

Pharnext strengthens its ties with Néovacs to secure the next steps in its development

- Increase in the funding commitment of Néovacs to cover cash requirements through the topline results of the pivotal Phase III clinical study of the drug candidate PXT3003, the PREMIER trial, in development in Charcot-Marie-Tooth Disease Type1A (CMT1A)
- Appointment of Hugo Brugière as Chairman and CEO
- Creation of an ad hoc committee dedicated to the search for a strategic industrial partner to develop the Company's assets and potential

PARIS, France, December 28th, 2022, 8:00 pm CET – Pharnext SA (FR001400BV89 - ALPHA) (the “Company”), an advanced late-clinical stage biopharmaceutical company developing novel therapeutics for neurodegenerative diseases with high unmet medical need, today announces a series of decisions that have been made to secure the next steps in its development with the support of Néovacs (FR00140077X1 - ALNEV), a French biotech company focused on therapeutic vaccines targeting the treatment of autoimmune diseases and support for promising BioTech and MedTech companies, following the financing and strategic support agreement announced by Pharnext on October 3rd, 2022¹.

Increase in the funding commitment of Néovacs

In order to meet Pharnext's financial needs through the first results of the pivotal Phase III clinical study of the drug candidate, PXT3003, which is in development for CMT1A, and to cover the potential 12-month liquidity risk, Néovacs has committed to increasing its financial support up to an additional €2 million per month until the end of 2023.

This extension complements the financing agreement signed in October 2022 with Néovacs, for a net amount of €20.7 million, via the issuance of several tranches of simple bonds with warrants. Under the terms of the agreement, Néovacs could become a reference shareholder of Pharnext as of January 1, 2024.

This new financing agreement is a partial or total complement to the OCEANE-BSA financing granted by Global Tech Opportunities 13 (“GTO 13”). As a reminder, Pharnext SA and GTO 13 entered into an Agreement for the issuance of and subscription to warrants giving access to notes convertible into new and/or existing shares with share subscription warrants attached (“*Bons d’émission d’obligations convertibles ou échangeables en actions nouvelles et/ou existantes avec bons de souscription d’actions attachés*”) dated June 4, 2021. According to this agreement, as subsequently amended and described in the press release published on October 3rd, 2022, GTO 13 has undertaken to subscribe in cash for tranches of OCEANE-BSAs for a net amount of €2 million per month, starting in December 2022 and ending in December 2023 inclusive (i.e. thirteen tranches for a maximum total of €26 million).

The subscription undertaking for each tranche is subject to certain conditions (including, in addition to certain customary conditions, Pharnext's market capitalization not dropping below €2 million over a period of ten days preceding the payment of each tranche and GTO 13's holding of Pharnext securities being below 400% of the market capitalization as a result of the payment of the tranche). The GTO 13 Investment Committee did not approve the disbursement of the 12th tranche of €2 million, planned for the end of December 2022, noting that the agreed conditions precedent had not been met. However, Néovacs, through the trust managing its financing contract with Pharnext, has agreed to subscribe to the €1 million tranche scheduled for late December.

In this context, Néovacs has committed to compensate for the non-drawing of the 12th tranche with a cash injection of up to €2 million by the end of January. This contribution will be made in the form of a current-account contribution of associates, the terms of which have yet to be defined according to actual needs for the month of January, and which are currently being studied. Pharnext expects to re-engage the financing agreement with GTO 13 once the conditions precedent would be met again.

¹ Pharnext executes a financing agreement with Néovacs for €20.7 million net to further develop PXT3003 for Charcot-Marie-Tooth disease type 1A

In parallel, Pharnext and GTO 13 have initiated discussions with a view to amicably terminating their previous agreements in the event of the signature of an agreement with a strategic industrial partner (see below).

Appointment of Hugo Brugière as Chairman and Chief Executive Officer

To underscore Néovacs' strong commitment, the Board of Directors of Pharnext has unanimously decided to appoint Hugo Brugière as Chairman and Chief Executive Officer to replace Joshua Schafer, who remains a Director of the Company. Hugo is a graduate of the Saint-Cyr Special Military School and Sciences Po Paris. A serial entrepreneur with more than twenty companies to his credit, he has specialized for several years in stock market and restructuring/turnarounds with listed companies. Notably, he is an executive of Boostheat, Cybergun, Néovacs and Verney-Carron, all of which are listed on Euronext in Paris, and of the investment funds HBR Investment Group and Dionae Investment.

Hugo Brugière will ensure the continuity of the development of the Company and PXT3003, which is currently in development in a pivotal Phase III clinical study in patients with CMT1A, the PREMIER trial, with results expected in Q4 2023. He will focus on optimizing the operational structure and investments in order to control cash flow and related financing needs.

Search for a strategic industrial partner

This increased support from Néovacs is intended to allow Pharnext to begin a search for a strategic industrial partner at a time when the Board of Directors considers that the Company has reached a sufficient degree of maturity to develop its assets and commercial potential. Indeed, if the topline results of the current study are positive, they will form the basis of a marketing authorization application for the treatment of CMT1A with the FDA in the United States and the EMA in Europe.

This valuation could be done in the context of a capital transaction that could eventually lead to a takeover of the Company. Pharnext currently favors an agreement with a player in the pharmaceutical industry.

In order to optimize this search, Pharnext's Board of Directors have decided to form an ad hoc committee, consisting of Joshua Schafer, Director, James Kuo, Director, Rob Quinn, CFO and Xavier Paoli, COO. Joshua has led successful M&A transactions in excess of \$16 billion. James has raised several rounds of financing as Managing Director and led HealthCare Ventures, a \$378 million venture capital fund. Rob has raised over €200 million in financing to date and Xavier will bring his knowledge of PXT3003 after working 9 years at the Company.

In this context, Pharnext plans to have an independent financial analysis performed by a recognized research firm in order to determine the intrinsic value and the target price.

Pharnext will inform the market of any progress in respect of its financial communication obligations and of any confidentiality agreements signed with potential partners.

Hugo Brugière, Chairman and Chief Executive Officer of Pharnext, declared: *"In my opinion, for the time being, Pharnext is one of the French biotech companies with the greatest potential. It was unbelievable that the Company would find itself in difficulty and that is why Néovacs decided to support it. It is now time for Pharnext to turn the page on convertible bond financing and to find a leading industrial partner which will allow us to potentially obtain marketing authorization for our treatment, PXT3003 in CMT1A, and to launch its commercialization as soon as possible. I am convinced that Pharnext is now on the right track."*

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: FR001400BV89).

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