Press Release

Pharnext announces 2018 half-year results

PARIS, France, 25th October 2018 7:30 am (CET) – Pharnext SA (FR0011191287 - ALPHA), a biopharmaceutical company pioneering a new approach to the development of innovative drug combinations based on big data genomics and artificial intelligence, announced today its financial results for first-half 2018.

KEY EVENTS FIRST-HALF 2018

During the first half of 2018, Pharnext completed several fund raisings.
In April 2018, Pharnext closed a first fund raising of 16 million euros: a private investment by CBLUX S.A.R.L. with a gross amount of 6.058 million euros and the emission of convertible share bonds for Tasly, a Chinese pharmaceutical group, for a supplementary gross amount totalling 10 million euros.
Then in June, Pharnext also completed an agreement for a new fund raising through bonds for 20.5 million euros spread over an envelope of 20 million euros (5-year maturity) with IPF Partners divided into three tranches, two of which have been activated, and 500 000 euros (1-year maturity) with Yorkville Advisors.

Also in June, the Chinese Food and Drug Administration (CFDA) gave their agreement for a priority review of PXT-3003 in Charcot-Marie-Tooth disease type 1A for the purpose of filing a marketing authorisation for commercialisation in China to the benefit of the joint-venture created between Pharnext and Tasly.

FINANCIAL INFORMATION SUMMARY

Main financial elements are presented in the table below : these are from financial statements established according to IFRS rules and were approved by the Board of Directors at their meeting held on 24th October 2018. Reviews were carried out and the reports from the statutory auditors are being edited. Complete financial statements are available on the Pharnext website : *www.pharnext.com.*

	Summary of financial information (IFRS)	
As €K	**30/06/2018**	**30/06/2017**
Operating income	2,430	
Other income	2,376	1,216
Research and Development expenses	(8,925)	(7,610)
Administrative costs	(3,289)	(2,936)
Operating income	**(7,407)**	**(9,331)**
Financial income	**(860)**	**(767)**
Net income	**(8,266)**	**(10,098)**
Cash flows generated from operating activities	**(7,856)**	**(12,108)**
Cash generated from investment activities	**13,602**	**1,740**
Net cash flow	**5,712**	**(10,521)**
Cash and cash equivalents 30th June	**18,167**	**6,149**
Pro forma cash 31st August 2018	**30,959**	

Operating income up to 30th June 2018 was 4,806 k€ and is in strong progression compared to the same period in 2017. Most of this is made up of 2,000 k€ from licence transfer and the estimation of French Research Tax Credit (CIR) for 2,233 k€ acquired over the period.

R&D expenditure is entirely posted to charges: expenditure increased by 17.3% between first half 2017 and first half 2018 and amounts to 8,925 k€ at end of June 2018. Costs for pre-clinical and clinical development sub-contracted to specialised companies makes up most of the increase, in particular since the launch of the Phase 3 clinical trial in CMT1A in December 2015.

Administrative costs also increased (12%) between 2018 and 2017 (3,289 k€ compared to 2,936 k€) and this is explained by the strong increase in marketing and communication expenditure linked to the present stage of development of PXT3003.

Consequently, the operating loss was -7,407 k€ and net loss over the period amounted to -8,266 k€.

Equity was negative on 30th June 2018 at -13,235 k€, compared to -11,989 k€ on 31st December 2017. It should be noted that on 30th June 2018, total of convertible bonds amounted to 24,021 k€ and in the hypothesis of convertible bonds to be considered as quasi-equity, share capital is potentially positive.

Net cash progressed by 5,712 k€ over the period and amounted to 18,157 k€ on 30th June 2018.

It is to be noted that after integrating complementary financial operations received in July 2018, the company's cash at the end of August 2018 was € 31 million.

Press Release

POST-CLOSING EVENTS AND COMPANY PERSPECTIVES

In July, Pharnext announced that the European Medicines Agency (EMA) accepted the paediatric investigation plan (PIP) for PXT3003 in Charcot-Marie-Tooth disease type 1A (CMT1A).

At the beginning of October, Vitaccess and Pharnext announced the launch of the international observational study CMT&Me, in Charcot-Marie-Tooth disease (CMT) using a bespoke digital app.

More recently, Pharnext communicated on 16th October 2018 positive results of its pivotal Phase 3 clinical trial evaluating 2 doses of PXT3003 versus placebo over 15 months for treatment of Charcot-Marie-Tooth type 1A (CMT1A) showing that:

- higher dose of PXT3003 met the primary endpoint, ONLS (Overall Neuropathy Limitations Scale) score with statistical significance (p=0.008);
- higher dose of PXT3003 met a secondary endpoint, 10 metres walking test, with statistical significance (p=0.016), analyses related to the other secondary endpoints are ongoing.

For further detail, please refer to the press release and presentation available on the Pharnext website.

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 products in clinical development with PXT3003 granted with the orphan drug status in Europe and the United States for Charcot-Marie-Tooth disease type 1A, and PXT864 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™. By this means, the company identifies and develops synergistic drug combinations called PLEODRUG™ aiming for efficacy, safety and robust intellectual property. The company was founded by renowned scientists and entrepreneurs including Professor Daniel Cohen, a pioneer in modern genomics, and is supported by a world-class scientific team.

Pharnext is listed on Euronext Growth Stock Exchange in Paris (code ISIN: FR0011191287).
For further 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 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 AMF on June 2, 2016 under number 1.016-0050 as well as in any other periodic report an in any other press release (a copy of which is available on www.pharnext.com) and to the development of economic conditions, financial markets and the markets in which Pharnext

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