

Pharnext Announces €20.5 million Bond Loan

- Supports research and development through the end of 2019
- Pharnext has raised over €36.5 million since April 2018

PARIS, France, 5:45 (CEST), June 13, 2018 – Pharnext SA (FR0011191287 - ALPHA), a biopharmaceutical company pioneering a new approach to the development of innovative drug combinations based on big data genomics and artificial intelligence, today announced a financing of up to €20 million through a bond loan with IPF Partners, one of the top providers of alternative financings in the healthcare sector.

“This financing with IPF Partners, in combination with the private placement announced earlier this year, strengthens our financial position and enables us to continue advancing the clinical development and commercial preparation for our innovative drug combinations,” said Prof. Daniel Cohen, M.D., Ph.D., Co-Founder and Chief Executive Officer of Pharnext. “We are grateful for the continued support from our shareholders and financial partners, and we look forward to reporting top-line results from our Phase 3 trial of PXT3003 in Charcot-Marie-Tooth disease type 1A later this year.”

The financing consists of three tranches of bonds with an annual interest rate of EURIBOR+11%. The first tranche of €11.5 million will be issued on June 30, 2018 at the latest, the second tranche of €3.5 million will be issued on July 30, 2018 at the latest and the third tranche of €5 million could be issued at Pharnext’s will and following top-line results from Pharnext’s ongoing pivotal Phase 3 trial of PXT3003, its lead drug candidate for the treatment of Charcot-Marie-Tooth disease type 1A (CMT1A), expected in the second half of 2018.

Additionally, a line of convertible bonds will be also issued with Yorkville Advivors for up to €0.5 million in convertible securities, with a maturity date of one year following their date of issue.

The transaction closed today concludes a series of successive financings for Pharnext which began in April 2018, for total proceeds of €36.5 million.

CHARACTERISTICS OF THE PRIVATE PLACEMENT

IPF Partners. The bonds have been issued in accordance with the approval of the Board of Directors implemented according to the Eighth Resolution of the Shareholders’ Meeting of June 28, 2017 (the “Shareholders’ Meeting”), without pre-emptive subscription rights, to the company IPF Fund I SCA, SICAV FIS et IPF Fund II SCA.

A total of 20,000,000 bonds could be issued via private placement, with a price of each equal to €1, and each comprising an ordinary warrant (“Warrant”). Warrants entitle to subscribe a total of 574.372 ordinary shares for the two firsts tranches and 53.968 ordinary shares for the third tranche. Such total of new shares will be entirely assimilated into existing Pharnext shares with an exercise price equal to the volume-weighted average price of an ordinary share of Pharnext on Euronext Paris for the last three days prior to the date of issuance of each tranche minus a five (5) percent discount and will represent approximately 4.81% of the number of outstanding shares in the event of their exercise by IPF. The Warrants may be exercised until July 31, 2026.

Yorkville. Convertible Bonds (“CB”) has been issued in accordance with the approval of the Board of Directors implemented according to the Eighth Resolution of the Shareholders’ Meeting, without pre-emptive subscription rights, to YA II PN, LTD, an investment funds managed by a portfolio management company Yorkville Advisors Global, LP. A total of 50 CB will be issued, each with a par value of €10,000, representing a total aggregate nominal amount of €500,000 and will be subscribed at 98% of par. The convertible bonds have a maturity of 12 months from their date of issue. The CB holder may convert all or any of the CB into a number of ordinary shares equal to the corresponding aggregate principal amount divided by 92% of the lowest daily volume weighted average price over the 10 trading days prior to each conversion date. The CB will not be listed or admitted for trading on the Euronext Growth Paris market. Trading Days during which the CB holder has sold any share of Pharnext in the market will be excluded from the 10 trading days preceding the Conversion Date

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 <http://www.pharnext.com/>

IPF Partners

IPF Partners is a leading alternative financing provider focused on the healthcare sector with over €200m under management. IPF invests directly in emerging pharma/biotech, medtech and diagnostics companies. Founded in 2011 by a seasoned multi-disciplinary team combining over fifty years of finance and investment and over thirty years of healthcare experience, IPF is providing bespoke, long-term financing. For more information visit www.ipfpartners.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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