

Pharnext announces 2020 half-year results

PARIS, France, 08:30 a.m. CET, October 15, 2020 – 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, announced today its financial results for first-half 2020.

KEY EVENTS FIRST-HALF 2020

On our lead program with PXT3003

In March 2020, the MHRA (UK) granted PIM designation to PXT3003 for the treatment of CMT1A in patients of 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.

Based on our most recent interactions, the FDA has provided guidance on the path to the approval of PXT3003 and has agreed with the key elements of our proposed approach for the developmental pathway to approval for PXT3003. Specifically, the FDA has indicated that a single pivotal Phase III Study in CMT1A delivering positive results, together with positive results from a preclinical study to demonstrate the contribution of each component of PXT3003, could be sufficient to submit a dossier for approval of PXT3003, depending on the robustness of the trial results.

On corporate governance

On April 16, 2020, Pharnext announced the appointment of David Horn Solomon as Pharnext C.E.O

As part of the 2020 Annual General Meeting, the Company proposed transformation of the board consistent with the Company’s vision of developing and commercializing PXT3003 in the US and Europe for CMT1A. The newly appointed directors have strong biopharmaceutical and business expertise focused on clinical development, neurology, strategy, transactions, value creation and governance experience. The newly appointed directors are: Alexandre Berda, Dr. Jean Combalbert, Joshua Schafer, Dr. David Solomon (also CEO of Pharnext), Pr. Lawrence Steinman, Dr. Elisabeth Svanberg.

On cash-in operation

Two significant financial transactions that took place in the first half of the year 2020 with:

- on March 10, 2020, Pharnext completed an ABSA private placement for gross proceeds of € 7.7 million by issuing 1,799,061 new shares. To each of these shares is attached a share warrant;
- share warrants exercise by Kepler-Cheuvreux took place from March 31 to May 18, 2020. These exercises translated to the issuance of 2,155,000 new shares for a gross product of just over € 8 million.

As of June 30, 2020, the company has collected the full Research Tax Credit (CIR) of 2019, i.e. € 3,165,026.

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 October 14, 2020. 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) end of June (K€)	2020	2019
Revenue from operations	40	213
Other Income	1 179	1 777
Administrative and commercial expenses	-3 578	-4 214
Research and Development expenses	-5 481	-8 008
Operating result	-7 840	-10 231
Financial result	-1 253	- 2 056
Net income	-9 093	-12 288
Cash flows generated from operating activities	-5 423	-13 860
Cash generated from investment activities	2	-177
Cash generated from financing activities	12 846	15 986
Net cash flow	7 425	1 949
Cash and cash equivalents	23 671	24 710

The Company's operating income was up compared to the same period of 2019 primarily due to lower Research and Development expenses during the period by approximately 2,527 K€ compared to the same period in 2019. Other Income decreased due to a lower research tax credit which was also due to a lower level of clinical expenses and some expenditures which no longer meet the eligibility conditions.

Timing of the phases of clinical studies explained the decrease of R&D expenses to subcontracted and specialized companies.

The increase of Net Cash Flow is primarily due to lower overall Operating Expenses driven by lower R&D expenses compared to the same period in 2019, in combination with the financing activity during the first half of 2020, including a €7.7 million private placement of common stock as well as approximately €8 million issued through our equity line.

The net loss for the period stands at -9,093 k€, compared to -12,287 k€ for the same period of 2019.

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 III 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 II results in Alzheimer's disease. Pharnext has developed a new drug discovery paradigm based on big genomics 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, a 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.

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.

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