Press Release

Pharnext commits to a drastic cost-cutting plan to further enhance the value of its drug candidate for Charcot-Marie-Tooth disease type 1A

PARIS, France, January 17, 2024, 08:30 am CET – Pharnext SA (FR001400JXB0 - ALPHA) (the "Company"), an advanced late-clinical stage biopharmaceutical company developing novel therapeutics for neurodegenerative diseases with high unmet medical need, today announces the implementation of a drastic cost-cutting plan designed to provide the Company with the financial visibility it needs to continue the development of PXT3003, its drug candidate for Charcot-Marie-Tooth disease type 1A (CMT1A), a rare debilitating peripheral neuropathy.

As a reminder, following pivotal Phase III (PREMIER trial) readout, Pharnext is continuing the analysis of the results which will last through Q1 2024. This strategic step could give us a chance to agree a registration pathway for PXT3003 in CMT1A, with the FDA and the EMA..

To focus financial resources on issues directly related to this new development phase, Pharnext has decided to stop all other operating expenses. The aim is to reduce cash consumption from an average of €2.0 million per month in S1 2023 to an average of €0.5-0.9 million per month in S1 2024. To achieve this goal, Pharnext has already taken all the necessary measures, in particular :

- Cessation of all preclinical and clinical projects, initiated or planned, generating around 70% of expected savings;
- Rationalization of internal and external operating costs, generating around 30% of expected savings.

Hugo Brugière, Manager of Pharnext, said: "*Thanks to these painful but always necessary measures, we want to continue our mission of valuing many years' work for the benefit of patients awaiting treatment, and investors who support the Company. With our financing needs back in the conventional zone, we can explore possible options and serenely discuss with our various partners to continue moving forward*".

Disclaimer

Pharnext arranged (I) financing in the form of convertible bonds financing (OCEAN-BSA) with Global Tech Opportunities 13 which, after receiving the shares resulting from the conversion or exercise of these instruments, will not remain shareholder of the Company, and (II) financing in OS bonds which were subsequently transferred to a trust, which is now responsible for their equitization.

The shares resulting from the conversion or exercise of the above-mentioned securities will generally be sold on the market at very short notice, which may create strong downward pressure on the share price. In the specific case of the trust, the shares are sold on the market in accordance with the terms set out in the trust agreement.

Shareholders may suffer a loss of their invested capital due to a significant fall in the Company's share price, as well as significant dilution due to the large number of securities issued to Global Tech Opportunities 13 and/or the trust.

Investors are advised to exercise extreme caution before deciding to invest in the securities of a listed company that carries out such dilutive financing transactions, particularly when they are carried out in succession. The Company wishes to point out that this is not the first dilutive financing transaction it has undertaken.

About Pharnext

Pharnext is an advanced clinical-stage biopharmaceutical company developing novel therapies for neurodegenerative diseases currently without satisfactory therapeutic solutions. Pharnext has a first-in-class drug candidate, PXT3003, in development for Charcot-Marie-Tooth disease type 1A (CMT1A), a rare, debilitating, inherited peripheral neuropathy. PXT3003 benefits from orphan drug status in Europe and the United States. More information at www.pharnext.com.
Pharnext is listed on the Euronext Growth Stock Exchange in Paris (ISIN code: FR001400JXB0).

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