Press Release

Pharnext Announces Strategic Partnership with Tasly, a Leading Chinese Pharmaceutical Group

Paris, France, 6:45am, May 10, 2017 (CEST) – Pharnext SA (FR00111911287 - ALPHA), a biopharmaceutical company pioneering a new approach to the development of innovative drugs based on the combination and repositioning of known drugs, today announced the signature of a strategic agreement with **Tasly Pharmaceutical (Shanghai: 600535),** a group ranked amongst China's top 10 listed pharmaceutical companies. This partnership includes three axes: a financial investment by Tasly in Pharnext; the development of a new pipeline of synergistic combinations through a shared platform; and the license of Pharnext's lead product for the Chinese market.

Pharnext has requested Euronext to resume trading on its stock exchange effective as of Euronext Paris market opening on Wednesday May 10th, 2017 at 9:00am CEST.
As a reminder, trading was suspended, as requested by the company and in agreement with the AMF (French Market Authority), on Tuesday May 9th, at 2:30pm (CEST).

The above-mentionned major agreement is composed as follows:

- An investment of €20 million by Tasly in Pharnext at a substantial premium over the current stock price, including: €5 million in shares at a price of €12.5 per share and €15 million in convertible bonds with a conversion price of €13 per share.

- The creation of a research and development Joint-Venture (JV), owned 30% by Pharnext, to develop new combinations of molecules. Programs will be pursued in several indications, primarily in cardiovascular and oncology therapeutic areas. Both companies will share their expertise: Pharnext in the development of synergistic combinations of drugs and Tasly in the use of traditional Chinese medicine wealth. Once the combination of molecules proof of concept is established in humans, commercialization rights will either be allocated to Pharnext and Tasly or licensed to third parties.

- A licensing agreement for the development and commercialization by the JV of the drug candidate PXT3003 for Charcot-Marie-Tooth type 1A disease on the Chinese market.

"*This strategic partnership with Tasly is a major milestone: it confirms the global interest in and the value of our innovative technology platform, PLEOTHERAPY™. This partnership will provide access to new markets and new indications for Pharnext technology and products, while also integrating components of modernized traditional*

Chinese medicine," said **Prof. Daniel Cohen, M.D., Ph.D., Co-Founder and CEO of Pharnext.** "*We are very pleased and honored to collaborate with Tasly, a visionary company with an impressive history of revolutionizing the use of traditional Chinese medicine in a modernized form*."

"*We are very pleased to enter into a meaningful collaboration with Pharnext*," said **Mr. Yan Kaijing, Chairman of Tasly Pharmaceuticals.** "*The joint-venture we are creating has the potential to generate a robust pipeline of new therapeutics. This partnership allows us to secure a significant equity interest in Pharnext, as well as the Chinese commercialization rights for their lead asset for Charcot-Marie-Tooth Type 1A disease. We will rely on Tasly's advantages of its existing biomedical R&D platform and access to the Chinese hospital network; as well as Pharnext's remarkable drug R&D technological know-how to develop high-potential drug combinations, addressing important unmet medical needs. Based on biological disease network pharmacology, this partnership will exploit the immense potential of modernized Chinese traditional medicine, characterizing in a novel and precise way the mechanism of action of each combination we will develop.*"

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 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 PLEODRUG™ offer several key advantages: efficacy, safety and intellectual property including several product or composition of matter patents already granted. The Company is supported by a world-class scientific team.

The company Pharnext is listed on Euronext Alternext Stock Exchange in Paris (ISIN code: FR00111911287).

For more information, visit www.pharnext.com

About Tasly

Tasly Pharmaceutical Group Co., Ltd. was listed on Shanghai Stock Exchange in August 2002 (Stock Code 600535). The company concept is "To share the joy of health with all" and the company mission "To improve human life and quality of life". Tasly is committed to promoting the integration of Traditional Chinese Medicine (TCM) with modern medical and pharmaceutical technologies. It is also committed to building the first international brand of modernized TCM. "To become the global innovation leader of modern TCM and the scientific standard maker of modern TCM" is our target. To achieve this goal, Tasly will strive to bring modernized TCM to international pharmaceutical standards. To support its development strategy of "Comprehensive Internationalization", Tasly

has set up a complete manufacturing chain which respects international guidelines and exploits intelligent manufacturing system. Based on its "Two Wheel of Innovation and Capitalization" strategy, Tasly has developed several core competitive advantages, such as its R&D model, its multi-level product system, its multi-dimensional patent protection system as well as its commercial and marketing network.

For more information, visit www.tasly.com

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Appendix – Specific Details of Agreements

1) Investments:

The investment of €20 million by Tasly in Pharnext will be in two forms: €5 million in shares, at a price of €12.5 per share, and €15 million in convertible bonds (CB), paid at a rate of approximately 5%, and automatically converted at a price of €13 per share once the price has exceeded this value, on average, for 3 consecutive months. Tasly will also have the opportunity to convert their CB at a price of €13 per share at any time if the price is below this value. In the event of non-conversion at the end of 3 years, the CB would be, at the option of Pharnext, either repaid or converted at the market price with a discount of 20%.

2) Joint-Venture (JV):

For clinical development and commercialization phases, Tasly and Pharnext will benefit from licenses with respect to the following *a priori* guidelines:

- Drug combinations of traditional Chinese medicine (TCM) only: worldwide license for Tasly.
- Combinations of TCM and other molecules: European license for Pharnext, Tasly benefiting from a license for the rest of the world.
- Combinations of molecules without TCM: Chinese license for Tasly, Pharnext benefiting from a license for the rest of the world.

These licenses will be granted to Pharnext and / or Tasly on payment to the JV of a share of the platform research costs, and a term repayment on sales or realized income.
Tasly will ensure funding of the JV at its inception, with a cash contribution of 70 million RMB (€9.3 million) for new research and at least as much for the development of PXT3003 in the Chinese market.

3) License:

The license to the JV of the drug candidate PXT3003 for Charcot-Marie-Tooth Type 1A disease in the Chinese market will result in an upfront payment by the JV to Pharnext of €2 million.

The closing of these 3 agreements is expected to take place around the end of June 2017.