

# REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF JUNE 28, 2024

The purpose of this report is to present the draft resolutions submitted to the General Meeting by the Board of Directors of the Company. This report refers to the 2023 Universal Registration Document, filed with the Financial Markets Authority on April 5, 2024, under number D. 24-0243 and which can be consulted on the Company's website at the following address: <https://phaxiam.com/investors/> (the "2023 Universal Registration Document"). We also refer you to the other documents made available or posted online on the Company's website.

## On the ordinary part of the General Assembly

### **Approval of the annual financial statements, consolidated financial statements, and allocation of results (1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> resolutions)**

The first two resolutions refer to the approval of the Company's financial statements, which show a loss of EUR 25 827 124,87 and the consolidated financial statements, which show a loss of EUR 23 488 412 for the fiscal year ended December 31, 2023.

The 3<sup>rd</sup> resolution relates to the allocation of results. You are requested to allocate the loss for the financial year ended December 31, 2023, amounting to EUR 25 827 124,87 to the "Retained Earnings" account, which will amount to EUR (30 673 955,36) after allocation.

### **Approval of the agreements and commitments mentioned in Article L.225-38 of the French Commercial Code (4<sup>th</sup> resolution)**

In the 4<sup>th</sup> resolution, you are requested to take note of the conclusions of the Statutory Auditors' special report on regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial Code.

### **Compensation of the Executive Corporate Officers and Directors (5<sup>th</sup> to 11<sup>th</sup> resolutions)**

The 5<sup>th</sup> resolution is, in compliance with article L. 22-10-34 I of the French Commercial Code, for the approval of the information

mentioned in article L.22-10-9 I of the same code related to the compensation of executive corporate officers as detailed in section 3.1.2.1.2 of the 2023 Universal Registration Document.

The 6<sup>th</sup> and 7<sup>th</sup> resolution are, in compliance with article L. 22-10-34 II of the French Commercial Code, for the approval of fixed, variable, and exceptional elements of total compensation and benefits of any kind paid during financial year ended December 31, 2023, or allocated under the same year to Gil BEYEN, Chief Executive Officer and to Jean-Paul KRESS, Chairman of the Board until 23 June 2023 as detailed in section 3.1.2.1.1 of the 2023 Universal Registration Document.

The 8<sup>th</sup> and 9<sup>th</sup> resolution are, in compliance with article L. 22-10-34 II of the French Commercial Code, for the approval of fixed, variable, and exceptional elements of total compensation and benefits of any kind paid during financial year ended December 31, 2023, or allocated under the same year to Thibaut DU FAYET, Chief Executive Officer and to Didier HOCH, Chairman of the Board from 23 June 2023 as detailed in section 3.1.2.1.1 of the 2023 Universal Registration Document.

The 10<sup>th</sup> resolution is, in compliance with article L.22-10-8 II of the French Commercial Code, for the approval of the compensation policy applicable to executive corporate

officers as detailed in section 3.1.2.2.2 of the 2023 Universal Registration Document.

To date, the only officers concerned by this vote are (i) Gil BEYEN, on account of his position as Chief Executive Officer and Jean-Paul KRESS on account of his position as Chairman of the Board until 23 June 2023 and (ii) Thibaut DU FAYET, on account of his position as Chief Executive Officer and Didier HOCH on account of his position as Chairman of the Board from 23 June 2023. The Deputy Chief Executive Officers, Jérôme BAILLY and Eric SOYER, receive compensation under their employment contracts only, for their respective roles as Director of Pharmaceutical Operations and Chief Financial Officer/Chief Operating Officer, and therefore do not receive any compensation for their term of corporate office.

The 11<sup>th</sup> resolution is, in compliance with article L.22-10-8 II of the French Commercial Code, for the approval of the compensation policy applicable to Board Members as detailed in section 3.1.2.2.3 of the 2023 Universal Registration Document.

The Board of Directors, on the recommendation of the compensation and appointments committee has established the compensation policy applicable to executive corporate officers and Board members and the compensation of each of them, as detailed in section 3.1.2.2 of the 2023 Universal Registration Document.

### **Approval of the terms and conditions of the stock option plan (12<sup>th</sup> resolution)**

You are reminded that the General Meeting of 23 June 2023 authorized the Board, pursuant to Articles L. 225-177 et seq. of the French Commercial Code, to grant options to subscribe for or purchase shares in the Company to employees and/or corporate officers.

As required by section 422 of the US Internal Revenue Code to allow the issue of incentive stock options under the Options<sub>2023</sub> plan to employees' resident in the United States for tax purposes, we inform you that the Options<sub>2023</sub> plan must be approved by the Company's General Meeting of Shareholders within one year of its adoption by the Board of Directors at its meeting on 14 November 2023.

### **Composition of the Board of Directors (13<sup>th</sup> resolution)**

In the 13<sup>th</sup> resolution, shareholders are proposed to ratify the appointment by co-optation, following her provisional appointment by the Board of Directors, of Mrs. Valérie Faillat, residing at 30 rue Léon Frot, 75011 Paris, as a director to replace Mrs. Martine George for the remainder of her term of office, i.e. until the Ordinary General Meeting to be held in 2026 to approve the financial statements for the year ended 31 December 2025.

The background and professional experience of Valérie Faillat, whose appointment is proposed, are set out below.

### **Authorization granted to the Board of Directors to proceed with buying back Company shares (14<sup>th</sup> resolution)**

The purpose of the 14<sup>th</sup> resolution is to renew the authorization granted to the Board of Directors by the Combined General Shareholders' Meeting of June 23, 2023, to buy back shares of the Company, that will expire at the end of a period of 18 months. This delegation of authority to the Board of Directors, with the option to sub-delegate, would allow it to buy or have bought shares of the Company as part of the implementation of a share buyback program that cannot exceed 5 % of the amount of equity capital existing on the day of this General Shareholders' Meeting.

The share buyback program will be framed within the following financial limits:

- **The maximum purchase price** may not exceed ten (10) euros per share, or its equivalent in foreign currency, with the understanding that this maximum price may be adjusted in the event of capital transactions such as the capitalization of reserves and award of bonus shares, and/or the splitting or grouping of shares;
- **Maximum volume:** the Company shall refrain from purchasing beyond the maximum daily volume of shares authorized by laws and regulations in place at the time this authorization is used (currently, 25% of the average daily number of shares traded on the regulated Euronext Paris stock market).

The objectives of these share buybacks would be the following:

- the allocation of shares to employees or corporate executives of the Phaxiam Therapeutics Group;

- the stimulation of the market liquidity for the share by the intermediary of one or more investment services providers;
- the reduction of the capital of the Company by cancellation of shares; and
- the coverage of debt securities exchangeable for Company shares and, more generally, of any other type of securities giving access to shares of the Company.

This program would also be intended to allow the Company to trade in its shares in order to carry out any transaction authorized by law, or any market practice allowed by the market authorities, with the understanding that the Board of Directors cannot, unless there is prior authorization by the General Shareholders' Meeting, make use of this authorization in a public offering period initiated by a third-party targeting the shares of the Company, until the end of the offering period.

## On the Extraordinary part of the General Assembly

### **Authorization to the Board of Directors to reduce the Company's share capital by canceling the treasury shares held by the Company (15<sup>th</sup> resolution)**

Subject to the adoption of the 14<sup>th</sup> resolution on the authorization to be granted to the Board of Directors to proceed with the share buyback, you are asked to authorize the Board of Directors to proceed with the cancellation of all or part of the common shares of the company acquired as part of the share buyback program authorized by the 14<sup>th</sup> resolution or other share buyback programs authorized previously or subsequently, and to reduce the equity by the overall nominal amount of the shares thus canceled, limited to 10% of the capital of the Company by periods of 24 months.

The Board of Directors cannot, unless previously approved by the General Shareholders' Meeting, make use of this authorization starting from the deposit by a third-party of a public offering targeting the shares of the Company and until the end of the offering period.

Any positive difference between the purchase price and the nominal value of the common shares would be recognized in "issue premiums" or to any other available reserves item, including the legal reserve, limited to 10% of the capital reduction made. The authorization thereby granted to the Board of Directors is valid for a period of 18 months from the date of this General Shareholders' Meeting.

### **"Financial" delegations of authority to the Board of Directors to issue of shares and/or other marketable securities convertible to the shares to be issued immediately or in the future by the Company, with or without the preferential subscription rights of the shareholders (16<sup>th</sup> to 24<sup>th</sup> resolutions)**

To allow your Board of Directors to seize the opportunity of equity financing that would

present to the Company, it is proposed to the General Shareholders Meeting, of June 28, 2024 to renew the financial delegations adopted by the General Shareholders' Meeting of June 23, 2023 in its 16<sup>th</sup> to 24<sup>th</sup> resolutions for a period of 26 months starting from the General Shareholders' Meeting, i.e., until August 28, 2026 (except for the delegation that would be granted by the 21<sup>st</sup> resolution for a period of 18 months, i.e., until December 28, 2025).

The renewal of all of these financial delegations is to allow the Company to have the flexibility and responsiveness necessary to allow it to strengthen its own equity and seize the strategic opportunities that arise by authorizing the Board of Directors to choose, depending on changes in market conditions and its financing needs, the most adequate resources for financing the Phaxiam Therapeutics Group, at the times and according to the methods that seem the most appropriate to it. The financial delegations that we are asking you to renew, could in particular enable us to implement different financing possibilities (including issues of securities giving access to the capital, issues of shares carrying warrants, a capital increase with preferential subscription rights for shareholders or financing by way of an issue of common shares with the waiver of preferential subscription rights). The Board of Directors proposes to the General Meeting to maintain the ceilings adopted last year relating to capital increases and debt securities.

At the date of this report, a proposed law is currently being debated in Parliament, concerning in particular the procedures for setting the price in the context of a public offer and the maximum amount that may be allocated to the private placement. In order to anticipate this reform and benefit from any flexibility that may be provided by future legislation, the Company refers to the legislative and regulatory provisions



currently in force, but also takes account of future provisions should they be adopted.

The new delegations of authority mentioned in the 16<sup>th</sup> to 24<sup>th</sup> resolutions would cancel and replace the authorizations with the same purpose. The maximum nominal amount of the capital increases to take place immediately or in the future, that can be carried out by virtue of the delegations mentioned in the 16<sup>th</sup> to 23<sup>th</sup> resolutions cannot exceed the overall nominal ceiling of the capital increase of EUR 10,000,000 and a cumulative sub-ceiling of EUR 10,000,000 for the authorizations for issues with preferential subscription rights waived as specified in the 17<sup>th</sup> to 23<sup>th</sup> resolutions, indicated in the table attached to this report.

In order to give the Company the needed flexibility in case of market transactions, the Board of Directors proposes to the General Assembly to give the Board of Directors the possibility to choose between two methods in order to fix the price for capital increases by public offering within the limit provided for by the laws and regulations in force at the time this authorization is used (currently 10% of the Company's share capital per year) (resolution n°19) and for capital increases through an issue reserved for certain categories of investor (resolution n°21), the issue price will at least be equal, at the discretion of the Board:

- Either to the Company's closing share price on the regulated Euronext Paris stock market during the previous trading session prior to the setting of the price;
- or the volume-weighted average of the Company's share price on the regulated market Euronext Paris over a period chosen by the Board of Directors comprising between three and seven consecutive trading sessions out of the last 30 trading sessions preceding its setting,

in both cases, possibly reduced by a maximum discount of 30% to ensure the interest of potential investors.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of the latter, to one or more Deputy Chief Executive Officers the powers that are granted to it under this resolution.

If you approve these resolutions, the Board of Directors will establish, each time these authorizations are used, in compliance with applicable legislative and regulatory provisions, a report for the shareholders describing the final conditions of the transaction and indicating (i) the potential dilutive effect of the issue of marketable securities on the situation of each shareholder, (ii) the potential impact of the issue of marketable securities on the share of equity of the Company and (iii) the potential theoretical impact of the issue of the marketable securities on the market value of the share of the Company.

**Authorization granted to the Board of Directors to issue common shares of the Company and/or securities convertible to common shares to be issued immediately or in the future by the Company, with existing shareholders' preferential subscription rights maintained (16<sup>th</sup> resolution).**

In the 16<sup>th</sup> resolution, the Board of Directors proposes to the General Shareholders' Meeting to grant it the authority to issue, on one or more occasions, in France and/or abroad, free of charge or for a price, maintaining the shareholders' preferential subscription right, of (i) common shares of the Company, and (ii) marketable securities convertible by any means, immediately or in the future, to common shares existing or to be issued, by the Company, the subscription for which may be settled either in cash or by offsetting receivables, limited to a ceiling in the nominal amount of EUR 10,000,000 with the understanding that the ceiling is a common overall ceiling applicable to all financial delegations referred to in the 16<sup>th</sup> to 23<sup>rd</sup> resolutions:

- the marketable securities convertible to the common shares to be issued by the

Company immediately or in the future thus issued may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities;

- they may take the form of subordinated or unsubordinated securities, with a fixed or indefinite term, and be issued either in euros or in other currencies, or in any monetary units established by reference to several currencies;
- the nominal amount of debt securities thus issued by virtue of this delegation of authority cannot exceed EUR 150,000,000 and this common ceiling applies to all of financial delegations referred to in the 16<sup>th</sup> to 23<sup>rd</sup> resolutions;
- the maturity of the borrowings (convertible to the common shares to be issued by the Company), other than those represented by perpetual securities, may not exceed 50 years. Borrowings (convertible to the common shares to be issued by the Company) may be interest bearing at a fixed- and/or floating rate, with or without capitalization of interest, be covered by guarantees or collateral, be redeemable, with or without premium, or be amortizable, on the basis that the securities may also be purchased on the stock market or included in a public offering or exchange bid by the Company;
- shareholders have a preemptive subscription right, on an irreducible basis, to a fixed number of common shares and marketable securities issued under this delegation, in proportion to their shareholding;
- the Board of Directors may institute for shareholders a right to subscribe, on a reducible basis, for an additional number of common shares or marketable securities to be issued, which will be exercised in proportion to their subscription rights and subject to the limit of their requests;
- if the irrevocable subscriptions and, if applicable, reducible subscriptions, do not result in the purchase of the entire issue, the Board of Directors may use all or some of the powers provided for, in the order it so determines, to: (i) limit the issue to the amount of subscriptions received, provided that it is at least three-quarters of the issue decided upon, (ii) freely allocate all or some of the unsubscribed securities to the investors of its choice, or (iii) offer all or some of the unsubscribed securities to the public on the French and/or international markets;
- issues of subscription warrants for shares of the Company can be made by subscription offering, but also by free allocation to the owners of old shares, and in the case of free allocation, of share subscription warrants;
- the Board of Directors would have the power to decide whether the allocation rights forming fractions would not be traded and that the corresponding shares would be sold.

**Delegation of authority to the Board of Directors to issue common shares of the Company and/or securities convertible to common shares to be issued immediately or in the future by the Company, with shareholders' preferential subscription rights and optional priority subscription rights waived by public offering other than the public offerings referred to in section 1° of article L.411-2 of the French monetary and financial Code (17<sup>th</sup> resolution)**

In the 17<sup>th</sup> resolution, the Board of Directors proposes to the General Shareholders' Meeting to grant it the authority to decide to issue, with shareholders' preferential subscription rights waived, in a public offering, other than the public offerings referred to in the 1° of article L.411-2 of the Monetary and Financial Code once or several times, in the proportions and at the times it deems fit, both in France and abroad, of (i) common shares of the Company, and/or (ii)

securities convertible, by any means, immediately or in the future to common shares existing or to be issued, by the Company, the subscription for which may be settled either in cash or by offsetting receivables.

Public offerings made under this resolution may be combined, as part of one or more simultaneous issues, with offerings within the provisions in section 1° of Article L.411-2 of the Monetary and Financial Code. As part of this delegation of authority:

- the preferential subscription rights of the shareholders are waived;
- the ceiling of the nominal amount of capital increase, immediately or in the future, resulting from all the issues carried out by virtue of this delegation of authority is set at EUR 10,000,000 and on condition that the nominal overall ceiling of EUR 10,000,000 specified in the 16<sup>th</sup> resolution is not reached;
- the nominal amount of the debt securities thus issued by virtue of this delegation of authority cannot exceed EUR 150,000,000 and this common ceiling applies to all financial delegations referred to in the 16<sup>th</sup> to 23<sup>rd</sup> resolutions;
- The marketable securities convertible to the common shares to be issued by the Company immediately or in the future thus issued may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities;
- the Board of Directors may establish a priority right, which is irreducible and, where applicable, reducible for all or part of the issue, for shareholders to subscribe for common shares or marketable securities for which the Board sets the terms of exercise in the conditions set forth by Law, without giving rise to the creation of transferable rights;
- if the subscriptions, including any made by shareholders, do not result in the purchase of the entire issue, the Board of Directors may limit the issue to the amount of subscriptions received, provided that it is at least three-quarters of the decided issue, and/or freely allocate all or some of the unsubscribed shares to the investors of its choice;
- the issue price of the ordinary shares be at least equal to the minimum price provided for by the laws and regulations laws and regulations in force at the time use of this authorization (currently the weighted average of the prices quoted for share price on the regulated market of Euronext Paris during the last three trading sessions preceding the start of the public offering, less a discount of up to a maximum discount of 10%, in accordance with the provisions of Article L. 225-136 1°, L. 22-10-52 and R. 22-10-32 of the Code de Commerce) and in the absence of such a minimum price, within the limits authorized by the 19<sup>th</sup> resolution of General Meeting or any resolution which may be substituted for it;
- the issue price of the marketable securities is such that the sum immediately received by the Company, increased, as necessary, by the sum that may be subsequently collected by the Company, is at least equal to the issue price referred to above, for each ordinary share issued because of the issue of these marketable securities.

**Delegation of authority to the Board of Directors to issue common shares of the Company and/or securities convertible to common shares to be issued by the Company immediately or in the future, with preferential subscription rights waived, by public offering referred to in section 1° of Article L.411-2 of the Monetary and Financial Code (18<sup>th</sup> resolution)**

In the 18<sup>th</sup> resolution, the Board of Directors proposes to the General Shareholders Meeting to grant it the authority to decide on

the issue, through a public offering in the meaning of the 1° of Article L.411-2 of the Monetary and Financial Code (i) of common shares of the Company, and/or (ii) marketable securities convertible, by any means, to the common shares to be issued immediately or in the future by the Company, with shareholders' preemptive subscription rights waived.

As part of this delegation of authority:

- the preferential subscription rights of the shareholders are waived;
  - in any event the nominal amount capital increases carried out under this resolution may not exceed the limit set by the legal and applicable at the time of issue at the time of issue (i.e. currently 20% of the share capital per year at the time of the issue, in accordance with the provisions of article L. 225-136 and article L.22-10-52 of the French Commercial Code);
  - the ceiling of the nominal amount of capital increase carried out, immediately or in the future, resulting from all issues carried out pursuant to this delegation of authority would be set at EUR 10,000,000 and this ceiling is common to the one mentioned in the 17<sup>th</sup> resolution and provided that the overall nominal ceiling of EUR 10,000,000 specified in the 16<sup>th</sup> resolution is not reached;
  - the nominal amount of the debt securities thus issued by virtue of this delegation of authority cannot exceed EUR 150,000,000 and this common ceiling applies to all financial delegations referred to in the 16<sup>th</sup> to 23<sup>rd</sup> resolutions;
  - The securities convertible to the common shares to be issued by the Company immediately or in the future thus issued may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities;
- if the subscriptions do not absorb the entire issue of shares and/or marketable securities giving entitlement to the Company's share capital under this resolution, the Board of Directors may limit the issue to the amount of subscriptions received, if it is at least three-quarters of the decided issue, and/or to freely allocate all or some of the unsubscribed shares to the investors of its choice;
  - the issue price of the ordinary shares would be at least equal to the minimum price provided for by the laws and regulations in force at the time this authorization is used (i.e. to date, the weighted average of the prices quoted for the share on the regulated market of Euronext Paris over the last three trading sessions prior to the start of the public offering, less a maximum discount of 10% in accordance with the provisions of Articles L. 225-136 1°, L. 22-10-52 and R. 22-10-32 of the French Commercial Code) and in the absence of such a minimum price, within the limits authorized by the 19<sup>th</sup> resolution of the General Meeting or any other resolution that may replace it);
  - the issue price of the marketable securities is such that the sum immediately received by the Company, increased, as necessary, by the sum that may be subsequently collected by the Company, is at least equal to the issue price referred to above, for each ordinary share issued because of the issue of these marketable securities.

**Authorization to the Board of Directors, in the case of an issue, with existing shareholders' preferential subscription rights waived by public offering, of common shares of the Company and/or securities convertible to common shares to be issued by the Company, to set the issue price in accordance with the terms and conditions set by the General meeting to the extent permitted by the laws and regulations in force at the time of issue (19<sup>th</sup> resolution)**



This authorization is granted to the Board of Directors, in compliance with the provisions of Articles L.225-136 and L.22-10-52 of the French Commercial Code, for a term of 26 months starting from the day of this Extraordinary General Shareholders' Meeting, for each of the issues decided upon in accordance with resolutions 17<sup>th</sup> and 18<sup>th</sup>, and, within the limit provided for by the laws and regulations in force at the time this authorization is used (currently 10% of the Company's share capital (as it stands on the date this authorization is used) per 12-month period at the time of issue), to derogate from the conditions for setting the price provided for in the 17<sup>th</sup> and 18<sup>th</sup> resolutions and to set the issue price of the ordinary shares and/or securities issued as follows:

- a) the issue price of the common shares will be determined by the Board of Directors and will be at least equal, at the discretion of the Board:
  - either to the Company's closing share price on the regulated Euronext Paris stock market during the previous trading session prior to the setting of the price,
  - the volume-weighted average of the Company's share price on the regulated market of Euronext in Paris over a period chosen by the Board of Directors comprising between three and seven consecutive trading sessions from among the last 30 trading sessions preceding the setting of the issue price.

and possibly discounted by a maximum of 30%;

- b) the issue price of marketable securities convertible to common shares to be issued shall be the amount received immediately by the Company, plus any amount likely to be received later by the Company, where applicable, i.e., for each ordinary share issued as a result of these marketable securities being issued, at least equal to the amount mentioned in paragraph "a)" above.

In the absence of a minimum price provided for by the laws and regulations in force as referred to in the 17<sup>th</sup> and 18<sup>th</sup> resolutions, authorizes the Board of Directors to set the issue price of the securities to be issued pursuant to these resolutions as follows:

- a) The issue price of the ordinary shares will be determined by the Board of Directors and will be at least equal, at the Board's discretion:
  - either the closing price of the Company's shares on the Euronext Paris regulated market during the last trading session prior to its determination ;
  - or the volume-weighted average of the Company's share prices on the regulated market of Euronext Paris over a period chosen by the Board of Directors comprising between three and seven consecutive trading sessions out of the last 30 trading sessions preceding the setting of the issue price;

possibly reduced by a maximum discount of 30% in order to ensure the interest of potential investors, the Board of Directors being free to use either of the two formulas set out above;

- b) The issue price of the securities giving access to ordinary shares to be issued shall be such that the amount immediately received by the Company, plus any amount that may subsequently be received by the Company, is, for each ordinary share issued as a result of the issue of these securities, at least equal to the amount referred to in paragraph 'a)' above.

The total nominal amount of the increase in the Company's capital and the total nominal amount of the debt securities resulting from the issues carried out under this authorization would be deducted respectively from the ceiling for the capital increase and the ceiling

for the debt securities set by the resolution under which the issue is decided.

Please note that the possibility of a discount of up to 30% is intended to facilitate the transaction depending on market conditions.

**Authorization for the Board of Directors, in the case of a capital increase with existing shareholders' preferential subscription rights maintained or waived, to increase the number of shares to be issued (20<sup>th</sup> resolution)**

This authorization gives the Board of Directors the authority to carry out additional capital increases in conditions identical to those of the initial issue. This allows the exercise of overallocation options, options that allow to increase the size of issues in the case of excess demands.

This authorization would be given to the Board of Directors, for a period of 26 months from the date of this General Meeting (except for the 21<sup>st</sup> resolution for which this delegation would be valid for a period of 18 months), to decide within thirty days of the closing of the subscription period for the initial issue, for each of the issues with or without maintenance of preferential subscription rights decided pursuant to the 16<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> resolutions presented above and the 21<sup>st</sup> resolution presented below, to increase the number of securities to be issued, within the time limits and within the limits provided for by the law and regulations applicable on the date of issue, by up to 15% of the initial issue and at the same price as that used for the initial issue, subject to the ceiling provided for in the resolution pursuant to which the issue is decided.

**Delegation of authority to the Board of Directors, with shareholders' preferential subscription rights waived, to increase the Company's share capital through an issue reserved for certain categories of investors (21<sup>st</sup> resolution)**

In the 21<sup>st</sup> resolution, the Board of Directors proposes to the General Shareholders'

Meetings to delegate it the authority to decide on the capital increase on one or more occasions, at the time or times that it would determine and in the proportion that it would decide, to specific categories of investors.

We propose to the General Shareholders' meeting to cover the following categories:

- i. physical and legal persons, including companies, trusts or investment funds or other investment vehicles of any form, organized under French or foreign law, that habitually invest in the pharmaceutical, biotechnological, or medical technology sector or having entered into, or in the process of entering into, an industrial, commercial, licensing, research, or partnership agreement with the Company; and/or
- ii. companies, institutions, or entities of any type, French or foreign, that exercise a significant part of their business in the pharmaceutical, cosmetic, chemical, or medical devices and/or technologies or research in these sectors or having entered into, or in the process of entering into, an industrial, commercial, licensing, research, or partnership agreement with the Company; and/or
- iii. French or foreign investment services companies, or any foreign firm with an equivalent status, that could guarantee to carry out an issue to be placed with the persons described in (i) and/or (ii) above, and, in this context, to subscribe to securities that are issued.

The ceiling of the nominal amount of capital increase carried out, immediately or in the future, resulting from all issues carried out pursuant to this delegation of authority would be set at EUR 10,000,000 and this ceiling is common to the one mentioned in the 17<sup>th</sup> resolution and provided that the overall nominal ceiling of EUR 10,000,000 specified in the 16<sup>th</sup> resolution is not reached;

If the subscriptions do not absorb the entire issue of shares and/or marketable securities giving entitlement to the Company's share capital under this resolution, the Board of Directors may limit the issue to the amount of subscriptions received, provided that the amount is at least three-quarters of the decided issue, and/or to freely allocate all or part of the unsubscribed shares to the individuals of its choice;

The marketable securities convertible to the common shares to be issued by the Company immediately or in the future thus issued may include debt securities or warrants, or be related to the issue of such securities, or allow the issue thereof as intermediate securities;

The nominal amount of debt securities thus issued by virtue of this delegation of authority cannot exceed EUR 150,000,000 and this common ceiling applies to all financial delegations referred to in the 16<sup>th</sup> to 23<sup>rd</sup> resolutions;

The Board of Directors will have full authority to implement this resolution, and in particular determine the list of beneficiaries from within the aforementioned category of investors who will benefit from the waiver of preferential subscription rights, including the features, amount and terms and conditions of any issue as well as the type of securities to be issued. In particular, it can determine the number to issue for each beneficiary and set, taking into consideration the indications contained in its report, the price of subscription of the said securities, their entitlement date as well as, if applicable, the duration, or the ways in which the marketable securities issued on the basis of this resolution are convertible to common shares to be issued by the Company, further specified that the amount received, or that will be receivable, by the Company for each of the shares issued as part of this delegation are

determined by the Board of Directors and are to be at least equal:

- a) for ordinary shares issued under this authorization, at the choice of the Board of Directors:
  - either to the closing price of the share of the Company on the regulated Euronext Paris stock exchange at the time of the last trading session preceding its being set
  - or the volume-weighted average of the Company's share price on the regulated market of Euronext in Paris over a period chosen by the Board of Directors comprising between three and seven consecutive trading sessions from among the last 30 trading sessions preceding the setting of the issue price,  
  
possibly reduced by a maximum discount of 30%;
- b) For marketable securities issued under this authorization other than shares, equal to the amount received immediately by the Company, plus any amount likely to be received later by the Company, where applicable, i.e., for each ordinary share issued as a result of these marketable securities being issued, at least equal to the amount mentioned in paragraph "a)" above.

We specify that a possibility of a discount as high as 30% aims to facilitate the transaction depending on market conditions. The delegation thus conferred to the Board of Directors is valid for an 18-month period starting from the date of this General Shareholders' Meeting.

**Delegation of authority to the Board of Directors to issue common shares of the Company and/or securities convertible to common shares to be issued by the Company in the event of a public exchange offer initiated by the Company, with shareholders' preemptive subscription rights waived (22<sup>nd</sup> resolution).**

We propose that you grant to the Board of Directors a delegation of authority to decide

based on and in the conditions proposed in the 22<sup>nd</sup> resolution, on the issue of common shares of the Company or of marketable securities convertible to shares, immediately or in the future, by the Company, as compensation for the securities contributed in a public offering as part of an exchange component initiated in France or abroad, according to local rules, by the Company on the securities of a company whose shares are admitted for trading on a regulated market in the meaning of Article L. 22-10-54 of the French Commercial Code.

As part of this delegation of authority:

- the preferential subscription rights of the shareholders are waived;
- the ceiling of the nominal amount of capital increase carried out, immediately or in the future, resulting from all of the issues carried out by virtue of this delegation of authority is set at EUR 10,000,000 and this ceiling is common to the one set in the 17<sup>th</sup> resolution and provided that the overall nominal ceiling of EUR 10,000,000 specified in the 16<sup>th</sup> resolution is not reached;
- the nominal amount of the debt securities thus issued cannot exceed EUR 150,000,000 and this common ceiling applies to all financial delegations referred to in the 16<sup>th</sup> to 23<sup>rd</sup> resolutions.

**Authorization for the Board of Directors to issue with existing shareholders' preferential subscription rights waived, common shares and/or securities convertible to common shares to be issued, to be used as payment for in-kind contributions to the Company consisting of equity securities or other securities convertible to shares (23<sup>rd</sup> resolution)**

We propose that you grant to the Board of Directors the delegation of authority to proceed, on the report of the Statutory Auditors, with the contributions to the issue of common shares of the Company and/or of marketable securities convertible to common

shares to be issued immediately or in the future by the Company, in consideration of the in-kind contributions made to the Company and composed of capital securities and/or marketable securities convertible to the capital when the provisions of Article L.22-10-54 of the French Commercial Code are not applicable.

This delegation of authority would allow the Board of Directors to finance most efficiently, by issuing securities, acquisitions of securities of companies, whose shares are either not listed, or whose shares are listed (i) if they are not listed on a regulated market or (ii) if the transaction is not carried out as part of the public exchange offering. As part of this delegation of authority, the preferential subscription rights of shareholders may be, as needed, waived for the holders of shares or marketable securities, that are the object of in-kind contributions.

The ceiling on the nominal amount capital increase, whether immediate or resulting from all the issues carried out under this authorization be set by the legal and regulatory provisions in force at the time of use of this use of this authorization (to date, 10% of the Company's share capital as at the date of this General Meeting), it being specified that this ceiling be deducted from the ceiling of EUR 10,000,000 set in the in the 17<sup>th</sup> resolution and subject to the overall nominal ceiling of EUR 10,000,000 provided for in the 16<sup>th</sup> resolution has not been reached.

The nominal amount of the debt securities thus issued cannot exceed EUR 150,000,000 and this common ceiling applies to all financial delegations referred to in the 16<sup>th</sup> to 23<sup>rd</sup> resolutions.

**Authorization to the Board of Directors to increase the Company's capital by incorporating reserves, profits, or premiums (24<sup>th</sup> resolution)**

We propose that you delegate to the Board of Directors the authority to decide to increase



the share capital on one or more occasions, at the time(s) and according to the terms and conditions that it determines, by successively or simultaneously incorporating reserves, profits, or premiums in the share capital, or any other amounts whose capitalization would be permitted by law and under the Company's articles of incorporation, followed by the creation and allocation of bonus shares or by raising the nominal value of existing common shares, or by using a combination of these two methods.

The Board of Directors has the option to decide whether fractional rights will neither be traded nor sold and that the corresponding securities will be sold. The amounts arising from the sale shall be allocated to the rights holders within the period set forth by regulations.

The ceiling of the maximum nominal amount of the capital increase, immediate or future, resulting from all of the issues conducted under this delegation is set at EUR 6,000,000 provided that this ceiling is set autonomously and separately from the capital increase ceilings resulting from issues of common shares and/or marketable securities authorized under other resolutions submitted to this General Shareholders' Meeting.

#### **Employee and manager shareholders (25<sup>th</sup> to 28<sup>th</sup> resolutions)**

These delegations of authority, detailed hereinafter, are intended to delegate to the Board of Directors the authority to issue and to retain the proceeds of issuing bonus shares (26<sup>th</sup> resolution), share subscription or purchase options (27<sup>th</sup> resolution) or detachable share subscription warrants (28<sup>th</sup> resolution) in order to recruit and to retain the talent that is essential to the growth of the Phaxiam Therapeutics Group. These delegations are granted for a duration of 38 months starting from the General Shareholders' Meeting (except for the delegation that is granted by the 28<sup>th</sup> resolution, which is for a duration of 18 months).

The general shareholders' meeting of June 23, 2023, had adopted delegations with an overall ceiling of 300,000 shares. In the context of the merger with Pherecydes and considering the new post-merger share capital, the Company wished to continue to align itself with the market standards and practices of this life sciences companies of this Exchange, particularly in terms of its policy on the allocation of equity incentive instruments. The equity compensation is indeed commonly used in the life science industry to compensate employees and attract key talent.

We believe that equity compensation has been, and will continue to be, a critical component of our compensation package because it (i) contributes to a culture of ownership among our employees, directors, and officers, (ii) aligns our employees' interests with the interests of our other stockholders and (iii) preserves our cash resources. We therefore propose that you increase the overall ceiling for all issues that may be carried out under the 26<sup>th</sup> to 28<sup>th</sup> resolutions to 1,000,000 shares.

The new delegations referred to in the 26<sup>th</sup> to 28<sup>th</sup> resolutions may not exceed the sub-ceilings specific to each instrument, i.e. 1,000,000 shares for bonus shares and share subscription and/or share purchase options and 300,000 shares for detachable share subscription warrants, as indicated in the table attached to this report.

The Board of Directors may, within the limits that it sets in advance, delegate to the Chief Executive Officer or, with the agreement of this latter, to one or more Deputy Chief Executive Officers, the power that is granted to it under this resolution.

#### **Delegation of authority to the Board of Directors to carry out capital increases reserved for employees enrolled in an Phaxiam Therapeutics Group savings plan, with shareholders' preferential subscription rights waived (25<sup>th</sup> resolution)**

Article L. 225-129-6 para. 1 of the French Commercial Code specifies that for any

delegation of authority to carry out a capital increase pursuant to Article L. 225-129-2 of the French Commercial Code, the extraordinary general shareholders' meeting must approve a draft resolution for a capital increase to be made in the conditions specified in Articles L. 3332-18 et seq. of the French Labor Code.

With respect to the agenda of the Combined General Shareholders' Meeting, it is thus your duty to decide on such a proposal and to resolve to delegate full authority to the Board of Directors to carry out the said capital increase reserved for employees enrolled in a company savings plan pursuant to the terms and conditions specified in Articles L. 3332-18 et seq. of the French Labor Code.

For this authorization to comply with the provisions of Article L. 225-129-6 of the French Commercial Code with respect to the delegations proposed in the 16<sup>th</sup> to 23<sup>rd</sup> and 26<sup>th</sup> to 27<sup>th</sup> resolutions, it is necessary to:

- resolve to waive the shareholders' preferential subscription rights for new shares to be issued to employees of the Company and its affiliates who are enrolled in a company savings plan;
- resolve that the issue price for new shares shall be set by the Board of Directors by referencing the Company's share prices on the Euronext Paris stock market, with the understanding that this price cannot be greater than the average price over the past twenty (20) trading sessions preceding the day of the Board of Directors' decision to set the opening date for the subscription period, nor be more than 30% lower than this average price, or 40% when the lock-up period defined by the company savings plan is greater than or equal to 10 years;
- limit the maximum nominal amount of the capital increase that can be carried out by the Board of Directors, which may not increase the amount of said employees' equity investment (including the equity investment already held) to more than 3%

of the total amount of share capital on the day that the Board of Directors decides to implement this authorization;

- resolve that the new shares will be subject to all provisions of the articles of association, and will be considered the same as old shares and will bear rights as of the first day of the year in which the capital increase took place;
- delegate full authority to the Board of Directors to decide upon and carry out this capital increase once pursuant to the terms set forth above, define the terms and conditions that the beneficiaries must meet, under the agreement that these terms and conditions can include employee seniority conditions, provided that the time period does not exceed six months, set the terms and conditions under which the shares will be issued and paid up, amend the by-laws, and generally take any additional steps that may be required;
- resolve that the capital increase authorized under this resolution will be carried out within one year starting from this General Shareholders' meeting.

This is the meaning of the resolution that we submit for your consideration, but that we propose to reject since, on the one hand, it is mandatory by law and, on the other hand, our Company has already put in place mechanisms for employee profit sharing.

**Authorization for the Board of Directors to award free shares, existing or to be issued, with existing shareholders' preferential subscription rights waived, to corporate officers or employees of the Company or related companies (26<sup>th</sup> resolution)**

We propose that you authorize the Board of Directors, in compliance with Article L.225-197-1 *et seq.* and L. L.22-10-59 *et seq.* of the French Commercial Code and the provisions of the MiddleNext Code of Corporate Governance, for a duration of 38 months

starting from the Extraordinary General Shareholders' Meeting, to carry out, on one or more occasions, for the employees of the Company or related companies or of certain categories of employees, as well as for the executive officers as defined by law, allocations of bonus shares or existing shares or shares to be issued by the Company, subject to the abstention periods required by law and in the conditions mentioned here below:

- the beneficiaries must be employees or corporate officers of the Company, or French or foreign companies or groups related to the Company or certain categories among them;
- this authorization shall entail the waiver, by the shareholders of existing common shares or common shares to be issued, of (i) their preferential subscription rights to future common shares that will be issued when the shares undergo final allocation, (ii) their entitlement to bonus common shares based on this authorization and (iii) any entitlement to the amount of reserves, profits, or premiums on which the new shares will be based;
- the existing shares that may be allocated under this resolution must be acquired by the Company as part of a share buyback program authorized by the 14<sup>th</sup> resolution, submitted to this General Shareholders' Meeting pursuant to Article L.22-10-62 of the French Commercial Code, or any applicable previous or subsequent share buyback program;
- the total number of bonus common shares granted under this resolution may not exceed 1,000,000 shares, provided that the total nominal amount of capital increases that could result from this resolution cannot exceed the common ceiling of 1,000,000 shares for all issues carried out pursuant to the 26<sup>th</sup> to 28<sup>th</sup> resolutions submitted to this General Shareholders' Meeting.

You are asked to authorize that the granting of these shares to their beneficiaries shall become final for all, or part of the shares allocated:

- at the end of a vesting period defined by the Board of Directors, which may not be less than one year;
- potentially at the end of a minimum period of retention by the beneficiaries starting from the final allocation of the shares, the duration of which would be defined by the Board of Directors.

In accordance with law, the cumulative duration of the vesting periods and retention periods cannot be less than two years. In the event of the disability of a beneficiary meeting the conditions required by law, the final allocation of shares may take place before the end of the vesting period.

This authorization, which expires after 38 months, would put an end, for the unused fraction, to the authorization granted to the Board of Directors by the 36<sup>th</sup> resolution of the General Shareholders' Meeting of June 23, 2023. The Board of Directors will inform the General Shareholders' Meeting of any allocations made under this resolution on a yearly basis, in accordance with Article L. 225-197-4 of the French Commercial Code.

**Authorization for the Board of Directors to grant share subscription and/or share purchase options to corporate officers and employees of the Company or companies in the Phaxiam Therapeutics Group, entailing the waiver by shareholders of their preferential rights to subscribe for shares issued following the exercise of stock options (27<sup>th</sup> resolution)**

We propose that you authorize the Board of Directors, pursuant to Articles L. 225-177 et seq. and L.22-10-56 of the French Commercial Code, with respect to the provisions of the MiddleNext Code of Corporate Governance, for a duration of 38 months starting from the General Shareholders' Meeting, to grant, on one or more occasions, share subscription and

purchase options on shares of the Company, in the following conditions:

- the beneficiaries must be employees or corporate officers of the Company, or French or foreign companies or groups related to the Company or certain categories among them;
- this authorization includes the shareholders' express waiver of their preferential subscription rights to the shares that will be issued when these options are exercised;
- each option shall give entitlement to subscribe to or purchase a new or existing common share, as appropriate;
- the total number of bonus common shares granted under this resolution cannot exceed 1,000,000 shares, provided that the total nominal amount of capital increases that could result from this resolution cannot exceed the common ceiling of 1,000,000 total shares for all issues carried out pursuant to the 26<sup>th</sup> to 28<sup>th</sup> resolutions submitted to this General Shareholders' Meeting;
- the shares that can be obtained by the exercise of the purchase options granted pursuant to this resolution proposed must be acquired by the Company;
- the share subscription or purchase price may not be less than 95% of the Company's average share price on the Euronext Paris regulated stock market in the twenty trading sessions prior to the day the options are granted. In addition, (ii) the exercise price of the share purchase options cannot be less than 95% of the average purchase price of shares held by the Company;
- the options allocated must be exercised within 10 years from the day they are granted by the Board of Directors. The Company's Extraordinary General Shareholders' Meeting is authorized to

extend the aforementioned 10-year limitation at any time.

To implement this authorization, the Board of Directors can call on the help of a committee composed of members of its choice. This authorization, which expires after 38 months, would put an end, for the unused fraction, to the authorization granted to the Board of Directors by the 37<sup>th</sup> resolution of the General Shareholders' Meeting of June 23, 2023.

The Board of Directors shall inform the general shareholders' meeting of the transactions carried out under this proposed resolution each year.

**Authorization for the Board of Directors to issue share subscription warrants, with existing shareholders' preferential subscription rights waived, to corporate officers or employees of the Company or Phaxiam Therapeutics Group companies (28<sup>th</sup> resolution)**

We propose that you authorize the Board of Directors to decide to increase the share capital, for a duration of 18 months, on one or more occasions and in the proportions and at the times that it determines, by issuing warrants, pursuant to the terms and conditions below and in accordance with Articles L. 225-129 to L. 225-129-6, L.22-10-49, L. 225-138 and L. 228-91 et seq. of the French Commercial Code:

- the beneficiaries must be employees, consultants, or corporate officers of the Company, or French or foreign companies or groups related to it, or certain categories among them;
- this authorization will include, for those who hold share subscription warrants issued under this resolution, the express waiver of their preferential subscription rights attached to the warrants issued;
- one warrant gives the right to subscribe to one share of the Company;



- the total number of shares to which the warrants granted pursuant to this resolution would give the right to a number of shares greater than 300,000 shares, it being specified that the total nominal amount of capital increases that can result from this resolution cannot exceed the common ceiling of 1,000,000 shares for all issues that can be carried out pursuant to the 26<sup>th</sup> to 28<sup>th</sup> resolutions;
- the subscription price must be at least equal to the volume-weighted average of the closing prices of the share recorded during a period of at least five consecutive trading days and at most thirty consecutive trading days among the thirty trading days preceding the setting of the subscription price, possibly reduced by a maximum discount of 5% at the time of allocation of the warrants;

To implement this authorization, the Board of Directors can call on the help of a committee composed of members of its choice. This authorization, which expires after 18 months, would put an end, for the unused fraction, to the authorization granted to the Board of Directors by the 38<sup>th</sup> resolution of the General Shareholders' Meeting of June 23, 2023. The Board of Directors shall inform the general shareholders' meeting of the transactions carried out under this resolution each year.

#### **Amendments to the Bylaws (29<sup>th</sup> resolution)**

In the 29<sup>th</sup> resolution, you are asked to amend the Company's Bylaws to take account of changes in certain governance practices and to bring the Bylaws into line with the new legal provisions (Law no. 2023-171 of 9 March 2023), namely:

- **Amendment of Articles 18 (Organization of the Board) and 19 (Board Deliberations)** to

provide for the appointment of a Reference Director, the removal of the position of Vice-Chairman of the Board and a change in the conditions of appointment of the Observers;

- **Modification of Article 21 (Senior Management)** to amend the age limit for the Chief Executive Officer;

- **Modification of Article 23 (Plurality of terms of office)** to amend the rules limiting multiple directorships;

- **Amendment of Articles 27 (summonses and meetings of the general shareholders) and 28 (Agenda)** to replace the reference to 'Works Council' '*Comité d'Entreprise*' with 'Social and Economic Committee' '*Comité Economique et Social*';

- **Amendment of Article 35 (Shareholders' equity less than half the capital stock)** to update the bylaws with the new legal provisions relating to shareholders' equity falling below half the share capital.

#### **Powers to carry out formalities (30<sup>th</sup> resolution)**

In the 30<sup>th</sup> resolution, your Board of Directors asks for all powers necessary to carry out all the required registration and publication formalities concerning this General Shareholders' Meeting.

The draft text of the resolutions submitted for your vote is attached hereto.

**The Board of Directors**