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Kiadis Pharma announces annual results for the year ended December 31, 2018

Amsterdam, The Netherlands, 30 April 2019 - Kiadis Pharma N.V. ("Kiadis Pharma" or the "Company") (Euronext Amsterdam and Brussels: KDS), a clinical-stage biopharmaceutical company, today announces its audited 2018 Annual Results for the year ended December 31, 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Arthur Lahr, CEO of Kiadis Pharma, commented: *"Kiadis made significant progress in 2018 as we continue on our journey to bring innovative cell therapies to patients. In 2018, we added commercial and medical affairs capabilities to support the potential launch of ATIR101 in the EU. Additionally, we have expanded our manufacturing and quality teams to ensure that we have adequate capacity to serve patients in the EU as well as patients enrolling in our global phase 3 study for ATIR101.*

"As our company grows, we are all working to re-imagine medicine - leveraging the natural strengths of humanity and our collective immune system to source the best cells for life. Our uncompromising approach to serve patients, their families and caregivers aims to minimize harm and maximize help - delivering personalized treatments for every single patient to offer hope, reduce suffering and provide new life. We look forward to continuing this journey together to achieve our vision to improve the lives of patients suffering from life-threatening diseases."

Operating highlights (including post reporting period)

- Kiadis' marketing authorization application for ATIR101 is currently under review. Kiadis plans to respond to day 180 outstanding issues by the end of May 2019. The Company aims to receive CHMP opinion in 2019, which, if positive, would enable a conditional marketing approval from the European Commission, followed by commercial launch of ATIR101 in a European country by the end of 2019.
- The global phase 3 trial for ATIR101, CR-AIR-009, is ongoing. The study, which will enroll approximately 250 patients, is comparing ATIR101 to the post-transplant cyclophosphamide (PTCy) or 'Baltimore' protocol.
- Additionally, over the past year the organization has been strengthened across all functions, with the addition of more than 60 staff, including key management team members.
- On April 17, 2019, Kiadis announced that it had entered a definitive agreement to acquire US-based CytoSen Therapeutics, Inc., subject to shareholder approval and customary closing conditions. The combination of Kiadis and CytoSen will create a leader in cell-based cancer immunotherapy, with complementary T-Cell and NK-cell platforms.

Financial highlights (including post reporting period)

(Amounts in EUR million, except per share data)	2018	2017	Change
Total revenue and other income	--	--	--
Total operating expenses	(25.2)	(16.1)	(9.1)
Research and development	(17.5)	(11.2)	(6.3)
General and administrative	(7.7)	(4.9)	(2.8)
Operating result	(25.2)	(16.1)	(9.1)
Net financial result	(4.6)	(0.9)	(3.7)
Net result	(29.8)	(17.0)	(12.8)
Net operating cash flow	(24.2)	(15.9)	(8.3)
Cash position at end of year	60.3	29.9	30.4
Equity	44.1	15.9	28.2
Earnings per share before dilution (EUR)	(1.46)	(1.14)	(0.32)

Operating expenses

- Operating expenses increased to EUR 25.2 million in 2018 from EUR 16.1 million in 2017, an increase of EUR 9.1 million.
- Research and Development expenses increased to EUR 17.5 million in 2018 from EUR 11.2 million in 2017. Without the expenses for share-based compensation, Research and Development expenses increased to EUR 16.6 million in 2018 from EUR 10.9 million in 2017, an increase of EUR 5.7 million. This increase was primarily caused by a further expansion of the workforce in all areas of the organization, clinical expenses related to the CR-AIR-009 study, the move to a larger building which includes a commercial manufacturing facility, laboratories and office space.
- General and Administrative expenses increased to EUR 7.7 million in 2018 from EUR 4.9 million in 2017. Without the expenses for share-based compensation, General and Administrative expenses were EUR 3.0 million higher at EUR 7.0 million in 2018 compared to EUR 4.0 million in 2017. The increase was due to the expansion of the workforce, higher consultancy expenses related to market access preparations and financing rounds.

Operating results

- As a result of the overall increase in total operating expenses, the Group's operating loss increased from EUR 16.1 million in 2017 to EUR 25.2 million in 2018.

Net financial result

- Net finance expenses for 2018 increased to EUR 4.6 million from EUR 0.9 million in 2017. The increase of EUR 3.7 million is mainly due to interest on outstanding debt for the amount of EUR 1.6 million, interest on leases of our new Amsterdam office for the amount of EUR 0.5 million in 2018, unfavorable results of net foreign exchange and fair value adjustment of derivatives in 2018 versus 2017 for an amount of EUR 1.7 million and EUR 0.6 million respectively.

Net result

- As a result of the above items, the loss for the year increased by EUR 12.8 million to EUR 29.8 million in 2018 versus a loss of EUR 17.0 million in 2017.

Cash position

- The Company significantly strengthened cash position in 2018 with private placements of 6.5 million ordinary shares raising EUR 54.6 million and a debt financing facility from Kreos Capital of up to EUR 20 million.
- The cash position increased by EUR 30.4 million to EUR 60.3 million at year-end 2018 compared to EUR 29.9 million at the end of 2017. This increase mainly results from the net proceeds of two share offerings for a total amount of EUR 50.6 million and net proceeds drawn on a new debt facility agreement (EUR 20 million total) of EUR 4.8 million and the cash proceeds from the exercise of warrants for the amount of EUR 2.9 million. In 2018, the net operating cash outflow amounted to EUR 24.2 million and further included the acquisition of PP&E, repayments of loans and lease liabilities for a total amount of EUR 4.0 million.
- The Company's cash position as of March 31, 2019 was EUR 49.0 million.

Equity

- The Company's equity position amounted to EUR 44.1 million at year-end 2018 versus EUR 15.9 million at the end of 2017, an increase of EUR 28.2 million. The main drivers of this increase are net proceeds of two share offerings of EUR 50.6 million in total, shares issued upon the exercise of warrants for EUR 5.0 million, partly offset by the loss for the year of EUR 29.8 million.

Earnings per share

- The diluted loss per share for 2018 increased to EUR 1.46 compared to EUR 1.14 in 2017.

Annual Report

The Annual Report 2018 is available on Kiadis Pharma's website April 30, 2019.
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About Kiadis Pharma

Kiadis Pharma is developing its lead product candidate, ATIR101, for use in conjunction with haploidentical HSCT for adult blood cancers to address key limitations of haploidentical HSCT, without prophylactic immunosuppression and its associated morbidity and mortality. Based on the positive results from the single dose Phase II CR-AIR-007 study, the Company submitted a marketing authorization application to the European Medicines Agency in April 2017 for approval of ATIR101 as an adjunctive treatment in haploidentical HSCT for high risk adult hematological malignancies. If the product is conditionally approved, Kiadis Pharma intends to launch ATIR101 in selected countries in Europe through its own commercial organization starting in the second half of 2019.

In December 2017, Kiadis Pharma commenced an international, multicenter, randomized and controlled Phase III clinical trial of ATIR101 against the Post-Transplant Cyclophosphamide, or PTCy protocol, the main protocol used to perform a haploidentical HSCT. The trial will be performed in 250 patients with acute leukemia and myelodysplastic syndrome at approximately 50 sites in the United States, Canada, Europe and certain additional countries. ATIR101 received regenerative medicine advanced therapy designation from the FDA in September 2017, which provides benefits that are materially equivalent to a breakthrough designation from the FDA. In addition, ATIR101 has been granted multiple orphan Drug designations both in the European Union and the United States.

The Company's shares are listed on Euronext Amsterdam and Brussels under the ticker KDS.

Forward Looking Statements

Certain statements, beliefs and opinions in this press release are forward-looking, which reflect Kiadis Pharma's or, as appropriate, Kiadis Pharma's directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, competition and technology, can cause actual events, performance or results to differ significantly from any anticipated development. Forward looking statements contained in this press release regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, Kiadis Pharma expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this press release as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither Kiadis Pharma nor its advisers or representatives nor any of its subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this press release or the actual occurrence of the forecasted developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release.