UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2021

Commission File Number: 001-40010

Pharvaris N.V.

(Translation of registrant's name into English)

J.H. Oortweg 21
2333 CH Leiden
The Netherlands
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

PHARVARIS N.V.

On November 10, 2021, Pharvaris N.V. issued a press release. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein. Exhibit 99.1 to this Report on Form 6-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated November 10, 2021.
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations as of and for the Three and Nine Months Ended September 30, 2021.
99.3	Unaudited Condensed Consolidated Interim Financial Statements as of and for the Three and Nine Months Ended September 30, 2021.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PHARVARIS N.V.

Date: November 10, 2021

By: /s/ Berndt Modig
Name: Berndt Modig
Title: Chief Executive Officer

Pharvaris Reports Third Quarter 2021 Financial Results and Provides Business Highlights

- **RAPIDe-1, Phase 2 on-demand study of PHVS416 for the treatment of HAE attacks, proceeding; topline data reaffirmed for 2022**
- **CHAPTER-1, Phase 2 prophylactic study of PHVS416 for the prevention of HAE attacks, recruiting; topline data expected in 2022**
- **PHVS719 Phase 1 pharmacokinetics study initiating this month**
- **Executing from a strong financial position with cash and cash equivalents of €218.6 million as of September 30, 2021**

Zug, Switzerland, Nov. 10, 2021 – Pharvaris (Nasdaq: PHVS), a clinical-stage company focused on the development and commercialization of novel oral bradykinin-B2-receptor antagonists for the treatment of hereditary angioedema (HAE) and other bradykinin-B2-receptor-mediated indications, today reported financial results for the third quarter ended September 30, 2021, and provided an update on recent business highlights.

“This quarter we continued to execute on our robust clinical development strategy as we seek to advance novel treatments for HAE patients that offer efficacy without compromising on convenience,” said Berndt Modig, co-founder and chief executive officer of Pharvaris. “We continue enrolling patients in RAPIDe-1, our Phase 2 on-demand study of PHVS416, and have begun recruiting in CHAPTER-1, our Phase 2 prophylactic study of PHVS416 for the prevention of HAE attacks. We expect to report top-line data, including efficacy and safety, for both studies in 2022. This month, in the PHVS719 program for HAE prophylaxis we also expect to initiate dosing in a Phase 1 pharmacokinetic study designed to assess the bioavailability of extended-release formulation.”

Recent Pipeline and Business Highlights and Upcoming Milestones

- **Phase 2 on-demand study (RAPIDe-1) of PHVS416 proceeding toward data readout in 2022.** In February 2021, Pharvaris announced that dosing had commenced in its Phase 2 clinical study of PHVS416 for the on-demand treatment of HAE attacks. The company reaffirms guidance for reporting topline efficacy and safety data from this study in 2022. Pharvaris is conducting RAPIDe-1 at 33 sites in Canada, Europe, Israel, the UK, and the US.

- **Phase 2 prophylactic study (HAE CHAPTER-1) of PHVS416 recruiting.** In addition to developing PHVS416 for the on-demand treatment of HAE attacks, the company plans to investigate the therapeutic potential of the PHVS416 formulation of PHA121 for the prophylactic prevention of HAE attacks. In April 2021, Pharvaris announced that an IND was in effect in the US. Patient recruitment has begun and the study is expanding to Canada, Europe, Israel, and the UK. Pharvaris anticipates reporting topline safety and efficacy data from this study in 2022.
- **Phase 1 pharmacokinetics study of PHVS719 initiating shortly.** PHVS719 is under development as an extended-release formulation of PHA121 intended for use in the prophylactic treatment of HAE. Dosing of a Phase 1 pharmacokinetics study to assess the bioavailability of the extended-release formulation is expected to begin this month.
- **Expanding corporate capabilities.** With Wim Souverijns joining as Chief Community Engagement and Commercial Officer to engage with patient advocacy groups, clinicians, and payers, in the third quarter the company further strengthened capabilities in Community Engagement and Commercialization, as well as CMC, Clinical, and organizational development.

Third Quarter 2021 Financial Results

- **Liquidity position.** Cash and cash equivalents were €218.6 million as of September 30, 2021, compared to €98.6 million as of December 31, 2020.
- **Research and Development (R&D) expenses.** R&D expenses were €9.0 million for the quarter ended September 30, 2021, compared to €5.1 million for the quarter ended September 30, 2020.
- **General and Administrative (G&A) expenses**. G&A expenses were €4.4 million for the quarter ended September 30, 2021, compared to €1.2 million for the quarter ended September 30, 2020.
- **Loss for the period.** Loss for the quarter ended September 30, 2021 was €9.1 million, or basic and diluted loss per share of €0.39, for the quarter ended September 30, 2021, compared to loss for the quarter ended September 30, 2020 of €6.4 million, or basic and diluted loss per share of €1.32 for the quarter ended September 30, 2020.

Note on International Financial Reporting Standards (IFRS)

Pharvaris is a Foreign Private Issuer and prepares and reports consolidated financial statements and financial information in accordance with IFRS as issued by the International Accounting Standards Board. Pharvaris maintains its books and records in the Euro currency.

About RAPIDe-1

The RAPIDe-1 study is a clinical research study for people who have been diagnosed with HAE. The main purpose of the study is to find out how effective three different doses of the study drug, PHVS416, are in relieving symptoms associated with HAE attacks. Researchers developed the study drug in the form of soft capsules which are taken orally and could be a more convenient alternative to an injection into a vein or under the skin for resolving HAE attacks. For more information, visit https://hae-rapide.com/, https://hae-rapide.us/, or https://clinicaltrials.gov/ct2/show/NCT04618211.

About HAE CHAPTER-1
The HAE CHAPTER-1 study is a clinical research study for people who have been diagnosed with HAE. The main purpose of the study is to evaluate two different doses of the study drug, PHVS416, in preventing HAE attacks. Researchers developed the study drug in the form of soft capsules which are taken orally and could be a more convenient alternative to an injection into a vein or under the skin for preventing HAE attacks. For more information, visit https://haechapter-1.com or https://clinicaltrials.gov/show/NCT05047185.

About PHVS416
PHVS416 is a softgel capsule formulation containing PHA121, a highly potent, specific, and orally bioavailable competitive antagonist of the bradykinin B2 receptor. Pharvaris is developing this formulation to provide fast and reliable symptom relief when patients want, through rapid exposure of attack-mitigating medicine in a convenient, small oral dosage form. PHVS416 is currently in Phase 2 clinical development for the on-demand treatment of HAE.

About PHVS719
PHVS719 is an extended-release tablet formulation containing PHA121, a highly potent, specific, and orally bioavailable competitive antagonist of the bradykinin B2 receptor. Pharvaris is developing this formulation to provide an easy way to prevent attacks with sustained exposure of attack-preventing medicine in a convenient, small oral dosage form. PHVS719 is currently entering Phase 1 clinical development for the prophylactic treatment of HAE.

About PHA121
PHA121 (PHA-022121) is a highly potent, specific, and orally bioavailable competitive antagonist of the bradykinin B2 receptor that has completed Phase 1 clinical development for the treatment of HAE. PHA121 utilizes the same mechanism as icatibant, the leading therapy for on-demand treatment of HAE. Pharvaris is developing this novel small molecule for on-demand and prophylactic treatment of HAE and other bradykinin-mediated diseases through formulations optimized for each setting. Data from single-

and multiple-ascending-dose Phase 1 studies in healthy volunteers demonstrate rapid exposure and linear pharmacokinetics at doses up to 50 mg. In a bradykinin-challenge study in healthy volunteers, PHA121 showed significant inhibition of bradykinin-induced hemodynamic changes with an average composite EC_{50} of 2.4 ng/mL and EC_{85} of 13.8 ng/mL, approximately four-fold more potent than historical data for icatibant. Quantitative modeling indicates that single oral doses of PHA121 will maintain pharmacological effectiveness for a substantially longer time than 30 mg of subcutaneous icatibant. PHA121 has been observed to be well-tolerated at all doses studied to date.

About Pharvaris

Pharvaris is a clinical-stage company focused on bringing oral bradykinin-B2-receptor antagonists to patients. By targeting this clinically proven therapeutic target with novel small molecules, the Pharvaris team is advancing new alternatives to injected therapies for all sub-types of HAE and other bradykinin-mediated diseases. The Company brings together executives with a breadth of expertise across pharmaceutical development and rare disorders, including HAE. For more information, visit https://pharvaris.com/.

Forward-Looking Statements

This press release contains certain forward-looking statements that involve substantial risks and uncertainties. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements containing the words “believe,” “anticipate,” “expect,” “estimate,” “may,” “could,” “should,” “would,” “will,” “intend” and similar expressions. These forward-looking statements are based on management’s current expectations, are neither promises nor guarantees, and involve known and unknown risks, uncertainties and other important factors that may cause Pharvaris’ actual results, performance or achievements to be materially different from its expectations expressed or implied by the forward-looking statements. Such risks include but are not limited to the following: the expected timing, progress, or success of our clinical development programs, especially for PHVS416 and PHVS719, which are in early-stage clinical trials; risks associated with the COVID-19 pandemic, which may adversely impact our business, preclinical studies, and clinical trials; the timing of regulatory approvals; the value of our ordinary shares; the timing, costs and other limitations involved in obtaining regulatory approval for our product candidates PHVS416 and PHVS719, or any other product candidate that we may develop in the future; our ability to establish commercial capabilities or enter into agreements with third parties to market, sell, and distribute our product candidates; our ability to compete in the pharmaceutical industry and with competitive generic products; our ability to market, commercialize and achieve market acceptance for our product candidates;

our ability to raise capital when needed and on acceptable terms; regulatory developments in the United States, the European Union and other jurisdictions; our ability to protect our intellectual property and know-how and operate our business without infringing the intellectual property rights or regulatory exclusivity of others; our ability to manage negative consequences from changes in applicable laws and regulations, including tax laws, our ability to successfully remediate the material weakness in our internal control over financial reporting and to maintain an effective system of internal control over financial reporting; and the other factors described under the heading “Risk Factors” in our Annual Report on Form 20-F and other periodic filings with the Securities and Exchange Commission.

These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management’s estimates as of the date of this press release. New risks and uncertainties may emerge from time to time, and it is not possible to predict all risks and uncertainties. While Pharvaris may elect to update such forward-looking statements at some point in the future, Pharvaris disclaims any obligation to do so, even if subsequent events cause its views to change. These forward-looking statements should not be relied upon as representing Pharvaris’ views as of any date subsequent to the date of this press release.

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Exhibit 99.2

Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis is designed to provide you with a narrative explanation of our financial condition and results of operations. We recommend that you read this discussion together with our unaudited condensed consolidated interim financial statements, including the notes thereto, for the three- and nine-months ended September 30, 2021 and 2020 included as Exhibit 99.3 to the Report on Form 6-K to which this discussion is attached as Exhibit 99.2. We also recommend that you read "Item 4. Information on the Company" and our audited consolidated financial statements for fiscal year 2020, and the notes thereto, which appear in our Annual Report on Form 20-F for the year ended December 31, 2020 (the "Annual Report") filed with the U.S. Securities and Exchange Commission (the "SEC"). In addition, we recommend that you read any public announcements made from time to time by Pharvaris N.V.

The following discussion is based on our financial information prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"), which may differ in material respects from generally accepted accounting principles in the United States and other jurisdictions. We maintain our books and records in euros. Unless otherwise indicated, all references to currency amounts in this discussion are in euros.

The following discussion includes forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those described under "Item 3. Key Information—D Risk factors" in the Annual Report.

Unless otherwise indicated or the context otherwise requires, all references to "Pharvaris" or the "Company," "we," "our," "ours," "us", or similar terms refer to Pharvaris N.V. and its subsidiaries.

Overview

We are a clinical-stage biopharmaceutical company focused on the development and commercialization of innovative therapies for rare diseases with significant unmet need, initially focused on angioedema and other bradykinin-mediated diseases. Our first molecule, PHA121, is a novel, small-molecule bradykinin B2-receptor antagonist for the treatment of hereditary angioedema, or HAE. Bradykinin-B2-receptor inhibition is a clinically validated mechanism for the treatment of HAE, as demonstrated by icatibant, a bradykinin B2-receptor antagonist approved in Europe in 2008 and in the United States in 2011 (as FIRAZYR®). We designed PHA121 to improve upon the therapeutic profile of existing therapies and, through oral delivery, to provide patients with quality of life and convenience that is superior to current standard-of-care HAE treatments, which are injectables. Besides the route of administration, the HAE market can be characterized by two distinct medical interventions, *i.e.*, acute treatment trying to counter an actual attack the patient is undergoing and prophylactic treatment which aims at preventing attacks. In order to address both distinct patient needs, we are developing two specific products with PHVS416 as our on-demand rapid-exposure product candidate, and PHVS719, a small daily dose extended-release product candidate for prophylaxis of HAE. We believe that our product candidates may address a broader range of angioedema attacks than other available treatments since PHA121 blocks the actual signal that leads to angioedema (the interaction of bradykinin, or BK, with the bradykinin B2 receptor), rather than an upstream signal. By blocking the action of bradykinin, we can prevent its aberrant signaling regardless of the pathway and enzymes involved in BK generation.

In our completed Phase 1 trials to-date, we have observed that PHA121 was orally bioavailable and well tolerated at all doses studied, with approximately dose-proportional exposure. We also have successfully demonstrated proof-of-mechanism through a clinical pharmacodynamics, or PD, assessment with the bradykinin challenge in healthy volunteers, a surrogate assessment for dose selection previously validated in the icatibant development program. The data also allowed us to project the therapeutic performance of PHA121 in comparison with that of icatibant. We do not yet have data from any Phase 2 efficacy studies in patients. We plan to efficiently progress through clinical development for on-demand and prophylactic use with our on-demand product candidate, PHVS416, and extended-release product candidate, PHVS719, respectively.

We commenced our RAPIDe-1 Phase 2 clinical trial of PHVS416 in February 2021 and are conducting this study at 33 sites in Canada, Europe, Israel, the UK, and the US. We expect to have top-line results for the acute treatment of patients with HAE attacks in 2022.

We are also planning to initiate our prophylactic program for PHVS719 in 2021. To that end, a Phase 1 clinical trial to assess its pharmacokinetic profile is expected to start this year. In parallel, we intend to commence a Phase 2 clinical trial (CHAPTER-1) in 2021 using twice-daily dosing of the PHVS416, the softgel capsule product. The objective of this study is to establish the dose-exposure relationship of PHA121 while assessing its safety and efficacy profile when used as prophylaxis in HAE patients. These data are intended to enable us to select the optimal dose for PHVS719, the extended-release product, for prophylactic use. Our Investigational New Drug, or IND, application for developing PHVS416 in the prophylactic indication has been in effect since April 2021. We have initiated patient recruitment and the study is expanding to Canada, Europe, Israel, and the UK. We anticipate reporting top-line safety and efficacy data from this study in 2022.

The COVID-19 outbreak has spread globally and severely restricted the level of economic activity around the world. In response to the COVID-19 outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

We are monitoring developments surrounding the COVID-19 pandemic and have taken steps to identify and mitigate the adverse effects and risks to the Company as a result of the pandemic. As a result, we have modified our business practices, including implementing work from home arrangements for employees able to perform their duties remotely, restricting nonessential travel, and practicing safe social distancing in our operations. We expect to continue to take actions as may be required or recommended by government authorities or in the best interests of our employees and business partners. While the impact of COVID-19 on the Company's operations and financial performance is limited, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain. For instance, the ongoing spread of COVID-19 may continue to interrupt, or delay, clinical trial activities, regulatory reviews, manufacturing activities and supply chain. For example, we previously experienced an approximate two-month delay in starting the enrollment of our Phase 1 multiple ascending dose study of PHA121 in healthy volunteers as a result of COVID-19. In addition, even with our distributed operations and our observation of social distancing measures, there remains the possibility that key personnel may become ill or are otherwise unable to work, which could adversely affect our operations.

Furthermore, the spread of the virus may affect the operations of key governmental agencies, such as the FDA, which may delay the development of our product candidates. The spread of COVID-19 may also result in the inability of our suppliers to deliver components or raw materials, and the inability of our CDMOs to provide supplies of our product candidates for our planned clinical trials, on a timely basis or at all. Further, COVID-19 may impact the ability of our CROs, including non-clinical CROs, to provide services to support our clinical program.

Currently vaccine access and availability are on the rise and eligibility is being expanded. Nevertheless, the COVID-19 pandemic remains a rapidly evolving situation and we do not yet know the full extent of its potential impact on our business operations. However, we are making efforts to limit the financial impact of COVID-19 going forward.

Recent Developments

On July 10, 2021, the Company presented clinical data supporting the multiple-dose safety and pharmacokinetic, or PK, profile of PHA121 for the treatment of HAE at the European Academy of Allergy and Clinical Immunology (EAACI) Annual Congress 2021.

With Dr. Souverijns joining as Chief Community Engagement and Commercial Officer to engage with patient advocacy groups, clinicians, and payers, per July 1, 2021, the company further strengthened capabilities in Community Engagement and Commercialization, as well as CMC, Clinical, and organizational development.

On April 21, 2021, the Company announced that an IND was in effect in the US for prophylactic treatment of HAE using PHVS416. Patient recruitment has begun and the study is expanding to Canada, Europe, Israel, and the UK.

Financial Operations Overview

Revenues

We did not record any revenues during the period covered by the historical financial information included in this Report. We do not expect to recognize any revenues before we are able to commercialize our first product.

Research and development expenses

We are focused on the clinical development of PHA121. Since our inception, we have devoted substantially all our resources to research and development efforts relating to the development of PHA121 and our product candidates PHVS416 and PHVS719. We expect that we will continue to incur significant research and development expenses as we seek to complete the clinical development of, and achieve regulatory approval for, our product candidates PHVS416 and PHVS719, and in connection with discovery and development of any additional product candidates.

Research and development expenses consist of the following:

- employee benefits expenses, which includes salaries, pensions, share-based compensation expenses, bonus plans and other related costs for research and development staff;
- non-clinical expenses, which include costs of our outsourced discovery and non-clinical development studies;
- clinical expenses, which includes costs of conducting and managing our sponsored clinical trials, including clinical investigator cost, costs of clinical sites, and costs for CRO's assisting with our clinical development programs;
- manufacturing expenses, which include costs related to manufacturing of active pharmaceutical ingredients and manufacturing of the products used in our clinical trials and research and development activities;
- costs related to regulatory activities, including collecting data, preparing and submitting filings, communicating with regulatory authorities and reviewing the design and conduct of clinical trials for compliance with applicable requirements;
- costs in connection with investigator-sponsored clinical trials and evaluations;
- advisers' fees, including discovery, non-clinical, clinical, chemistry, manufacturing, and controls- related and other consulting services;
- intellectual property costs, which includes costs associated with obtaining and maintaining patents and other intellectual property; and
- license costs.

We anticipate that research and development expenses will continue to increase as we continue to progress PHVS416 and PHVS719 through clinical development.

There is a risk that any clinical development or product discovery program may not result in commercial approval. To the extent that we fail to obtain approval to commercialize our product candidate in a timely manner, we would need to continue to conduct clinical trials over a longer period of time, and we anticipate that our research and development expenses may further increase.

Clinical development timelines and associated costs may vary significantly and the successful development of our product candidate is highly uncertain. At this time, we cannot reasonably estimate the nature, timing and estimated costs of the efforts, including patient recruitment and selection that will be necessary to complete the

development of, or the period, if any, in which material net cash inflows may commence from, our product candidates.

Moreover, we cannot assure that we will be able to successfully develop or commercialize our product candidates, if approved for marketing. This is due to numerous risks and uncertainties associated with developing drugs. See “Item 3. Key Information—D. Risk factors” in our Annual Report for a discussion of these risks and uncertainties.

Selling and distribution expenses

Historically, we have not incurred any selling and distribution expenses. If our product candidates are approved for registration and marketing, we anticipate incurring substantial selling and distribution expenses in future periods in order to establish an infrastructure for marketing and distribution, obtain supplies of active pharmaceutical ingredients, and manufacture commercial quantities of our product candidate.

General and administrative expenses

We anticipate that we will continue to incur significant general and administrative expenses as we advance our research and development portfolio. General and administrative expenses consist of the following:

- employee benefits, including salaries, pensions, share-based compensation expenses, bonus plans and other related costs for staff and independent contractors in executive and operational functions;
- auditors’ and advisers’ fees, including accounting, tax, legal and other consulting services; and
- rental expenses, facilities and IT expenses and other general expenses relating to our operations.

We anticipate that the continuing development of our business and the expense of maintaining directors’ and officers’ liability insurance, will contribute to future increase in general and administrative expenses. We also expect that general and administrative expenses will increase in the future as we incur additional costs associated with being a public company in the United States.

Share-based compensation expenses

In 2016, we implemented an Equity Incentive Plan, or the Plan, in order to advance the interests of our shareholders by enhancing our ability to attract, retain and motivate persons who are expected to make important contributions to us and by providing such persons with performance-based incentives that are intended to better align the interests of such persons with those of our shareholders. The fair values of these instruments are recognized as personnel expenses in either research and development expenses or general and administrative expenses. The Plan has been superseded by the 2021 Long Term Incentive plan after completion of the initial public offering, or IPO in February 2021.

Result of operations

The financial information shown below was derived from our unaudited condensed consolidated interim financial statements for the three- and nine-months ended September 30, 2021 and 2020 included as Exhibit 99.3 to

this Report on Form 6-K. The discussion below should be read along with these condensed consolidated interim financial statements, and it is qualified in its entirety by reference to them.

Comparison of the three months ended September 30, 2021 and 2020

	For the three months ended September 30			
	2021	**2020**	**Change**	**%**
		(in €)		
Research and development expenses	(8,956,174)	(5,062,742)	(3,893,432)	77%
General and administrative expenses	(4,374,081)	(1,210,757)	(3,163,324)	261%
Total operating expenses	**(13,330,255)**	**(6,273,499)**	**(7,056,756)**	**112%**
Operating loss	**(13,330,255)**	**(6,273,499)**	**(7,056,756)**	**112%**
Net foreign exchange income/(loss)	4,254,526	(126,338)	4,380,864	(3468)%
Loss before tax	**(9,075,729)**	**(6,399,837)**	**(2,675,892)**	**42%**
Income taxes	(68,190)	—	(68,190)	—
Loss for the period	**(9,143,919)**	**(6,399,837)**	**(2,744,082)**	**43%**

Revenues

We did not generate any revenues for the three months ended September 30, 2021 and September 30, 2020.

Research and development expenses

	For the three months ended September 30			
	2021	**2020**	**Change**	**%**
		(in €)		
Personnel expenses	(2,382,973)	(771,396)	(1,611,577)	209%
Clinical expenses	(4,568,346)	(2,595,990)	(1,972,356)	76%
Nonclinical expenses	(924,636)	(921,159)	(3,477)	0%
Manufacturing costs	(1,052,191)	(717,371)	(334,820)	47%
License costs	—	—	—	—
Intellectual Property costs	(28,028)	(56,826)	28,798	(51)%
Total research and development expenses	**(8,956,174)**	**(5,062,742)**	**(3,893,432)**	**77%**

Research and development expenses increased from €5,062,742 for the three months ended September 30, 2020 to €8,956,174 for the three months ended September 30, 2021. The increase in the research and development expenses is mainly driven by the progress made in the PHVS416 and PHVS719 development programs in the three months ended September 30, 2021. Clinical expenses increased by €1,972,356 for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 due to the expansion of the Phase 1 clinical program, the initiation of the RAPIDe-1 Phase 2 on demand study and preparations for the prophylactic clinical trial. Non-clinical expenses increased by €3,477 for the three months ended September 30, 2021 compared

to the three months ended September 30, 2020 due to advancement of the preparations for the Phase 2 and Phase 3 clinical PHVS416 and PHVS719 programs. Manufacturing costs relating to the API and pharmaceutical development of PHVS416 and PHVS719 increased by €334,820 for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 due to supply costs associated with both clinical programs and the Phase 3 non-clinical study package. In the personnel expenses for the three months ended September 30, 2021 and 2020 an amount of €1,004,956 and €311,842, respectively, was included which related to share-based payments arrangements. The increase in the share-based payment expenses is due to the new grants awarded in the nine months ended September 30, 2021. The remaining increase in personnel expenses is driven by the growth of our organization and yearly merit adjustments.

General and administrative expenses

	For the three months ended September 30			
	2021	**2020**	**Change**	**%**
		(in €)		
Personnel expenses	(1,982,190)	(96,717)	(1,885,473)	1949%
Consulting fees	(207,461)	(254,215)	46,754	(18)%
Professional fees	(349,575)	(277,615)	(71,960)	26%
Accounting, tax and auditing fees	(230,113)	(375,096)	144,983	(39)%
Facilities, communication and office expenses	(1,550,713)	(185,177)	(1,365,536)	737%
Travel expenses	(6,760)	(3,117)	(3,643)	117%
Other expenses	(47,269)	(18,820)	(28,449)	151%
Total general and administrative expenses	**(4,374,081)**	**(1,210,757)**	**(3,163,324)**	**261%**

General and administrative expenses increased from €1,210,757 for the three months ended September 30, 2020 to €4,374,081 for the three months ended September 30, 2021. The increase in general and administrative expenses was mainly driven by the growth of the Company in connection with the completion of the IPO, which also led to additional expenses inherent to being a public company. In the personnel expenses for the three months ended September 30, 2021 and 2020 an amount of €1,333,004 and €78,450 respectively, was included which related to share-based payments arrangements. The increase in the share-based payment expenses is due to the new grants made in the nine months ended September 30, 2021. The remaining increase in personnel expenses is driven by the growth of our organization and yearly merit adjustments.

Net foreign exchange income/(loss)

Net foreign exchange income/(loss) for the three months ended September 30, 2021 and 2020 were €4,254,526 and (€126,338) respectively, a change of €4,380,864. The amount mainly relates to unrealized foreign exchange income, which is mostly the result of translating the Company's bank balances held in USD to EUR. The foreign exchange rates developed in favor of the Company in the third quarter 2021.

Income taxes

We have a history of losses. The tax charge over the three months ended September 30, 2021 relates to the Company's US subsidiary as the result of a cost-plus agreement between the US entity and the Company's principal entity resulting in a taxable profit in the United States of America, with no taxable income over the three months ended September 30, 2020. We have a tax loss carry-forward of approximately €84 million (September 30, 2020: €19.9 million) that is available for offsetting against future taxable profits of the companies in which the losses arose. Under Dutch tax law, for prior periods, the expiration period denoted 6/9 years for The Netherlands, but as of the second half of 2021 it has been substantively enacted that there is no longer an expiration period applicable to

the Dutch losses, whereby the loss settlement within the year is limited to € 1 million plus 50% of the remaining result for the year. Under Swiss law, losses can be offset against future income or capital gains for seven years.

Comparison of the nine months ended September 30, 2021 and 2020

	For the nine months ended September 30			
	2021	**2020**	**Change**	**%**
		(in €)		
Research and development expenses	(25,088,223)	(11,797,986)	(13,290,237)	113%
General and administrative expenses	(12,810,500)	(3,447,208)	(9,363,292)	272%
Total operating expenses	**(37,898,723)**	**(15,245,194)**	**(22,653,529)**	**149%**
Operating loss	**(37,898,723)**	**(15,245,194)**	**(22,653,529)**	**149%**
Net foreign exchange income/(loss)	7,598,899	(176,602)	7,775,501	(4403)%
Loss before tax	**(30,299,824)**	**(15,421,796)**	**(14,878,028)**	**96%**
Income taxes	(89,744)	—	(89,744)	—
Loss for the period	**(30,389,568)**	**(15,421,796)**	**(14,967,772)**	**97%**

Revenues

We did not generate any revenues for the nine months ended September 30, 2021 and September 30, 2020.

Research and development expenses

	For the nine months ended September 30			
	2021	**2020**	**Change**	**%**
		(in €)		
Personnel expenses	(6,151,138)	(1,677,630)	(4,473,508)	267%
Clinical expenses	(11,330,269)	(5,293,514)	(6,036,755)	114%
Non-clinical expenses	(3,068,349)	(2,065,658)	(1,002,691)	49%
Manufacturing costs	(3,972,363)	(2,624,638)	(1,347,725)	51%
License costs	(500,000)	—	(500,000)	—
Intellectual Property costs	(66,104)	(136,546)	70,442	(52)%
Total research and development expenses	**(25,088,223)**	**(11,797,986)**	**(13,290,237)**	**113%**

Research and development expenses increased from €11,797,986 for the nine months ended September 30, 2020 to €25,088,223 for the nine months ended September 30, 2021. The increase in the research and development expenses is mainly driven by the progress made in the PHVS416 and PHVS719 development programs in the first nine months of 2021. Clinical expenses increased by €6,036,755 for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 due to the expansion of the Phase 1 clinical program, the initiation of the RAPIDe-1 Phase 2 on demand study and preparations for the prophylactic clinical trial. Non-clinical expenses increased by €1,002,691 for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 due to advancement of the preparations for the Phase 2 and Phase 3 clinical PHVS416 and PHVS719 programs. Manufacturing costs relating to the API and pharmaceutical development of PHVS416 and PHVS719 increased by €1,347,725 for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 due to supply costs associated with both clinical programs and the Phase 3 non-clinical

study package. For the nine months ended September 30, 2021 license costs reflected a milestone payment of €500,000 that was paid to AnalytiCon upon the start of the clinical Phase 2. In the personnel expenses for the nine months ended September 30, 2021 and 2020 an amount of €3,057,742 and €817,488, respectively, was included related to the share-based payment arrangements. The increase in the share-based payment expenses is mainly due to the grants awarded in the first nine months of 2021. Remaining increase in personnel expenses is driven by the growth of our organization and yearly merit adjustments.

General and administrative expenses

	For the nine months ended September 30			
	2021	**2020**	**Change**	**%**
		(in €)		
Personnel expenses	(5,018,977)	(708,645)	(4,310,332)	608%
Consulting fees	(598,337)	(732,915)	134,578	(18)%
Professional fees	(1,482,281)	(656,798)	(825,483)	126%
Accounting, tax and auditing fees	(1,316,869)	(778,696)	(538,173)	69%
Facilities, communication and office expenses	(4,012,860)	(419,879)	(3,592,981)	856%
Travel expenses	(10,117)	(25,161)	15,044	(60)%
Other expenses	(371,059)	(125,114)	(245,945)	197%
Total general and administrative expenses	**(12,810,500)**	**(3,447,208)**	**(9,363,292)**	**272%**

General and administrative expenses increased from €3,447,208 for the nine months ended September 30, 2020 to €12,810,500 for the nine months ended September 30, 2021. This is mainly driven by the growth of our organization in connection with the completion of the IPO, which also led to additional expenses inherent to being a public company. In the personnel expenses for the nine months ended September 30, 2021 and 2020 an amount of €3,149,566 and €232,936 respectively, was included which related to share-based payments arrangements. The increase in the share-based payment expenses is due to the grants made in the first nine months of 2021.

Net foreign exchange income/(loss)

Net foreign exchange income/(loss) for the nine months ended September 30, 2021 and 2020 were €7,598,899 and (€176,602) respectively, a change of €7,775,501. The amount mainly relates to unrealized foreign exchange income, which is mostly the result of translating Company's bank balances held in USD to EUR. The EUR/USD exchange rate has been developing to our favor for the nine months ended September 30, 2021. The net foreign exchange impact in 2021 compared to 2020 is more significant due to USD proceeds from our IPO in February 2021.

Income taxes

We have a history of losses. The tax charge over the nine months ended September 30, 2021 relates to the Company's US subsidiary as the result of a cost-plus agreement between the US entity and the Company's principal entity resulting in a taxable profit in the United States of America, with no taxable income over the nine months ended September 30, 2020. We have a tax loss carry-forward of approximately €84 million (September 30, 2020: €19.9 million) that is available for offsetting against future taxable profits of the companies in which the losses arose. Under Dutch tax law, for prior periods, the expiration period denoted 6/9 years for The Netherlands, but as of the second half of 2021 it has been substantively enacted that there is no longer an expiration period applicable to the Dutch losses, whereby the loss settlement within the year is limited to € 1 million plus 50% of the remaining result for the year. Under Swiss law, losses can be offset against future income or capital gains for seven years.

Liquidity and Capital Resources

Since inception, we have incurred significant operating losses. For the nine months ended September 30, 2021 and 2020 we incurred losses of €30,389,568 and €15,421,796 respectively. Since inception, we have not generated any revenues or net cash flows from sales. We will not receive any revenues or net cash flows from sales of our product candidate until it has been approved by regulatory authorities and we have commercialized it.

To date, we have relied solely on the issuance of equity securities to finance our operations and internal growth. As of September 30, 2021 we had cash and cash equivalents of €218.6 million. Our cash and cash equivalents consist solely of cash at bank.

Cash Flows

Comparison for the nine months ended September 30, 2021 and September 30, 2020

The following table sets forth our primary sources and uses of our cash and cash equivalents for each of the periods set forth below:

	For the nine months ended September 30			
	2021	**2020**	**Change**	**%**
		(in €)		
Net cash flows used in operating activities	(32,096,567)	(12,588,520)	(19,508,047)	155%
Net cash flows used in investing activities	(61,494)	(35,657)	(25,837)	72%
Net cash flows provided by financing activities	144,290,697	34,246,281	110,044,416	321%
Net increase in cash and cash equivalents	**112,132,636**	**21,622,104**	**90,510,532**	**419%**
Cash and cash equivalents at the beginning of the period	**98,628,871**	**20,326,372**	**78,302,499**	**385%**
Effect of exchange rate changes	7,834,271	—	7,834,271	—
Cash and cash equivalents at the end of the period	**218,595,778**	**41,948,476**	**176,647,302**	**421%**

Operating activities

Net cash used in operating activities reflects our results for the period adjusted for, among other things, depreciation, unrealized foreign exchange results, share-based payments, changes in working capital and interest accruals and payments.

Net cash used in operating activities was €32,096,567 for the nine months ended September 30, 2021, an increase of €19,508,047 compared to €12,588,520 for the nine months ended September 30, 2020, primarily reflecting the increase in research and development expenses and other operating expenses, due to progression made in the PHVS416 and PHVS719 development programs and the growth of our organization in 2021.

Investing activities

Net cash flows used in investing activities increased by €25,837 from €35,657 for the nine months ended September 30, 2020 to €61,494 for the nine months ended September 30, 2021, primarily as a result of capital expenditure related to office equipment in 2021.

Financing activities

Net cash flows provided by financing activities increased by €110,044,416 from €34,246,281 for the nine months ended September 30, 2020 to €144,290,697 for the nine months ended September 30, 2021, primarily as a result of the proceeds of €144,306,260 from the IPO net of underwriting discount and other transaction costs.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of September 30, 2021 amounted to €18,500,000, primarily related to research and development commitments.

Off-Balance Sheet Arrangements

As of September 30, 2021, we did not have any off-balance sheet arrangements other than the disclosed commitments.

Quantitative and Qualitative Disclosures About Market Risk

During the nine months ended September 30, 2021, there were no significant changes to our quantitative and qualitative disclosures about market risk from those reported in "Item 11. Quantitative and Qualitative Disclosures About Market Risk" in the Annual Report, except for the following:

Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. Dollar. We received the proceeds from our IPO in February 2021 in U.S. Dollars. We seek to minimize our exchange rate risk by maintaining cash positions in the currencies in which we expect to incur the majority of our future expenses and we make payments from those positions.

Interest Rate Risk

We have adopted an investment policy with the primary purpose of preserving capital, fulfilling our liquidity needs and diversifying the risks associated with cash. This investment policy establishes minimum ratings for institutions with which we hold cash, also ensuring that a negative interest rate is not paid.

Critical Accounting Estimates and Judgments

There have been no material changes to the significant accounting policies and estimates described in "Item 5. Operating and Financial Review and Prospects—A. Operating —Critical accounting estimates and judgements" in the Annual Report, except for the share options granted.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this management's discussion and analysis are or may be forward-looking statements with respect to us, our industry and our business that involve substantial risks and uncertainties. All statements other than statements of historical fact contained in this management's discussion and analysis, including statements regarding our future financial condition, results of operations and/or business achievements, including, without limitation, statements containing the words "believe," "anticipate," "expect," "estimate," "may," "could," "should," "would," "will," "intend" and similar expressions are forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause our actual results, financial condition, performance or achievements, or industry results, to be materially different from any future results,

performance or achievements expressed or implied by such forward-looking statements. Factors that might cause such a difference include, but are not limited to:

- the expected timing, progress or success of our clinical development programs, especially for PHVS416 and PHVS719, which are in early-stage clinical trials;
- risks associated with the COVID-19 pandemic, which may adversely impact our business, non-clinical studies and clinical trials, the timing of regulatory approvals and the value of our ordinary shares;
- the timing, costs and other limitations involved in obtaining regulatory approval for our product candidates PHVS416 and PHVS719 or any other product candidate that we may develop in the future;
- our ability to market, commercialize and achieve market acceptance for our product candidates PHVS416 and PHVS719 or any of our other product candidates that we may develop in the future, if approved;
- our ability to establish commercial capabilities or enter into agreements with third parties to market, sell and distribute our product candidates;
- our dependence on third parties to perform critical activities related to the research, development and manufacturing of our product candidates;
- disruptions at the FDA and other government agencies;
- the expense, time and uncertainty involved in the development and consistent manufacturing and supply of our product candidates, some or all of which may never reach the regulatory approval stage;
- our ability to raise capital when needed and on acceptable terms;
- our ability to enter into any new licensing agreements or to maintain any licensing agreements with respect to our product candidates;
- our reliance on collaboration partners and licensees, whose actions we cannot control;
- the willingness of private insurers and other payors to provide reimbursement for our products;
- regulatory developments in the United States, the European Union and other jurisdictions;
- the outcome and timing of price negotiations with governmental authorities;
- our ability to compete in the pharmaceutical industry and with competitive generic products;
- our ability to protect our intellectual property and know-how and operate our business without infringing the intellectual property rights or regulatory exclusivity of others;
- side effects or adverse events associated with the use of our product candidates;
- our ability to defend against costly and damaging liability claims resulting from the testing of our product candidates in the clinic or, if, approved, any commercial sales;
- a loss of any of our key personnel;
- our estimates of market sizes and anticipated uses of our product candidates;
- our estimates of future performance;

- our estimates regarding anticipated operating losses, future revenues, expenses, capital requirements and our needs for additional financing;
- our ability to comply with existing or future laws and regulations in a cost-efficient manner;
- our ability to manage negative consequences from changes in applicable laws and regulations, including tax laws;
- our ability to successfully remediate the material weaknesses in our internal control over financial reporting and to maintain an effective system of internal control over financial reporting;
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act; and
- changes in general market, political and economic conditions.

You should refer to "ITEM 3. Key information—D. Risk factors." section of our Annual Report for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this management's discussion and analysis will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material.

In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, statements that "we believe" and other similar statements reflect our belief and opinions on the relevant subject. These statements are based upon information available to us as of the date of this management's discussion and analysis, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Pharvaris N.V.
Unaudited Condensed Consolidated Interim Financial Statements
At September 30, 2021

Contents

Unaudited condensed consolidated statements of profit or loss and other comprehensive income

		Three months ended September 30		Nine months ended September 30	
		2021	2020	2021	2020
	Notes	€	€	€	€
Research and development expenses	3	(8,956,174)	(5,062,742)	(25,088,223)	(11,797,986)
General and administrative expenses	4	(4,374,081)	(1,210,757)	(12,810,500)	(3,447,208)
Total operating expenses		(13,330,255)	(6,273,499)	(37,898,723)	(15,245,194)
Net foreign exchange income/(loss)	6	4,254,526	(126,338)	7,598,899	(176,602)
Loss before income tax		(9,075,729)	(6,399,837)	(30,299,824)	(15,421,796)
Income taxes	7	(68,190)	—	(89,744)	—
Loss for the period		(9,143,919)	(6,399,837)	(30,389,568)	(15,421,796)
Other comprehensive income/(Loss)					
Exchange gains arising on translation of foreign operations		1,245	—	2,920	—
Total comprehensive loss attributable to:					
Equity holders of the Company		(9,142,674)	(6,399,837)	(30,386,648)	(15,421,796)
Loss per share attributable to the equity holders of the Company during the periods					
Basic and diluted loss per share:	19	(0.39)	(1.32)	(1.31)	(3.18)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated statements of financial position

	Notes	September 30, 2021	December 31, 2020
		€	€
Assets			
Non-current assets			
Property, plant and equipment	8	97,829	48,503
Right of use assets	9	262,549	—
Current assets			
Deferred tax assets	7	117,138	99,339
Receivables	10	632,367	569,578
Other current assets	11	3,385,574	1,753,327
Cash and cash equivalents	12	218,595,778	98,628,871
Total assets		223,091,235	101,099,618
Equity and liabilities			
Equity			
Share capital	13	3,975,432	235,693
Share premium		278,435,529	138,034,580
Other reserves		8,095,502	1,979,875
Currency translation reserve		(1,445)	(4,365)
Accumulated loss		(75,078,406)	(44,459,954)
Total equity		215,426,612	95,785,829
Long term liabilities			
Non-current lease liability	9	171,466	—
Current liabilities			
Trade and other payables	14	3,846,476	846,952
Accrued liabilities	15	3,646,681	4,466,837
Total liabilities		7,664,623	5,313,789
Total equity and liabilities		223,091,235	101,099,618

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated statements of changes in equity

For the nine months ended September 30, 2021 and September 30, 2020

	Notes	Share capital €	Share premium €	Other reserves €	Currency translation reserve €	Accumulated losses €	Total Equity €
Balance at January 1, 2020		130,962	36,624,697	392,139	—	(18,474,250)	18,673,548
Loss for the period		—	—	—	—	(15,421,796)	(15,421,796)
Increase in par value		—	—	—	—	—	—
Issue of share capital	13	46,468	34,986,290	—	—	—	35,032,758
Transaction costs on issue of shares		—	(786,477)	—	—	—	(786,477)
Currency translation reserve		—	—	—	361	141,304	141,665
Shares issued upon exercise of options	18	—	—	—	—	—	—
Share-based payments	18	—	—	1,050,424	—	—	1,050,424
Balance at September 30, 2020		177,430	70,824,510	1,442,563	361	(33,754,742)	38,690,122
Balance at January 1, 2021		235,693	138,034,580	1,979,875	(4,365)	(44,459,954)	95,785,829
Loss for the period		—	—	—	—	(30,386,648)	(30,386,648)
Increase in par value		2,592,621	(2,592,621)	—	—	—	—
Issue of share capital	13	1,141,329	156,014,570	—	—	—	157,155,899
Transaction costs on issue of shares		—	(13,154,360)	—	—	—	(13,154,360)
Currency translation reserve		—	—	—	2,920	—	2,920
Shares issued upon exercise of options or RSU's	18	5,789	133,360	(91,681)	—	(231,803)	(184,335)
Share-based payments	18	—	—	6,207,308	—	—	6,207,308
Balance at September 30, 2021		3,975,432	278,435,529	8,095,502	(1,445)	(75,078,405)	215,426,613

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated statements of cash flows

For the nine months ended September 30,

	Notes	2021 €	2020 €
Operating activities			
Loss before tax		(30,299,824)	(15,421,796)
Non-cash adjustments to reconcile loss before tax to net cash flows from operations:			
Share-based payment expense	18	6,207,308	1,050,424
Depreciation expense	4	44,003	4,818
Net foreign exchange (gain)/loss	6	(7,837,250)	141,665
Finance costs	6	238,351	—
Changes in working capital:			
Decrease/(Increase) in receivables		(62,789)	(803,630)
Increase in other current assets		(3,067,974)	—
Increase in trade and other payables		2,723,748	2,301,823
Increase in accrued liabilities		163,657	138,176
Paid interest		(177,640)	—
Taxes paid		(28,157)	—
Net cash flows used in operating activities		(32,096,567)	(12,588,520)
Investing activities			
Purchase of property, plant and equipment	8	(61,494)	(35,657)
Net cash flows used in investing activities		(61,494)	(35,657)
Financing activities			
Proceeds from issue of shares	13	157,236,819	35,032,758
Transaction costs on issue of shares		(12,925,547)	(786,477)
Payment of lease liabilities		(20,575)	—
Net cash flows provided by financing activities		144,290,697	34,246,281
Net increase (decrease) in cash and cash equivalents		112,132,636	21,622,104
Cash and cash equivalents at the beginning of the period		98,628,871	20,326,372
Effect of exchange rate changes		7,834,271	—
Cash and cash equivalents at the end of the period	12	218,595,778	41,948,476

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Notes to the unaudited condensed consolidated interim financial statements

1. Corporate and Group information

This section provides general corporate and group information about Pharvaris N.V. (formerly Pharvaris B.V.) and its subsidiaries.

1.1 Corporate information

Pharvaris N.V. was incorporated on September 30, 2015 and is based in Leiden, the Netherlands.

The address of its registered office is J.H. Oortweg 21, Leiden. It has been registered at the Chamber of Commerce under file number 64239411.

Pharvaris is a clinical-stage biopharmaceutical company focused on the development and commercialization of innovative therapies for rare diseases with significant unmet need, initially focused on angioedema and other bradykinin-mediated diseases.

The unaudited condensed consolidated interim financial statements of Pharvaris N.V. (the "Company" or "Pharvaris") and its subsidiaries (collectively, "The Group") as at September 30, 2021 and December 31, 2020, and for the three and nine months ended September 30, 2021 and 2020 were authorised for issue in accordance with a resolution of the directors on November 10, 2021.

1.2 Group information

Subsidiaries

The unaudited condensed consolidated interim financial statements of the Group include:

			% of equity interest as September 30,	
Name	Legal seat	Country of incorporation	2021	2020
Pharvaris Holdings B.V.	Leiden	The Netherlands	100%	100%
Pharvaris Netherlands B.V.	Leiden	The Netherlands	100%	100%
Pharvaris GmbH	Zug	Switzerland	100%	100%
Pharvaris, Inc.	Delaware	United States of America	100%	100%

The ultimate parent company

The ultimate parent company of the Group is Pharvaris N.V., which is based in the Netherlands.

Major developments during the period

On July 10, 2021, the Company presented clinical data supporting the multiple-dose safety and pharmacokinetic (PK) profile of PHA121 (PHA-022121) for the treatment of hereditary angioedema (HAE) at the European Academy of Allergy and Clinical Immunology (EAACI) Annual Congress 2021.

With Dr. Souverijns joining as Chief Community Engagement and Commercial Officer to engage with patient advocacy groups, clinicians, and payers, per July 1, 2021, the Company further strengthened capabilities in Community Engagement and Commercialization, as well as CMC, Clinical, and organizational development.

On April 21, 2021, the Company announced that an Investigational new Drug (IND) was in effect in the US for prophylactic treatment of HAE using PHVS416. Patient recruitment has begun and the study is expanding to Canada, Europe, Israel, and the UK.

2. Summary of significant accounting policies

2.1 Basis of preparation

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2020 ("last annual financial statements"). These unaudited condensed consolidated interim financial statements do not include all the information required for a complete set financial statements prepared in accordance with IFRS as issued by the IASB. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis. Unless otherwise stated, the unaudited condensed consolidated interim financial statements are presented in euros and all values are rounded to the nearest EUR (€), except per share amounts.

2.2 Going concern

Pharvaris is a clinical-stage biopharmaceutical company focused on the development and commercialization of innovative therapies for rare diseases with significant unmet need, initially focused on angioedema and other bradykinin-mediated diseases. These therapies will need to go through clinical development trials to achieve regulatory approval for commercialization. Therefore, Pharvaris is incurring annual research and development and other operating costs and has no revenues to date (as is typical in the biotech industry for development stage and early commercial stage companies). As such, Pharvaris anticipates on-going negative operating cash flows for several years before the company has a product candidate ready for commercialization, if proven successful. This makes the Group dependent on external capital sources, debt capital and equity capital. The Group is currently fully financed by equity capital.

As of September 30, 2021 and December 31, 2020 the Group had cash of €218.6 million and €98.6 million, respectively. The Group incurred net losses of €30.4 million in the nine months ended September 30, 2021 and €15.4 million in the same period in 2020 and negative operating cash flows of €32.1 million and €12.6 million in the nine months ended September 30, 2021 and the nine months ended September 30, 2020 respectively.

The Group does not expect positive operating cash flows in the foreseeable future and remains dependent on additional financings to fund its research and development expenses, general and administrative expenses and financing costs. However, the Group believes that the available cash balances are sufficient to execute the Group's operating plan and strategies and to meet the anticipated working capital requirements and settle all expected liabilities for a period of at least twelve months after the signing date of these unaudited condensed consolidated interim financial statements. Accordingly, unaudited condensed consolidated interim financial statements have been prepared on a going concern basis.

Impact of COVID-19
The outbreak of a novel strain of the coronavirus, specifically identified as "COVID-19", has spread globally. COVID-19 is a virus causing potentially deadly respiratory tract infections and has impacted the global economy. In March 2020, the World Health Organization declared COVID-19 a pandemic.

The Group has taken appropriate measures to protect the safety of the employees and continuously monitors and evaluates the situation regarding COVID-19. The COVID-19 outbreak has delayed, and may continue to delay, enrollment in our clinical trials. The Group previously experienced an approximate two-month delay in starting the enrollment of our now completed Phase 1 multiple ascending dose study of PHA121 in healthy volunteers as a result of COVID-19.

The spread of an infectious disease, including COVID-19, may also result in the inability of our suppliers to deliver components or raw materials, and the inability of our CDMOs to provide supplies of our product candidates for our planned clinical trials, on a timely basis or at all. Further, it may impact the ability of our CROs, including non-clinical CROs, to provide services to support our clinical program. The extent to which the COVID-19 pandemic impacts our business will depend on future developments, which are uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 pandemic and the actions to contain COVID-19 or treat its impact, among others. If we are unable to meet our milestones it might jeopardize our funding opportunities.

In addition, the COVID-19 pandemic has already caused, and is likely to result in further, significant disruptions and uncertainties in global financial markets, which may reduce our ability to access capital on favorable terms or at all. A recession, depression or other sustained adverse market event resulting from the spread of COVID-19 could also materially and adversely affect our business and the value of our ordinary shares.

The Group continuously monitors the situation regarding COVID-19, and the possible impact on the CROs, contract manufacturing organizations and clinical sites performing research and development activities for the Group. All efforts are made to develop alternatives to limit the impact of COVID-19 going forward.

The ultimate impact of the COVID-19 pandemic is uncertain and subject to change. Management does not expect that COVID-19 will have a material adverse effect on the financial condition or liquidity of the Company.

2.3 Use of judgements and estimates

In preparing these unaudited condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for the share options granted, refer to note 18.

2.4 Change in significant accounting policies

The accounting policies applied in these unaudited condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements for the year ended December 31, 2020, except for:

IFRS 16 Leases
Lease policies and disclosure are related to leases entered into in the second quarter of 2021.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the Group's incremental borrowing rate on commencement of the lease used.
On initial recognition, the carrying value of the lease liability also includes:

- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and

- the amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate.

3. Research and development expenses

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
	€	€	€	€
Personnel expenses (Note 5)	(2,382,973)	(771,396)	(6,151,138)	(1,677,630)
Clinical expenses	(4,568,346)	(2,595,990)	(11,330,269)	(5,293,514)
Non-clinical expenses	(924,636)	(921,159)	(3,068,349)	(2,065,658)
Manufacturing costs	(1,052,191)	(717,371)	(3,972,363)	(2,624,638)
License costs	—	—	(500,000)	—
Intellectual Property costs	(28,028)	(56,826)	(66,104)	(136,546)
	(8,956,174)	(5,062,742)	(25,088,223)	(11,797,986)

Development expenses are currently not capitalized but are recorded in the unaudited condensed consolidated statements of profit or loss and other comprehensive income because the recognition criteria for capitalization are not met.

Clinical expenses include costs of conducting and managing our sponsored clinical trials, including clinical investigator cost, costs of clinical sites, and costs for CRO’s assisting with our clinical development programs.

Non-clinical expenses include costs of our outsourced discovery, medicinal chemistry, preclinical and nonclinical development studies.

Manufacturing expenses include costs related to manufacturing of active pharmaceutical ingredients and manufacturing of the products used in our clinical trials and research and development activities.

License costs consist of a milestone payment of €500,000 which was paid to AnalytiCon upon commencement of Phase 2 development.

4. General and administrative expenses

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
	€	€	€	€
Personnel expenses (Note 5)	(1,982,190)	(96,717)	(5,018,977)	(708,645)
Consulting fees	(207,461)	(254,215)	(598,337)	(732,915)
Professional fees	(349,575)	(277,615)	(1,482,281)	(656,798)
Accounting, tax and auditing fees	(230,113)	(375,096)	(1,316,869)	(778,696)
Facilities, communication & office expenses	(1,550,713)	(185,177)	(4,012,860)	(419,879)
Travel expenses	(6,760)	(3,117)	(10,117)	(25,161)
Other expenses	(47,269)	(18,820)	(371,059)	(125,114)
	(4,374,081)	(1,210,757)	(12,810,500)	(3,447,208)

In 2021 the Group entered into a number of lease arrangements, which were assessed to be short-term leases (with a lease term of 12 months equaling its non-cancellable period). The total outflow for the leases in the first nine months of 2021 was €153,859 (2020: €91,466) and is included in the Facilities, communication & office expenses line. The total outflow for the leases in the third quarter of 2021 amounts to €55,294 (2020: €25,059).
Depreciation expense of €44,003 (2020: €4,818) related to property, plant and equipment and leases and is included in the other expenses line for the nine months ended September 30, 2021. For the third quarter of 2021 a total of €28,955 (2020: €2,155) depreciation charge was included in Other expenses.

5. Personnel expenses

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
	€	€	€	€
Wages and salaries	(1,671,507)	(437,882)	(4,290,152)	(1,190,877)
Pension charges	(94,587)	(16,712)	(175,876)	(46,246)
Other social security charges	(261,109)	(23,227)	(496,779)	(98,728)
Share-based payments	(2,337,960)	(390,292)	(6,207,308)	(1,050,424)
	(4,365,163)	(868,113)	(11,170,115)	(2,386,275)

The average number of staff (in FTEs) employed by the Group in the nine months ended September 30, 2021 was 21 (2020:6).

6. Net foreign exchange income/(loss)

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
	€	€	€	€
Foreign exchange differences	4,333,264	(114,157)	7,837,250	(133,478)
Interest expenses over bank balances	(69,812)	(13,500)	(221,576)	(40,933)
Other finance expenses	(8,926)	1,319	(16,775)	(2,191)
	4,254,526	(126,338)	7,598,899	(176,602)

7. Income taxes

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
	€	€	€	€
Current income tax expense	(69,084)	—	(101,606)	—
Deferred taxes	894	—	11,862	—
	(68,190)	—	(89,744)	—

The tax expenses over the nine months ended September 30, 2021 relate to the Company's US subsidiary as the result of a cost-plus agreement between the US entity and Group's principal entity resulting in a taxable profit in the United States of America.

Reconciliation of income tax benefit at statutory tax rate and the income tax expense as reported in the unaudited condensed consolidated statement of profit or loss and other comprehensive income is as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
	€	€	€	€
Loss before income tax	(9,075,729)	(6,399,837)	(30,299,824)	(15,421,796)
Income tax benefit at statutory income tax rate of 25%	(2,268,932)	(1,599,959)	(7,574,956)	(3,855,449)
Temporary differences for which no deferred tax assets/liabilities have been recognized	106,338	94,845	268,918	306,319
Non-deductible expenses for tax purposes	294	(2,805)	881	881
Current period losses for which no deferred tax asset has been recognized	197,353	(578,554)	2,189,808	1,227,399
Differences in overseas tax rates	2,084,950	2,361,042	5,256,906	3,176,173
Impact of rate differences on opening deferred tax balances	—	(77,950)	—	(658,704)
Other	(51,813)	(196,619)	(51,813)	(196,619)
Income tax expense	68,190	(0)	89,744	—

The effect of current period losses for which no DTA has been recognized includes the offsetting effect from the derecognition of losses reported through equity/ consolidated statement of profit or loss and other comprehensive income.

The differences in the overseas tax rates are due to the lower tax rate in Switzerland and the higher tax rate in the USA compared to the statutory income tax rate in the Netherlands.

The effective tax rate is 0,29% for the nine months ended September 30, 2021(2020: 0%).

Pharvaris N.V. is the head of the fiscal unity including Pharvaris Netherlands B.V. and Pharvaris Holdings B.V.

The Group has a tax loss carry-forward of approximately €84 million as of September 30, 2021 (2020: €19.9 million) that is available for offsetting against future taxable profits of the companies in which the losses arose. In 2021, the Dutch tax law was revised and as result of the revision, the carry forward losses can be offset indefinitely whereby the loss settlement within the year is limited to €1 million plus 50% of the remaining result for the year. Under Swiss law, losses can be offset against future income or capital gains for seven years.

The tax loss carry-forward incurred in current and prior periods will expire as follows:

Year	Switzerland	Netherlands	Tax losses
	€ million	€ million	€ million
2027	33.9	—	33.9
2028	37.8	—	37.8
Unlimited	—	12.3	12.3
Total carry-forward losses	71.7	12.3	84.0

The DTA on losses not recognized partly relates to an effect through P&L and partly to an effect through equity.

Deferred tax

Deferred taxes have been recognized to the extent that management concludes that there is sufficient probability as per IAS 12 that there will be future taxable profits available in the foreseeable future against which the unused tax losses can be utilized.

Deferred tax assets relating to losses carried forward have not been recognized, and deferred tax assets on deductible temporary differences in excess of deferred tax liabilities on taxable temporary differences have not been recognized in the consolidated statement of profit or loss and other comprehensive income.

As a result thereof, the total gross amount of unrecognized deferred tax assets from temporary differences amounts to €83.0 million (September 30, 2020: €3.2 million) and relates to various temporary differences on intangibles in the Netherlands and Switzerland.

Movements in deferred tax balances

	Intangible assets	Non current provisions and liabilities	Fixed assets	**Total**
Deferred tax assets	€	€	€	
At January 1, 2021	1,964,583	99,339	—	**2,063,922**
(Charged)/credited				
- Profit or loss	(85,416)	87,002	—	**1,586**
- Currency translation differences	—	8,279	—	**8,279**
At September 30, 2021	1,879,167	194,620	—	**2,073,787**
Deferred tax liability				
At January 1, 2021	—	(1,964,583)	—	**(1,964,583)**
(Charged)/credited				
- Profit or loss	—	79,663	(69,580)	10,083
- Currency translation differences	—	—	(2,149)	(2,149)
At September 30, 2021	—	(1,884,920)	(71,729)	**(1,956,649)**
Net deferred tax assets at September 30, 2021				**117,138**

8. Property, plant and equipment

	Office equipment	Total
	€	€
Balance at January 1, 2021	48,503	48,503
Additions	61,494	61,494
Depreciation expense	(12,168)	(12,168)
Balance at September 30, 2021	97,829	97,829
Balance at September 30, 2021		
Cost	109,997	109,997
Accumulated depreciation	(12,168)	(12,168)
Net book amount	97,829	97,829

During the nine months ended September 30, 2021, the Group acquired assets with a cost of €61,494 (December 31, 2020: €42,977). The acquisitions during the nine months ended September 30, 2021 and the year ended December 31, 2020 were related to equipment, tools and installations.

9. Leases

The following table provides information about the Group's right-of-use assets:

	September 30, 2021	December 31, 2020
Balance at January 1, 2020	—	—
Addition	295,367	—
Depreciation charges	(31,835)	—
Impact of transaction of foreign currency	(983)	—
Balance at September 30, 2021	262,549	—

The following table provides information about the Group's lease liabilities at September 30, 2021:

	September 30, 2021	December 31, 2020
Office lease	(274,345)	—
Total lease liability	(274,345)	—
Current portion	**(102,879)**	—
Non-current portion	**(171,466)**	—

The lease agreement started on June 1, 2021 and has a lease term of three years. The average incremental borrowing rate applied to the lease liabilities was 2,91% during the nine months ended September 30, 2021(2020: n/a). Cash outflows related to leases during the nine months ended September 30, 2021 and 2020 were €20,575 and €0, respectively.

10. Receivables

	September 30, 2021	December 31, 2020
	€	€
VAT receivables	632,367	569,578
	632,367	569,578

11. Other current assets

	September 30, 2021	December 31, 2020
	€	€
Prepayments	3,379,862	540,701
Other assets	5,712	1,212,626
	3,385,574	1,753,327

Prepayments mainly relates to prepaid insurance, sign-on bonus to personnel, prepaid R&D expenses and rent.

Other assets per December 31, 2020, mainly consist of deferred transaction costs related to the Group's IPO, which was completed in February, 2021. The balance was reclassified to the share premium at completion of the IPO. Other assets per September 30, 2021 consist of rent deposit paid.

12. Cash and cash equivalents

Cash and cash equivalents comprise of cash in bank and are not subject to any restriction.

13. Equity

On September 30, 2021, the Company's authorized share capital amounted to €14,100,000 divided into 58,750,000 ordinary shares and 58,750,000 preferred shares, each with a nominal value of €0.12. As at September 30, 2021, the total number of issued shares was 33,128,593 (2020: 23,569,276). On September 30, 2021, the issued share capital totaled to €3,975,432 (2020: €235,693).

Ordinary shares hold the right to one vote per share.

Issued shares

	September 30, 2021	December 31, 2020
Ordinary shares	33,128,593	4,850,000
Preferred shares A	—	5,242,850
Preferred shares B	—	7,650,147
Preferred shares C	—	5,826,279
	33,128,593	23,569,276

On February 5, 2021, the Company became public by listing its ordinary shares on the Nasdaq Stock Exchange. On the same date all Preferred shares A, Preferred shares B and Preferred shares C were automatically converted to ordinary shares and 9,511,075 shares were issued. Together with the issuance of the ordinary shares, the par value of each share was increased from €0.01 to €0.12.

14. Trade and other payables

	Notes	September 30, 2021	December 31, 2020
		€	€
Trade payables		3,372,341	656,448
Tax and social security liabilities		371,256	190,504
Current lease liability	9	102,879	—
		3,846,476	846,952

15. Accrued liabilities

	September 30, 2021	December 31, 2020
	€	€
Consulting and accounting fees	471,144	1,505,304
Clinical expenses	1,097,000	635,820
Manufacturing expenses	419,000	970,587
Non-clinical expenses	64,000	421,429
Personnel expenses	1,449,044	875,238
Other expenses	146,493	58,459
	3,646,681	4,466,837

16. Risk management activities

The Group's risk management activities are the same as disclosed in note 16 of the consolidated financial statements for the year ended December 31, 2020, except for the following:

Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. Dollar. We received the proceeds from our initial public offering in February 2021 in U.S. Dollars. We seek to minimize our exchange rate risk by maintaining cash positions in the currencies in which we expect to incur the majority of our future expenses and we make payments from those positions.

Interest Rate Risk

The Group has adopted an investment policy with the primary purpose of preserving capital, fulfilling its liquidity needs and diversifying the risks associated with cash. This investment policy establishes minimum ratings for institutions with which the Group holds cash, also aiming to minimize negative interest payment.

17. Fair values

Fair values of cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

18. Share-based payments

In 2016, the Company implemented an Equity Incentive Plan (the "Plan") in order to advance the interests of the Company's shareholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with performance-based incentives that are intended to better align the interests of such persons with those of the Company's shareholders. This plan has been superseded by the 2021 long term incentive plan ("LTIP").

Set out below is an overview of changes in the Stock Options and Restricted Stock Units ("RSUs") during the nine months ended September 30, 2021.

	Stock Options		RSUs	
	Outstanding options	Weighted average exercise price	Outstanding RSUs	Weighted average purchase price
Outstanding January 1, 2021	1,465,295	€ 1.85	153,595	€ 0.01
Granted	1,144,000	€ 15.80	155,435	€ -
Exercised	(34,000)	€ 2.38	(25,295)	€ 0.01
Forfeited	(35,000)	€ 16.67	(12,500)	€ -
Outstanding September 30, 2021	2,540,295	€ 9.18	271,235	€ -

On January 1, 2021 the Company granted a total of 107,000 stock options to members of key management with an exercise price of €7.25 per share with a final exercise date of December 31, 2030 unless forfeited or exercised on an earlier date. On February 4, 2021, a total of 873,000 stock options were granted to members of key management with an exercise price of $20 per share with a final exercise date of February 3, 2031 unless forfeited or exercised on an earlier date. 25% of the aggregate number of share options shall vest on the 12-month anniversary of the vesting commencement date, and thereafter 1/48th of the aggregate number of share options shall vest on each subsequent monthly anniversary of the vesting commencement date until either the option is fully vested or the option holders' continuous service terminates.

On February 3, 2020 132,000 stock options were granted to a member of key management with an exercise price of €2.38 per share with a final exercise date of February 2, 2030 unless forfeited or exercised on an earlier date. Each of 2020, 2021, and 2022 is a performance period. The Board has determined the performance goals for the related performance period before September 30 of the respective year. On July 13, 2020 the performance goals for 2020 were determined and the fair value of the 44,000 stock options was reassessed for the stock options subject to the performance goals for 2020. The Board resolved to modify the terms and conditions related to the performance options effective June 25, 2021. The performance condition was released and the vesting period was changed from vesting on December 31, 2021 of the second tranche and December 31, 2022 of the third tranche to monthly vesting starting from February 3, 2020. Each month, 1/48 of the options will vest, with final vesting on February 4, 2024.
Since this modification did not change Management's best estimate of when the options will be exercised, no incremental fair value was granted.

On June 25, 2021, a total of 14,000 stock options were granted to a member of key management with an exercise price of $20 per share with a final exercise date of February 3, 2031 unless forfeited or exercised on an earlier date. 25% of the aggregate number of share options shall vest on February 3, 2022 and thereafter 1/48th of the aggregate number of share options shall vest on each subsequent monthly anniversary of the vesting commencement date until either the option is fully vested or the option holders' continuous service terminates.

On July 1, 2021, a total of 150,000 stock options were granted to members of key management with an exercise price of $17.43 per share with a final exercise date of June 30, 2031 unless forfeited or exercised on an earlier date. 25% of the aggregate number of share options shall vest on June 30, 2022 and thereafter 1/48th of the aggregate number of share options shall vest on each subsequent monthly anniversary of the vesting commencement date until either the option is fully vested or the option holders' continuous service terminates.

During the three months ended September 30, 2021 a total of 66,452 RSUs were granted to employees that joined the Group in the same period. The RSUs shall vest equally over a four-year period on each of the four anniversaries of the vesting start date until either the RSUs are fully vested or the RSUs holders' continuous service terminates.

The fair value of the RSUs is determined based on the share value per ordinary share at the grant date (or at the first trading day after the grant date if the Nasdaq Stock Exchange is not open on this date). The grant dates were July 1, 2021, August 1, 2021 and September 1, 2021. The share closing price was $17.43, $16.49 and $19.99 at July 1, 2021, August 2, 2021 and September 1, 2021, respectively.

For the nine months ended September 30, 2021, the Group recognized €6,207,308 of share-based payment expense in the unaudited condensed consolidated statement of income or loss and other comprehensive income (nine months ended September 30, 2020: €1,050,424).

As of September 30, 2021, a total number of 384,417 stock options are exercisable (September 30, 2020: nil).

The inputs used in the measurement of the fair value per option at each grant/ measurement date using the Black-Scholes formula (including the related number of options and the fair value of the options) were as follows:

	July 1, 2021	June 25, 2021	June 25, 2021	February 4, 2021	January 1, 2021
Number of options	150,000	14,000	88,000	873,000	107,000
Fair value of the options	€ 10.50	€ 10.90	€ 13.73	€ 11.88	€ 6.08
Fair value of the ordinary shares	€ 14.67	€ 15.46	€ 15.46	€ 16.69	€ 7.25
Exercise price	€ 14.67	€ 16.74	€ 2.38	€ 16.69	€ 7.25
Expected volatility (%)	85%	85%	85%	85%	85%
Expected life (years)	6.1	6.1	4.6	6.1	6.0
Risk-free interest rate (%)	1.2%	1.2%	(0.5)%	0.8%	(0.6)%
Expected dividend yield	—	—	—	—	—

Expected volatility is based on an evaluation of the historical volatilities of comparable listed biotech-companies over the most recent historical period that commensurate with the expected option life. The expected life is based on Management's best estimate of when the options will be exercised. The risk-free interest rate is based on the yield on German Government Strip bonds or US Government bonds depending on whether the exercise price is in euros or in US Dollars, with tenure equal to the expected life. The expected dividend yield is zero considering the stage of the Group.

On February 5, 2021, the Company's ordinary shares began trading on the Nasdaq Stock Exchange. From that date, the shares of the Company were traded at a regulated stock exchange. For the determination of the fair value on the grant date, the closing price on the grant date is used.

Reference is made to Note 5 for allocation of expenses in lines of the unaudited condensed consolidated statement of income or loss and other comprehensive income.

19. Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of issued and outstanding ordinary shares during the three and nine months ended September 30, 2021 and September 30, 2020.

The Company's potential dilutive securities have been excluded from the computation of diluted net loss per share attributable to ordinary stockholders as the effect of including them would be antidilutive.

Potentially dilutive shares that were not included in the diluted per share calculations because they would be anti-dilutive were 5,242,850 Series A preferred shares and 7,650,147 Series B preferred shares as of September

30, 2020. All the preferred shares were converted to common shares on the date that the Company completed its listing at Nasdaq. All the options outstanding as of September 30, 2021 and 2020 were anti-dilutive and were not included in the diluted per share calculations.

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
	€	€	€	€
Loss attributable to equity holders of the Company	(9,142,674)	(6,399,837)	(30,386,648)	(15,421,796)
Weighted average number of ordinary shares outstanding	23,282,105	4,850,000	23,282,105	4,850,000
Basic and diluted loss per share	(0.39)	(1.32)	(1.31)	(3.18)

20. Commitments and Contingencies

Claims

There are no material claims known to management related to the activities of the Group.

Commitments

The Group's contractual obligations and commitments as of September 30, 2021 amounted to €18,500,000, (December 31, 2020: €11,351,000) primarily related to research and development commitments. All of which are due within 3 years.

Contingencies

The Group had no contingent liabilities and no contingent assets as at September 30, 2021 and at September 30, 2020, respectively.

21. Related parties

Note 1.2 provides information about the Group's structure, including details of the subsidiaries and the holding company. The following provides the total amount of transactions that have been entered into with related parties for the relevant financial period.

Charité Research Organisation GmbH (Charité CRO)

Dr Knolle, who has served as Chief Scientific Officer and Chief Operating Officer since its inception, is a member of the board of Charité CRO. The Group has entered into a service contract with Charité CRO according to which Charité CRO provides services supporting research for the Group. The aggregate transaction value of the transactions with Charité CRO during the nine months ended September 30, 2021 and 2020 were €608 and €1,018,625, respectively. The outstanding balances with Charité CRO amounts to €nil on September 30, 2021 and December 31, 2020, respectively.

Key management personnel compensation

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Short term employee benefits	838,302	219,050	2,274,408	1,022,417
Post employee benefits	34,079	17,488	56,178	31,203
Share-based payments	3,342,072	249,338	5,464,808	607,543
Total	4,214,453	485,876	7,795,394	1,661,163

An amount of €220.000 of the short-term employee benefits is capitalized in the unaudited condensed consolidated statements of financial position as at September 30, 2020 and is recognized in the Group's statements of profit or loss and other comprehensive income in the period between October 2020 and September 2021.

A total of 1,144,000 stock options are granted to key management during the nine months ended September 30, 2021. Refer to note 18 for disclosures on the share-based payments.

The Group engages several management entities for the purpose of providing key management services to the Group. The aggregate value of transactions related to key management personnel, or entities which they control were €1,896,264 and €1,217,298 in the nine months ended September 30, 2021 and 2020, respectively and €157,881 and €287,394 in the three months ended September 30, 2021 and 2020 respectively.

The outstanding balances payable to key management personnel, or entities which they control, as per September 30, 2021 and December 31, 2020 were €124,371 and €57,920, respectively.

22. Events after the reporting period

The Company has evaluated subsequent events through November 10, 2021, which is the date the condensed consolidated interim financial statements were authorized for issuance and did not identify any significant event after reporting period that needs to be disclosed.

Signatories to the unaudited condensed consolidated interim financial statements

Leiden, November 10, 2021

Pharvaris N.V.
Board of Directors

B.A.E. Modig	M. Kleijwegt
R.P.L. Droller	R.H. Glassman
D.P. Meeker	J.G.C.P. Schikan
V. Monges	