Media Release

23 March 2016

SYNAIRGEN COLLABORATION PROGRESS

Pharmaceutical research company Pharmaxis (ASX: PXS) is pleased to report progress from its ongoing collaboration with UK biotechnology company Synairgen plc (LSE: SNG) to develop a selective inhibitor to the lysyl oxidase type 2 enzyme (LOXL2) to treat the fatal lung disease idiopathic pulmonary fibrosis (IPF).

Overnight Synairgen announced data generated in an in vitro model of IPF using lung cells from IPF patients, developed in collaboration with scientists at the University of Southampton. The data shows that the Pharmaxis enzyme inhibitors, by inhibiting LOXL2, are able to reduce cross-linking of collagen fibres essential for the stabilization of fibrotic tissue.

The complete Synairgen media release is attached.

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About Pharmaxis

Pharmaxis (ACN 082 811 630) is an Australian research pharmaceutical company with a portfolio of products at various stages of development and approval. Its product Bronchitol® for cystic fibrosis is marketed in Europe and Australia and a phase 3 trial to enable completion of an NDA for the US market is underway. Its product Aridol® for the assessment of asthma is sold in Europe, Australia and Asia. The company's development pipeline is centred on its expertise in amine oxidase chemistry and includes Semicarbazide-Sensitive Amine Oxidase Inhibitors (SSAO) for Non-alcoholic Steatohepatitis (NASH) and inflammatory diseases including Chronic Obstructive Pulmonary Disease (COPD), and Lysyl Oxidase Inhibitors (LOX) targeting fibrotic diseases including pulmonary fibrosis and some cancers. In May 2015, Boehringer Ingelheim acquired the Pharmaxis investigational drug PXS4728A, to develop it for the treatment of the liver-related condition NASH. Pharmaxis is listed on the Australian Securities Exchange (symbol PXS). The company's head office, manufacturing and research facilities are located in Sydney, Australia. For more information about Pharmaxis, please see 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. 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.

Analyst conference call

An analyst briefing and conference call will take place today, Tuesday 22 March 2016, at 9:30am GMT to discuss the LOXL2 update and the Company's Preliminary Results. Please contact Consilium Strategic Communications for more details.

Synairgen plc

('Synairgen' or the 'Company')

Positive LOXL2 results

~ Collaboration with Pharmaxis progresses well with Phase I clinical trials scheduled to commence in 2017 ~

Southampton, UK – 22 March 2016: Synairgen plc (LSE: SNG), the respiratory drug discovery and development company, today announces positive results from its ongoing collaboration with Pharmaxis (ASX: PXS) to develop a lysyl oxidase type 2 enzyme (LOXL2) inhibitor as a novel treatment for the fatal lung disease idiopathic pulmonary fibrosis (IPF).

IPF results from the build-up of scar tissue (fibrosis) in the lungs, which prevents normal uptake of oxygen. Scar tissue is comprised of collagen fibres which, when excessively produced and cross-linked, result in fibrosis. IPF represents a significant indication with more than 100,000 patients in the USA alone[1].

Today's results were generated in an *in vitro* model of IPF, developed in collaboration with scientists at the University of Southampton, using lung cells from IPF patients. Human tissue-based models are increasingly recognised as being better for studying human disease than many animal-based or cell line-based research models. This is particularly the case for IPF, where the underlying causes of the disease are not well understood.

The results of the experiments announced today show that the Pharmaxis enzyme inhibitors, by inhibiting LOXL2, are able to reduce cross-linking of collagen fibres in a dose dependent manner. Additionally it has also been found that collagen fibres were less organised in the presence of the inhibitors. It is hypothesised that this will result in less "stiff" lung tissue and that this may beneficially alter the course of this devastating disease.

Synairgen is now focussing on the pharmacology of the inhibitors and expects to progress one of these inhibitors into Phase I clinical trials during 2017.

References

1. https://ghr.nlm.nih.gov/condition/idiopathic-pulmonary-fibrosis. Accessed March 2016

Commenting on the results, Richard Marsden, Chief Executive of Synairgen, said: "We are very pleased with the progress made with this collaboration and are excited by these results. We look forward to updating the markets with further progress over the coming months."

Ends

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Synairgen plc

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About Synairgen

Synairgen is a respiratory drug discovery and development company founded by University of Southampton Professors Stephen Holgate, Donna Davies and Ratko Djukanovic. The business, focused primarily on asthma and COPD, uses its differentiating human biology BioBank platform and world-renowned international academic KOL network to discover and develop novel therapies for respiratory disease. Leveraging scientific and clinical trial facilities at the University of Southampton and Southampton General Hospital, the Company uses *in vitro* and *ex vivo* models to progress opportunities into clinical development. The BioBank of human samples is used in these models to increase confidence in the likelihood of successful drug development. Core to Synairgen's business strategy is the realisation of value via licensing transactions – validated in June 2014 by the SNG001 agreement formed with AstraZeneca. Synairgen is quoted on AIM (LSE: SNG). For more information about Synairgen, please see www.synairgen.com.