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## Pherecydes Pharma successfully completes €3.1 million capital increase

**Nantes, September 22, 2022, 8:30 am CEST – Pherecydes Pharma** (FR0011651694 - ALPHE), a biotechnology company specializing in precision phage therapy to treat resistant and/or complicated bacterial infections, today announces the success of its capital increases for a total amount of €3.1 million, of which €2.6 million from institutional investors and €0.5 million from individuals (via the PrimaryBid platform) (the "Offering").

**Didier Hoch, Chairman and CEO of Pherecydes Pharma**, said: *"I would like to thank all the investors, both longstanding and new, who have contributed to the success of this refinancing operation. Their support is crucial to enabling Pherecydes Pharma to continue following its strategy focused on the development of phage therapy in indications in which there is a major unmet medical need. Indeed, within the increasingly worrying context of growing antibiotic resistance, Pherecydes Pharma's phages are emerging as a very attractive therapeutic option regarding some of the most dangerous bacterial targets – Staphylococcus aureus, Pseudomonas aeruginosa and Escherichia Coli – that alone account for more than two thirds of hospital-acquired resistant infections"*.

### Purpose of the transaction

As a reminder, The Company is planning to devote the net proceeds of this operation as follows:

1. 50% to the clinical development of anti-*Staphylococcus aureus* (*S. aureus*) phages notably including:
  - the ramping up of the PhagoDAIR Phase II study in France and Europe with the opening of new clinical centers, mainly in Spain and the Netherlands, through to the key criterion assessment stage;
  - the preparation and initiation of a Phase II study in a clinical indication with substantial medical needs;
  - the launch and management of studies (PHRC) for which the Company is not the sponsor (PhagoPied, Phagos) via the conducting of Phagograms and various associated costs;
2. around 30% to the development of anti-*Pseudomonas aeruginosa* phages notably including:
  - the initiation of a regulatory toxicology study;
  - the preparation and initiation of a (Phase II) clinical study in an indication associated with respiratory infections with substantial medical needs;
3. around 10% to perfecting manufacturing and quality control processes, producing GMP batches of *E. Coli* phages and completing preclinical development;
4. around 10% to research work associated with the identification of a new bacterial target, as well as to the Company's other running costs.

Given its current development plans, the Company estimates that the net proceeds of the Offering, if carried out, combined with its current cash and cash equivalents will enable it to finance its activities through to end-March 2023. The Company estimates that, after taking into account the net proceeds



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of the Offering, and subject to the successful completion of the Offering, the additional financing requirements to meet its cash needs for the next twelve months (said cash needs being estimated at €7 million), i.e. until the end of September 2023, are €4 million.

At the same time, and in order to be able to meet its cash requirements to finance its activities over the next twelve months, the Company will have to seek additional financing solutions, including a contingent equity line, standard or bond debt, with third parties or shareholders, but also subsidies and/or repayable advances specifically relating to the Company's research programs. Moreover, the Company could adjust its operational plans, notably by delaying or limiting the extent of its development program.

### Terms of the financing transaction

The Offering, for a total amount of €3.1 million, was carried out through the issuance of 1,320,830 new shares with cancellation of the preferential subscription rights of the Company's shareholders including:

- an offer of 759,481 new shares, for an amount of €1.8 million, to designated categories of investors (in accordance with the Resolution 18 of the Annual General Meeting of May 19, 2022 – the “**AGM**”), pursuant to article L. 225-138 of the French Commercial Code (*Code de Commerce*) (the “**Reserved Offering**”),
- an offer of 345,406 new shares, for an amount of €0.8 million, to qualified investors or a limited circle of investors, pursuant to article L. 411-2, 1° of the French Monetary and Financial Code (*Code Monétaire et Financier*) (in accordance with AGM Resolution 17), pursuant to article L. 225-136 of the French Code of Commerce (the “**Private Placement**”, and together with the Reserved Offer, the “**Global Placement**”); and
- a public offering of 215,943 new shares to retail investors via the PrimaryBid platform, for an amount of €0.5 million (the “**PrimaryBid Offering**”).

Portzamparc (BNP Paribas Group) acted as Global Coordinator, Listing Sponsor, Lead Manager and Joint Bookrunner. Invest Corporate Finance acted as Joint Lead Manager and Invest Securities acted as Joint Bookrunner within the framework of the Global Placement.

Within the framework of the PrimaryBid Offering, investors could only subscribe via the PrimaryBid partners mentioned on the PrimaryBid website ([www.PrimaryBid.fr](http://www.PrimaryBid.fr)). The PrimaryBid Offering was not covered by an underwriting agreement. For further details, please go to the PrimaryBid website at [www.PrimaryBid.fr](http://www.PrimaryBid.fr).

The ordinary shares, representing approximately 22.5% of the Company's share capital, on a non-diluted basis, prior to the completion of the Offering and 18.4% of the Company's share capital, on a non-diluted basis, after the completion of the Offering, were issued by decision of the Chairman and CEO of the Company pursuant to and within the limits of the sub-delegations of authority granted by the Board of Directors of the Company as of the date of this press release.

The issue price of the ordinary shares has been set at €2.32 per share, representing a discount of 14.1% compared to the closing price of the Pherecydes Pharma share on September 21, 2022, i.e. €2.70, and of 24.9% compared to the volume-weighted average price of the Pherecydes Pharma share on the Euronext Growth multilateral trading system over the last five trading days prior to the setting of the issue price (i.e. September 16 to 21, 2022, included), i.e. €3.0874, in accordance with the decision of the Chairman and CEO acting by sub-delegation.



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To the Company's knowledge, the shareholder structure before and after the completion of the Offering is as follows

Shareholders	Pre-Offering (on a non-diluted basis)		Post-Offering (on a non-diluted basis)	
	Nb. shares	% share capital	Nb. shares	% share capital
ACE Management	1,394,555	23.7%	1,394,555	19.3%
Omnes	404,304	6.9%	404,304	5.6%
Elaia	1,066,425	18.1%	1,497,459	20.8%
Go Capital	703,137	11.9%	1,026,412	14.2%
Participations Besançon	246,098	4.2%	246,098	3.4%
Management	29,297	0.5%	29,297	0.4%
Pool GR <sup>(*)</sup>	357,428	6.1%	480,698	6.7%
Other historical shareholders	533,212	9.1%	619,418	8.6%
Free float	1,156,075	19.6%	1,513,120	21.0%
<b>Total</b>	<b>5,890,531</b>	<b>100.0%</b>	<b>7,211,361</b>	<b>100.0%</b>

*(\*) The "Pool GR" group is composed of individual shareholders, whether legal entities or individuals, who have entered into a concerted action agreement with each other, which has been brought to the Company's attention. Mr Guy Rigaud, a member of the Company's Supervisory Board, belongs to this group.*

### Subscription commitments

Longstanding shareholders Elaia Partners, Go Capital, investors associated with Mr. Guy Rigaud (the "GR Pool") and Fa dièse, which have, on a non-diluted basis, 18.1%, 11.9%, 6.1% and 2.4% stakes in the Company respectively, have pledged to subscribe a minimum total of €2.3m within the framework of the Global Placemen<sup>1</sup>t, i.e. €1m, €0.75m, €0.3m and €0.2m respectively.

These shareholders and investors were allocated 98% of the Global Placement. Their investment represents 73% of the amount of the Offering.

It should be noted that given the participation in the Offer of shareholders who are also directors of the Company, appropriate governance measures have been taken to prevent any risk of conflict of interest within the Board of Directors of the Company at the time of the launch of the Offer and, in this respect, the representatives on the Board of Directors of Elaia Partners, Go Capital, and of the investors gathered around Mr. Guy Rigaud, did not take part in the vote of the Board of Directors that decided to launch the Offer.

<sup>1</sup> It is noted that those of these shareholders who were represented on the Board of Directors of the Company abstained from voting in the Board vote on the Reserved Offering.



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### Listing of the new shares

Settlement-Delivery of the new common shares and their admission for trading on the Euronext Growth® Paris multilateral trading system are scheduled for September 26, 2022. The new shares will be listed on the same quotation line as the existing ordinary shares of the Company, will carry dividend rights and will be immediately assimilated to the existing shares of the Company.

### Lock-up commitments

Within the framework of the Offering, the Company has signed a lock-up commitment that comes into effect on the date of the signing of the placement agreement concluded between the Company and the banks today and for a period of 90 days following the settlement/delivery of the Offering, subject to certain customary exceptions.

### Risk factors

The public's attention is drawn to the risk factors relating to the Company and its business, presented in chapter 3 of the Company's information document, available free of charge on the Company's website ([www.pherecydes-pharma.com](http://www.pherecydes-pharma.com)) and on the Euronext website ([www.euronext.com](http://www.euronext.com)), as updated in section 1.6 of the 2021 Annual Financial Report, available free of charge on the Company's website ([www.pherecydes-pharma.com](http://www.pherecydes-pharma.com)). The occurrence of some or all of these risks could have an adverse effect on the Company's business, financial condition, results, development or prospects. With the exception of the update of the liquidity risk as referred to in the paragraph "Objective of the transaction" of this press release and the risks specific to the transaction referred to below, the Company believes that there is no reason to update the risk factors as referred to in chapter 3 of the information document as amended in section 1.6 of the 2021 Annual Financial Report.

Additionally, investors are invited to consider the following risks specific to this issue: (i) the market price of the Company's shares may fluctuate and fall below the subscription price of the shares issued within the framework of the Offering, (ii) the volatility and liquidity of the Company's shares may fluctuate significantly, (iii) divestments of the Company's shares may take place on the market and have a negative effect on its share price, (iv) the Company's shareholders could suffer potentially significant dilution resulting from any future capital increases required to provide the Company with additional financing, and (v) as these shares are not intended to be listed on a regulated market, investors will not benefit from the guarantees associated with regulated markets.

This press release does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, nor an offer to the public.

### 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*. The concept of precision phage therapy has been successfully applied in several dozen patients in the context of



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compassionate use, under the supervision of the French National Agency for the Safety of Medicines (ANSM). Headquartered in Nantes, Pherecydes Pharma has a team of around twenty experts from the pharmaceutical industry, biotechnology sector and academic research.

For more information, [www.pherecydes-pharma.com](http://www.pherecydes-pharma.com)

## Contacts

### Pherecydes Pharma

Thibaut du Fayet

Deputy CEO

[investors@pherecydes-pharma.com](mailto:investors@pherecydes-pharma.com)

### NewCap

Dusan Oresansky / Nicolas Fossiez

Investor Relations

[pherecydes@newcap.eu](mailto:pherecydes@newcap.eu)

T.: +33 1 44 71 94 92

### NewCap

Arthur Rouillé

Media Relations

[pherecydes@newcap.eu](mailto:pherecydes@newcap.eu)

T.: +33 1 44 71 00 15

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This announcement is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").

In France, the Offering described above will take place solely as (i) a reserved offering to the benefit of categories of investors as set forth in the 18<sup>th</sup> resolution of the AGM, (ii) a global placement to the benefit of qualified investors or a limited circle of investors pursuant to Article L.411-2, 1° of the French Monetary and Financial Code and to applicable rules and regulations and (iii) a public offering of securities, without a named beneficiary, pursuant to Article L.225-136 of the French Commercial Code and L. 411-2-1 1° of the French Monetary and Financial Code and to applicable rules and regulations.

With respect to Member States of the European Economic Area (including France), no action has been taken or will be taken to permit a public offering of the securities referred to in this press release which would require the publication of a prospectus (pursuant to article 3 of the Prospectus Regulation) in any Member State.

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