

Pharnext successfully raises €16 million via private placement

PARIS, France, 5:45 pm, April 11, 2018 (CEST) – Pharnext SA (FR0011191287 - ALPHA), a biopharmaceutical company pioneering a new approach to the development of innovative drug combinations based on big genomic data and artificial intelligence, today announced that it successfully closed a €16 million private placement.

The private placement includes 725,513 shares with warrants attached (“ABSA”) subscribed by CB LUX, generating gross income of €6.058 million, and convertible bonds (“CB”) for gross quasi-equity of €10.0 million subscribed by the Chinese pharmaceutical partner Tasly.

The proceeds from the private placement will provide the Company with additional resources to fund its strategy and continue its growth in the perspective of the forthcoming results of the Phase 3 trial of its most advanced PLEODRUG™, PXT3003 in the treatment of Charcot-Marie-Tooth disease type 1A.

“We would like to sincerely thank our partners for their trust and continued support of our Company and its innovative technological platform, PLEOTHERAPY™” said **Prof. Daniel Cohen, M.D., Ph.D., Co-Founder and Chief Executive Officer of Pharnext**. *“We are thrilled by the major strategic and clinical advances we have achieved in our programmes, and look forward to reporting the results of the Phase 3 trial of our first-in-class product PXT3003 for the treatment of Charcot-Marie-Tooth disease type 1A in the second half of 2018.”*

PRIVATE PLACEMENT DETAILS

ABSA has been issued in accordance with the approval of the Board of Directors implemented according to the Eighth Resolution of the Shareholders’ Meeting of 28 June 2017 (the “Shareholders’ Meeting”), without pre-emptive subscription rights, to the Company CBLUX S.A.R.L, already a 16.3% shareholder in Pharnext prior to this operation Pharnext (but not represented on its Board of Directors), and in which it will own 21.4% after the issuance.

A total of 725,513 ABSAs were issued via private placement, with a price of each equal to €8.35 (including premium), and each comprising an ordinary share and an ordinary warrant (“BSA”). The 725,513 new shares will be entirely assimilated into existing Pharnext shares and will represent approximately 6.48% of the number of outstanding shares after the private placement. Each BSA entitles to subscribe for 0.20 ordinary Pharnext shares, representing an additional issuance of 145,102 shares with a maximum exercise price of €8.27 per share. The shares that may be issued on exercise of the BSAs represent approximately 1.30% of the number of shares issued before the private placement. The BSAs may be exercised within 5 years from issuance. In the event all BSAs are exercised, the gross resulting income for Pharnext will be approximately 2 million euros. The theoretical value of five BSA giving right to one Pharnext share would be equal to 35% of a share price under Black & Scholes model.

CB has been issued in accordance with the approval of the Board of Directors implemented according to the Tenth Resolution of the Shareholders' Meeting, without pre-emptive subscription rights, to Tasly, a leading Chinese pharmaceutical group and partner of Pharnext, already shareholder in Pharnext prior to this operation (but not represented on its Board of Directors) and with a 3.4% of the share capital after the operation.

A total of 10 convertible bonds were issued, each with a par value of 1 million euros, representing a total nominal amount of 10 million euros and bearing interest at a rate of 6.9% per year. The convertible bonds have a maturity of 3 years from their date of issue, and may be converted prior to the maturity date at a conversion price of €13 per share, representing a premium of 57% over the weighted average price during the last three trading sessions prior to their date of issue (automatic conversion at a price of 13 euros per share where the market price exceeds this value, on average, during three consecutive months, or conversion by the bondholder at any time, at a price of 13 euros). At the maturity date, the amount payable in respect of the convertible bonds will either be reimbursed, or converted at a rate representing 80% of the average value of the share price on the market, weighted by volume observed over a period of the last 20 trading sessions preceding the maturity date. On this basis, the shares that may be issued on conversion of the CB represent approximately a maximum of 6.8% of the number of shares issued prior to the issuance of both CB and ABSA, or 14,58% together with the ABSA. The CB will not be listed or admitted for trading on the Euronext Growth Paris market.

Pursuant to Article 211-3 of the AMF (*Autorité des Marchés Financiers*) General Regulations, it should be noted that neither of the above-mentioned issues has resulted or will result in the drafting of a prospectus submitted to the AMF for approval.

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 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. The results of this trial are expected in the second half of 2018. PXT864 has generated positive Phase 2 results in Alzheimer's disease. Pharnext has developed a new drug discovery paradigm based on big genomic data and artificial intelligence: PLEOTHERAPY™. The Company identifies and develops synergic combinations of drugs called PLEODRUG™ offering several key advantages: 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 (ISIN code: FR0011191287).

For more information, visit www.pharnext.com.

Disclaimer

This press release has been issued to fulfil Pharnext's permanent reporting obligations. It does not constitute a public offering, subscription offering or a solicitation in view of a public offering.

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