

ASIT BIOTECH SA

STATUTORY AUDITORS' REPORT TO THE GENERAL MEETING OF ASIT BIOTECH SA ON THE EU-IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

In the context of the statutory audit of the EU-IFRS financial statements of your company (the Company), we hereby present our joint statutory auditors' report. It includes our report on the audit of the EU-IFRS financial statements as well as our report on the other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We have been appointed as statutory auditor by the general meeting of 14 June 2018 as far as Mazars Réviseurs d'Entreprises is concerned and by the general meeting of 30 June 2016 as far as RSM Réviseurs d'Entreprises is concerned, following the proposal formulated by the board of directors issued upon recommendation of the audit committee. Our statutory auditor's mandate expires on the date of the general meeting deliberating on the annual accounts closed on 31 December 2020 as far as Mazars Réviseurs d'Entreprises is concerned and on the date of the general meeting deliberating on the annual accounts closed on 31 December 2018 as far as RSM Réviseurs d'Entreprises is concerned. We have performed the statutory audit of the EU-IFRS financial statements of the company for 4 consecutive years as far as Mazars Réviseurs d'Entreprises is concerned and for 14 consecutive years as far as RSM Réviseurs d'Entreprises is concerned.

REPORT ON THE EU-IFRS FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the EU-IFRS financial statements, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the financial statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a statement of financial position total of K€ 11.554 and for which income statement and other comprehensive income shows a loss for the year of K€ 14.321.

In our opinion, the EU-IFRS financial statements give a true and fair view of the equity and financial position as at 31 December 2018, as well as of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the '*Statutory auditor's responsibilities for the audit of the EU-IFRS financial statements*' section in this report. We have complied with all the ethical requirements that are relevant to the audit of EU-IFRS financial statements in Belgium, including those concerning independence.

We have obtained from the board of directors and company 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 opinion.

Material uncertainty related to going concern

We draw your attention to the note 6.1 in the financial statements, which indicates that the level of the working capital shortfall shall amount to € 8,6 million for a period of at least 12 months after the 31st December 2018 if all ongoing capital raising activities will be unproductive. These events or conditions, along with other matters as set forth in note 6.1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the EU-IFRS financial statements of the current year. These matters were addressed in the context of our audit of the EU-IFRS accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. In addition to the material uncertainty as described in the "Material uncertainty related to going concern" section of our report, we have determined the matter described below to be the key audit matter.

Research and development expenses

Reference to annual report: Notes 2.5, 6.2, 19

Description of the key audit matter

The company has incurred research and development expenses relating to allergy treatment projects (grass pollen, mites, ragweed, etc.).

Development costs are capitalized as intangible assets if technical, commercial and financial feasibility criteria are met.

At the end of the financial year and in accordance with the market, the Company is of the opinion that none of the projects in progress meets the capitalization criteria since Phase III has not been completed.

We have focused on this item because research and development represents a significant amount and the determination of the appropriate accounting treatment requires some judgment.

How we addressed the key audit matter during the audit

Our procedures for verifying research and development expenses include:

- gain an understanding of current projects and associated expenses incurred to date;
- test a sample of the expenses incurred during the period to verify the nature and amount of the expense and ensure that the classification as research expense was appropriate;
- meet with management to understand the current stage of development until December 31, 2018 as well as test results after the closing date;
- based on this work, we appreciated the management's assessment of whether the development costs met the capitalization criteria or not.

Responsibilities of the board of directors for the preparation of the EU-IFRS financial statements

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

In preparing the EU-IFRS financial statements, the board of directors is responsible for assessing the 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 company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the EU-IFRS financial statements

Our objectives are to obtain reasonable assurance about whether the EU-IFRS 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 users taken on the basis of these EU-IFRS financial statements.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of financial statements in Belgium.

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

- Identify and assess the risks of material misstatement of the EU-IFRS 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 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the EU-IFRS 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 statutory auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the EU-IFRS financial statements and whether the EU-IFRS 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 as well as 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.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the EU-IFRS financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory 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 management report on the EU-IFRS financial statements and for the other information included in the annual report on the EU-IFRS financial statements.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material respects, the management report on the EU-IFRS financial statements and the other information included in the annual report on the EU-IFRS financial statements, as well as to report on these matters.

Aspects related to the management report on the EU-IFRS financial statements and to other information included in the annual report

In our opinion, after having performed specific procedures in relation to the management report, the management report is consistent with the EU-IFRS financial statements for the same financial year and is prepared in accordance with articles 95 and 96 of the Company Code.

In the context of our audit of the EU-IFRS financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report on the EU-IFRS financial statements and the other information included in the annual report on the EU-IFRS financial statements, namely:

- Key Figures EU - IFRS financial statements
 - Corporate governance
- contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

Our audit firms and our networks did not provide services which are incompatible with the statutory audit of EU-IFRS financial statements, and our audit firms remained independent of the company throughout the course of our mandate.

The fees related to additional services which are compatible with the statutory audit as referred to in article 134 of the Company Code are correctly disclosed and itemized in the notes to the EU-IFRS financial statements.

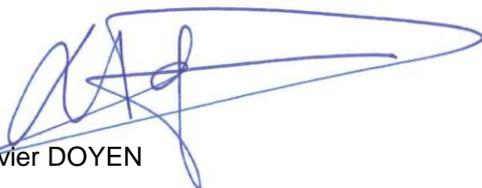
Other statements

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Brussels, 8 May 2019

MAZARS REVISEURS D'ENTREPRISES SCRL
Statutory auditor
Represented by

Xavier DOYEN



RSM REVISEURS D'ENTREPRISES SCRL
Statutory auditor
Represented by

Luis LAPERAL

