ACRUX INVESTOR PRESENTATION AND HALF YEAR RESULTS
(ASX: ACR)

February 2019

FORWARD LOOKING STATEMENTS

This presentation includes forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks and important factors that may cause the actual results, performance or achievements of Acrux to be materially different from the statements in this presentation.

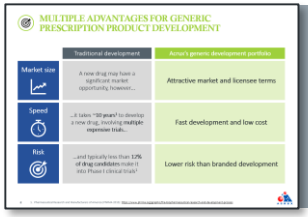
Actual results could differ materially depending on factors such as the availability of resources, the results of clinical studies, the timing and effects of regulatory actions, the strength of competition, the outcome of legal proceedings and the effectiveness of patent protection.

INVESTMENT HIGHLIGHTS

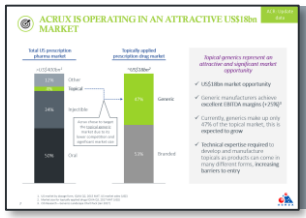
Attractive and accessible market	• The topical generic market provides attractive returns with fast, low-risk development for drug developers • The size of the topical generic market in the US alone worth **~US$18bn**
Focus on creating value	• Acrux is deliberately focusing on drug selection and development to create maximum value • Acrux has a clear pathway to capture this value through strategic partnerships
Delivering on strategy	• **Strong execution building the topical generic pipeline since 2015. 14 products** now in portfolio, with an addressable market of **US$1.7bn** • First submission to FDA in June 2018, with acceptance for review in August, **in line with guidance** • Second submission to FDA in August 2018, with acceptance for review in October, **in line with guidance**
Multiple value catalysts	• **First revenues expected in calendar year 2019** • Multiple FDA ANDA submissions in **FY19** and beyond • Licensing interest received from several parties
World class development team	• Experienced management team with a proven history of meeting operational milestones • Strategic direction led by a board with highly relevant expertise

ACRUX HAS A CLEAR STRATEGY TO CREATE SHAREHOLDER VALUE

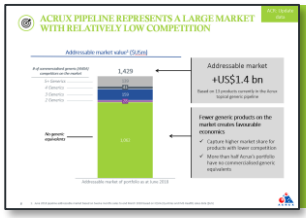
Acrux has deliberately targeted an attractive, accessible and valuable market...



Multiple key advantages for targeting the topical generic market



US$18bn Niche targeted within a >US$400bn market



US$1.7bn Size of Acrux's portfolio addressable market

... and has built a scalable engine focused on drug selection and development

Deliberate focus and area of expertise to create value

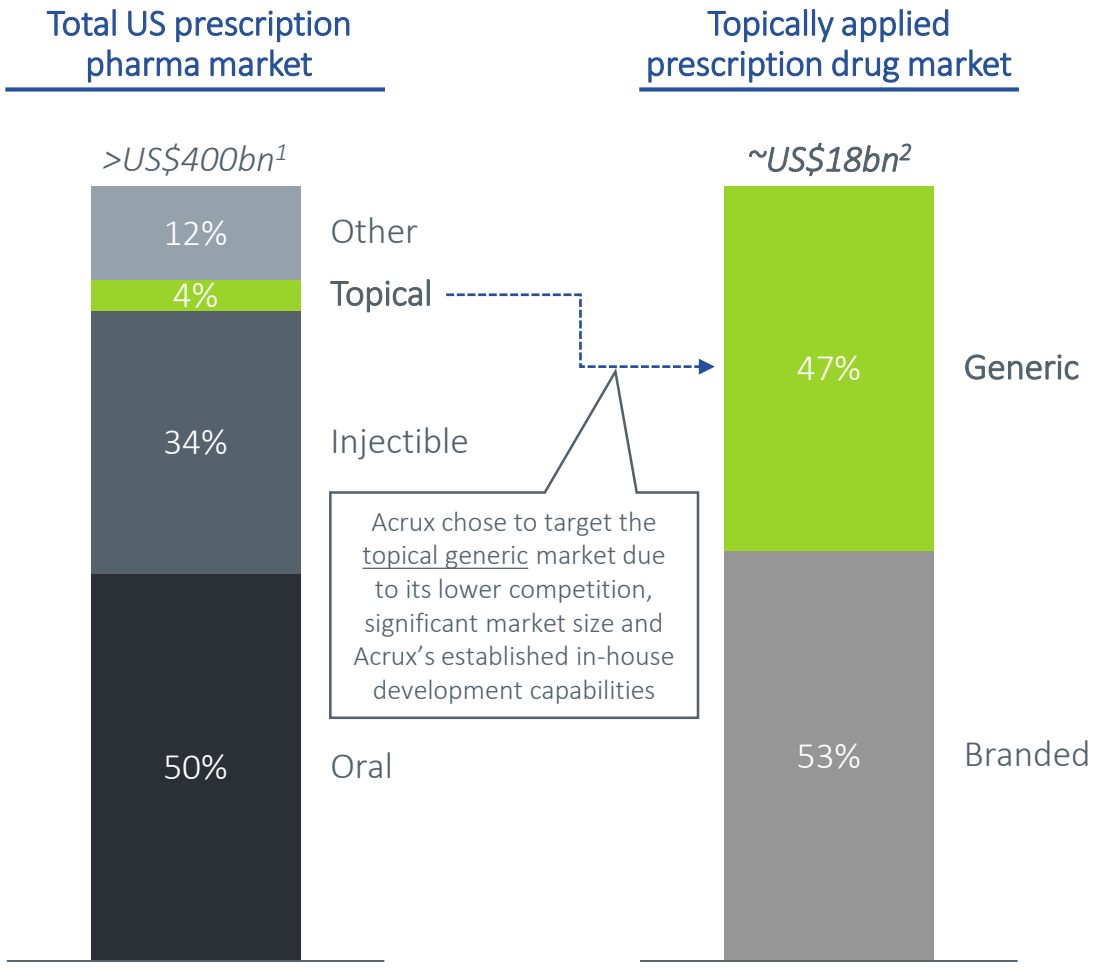
Strategic partnerships to capture value

MULTIPLE KEY ADVANTAGES FOR GENERIC PRESCRIPTION PRODUCT DEVELOPMENT

	Traditional development	Acrux's generic development portfolio
Market size	A new drug may have a significant market opportunity, however…	Attractive market and licensee terms
Speed	…it takes **~10 years**[1] to develop a new drug, involving **multiple expensive trials**…	Fast development and low cost
Risk	…and typically less than **12% of drug candidates** make it into Phase I clinical trials[1]	Lower risk than branded development

1. Pharmaceutical Research and Manufacturers of America (PhRMA 2015): https://www.phrma.org/graphic/the-biopharmaceutical-research-and-development-process

ACRUX IS OPERATING IN AN ATTRACTIVE US$18bn MARKET



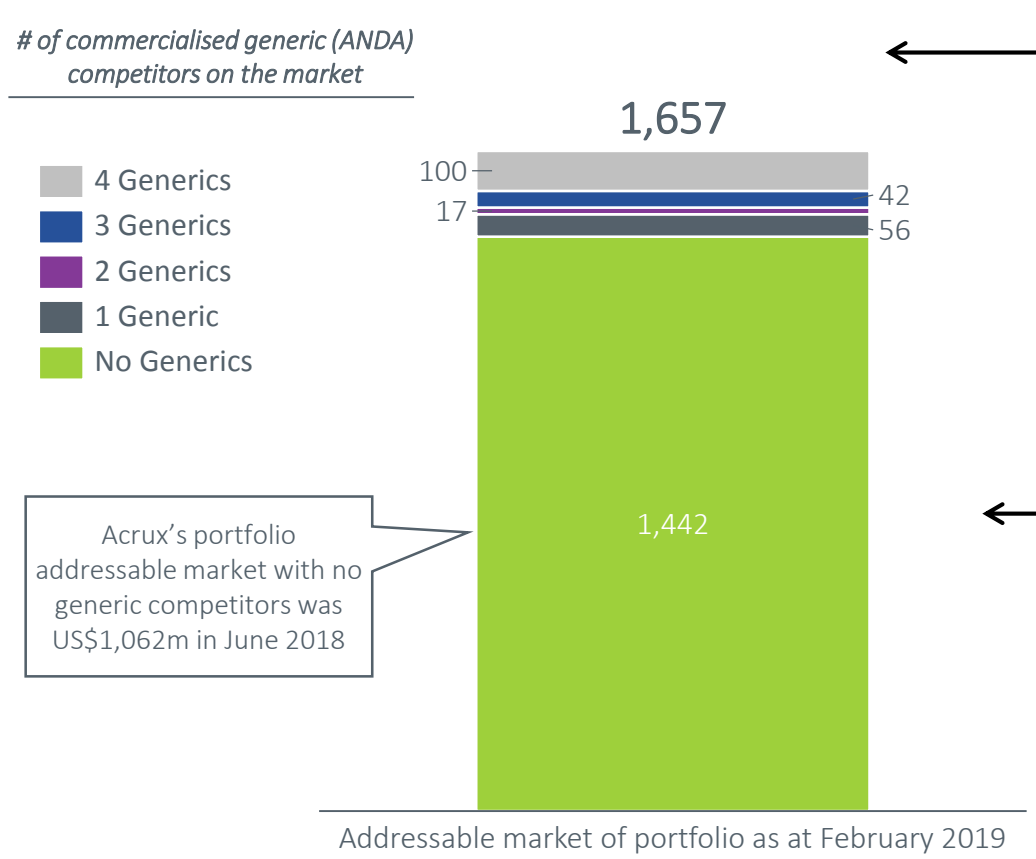
Topical generics represent an attractive and significant market opportunity

- ✓ US$18bn market opportunity
- ✓ Generic manufacturers achieve **excellent EBITDA margins (+25%)**[3]
- ✓ Generics make up only 47% of the topical market, this is **expected to grow**[2]
- ✓ **Technical expertise required** to develop and manufacture topicals as products can come in many different forms, **increasing barriers to entry**

1. US market by dosage form, IQVIA Q2, 2015 MAT. US market sales (US$)
2. Market size for topically applied drugs IQVIA Q3, 2017 MAT (US$)
3. Citi Research – Generics Landscape Chart Pack (September 2018)

ACRUX PIPELINE REPRESENTS A LARGE MARKET WITH RELATIVELY LOW COMPETITION

Addressable market value[1] ($USm)



Addressable market

US$1.7 bn

Based on 14 products currently in the Acrux topical generic pipeline

Fewer generic products on the market creates favourable economics

- ✓ Capture higher market share for products with lower competition
- ✓ More than half of Acrux's portfolio have no commercialised generic equivalents

1. February 2019 pipeline addressable market based on twelve months sales to end September 2018 based on IQVIA (Quintiles and IMS Health) sales data ($US)

ACRUX HAS A FOCUSED STRATEGY ON DRUG SELECTION AND DEVELOPMENT

An illustrative pathway for generic drug development and commercialisation

	Status	Description
IDENTIFY	165 *Identified topical molecules, each with >US$10m in sales*	Market screening to identify high potential prescription topical products
DEVELOP	14 *Products in development*	R&D team with highly specific topical expertise drive development. Typical drug development time is 3-4 years including engaging CMOs[1] to scale up manufacturing
APPROVE	2 *Products under FDA review*	*The FDA has made a commitment to review 90% of first round applications within 10 months[2]*
LAUNCH	*Commercial discussions underway*	*Acrux expects a typical license agreement to consist of an annuity revenue stream, with the potential for milestone payments to be included as well*

1. CMO: Contract Manufacturing Organisations;
2. Under GDUFA II, the FDA has committed to review 90% of ANDA applications within 10 months. ANDA approval will follow if the FDA is satisfied during the review process.

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EXPERIENCED MANAGEMENT TEAM WITH A PROVEN HISTORY OF MEETING OPERATIONAL MILESTONES

Management team

Michael Kotsanis BSc, MBus
CEO & Managing Director

Synthon · Hospira · mayne pharma · Faulding

Experienced leader in the pharmaceuticals industry with demonstrated success commercialising generic products

Felicia Colagrande, BSc(Hons), MBA
Product Development and Technical Affairs Director

Faulding

Deep experience in pharmaceutical operations, dermal drug development, analytical development and production. Felicia leads and facilitates all technical aspects of pharmaceutical product development including R&D, analytical development, project management and CMC development

Charles O'Sullivan, B. Pharm
Portfolio Director

Hospira · mayne pharma · gsk

Experienced healthcare executive with senior and international leadership roles in scientific affairs, medical affairs, health economics and government affairs. Previously Asia Pacific Director of Medical and Government Affairs for Hospira (now Pfizer)

Tim Bateman CA
CFO & Company Secretary

VIX · mayne pharma

Extensive financial experience and senior finance role. Tim was the Group Chief Financial Officer at Vix Technology for 10 years where his responsibilities included financial management, corporate governance, supporting strategic planning, M&A activities and capital raising

World class topical R&D team

*"I am extremely proud to lead an **expert topical drug development team**. Our in-house skill set provides us with an **unique advantage**, supported by robust processes, competent regulatory acumen and our ability to **deliver products through development to commercialisation.**"*

Felicia Colagrande, Product Development and Technical Affairs Director

25 *scientists with experience in developing pharma products*

350+ *years of combined experience in drug development*

1 *common goal: develop high-value topical generics*

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STRATEGIC DIRECTION LED BY A BOARD WITH HIGHLY RELEVANT EXPERTISE

Michael Kotsanis
CEO & Managing Director

- **Experienced leader** in the pharmaceuticals industry with demonstrated success **commercialising generic products**
- Michael was formally the Chief Commercial Officer for Synthon Holding BV, an international pharmaceutical company and a **leader in the field of generic medicines**
- Prior to Synthon Michael was President, EMEA for Hospira - the **largest global generic injectable company**

Ross Dobinson
Non-Executive Chairman

Capital markets expert with a wealth of experience advising and establishing life science companies

Simon Green
Non-Executive Director

- Extensive biotech drug development and commercial manufacturing experience
- Formerly senior vice president and general manager, CSL Ltd

Geoff Brooke
Non-Executive Director

- Founded GBS Venture Partners
- Former president of Medvest Inc, a venture capital group he founded with Johnson & Johnson

Tim Oldham
Non-Executive Director

- Former CEO of Cell Therapies Pty Ltd
- Former president of Asia Pacific for Hospira Inc and previously held a variety of senior management roles with Mayne Pharma Ltd

ACRUX CONTINUES TO MAKE PROGRESS ACROSS ITS KEY COMMERCIAL OBJECTIVES

	FY19			CY19
Acrux objectives	Submit 2 dossiers to FDA *(in addition to FY18 submission)*	Scale up 6 projects from Acrux laboratory to CMOs	Add further products to generic portfolio	First revenues from generic portfolio in CY19
Status	▪ *1 dossier submitted in FY18* ▪ *1 dossier submitted in FY19* ▪ *On track to submit an additional dossier in FY19*	*On track* *Technical transfer process initiated during FY19 to date for 3 projects*	*On track* *14 products in development pipeline including 2 products accepted for FDA review*	*On track*

HALF YEAR PROFIT AND LOSS

	Half Year Ending 31 December 2018 $'000	31 December 2017 $'000	%
Royalty revenue	275	2,420	(88.6%)
Interest & other income	320	323	(0.9%)
R&D tax incentive rebate	2,057	-	-
Total	**2,652**	**2,743**	**(3.3%)**
R&D investment	(4,926)	(5,303)	7.1%
Other operating costs	(1,030)	(1,682)	38.7%
Non operating costs	(210)	(448)	53.1%
Total expenses	**(6,166)**	**(7,433)**	**17.0%**
Operating loss before impairment loss and income tax	**(3,514)**	**(4,690)**	**25.1%**
Impairment loss	-	(5,647)	-
Operating loss before income tax	**(3,514)**	**(10,337)**	**66.0%**
Income tax (expense) / benefit	(22)	1,643	(101.3%)
Net loss for the half-year	**(3,536)**	**(8,694)**	**59.3%**
Loss per share			
Basic loss per share	**(2.12) cents**	**(5.22) cents**	
Cash reserves	**22,224**	**32,363**	**(31.3%)**

HALF YEAR CASHFLOW

	Half Year Ending 31 December 2018 $'000	31 December 2017 $'000	%
Cash flow from operating activities			
Receipts from product agreements	254	6,570	(96.1%)
Payments to suppliers and employees	(6,571)	(7,183)	8.5%
Interest received	328	253	29.6%
Income tax refunded / (paid)	51	(1,069)	104.8%
Net cash used in operating activities	**(5,938)**	**(1,429)**	**(315.5%)**
Cash flow from investing activities			
Payment for property, plant and equipment	(308)	(159)	(93.7%)
Net cash used in investing activities	**(308)**	**(159)**	**(93.7%)**
Net decrease in cash and cash equivalents	**(6,246)**	**(1,588)**	**(293.3%)**
Cash at beginning of half year	28,470	33,974	(16.2%)
Foreign exchange differences on cash holdings	-	(23)	-
Cash and at end of the half year	**22,224**	**32,363**	**(31.3%)**

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CORPORATE OVERVIEW

Trading Information

Share price (as at 21 February 2019)	A$0.180
Shares outstanding[1]	166.6m
Market capitalisation	A$30.0m
Cash (as at 31 Dec 2018)	A$22.2m
Implied enterprise value	A$7.8m

Major Shareholders

Shareholder	%
Samuel Terry Asset Management	6.14
Mr Paul Cozzi[2]	2.58
Mr Christopher M Abbott[2]	1.74
Ashwood River Pty Ltd[2]	1.56

Share price performance (last 12 months)

Source: IRESS & Acrux 2018 Appendix 4D & Financial Results

1. Excludes 1m options expiring in July 2019 and 6.3m performance rights vesting subject to various vesting conditions
2. As at 28 September 2018

THANK YOU

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