Pharmaxis Ltd

Annual General Meeting
3 November 2021
Chairman's Address by Malcolm J McComas

Good morning and thank you for joining us for the 2021 Pharmaxis Annual General Meeting.

Last year had its challenges as we again adapted our personal, community and business lives to the now ongoing presence of COVID-19. I am pleased to say that Pharmaxis has distinguished itself by continuing uninterrupted work in clinical trials and manufacturing and achieving three significant milestones.

Firstly, we progressed our lead asset PXS-5505 into clinical trials with myelofibrosis patients. Despite the potential for COVID delays, we commenced and successfully completed the phase 1c study to assess safety and determine the appropriate dose for the subsequent phase 2a study which recently commenced dosing.

The use of PXS-5505 in myelofibrosis has been championed by Dr Gabriela Hobbs, Assistant Professor, Medicine, Harvard Medical School & Clinical Director, Leukaemia, Massachusetts General Hospital. In commenting on the progression of the phase 1c results Dr Hobbs stated: "This confirms what's been shown in healthy controls as well as mouse models, that this drug can inhibit the LOX enzymes in patients. Inhibiting these enzymes is a novel approach to the treatment of myelofibrosis by preventing the deposition of fibrosis and ultimately reversing the fibrosis that characterizes this disease." The completion of this clinical trial by the end of 2022 is our primary focus.

We also have a number of exciting long term scientific collaborations with oncology centres of excellence across the world investigating the use of PXS-5505 in other cancers, designed to increase the value of this key asset.

Secondly, we commenced and successfully completed a phase 1 safety study of our drug PXS-6302 for skin scarring. This drug is now ready to move into a clinical trial of patients with scars and is generating significant interest. The study is being overseen by leading burns expert Professor Fiona Wood and researchers at the University of Western Australia and Fiona Stanley Hospital. Professor Wood has commented on the trial saying: "It's exciting for the research team to explore a novel path to reduce scarring and to be moving closer to that goal. Scar-less healing is the vision that has motivated our work over many decades." The study will shortly commence dosing patients and will report by the end of 2022.

Finally, we received approval for the sale of Bronchitol in the United States from the US FDA, leading to the receipt of US$10m of milestones from our US partner Chiesi. Significantly, the additional revenues from the sale of Bronchitol in the US are transformational for the profitability of our mannitol business. We enhanced this progress with the sale of our Russian and Australian distribution rights generating a further A$4 million in milestones and the subsequent material reduction of annual operating expenses, turning this asset into a cash generating business.

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Pharmaxis ended FY2021 in good financial shape. On a proforma basis, including the cash received in July from the sale of Australian distribution rights, we had approximately $21m cash available to fund our business.

The speed with which we have completed the first stage of the myelofibrosis clinical trial and quickly moved to recruit the phase 2a stage is demonstration of our determination to build the market value of Pharmaxis to better represent the underlying value of our pipeline and our approved drugs. The recent increase in the Pharmaxis share price has been encouraging, but we see this as only the beginning.

I would like to thank our CEO Gary Phillips, the Pharmaxis management team and all our employees for overcoming the serious obstacles that 2021 presented and for staying firmly focused on the exciting tasks ahead, with no Covid-19 related issues.

I would also like to thank my board colleagues for their support, enthusiasm and wisdom throughout the year.

Malcolm McComas
Chairman
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