Media Release

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PHARMAXIS SELLS BRONCHITOL RUSSIAN DISTRIBUTION RIGHTS FOR A$2M WITH ANNUAL A$1M COST SAVINGS

- Pharmaxis sells distribution rights for Bronchitol in Russia effective May 1st 2021
- Pharmaxis to receive a €1.25 million (~A$2m) distributor appointment fee
- Annual cost savings of approximately A$1m realised from transfer of commercial and product responsibilities

Pharmaceutical research company Pharmaxis (ASX: PXS) has announced the sale of the distribution rights in Russia for its cystic fibrosis product Bronchitol®. In addition to the A$2m sale price, Pharmaxis has secured ongoing annual savings of A$1m in marketing and regulatory expenses. Pharmaxis will continue to manufacture and export Bronchitol to Russia from its factory in Sydney that also supplies the US, European and Australian markets.

Regional pharma specialty company GEN İlaç ve Sağlık Ürünleri San. ve Tic. A.Ş. (GEN) has purchased the distribution rights which will have an immediate and ongoing positive impact on the cash position of Pharmaxis. Seventy percent of the ~A$2 million distributor appointment fee is now payable to Pharmaxis with the remaining thirty percent due in twelve months. Importantly, with GEN taking on full responsibility for Bronchitol within Russia, Pharmaxis can reduce selling, marketing and regulatory expenses by a total of approximately A$1 million per annum.

Pharmaxis CEO Gary Phillips said the company was very proud of the growing business it had created in Russia and was delighted that key functions would now be handled by GEN, a trusted Pharmaxis business partner in other territories for more than seven years.

“Pharmaxis steered Bronchitol to approval as the first orphan drug approved in Russia following a change in legislation, listing on the Essential Drugs List and subsequently established a fast-growing business that brought a new drug to cystic fibrosis patients in Russia. We have had a long and productive collaboration with GEN who have been our distributors in the Turkish market for many years. Extending this relationship to encompass Russia and other related territories at this time will ensure that Bronchitol will be well supported by an experienced partner with a leading position in cystic fibrosis care.

“The upfront payments and the annual cost savings realised by the Company along with the placement announced earlier today strengthen our balance sheet as we commence clinical proof of concept studies in myelofibrosis and skin scarring. Further initiatives currently under way to generate non-dilutive cash and reduce operating expenses will be announced as they are completed.” Mr Phillips said.

Cystic fibrosis is a debilitating genetic disease that causes progressive damage to the lungs and other organs. In addition to the Russian market, Bronchitol is approved and PBS listed for the treatment of adults and children in Australia and is also marketed in the US, Europe, and several other countries.

Ends

SOURCE: Pharmaxis Ltd, Sydney, Australia

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About Pharmaxis

Pharmaxis Ltd is an Australian pharmaceutical research company developing drugs for inflammatory and fibrotic diseases, with a focus on myelofibrosis. The company has a highly productive drug discovery engine built on its expertise in the chemistry of amine oxidase inhibitors, with drug candidates in clinical trials. Pharmaxis has also developed two respiratory products which are approved and supplied in global markets, generating ongoing revenue.

Pharmaxis is developing its drug PXS-5505 for the bone marrow cancer myelofibrosis which causes a build up of scar tissue that leads to loss of production of red and white blood cells and platelets. The US Food and Drug Administration has granted Orphan Drug Designation to PXS-5055 for the treatment of myelofibrosis and permission under an Investigational Drug Application (IND) to progress a phase 1c/2 clinical trial that commenced recruitment in Q1 2021. PXS-5505 is also being investigated as a potential treatment for other cancers such as liver and pancreatic cancer.

Other drug candidates being developed from Pharmaxis' amine oxidase chemistry platform are targeting fibrotic diseases such as kidney fibrosis, NASH, pulmonary fibrosis and cardiac fibrosis; fibrotic scarring from burns and other trauma; and inflammatory diseases such as Duchenne Muscular Dystrophy.

Pharmaxis has developed two products from its proprietary spray drying technology that are manufactured and exported from its Sydney facility; Bronchitol® for cystic fibrosis, which is approved and marketed in the United States, Europe, Russia and Australia; and Aridol® for the assessment of asthma, which is approved and marketed 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. www.pharmaxis.com.au

About GEN

GEN is the leading specialty pharmaceutical company in Turkey with more than 20 years of experience. We partner with global pharmaceutical companies to bring innovative therapies and rare solutions to our community. We work compliant with ethical and scientific principles and strive to set the best standards for quality, safety, and value in the manufacture and access to health care products. With our GMP certificated production facility and R&D center based in Ankara, we offer solutions around the globe in the treatment of rare diseases and disorders. In addition to its HQ and offices in Turkey, GEN has offices in Germany, Russia, Kazakhstan, Uzbekistan, and Azerbaijan. For more information, please visit the GEN website. Also, to learn more, please follow GEN on LinkedIn, Twitter, Instagram, and Facebook.

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 developing or partnering any of the 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.