

## **Antibiotic resistance: Pherecydes Pharma raises €8.7M (\$10.3M)**

**Series B financing led by GO CAPITAL and two historical investors, ACE Management and Auriga Partners**

**Funds will allow company to produce phages according to Good Manufacturing Practices (GMP), initiate clinical trials with two new products and set up a pharmaceutical production unit in Nantes**

**Romainville, France, January 16, 2018** – Pherecydes Pharma, a biotechnology company specialized in the research and development of anti-infective therapies based on the use of bacteriophages, today announces that it has raised €8.7M (\$10.3M) during a Series B round of financing. The new investors are GO CAPITAL, who led this round, along with Omnes Capital, Fa Dièse and a group of business angels from the Rhône-Alpes region. Historical investors ACE Management, Auriga Partners and Participations Besançon have also contributed significantly to this round of financing.

With this financial support, the company plans to produce phages for compassionate use (ATU or Temporary Authorization for Use) in accordance with GMP. Pherecydes will move two programs into the clinical phase in 2018 and 2019: PHOSA for the treatment of severe *Staphylococcus aureus* infections and PNEUMOPHAGE for the treatment of *Pseudomonas aeruginosa* respiratory tract infections. The financing will be used, as well, to set up a 10,000 square feet (approx 1,000M<sup>2</sup>) pharmaceutical production unit in Nantes. In addition, new research programs will be launched in 2018 and 2019.

Phage therapy is an innovative therapeutic approach for the treatment of bacterial infections, particularly those acquired in hospitals - (HAI) and/or resistant to antibiotics. According to the [O'Neill report](#), if antibiotic resistance continues to increase it will result in the deaths of 10 million people each year and a 2% to 3.5% reduction in global GDP from 2050 onwards. The [WHO estimates](#) that the annual costs generated represent €7bn (\$8.3bn) in Europe and \$6.5bn (€5.5bn) in the United States. The rapid development of antibiotic resistance has become a major public health issue. In 2017, the [WHO published](#) a list of priority targets, which includes those pathogens selected by Pherecydes.

The investors were convinced by the unique expertise developed by the company in the production of highly purified phages. Pherecydes plans to quickly become an integrated company, with its own production capacities. Overall, the biotechnology startup has raised a total of €13.6M (\$16.2M). This includes this round of financing, as well as €2.6M (\$3.1M) raised in 2015 and €2.3M (\$2.7M) raised since its creation in 2007.

“Over the next few years, phage therapy will play a major role in the global fight against antibiotic resistance. We are certain that Pherecydes is in a strong position to become a driving force in phage therapy. We were all attracted by Pherecydes’ high-caliber team as well as the technology platform, which is already clinically well proven on a compassionate use basis. The company has ambitious targets and we are delighted to support the development of such a project with high-quality investors at our side,” said Leila Nicolas, investment director at GO CAPITAL.

"Since the beginning of our relationship with Pherecydes Pharma, we have been able to ascertain the relevance of the technology," said Delphine Dinard, investment director at ACE Management. "Infections caused by multidrug-resistant bacteria have become a major public health issue. Pherecydes Pharma's business model means that revenues from the sale of its bacteriophages can be expected in a very short period of time. We are extremely pleased to welcome GO CAPITAL, Omnes, Fa Dièse and new business angels as investors in Pherecydes Pharma to support it in this exciting stage of development."

"This financing is a major step for the company. It allows Pherecydes to become a commercial company with its own industrial capacities," said Guy-Charles Fanneau de La Horie, CEO of Pherecydes Pharma.

"We are going to make the transition from a start-up to an integrated company with commercial activity," said Jérôme Gabard, COO of Pherecydes Pharma.

Representatives from GO CAPITAL and Omnes will soon be appointed to the company's supervisory board. Auditors will represent Fa Dièse and the group of business angels. ACE Management and Auriga Partners will keep their seats, as will both current independent members.

Legal advice (Pherecydes): Joffe et Associés (Charlotte Viandaz – Christophe Joffe) + 33 (0)1 43 18 20 30 - [www.joffeassocies.com](http://www.joffeassocies.com)

Legal advice (Investors): PwC - Jacques Darbois and Olga Rudeanu – + 33 (0)251 843 438 – [www.pwc.fr](http://www.pwc.fr)

Fiscal and Social Accounting Audit: Cabinet EXCELIS – Fabrice Guillery and Eric Lagadec – + 33 (0)299 855 581 [www.excelis-conseil.fr](http://www.excelis-conseil.fr)

Intellectual Property Audit: ADIPSE Sàrl – Dr Alix Dubes – [alix.dubes@adipse.com](mailto:alix.dubes@adipse.com) [www.adipse.com](http://www.adipse.com)

Technical Audit: 3Biotech – Olivier Favre-Bulle – [ofbu@3biotech.com](mailto:ofbu@3biotech.com) – [www.3biotech.com](http://www.3biotech.com)

Regulatory Audit: Nicolas Ferry – NF Consulting SAS – [nfconsulting@laposte.net](mailto:nfconsulting@laposte.net)

### **About phage therapy**

Phage therapy involves using lytic bacteriophage viruses (more commonly known as phages) to treat bacterial infections. This type of treatment was widely used on an informal basis throughout the world before the discovery of antibiotics. Today, both Georgia and Russia include phages in their pharmacopeias. Phages are also used in Poland in compassionate practice.

Since the early 2000's, the emergence of HAIs involving multi-resistant bacteria and the absence of new and effective antibiotics has led to a modern form of phage therapy emerging in numerous countries. In Europe, this revival can be traced back to 1994 when the use of phages to treat an infection caused by *Pseudomonas aeruginosa* proved effective during skin grafts. Since then, a number of other studies on animals have prompted further interest in this kind of treatment.

### **About GO Capital**

GO Capital is an independent venture capital firm that manages over €170 million (\$200M) and invests primarily in high-tech companies located in Western and Central France, in the fields of energy, the digital economy, life sciences and industry services. GO CAPITAL invests in companies via several funds (GO Capital Amorçage and Ovest Ventures), from their creation to their expansion worldwide, in order to boost their development. It now has 41 companies in its portfolio. The Ovest Ventures III fund, which invests in Pherecydes, brings together investors from the West of France, Bpifrance, the Bretagne and Pays de la Loire regions, as well as banking partners (BNP Paribas, BPO, BPA, CIC Ovest, CM Arkea).

[www.gocapital.fr](http://www.gocapital.fr)

### **About Omnes Capital**

Omnes Capital is a major private equity and infrastructure player. With €3.6 billion (\$4.3bn) in assets under management, Omnes Capital provides companies with the capital they need to finance their growth through three main service areas: venture capital, capital development & transmission and infrastructure. With 30 industrial divestitures and more than 10 IPOs in 18 years, the Omnes Capital risk capital team is one of the major players in France for financing innovative SMEs with expertise in both deep-tech and health. Omnes Capital was a subsidiary of Crédit Agricole until March 2012. Today, the company is fully owned by its employees. Omnes Capital signed the United Nations-supported Principles for Responsible Investment (PRI).

[www.omnescapital.com](http://www.omnescapital.com)

### **About Fa Dièse**

Fa Dièse is a €30 million (\$35.6M) venture capital fund gathering around forty general partners, all company directors, and funds from institutional investors including global reinsurance company SCOR. Fa Dièse' success is based on a mixture of the business angels' philosophy and the standards of venture capital; it combines the sponsorship of experienced leaders, who share strong values and capitalize on the success of an entrepreneur-to-entrepreneur relationship, and a professional-standard investment structure with a long-term strategy starting at the seed phase. Since its incorporation in 2001, Fa Dièse has invested close to €18 million (\$21.4M) in 43 companies in the digital, life sciences and industrial fields. Fa Dièse is a member of the AFIC (French Association of Investors for Growth) and member of the Entrepreneurs' Funds Club.

[www.fadiese.fr](http://www.fadiese.fr)

### **About ACE Management**

ACE Management is a private equity investor, specialized for over 25 years in capital funding for technology companies involved in the aerospace, maritime, defense and security industries. The company manages seven investment vehicles, representing more than €450 million (\$534M) of capital: Aerofund (I, II and III), Financière de Brienne, Security and Atalaya. The subscribers of these funds are European industrial groups (Airbus, Safran, Airbus Group, Airbus Helicopters, Thales, Naval Group, CEA, Louis-Dreyfus Armateurs, Areva), institutional investors (Bpifrance, Fond de Solidarité des Travailleurs du Québec (FTQ), GICAN – Groupement des Industries de Construction et Activités Navales, CIMR (Caisse Interprofessionnelle Marocaine de Retraite), Société Générale, Crédit Agricole, CIC, AXA, Crédit Coopératif) and four French regions (Occitanie, Nouvelle Aquitaine, Pays de la Loire et Centre).

[www.acementagement.fr](http://www.acementagement.fr)

### **About AURIGA Partners and AURIGA IV Bioseeds**

Auriga Partners is an independent venture capital firm. It invests equity funds in innovative projects with strong growth potential in the digital and life sciences sectors, from the early development stage to the international commercial expansion phase.

AURIGA IV *Bioseeds* is a seed fund that invests in companies coming from or operating in infectiology and microbiology. Worth over €40 million (\$43.2M), it is managed by AURIGA Partners and supported by the French Public Investment Bank and the European Investment Fund among others.

[www.auriga.vc](http://www.auriga.vc)

### **About Participations Besançon**

Participations Besançon is a family-owned property holdings company directed by Mr. and Mrs. Pierre Besançon. Its registered office is located in Paris. It currently invests in listed and unlisted companies in the pharmaceuticals and biotechnology sector, primarily French biotechnology companies.

### **About Pherecydes Pharma**

Pherecydes Pharma SA specializes in research into innovative and adaptive solutions to fight multi-resistant bacterial infections, using cocktails of natural phages.

Thanks to its unique expertise, Pherecydes Pharma has managed to develop a large bank of bacteriophages cocktails to fight antibiotic-resistant infections, steadily on the rise since the 1980s. The company owns a vast collection of phages against *Escherichia coli* (*E.coli*), *Pseudomonas* and staphylococcal infections. These three species are responsible for more than 50% of bacterial infections in industrialized countries. Half a dozen patents have been filed or are in the process of being registered in order to protect the technology and products developed by Pherecydes Pharma. In addition to the two products being tested in the Phagoburn clinical trial, the company is



developing two other products: one for the treatment of respiratory tract infections and the other for bone and joint infections and diabetic ulcers.

Located in the Biocitech science park near Paris, Pherecydes Pharma has twelve employees. In addition to capital rounds, it also benefits from public funding from the Ministry of Defense (PneumoPhage project), the Single Inter-Ministry Fund (Phosa project) and the European FP7 grant for the Phagoburn project.

[www.pherecydes-pharma.com](http://www.pherecydes-pharma.com)

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Media Contact and Analysts

**Andrew Lloyd and Associates**

Agnes Stephens – Juliette Dos Santos

[agnes@ala.com](mailto:agnes@ala.com) / [juliette@ala.com](mailto:juliette@ala.com)

Tel.: +44 1273 675 100

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