



Sanofi launches recommended cash offer for all shares in Kiadis

February 12, 2021

This is a joint press release by Sanofi Foreign Participations B.V. (the "Offeror"), Sanofi ("Sanofi") and Kiadis Pharma N.V. ("Kiadis"), pursuant to the provisions of Article 4 paragraph 1, Article 10 paragraph 1 and 3, and Article 18 paragraph 3 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft, the "Decree") in connection with the intended public offer by the Offeror for all the issued and outstanding ordinary shares in the capital of Kiadis (the "Offer"). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of the offer memorandum dated 10 February 2021 (the "Offer Memorandum"), approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, the "AFM") on 10 February 2021 and recognized by the Belgian Authority for the Financial Markets (Autoriteit voor Financiële Diensten en Markten) on [11 February 2021], and which is available as of today. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, any jurisdiction in which such release, publication or distribution would be unlawful.

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Offer highlights

- Sanofi launches recommended cash offer
- Acceptance Period runs from 15 February 2021 to 12 April 2021
- Offer price is EUR 5.45 in cash (cum dividend) (the "Offer Price") for each issued and outstanding ordinary share in the capital of Kiadis (the "Shares")
- The Offer Price represents an attractive premium of 272% to the closing price per Share on 30 October 2020, the day prior to the announcement of the Offer
- Sanofi's infrastructure and capabilities will be leveraged to advance the development of Kiadis' pipeline to the benefit of patients
- Kiadis' Boards unanimously support and recommend the Offer and believe that the Transactions are in the best interests of Kiadis, the sustainable success of its business and its stakeholders, also considering the risks and uncertainties of the alternatives available to Kiadis
- In total, approximately 36.6% of the issued and outstanding Shares, calculated on a Fully Diluted basis, have been irrevocably committed under the Offer
- Kiadis to hold extraordinary meeting of Shareholders at 10:00 hours CET on 30 March 2021 (the "EGM")
- The Offer is subject to the fulfilment of the Offer Conditions, as set out in the Offer Memorandum, including a minimum acceptance level of 95% of the Shares, to be lowered to 80% if the Shareholders approve the Post-Offer Restructuring at the EGM

Paris, France and Amsterdam, The Netherlands, 12 February 2021 – The Offeror, Sanofi (Euronext: SAN and NYSE: SNY) and Kiadis (Euronext Amsterdam and Brussels: KDS), with reference to the publication of the Offer Memorandum today, jointly announce that the Offeror is making a recommended all-cash offer to all holders of Shares (the "Shareholders"), to acquire their Shares at an offer price of EUR 5.45 (cum dividend) in cash per Share (the "Offer"), as announced on 2 November 2020. In total, approximately 36.6% of the issued and outstanding Shares, calculated on a Fully Diluted basis, have been irrevocably committed under the Offer. The management board of Kiadis (the "Management Board") and the supervisory board of Kiadis (the "Supervisory Board" and, together with the Management Board, the "Kiadis Boards"), unanimously support and recommend the Offer. Terms not defined in this press release will have the meaning as set forth in the Offer Memorandum.

Timing and offer materials

The Acceptance Period commences at 09.00 hours CET, on 15 February 2021 and will, unless extended, expire at 17.40 hours CET on 12 April 2021. Completion of the Offer is currently expected in the second quarter of 2021.

The Offer Memorandum and a position statement by Kiadis (the "Position Statement"), providing further information to the Shareholders, including the agenda for the EGM are available on the corporate website of Kiadis (www.kiadis.com).

John Reed, M.D., Ph.D., Global Head of Research and Development of Sanofi, commented, "We believe Kiadis' off the shelf K-NK cell technology platform will have a broad application against liquid and solid tumors, and create synergies with Sanofi's emerging immune-oncology pipeline, providing opportunities for us to pursue potential best-in-disease approaches."

Arthur Lahr, Chief Executive Officer of Kiadis, commented, "The Kiadis Boards unanimously believe that Sanofi has the resources and financial strength to accelerate development of our NK-cell products, to the benefit of patients. We believe this transaction represents compelling value to shareholders and offers a fair reflection of the potential of our platform and pipeline, given the risk/reward profile typical to biotech and the capital required to execute our business plan."

The Offer

The Offeror is making the Offer on the terms and subject to the conditions and restrictions contained in the Offer Memorandum. Shareholders tendering their Shares under the Offer will be paid the Offer Price in consideration for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) for acceptance pursuant to the Offer prior to or on the Closing Date (each such Share, a “**Tendered Share**”) that is not validly withdrawn and which is transferred to the Offeror.

The Offer Price is 'cum dividend'. Consequently, if any distribution on the Shares is declared by Kiadis whereby the record date for entitlement to such distribution is on or prior to the Settlement Date, then the Offer Price will be decreased by the full amount of any such distribution made by Kiadis in respect of each Share (before any applicable withholding tax).

Rationale for the Offer

Kiadis' NK cell platform and resulting therapeutic pipeline is complementary to Sanofi's in-house pipeline including CD-38 (isatuximab) and early-stage NK cell engager bispecific programs.

Sanofi and Kiadis have the intention to accelerate the development and commercialization of Kiadis' trajectory and pipeline programs by leveraging Sanofi's global infrastructure and capabilities in research, CMC, development, manufacturing and commercialization, as well as Sanofi's financial strength. This will result in making products rapidly and economically available for a broad patient population across a wide range of indications.

Non-financial covenants

Kiadis and Sanofi have agreed to certain non-financial covenants which are set out below in respect of, *inter alia*, corporate governance, strategy, employees, financing and disposals for a duration of 18 months after the Settlement Date.

Strategic rationale

By combining their businesses, Sanofi and Kiadis have the intention to accelerate the development and commercialization of Kiadis' pipeline programs by leveraging Sanofi's global infrastructure and capabilities in research, CMC, development, manufacturing and commercialization, as well as Sanofi's financial strength.

Sanofi and Kiadis intend to set up a hybrid integration model with corporate R&D activities of Kiadis and Sanofi integrated, details of which will be treated on a case-by-case basis.

Governance

As long as the Shares remain listed on Euronext Amsterdam, Kiadis shall continue to comply with the current Dutch Corporate Governance Code, except for (i) current deviations from the Dutch Corporate Governance Code and (ii) deviations from the Dutch Corporate Governance Code that find their basis in the Merger Agreement as disclosed in the Offer Memorandum.

Organization / location

There will be research and CMC activities at Kiadis' offices in Amsterdam, the Netherlands.

Sanofi is focused on ensuring that the Kiadis Group's key management and key staff is retained and offered suitable career opportunities.

Sanofi fosters a culture of excellence, where qualified employees are offered suitable training and career progression.

Employees

There will be no material redundancies with respect to the Kiadis Group's employees as a direct consequence of the Offer and necessary redundancies going forward will be part of the Integration Committee process.

The existing rights and benefits of the Kiadis Group's employees shall be respected by Sanofi, including existing rights and benefits under their individual employment agreements and (at least) existing redundancy practices applied by the Kiadis Group.

Any redundancies that need to occur will be done in accordance with all legal requirements.

The existing pension rights of the Kiadis Group's current and former employees shall be respected by Sanofi.

Following the Settlement Date, the nomination, selection and appointment of staff for functions within the Sanofi's NK activities will, subject to the applicable rules, be based on the “best person for the job” principle, or, where not feasible or appropriate, on a non-discriminatory, fair and business-oriented transparent set of criteria.

Minority Shareholders

The following resolutions by the Supervisory Board shall require the prior approval of the Supervisory Board with the affirmative vote of at least one of the Independent Members:

- i. issuing additional shares in the capital of Kiadis for cash without offering pre-emption rights to minority shareholders in Kiadis;
- ii. agreeing and entering into a related party transaction between the Offeror or any member of the Sanofi Group on the one hand and any member of the Kiadis Group on the other hand or any other agreement, in each case, which is not at arm's length; and
- iii. the proposal to the general meeting of shareholders of Kiadis of any other resolutions which disproportionately prejudices the value of, or the rights relating to, the shares held by the minority shareholders in Kiadis.

Integration Committee

The preparation of the integration of Kiadis and Sanofi's overlapping business units will be prepared by an integration committee consisting of four members, two of whom are senior managers of Kiadis and two are senior managers of Sanofi (the “**Integration Committee**”). Until the Settlement Date, the Integration Committee will report to the Head of R&D of Sanofi and to the CEO of Kiadis, and after the Settlement Date, to the Head of R&D

of Sanofi.

Financing

It is intended that Kiadis remains prudently financed to safeguard the continuity of the business and to continue Kiadis' current business strategy including R&D and pipeline.

Sanofi will allocate suitable resources for Kiadis' R&D and CMC activities.

Corporate governance

At successful completion of the Offer and subject to the adoption of all respective resolutions thereto at the EGM, the Supervisory Board will be composed of:

- i. three persons to be appointed upon nomination by the Offeror, being Frank Nestle, Kripa Ram and Jérémie Girard, who are non-independent from the Offeror within the meaning of the Dutch Corporate Governance Code; and
- ii. Mark Wegter and Rob Soiffer as two current members of the Supervisory Board, qualifying as independent within the meaning of the Dutch Corporate Governance Code, to continue to serve on the Supervisory Board (including their successors, the "**Independent Members**").

Frank Nestle will serve as chairman of the Supervisory Board.

The Independent Members (or after their replacement, their successors) will continue to serve on the Supervisory Board for at least until the first anniversary of the Settlement Date.

At successful completion of the Offer and subject to the adoption of all respective resolutions thereto at the EGM, the Management Board will be composed of Arthur Lahr and Marion Zerlin, who is to be appointed upon nomination by the Offeror.

Recommendation by the Boards

Upon the receipt of a non-binding offer letter from Sanofi on 16 October 2020, the Kiadis Boards frequently met to be updated on the latest developments, monitor the process and discuss the Offer and alternatives thereto.

The Kiadis Boards, after having received extensive legal and financial advice, and having given due and careful consideration to all aspects of the Offer, have reached the conclusion that the Offer is fair to the Shareholders from a financial point of view and in the best interests of Kiadis and all its stakeholders, also considering the risks and uncertainties of the alternatives available to Kiadis.

Accordingly, the Kiadis Boards (i) support the Transactions, (ii) recommend that the Shareholders accept the Offer and tender their Shares in the Offer, and (iii) recommend that the Shareholders vote in favor of the Resolutions.

Extraordinary general meeting of Kiadis

Today, Kiadis has convened a general meeting of Shareholders, which will be held at 10:00 hours CET on 30 March 2021. At this EGM, the Offer will be discussed in accordance with the provisions of Article 18 paragraph 1 of the Decree and the Resolutions will be proposed to the general meeting of Shareholders.

The required information for Shareholders is included in the Position Statement, which also includes the convocation notice and agenda for the EGM, which has been made available as of today at Kiadis' website (www.kiadis.com).

Competition condition

On 9 December 2020, Sanofi and Kiadis jointly announced that the competition condition for completion of the Offer had been satisfied.

Financing of the Offer and Kiadis

The Offer values 100% of the Shares at approximately EUR 308 million.¹ The Offeror shall pay the Offer Price fully through readily available cash resources.

Pursuant to a heads of terms agreed upon on the date of the Merger Agreement, on 13 January 2021 Sanofi Finance Ireland Limited as lender and Kiadis as borrower have entered into a facilities agreement (the "**Bridge Loan**") for a total principal amount of EUR 27,700,000. EUR 20,000,000 of the Bridge Loan, which was drawn on 14 January 2021, is for general corporate and working capital purposes of the Kiadis Group, and allows the Kiadis Group to continue operating its business in the ordinary course following execution of the Merger Agreement, avoiding delay in the operations of its business, and to ensure the continuity of the Kiadis Group. The other part of the Bridge Loan, in the amount of EUR 7,700,000, can be used to refinance the debt under the Kreos Capital Facility Agreements and prepay the convertible bonds with Kreos Capital.

Irrevocable undertakings by Shareholders

In total, approximately 36.6% of the issued and outstanding Shares, calculated on a Fully Diluted basis, have been irrevocably committed under the Offer.

Life Sciences Partners

Funds managed by Life Sciences Partners have irrevocably undertaken on customary terms and conditions and conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated (i) to tender their respective Shares, amounting to approximately 12% of the issued share capital of Kiadis on a Fully Diluted basis under the Offer; and (ii) to vote on the Shares in favor of the Resolutions at the EGM.

Holders of 2025 Warrants

Kiadis has five classes of warrants to acquire Shares in issue (the "**Warrants**"). Settlement will constitute a change of control under the agreements in relation to the Warrants, upon which (i) three classes of Warrants will expire and (ii) two classes of Warrants that are exercisable until 30 April 2025 (the "**2025 Warrants**") would have to be purchased by Kiadis from their holders in exchange for a cash amount equal to the Black Scholes value of the remaining unexercised portion of the 2025 Warrants. Instead, Kiadis, Sanofi and the holders of the 2025 Warrants have agreed, pursuant to two

separate agreements on customary terms and conditions and conditional upon the Offer being declared conditional and the Merger Agreement not being terminated: (i) to adjust the exercise price payable by the holders of the 2025 Warrants to Kiadis for the exercise of the 2025 Warrants to EUR 0.38 per Warrant, such that the net proceeds to be received by the holders of the 2025 Warrants per Warrant, being EUR 5.07 per Warrant, is equal to the Black Scholes value of the Warrant, which would otherwise have been due and payable upon Settlement; (ii) that the 2025 Warrants will be exercised by the holders thereof for the aforementioned exercise price; and (iii) that upon the exercise of the Warrants, the corresponding Shares will be tendered under the Offer in exchange for payment of the Offer Price per Share by the Offeror. As a result, all Shares issued and tendered pursuant to the exercise of the 2025 Warrants qualify as Tendered and Committed Shares. The total commitment by the holders of the 2025 Warrants amounts to 8.58% of the Shares on a Fully Diluted basis.

Kreos Capital

On 30 September 2020, Kiadis entered into an agreement with Kreos Capital constituting the issuance of EUR 5,000,000 9% secured convertible bonds of Kiadis.

Kiadis and Kreos Capital have agreed that Kreos Capital will convert into Shares, at an exercise price of EUR 2, its entire convertible bond of EUR 5,000,000, plus an additional amount of EUR 171,014 in interest, effective as per 15 February 2021. In addition, Kiadis, Sanofi and Kreos Capital have agreed, on customary terms and conditions and conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated, that Kreos Capital: (i) will vote with its holdings of Shares in favor of the Resolutions at the EGM; and (ii) commits to tender all its holdings of Shares under the Offer in exchange for payment of the Offer Price per Share by the Offeror. The irrevocable undertaking given by Kreos Capital relates to its entire holding of Shares, representing, upon conversion, 4.35% of the total number of Shares on a Fully Diluted basis.

Former holders of CytoSen shares

Former CytoSen shareholders and option holders are, pursuant to the agreement made in relation to Kiadis' acquisition of CytoSen in June 2019, eligible to a potential future consideration of additional Shares, upon the achievement of six clinical development and regulatory milestones, which milestones will, subject to the terms described below, be accelerated in light of the Kiadis change of control, subject to a discount mechanism (the "**Milestone Shares**").

Kiadis, Sanofi and the former holders of CytoSen shares and options have agreed, on customary terms and conditions and conditional upon the Offer being declared unconditional and the Merger Agreement not being terminated: (i) that the Milestone Shares shall accelerate and become immediately payable by Kiadis; and (ii) that upon such acceleration, the corresponding Milestone Shares will be tendered in exchange for the Offer Price. The irrevocable undertakings given by the former holders of shares and options in CytoSen relate to their entire holdings of Shares, representing 11.19% of the total number of Shares on a Fully Diluted basis. The former holders of CytoSen shares and options have also agreed to vote, with their current holding of Shares, in favor of the Resolutions at the EGM.

Irrevocable undertakings by members of the Kiadis Boards

All members of the Kiadis Boards who hold Shares for their own account have irrevocably undertaken to tender those Shares under the Offer and to vote in favor of the Resolutions at the EGM, subject to (i) the Offer being declared unconditional, and (ii) the Merger Agreement not having been terminated in accordance with its terms.

The funds managed by Life Sciences Partners, the holders of the 2025 Warrants, Kreos Capital, the former holders of shares and options in CytoSen, and the relevant members of the Kiadis Boards did not receive any information from Sanofi, the Offeror or Kiadis relevant for a Shareholder in connection with the Offer that is not included in the Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders.

Acceptance Period

The acceptance period will commence on 15 February 2021 at 09:00 hours CET and will expire on 12 April 2021 at 17:40 hours CET (such period, as it may be extended from time to time, the "**Acceptance Period**"), unless the Acceptance Period is extended. The day on which the Acceptance Period expires, whether or not extended, is the "**Closing Date**".

Any Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender of Shares during the Acceptance Period in accordance with the provisions of Article 5b paragraph 5, Article 15 paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree.

Acceptance

Shareholders are requested to make their acceptance known through their custodian, bank or stockbroker no later than by the closing time, being 17:40 hours CET on the Closing Date (the "**Closing Time**"). The relevant custodian, bank or stockbroker may set an earlier deadline for communication by holders of such Shares in order to permit the custodian, bank or stockbroker to communicate the acceptance to ING Bank N.V. (the "**Settlement Agent**") in a timely manner. Accordingly, Shareholders should contact their financial intermediary to obtain information about the deadline by which such Shareholder must send instructions to the financial intermediary to accept the Offer and should comply with the dates set by such financial intermediary, as such dates may differ from the dates and times noted in the Offer Memorandum.

The institutions admitted to Euronext Amsterdam or Euronext Brussels (an "**Admitted Institution**") can tender Shares only to the Settlement Agent and only in writing.

Subject to Article 5b paragraph 5, Article 15 paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree, the tendering of Shares in acceptance of the Offer will constitute irrevocable instructions by the relevant Shareholder to the relevant Admitted Institution to (i) block any attempt to transfer Shares, so that on or before the Settlement Date no transfer of such Shares can be effected (other than any action required to effect the transfer to the Offeror), (ii) debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Tendered Shares, against payment of the Offer Price for such Tendered Shares by the Settlement Agent on the Offeror's behalf, and (iii) effect the transfer of such Tendered Shares to the Offeror.

Declaring the Offer unconditional

The obligation of the Offeror to declare the Offer unconditional is subject to the satisfaction or waiver of the offer conditions set out in Section 6.6(a) of the Offer Memorandum (*Offer Conditions*) (the "**Offer Conditions**"). The Offer Conditions may be waived, to the extent permitted by applicable law or by agreement, as set out in Section 6.6(b) of the Offer Memorandum (*Waiver*). If the Offeror, Kiadis, or each of the Offeror and Kiadis where relevant, wishes to (wholly or partly) waive one or more Offer Conditions according to Section 6.6(b) of the Offer Memorandum (*Waiver*), the Offeror will inform

the Shareholders as required by applicable law.

No later than the third business day following the Closing Date (such date being the “**Unconditional Date**”), the Offeror will determine whether the Offer Conditions have been satisfied or waived as set out in Section 6.6(a) of the Offer Memorandum (*Offer Conditions*), to the extent permitted by applicable law. In addition, the Offeror will announce on the Unconditional Date whether (i) the Offer is declared unconditional, (ii) the Offer will be extended in accordance with Article 15 of the Decree, or (iii) the Offer is terminated as a result of the Offer Conditions not having been satisfied or waived, all in accordance with Section 6.6 of the Offer Memorandum (*Offer Conditions, waiver and satisfaction*) and Article 16 of the Decree. In the event that the Offer is not declared unconditional, the Offeror will explain such decision.

Extension of the Acceptance Period

If any of the Offer Conditions is not satisfied or waived on the then scheduled Closing Date, the Offeror may, after consultation with Kiadis and in accordance with Article 15 of the Decree, extend the Acceptance Period, provided that (i) the extension of the Acceptance Period shall be no less than two weeks and no more than ten weeks calculated from the initial Closing Date, and (ii) any subsequent extension shall be subject to the receipt of an exemption granted by the AFM.

If the Acceptance Period is extended, as a result of which the obligation pursuant to Article 16 of the Decree to announce whether the Offer is declared unconditional is postponed, a public announcement to that effect will be made ultimately on the third business day following the Initial Closing Date in accordance with the provisions of Article 15 paragraphs 1 and 2 of the Decree. If the Offeror extends the Acceptance Period, the Offer will expire on the latest time and date to which the Offeror extends the Acceptance Period.

During an extension of the Acceptance Period, any Shares previously tendered and not withdrawn in accordance with Section 5.7 of the Offer Memorandum (*Withdrawal Rights*) will remain tendered under the Offer. Any Shares tendered during the extension of the Acceptance Period cannot be withdrawn, subject to the withdrawal rights set forth in Section 5.7 of the Offer Memorandum (*Withdrawal Rights*).

Settlement

If the Offeror declares the Offer unconditional, the Offeror will accept the transfer of all Tendered Shares on the terms of the Offer. The Offeror will pay the Offer Price in respect of each Tendered Share tendered during the Acceptance Period and transferred to the Offeror by a Shareholder to such Shareholder's Admitted Institution, on the terms set out in the Offer Memorandum. The Offeror shall acquire each Tendered Share, within five business days following the Unconditional Date (“**Settlement**”, and the day on which the Settlement occurs, the “**Settlement Date**”).

As of the Settlement Date, revocation, dissolution, or annulment of the tendering, sale or transfer of any Share tendered during the Post-Closing Acceptance Period is not possible.

Post-Closing Acceptance Period

If the Offeror declares the Offer unconditional, the Offeror shall publicly announce a post-Offer acceptance period of two weeks to enable Shareholders who did not tender their Shares during the Acceptance Period to tender their Shares on the same terms and subject to the same conditions and restrictions as the Offer (the “**Post-Closing Acceptance Period**”).

The Offeror will publicly announce the results of the Post-Closing Acceptance Period, accompanied by the number and percentage of Shares that have been tendered during the Post-Closing Acceptance Period and the total number and total percentage of Shares held by it in accordance with Article 17 paragraph 4 of the Decree no later than on the third business day following the last day of the Post-Closing Acceptance Period.

The Offeror shall continue to accept the transfer all Shares validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during such Post-Closing Acceptance Period and shall pay for such Shares as soon as reasonably practicable after the last day of the Post-Closing Acceptance Period and in any case no later than on the fifth business day following the last day of the Post-Closing Acceptance Period.

During the Post-Closing Acceptance Period, Shareholders have no right to withdraw Shares from the Offer, whether validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during the Acceptance Period or during the Post-Closing Acceptance Period.

As of the relevant settlement date, revocation, dissolution, or annulment of the tendering, sale or transfer of any Share tendered during the Post-Closing Acceptance Period is not possible.

Liquidity and delisting

The purchase of Shares by the Offeror pursuant to the Offer will reduce the number of Shareholders, as well as the number of Shares that might otherwise be traded publicly. As a result, the size of the free float in Shares may be substantially reduced following Settlement and trading volumes and liquidity of Shares may be adversely affected. The Offeror does not intend to compensate the Shareholders for such adverse effect.

Should the Offer be declared unconditional, the Offeror and Kiadis shall as soon as possible after the settlement of the Offer seek to procure the delisting of the Shares on Euronext Amsterdam and Euronext Brussels as soon as possible under applicable rules. This may further adversely affect the liquidity and market value of any Shares not tendered.

Delisting of the Shares from Euronext Amsterdam and Euronext Brussels may be achieved on the basis of at least 95% of the Shares having been acquired by the Offeror or on the basis of the Post-Offer Restructuring or any other possible post-closing measure as set out in the Offer Memorandum.

Acquisition of 100%

The Offeror's willingness to pay the Offer Price and pursue the Transactions is predicated on the acquisition of 100% of the Shares or the entirety of Kiadis' assets and operations (including the Kiadis Group's entire business), the ability to delist Kiadis and to fully integrate the respective businesses of the Kiadis Group and the Sanofi Group and realize the operational, commercial, organizational, financial and tax benefits of the combination of the parties. Such benefits could not, or would only partially, be achieved if Kiadis were to continue as a standalone entity with a minority shareholder base.

As further described in the Offer Memorandum, Sanofi and Kiadis have agreed in principle to certain arrangements to facilitate the Offeror acquiring 100% of the Shares and/or full ownership of Kiadis as soon as practically possible after completion of the Offer and upon the fulfilment of certain conditions. One of these arrangements is the Post-Offer Restructuring.

Buy-Out

If, following the Settlement Date and, if applicable, the settlement of the Shares tendered during the Post-Closing Acceptance Period, the Offeror holds at least 95% of the issued ordinary share capital of Kiadis, the Offeror shall commence (i) a compulsory acquisition procedure in accordance with Article 2:92a or 2:201a of the Dutch Civil Code (“DCC”) to buy out the holders of Shares that have not tendered their Shares, and/or (ii) a takeover buy-out procedure in accordance with Article 2:359c of the DCC to buy out the holders of Shares that have not tendered their Shares under the Offer (the “Buy-Out”), unless the Offeror elects to pursue the Post-Offer Restructuring and the Kiadis Boards agree to pursue the Post-Offer Restructuring, in which case the Post-Offer Restructuring shall be implemented.

Post-Offer Restructuring

Subject to (i) the adoption of the relevant Resolutions at the EGM; (ii) the Tendered Shares representing at least 80% and less than 95% of Kiadis’ aggregate issued and outstanding ordinary share capital, in each case on a Fully Diluted basis (the “Post-Offer Restructuring Threshold”), or such higher or lower percentage as may be agreed between the Offeror and Kiadis; and (iii) the Offer having been declared unconditional, the Offeror may, after consultation with Kiadis, decide to pursue the Post-Offer Restructuring, being a post-offer asset sale, whereby Kiadis will sell and transfer all of its assets and liabilities to the Offeror against payment of a purchase price equal to the Offer Price (the “Asset Sale”). Upon completion of the Asset Sale, Kiadis will be dissolved and liquidated (the “Company Dissolution” and together with the Asset Sale, the “Post-Offer Restructuring”). Upon the Company Dissolution taking place, all cash will be distributed as an advance liquidation distribution to the minority shareholders, in an amount that is to the fullest extent possible equal to the consideration that would have been made available to them if they had tendered their Shares under the Offer (no withholding taxes will be due in respect of such (advance) liquidation distribution).

Please refer to Section 6.11(d) of the Offer Memorandum (Post-Offer Restructuring) for further details.

Indicative Timetable

<i>Expected date and time (all times are CET)</i>	<i>Event</i>
09:00 hours 15 February 2021	Commencement of the Acceptance Period
30 March 2021	EGM, at which meeting the Offer, among other matters, will be discussed and the Resolutions will be voted on
17:40 hours 12 April 2021	Initial Closing Date:
	Deadline for Shareholders wishing to tender Shares, unless the Offer is extended in accordance with Article 15 of the Decree as described in Section 5.10 of the Offer Memorandum (<i>Extension</i>)
No later than three Business Days after the Closing Date	Unconditional Date:
	The date on which the Offeror will publicly announce whether the Offer is declared unconditional in accordance with Article 16 of the Decree
No later than five Business Days after the Unconditional Date	Settlement Date:
	The date on which, in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Share ²
No later than three Business Days after the Unconditional Date	Post-Closing Acceptance Period:
	If the Offer is declared unconditional, the Offeror will announce a Post-Closing Acceptance Period for a period of two weeks

Announcements

Any further announcement in relation to the Offer, including whether or not the Offeror declares the Offer unconditional and announcements in relation to an extension of the Acceptance Period, if any will be made by press release. Any press release issued by the Offeror will be made available on the website of the Offeror (www.sanofi.com). Any press release issued by Kiadis will be made available on the website (www.kiadis.com).

Offer Memorandum, Position Statement and further information

The Offeror is making the Offer on the terms and subject to the conditions and restrictions contained in the Offer Memorandum that is available as of today. In addition, as of today, Kiadis has made available the Position Statement, containing the information required by Article 18 paragraph 2 and Annex G of the Decree in connection with the Offer.

This press release contains selected, condensed information regarding the Offer and does not replace the Offer Memorandum and/or the Position Statement. The information in this press release is not complete and additional information is contained in the Offer Memorandum and the Position Statement. Shareholders are advised to review the Offer Memorandum and the Position Statement in detail and to seek independent advice where necessary. In addition, Shareholders are urged to consult with their own tax advisor regarding the tax consequences of acceptance or non-acceptance of the Offer.

Digital copies of the Offer Memorandum are available on the website of the Offeror (www.sanofi.com) and digital copies of the Position Statement are available on the website of Kiadis (www.kiadis.com). Such websites do not constitute part of, and are not incorporated by reference into, the Offer Memorandum. Copies of the Offer Memorandum and the Position Statement are on request also available free of charge at the offices of Kiadis and the Settlement Agent at the addresses below:

Kiadis
Kiadis Pharma N.V.
Paasheuvelweg 25A
1105 BP Amsterdam
The Netherlands

Settlement Agent
ING Bank N.V.
Bijlmerdreef 106
1102 CT Amsterdam
The Netherlands

Advisors

Moelis & Company LLC is acting as financial advisor and Allen and Overy LLP (Amsterdam) is acting as legal advisor to Kiadis. PJT Partners (UK)

Limited is acting as financial advisor and NautaDutilh N.V. is acting as legal advisor to Sanofi.

For more information:

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About Kiadis

Founded in 1997, Kiadis is committed to developing innovative cell-based medicines for patients with life-threatening diseases. With headquarters in Amsterdam, The Netherlands, and offices and activities across the United States, Kiadis is reimagining medicine by leveraging the natural strengths of humanity and our collective immune system to source the best cells for life.

Kiadis is listed on the regulated market of Euronext Amsterdam and Euronext Brussels since July 2, 2015, under the symbol KDS. Learn more at www.kiadis.com.

About Sanofi

Sanofi is dedicated to supporting people through their health challenges. It is a global biopharmaceutical company focused on human health. Sanofi prevents illness with vaccines and provides innovative treatments to fight pain and ease suffering. Sanofi stands by the few who suffer from rare diseases and the millions with long-term chronic conditions.

With more than 100,000 people in 100 countries, Sanofi is transforming scientific innovation into healthcare solutions around the globe.

Sanofi, Empowering Life.

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This press release contains inside information within the meaning of the EU Market Abuse Regulation (596/2014).

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This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product

development and potential, and statements regarding future performance. Forward-looking statements are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates”, “plans” and similar expressions. Although Sanofi’s management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Sanofi, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include among other things, risks related to Sanofi’s ability to complete the acquisition on the proposed terms or on the proposed timeline, the possibility that competing offers will be made, other risks associated with executing business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the acquisition will not be realized, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological application that may be filed for any such product candidates as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of such product candidates, the fact that product candidates if approved may not be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi’s ability to benefit from external growth opportunities, to complete related transactions and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and prevailing interest rates, volatile economic and market conditions, cost containment initiatives and subsequent changes thereto, and the impact that COVID-19 will have on us, our customers, suppliers, vendors, and other business partners, and the financial condition of any one of them, as well as on our employees and on the global economy as a whole. Any material effect of COVID-19 on any of the foregoing could also adversely impact us. This situation is changing rapidly and additional impacts may arise of which we are not currently aware and may exacerbate other previously identified risks. The risks and uncertainties also include the uncertainties discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in Sanofi’s annual report on Form 20-F for the year ended December 31, 2019. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

¹ On the basis of a fully diluted share count using the treasury stock method at the date of the Merger Agreement, adjusted for the value of warrants which may be exercised in shares or paid in cash based on the Black Scholes value as of the day immediately following the public announcement of the change of control.

² The Offeror cannot guarantee that Shareholders will receive the payment of the Offer Price from their Admitted Institution within the same time period.