Press Release

Pharnext Reports First Half 2021 Financial Results

- First patients enrolled in the PREMIER Trial, the international pivotal Phase III clinical study of PXT3003, Pharnext lead asset, in Charcot-Marie-Tooth Disease Type 1A ('CMT1A')
- Cash position of € 7,7m as of June 30, 2021 versus €11,1m at the end of 2020
- New finance agreements

PARIS, France, October 14, 2021, 8:00 p.m. CET, – Pharnext SA (FR0011191287 - ALPHA) (the 'Company'), an advanced late-stage clinical biopharmaceutical company pioneering new approaches to developing innovative drug combinations based on big genomics data and artificial intelligence using its PLEOTHERAPY™ platform, today announces its financial results for first-half of 2021.

Dr. David Horn Solomon, Chief Executive Officer, said: "*In H1 2021, Pharnext achieved significant new milestones for the PXT3003 clinical development program. In March 2021, we launched the PREMIER trial, an international pivotal Phase III clinical study with PXP3003 as a potential treatment for CMT1A.The first patients have been recruited in the US, Canada, France and Germany. Everyone at Pharnext is committed to bringing this new treatment to patients, for an indication with currently no existing approved therapies with high unmet medical needs. The PREMIER trial is on track to complete enrollment in Q2 2022 as planned and topline results are expected to be announced in H2 2023.*"

2021 HALF-YEAR HIGHLIGHTS

Significant progress in R&D

The first half of 2021 saw Pharnext continued to make significant progress in advancing the development of its lead program PXT3003 in CMT1A.

Pivotal Phase III clinical study

The Company started enrollment of the first patients both in the U.S. (March) and subsequently in Europe (July) for its international pivotal Phase III clinical study of PXT3003, the PREMIER trial.

This trial will enroll approximately 350 patients with mild-to-moderate CMT1A in 50 centers across the U.S., Canada, Europe, and Israel. As of today, almost 40 sites have been activated and are screening and enrolling patients with CMT1A.

Open-label follow-up extension study

In April 2021, Pharnext announced new results from an interim analysis of an ongoing open-label follow-up extension study ('PLEO-CMT-FU trial') following the first double-blind, placebo-controlled Phase III study ('PLEO-CMT trial') of PXT3003. After 4.5 years of total trial time, the new data showed sustained benefits of PXT3003 for CMT1A patients, both in terms of safety and efficacy on the Overall Neuropathy Limitations Scale ('ONLS') which measures functional motor disability.

Additional cash-in

Two financial transactions were concluded in the first half of 2021

- In February, a financing of €11 million through the combination of a €6 million capital raise subscribed by two existing shareholders with warrants attached and €5 million of convertible bonds subscribed by European investors, partly redeemed in cash by the Company in June, before the implementation of the agreement with Global Tech Opportunities 13;

- In June, a convertible bonds financing agreement with Global Tech Opportunities 13, consisting of a maximum of 35 tranches of OCEANE over 36 months. The first tranche of OCEANE-BSA, having a gross par value of €5.5 million, was drawn down in June 2021 and three additional tranches of gross par value of €3 million each in July, August and September.

Composition of Board of Directors

Pharnext announced on July 15, 2021 the appointment of Mr. Piers Morgan as a new, independent, non-executive board member. The cooptation will be submitted for approval at the next shareholders meeting of Pharnext. In addition, based on his strong financial background as CFO of several biotech companies, Piers Morgan will also chair the Audit Committee of the Company.

FINANCIAL INFORMATION SUMMARY

The main financial elements are presented in the table below: these are from financial statements established according to IFRS rules and were approved by the Board of Directors at their meeting held on October 14, 2021. Reviews were carried out and the reports from the statutory auditors are being edited.

Summary of financial information (IFRS) end of June (K€)	2 021	2 020
Revenue from operations	61	40
Other Income	1 982	1 179
Administrative and commercial expenses	-3 375	-3 578
Research and Development expenses	-9 910	-5 481
Operating result	**-11 241**	-7 840
Financial result	**-2 311**	-1 253
Net income	**-13 552**	-9 093

Cash flows generated from operating activities	**-14 912**	-5 423
Cash generated from investment activities	**-81**	2
Cash generated from financing activities	**11 585**	12 846
Net cash-flow	**-3 407**	7 425
Cash and cash equivalents on June 30th	**7 671**	23 671

Complete financial statements are available on the Pharnext website: www.pharnext.com.

Comment on the Operating result

R&D expenses increased from €5.5m in H1 2020 to €9.9m in H1 2021, mainly owing to the Phase III clinical study (PREMIER trial of PXT3003). R&D expenses represent 75% of the total operating expenses over the period. G&A cost decreased by 13% and M&S cost grew by 16% in H1 2021, compared to last year. The CIR (research tax credit) increased to €1.9m in H1 2021 compared to €1.1m H1 2020.

The net loss for the period stands at -€ -13.6m, compared to -€ 9.1m for the same period of 2020.

At the end of the period the headcount of the Company was 43 people, compared to 46 in June 2020.

Cash Flow Position

The decrease of Net Cash Flow during H1 2021 compared to H1 2020 is primarily due to higher R&D charges and a significant increase of the working capital, which increased by € 5.5m, including an increase of € 3.4m of the research tax credit (CIR) account receivable. The 2020 CIR was repaid in September 2021. Last year, the 2019 CIR was cashed in April.

The cash generated by financing activities in H1 2021 is comparable to H1 2020.

R&D Day on October 27th, 2021

Pharnext will host an R&D Day on October 27th, 2021 to provide the financial community and other stakeholders an opportunity to learn about the Company from the management team, including a detailed discussion on PXT3003 in CMT1A. Key thought leaders will also share their perspectives on the Company's late-stage clinical development program. The event will take place at Convene, 530 Fifth Avenue in New York City (NY, USA) and can also be accessed online on the event website by following this link: https://pharnextrandday.convene.com/.

Disclaimer

This press release contains certain forward-looking statements concerning Pharnext and its business, including in respect of timing of and prospects for clinical trials and regulatory submissions of the Company's product candidates as well as a potential financing transaction, the use of proceeds therefrom and cash runway. Such forward-looking statements are based on assumptions that Pharnext considers to be reasonable. However, there can be no assurance that the estimates contained in such forward-looking statements will be verified, which estimates are subject to numerous risks including the risks set forth in Pharnext's URD approved by the AMF on November 9, 2020 under number N° R. 20-029 as well as in its annual periodic management reports and press releases (copies of which are available on www.pharnext.com) and to the development of economic conditions, financial markets and the markets in which Pharnext operates. The forward-looking statements contained in this press release are also subject to risks not yet known to Pharnext or not currently considered material by Pharnext. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of Pharnext to be materially different from such forward-looking statements. Pharnext disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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