

Pharnext Announces Successful Debt Refinancing and New Loan Agreement

- New fixed-rate loan agreement with Global Tech Opportunities 13, member of Alpha Blue Ocean group, for a total amount of up to €12 million
- Pharnext to pay in full venture debt obligations to IPF Partners initially signed in 2018

PARIS, France, June 8, 2022, 8:30 am CET – Pharnext SA (FR0011191287 - ALPHA) (the “Company”), an advanced late-clinical stage biopharmaceutical company developing novel therapeutics for neurodegenerative diseases with high unmet medical need, today announces that the Company has entered into a fixed-rate loan agreement with Global Tech Opportunities 13, a member of the Alpha Blue Ocean (“ABO”) group, for a total amount of up to €12 million with an annual interest rate of 9.5% (the “Loan Agreement”).

In relation to this new financing, the Company will pay down its outstanding venture debt obligations of €8 million to IPF Partners, which required the Company, pursuant to a covenant, to keep €8 million in cash on its balance sheet at all times. The Loan Agreement is separate from the existing convertible bond program consisting of bonds convertible into new shares or exchangeable for existing shares (OCEANE), each with share subscription warrants (BSA) attached, entered with Global Tech Opportunities 13 on June 7, 2021, as amended in December 2021, January 2022 and on June 6, 2022, as detailed below (the “2021 Convertible Bond Program”).

This Loan Agreement will provide the Company with added flexibility to manage its balance sheet and funding requirements.

The €12 million loan from Global Tech Opportunities 13 will be made available in five instalments (respectively, of Euro 3 million, followed by two instalments of Euro 2.5 million and two instalments of Euro 2 million) from June 2022 and ending at the latest eight months after the signing date of the Loan Agreement, each installment following the first instalment being drawable one month following the immediately preceding installment payment, so that the entire commitment may be drawn down earlier.

From the 4th month following the drawdown of any instalment and no later than 12 months after the payment of such drawdown, such instalment and its interests may be repaid in cash by the Company provided that no event of default occurred under the Loan Agreement. During the same period, provided that no event of default occurred under the Loan Agreement, Global Tech Opportunities 13 shall be entitled, at its sole discretion, to subscribe to any new convertible bond drawn pursuant to the 2021 Convertible Bond Program by way of set-off against certain, liquid and due receivable held by Global Tech Opportunities against the Company corresponding to the principal amount of any instalment of the loan and its accrued interest as calculated on such relevant set-off date. In the absence of early repayment of any instalment as mentioned above, any instalment and its interests shall be repaid on the anniversary date of the relevant drawdown, at the Company’s sole discretion in cash or by way of set-off against convertible bonds issued pursuant to the 2021 Convertible Bond Program, provided that no event of default occurred under the Loan Agreement.

Proceeds from the loan will, for the most part, be used to support operations and cash flow needs as Pharnext progresses its pivotal Phase III study of PXT3003, the PREMIER trial, in Charcot-Marie-Tooth disease type 1A (CMT1A). Pharnext recently announced that the PREMIER trial completed enrollment on schedule and top line data are expected to be announced in Q4 2023.

Amendments to the 2021 Convertible Bond Program have been agreed between the Company and Global Tech Opportunities 13 on June 6, 2022 in order to allow the repayment of the instalments by way of set-off against future tranches

of OCEANE with BSA attached. This amendment agreement also specifies the payment of an additional commitment fee to Global Tech Opportunities 13, equal to 10% of the principal amount of any tranche of OCEANE with BSA attached whose subscription price shall be exclusively paid by way of set-off against any certain, liquid and due receivable held by Global Tech Opportunities 13 against the Company resulting from the Loan Agreement at the time of the subscription of such tranche. Such additional commitment fee shall be paid by way of issuance of additional OCEANE (with no BSA attached) subscribed by Global Tech Opportunities 13 by way of set-off against a receivable held against the Company. This amendment agreement also provides for the extension of the maturity of the outstanding and future OCEANE to 24 months (instead of 12 months) given the current liquidity of the shares.

In addition, certain of the terms of the initial up to Euro 81 million June 2021 Convertible Bond Program existing before the December 22, 2021 amendment are reinstated, with Euro 45 million that may still be drawn down in 22 remaining tranches if conditions are met, after the end of the Loan Agreement. Global Tech Opportunities 13 also recovered the right to exercise the seven investor calls initially provided for in the 2021 Convertible Bond Program.

Global Tech Opportunities 13 currently owns 134,043,357 Pharnext' shares (corresponding to 27.36% of Pharnext's share capital), and 1,500 OCEANE-BSA (each of EUR 10,000 of nominal value). Information on the number of OCEANE, BSA and shares issued under the 2021 Convertible Bond Program may be found on the Company's website at <https://equityline.vox-aequitas.com/pharnext>.

Dr. David Horn Solomon, Chief Executive Officer of Pharnext, commented: *"We are grateful to Alpha Blue Ocean for its continued support of Pharnext. This latest arrangement will bridge the cash requirements for our pivotal Phase III clinical study of PXT3003 in CMT1A, the PREMIER trial, where we have just announced the on-schedule enrollment completion. In addition, it will give the Company greater flexibility and financial control as we continue discussions to secure financing that may include equity financing and/or partnership agreements. Furthermore, this new loan will remove the restrictive cash covenant, freeing up more resources for the Company for its PXT3003 study and general operational expenses.."*

Pierre Vannineuse, Founder and Chief Investment Officer of Alpha Blue Ocean, added: *"We are delighted to be able to continue our support of Pharnext as it progresses its important medicine candidate through development and to patients who may benefit from this new important medicine approach. We have agreed to replace Pharnext's old debt facility with a more flexible debt to give it more breathing room and comfort in completing its Phase III study. Alpha Blue Ocean is committed to advancing promising companies and this agreement with Pharnext supports our mission."*

About Pharnext

Pharnext is an advanced clinical-stage biopharmaceutical company developing novel therapeutics for neurodegenerative diseases that currently lack curative and/or disease-modifying treatments. Pharnext has two lead products in clinical development. PXT3003 completed an international Phase III trial with positive topline results for the treatment of Charcot-Marie-Tooth disease type 1A ('CMT1A') and benefits from orphan drug status in Europe and the United States. An international pivotal Phase III study of PXT3003 in CMT1A, the PREMIER trial, is currently ongoing. PXT864 has generated encouraging Phase II results in Alzheimer's disease and will be advanced through partnerships. Both of Pharnext's lead assets originated from the Pleotherapy™ R&D approach. Pharnext draws the attention of investors to the financial and other risk factors detailed in its financial reports. More information can be found at www.pharnext.com.

Pharnext is listed on the Euronext Growth Stock Exchange in Paris (ISIN code: FR0011191287).

Contacts



Dr. David Horn Solomon
Chief Executive Officer
contact@pharnext.com
+33 (0)1 41 09 22 30

Media Relations (International)
Consilium Strategic Communications
Mary-Jane Elliott
Sukaina Virji
Alexandra Harrison
pharnext@consilium-comms.com

Financial Communication (Europe)
Actifin
Ghislaine Gasparetto
ggasparetto@actifin.fr
+33 (0)6 21 10 49 24

Media Relations (France)
Ulysse Communication
Bruno Arabian
barabian@ulyesse-communication.com
+33 (0)6 87 88 47 26
+33 (0)1 81 70 96 30