# PRESS RELEASE

## Lysogene Reports Full Year 2021 Financial Results

**Paris, France – 31 March 2022 at 8:00 am CEST - Lysogene (FR0013233475 – LYS)**, a phase 3 gene therapy platform Company targeting central nervous system (CNS) diseases, today reports its 2021 full-year financial results, approved by the Board of Directors on 30 March 2022. Audit procedures on the Company's 2021 financial statements were completed by the Company's statutory auditors.

**Karen Aiach, Founder, Chairman and Chief Executive Officer of Lysogene,** said: *"In 2021, Lysogene initiated a second clinical trial with its drug candidate LYS-GM101 for the treatment of GM1 gangliosidosis. In parallel, we continued to expand our pipeline with the acquisition of exclusive worldwide rights of LYS-FXS01 for fragile X syndrome (FXS), which demonstrated encouraging preliminary pre-clinical proof of concept results."*

**Karen Aiach** added: *"2022 will be a pivotal year, with the continuation of enrollment of the LYS-GM101 clinical study, the Phase 3 clinical results for LYS-SAF302 expected soon that will allow us to discuss the regulatory pathway with the agencies, and the first results from the joint program with the Weizmann Institute in Gaucher and Parkinson's diseases. At the same time, we will continue to acquire low-cost but high-potential preclinical assets to bolster our gene therapy platform. We will eventually seek to strengthen our cash position to secure the resources to continue developing our pipeline."*

## Selected financial information on 31 December 2021 (IFRS financial statements)

| **Comprehensive Income Statement**<br>*in thousands of euros* | **31/12/2021** | **31/12/2020** |
|---|---|---|
| **Operating income** | | |
| - Revenue | 3,731 | 13,369 |
| - Other operating revenue | 3,488 | 3,213 |
| **Total operating income** | **7,219** | **16,582** |
| **Operating expenses** | | |
| - Research and Development expenses | (15,661) | (16,307) |
| - General and Administrative expenses | (4,849) | (5,352) |
| **Total operating expenses** | **(20,510)** | **(21,659)** |
| **Operating income** | **(13,291)** | **(5,077)** |
| Net financial income (expense) | (318) | (14) |
| **Net income (loss)** | **(13,609)** | **(5,091)** |
| Weighted average number of shares outstanding | 16,873,817 | 15,799,304 |
| **Earnings per share (€)** | **(0.81)** | **(0.32)** |

Number of shares outstanding as of 31 March 2022: 17,246,580

| | | |
|---|---|---|
| **Cash position at January 1st** | **18,780** | **26,467** |
| Change in net cash | (6,444) | (7,687) |
| **Cash position at December 31** | **12,336** | **18,780** |

**In 2021, total operating income** amounted to €7.2 million versus €16.6 million in 2020 with:

- Revenue[1] of €3.7 million versus €13.4 million in 2020 derived from the recognition of milestone payments from Sarepta in accordance with the IFRS 15 accounting standard.

  Under IFRS 15, Lysogene recognizes payments made by Sarepta under the agreement (the "transaction price") in proportion to the direct internal and external costs associated with the development of LYS-SAF302. This transaction price was determined by considering the upfront and milestone payments that have either

[1] *In accordance with the IFRS 15 standard "Revenue from contracts with customers", Lysogene is required to recognize revenue related to the license agreement signed with Sarepta. The revenue is allocated pro rata to the direct internal and external costs associated with the development of the LYS-SAF302 product, from the date of signature of the license agreement on 15 October 2018 until the end of the phase 2/3 clinical trial with LYS-SAF302*

already accrued or are highly probable. At 31 December 2021, the transaction price was reduced from €46.4 million to €42.4 million considering the negotiations then underway with Sarepta.

The decrease in revenue in 2021 reflected both the lower transaction price and the high base for comparison in 2020 due to patient recruitment costs in the clinical trial and the one-off impact from a change in the calculation method, which led to a revenue catch-up.

Given the termination of the agreement announced on January 13, 2022, the Company will recognize the balance of the transaction price in 2022 which will amount to approximately €8 million.

- Other operating revenue of €3.5 million and consisted mainly of the Research Tax Credit.

**Operating expenses** amounted to €20.5 million, down €1.1 million compared to 2020 with:

- Research and Development expenses of €15.7 million, down €0.6 million versus 2020, due to a reduction in:
  - clinical batch production runs for LYS-GM101 drug candidate,
  - clinical expenses for LYS-SAF302 drug candidate following treatment of the last patient from the main cohort in the phase 3 trial in March 2020,
  - the Company's total payroll.

  R&D expenses included a €2.1 million payment to an industrial partner following the settlement of a commercial dispute, partly offset by the reversal of the remaining €1.2 million provision for risks recorded in 2019.

- General and Administrative expenses of €4.8 million, down €0.5 million compared to 2020, year in which the Company carried out significant business development activities to strengthen its pipeline and completely redesigned its website.

**Net financial result** was negative by €0.3 million due to the payment of financial interests related to the settlement of the commercial dispute with an industrial partner.

The **net loss** for 2021 was €13.6 million versus €5.1 million in 2020.

At 31 December 2021, the Company's cash position amounted to €12.3 million, strengthened in February 2022 by the disbursement by EIB of the first loan tranche of €3 million.

**About Lysogene**

Lysogene is a gene therapy Company focused on the treatment of orphan diseases of the central nervous system (CNS). The Company has built a unique capability to enable a delivery of gene therapies to the CNS to treat lysosomal diseases and other genetic disorders of the CNS. A phase 2/3 clinical trial in MPS IIIA is ongoing. An adaptive clinical trial in GM1 gangliosidosis is also ongoing. Lysogene is also collaborating with an academic partner to define the strategy of development for the treatment of Fragile X syndrome, a genetic disease related to autism. www.lysogene.com.

**Forward Looking Statement**

This press release may contain certain forward-looking statements, especially on the Company's progress of its clinical trials and cash runway. Although the Company believes its expectations are based on reasonable assumptions, all statements other than statements of historical fact included in this press release about future events are subject to (i) change without notice, (ii) factors beyond the Company's control, (iii) clinical trial results, (iv) increased manufacturing costs, (v) potential claims on its products. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "objective", "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. A further list and description of these risks, uncertainties and other risks can be found in the Company's regulatory filings with the French Autorité des Marchés Financiers, including in the 2020 universal registration document, registered with the French Markets Authorities on April 12, 2021, under number D.21-0296, and future filings and reports by the Company. Furthermore, these forward-looking statements are only as of the date of this press release. Readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by law, the Company assumes no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future. If the Company updates one or more forward-looking statements, no inference should be drawn that it will or will not make additional updates with respect to those or other forward-looking statements.
This press release has been prepared in both French and English. In the event of any differences between the two texts, the French language version shall supersede.

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