



Celyad
Oncology

**SUPPLEMENT N°1 DATED 7 SEPTEMBER
2021 TO THE REGISTRATION DOCUMENT OF
1 JUNE 2021 AND SUPPLEMENT N°1 DATED 7
SEPTEMBER 2021 TO THE PROSPECTUS OF 8
JUNE 2021**

The supplement n°1 to the Registration Document (the “**Supplement n°1 to the Registration Document**”) and the supplement n°1 to the Prospectus dated 8 June 2021 (the “**Supplement n°1 to the Prospectus dated 8 June 2021**”) constitute supplements for the purpose of Articles 10(1) and 23(1) of the Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”).

Investing in the New Shares involves a high degree of risk. An investor is exposed to the risk to lose all or part of his/her investment. Celyad is a biotech company which undertakes clinical trials that have not led to the commercialisation of any products yet and which has never been profitable. Previous positive results are no guarantee for success in subsequent studies, for regulatory approval and for market acceptance. The outbreak of the novel coronavirus (COVID-19) or any other infectious disease outbreak or other serious public health concern could result in delays to Celyad’s clinical studies and could adversely affect its supply chain and work force. Investors are advised to carefully consider the information contained in the whole Prospectus and, in particular, the risks described in the section “Risk Factors”. Investors must be able to bear the economic risk of an investment in shares and should be able to sustain a partial or total loss of their investment.

The English versions of both the Supplement n°1 to the Registration Document and the Supplement n°1 to the Prospectus dated 8 June 2021 were approved by the Belgian Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers*, the “**FSMA**”) on 7 September 2021 in its capacity as competent authority under the Prospectus Regulation. The FSMA’s approval does not imply any judgment on the situation of the Company. The FSMA only approves the Supplement n°1 to the Registration Document and the Supplement n°1 to the Prospectus dated 8 June 2021 as meeting the standards of completeness, comprehensibility and consistency imposed by Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the New Shares.

The Supplement n°1 to the Registration Document and the Supplement n°1 to the Prospectus dated 8 June 2021 have been translated into French. The Company is responsible for the consistency between the French and English versions of the Supplement n°1 to the Registration Document and the Supplement to the Prospectus dated 8 June 2021. Without prejudice to the responsibility of the Company for the inconsistencies between the different language versions of the Supplement n°1 to the Registration

Document and the Supplement n°1 to the Prospectus dated 8 June 2021, in the case of discrepancies between the different versions of these supplements the English version will prevail. The Supplement n°1 to the Registration Document and the Supplement n°1 to the Prospectus dated 8 June 2021 will be published on the website of the Company (www.celyad.com) and will also be made available to investors, at no cost, at the Company's registered office. Following their approval, these supplements, together with a French translation, will be notified by the FSMA to the AMF in France in accordance with the European passport mechanism and pursuant to Article 25(1) of the Prospectus Regulation. This passport does not imply any judgement by the AMF on the merits or the quality of the Company or the Shares.

Save as disclosed in these supplements, there has been no other significant new factor, material, mistake or inaccuracy relating to information included in these documents since the date of publication of the Prospectus and the Registration Document.

The Board of Directors of Celyad assumes responsibility for the content of these Supplement n°1 to the Registration Document and the Supplement n°1 to the Prospectus dated 8 June 2021. The Board of Directors declares that, to the best of its knowledge, the information contained in these supplements is in accordance with the facts and that these supplements make no omission likely to affect their imports.

On behalf of the Board of Directors,

DocuSigned by:


Filippo Petti
Managing Director

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2. Supplement n°1 to the Prospectus dated 8 June 2021

SUPPLEMENT N°1 DATED 7 SEPTEMBER 2021 TO THE REGISTRATION DOCUMENT OF 1 JUNE 2021

The **Supplement n°1 to the Registration Document** dated 7 September 2021 is supplemental to the Company's registration document as approved by the FSMA on 1st June 2021 (the "**Registration Document**").

In order to ensure that the information contained in the Registration Document is up-to-date, as required by the Prospectus Regulation, the Registration Document is deemed to be amended as set out below.

New information to Section 2.9.1 - Information incorporated by reference

On 4 August 2021, Celyad published its 2021 Half Year Financial Report, accompanied by a press release entitled "*Celyad Oncology reports first half 2021 financial results and recent business highlights*".

The aforementioned documents are incorporated by reference in the Registration Document. A copy of these documents, incorporated by reference in the Registration Document, may be obtained without charge from the Company's registered office and the Company's website (www.celyad.com).

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information of other documents will not form part of this Supplement n°1 to the Registration Document for the purposes of the Prospectus Regulation, except where such information or other documents are specifically incorporated by reference or attached to this Supplement n°1 to the Registration Document.

SUPPLEMENT N°1 DATED 7 SEPTEMBER 2021 TO THE PROSPECTUS OF 8 JUNE 2021

The **Supplement n°1 to the Prospectus dated 8 June 2021**, which is dated 7 September 2021, is supplemental to the Prospectus, which consists of:

- the Company's registration document as approved by the FSMA on 1st June 2021 (the "**Registration Document**").
- the securities note as approved by the FSMA on 8 June 2021 (the "**Securities Note**") and the summary note as approved by the FSMA on 8 June 2021 (the "**Summary Note**") relating to the admission to trading of up to 2,588,977 new shares with ISIN number BE0974260896-XBRU (the "**New Shares**") on Euronext Brussels and Euronext Paris.

The Registration Document, the Summary Note and the Securities Note, together with this Supplement n°1 to the Prospectus dated 8 June 2021 constitute a prospectus within the meaning of Article 10 of the Prospectus Regulation (together the "**Prospectus**"). Terms defined in these documents shall, unless the context otherwise requires, have the same meaning when used in this Supplement n°1 to the Prospectus dated 8 June 2021.

I. NUMBER OF NEW SHARES

On 3 September 2020, the Company conditionally issued up to 2,777,777 new Shares, such issue being conditional upon the effective placement and subscription of these new shares. Of these 2,777,777 new shares, 188,800 have already been subscribed on May and June 2021 and **2,588,977 new shares are still outstanding** (the “**New Shares**”). The placement of the New Shares will be organised under the responsibility of the board of directors of the Company. With respect to this placement of the New Shares, the Company entered into a sale agency agreement with Jefferies LLC (the “**Sale Agency Agreement**”) pursuant to which the Company may from time to time and over a limited period of time of up to 36 months (i.e. until 2 September 2023) sell the New Shares through at-the-market (“**ATM**”) offerings, with Jefferies acting as sales agent. The ATM offerings will be offerings to the public of American Depositary Shares (“**ADS**”) conducted in the United States through the Nasdaq Market or any other existing U.S. trading market for the ADS. No sales will be conducted in Belgium, France or through Euronext.

The New Shares will be subscribed at the market price of the share, without any discount. The subscriptions and the effective issuance of the New Shares will be acknowledged, from time to time and over a limited period of time until 2 September 2023, by the Company through notarial deeds, as prescribed by the BCCA. Appropriate information formalities will be implemented by the Company in that respect.

At the date of this Supplement, 188,800 Shares have already been issued under the ATM (out of the 2,777,777 new Shares initially and conditionally issued) and subscribed by Jefferies LLC. Such issuances took place as follows :

- 182,000 Shares have been subscribed on 21st May 2021 at a price of EUR 4.58 per share, for a total proceed of EUR 833,560.
- 6,800 Shares have been subscribed on 14 June 2021 at a price of EUR 4.98 per share, for a total proceed of EUR 33,864.

II. New information

In order to ensure that the information contained in the Prospectus is up-to-date, as required by the Prospectus Regulation, the Securities Note and the Summary are deemed to be amended as set out below.

A. Securities Note

a. *Amendments to section 3.1– Capitalisation and Indebtedness*

The following table sets forth the capitalisation and indebtedness of the Company as of 30th June 2021. This information presented as of 30th June 2021 should be read in conjunction with the Company’s financial statements and the information in the Registration Document. There have been no material changes to Celyad Oncology's consolidated capitalisation and net financial indebtedness since 30th June except:

- On 22nd July 2021 there has been a share capital increase subscribed by Lincoln Park Capital remunerated by the issuance of 300,000 shares. The share capital has been increased by EUR 1,038,000 with no increase in the share premium.

(€'000)	June 30, 2021
TOTAL CURRENT DEBT (A)	12 537
Guaranteed	0
Secured ¹	977
Unguaranteed / Unsecured	11 560
TOTAL NON-CURRENT DEBT (excluding current portion of long-term debt) (B)	25 290
Guaranteed	0
Secured ¹	2 104
Unguaranteed / Unsecured	23 186
SHAREHOLDER'S EQUITY (C)	24 861
Share capital	53 913
Share Premium	2 217
Legal Reserve	36
Other Reserves	32 026
Accumulated deficit	-63 331
TOTAL (C)-(B)-(A)	-12 966

¹ Composed by the Lease liabilities secured by the assets they are contracted for.

The following table sets out the net financial indebtedness of Celyad Oncology as of 30th June 2021.

(€'000)	June 30, 2021	December 31, 2020	December 31, 2019
A. CASH	12 017	17.234	39.338
B. CASH EQUIVALENT (DETAIL)	0	0	0
C. TRADING SECURITIES	0	0	0
D. LIQUIDITY (A) + (B) + (C)	12 017	17.234	39.338
E. CURRENT FINANCIAL RECEIVABLE	1 912	145	1.686
F. CURRENT BANK DEBT	0	37	192
G. CURRENT PORTION OF NON-CURRENT DEBT	1 317	1.447	1.513
H. OTHER CURRENT FINANCIAL DEBT	0	0	0
I. CURRENT FINANCIAL DEBT (F) + (G) + (H)	1 317	1.484	1.705
J. NET CURRENT FINANCIAL INDEBTEDNESS (I) - (E) - (D)	-12 612	-15.895	-39.320
K. NON-CURRENT BANK LOANS	0	0	37
L. BONDS ISSUED	0	0	0
M. OTHER NON-CURRENT LOANS	24 526	22.271	31.860
N. NON-CURRENT FINANCIAL INDEBTEDNESS (K) + (L) + (M)	24 526	22.271	31.897
O. NET FINANCIAL INDEBTEDNESS (J) + (N)	11 914	6.376	-7.423

The Company's treasury position¹ amounts to €12.0 million on 30th June 2021 which accounts for a decrease of €5.2 million compared to 31 December 2020. The cash used in the Company's operations

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.

of €12.2 million has been partly compensated by the €7.6 million of net proceeds from issuance of shares linked to capital raises. The Company's treasury position amounted to €17.2 million as of 31 December 2020 which represented a decrease of €22.1 million compared to 31 December 2019.

As of 30th June 2021, current financial receivables are related to current grant receivables in 2021 on government grants and RCAs contract numbered 8088 (CYAD-02), 8212 (CYAD-101) and 1910028 (CYAD-203) for total amount €1.9 million. As of 31 December 2020, the current grant receivables in 2020 on government grants and RCAs contract numbered 8088 (CYAD-02) and 8212 (CYAD-101) reached an amount €0.1 million.

The contingent consideration and other financial liabilities (included in the other non-current loans in the table just above and in unguaranteed/unsecured non-current debt in the first table) refer to the acquisition of the Group's immune-oncology platform and corresponds to the fair value of the risk-adjusted future payments due to Celdara Medical, LLC and Dartmouth College. Its net increase as of 30th June 2021 for €2.0 million is mainly due to:

- the update in WACC used for fair value measurement purposes at interim reporting date, which resulted in an increase of the contingent consideration and other financial liabilities ;
- the time accretion (which reflects the development of the Group's product candidates using CAR T technology and their progress towards market approval in both autologous and allogeneic programs);
- the revaluation of the U.S. dollar against the Euro and;
- the updated assumptions on Probability of Success (PoS) associated with the NKG2D-based CAR T programs.

b. Amendment to section 3.5 – Significant change in the financial position of Celyad

Horizon/PKI update

Horizon Discovery/Perkin Elmer, Inc. (Horizon/PKI) informed the Company they believe the Company was in material breach of the research and development collaboration and license agreements concluded between the two companies, as a result of certain disclosures the Company has made in connection with its obligations as a publicly traded company in the United States and Belgium, although they have not formally delivered to the Company a notice of material breach or termination. The Company believes any such assertion of material breach would be without merit and the Company would expect to vigorously defend any such notice of material breach. Any dispute under these agreements would be subject to arbitration in The Hague under the International Chamber of Commerce Rules. The Company is currently in discussions with Horizon/PKI about possible amendments to these agreements in connection with which the Company would retain freedom to operate under the in-licensed patents.

Capital increase

There has been one capital increase between June 30, 2021 and the date of publication of this Supplement. On July 22, 2021, 300,000 new shares were issued to LPC further to the LPC purchase agreement for an amount of EUR1.0 million (\$1.2 million).

There were no other subsequent events that occur since June 30, 2021 and that could affect the financial position of Celyad.

c. Amendment to section 6.1 – Evolution of the share capital of the Company

On 14 June 2021, 6,800 new shares have been issued by the Company and subscribed by Jefferies under the ATM for a cash proceed of EUR 33,864.

On 28 June 2021, the Company issued 300,000 new shares that have been subscribed by Lincoln Park Capital Fund LLC for a cash proceed of EUR 1,338,000.

On 22 July 2021, the Company issued 300,000 new shares that have been subscribed by Lincoln Park Capital Fund LLC for a cash proceed of EUR 1,038,000.

The total number of shares issued and outstanding at the date of this Supplement is 15,793,956 ordinary common shares.

B. Summary Note: Amendment to section B.2– Key financial information regarding the issuer

The following tables set out the selected key consolidated historical financial information of Celyad as at the dates and for the periods indicated. Unless indicated otherwise, the figures set forth in the table below are in EUR thousands.

	31/12/2020	31/12/2019	30/06/2021	30/06/2020
Income statement				
Total revenue	5	6	-	5
Gross profit	5	6	-	5
R&D expenses	(21,522)	(25,196)	(9,956)	(11,141)
General and administrative expenses	(9,315)	(9,070)	(4,785)	(4,789)
Operation loss	(16,987)	(28,879)	(14,877)	(16,555)
Financial income/(expense)	217	239	23	(42)
Loss for the period	(17,204)	(28,632)	(14,854)	(16,597)
Earnings per share (in EUR)	(1.23)	(2.29)	(1.02)	(1.19)
Balance sheet				
Intangible assets	36,171	39,199	36,127	
Cash and cash equivalent	17,234	39,338	12,017	
Total assets	66,084	89,836	62,688	
Total equity	30,994	45,619	24,861	
Non-current liabilities	23,256	32,395	25,290	
Current liabilities	11,834	11,922	12,537	
Total equity and liabilities	66,084	89,836	62,688	
Net financial debt	6,376	(7,423)	11,914	
Cash flow statements				
Net cash generated from operating activities	(27,665)	(28,202)	(12,185)	(14,633)
Net cash generated from investing activities	157	8,987	(94)	50
Net cash generated from financing activities	5,396	18,276	7,052	1,929

