

THE MARKET BACKS AKKADIAN PARTNERS AND CONDEMNS THE MERGER BETWEEN ERYTECH AND PHERECYDES

Paris – 4 July 2023 – 8:00 am – Akkadian Partners wishes to inform the market that it has retained all the shares it has acquired in recent months and did not participate in the sale of shares that triggered the sharpest fall in the SRD market at the close of trading on Monday 3 July 2023.

Akkadian Partners attributes responsibility for this fall in the value of the Phaxiam Therapeutics share price to Pherecydes shareholders who, under no obligation to retain their shares, sold the shares they received under the merger hurriedly and in a panic, enabling them to generate substantial gains that the advantageous parity chosen for the merger offered them on a silver plate!

Akkadian Partners would also like to point out that three legal proceedings have been initiated in France:

- 1- A writ of summons against Erytech before the commercial courts in order to appoint a legal expert to determine whether the merger parity adopted by the two management teams of Erytech and Pherecydes is economically justified; the legal expert is investigating this issue and is preparing his report;
- 2- A writ of summons against Erytech before the commercial courts in order to request the nullity, particularly on the grounds of fraud, of the issue of shares as consideration for the contribution in kind of Pherecydes shares carried out on 15 May 2023 to the benefit of certain Pherecydes shareholders to enable them to vote in favour of the merger;
- 3- A writ of summons against Erytech and certain Erytech shareholders before the commercial courts, where necessary in the presence of the Public Prosecutor, with a view to requesting the suspension of voting rights attached to the shares exceeding the 5% threshold of Erytech's share capital held by Erytech's concert party shareholders, i.e. Auriga Partners, Recordati SpA and the shareholders of Pherecydes, contributors of their Pherecydes shares to Erytech, for failure to declare that the 5% threshold of Erytech's share capital was exceeded following Erytech's press release dated 15 February 2023, the concert part action declared on 15 May 2023 having begun *de facto* and *de jure* on 15 February 2023.

Akkadian Partners also intends to initiate two other proceedings in France:

- 1- A writ of summons to be issued in the next few days against Erytech before the commercial courts in order to request the nullity of the merger vote and consequently of the merger itself on the grounds that the quorum count and the vote were miscalculated without taking into account (i) the fraud in the share issue carried out on 15 May 2023, sanctioned by the cancellation of the shares issued and the associated voting rights, (ii) the failure to declare that the 5% threshold of Erytech's share capital was exceeded in February 2023 by the concert party shareholders, sanctioned by the suspension of their voting rights, (iii) the incorrect parity chosen for the merger, to be confirmed by the legal expert once he has filed his report;
- 2- A direct summons, at a later date, before the French criminal courts, against the directors of Erytech and Pherecydes as well as their advisors who abused their powers as defined in Article L. 242-6 4 of the French Commercial Code.

Akkadian Partners hoped to convince Erytech's directors to avoid the fall in its stock market value resulting from its merger with Pherecydes and the choice of a merger parity, that was disastrous for Erytech, in the interests of Erytech and its shareholders, but has not succeeded in doing so.

Akkadian Partners has decided to refer to the French courts to obtain compensation for the prejudice suffered by the shareholders of Erytech, now Phaxiam Therapeutics, and is studying with its American advisors the possibility of bringing a class action to compensate for the substantial loss of value suffered by the shareholders of Erytech/Phaxiam Therapeutics.

The undermining of Erytech by the former and newly appointed executives of Erytech and Pherecydes and by those among Pherecydes shareholders who are exploiting this merger to secure huge gains by hurriedly selling their shares on the market instead of supporting the stock market value of Erytech, now Phaxiam Therapeutics, will have inevitable consequences.

This merger epitomises the contempt that unbridled capitalism shows towards small shareholders and all other shareholders who deserve fair and equitable compensation for the prejudice they have suffered.

About Akkadian Partners

Akkadian Partners manages a multi-strategy investment fund, mostly in the health sector. The fund manages shareholdings in several pharma and bio-tech companies in the US and Europe. Akkadian invests the funds of its managers and investors which include Family Offices and Ultra High Net Worth Investors.

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