Press Release

Cancels and replaces the Press Release of October 27th due to typos in the income statement

Pharnext announces first half 2016 results

- **Successful IPO on Euronext Alternext Stock Exchange Paris raising €31 million**
- **Execution of strategy in line with the plan presented during the IPO**
  - **Deployment of Phase 3 clinical trial for Charcot-Marie-Tooth type 1A disease (CMT 1A)**
  - **Analysis of Phase 2a data in Alzheimer's disease**
  - **Strengthening of management team**

Paris, 27 October 2016 – Pharnext SA (FR00111911287 - ALPHA), a French biopharmaceuticals company developing an advanced portfolio of products in the field of neurodegenerative diseases, today announced the publication of its financial and operational results for the six months to 30 June 2016.

"Our IPO in July enabled us to raise €31 million on Euronext Alternext Stock Exchange Paris and to advance our two PLÉOMÉDICAMENT® currently in clinical development process. We were therefore able to continue the recruitment of patients for the international Phase 3 trial of PXT3003, in the treatment of CMT 1A, and the analysis of the results of the Phase 2a trial of PXT864 in the treatment of Alzheimer's disease. The IPO also enabled us to strengthen Pharnext's financial structure," noted Daniel Cohen, CEO and founder of Pharnext.

KEY FINANCIAL INFORMATION

First half 2016 results

The main elements of the income statement, statement of financial position and cash flow statement are set out in the tables below. These are taken from the summary financial statements drawn up under IFRS, which have been subject to a limited review by our auditors and were approved by the Board of Directors on 26 October. These financial statements cover the six months to 30 June and therefore do not include the impact of the IPO on 15 July.

Income statement

In euros	June 2016	June 2015
Other income	1,993,226	1,252,569
Administrative costs	(1,927,176)	(1,918,597)
Research & Development costs	(5,740,120)	(3,322,252)
Operating income	**(5,674,070)**	**(3,988,280)**
Net financial income	**(2,295,562)**	**(1,188,948)**
Net income	**(7,969,632)**	**(5,177,229)**

The company is not yet generating revenue, so the income recognised comes mainly from research tax credits. Administrative costs were stable year-on-year. The increase in R&D costs was directly linked to the deployment of Phase 3 clinical trial for CMT 1A disease.

The operating loss for the period to 30 June 2016 was €(5.7) million, compared to €(4.0) million at 30 June 2015. After net financial expense, the net loss was €(8.0) million, compared to €(5.2) million at 30 June 2015.

Statement of financial position

In euros	30 June 2016	31 Dec. 2015
Non-current assets	**144,532**	**142,958**
Other debtors	2,910,453	2,987,591
Advances and deposits	0	15,931
Cash and cash equivalent	5,007,854	3,088,720
Current assets	**7,918,306**	**6,092,241**
Total assets	**8,062,838**	**6,235,199**
Share capital	64,269	64,269
Issue premium	0	34,433,066
Retained income and other reserves	(23,575,983)	(47,201,271)
Net income for the year	(7,969,632)	10,994,453
Total shareholder's equity	**(31,481,347)**	**23,698,398**
Loans and financial debts	10,132,852	10,121,271
Other financial liabilities	491,926	467,075
Non-current liabilities	**10,624,778**	**10,588,347**
Loans and miscellaneous financial debts	**20,537,680**	**13,480,640**
Other current financial liabilities	**3,849,983**	**2,988,301**
Trade payables and other liabilities	**4,531,744**	**2,876,301**
Current liabilities	**28,919,407**	**19,345,242**
Total shareholder's equity and liabilities	**8,062,838**	**6,235,199**

Current financial debt rose from €13.5 million at 31 December 2015 to €20.5 million at 30 June 2016, mainly due to the introduction of bridging finance pending the receipt of funds from the IPO.

Cash flow statement

In euros	June 2016	June 2015
Cash flow from operations	**(5,663,207)**	**(4,240,684)**
Cash flow relating to working capital	**1,970,796**	**(736,778)**
Cash flow relating to investment	**(295,835)**	**(53,468)**
Cash flow relating to financing	**5,907,380**	**79,644**
Change in cash and cash equivalents	**1,919,134**	**(4,951,286)**
Cash and cash equivalent at 30 June	**5,007,854**	**2,285,730**

The improvement in working capital is due to the increase in trade payables, notably those due to CROs responsible for Phase 3 clinical trial.

Financing cash flow in the first half of 2016 came from: the Kreos credit line (€2,500K) drawn in April 2016; the bridging bond loan (€3,231K); and pre-financing from CIR (€1,149K) on the positive side; and on the negative side, the repayment of principle on the Kreos loan (€607K); and interest payments, primarily on the Kreos loan (€366K).

Impact of the IPO

The impact of the funds raised in the IPO on 15 July and the conversion on 18 July of Convertible Bonds, net of transaction costs, can be evaluated on a *pro forma* basis on 30 June 2016 as follows:

In euros	30 June 2016	Impact of IPO	Restated pro forma basis
Shareholder's equity	(31,481,347)	45,082,176	13,600,829
Current financial liabilities	24,387,662	(19,202,990)	5,184,672
Cash	5,007,854	25,553,340	30,561,193

The full financial report for the first half of 2016 is available on the company's website: www.pharnext.com

KEY EVENTS

Over the course of the first half, the company rolled out the international Phase 3 trial of PXT3003 for the treatment of CMT 1A. At 30 September 2016, 24 of the planned 31 sites were active, with 18 in Europe and 6 in the USA. Research and drug delivery method activities also continued over the period.

In September, data on PXT3003 was presented to the 6th International Congress on CMT and associated neuropathies, which took place in Venice. Pharnext also announced its support for the American patients' association, the Hereditary Neuropathy Foundation (HNF). Launched two years ago, this support seeks to raise awareness of Charcot-Marie-Tooth disease and strengthen the patient community: the goal is to ensure more efficient and quicker diagnosis of patients suffering from CMT, improving the care they receive and supporting researchers and clinicians in identifying treatments for this group of debilitating hereditary peripheral neuropathies. In particular, Pharnext provided specific support to the first annual CMT Summit for patients, which took place in New York on 6 October 2016. This major event highlighted innovations that have a direct effect on patients, care professionals, manufacturers, researchers and clinicians, through the presentation of the latest research results, the sharing of personal experiences and discussion of information on new products.

Pharnext also devoted some of its efforts in the first half of 2016 to the analysis of the results of the Phase 2a trial of PXT864 in the treatment of Alzheimer's disease. The positive results obtained will help in planning the next stages of development.

Pharnext also strengthened its management team, recruiting a new Medical Director (René Goedkoop) and new Legal Director (François Chamoun).

OUTLOOK

Recruitment of patients for the international Phase 3 trial of PXT3003 in the treatment of CMT 1A disease is likely to be completed by end-December 2016. The results of the Phase 2a trial of PXT864 in the treatment of Alzheimer's disease will be presented at the forthcoming CTAD Conference, to be held in San Diego in December 2016.

CALENDAR

Pharnext will be taking part in the **Actionaria Investment Fair**, Europe's leading event for private investors, on **18 and 19 November, at the Palais des Congrès in Paris.** The Pharnext team would be delighted to meet you on Stand A2 (Level 1).

CONTACTS:

Pharnext	**NewCap**	**Media Relations (Europe)**	**Media Relations (US)**
Pierre Schwich	Relations Investisseurs	Alize RP	Russo Partners
Directeur Financier	Julie Coulot	Caroline Carmagnol	Tony Russo, Ph.D.
investors@pharnext.com	pharnext@newcap.eu	Margaux Pronost	Matt Middleman, M.D.
+33 (0)1 41 09 22 30	+33 (0)1 44 71 20 40	pharnext@alizerp.com	matt.middleman@russopartnersllc.com
		+33 (0)1 44 54 36 64	+1 212-845-4272

ABOUT PHARNEXT

Pharnext is an advanced clinical stage biopharmaceutical company founded by renowned scientists and entrepreneurs including Professor Daniel Cohen, a pioneer in modern genomics. Pharnext focuses on neurodegenerative diseases and has two lead products in clinical development: PXT3003 is currently in an international Phase 3 trial 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 positive Phase 2 results in Alzheimer's disease. Pharnext is the pioneer of a new drug discovery paradigm: PLÉOTHÉRAPIE®. The Company identifies and develops synergic combinations of repositioned drugs at low dose. These PLÉOMÉDICAMENT® offer several key advantages: efficacy, safety, and intellectual property including several composition of matter patents already granted. The Company is supported by a world-class scientific team.

The company Pharnext is listed on Euronext Alternext Stock Exchange in Paris (ISIN code: FR00111911287).

For more information, visit www.pharnext.com

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 such forward-looking statements will be verified, which statements are subject to numerous risks, including the risks set forth in the Document de référence registration document filed with the Autorité des marchés financiers (AMF- French Financial Market Authority) on July 28, 2016 under n°R.16-069 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.

This press release and the information that it contains do not constitute an offer to sell or subscribe for, or a solicitation of an offer to purchase or subscribe for, Pharnext shares in any country. The communication of this press release in certain countries may constitute a violation of local laws and regulations. Any recipient of this press release must inform oneself of any such local restrictions and comply therewith.