property rights of third parties. However, given the widespread use of intellectual property rights and the significant scope of their legal protection in the biotechnology and pharmaceutical industries, the risk of the Company infringing on the intellectual property rights of third parties and consequently incurring claims by such parties against the Company cannot be excluded. As a result, there is a risk that the Company may be sued for alleged infringement of intellectual property rights and as a consequence, the Company may have to engage significant and unforeseen financial resources to pursue its litigation. The above may have an adverse impact on the operations, financial standing, development outlook and results of the Company.

#### *Risks related to using third party services*

Not all activities in the course of development of a new drug and pre-clinical and clinical tests are performed by the Company's staff or in laboratories used by the Company. Some research activities are outsourced to external specialist research centers, both Polish and foreign. Pieces of research that are outsourced to external centers include activities such as large scale synthesis of chemical compounds, ADME studies package, toxicological studies, animal testing, phase one clinical research. In choosing a particular research and laboratory center the Company is guided by criteria such as quality of services, possibility of conducting research on a particular therapeutic molecule, apparatuses used, skills and qualifications of research personnel, sanitary conditions as well as reputation of the center. Selection of appropriate external laboratory and research centers is significant from the perspective of pharmaceutical companies interested in the Company's activity. Consequently, there is a risk that laboratory and research centers or third parties to which the Company outsources some research activities will not perform such activities in a proper and timely manner or as expected by the Company.

#### *Risk related to failure to implement the Company's strategy*

The main assumption of the strategy adopted by the Company is the implementation of a number of research and development programs aimed at the discovery and commercialization of drugs with high commercial potential in the area of cancer and autoimmune diseases, for which there are currently no treatment options, or the available methods show significant therapeutic limitations. Achievement of the strategic objectives depends on many internal and

external factors, including economic, regulatory, legal, financial, or operational factors, some of which are beyond the Company's control, and which may hinder or prevent the Company's strategy.

Difficulties in implementing the Company's strategy may arise from circumstances such as the inability to discover or develop new chemical compounds with therapeutic efficacy for diseases that are of interest to the Company's research and development. Moreover, in accordance with the adopted strategy, the Company intends to enter into cooperation with the largest pharmaceutical companies in the world in order to conduct clinical trials and commercialize the developed drug, but there is a risk that such cooperation may prove to be ineffective or the commercial terms of the transaction with a given partner may not be satisfactory to the Company, which may hinder the achievement of this strategic goal of the Company. Difficulties in the implementation of the Company's strategy may also result from the change in the economic policy with respect to subsidizing innovative companies, e.g., from the biotechnology industry, as a result of which the Company will be forced to change the structure of financing its research and development activities, which may delay the implementation of further projects by the Company. The implementation of the Company's strategy may also be affected by the risk related to public companies withholding funding, significant reduction thereof or the necessity to repay some or all funds which may have a strong adverse impact on the Company's ability to conduct new or complete existing projects.

Given the above, there is a risk that the Company's strategy will not be implemented at all or to a lesser extent than expected, with significant delays or with unsatisfactory results. If the Company encounters unexpected barriers during the implementation of the developed strategy, the Company may be forced to change, abandon, or develop a new strategy, or to start reviewing potential strategic options.

#### *Risks associated with the registration, marketing and commercialization of the drug and the activities of the Group's partners*

Upon successful discovery and development of a therapeutic molecule, the Company intends to enter into a partnership agreement with major pharmaceutical companies to conduct further preclinical, clinical trials, register, market and commercialize the drug.

The registration and marketing of a drug is subject to a number of procedural and formal requirements being met before the regulatory authorities. The Company's ability to generate future revenues in the form of royalties and commissions on drug sales depends on the success of these processes. In the event of procedural deficiencies, incomplete documentation or unfavorable changes in the registration and approval procedures, there is a risk of failure or delay in the registration of the drug or its marketing approval. In addition, once the marketing authorization is obtained, all the requirements under the authorization and relevant laws must be met, otherwise the regulatory authority may order the revocation of the authorization, which will result in the withdrawal of the drug from production and marketing. The aforementioned registration and procedural steps are generally the responsibility of the partner with whom the relevant partnership agreement will be entered into. The Company cannot guarantee that the partner will comply with these obligations, which may have an adverse effect on the Company's business, financial standing, development prospects and results of operations.

The success of commercialization of developed drugs is linked to a number of factors, such as the success of clinical trials, obtaining the necessary approvals for registration and marketing of the drug, efficiency and effectiveness of the marketing and advertising campaign, favorable terms of partnership agreements for the commercialization of the drug, demand for the drug developed by the Company and the availability of competitive therapies and drugs on the market. The success of the commercialization and promotional campaign of the finished drug



will depend significantly on the potential and resources of the strategic partner selected by the Company in each case.

*Risks related to the occurrence of accidents, loss of equipment and data, and property and personal damage*

The Company's operations require the use of sophisticated research and laboratory, diagnostic and storage equipment used in molecular biology, organic chemistry, and analytical work. The loss of such equipment as a result of mishap, faulty operation or force majeure (e.g., natural disasters, fire) can cause significant delays in the research schedule, incurring costs to rebuild laboratories and specialized equipment, and even loss of the ability to continue or conduct new drug candidate research.

The internal computer systems used by the Company are vulnerable to serious failures, virus attack, unauthorized access, data theft, and the circumstances and events indicated in the previous paragraph. The Company undertook certain measures to prevent such events; however, it cannot be excluded that such events will occur and prevent research work from being continued. Loss of laboratory data and preclinical or clinical results, as a result of work interruption or damage to IT systems, may lead to significant delays in the projects being carried out, and force the Company to incur significant financial costs to recover the data.

The Company conducts research and development work among others in a chemical laboratory. Personal injuries may be an undesirable result of such work. The Company cannot assure that in the event of human error, equipment malfunction or random events, the aforementioned personal injuries will not occur. Their occurrence may expose the Company to compensation proceedings. The Company's business is dependent on the use of active substances manufactured within its own operations and supplied by contractors. There is a risk that due to sudden and unforeseen circumstances, research material may be damaged, contaminated or destroyed in the laboratory, adversely affecting the timely implementation of planned activities. The above risk exists despite the fact that the Company insures fixed assets comprising laboratory equipment and has civil liability insurance (OC) in connection with its operations.

*Risk related to violation of business secrets and know-how of the Company*

Notwithstanding the legal protections afforded to intellectual property rights, the Company uses in its operations information that constitutes corporate secrets, in particular non-patented know-how, methods and technologies for developing drug candidates. The Company exercises due diligence to protect the confidentiality of such information, in particular by entering into nondisclosure agreements or confidentiality agreements with entities that have access to such confidential information, i.e., employees, contractors, scientific collaborators, consultants and other third parties. Despite the above protective measures, the aforementioned third parties may breach the relevant agreements and disclose the Company's business secrets or know-how. Pursuing claims for such violations is complicated and time-consuming, may involve significant financial resources of the Company, and legal remedies may not be effective or sufficient. The Company cannot exclude a situation in which as a result of infringement of the Company's secrets competing entities gain access to such information, which may negatively affect the Company's competitiveness on the market. In addition, if third parties independently and legally discover information or develop methods or technologies similar to those used by the Company, the Company will not have adequate tools to prevent such parties from using such information.



## 4. ANALYSIS OF THE COMPANY'S AND THE CAPITAL GROUP'S FINANCIAL AND ECONOMIC SITUATION

### 4.1. Basic economic and financial datas

#### Revenues from sales

In 2022, the Company continued its collaboration with Sosei Heptares, which aims to discover and develop new small molecules targeting the degradation of G-protein-coupled receptors, and in November 2022, another collaboration agreement was entered into with Ono Pharmaceutical, whose target may be primarily applicable to neurodegenerative diseases. As a result, in 2022, the Group received PLN 9,158 thousand in revenue from R&D services under collaborations with these entities.

#### Operating costs

The value of the Group's total operating expenses in 2022 amounted to PLN 70,310 thousand and represents the aggregate costs of operations, i.e., own costs of services sold, research work costs, project overheads and management costs. In connection with the achievement of further milestones and the acceleration of research processes during 2022, and in particular the change in the structure of costs between eligible costs from the funding received from NCBR 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 to reclassify and change the presentation of the portion of project overheads reported during 2022 to research costs. Details of this change are described in Note 17.1 of the 2022 consolidated and separate financial statements.

The largest item in the group of operating expenses is costs related to research work, i.e. costs of research work and overheads of projects, which amounted to PLN 48,665 thousand and accounted for 69.2% of the Group's operating expenses (respectively, PLN 34,248 thousand and accounted for 62.8% in the corresponding period of the previous year taking into account the total costs of research work, overheads of projects). The increase in value and percentage is related to the entry into the next stages of research projects, which is associated with higher costs of conducted research.

A significant item of the Group's operating expenses is general and administrative expenses, which in the period under review amounted to PLN 19,558 thousand and accounted for 27.8% of all operating expenses. In the corresponding period of the previous year, general and administrative expenses amounted to PLN 19,545 thousand and accounted for 35.8% of all operating expenses. A significant cost item in general and administrative expenses is the cost of valuation of the incentive program, which amounted to PLN 8,006 thousand in 2022, compared to PLN 9,495 thousand in the same period of the previous year. In accordance with the Group's assumptions, the valuation of the incentive program is based on actuarial valuation and does not represent a real (i.e., cash) cost for the Group in the period under review.

In the structure of the Group's costs by type, the largest item is third-party services, which amounted to PLN 31,343 thousand and were higher by PLN 14,289 thousand than in the same period last year. The increase in the cost of third-party services is due to the further advancement of research and development projects, which involves, among other things, the need to outsource certain services, studies, or analyses to third parties. Another item in the structure of costs by type is the cost of employee benefits, which in 2022 amounted to PLN 26,704 thousand and was higher by PLN 1,493 thousand than in the comparative period. 55.3% of this figure is accounted for by employee salaries (especially scientific staff) and benefits

for management, 30.0% is accounted for by the incentive program, which is not a cash expense, and other benefits (social security costs, pension, and vacation costs and other) account for 14.7%.

#### Grant income and other operating income

The subsidy income item represents income from subsidies obtained by the Group from the NCRD and amounted to PLN 20,577 thousand in 2022 (PLN 21,949 thousand in the same period of the previous year).

#### Operating profit (loss)

In 2022, the Group recorded a loss from operations in the amount of PLN 38,364 thousand. According to the information presented in Section 3.6 of this report on ongoing projects, the Group is at an early stage of research and is not yet generating significant revenue from its core business. The loss generated was mainly attributable to research and management costs, which accounted for 90.6% of the Group's total operating expenses, as well as increased employee benefit costs, including in particular the cost of valuing the incentive program.

#### Net profit (loss)

The Group earned interest income of PLN 3,127 thousand in 2022, including mainly interest on short-term deposits and short-term bonds purchased. In accordance with its investment policy, the Group invests free cash in safe financial instruments: bank deposits or bonds backed by government or banking institutions.

#### Financial revenues

Net loss in 2022 amounted to PLN 35,894 thousand and was PLN 3,322 thousand higher than in 2021. This amount is due to factors affecting the loss from operations less the result on financial activities.

#### Assets

As of the balance sheet date of 31 December 2022 total assets amounted to PLN 113,000 thousand, of which 89.7% were current assets and 10.3% were fixed assets. At the end of 2021, total assets amounted to PLN 143,541 thousand, of which 91% were current assets and 9% were fixed assets.

#### Fixed assets

As of 2022 December 31 fixed assets amounted to PLN 11,676 thousand, which means that compared to 31 December 2021, fixed assets decreased by PLN 1,310 thousand. The decrease in the value of non-current assets reported as of the balance sheet date with respect to 31 December 2021 is due to the termination of some of the lease agreements for such assets during the current period. The most significant fixed assets as of 31 December 2022 and 31 December 2021 were property, plant, and equipment (laboratory equipment and buildings and structures leased by the Group). As of 31 December 2022, property, plant, and equipment had a value of PLN 10,666 thousand, which accounted for 91.3% of all fixed assets, and as of 31 December 2021 it had a value of PLN 12,612 thousand, which accounted for 97.1% of all fixed assets.

#### Current assets

The value of current assets decreased in the analyzed periods. As of 31 December 2022, current assets amounted to PLN 101,324 thousand and decreased by PLN 29,231 thousand compared to 31 December 2021. The decrease in this item is related to the use of cash for the Group's operations, particularly the next stages of planned research. The most significant components of current assets as of 31 December 2022 and 31 December 2021 were cash and cash equivalents and financial assets in the form of bonds, which accounted for 89.7% of current assets in 2022 and 90.3% in 2021.

### Equity

The value of this balance sheet item as of 31 December 2022 was PLN 96,322 thousand, which was mainly derived from the issuance of series G, H, J, K and L shares.

### Long-term liabilities

Non-current liabilities at the end of the reporting period amounted to PLN 3,286 thousand. In the period under review, non-current liabilities increased by PLN 313 thousand compared to 31 December 2021. As of the balance sheet date, these liabilities largely represent (98.4%) the long-term portion of leases for laboratory equipment.

### Current liabilities

Current liabilities as of the end of the reporting period amounted to PLN 13,392 thousand and are PLN 2,975 thousand lower than as of 31 December 2021 when they amounted to PLN 16,367 thousand. As of the balance sheet date, these liabilities largely represent (86.1%) trade payables and lease liabilities.

## 4.2. Financial indicators of effectiveness

The Group recognized a net loss both in 2022 and in the corresponding period of 2021, therefore it is not possible to determine financial indicators for the Group related to profitability.

The Parent Company uses alternative performance measures (APM indicators) to describe the financial position of the Group. In the opinion of the Management Board of the Parent Company the selected APM indicators are a source of additional (apart from the data presented in the financial statements) valuable information on the financial and operating situation as well as they facilitate the analysis and assessment of the financial results achieved by the Group in particular reporting periods. The Group presents alternative performance measures as they represent standard measures and ratios commonly used in financial analysis; however, these ratios may be calculated and presented differently by different companies. Therefore, the Group provides below the precise definitions used in the reporting process. The selection of alternative performance measurements was preceded by an analysis of their usefulness in terms of providing investors with useful information about the financial situation, cash flows and financial efficiency and, in the Group's opinion, allows for an optimal assessment of the achieved financial results. The APM indicators presented by the Group were calculated using the formulas specified below.

The following table provides a summary of debt ratios.

— **Table 2: Group's financial indicators**

Indicator	Method of calculation	31.12.2022	31.12.2021
total debt ratio	total liabilities/total assets	14,76%	13,47%
long-term debt ratio	long-term liabilities/total liabilities	19,70%	15,37%
short-term debt ratio	short-term liabilities/total liabilities	80,30%	84,63%

As of 31 December 2022, there was an increase in the long-term debt ratio and an increase in the total debt ratio as well as a decrease in the short-term debt ratio compared to 31 December 2021, as a consequence of the Group's operational growth.

#### **4.3. Unusual factors and events affecting the operating result of the Company and the Group**

During the period under review, there were no unusual events affecting the results of operations other than those described in section 3.7 of this report.

#### **4.4. Financial instruments**

##### **4.4.1 Description how the Company used proceeds from the IPO**

During the reporting period, the Company issued shares under the Company's Incentive Scheme, which was established pursuant to Resolution 14 of the Company's Annual General Meeting of 16 May 2019, as amended by Resolution 22 of the Annual General Meeting of 26 June 2020 and Resolution 10 of the Extraordinary General Meeting of 8 January 2021. The proceeds from the issue of the aforementioned shares are immaterial from the Company's perspective due to the fact that they are issued at par.

#### **4.5. Assessment of the management of the Company's and the Group's financial resources and anticipated financial situation of the Group**

The Group's financial position at the date of this report is good. As of 31 December 2021, cash, cash equivalents along with granted and available funding from NCBR amounted to PLN 160 million. The Company's research and development activities are financed by own funds and public grants awarded. The Company meets its obligations on an ongoing basis and maintains a safe level of cash to maintain liquidity. The Company received revenues in 2022 from its partnerships with Sosei Heptares and Ono Pharmaceutical totaling PLN 9.2 million. The proceeds from the issue of shares and public funds allow the Company to carry out planned investments, in particular the implementation of innovation projects already underway and the expansion of laboratory infrastructure. The Company's future revenues are strongly dependent on the commercialization of research projects. The principles of financial risk management are presented in note 47 of the financial statements.

#### **4.6. Impact of the Subsidiary's financial data on the consolidated results and financial position of the Group**

The Company has not published forecasts of the Company's or Group's financial results for the financial year 2022.

#### **4.7. Assessment of the possibility of implementation of investment intentions, including capital investments, compared to the amount of funds held, taking into account possible changes in the structure of financing of this activity**

Given the Company's high level of liquid assets and negligible debt, it has sufficient financial potential to realize its investment intentions. The Company, already after the end of the reporting period, presented the Company's strategic plans for 2023-2025 to Shareholders, aimed at realizing the vision of becoming one of the global leaders in targeted protein degradation technology. Details of the strategic plans are further described in Section 3.7.2 of this report.

#### **4.8.Explanation of the differences between the financial results and previously published results forecasts**

The Company's business and assets account for the majority of the Group's business and assets (the Company's research and development services revenue represents 100% of the Group's revenue, the Company's equity represents 99.9% of the Group's equity, the Company's assets represent 97.9% of the Group's assets), the economic and financial figures for the Company are subject to analogous changes for analogous reasons to the economic and financial figures for the Group.

## 5. CORPORATE GOVERNANCE INFORMATION

### 5.1. Corporate governance rules applied

In 2022, the Company was subject to the corporate governance principles contained in the Best Practices of WSE Listed Companies 2021 adopted under Resolution No. 13/1834/2021 of 29 March 2021. of the Board of the Warsaw Stock Exchange. The text of the set of Good Practices of Companies Listed on the WSE 2021 is publicly available on the WSE's website: <https://www.gpw.pl/dobre-praktyki2021>

### 5.2. Corporate governance rules which were disappplied

In 2022 Company did not apply the following rules included in the Best Practice of WSE Listed Companies 2021:

#### I. INFORMATION POLICY, COMMUNICATION WITH INVESTORS

##### Principle 1.2.

**Full text of principle 1.2.:** The company makes the financial results included in the interim report available for inspection as soon as possible after the end of the reporting period or, where that is not possible for justified reasons, publishes at least a preliminary estimated financial result as soon as possible.

**Company's comment:** The Company strives to provide financial results included in interim reports as soon as possible and taking into account the deadlines provided for by the provisions of law. However, it is not the Company's intention to provide initial estimated financial results since there may be a risk that the initial estimated results may differ from the final results and the Company does not want to mislead the investors. The foregoing does not exclude the situation in which the Company will communicate to the public initial estimated results since this will be required by the provisions of law (if such results constitute confidential information).

##### Principle 1.3.

**Full text of principle 1.3.:** The company also includes ESG topics in its business strategy, in particular covering:

**1.3.1.** environmental issues, including metrics and risks associated with climate change and sustainability issues.

**Company's comment:** Due to the type and scale of the Company's activity, the impact of the Company's operations on environmental changes should be considered negligible. Accordingly, the Company does not directly take into account any environmental issues in its business strategy.

**1.3.2.** social and labour matters, concerning, inter alia, measures taken and planned to ensure gender equality, sound working conditions, respect for employees' rights, dialogue with local communities, customer relations. The principle is not applied.

**Company's comment:** The Company observes the principles concerning gender equality, sound working conditions, respect for employees' rights, dialogue with local communities, customer relations. Nevertheless, the Company does not directly refer to the above issues in its business strategy.

##### Principle 1.4.

**Full text of principle 1.4.1.:** In order to ensure proper communication with stakeholders regarding the business strategy adopted, the company publishes on its website information on



the assumptions of its strategy, measurable objectives, including in particular long-term objectives, planned activities and progress in its implementation, defined by means of metrics, financial and non-financial. Information on ESG strategies should, inter alia (continued under the Company's comment):

**Company's comment:** The Company fulfils the Company's information obligation on an ongoing basis, in particular informs investors on a regular basis on the Company's operations to the extent relevant for investors. However, the Company has not separately posted on the website its business strategy including measurable financial and non-financial indicators which would make it possible to unequivocally assess the implementation of the Company's strategy.

**1.4.1.** explain how climate change considerations are integrated into the decision-making processes of the company and its group entities, highlighting the resulting risks; The principle is not applied.

**Company's comment:** Bearing in mind comments to principles 1.3 and 1.4 that are not applied by the Company, the Company does not take into account any issues related to climate change in its strategy.

**1.4.2.** present the value of the pay equity ratio paid to its employees, calculated as a percentage of the difference between the average monthly pay (including bonuses, prizes and other allowances) of women and men for the last year, and present information on the actions taken to eliminate possible inequalities in this respect, together with a presentation of the risks involved and the time horizon over which equality is planned to be achieved. The principle is not applied.

**Company's comment:** Bearing in mind comments to principles 1.3 and 1.4 that are not applied by the Company, the Company does not keep calculations or statistics with respect to the equal pay index. Salaries paid by the Company are determined individually with particular employees, in any case taking into consideration the principles of non-discrimination.

## **II. MANAGEMENT BOARD AND SUPERVISORY BOARD**

### **Principle 2.1.**

**Full text of principle 2.1.:** The company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting, respectively. The diversity policy sets out diversity objectives and criteria in areas such as gender, field of study, specialist knowledge, age, and work experience, among others, and indicates when and how the achievement of these objectives will be monitored. In terms of gender diversity, the condition for ensuring the diversity of the company's bodies is that the minority participation in the respective body is no less than 30%. The principle is not applied.

**Company's comment:** The Company has not developed and does not implement a diversity policy for the Management Board and the Supervisory Board of the Company. Due to the specificity of the Company's activity and the necessity to recruit and retain individuals having specialist knowledge, the decisive criteria used by the Company in selecting members of management bodies (and other collaborators) are their qualifications and professional experience, irrespective of any non-substantive criteria, such as age or gender. Notwithstanding the foregoing, with respect to human resources policy, including members of the management bodies, the Company applies the principles of equal treatment and non-discrimination.

### **Principle 2.2.**

**Full text of principle 2.2.:** The persons deciding on the election of the members of the company's management or supervisory board should ensure the comprehensiveness of these bodies by selecting diversity in their composition, making it possible, inter alia, to achieve the target ratio of a minimum minority shareholding set at not less than 30%, in line with the

objectives set out in the adopted diversity policy referred to in principle 2.1. The principle is not applied.

**Company's comment:** Due to the specificity of the Company's activity and the necessity to recruit and retain individuals having specialist knowledge, the decisive criteria used by the Company in selecting members of management bodies (and other collaborators) are their qualifications and professional experience, irrespective of any non-substantive criteria, such as age or gender. Notwithstanding the foregoing, with respect to human resources policy, including members of the management bodies, the Company applies the principles of equal treatment and non-discrimination.

#### **Principle 2.7.**

**Full text of principle 2.7.:** The exercise of functions by members of the company's management board in the bodies of entities outside the company's group requires the consent of the supervisory board. The principle is not applied.

**Company's comment:** Members of the Management Board of the Company sitting on management or supervisory boards of companies outside the Company's group does not in itself pose a threat to reliable performance of duties towards the Company. As of the date of preparation of the report the main area of professional activity of the members of the Management Board of the Company is sitting on the Management Board of the Company.

### **III. INTERNAL SYSTEMS AND FUNCTIONS**

#### **Principle 3.4**

**Full text of principle 3.4.:** Remuneration of risk managers, compliance officers and the head of internal audit should be based on the fulfilment of assigned tasks and not on short-term company performance. The principle is not applied.

**Company's comment:** Bearing in mind comments to principles 3.6 and 3.7 that are not applied by the Company, in the Company there are no separate positions (units) responsible for risk management, compliance or internal audit; therefore, the Company does not apply this principle. If such separate positions are created in the future since it will be advisable due to the size of the Company's activity, it is the intention of the Company to apply this principle.

#### **Principle 3.5.**

**Full text of principle 3.5.:** Those responsible for risk management and compliance report directly to the president or another member of the management board. The principle is not applied.

**Company's comment:** Due to the activity conducted by the Company and the level of development of such activity, no separate positions (units) responsible for internal audit, risk management and compliance have been appointed in the Company. If such separate positions are created in the future since it will be advisable due to the size of the Company's activity, it is the intention of the Company to apply this principle.

#### **Principle 3.6.**

**Full text of principle 3.6.:** The head of internal audit reports organisationally to the chairman of the management board and functionally to the chairman of the audit committee, or to the chairman of the supervisory board if the board acts as the audit committee. The principle is not applied.

**Company's comment:** Due to the activity conducted by the Company and the level of development of such activity, no separate positions (units) responsible for internal audit, risk management and compliance have been appointed in the Company. If such separate positions are created in the future since it will be advisable due to the size of the Company's activity, it is the intention of the Company to apply this principle.

### **Principle 3.7.**

**Full text of principle 3.7.:** Principles 3.4 – 3.6 also apply to entities within the company's group that are material to the company's business, if they have designated persons to perform these tasks. The principle is not applied.

**Company's comment:** Due to the activity conducted by the Company and the level of development of such activity, no separate positions (units) responsible for internal audit, risk management and compliance have been appointed in the Company. If such separate positions are created in the future since it will be advisable due to the size of the Company's activity, it is the intention of the Company to apply this principle.

## **IV. GENERAL MEETINGI AND RELATIONS WITH SHAREHOLDERS**

### **Principle 4.1.**

**Full text of principle 4.1.:** The company should enable shareholders to participate in a general meeting using electronic means of communication (e- meeting) if this is justified by the expectations of shareholders communicated to the company, as long as it is able to provide the technical infrastructure necessary for holding such a general meeting. The principle is not applied.

**Company's comment:** The Company points out that it presently does not have technical infrastructure necessary to smoothly hold a general meeting using electronic means of communication. However, if the Company is informed by the shareholders that they expect the Company to ensure technical infrastructure necessary to smoothly hold a general meeting using electronic means of communication, the Company does not exclude that it shall start applying this principle.

## **V. SALARIES**

### **Principle 6.3**

**Full text of principle 6.3.:** If one of the company's incentive programmes is a managerial options programme, then the realisation of the options programme should be conditional on the fulfilment by the entitled persons, within a period of at least three years, of pre-determined, realistic and appropriate financial and non-financial and sustainable development objectives for the company, and the price set for the acquisition of shares by the entitled persons or the settlement of the options may not differ from the value of the shares at the time of the adoption of the programme. The principle is not applied.

**Company's comment:** The principle is not fully applied. Under the incentive scheme ("managerial options programme") established in the Company, employees of the Company enter into agreements for participation in the incentive scheme, pursuant to which the acquisition of the Company's shares, for a price equal to their nominal value, is carried out in four equal tranches, falling on the first, second, third and fourth anniversary of the execution of the agreement for participation in the incentive scheme (annually). However, accrual of the entitlement to acquire the Company's shares does not in itself depend on financial criteria, and moreover the price for acquisition of shares differs from the value of shares from the period when the scheme was established.

## 5.3. Information on shares and shareholding structure of Captor Therapeutics S.A.

### 5.3.1. Share capital of the Company

As of 31 December 2022, the Company's share capital amounted to PLN 416,813.00 and is divided into 4,168,130 shares with a nominal value of PLN 0.10 each. The total number of votes attached to all shares in the Company is 5,315,523.

The share capital structure at 31 December 2022 was as follows:

— **Table 3: Share capital of Captor Therapeutics as of 31 December 2022.**

Share series	Number of shares	Nominal value of shares	Preference rights	Number of votes
A	799 750	0,10	yes	1 599 500
B	1 757 075	0,10	not	1 757 075
C	82 449	0,10	not	82 449
D	97 051	0,10	not	97 051
E	347 643	0,10	yes	695 286
F	26 925	0,10	not	26 925
G	871 500	0,10	not	871 500
H	52 354	0,10	not	52 354
I	9 082	0,10	not	9 082
J	84 143	0,10	not	84 143
K	30 738	0,10	not	30 738
L	9 420	0,10	not	9 420
<b>Total</b>	<b>4 168 130</b>			<b>5 315 523</b>

Already after the end of the reporting period, i.e. on 10 February 2023 competent for the Company registered the amendment to the Company's Articles of Association made on the basis of the Company's Management Board resolution no. 2 of 28 September 2022 on the issue of 41,019 series M ordinary bearer shares, within the limits of the Company's authorized capital, excluding the pre-emptive rights of the existing shareholders of the Company in full. The shares were issued as part of the Company's incentive programme.

As of the date of publication of this report, the Company's share capital amounts to PLN 420,914.90 and is divided into 4,209,149 shares with a nominal value of PLN 0.10 each. The total number of votes attached to all shares in the Company is 5,356,542.

The share capital structure at the date of publication of this report is as follows:

— **Table 4: Share capital of Captor Therapeutics at the date of publication of this report**

Share series	Number of shares	Nominal value of shares	Preference rights	Number of votes
A	799 750	0,10	yes	1 599 500
B	1 757 075	0,10	not	1 757 075
C	82 449	0,10	not	82 449
D	97 051	0,10	not	97 051
E	347 643	0,10	yes	695 286
F	26 925	0,10	not	26 925
G	871 500	0,10	not	871 500
H	52 354	0,10	not	52 354
I	9 082	0,10	not	9 082
J	84 143	0,10	not	84 143
K	30 738	0,10	not	30 738
L	9 420	0,10	not	9 420
M	41 019	0,10	not	41 019
<b>Total</b>	<b>4 209 149</b>			<b>5 356 542</b>

### 5.3.2. Changes in share capital in 2022 and until the date of publication of this report

During and after the reporting period, there were changes in the Company's share capital:

- on 12 May 2022, the registry court competent for the Company registered the amendment to the Company's Articles of Association made on the basis of the Company's Management Board resolution no. 2 of 10 December 2021 on the issue of 30,738 series K ordinary bearer shares within the limits of the Company's authorized capital, excluding pre-emptive rights of the existing shareholders of the Company in full. The information was communicated by current report no. 17/2022 of 12 May 2022;
- on 7 September 2022, the registry court competent for the Company registered the amendment to the Company's Articles of Association made on the basis of the Company's Management Board resolution no. 2 of 27 April 2022 on the issue of 9 420 series L ordinary bearer shares within the limits of the Company's authorized capital, excluding pre-emptive rights of the existing shareholders of the Company in full. The shares were issued within the framework of the Company's incentive programme (The information was communicated by by current report no. 35/2022 of 7 September 2022);
- on 28 September 2022, the Management Board adopted a resolution on the issue of 41,019 series M ordinary bearer shares, within the limits of the Company's authorized capital, excluding pre-emptive rights of the existing shareholders of the Company in full. The share issue was related to the implementation of the Company's incentive programme. Already after the end of the reporting period, i.e., on 10 February 2023, the registry court competent for the Company registered the amendment to the Company's Articles of Association made on the basis of the aforementioned resolution of the Management Board (The information was communicated by current reports no. 37/2022 of 28 September 2022 and no. 2/2023 of 10 February 2023);
- at the end of the reporting period, i.e., on 14 February 2023, the Management Board adopted a resolution on the issue of 11,292 series N ordinary bearer shares, within the limits of the

Company's authorized capital, excluding pre-emptive rights of the existing shareholders of the Company in full. The shares were issued within the framework of the Company's incentive programme. As of the date of publication of the report, shares have not yet been issued (The information was provided in current report no. 3/2023 of 14 February 2023).

### 5.3.3. Shareholders of the Company with significant shareholdings

As of 31 December 2022, the shareholding structure of Captor Therapeutics. was as follows:

— **Table 5: Shareholding structure of Captor Therapeutics, indicating the shareholders holding at least 5% of the votes at the General Meeting as of 31 December 2022**

Lp.	Shareholder	Total number of shares	Total number of votes	Percentage of share capital	Percentage of total votes at the GSM
1.	Michał Walczak	955 128	1 496 145	22,92%	28,15%
2.	Paul Holstinghausen Holsten	593 076	953 151	14,23%	17,93%
3.	Sylvain Cottens	340 897	526 730	8,18%	9,91%
4.	Funds managed by Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne S.A.*	303 075	303 075	7,27%	5,70%
5.	Others	1 975 954	2 036 422	47,41%	38,31%
<b>Total</b>		<b>4 168 130</b>	<b>5 315 523</b>	<b>100,0%</b>	<b>100,0%</b>

*\*Of which Nationale-Nederlanden Otwarty Fundusz Emerytalny holds individually 271,564 shares in the Company, representing a 5.11% share in the total number of votes and a 6.52% share in the share capital*

#### Changes into the Company's shareholding structure

In connection with the registration by the National Court Register of the amendment to the Company's Articles of Association made pursuant to Resolution No. 2 of the Company's Management Board of 10 December 2021 on the issuance of 30,738 series K ordinary bearer shares within the limits of the Company's authorized capital, excluding pre-emptive rights of the Company's existing shareholders, the share of Shareholders holding at least 5% of votes at the General Meeting in the share capital and in the total number of votes at the General Meeting has changed.

During the reporting period, the following changes took place in the list of shareholders holding at least 5% of votes at the Company's General Meeting:

- On 5 May 2022, the Company received from Paweł Holstinghausen Holsten, member of the Company's Supervisory Board, a notification of a transaction involving the Company's shares (conclusion of a share subscription agreement), as referred to in Article 19(1) of the MAR Regulation. The share subscription agreement was concluded as part of the incentive scheme. The information was provided in current report no. 14/2022 of 5 May 2022;
- on 8 August 2022, the Company received from Mr. Michał Walczak, member of the Company's Management Board, the notifications of the transactions in the Company's shares as referred to in Article 19(1) of the MAR Regulation. The information was communicated by current report no. 32/2022 of 9 August 2022 and no. 33/2022 of 9 August 2022.
- on 7 September 2022, the registry court competent for the Company registered an amendment to the Company's Articles of Association made on the basis of the Company's



Management Board resolution no. 2 of 27 April 2022 on the issue of 9,420 series K ordinary bearer shares within the limits of the Company's authorized capital, excluding pre-emptive rights of the existing shareholders of the Company in full. The information was communicated by current report no. 35/2022 of 7 September 2022;

- on 2 December 2022, the Company received from Mr. Michał Walczak, member of the Company's Management Board, the notification of transactions in the Company's shares referred to in Article 19(1) of the MAR Regulation. The information was communicated by current report no. 44/2022 of 2 December 2022;
- on 10 February 2023, the National Court Register competent for the Company registered the amendment to the Company's Articles of Association made on the basis of the Company's Management Board's Resolution No. 2 of 28 September 2022 on the issue of 41,019 series M ordinary bearer shares within the limits of the Company's authorized capital, excluding pre-emptive rights of the existing shareholders of the Company in full. The shares were issued within the framework of the Company's incentive programme (the information was communicated by current report no. 2/2023 of 10 February 2023).

As of the date of publication of this report, the shareholding structure of Captor Therapeutics was as follows.

— **Table 6: Shareholding structure of the Company, indicating shareholders holding at least 5% of votes at the General Meeting as of 31 December 2021 and as of the date of publication of this report**

Lp.	Shareholder	Total number of shares	Total number of votes	Percentage of share capital	Percentage of total votes at the GSM
1.	Michał Walczak	955 128	1 496 145	22,70%	27,93%
2.	Paul Holstinghausen Holsten	593 076	953 151	14,09%	17,80%
3.	Sylvain Cottens	340 897	526 730	8,10%	9,83%
4.	Funds managed by Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne S.A.*	303 075	303 075	7,20%	5,66%
5.	Others	2 016 973	2 077 441	47,92%	38,78%
<b>Total</b>		<b>4 209 149</b>	<b>5 356 542</b>	<b>100,0%</b>	<b>100,0%</b>

\*Of which Nationale-Nederlanden Otwarty Fundusz Emerytalny holds individually 271,564 shares in the Company, representing a 5.07% share in the total number of votes and a 6.45% share in the share capital

#### 5.3.4. Shares held in the Company by managing and supervising persons

During the reporting period, the following changes took place in the ownership of the Company's shares by management and supervisory personnel:

- on 5 May 2022, the Company received from Paweł Holstinghausen Holsten, member of the Company's Supervisory Board, a notification of a transaction in the Company's shares (conclusion of a share subscription agreement), as referred to in Article 19(1) of the MAR Regulation. The share subscription agreement was entered into as part of the incentive scheme. The information was provided in current report no. 14/2022 of 5 May 2022;
- on 5 May 2022, the Company received from Florent Gross, member of the Company's Supervisory Board, a notification of a transaction in the Company's shares (conclusion of a share subscription agreement) referred to in Article 19(1) of the MAR Regulation. The

share subscription agreement was concluded within the framework of the incentive scheme. The information was provided in current report no. 15/2022 of 5 May 2022;

- on 5 May 2022, the Company received from Krzysztof Samotij, member of the Company's Supervisory Board, a notification of a transaction in the Company's shares (conclusion of a share subscription agreement), as referred to in Article 19(1) of the MAR Regulation. The share subscription agreement was concluded within the framework of an incentive scheme. The information was provided in current report no. 16/2022 of 5 May 2022.
- on 8 August 2022, the Company received from Mr. Michał Walczak, member of the Company's Management Board, the notifications of the transactions in the Company's shares as referred to in Article 19(1) of the MAR Regulation. The information was communicated by current report np. 32/2022 of 9 August 2022 and no. 33/2022 of 9 August 2022.
- on 2 December 2022, the Company received from Mr. Michał Walczak, member of the Company's Management Board, the notifications of the transactions in the Company's shares referred to in Article 19(1) of the MAR Regulation. The information was communicated by current report no. 44/2022 of 2 December 2022 and no. 45/2022 of 2 December 2022;
- on 28 December 2022, the Company received from Radosław Krawczyk, a member of the Company's Management Board, the notification of the transaction in the Company's shares (conclusion of a share subscription agreement) referred to in Article 19(1) of the MAR Regulation. The conclusion of the share subscription agreement took place within the framework of the incentive programme. The information was communicated in current report no. 47/2022 of 28 December 2022;
- on 28 December 2022, the Company has received from Thomas Shepherd, a member of the Board of Directors - President of the Management Board, the notification of the transaction in the Company's shares (conclusion of a share subscription agreement) referred to in Article 19(1) of the MAR Regulation. The conclusion of the share subscription agreement took place within the framework of the incentive programme. The information was communicated by current report no. 48/2022 of 28 December 2022;
- on 29 December 2022, the Company received from Maciej Wróblewski, a member of the Company's Supervisory Board, a notification of the transaction on the Company's shares (conclusion of a share subscription agreement) referred to in Article 19(1) of the MAR Regulation. The share subscription agreement was concluded within the framework of an incentive programme. The information was communicated by current report no. 49/2022 of 29 December 2022.

The table below presents the shareholdings of the Company's management and supervisory personnel as of 31 December 2022 and as of the date of publication of this report.

— **Table 7: Shares in the Company held by managing and supervising persons as of 31 December 2021 and as of the date of preparation of this report**

Shareholder	Number of shares	Number of votes	Percentage of share capital	Percentage of total votes at the GSM
<b>Management</b>				
Thomas Shepherd	38 886	38 886	0,92%	0,73%
Michał Walczak	955 128	1 496 145	22,70%	27,93%
Radosław Krawczyk	2 954	2 954	0,07%	0,06%
<b>Supervisory Board</b>				
Paul Holstinghausen Holsten	593 076	953 151	14,09%	17,80%
Florent Gros	3 110	3 110	0,07%	0,06%
Krzysztof Samotij	3 110	3 110	0,07%	0,06%
Maciej Wróblewski	3 110	3 110	0,07%	0,06%

\*Registration of series M shares issued under the incentive program (series M shares are included in the table above) under which shares were subscribed in December 2022 was registered on 10 February 2023.

### 5.3.5. Employee share scheme with information on employee share schemes control system

The Company operates a share-based employee share scheme. The Company's Incentive Scheme was established by Resolution 14 of the Company's Annual General Meeting of 16 May 2019, as amended by Resolution 22 of the Annual General Meeting of 26 June 2020 and Resolution 10 of the Extraordinary General Meeting of 8 January 2021.

Pursuant to the rules of the Incentive Programme, members of the Management Board, Supervisory Board as well as employees of the Company may participate in the Incentive Programme. The purchase (or acquisition) of shares under the Incentive Programme in accordance with the rules set out in separate documents, including the Incentive Programme participation agreement, is spread over four years in such a way that it takes place in four equal tranches, falling on the first, second, third and fourth anniversary of the conclusion of the Incentive Programme participation agreement. The entitlement to successive tranches is conditional on the person covered by the Incentive Programme remaining in employment on the dates of successive anniversaries of the signing of the agreement to participate in the Incentive Programme.

### 5.3.6. Acquisition of own shares

During the reporting period, there were no acquisitions of treasury shares by Captor Therapeutics and by Group companies and persons acting on their behalf. Captor Therapeutics and Group companies do not hold any treasury shares.

### 5.3.7. Holders of securities giving special control powers

As of the date of this report, there are no securities giving special control rights over the Group.

### 5.3.8. Restrictions on exercise of voting rights

There are no provisions in the Company's Articles of Association to limit the exercise of voting rights by holders of a certain proportion or number of votes.

### **5.3.9. Restrictions on transfer of ownership of securities**

Subject to the information provided below, the Company's articles of association do not contain any provisions regarding restrictions on the disposal of the Company's securities. In accordance with the Company's articles of association, the disposal of registered shares requires written notification to Marek Skibiński and Paweł Holstinghausen Holsten, who have a pre-emptive right to acquire these shares (within 30 working days of receipt of the notification of the intention to dispose of these shares).

### **5.3.10. Agreements as a result of which the proportions of shares held by the existing shareholders may change**

To the Company's knowledge, no agreements have been entered into which may result in changes in the proportions of shares held by existing shareholders.

### **5.3.11. Any agreement concluded between the issuer and management personnel providing for compensation in the event of their resignation or dismissal from their position without an important reason, or if their removal or dismissal results from the issuer's merger via acquisition**

The contracts concluded with the members of the Company's Management Board do not provide for severance payments or any other type of compensation on account of their termination (by either party) or expiry. Severance payments amounting to three times the basic salary was granted to the members of the Company's Management Board remunerated for this function on the basis of a resolution of the Supervisory Board, i.e., Michał Walczak and Radosław Krawczyk.

## **5.4. Governing bodies of the Company**

### **5.4.1 Management Board – rules for appointing and recalling members of the Management Board**

The Company's Management Board is a statutory body of the Company, acting on the basis of the Commercial Code and the Company's Articles of Association. During the reporting period, the Management Board managed the Company's overall operations, managed the Company's policy and day-to-day affairs, and represented the Company externally in accordance with the Commercial Code and the Company's Articles of Association. The Management Board consists of one or more members, including the Chairman of the Management Board.

Members of the Management Board are appointed and dismissed by the Supervisory Board, which also determines the number of members for a given term of office. The terms of office of the Members of the Management Board expire on the date of the General Meeting which approves the financial statements for the last full financial year of their office. The mandate of a Member of the Management Board appointed before the end of a given term of office of the Management Board shall expire at the same time as the mandates of the other Members of the Management Board.

#### **5.4.1.1 Composition of the Management Board and changes therein**

As of 31 December 2022, and at the date of publication of this report, the Management Board of Captor Therapeutics consisted of the following persons:

— **Table 8: Composition of the Management Board of Captor Therapeutics S.A. as of 31 December 2021 and as of the date of preparation of this report**

Composition of the Board of Directors of Captor Therapeutics S.A.		
1.	Thomas Shepherd	- President of the Management Board
2.	Michał Walczak	- Member of the Management Board, Scientific Director
3..	Radosław Krawczyk	- Member of the Management Board, Chief Financial Officer

#### New term for Captor Therapeutics' Board of Directors

The Supervisory Board of the Company, in connection with the expiry of the mandates of the existing members of the Management Board, on 30 June 2022, on the basis of § 16.2 of the Company's Articles of Association, decided to appoint to the Management Board of the Company for another joint three-year term of office: Mr. Thomas Shepherd as President of the Company's Management Board; Mr. Radosław Krawczyk as Member of the Management Board - Chief Financial Officer of the Company; and Mr. Michał Walczak as Member of the Management Board - Chief Scientific Officer of the Company.

#### Experience and skills of the members of the Management Board



##### Thomas Shepherd - President of the Management Board

Thomas Shepherd has over 25 years of experience in pharmaceutical and biotechnological companies and significant achievements as CEO and Vice President in the USA, Europe, and Australia. On 20 January 2021 Thomas was appointed to the Management Board of the Company as the President of the Management Board. He previously served as the Chief Business Officer. Thomas is responsible for business development and business relations of the Group. He obtained a PhD from the University of Strathclyde in Glasgow (Great Britain) and completed the Continuing Executive Programme at the London Business School in London. Thomas carried out and closed 12

license transactions, one of which (Rebetrol/Intron A) at its peak achieved sales of USD 2 billion annually. Additionally, during his professional career he was in particular responsible for acquisition of 3 companies and for carrying out 6 private investment rounds and participated in two IPOs (in Australia and in the UK).



##### Michał Walczak - Member of the Management Board, CSO

Michał Walczak is a Chief Scientific officer, CSO, responsible for R&D and strategy. He obtained a PhD degree from the Federal Institute of Technology in Zurich, ETH Zurich, and studied at the University of Wrocław and University of Virginia. He completed his postdoctoral training at the Friedrich Miescher Institute for Biomedical Research in Basel, which is a part of Novartis Institutes for Biomedical Research. Roles played by the member of the Management Board in other companies: Not applicable



**Radosław Krawczyk - Member of the Management Board, CFO**

Radosław Krawczyk has several years of professional experience in corporate finance management, and in particular financial liquidity, financial risk, insurance and credit policy and M&A transactions. Since 2013 Radosław was continuously associated with companies listed on the Warsaw Stock Exchange, where as part of his duties he was responsible for investor relations and contacts with analysts and investors. Until 2017 he was professionally associated with the PKP Cargo Group where he served as the Chief Financial Officer and Member of the Management Board in the Group's subsidiaries in Poland and in Germany. In 2017-2020 he was associated with the OT Logistics Group, and in particular acted as the President of the Management Board of OT Logistics S.A. and was responsible for financial affairs of the entire group and its restructuring process. Radosław also has many years of experience in supervisory boards of commercial law companies. He graduated from the Warsaw School of Economics, Faculty of Finance and Banking, and obtained an MBA degree (Executive Master of Business Administration).

#### **5.4.1.2 Powers of the Management Board**

The tasks of the Management Board include managing the Company's affairs, managing its assets, and representing it vis-à-vis third parties. All matters relating to the management of the Company's affairs not reserved by the provisions of the Commercial Companies Code or the Company's Articles of Association to the competence of the General Meeting or the Supervisory Board shall be the responsibility of the Management Board. Pursuant to the Company's Articles of Association, the Management Board is in particular authorized to increase the share capital within the limits of the authorized capital. This power is exercised under the conditions described in the Articles of Association, in particular only with the consent of the Supervisory Board.

#### **5.4.1.3 Remuneration, rewards, and terms of employment contracts of the members of the Management Board**

The remuneration paid, payable or potentially payable to members of the Management Board is described in Item 45 of the consolidated financial statements.

#### **5.4.2 Supervisory Board – rules for appointing and recalling members of the Supervisory Board**

In accordance with the Company's Statute the Supervisory Board of Captor Therapeutics S.A. consists of at least five members, including the Chairman of the Supervisory Board. The number of members of the Supervisory Board for a given term of office is determined by the General Meeting. If as a result of expiry of mandates of some members of the Supervisory Board (for any reason other than dismissal) the number of members of the Supervisory Board in a given term of office drops below the statutory minimum, the remaining members of the Supervisory Board may, by co-option, appoint a new member of the Supervisory Board who will fulfil his duties until his successor is appointed by the next General Meeting, unless the General Meeting approves the member of the Supervisory Board appointed by co-option. Members of the Supervisory Board exercise the right to co-opt by delivering to the Company a written statement of all members of the Supervisory Board on appointment of a member of the Supervisory Board. Members of the Supervisory Board are appointed for a common term of office which lasts 3 (three) years. Mandates of members of the Supervisory Board expire as of



the date of holding the General Meeting approving the financial statement for the last full fiscal year in office as a member of the Supervisory Board.

Meetings of the Supervisory Board are held as needed, however not less frequently than once a quarter. Resolutions of the Supervisory Board are passed by an absolute majority of votes. The Supervisory Board passes resolutions if at least one half of its members are present at the meeting and all of its members have been invited to the meeting. The Supervisory Board passes resolutions in an open ballot. A secret ballot is ordered at the request of a member of the Supervisory Board and in matters related to personnel. A member of the Supervisory Board may participate in passing resolutions of the Supervisory Board through casting his vote in writing with the intermediation of another member of the Supervisory Board. Votes cannot be cast in writing in relation to any matters introduced to the agenda at the meeting of the Supervisory Board. The Supervisory Board may pass resolutions in writing or using means of direct remote communication (telefax, electronic mail), subject to the provisions of the Commercial Companies Code and other provisions of the Company's Statute.

#### **5.4.2.1 Composition of the Supervisory Board and changes therein**

As of 31 December 2022, and at the date of publication of this report, the Supervisory Board consisted of the following persons.

— **Table 9: Composition of the Supervisory Board Captor Therapeutics as of 31 December 2022 and as of the date of publication of this report**

Composition of Captor Therapeutics S.A.		
1.	Paul 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

#### **New term of the Supervisory Board of Captor Therapeutics**

On 30 June 2022, the Annual General Meeting elected the following persons as members of the Company's Supervisory Board for the next common term of three years: Mr. Paweł Holstinghausen Holsten; Mr. Robert Florczykowski; Mr. Florent Gros; Mr. Krzysztof Samotij and Mr. Maciej Wróblewski.

The criteria for independence from the Company and entities with significant connections with the Company set out in Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision (i.e., Journal of Laws of 2022, item 1302) are met by the following members of the Supervisory Board: Mr. Robert Florczykowski, Mr. Florent Gros and Mr. Krzysztof Samotij.

#### **Experience and skills of the members of the Supervisory Board**

##### **Paweł Holstinghausen Holsten - Chairman of the Supervisory Board**

Paweł graduated from the Warsaw University, Faculty of Law and Administration and completed postgraduate studies at the Warsaw School of Economics, Faculty of Business Valuation. He devoted his whole professional life to capital markets, where he is an active investor, both with respect to shares traded privately and on a regulated market. He served as a member of the management board or the supervisory board in many companies.

**Robert Florczykowski - Member of the Supervisory Board (independent member)**

Robert Florczykowski is a co-founder and manager of the investment fund known as Third Dot within Opoka TFI S.A. Previously, he managed global funds investing in technological companies and companies from healthcare sector in PKO TFI S.A. Robert graduated from the Warsaw School of Economics, Faculty of Quantitative Methods in Economy and Information Systems, and the Warsaw University, Faculty of Mathematics. He also completed postgraduate studies: "Molecular Biology" at the Jagiellonian University and "Postgraduate Studies in Accounting and Finance" in the School of Business of the Warsaw University of Technology, organized in cooperation with the Institute of ACCA.

**Florent Gros - Member of the Supervisory Board (independent member)**

Florent Gros is the founder and CEO of Handl Therapeutics, a private biotechnological company engaged in development of gene therapy for central nervous system diseases. Previously he was the Managing Director of Novartis Venture Funds in Switzerland. For almost 27 years he held various positions in the area of intellectual property and venture capital in Nestlé, Pasteur Merieux Connaught and Novartis. Florent Gros is a Kaufmann scholarship holder (class 12), holds the title of Biotechnology Engineer obtained in France, and defended his MA thesis in vaccines. He also holds the titles of European and French patent attorney and a master's degree in private law.

Florent Gros meets the criteria of independence provided for in Article 129 sec. 3 of the Act on Certified Accountants, Audit Firms and Public Supervision and in the Best Practice of WSE Listed Companies.

**Krzysztof Samotij - Member of the Supervisory Board, Chairman of the Audit Committee (independent member)**

Krzysztof Samotij graduated from the Wrocław University of Technology, Faculty of Basic Technical Problems, and the State University of New York at Albany. In 1981 he obtained a PhD in mathematical sciences (analysis and probability theory) and started working at the Wrocław University of Technology. He also lectured at the State University of New York at Albany and at the University of Delaware. He is the author of many scientific works about mathematics (functional and complex analysis). In 1996 we obtained investor advisor license no. 87. Since July 1997 he was employed in WBK AIB Asset Management S.A. as an investment advisor, bond market manager. Since February 1998 he served as the President of the Management Board of WBK AIB Towarzystwo Funduszy Powierniczych S.A. Since April 2001 he worked as the Research and Development Director in WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. and investment advisor in WBK AIB Asset Management S.A. From May 2002 to January 2011 Krzysztof was the President of the Management Board of BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. (now: Santander TFI S.A.). At the end of this period, it was the second largest (in terms of the value of assets under management) company managing investment funds in Poland. Since 2011 he has been self-employed.

Krzysztof Samotij meets the criteria of independence provided for in Article 129 sec. 3 of the Act on Certified Accountants, Audit Firms and Public Supervision and in the Best Practice of WSE Listed Companies.

**Maciej Wróblewski - Member of the Supervisory Board**

Maciej Wróblewski is a lawyer and specialist in corporate law, and in particular M&A transactions and capital markets advisory. He graduated from the Warsaw University and the Warsaw School of Economics.

During his professional career he advised in public and private M&A transactions, introducing companies to the stock exchange and in secondary offerings of shares of public companies. Maciej Wróblewski is presently a partner at the law office of MJH Moskwa, Jarmul, Haładaj i

Partnerzy – Adwokaci i Radcowie Prawni sp.p. Previously, he was associated with Deloitte Legal Pasternak Korba Moskwa Jarmul i Wspólnicy Kancelaria Prawnicza sp. k. and Weil, Gotshal & Manges – Paweł Rymarz sp.k.

The description of experience and skills of members of the Supervisory Board was published on the Company's website: <http://www.captortherapeutics.com/>

#### 5.4.2.2 Powers of the Supervisory Board

The tasks and powers of the Supervisory Board include, in addition to matters arising from the Commercial Companies Code and the Company's Statute, in particular those listed in the table below.

— **Table 10: Competencies of the Supervisory Board**

<b>Matters requiring resolutions of the Supervisory Board as of 31 December 2021, and as of the date of preparation of this report</b>	
✓	assessment of the Management Board's report on the Company's activities and the Company's financial statement with respect to their compliance with the books and documents and the facts, and the Management Board's motions concerning profit distribution or coverage of loss, and submission of an annual written report on the results of such assessment to the General Meeting;
✓	approval of annual budgets or multi-annual strategic plans of the Company submitted by the Management Board;
✓	appointment and dismissal of members of the Management Board, and suspension of any or all members of the Management Board and delegation of members of the Supervisory Board, for a period no longer than three months, to perform, on a temporary basis, duties of the members of the Management Board who have been recalled, have handed in their resignations or otherwise are unable to perform their duties;
✓	determination of the number of members of the Management Board;
✓	appointment of committees;
✓	giving consent for payment of interim dividend and for disapplication of the pre-emption right (in full or in part) with respect to each increase of the share capital within the limits of the authorized capital;
✓	determination of the terms and employment and remuneration of the members of the Management Board;
✓	selection or replacement of the entity authorized to audit the Company's financial statements and to carry out financial audit activities in the Company;
✓	giving consent for entering by the Company or its subsidiaries into agreements or agreements with a value exceeding PLN 5,000,000 (five million zlotys) or an equivalent thereof in foreign currencies with entities from one capital group (within the meaning of Article 3 sec. 1 point 44) of the Act on Accountancy) in a period of 12 (twelve) months. For the purposes of this provision, the value of an agreement shall be understood as the value of the Company's consideration if it is non-recurring or if the agreement provides for a recurring consideration or is of a continuous nature the value of the Company's considerations throughout the duration thereof or 5 (five) years, whichever is shorter;
✓	giving consent for purchase, sale or encumbrance of real estate or the right of perpetual usufruct or an interest in real estate or in the right of perpetual usufruct held by the Company;
✓	adoption of the regulations of the Supervisory Board;
✓	convocation of the General Meeting in cases provided for in the Statute,

**Matters requiring resolutions of the Supervisory Board  
as of 31 December 2021, and as of the date of preparation of this report**

- ✓ conclusion of agreements concerning execution of research and development projects, whereas the Supervisory Board's consent is not required for activities provided for in the annual budget of the Company approved by Supervisory Board, unless the terms of such activities significantly differ from the ones included in such annual budget.

#### **5.4.2.3 Remuneration, rewards, and terms of employment contracts of members of the Supervisory Board**

The remuneration paid, due or potentially due to members of the Supervisory Board is described in Item 45 of the consolidated financial statements.

#### **5.4.2.4 Appointed Committees**

Pursuant to the requirements of the Act on Certified Accountants, Audit Firms and Public Supervision dated 11 May 2017 and the principles set out in the Best Practice 2021, in the previous reporting period the activity of the Supervisory Board was supported by the Audit Committee and the Remuneration Committee appointed in the Company.

##### **– Audit Committee**

In accordance with the Regulations of the Audit Committee, the Audit Committee consists of at least 3 members, appointed, and recalled by the Supervisory Board from among its members. Most members of the Audit Committee, including its chairman, should meet the independence conditions within the meaning of Article 129 sec. 3 of the Act on Certified Accountants, Audit Firms and Public Supervision dated 11 May 2017 and have knowledge and skills in the area of accounting or auditing financial statements, and in particular at least one member should have knowledge and skills relevant to the sector in which the Group operates.

The following table presents the compositions of the Audit Committee as of 31 December 2021 and as of the date of publication of this report.

**— Table 11: Audit Committee as of 31 December 2022 and as of the date of publication of this report**

<b>Composition of the Audit Committee</b>	
1. Krzysztof Samotij	- Chairman of the Audit Committee
2. Florent Gros	- Member of the Audit Committee
3. Maciej Wróblewski	- Member of the Audit Committee

There were no changes in the composition of the Audit Committee of the Supervisory Board during the reporting period, and its composition complies with the requirements set out in Article 129(3) of the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017. Two members of the Audit Committee meet the statutory requirements for independence, including the Chairman of the Audit Committee, Krzysztof Samotij, who has both knowledge and skills in accounting or auditing, and Florent Gros, who has knowledge and skills in the industry in which the Group operates.

Krzysztof Samotij's accounting and auditing expertise and Florent Gros' knowledge and experience of the industry in which the Company operates are set out in section 5.4.2.1 of this report.

### Tasks and powers of the Audit Committee

In the fiscal year 2021 the Audit Committee supported the Supervisory Board in fulfilling its supervisory obligations with respect to its operation and risk management as well as ensuring independence of external auditors.

In the reporting period Audit Committee held 4 meetings. The following table presents the main topics handled by the Audit Committee in 2021.

— **Table 9: Powers of the Audit Committee**

Tasks of the Audit Committee in 2021
✓ monitoring of financial reporting process;
✓ monitoring of the effectiveness of internal control, risk management and internal audit systems, in particular with respect to financial reporting;
✓ monitoring of financial audit activities;
✓ controlling and monitoring of independence of the certified accountant and audit firm, in particular when any non-audit services are provided to the Group by the audit firm;
✓ assessment of semi-annual and annual financial statements and the Group's consolidated statements;
✓ assessment of risk identification and management systems;
✓ informing the Supervisory Board of the results of the audit of financial statements and explaining how such audit contributed to the reliability of financial reporting and what was the Committee's role in the audit.

In the course of monitoring of internal control systems, the Audit Committee may in particular but not exclusively: (i) examine the control processes and principles applied in the Group and examples of irregularities that have occurred, (ii) verify elements and scope of internal control in the Group; and (iii) formulate appropriate instructions and recommendations to be implemented. In the course of monitoring of risk management and internal audit systems the Audit Committee may in particular but not exclusively: (i) evaluate the correctness of communicating risk factors to the shareholders, (ii) review the risk management system existing in the Group and evaluate its adequacy and effectiveness; (iii) assess whether a separate internal audit unit should be created in the Group, and if so, then in the next step support the process of creation of such unit, and (iv) receive from the Group's management staff information on increased exposure to particular significant risks and information on the method of risk identification and monitoring, and evaluate the activities that have been taken by the management staff to mitigate such risk. In connection with the performance of the indicated tasks related to internal control, risk management and internal audit, the Committee, on the basis of the Regulations of the Audit Committee, was among others authorized to request the Group to provide it with interim reports on all matters related to negative events in the Company.

### Policy for the appointment of an audit firm

The Group has put in place the "Policy and procedure for the appointment of an audit firm by the Company." The main purpose of the procedure is to ensure the correctness of the audit firm appointment process and determine the powers and responsibilities of the participants of the process. The procedure sets out in detail the person responsible for organizing the selection process and further stages of the proceedings intended to select an audit firm. The audit firm is selected by the Supervisory Board of the Company, taking into account the recommendations of the Audit Committee, and if a decision of the Supervisory Board deviates from the recommendations of the Audit Committee, the Supervisory Board provides the

justification to the General Meeting. Information regarding the selection of the audit firm and the recommendation of the Audit Committee is indicated in Section 6.2.

#### Policy for the provision of non-audit services by an audit firm

The Company has adopted the "Policy for the provision to the Company of services other than the audit of financial statements of the Company by the audit firm auditing financial statements of the Company, entities related to such firm and a member of the audit firm's network." The policy specifies the scope of permitted services which may be provided to the Company in accordance with the requirements of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC. Permitted services may only be provided within the scope not related to the Company's tax policy and require the Audit Committee's consent to be issued after the Audit Committee evaluates the independence threats and safeguards. If the Company or related parties intend to entrust any permitted services to the certified accountant, audit firm or an entity related to such audit firm or a member of the audit firm's network auditing financial statements, the Management Board of the Company is obliged to submit to the Audit Committee a request for consent to the performance of the permitted services by one of the above-mentioned entities. After the evaluation of independence threats and safeguards, as referred to in Article 69-73 of the Act on Certified Accountants, the Audit Committee granted its consent to the evaluation of the remuneration report for 2021-2022 by the audit firm Mazars Audit Sp. z o.o.

#### – Remuneration Committee

The Remuneration Committee was appointed by the Supervisory Board on 7 February 2020.

#### Tasks and powers of the Remuneration Committee

The main tasks of the Remuneration Committee include among others: recommending to the Supervisory Board the principles of remuneration of members of the Management Board, recommending to the Supervisory Board the remuneration of members of the Management Board and verification of the implementation of management and employee goals, and formulating recommendations for the Supervisory Board in this respect.

The following table presents the composition of the Remuneration Committee as of 31 December 2021

— **Table 13: Composition of the Remuneration Committee as of 31 December 2022 and as of the date of publication of this report**

Compositions of the Remuneration Committee	
1. Paweł Holstinghausen Holsten	- Member of the Remuneration Committee
2. Florent Gros	- Member of the Remuneration Committee
3. Robert Florczykowski	- Member of the Remuneration Committee

#### Changes in the composition of the Remuneration Committee

In connection with the fact that Marek Skibiński handed in his resignation as a Member of the Supervisory Board of the Company, the composition of the Remuneration Committee also changed. After the end of the reporting period, on 17 March 2022, by Resolution no. 3 the Supervisory Board appointed Robert Florczykowski to the Remuneration Committee.



### **5.4.3 General Meeting**

#### **5.4.3.1 Manner of operation of the General Meeting**

The General Meeting may be Ordinary or Extraordinary. General Meetings will be held in the Company's registered office in Wrocław or in Warsaw. The General Meeting may be held without being formally called if the entire share capital is represented and nobody has raised an objection to the convocation of the meeting or any matters to be reviewed. An Ordinary General Meeting should be held within 6 months after the end of each fiscal year. An Ordinary General Meeting is called by the Management Board on its own initiative. The Supervisory Board may call an Ordinary General Meeting if the Management Board fails to call it within the deadline specified in § 20 sec. 1 of the Company's Statute. An Extraordinary General Meeting is called by the Management Board (i) on its own initiative, (ii) at the request of the Supervisory Board, or (iii) at the request of a shareholder or shareholders representing at least one twentieth of the share capital of the Company, within two weeks of making such request. A request for convocation of the General Meeting should specify matters put on the agenda or contain a draft resolution on the proposed agenda.

The Extraordinary General Meeting may also be convened by the shareholders representing at least one half of the share capital or at least one half of votes in the Company. The General Meeting shall be called by an announcement posted on the Company's website and in the manner specified for transmitting current information in accordance with the of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and on Public Companies. An announcement should be made at least twenty-six days prior to the date of the General Meeting. Resolutions of the General Meeting may be passed irrespective of the number of shares represented thereon unless the provisions of law or the provisions of the Company's Statute provide for stricter requirements for passing any resolution. The General Meeting is valid irrespective of the number of shares represented thereon, provide for stricter requirements for passing resolutions. Shareholders may participate in the General Meeting and exercise voting rights either personally or through their proxies. In accordance with a free voting principle, a shareholder may vote differently by each share held by him. Powers of attorney to participate in the General Meeting and to exercise voting rights are granted in writing and attached to the minutes of the General Meeting or in electronic form. If a power of attorney is made in a foreign language, such power of attorney shall be attached to the minutes together with an appropriate certified translation thereof into Polish. If the announcement calling the General Meeting contains information that shareholders may participate in the General Meeting using electronic communication means, the Company is obliged to give the shareholders an opportunity to participate in the General Meeting using electronic communication means. One share carries one vote at the General Meeting, except for series A shares and series E shares which carry two votes at the General Meeting. Voting shall be by open ballot. A secret ballot is ordered in the case of election of members of the Company's governing bodies and its liquidators and vote on recalling such members, vote on making the above persons accountable, in personnel related matters, at the request of at least one shareholder or its proxy.

#### **5.4.3.2 Essential powers of the General Meeting**

In addition to any other matters indicated in the Commercial Companies Code and other mandatory provisions of law, resolutions of the General Meeting shall be required for matters listed in the table below.

**Table 4: Competencies of the General Meeting**

<b>Matters handled by the General Meeting as of 31 December 2021, and as of the date of approval of this report</b>	
✓	Review and approval of the Management Board's reports on the Company's activity and financial statement for the previous fiscal year;
✓	Acknowledging that members of the governing bodies fulfilled their duties;
✓	Adoption of resolutions on profit distribution and coverage of loss;
✓	Amendment of the Company's Statute
✓	Increase of the share capital of the Company;
✓	Adoption of a resolution on the initial public offering of the Company, i.e., request for admission and introduction of the Company's shares to trading on a regulated market and dematerialization of the Company's shares

### **5.4.3.3 Description of shareholders' rights and how to exercise thereof**

Below please find the description of the substantial rights of the shareholders and the manner of exercise thereof. In addition to the rights set out below, shareholders are also entitled to rights arising directly from the provisions of law. No regulations of the General Meeting has been thus far adopted in the Company.

#### **Voting right**

Shareholders exercise voting rights at General Meetings. The General Meeting may be ordinary or extraordinary. As a corporate body of the Parent Company, it operates in the manner and on the terms set out in the Commercial Companies Code and the Statute.

#### **Right to receive information**

During the General Meeting, the Management Board is obliged to provide a shareholder of the Company, at his request, with information concerning the Company, if it is justified for the assessment of the matter put on the agenda of the General Meeting. The Management Board shall refuse to provide information if this could cause damage to the Parent Company, its subsidiary company or cooperative, in particular through the disclosure of technical, commercial or organizational information constituting business secrets. A member of the Management Board may refuse to provide information if the provision of information may give rise to his criminal, civil or administrative liability. Management Board may provide information in writing outside the General Meeting if there are good reasons for it. In such case the Management Board is obliged to provide information no later than within 2 weeks of the date of the shareholder's request, during the General Meeting. Information which has been communicated to the Company's shareholder should be made public in the form of a current report.

#### **Right to challenge resolutions of the General Meeting**

Shareholders have the right to challenge resolutions of the General Meeting by an action for revocation of a resolution or action for declaration of invalidity of a resolution.

#### **Exchange of shares**

In accordance with the Commercial Companies Code, the exchange of registered shares to bearer shares or vice versa may be carried out at the request of a shareholder. In accordance with the Statute, the exchange of bearer shares into registered shares is not allowed, however the exchange of registered shares to bearer shares may be carried out at the request of a shareholder. After the receipt of such request, the Management Board shall immediately exchange shares in accordance with the shareholder's request.

#### [Request to admit shares to trading on a regulated market](#)

In accordance with the Statute, each shareholder holding bearer shares which are not admitted to trading on a regulated market has the right to make a request for admission of such shares to trading on such market. Admission of such shares to trading on a regulated market shall occur immediately, no later, however, than within 6 (six) months of the date of receipt of the request from an eligible shareholder.

### **5.5 Principles for amending the Company's Statute**

The Company's Statute shall be amended by a resolution of the General Meeting passed by the majority of three fourths of votes, and subsequently it must be registered in the Register of Entrepreneurs.

### **5.6 Main features of the internal control and risk management systems**

The Management Board of Captor Therapeutics is responsible for the internal control system in the Group and its effectiveness in the process of preparation of financial statements and interim reports which are prepared and published in accordance with the applicable provisions of law, and for risk management. Presently, the Company does not have an organizationally separated internal audit unit and no individual responsible for internal audit has been appointed. However, it cannot be excluded that as the Group develops the Company will consider appointing such unit or individual.

The internal control system put in place covers the main processes within the Company's operation where there is a need to establish control mechanisms intended to monitor and mitigate significant risks for the Company. This is done according to the established scheme and corresponds to the principle of scalability. The functioning of the system is analysed by the Audit Committee.

The internal control and risk management system is implemented among others through:

#### [Keeping proper accounts](#)

The tasks of effective internal control system in financial reporting are to ensure adequacy and correctness of financial information including in interim reports. The Group distinguishes accounting documents concerning research and development projects which are financed with funds from the NCRD from administrative costs. All accounting documents, after they are received by the Company, are subject to verification in formal, substantive, and accounting terms. Financial data underlying financial statements and reports of the Management Board as well as the Company's monthly reporting comes from the financial and accounting system of an external accounting firm.

#### [Audit and review of financial statements](#)

Semi-annual financial statements of the Company and annual financial statements of the Company are reviewed or audited by a certified accountant. Opinions and reports on such works are attached to the approved and published financial statements.

#### [Supervision of the Audit Committee](#)

The Audit Committee was appointed within the Supervisory Board of the Company and its tasks include in particular monitoring the effectiveness of internal control, risk management and internal audit systems and audit, including financial reporting.

Members of the Audit Committee among others hold meetings with the participation of the certified accountant auditing financial statements. The Audit Committee's tasks include among others evaluation of semi-annual and annual financial statements and consolidated statements of the Group, review of the effectiveness of internal control processes, in particular

financial control mechanisms, monitoring of the transmission of financial information by the Company and monitoring of the implementation of the auditor's recommendations and comments.

In 2021 the Audit Committee was in regular contact with the Management Board of the Company and the external auditor. The Company's situation with respect to internal control and risk management system was analysed during meetings.

## **5.7 Obligations related to pensions and similar benefits for former managing and supervising persons**

The Company and the subsidiary do not have any obligations related to pensions or similar benefits for former managing or supervising persons or former members of governing bodies, or any obligations incurred in connection with such pensions.

## **5.8 Diversity policy**

The Group does not have in place a formally separated diversity policy with respect to its executives and key managerial staff. Nevertheless, the Group applies the principles of equal treatment and non-discrimination in its personnel policy. The Group does not allow to be involved in discrimination in the workplace or promote and tolerate discrimination, in particular in making decisions regarding employment, training, promotion, pay, working conditions, termination of contract based on gender, age, religion, nationality, marital status, membership in political organizations or sexual orientation. Due to the specificity of the Group's activity and the necessity to recruit and retain associates having specialist knowledge, the Group applies employment criteria based on high qualifications and substantive expertise for the job.

## 6. SUPPLEMENTARY INFORMATION AND STATEMENTS

### 6.1. Information on proceedings involving the Company and the Group

In the reporting period no material proceedings before any public administrative bodies, or court or arbitration proceedings to which the Company or its subsidiary would be a party were pending.

### 6.2. Information on the audit firm

On 22 July 2021, the Supervisory Board of the Company appointed the audit firm Mazars Audit Sp. z o.o. to audit annual financial statements of Company and consolidated statements of the Group for 2021 and 2022 and to review interim financial statements Company and consolidated financial statements of the Group in this respect. The agreement was concluded on 3 September 2021 and covers the years 2021-2022.

After the evaluation of independence threats and safeguards, as referred to in Article 69-73 of the Act on Certified Accountants, the Audit Committee granted its consent to the evaluation of the remuneration report for 2021-2022 by the audit firm Mazars Audit Sp. z o.o.

Remuneration for the audit of financial statements for 2022, review and evaluation of the Company's Management Board and Supervisory Board Remuneration Report for 2022 shall amount to a total of PLN 131 thousand (in 2021 for the audit of the financial statements only: PLN 182 thousand). See Note 46 to the financial statements for further information regarding the audit firm's fees.

### 6.3. Information concerning employment

The number of employees in the Group in 2021 was 98, which means an increase in the number of employees compared to the previous year by 11 persons. All employees have appropriate substantive expertise and professional experience.

The employment structure of the Group in 2021 is presented in the table below.

**Table 15: The Group's employment structure as of 31 December 2021**

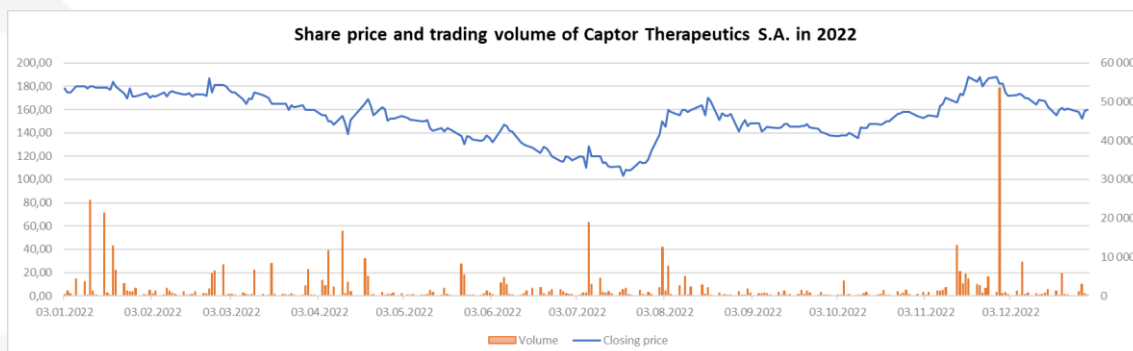
Number of employees (FTE)	Number of researchers	Percentage of researchers holding PhD
111	98	50%

### 6.4. Investor relations

#### 6.4.1 Prices of the Company's shares on the Warsaw Stock Exchange

The Company debuted on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) on 19 April 2021 and by the same became the first European public company 100% dedicated to the TPD technology. The Company's shares were introduced to trading on

the primary market and are traded in the continuous trading system under the abbreviated name "CAPTORTX" and the designation "CTX".



#### 6.4.1. Activity with respect to investor relations

2021 was the first year of Captor Therapeutics on the Warsaw Stock Exchange. From the very beginning of the Company's presence at the Warsaw Stock Exchange, the Company's activity with respect to investor relations is focused on transparent and active communication with the market through regular cooperation with investors and analysts and fulfilment of information obligations under the applicable provisions of law. More than 49 current reports were published in the reporting period. We informed about significant events in the Company and in the Group both through press releases but also during thematic conferences.

#### 6.4.2 Contact for investors

All relevant information for investors with contact details are available on the website of Captor Therapeutics S.A. at: <http://www.captortherapeutics.pl/relacje-inwestorskie>

The Management Board's report on the Company's and the Group's activity for 2022 was approved by the Management Board on 6 April 2023.

Thomas Shepherd

Radosław Krawczyk

Michał Walczak

*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

Member of the Management Board

Chief Financial Officer

Scientific Director



## 6.5 Statement of the Management Board of Captor Therapeutics S.A. regarding the selection of an audit firm to audit the financial statements

The Management Board of Captor Therapeutics S.A., acting on the basis of the statement of the Company's Supervisory Board, confirms that the audit firm auditing the Company's annual standalone and consolidated financial statements was selected in accordance with the provisions of law, including the rules of selection and the procedure for selection of the auditing firm.

The auditing firm and the members of the team performing the audit met the conditions required to issue an impartial and independent audit report on the annual standalone and consolidated financial statements of Captor Therapeutics S.A., in accordance with applicable regulations, professional standards and principles of professional ethics.

The Management Board of Captor Therapeutics S.A. declares that the Company complies with the applicable regulations relating to the rotation of the audit firm and the key statutory auditor as well as the mandatory grace periods.

The Management Board of Captor Therapeutics S.A. declares that the Company has a policy on the selection of the audit firm and a policy on the provision of additional non-audit services to the Company by the audit firm, an affiliate of the audit firm or a member of its network.

Thomas Shepherd

Radosław Krawczyk

Michał Walczak

*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

Member of the Management  
Board

Chief Financial Officer

Scientific Director

## 6.6 Statement of the Management Board of Captor Therapeutics S.A. on the preparation of the financial statements and the Management Board's Report on Activities

The Management Board of Captor Therapeutics S.A. declares that, to the best of its knowledge, the Company's annual standalone and consolidated financial statements for 2021 and the comparative data have been prepared in accordance with the laws applicable to the Company and the accounting principles, and that they give a true, fair and clear view of the Company's and the Group's assets, financial standing and financial results, and that the Management Board's report on the Company's and the Group's activities for 2021 gives a true picture of the Company's and the Group's development, achievements and standing, including a description of the key threats and risks.

Thomas Shepherd

Radosław Krawczyk

Michał Walczak

*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

Chief Financial Officer

Member of the Management  
Board

Scientific Director



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