Celyad Oncology Reports Full Year 2020 Financial Results and Recent Business Highlights

- *No safety concerns or evidence of Graft-versus-Host disease reported from first dose cohort of Phase 1 dose-escalation IMMUNICY-1 trial for lead shRNA-based allogeneic CAR T candidate, CYAD-211, for relapsed/refractory multiple myeloma (r/r MM); enrollment in second dose cohort initiated with additional proof-of-concept data anticipated in Q2 2021*
- *Enrollment ongoing in expansion segment of Phase 1 alloSHRINK trial evaluating CYAD-101 administered concurrently with FOLFIRI preconditioning chemotherapy for the treatment of advanced metastatic colorectal cancer (mCRC); preliminary data from expansion cohort expected in Q2 2021*
- *On track to initiate Phase 1b KEYNOTE-B79 trial evaluating CYAD-101 with KEYTRUDA® in patients with microsatellite stable mCRC in the first half of 2021*
- *Patient enrollment continues at dose level 3 of Phase 1 CYCLE-1 trial of CYAD-02 for relapsed/refractory acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS); additional data anticipated in the first half of 2021*
- *Cash position of €17.2 million ($21.2 million) as of December 31, 2020*
- *Conference call and webcast scheduled for March 25 at 1:00 p.m. CET / 8:00 a.m. EDT*

Mont-Saint-Guibert, Belgium – Celyad Oncology SA (Euronext & Nasdaq: CYAD), a clinical-stage biotechnology company focused on the discovery and development of chimeric antigen receptor T cell (CAR T) therapies for cancer (the Company), today announced its consolidated financial results for fiscal year 2020 ended December 31, 2020 and provided a business update.

"The past twelve months have proven to be an evolutionary period in our Company's history, as we prioritized our resources for the advancement of our allogeneic portfolio and technology platforms. We believe the development of our differentiated non-gene edited allogeneic therapies to treat both solid tumors and hematological malignancies offers the biggest potential opportunity for patients and our shareholders by potentially expediting and expanding patient access to novel treatment options," commented Filippo Petti, Chief Executive Officer of Celyad Oncology SA. "This past January, at the American Society of Clinical Oncology 2021 Gastrointestinal Cancers Symposium, we presented encouraging translational data from our ongoing alloSHRINK study, which complements the previously reported tolerability and clinical activity data for CYAD-101 in patients with advanced mCRC. Today, we are excited to disclose initial data from our lead shRNA-based allogeneic program CYAD-211 for relapsed/refractory multiple myeloma. As we look ahead, we expect a data rich calendar year with updates across all three of our clinical candidates as well as the start of the Phase 1b KEYNOTE-B79 trial, positioning 2021 to be a defining year for the advancement of our clinical pipeline."

Recent Highlights

- Entered into a committed equity purchase agreement for up to $40 million with Lincoln Park Capital Fund, LLC, a Chicago-based institutional investor
- Appointed Marina Udier, Ph.D., a highly regarded leader in the biotechnology industry, to the Company's Board of Directors

Update on Clinical and Preclinical Program

CYAD-211 – Allogeneic shRNA-based, anti-BCMA CAR T for r/r MM

CYAD-211 is a first-in-class, allogeneic CAR T candidate engineered to co-express a BCMA-targeting chimeric antigen receptor and a single shRNA, which interferes with the expression of the CD3ζ component of the T-cell receptor (TCR) complex. In November 2020, the Company initiated the first-in-human, open-label, dose-escalation Phase 1 IMMUNICY-1 trial to evaluate the safety and efficacy of a single infusion of CYAD-211 following preconditioning chemotherapy cyclophosphamide and fludarabine in patients with relapsed/refractory (r/r) multiple myeloma (MM). The trial seeks to determine the recommended dose of CYAD-211 for the treatment of patients with r/r MM for further development as well as to establish proof-of-concept that single shRNA-mediated knockdown can generate allogeneic CAR T cells in humans without inducing Graft-versus-Host Disease (GvHD).

To date, no safety concerns or evidence of GvHD have been reported in the first three patients treated at dose level 1 ($30x10^6$ cells per infusion) of CYAD-211 in the IMMUNICY-1 trial. Enrollment in dose level 2 ($100x10^6$ cells per infusion) is currently ongoing.

CYAD-101 – Allogeneic TIM-based NKG2D CAR T for mCRC

The Company's first-in-class, non-gene edited clinical candidate, CYAD-101, which co-expresses the NKG2D receptor and the novel inhibitory peptide TIM (TCR Inhibitory Molecule), continues to advance in the expansion segment of the alloSHRINK Phase 1 trial for the treatment of advanced metastatic colorectal cancer (mCRC). In January 2021, at the American Society of Clinical Oncology 2021 Gastrointestinal Cancers Symposium, the Company presented additional positive data from the alloSHRINK trial including median overall survival (mOS) of 10.6 months for the dose-escalation segment of the study as well as tumor burden decrease, according to RECIST 1.1 criteria, observed in eight of 15 patients, including six of nine patients at dose level 3. To our knowledge, CYAD-101 is the first investigational allogeneic CAR T candidate to generate evidence of clinical activity for the treatment of a solid tumor indication.

In December 2020, the Company initiated the expansion segment of the alloSHRINK trial, which is evaluating CYAD-101 following FOLFIRI (combination of 5-fluorouracil, leucovorin and irinotecan) preconditioning chemotherapy in refractory mCRC patients, at the recommended dose of one billion cells per infusion. The Company also plans to initiate the Phase 1b KEYNOTE-B79 trial, which will evaluate CYAD-101, following FOLFIRI preconditioning chemotherapy, with Merck's PD-1 therapy, KEYTRUDA® (pembrolizumab), in refractory mCRC patients with microsatellite stable (MSS) / proficient mismatch repair (pMMR) disease. The Company believes the mechanism of actions of CYAD-101 and KEYTRUDA® are highly complementary and could help to drive additional clinical benefit in patients with advanced metastatic colorectal cancer.

CYAD-02 – Autologous NKG2D receptor-based CAR T for r/r AML and MDS

In November 2019, the Company initiated the dose-escalation Phase 1 CYCLE-1 trial, evaluating the safety and clinical activity of the next-generation, autologous NKG2D receptor-based CAR T candidate CYAD-02 following preconditioning chemotherapy in patients with relapsed/refractory acute myeloid leukemia (AML) and myelodysplastic syndromes (MDS). The next-generation, NKG2D receptor-based CAR T candidate CYAD-02 incorporates a single shRNA to target the NKG2D ligands MICA and MICB.

To date, nine patients have received treatment with CYAD-02 in the CYCLE-1 trial. Treatment with CYAD-02 has been generally well-tolerated. Of seven patients evaluable for clinical activity, five patients demonstrated anti-leukemic activity (at least 50% bone marrow blasts decrease), including a very-high risk MDS patient treated at dose level 3 who achieved a marrow complete response, which is still ongoing. Enrollment in dose level 3 of the CYCLE-1 trial is currently ongoing.

Next-generation shRNA Multiplex Platform

In 2020, the Company began developing a proprietary shRNA platform utilizing a novel framework to optimize and expand the expression of multiple shRNAs with our All-in-One Vector approach. Our novel framework has the capability to knockdown or silence up to six genes simultaneously, while providing several key advantages beyond our first-generation approach. We believe our next-generation shRNA multiplex platform will form the backbone for our future allogeneic CAR T candidates, including several programs which are in the discovery phase of development.

Upcoming Milestones

- Additional proof-of-concept data from the initial dose cohorts of the Phase 1 IMMUNICY-1 trial of CYAD-211 for r/r MM are expected by the end of Q2 2021
- Preliminary data from the expansion segment of the alloSHRINK trial evaluating CYAD-101 following FOLFIRI preconditioning chemotherapy in refractory mCRC patients are expected in Q2 2021
- Initiation of the Phase 1b KEYNOTE-B79 trial evaluating CYAD-101 with KEYTRUDA® in mCRC patients with MSS/pMMR disease is anticipated by in the first half of 2021
- Additional data from dose level 3 of Phase 1 CYCLE-1 trial of CYAD-02 for r/r AML and MDS are anticipated in the first half of 2021

Full Year 2020 Financial Results

As of December 31, 2020, the Company had a treasury position of approximately €17.2 million ($21.2 million).

On January 8, 2021, the Company entered into a committed equity purchase agreement (the Purchase Agreement) for up to $40 million with Lincoln Park Capital Fund, LLC (LPC), a Chicago-based institutional investor. Over the 24-month term of the Purchase Agreement, the Company will have the right to direct LPC to purchase up to an aggregate amount of $40 million American Depositary Shares (ADSs), each of which represents one of the ordinary shares of the Company. This equity facility is expected to strengthen the

Company's current statement of financial position while also providing the Company with access to future capital on an as needed basis and to ensure sufficient funding to cover its operations for the next 12 months from the date the financial statements are issued.

Based on the Company's current scope of activities, the Company estimates that its cash and cash equivalents as of December 31, 2020 combined with the $40 million that the Company has access to from the equity purchase agreement established with LPC should be sufficient to fund operations until mid-2022.

Key financial figures for full-year 2020, compared with full-year 2019, are summarized below:

Selected key financial figures (€ millions)	Full year 2020	Full year 2019
Revenue	-	-
Research and development expenses	(21.5)	(25.2)
General and administrative expenses	(9.3)	(9.1)
Change in fair value of contingent consideration	9.2	0.4
Other income/(expenses)	4.6	5.0
Operating loss	(17.0)	(28.9)
Loss for the period/year	(17.2)	(28.6)
Net cash used in operations	(27.7)	(28.2)
Treasury position[(1)]	17.2	39.3

[(1)] "Treasury position" is an alternative performance measure determined by adding Short-term investments and Cash and cash equivalents from the statement of financial position prepared in accordance with IFRS.

The Company's license and collaboration agreements generated no revenue in 2020 and in 2019.

The Research and Development (R&D) expenses show a year-over-year decrease of €3.7 million. The decrease is mainly driven by the decrease in preclinical activities, including process development and clinical development of the autologous programs associated with its r/r AML and MDS product candidates.

General and administrative expenses were €9.3 million in 2020 as compared to €9.1 million in 2019, an increase of €0.2 million. This increase primarily relates to higher insurances costs partly compensated by savings on the travel and living expenses due to COVID-19 pandemic travel restrictions.

The fair value adjustment (€9.2 million) relating to the contingent consideration and other financial liabilities as of December 31, 2020, mainly driven by updated assumptions associated with the timing of the potential commercialization of our autologous AML and MDS program as compared to year-end 2020. The decrease of the liability is also driven by the devaluation of the USD foreign exchange rate as of December 31, 2020.

The Company's other income is associated with grants received from the Walloon Region mainly in the form of recoverable cash advances (RCAs) and R&D tax credit income:

- Grant income (RCAs): additional grant income has been recognized in 2020 on grants in the form of recoverable cash advances (RCAs) for contracts, numbered 7685, 8087, 8088, 8212, 8436 and 1910028. According to IFRS standards, the Company has recognized grant income for the period amounting to €2.3 million and a liability component of €1.3 million accounted as a financial liability;
- Grant income (Others): additional grant income has been recognized in 2020 on grants received from the Federal Belgian Institute for Health Insurance INAMI (€0.2 million) and from the regional government (contract numbered 8066 for €0.6 million), not referring to RCAs and not subject to reimbursement;
- The remeasurement income on the RCAs of €0.9 million which is mainly related to the Company's decision to update assumptions associated with the timing of the potential commercialization of our autologous AML and MDS program; and,
- With respect to R&D tax credit, the decrease compared to 2020 is mainly related to a catch-up effect for €0.7 million which occurred in 2019 and a decrease on the current year income for €0.2 million due to global decrease on R&D expenses in 2020.

Net loss for the year ended December 31, 2020 was €17.2 million, or €1.23 per share, compared to a net loss of €28.6 million, or €2.29 per share, for the same period in 2019. The decrease in net loss between periods was primarily due to the increase change in fair value of contingent consideration combined with the decrease on the R&D expenses.

Net cash used in operations for the year ended December 31, 2020, which excludes non-cash effects, amounted to €27.7 million, which is in line with net cash used in operations of €28.2 million for the year ended December 31, 2019.

Annual Report 2020

The Annual Report for the year ended December 31, 2020 will be published tomorrow, March 25, 2021, and will be available on the Company's website, www.celyad.com. The Company's statutory auditor, EY Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL (EY), has confirmed that the completed audit has not revealed any material misstatement in the consolidated financial statements. EY also confirmed that the accounting data reported in the press release are consistent, in all material respects, with the consolidated financial statements from which it has been derived.

Conference Call and Webcast Details

A conference call will be held on Thursday, 25 March at 1:00 p.m. CET / 8:00 a.m. EDT to review the financial and operating results for full year 2020. Please dial-in five to ten minutes prior to the call start time using the number and conference ID below:

- Conference ID: 13716700
- United States: +1 877-407-9208
- Belgium: +32 (0) 800 735 66
- International: +1 201-493-6784

Financial Calendar

Q1 2021 Financial Results	May 6, 2021
H1 2021 Financial Results	August 4, 2021
Q3 2021 Financial Results	November 10, 2021

About Celyad Oncology SA

Celyad Oncology SA is a clinical-stage biotechnology company focused on the discovery and development of chimeric antigen receptor T cell (CAR T) therapies for cancer. The Company is developing a pipeline of allogeneic (off-the-shelf) and autologous (personalized) CAR T cell therapy candidates for the treatment of both hematological malignancies and solid tumors. Celyad Oncology was founded in 2007 and is based in Mont-Saint-Guibert, Belgium and New York, NY. The Company has received funding from the Walloon Region (Belgium) to support the advancement of its CAR T cell therapy programs. For more information, please visit www.celyad.com.

Forward-looking statements

This release may contain forward-looking statements, within the meaning of applicable securities laws, including the Private Securities Litigation Reform Act of 1995. Forward-looking statements may include statements regarding: the safety and clinical activity of Celyad Oncology's pipelines and financial condition, results of operation and business outlook. Forward-looking statements may involve known and unknown risks and uncertainties which might cause actual results, financial condition, performance or achievements of Celyad Oncology to differ materially from those expressed or implied by such forward-looking statements. Such risk and uncertainty includes the expected date of the Phase 1 trial results in the first half of 2021, our development of additional shRNA-based allogenic candidates from our CYAD-200 series towards clinical trial, our financial and operating results and the duration and severity of the COVID-19 pandemic and government measures implemented in response thereto. A further list and description of these risks, uncertainties and other risks can be found in Celyad Oncology's U.S. Securities and Exchange Commission (SEC) filings and reports, including in its Annual Report on Form 20-F filed with the SEC on March 24, 2021 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.

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Celyad Oncology SA
Consolidated Statement of Operations and Comprehensive Loss

(€'000)	For the year ended December 31,	
	2020	2019
Revenue	**5**	**6**
Cost of sales	-	-
Gross profit	**5**	**6**
Research and Development expenses	(21 522)	(25 196)
General & Administrative expenses	(9 315)	(9 070)
Change in fair value of contingent consideration	9 228	433
Other income	4 731	5 139
Other expenses	(114)	(191)
Operating Loss	**(16 987)**	**(28 879)**
Financial income	217	582
Financial expenses	(434)	(343)
Loss before taxes	**(17 204)**	**(28 640)**
Income taxes	-	8
Loss for the period	**(17 204)**	**(28 632)**
Basic and diluted loss per share (in €)	(1.23)	(2.29)
Other comprehensive income/(loss)		
Items that will not be reclassified to profit and loss	**(197)**	**(301)**
Remeasurements of post-employment benefit obligations, net of tax	(197)	(301)
Items that may be subsequently reclassified to profit or loss	**(5)**	**(261)**
Currency translation differences	(5)	(261)
Other comprehensive income / (loss) for the period, net of tax	**(202)**	**(562)**
Total comprehensive loss for the period	**(17 406)**	**(29 194)**
Total comprehensive loss for the period attributable to Equity Holders [1]	**(17 406)**	**(29 194)**

[1] For 2020 and 2019, the Company does not have any non-controlling interests and the losses for the year are fully attributable to owners of the parent.

Celyad Oncology SA
Consolidated Statement of Financial Position

(€'000)	December 31, 2020	December 31, 2019
NON-CURRENT ASSETS	**46 379**	**47 000**
Intangible assets	36 171	36 199
Property, Plant and Equipment	4 119	5 061
Non-current Trade and Other receivables	2 117	2 432
Non-current Grant receivables	3 679	3 051
Other non-current assets	293	257
CURRENT ASSETS	**19 705**	**42 836**
Trade and Other Receivables	615	558
Current Grant receivables	145	1 686
Other current assets	1 711	1 253
Short-term investments	-	-
Cash and cash equivalents	17 234	39 338
TOTAL ASSETS	**66 084**	**89 836**
EQUITY	**30 994**	**45 619**
Share Capital	48 513	48 513
Share premium	43 349	43 349
Other reserves	30 958	28 181
Accumulated deficit	(91 826)	(74 424)
NON-CURRENT LIABILITIES	**23 256**	**32 295**
Bank loans	-	37
Lease liabilities	2 525	2 967
Recoverable Cash advances (RCAs)	4 220	4 139
Contingent consideration payable and other financial liabilities	15 526	24 754
Post-employment benefits	614	398
Other non-current liabilities	371	-
CURRENT LIABILITIES	**11 834**	**11 922**
Bank loans	37	192
Lease liabilities	1 076	1 167
Recoverable Cash advances (RCAs)	371	346
Trade payables	4 736	6 969
Other current liabilities	5 614	3 248
TOTAL EQUITY AND LIABILITIES	**66 084**	**89 836**

The accompanying disclosure notes form an integral part of these consolidated financial statements.

Celyad Oncology SA
Consolidated Net Cash Burn Rate [2]

(€'000)	For the year ended 31 December,	
	2020	2019
Net cash used in operations	(27 665)	(28 202)
Net cash (used in)/from investing activities	157	8 987
Net cash (used in)/from financing activities	5 396	18 276
Effects of exchange rate changes	8	(264)
Change in Cash and cash equivalents	**(22 104)**	**(1 204)**
Change in Short-term investments	-	(9 197)
Net cash burned over the period	**(22 104)**	**(10 401)**

[2] 'Net cash burn rate' is an alternative performance measure determined by the year-on-year net variance in the Company's treasury position as above-defined.

Source: Celyad Oncology SA