



Pherecydes Pharma announces its 2022 annual financial results and specifies its development plan for 2023

- **Proposed strategic combination with Erytech Pharma intending to create a global leader in phage therapies:**
 - Acceleration in the development of phage therapy in antimicrobial resistance and extension to other anti-infective fields and therapeutic areas with substantial unmet medical needs
 - Transaction expected to close at the end of the second quarter of 2023
- **Continuation of the PhagoDAIR Phase II pilot clinical study in osteoarticular infections of hip and bone prostheses:**
 - Opening of new European centers expected in 2023
 - Results expected in the first half of 2024
- **Launch, in H2 2023 and Q1 2024, of two new complementary Phase I/II clinical trials in indications with a substantial unmet medical need**
- **Cash position of €1.0 million at December 31, 2022 strengthened by the raising of €1.5 million, providing a cash runway through to the completion of the merger expected for the end of the first half of 2023**

Nantes (France), March 30, 2023 – 6.00 pm CEST – Pherecydes Pharma (FR0011651694 - ALPHE), a biotechnology company specializing in precision phage therapy to treat resistant and/or complicated bacterial infections, today announces its annual results for the year to December 31, 2022 and specifies its development prospects for 2023.

Thibaut du Fayet, CEO of Pherecydes Pharma, said: *“2022 and the first months of 2023 were particularly structuring for Pherecydes Pharma’s development. We firstly launched the PhagoDAIR Phase II clinical study whose enrollment rate, with the opening of new centers, allows us to anticipate preliminary results during the first half of 2024. Our ambitious development strategy has benefited from the strong commitment of our shareholders, longstanding and new, through two capital increases, in September 2022 for a total of €3.1 million and February 2023 for €1.5 million. The second of these transactions, combined with our cash position, covers our immediate requirements through to the completion of the merger with Erytech Pharma announced on February 15, 2023. The complementary expertise and resources of our two companies will enable us to create a global leader in phage therapy by accelerating the clinical development of our therapies aimed at fighting antimicrobial resistance and by extending our clinical portfolio to other areas presenting substantial unmet medical needs. This merger, supported by the two companies’ Boards of Directors and main shareholders, will be submitted to the companies’ Shareholder Meetings for approval in the coming months. We are looking forward to beginning this new stage alongside the Erytech teams while benefiting from a strong consolidated cash position of approximately €40 million and a dual listing in France and the United States”.*

2022 Annual Results



Simplified income statement ¹ (in euros)	2022	2021
Operating income	3,167,235	2,200,380
Operating expenses	9,857,278	6,521,075
Operating profit/loss	- 6,690,043	- 4,320,694
Financial result	- 63,504	- 46,346
Exceptional income	511,125	189,470
Net profit/loss	- 4,854,342	- 3,189,057

At December 31, 2022, total operating income, essentially consisting of capitalized production associated with the *Staphylococcus aureus* (*S. aureus*) and *Pseudomonas aeruginosa* (*P. aeruginosa*) programs, was €3,167 thousand compared with €2,200 thousand in 2021, an increase of 44%. This growth was notably a result of the increase in R&D activity associated with these programs between the two years in question.

Operating expenses totaled €9,857 thousand over the year to December 31, 2022, up 51% on the 2021 figure of €6,521 thousand. This growth was essentially due to the 76% increase in purchases and other external expenses to €5,961 thousand in 2022, and reflects the ramping up of the Company's clinical program with the launch of the PhagoDAIR Phase II study.

The annual operating loss was €6,690 thousand in 2022 versus a loss of €4,320 thousand in 2021, an increase of 55% between the two years, primarily as a result of the increase in operating expenses from one year to the next.

Exceptional income totaled €511 thousand in 2022 compared with €189 thousand the previous year, reflecting management and capital transactions over the period.

Research Tax Credit amounted to €1,388 thousand in 2022 versus €989 thousand in 2021, reflecting the substantial increase in Research and Development activities.

The net loss was thus €4,854 thousand in 2022 compared with a loss of €3,189 thousand in 2021.

Financial Structure and Cash Position

At December 31, 2022, the Company had a cash position of €1,035 thousand, versus €5,357 thousand at the end of December 2021. Shareholders' equity stood at €7,221 thousand at the end of 2022 compared with €5,852 thousand at the end of 2021.

As a reminder, on September 22, 2022, Pherecydes Pharma successfully carried out a capital increase of €3.1 million, including €2.6 million from institutional investors and €0.5 million from individual investors (via the PrimaryBid platform). It subsequently carried out another capital increase on February 17, 2023, for a total of €1.5 million, an operation undertaken within the framework of the merger by absorption of Pherecydes Pharma into Erytech Pharma announced on February 15, 2023².

¹ Annual accounts were approved by the Board on March 30, 2023. Audit procedures relative to the Company's individual accounts have been carried out. The certification report will be issued after completion of the procedures required for the purpose of publishing the annual financial report. The full annual financial report included in the universal registration document will be made available on the Pherecydes website, www.pherecydes-pharma.com, within the statutory timeframe.

² It is specified that the exchange parity of the merger as announced in the press release of February 15, 2023 (15 new Erytech Pharma shares for every 4 Pherecydes Pharma shares) will not be subject to any adjustment as a result of the capital increase.



Pherecydes Pharma's current cash position will enable it to finance its cash requirements until the end of the first half of 2023, when the merger with Erytech is expected to be implemented.

In 2022, cash burn was approximately €7 million.

2022 Highlights

- **Launch of the PhagoDAIR Phase II pilot clinical study**

On February 7, 2022, the Company announced that it had received a favorable opinion from the Ethics Committee (*Comité de Protection des Personnes, Ile de France III*) for the PhagoDAIR study, a Phase II pilot clinical study in the treatment of osteoarticular infections of prostheses caused by *Staphylococcus aureus*, its protocol having already been approved by the ANSM (French National Agency for the Safety of Medicines) in December 2021. PhagoDAIR is the world's first phage therapy study conducted in this indication and should include 64 patients with a knee or hip joint infection due to *S. aureus*.

The enrollment of the first patient was announced on June 15, 2022 and the first results are expected in the first half of 2024. Depending on the preliminary results of the Phase II study, a Phase III study could be initiated in 2025.

Moreover, on November 29, 2022, the Company received a unanimous positive recommendation from the Data Safety Monitoring Board (DSMB) to continue this clinical study without modification, confirming the good safety profile of these phages.

- **First international approval of a compassionate treatment**

On April 28, 2022, the Swedish Medical Products Agency (SMPA) gave its approval to treat a compassionate case of osteoarticular infection of a prosthetic joint with the Company's anti-*S. aureus* phages. To date, Pherecydes Pharma has treated more than 65 patients in the context of compassionate use under the supervision of the French National Agency for the Safety of Medicines (ANSM), excluding AAC status. These phages, administered via various routes (intra-articular, intravenous, bronchoalveolar nebulization, etc.), have demonstrated excellent tolerance with no reported side effects.

- **Change in the governance structure**

The Shareholders' Meeting of May 19, 2022 approved the evolution of Pherecydes Pharma's governance towards a company with a Board of Directors. This Board, comprising 7 members, 2 of whom are independent, appointed Mr. Didier Hoch as Chairman and CEO and Mr. Thibaut du Fayet as Deputy CEO. The Combined Shareholders' Meeting of December 15, 2022 implemented the separation of the functions of Chief Executive Officer and Chairman of the Board of Directors. In this respect, Thibaut du Fayet was appointed as CEO while Didier Hoch will continue as Chairman of the Board.

- **AAC Early Access Program Approval granted by the ANSM**

On May 30, 2022, the Company announced that it had obtained a first AAC for its anti-*Staphylococcus aureus* phages to treat patients who have failed antibiotic therapy. The AAC system allows Pherecydes Pharma to make its anti-*S. aureus* phages available to larger populations and receive compensation from the health system.

Subject to the ANSM's approval, Pherecydes Pharma could also obtain AAC status for its anti-*Pseudomonas aeruginosa* phages during the current year for a similar clinical positioning to the AAC obtained for its anti-*Staphylococcus aureus* phages.



- **Registration of the phagogram as an *in vitro* diagnostic test in accordance with EC Directives**

On September 12, 2022, Pherecydes Pharma announced the registration of its phagogram as an *in vitro* diagnostic test (“Phagogram 1.5”) in accordance with Directive 98/79/EC. This registration is the first stage in a broader strategic program whose goal is to develop a new generation program, “Phagogramme 2.0”, in collaboration with the CEA. This program aims to significantly shorten the lead time required for a diagnosis and thus to offer phage therapy in all types of indications, whether acute or chronic.

- **Creation of an international Medical Advisory Board**

On September 15, 2022, the Company announced the setting up of a Medical Advisory Board comprising prominent international scientific and clinical experts in infectious diseases. This group of prominent international scientists contribute to the definition and implementation of the Company’s clinical development strategy in phage therapy.

Strategy and 2023 Outlook

On February 15, 2023, Pherecydes Pharma and Erytech Pharma announced their proposed strategic merger to create a global player in phage therapy and accelerate the development of a portfolio of drug candidates by deploying a more ambitious clinical strategy targeting pathogenic bacteria and potential other indications with substantial unmet medical needs.

The intended focus of the new entity in 2023 and 2024 would be to:

- **Expand the ongoing PhagoDAIR Phase II pilot study** in patients with knee or hip prosthetic joint infections due to *Staphylococcus aureus* (*S. aureus*) by opening new investigation centers in Europe, with results expected in H1 2024;
- **Expand PHERECYDES’s clinical phage therapy portfolio** with two additional Phase II studies financed by the Company, one in patients with endocarditis due to *S. aureus*, which should begin in the second half of 2023, and the other in patients with complex urinary tract infections due to *Escherichia coli* (*E. coli*), which should begin in the first quarter of 2024.
- **Build a Research & Development strategy leveraging ERYTECH and PHERECYDES’ combined expertise**, in particular the ERYCAPS and ERYCEV platforms’ drug delivery solutions, formulation expertise to support phage and endolysin-based therapeutic approaches in anti-infective fields such as antimicrobial resistance and beyond, such as food cosmetics and animal health, or the development of novel carriers.
- **Expand PHERECYDES’ research portfolio** to add two new complementary pathogens to the existing three (*S. aureus*, *P. aeruginosa*, *E. Coli*), critical in developing a comprehensive portfolio of targets in the fight against resistant bacterial infections; and
- **Leverage on ERYTECH’s presence in the United States** to facilitate access to North American investors and clinical and regulatory stakeholders with a view to future clinical developments.

The Extraordinary General Meetings (**EGMs**) of Erytech Pharma and Pherecydes Pharma will be called upon to vote on this proposed merger at the end of the first half of 2023. The resolutions to approve the proposed merger will require the approval of two thirds of the shareholders present or represented at each of the companies’ EGMs. Erytech Pharma’s EGM will also be asked to approve a name change for the merged entity, in order to mark the beginning of a new stage of development for the combined activities.



Next financial event

- **Combined Shareholders' Meeting:** June 23, 2023

About Pherecydes Pharma

Founded in 2006, Pherecydes Pharma is a biotechnology company that develops treatments against resistant bacterial infections, responsible for many serious infections. The Company has developed an innovative approach, precision phage therapy, based on the use of phages, natural bacteria-killing viruses. Pherecydes Pharma is developing a portfolio of phages targeting 3 of the most resistant and dangerous bacteria, which alone account for more than two thirds of hospital-acquired resistant infections: Staphylococcus aureus, Escherichia coli and Pseudomonas aeruginosa. Headquartered in Nantes, Pherecydes Pharma has a team of around twenty experts from the pharmaceutical industry, biotechnology sector and academic research. Pherecydes Pharma announced on February 15, 2023 its plan to merge with Erytech, which will be subject to the approval of the respective shareholders of both companies.

For more information, www.pherecydes-pharma.com

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