

PHAXIAM Therapeutics launches a rights issue of approximately €10m, which may be increased up to approximately €11.5m if the extension clause is exercised in full, in order to accelerate the implementation of its clinical strategy

Webinar (in French) on June 18, 2024, at 6:00 pm
[Register here](#)

Lyon (France), June 12, 2024 – 8:00 am CEST – PHAXIAM Therapeutics (the "Company") today announces the launch of a rights issue in the amount of approximately €10m (the "Capital Increase"), which may be increased up to approximately €11.5m if the extension clause is exercised in full.

Main terms of the Capital Increase:

- Subscription price: 2.00 euros per new share
- Subscription parity: 5 new shares for 6 existing shares
- Theoretical value of the preemptive subscription right: 0.40 euro
- Rights trading period: from June 13, 2024 to June 21, 2024, inclusive
- Subscription period: from June 17, 2024 to June 25, 2024, inclusive
- Settlement and delivery of the Capital Increase: July 1st, 2024
- Subscription commitments received: € 7.6m, i.e. 75% of the total amount of the Capital Increase.

The gross proceeds of the issue will supplement the Company's current financial resources and will be used to finance (1) the Company's working capital (excluding debt repayment) (i) until March 2025 assuming a 100% capital increase, (ii) until January 2025 in the event of a 75% capital increase and (iii) until the beginning of April 2025 in the event of a 115% capital increase and (2) the advancement of its clinical trial portfolio, in particular the launch of the first global (EU/US) Phase II clinical trial "Gloria" in the treatment of *Staphylococcus Aureus* infections of osteoarticular prostheses.

Thibaut du Fayet, Chief Executive Officer of Phaxiam Therapeutics, declares: *"Since its creation a year ago, PHAXIAM has achieved important developments which position the Company as a world leader in the field of phage therapy. We have refocused our clinical strategy on the most critical indications, involving the most virulent bacteria, such as S. aureus, and accelerated our development strategy towards registration in prosthetic joint infections (PJI), in particular through the preparation for the launch of a worldwide Phase II study (Gloria). Today, we are launching a capital increase to support our clinical development in this high value-added indication, and I am delighted to be able to count on the support of, Auriga IV Bioseeds fund, and other historical shareholders, as well as a new major institutional investor, EPIC Bpifrance, acting on behalf of the French State as part of the French Tech Souveraineté agreement to support us in this ambitious clinical strategy. On the strength of the robust clinical evidence acquired in compassionate treatments, administered to date to over 100 patients, we are confidently moving forward with the implementation of this first global Phase 2 study in this clinical indication, with patient recruitment expected to begin in Q1 2025. This fund-raising is thus an essential step towards achieving our ambition of offering innovative and effective therapies to patients for whom traditional antibiotic treatments have failed."*

Main features of the Capital Increase

The Capital Increase will be carried out with shareholders' preferential subscription rights, in accordance with the 25th and 29th resolutions of the Combined General Meeting of the Company's shareholders on June 23, 2023, and will result in the issue of 5,062,587 new ordinary shares (the "Initial New Shares"), which may be increased in the event of a full exercise of the extension clause by 759,388 additional new ordinary shares (the

"Additional New Shares" and, together with the Initial New Shares, the "New Shares"), at a subscription price of 2.00 euros per share (i.e., a par value of one euro as well as an issue premium of one euro), to be fully paid up upon subscription, representing an initial gross amount, including issue premium, of 10,125,174 euros.

Holders of existing shares in the Company (the "Shares") recorded in their securities account at the end of the accounting day of June 12, 2024 will be allocated preemptive subscription rights (the "Rights") which will be detached from the underlying Shares on June 12, 2024. The Company's existing Shares will thus be traded ex-rights as from June 13, 2024. 6 Rights will allow the irreducible subscription of 5 New Shares, at a subscription price of 2.00 euros per New Share.

Subscriptions on a reducible basis will be accepted. Any New Shares not subscribed to on an irreducible basis will be allocated to holders of Rights who have placed additional subscription orders on a reducible basis, subject to reduction in the event of oversubscription.

Based on the closing price of PHAXIAM Therapeutics shares on the regulated market of Euronext Paris ("Euronext Paris") on June 10, 2024, i.e. 2.87 euros, the theoretical value of one (1) Right is 0.40 euro and the theoretical value of the ex-right share amounts to 2.47 euros.

For information purposes, the subscription price of the New Shares of 2.00 euros per share reflects a 19.2% discount to the theoretical value of the Company's ex-Rights share, based on the closing price on June 10, 2024, and a 30.3% discount to this price.

These values neither presuppose the value of the Rights throughout their trading period nor the ex-Rights value of the Company's shares as it will be observed on the market.

The Capital Increase will be open to the public in France only.

Subscription orders on a free subscription basis (*à titre libre*)

In addition to the possibility of subscribing on an irreducible and reducible basis in accordance with the terms and conditions set out above, any individual or legal entity, whether or not holding Rights, may subscribe to this Capital Increase on a free subscription basis (*à titre libre*).

Investors wishing to subscribe on a free subscription basis (*à titre libre*) must send their request to Société Générale Securities Services (SGSS) – 32 Rue du Champ de Tir – CS 30812 – 44308 NANTES, or to their authorized financial intermediary at any time during the subscription period and must pay the corresponding subscription price.

In accordance with the provisions of article L. 225-134 of the French Commercial Code, subscriptions on a free subscription basis (*à titre libre*) will only be taken into account if the subscriptions on a irreducible and reducible basis have not absorbed the entire Capital Increase, it being specified that the Board of Directors will have the option of freely allocating the unsubscribed shares, in whole or in part, among the investors (shareholders or third parties) of its choice who have made subscription orders on a free subscription basis (*à titre libre*).

Extension Clause

Depending on demand, the Company may decide to increase the number of Initial New Shares by a maximum of 15%, i.e. a maximum number of 759,388 Additional New Shares (the "Extension Clause") by virtue of the 29th resolution of the Company's General Meeting of June 23, 2023.

The Extension Clause shall be used to serve in priority subscriptions on a reducible basis, made by shareholders and/or purchasers of Rights, which could not be served. The decision to exercise the Extension Clause will be taken by the Chief Executive Officer, acting upon delegation of the Board of Directors, after consultation with the Global Coordinator and Sole Bookrunner, at the latest on the day of publication of the results of the Capital Increase scheduled for June 27, 2024 (according to the indicative timetable) and will be mentioned in the press

release issued by the Company and posted on the Company's website, and in the notice issued by Euronext Paris announcing the results of the Capital Increase.

Intentions and subscription commitments of the main shareholders and partners

Auriga IV Bioseeds, holding 10.73% of the Company's share capital prior to the Capital Increase, has undertaken to subscribe on an irreducible basis for an amount of 800,000 euros corresponding to 400,000 New Shares.

EPIC Bpifrance, acting on behalf of the French State under the French Tech Souveraineté agreement dated December 11, 2020, has undertaken to subscribe either on a irreducible basis and reducible basis (*à titre irréductible et réductible*) following the acquisition of Rights, or on a free subscription basis (*à titre libre*), as the case may be, for a total amount of 5 million euros corresponding to 2.5 million of New Shares, to which may be added a potential additional amount of 750,000 euros corresponding to 375,000 New Shares in the event of a full exercise of the extension clause, which may be allocated in whole or in part by the Company, but which may not in any event represent more than 50% of the amount issued under the extension clause. As part of this commitment, Mr. Olivier Martinez has been appointed as an observer (*censeur*) of the board of directors and it has been agreed that the Company will propose the appointment of Bpifrance Investissement, represented by Mr. Olivier Martinez, as a member of the Company's Board of Directors, subject to completion of the Capital Increase. His appointment will be put to a vote at the next Company's shareholders' general meeting following the Company's shareholders' general meeting to be held on June 28, 2024. In return for its commitment, EPIC Bpifrance will receive a commission equal to 5% excl. VAT of the amount of its commitment of €5 million.

FA DIESE 3, holding a 1.46% stake in the Company's share capital prior to the Capital Increase, has undertaken to subscribe on an irreducible basis and on a reducible basis, as the case may be, for a total amount of 150,000 euros corresponding to 75,000 New Shares.

Nine members of the Guy Rigaud Pool, holding a total of 2.04% of the share capital, have undertaken to subscribe together on an irreducible basis for a total amount of 110,000 euros corresponding to 55,000 New Shares.

Lock-up commitments

Phaxiam Therapeutics has agreed to a lock-up period of 180 calendar days following the settlement and delivery date of the New Shares, subject to customary exceptions.

The directors, officers and shareholders represented on the Board of Directors (i.e. Messrs Eric Soyer, Thibaut du Fayet, Go Capital, Gil Beyen, Philippe Archinard, Jérôme Bailly, Didier Hoch), Auriga IV Bioseeds represented by Auriga Partners and nine shareholders members of the Guy Rigaud shareholder pool having entered into a subscription commitment, have undertaken to retain the Company shares they hold for a period of 180 calendar days following the settlement-delivery date of the New Shares, subject to certain customary exceptions.

Dilution

For illustrative purposes only, a shareholder holding 1% of the Company's share capital as of June 11, 2024, and not subscribing to the Capital Increase, would hold 0.55% of the Company's share capital on a non-diluted basis following the completion of the Capital Increase for an amount of approximately €10 million.

Guarantee and subscription commitment

The offer is not subject to a guarantee within the meaning of Article L.225-145 of the French Commercial Code. Trading in the shares will therefore only start once settlement and delivery have been completed and the depositary's certificate has been issued.

Hermitage Gestion Privée, Friedland Gestion, Market Wizards and TreeCap (the "**Guarantors**") have each irrevocably undertaken to subscribe for any New Shares that have not been subscribed by the end of the

subscription period, so that the Capital Increase reaches 75% of the gross initial amount (i.e. 7.6 million euros). This guarantee represents an amount of approximately 1.5 million euros. Any New Shares not absorbed by the irreducible and reducible subscriptions will be distributed and allocated to the Guarantors in proportion to their guarantee commitments, up to a limit of 75% of the gross initial amount of the Capital Increase. In return for their commitments to secure the completion of the Capital Increase, these Investors will each receive a commission equal to 5% excl. VAT of the amount of their respective commitments.

The Guarantors' guarantee commitments are summarized below:

Guarantee commitments	Amount
TreeCap	€500,000
Hermitage Gestion Privée	€500,000
Market Wizards	€400,000
Friedland Gestion	€134,000

The subscription and guarantee commitments amount to 7,594,000 euros and represent 75% of the amount of the Capital Increase (excluding the exercise of the Extension Clause).

Indicative timetable for the Capital Increase

The Rights will be detached on June 12, 2024 and traded on the Euronext Paris regulated market under ISIN code FR001400QNP6 from June 13, 2024 to June 21, 2024 inclusive. Unexercised Rights will automatically lapse at the end of the subscription period, i.e. at the close of trading on June 25, 2024. The subscription period for the New Shares will run from June 17, 2024 until the close of trading on June 25, 2024. The results of the subscriptions will be announced on June 27, 2024.

Settlement and delivery of the New Shares and the start of trading on Euronext Paris are expected to take place on July 1st, 2024. The New Shares will carry dividend rights and will be entitled, as from their issue, to all distributions made by the Company, they will be, as from their issue, immediately assimilated to the existing shares of the Company and will be traded on the same listing line under the same ISIN code FR001400K4B1. The voting rights attached to the New Shares will not be exercisable at the shareholders' general meeting of the Company to be held on June 28, 2024.

ODDO BHF SCA is acting as global coordinator and sole bookrunner for the Capital Increase (the "**Global Coordinator and Sole Bookrunner**"). The Capital Increase was the subject of a placement agency agreement entered into on June 11, 2024, between the Company and the Global Coordinator and Sole Bookrunner.

Risk factors

Potential investors are also advised to carefully consider the risk factors mentioned in chapter 2 "*Risk factors*" of the 2023 Universal Registration Document, in chapter 2 "*Risk factors*" of the Amendment to the 2023 Universal Registration Document and in chapter 2 "*Risk factors*" of the Securities Note. If any or all of these risk factors materialize, the Company's business, finances, results or ability to achieve its objectives could be adversely affected, and the value of the Company's securities could also be adversely affected.

Co-option of Mrs Valérie Faillat

The Board of Directors has decided to co-opt Valérie Faillat as an independent director of the Company. Ratification of her appointment will be proposed at the Company's next Annual General Meeting, to be held on June 28, 2024.

Availability of the Prospectus

The prospectus (the "**Prospectus**") has been approved by the *Autorité des marchés financiers* (the "**AMF**") under number 24-211 the June 11, 2024 and consists of (i) the Company's 2023 Universal Registration

Document filed with the AMF on April 5, 2024 under number D. 24-0243 (the "2023 Universal Registration Document"), (ii) the amendment to the 2023 Universal Registration Document filed with the AMF on June 11, 2024 under number D. 24-0243-A01, (iii) the securities note dated June 11, 2024 (the "**Securities Note**"), and (iv) the summary of the Prospectus (included in the Securities Note).

The Prospectus is available on the AMF website (www.amf-france.org) and of the Company (<https://phaxiam.com/>). Copies of the Prospectus are available free of charge from the Company's head office at 60, avenue Rockefeller - 69008 Lyon, France.

Potential investors are advised to read the Prospectus before making an investment decision in order to fully understand the potential risks and benefits associated with the decision to invest in the securities. Approval of the Prospectus by the AMF should not be construed as a favorable opinion on the securities offered or admitted to trading on a regulated market.

Webinar

PHAXIAM Therapeutics management will hold a webinar on **June 18, 2024, at 6:00 pm CEST** to comment the current transaction and its clinical strategy. This presentation in French, will be followed by a Q&A session.

The webinar can be accessed via the following link: [click here](#)
The replay of the webinar will be available on the Company's website in the following days.

About PHAXIAM Therapeutics

PHAXIAM is a biopharmaceutical company developing innovating treatments for resistant bacterial infections, which are responsible for many serious infections. The company relies on an innovative approach based on the use of phages, natural bacteria-killing viruses. PHAXIAM is developing a portfolio of phages targeting 3 of the most resistant and dangerous bacteria, which together account for more than two-thirds of resistant hospital-acquired infections: Staphylococcus aureus, Escherichia coli and Pseudomonas aeruginosa.

PHAXIAM is listed on the Euronext regulated market in Paris (ISIN code: FR0011471135, ticker: PHXM). PHAXIAM is included in the CAC Healthcare, CAC Pharma & Bio, CAC Mid & Small, CAC All Tradable, EnterNext PEA-PME 150 and Next Biotech indices.

For further details, please check the website: www.phaxiam.com

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