



Investor Presentation

Gary Phillips CEO

7 February 2018

Forward looking statement

This document contains forward-looking statements, including statements concerning Pharmaxis' future financial position, plans, and the potential of its products and product candidates, which are based on information and assumptions available to Pharmaxis as of the date of this document. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. These forward-looking statements are not guarantees or predictions of future results, levels of performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this document. Except as required by law we undertake no obligation to update these forward-looking statements as a result of new information, future events or otherwise.

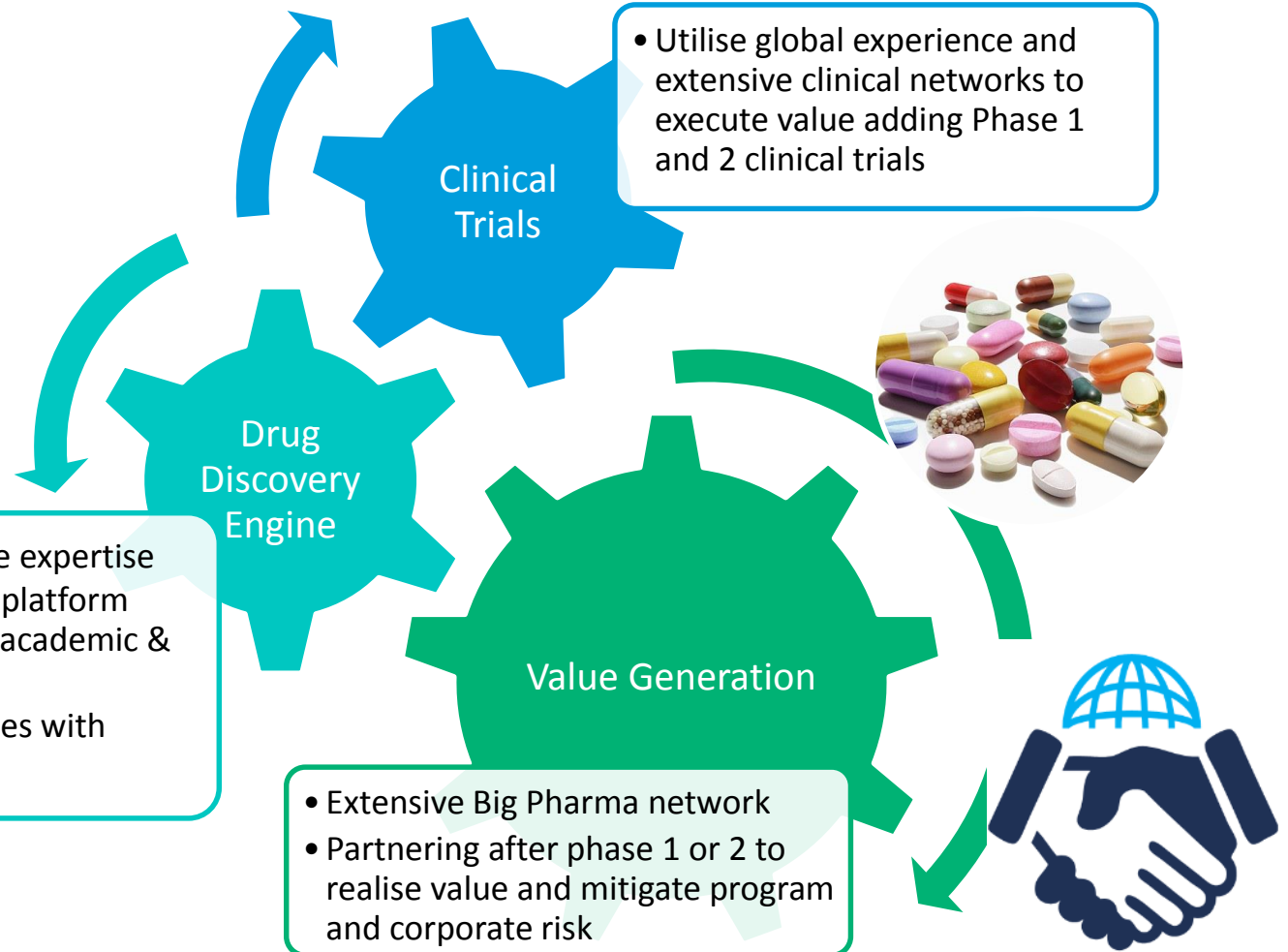
Pharmaxis overview

A global leader in drug development for fibrosis & inflammation

- A portfolio of oral small molecule drugs across various stages of development in diseases with large markets and high unmet need managed by a globally respected translational development team
- A proven track record of achieving globally competitive partnering deals with multinational Pharmaceutical companies
- \$83m received to date from benchmark deal concluded with Boehringer Ingelheim for two diabetes related conditions worth potential \$600m+ plus sales related payments (% and milestones)
- Growing revenues from approved product sales (A\$2.5m in H1 FY18) & milestones (A\$42m FYTD 2018)
- Strong balance sheet - A\$25m cash at Dec 17 (plus A\$15m milestone received Jan 2018)
- Purpose built manufacturing and research facility in Sydney
- Strong institutional share register; including offshore specialist biotech funds

pharmaxis

Pharmaxis has a successful track record of research, development and commercialisation of human healthcare products for the treatment and management of fibrotic and inflammatory diseases



Senior management

Significant experience in drug development, commercialisation and partnering



Gary Phillips – CEO

- more than 30 years of operational management experience in the pharmaceutical and healthcare industry in Europe, Asia and Australia
- joined Pharmaxis in 2003 and was appointed Chief Executive Officer in March 2013 at which time he was Chief Operating Officer
- previously held country and regional management roles at Novartis – Hungary, Asia Pacific and Australia



Wolfgang Jarolimek – Drug Discovery

- more than 18 years' experience in pharmaceutical drug discovery and published more than 30 peer reviewed articles.
- previously Director of Assay Development and Compound Profiling at the GlaxoSmithKline Centre of Excellence in Drug Discovery in Verona, Italy
- spent 8 years as post-doc at the Max-Planck Institute in Munich, Germany; Baylor College of Medicine, Houston, Texas; Rammelkamp Centre, Cleveland Ohio; and University of Heidelberg, Germany



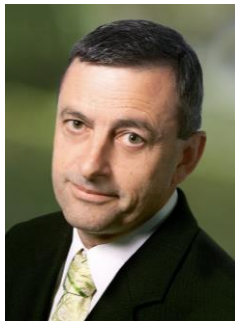
David McGarvey – CFO

- more than 30 years' experience building Australian based companies from inception to globally successful enterprises
- joined Pharmaxis as Chief Financial Officer and Company Secretary in December 2002
- previously Chief Financial Officer of the Filtration and Separations Division of US Filter (1998-2002), and Memtec Limited (1985-1998)
- commenced career at PriceWaterhouseCoopers



Kristen Morgan – Alliance Management

- responsibility for alliance management and medical and regulatory affairs
- more than 19 years' experience in the pharmaceutical industry having previously held a senior role in medical affairs at Sanofi-Aventis, and a commercial sales role at GlaxoSmithKline.






Brett Charlton - Medical

- more than 25 years experience in clinical trial design and management
- author of more than 80 scientific papers
- founding Medical Director of the National Health Sciences Centre
- previously held various positions with the Australian National University, Stanford University, the Baxter Centre for Medical Research, Royal Melbourne Hospital, and the Walter and Eliza Hall Institute

Board of Directors

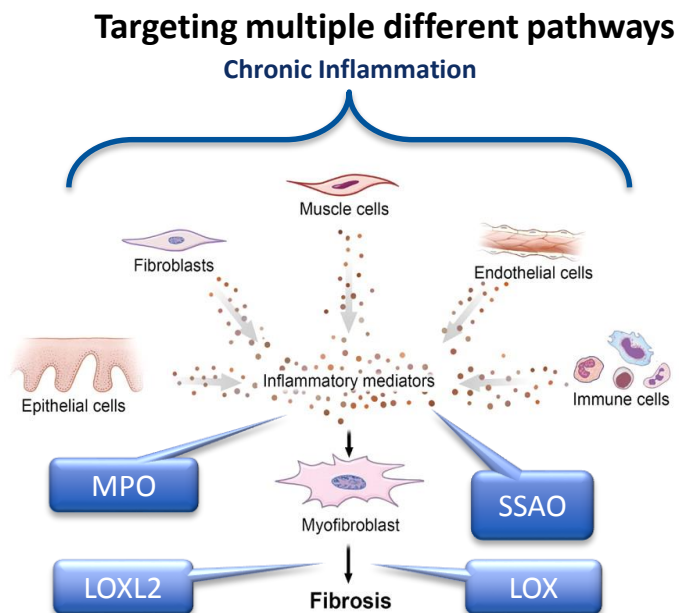
- Malcolm McComas – Chair**
 - former investment banker at Grant Samuel, County Natwest and Morgan Grenfell
- Will Delaat – Non executive director**
 - former CEO of Merck Australia
 - former chair of Medicines Australia
- Simon Buckingham – Non executive director**
 - former President Global Corporate and Business Development at Actellion
- Gary Phillips – Chief executive officer and managing director**
- Kathleen Metters – Non executive director**
 - former head of global research at Merck

Pharmaxis portfolio

| | Indication | Discovery | Lead Optimisation | Pre Clinical | Phase I | Phase II | Phase III | Marketed |
|----------------------|--------------------------------------|---|-------------------|--------------|---------|---|-----------|---|
| Commercial | | | | | | | | |
| Bronchitol® US | Cystic fibrosis | Phase 3 trial met primary endpoint in 2017. Subject to FDA approval launch commercially in the US in 2018. Chiesi has responsibility (incurring all costs) for completing the New Drug Application with the FDA and US commercialisation. | | | | | |  |
| Bronchitol RoW | Cystic fibrosis | Bronchitol is currently sold in the UK, Germany and Italy by Chiesi; other European countries and Russia by specialist distributors and Australia by PXS. Bronchitol & Aridol business segment expected to transition to profitability over the next 12 to 24 months irrespective of any approval in the US – timing dependent on Russian sales growth. A\$3.5m revenue in CY17 | | | | | | Distributors |
| Aridol® | Asthma diagnosis | Aridol is approved and sold in Australia, South Korea and a number of European countries. Scheduled to re-enter US market in CY 2018 with specialist distributor and Canada in 2019. A\$2m revenue in CY17. | | | | | | Direct & Dist |
| In the clinic | | | | | | | | |
| SSAO (PXS-4728A) | NASH | Sold to Boehringer Ingelheim in May 2015. Phase 2a trial commenced August 2017. Total potential milestone payments of A\$290m during development program and further royalties and sales related milestones following approval. PXS received payments of A\$68m to date. | | | |  | | |
| SSAO (PXS-4728A) | Diabetic retinopathy | Boehringer commenced dosing a Phase 2 trial in January 2018. Total potential milestone payments of A\$290m during development and further royalties and sales related milestones following approval. PXS received A\$15m to date. | | | |  | | |
| LOXL-2 | NASH, fibrosis - liver, lung, kidney | Phase 1 trials commenced in H2 2017 in 2 compounds. Expected to partner at end of Phase 1 – H2 2018. | | | | | | |
| Discovery | | | | | | | | |
| SSAO/MPO | Respiratory & cardiovascular | Dual inhibitor anti-inflammatory. Commenced pre-clinical tox Q4 2017. Targeting Phase 1 trial in 2018 | | | | | | |
| LOX | Scarring; cancer | Anti-fibrotic. Commenced pre-clinical tox studies Q4 2017. Targeting Phase 1 trial in 2018 | | | | | | |

A pipeline of drugs for inflammation and fibrosis

Pharmaxis has developed a commercial pipeline of small molecule drugs against high value targets



Pharmaxis Drug Discovery

Pharmaxis has developed a commercial pipeline of small molecule drugs for inflammation and fibrosis

- Amine oxidase enzymes are well validated as targets in diseases with a high unmet medical need
- Pharmaxis are global leaders in amine oxidase enzyme inhibition
- Pharmaxis owned IP
- Since 2015 the platform has delivered:
 - 1 compound in 2 phase 2 trials (SSAO)
 - 2 compounds in phase 1 trials (LOXL2)
 - 2 compounds planned to be phase 1 ready in 2018 (LOX and SSAO/MPO combo)

Key areas of current focus:

- NASH/liver fibrosis – SSAO and LOXL2
- Diabetic retinopathy (DR) - SSAO
- Pulmonary fibrosis (PF) – LOXL2

Other active programs:

- Pancreatic cancer & myelofibrosis - LOX
- Scarring - LOX
- Cardiac fibrosis, Kidney fibrosis - MPO
- COPD/asthma - MPO

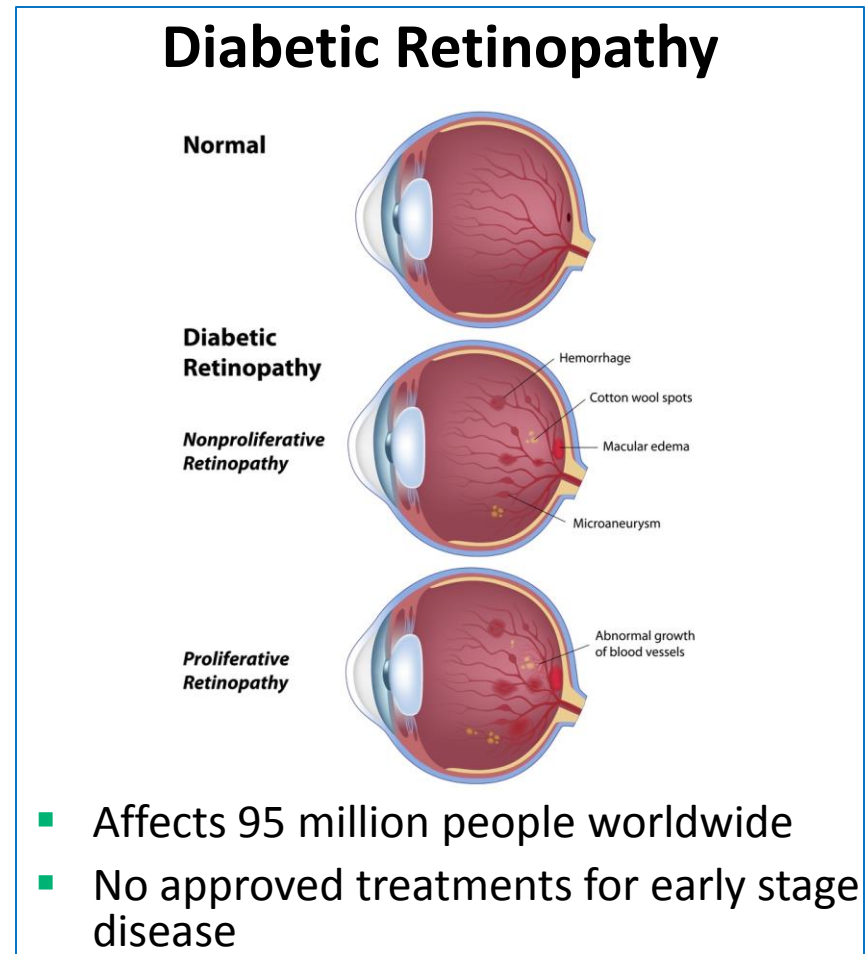
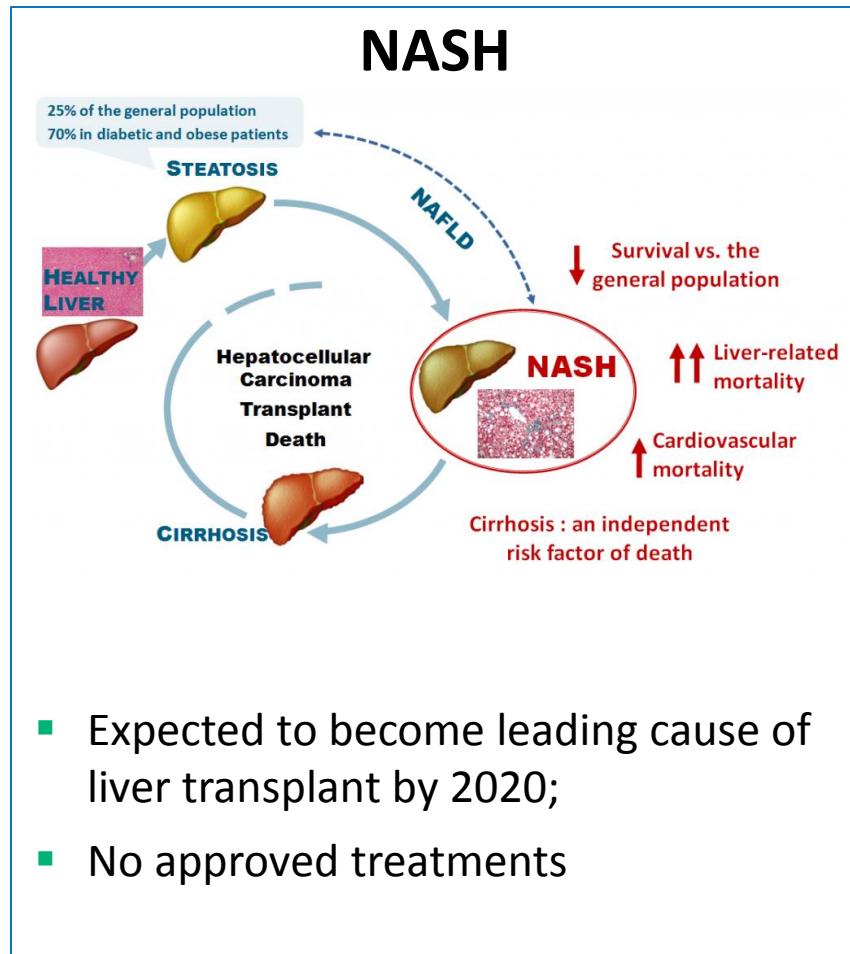
Key catalysts for 2018

Pharmaxis value driving events

1. Boehringer Ingelheim acquired drug (BI 1467335) reports clinical proof of concept in two major diseases as Phase 2 trials report in Q3 and Q4 2018
2. Pharmaxis owned anti fibrotic program realises significant valuation inflection point after completing first in man Phase 1 clinical studies in Q2 2018; major partnering deal planned H2 2018
3. Others
 - a) Bronchitol FDA re-submission by Chiesi in 2018
 - b) Pharmaxis portfolio valuation further boosted by two in house research programs reaching first in man phase 1 clinical study stage in H2 2018
 - c) Evaluating external opportunities for in-license or acquisition of new programs in fibrosis and inflammation

Catalyst 1: Pharmaxis poised to be a major player in diseases caused by complications of diabetes

Two diseases with high unmet need and large patient populations



Catalyst 1: Phase 2 trials to show clinical proof of concept in H2 2018

Boehringer Ingelheim responsible for clinical development and commercialisation

NASH

- Phase 2a trial to report Q3 2018 – proof of efficacy in patients with moderate – severe disease
- Deutsche bank estimate market size of US\$35b by 2025
- First in class anti inflammatory SSAO inhibitor for NASH with sales potential of ~US\$2b [Analyst's estimate]

Diabetic Retinopathy

- Phase 2a SSAO diabetic retinopathy to report Q4 2018 – proof of efficacy in patients with early stage disease
- Affects one third of diabetic patients world wide
- No approved treatments for early stage disease
- First in class anti inflammatory SSAO inhibitor for DR with sales potential of ~US\$800m [Analyst's estimate]

Catalyst 1: Boehringer Ingelheim deal

Deal structure illustrates value generating potential of Pharmaxis business model

First indication (NASH)

Commencement of
phase 2
€18m

Commencement of
phase 3
€37m

Filing, regulatory &
pricing approvals
€140m

**PLUS earn-out payments
on annual net sales**

- Tiered percentages
increasing from high
single digits
- Plus sales milestones

Upfront
(2015)
€29m

Second indication (diabetic retinopathy)

Commencement of
phase 2
€10m

Commencement of
phase 3
€25m

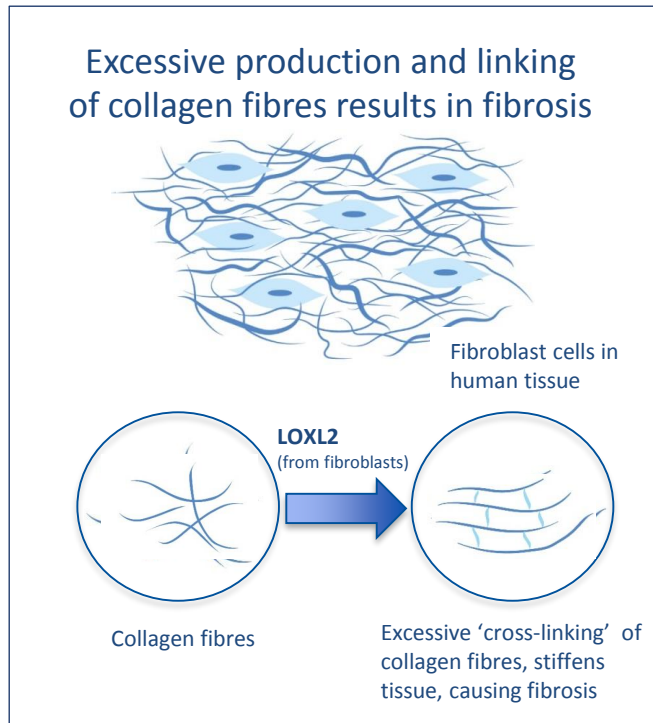
Filing, regulatory &
pricing approvals
€160m

Total Potential
Milestones
€419
(~A\$625m)

- €57m (A\$83m) already received
- No further investment required from Pharmaxis

Catalyst 2: LOXL2 inhibition program for NASH & other fibrotic diseases

An attractive target and development program



- Potential indications:
 - NASH / Liver Fibrosis
 - Pulmonary fibrosis (IPF)
 - Kidney
 - Cardiac fibrosis
- Significant market opportunity
- Development status:
 - Pharmaxis discovery – patent filed 2016
 - Effective in pre clinical models of fibrosis (liver, lung, kidney and heart)
 - 2 lead candidate compounds commenced Phase 1 in Q4 2017
 - Assay to measure target engagement
 - Competitive profile:
 - Novel target and mechanism of action
 - Once daily oral drug
 - Complete inhibition of LOXL2 enzyme
 - Opportunity to use in combination with other Pharma pipeline drugs

Catalyst 2: LOXL2 inhibitor program approaches “deal ready” status

Key value drivers for H2 2018 deal

| Feature | What do Pharma value? | PXS program status | |
|-------------------------------|--|---|---|
| Disease target | Independent validation | Multiple peer reviewed publications | ✓ |
| Pre clinical proof of concept | 2 or more different animal models | 9 different models across 5 different diseases. | ✓ |
| Drug like qualities | No development flags | Cleared to develop | ✓ |
| Dosing regimen | Ease of use | Oral once a day tablet or capsule | ✓ |
| Patent | <ul style="list-style-type: none"> • Composition of matter • As long as possible | <ul style="list-style-type: none"> • Composition of matter • 2016 filing date; 100% PXS owned | ✓ |
| Cost of Goods | Low | Small molecule with easy synthesis | ✓ |
| # Compounds | 1 plus backups | 2 lead candidates plus back ups | ✓ |
| Toxicity | Wide therapeutic window As long as possible | 28 day tox studies complete 13 week studies scheduled | ✓ |
| Clinical phase | Phase 1 with target engagement | Phase 1 reports mid 2018 | |

UPDATE: Pharmaxis proprietary assay demonstrates significant enzyme inhibition at early stage of phase 1 studies

Catalyst 2: LOXL2 inhibitor program - Deal Comparators

Anti Fibrotic market remains attractive

- Asset acquisition
 - Gilead acquisition of Nimbus asset for NASH post phase 1:- US\$1.2b
- Historical deal size in NASH market
 - Total average deal size: ~US\$850m
 - Upfront payments for phase 1 assets: US\$50m+
- Pharmaxis deal with Boehringer Ingelheim in 2015
 - Total deal size: US\$645m
 - Upfront payments : US\$33m

UPDATE: Pharmaxis has entered 'confidential due diligence' phase of partnering process with multiple large Pharma companies

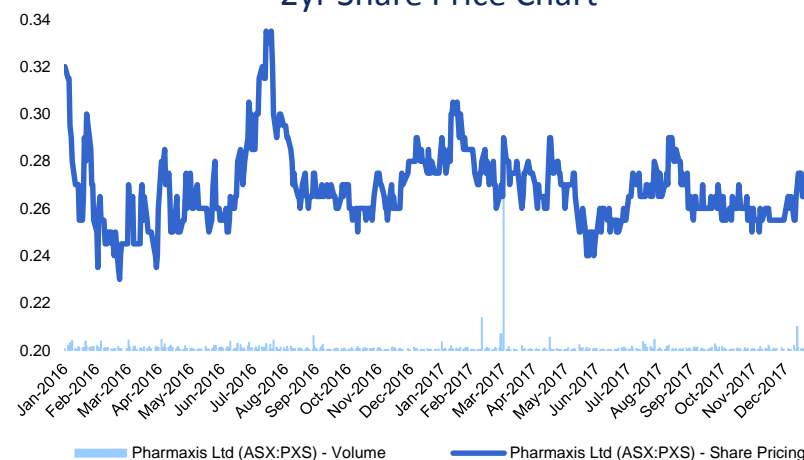
Shareholders & trading



| Financial Information | |
|--|------------|
| ASX Code | PXS |
| Market Cap ¹ | \$86m |
| Shares on Issue | 320m |
| Employee Options | 14m |
| Liquidity (turnover last 12 months) ¹ | 62m shares |
| Share price ¹ | \$0.27 |
| Analyst valuation ² | \$0.56 |
| Cash Balance (proforma ³ 31 Dec) | \$40m |

| Institutional Ownership | % |
|--------------------------------------|------------|
| BVF Partners (US) | 20% |
| Australian Ethical | 11% |
| Allan Gray | 6% |
| Montoya Investments (UK) | 6% |
| Other Institutions | 8% |
| Total Institutional Ownership | 51% |

2yr Share Price Chart



1. 29 January 2018
2. Bell Potter Securities Research 1 February 2018
3. Includes \$15m BI milestone



Drug development & other research initiatives

Pharmaxis product portfolio – new opportunities

New compounds expected to be ready for the clinic in 2018

| | Indication | Discovery | Lead Optimisation | Pre Clinical | Phase I | Phase II | Phase III | Marketed |
|------------------|------------------------------|---|-------------------|--------------|---------|----------|-----------|----------|
| Discovery | | | | | | | | |
| SSAO/MPO | Respiratory & cardiovascular | Dual inhibitor anti-inflammatory. Commenced pre-clinical tox Q4 2017. Targeting Phase 1 ready in 2018 | | | | | | |
| LOX | Scarring; cancer | Anti-fibrotic. Commenced pre-clinical tox studies Q4 2017 . Targeting Phase 1 ready in 2018 | | | | | | |

Development strategy

- Identify indications from in-house development programs that have high value potential if developed to phase 2a / 2b
- Evaluate external opportunities for in-license or acquisition:
 - Lead optimisation or Phase 1 ready
 - Inflammation or fibrosis
 - Small molecule or biologic

Pharmaxis purpose built facility

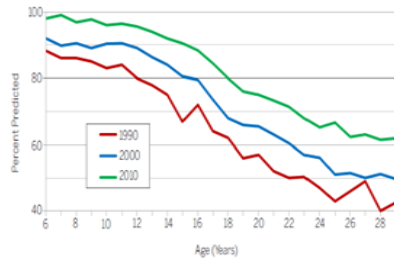
Pharmaxis has a purpose built manufacturing and drug development facility in Sydney

- Manufacturing and research facilities
- Productive R&D drug discovery engine
- Team of 15 scientists specialising in amine oxidase chemistry drug discovery and pre clinical development
- Capability to run global clinical trials
- Manufacturing and exporting approved products:
 - [Bronchitol®](#)
 - [Aridol®](#)
- Capacity for future growth



Bronchitol for cystic fibrosis

Overview



Median FEV₁ % Predicted versus Age



Cystic fibrosis

- Patients
 - US: 30,000;
 - Europe: 37,000;
 - Rest of world: 21,000
- Disease characterised by poorly hydrated, tenacious, thick mucus
- Rapid decline in lung function
- Frequent infections

Bronchitol

- Active ingredient mannitol delivered as an inhalable dry powder
- Restores airway surface liquid
- Mucus clearance enhanced
- Improves lung function
- Reduces incidence of lung infections

Business model - RoW

- Global Bronchitol distributors responsible for promotion & support
 - Chiesi in UK, Germany and Italy
 - Other distributors in Russia, Eastern Europe, Middle East
- PXS revenue share ~50%

Business model - US

- Phase 3 trial (CF303) reported June 2017
- Chiesi responsible for regulatory filing & commercialisation
- File updated NDA - 2018
- ~A\$13m milestone payment on launch, plus sales milestones
- PXS supplies US market from Sydney factory
- PXS receives high mid teens % of in-market sales plus cost of goods

Summary

Pharmaxis is a global leader in drug development for fibrosis & inflammation

- Pharmaxis have built a **successful platform of small molecule drugs targeting fibrosis and inflammation** across various stages of development and approval
- Proven track record of **early stage partnering** and taking products **through to commercialisation**
- **Potential to receive total up front and milestone payments of A\$625m** plus further sales based payments from first deal – A\$83m already received
- **Strong balance sheet - \$25m** at Dec 2017 and **A\$15m** milestone received Q1 2018
- **Discovery pipeline targeting high value indications** - one drug in 2 phase 2 trials, one drug program(two compounds) in phase 1 trials, two compounds in pre-clinical development
- **Numerous catalysts over the next 18 months**

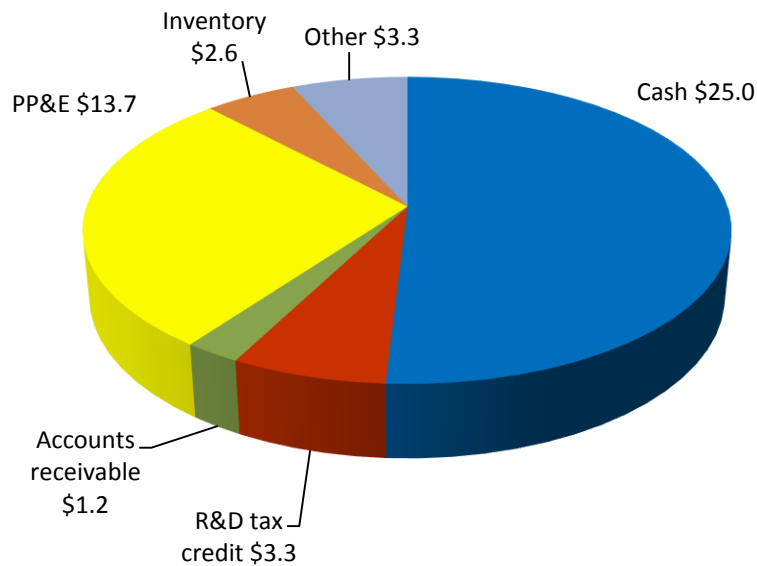
Financials highlights

| (unaudited) | A\$'000 | Three months ended | | Six months ended | |
|--|---------|--------------------|----------------|------------------|----------------|
| | | 31-Dec-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 |
| Income statements | | | | | |
| Sales of Bronchitol & Aridol | | 1,402 | 793 | 2,451 | 1,690 |
| Sale of drug candidate | | - | - | 26,891 | - |
| Total revenue | | 2,433 | 1,900 | 31,344 | 6,910 |
| Total expenses | | (17,859) | (8,850) | (25,432) | (17,945) |
| Net profit (loss) after tax | | (15,419) | (6,950) | 5,920 | (11,035) |
| Segment results – adjusted EBITDA | | | | | |
| Bronchitol & Aridol | | 13 | (2,489) | (1,447) | (3,941) |
| New drug development | | (3,626) | (1,303) | 20,872 | (2,421) |
| Corporate | | (10,654) | (850) | (11,635) | (2,078) |
| Total | | (14,267) | (4,642) | 7,790 | (8,440) |
| Statement of cash flows | | | | | |
| Cash inflow/ (outflow) from: | | | | | |
| Operations | | (13,023) | (2,721) | 4,639 | (8,894) |
| Investing activities | | (125) | (64) | (235) | (214) |
| Financing activities | | (436) | (430) | (863) | (856) |
| Total cash generated/(used) | | (13,584) | (3,215) | 3,541 | (9,964) |
| Cash at bank | | 25,045 | 29,245 | 25,045 | 29,245 |

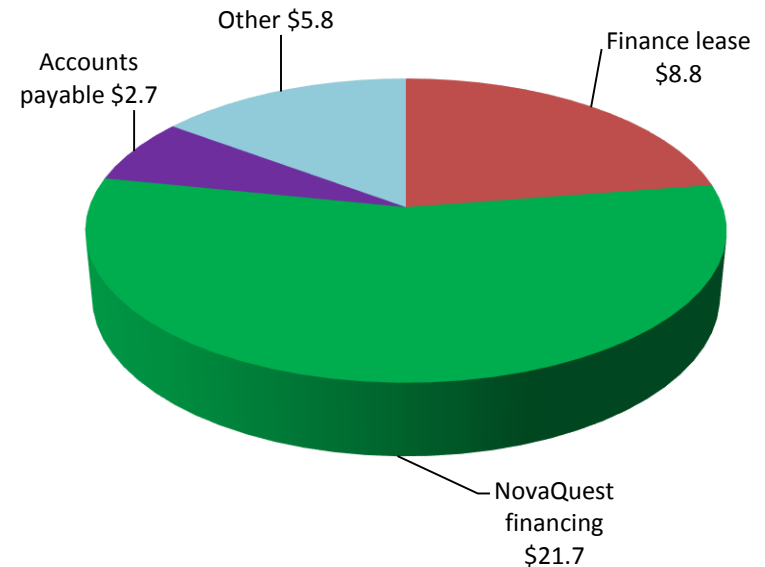
Refer to December 2017 Quarterly Shareholder Update for additional financial information

Balance sheet – 31 December 2017

Assets (\$49m)



Liabilities (\$39m)



- Finance lease over 20 Rodborough Rd (to 2024)
- NovaQuest financing – not repayable other than as % of Bronchitol revenue



Pharmaxis Ltd
20 Rodborough Road
Frenchs Forest NSW 2086
Australia
T: +61 2 9454 7200
www.pharmaxis.com.au

Gary Phillips
Chief Executive Officer
gary.phillips@pharmaxis.com.au

David McGarvey
Chief Financial Officer
david.mcgarvey@pharmaxis.com.au