Kiadis Pharma announces Annual Results for the year ended December 31, 2016

Amsterdam, The Netherlands, March 31, 2017, – Kiadis Pharma N.V. **("Kiadis Pharma" or the "Company") (Euronext Amsterdam and Brussels: KDS)**, a clinical stage biopharmaceutical company developing innovative T-cell immunotherapy treatments for blood cancers and inherited blood disorders, today announces its audited annual results for the year ended December 31, 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Operating highlights (including post period end)

- Strong progress was made in developing lead product ATIR101™ for blood cancer:
  - positive and significant results on the primary endpoint (at six months) and one-year follow-up data from our single dose Phase II trial with ATIR101™ (CR-AIR-007) were presented at the Annual Meeting of the European Society of Blood and Marrow Transplantation (EBMT) in April 2016 and the Annual Meeting of the American Society of Hematology (ASH) in December 2016, respectively;
  - preparation of the dossier for a Marketing Authorization Application (MAA) for ATIR101™ in the European Union is advancing into the final stages;
  - initiation of a randomized, controlled, pivotal Phase III trial with a single dose of ATIR101™ (CR-AIR-009) in February 2017;
  - the Company's Orphan Drug Designation for ATIR101™ was expanded by the European Medicines Agency (EMA) to include the treatment in a hematopoietic stem cell transplantation regardless of the underlying disease;
  - the Company's Pediatric Investigation Plan for ATIR101™ was accepted by EMA's Pediatric Committee in March 2017.
- Safety update provided regarding the Company's Phase II trial where a second dose of ATIR101™ is tested (CR-AIR-008). This trial is now continuing with patients receiving a single dose only.
- Collaboration entered into with the U.S. Leukemia & Lymphoma Society (LLS), the world's largest voluntary health agency dedicated to blood cancer. LLS invested into the Company to further finance clinical development of ATIR101™.
- Initiation of a Phase I/II trial (CR-BD-001) to test ATIR201™ in patients suffering from beta-thalassemia major.
- Supervisory Board strengthened with two additional independent members, Dr. Robert Soiffer and Mr. Berndt Modig.
- New CEO, Mr. Arthur Lahr, announced to succeed Dr. Manfred Rüdiger as per April 1, 2017.
- Appointment of Mr. Jan Feijen as Chief Operations Officer as per April 1, 2017.

Financial highlights

- The Leukemia & Lymphoma Society made an equity investment for an amount of US$1.75 million (EUR1.59 million) and acquired a total number of 156,328 new shares.

- The operating loss decreased to EUR11.4 million in 2016 from a loss of EUR16.0 million in 2015.
- The operating expenses for 2016 included non-cash share-based payments of EUR0.4 million compared to EUR7.8 million in 2015.
- The net loss for the year decreased to EUR14.8 million in 2016 from EUR16.5 million in 2015.
- The cash position decreased to EUR14.6 million at year-end 2016 compared to EUR28.7 million at the end of 2015. This is mainly due to the cash used in operating activities in 2016.

(Amounts in EUR million, except per share data)	**2016**	**2015**	**Change**
Total revenue and other income	**-**	**-**	**-**
Total operating expenses	**(11.4)**	**(16.0)**	**4.6**
Research and development	(8.2)	(7.7)	(0.5)
General and administrative	(3.2)	(8.3)	5.1
Operating result	**(11.4)**	**(16.0)**	**4.6**
Net financial result	**(3.4)**	**(0.5)**	**(2.9)**
Net result	**(14.8)**	**(16.5)**	**1.7**
Net operating cash flow	**(14.3)**	**(8.1)**	**(6.2)**
Cash position at end of year	**14.6**	**28.7**	**(14.1)**
Earnings per share before dilution (EUR)	**(1.08)**	**(1.36)**	**0.28**

A full annual report for the year ended December 31, 2016 is available on Kiadis Pharma's website.

Commenting on the annual results, Manfred Rüdiger, CEO of Kiadis Pharma, said: *"We have continued to make good progress with our lead product ATIR101™ during 2016. The statistically significant clinical data from our CR-AIR-007 Phase II trial shows substantially improved benefits on Overall Survival and Graft-versus-Host and Relapse-free Survival (GRFS), which exceeded our expections. We have continued to maintain a close relationship with EMA and based on our Phase II clinical data, our previously obtained ATMP certificate for manufacturing/quality and non-clinical data, as well as our recently accepted Pediatric Investigational Plan, we are now in the final stages of preparing our application dossier for submission to EMA for marketing authorization in Europe. In addition, we have further strengthened the Company and the teams at all levels within the organization. I would like to thank our investors for their support in bringing ATIR101™ closer to patients and my team for their enthusiasm and hard work."*

About Kiadis Pharma

Kiadis Pharma is focused on cell-based immunotherapy products for the treatment of blood cancers and inherited blood disorders. The Company's products have the potential to address the risks and limitations connected with allogeneic hematopoietic stem cell transplantation (HSCT), namely Graft-versus-Host-Disease (GVHD), cancer relapse, opportunistic infections and limited matched donor availability. The Company believes that HSCT could become a first-

choice treatment for blood cancers, inherited blood disorders and possibly autoimmune diseases and solid organ transplantations.

On December 5, 2016 at the Annual Meeting of the American Society of Hematology (ASH), the Company reported positive Phase II results with its lead product ATIR101™ in patients with blood cancer. The data showed that ATIR101™ significantly reduced Transplant Related Mortality and significantly improved Overall Survival. In addition, ATIR101™ did not elicit grade III-IV GVHD in any patient. Based on these positive results, a Phase III clinical trial has been initiated. ATIR101™ has been granted Orphan Drug Designations both in the US and Europe.

The Company's second product candidate, ATIR201™, addresses inherited blood disorders with an initial focus on thalassemia, a disease which results in destruction of red blood cells in patients. ATIR201™ Phase I/II clinical development has been initiated recently.

Kiadis Pharma, based in Amsterdam, The Netherlands, was granted an Advanced Therapy Medicinal Product (ATMP) certificate for manufacturing quality and non-clinical data by the European Medicines Agency (EMA). The Company's shares are listed on Euronext Amsterdam and Euronext Brussels. For more information visit www.kiadis.com

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