UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended October 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from _____ to _____.

Commission File No. 001-36830

KALVISTA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-0915291**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
55 Cambridge Parkway Suite 901E Cambridge, Massachusetts	**02142**
(Address of principal executive offices)	**(Zip Code)**

857-999-0075
(Registrant's telephone number, including area code)

n/a

Former name, former address and former fiscal year, if changed since last report

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	KALV	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

As of December 4, 2024, the registrant had 49,417,986 shares of common stock, $0.001 par value per share, issued and outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

KalVista Pharmaceuticals, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)
(Unaudited)

	October 31, 2024	April 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 41,581	$ 31,789
Marketable securities	94,195	178,612
Research and development tax credit receivable	11,082	8,439
Prepaid expenses and other current assets	5,409	6,850
Total current assets	152,267	225,690
Property and equipment, net	2,039	2,227
Right of use assets	5,863	6,920
Other assets	662	567
Total assets	$ 160,831	$ 235,404
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 5,198	$ 9,107
Accrued expenses	15,429	12,398
Lease liability - current portion	1,537	1,302
Total current liabilities	22,164	22,807
Long-term liabilities:		
Lease liability - net of current portion	4,675	6,015
Total long-term liabilities	4,675	6,015
Commitments and contingencies (Note 6)		
Stockholders' equity		
Common stock, $0.001 par value, 100,000,000 authorized		
Shares issued and outstanding: 43,271,501 at October 31, 2024 and 42,521,975 at April 30, 2024	43	42
Additional paid-in capital	689,087	679,754
Accumulated deficit	(552,437)	(469,726)
Accumulated other comprehensive loss	(2,701)	(3,488)
Total stockholders' equity	133,992	206,582
Total liabilities and stockholders' equity	$ 160,831	$ 235,404

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

KalVista Pharmaceuticals, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended October 31,		Six Months Ended October 31,	
	2024	2023	2024	2023
Operating expenses:				
Research and development	16,610	19,089	43,225	38,396
General and administrative	29,201	10,657	46,801	20,443
Total operating expenses	45,811	29,746	90,026	58,839
Operating loss	(45,811)	(29,746)	(90,026)	(58,839)
Other income:				
Interest income	1,357	776	3,050	1,699
Foreign currency exchange gain (loss)	67	(1,299)	581	(843)
Other income	2,119	2,619	3,685	5,016
Total other income	3,543	2,096	7,316	5,872
Net loss	$ (42,268)	$ (27,650)	$ (82,710)	$ (52,967)
Other comprehensive (loss) income:				
Foreign currency translation gain (loss)	166	(419)	38	(328)
Unrealized holding gain on marketable securities	651	440	1,715	832
Reclassification adjustment for realized (gain) on marketable securities included in net loss	(649)	(595)	(966)	(909)
Other comprehensive income (loss)	168	(574)	787	(405)
Comprehensive loss	$ (42,100)	$ (28,224)	$ (81,923)	$ (53,372)
Net loss per share to common stockholders, basic and diluted	$ (0.91)	$ (0.80)	$ (1.78)	$ (1.54)
Weighted average common shares outstanding, basic and diluted	46,695,220	34,565,955	46,464,099	34,490,090

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

KalVista Pharmaceuticals, Inc.
Condensed Consolidated Statement of Changes in Stockholders' Equity
(in thousands, except share amounts)
(Unaudited)

	Six Months Ended October 31, 2024					
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at May 1, 2024	42,521,975	$ 42	$ 679,754	$ (469,726)	$ (3,488)	$ 206,582
Issuance of common stock from equity incentive plans	385,234	1	3,000	—	—	3,001
Release of restricted stock units	174,713	—	—	—	—	—
Stock-based compensation expense	—	—	3,040	—	—	3,040
Net loss	—	—	—	(40,443)	—	(40,443)
Foreign currency translation (loss)	—	—	—	—	(128)	(128)
Unrealized holding gain from marketable securities	—	—	—	—	1,064	1,064
Reclassification adjustment for realized (gain) on marketable securities included in net loss	—	—	—	—	(317)	(317)
Balance at July 31, 2024	43,081,922	$ 43	$ 685,794	$ (510,169)	$ (2,869)	$ 172,799
Issuance of common stock from equity incentive plans	36,738	—	294	—	—	294
Release of restricted stock units	152,841	—	—	—	—	—
Stock-based compensation expense	—	—	2,999	—	—	2,999
Net loss	—	—	—	(42,268)	—	(42,268)
Foreign currency translation gain	—	—	—		166	166
Unrealized holding gain from marketable securities	—	—	—	—	651	651
Reclassification adjustment for realized (gain) on marketable securities included in net loss	—	—	—	—	(649)	(649)
Balance at October 31, 2024	43,271,501	$ 43	$ 689,087	$ (552,437)	$ (2,701)	$ 133,992

	Six Months Ended October 31, 2023					
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at May 1, 2023	34,171,138	$ 34	$ 507,133	$ (343,082)	$ (3,060)	$ 161,025
Issuance of common stock from equity incentive plans	35,313	—	204	—	—	204
Release of restricted stock units	60,144	—	—	—	—	—
Stock-based compensation expense	—	—	3,254	—	—	3,254
Net loss	—	—	—	(25,317)	—	(25,317)
Foreign currency translation gain	—	—	—	—	91	91
Unrealized holding gain from marketable securities	—	—	—	—	392	392
Reclassification adjustment for realized (gain) on marketable securities included in net loss	—	—	—	—	(314)	(314)
Balance at July 31, 2023	34,266,595	$ 34	$ 510,591	$ (368,399)	$ (2,891)	$ 139,335
Issuance of common stock from equity incentive plans	18,000	—	128	—	—	128
Release of restricted stock units	136,863	—	—	—	—	—
Stock-based compensation expense	—	—	3,207	—	—	3,207
Net loss	—	—	—	(27,650)	—	(27,650)
Foreign currency translation (loss)	—	—	—	—	(419)	(419)
Unrealized holding gain from marketable securities	—	—	—	—	440	440
Reclassification adjustment for realized (gain) on marketable securities included in net loss	—	—	—	—	(595)	(595)
Balance at October 31, 2023	34,421,458	$ 34	$ 513,926	$ (396,049)	$ (3,465)	$ 114,446

KalVista Pharmaceuticals, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands, unaudited)

	Six Months Ended October 31,	
	2024	**2023**
Cash flows from operating activities		
Net loss	$ (82,710)	$ (52,967)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	451	390
Stock-based compensation expense	6,039	6,461
Realized (gain) from sale of marketable securities	(966)	(909)
Non-cash operating lease (benefit) expense	(50)	(13)
Amortization of premium on marketable securities	10	83
Foreign currency exchange (gain) loss	(539)	811
Changes in operating assets and liabilities:		
Research and development tax credit receivable	(2,321)	(4,109)
Prepaid expenses and other assets	1,321	761
Accounts payable	(4,358)	163
Accrued expenses	3,261	2,774
Net cash used in operating activities	(79,862)	(46,555)
Cash flows from investing activities		
Purchases of marketable securities	(984)	(29,537)
Sales and maturities of marketable securities	87,106	77,917
Acquisition of property and equipment	(129)	(8)
Capitalized website development costs	(158)	(203)
Net cash provided by investing activities	85,835	48,169
Cash flows from financing activities		
Issuance of common stock from equity incentive plans	3,295	332
Net cash provided by financing activities	3,295	332
Effect of exchange rate changes on cash and cash equivalents	524	(518)
Net increase in cash and cash equivalents	9,792	1,428
Cash and cash equivalents at beginning of period	31,789	56,238
Cash and cash equivalents at end of period	$ 41,581	$ 57,666
Supplemental disclosures of non-cash activities:		
Right of use assets obtained in exchange for operating lease liabilities	$ 267	$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements (unaudited)

1. The Company

Company Background

KalVista Pharmaceuticals, Inc. ("KalVista" or the "Company") is a clinical stage pharmaceutical company focused on the discovery, development and commercialization of drug therapies for diseases with significant unmet need. The Company has used its capabilities to develop sebetralstat, a novel, orally delivered, small molecule plasma kallikrein inhibitor targeting the disease hereditary angioedema ("HAE").

In February 2024, the Company announced topline data from the Phase 3 KONFIDENT clinical trial to evaluate the safety and efficacy of sebetralstat as potentially the first oral, on-demand therapy for HAE. KONFIDENT was the largest and most representative trial ever conducted in HAE, enrolling a total of 136 patients from 66 clinical sites across 20 countries. Eligible participants included adults and adolescents 12 years of age and older, with or without the use of long-term prophylaxis, and evaluated all attack severities and locations. The clinical trial met all primary and key secondary endpoints and demonstrated a safety profile that was similar to placebo.

In June 2024, the Company filed a New Drug Application ("NDA") with the U.S. Food and Drug Administration ("FDA") seeking marketing approval of sebetralstat as the first oral, on-demand therapy for HAE. In August 2024, the Company was notified that the FDA has accepted the NDA filing for review, with a Prescription Drug User Fee Act ("PDUFA") notification date of June 17, 2025.

Also in August 2024, the European Medicines Agency ("EMA") validated the submission of the Company's Marketing Authorization Application ("MAA") for sebetralstat. This application is currently being reviewed by the EMA's Committee for Medicinal Products for Human Use ("CHMP") under the centralized licensing procedure for all 27 Member States of the European Union, as well as the EEA countries Norway, Iceland and Liechtenstein. In September 2024, the Company announced MAA submissions to the regulatory authorities in the United Kingdom, Switzerland, Australia, and Singapore via the Access Consortium framework for which KalVista has obtained a four-way sharing agreement by the Medicines and Healthcare product Regulatory Agency, Swissmedic, the Therapeutic Goods Administration and Health Sciences Authority. The Access Consortium is designed to maximize regulatory collaboration across countries and support a timely review process. The Company also is preparing a planned Japanese New Drug Application ("JNDA") filing with the Japanese Pharmaceuticals and Medical Devices Agency.

The Company's headquarters is currently located in Cambridge, Massachusetts, with additional offices and research activities located in Porton Down, United Kingdom; Salt Lake City, Utah; Zug, Switzerland; and Tokyo, Japan.

In July 2024, the Company entered into a new headquarters lease for approximately 32,110 square feet of office and laboratory space in Framingham, Massachusetts, which will commence in early 2025 with an expected initial lease term of approximately 10 years. The Company intends to sublease the current headquarters to third parties after the move to the new facility is completed.

Liquidity

The Company has devoted substantially all of its efforts to research and development, including preclinical and clinical trials of sebetralstat. The Company has not completed the development of any product candidates or commenced commercial operations. Pharmaceutical drug product candidates, like those being developed by the Company, require approvals from the FDA or foreign regulatory agencies prior to commercial sales. There can be no assurance that any product candidate will receive the necessary approvals and any failure to receive approval or delay in approval may have a material adverse impact on the Company's business and financial results. The Company is subject to risks and uncertainties common to companies in the pharmaceutical industry with development and commercial operations, including, without limitation, risks and uncertainties associated with: obtaining regulatory approval of a late-stage product candidate; identifying, acquiring or in-licensing additional products or product candidates; pharmaceutical product development and the inherent uncertainty of clinical success; the challenges of protecting and enhancing intellectual property rights; and complying with applicable regulatory requirements.

To date, the Company has not generated any product sales revenues and does not have any products that have been approved for commercialization. As of October 31, 2024, the Company had an accumulated deficit of $552.4 million and $135.8 million of cash, cash equivalents and marketable securities. The Company does not expect to generate significant revenue unless and until it obtains regulatory approval for, and commercializes, one of its current or future product candidates. The Company anticipates that it will continue to incur losses for the foreseeable future, and it expects those losses to increase as it continues the development of, and seeks regulatory approvals for, product candidates, and begins to commercialize any approved products. The Company is subject to risks and uncertainties common to companies in the pharmaceutical industry with development and commercial operations, and it may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect its business. The Company currently anticipates that, based upon its operating plans and existing capital resources, it has sufficient funding to operate for at least the next twelve months.

The Company may seek to finance future cash needs through equity offerings, debt financing, corporate partnerships and product sales. In the event of failure to obtain regulatory approval for product candidates, the Company will not be able to generate product sales, which will have a material adverse effect on the business and prospects.

2. Summary of Significant Accounting Policies

Principles of Consolidation: The accompanying unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Such financial statements reflect all adjustments that are, in management's opinion, necessary to present fairly, in all material respects, the Company's consolidated financial position, results of operations, and cash flows. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual financial statements. There were no adjustments other than normal recurring adjustments. These unaudited interim condensed consolidated financial results are not necessarily indicative of the results to be expected for the year ending April 30, 2025, or for any other future annual or interim period. The accompanying unaudited interim condensed consolidated financial statements should be read in conjunction with the audited financial statements as of and for the year ended April 30, 2024 in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on July 11, 2024.

Segment Reporting: The chief operating decision maker, the CEO, manages the Company's operations as a single operating segment for the purposes of assessing performance and making operating decisions.

Use of Estimates: The preparation of condensed financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed financial statements and the reported amounts of expenses during the reporting period. Accounting estimates and management judgments reflected in the condensed financial statements include: the accrual of research and development expenses, stock-based compensation, and operating lease liabilities. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may materially differ from these estimates and assumptions.

Recent Accounting Pronouncements:

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures, which requires public business entities to disclose, on an annual and interim basis, disaggregated information about certain income statement expense line items. The required information includes purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion. The standard will be effective for the Company beginning with annual financial statements for the fiscal year ending April 30, 2028. The Company has not yet determined the impact of adopting this guidance on its financial statements.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting – Improvements to Reportable Segment Disclosures, which provides updates to qualitative and quantitative reportable segment disclosure requirements, including enhanced disclosures about significant segment expenses and increased interim disclosure requirements, among others. ASU No. 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024. Early adoption is permitted, and the amendments should be applied retrospectively. The Company does not expect the amendments in this ASU to have a material impact on its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures, which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. ASU No. 2023-09 is effective for fiscal years beginning after December 15, 2024 and allows for adoption on a prospective basis, with a retrospective option. Early adoption is permitted. The Company does not expect the amendments in this ASU to have a material impact on its consolidated financial statements.

Net Loss per Share: Basic net loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing net loss by the sum of the weighted average number of common shares and the number of potential dilutive common share equivalents outstanding during the period. Potential dilutive common share equivalents consist of outstanding options, unvested restricted stock units, unvested performance stock units, and shares committed to be purchased under the employee stock purchase plan.

Potential dilutive common share equivalents consist of:

	October 31,	
	2024	2023
Stock options and awards	5,869,996	5,867,804

In computing diluted earnings per share, common share equivalents are not considered in periods in which a net loss is reported, as the inclusion of the common share equivalents would be anti-dilutive. As a result, there is no difference between the Company's basic and diluted loss per share for the periods presented.

The weighted average number of common shares used in the basic and diluted net loss per common share calculations includes the weighted-average pre-funded warrants outstanding during the period as they are exercisable at any time for nominal cash consideration.

Fair Value Measurement: The Company classifies fair value measurements using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows: Level 1, quoted market prices in active markets for identical assets or liabilities; Level 2, observable inputs other than quoted market prices included in Level 1, such as quoted market prices for markets that are not active or other inputs that are observable or can be corroborated by observable market data; and Level 3, unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, including certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs. These fair values are obtained from independent pricing services which utilize Level 1 and Level 2 inputs.

The following tables summarize the cash equivalents and marketable securities measured at fair value on a recurring basis as of October 31, 2024 and April 30, 2024 (in thousands):

	Level 1	Level 2	Level 3	Balance at October 31, 2024
Cash equivalents	$ 20,655	$ —	$ —	$ 20,655
Marketable securities:				
Corporate debt securities	—	84,383	—	84,383
U.S. government agency securities	—	9,812	—	9,812
	$ 20,655	$ 94,195	$ —	$ 114,850

	Level 1	Level 2	Level 3	Balance at April 30, 2024
Cash equivalents	$ 11,143	$ —	$ —	$ 11,143
Marketable securities:				
Corporate debt securities	—	130,423	—	130,423
U.S. government agency securities	—	48,189	—	48,189
	$ 11,143	$ 178,612	$ —	$ 189,755

3. Marketable Securities

The objectives of the Company's investment policy are to ensure the safety and preservation of invested funds, as well as to maintain liquidity sufficient to meet cash flow requirements. The Company invests its excess cash in securities issued by financial institutions, commercial companies, and government agencies that management believes to be of high credit quality in order to limit the amount of its credit exposure. The Company has not realized any material losses from its investments.

The Company classifies all of its debt securities as available-for-sale. Unrealized gains and losses on investments are recognized in accumulated comprehensive loss, unless an unrealized loss is considered to be other than temporary, in which case the unrealized loss is charged to operations. The Company periodically reviews its investments for other than temporary declines in fair value below cost basis and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company believes the individual unrealized losses represent temporary declines primarily resulting from interest rate changes. Realized gains and losses are included in other income in the consolidated statements of operations and comprehensive loss and are determined using the specific identification method with transactions recorded on a trade date basis.

The following tables summarize the fair values of the Company's investments by type as of October 31, 2024 and April 30, 2024 (in thousands):

	October 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Corporate debt securities	$ 83,206	$ 1,178	$ (1)	$ 84,383
Obligations of the U.S. Government and its agencies	9,734	78	—	9,812
Total	$ 92,940	$ 1,256	$ (1)	$ 94,195

	April 30, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Corporate debt securities	$ 130,099	$ 600	$ (276)	$ 130,423
Obligations of the U.S. Government and its agencies	48,228	83	(122)	48,189
Total	$ 178,327	$ 683	$ (398)	$ 178,612

The Company has classified all of its available-for-sale investment securities, including those with maturities beyond one year, as current assets on its condensed consolidated balance sheets based on the highly liquid nature of the investment securities and because these investment securities are considered available for use in current operations.

As of October 31, 2024, unrealized losses related to individual securities that had been in a continuous loss position for 12 months or longer were insignificant.

The Company has not recognized an allowance for credit losses on any securities in an unrealized loss position as of October 31, 2024, and April 30, 2024.

The following table summarizes the scheduled maturity for the Company's marketable securities at October 31, 2024 (in thousands):

	October 31, 2024
Maturing in one year or less	$ 46,041
Maturing after one year through two years	38,452
Maturing after two years through four years	9,702
Total	$ 94,195

4. Accrued Expenses

Accrued expenses consisted of the following as of October 31, 2024 and April 30, 2024 (in thousands):

	October 31, 2024	April 30, 2024
Accrued compensation	$ 6,978	$ 6,687
Accrued research expense	4,242	3,416
Accrued professional fees	3,930	2,042
Other accrued expenses	279	253
	$ 15,429	$ 12,398

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of October 31, 2024 and April 30, 2024 (in thousands):

	October 31, 2024	April 30, 2024
Prepaid preclinical and clinical activities	$ 807	$ 1,585
Other prepaid expenses	2,756	2,833
Interest and other receivables	881	1,409
VAT receivable	965	1,023
Total prepaid expenses and other current assets	$ 5,409	$ 6,850

6. Commitments and Contingencies

Clinical Studies: The Company enters into contractual agreements with contract research organizations in connection with preclinical and toxicology studies and clinical trials. Amounts due under these agreements are invoiced to the Company on predetermined schedules during the course of the studies and clinical trials and are not refundable regardless of the outcome. The Company has contractual obligations related to the expected future costs to be incurred to complete the ongoing preclinical studies and clinical trials. The remaining clinical commitments, which have cancellation provisions, total $19.5 million at October 31, 2024.

Indemnification: In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves future claims that may be made against the Company but have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations. No amounts associated with such indemnifications have been recorded to date.

Contingencies: From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. There were no contingent liabilities requiring accrual at October 31, 2024.

7. Leases

The Company has a lease agreement for approximately 8,300 square feet of space for its headquarters located in Cambridge, Massachusetts that runs through September 2028.

In July 2024, the Company signed a new headquarters lease for approximately 32,110 square feet in Framingham, Massachusetts that is expected to commence in early 2025 and has an expected initial lease term of approximately 10 years. Prior to lease commencement of its new headquarters, the Company will occupy a temporary space in the same building. The Company intends to sublease its office in Cambridge, Massachusetts for occupancy once the Company has moved into its new headquarters.

In September 2024, the Company signed a new lease for office space in Zug, Switzerland for approximately 7,200 square feet that runs through November 2025.

The Company has lease agreements for approximately 13,400 square feet of office and research laboratory space located in Porton Down, United Kingdom that run through April 2028.

The Company has a lease agreement in Salt Lake City, Utah for approximately 6,200 square feet of office space that runs through February 2032.

The Company has a lease agreement for approximately 500 square feet of research laboratory space in Cambridge, Massachusetts that commenced in July 2022 with an option to renew annually. As of October 31, 2024, the Company does not intend to renew for 2025.

Total rent expense was approximately $1.3 million and $1.0 million for the six months ended October 31, 2024 and 2023, respectively and is reflected in general and administrative expenses and research and development expenses as determined by the underlying activities.

The following table summarizes the maturity of undiscounted payments due under lease liabilities and the present value of those liabilities as of October 31, 2024 (in thousands):

Years ending April 30,	Operating Leases
2025	$ 1,060
2026	1,765
2027	1,607
2028	1,602
2029	769
Thereafter	664
Total minimum lease payments	7,467
Less amounts representing interest	1,255
Present value of minimum payments	6,212
Current portion	1,537
Long-term portion	$ 4,675

Total lease payments in the table above excludes approximately $11.2 million of legally binding minimum lease payments for the signed new headquarter lease that has not yet commenced as of October 31, 2024.

8. Subsequent Events

Royalty Financing

On November 4, 2024, the Company, as guarantor, and KalVista Pharmaceuticals Limited, a wholly owned subsidiary of the Company (the "Subsidiary"), entered into a Purchase and Sale Agreement with DRI Healthcare Acquisitions LP, an affiliate of DRI Healthcare Trust, for up to $179 million. Under the terms of the synthetic royalty financing agreement, the Subsidiary received an upfront payment of $100.0 million in exchange for tiered royalty payments on worldwide net sales of sebetralstat, as follows: 5.00% on annual net sales up to and including $500.0 million (the "First Tier Royalty Rate"); 1.10% on annual net sales above $500.0 million and up to and including $750.0 million; and 0.25% on annual net sales above $750.0 million.

Beginning in calendar year 2031, the First Tier Royalty Rate for any calendar year will be determined based on annual net sales of sebetralstat for the prior calendar year: 5.00% if the prior year's annual net sales are at or above $500.0 million or 5.65% if the prior year's annual net sales are below $500.0 million. Additionally, if sebetralstat achieves annual net sales of at least $550.0 million in any calendar year ending before January 1, 2031, the Subsidiary will earn a sales-based milestone payment of $50.0 million.

If sebetralstat is approved prior to October 1, 2025, the Subsidiary will have the option to receive a one-time cash payment of $22.0 million. If the Subsidiary chooses to receive this optional payment, the royalty rate on net sales up to and including $500.0 million will increase from 5.00% to 6.00%, and the sales-based milestone amount will increase from $50.0 million to $57.0 million.

Underwriting Agreement

On November 4, 2024, the Company entered into an underwriting agreement with Jefferies LLC, BofA Securities, Inc., TD Securities (USA) LLC, and Stifel, Nicholas & Company Incorporated, as the representatives of the several underwriters named in Schedule A thereto (the "Underwriters"), pursuant to which the Company agreed to issue and sell an aggregate of 5,500,000 shares of its common stock, par value $0.001 to the Underwriters at an offering price of $10.00 per share (the "Offering"). The net proceeds from the Offering, after deducting underwriting discounts and commissions and Offering expenses, were approximately $51.3 million.

Securities Purchase Agreement

On November 4, 2024, the Company entered into a securities purchase agreement with DRI Healthcare Acquisitions LP, an accredited investor affiliated with DRI Healthcare Trust, pursuant to which the Company agreed to sell and issue an aggregate of 500,000 shares of its common stock, at a purchase price of $10.00 per share in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The net proceeds from the private placement, after deducting placement agent fees and other expenses, were approximately $4.7 million.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our unaudited interim condensed financial statements and related notes included elsewhere in this report. This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts contained in this report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "could," "will," "would," "should," "expect," "plan," "anticipate," "believe," "estimate," "intend," "predict," "seek," "contemplate," "potential" or "continue" or the negative of these terms or other comparable terminology. These forward-looking statements, include, but are not limited to, statements regarding the success, cost and timing of our product development activities and clinical trials as well as other activities we may undertake, macroeconomic conditions, including rising inflation and changing interest rates, labor shortages, supply chain issues, and global conflicts such as the war in Ukraine and conflicts in the Middle East, our business strategy, our ability to receive, maintain and recognize the benefits of certain designations received by product candidates and the receipt and timing of potential regulatory designations, approvals and commercialization of product candidates. Any forward-looking statements in this Quarterly Report on Form 10-Q reflect our current views with respect to future events or our future financial performance, are based on assumptions, and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" in our Annual Report on Form 10-K or described elsewhere in this Quarterly Report on Form 10-Q. These forward-looking statements speak only as of the date hereof. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. Unless the context indicates otherwise, in this Quarterly Report on Form 10-Q, the terms "KalVista," "Company," "we," "us" and "our" refer to KalVista Pharmaceuticals, Inc. and, where appropriate, its consolidated subsidiaries.

Management Overview

We are a clinical stage pharmaceutical company focused on the discovery, development and commercialization of drug therapies for diseases with significant unmet need. We have used our capabilities to develop sebetralstat, a novel, orally delivered, small molecule plasma kallikrein inhibitor targeting the disease hereditary angioedema ("HAE").

HAE is a rare and potentially life-threatening, genetically driven disease that features episodes of debilitating and often painful swelling in the skin, gastrointestinal tract or airways. Although multiple therapies have been approved for the disease, we believe people living with HAE are in need of alternatives that better meet their objectives for quality of life and ease of disease control. Other than one oral therapy approved for prophylaxis, currently marketed therapies are all administered by injection, which patients find challenging despite their efficacy because they are painful, time consuming to prepare and administer, and difficult to transfer and store. As a result, many attacks are treated too late to prevent significant symptoms, and a large percentage are not treated at all, leading to needless suffering. We anticipate that there will be strong interest in a safe and effective, orally delivered on-demand treatment, which would provide patients a new and compelling option with which to treat their disease.

In February 2024, we announced topline data from the Phase 3 KONFIDENT clinical trial to evaluate the safety and efficacy of sebetralstat as the first potential oral, on-demand therapy for HAE. KONFIDENT was the largest and most representative trial ever conducted in HAE, enrolling a total of 136 patients from 66 clinical sites across 20 countries. Eligible participants included adults and adolescents 12 years of age and older, with or without the use of long-term prophylaxis, and evaluated all attack severities and locations. The clinical trial met all primary and key secondary endpoints and demonstrated a safety profile similar to placebo.

In June 2024, we filed a New Drug Application ("NDA") with the U.S. Food and Drug Administration ("FDA") seeking marketing approval of sebetralstat as the first oral, on-demand therapy for HAE. In August 2024, we were notified that the FDA has accepted the NDA filing for review, with a PDUFA notification date of June 17, 2025. This application is seeking approval for sebetralstat as the first oral, on-demand HAE therapy for adults as well as adolescents ages 12 and above with HAE. We believe the adolescent population has a particularly high unmet need, as patients in this age group frequently experience attacks yet currently only have approved access to intravenously delivered therapies.

Also in August 2024, the European Medicines Agency ("EMA") validated the submission of our Marketing Authorization Application ("MAA") for sebetralstat. This application is currently being reviewed by the EMA's Committee for Medicinal Products for Human Use ("CHMP") under the centralized licensing procedure for all 27 Member States of the European Union, as well as the EEA countries Norway, Iceland and Liechtenstein. To enable the broadest possible global availability of sebetralstat, if approved, we intend to engage commercial partners in certain international markets. In September 2024, we announced MAA submissions to the regulatory authorities in the United Kingdom, Switzerland, Australia, and Singapore via the Access Consortium framework for which we have obtained a four-way sharing agreement by the Medicines and Healthcare product Regulatory Agency, Swissmedic, the Therapeutic Goods

Administration and Health Sciences Authority. The Access Consortium is designed to maximize regulatory collaboration across countries and support a timely review process. We are also preparing a planned Japanese New Drug Application ("JNDA") submission to the Japanese Pharmaceuticals and Medical Devices Agency ("JPMDA").

In August 2022, we initiated KONFIDENT-S, a two-year open-label extension trial assessing the long-term safety and tolerability of sebetralstat. In addition, this study is examining the potential use of sebetralstat as short-term prophylaxis in the setting of medical and dental procedures, where HAE attacks are known to be triggered. In total, more than 1700 attacks have been treated across KONFIDENT and KONFIDENT-S to date, and KONFIDENT-S includes numerous patients who have taken multiple doses for treatment.

In June 2024, we initiated a pediatric clinical trial (KONFIDENT-KID), using an orally disintegrating tablet ("ODT") formulation of sebetralstat developed specifically for pediatric use. If approved, sebetralstat ODT would be the first oral therapy for pediatric patients aged 2 to 11 years old. In addition, sebetralstat would be only the second FDA-approved on-demand therapy of any type in this population. We intend to begin conversion of adolescent and adult participants in the ongoing KONFIDENT-S study to an ODT formulation in Q4 2024, enabling a potential 2026 supplemental NDA ("sNDA") approval by the FDA. If approved, the ODT formulation would provide people living with HAE with an additional novel option for oral on-demand treatment.

Sebetralstat has received Fast Track and Orphan Drug designations from the FDA, as well as Orphan Drug Designation and an approved Pediatric Investigational Plan from the EMA. In November 2023, sebetralstat was granted Orphan Drug Status in Switzerland. In February 2024, the U.K. Medicines and Healthcare products Regulatory Agency ("MHRA") awarded the Innovation Passport for sebetralstat.

We believe our preclinical oral Factor XIIa inhibitor program has the potential to be the first orally delivered Factor XIIa inhibitor for indications across a wide variety of therapeutic areas that are supported by scientific evidence. We are undertaking a strategic review of this program, to evaluate the potential for further progress and indications for future development, and we intend to make further decisions on this program following completion of this process.

In November 2024, we, as guarantor, and KalVista Pharmaceuticals Limited, our wholly owned subsidiary (the "Subsidiary), entered into a Purchase and Sale Agreement the ("PSA") with DRI Healthcare Acquisitions LP (the "Purchaser"), an affiliate of DRI Healthcare Trust, pursuant to which the Subsidiary sold to the Purchaser the right to receive payments from the Subsidiary at a tiered percentage of future worldwide net sales of sebetralstat.

Under the terms of the PSA, the Subsidiary received an upfront payment of $100.0 million in exchange for tiered payments on worldwide net sales of sebetralstat, as follows: 5.00% on annual net sales up to and including $500.0 million; 1.10% on annual net sales above $500.0 million and up to and including $750.0 million; and 0.25% on annual net sales above $750.0 million. The Subsidiary is entitled to a potential one-time sales-based milestone payment of $50.0 million if annual global net sales of sebetralstat meet or exceed $550.0 million in any calendar year before January 1, 2031.

If sebetralstat is approved prior to October 1, 2025, the Subsidiary will have the option to receive a one-time payment of $22.0 million. If the Subsidiary chooses to receive this optional payment, the royalty rate on net sales up to and including $500 million will increase from 5.00% to 6.00%, and the sales-based milestone amount will increase from $50.0 million to $57.0 million.

Also in November 2024, we entered into an underwriting agreement with Jefferies LLC, BofA Securities, Inc., TD Securities (USA) LLC, and Stifel, Nicholas & Company Incorporated (the "Underwriters") pursuant to which we agreed to issue and sell an aggregate of 5,500,000 shares of our common stock, to the Underwriters at an offering price of $10.00 per share (the "Offering"). The net proceeds from the Offering, after deducting underwriting discounts and commissions and Offering expenses, were approximately $51.3 million.

Further in November 2024, we entered into a securities purchase agreement with the Purchaser pursuant to which we agreed to sell and issue to the Purchaser an aggregate of 500,000 shares of our common stock, at a purchase price of $10.00 per share, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The net proceeds from the private placement, after deducting placement agent fees and other expenses, were approximately $4.7 million.

Financial Overview

Research and Development Expenses

Research and development expenses primarily consist of costs associated with our research activities, including the preclinical and clinical development of product candidates. We contract with clinical research organizations to manage our clinical trials under agreed

upon budgets for each study, with oversight by our clinical program managers. All research and development costs are expensed as incurred.

Costs for certain research and development activities, such as manufacturing development activities and clinical studies are recognized based on the contracted amounts, as adjusted for the percentage of work completed to date. Payments for these activities are based on the terms of the contractual arrangements, which may differ from the pattern of costs incurred, and are reflected on the consolidated balance sheets as prepaid or accrued expenses. We defer and capitalize non-refundable advance payments made for research and development activities until the related goods are delivered or the related services are performed.

We expect to continue to spend a significant amount of our resources on research and development activities for the foreseeable future as we continue to conduct clinical development, manufacturing, and toxicology studies. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials, additional drug manufacturing requirements, and later stage toxicology studies such as carcinogenicity studies. The process of conducting preclinical studies and clinical trials necessary to obtain regulatory approval is costly and time consuming. The probability of success for each product candidate is affected by numerous factors, including preclinical data, clinical data, competition, manufacturing capability and commercial viability. Accordingly, we may never succeed in achieving marketing approval for any of our product candidates.

Completion dates and costs for clinical development programs as well as our research program can vary significantly for each current and future product candidate and are difficult to predict. As a result, we cannot currently estimate with any degree of certainty the costs associated with development of our product candidates. We anticipate making determinations as to which programs and product candidates to pursue and how much funding to direct to each program and product candidate on an ongoing basis in response to the scientific success of early research programs, results of ongoing and future clinical trials, our ability to enter into collaborative agreements with respect to programs or potential product candidates, as well as ongoing assessments as to the commercial potential of each current or future product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of employee-related expenses, including salaries, benefits and equity-based compensation expenses for personnel in executive, finance, legal, medical affairs, information technology, human resources, investor relations, and commercial functions. Other significant general and administrative expenses include facility costs not otherwise included in research and development expenses, legal fees relating to patent and corporate matters and fees for accounting, consulting services, and corporate expenses. We expect general and administrative expense to increase as we continue to invest in building the infrastructure to support the commercialization of sebetralstat.

Other Income

Other income consists of interest income earned on bank interest and marketable securities, research and development tax credits from the United Kingdom government’s tax incentive programs set up to encourage research and development in the United Kingdom, realized gains and losses from marketable securities and realized and unrealized exchange rate gains and losses on cash held in foreign currencies and transactions settled in foreign currencies.

Income Taxes

We historically have incurred net losses and have had no corporation tax liabilities. We file U.S. Federal tax returns, as well as certain state returns. We also file returns in the United Kingdom. Under the U.K. government’s research and development tax incentive scheme, we have incurred qualifying research and development expenses and filed claims for research and development tax credits in accordance with the relevant tax legislation. The research and development tax credits are paid out to us in cash and reported as other income. Because of the operating losses and the full valuation allowance provided on all deferred tax assets, including the net operating losses, no tax provision has been recognized in the three months ended October 31, 2024.

For tax purposes, pursuant to the Tax Cuts and Jobs Act of 2017, we are required to capitalize and subsequently amortize all R&D expenditures over five years for research activities conducted in the U.S. and over fifteen years for research activities conducted outside of the U.S. We adopted ASU 2019-12 as of January 1, 2022.

Results of Operations

Comparison of the three months ended October 31, 2024 and 2023

The following table sets forth the key components of our results of operations for the three months ended October 31, 2024 and 2023 (in thousands):

	Three Months Ended October 31,		Increase (decrease)
	2024	2023	
Operating expenses			
Research and development expenses	$ 16,610	$ 19,089	$ (2,479)
General and administrative expenses	29,201	10,657	18,544
Other income			
Interest, exchange rate gain and other income	3,543	2,096	1,447

Research and Development Expenses. Research and development expenses decreased $2.5 million to $16.6 million for the three months ended October 31, 2024 compared to $19.1 million in the same period in the prior fiscal year due to decreases in spending on KVD824 of $0.5 million, sebetralstat of $0.3 million, personnel costs of $0.3 million, and other R&D activities of $1.4 million. The impact of exchange rates on research and development expenses resulted in an increase to expenses of $0.6 million in the three months ended October 31, 2024 compared to the same period in the prior fiscal year, which is reflected in the figures above.

Research and development expenses by major programs or categories were as follows (in thousands):

	Three Months Ended October 31,		Increase (decrease)
	2024	2023	
Program-specific costs			
Sebetralstat	$ 7,967	$ 8,307	$ (340)
KVD824	-	472	(472)
Unallocated costs			
Personnel	6,382	6,676	(294)
Other	2,261	3,634	(1,373)
Total	**$ 16,610**	**$ 19,089**	**$ (2,479)**

Expenses for the sebetralstat program decreased primarily due to the Phase 3 KONFIDENT trial completing in February 2024. We anticipate that these expenses will remain at or slightly below current levels as both the KONFIDENT-S and KONFIDENT-KID trials are ongoing and continue to enroll participants.

Expenses for KVD824 decreased due to the termination of the Phase 2 KOMPLETE clinical trial in October 2022. These expenses have ceased as we do not anticipate any further development of KVD824.

Personnel expenses will remain at or slightly below current levels as we prioritize commercial launch efforts.

Other costs decreased primarily due to decreased spending on preclinical activities and a transition to recognizing expense associated with sebetralstat pre-commercial awareness within *General & Administrative*. We anticipate Other costs to remain at current levels as we continue development of the oral Factor XIIa inhibitor program and other preclinical activities.

General and Administrative Expenses. General and administrative expenses increased by $18.5 million primarily due to increases in personnel costs of $7.0 million, commercial expenses of $6.2 million, sebetralstat awareness of $2.4 million, professional fees of $1.2 million, and other administrative expenses of $1.7 million. We anticipate that expenses will continue at or above current levels as we continue to expand to support the growth of the Company and the planned eventual commercialization of sebetralstat.

Other Income. Other income increased $1.5 million primarily due to an increase in foreign currency exchange rate gains of $1.4 million.

Comparison of the six months ended October 31, 2024 and 2023

The following table sets forth the key components of our results of operations for the six months ended October 31, 2024 and 2023 (in thousands):

	Six Months Ended October 31,		Increase (decrease)
	2024	2023	
Operating expenses			
Research and development expenses	$ 43,225	$ 38,396	$ 4,829
General and administrative expenses	46,801	20,443	26,358
Other income			
Interest, exchange rate gain and other income	7,316	5,872	1,444

Research and Development Expenses. Research and development expenses increased $4.8 million to $43.2 million for the six months ended October 31, 2024 due to an increase in spending on sebetralstat of $3.0 million, an increase in personnel costs of $2.3 million, and an increase in other R&D activities of $0.3 million as compared to the same period in the prior fiscal year. These increases were offset by a decrease in spending on KVD824 of $0.7 million. The impact of exchange rates on research and development expenses resulted in an increase to expenses of $0.8 million in the six months ended October 31, 2024 compared to the same period in the prior fiscal year, which is reflected in the figures above.

Research and development expenses by major programs or categories were as follows (in thousands):

	Six Months Ended October 31,		Increase (decrease)
	2024	2023	
Program-specific costs			
Sebetralstat	$ 19,947	$ 16,946	$ 3,001
KVD824	2	726	(724)
Unallocated costs			
Personnel	16,025	13,720	2,305
Other	7,251	7,004	247
Total	**$ 43,225**	**$ 38,396**	**$ 4,829**

Expenses for the sebetralstat program increased primarily due to activities related to the ongoing KONFIDENT-S and KONFIDENT-KID clinical trials, as well as activities supporting our NDA submission for sebetralstat in June 2024.

Expenses for KVD824 decreased primarily due to the termination of the Phase 2 KOMPLETE clinical trial in October 2022. These expenses have ceased as we do not anticipate any further development of KVD824.

Personnel expenses increased primarily due to higher research and development headcounts compared to the same period in the prior year.

General and Administrative Expenses. General and administrative expenses increased $26.4 million primarily due to increases in commercial strategy expenses of $10.7 million, personnel costs of $9.5 million, sebetralstat awareness of $2.7 million, professional fees of $1.4 million and administrative expenses of $2.1 million.

Other Income. Other income increased $1.4 million primarily due to increases in foreign currency exchange rate gains of $1.4 million and increases in interest income of $1.4 million. These increases were offset by a decrease of $1.4 million in income from research and development tax credits.

Liquidity and Capital Resources

Since inception, we have not generated any revenue from product sales and have incurred losses since inception and cash outflows from operating activities for the three months ended October 31, 2024 and 2023. We have funded operations primarily through the issuance of capital stock and pre-funded warrants. Our working capital, primarily cash and marketable securities, is anticipated to fund our operations for at least the next twelve months from the date these unaudited interim condensed consolidated financial statements are issued.

In February 2024, we entered into an underwriting agreement with Jefferies LLC, Leerink Partners LLC, Stifel, Nicolaus & Company, Incorporated, and Cantor Fitzgerald & Co., as the representatives of several underwriters to sell an aggregate of 7,016,312 shares of our common stock at a price of $15.25 per share and pre-funded warrants to purchase up to 3,483,688 shares of common stock at a price of $15.249 per pre-funded warrant. The net proceeds from the February 2024 Offering, after deducting expenses, were approximately $150.1 million. As of October 31, 2024 no pre-funded warrants from the February 2024 Offering have been exercised.

In July 2024, we filed the Registration Statement pursuant to which we may offer and sell securities having an aggregate public offering price of up to $300 million. During the three months ended October 31, 2024, we did not offer or sell any shares pursuant to the Registration Statement.

In November 2024, we entered into an underwriting agreement with Jefferies LLC, BofA Securities, Inc., TD Securities (USA) LLC and Stifel Nicolaus & Company, Incorporated, as the representatives of several underwriters to sell an aggregate of 5,500,000 shares of our common stock at an offering price of $10.00 per share. The net proceeds from the November 2024 Offering, after deducting estimated expenses, were approximately $51.3 million.

Also in November 2024, we entered into a securities purchase agreement with DRI Healthcare Acquisitions LP to sell an aggregate of 500,000 shares of our common stock at a price of $10.00 per share in a private placement. We estimate that net proceeds will be approximately $4.7 million, after deducting placement agent fees and other expenses.

Finally, in November 2024 we entered into a royalty purchase agreement with DRI Healthcare Acquisitions LP, an affiliate of DRI Healthcare Trust Royalty Pharma to monetize a portion of our future sebetralstat worldwide net sales. Under the terms of the agreement, we received an upfront payment of $100.0 million in exchange for tiered royalty payments on worldwide net sales of sebetralstat.

Cash Flows

The following table shows a summary of the net cash flow activity for the six months ended October 31, 2024 and 2023 (in thousands):

	Six Months Ended October 31,	
	2024	2023
Cash flows used in operating activities	$ (79,862)	$ (46,555)
Cash flows provided by investing activities	85,835	48,169
Cash flows provided by financing activities	3,295	332
Effect of exchange rate changes on cash and cash equivalents	524	(518)
Net increase in cash and cash equivalents	**$ 9,792**	**$ 1,428**

Net cash used in operating activities

Net cash used in operating activities was $79.9 million for the six months ended October 31, 2024 and primarily consisted of a net loss of $82.7 million adjusted for stock-based compensation of $6.0 million, an increase in the research and development tax credit receivable of $2.3 million, realized gains from available for sale securities of $1.0 million, and other changes in net working capital. The research and development tax credit receivable increased due to the accrual of tax credits in the three months ended October 31, 2024. Net cash used in operating activities was $46.6 million for the six months ended October 31, 2023 and primarily consisted of a net loss of $53.0 million adjusted for stock-based compensation of $6.5 million, an increase in the research and development tax credit receivable of $4.1 million, realized gains from available for sale securities of $0.9 million, a decrease in prepaid expenses and other assets of $0.8 million and other changes in net working capital.

Net cash provided by investing activities

Net cash provided by investing activities for the six months ended October 31, 2024 was $85.8 million and primarily consisted of the sales and maturities of marketable securities of $87.1 million offset by purchases of marketable securities of $1.0 million, as compared to $48.2 million provided by investing activities during the same period in the prior year primarily due to sales and maturities of marketable securities of $77.9 million offset by purchases of marketable securities of $29.5 million.

Net cash provided by financing activities

Net cash provided by financing activities during the six months ended October 31, 2024 was $3.3 million and consisted of the issuance of common stock from equity incentive plans, compared to $0.3 million in the same period in the prior year which also consisted of the issuance of common stock from equity incentive plans.

Operating Capital Requirements

To date, we have not generated any revenues from the sale of products, and we do not have any products that have been approved for commercialization. We do not expect to generate product revenue unless and until we obtain regulatory approval for, and commercialize, one of our current or future product candidates. We anticipate that we will continue to incur losses for the foreseeable future, and we expect the losses to increase as we continue the development of, and seek regulatory approvals for, product candidates, and begin to commercialize any approved products. We are subject to all of the risks inherent in the development of new therapeutic products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We currently anticipate that, based upon our operating plans and existing capital resources, we have sufficient funding to operate for at least the next twelve months. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our preclinical and clinical development efforts, future growth to support commercial sales of any approved products, and other activities we may choose to undertake.

Until such time, if ever, as we can generate substantial revenues, we expect to finance our cash needs through a combination of equity and debt financings, collaborations, strategic partnerships, and licensing arrangements. To the extent that additional capital is raised through the sale of stock or convertible debt securities, the ownership interest of existing stockholders will be diluted, and the terms of these newly issued securities may include liquidation or other preferences that adversely affect the rights of common stockholders. Debt financing, if available, may involve agreements that include increased fixed payment obligations and covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends, selling or licensing intellectual property rights and other operating restrictions that could adversely impact our ability to conduct business. Additional fundraising through collaborations, strategic partnerships or licensing arrangements with third parties may require us to relinquish valuable rights to product candidates, including our other technologies, future revenue streams or research programs, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate product development or future commercialization efforts or grant rights to develop and commercialize other product candidates even if we would otherwise prefer to develop and commercialize such product candidates internally.

Contractual Obligations and Commitments

We enter into contracts in the normal course of business with contract research organizations and clinical trial sites for the conduct of clinical trials, preclinical and clinical studies, professional consultants and other vendors for clinical supply manufacturing or other services. These contracts generally provide for termination on notice, and therefore are cancelable contracts and not included in the table of contractual obligations and commitments in our Annual Report on Form 10-K for the fiscal year ended April 30, 2024, filed with the SEC on July 11, 2024. We are party to several operating leases for office and laboratory space as of October 31, 2024.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with U.S. GAAP. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our financial statements and the reported revenue and expenses during the reported periods. We evaluate these estimates and judgments on an ongoing basis. We base our estimates on historical experience, known trends and events, contractual milestones and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. See Note 2 to the unaudited interim condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of our significant accounting policies and assumptions used in applying those policies. The accounting policies and estimates that we deem to be critical are discussed in more detail in our Annual Report on Form 10-K for the fiscal year ended April 30, 2024, filed with the SEC on July 11, 2024.

Recently Issued Accounting Pronouncements

See Note 2 in the Interim Financial Statements for a description of recent accounting pronouncements, including the expected dates of adoption and expected effects on results of operations and financial condition, if known.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Item 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of October 31, 2024. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute assurance of achieving the desired objectives. Also, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer has concluded that our disclosure controls and procedures were effective as of October 31, 2024.

Changes in Internal Controls over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended October 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

Item 1A. RISK FACTORS

There have been no material changes to the risk factors described in the section captioned "Part I, Item 1A, Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended April 30, 2024.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in the section captioned "Part I, Item 1A, Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended April 30, 2024 filed with the SEC on July 11, 2024, which may materially affect our business, financial condition, or future results. The risks described in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may have a material adverse effect on our business, financial condition, or operating results.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Sales of Unregistered Securities

Not applicable.

Use of Proceeds

None.

Issuer Purchases of Equity Securities

Not applicable.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

(c) Insider Trading Arrangements and Policies

In the second quarter of fiscal 2025, no trading plans were adopted, modified or terminated by a director or officer of the Company.

Item 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1#	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					

This certification is deemed not filed for purpose of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KALVISTA PHARMACEUTICALS, INC.

Date: December 5, 2024

By: /s/ Benjamin L. Palleiko
Benjamin L. Palleiko
Chief Executive Officer
(Principal Executive Officer)

Date: December 5, 2024

By: /s/ Brian Piekos
Brian Piekos
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin L. Palleiko, certify that:

1. I have reviewed this quarterly report on Form 10-Q of KalVista Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 5, 2024

/s/ Benjamin L. Palleiko
Benjamin L. Palleiko
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian Piekos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of KalVista Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 5, 2024

/s/ Brian Piekos
Brian Piekos
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report of KalVista Pharmaceuticals Inc. (the "Company") on Form 10-Q for the fiscal quarter ended October 31, 2024 (the "Report"), I, Benjamin L. Palleiko, as Chief Executive Officer and Principal Executive Officer of the Company, and Brian Piekos, as Chief Financial Officer and Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: December 5, 2024

/s/ Benjamin L. Palleiko
Benjamin L. Palleiko
Chief Executive Officer
(Principal Executive Officer)

Date: December 5, 2024

/s/ Brian Piekos
Brian Piekos
Chief Financial Officer
(Principal Financial and Accounting Officer)