Case Study – Erytech

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Overview

Company: Erytech Pharma
Country: France
Sector: Biotech

Erytech develops **innovative therapies for rare forms of cancer** and orphan diseases. Erytech has developed a pipeline of product candidates targeting markets with high unmet medical needs.

In the third quarter of 2019, Erytech initiated Phase 3 Trial "TRYbeCA1" for its lead candidate, Eryaspase in Pancreatic Cancer in the United States. In April 2020, Erytech provided an update regarding the safety data of the product, confirming its favourable safety profile. As the Company entered the final stage of its advanced clinical program, **Erytech sought financing** to best preserve the Company's and the shareholders' interests.

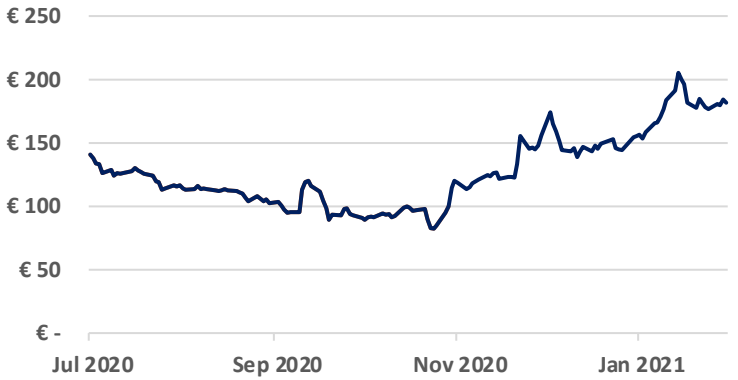
In June 2020, Erytech and ABO implemented a flexible Convertible Bond Funding Program with warrants attached. The facility represented a **total commitment of €60 million**, structured in 20 equal tranches of €3 million each and subject to the regulatory 20% dilution.

Erytech announced **complete enrolment in Phase 3 Trial** with first interim analysis in February 2021 suggesting no safety issues. The Independent Data Monitoring Committee recommended trial to continue to final analysis with full results expected in the fourth quarter of 2021.

Transaction Highlights

Signing date	09 June 2020
Facility	Convertible Bonds FP
Total Commitment	EUR 60,000,000
Agreement Length	24 months
Tranches	20 x EUR 3,000,000
Use of Proceeds	Clinical Trials
First Tranche Disbursement	06 July 2020
Last Tranche Disbursement	21 December 2020
Total Capital Deployed	24.5%

Market Cap (Millions)



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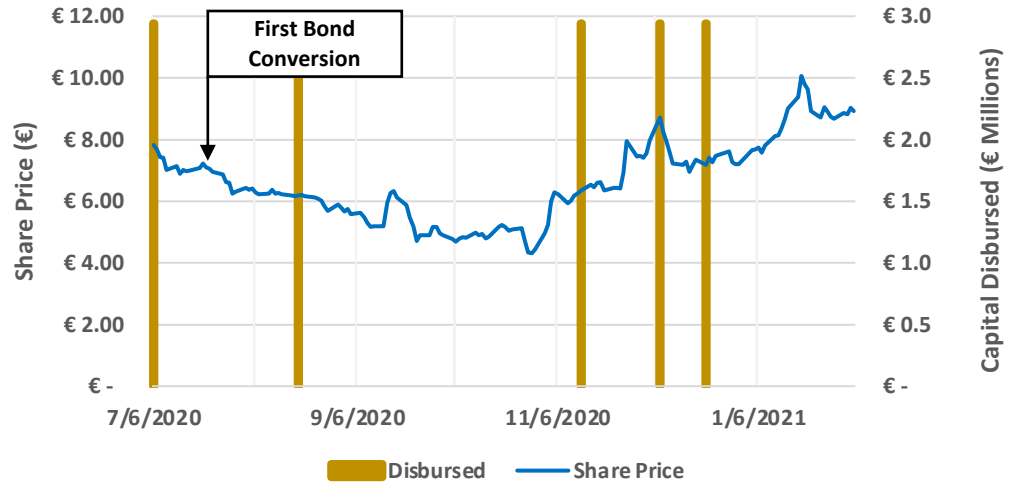
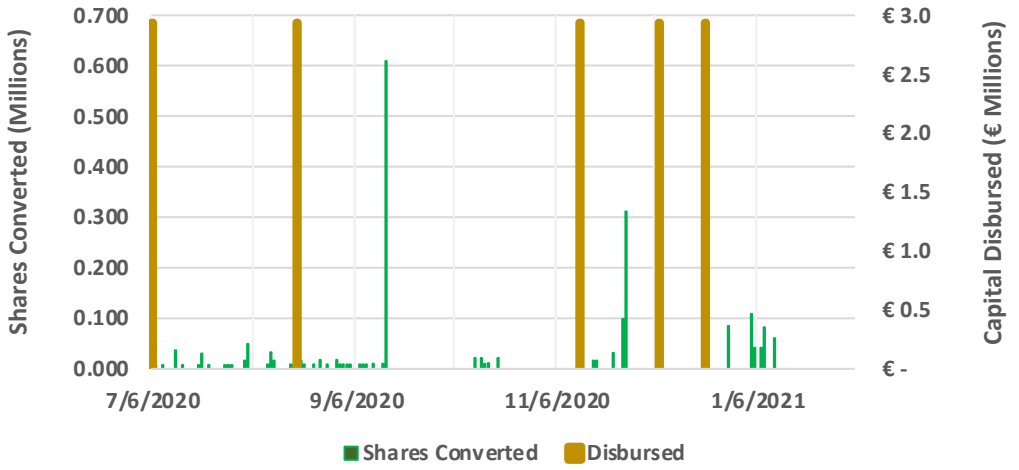
Execution

- ABO effectively disbursed 5 tranches to Erytech, with the first being disbursed on 7th July 2020 and the fifth on 21st December 2020.
- In May 2019, Erytech received FDA's authorisation to proceed with Phase 3 Trial for **Eryaspase** in second-line metastatic pancreatic cancer in 11 countries in Europe and the United States. In February 2021, an interim superiority analysis was performed by an Independent Data Monitoring Committee (IDMC). No safety issues had been identified which was consistent with the three previous IDMC reviews. Erytech's trial continued to the final efficacy analysis with results expected in the fourth quarter of 2021.
- The funding program is still ongoing and available for Erytech to drawdown on.

Date	Tranche	Amount (€)
06/07/20	1	2,940,000
19/08/20	2	2,940,000
13/11/20	3	2,940,000
07/12/20	4	2,940,000
21/12/20	5	2,940,000

Tranche Drawdown





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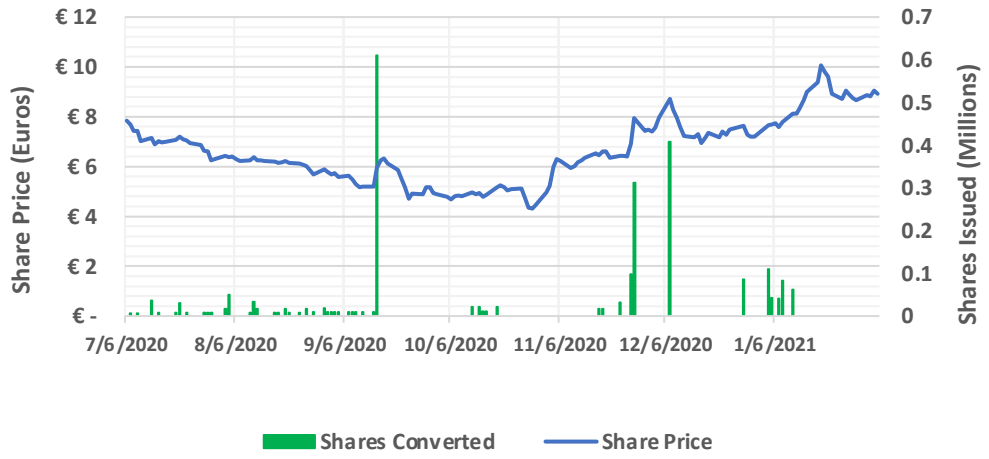
Share Price and ABO Conversions



Share Price and ABO Conversions

CBFP Dilution

A total of 2,430,925 shares were issued during the convertible bond financing program, bringing the outstanding shares to a total of 20,393,783.

The new outstanding shares entitle a total dilution of approximately 11.92% to the shareholders of the company for a total disbursed capital amount of €15,000,000.

A shareholder owning 1% of the total shares of the company prior to the financing program, would now own 0.88%.

Original Outstanding Shares	17,962,858
Issued Shares	2,430,925
New Outstanding Shares	20,393,783
Total Dilution	11.92%

Pre-ABO Ownership (shares)	179,628
Pre-ABO Ownership (%)	1.00%
Post-ABO Ownership (%)	0.88%
Dilution	0.12%