

Pharnext Reports Financial Results for Year-End 2019

PARIS, France, 19:00 pm, April 22, 2020 (CET) – Pharnext SA (FR0011191287 - ALPHA), an advanced clinical-stage biopharmaceutical company pioneering a new approach to developing innovative drug combinations based on big genomic data and artificial intelligence, today announced its financial results for the fiscal year ended December 31, 2019.

2019 KEY EVENTS

In January 2019, Pharnext raised €15.0 million in capital from longstanding shareholder CBLUX. This additional cash inflow will give Pharnext more resources to focus, in particular, on the development of PXT3003. Under a series of agreements entered into with Tasly on May 10, 2017, the Chinese pharmaceutical group subscribed for €25.0 million in convertible bonds, which, according to the terms of the agreement, have been fully converted within the first quarter 2019 into common shares.

In the end of August 2019, Pharnext completed its discussions with the FDA concerning the positive results of its pivotal Phase 3 PLEO-CMT study, previously announced in October 2018, in which the high dose arm was prematurely stopped due to an unexpected intercurrent formulation event. Because of this intercurrent event, the FDA advised that Pharnext run an additional Phase 3 study to ultimately support a New Drug Application for PXT3003 in CMT1A. The FDA acknowledged that CMT1A is a disease with high unmet medical need, granting Fast Track designation for PXT3003 in February 2019, and encouraged Pharnext to return to discuss a proposed study design.

In November 2019, Pharnext established an equity line facility to enhance the Company's financial flexibility and improve liquidity for shareholders. Kepler Cheuvreux committed to underwrite up to 3,000,000 shares.

SYNTHETIC FINANCIAL INFORMATION

The key financial items for the fiscal year 2019 are set out in the table below. These data were taken from the financial statements drawn up under IFRS, which were approved by the Board of Directors at its meeting on April 22, 2020. The financial statements were duly audited and the auditors' report on the certification of the financial statements is in the process of being issued. The full financial statements are available on the Pharnext website: www.pharnext.com

Income Statement items (in €k) under IFRS at Dec. 31	2019	2018
Income from ordinary operations	253	2,687
Other income	3,345	4,142
Administrative costs	-8,445	-7,072
Research and development costs	-15,178	-17,665
Operating income (expense)	-20,025	-17,908
Financial income (expense)	-3,284	-3,409
Net income (expense)	-23,309	-21,317
Net cash flows generated by operating activities	-21,568	-15,911
Net cash flows generated by investing activities	194	-402
Net cash flows generated by financing activities	14,860	26,619

Net change in cash and cash equivalents	-6,515	10,307
Cash and cash equivalents	16,247	22,761

Other income mainly consists of the Research Tax Credit (€3.2 million for 2019) and subsidies.

Decreasing in Research & Development costs are mainly explained by the decrease of clinical costs due to the timing of the testing phases associated with PXT3003 for CMT1A.

Financial charges amounted to €2 million, mainly due to the interest amounts relating the bonds subscribed by IPF, as notes subscribed by Tasly have been converted within 2019 and interest costs from OSEO DIPPAL are quite the same.

As a result, Pharnext posted a **net loss** of €23.3 million in 2019.

Balance Sheet items (in €k) under IFRS at Dec. 31	2019	2018
Cash	16,247	22,761
Borrowings and financial debt	23,403	47,623

In terms of balance sheet structure, the net change in cash within 2019 year ended decreased by -€6.5 million and financial debt decreased by €26 million due to the conversion into shares the amount of Tasly notes, including principal and Interest. Cash and cash equivalents amounted to €16.2 million at December 31, 2019 versus 22.8 million at year-end 2018.

RECENT ACTIVITIES

Financial transactions

In March 2020, Pharnext raised €7.7 million in capital from longstanding shareholders CBLUX and LOHAS and from new US shareholders. This additional cash inflow will give Pharnext additional resources to focus on the additional Phase 3 clinical study of PXT3003.

As of the date of this press release, Pharnext collected a total proceeds of € 4,828,692 from the equity line executed by Kepler Cheuvreux since March 31.

These funding have boosted Pharnext's capital, these transactions raised Pharnext's cash position to € 22.1 million at the date of release of this document.

Given the difficulties of holding meetings due to the coronavirus pandemic, Pharnext's Board of directors decided to postpone the annual shareholders' meeting to a future day within next July . Pharnext will announce a new date for this annual shareholders' meeting in due course.

Scientific and management development

In March 2020, United Kingdom's Medicine and Healthcare products Regulatory Agency (MHRA) has granted Promising Innovative Medicine (PIM) designation to Pharnext lead drug candidate, PXT3003, for the treatment of Charcot-Marie-Tooth Disease Type 1A (CMT1A) in patients 16 years and older. A PIM designation is an early indication that a medicinal product is a promising candidate for the Early Access to Medicines Scheme (EAMS) in the treatment, diagnosis or prevention of life-threatening or seriously debilitating conditions with unmet need.

In March 2020, Pharnext has identified, through the use of its PLEOTHERAPY™ platform, 97 frequently prescribed drugs as potential candidates to be repositioned for treating COVID-19.

Pharnext has announced on April 16, 2020 the appointment by its board of Dr. David Horn Solomon as Chief Executive Officer. Pr. Daniel Cohen, who co-founded Pharnext in 2007, will assume the position of Chairman of the Scientific Advisory Board.

About Pharnext

Pharnext is an advanced clinical-stage biopharmaceutical company developing novel therapeutics for orphan and common neurodegenerative diseases that currently lack curative and/or disease-modifying treatments. Pharnext has two lead products in clinical development. PXT3003 completed an international Phase 3 trial with positive topline results for the treatment of Charcot-Marie-Tooth disease type 1A and benefits from orphan drug status in Europe and the United States. PXT864 has generated encouraging Phase 2 results in Alzheimer's disease. Pharnext has developed a new drug discovery paradigm based on big genomic data and artificial intelligence: PLEOTHERAPY™. Pharnext identifies and develops synergic combinations of drugs called PLEODRUG™. The Company was founded by renowned scientists and entrepreneurs, including Professor Daniel Cohen, pioneer in modern genomics, and is supported by a world-class scientific team. More information at www.pharnext.com.

Pharnext is listed on the Euronext Growth Stock Exchange in Paris (ISIN code: FR0011191287).

Disclaimer

This press release contains certain forward-looking statements concerning Pharnext and its business. Such forward-looking statements are based on assumptions that Pharnext considers to be reasonable. However, there can be no assurance that the estimates contained in such forward-looking statements will be verified, which estimates are subject to numerous risks including the risks set forth in Pharnext's document de base filed with the AMF on June 2, 2016, under number I.016-0050 as well as in its annual periodic management reports and press releases (copies of which are available on www.pharnext.com) and to the development of economic conditions, financial markets and the markets in which Pharnext operates. The forward-looking statements contained in this press release are also subject to risks not yet known to Pharnext or not currently considered material by Pharnext. The occurrence of all or part of such risks could cause actual results, financial conditions, performance, or achievements of Pharnext to be materially different from such forward-looking statements. Pharnext disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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