Quarterly Shareholder Update – September 2021

Dear Shareholder,

Since the start of the global Covid-19 pandemic we have all become accustomed to looking at data; be it results of vaccine studies or the latest infection rates. Our interest is of course motivated by the impact that this data has on our everyday lives. Inside a Biotech company we live and sometimes die based on data – it's our lifeblood and we seek to generate the right data as quickly as possible to help us understand if our scientific innovations have real value for patients. A lot of time and investment sometimes passes between data points so we have to wait patiently and nervously to see the outcomes of the studies we have performed. This last quarter has been one of the best on record for Pharmaxis as we announced positive data for our two lead drugs in clinical studies.

- **Cancer drug PXS-5505 progresses into myelofibrosis phase 2a study**
  This trial is the number one priority for the company and we have already started recruiting patients for the 6 month dose expansion study following positive phase 1c study results. PXS-5505 was trialed for 28 days at three different doses in myelofibrosis patients and the data was clear; the drug was well tolerated at the highest dose given and delivered complete inhibition of the target enzymes. This drug will hit the intended target and the already started phase 2a study will answer the question of whether the disease modifying effect seen in animal models can be replicated in patients by the end of 2022.

- **Further data supporting the value of PXS-5505 in other cancers**
  We have a number of collaborations with academic centres of excellence worldwide investigating the hypothesis that disrupting the fibrotic nature of the tumours found in cancers of the liver, pancreas and other organs can enhance the efficacy of current chemotherapy drugs and therefore change patient outcomes. The University of Rochester (NY) released the first data from its collaboration with Pharmaxis showing that in a pre-clinical model of one type of liver cancer PXS-5505 significantly improved survival when added to existing chemotherapy drugs. A very promising development that could lead to human patient studies in the future.

- **Anti scarring drug PXS-6302 clears phase 1 and ready for next step into patients**
  The data from the completed phase 1 study of healthy volunteers has given us all the evidence we need to progress studies in patients with scars. The study which is part of our collaboration with Prof Fiona Wood's research group at the University of Western Australia (UWA) in Perth demonstrated that PXS-6302 was well tolerated, produced a complete inhibition of the target enzymes in the skin and produced minimal inhibition of these same enzymes in the rest of the body. Patient studies are now scheduled to start in this next quarter.

The above studies are the highlights from the data that our drug development and clinical teams have been examining over the last quarter. Our pipeline is full of opportunity and I look forward to reporting on the progress from these projects in the months ahead.

Sincerely,

Gary Phillips - Chief Executive Officer

Products and Pipeline at a glance

Disease/target	Drug	Status
Cystic fibrosis	Bronchitol	Approved
Asthma	Aridol	Approved
Neuro inflammation (SSAO inhibitor)	PXS-4728	Phase 2
Myelofibrosis (oral pan-LOX inhibitor)	PXS-5505	Phase 2a commenced
Other cancers (oral pan-LOX inhibitor)	PXS-5505	Phase 1
Scarring (Topical pan-LOX inhibitor)	PXS-6302	Phase 1a/b completed
Chronic fibrotic diseases (LOXL2 inhibitor)	PXS-5382	Phase 1 completed
Duchenne Muscular Dystrophy (dual SSAO/MAOB inhibitor)	PXS-4699	Pre-clinical

Impact of COVID-19

Pharmaxis has continued to effectively manage the challenges of the COVID-19 global pandemic, implementing a range of measures to protect employees and continue the manufacture and supply of its approved respiratory products.

The Company has continued an uninterrupted supply to local and global customers.

The effect on sales is discussed below. Overall, there are large variances in the impact of COVID between markets/countries, and while we are seeing a recovery of Aridol sales in countries where COVID-19 is brought under control, Bronchitol continues to lag pre-COVID-19 sales levels and the US launch by our partners Chiesi has been significantly disrupted. We are working with our commercial partners to better understand and respond on a country by country basis.

Importantly, there has not been to date any significant impact of COVID-19 on our clinical trials with the phase 1c trial in myelofibrosis now completed, the phase 2a just commenced and the phase 1a/b trial in scarring now also completed and about to move to phase 1c.

Drug discovery

Oral pan-LOX inhibitor program (PXS-5505) in myelofibrosis

Pharmaxis' primary drug development initiative is its pan-Lysyl Oxidase (pan-LOX) inhibitor program focussed on the rare bone cancer myelofibrosis. PXS-5505 is an orally taken drug that inhibits the lysyl oxidase family of enzymes and was developed from the Company's amine oxidase chemistry platform. In pre-clinical models of myelofibrosis PXS-5505 reversed the bone marrow fibrosis that drives morbidity and mortality in myelofibrosis and reduced many of the abnormalities associated with this disease.

A phase 1c/2a clinical trial (named MF-101; ClinicalTrials.gov Identifier: NCT04676529), cleared by the FDA under the Investigational New Drug (IND) scheme, commenced dosing in the March quarter of 2021 at sites in Australia and South Korea. The study aims to demonstrate that PXS-5505 is safe and well tolerated as a monotherapy in myelofibrosis patients who are intolerant, unresponsive or ineligible for treatment with approved JAK inhibitor drugs. The trial has additional secondary endpoints to explore the impact of inhibiting lysyl oxidase enzymes on a number of important disease parameters such as bone marrow fibrosis, cytopenia and spleen volume.

The initial dose escalation phase 1c study was designed to select the optimum dose of PXS-5505 and was completed during the quarter. Patients received PXS-5505 for 28 days at three dosage levels. Assessment with Pharmaxis' proprietary assays of the highest dose showed inhibition of the target enzymes, LOX and LOXL2, at greater than 90% over a 24-hour period at day 7 and day 28. The trial safety committee reviewed the results and having identified no safety signals, cleared the study to progress to the phase 2a dose expansion phase where 24 patients will be treated at the highest dose twice a day for 6 months.

Trial sites are open to recruit myelofibrosis patients into the 6-month phase 2a study in Australia and South Korea with preparations well advanced to open more sites in Taiwan and the

USA. Dosing commenced shortly after quarter end with the first patients being participants in the recently completed phase 1c dose escalation study.

The levels of LOX and LOXL2 inhibition achieved in myelofibrosis patients in the phase 1c stage exceeds the levels seen in preclinical models of myelofibrosis where PXS-5505 caused disease modifying effects with improvements in blood cell count, diminished spleen size and reduced bone marrow fibrosis. Read the announcement here.

Myelofibrosis is a cancer with a poor prognosis and limited therapeutic options. Pharmaxis believes that the current treatments can be augmented by use of a pan-LOX inhibitor and the combination should be disease modifying in a market that is conservatively worth US$1 billion per annum.

PXS-5505 was granted Orphan Drug Designation by the US Food and Drug Administration (FDA) in July 2020.

Oral pan-LOX inhibitor program (PXS-5505) in other cancers

While Pharmaxis' primary focus is the development of PXS-5505 for myelofibrosis, the drug also has potential in several other cancers including myelodysplastic syndrome, liver and pancreatic cancers, melanoma and glioblastoma, where it aims to breakdown the fibrotic tissue in the tumour and enhance the effect of existing chemo and immunotherapies. Pharmaxis has a number of scientific collaborations with centres of excellence across the world who have shown interest in PXS-5505. The Company aims to support these and encourage the use of PXS-5505 in independent investigator initiated clinical studies wherever possible.

During the quarter the Company announced the first public presentation of data from a preclinical study of PXS-5505 in the liver cancer, cholangiocarcinoma (CCA) at the Americas Hepato-Pancreato-Biliary Association (AHBPA) conference in Miami, USA.

Under the guidance of Dr Roberto Hernandez-Alejandro, MD (Chief Division of Transplantation / Hepatobiliary Surgery), a research team at the University of Rochester Medical Center, New York State, has been investigating the role of lysyl oxidase enzymes in liver cancer and whether Pharmaxis' cancer drug PXS-5505 can improve the efficacy of current chemotherapy drugs by inhibiting these enzymes.

CCA is the second most frequently diagnosed primary liver malignancy and has nearly doubled in incidence over the last decade. A prominent feature of CCA is the presence of highly fibrotic tissue that increases tumour stiffness, and decreases drug perfusion.

The oral presentation by Dr Paul Burchard, MD at the meeting covered two main aspects of the team's research.

- Firstly, they examined tumour tissue specimens collected from patients at their institution over a 10-year period and found that LOX enzymes are significantly elevated in human CCA and positively correlate with poor prognosis.
- Secondly, they examined the effect of PXS-5505 with or without chemotherapy treatment in a pre-clinical model of CCA and found that the combination of PXS-5505 and chemotherapy significantly improves survival, delays tumor growth, and reduces intratumoral pressure.
- Finally, they proposed that PXS-5505 in combination with standard chemotherapy represents an innovative therapeutic strategy with potential for clinical translation in primary liver malignancy.

The data will be the subject of a full scientific publication.

Read the announcement here.

Topical pan-LOX inhibitor program (PXS-6302)

Pharmaxis has a second pan-LOX program that has developed a drug for topical application with the potential for use in scar revision, keloid scarring and scarring from burn wounds.

The Pharmaxis discovery, PXS-6302, has shown promising pre-clinical results in inhibiting the enzymes that play a critical role in the development of scar tissue.

During the quarter the Company announced that PXS-6302 had delivered positive Phase 1 clinical trial results and will now advance to the next stage of development in patients. In a study of healthy volunteers led by renowned surgeon Prof Fiona Wood AM, PXS-6302 demonstrated good

tolerability and full inhibition of the enzymes being targeted to prevent scarring.

The phase 1 trial of the drug tested 4 different strengths formulated as an easy to apply cream in 4 subjects as a single dose, scaling to the highest dose applied daily for 7 days in a further 6 subjects. The positive results from the study have now triggered the next steps in initiating a longer term study in patients with scars that will investigate the safety of 3 months' treatment with PXS-6302, and explore if 3 months' treatment at a dose we believe will significantly inhibit an enzyme implicated in scar formation, can make a difference to both the appearance and structure of their scars.

Read the media release here.

SSAO inhibitor program (previously partnered with Boehringer Ingelheim) (PXS-4728)

The PXS-4728 development program undertaken by Boehringer Ingelheim (BI) from 2015 to 2020 was returned to Pharmaxis during the March quarter of 2021, including the extensive preclinical, clinical, safety and regulatory work carried out by BI. Further analysis of the data package by Pharmaxis scientists has uncovered potential in neuro inflammatory diseases where the clinical benefits would not be impacted by the findings that caused BI to discontinue development. Pharmaxis continues to progress discussions with independent investigators and patient organisations in relation to neuro inflammatory indications, study protocol design and funding options including grants.

LOXL2 inhibitor program (PXS-5382)

The Lysyl Oxidase Like 2 (LOXL2) enzyme is fundamental to the fibrotic cascade that follows chronic inflammation in kidney fibrosis, the liver disease NASH, cardiac fibrosis and idiopathic pulmonary fibrosis (IPF) and it also plays a role in some cancers.

The Pharmaxis drug discovery group developed a small molecule inhibitor to the LOXL2 enzyme (PXS-5382) that has completed phase 1 clinical trials and 3-month toxicology studies.

Pharmaxis is currently pursuing a number of different options to enable PXS-5382 to enter the clinic in phase 2 trials in a chronic kidney disease. The Company continues to have discussions with independent investigators in relation to study protocol design and funding options including grants.

Preclinical compound PXS-4699 targeting Duchenne Muscular Dystrophy

In September 2020 Pharmaxis was awarded $1 million funding from the Biomedical Translation Bridge (BTB) program to significantly advance work on the Company's drug discovery for the treatment of the devastating genetic disorder Duchenne Muscular Dystrophy (DMD), which affects thousands of Australians. The BTB program is administered by MTPConnect.

The Company spent $189,000 on the program in the quarter, of which $77,000 is to be reimbursed the BTB. The Company is currently conducting a small preclinical model in response to feedback from review of the program by a disease focused group of leading global DMD clinicians. Once the model reports Pharmaxis and MTPConnect will discuss further investments in the program.

Mannitol respiratory business

Bronchitol and Aridol

Bronchitol®(mannitol) is an inhaled dry powder for the treatment of cystic fibrosis (CF). The product is approved and marketed in the United States, Australia, Europe, Russia and several other countries.

Aridol® is an innovative lung function test designed to help doctors diagnose and manage asthma. Aridol is approved for sale in Australia, major European countries, the United States, Canada and South Korea.

Business streamlining and outlook

Since the FDA approval of Bronchitol late last year Pharmaxis has pursued a number of initiatives to generate additional non-dilutive cash and take cost out of the mannitol business. In the June quarter the Company announced the sale of distribution rights to Bronchitol in Russia and both Bronchitol and Aridol in Australia, generating $4

million in distributor appointment fees as well as approximately $1 million per annum in expense savings.

During the September quarter Pharmaxis announced it had licensed drug delivery solutions provider Aptar Pharma an option to acquire the worldwide rights to Pharmaxis' proprietary inhaler Orbital, a unique device designed to deliver high payload dry powder to the lungs. As part of the agreement, Aptar Pharma will evaluate the commercial applications for the Orbital device and further develop the prototype device for unmet market needs. Aptar paid Pharmaxis US$250k for the 12-month option and will pay a further US$2.5m on exercise of the option. If exercised, Aptar will pay Pharmaxis industry standard royalties on income received for Orbital. Pharmaxis retains the rights to devices containing Orbital intellectual property used to deliver inhaled mannitol.

The Orbital technology is built on Pharmaxis patents, which allow powder payloads of up to 400mg or more to be inhaled by patients in divided doses without the need to reload multiple smaller doses. This unique platform was originally developed as a life cycle extending product for the Pharmaxis cystic fibrosis drug Bronchitol®(mannitol). However, it also meets an increasing global need to deliver high doses of other drugs, such as antibiotics, to the lungs.

Aptar is well positioned to assess, develop and exploit the unique Orbital technology and develop and sell to pharmaceutical companies worldwide a high payload dry powder inhaler device that opens up lung delivery as a route for drugs that previously couldn't practically be administered that way. It also provides the opportunity to optimise the patient benefits from drugs currently given by nebuliser or devices requiring multiple capsules.

Also, during the June quarter Pharmaxis concluded the appointment of Birk Nordic Pharma Consulting AS as the Company's Aridol distributor for Denmark, Sweden and Norway effective 1 November 2021. Pharmaxis has to date sold Aridol directly in the Nordic countries. During the quarter Pharmaxis also appointed Allergika Chile SpA as the Company's Aridol distributor for Chile. Aridol has not previously been sold in Chile.

Bronchitol

United States

Chiesi is responsible for the commercialisation of Bronchitol in the United States. Subsequent to the approval of Bronchitol on 30 October 2020 by the US Food and Drug Administration (FDA), Chiesi announced the commercial availability of Bronchitol in the second half of the March quarter.

US launch – impact of COVID

Before prescribing Bronchitol patients are required to have a respiratory test which must be administered in a hospital or clinic. Most respiratory tests have been suspended as a result of COVID-19, in part because the resources are required to treat the pandemic and also because of health risks arising from patients exhaling multiple times with force as part of the test.

Furthermore, cystic fibrosis patients are not visiting hospitals or clinics due the more serious consequences of COVID-19 for people with already compromised lungs.

Consequently, the US launch has been significantly impacted. Other aspects in support of the launch remain on track and Chiesi report that with more cystic fibrosis patients vaccinated against COVID-19, the CF centres are beginning to open up for both in-person patient visits, as well as Chiesi sales representative calls.

Western Europe

In the EU, Chiesi is the Pharmaxis exclusive Bronchitol distributor for the markets of the UK, Ireland, Germany, Italy, Norway, Sweden, Finland, Denmark, Cyprus, Spain and Greece.

Pharmaxis also markets Bronchitol in Austria via its German based logistics provider and plans to market in Switzerland via an exclusive distributor. During the quarter Bronchitol was approved by the Swiss regulator for ages 6 years and older and our distributor is now applying for pricing reimbursement, a process that is expected to conclude in the first half of 2022.

Russia

Russia is a valuable, fast-growing Bronchitol market for Pharmaxis bringing a new drug to Russian cystic fibrosis patients. During the June quarter Pharmaxis announced the sale of Bronchitol distribution rights in Russia to GEN İlaç ve Sağlık Ürünleri San. ve Tic. A.Ş. (GEN) who now has full responsibility for Bronchitol in Russia.

Australia

Effective 1 July 2021 the distribution rights for Bronchitol and Aridol in Australia (and New Zealand and several Asian territories) were sold to Bioimpact Pty Ltd, a wholly owned subsidiary of BTC health Ltd. Pharmaxis received a distributor appointment fee of A$2 million in July 2021. Pharmaxis continues to manufacture and supply Aridol and Bronchitol to BTC Health from its factory in Sydney.

Other territories

Bronchitol is sold in Turkey, the Czech Republic and Hungary by specialist distributors.

Bronchitol sales

Bronchitol sales for the three months ended 30 September 2021 and 30 September 2020 are as follows:

$'000	Three months	
	2021	**2020**
Australia	185	246
Western Europe	425	17
Russia	2,251	-
Eastern Europe	89	31
United States	-	-
Total	**$2,950**	**$294**

The COVID-19 pandemic continues to impact the sale of Bronchitol. Refer to the commentary above in relation to the US launch for additional background. Furthermore, feedback from our commercial partners suggests that patient compliance with medication protocols has reduced as result of the suspension of regular visits to the clinics.

Pharmaxis supplies Bronchitol to its distributors only several time a year with the quantity and timing of orders based on in-market sales and distributor inventory levels. Quarter by quarter comparison of sales is therefore not indicative of underlying market trends.

Pharmaxis supplied Bronchitol to Chiesi for the US commercial launch in the March quarter and a further order will be shipped in the December quarter.

Pharmaxis supplied two large orders to GEN for Russia in the current quarter with the net order expected later in the financial year.

In Western Europe in-market sales by Chiesi for the twelve months to September 2021 were 30% lower than the twelve months ended 30 September 2020 and 28% lower than the twelve months ended 30 September 2019. Sales for the quarter ended 30 September 2021 were 34% lower than the quarter ended 30 September 2020 but 10% higher than the quarter ended 30 June 2021.

In Australia, in-market unit sales for the twelve months ended 30 September 2021 were 22% lower than the twelve months ended 30 September 2020 and 19% lower than the twelve months ended 30 September 2019. Sales for the quarter ended 30 September 2021 were 23% lower than the quarter ended 30 September 2020 and 16% lower than the quarter ended 30 June 2021.

The Company continues to monitor the situation whilst working with our commercial partners to better understand and respond on a country by country basis.

Aridol sales

As a result of the COVID-19 pandemic lung function testing has been limited to more severe cases due to health risks arising from patients exhaling multiple times with force as part of the test. In the markets where Pharmaxis sells Aridol directly to lung function testing laboratories (Australia until 1 July 2021 and Europe) sales have reduced on a state and country basis consistent with the impact of the pandemic and this impact continues, particularly in Europe.

In Australia sales are recovering to pre COVID-19 levels.

In Europe sales are more slowly recovering to pre COVID-19 levels. Pharmaxis in-market unit sales for the twelve months ended 30 September 2021 were 33% lower than the twelve months ended 30 September 2020 and 49% lower than the twelve months ended 30 September 2019. Sales for the quarter ended 30 June 2021 was 38% higher than the quarter ended 30 September 2020 and 14% lower than the quarter ended 30 June 2021.

The Company continues to monitor the situation.

Aridol sales for the three and twelve months ended 30 September 2021 and 30 September 2020 are as follows:

$'000	Three months	
	2021	**2020**
Australia	81	85
Europe	154	102
US and Canada	-	-
South Korea	87	180
Total	**$322**	**$367**

Corporate

2021 Annual General Meeting

The 2021 Annual General Meeting of Pharmaxis Ltd will be a virtual meeting, and is to be conducted online at 10.00am on 3 November 2021.

If you choose to participate online on the day of the meeting you will be able to view a live webcast of the meeting, ask the Directors questions and submit your votes in real time.

The notice of meeting, proxy form and information on how to participate in the virtual meeting were sent to shareholders on 1 October 2021.

Non-personalised information can be found on the Pharmaxis website.

The Pharmaxis 2021 Statutory Annual Report is available here.

Quarterly investor calls

On 28 October Pharmaxis will host a quarterly investor briefing. Register for the briefing or listen to a recording of it here.

Recent interviews and articles

Pharmaxis has featured in a series of positive investor news reports focused on recent announcements.

- Gary Phillips' presentation at the Monsoon Communications and Peak Asset Management Biotech Webinar (Monday 27 September 2021). Watch a recording of the webinar here.
- Alan Kohler's Eureka Report (22 July 2021) "*Pharmaxis: The Business of Making Scars Disappear".* Listen to the podcast here.
- Proactive investors: An in depth interview with Gary Phillips and Proactive Investors (10 August 2021): *"Pharmaxis updates on bone marrow cancer trial and talks potential of PXS-5505 in liver cancer."* Watch the interview here.

Pharmaxis investment summary

Pharmaxis recently published an updated investment summary - available on the Company website.

Pharmaxis investor presentation

Pharmaxis recently published an updated investor presentation – available on the Company website.

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Financials

Key financial metrics

A$'000	Three months ended	
(unaudited)	30-Sep-21	30-Sep-20
Segment results – adjusted EBITDA		
New drug development		
Oral pan-LOX (external costs)	(1,467)	(777)
Topical pan-LOX (external costs)	(81)	(7)
Other program external costs (net of grants)	(222)	(290)
Employee costs	(715)	(924)
Overhead	(102)	(93)
R&D tax credit	-	148
EBITDA	**(2,587)**	**(1,943)**
Mannitol respiratory business		
Sales	3,272	661
Other income	2,342	142
	5,614	803
Expenses – employee costs	(1,197)	(1,385)
Expenses – manufacturing purchases	(1,205)	(71)
Expenses – other	(1,142)	(1,212)
EBITDA	**2,070**	**(1,865)**
Corporate – EBITDA	**(678)**	**(860)**
Total Adjusted EBITDA	**(1,195)**	**(4,668)**
Net profit(loss)	**(3,179)**	**(4,981)**
Statement of cash flows		
Cash inflow/ (outflow) from:		
Operations	(1,945)	(4,366)
Investing activities	(40)	(100)
Financing activities	(596)	(642)
Total cash generated/(used)	**(2,581)**	**(5,108)**
Cash at bank	**16,131**	**9,656**

Financial highlights

New drug development

- Oral pan-LOX expenditure in the three months relates to the phase 1c/2a clinical trial in myelofibrosis that commenced patient dosing during the first quarter, and a small amount in support of pre-clinical work by a European university in relation to the effectiveness of PXS-5505 in models of myelodysplastic syndrome. Prior period expenditures relate to the initial set up phase of the phase 1c/2a trial.

- Topical pan-LOX expenditure in the three months relates to the phase 1a/b clinical trial in scarring that commenced patient dosing at the end of March 2021, and recently reported. a small amount of related pre-clinical work.
- Other program external costs in the three months includes preclinical work on the SSAO/MAOB program targeting Duchenne Muscular Dystrophy of $189,000 (full year), reduced by funding from the Biomedical Translation Bridge (BTB) program of $77,000.
- The Company expects to be eligible for a R&D tax credit for the 2022 financial year in respect of all of the Topical pan-LOX program and part of the oral pan-LOX program.

Mannitol respiratory business

- See above for detail and commentary in relation to Bronchitol and Aridol sales for the quarter and year.
- Other income includes the $2 million distributor appointment fee received on sale of Australian and Aridol distribution rights and the fee received in relation granting of an option over the Orbital device ($340,000).
- The changes in manufacturing purchases for the quarter reflects a higher level of sales and manufacturing activity. While amounts recorded from quarter to quarter can vary from positive to negative, over longer periods they tend to offset.

Corporate

- EBITDA was consistent with the prior quarter.

Net profit (loss)

- The difference between total adjusted EBITDA and net profit(loss) primarily relates to non-cash items (depreciation, amortization, share based payment expense) and foreign exchange rate gains and losses, and in 2020 a reduction in the financing agreement liability of $2.2 million.

Cash

- The Company finished the quarter and half with $16.1 million in cash.
- Accounts receivable has increased significantly in line with the large increase in sales during the quarter.
- Other asset includes $593,000 receivable in the June quarter of 2022 in relation to the sale of Russian distribution rights.

Additional financial information

Income statements and summary balance sheets are provided below.

Income statements

A$'000	Three months ended	
(unaudited)	30-Sep-21	30-Sep-20
Revenue		
Revenue from sale of goods	3,272	661
Approval milestones (US $13.9 million and Brazil $140,000)	-	137
Sale of distribution rights & Orbital option fee	2,340	-
Interest	2	21
R&D tax incentive	-	148
Other government grants	77	-
Other	52	85
Total revenue	**$5,743**	**$1,052**
Expenses		
Employee costs	(2,665)	(3,034)
Administration & corporate	(677)	(529)
Rent, occupancy & utilities	(277)	(244)
Clinical trials	(1,316)	(659)
Drug development	(531)	(415)
Sales, marketing & distribution	(285)	(355)
Safety, medical and regulatory affairs	(449)	(557)
Manufacturing purchases and changes in inventory	(1,205)	(71)
Other	(75)	(47)
Depreciation & amortisation	(774)	(804)
Foreign currency exchange gains & losses	(536)	812
Finance costs	(132)	(130)
Total expenses	**(8,922)**	**(6,033)**
Net profit (loss) before tax	**(3,179)**	**(4,981)**
Income tax expense	-	-
Net profit (loss) after tax	**(3,179)**	**(4,981)**

Summary balance sheets

A$'000 (unaudited)	30-Sep-21	30-June-21
Assets		
Cash	16,131	18,712
R&D tax incentive – received October		
Accounts receivable	4,002	1,823
Inventory	2,770	3,638
PP&E	5,507	6,226
Other	3,354	3,191
	31,763	**33,590**
Liabilities		
Accounts payable and accrued expenses	4,468	3,199
Lease liability (Frenchs Forest facility)	4,197	6,322
Financing agreement (not repayable other than as a % of US Bronchitol revenue)	19,948	19,080
Other liabilities	3,275	2,144
	31,888	**30,745**
Net Assets	**(125)**	**2,845**

Authorised for release to the ASX by Pharmaxis Ltd Disclosure Committee.
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