

Pharmaxis Ltd

Extraordinary General Meeting

17 September 2018

Chairman's Introductory Comments

by Malcolm J McComas

The past twelve months have been particularly successful for Pharmaxis and we will reflect on this in detail at our 2018 AGM to be held on 22 November 2018. We are particularly pleased with progress in new drug development where the extensive partnering data package for our LOXL2 program for fibrotic diseases is very close to completion and the LOX program for cancer is rapidly approaching first in man clinical studies.

Given the near term value we see in these particular programs the Board considered it prudent to strengthen the Company's balance sheet ahead of partnering negotiations for the LOXL2 program which we expect to occur next quarter. After consideration of several alternatives, a placement to sophisticated and professional investors of \$24 million was determined to be the appropriate financing transaction. Importantly, the Company was able to price the placement at market, in fact a small premium to the last close. Non participating shareholders have therefore been able to increase their shareholding in the Company on market at no disadvantage to those participating in the placement.

We are very pleased with the high level of support for the placement from our new shareholder Arix Bioscience plc and our existing shareholders, such as Biotechnology Venture Fund. Both of these international investors I have named are specialists in the biotech sector.

In conjunction with the investment by Arix the Pharmaxis Board approved the nomination of Mr Edward Rayner for election as a Director of the Company. We believe Ed will bring valuable experience and perspective to the Pharmaxis Board and look forward to his contribution.

MJ McComas
Chairman
Sydney
17 September 2018