

CLARIFICATION ANNOUNCEMENT

The Appendix 4C Quarterly Cash Flow Report and the Quarterly Activities Report (Quarterly Shareholder Update – March 2022) filed by Pharmaxis and released to the market by the Australian Securities Exchange at 8.44 am and 8.45am, respectively, on 29 April 2022 omitted the following disclosures required by Listing Rule 4.7C.3:

Appendix 4C Quarterly Cash Flow Report:

Required disclosure under Section 6.1 on page 3 of the Appendix 4C Quarterly Cash Flow Report (Aggregate amount of payments to related parties and their associates included in item 1): \$203,000.

Quarterly Activities Report (Quarterly Shareholder Update – March 2022)

Required additional disclosure:

Other ASX Listing Rule required disclosures:

Detail in relation to aggregate amount of payments to related parties and their associates disclosed in section 6.1 of the Appendix 4C Quarterly Cash Flow Report:

	A\$'000
Non-executive directors' fees	77
Executive director remuneration	126
Total	203

An updated Appendix 4C is attached.

#ENDS#

SOURCE: Pharmaxis Ltd, Sydney, Australia

AUTHORISED FOR RELEASE TO ASX BY:

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About Pharmaxis

Pharmaxis Ltd is an Australian clinical stage drug development 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 (FDA) 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 began recruitment in Q1 2021. PXS-5505 is also being investigated as a potential treatment for other cancers such as pancreatic cancer. The FDA has granted an IND for a phase 1c/2a clinical trial in liver 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.

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

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 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Pharmaxis Ltd

ABN

75 082 811 630

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	1,290	8,545
1.2 Payments for		
(a) research and development	(1,812)	(5,805)
(b) product manufacturing and operating costs	(1,227)	(3,707)
(c) advertising and marketing	(21)	(227)
(d) leased assets	(1)	(3)
(e) staff costs	(2,746)	(6,923)
(f) administration and corporate costs	(1,120)	(4,091)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	132	144
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	45	252
1.8 Other (provide details if material) – insurance proceeds	-	700
1.9 Net cash from / (used in) operating activities	(5,460)	(11,115)
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(7)	(54)
(d) investments	-	-
(e) intellectual property	(25)	(48)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Quarterly cash flow report for entities subject to Listing Rule 4.7B

(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(32)	(102)

3 Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	9,071
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings (lease payments)	(560)	(1,744)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	(4)	(12)
3.1 Net cash from / (used in) financing activities	(564)	7,315

4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	20,866	18,712
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(5,460)	(11,115)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(32)	(102)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(564)	7,315
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	14,810	14,810

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1 Bank balances	1,045	724
5.2 Call deposits	5,827	13,507
5.3 Bank overdrafts	-	-
5.4 Other (Term deposits)	7,938	6,635
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	14,810	20,866

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	203
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	Nil	Nil
7.2 Credit standby arrangements	Nil	Nil
7.3 Other (please specify)	Nil	Nil
7.4 Total financing facilities	Nil	Nil
7.5 Unused financing facilities available at quarter end		Nil
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,437)
8.2 Cash and cash equivalents at quarter end (item 4.6)	14,810
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	14,810
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.72
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 13 May 2022

Authorised by: Pharmaxis Audit and Risk Committee

David McGarvey

Chief Financial Officer and Company Secretary

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.