

Pharnext announces the successful completion of its IPO raising €31 million on the Euronext Alternext Stock Exchange in Paris

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Paris, France, 13th July 2016 – Pharnext, a French biopharmaceutical company developing an advanced portfolio of products in the field of neurodegenerative diseases, announces today the successful completion of its initial public offering on “Public Offering” compartment of the Euronext Alternext stock exchange in Paris by way of an Open Price Offering (“OPO”) and a Global Placement (“Global Placement”, together with “OPO” and the “Offering”) and raised €31 million.

The order book includes tier-one French and European institutional investors as well as renowned industrial investors.

“Today we are pleased to announce the success of our initial public offering on the Alternext market of Euronext Paris, an important milestone in Pharnext’s growth and its innovative approach that seeks to develop a new generation of drugs that will offer a high level of efficacy and safety to the greatest number of patients at an affordable price,” says Daniel Cohen, CEO and Founder of Pharnext. “We wish to thank our historical shareholders who back and support us as well as the new partners who have joined us during the IPO, such as Financière Arbevel, Galapagos, Dassault Group, Claude Berda, and Institut Mérieux. This IPO will primarily serve to finance our Phase 3 study of type 1A Charcot-Marie-Tooth disease for adults and prepare/initiate the pediatric study and to launch Phase 2b for Alzheimer’s disease.”

Pharnext’s Board of Directors, meeting today, has set the IPO price at €10.82 per share. 2,854,920 new shares will be issued in the respect of the OPO and the Global Placement, representing a capital increase of €30.9 million, of which €5.5 million by offsetting receivables held.

Based on a total amount of 10,784,617¹ shares to be admitted to trading and a price of the IPO price of €10.82 per share, Pharnext’s market capitalization will be approximately €117 million.

The subscription commitments detailed in the transaction memo were fully served.

¹ Of which 1,502,797 new shares to be issued on the automatic conversion of the convertible bonds issued in 2014 at the Initial Public Offering price

The 2,854,920 new shares subscribed in the Offering have been allocated as follows:

- **Global Placement: 2,669,313 shares allocated to institutional investors (i.e. 93.5% of the total number of new shares issued); and**
- **OPO: 185,607 shares allocated to the public (i.e. 6.5% of the total number of new shares issued).**

The settlement and delivery of the shares newly issued under the OPO and the Global Placement process will occur on 15 July 2016.

The shares will then be traded in the “Public Offering” compartment of the Alternext market of Euronext in Paris on a single listing line entitled “ALPHA” (ISIN code FR0011191287; mnemonic code ALPHA) at the start of trading on 18 July 2016. In addition, the automatic conversion of the bonds issues in 2014 will be effective on 18 July 2016 and will lead to the issuance of 1,502,797 new shares.

No stabilization operation will be settled so as a consequence neither will be an Over-Allotment option.

A liquidity contract with Gilbert Dupont, that complies with the code of ethics issued by the AMAFI and approved by the French AMF on March 21, 2011, will be launched at the beginning of the trading of the shares on 18 July 2016.

PHARNEXT IS THE PIONEER OF A NEW PARADIGM FOR THE DISCOVERY OF MEDICINAL DRUGS: PLEOTHERAPY, UNIQUE APPROACH THAT COMBINES AT LOW DOSES EXISTING DRUGS, REPOSITIONED INTO NEW INDICATIONS

- **Optimal efficiency for candidate drugs at this stage of clinical development,**
- **An excellent safety profile for candidate drugs at this stage of clinical development,**
- **Potential application to any disease including neurodegenerative diseases,**
- **An estimated saving of 5 years in the development of a drug,**
- **Price of the drugs should be more affordable,**
- **Extensive and solid intellectual property rights.**

WITH ITS IPO PHARNEXT AIMS TO:

- **To finance all the costs related to the PLEO-CMT Phase 3** initiated at the end of 2015 with regard to the treatment of the Charcot-Marie-Tooth Neuropathy type 1A with PXT3003 for adults the results of which should be published in the second half of 2018, and to prepare and initiate a PXT3003 pediatric clinic,
- **To finance all the costs related to the preparation and the initiation of the next Phase 2 study to be conducted with regard to the treatment of Alzheimer's disease with PXT864**, the initiation of which should occur in the second half of 2017 for results expected in 2019-2020,
- **To reinforce the financial structure**, including the repayment of financial debts.

TERMS OF THE OFFERING

- **Price of the Offering**
 - OPO and Global Placement were priced at €10.82 per share
 - Pharnext's market capitalisation amounts to approximately €117 million after the capital increase².

² Post the automatic conversion of the convertible bonds issued in 2014 at the Initial Public Offering price

● **Size of the Offering and gross proceeds**

- 2,854,920 new shares were issued in the respect of the OPO and Global Placement
- the gross proceeds received by Pharnext amount approximately to €30.9 million.

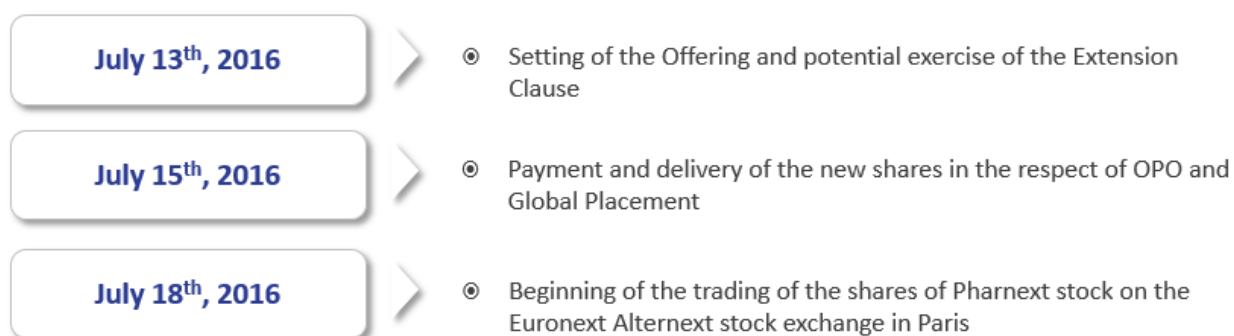
● **Breakdown of the Offering**

- Global Placement: 2,669,313 new shares allocated (i.e., approximately €28.9 million or 93.5% of the total number of shares offered)
- OPO: 185,607 new shares allocated (i.e., approximately €2 million or 6.5% of the total number of shares offered)
- In respect of the OPO, A1 and A2 orders will be allocated up to 100%.

● **Lock-up undertakings by the Company and existing shareholders**

- For the Company: from the date on which the guarantee agreement is signed for 180 calendar days after the payment and delivery date, subject to certain usual exceptions.
- For 98.9% of existing shareholders and holders of dilutive instruments: commitment to keep 100% of their shares over 180 days; 90% of their shares over 270 days; 80% of their shares over 360 days; and 50% of their shares over 540 days, subject to certain usual exceptions detailed in the prospectus related to the Offering; this commitment covers only the whole of transferable securities of the Company which they held prior to the IPO.

● **Timetable for the Offering**



● **Identification codes for the Pharnext stock**

- Description: PHARNEXT
- ISIN code: FR0011191287
- Mnemonic code: ALPHA
- Compartment: "Public Offering" Alternext Paris compartment
- Business segment: 4573 - Biotechnology

● **Financial intermediary**

- Gilbert Dupont acts as the only Lead Broker and Bookkeeper Partner



Information available to the public

Copies of the prospectus for the Offering and the admission of the shares of Pharnext stock on the Euronext Alternext stock exchange in Paris approved by the AMF on 24 June 2016 under number 16-275 composed of the *Document de Base* registered on 2 June 2016 under the number I. 16-050 and a transaction memo (including a summary of the prospectus), are available free of charge upon request from the Pharnext company (11, rue des Peupliers, 92130 Issy-les-Moulineaux, France) as well as on the websites of the company (www.pharnext-corp.com) and of the AMF (www.amf-france.org).

Risk factors

The company draws the attention of the public to Chapter 4, “Risk Factors”, of the *Document de Base* registered with the AMF and Chapter 2, “Market Risk Factors That May Noticeably Influence the Securities Being Offered”, of the transaction memo.

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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: pleotherapy. The Company identifies and develops synergic combinations of repositioned drugs at low dose. These “pleodrugs” 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.

For more information please visit www.pharnext.com

DISCLAIMER

No release or information relating to Pharnext’s issue of shares (the ‘Shares’) may be disseminated to the public in a country where obligatory registration or approval is required. No steps have been taken (or will be taken) outside France, in any country in which such measures are required. The issue or subscription of Shares may be subject to specific legal or regulatory restrictions in certain countries. Pharnext shall not be held liable for any breach of these restrictions by any entity whatsoever.

This press release does not constitute a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended, in particular, by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, as amended and as transposed in each of the Member States of the European Economic Area (the ‘Prospectus Directive’).

With respect of other Member States of the European Economic Area other than France (the '**Member States**'), no action has been undertaken or will be undertaken with a view to enabling a public offer of securities requiring the publication of a prospectus in one or more of the Member States. Consequently, the Shares may be offered in Member States only: (a) to legal entities that are qualified investors as defined in the Prospectus Directive; or (b) in other cases not requiring publication by Pharnext of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this paragraph, the notion of a '**Public Offer of Shares**' in each of the Member States shall be defined as any release addressed to persons, in any form and by any means whatsoever, presenting sufficient information as to the conditions of the offer and as to the Shares involved in the offer, to enable an investor to decide to purchase or to subscribe to these Shares, such as this notion has been modified, where applicable, in the Member State in question in the context of transposing the Prospectus Directive.

This investment restriction shall be in addition to any other investment restrictions applicable in Member States.

This press release is not disseminated and has not been approved by an authorized person as per the meaning of Article 21(1) of the Financial Services and Markets Act 2000. Consequently, this press release is addressed and destined solely (i) to persons situated outside the United Kingdom, (ii) to investment professions as per the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (iii) to the persons indicated in Article 49(2) (a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iv) to any other person to whom this press release may be addressed in accordance with the law (with the persons mentioned in paragraphs (i), (ii), (iii) and (iv) referred to collectively as '**Authorized Persons**'). The securities are solely destined for Authorized Persons and any invitation, offer or contract pertaining to the subscription, purchase or acquisition of the securities may only be addressed to or concluded with Authorized Persons. Any person that is not an Authorized Person shall refrain from using or relying on this press release and any information contained herein. This press release does not constitute a prospectus approved by the Financial Services Authority or by any other regulatory authority in the United Kingdom within the meaning of Article 85 of the Financial Services and Markets Act 2000.

It does not constitute a public offer of securities or any other solicitation to purchase or subscribe to securities or any solicitation to sell securities in the United States. The securities mentioned in this press release have not been and will not be registered within the meaning of the U.S. Securities Act of 1933, as amended (the '**U.S. Securities Act**'), and may not be offered or sold in the United States without registration or an exception to the registration requirement in accordance with the U.S. Securities Act. Pharnext has no intention to register the offer mentioned in this press release or part of this offer in the United States or to undertake any public offer in the United States.

Dissemination of this press release could constitute a violation of acting legal provisions in certain countries. The information contained in this press release does not constitute a public offer of securities in the United States, South Africa, Canada, Australia or Japan.

This press release must not be published, transmitted or distributed, directly or indirectly, on the territory of the United States, Canada, South Africa, Australia or Japan.

The Shares have not been and will not be permitted for sale to the public in accordance with applicable Canadian laws on securities and, therefore, any offer or sale of the Shares in Canada shall be under the system exempt from the requirement to establish a prospectus as provided for in such laws on securities. The Shares shall be subject to transfer and sale restrictions in certain countries, including in Canada.

The prospectus approved by the Autorité des Marchés Financiers contains forward-looking statements. No guarantee can be given as to the achievement of the forward-looking statements, which are subject to risks including, in particular, those described in the prospectus of the Company and changes in economic conditions, financial markets, and markets on which Pharnext is present.

Gilbert Dupont, in his capacity as stabilising manager, or any institution acting on his behalf may, but is not required to, with the option to terminate at any time for a period of 30 days from the pricing date of the Offer (13 July to 12 August 2016, according to the indicative timetable), intervene in Pharnext shares for market stabilisation purposes, in compliance with applicable laws and regulations, in particular Commission Regulation (EC) No. 2273/2003 of 22 December 2003. The interventions occurring with respect to such activities are intended to support the market price of Pharnext shares and may affect their performance.