

Epichem client gives notice to end contract in February 2020

- Epichem client UNITY Biotechnology Inc. has given Epichem notice to end its contract due to funding issues at Unity. The contract will end around February 2020.
- Epichem will seek to replace any capacity through redeployment of selected staff and enhanced business development initiatives

7 January 2020 – Perth, Australia: PharmAust Ltd (ASX:PAA), a clinical-stage oncology company, announces that UNITY Biotechnology Inc., a client of its contract medicinal chemistry subsidiary Epichem, has given Epichem notice to end its contract with Epichem due to funding issues at Unity. The contract with Epichem will formally end in February 2020.

The Unity contract is currently the second largest contract at Epichem and the net result is that Epichem's projected revenue forecast for FY2020 is now \$3.34 million.

Epichem will seek to replace any capacity through redeployment of selected staff and enhanced business development and other initiatives.

Epichem's Chief Executive Officer Colin La Galia said "It is in the nature of the contract medicinal chemistry business that new contracts are secured and also that existing contracts end at some stage for a variety of reasons including funding or budget constraints. Our team have enjoyed working and partnering with UNITY Biotechnology Inc over the last 3 years on their project and wish Unity well for the future. We look forward to the opportunity to work with them again moving forward."

PharmAust's Executive Chairman Dr Roger Aston said "PharmAust will continue to fully support Epichem as we have done with the expansion of the two laboratories and otherwise. Epichem's Chief Executive Officer Colin La Galia has already identified a package of new initiatives, including enhanced business development and treasury and cost management, to grow the Epichem business. In our view Epichem has a bright future".

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About PharmAust (PAA):

PAA is a clinical-stage company developing targeted cancer therapeutics for humans and animals. The company specialises in repurposing marketed drugs lowering the risks and costs of development. PAA's subsidiary, Epichem, is a successful contract medicinal chemistry company.

PAA's lead drug candidate is monepantel (MPL), a novel, potent and safe inhibitor of the mTOR pathway – a key driver of cancer. MPL has been evaluated in Phase 1 clinical trials in humans and dogs; was well tolerated and produced a significant reduction in key prognostic biomarkers. PAA is positioned to commercialise MPL for treatment of human and veterinary cancers as it advances the drug in Phase 2 clinical trials.