Investor Presentation

pharmaxis

developing breakthrough treatments for fibrosis and inflammation

Investor Presentation | 7 September 2021

Gary Phillips CEO

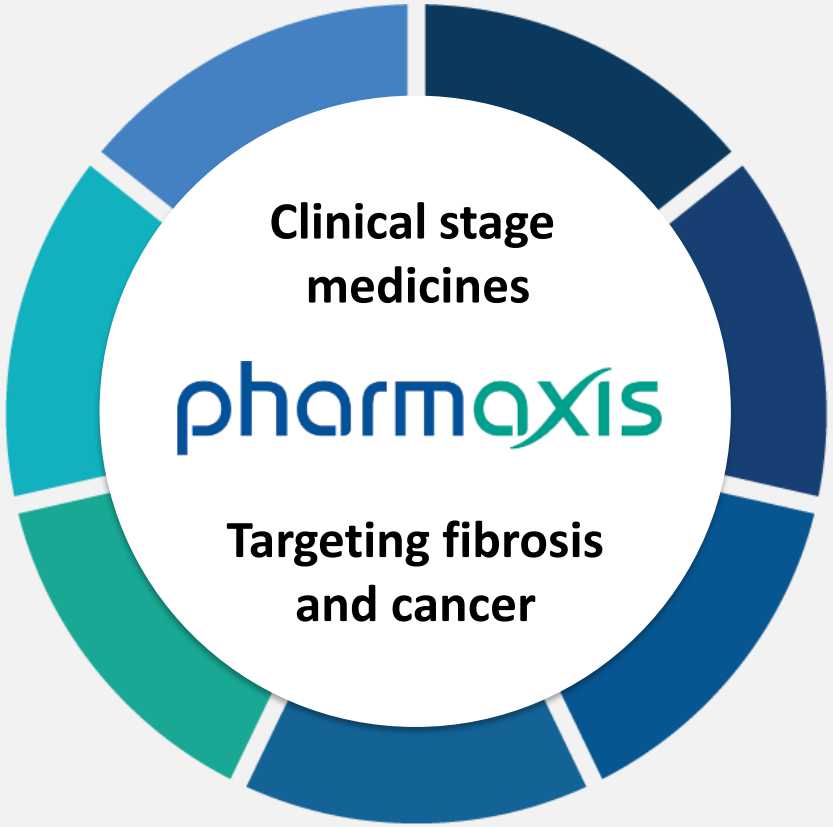
Forward looking statement

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. All statements, other than statements of historical facts, are 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.

Executive Summary

- Pharmaxis is a clinical stage drug development company targeting fibrosis and cancer
- Lead asset PXS-5505 is in phase 1c /2a trial – a breakthrough clinical program with disease modifying potential in Myelofibrosis
- PXS-5505 has demonstrated further potential in oncology as an adjunct to standard of care in difficult to treat tumours
- Anti-skin scarring drug PXS-6302 with potential to improve function and appearance progressing to phase 1c trial in patients with established scars and burns
- Specific corporate strategy to deliver non-dilutive cash and cost savings from commercial stage mannitol business;
- Pharmaxis is in a strong position to fund its focused clinical program



Cash and capital structure

Cash

- Cash at 30 June A$19m
- Proceeds from sale Australian distribution rights A$2m
- Proforma cash balance as at June A$21m

Mannitol respiratory business forecast to go from cash burn (FY 20: EBITDA (A$4m)) to cash flow positive from FY 21 onwards (FY 26: EBITDA A$10m+)*

Sale of Australian Bronchitol & Aridol distribution rights effective 1 July

- A$2m received July 2021

Further opportunities to extend cash runway

- Previously announced (Russia) and potential cost savings from rationalization across mannitol business
- Pipeline supported by grants and R&D tax credit (~A$5m 2020)
- Partnering deals with pipeline assets

Share capital

- Current shares on issue 454m

Enterprise value

- Market capitalisation at $0.14 per share $64m
- Less: proforma net cash at June ($21m)
- Enterprise value $43m

Lead institutional shareholders

- BVF Partners LP 19.5%
- Karst Peak Capital Limited 11.3%
- D&A Income Limited 6.8%

Experienced Scientific Leadership Team

Significant global experience in drug development, commercialisation and partnering

In senior management

Wolfgang Jarolimek – Drug Discovery

- more than 20 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-Plank Institute in Munich, Germany; Baylor College of Medicine, Houston, Texas; Rammelkamp Centre, Cleveland Ohio; and University of Heidelberg, Germany

Dieter Hamprecht – Head of Chemistry

- more than 20 years experience with small molecule and peptide drug discovery, contributed to greater than 10 drug candidates brought to development and co-inventor of 50 patent families, co-author of 30+ scientific publications
- previously Managing Director – Boehringer Ingelheim's research group in Milan
- senior medicinal chemistry positions at GSK

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

On the board

Gary Phillips – CEO and Managing Director

- 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

Kathleen Metters – Non Executive Director

- former Senior Vice President and Head of Worldwide Basic Research for Merck & Co. with oversight of all the company's global research projects.
- in a subsequent role at Merck &Co she led work on External Discovery and Preclinical Sciences
- former CEO of biopharmaceutical company Lycera Corp

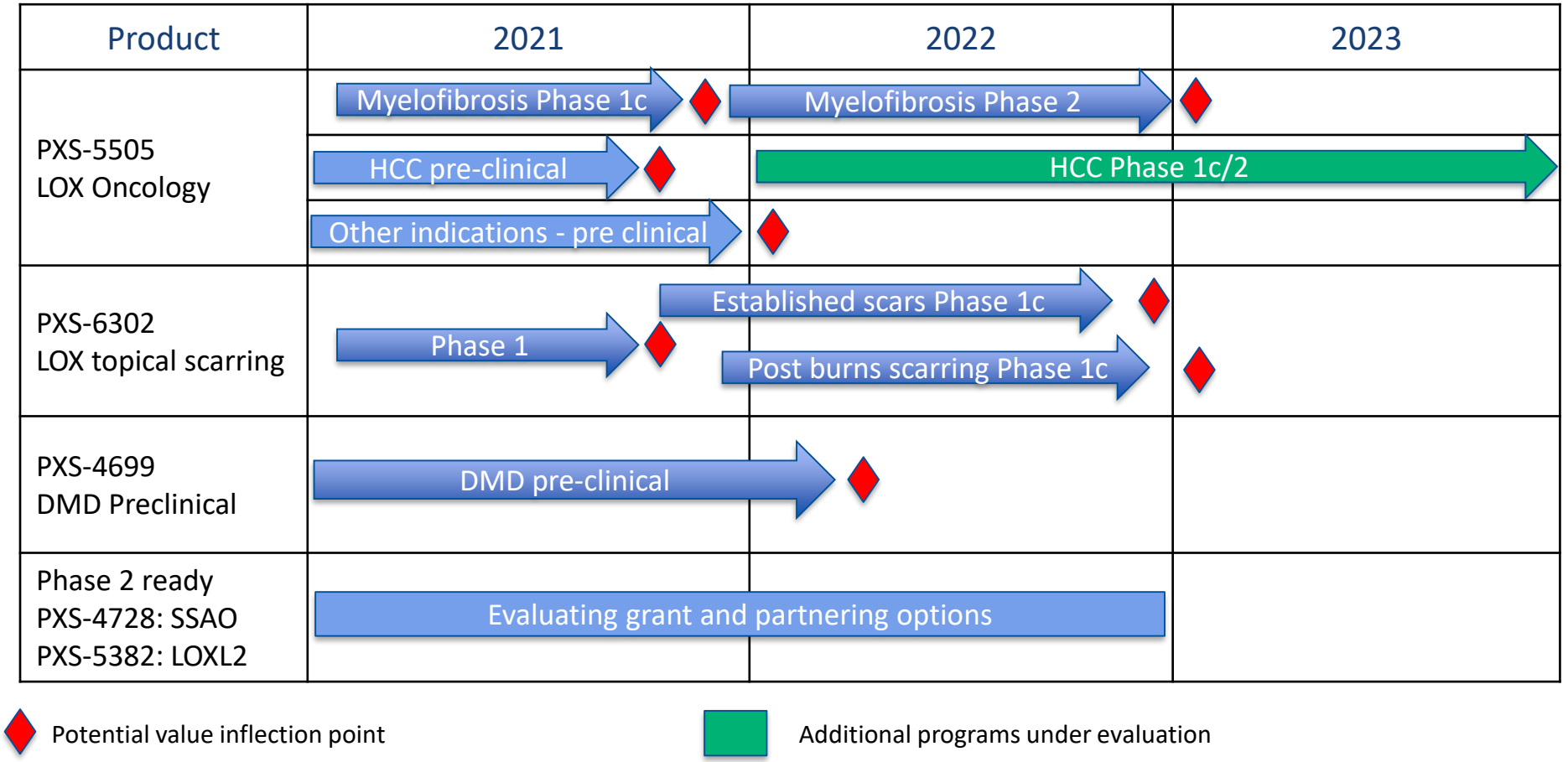
Neil Graham – Non Executive Director

- former VP of immunology and inflammation responsible for strategic program direction overseeing pipeline development and clinical programs at Regeneron (REGN:US)
- former SVP program and portfolio management at Vertex Pharmaceuticals
- former Chief Medical Officer at Trimeris Inc and Tibotec Pharmaceuticals

Multiple potential value inflection points over next two years

Pipeline creates multiple opportunities in high value markets

Target timelines



DMD: Duchenne Muscular Dystrophy
TACT: TREAT-NMD Advisory Committee for Therapeutics
MDS: Myelodysplastic Syndrome
LOX: Lysyl Oxidases

Myelofibrosis background

A rare type of bone marrow cancer that disrupts your body's normal production of blood cells

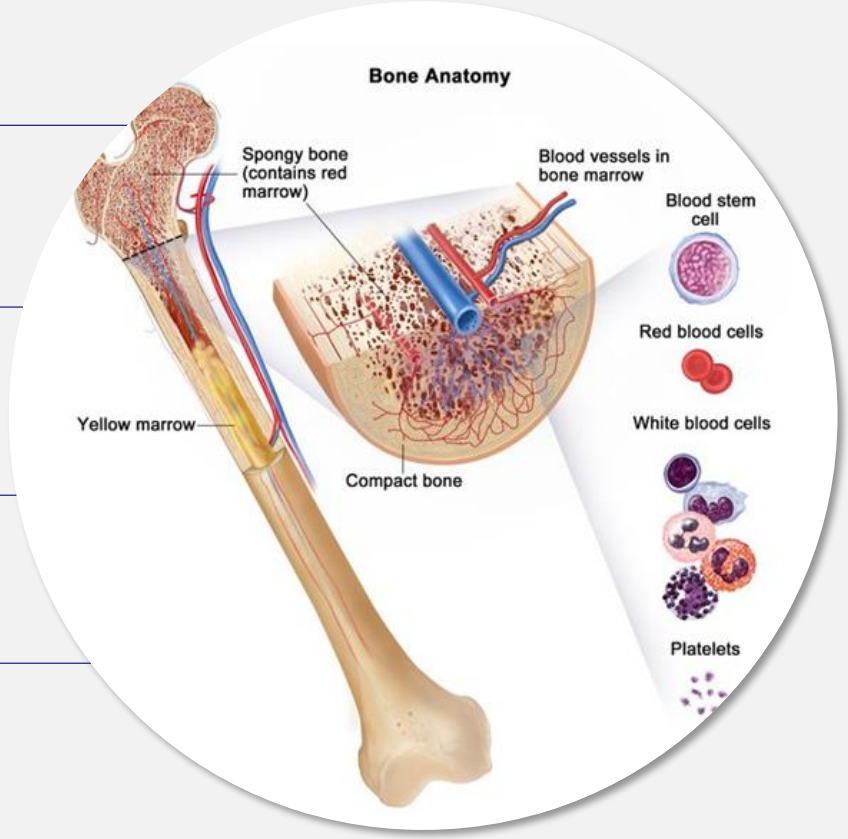
KEY FACTS

Affects 15 in 1m people worldwide

5 Years Median survival

Age of onset 50 – 80

11% transformation to leukemia



Primary Myelofibrosis is caused by a build up of scar tissue (fibrosis) in bone marrow reducing the production of blood cells:

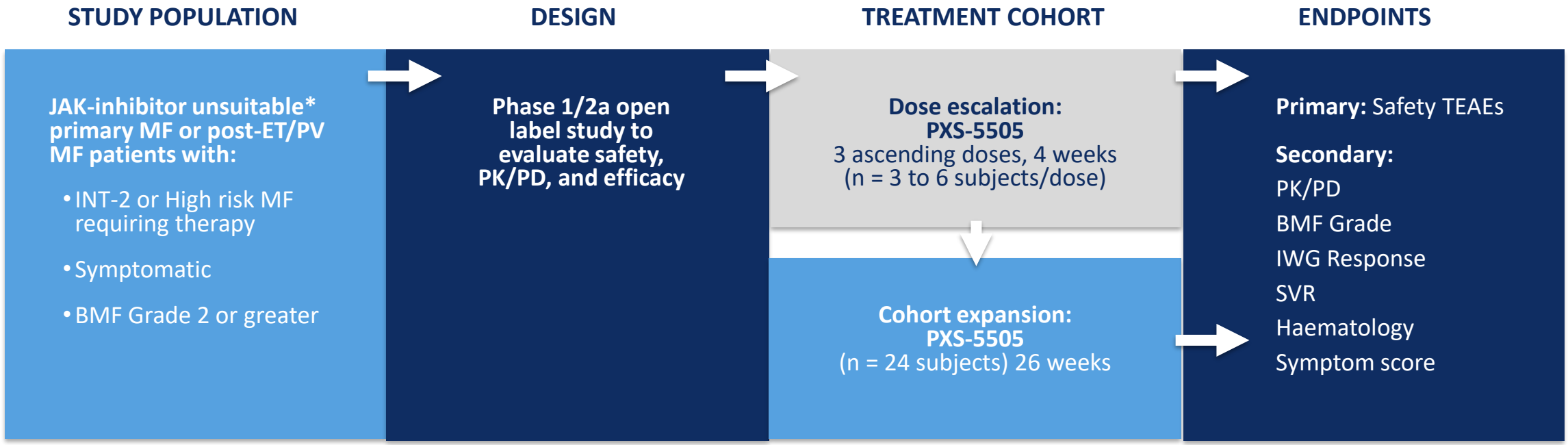
- Driven by clonal mutations of a hematopoietic stem cell (JAK, MPL, CALR genes)
- Reduced red blood cells can cause extreme tiredness (fatigue) or shortness of breath
- Reduced white blood cells can lead to an increased number of infections
- Reduced platelets can promote bleeding and/or bruising
- Spleen increases blood cell production and becomes enlarged
- Other common symptoms include fever, night sweats, and bone pain

Standard of Care; JAK inhibition

- Symptomatic relief plus some limited survival improvement. 75% discontinuation at 5 years
- Median overall survival is 14 – 16 months after discontinuation

PXS-5505 Phase 1/2a Trial in myelofibrosis

6 month monotherapy study with meaningful safety and efficacy endpoints



FDA granted orphan drug designation July 20 and IND approved August 2020

Multiple sites across 4 countries to enhance trial recruitment (USA, South Korea, Taiwan, Australia)

Study budget (~US$5m)

Study recruitment commenced Q1 2021, study targeted to conclude H2 2022

*Unsuitable = ineligible for JAKi treatment, intolerant of JAKi treatment, relapsed during JAKi treatment, or refractory to JAKi treatment. JAKi – Janus Kinase inhibitor, MF myelofibrosis, ET Essential Thrombocythaemia, PV polycythaemia vera, INT intermediate, BMF bone marrow fibrosis, RP2D recommended phase 2 dose, TEAE treatment emergent adverse event, PK pharmacokinetics, PD pharmacodynamics, SVR spleen volume response, IWG International Working Group Myeloproliferative Neoplasms

Myelofibrosis – examples of other programs

PXS-5505 unique mechanism of action designed for disease modification and good tolerability

Company	Market cap[1]	Bourse	Asset	Description	Clinical phase
KEROS THERAPEUTICS	$0.9bn	Nasdaq	KER-050	TGF-β ligand trap	Phase 2
Constellation	$1.6bn	Nasdaq	CPI-0610	BET inhibitor	Phase 3
KARTOS THERAPEUTICS	$0.7bn[2]	n.a. – private	KRT-232	MDM2 antagonist	Phase 3
VERU	$0.4bn	Nasdaq	Imetelstat	Telomerase inhibitor	Phase 3
pharmaxis	$47m (A$64m)	ASX	PXS-5505	LOX inhibitor	Phase 1c/2 commenced

PXS-5505 unique mechanism of action expected to deliver additional efficacy on top of existing standard of care and/or known pipeline drugs without adding to tolerability issues

Notes: (1) Approximate market cap as at 06 September 2021
(2) Last round valuation

PXS-5505: Significant opportunity in other cancers

Global academic and clinical interest in LOX inhibition drives development plan

Pharmaxis Research Collaborations

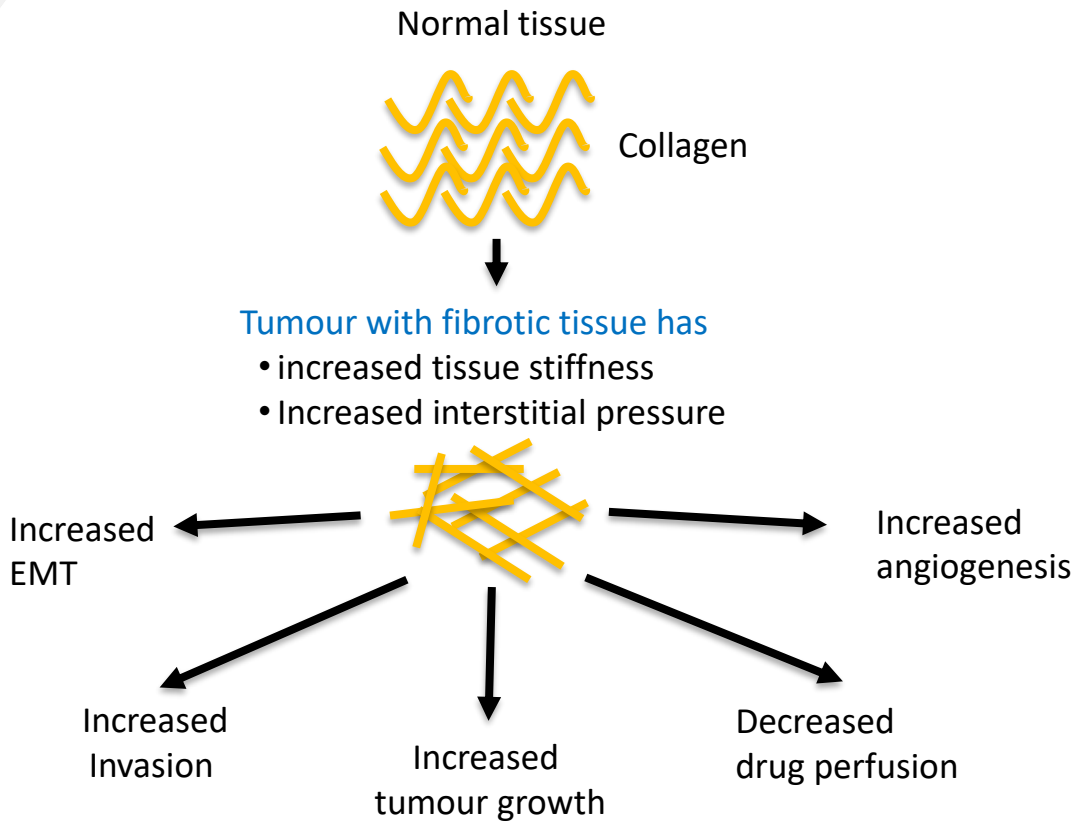
Myelodysplastic syndrome
Germany

Liver Cancer
Rochester (NY)

Pancreatic Cancer
Sydney, Rochester (NY)

Melanoma and glioblastoma
Houston

Head and Neck Cancer
Boston, (MA)



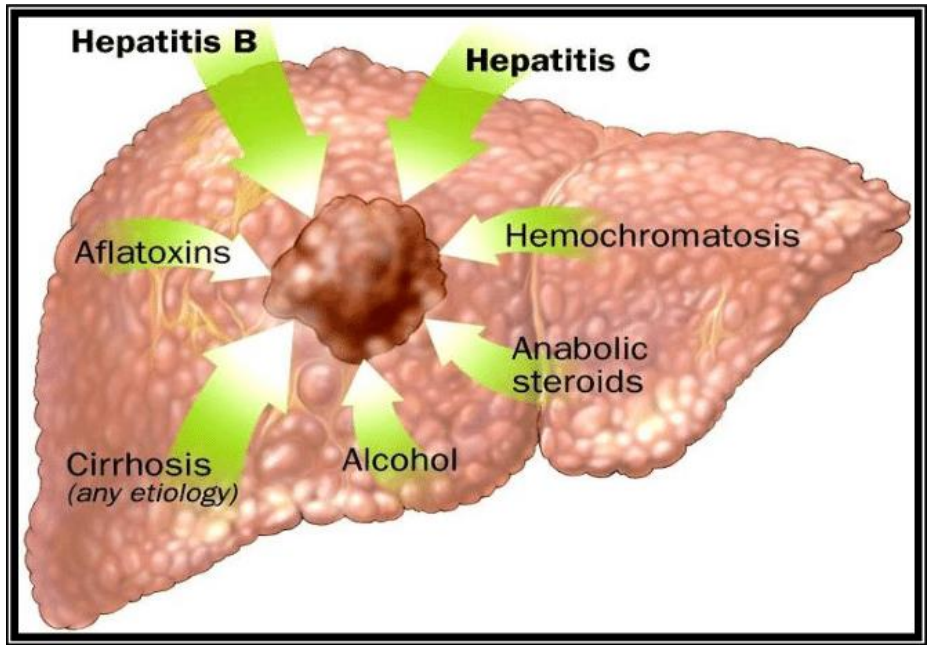
Multiple expected benefits from inhibition of LOX enzymes

EMT: epithelial to mesenchymal transition

Hepatocellular Carcinoma (HCC)

4th leading cause of cancer-related mortality worldwide with a 19.6% 5-year relative survival

- Primary liver malignancies have doubled in incidence over the last two decades.
- HCC is a stromal (fibrotic) tumour
  - Accumulation of collagen cross-links increases stromal stiffening and interstitial fluid pressure (IFP) reducing delivery of chemotherapy and immunotherapy.
- Etiology
  - Extrinsic factors e.g. Virus infections
  - Intrinsic factors e.g. auto immune diseases, fatty infiltration, genetics
- Current standard of care
  - Tyrosine kinase inhibitors
  - PD-L1 inhibitors + anti-VEGF



- Pre-clinical data (Rochester Uni; Aug 2021)
  - Tumour tissue specimens show LOX enzymes are significantly elevated in human liver cancer and correlate with poor prognosis.
  - PXS-5505 with or without chemotherapy treatment in a pre-clinical model significantly improves survival, delays tumor growth, and reduces intratumoral pressure.
- Proposed clinical strategy
  - Enhance the intratumoral response to standard of care through the addition of LOX inhibition in human HCC
  - 6 month study combination PXS-5505 on top of standard of care in newly diagnosed unresectable or metastatic hepatocellular carcinoma

Hypertrophic and keloid scarring

Cutaneous scarring following skin trauma or a wound is a major cause of morbidity and disfigurement

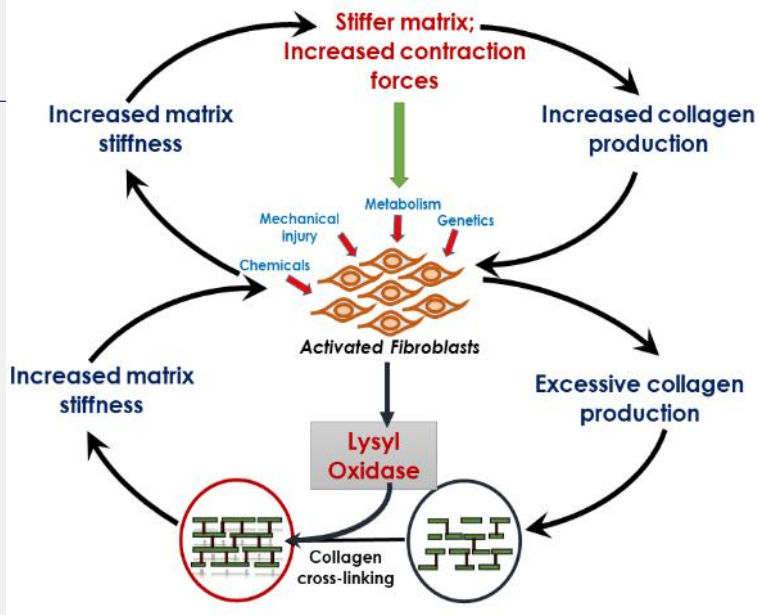
KEY FACTS

100m patients develop scars in the developed world alone each year as a result of elective operations and operations after trauma

Hypertrophic scars and keloids are fibroproliferative disorders that may arise after any deep cutaneous injury caused by trauma, burns, surgery, etc.

Hypertrophic scars and keloids are cosmetically and functionally problematic significantly affecting patients' quality of life

Collagen turnover in keloid



The increase in extracellular matrix is a key factor and this depends on collagen and elastin cross-linking to make them less degradable.

- Mechanisms underlying scar formation are not well established; prophylactic and treatment strategies remain unsatisfactory
- Current standard of care includes:
  - Corticosteroids
  - Surgical revision
  - Cryotherapy
  - Laser therapy
  - 5-fluorouracil

- Pre clinical evidence
  - Treatment with PXS-6302 monotherapy demonstrates cosmetic and functional improvements to scarring in pre clinical models (data on file)
- Clinical evidence
  - 1 month phase 1a in healthy volunteers demonstrates good tolerability and full inhibition of LOX in skin.
- Next Steps
  - 3 month study versus placebo in patients with established scars to commence Q4 2021
  - Study to investigate scarring subsequent to burn injury to follow in 2022

Anticipated news flow: 2021 – 2022

Multiple anticipated value inflection points over next two years

Achieved H1 2021

- Feb 22: Breakthrough drug PXS-5505 phase 1c/2a myelofibrosis study commenced recruitment
- Mar 19: Chiesi pays US$3m milestone on Pharmaxis shipment of US launch
- Mar 31: LOX topical drug PXS-6302 commenced independent investigator studies - safety
- April 14: Sale of Russian Bronchitol distribution rights
- May 3: Grant from Charlie Teo Foundation to test PXS-5505 in glioblastoma
- June 29: First dose cohort in MF101 shows strong inhibition of LOX and LOXL2; second cohort commences dosing

H2 2021

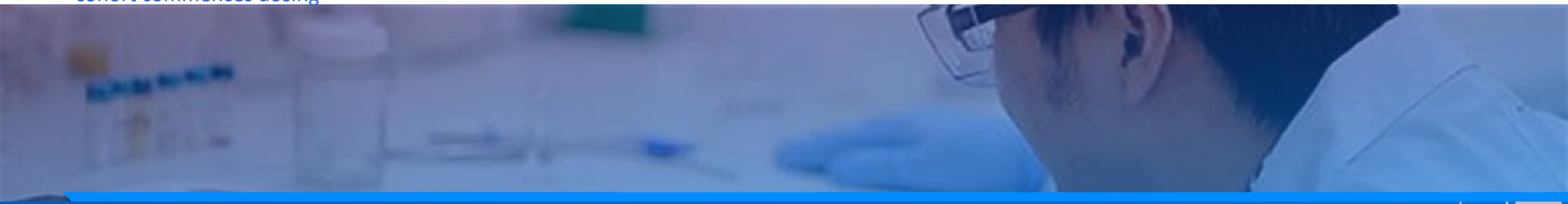
- July 1: Sale of Australian Aridol and Bronchitol distribution rights
- Aug 4: MF101 – third cohort commences dosing
- Aug 5: University of Rochester paper – PXS-5505 significantly improves survival, delays tumor growth in pre-clinical cancer model
- Aug 17: Grant of option to Aptar for high payload inhaler – US$275k fee, US$2.5m exercise fee by 8/22
- Aug 31: Treatment to prevent wound and burns scars clears phase 1 trial – to progress into independent investigator patient studies - burns and established scars
- PXS-5505 phase 1c myelofibrosis study dose escalation stages – cohort 3 reports

H2 2021

- PXS-5505 phase 2a myelofibrosis study dose expansion stage commence
- LOX topical drug PXS-6302 commences independent investigator patient studies - burns and established scars
- Mannitol business simplification – realising annual cost savings
- PXS-5505 publications by KOL's in other cancers

CY 2022

- PXS-5505 phase 2a myelofibrosis study safety and efficacy data
- LOX topical drug phase 1c studies burns and established scars safety and efficacy data



pharmaxis

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Additional Information

Mannitol respiratory business (Bronchitol® and Aridol®)

Transformational impact of FDA Bronchitol approval (Oct 2020) – business segment cash flow positive from FY 2021 onwards

Sales

- Mannitol respiratory sales forecast to double by FY 2022 (from CY 2020) with Bronchitol > 75% of sales
- Strong longer term growth contribution from US
- Growth in Ex-US markets especially Russia

Expenses

- Relatively fixed production cost base
- Potential for simplified business model to reduce costs

Segment EBITDA

- Forecast positive EBITDA from FY 2021 onwards
- US volumes contribute to mannitol segment generating profit

Bronchitol in US

- US CF market >65% of global market in value
  - US market doubles global cystic fibrosis patient opportunity with attractive pricing
- Chiesi approval /launch milestone payments US$10m received FY 2021
- US sales commenced in Q2 CY 2021
- High teens % of Chiesi sales + supply contract - ~20% of Chiesi US Bronchitol net sales flow directly to the Pharmaxis bottom line
- Three sales milestones totaling US$15m payable on achieving annual sales thresholds

Board

Significant international pharmaceutical experience

Malcolm McComas – Chair

- former investment banker and commercial lawyer
- former MD Citi Group
- has worked with many high growth companies across various industry sectors and has experience in equity and debt finance, acquisitions and divestments and privatisations.
- joined Pharmaxis Board in 2003
- chair since 2012

Will Delaat – Non-Executive Director

- more than 35 years' experience in the global pharmaceutical industry
- former CEO of Merck Australia
- former chair of Medicines Australia and Pharmaceuticals Industry Council
- joined Pharmaxis Board in 2008

Dr Kathleen Metters – Non-Executive Director

- former Senior Vice President and Head of Worldwide Basic Research for Merck & Co. with oversight of all the company's global research projects.
- in a subsequent role at Merck &Co she led work on External Discovery and Preclinical Sciences
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Financials

Income statement highlights

Periods ended (A$'000)	June 2021 FY	June 2020 FY	June 2019 FY
Segment Financials			
New drug development			
Oral LOX (external costs)	(2,521)	(3,124)	(3,833)
Other program external costs (net of grants)	(1,850)	(3,315)	(5,108)
Employee costs	(3,270)	(3,373)	(2,837)
Overhead	(395)	(460)	(606)
R&D tax credit	148	5,159	5,962
EBITDA	(7,888)	(5,113)	(6,764)
Mannitol respiratory business			
Sales	6,680	7,027	5,676
Other revenue and income	15,985	20	27
	22,665	7,047	5,703
Expenses – employee costs	(5,558)	(5,855)	(6,083)
Expenses – manufacturing purchases	(1,168)	(1,456)	(1,689)
Expenses – other	(4,483)	(3,713)	(2,944)
EBITDA	11,456	(3,977)	(5,013)
Corporate – EBITDA	(3,795)	(2,990)	(3,874)
Total Adjusted EBITDA	**($227)**	**($12,080)**	**($15,651)**
Net profit (loss)	**($3,289)**	**($13,943)**	**($20,058)**

Financials

Cash

Periods ended (A$'000)	June 2021 FY	June 2020 FY	June 2019 FY
Proforma cash			
Cash period end	18,712	14,764	31,124
R&D tax credit	-	5,048	6,221
Sale of Australian distribution rights	2,000	-	-
	$20,712	**~$19,812**	**$37,345**
Cash Flow Statement Highlights			
Operations			
Receipts from customers	8,607	7,775	6,893
R&D tax incentive	5,307	6,271	-
Chiesi milestone	13,845	-	-
Sale of Russian distribution rights	1,357		
Payments to suppliers, employees etc (net)	(24,687)	(27,330)	(26,691)
Total operations	3,072	(13,284)	(19,798)
Investing (capex & patents)	(644)	(574)	(981)
Finance lease payments[1]	(2,305)	(2,232)	(1,593)
Financing agreement payments[2]	(240)	(270)	(254)
Share issue - net	4,065	-	22,677
Net increase (decrease) in cash	**$3,849**	**($16,360)**	**$51**

1. Lease over 20 Rodborough Rd (to May 2024) – total liability at 30 June 2021: $6.3 million
2. NovaQuest financing – not repayable other than as % of US & EU Bronchitol revenue – up to 7 years