



Independent Statutory Auditor's Report on the Audit  
of Separate Annual Financial Statements of  
**Captor Therapeutics S.A.**  
for the financial year ended  
31 December 2021

Mazars Audyt Sp. z o.o.  
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# INDEPENDENT STATUTORY AUDITOR'S REPORT ON THE AUDIT OF SEPARATE ANNUAL FINANCIAL STATEMENTS

*Translation of the document originally issued in Polish*

*To the General Meeting and the Supervisory Board of **Captor Therapeutics S.A.***

## Report on the Audit of Separate Annual Financial Statements

### Opinion

We have audited the separate annual financial statements of Captor Therapeutics S.A. ("the Company"), which comprise the separate statement of financial position as at 31 December 2021, the separate statement of comprehensive income, the separate statement of changes in equity, the separate statement of cash flows for the financial year from 1 January to 31 December 2021 and notes comprising a summary of significant accounting policies and other explanatory notes ("separate financial statements").

In our opinion, the accompanying separate financial statements:

- give a true and fair view of the Company's property and financial position as at 31 December 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with the applicable International Financial Reporting Standards approved by the European Union and the adopted accounting principles (policy);
- comply with the applicable legislation and with the provisions of the Company's Articles of Association as to the form and content;
- have been prepared based on the accounting books kept properly, in accordance with Chapter 2 of the Accounting Act of 29 September 1994 (the Accounting Act" - Journal of Laws of 2021, item 217 as amended).

The present opinion is consistent with the additional report to the Audit Committee that we issued on 29 April 2022.

## **Basis for opinion**

We conducted our audit in accordance with National Standards on Auditing as per International Standards on Auditing adopted by resolution no. 3430/52a/2019 of the National Council of Statutory Auditors of 21 March 2019 regarding national standards on auditing and other documents, as amended (National Standards on Auditing “NSA”), as well as according to the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017 (“the Act on Statutory Auditors” - Journal of Laws of 2020, item 1415 as amended) and Regulation (EU) No 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (“EU Regulation” - Official Journal of the European Union L 158/77 of 27 May 2014, as amended). Our responsibility under those standards has been further described in “Statutory Auditor’s Responsibility for the Audit of the Financial Statements” section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (“the IESBA Code”), adopted by resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of 25 March 2019 on the principles of professional ethics for statutory auditors, as amended, and other ethical requirements which are applicable to the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit the key statutory auditor and the audit firm remained independent of the audited Company in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in the auditor’s professional judgment, were of most significance in the audit of the separate financial statements for the current reporting period. These include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the separate financial statements as a whole and in forming our opinion thereon, and we summarized our responses to these risks, and, where deemed appropriate, presented the most important observations related to these risks.

We do not provide a separate opinion on these matters.

Key audit matter	How our audit responded to this matter
<p><u>Recognition of subsidy revenues and the legitimacy of costs and their eligibility</u></p> <p>The revenues from the subsidies disclosed in the separate financial statements as at December 31, 2021 amounted to PLN 21,949 thousand. zlotys and mainly related to subsidies received from the National Center for Research and Development ("NCBiR").</p> <p>The correctness of recognition of subsidies obtained from the National Center for Research and Development is an inherent risk related to the Company's operations.</p> <p>The Company estimates the probability of the need to return the received subsidies. Depending on the adopted estimate, the received subsidies may be included in the result for the year of incurring costs financed with subsidies or recognized as a liability until obtaining reasonable assurance regarding the non-reimbursement of the received amounts.</p> <p>The Company has set an internal probability level, the achievement of which will indicate that the subsidies received from NCBiR (advance payments or refunds) will not have to be returned.</p> <p>The Company presented the disclosures regarding the income from subsidies in note 16 of information and explanations to the separate financial statements.</p>	<p>Our audit procedures included, in particular:</p> <ul style="list-style-type: none"> <li>- review of accounting policies relating to the recognition of subsidy revenues and related significant judgments and estimates;</li> <li>- understanding and assessment of the internal control environment, including the recognition and presentation of subsidy revenues;</li> <li>- analysis of significant terms and conditions of contracts with the National Center for Research and Development;</li> <li>- assessment of the correctness and completeness of disclosures in this respect;</li> <li>- performance of detail testing on the eligibility of costs, on the basis of which the Company applies for subsidies;</li> <li>- verification of the correctness of recognition of subsidies in the financial and accounting system;</li> <li>- verification of the internal audit report on the correctness during conduction of procurement procedures under EU projects;</li> <li>- detailed verification on a sample basis of the correctness of the accounting treatment of subsidy's applications to the relevant reporting periods;</li> <li>- assessment of the correctness and completeness of disclosures in terms of subsidy revenues and costs incurred.</li> </ul>

## Responsibilities of the Management Board and Supervisory Board for the Separate Financial Statements

The Company's Management Board is responsible for preparing, based on the accounting books properly kept, the separate financial statements that give a true and fair view of the Company's property and financial position and its financial result in accordance with the International Financial Reporting Standards approved by the EU and adopted accounting principles (policy), as well as with the relevant legislation and with the provisions of the Company's Articles of Association. The Company's Management Board is also responsible

for internal control that is deemed necessary to enable the preparation of separate financial statements that are free of material misstatement, whether due to fraud or error.

When preparing the separate financial statements, the Company's Management Board is responsible for assessing the Company's ability to continue as a going concern, as well as for disclosing, if applicable, matters related to going concern and for adopting the going concern assumption as an accounting basis, unless Management Board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Company's Management Board and members of the Supervisory Board are obliged to ensure that the separate financial statements meet the requirements set out in the Accounting Act. Members of the Supervisory Board are responsible for supervising the financial reporting process of the Company.

### **Statutory Auditor's Responsibilities for the Audit of the Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the National Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

The scope of audit does not include assurance as to the future profitability of the audited Company and effectiveness or efficiency of running the Company's affairs by the Management Board at present or in the future.

According to principles of the National Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit, as well as:

- we identify and assess risks of material misstatement of separate financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and we obtain audit evidence which is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control in the Company;
- we evaluate the appropriateness of the accounting principles (policy) used and the reasonableness of the accounting estimates and related disclosures made by the Management Board of the Company;

- we conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, as to whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluate the overall presentation, structure, and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and that we will communicate all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude their public disclosure or when, in exceptional circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Information, including the Management Report**

Other information includes information contained in the annual report, except for separate financial statements and our audit report ("Other Information").

Under Article 55 (2a) of the Accounting Act the Management report of the Captor Therapeutics S.A. Group and of the Parent Company for 2021 were prepared jointly.

### *Responsibility of the Management Board and Supervisory Board*

The Company's Management Board is responsible for preparing Other Information in accordance with the applicable regulations.

The Company's Management Board and members of the Supervisory Board are obliged to ensure that the Management report along with the corporate governance statement, which is a separate part of this Management report and a separate non-financial report specified in Article 49b (9) of the Accounting Act, meet the requirements set out in the Accounting Act.

### *Statutory Auditor's Responsibility*

Our opinion on the audit of the separate financial statements does not cover the Other Information. In connection with our audit of the separate financial statements, our responsibility is to read the Other information and, in doing so, consider whether the Other Information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. In accordance with the Act on Statutory Auditors, our responsibility is also to give an opinion whether the management report has been prepared in accordance with applicable regulations and whether it complies with information contained in the annual financial statements. Moreover, we are obliged to communicate whether the Company prepared a separate non-financial report and issue an opinion whether the Company included the required information in the corporate governance statement.

### **Opinion on the Management Report**

Based on the work performed during the audit, in our opinion, the Management Report:

- has been prepared according to Article 49 of the Accounting Act and paragraph 70 of the Regulation of the Minister of Finance of 29 March 2018 on Current and Periodic Information Provided by Issuers of Securities and Conditions of Recognition of Information Required under the Regulations of the non-EU Member State as Equivalent ("Regulation on Current Information" - Journal of Laws of 2018, item 757 as amended),
- is in line with information contained in the separate financial statements.

## **Opinion on Corporate Governance Statement**

In our opinion, the Company included information specified in paragraph 70 (6) item 5 of the Regulation on Current Information in the corporate governance statement. Moreover, in our opinion, information specified in paragraph 70 (6) item 5 c-f, h and i of this Regulation comprised in the corporate governance statement is compliant with the applicable provisions and information contained in the separate financial statements.

## **Other Information Statement**

Moreover, according to our knowledge of the Company and its environment obtained during the audit, we declare that we have not identified any material misstatement in the Management Report and the Other Information.

## **Statement about provision of non-audit services**

To the best of our knowledge and belief, we declare that the non-audit services we have provided to the Company and to its related entities are lawful and compatible and in accordance with provisions applicable in Poland and that we did not provide any services that would not be an audit and that are prohibited as defined in the Article 136 of the Act on Statutory Auditors and Article 5 (1) of the EU Regulation. Non-audit services that we provided to the Company and its subsidiaries during the audited period were specified in note 6.2 of the Company's Management Report and in note 45 of separate financial statement.

## **Appointment of an Audit Firm**

We were appointed to audit the Company's separate financial statements pursuant to the resolution of the Company's Supervisory Board of 23 April 2020 and again by a resolution of July 22, 2021. We have been auditing the Company's separate financial statements continuously, starting from the financial year ended December 31, 2019, i.e. for three consecutive years, including the second year of the audit as a public interest entity.

The key statutory auditor responsible for the audit that was the base of this independent statutory auditor's report is Jacek Skrzypczak.

Acting on behalf of Mazars Audyt Sp. z o.o. with its registered office in Warsaw, ul. Piękna 18, entered on the list of audit firms under no. 186, on behalf of which the key statutory auditor audited the separate financial statements.



**Jacek Skrzypczak**

**Jarosław Bochenek**

*Signed on the Polish original*

*Signed on the Polish original*

Key Statutory Auditor

No. 13369

Partner

**mazars**

Warsaw, 29 April 2022