PFEnex
Innovative Solutions for Global Health

Pfenex Receives Milestone From Merck Associated With Clinical Advancement of Investigational 15-valent Pneumococcal Vaccine PCV-15 (V114)

SAN DIEGO July 12, 2018 -- Pfenex Inc. (NYSE AMERICAN: PFNX) today announced the receipt of a milestone payment from Merck associated with the initiation of the first Phase 3 clinical study of (V114), an investigational polyvalent conjugate vaccine for the prevention of pneumococcal disease.

Under the agreement, signed in 2007, Pfenex is eligible to receive annual fees, milestone payments, and a tiered royalty based on net sales for all products developed by Merck that use the Pfenex Expression Technology® platform.

“This license agreement further illustrates the versatility of the Pfenex platform and its use in products that range from peptides to therapeutic proteins and vaccines,” said Eef Schimmelpennink, Chief Executive Officer of Pfenex.

About Pfenex Inc.

Pfenex Inc. is a clinical-stage development and licensing biotechnology company focused on leveraging our Pfēnex Expression Technology® to improve protein therapies for unmet patient needs. Using the patented Pfēnex Expression Technology platform, the company has created an advanced pipeline of therapeutic equivalents, vaccines, biologics and biosimilars. The company's lead product candidates are PF708, a therapeutic equivalent candidate to Forteo® (teriparatide) for the treatment of osteoporosis, and our novel anthrax vaccine candidates, Px563L and RPA563, funded through an advanced development contract with the U.S. government. In addition, Pfenex is developing hematology/oncology products, including PF743, a recombinant crisantaspase, and PF745, a recombinant crisantaspase with half-life extension technology, in collaboration with Jazz Pharmaceuticals. Furthermore, the company's pipeline includes biosimilar candidates to Lucentis® and Neulasta®.

Pfenex Cautionary Note Regarding Forward-Looking Statements

Cautionary Note Regarding Forward-Looking Statement –This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Pfenex's expectations, strategy, plans or intentions. Forward-looking statements in this press release include, but are not limited to, statements regarding the future potential of PF708, including development and commercialization of PF708; the potential to receive future milestone and royalty payments under Pfenex’s agreement with Alvogen; the expected timing of Pfenex’s submission of the NDA for PF708; the expectation for PF708 to obtain marketing approval in the United States; Pfenex’s expectation to develop

the product under the 505(b)(2) regulatory pathway in the United States; the belief that this agreement will help advance development and commercialization of PF708; potential market opportunities for PF708; the potential for the collaboration to support the PF708 program for the NDA submission to the FDA; and the belief that Alvogen will be able to quickly leverage its commercial operations in the U.S. in bringing PF708 to market. Actual results may differ materially from those indicated by these forward-looking statements as a result of the uncertainties inherent in the clinical drug development process, including, without limitation, challenges in successfully demonstrating the efficacy and safety of product candidates; the pre-clinical and clinical results for product candidates, which may not support further development of product candidates or may require additional clinical trials or modifications of ongoing clinical trials or regulatory pathways; challenges related to commencement, patient enrollment, completion, and analysis of clinical trials; Pfenex's ability to obtain additional funding to support its business activities and establish and maintain strategic business alliances and new business initiatives; Pfenex's dependence on third parties for development, manufacture, marketing, sales and distribution of products; unexpected expenditures; and difficulties in obtaining and maintaining intellectual property protection for product candidates. Information on these and additional risks, uncertainties, and other information affecting Pfenex's business and operating results is contained in Pfenex's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and in Pfenex's subsequent reports filed with the Securities and Exchange Commission. The forward-looking statements in this press release are based on information available to Pfenex as of the date hereof, and Pfenex disclaims any obligation to update any forward-looking statements, except as required by law.

Pfenex investors and others should note that we announce material information to the public about the Company through a variety of means, including our website (http://www.pfenex.com/), our investor relations website (http://pfenex.investorroom.com/), press releases, SEC filings, public conference calls, corporate Twitter account (https://twitter.com/pfenex), Facebook page (https://www.facebook.com/Pfenex-Inc-105908276167776/timeline/), and LinkedIn page (https://www.linkedin.com/company/pfenex-inc) in order to achieve broad, non-exclusionary distribution of information to the public and to comply with our disclosure obligations under Regulation FD. We encourage our investors and others to monitor and review the information we make public in these locations as such information could be deemed to be material information. Please note that this list may be updated from time to time.

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