

Pharnext launches its Listing on the Euronext Alternext Stock Exchange in Paris

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- **Capital increase of EUR 36.4 M, which can be increased to a maximum of EUR 48.2 M in case of a full exercise of Extension Clause and the Over-Allotment Option¹**
- **Subscription commitments from historical shareholders and new tier-one investors such as Galapagos, IPSEN, Institut Mérieux, Dassault Group and Claude Berda for a total amount of total EUR 23.0 M**
- **Indicative price range: EUR 10.82 to EUR 13.20 per share**
- **Opening of the French Open Price Offering and the Global Placement: Monday, 27 June 2016**
- **Closing date of the Open Price Offering: Tuesday, 12 July 2016 (5:00 p.m.)**
- **Eligible for TEPA ISF, PEA-PME**

Paris, France, 27 June 2016 – Pharnext, a French biopharmaceutical company developing an advanced portfolio of products in the field of neurodegenerative diseases, announces today the launch of its listing on the Euronext Alternext stock exchange in Paris.

The French *Autorité des marchés financiers* (AMF) approved the French language prospectus relating to Pharnext's initial public offering in France by granting visa no. 16-275 dated 24 June, 2016.

Pharnext is the pioneer of a new paradigm for the discovery of medicinal drugs: Pleotherapy. The Company has been developing a unique approach that combines at low doses existing medicinal drugs, repositioned into new indications. This approach has numerous benefits: optimal efficiency, an excellent safety profile, potential application to any diseases, including neurodegenerative diseases, an estimated saving of 5 years in the development of a medical drug, a price that should be more affordable, and intellectual property rights that include several composition patents that have already been obtained. The company is supported by an internationally renowned scientific team.

¹ based on the middle of the range of the Price of the Offering

REASONS FOR THE OFFERING

The operation envisaged is intended to provide Pharnext with the additional resources to accelerate its growth, i.e.:

- **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 the results of which should be published in the second half of 2018, and to prepare and initiate a PXT3003 pediatric clinic, with approximately 65% of the funds raised,
- **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 with approximately 15% of the funds raised,
- **To reinforce the financial structure**, including the repayment of financial debts with approximately 20% of the funds raised.

PRIMARY ADVANTAGES OF THE COMPANY

- **Pharnext is developing the new generation of drugs that will offer a high level of efficiency and safety to the largest number of patients at a more affordable price**

Pharnext is seeking to become, through this listing on the stock exchange, the first listed biopharmaceutical company in Europe that is able to offer more effective, safer, and less expensive drugs by developing a unique approach: combining at low dose existing drugs, repositioned into new indications. This is what is called Pleotherapy.

Developed over the past 30 years by the scientific team of Pharnext, this concept is distinguished from monotherapy, which is based on the principle of aiming at a single therapeutic target, by allowing the treatment of **several targets at the same time** with the use of **pleodrugs**. These are **synergetic low dosage combinations of drugs that are already being used** for other diseases with a known tolerance profile. This approach should to allow it to confront two major current challenges of the pharmaceutical industry: the high prices of the drugs and the significant failure rate during their development, both because of a lack of efficiency but also because of an unsatisfactory safety profile.

- **Pleotherapy has considerable advantages over monotherapy**
 - **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**.

In order to demonstrate the relevance of this approach, Pharnext has selected diseases with unmet medical needs for which there is no satisfactory treatment as of today: Charcot-Marie-Tooth type 1A disease, and Alzheimer's disease.

- **Two pleodrugs in an advanced clinical development phase**

PXT3003 is currently in Phase 3 with regard to the treatment of Charcot-Marie-Tooth type 1A disease, a rare

hereditary genetic disease that affects approximately 170,000 patients in Europe and North America.

PXT864 has just completed a Phase 2a study in the treatment of Alzheimer's disease, a neurodegenerative disease that afflicts more than 30 million persons in the world today. Other indications are envisaged for PXT864, including Parkinson's disease and amyotrophic lateral sclerosis (ALS or Charcot's disease).

⦿ **Considerable potential for other opportunities in areas of neurodegenerative diseases and beyond that**

Thanks to its knowledge of the biological networks of diseases and of the repositioning of drugs, Pharnext is developing a **unique platform** which can systematically discover synergistic combinations of drugs. The aim of this platform is to target **major markets** in areas of neurodegenerative diseases: to date **the biological networks of 26 diseases with unmet medical needs** have been developed by Pharnext.

⦿ **Pharnext is supported by an internationally renowned scientific team and first-class investors**

This new paradigm, of which Pharnext is a pioneer, is recognized by internationally renowned scientists, including several **Nobel Prize Laureates**. The Company has also been supported by historical shareholders and first-rank new investors (**Galapagos, IPSEN, Institut Mérieux, Group Dassault and Claude Berda**).

TERMS AND CONDITIONS OF THE OFFERING

⦿ **Structure of the offering**

The distribution of the shares offered will be completed within the framework of a global offering (the "Offering"), including:

- a public offering conducted in the form of an open price offering, primarily intended for natural persons (the "**Open Price Offering**" or the "**OPO**") and
- a global placement primarily intended for institutional investors in France and outside of France (excluding the United States, South Africa, Canada, Australia, and Japan) (the "**Global Placement**")

⦿ **Initial size of the offering**

The number of new shares of the Company's stock is a total of 3,036,044 with a par value of EUR 0.01 each to be fully paid up at the time of the subscription. It must be reiterated that the Offering will be made, as a matter of priority, by the subscription of new shares.

⦿ **Extension Clause**

Up to 15% of the number of new shares initially offered, that is, a maximum extension of 455,406 new shares of stock in the event of full exercise (the "Extension Clause").

⦿ **Over- Allotment Option**

Up to 15% of the number of new shares offered or, in the event of full exercise of the Extension Clause, a maximum of 523,717 additional new shares (the "Over- Allotment Option"). This Over-Allotment Option may be exercised in whole or in part through 17 August 2016.

⦿ **Indicative price range of the Offering**

Between EUR 10.82 and EUR 13.20 per new share of stock (the "Price of the Offering")²

² The Offering Price may be established outside this range. In the event of an upward change in the upper limit of the range or in the event that the Price of the Offering is set above the upper end of the range (the initial range or, as applicable, as modified), the closing date of the OPO will be postponed or a new period for subscription to the OPO will be opened, as the case may be, and as a result there will be at least two stock exchange business days between the date on which the press release regarding that modification and the new ending date of the OPO that have elapsed. Orders issued within the framework of the OPO before the distribution of the aforementioned press release will be maintained unless they are expressly revoked before the new closing date of the OPO. The Price of the Offering may be

⊙ **Gross proceeds from the issue**

Approximately EUR 36.4 million (except in the case of the exercise of the Extension Clause and the Over-Allotment Option), which could increase to approximately EUR 41.9 million in case of full exercise of the Extension Clause and to approximately EUR 48.2 million in the case of full exercise of both the Extension Clause and of the Over- Allotment Option (corresponding to the middle of the indicative range of the Price of the Offering, i.e., EUR 12.0).

⊙ **Estimated net proceeds from the issue**

Approximately EUR 29.3 million (except in the case of the exercise of the Extension Clause and the Over-Allotment Option), which could increase to approximately EUR 34.6 million in case of full exercise of the Extension Clause and to approximately EUR 40.7 million in case of full exercise of both the Extension Clause and of the Over- Allotment Option (corresponding to the middle of the indicative range of the Price of the Offering, i.e., EUR 12.0).

⊙ **Subscription commitments**

The total amount of the subscription commitments reaches EUR 23.0 million.

Some shareholders of the Company have made commitments to place subscription orders in the total amount of EUR 4.6 million (i.e., 12.7% of the total amount of the offering³). The breakdown of such orders is as follows:

- funds managed by Truffle Capital: EUR 1.5 million (i.e., 4.1% of the gross amount of the offering³);
- Zaka (family office of Pierre Bastid): EUR 1.5 million (i.e., 4.1% of the gross amount of the offering³);
- Ipsen Pharma: EUR 1.0 million (i.e., 2.7% of the gross amount of the offering³);
- six other historical shareholders that have made commitments to place orders in the total amount of EUR 618,720 (i.e., 1.7% of the gross amount of the offering³).

Moreover, new investors have made commitments to place subscription orders in the total amount of EUR 13.35 million (i.e., 36.6% of the total amount of the offering³). The breakdown of such orders is as follows:

- Financière Arbevel: EUR 5.0 million (i.e., 13.7% of the gross amount of the offering³);
- Claude Berda: EUR 3.0 million (i.e., 8.2% of the gross amount of the offering³);
- Galapagos: EUR 2.7 million (i.e., 7.5% of the gross amount of the offering³);
- Institut Mérieux: EUR 1.0 million (i.e., 2.7% of the gross amount of the offering³);
- Dassault Group: EUR 1.0 million (i.e., 2.7% of the gross amount of the offering³);
- other individuals, including Michel de Rosen, have made commitments to place orders in the total amount of EUR 550,000 (i.e., 1.6% of the gross amount of the offering³).

In addition, funds managed by Truffle Capital, Zaka and Claude Berda have made commitments to place subscription orders in the total amount of EUR 5.0 million (i.e., 13.7% of the gross amount of the offering³) which will be reduced and limited to the required number of shares in order for the whole committed subscriptions, in the Offering, to represent 100% of new shares (except Extension Clause).

⊙ **Commitments to abstain on the part of the Company and of all the shareholders to keep the shares**

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.

established freely to be one that is below the lower limit of the indicative range of the Price of the Offering (in the absence of a significant impact on the other characteristics of the Offering).

³ Gross amount of the final offer based on the middle of the range of the Price of the Offering, exclusive of the Extension Clause and the Over-Allocation Option.

For 98.3% 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; this commitment covers only the whole of transferable securities of the Company which they hold from the day of the IPO.

⊙ **Eligible for the Small and Medium Company Stock Investment Plan / Wealth Tax [Impôt sur la Fortune, "ISF"] and Labor, Employment, and Purchasing Power Law [Loi Travail Emploi et Pouvoir d'Achat, "TEPA" Law] Campaign**

Subject to compliance with certain conditions on the part of the investor; see the prospectus.

⊙ **Qualified for Innovative Company of BPIFrance**

⊙ **Projected schedule for the operation**

24 June 2016	▶	⊙ AMF stamp of approval on the prospectus
27 June 2016	▶	⊙ Opening of the OPO and the Global Placement
29 June 2016	▶	⊙ Société Française des Analystes Financiers financial analyst association Meeting
12 July 2016	▶	⊙ End of the OPO and the Global Placement
13 July 2016	▶	⊙ Setting of the Price of the Offering and potential exercise of the Extension Clause
15 July 2016	▶	⊙ Payment and delivery of the new shares of stock within the framework of the OPO and the Global Placement
18 July 2016	▶	⊙ Beginning of the trading of the shares of Pharnext stock on the Euronext Alternext stock exchange in Paris
17 August 2016	▶	⊙ Deadline for exercise of the Over-Allocation Option ⊙ End of the potential stabilization period

⊙ **Terms and conditions of subscription**

Those who wish to participate in the OPO must place their orders with a financial intermediary that is officially authorized in France, no later than 12 July 2016 at 5:00 p.m. (Paris time) for subscriptions purchased at customer service windows and at 8:00 p.m. (Paris time) for subscriptions purchased via Internet.

In order to be accepted, the orders issued within the framework of the Global Placement must be received by Gilbert Dupont, Lead Broker and Bookkeeper, no later than 12 July 2016 at 5:00 p.m. (Paris time).

⊙ **Identification codes for the Pharnext stock**

- Description: PHARNEXT
- ISIN Number: FR0011191287
- Mnemonic code: ALPHA
- Compartment: "Public Offering" Alternext Paris compartment

– Business segment: 4573 - Biotechnology

⊙ **Financial intermediary**



Lead Broker and Bookkeeper Partner

⊙ **Availability of the prospectus**

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 who would like 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 17 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.