Media Release

5 August 2020

US$7 MILLION OF US BRONCHITOL LAUNCH MILESTONE PAYMENT BROUGHT FORWARD

Pharmaceutical research company Pharmaxis Ltd (ASX: PXS) today announced an accelerated timeline on payment of the initial tranche of a US$10 million Bronchitol launch milestone following negotiation with its US licensee Chiesi Farmaceutici S.p.A. (Chiesi). US$7 million of the milestone will now be payable by Chiesi upon US approval of Bronchitol by the Food and Drug Administration (FDA) who have advised a Goal Action Date of 1 November 2020. Another US$3 million will remain payable on shipment by Pharmaxis of commercial launch stock in the first quarter of 2021.

Pharmaxis CEO Gary Phillips said, "The development and commercialisation of Bronchitol reaches a pivotal point on November 1st. Approval by the FDA for Bronchitol would see the mannitol business segment (Bronchitol® and Aridol®) generate immediate cash and move into profitability. An FDA approval would also provide an opportunity to investigate different ways of structuring the Pharmaxis business and funding our drug development activities. The announcement today is the first to stem from discussions with our partners about how to shape the business post November 1st."

Bronchitol is an inhaled dry powder for the treatment of cystic fibrosis (CF) and has been the subject of three large scale global clinical trials conducted by Pharmaxis. The product is approved and marketed in Australia, Europe, Russia and several other countries.

Chiesi is the exclusive distributor of Bronchitol in the US as well as eleven countries in the EU, seven of which have been added to Chiesi's territory in the last twelve months. Pharmaxis and Chiesi are preparing for a US launch of Bronchitol, subject to FDA approval, in the second quarter of 2021.

#ENDS#

SOURCE: Pharmaxis Ltd, Sydney, Australia

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About Pharmaxis

Pharmaxis Limited is an Australian pharmaceutical research company and a global leader in drug development for inflammation and fibrotic diseases. The company has a highly productive drug discovery engine, drug candidates in clinical trials and significant future cash flows from partnering deals.

Leveraging its small-molecule expertise and proprietary amine oxidase chemistry platform, Pharmaxis has taken four in-house compounds to Phase 1 trials in just five years. Boehringer Ingelheim acquired the Pharmaxis anti-inflammatory AOC3 inhibitor in 2015 to develop it (BI 1467335) for two diseases: the liver condition Non-alcoholic Steatohepatitis (NASH) and diabetic retinopathy (DR).

The company's successor amine oxidase program has developed an oral anti-fibrotic LOXL2 inhibitor, aimed at NASH, pulmonary fibrosis (IPF) and other high-value fibrotic heart and kidney diseases, with a commercial partnering process underway, a systemic pan-LOX inhibitor for acute fibrosis and cancer that will enter a phase 2 study in 2020 and a topical pan-LOX inhibitor for scarring that is expected to commence phase 1 studies in 2H 2020. Pharmaxis' Mannitol platform has yielded the products Bronchitol® for cystic fibrosis, which is marketed in Europe, Russia and Australia, with United States FDA approval pending; and Aridol® for the assessment of asthma, which is sold in the United States, Europe, Australia and Asia.

Pharmaxis is listed on the Australian Securities Exchange (PXS). Its head office, manufacturing and research facilities are in Sydney, Australia. http://www.pharmaxis.com.au/

Forward-Looking Statements

Forward-looking statements in this media release include statements regarding our expectations, beliefs, hopes, goals, intentions, initiatives or strategies, including statements regarding the potential of products and drug candidates. All forward-looking statements included in this media release are based upon information available to us as of the date hereof. 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. For example, despite our efforts there is no certainty that we will be successful in partnering our LOXL2 program or any of the other products in our pipeline on commercially acceptable terms, in a timely fashion or at all. 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.