



Statutory auditor's report to the general meeting of Hyloris Pharmaceuticals SA on the consolidated financial statements as of and for the year ended 31 December 2024

In the context of the statutory audit of the consolidated financial statements of Hyloris Pharmaceuticals SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements and the other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 14 June 2022, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2024. We have performed the statutory audit of the consolidated financial statements of the Group for 6 consecutive financial years.

Report on the consolidated financial statements

Qualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2024, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising material accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to 41.335 KEUR and the consolidated statement of profit or loss and other comprehensive income shows a loss for the year of 6.342 KEUR.

In our opinion, except for the possible effect (Strategic Advice to Pleco) and except for the effect (Recovery of legal costs) (hereafter "the (possible) effect") of the matters described in the "Basis for qualified opinion" section of our report, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.



Basis for our qualified opinion

Strategic Advice to Pleco

As described in note 3.2 to the consolidated financial statements, the Group entered into an agreement with Pleco Therapeutics BV ("Pleco") in July 2022. Under the terms of this agreement the Group agreed to provide strategic advice to Pleco until 31 December 2024 for a maximum consideration of EUR 2,5 million. The Group recognized cumulatively an amount of 1.562 KEUR in retained earnings and an amount of EUR 0,5 million and 62 KEUR as other operating income in the consolidated financial statements for the years ended 31 December 2023 and 2024 respectively.

This agreement is written in a general way ("provision of strategic advice") and does not specify the different performance obligations to be provided by the Group to Pleco. The Group has recognized income from this agreement based on a contractual payment schedule, without analyzing specific agreed-upon performance obligations, milestones, or other objective allocation methods. In the absence of such an analysis, it is impossible for us to assess whether the accounting treatment of this agreement meets the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board and as adopted by the European Union. There were no alternative procedures we could have performed to assess whether the income related to this agreement was correctly accounted for and disclosed in note 3.2 to the consolidated financial statements in accordance with the applicable accounting standards.

Recovery of legal costs

As described in note 11, the Company is contractually entitled to offset a substantial part of legal expenses incurred related to the arbitration proceedings against Alta Thera Pharmaceuticals LLC by the future royalties that it will owe to its development partner who was part of the proceedings. In 2024 a first-time recognition of a receivable for an amount of 292 KEUR has been accounted for whereas the first-time recognition of a receivable should have been recognized in the consolidated financial statements for the year ended 31 December 2023 for an amount of 510 KEUR. The Group has corrected the error by recording the net impact in the consolidated financial statements for the year ended 31 December 2024. However, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the Group should have corrected the error retrospectively by restating the comparative consolidated information for the year ended 31 December 2023. Not restating comparative consolidated information has understated the Operating loss for the year ended 31 December 2024 by 510 KEUR. The Trade and Other receivables and the corresponding Other income for the year ended 31 December 2023 are also understated for an amount of 510 KEUR.



We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

Except for the matter described above (Strategic advice to Pleco), we have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

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

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "Basis for our qualified opinion" section of our report we have determined the matter described below to be a key audit matter to be communicated in our report.

Collaboration agreements between the Group and its partners for product candidates

- **Description**

We refer to note 3.2 of the consolidated financial statements in which the Group describes that they have entered into several collaboration agreements with partners for the development of product candidates. These agreements can take various forms such as equity investments, loans (convertible or non-convertible), research & development (R&D) funding, strategic advice, etc., and can be subject to contract amendments.

The existence of such collaboration agreements is considered to be a key audit matter due to the complexity in determining the appropriate accounting based on i) their nature including the existence of multiple or mutual obligations with the same party, ii) the existence of contract amendments that could affect their subsequent accounting, iii) the level of judgment required to assess whether the collaboration agreements give rise to significant influence by the Group over the partners and iv) the absence of effective internal controls related to the identification, structuring, modification of and accounting for collaboration agreements.



- Our audit procedures

We performed the following audit procedures, amongst others:

- We evaluated the substance of the various elements of significant collaboration agreements and discussed the contract terms with management and those charged with governance.
- For a sample of R&D costs recharged by the Group's partners, we traced these costs back to the underlying invoices originating from the partners' subcontractors to verify their existence and accuracy. When deemed necessary, we obtained direct confirmation from the Group's partner as to the existence, completeness and accuracy of R&D costs recharged.
- We evaluated the substance of revenue/other operating income charged by the Group to its partners by obtaining supporting evidence on the performance obligations. In this respect, we also refer to the matter described in the "Basis for our qualified opinion" section of our report.
- We analyzed the level of influence the Group has over its partners by considering amongst others the significance of the Group's relationships to the partners and challenged the judgment made by management. For partners where the Group was determined to have significant influence, we evaluated the appropriateness of the accounting treatment.
- We evaluated management's assessment of impairment for the equity accounted investee FHP and challenged, together with the assistance of our internal valuation specialists, the applied methodology, its mathematical accuracy and the key assumptions used such as weighted average cost of capital.
- We assessed the adequacy of the disclosures in the consolidated financial statements, particularly under note 3.2 "Joint collaborations", note 9 "Equity accounted investees" and note 22 "Other operating income" with respect to the collaboration agreements. In this respect, we also refer to the matter described in the "Basis for our qualified opinion" section of our report.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated 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 ISAs 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 the users taken on the basis of these consolidated financial statements.

When performing our audit, we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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;
- Obtain an understanding of internal controls 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 Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;



- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated 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 precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements.



Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian additional standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, and the other information included in the annual report, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report on the consolidated financial statements

Based on specific work performed on the board of directors' annual report on the consolidated financial statements and except for the (possible) effect of the matters described in the "Basis for our qualified opinion" section of our report, we are of the opinion that this annual report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report on the consolidated financial statements, being:

- Business overview;
- Key figures; and
- Corporate Governance.

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out and except for the (possible) effect of the matters described in the "Basis for our qualified opinion" section of our report, we did not identify any material misstatements that we have to report to you.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.



European Single Electronic Format (ESEF)

In accordance with the draft standard on the audit of compliance of the annual report with the European Single Electronic Format (hereafter "ESEF"), we have also audited whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter "Delegated Regulation") and the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market (hereafter the "Royal Decree of 14 November 2007").

The Board of Directors is responsible for the preparation of an annual report, in accordance with the ESEF requirements, including the consolidated financial statements in the form of an electronic file in ESEF format (hereafter "digital consolidated financial statements").

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format of the annual report and the XBRL tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

In our opinion, based on our work performed, the digital format of the annual report and the tagging of information in the English version of the consolidated financial statements included in the annual report of Hyloris Pharmaceuticals SA as per 31 December 2024, and which will be available in the Belgian official mechanism for the storage of regulated information (STORI) of the FSMA, are, in all material respects, in compliance with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

For the annual report with the consolidated financial statements relating to the prior financial year, we have concluded in a separate report prepared in accordance with ISAE 3000 (Revised) "*Assurance engagements other than audits or reviews of historical financial information*" that the format of the annual report and the XBRL tagging of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.



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Other aspect

- This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, 2 May 2025

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

A handwritten signature in blue ink, appearing to read 'Tanguy Legein', with a long horizontal stroke extending to the right.

Tanguy Legein
Bedrijfsrevisor / Réviseur d'Entreprises