Celyad Oncology reports first half year 2024 financial results and recent business highlights

- *The Company continues to bolster its intellectual property estate and to pursue options to monetize it*
- *The Company's two main research and development platforms have delivered proof-of-concept and are ready to be incorporated into clinical candidates and/or to be further explored and exploited via potential partnerships*
- *The Company actively participated at several key international scientific conferences and published in well-renowned peer-reviewed journals which have raised the interest for the Company's technologies and developments*
- *Operational expenses according to Budget allowing cash runway until third quarter 2025*

Mont-Saint-Guibert, Belgium; September 13, 2024, 7:00 am CET; regulated information - Celyad Oncology (Euronext: CYAD) (the "Company"), today announces its financial results for the first half year 2024 ended June 30, 2024, and provides a business update.

Michel Lussier, interim Chief Executive Officer of Celyad Oncology, commented: "*Celyad Oncology continues to make remarkable progress in developing cutting-edge technologies for chimeric antigen receptor (CAR) T-cell therapy. Our groundbreaking multiplex platform is revolutionizing the potential of CAR T-cells, while our pioneering NKG2D-based multispecific CAR T-cell platform is further paving the way to conquer current limitations of this transformative class of immunotherapy*"

H1-2024 Business highlights

- The Company is pursuing a strategy of continued research and development, with a particular focus on intellectual property (IP). Monetization of its innovative approaches and technologies is a key objective. Celyad Oncology is progressing in this regard and is currently in discussion with potential partners for out-licensing deals;
- With its research focus, the Company has made concrete progress by providing proof-of-concept of the multiplex short hairpin RNAs (shRNAs) non-gene edited technology platform and the multispecific NKG2D-based CAR T-cell platform, which provide unique options to tackle the major current limitations of CAR T-cell therapies. Options to further explore or validate these data through strategic partnerships, and/or to incorporate these technologies into clinical CAR-T candidates are actively pursued by the Company;
- The Company continues to share and discuss its latest advances at international scientific conferences throughout the first half of 2024 with updated results provided at the 27th ASGCT [1] Annual Meeting and the Recent insights into Immuno-Oncology VIB conference [2].
- The Company is also focusing on sharing data and views with the scientific community and has published a review highlighting the interest of non-gene editing technologies for allogeneic CAR T-cell therapies in

[1] American Society of Gene & Cell Therapy Annual meeting, Baltimore, US (May 7-11, 2024)
[2] Recent insights into Immuno-Oncology VIB (Flemish Institute for Biotechnology) conference, Antwerp (May 30-31, 2024)

Cells [3] and another review providing an overview of all engineering strategies to safely drive CAR T-cells into the future in Frontiers in Immunology [4], two well-renowned peer-reviewed scientific journals;

- In response to the request expressed by several companies and academic institutions engaged in gene and cell therapies for cardiac applications, the Company has re-initiated the manufacturing and commercialization of C-Cath®, an intra-myocardial injection catheter developed and owned by the Company.

H1-2024 operational highlights

- **Multiplex shRNA non-gene edited technology –** The Company developed a chimeric micro-RNA (miRNA) cluster to enable multiplexing of shRNAs, designed for easy, efficient, and tunable downregulation of up to four target genes simultaneously in CAR T-cells.
    - Data successfully demonstrated the feasibility and effectiveness of the multiplex approach to improve allogeneic CAR T-cell viability by avoiding graft-versus-host disease (GvHD) via knocking down of CD3ζ, avoiding host-versus-graft (HvG) reaction and promoting cell persistence via knocking-down of β2M and CIITA, and avoiding CD95L-induced autophagy via knocking-down of CD95;
    - Another multiplex cassette focusing on the knock-down of co-inhibitory receptors (PD-1, LAG-3, TIM-3 and CD95) was also developed to decrease the expression of exhaustion markers at the surface of CAR T-cells.
- **Multispecific NKG2D-based CAR T-cell platform** – Different NKG2D-based multispecific CAR T-cells were developed to provide the proof-of-concept that NKG2D ligands (NKG2DL) are valuable targets in a multispecific CAR approach to counteract relapses due to antigen loss or antigen heterogeneity.
    - PSMA/NKG2DL tandem CAR T-cells, that encompass the extracellular domain of the natural NKG2D receptor fused to an anti-PSMA CAR to overcome antigen heterogeneity and improve anti-tumor efficacy against prostate cancer were developed and demonstrated functionality in vitro against prostate cancer cell lines expressing or not the tumor-associated antigen PSMA;
    - *In vivo* proof-of-concept of the company's CD19/NKG2DL tandem CAR T-cell candidate was also provided in a B-ALL relapse model, showing that this multi-specific CAR T-cell candidate has an enhanced anti-tumor efficacy against heterogeneous lymphoma tumors, or to counteract antigen loss, as compared to currently existing treatment options.

First Half 2024 financial review

As of June 30, 2024, the Company's Treasury position amounts to €6.2 million.

After due consideration of detailed budgets and estimated cash flow forecasts for the years 2024 and 2025, the Company projects that its existing cash and cash equivalents will be sufficient to fund its estimated operating and capital expenditures into the third quarter of 2025.

Key financial figures for first half 2024, compared with the first half of 2023 and full year 2023, are summarized below:

[3] Cells 2024;13(2):146
[4] Front Immunol. 2024:15:1411393

Selected key financial figures (€ millions)	Half Year 30 June 2024	Half Year 30 June 2023	Full Year 31 December 2023
Revenue	-	-	0.1
Research and development expenses	(1.5)	(2.1)	(4.6)
General and administrative expenses	(1.7)	(3.7)	(6.0)
Change in fair value of contingent consideration	-	-	0
Impairment of Oncology intangible assets	-	-	0
Other income/(expenses)	0.2	2.1	2.1
Operating loss	(3.1)	(3.7)	(8.5)
Loss for the period/year	(3.0)	(3.7)	(8.5)
Net cash used in operations	(2.8)	(8.3)	(15.2)
Cash and cash equivalents	6.2	5.0	7.0

Research and Development (R&D) expenses were €1.5 million in June 2024 as compared to €2.1 million during the same period in 2023, a decrease of €0.6 million. The decrease in the Company's R&D expenses is primarily driven by the Company's strategic decision in 2022 and beginning of 2023 to discontinue clinical development and prioritization of most promising research programs.

General and Administrative (G&A) expenses were €1.7 million in June 2024 as compared to €3.7 million during the same period in 2023, a decrease of €2.0 million. This decrease is mainly related to the decrease in employee expenses related to headcount reduction and management changes to support the Company's reorganization (notably resulting from Nasdaq delisting and SEC deregistration of the Company) and to a decrease in insurance costs and consulting fees.

As of June 30, 2024, Management has determined that there has been no event (such as a firm sublicense or collaboration contract) that led to a change in fair value of the contingent consideration and other financial liabilities. The Company's other income is mainly associated with grants received and some insurance compensations.

Net loss for the first half of 2024, was €3.0 million, or € (0.07) per share, compared to a net loss of €3.7 million, or € (0.17) per share, for the same period in 2023. As noted above, the decrease in net loss between periods was primarily due to the decrease of R&D and General and administrative expenses in 2024 partly compensated by lower amounts of grants revenues from public institutions.

Net cash used in operations was €2.8 million for the first half of 2024 compared to €8.3 million for the first half of 2023. The decrease of €5.5 million is primarily driven by the global decrease in preclinical and clinical activities, insurance costs and headcount. In 2023 the deviation between Net cash used in operations and Loss of the period was mainly explained by the change in the working capital (Trade payables and other liabilities decrease). The decrease of these costs is in line with the Company's decision to adopt and implement over the last few months of the year 2022 the new business strategy to focus on early-stage discovery research in areas of expertise where it can leverage the differentiated nature of its platforms.

Upcoming anticipated milestones

- More data and evidence in the context of the multispecific CAR and shRNA multiplex platforms, with the possibility of a clinical evaluation of assets and initiation of clinical trials either by the Company and/or through strategic partnerships afterwards;
- Celyad Oncology will attend and present updated data on its programs at the 9th CAR-TCR Summit in Boston, US (Sep. 17-20), the Advanced Therapies Europe in Estoril (Sep. 10-12) and present two posters at the 39th Annual Meeting of the Society for Immunotherapy of Cancer (SITC) in Houston (Nov. 6-10);
- The Company anticipates the appointment of a new CEO in the second half of 2024.

Financial Calendar 2025

- *April 2nd 2025 : Full Year 2024 Financial Statements*
- *May 5th 2025 : Annual shareholders meeting*
- *September 25th 2025 : First Half 2025 Interim results*

The financial calendar is communicated on an indicative basis and may be subject to change.

About Celyad Oncology

Celyad Oncology is a cutting-edge biotechnology company dedicated to pioneering the discovery and advancement of revolutionary technologies for chimeric antigen receptor (CAR) T-cells. Its primary objective is to unlock the potential of its proprietary technology platforms and intellectual property, enabling to be at the forefront of developing next-generation CAR T-cell therapies. By fully leveraging its innovative technology platforms, Celyad Oncology aims to maximize the transformative impact of its candidate CAR T-cell therapies and redefine the future of CAR T-cell treatments. Celyad Oncology is based in Mont-Saint-Guibert, Belgium. For more information, please visit www.celyad.com.

Celyad Oncology Forward-Looking Statement

This release may contain forward-looking statements, including, without limitation, statements regarding beliefs about and expectations for the Company's updated strategic business model, including associated potential benefits, transactions and partnerships, statements regarding the potential value of the Company's IP, statements regarding the Company's financial statements and cash runway, statements regarding the Company's future fundraising plans, statements regarding the Company's hiring plans, and statements regarding the continuation of the Company's existence. The words "will," "potential," "continue," "target," "project," "should" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any forward-looking statements in this release are based on management's current expectations and beliefs and are subject to a number of known and unknown risks, uncertainties and important factors which might cause actual events, results, financial condition, performance or achievements of Celyad Oncology to differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, risks related to the material uncertainty about the Company's ability to continue as a going concern; the Company's ability to realize the expected benefits of its updated strategic business model; the Company's ability to develop its IP assets and enter into partnerships with outside parties; the Company's ability to enforce its patents and other IP rights; the possibility that the Company may infringe on the patents or IP rights of others and be required to defend against patent or other IP rights suits; the possibility that the Company may not successfully defend itself against claims of patent infringement or other IP rights suits, which could result in substantial claims for damages against the Company; the possibility that the Company may become involved in lawsuits to protect or enforce its patents, which could be expensive, time-consuming, and unsuccessful; the Company's ability to protect its IP rights throughout the world; the potential for patents held by the Company to be found invalid or unenforceable; and other risks identified in the latest Annual Report and subsequent filings and reports by Celyad Oncology. These forward-looking statements speak only as of the date of publication of this document and Celyad Oncology's actual results may differ materially from those expressed or implied by these forward-looking statements. Celyad Oncology expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless required by law or regulation.

Investor & Media Contact:

David Georges, VP Finance and Administration
investors@celyad.com

Source: Celyad Oncology SA

Celyad Oncology SA

Consolidated Statement of Comprehensive Loss

(€'000)	For the Six-month period ended June 30,	
	2024	2023
Revenue	**14**	**44**
Cost of sales	(9)	(44)
Gross profit	**5**	**-**
Research and Development expenses	(1 537)	(2 139)
General & Administrative expenses	(1 737)	(3 665)
Other income	222	2 123
Other expenses	(37)	(64)
Operating Loss[2]	**(3 083)**	**(3 745)**
Financial income	100	26
Financial expenses	(61)	(21)
Loss before taxes	**(3 044)**	**(3 740)**
Income taxes	-	-
Loss for the period	**(3 044)**	**(3 740)**
Basic and diluted loss per share (in €)	(0,07)	(0,17)

Celyad Oncology SA

Consolidated Statement of Financial Position

(€'000)	June 30, 2024	December 31, 2023
NON-CURRENT ASSETS	**4 183**	**5 161**
Goodwill and Intangible assets	453	390
Property, Plant and Equipment	1 669	1 830
Non-current Grant receivables	1 946	2 804
Other non-current assets	115	137
CURRENT ASSETS	**8 663**	**11 121**
Trade and Other Receivables	113	457
Current Grant receivables	892	2 258
Other current assets	1 428	1 402
Cash and cash equivalents	6 229	7 004
TOTAL ASSETS	**12 846**	**16 282**
EQUITY	**3 265**	**6 304**
Share Capital	8 216	32 949
Share premium	-	-
Other reserves	35 741	35 734
Capital reduction reserve	320 726	295 993
Accumulated deficit	(361 417)	(358 372)
NON-CURRENT LIABILITIES	**7 165**	**7 046**
Lease liabilities	834	902
Recoverable Cash advances (RCAs)	4 601	4 505
Post-employment benefits	1	1
Other non-current liabilities	1 729	1 638
CURRENT LIABILITIES	**2 416**	**2 932**
Lease liabilities	155	156
Recoverable Cash advances (RCAs)	302	366
Trade payables	1 060	1 243
Other current liabilities	898	1 167
TOTAL EQUITY AND LIABILITIES	**12 846**	**16 282**