

## Pharnext announces that Neovacs has set-up a management trust to manage the Pharnext securities issued and the rights and obligations of Neovacs under the financing agreement signed on September 30<sup>th</sup>, 2022

- Neovacs is setting up a management trust (the "Trust"), with Equitis Gestion as trustee, of which it is both settlor and beneficiary, to manage its rights and obligations as well as the Pharnext securities issued respectively to Neovacs and the Trust, under the financing agreement signed on September 30<sup>th</sup>, 2022 between Neovacs and Pharnext.
- Under this agreement, the Trust is transferred all of Neovacs' rights and obligations under the OBSA Agreement, the outstanding warrants, simple bonds and share purchase warrants held by Neovacs, Neovacs' receivables from Pharnext to be equitized, as well as the security interests granted to Neovacs by Pharnext.

**PARIS, France, on October 31<sup>st</sup>, 2022 at 6:30pm (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 the conclusion of an agreement with Neovacs for the establishment by Neovacs of a management trust (the "**Trust**"), with Equitis Gestion as trustee (the "**Trustee**"), to exercise all of the rights and satisfy all of the obligations of the latter as well as manage the Pharnext securities issued by Pharnext respectively to Neovacs and the Trust, respectively, under the OBSA Agreement signed on September 30<sup>th</sup>, 2022 between Pharnext and Neovacs (the "**Trust Agreement**").

As announced on October 3<sup>rd</sup>, 2022, Neovacs and Pharnext entered into an agreement on September 30<sup>th</sup>, 2022 for the issuance and subscription of warrants to purchase simple bonds, with warrants to purchase shares attached if applicable (the "**OBSA Agreement**").<sup>1</sup>

Under the terms of the OBSA Agreement, Neovacs has undertaken to finance Pharnext up to a total nominal amount of €21,093,800, by subscribing to 224,647 warrants (the "**BSO**") giving access to a maximum of 224,647 simple bonds of one hundred euros (€100) nominal value each (the "**Simple Bonds**"), in several tranches (each, one "**Tranche**"), by the payment of (i) one Tranche at a net subscription price of €10,700,000, (ii) two Tranches at a net subscription price of €2,500,000 each, (iii) two Tranches at a net subscription price of €1,000,000 each, and (iv) six Tranches at a net subscription price of €500,000 each, pursuant to the OBSA Agreement. Under the OBSA Agreement, warrants to subscribe for shares were attached to the Simple Bonds issued in the first Tranche (the "**BSA<sub>P</sub>**"). On September 30<sup>th</sup>, 2022, Pharnext issued the first Tranche of the Simple Bonds, which was subscribed to by Neovacs at a net subscription price of €10,700,000. A total of 1,994,667,284 BSA<sub>P</sub> attached to the first Tranche of Simple Bonds were thus issued on September 30<sup>th</sup>, 2022.

In addition, the OBSA Agreement allows the equitization of certain receivables (i.e. the conversion of a receivable into shares to which it is subscribed by way of debt set-off) held by Neovacs with respect to Pharnext, (namely; (i) the interest and fees on the €2.5 million loan granted by Neovacs to Pharnext in August 2022; (ii) the interest on the outstanding Bonds (equal to 1% per month); (iii) the commitment fee due by Pharnext to Neovacs under the OBSA Agreement; and (iv) under certain conditions, the principal amount of the Bonds in order to exercise, by way of debt set-off against their exercise price, share subscription warrants to be issued free of charge to the Trust by Pharnext, the number of which corresponds to the issue amount remaining from the authorized amount under the 11<sup>th</sup> resolution of the extraordinary general meeting dated March 21, 2022, as at September 30, 2022 (the "**BSA<sub>E</sub>**") and, if applicable, against the exercise price of the BSA<sub>P</sub> set at €0.01.

<sup>1</sup> Details of the OBSA Agreement are available on the following link: <https://pharnext.com/en/press-releases/pharnext-executes-a-financing-agreement-with-neovacs-for-eur-20.7-million-net>

In accordance with the OBSA Agreement, Neovacs and Pharnext have agreed on the terms and conditions of the Trust Agreement. This agreement defines the terms and conditions of the transfer by Neovacs to the Trustee on behalf of the Trust (i) of all of Neovacs' rights and obligations under the OBSA Agreement, (ii) of the outstanding BSO, Simple Bonds and BSA<sub>P</sub>, as well as all receivables to be equitized (iii) of the benefit of the security interests held by Neovacs in the context of the OBSA Agreement, such that as of said date the Trust will automatically be the beneficiary of such security interests and Neovacs will no longer be the beneficiary of any security interest in respect of Pharnext.

Under the terms of the Trust Agreement, the Trustee will hold these assets within the trust estate during the term of the Trust, and will manage and administer them for the exclusive purpose of carrying out the mission defined in this agreement, per the terms and conditions described in Appendix, with the obligation for the Trustee to definitively transfer the ownership of the trust estate to Neovacs according to the periodicity and conditions provided for in the Trust Agreement, in accordance with the provisions of Articles 2011 and subsequent of the Civil Code.

It is reminded that the OBSA Agreement provides that following the decision to exercise, if any, BSA<sub>E</sub> or BSA<sub>P</sub> by the Trust, the sales of Pharnext shares by the Trust may not represent more than 15% of the daily traded volumes. This rate may be increased to 30% in the event of the occurrence of certain events.

### 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](http://www.pharnext.com). Pharnext is listed on the Euronext Growth Stock Exchange in Paris (ISIN code: FR0011191287).

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## Schedule 1

### TERMS AND CONDITIONS OF EXERCISE OF THE BSA<sub>E</sub> AND OF SALE OF THE UNDERLYING SHARES

#### 1) Terms and conditions of exercise of the BSA<sub>E</sub>:

The Trustee, on behalf of the Trust, may send a notice of exercise of the BSA<sub>E</sub> if:

- (i) The subscription price per Pharnext share of a BSA<sub>E</sub> is less than 97.5% of the last closing price of the Pharnext share,
- (ii) The Trust holds Receivables to equitize in view of the exercise of the BSA<sub>E</sub> and,
- (iii) Subject to the Conditions Precedent to the Exercise of BSA<sub>P</sub> being satisfied, the subscription price per Pharnext share of a BSA<sub>E</sub> is less than the subscription price per Pharnext share of a BSA<sub>P</sub>.

The subscription price per Pharnext share price is equal to the applicable exercise price of the BSA concerned (i.e. BSA<sub>E</sub> or BSA<sub>P</sub>) divided by the exercise parity in force of the said BSA.

Subject to the aforementioned conditions being satisfied, the Trustee, on behalf of the Trust, will send a notice of exercise of BSA<sub>E</sub> as soon as :

- (a) (1) the Trust no longer holds any Pharnext share and (2) the exercise price of the BSA<sub>E</sub> is less than 92.5% of the last closing price; and / or
- (b) the Trust no longer holds any shares for three trading days and the exercise price of the BSA<sub>E</sub> is less than 97.5% of the last closing price on the previous day.

It being specified that the trustee, on behalf of the Trust, may send one or more notice(s) of exercise of BSA<sub>E</sub> at the share price of the same Trading Day subject to the condition (a) mentioned in the paragraph above being satisfied.

The conditions (i), (ii), (a), and (b) above are together referred to as the « **Conditions Precedent to the Exercise of BSA<sub>E</sub>** ».

The amount exercised for the exercise of the BSA<sub>E</sub> will be equal to 15% of the arithmetic average of daily volumes observed in EUR over the 5 trading days before sending the notice of exercise of the BSA<sub>E</sub>, without exceeding the following limits:

- (i) The number of Pharnext shares held by the Trust (including the new shares to be issued) may not exceed 15% of the total number of outstanding Pharnext shares post exercise of the BSA<sub>E</sub> ;
- (ii) €50k if the Subscription Price per Pharnext Share is more than 92.5% of the last closing price of the Pharnext share;
- (iii) €75k if the Subscription Price per Pharnext Share is between 87.5% (included) and 92.5% (included) of the last closing price of the Pharnext share; and
- (iv) €100k if the Subscription Price per Pharnext Share is less than 87.5% of the last closing price of the Pharnext share.

#### 2) Terms and conditions of sale of Pharnext underlying shares on the market:

The broker is requested to execute the orders according to its best execution policy (« conditional order ») with the goal of getting as close as possible to the VWAP of the day.

Every trading day, as from the receipt of the shares, the broker will aim at selling a volume of shares, within the limits of the number of shares held by the Trust, as close as possible to:

- **15%** of the daily trading volumes of the Pharnext share or,
- As the case may be, **30%** of the daily trading volumes of the Pharnext share, in the event that clauses 9.2 and/or 9.4 and/or 10.2 of the Terms and conditions of the simple bonds (*Termes et conditions des obligations simples*) (see schedule 4 of the Agreement for the issuance and subscription of warrants to subscribe simple obligations, with share subscription warrants attached as the case may be (*Contrat d'émission et de souscription de bons de souscription d'obligations simples, avec bons de souscription d'actions attachés le cas échéant*), entered into between Néovacs SA and Pharnext SA on September 30, 2022.

## Schedule 2

### TERMS AND CONDITIONS OF EXERCISE OF THE BSA<sub>P</sub> AND OF SALE OF THE UNDERLYING SHARES

#### 1) Terms and conditions of exercise of the BSA<sub>P</sub> :

The Trustee, on behalf of the Trust, may send a notice of exercise of the BSA<sub>P</sub> :

- (i) As from January 2, 2024,
- (ii) If the Trust holds BSA<sub>P</sub>,
- (iii) If the Subscription Price per Pharnext Share of a BSA<sub>P</sub> (as defined below) is less than 50% of the last closing price of the Pharnext share, and
- (iv) Subject to Conditions Precedent of Exercise of the BSA<sub>E</sub> being satisfied, the subscription price per Pharnext Share of a BSA<sub>P</sub> is less than the subscription price per Pharnext Share of a BSA<sub>E</sub>.

The « **Subscription Price per Pharnext Share of a BSA<sub>P</sub>** » is equal to its applicable exercise price divided by its exercise parity in force.

Subject to the aforementioned conditions being satisfied, the Trustee, on behalf of the Trust, will send a notice of exercise of the BSA<sub>P</sub> as soon as the Trust no longer holds any Pharnext shares.

It being specified that the Trustee, on behalf of the Trust may send one or more notice(s) of exercise of the BSAP on the same trading day subject to the condition mentioned in the paragraph above being satisfied.

The condition that the Trust no longer holds any Pharnext shares and the conditions (i), (ii) and (iii) above are together referred to as the « **Conditions Precedent to the Exercise of the BSA<sub>P</sub>** ».

The amount exercised will be equal to 50% of the arithmetic average of the daily trading volumes observed in EUR over the 5 trading days before sending the notice of exercise of the BSA<sub>P</sub>, without exceeding the following limits:

- (i) The number of Pharnext shares held by the Trust (including the new shares to be issued) may not exceed 35% of the total number of outstanding Pharnext shares post exercise of the BSA<sub>P</sub>;
- (ii) €100k if the Subscription Price per Pharnext Share is more than 45% of the last closing price of the Pharnext share;
- (iii) €200k if the Subscription Price per Pharnext Share is between 35% (included) and 45% (included) of the last closing price of the Pharnext share; and
- (iv) €300k if the Subscription Price per Pharnext Share is less than 35% of the last closing price of the Pharnext share.

#### 2) Terms and conditions of sale of Pharnext underlying shares on the market:

The broker is requested to execute the orders according to its best execution policy (« conditional order ») with the goal of getting as close as possible to the VWAP of the day.

Every trading day, as from the receipt of the shares, the broker will aim at selling a volume of shares, within the limits of the number of shares held by the Trust, as close as possible to:

- **15%** of the daily trading volumes of the Pharnext share or,
- As the case may be, **30%** of the daily trading volumes of the Pharnext share, in the event that clauses 9.2 and/or 9.4 and/or 10.2 of the Terms and conditions of the simple bonds (*Termes et conditions des obligations simples*) (see schedule 4 of the Agreement for the issuance and subscription of warrants to subscribe simple obligations, with share subscription warrants attached as the case may be (*Contrat d'émission et de souscription de bons de souscription d'obligations simples, avec bons de souscription d'actions attachés le cas échéant*), entered into between Néovacs SA and Pharnext SA on September 30, 2022.