

Pharnext announces 2019 half-year results

PARIS, France, 6:00 pm, October 16, 2019 (CET) – Pharnext SA (FR0011191287 – ALPHA), a biopharmaceutical company pioneering a new approach to the development of innovative drug combinations based on big genomics data and artificial intelligence, announced today its financial results for first-half 2019.

KEY EVENTS FIRST-HALF 2019

In January 2019, Pharnext raised €15.0 million in capital from longstanding shareholder CBLUX.

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. The conversion price of €13 represented a premium of greater than 50% in connection with the stock market price at the time. As announced on March 6, 2019, all of the bonds have been converted into common shares according to the terms of this agreement.

Pharnext announced on February 4 that the U.S. Food and Drug Administration (FDA) has granted Fast Track designation for the development of PXT3003 for the treatment of patients with Charcot-Marie-Tooth disease Type 1A.

However, as previously announced on August 29, FDA recommended that the Company conduct an additional Phase 3 study to evaluate PXT3003 in Charcot-Marie-Tooth Disease Type 1A (“CMT1A”). As stated, the Company remains confident in the potential of PXT3003 as a much-needed therapeutic option for patients with CMT1A, particularly given the consistent signal of efficacy observed across the clinical studies already performed and PXT3003’s strong safety profile to-date.

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

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 15, 2019. 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€)	2019	2018
Revenue from operations	213	2 430
Other Income	1 777	2 376
Administrative and commercial expenses	-4 214	-3 288
Research and Development expenses	-8 008	-8 925
Operating result	-10 231	-7 407
Financial result	-2 056	- 860
Net income	-12 287	-8 266
Cash flows generated from operating activities	-13 860	-7 856
Cash generated from investment activities	-177	-33
Cash generated from financing activities	15 986	13 602
Net cash flow	1 949	5 712
Cash and cash equivalents	24 710	18 167

The Company's operating income was down compared to the same period of 2018 when it represented 4,806 k€ including an exceptional sale of a license for 2,000 k€. Another reason is a decrease in the research tax credit due to a lower level of clinical expenses and some expenditures which does not more meet the eligibility conditions.

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

Administrative and commercial expenditures increased between 2019 and 2018 by 925 k€, primarily due to an increase in commercial spending, commensurate with a company at Pharnext's stage of development.

The increase of operating loss amounted is largely explained by the non-recurrence of the sale of license which had brought 2,000 k€ of revenue in 2018.

Increase of financial expenses is linked to following items:

- impact of interest on the IPF loan did not exist in the first half of 2018, and resulted in 1,048 k€ in financial expenses over the same period of 2019;
- impact of the OC Tasly conversion which led to the cancellation of the smoothing of the costs related to the implementation of this convertible bond issue, i.e. 747 k€.

The net loss for the period stands at -12,287 k€, compared to -8,266 k€ for the same period of 2018.

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. 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™. 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 and 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 operates. The forward-looking statement 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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