

Pharnext Reports Financial Results for Year-End 2018

Paris, France, 8:00 a.m, April 24, 2018 (CEST) – Pharnext SA (FR00111911287 - ALPHA), a biopharmaceutical company pioneering a novel approach to the development of innovative drug combinations based on big data genomics and artificial intelligence, today announced its financial results for the fiscal year ended December 31st, 2018.

2018 KEY EVENTS

Over the course of the year, the company made additional progress towards achieving R&D advancements on its two lead PLEODRUGs™: PXT3003 for Charcot-Marie-Tooth Disease Type 1A (CMT1A), and PXT864 for Alzheimer's Disease.

In October 2018, based on its data analysis, Pharnext announced positive topline results from its pivotal Phase 3 clinical trial, PLEO-CMT, for the treatment of CMT1A, a significant and necessary step to determine the best pathway to potentially finalise the dossier for a marketing approval of PXT3003. In accordance with their mission, the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA) will have their own analysis which may differ from the company's assessment.

Pharnext also conducted several capital transactions during 2018. In April 2018, Pharnext raised €16 million via a private placement with CBLUX S.A.R.L, raising proceeds of approximately €6.1 million, and issuing convertible bonds subscribed by its Chinese pharmaceutical partner, Tasly, raising additional proceeds of €10.0 million.

In June 2018, Pharnext entered into an agreement for a new bond loan of €20.5 million, consisting of an envelope of €20.0 million with a 5-year maturity issued by IPF Partners in three tranches, two of which have already been drawn down for a total of €15.0 million, and a €500,000 convertible bond with a 1-year maturity subscribed by Yorkville Advisors. These convertible bonds were converted into common shares by the end of the 2018 fiscal year.

SYNTHETIC FINANCIAL INFORMATION

The key financial items for the fiscal year 2018 are set out in the table below. These data were taken from the financial statements drawn up under IFRS, which were approved by the Board of Directors at its meeting on April 23, 2019. The financial statements were duly audited and the auditors' report on the certification of the financial statements is in the process of being issued. The full financial statements are available on the Pharnext website: www.pharnext.com

| Income Statement items (in €k) under IFRS at Dec. 31 | 2018 | 2017 |
|--|---------|---------|
| Income from ordinary operations | 2,687 | 0 |
| Other income | 4,142 | 3,324 |
| Administrative costs | -7,072 | -5,950 |
| Research and development costs | -17,665 | -15,530 |
| Operating income (expense) | -17,908 | -18,156 |
| Financial income (expense) | -3,409 | -2,089 |
| Net income (expense) | -21,317 | -20,245 |
| Net cash flows generated by operating activities | -15,911 | -18,800 |
| Net cash flows generated by investing activities | -402 | -777 |
| Net cash flows generated by financing activities | 26,619 | 15,361 |
| Net change in cash and cash equivalents | 10,307 | -4,215 |
| Cash and cash equivalents | 22,761 | 12,455 |

Income from ordinary operations primarily comprise the execution (€2.0 million) of the PXT3003 licence for the treatment of CMT1A with the Chinese Joint Venture created by Pharnext and Tasly.

Other income mainly consists of the Research Tax Credit (€3.9 million for 2018) and subsidies.

The rise in Research & Development costs can be attributed to the increase in development costs associated with PXT3003 for CMT1A.

Financial expenses climbed to €1.3 million with the arrangement of the bonds subscribed for by Tasly Group and IPF.

As a result, Pharnext posted a **net loss** of €21.3 million in 2018.

| Balance Sheet items (in €k) under IFRS at Dec. 31 | 2018 | 2017 |
|---|--------|--------|
| Cash | 22,761 | 12,455 |
| Borrowings and financial debt | 47,435 | 22,872 |

In terms of balance sheet structure, the cash position rose €10.3 million while borrowing and financial debt increased €24.6 million. Cash and cash equivalents amounted to €22.8 million at December 31st, 2018 versus €12.5 million at year-end 2017.

RECENT ACTIVITIES AND PERSPECTIVE

Financial transactions

In January 2019, Pharnext raised €15.0 million in capital from longstanding shareholder CBLUX. This additional cash inflow will give Pharnext more resources to focus, in particular, on the development of PXT3003.

Under a series of agreements entered into with Tasly on May 10th, 2017, the Chinese pharmaceutical group subscribed for €25.0 million in convertible bonds. As announced on March 6th, 2019, according to the terms of the agreement all of the bonds have been converted into common shares.

The funding provided by CBLUX and the conversion of all bonds held by Tasly are two large-scale transactions that have boosted Pharnext's capital, putting it in a position to negotiate terms for future financing deals, including non-dilutive opportunities (such as licensing agreements, R&D partnerships or loans). Altogether, these transactions raised Pharnext's cash position to €32.3 million at March 31st, 2019.

Scientific and commercial development

In February 2019, the FDA granted Fast Track designation to PXT3003 for the treatment of CMT1A.

In 2019 and 2020, Pharnext plans to make additional operational changes for consolidating a Quality Management System and to continue working with the FDA and EMA.

Furthermore, based on the preliminary results of the Phase 2a trial of PXT864 for the treatment of Alzheimer's, Pharnext has confirmed its plan to launch a Phase 2b study. The Company remains open to the option of seeking and establishing a partnership to conduct this next step.

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 granted with an Orphan Drug Designation in Europe and the United States, and PXT864 having generated encouraging Phase 2 results for the treatment of Alzheimer's. Pharnext is pioneering a new paradigm in drug development based on Big Data analytics in genomics and Artificial Intelligence: PLEOTHERAPY™. Pharnext identifies and develops synergistic drug combinations under the brand name PLEODRUG™. The company was founded by renowned scientists and entrepreneurs, notably including Professor Daniel Cohen, a pioneer in modern genomics, and is backed by a world-class scientific team.

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

For more information, visit www.pharnext.com

CONTACTS:

Pharnext

Amit Kohli
Chief Operating Officer
investors@pharnext.com
+33 (0)1 41 09 22 30

Financial Communication (France)

Actifin
Stéphane Ruiz
sruiz@actifin.fr
+33 (0)1 56 88 11 15

Press Relations (Europe)

Ulysse Communication
Bruno Arabian
barabian@ulyse-communication.com
+33 (0)1 81 70 96 30

Investor Relations (U.S.)

Stern Investor Relations, Inc.
Kendra Packard
kendra@sternir.com
+1 212 362 1200

Press Relations (US)

Rooney Partners
Kate L. Barrette
kbarrette@rooneyco.com
+1 212 223 0561

Investor Relations (Europe)

MC Services AG
Anne Hennecke
anne.hennecke@mc-services.eu
+49 211 529252 22

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