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Independent auditor's report to the general meeting of Celyad Oncology SA for the year ended 31 December 2020

As required by law and the Company's articles of association, we report to you as statutory auditor of Celyad Oncology SA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statements of financial position as at 31 December 2020, the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cashflows for the year ended 31 December 2020 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 5 May 2020, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2022. We performed the audit of the Consolidated Financial Statements of the Group for one year.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Celyad Oncology SA, that comprise of the consolidated statements of financial position on 31 December 2020, the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cashflows of the year and the disclosures, which show a consolidated balance sheet total of € 66.084.000 and of which the consolidated income statement shows a loss for the year of € 17.406.000.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2020, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting 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 consequently we do not provide a separate opinion on these matters.

Valuation of contingent consideration liability and CAR-T technology intangible asset

Description of the key audit matter

At December 31, 2020, the contingent consideration liability and intangible asset related to the CAR-T technology that were initially recorded in conjunction with the Company's acquisition of Oncyte LLC, were approximately €15.5 million and €33.7 million, respectively. As explained in the Notes 5.20.2 and 5.6 to the consolidated financial statements, the contingent consideration liability is required to be remeasured each reporting period and the intangible asset is assessed for impairment annually. The fair value of this liability and asset are measured using assumptions, the most significant of which are projected revenue, probabilities of success (PoS), and discount rate. Auditing these assumptions is complex due to the highly judgmental and sensitive nature of the inputs used by management to develop these assumptions. For instance, due to the nature and status of the underlying research and treatment being developed, limited entity or treatment-specific data are currently available. This results in a higher level of subjectivity in management's development of the projected revenue and PoS assumptions. Auditing the discount rate used by management is also complex due to the higher inherent risk associated with the industry, uncertainty around the outcome of the R&D process, and sensitivity of calculated liability and fair market value of the CAR-T technology intangible assets to the discount rate.

Summary of the procedures performed

- We obtained an understanding, evaluated the design and tested the operating effectiveness of control over management's process for estimating these assumptions, including management's review of assumptions, determination of the model and assessment of the data inputs used in developing the assumptions.

- To test the fair value of the contingent consideration liability and CAR-T technology intangible asset, our audit procedures included, among others, evaluating the Company's methodology and models, involving our valuation specialists to assist in testing the significant assumptions described above, comparing assumptions to market and third-party data, testing the completeness and accuracy of the underlying data, performing sensitivity analysis for these significant assumptions and evaluating the disclosures in the financial statements.

- In reference to the projected revenue, we assessed each revenue scenario by comparing them with management's business plan and for consistency with other internal reporting. We also tested overall market and treatment revenue assumptions by benchmarking them against available industry data.

- Auditing the PoS involved evaluating the assumptions used by management considering the evolution of the Company's research and development of its treatment protocol. This included assessing the results of regulatory filings and performing inquiries of non-finance personnel within the entity and comparing the PoS assumptions used by management with available results of other companies' oncology research and development programs.

- Our procedures to test the appropriateness of the discount rate included comparing the discount rate used by management to the market rates and to a range of discount rates independently developed by us with the assistance of our specialists.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 Consolidated Financial Statements.

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

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given 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 or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or 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 auditor's 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 audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors 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 within the Board of Directors, 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 report, unless the law or regulations prohibit this.

Report on 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' report on the Consolidated Financial Statements.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, as well as to report on these matters.

Aspects relating to Board of Directors' report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report contains any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide any assurance regarding the Board of Directors' report and other information included in the annual report.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.
- The financial statements of Celyad Oncology SA for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on March 24, 2020.

Diegem, Belgium, 24 March 2021

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Carlo-Sebastien D'Addario *
Partner
*Acting on behalf of a BV/SRL

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