Press Release

Pharnext Reports First Half 2022 Financial Results

- On-schedule completion of patient enrollment in pivotal Phase III clinical study of PXT3003, the PREMIER trial, in Charcot-Marie-Tooth disease type 1A ('CMT1A') with top-line results expected in Q4 2023
- New data from the ongoing open-label Phase III extension study of PXT3003, the PLEO-CMT-FU trial, shows sustained treatment benefit in patients with CMT1A
- Post-period € 20.7 million financing agreement with Néovacs to further advance the development of PXT3003 in CMT1A

PARIS, France, October 17, 2022, 08:30 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 its financial results for the first half of 2022.

Dr. David Horn Solomon, Chief Executive Officer of Pharnext, commented: *"We have had a productive H1 2022 with significant progress in the development of our lead drug candidate, PXT3003, for the potential treatment of patients with CMT1A, a debilitating disease which affects around 1.5 million people globally. Following on-schedule completion of patient enrollment, we remain on track to report topline results from our pivotal Phase III PREMIER trial in Q4 2023. Data from the ongoing open-label Phase III extension study has shown a sustained treatment benefit with PXT3003 High Dose for patients with CMT1A, reinforcing our confidence in the potential of this candidate. Following the post-period financing agreement with Néovacs, we are well positioned to further advance our lead program and are grateful to the patients and investigators for their ongoing support as we work to make this potential treatment available to patients as quickly as possible."*

2022 HALF-YEAR HIGHLIGHTS

Strong progress in R&D

The first half of 2022 saw Pharnext continue to make significant progress in advancing the development of its lead program, PXT3003, in CMT1A.

PREMIER Pivotal Phase III study

The Company completed on-schedule patient enrollment in its pivotal Phase III trial of PXT3003, the PREMIER trial, with the enrollment of 387 patients. Patient enrollment in the PREMIER trial took place in 52 centers across the US, Canada, Europe and Israel, with the final number of patients randomized exceeding the target of 350 patients defined in the protocol. Top line data are expected to be announced in Q4 2023.

PLEO-CMT-FU Open-label follow-up extension study

In May, Pharnext announced new data from the ongoing open-label follow-up extension study of PXT3003 in CMT1A, the PLEO-CMT-FU trial, which suggest a good safety profile and continuous treatment effect of PXT3003 after 5 years total trial time measured on the Overall Neuropathy Limitation Scale ('ONLS'), which measures functional motor disability.

Additional cash-in (including post period)

In June, Pharnext entered into a fixed-rate loan agreement with Global Tech Opportunities 13 ('GTO'), 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 August, the Company announced a € 2.5 million Bridge Loan agreement with Néovacs SA. This was followed in October by the announcement of a broader financing agreement with Néovacs for € 20.7 million together with an amended agreement with GTO whereby GTO committed to provide up to € 26 million in further convertible bond funding over the course of December 2022 to end 2023.

In total, the Néovacs and GTO financing would allow, subject to each party's satisfying its obligations, the Company to complete its PREMIER Phase III trial for PXT3003, with an anticipated cash runway to Q1 2024.

Composition of Board of Directors

On April 25, 2022, the Board of Directors appointed Joshua Schafer as Chairman of the Board, following his nomination as interim Chairman on March 28, 2022. In June, Dr James Kuo joined the Board. The Board is now composed of the following 4 members: Joshua Schafer (Chairman), James Kuo, Lawrence Steinman, and David Horn Solomon (CEO). All Board members other than David Horn Solomon are considered to be independent directors, as defined under the MiddleNext Code, the corporate governance code that applies to Pharnext.

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, 2022. Reviews were carried out and the reports from the statutory auditors are being edited.

Summary of financial information (IFRS) end of June (K€)	2022	2021
Revenue from operations	1	61
Other Income	1 200	1 982
Administrative and commercial expenses	-4 050	-3 375
Research and Development expenses	-10 399	-9 910
Operating result	**-13 248**	**-11 241**
Financial result	**-5 861**	**-2 311**
Net income	**-19 109**	**-13 552**

Cash flows generated from operating activities	**-11 034**	**-14 912**
Cash generated from investment activities	**5**	**-81**
Cash generated from financing activities	**4 299**	**11 585**
Net cash-flow	**-6 729**	**-3 407**
Cash and cash equivalents on June 30th	**1 239**	**7 671**

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

Comment on the Operating result

R&D expenses increased from €9.9 million in H1 2021 to €10.4 million in H1 2022, largely driven by the ongoing PREMIER Phase III clinical trial. R&D expenses represent 72% of the total operating expenses over the period. Admin and commercial expenses increased by 20% in H1 2022, compared to last year (from €3.4 million to €4.1 million), reflecting a restructuring of headcount in H1 2022. The CIR (research tax credit) decreased to €1.2 million in H1 2022 compared to €1.9 million H1 2021.

The net loss in H1 2022 was €19.1 million, compared to a loss of €13.6 million in H1 2021.

At the end of the period the headcount of the Company was 28 people, compared to 43 in June 2021.

Cash Flow Position

The cash position at June 30, 2022 was €1.2 million, a decrease of €6.8 million in the period. The net inflow of financing operations, capital increases in cash, convertible bonds less repayment, interest and commissions reached €10.7 million, but was not sufficient to cover the loss of the period.

Dilution from Néovacs financing agreement of September 30, 2022

The dilution table published on October 3, 2022 contained an error and is restated correctly below.

Hypothetical impact as an example of the issuance on the investment of a shareholder currently holding 1% of the share capital of the Company (on the basis of the number of shares composing the share capital of the Company as of September 30, 2022, i.e., 3.989.334.569 shares).

	Shareholder's interest	
	Non Diluted basis	Diluted basis***
Before the issuance	1.00 %	1.00 %
After the issuance of the new shares and associated warrants only resulting from the conversion of the outstanding OCEANE(*)	0.18 %	0.17 %
After the issuance of the new shares only resulting from the exercise of the totality of the BSA_E (**)	0.16 %	0.16 %
After the issuance of the new shares and associated warrants resulting from the issuance and further to the conversion of the outstanding OCEANE tranches and the additional 13 tranches of OCEANE to be issued pursuant to the amended agreement with GTO 13 (*)	0.04 %	0.04 %
After the issuance of the new shares resulting from the exercise of the totality of the BSA_P (**) and following the OCEANE conversions	0.03 %	0.03 %
TOTAL After the issuance of the new shares resulting from the conversion or exercise, as the case may be, of the totality of the outstanding OCEANE and to be issued (*) (together with associated warrants) and of the exercise of the totality of BSA_E et BSA_P pursuant to their respective terms**	0.03 %	0.03 %

* Theoretical computation carried out with respect to OCEANE based on a conversion price equal to 94% of the lowest VWAP (as published by Bloomberg) over a period of fifteen (15) consecutive trading days preceding September 30, 2022, *i.e.*, 0.0005 x 94% = 0.0005€.

** Assuming the subscription of the totality of the tranches of Bonds as provided by the September 30, 2022 Financing Agreement

*** Existing dilutive instruments include OCEANE warrants on already converted tranches and BSA, BSPCE (all of which are far out of the money) and Free Shares issued to existing and past employees and Board members.

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).

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